Sustainability at Xylem

Sustainability is at the core of our business strategy, reflecting our belief that advancing environmental stewardship and contributing to a more resilient society go hand in hand with financial success.

As water challenges — from scarcity to emerging contaminants — intensify, communities and businesses worldwide are increasingly prioritizing water security, focusing on the access and stewardship of safe, affordable, and resilient water resources to support sustainably healthy communities and prosperous economies. We are uniquely positioned to support them on their journey, providing innovative solutions and services that empower our customers to deliver clean water, treat wastewater, and protect public health within their communities.

Customers in the water sector value sustainability as a competitive differentiator, and we are advancing our 2025 Goals and have set ambitious 2030 Goals to deliver even greater impact. By adapting to a changing world, expanding access to water solutions, and strengthening partnerships across our value chain, we aim to deliver on our commitments and accelerate progress toward a more sustainable and water-secure future for all.

Decarbonizing the water sector

It is estimated that water use and management accounts for nearly 10% of global greenhouse gas emissions, with more than 2% stemming from water and wastewater utility operations. As a technology partner for water managers and users, we play a vital role in decarbonizing the water sector.

This starts with our own commitment, including our science-based targets aimed at reducing Xylem's GHG emissions by 2030, and our goal to reach net-zero by 2050. By driving net-zero initiatives and fostering collaboration across utilities and other key stakeholders, we empower the water sector to transition to reduce its greenhouse gas footprint.

Our 2030 Decarbonization Goals

We believe the water sector has a key role in supporting global efforts to reduce GHG emissions. Striving to lead by example, we developed 1.5°C-aligned 2030 science-based targets for Xylem's Scope 1, 2, and 3 GHG emissions and are committed to reaching net-zero by 2050. In 2024, our science-based targets were validated and approved by the Science Based Targets initiative (SBTi).

Crucially, our greatest opportunity to reduce emissions in water management lies in driving innovation and collaborating with our customers and stakeholders — an essential focus of our efforts.

Key efforts:

- Collaborate with stakeholders across the water sector, enhance resources for utilities on their net-zero journey, support regulators in utility decarbonization, and raise awareness with thought leadership. See pages 27–28, 43–45, and 81 of our 2024 Sustainability Report.
- Measuring our products' environmental impact through life-cycle assessments and detailed product sustainability reports and evaluating the impact of our solutions on end-of-life waste-related emissions. See pages 43–45 of our 2024 Sustainability Report.
- Reducing our Scope 1, 2, and 3 emissions, and embedding targets in our operational and financial success. See pages 25 and 33–37 of our 2024 Sustainability Report.

Spotlight

Empowering our customers' decarbonization journeys while delivering cost savings

In 2024, Xylem presented a compelling proposal for an aeration system upgrade at an Eastern European food processing facility. The proposal combined technical expertise, cost analysis, and impactful GHG emissions reduction insights to address the customer's needs and enable a 33% reduction in electricity consumption, which would result in a significant annual decrease of 13 metric tons of CO_2e emissions.

The plan centered on replacing outdated positive displacement blowers with energy-efficient Sanitaire Turbo units. Using a customized analysis tool, Zsombor Vánkos, Application Engineering Team Leader and a member of Xylem's Customer Sustainability team, provided tailored projections of return on investment and emission savings. These calculations factored in the facility's specific energy costs and operational requirements.

By aligning the proposal with the customer's sustainability goals, we highlighted the dual benefits of financial savings and positive environmental impact. That proposition resonated with the local plant manager and also addressed the broader objectives of corporate leadership at the company's headquarters in France. The data-driven approach delivered clear and compelling insights, enabling the customer to fully grasp the value of reducing energy consumption and emissions.

We continue to empower customers on their decarbonization journeys, driving measurable reductions in GHG emissions and delivering tangible progress toward their sustainability goals.

> "It was inspiring to see how we turned a simple proposal into a comprehensive, sustainability-focused offering, including emission reductions. This approach generated enthusiasm, supported local development, and enhanced customer satisfaction through value-driven analyses."

Zsombor Vánkos
Application Engineering Team Leader

Our path to net zero

Actions pre-2020

In 2014, we committed to reduce operations-related emissions by 20% by 2019. A reduction of 28.3% was achieved during this time.

In 2019, we committed to an ambitious set of 2025 Sustainability Goals, identifying 22 major facilities to focus on to reach the company's net-zero commitment. In addition, we made commitments to green large portions of our fleet and continued to report on Scope 1, 2, and 3 emissions.

Actions 2020–2030

Legacy-Xylem sites reduced absolute Scope 1 and 2 (market-based) emissions by 40% in 2023 vs 2019. In 2021, we committed to setting science-based targets aligned to a 1.5°C reduction scenario by 2030 and achieving net-zero by 2050.

After the acquisition of Evoqua in 2023, the combined company's Scope 1, 2 and 3 emissions footprint was recalculated and reported in the 2023 Sustainability report.

In 2024, we resubmitted our 2030 science-based targets to SBTi, based on the updated 2023 baseline of the combined company:

- **42% Scope 1 and 2 absolute reductions**
- **52% Scope 3 economic intensity reduction[1]**

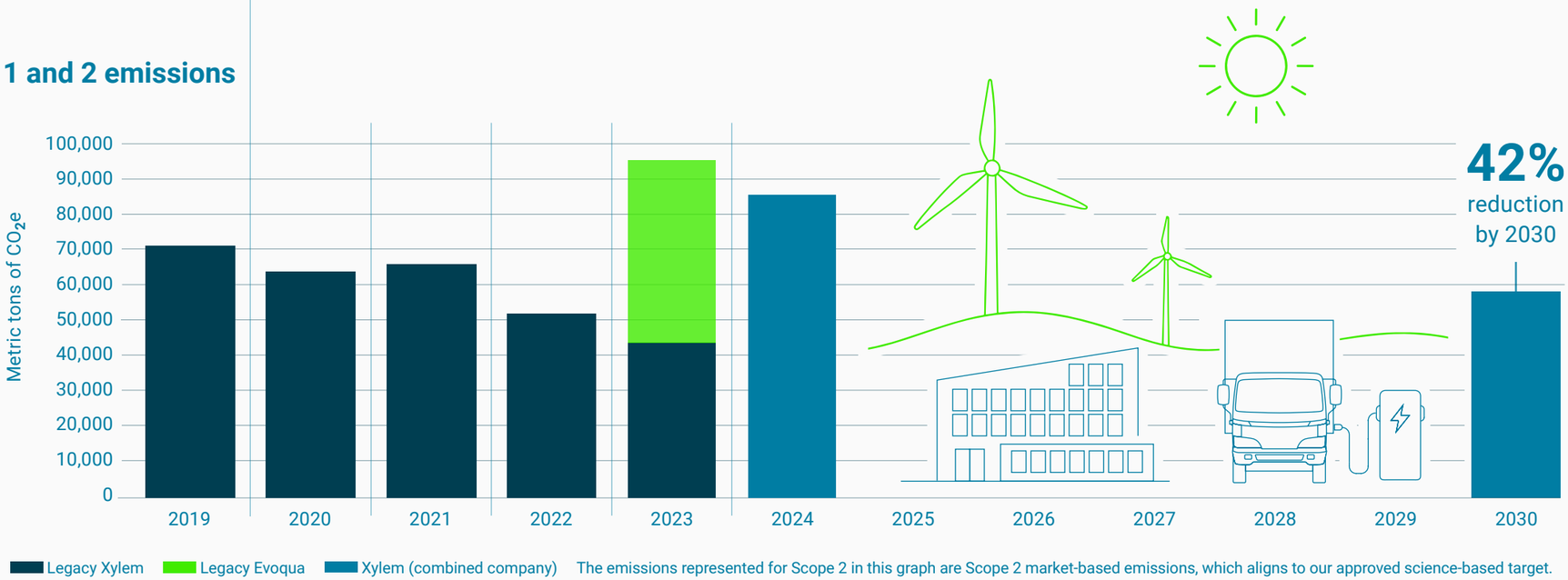
Our 2030 science-based targets were validated and approved by the SBTi in December 2024.

