

Our success is driven by a global workforce united by a shared purpose — to empower our customers and communities to build a more water-secure world. We cultivate a High-Impact Culture where employees are inspired to innovate, empowered to lead, and accountable to deliver.

We aim to create an environment where employees feel valued and heard, have opportunities to grow, bring their authentic selves to their work, do their best work, and experience a strong sense of belonging. Over the past year, we have continued to evolve our organization to create value for our customers, shareholders, and communities. By embracing inclusion and belonging and fostering an environment of continuous learning, we fuel innovation. By staying attuned to our customers' needs and building trust through transparency, we empower our teams. And by promoting clarity and focus, we strengthen our commitment to deliver results for each other, our customers, and the communities we serve together.

## Recruiting and hiring top talent

Developing and implementing policies and programs that promote inclusive, merit-based hiring, retention and promotion, professional development and learning, comprehensive benefits, and competitive compensation are essential to our success. In 2024, we **reinforced existing initiatives and introduced new programs and policies to further strengthen our talent management approach.** Learn more about our programs dedicated to hiring the next generation of water leaders on page 48 of the [2024 Sustainability Report](#).

## Performance, learning and development

### Performance management

Our performance management system "Connect. Perform. Grow." (CPG) is designed to foster ongoing, meaningful conversations between managers and team members to set goals, assess performance, and identify growth opportunities. This regular dialogue includes coaching and peer feedback to support professional development. In 2024, we **enhanced the process and system to reinforce High-Impact Behaviors.**

### Learning

We follow the 70/20/10 learning model, recognizing that 70% of learning happens on the job, 20% through interactions with employees, customers, and partners, and 10% via formal training. Our learning management system offers formal learning opportunities through on-demand and instructor-led training in leadership, professional skills, technical expertise, and role-specific competencies. In 2024, **employees averaged 16.4 formal learning hours each.**

### Building a strong talent pipeline

To support career growth, internal mobility, and succession planning, we provide comprehensive talent development programs across all levels, businesses, and functions. Explore our talent development initiatives — including entry-level recruitment, emerging leader programs, first-time leader cohorts, mid-level leadership development, and executive leadership training — on page 49 of the [2024 Sustainability Report](#).

## Compensation and benefits

We are committed to offering Xylem employees competitive compensation and benefits through a total rewards approach that integrates compensation, benefits, and well-being programs. As part of our global well-being framework, we provide benefits that address the varied and interconnected aspects of employees' lives — physical, mental, emotional, social, and financial well-being. While benefits vary by country, location, role, and level, our competitive compensation and benefits packages extend beyond salaries to include health insurance coverage, retirement plans, paid leave, wellness programs, mental well-being, flexible work schedules, equity grants, and more. We also continue to balance in-person, remote and hybrid work to meet business needs and attract top talent. While approaches vary by country and role, office-based colleagues generally follow a hybrid working approach.

Our compensation programs are designed to be competitive within each local market and aligned with our business strategy. We support our pay-for-performance philosophy by offering a comprehensive compensation package that includes base salary and, for eligible employees, performance-based incentives such as annual, sales, and long-term incentives, generally in the form of equity grants.

We believe that fair and equitable compensation is key to fostering a positive workplace environment, enhancing job satisfaction, and supporting overall employee well-being. In 2024, we **conducted a global gender pay equity analysis for a significant number of employees, and a race and ethnicity pay equity analysis for the United States. Our review found no systemic disparities based on gender or race.** We plan to conduct a follow-up analysis in the second half of 2025 after an ongoing organizational realignment.

## Employee feedback communication

In early 2024, **63% of Xylem employees — nearly 13,000 — participated in a global survey** to share feedback on our High-Impact Culture. With **80% favorable responses and 83% engagement**, the results affirmed strong alignment with our priorities. Insights were analyzed using artificial intelligence to guide targeted actions by leaders, leading to improved communication, streamlined processes, and driving positive change. We plan to continue this momentum with two global surveys in 2025, alongside ongoing pulse checks and employee engagement forums.