Plans for 2025 and beyond include increasing renewable energy use at legacy-Evoqua facilities, reducing fleet emissions, and optimizing our portfolio and customer engagement to reduce downstream Scope 3 emissions intensity.

Actions 2030–2050

We are committed to achieving net-zero emissions by reducing absolute greenhouse gas emissions across our operations, including our facilities, fleet, and supply chain. We will continue to work with our customers to reduce emissions associated with the use of our products, and supporting their operational and sustainability goals.

Xylem Scope 1 and 2 emissions



The emissions represented for Scope 2 in this graph are Scope 2 market-based emissions, which aligns to our approved science-based target.

Our decarbonization efforts are detailed in our Climate Action Plan and on pages 25, 27–28, 33–37, 43–45, and 81 of our 2024 Sustainability Report.

[1] Scope 3 economic intensity = absolute Scope 3 emissions / gross profit.

Operational sustainability

We strive to integrate sustainability into our operations to reduce our environmental impact, preserve resources, and support the well-being of the communities we serve.

With a global operational footprint spanning 21 countries and comprising 54 manufacturing facilities, our commitment to sustainability extends across various regions. In 2019, we identified 22 [2] major facilities [3] with significant energy, waste, and water impacts. While those major facilities provide the greatest opportunity for positive change, our operational sustainability practices influence all 427 Xylem facilities.

Our operational 2025 Sustainability Goals serve as vital benchmarks across four key categories: water management, emissions reduction, energy efficiency, and resource use and waste management.

Water management

In 2024, we reduced our water withdrawal to 2,480 megaliters — a 3% drop from 2023. Corresponding to $8,562 million in revenue, this is an **intensity of 0.29 megaliters per million US dollars of revenue**. We continued to showcase our commitment to water stewardship by **recycling and reusing 2,508 megaliters, representing a 16% increase from 2023**, and **treating and releasing 1,846 megaliters, a 98% increase from 2023**. Find out more on page 32 of our 2024 Sustainability Report.

Water consumption in 2024

(in megaliters)

Total water withdrawal	2,480
Total water recycled and reused	2,508
Total water treated and released	1,846

Reducing our operational GHG footprint

In 2024, **we reduced our Scope 1 and 2 emissions by approximately 2.4% compared to 2023**, reflecting our ongoing efforts to improve energy efficiency, increase renewable energy use, and enhance operations. We remain committed to further reductions through strategic investments and innovation. Achieving net-zero means addressing emissions beyond our own operations. By collaborating with customers and suppliers, optimizing logistics, and delivering efficient solutions, we are working to reduce emissions across our value chain. Our Scope 3 emissions increased by 9% in 2024, primarily due to a large Custom Pump order impacting Category 11 emissions.

GHG emissions in 2024

(in metric tons CO_2e)

Total Scope 1 emissions	73,943
Total Scope 2 emissions - location-based	52,005
Total Scope 2 emissions - market-based	18,272
Total Scope 3 emissions	69,050,457

Optimizing our operational energy profile

Our energy profile across manufacturing, office, and service facilities is evolving, with greater adoption of renewable energy alongside global investments in energy efficiency. Through strategic renewable energy purchases, we have greened our energy profile in a cost-effective manner, particularly at facilities lacking access to renewable energy sources. In 2024, **80% of Xylem's electricity was derived from renewable sources**. One of the 21 major facilities achieved the significant milestone of using 100% renewable electricity in 2024, bringing the total to 19 facilities overall.

Energy consumption in 2024

(in megawatt-hours)

Total direct energy usage	317,093
Total indirect energy usage	200,736
Total energy consumption	517,829

Progress towards our 2025 Goals in 2024

Goal **1**

Use 100% renewable energy at our major facilities

2024 update
Added 1 new facility

Progress to 2025
19 / 21

Goal **2**

Use 100% process water recycling at our major facilities

2024 update
Added 3 new facilities

Progress to 2025
19 / 21

Goal **3**

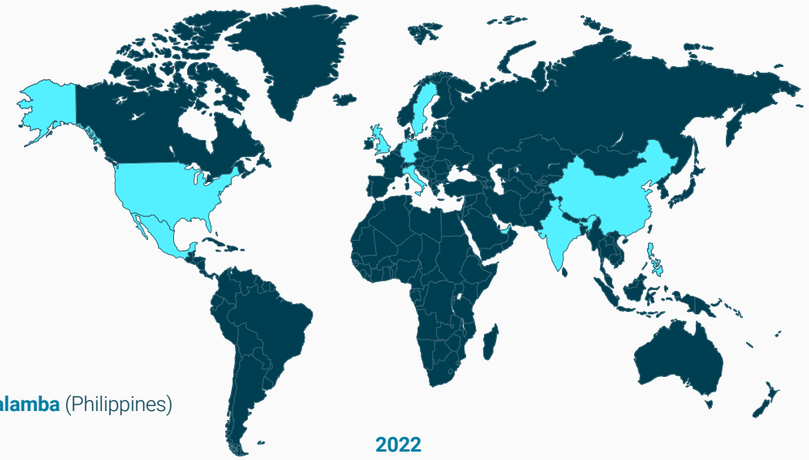
Achieve zero waste to landfill from processes at our major facilities

2024 update
Added 2 new facilities

Progress to 2025
19 / 21

Xylem's "Triple Crown" facilities

By the end of 2024, five additional major facilities attained what we internally call "Triple Crown" status by achieving all three operational goals. These are in addition to the major facilities that attained Triple Crown status in 2023. As of the end of 2024, a total of 16 of our 21 major facilities have achieved Triple Crown status.



2024

- **Quenington** (United Kingdom)
- **Vadodara** (India)
- **San Diego,** California (USA)
- **Dubois,** Pennsylvania (USA)
- **Auburn,** New York (USA)

2023

- **Calamba** (Philippines)
- **Chihuahua** (Mexico)
- **Emmaboda** (Sweden)
- **Herford** (Germany)
- **Lubbock,** Texas (USA)
- **Morton Grove,** Illinois (USA)
- **Pewaukee,** Wisconsin (USA)

2022

- **Dubai** (United Arab Emirates)
- **Nanjing** (China)
- **Montecchio** (Italy)
- **Texarkana,** Arkansas (USA)

[2] Slaton (Texas), USA, previously classified as a major facility, closed in 2023, reducing our total number of major facilities to 21.

[3] Major facilities are defined as the 21 manufacturing facilities that contribute most significantly to Xylem's water, waste, or GHG metrics, or are in areas with extremely high water-stress risk.

Resource use and waste management

Advancing circularity across the business

Our approach to the circular economy is guided by the vision and principles outlined in ISO 59004:2024. We strive to minimize resource use while maximizing efficiency and effectiveness through product design, operational management, and the solutions we deliver. This ambition has long been embedded in our company, providing a strong foundation for further progress. At the same time, fully realizing our ambition will require continued innovation, collaboration across our value chain, and deliberate, sustained action.

From raw material extraction to the impact our products have throughout their life cycle, we are committed to reducing resource consumption in manufacturing while maximizing the positive impact of our products during use. Our goal is to keep valuable resources in circulation for as long as possible, so that they can be reclaimed at the end of their life, while providing water treatment solutions that help our customers reduce their resource use.

To turn this vision into reality, we are actively investigating and implementing circular practices across our business. This includes designing for extended product lifespan, partnering with suppliers to increase the use of recycled materials, advancing circularity across our own operations and extending product lifespan through maintenance, and refurbishment.

Examples of circular initiatives:

- We aim to design products that are easy to disassemble, service, maintain, and repair. These design principles support efficient material separation at the product's end of life, enabling proper recycling.
- We collaborate with suppliers to incorporate secondary resources and recycle materials from our machining processes, reducing our reliance on virgin, non-renewable inputs. See page 39 of our 2024 Sustainability Report to learn more about how we integrate recycled materials into cast iron production at our foundry in Emmaboda, Sweden.
- Since 2019, we have prioritized waste reduction, water reuse, and sustainable packaging as part of our 2025 Sustainability Goals. To date, 19 of our 21 major facilities have eliminated process waste, and 19 facilities recycle 100% of their process water.
- A spare parts policy guarantees availability of spare parts for our Flygt pumps and mixers for up to 20 years (depending on the model). Read more here.
- Our wastewater ion exchange solutions help customers recover valuable resources from industrial wastewater and reduce waste. More details available on page 41 of our 2024 Sustainability Report.

Waste management

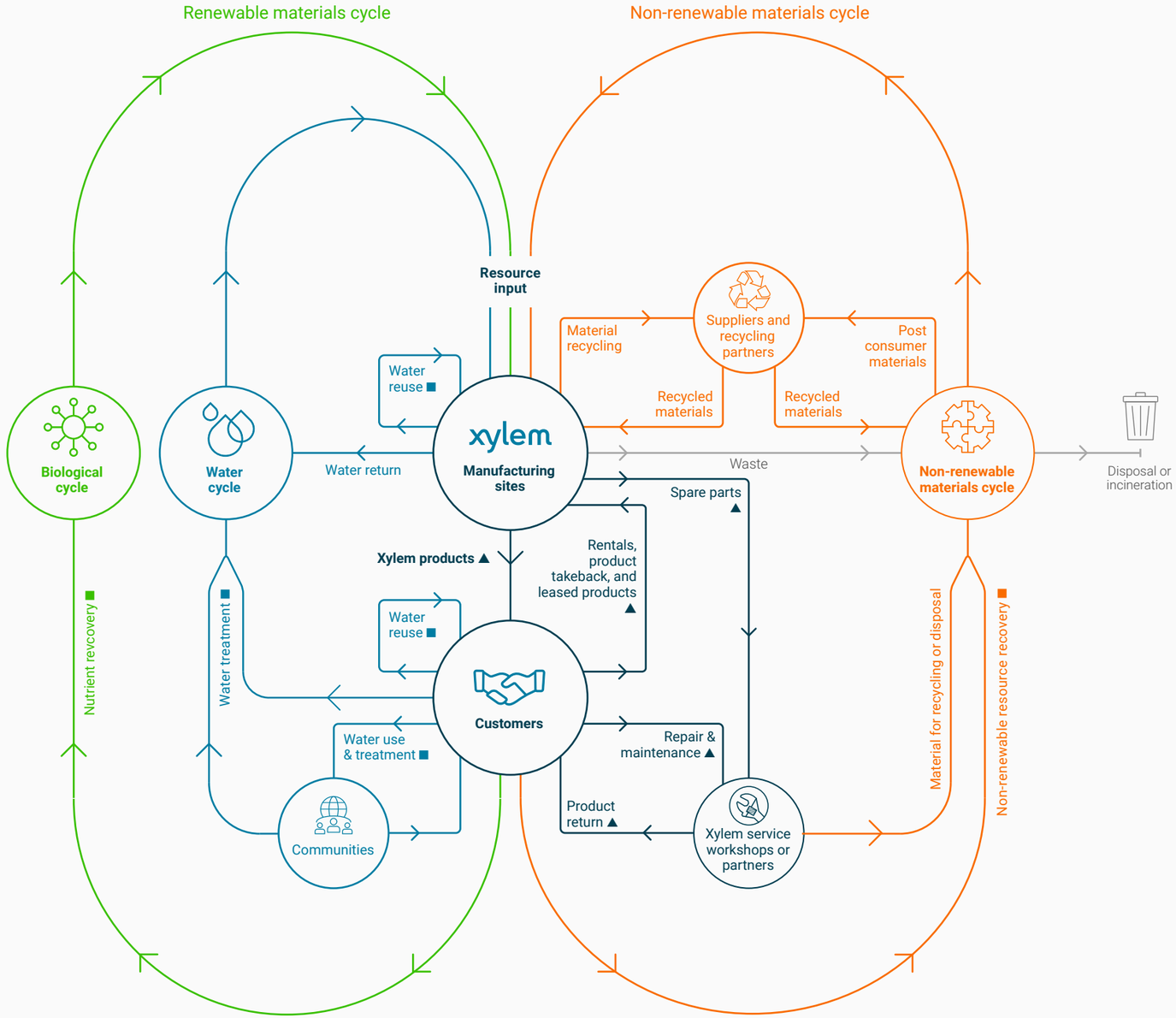
Our concerted efforts to increase waste diversion from landfills at our larger facilities are yielding substantial results. Through on-site initiatives and collaborative efforts with suppliers, we are actively reducing packaging, enhancing waste segregation practices, optimizing recycling processes, and exploring innovative reuse methods. In 2024, Xylem **recycled 31,361 metric tons of waste representing approximately 61% of the waste generated**.

Waste management
(in metric tons)

Total waste recycled	31,361
Total waste to non-landfill	13,602
Total waste to landfill	6,544
Total waste	51,507

Learn more about our operational sustainability initiatives on pages 31–41 of our 2024 Sustainability Report.

Resource use and circular economy



Xylem products – The products, solutions, and services provided by Xylem.

Renewable materials – Materials derived from biological sources, such as wood or paper.

Water – Water in liquid or vapor form.