## Employee representation

We respect employees' legal right to join — or not join — labor organizations, without fear of discrimination. We promote positive labor relations by fostering strong manager-employee communication and supportive working conditions. As of December 31, 2024, Xylem employed approximately 23,000 people globally. **Around 66% of our European workforce and 11% of our U.S. workforce are represented by unions or works councils.** In some other countries, employees are also represented by works councils.



# Inclusion and belonging

We are committed to fostering a workplace where every employee feels a true sense of belonging — where they feel valued, respected, heard, connected, able to bring their authentic selves to work, and capable of doing their best work. This enables us to drive innovation, positively impact employee and customer satisfaction, and enhance our competitiveness in a global marketplace. By embracing the power of belonging, we can better serve the communities in which we operate, creating lasting value for our shareholders and stakeholders.

Inclusion and belonging are fundamental to how we enable our customers — who serve diverse communities — to address global water challenges. Inclusive teams bringing together different backgrounds, cultures, and experiences generate fresh ideas, and help us develop better solutions, strengthen relationships, and understand the unique needs of our customers and communities. This collaboration builds trust, accelerates problem-solving, and allows us to deliver impactful results across markets and communities worldwide.

Inclusion and belonging are not just values but essential to our mission of solving water challenges worldwide. Together, we are shaping a future in which everyone can thrive and contribute to a more equitable and sustainable world.

## Our people in numbers <sup>1</sup>

A key component of our efforts is to increase the transparency of our people data. This will provide employees, potential new talent, and other external stakeholders with a clear overview of our workforce and progress toward our goals.

2025 leadership representation goals to be achieved exclusively through merit-based retention, promotion, and recruitment:



29% women in leadership

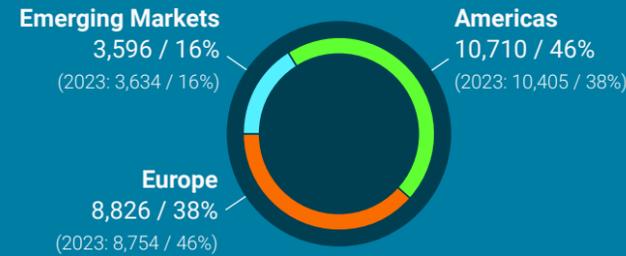


21% minority representation in U.S. leadership



Read about how we are building an inclusive workplace, our employee network groups, foster meaningful dialogue, and address discrimination and harassment on pages 55–59 in our [2024 Sustainability Report](#).

## Employees by geographical area



## % of women representation by management level globally



## U.S. employees by race and ethnic minority group

	African American	Asian American	Hispanic	Other race and ethnic minority	Total
Leadership	3% (2023: 4%)	7% (2023: 7%)	6% (2023: 6%)	3% (2023: 2%)	19% (2023: 19%)
Middle management	5% (2023: 5%)	8% (2023: 7%)	7% (2023: 7%)	3% (2023: 2%)	23% (2023: 22%)
Non-management	15% (2023: 15%)	3% (2023: 4%)	14% (2023: 14%)	4% (2023: 3%)	36% (2023: 36%)

## Employees by age <sup>2</sup>

	<30 years	30–50 years	>50 years
Leadership	—	2% (2023: 2%)	2% (2023: 2%)
Middle management	6% (2023: 6%)	30% (2023: 29%)	16% (2023: 16%)
Non-management	7% (2023: 7%)	22% (2023: 23%)	15% (2023: 15%)
Total	13% (2023: 13%)	54% (2023: 54%)	33% (2023: 33%)

<sup>1</sup> Please find additional employee data in the datasheet on page 88 and the accounting principles on pages 83–86 in our [2024 Sustainability Report](#).

<sup>2</sup> The 2024 and 2023 data are based on available records and exclude employees whose date of birth is not captured in Workday — 1.4% of Xylem employees in 2024 and 0.9% in 2023.