Non-renewable materials – Finite resources, such as iron or copper.

■ **Xylem product use**
When our products treat, transport, or measure water — or recover biological nutrients, non-renewable resources, or energy — they help sustain resource flows within the water, biological, and technical cycles.

▲ **Xylem products & spare parts**
When our products and spare parts are physically moved — whether from our manufacturing sites to customers, between customers and partners, or back to Xylem.

Innovative solutions for meaningful impact

The positive environmental impacts our products enable are what we call a product's "handprint," while the total environmental impacts across all life stages of a product are known as its "footprint." Increasingly, our customers evaluate the balance between the two — how a product's handprint can help reduce their operational environmental impacts and mitigate the effects of a product's footprint throughout its life cycle.

Our commitment to transparently disclosing both the handprint and footprint of our products provides customers with the comprehensive data they need to make informed purchasing decisions and enhance their operational reporting. At the same time, it allows us to monitor and continuously improve our portfolio's sustainability performance.

In 2019, we established four product-based 2025 Customer Sustainability Goals to track how our products enable our customers to reduce their environmental impacts. Building on that foundation, in 2024, we **introduced a new 2030 Customer Water Stewardship Goal to further measure the positive impacts facilitated by our solutions**.

Progress on product-based customer sustainability goals

Our first set of goals, the 2025 Customer Sustainability Goals, used two distinct methodologies:

- **Sales Year Accounting Method:** This approach attributed the full lifetime impact of our solutions to the year the project was sold. It was used for our goals related to reuse, non-revenue water, and CO_2e reduction. Solutions included in these goals are often installed for long lifetimes, delivering positive impacts well into the future.
- **Contribution Method:** This approach attributed impact only from specific projects, used for our pollution prevention goal. These solutions are typically installed for limited periods of time to reduce pollution overflow.

Looking ahead, we continue to advance how we measure the positive environmental impact — or handprint — our solutions deliver for customers. Our 2030 Water Stewardship Goal, introduced in 2024, builds on our 2025 Goals and brings us closer to aligning with how our customers track and report their own environmental performance.

Our goal reflects our ability to enable customers reduce the annual impact of their water use through a wide range of Xylem solutions, including leak detection, water reuse, and on-site water management services.

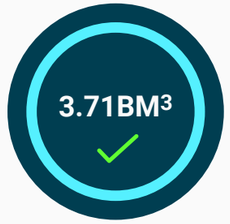
Since announcing our 2030 Goal, we have developed a calculation methodology and begun tracking progress in 2025. We look forward to sharing our first year of results in next year's report.

4 This goal is included as a key performance indicator (KPI) in our five-year revolving credit facility entered in 2023 and will be tracked throughout the duration of the agreement.

2025 Community Sustainability Goals

Goal **1**

Enable customers to reduce more than 3.5 billion cubic meters of non-revenue water by 2025



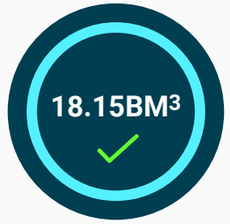
Progress since 2019
3.71 billion m³
(Goal surpassed)

Calculation method:
Total reported volume of leaks reduced following digital or one-time inspection services and average reduced leak, or non-revenue water detected by smart water metering solutions.

Product groups/products included:
Smart metering, assessment services, and leak detection solutions.

Goal **2**

Enable customers to treat more than 13 billion cubic meters of water for reuse by 2025



Progress since 2019
18.15 billion m³
(Goal surpassed)

Calculation method:
Total reported volume of water reuse enabled by a sold product throughout its operational lifetime.

Product groups/products included:
UV, ozone, advanced oxidation, and filtration treatment systems.

Goal **3**

Enable customers to prevent more than 7 billion cubic meters of polluted water from flooding communities or entering local waterways by 2025

Progress since 2019
10.74 billion m³
(Goal surpassed)

Calculation method:
Total reported volume of contaminated water pumped in temporary rental solutions and total reported volume of wastewater reduced in annual sewer overflow.

Product groups/products included:
Dewatering rental pumping and digital wastewater network optimization solutions.

Goal **4**

Enable customers to reduce water's CO_2e footprint by more than 2.8 million metric tons by 2025 [4]

Progress since 2019
6.43 million metric tons
(Goal surpassed)

Calculation method:
Total reported energy efficiency improvement of installed solutions, relative to regional GHG emissions factor and reduced distance driven by installation of smart metering.

Product groups/products included:
Transport, dewatering, treatment, and smart metering solutions.

Measuring use-phase carbon emissions

Emissions from the use of our sold products (Scope 3, Category 11) account for more than 96% of our total emissions across our value chain. A significant portion of our portfolio is designed to treat, move, and manage water as well as optimize and manage complex water systems, delivering critical benefits such as environmental protection, clean drinking water, and sanitation services. These products primarily operate on electricity, often running for many hours each day, and typically have long life cycles, lasting more than a decade.

Following GHG Protocol's methodology, our Category 11 emissions are calculated based on the average power draw (kW) or fuel consumption rate and lifetime use (running hours). These factors are multiplied by the appropriate emissions factor of the country where the products are sold.

GHG emissions – Scope 3 (indirect)

(in metric tons CO_2e)

Category 1 Purchased goods	847,077
Category 2 Capital goods	11,731
Category 3 Fuel and energy-related activities	30,568
Category 4 Upstream transport	190,755
Category 5 Waste generated	39,615
Category 6 Business travel	23,074
Category 7 Employee commuting	48,277
Category 9 Downstream transport	82,647
Category 11 Use of sold products	**66,845,993**
Category 12 End-of-life treatment of sold products	55,895
Category 13 Downstream leased assets	869,498
Category 15 Investments 53	5,327
Total Scope 3 emissions	**69,050,457**

Breakdown of emissions from the use of our sold products by business segment

The approximate share of emissions for each segment may fluctuate annually based on factors such as sales volume, product mix, and the execution of large projects. Based on 2024 reported emissions, the breakdown of Scope 3, Category 11 emissions is as follows:

- **Applied Water:** Approximately 40% are attributed to Applied Water pumping solutions supporting industrial, commercial, and residential customers.
- **Water Infrastructure:** Approximately 55% are attributed to Water Infrastructure's portfolio of transport and treatment solutions. Notably, our Custom Pump portfolio — including very large pumps often deployed in large-scale projects in regions such as China or India — can account for up to 15% of Xylem's total Scope 3, Category 11 emissions in a given year. [5] This means that a small number of projects can significantly impact total Category 11 emissions.
- **Water Solutions and Services:** Less than 5% are associated with the Water Solutions and Services portfolio.
- **Measurement and Control Solutions:** Most products within this segment, such as Smart Metering, operate on long-life batteries and have a negligible impact on our Scope 3, Category 11 emissions.

Regional considerations in our emissions calculations

In calculating emissions associated with Scope 3 Category 11, we take into account the destination country of our products sold, and regional emissions factors can significantly impact use-phase emissions of our products. For instance, a large custom pump or treatment installation in India, with its higher regional emissions factor, will have a much larger emission footprint than the same project installed in Europe or other regions with lower emission factors.

Striving for continuous improvement in emissions reporting

We continue to identify opportunities to enhance the accuracy of our Scope 3, Category 11 emissions reporting by refining the values and methods used in our calculations, leveraging the best available equipment usage data. These updates improve the accuracy and reliability of our Scope 3 emissions reporting, enabling more informed sustainability assessments.

For more information, please see page 84 of our 2024 Sustainability Report.

Advancing sustainability through product life-cycle insights

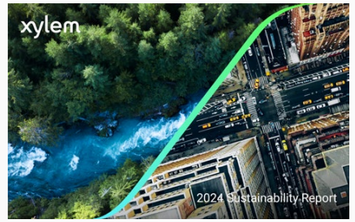
In 2024, we continued to build our life-cycle assessment (LCA) capabilities, aligning with ISO 14000 standards to evaluate the environmental impacts of our products across their life cycles. These advancements enabled us to successfully conduct LCAs and produce product sustainability reports (PSRs) for several of our product lines.

As part of this work, we have conducted LCAs and developed PSRs for several key product lines, including the Lowara Ecocirc XL, the Flygt Concertor 6020, and the Flygt 3000 series. These reports provide comprehensive, standardized insights into each product's environmental footprint, demonstrate the benefits of our sustainability initiatives, and support continuous improvement in product design. By prioritizing transparency and accountability, we are not only strengthening customer trust — we are helping build a more water-secure future.

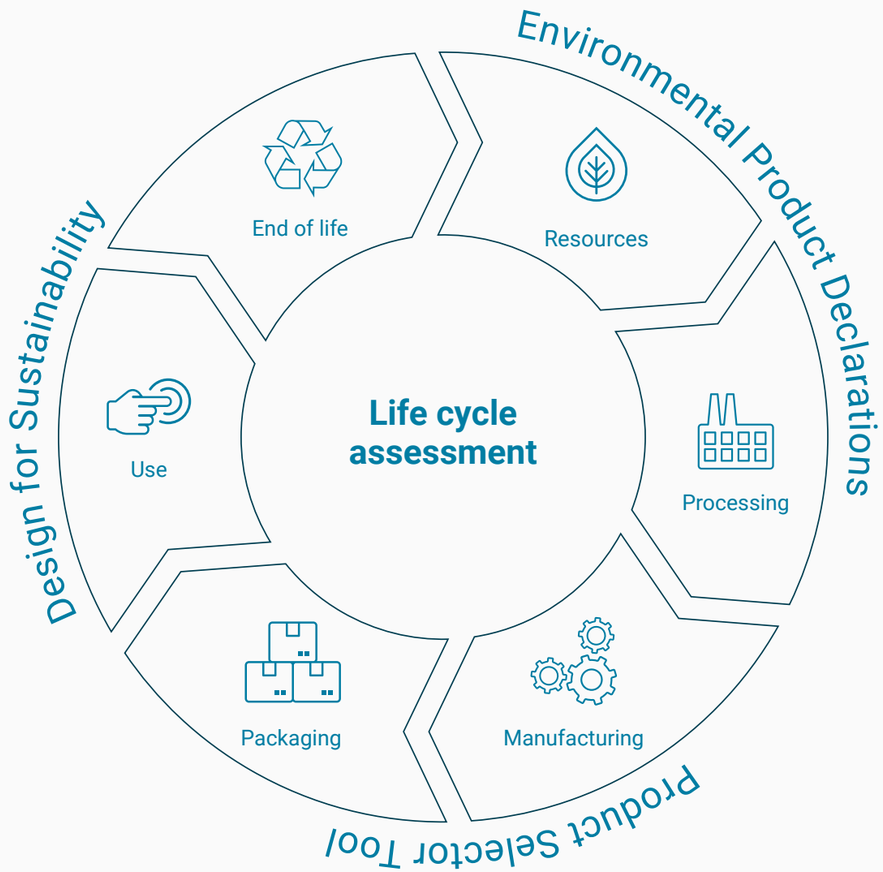
Meeting the growing demand for environmental product declarations

As customer expectations for transparent, standardized sustainability information continue to rise, we are advancing our capabilities to deliver high-quality environmental product declarations (EPDs). EPDs, which provide reliable insight into a product's environmental performance, are becoming a key tool for informed purchasing and regulatory compliance.

However, while product category rules (PCRs) — the foundation for creating validated EPDs — are well-established in sectors like consumer goods and construction, they remain limited in the water industry. To address this gap, we are leveraging our expertise to help drive the development of relevant PCRs for water sector products. This effort enables us to better meet customer needs, particularly around upstream carbon footprint data, including raw material extraction, manufacturing, and packaging.



Learn more about our product sustainability on pages 43–45 of our 2024 Sustainability Report.



5 Based on 2023 emissions.

Our people

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 [6]

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.

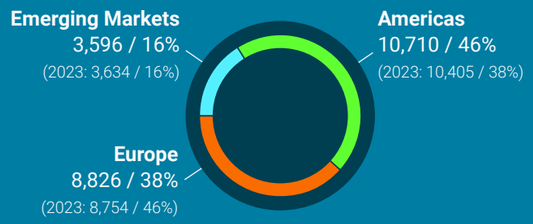
2025 leadership representation goals to be achieved exclusively through merit-based retention, promotion, and recruitment:

29% women in leadership

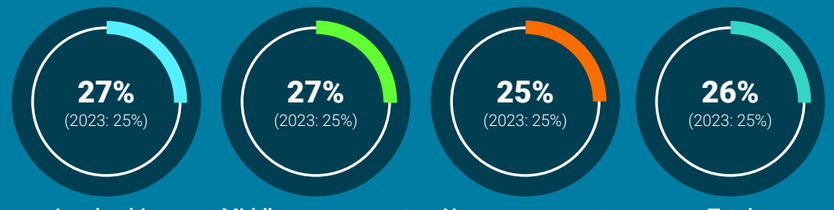
21% minority representation in U.S. leadership

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 [7]

	<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%)

6 Please find additional employee data in the datasheet on page 88 and the accounting principles on pages 83–86 in our 2024 Sustainability Report.

7 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.

Responsible sourcing

Responsible and ethical business conduct extends to everyone we do business with across our supply chain.

To foster a safe and healthy work environment, uphold fair labor practices, and strengthen our commitment to sustainability, we continuously expand and enhance our partnerships with more than 12,000 suppliers.

Our Business Partner and Supply Partner Code of Conduct sets clear expectations for our suppliers regarding business integrity, social and environmental responsibility, and continuous sustainability improvement. It is embedded in our standard procurement terms and conditions and applies to all global suppliers. We also expect our suppliers to uphold these standards within their own supply chains.

Supplier audits and risk management

Supply chain risk management program

Over the past four years, we have built a comprehensive and scalable supply chain risk management program focused on identifying, assessing, and mitigating supplier risks. This program helps reduce overall exposure by proactively addressing potential concerns and responding swiftly to emerging risks. Our approach consists of two key phases: proactive risk management and reactive risk mitigation. Learn more about the phases on page 63 of our 2024 Sustainability Report.

Sustainability assessments of our suppliers

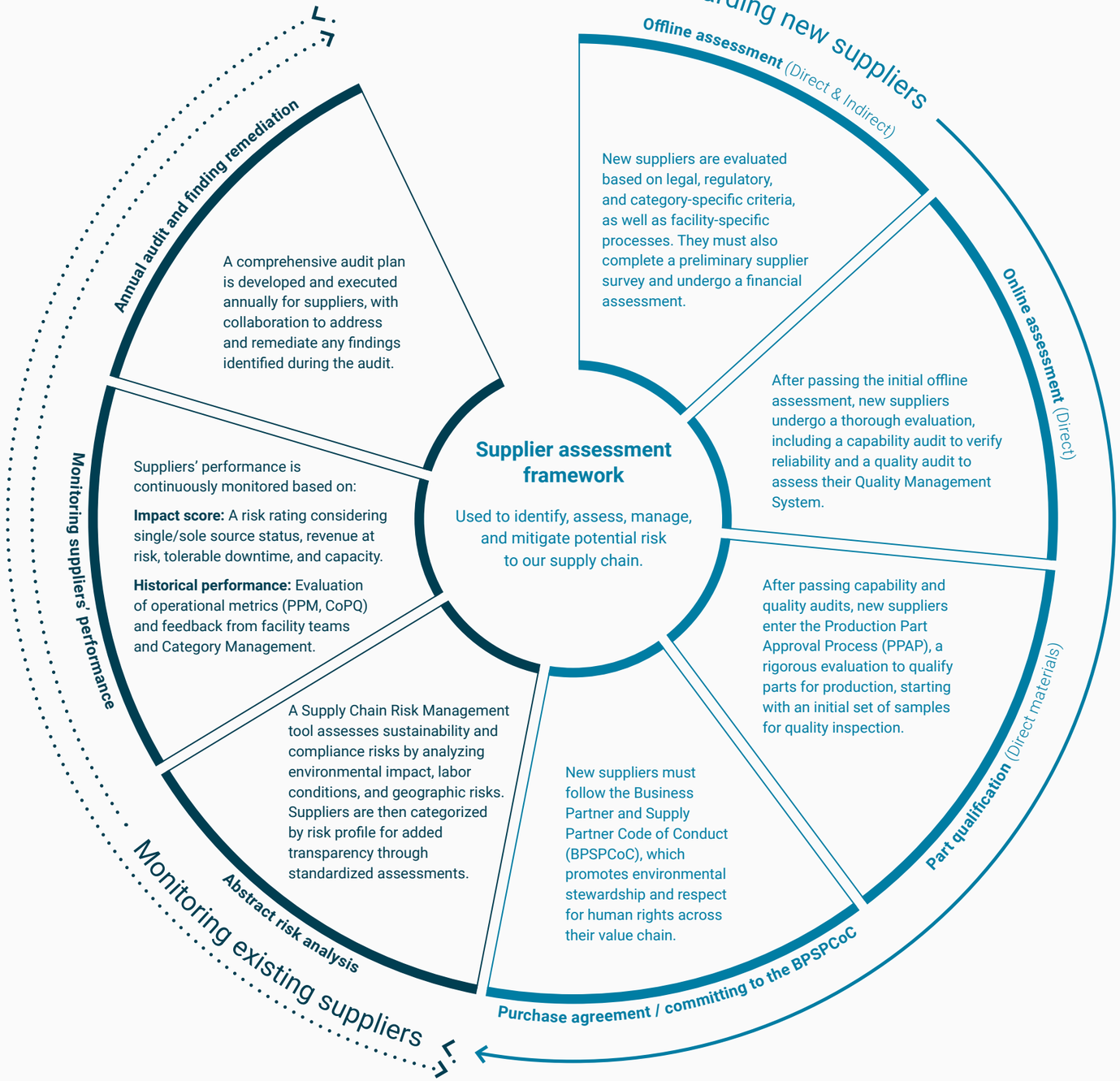
We use EcoVadis and similar sustainability assessments to evaluate our suppliers' performance in key areas, including labor practices, human rights, environmental protection, ethics, and sustainable procurement. These assessments help us identify both risks and opportunities while supporting our suppliers in tracking and improving their sustainability performance over time.

The EcoVadis assessment platform and its risk management tool, IQ, have enabled us to evaluate high-risk suppliers, industries, and regions. By the end of 2024, **42% of Xylem's global supplier base by spend had completed an EcoVadis assessment and maintained an active scorecard**. We continue to expand our supplier spend coverage over time.

We actively review scorecards with our suppliers and collaborate on corrective actions when performance falls below expectations. Our suppliers' average rating exceeds the EcoVadis network average across overall and individual module scores, with steady improvements since 2020.

Quality audits

Over the past four years, our dedicated Supplier Quality team has conducted more than 650 on-site supplier audits to identify and address supplier quality system risks and closed more than 1,800 findings, achieving an **approximately 80% closure rate**. These efforts have helped reduce risks within our supply chain while strengthening the quality capabilities of our suppliers. Audit findings and corrective actions are tracked as part of our supplier relationship management process to drive continuous improvement.



Conflict minerals management

Our annual conflict minerals review aims to enhance transparency in our sourcing practices, educate our supply chain on avoiding conflict minerals, and encourage suppliers to establish their own responsible sourcing programs. Our Conflict Minerals supply chain due diligence program is designed to align with the framework outlined in the Organisation for Economic Co-operation and Development's (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, including its supplements for gold, tin, tantalum, and tungsten (the OECD Guidance). Consistent with our approach to Risk Management, we strive to continuously improve our annual campaign process and management of associated risks.

Conflict Minerals Policy Statement

As a manufacturer of industrial goods, we use tin, tungsten, tantalum, and gold (3TG) in a number of our products. For example, we source seals containing tungsten and electronics containing tin and gold. We fully support the objectives of the SEC's conflict minerals regulations and uphold these principles as outlined in our Conflict Minerals Policy Statement.

Engaging our suppliers on sustainability

Embedding sustainability into our sourcing strategies

In 2024, we continued to refine and mature our category-specific sourcing strategies, further integrating sustainability. Engagement in the early stages of contract awards has significantly increased and we regularly review and discuss sustainability initiatives as part of our business reviews.

As we focus on accelerating water stewardship in 2025 and beyond, we are actively engaging our suppliers to reduce their water intensity. This includes identifying the largest water users in our supply chain and collaborating with them to lower their water footprint through our innovative products and service offerings.

Key supplier engagement programs

CDP Supply Chain program

We continue to leverage the CDP Supply Chain program to support our suppliers' efforts to reduce their climate and water impacts. Our focus remains on expanding supplier participation, enhancing disclosure accuracy, and advancing climate and water risk mitigation through emissions data collection and reduction target setting across our supply chain. In 2024, we invited legacy Evoqua suppliers to **disclose their climate impact through CDP**, which increased the number of suppliers by 125% and led to a **64% disclosure rate**, well above the global CDP average of 42%. Notably, Chinese suppliers accounted for 51% of our expanded disclosures this year and we will continue prioritizing engagement in this region due to its evolving energy grid.

Expanding supplier disclosures — in both volume and quality — has strengthened our Scope 3 Category 1 emissions reporting. We integrate actual supplier emissions data with a spend-based estimate to calculate emissions for a more accurate hybrid emissions accounting approach. We will continuously enhance this approach by improving data quality and increasing the use of supplier-reported emissions in our Scope 3 calculations.

We also expanded **water-related disclosures** by requesting that suppliers report on water impacts alongside climate disclosures, leading to an **overall disclosure rate of 64% in 2024**. We also developed an internal Water Impact Score, leveraging CDP's water-intensive industries data, WRI Aqueduct's water scarcity assessments, and proprietary inputs to identify high-impact areas within our supply chain.

EcoVadis engagement

We request that suppliers report to EcoVadis, evaluating their performance across four key areas: Environment, Labor & Human Rights, Ethics, and Sustainable Procurement. In 2024, we expanded the program to include legacy Evoqua suppliers, building on strong year-over-year growth. With **42% of supplier spend reporting through EcoVadis**, we can measure and enhance social impact across our supply chain while reinforcing responsible sourcing practices. To further strengthen supplier accountability, we are utilizing EcoVadis' Corrective Actions to incentivize suppliers' score improvements, particularly in human rights and labor practices.

We also employ multiple strategies to increase supplier participation on EcoVadis, emphasizing regulatory compliance, strategic partnerships, and incentive-based engagement. A key example is our award-winning supply chain finance program with ING, which offers suppliers improved borrowing rates and payment terms in exchange for compliance with sustainability standards. This mutually beneficial model enhances supplier financial flexibility while supporting Xylem's sustainability and compliance objectives.

Carbon Border Adjustment Mechanism (CBAM) readiness

In 2024, we **partnered with an external expert to prepare for the Carbon Border Adjustment Mechanism (CBAM)**, EU legislation that extends the carbon price imposed on EU products to imported goods and requires EU businesses to collect direct and indirect emissions data from their suppliers. We established a task force, co-led by the Procurement and Trade Compliance team, to support supplier and legal entity reporting readiness. We have launched a targeted campaign engaging key suppliers responsible for more than 80% of imported emissions. We hosted virtual awareness sessions for non-EU suppliers, educating them on CBAM's significance and guiding them in providing the necessary emissions data for accurate reporting. As we refine our approach, we aim to automate processes wherever possible to enhance data quality and accuracy.

Strengthening our supplier base

We are committed to attracting a high-caliber supply chain, including small businesses and suppliers that reflect the broad spectrum of markets we serve. Our Supplier Opportunity Program focuses on generating economic value, creating job opportunities, and fostering innovation through increased competition, strategic sourcing, and building relationships with a range of businesses across the United States. We have also **grown our Tier 2 supplier program, reinforcing collaboration among organizations that share our commitment to having an inclusive procurement process and promoting opportunity for all**.

In 2024, **our supplier-focused efforts included the incorporation of legacy Evoqua's supplier base into our program**.

WASH4Work

In 2024, we continued to emphasize the importance of WASH in the workplace across our supply chain. **43% of our global supplier base by spend is committed to WASH4Work**, an initiative that mobilizes and supports corporate action on improving access to WASH in workplaces, supply chains, and communities. We expect all suppliers to uphold basic working conditions, including providing essential WASH facilities for employees. When suppliers identified gaps through WASH4Work's self-assessment, we supported them in finding and implementing remedial solutions to improve conditions.

Volunteering events with suppliers

Volunteering with suppliers through Xylem's Watermark program has proven to be a powerful tool for promoting water education and raising awareness of global water challenges. Discussions around the WASH4Work pledge have also reinforced the value of community engagement among our suppliers through programs like Watermark. In 2024, **we organized more than 100 Watermark events with suppliers**, strengthening our partnerships while making a tangible impact in local communities.

Learn more on pages 63–66 of our 2024 Sustainability Report.

Creating lasting change in communities worldwide

We believe that access to clean water and sanitation is fundamental to sustainable development and robust societies. Through our global corporate social responsibility program, Watermark, we partner with nonprofit organizations to deliver education and solutions that improve water access, strengthen resilience against climate change, and enhance quality of life of communities, employees, value chain partners, and other stakeholders.

Our efforts go beyond technology, focusing on empowering communities through education, collaboration, and action. Whether providing WASH solutions to underserved communities, engaging employees and value chain partners in volunteer projects and fundraising, providing humanitarian aid when natural disasters strike, or leveraging partnerships to build more resilient infrastructure, Xylem strives to create lasting impact where it is needed most.

79%

of all Xylem employees collectively volunteered more than 220,000 hours, participating in skills-based initiatives, implementing WASH solutions for underserved communities, building capacity through training and mentoring, and more.

2,660

employees volunteered at least 1% of their time (20 hours or more).

>3.6 million

people were reached with WASH solutions.

>2.1 million

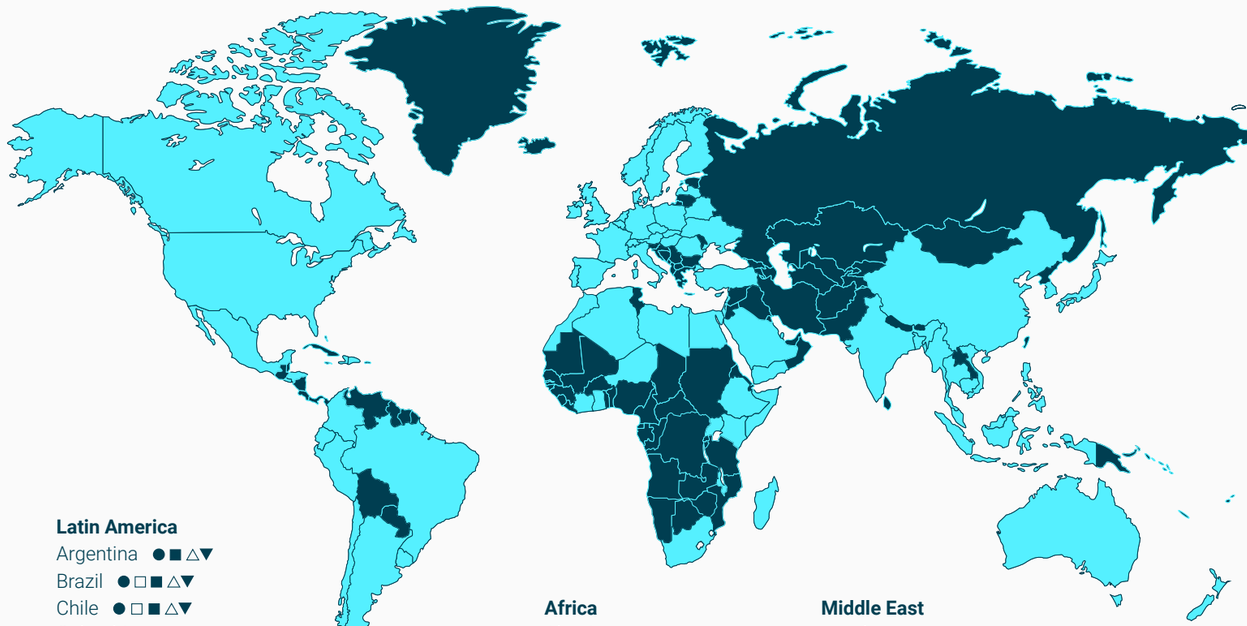
people were impacted through water education and awareness initiatives.

>16,000

students were engaged globally through our youth programs.

43

disasters were addressed through humanitarian aid delivered in partnership with our global nonprofit partners. This included the pro-bono provision of emergency water treatment and dewatering solutions during crises in Brazil, India, the Philippines, the United States, Poland, and Spain.



North America
Canada ●△▼
United States of America ●□■△▼

Europe
Austria ●□△▼
Belgium ●△▼
Cyprus ▼
Czechia ●□△▼
Denmark ●△▼
Finland ●△▼
France ●△▼
Germany ●□△▼
Hungary ●△▼
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Netherlands ●△▼
Norway ●△▼
Poland ●□■△▼
Portugal ●
Romania ●△▼
Slovakia ●△▼
Spain ●□■△▼
Sweden ●△▼
Switzerland ●△▼
Ukraine ●□■△▼
United Kingdom ●△▼

Latin America
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Brazil ●□■△▼
Chile ●□■△▼
Colombia ●□■△▼
Dominican Republic ■
Ecuador ▼
El Salvador □■
Haiti ■△▼
Honduras ■△▼
Jamaica □■▼
Mexico ●■△▼
Peru ●■△▼
Uruguay ●△▼

● Employee engagement
□ Humanitarian disaster response
■ WASH access
△ Water awareness and education
▼ Youth engagement

Africa
Algeria ●△▼
Central African Republic □■
Côte d'Ivoire ●△▼
Egypt ●△
Ethiopia □■△▼
Ghana ■△▼
Kenya ●■△▼
Madagascar ▼
Malawi ●■△▼
Mali □■▼
Morocco ●■△▼
Nigeria ▼
Somalia ■△
South Africa ●□■△▼
South Sudan ▼
Sudan □■
Tanzania □■△▼
Zambia □■▼

Middle East
Israel □■▼
Lebanon □■△
Saudi Arabia ●
Türkiye ●△▼
Palestine □■
United Arab Emirates ●△▼
Yemen □■△▼
Quatar ●▼

Asia
Afghanistan □■△▼
Bangladesh ■△▼
Cambodia ●■△▼
China ●■△▼
Hong Kong ●△▼
India ●□■△▼
Indonesia ●□■△▼
Japan ●△▼
Kazakhstan ●
Malaysia ●□■△▼
Nepal □■▼
Pakistan ▼
Philippines ●□■△▼
Republic of Korea ●▼
Singapore ●△▼
Taiwan ●
Thailand ●■△▼
Vietnam ●■△▼

Australia and New Zealand
Australia ●△▼
New Zealand ●△▼

Employee and stakeholder engagement

In 2024, we continued to expand and enrich our volunteer programs, offering meaningful opportunities for employees to engage in projects that align with our mission to address water challenges. Through a variety of volunteer initiatives, signature events, partnerships with local and global nonprofit organizations, and engaging with external stakeholders such as channel or supply partners and customers, we are amplifying our collective impact and advancing a more sustainable, equitable world. For example, our **global network of more than 400 employees, serving as Watermark Champions, Leads, and Ambassadors**, offered a wide range of in-person, virtual, individual, and skills-based volunteer opportunities for colleagues and partners worldwide, enabling **79% participation this year.**

WASH access

Access to safe water and sanitation improves health outcomes and enhances opportunities for education and economic advancement, breaking the cycle of poverty. This is why climate and disaster resilience in WASH is critical. To address this global challenge effectively, we must approach it from multiple angles: through innovation, investment, capacity building, and — most importantly — partnerships. By combining these efforts, we are enabling safe WASH access in communities around the world.

In May 2024, we announced our new 2030 Goal to progress in climate-resilient WASH access:

Reach an additional 80 million people by 2030 through climate-resilient WASH access and capacity building in under-resourced, water-insecure communities.

We are building on our longstanding philanthropic efforts with:

- **New investments** in water infrastructure and growth companies.
- **Expanded commercial business development** in WASH.

Together, these efforts contribute to our social impact goal of delivering safe WASH access to communities, while also driving economic value and growth.

We are mobilizing funds, time, expertise, and technology to drive impactful WASH projects:

Mobilizing donations and volunteers

In 2024, our employees and channel partners volunteered time to assemble almost 2,000 water filters in partnership with Wine to Water. These filters were distributed to households facing water quality challenges, including in Ukraine. Through this initiative — powered by monetary grants and volunteer efforts — nearly 20,000 people gained access to safer drinking water.

Investing for impact

Xylem has joined WaterEquity's Water & Climate Resilience Fund as a strategic investor. This new private investment fund provides equity and debt capital to projects and growth companies working across the water value chain, including bulk water supply, water distribution, wastewater treatment, and water reuse. At its target fund size, the fund aims to deliver safe water or sanitation access to 15 million people across Africa, Asia, and Latin America.

Providing WASH solutions

Through our partnership with LORENTZ, we have expanded our portfolio to include solar-powered and solar/grid hybrid solutions. These technologies are enabling us to serve new markets, particularly in regions like East Africa, where solar water solutions are increasing access to clean water, reducing dependency on fossil fuels and building climate resilience in communities.

Water awareness and education

For any water solution to be effectively implemented and sustained, it is essential that the community values clean, safe water, takes ownership of the project, and receives adequate training to utilize and maintain the solution. Through partnerships and targeted outreach, we work to mobilize communities, empowering individuals to adopt responsible WASH practices. In 2024, we **reached 2.1 million people through our water education initiatives**, making significant progress toward our water education goal.

Youth engagement

To empower the next generation to address our critical water challenges, it is essential to equip them with the knowledge, tools, and platforms needed to develop and implement innovative solutions. In 2024, we **engaged more than 16,800 students through our global youth programming**. Our flagship youth innovation program, Xylem Ignite, fosters the growth of young talent by providing participants opportunities for mentorship, skills development, innovation, community action, and leadership. These initiatives aim to build awareness, experience, and capabilities that will prepare students to enter the water workforce and drive change in the future.

Humanitarian disaster response

We are committed to mitigating the social and economic impacts of natural disasters by providing sustainable relief to those most in need. Leveraging our global network of experienced employees and partners, we mobilize expertise, resources, and technology to respond quickly and effectively, often in regions where our employees live and work. In 2024 alone, we **delivered humanitarian aid in 43 disaster-stricken areas across 29 countries**. Simultaneously, we advanced disaster preparedness initiatives among our employees, partners, and the communities we serve. Our efforts included deploying in-kind technology, mobilizing community-led volunteer initiatives, providing financial support, and advancing preparedness among our employees and communities.

Learn more about our community impact initiatives, partnerships, and projects on pages 67–75 of our 2024 Sustainability Report.