Xylem Inc - Water Security 2022

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Xylem, with 2021 revenue of $5.2 billion and more than 17,000 diverse employees, is a leading global water technology company committed to solving critical water and infrastructure challenges with technological innovation. We are creating a more sustainable world by enabling our customers to optimize water and resource management and helping communities in more than 150 countries become water secure. We design, manufacture and service highly engineered products and solutions ranging across a wide variety of critical applications, primarily in the water sector, but also in electric and gas. Our broad portfolio of products, services and solutions addresses customer needs across the water cycle, from the delivery, measurement and use of drinking water to the collection, test and treatment of wastewater to the return of water to the environment. We have a differentiated market position in core application areas including transport, treatment, test, smart metering, smart infrastructure, analytics, digital solutions, condition assessment and leak detection, building services and industrial processing. Xylem is headquartered in Washington, DC and has 44 manufacturing facilities in 19 countries which produce over 42 product lines for customers in over 150 countries through a balanced distribution network consisting of our direct sales force and independent channel partners. Our product, services and solutions offerings are organized into three reportable segments that are aligned around the critical market applications they provide: Water Infrastructure, Applied Water, and Measurement & Control Solutions.

The name Xylem is derived from classical Greek referring to the tissue that transports water in plants, highlighting the engineering efficiency of our water-centric business by linking it with the best water transportation of all – that which occurs in nature.

WATER SCARCITY

Millions of people around the world lack access to water. We transport, treat, test and track water to help make it safe and readily available to communities. We enable water reuse to create sustainable water sources for areas facing water scarcity. We assess, monitor and fix clean water lost in distribution.

WATER AFFORDABILITY

Delivering water is not always an efficient process and a lot of water can be lost along the way. We help prevent lost water due to leaking infrastructure, faulty meters, and unauthorized use. We provide innovative solutions that save water, energy, and cost.

RESILIENCE TO WATER CHALLENGES

Water systems worldwide are experiencing increasing water-related emergencies, including natural disasters. We provide water technology and smart infrastructure solutions that help communities prepare for, mitigate the impact of and recover from severe weather events, protecting local economies and ecosystems from flooding and sewer overflow pollution — and protecting lives.

Please see the Xylem Website for more information about our company.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1 2021	December 31 2021

W0.3

(W0.3) Select the countries/areas in which you operate.

Algeria
Argentina
Australia
Austria
Belgium
Brazil
Canada
Chile
China
Colombia
Czechia
Denmark
Egypt
Finland
France
Germany
Hong Kong SAR, China
Hungary
India
Indonesia
Ireland
Italy
Kenya
Luxembourg
Malaysia
Mexico
Morocco
Netherlands
New Zealand
Norway
Oman
Peru
Philippines
Poland
Portugal
Qatar
Republic of Korea
Russian Federation
Saudi Arabia
Singapore
Slovakia
South Africa
Spain
Sweden
Taiwan, China
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay
Viet Nam

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

USD

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

Yes

W0.6a

(W0.6a) Please report the exclusions.

Exclusion	Please explain
Water-related impacts are not included for administrative facilities.	Administrative offices are not currently required to report water-related metrics in our online EHS metrics system. Office spaces are predominantly leased with water provided through the lease and managed by a landlord. In addition, the related water usage is estimated to be low, since it only includes bathrooms and kitchen areas for a limited number of employees. Nevertheless, in 2021, we made a significant step forward in data availability by generating estimated factors for water usage per square foot, based on facilities with administrative, sales, and service activities. We applied such factors to 68 facilities in our online metrics tool, nearly closing this gap in data exclusions
Entities sharing a building with other tenants and not equipped with own water meter	Xylem entities sharing a building with other tenants, and not equipped with their own water meter, are not required to report water metrics, since the accuracy of the reporting can not be verified. In 2021, we made a significant step forward in data availability by generating estimated factors for water usage per square foot, based on facilities with administrative, sales, and service activities. We applied such factors to 68 facilities in our online metrics tool, nearly closing this gap in data exclusions.

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	98419M1009

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Vital	Xylem uses freshwater directly in manufacturing processes worldwide. Water is used in tanks to test products after repair, at high-pressure washing stations, for the lubrication and cooling of machining equipment, and for painting, and is hence important to our operations. Water is also used for sanitary services. Xylem treats, reuses and recycles approximately 35.5% of the water withdrawn by our operations. As for indirect use, water quantity and quality are of vital importance to our customers (utilities, industrial, commercial, residential) and consumers in developed and developing countries. We expect this demand to only increase in the future, as freshwater availability is declining due to pollution growth, climate change, increased urbanization, poor water infrastructure, overuse, and other factors. Xylem is working to increase the quality and quantity of freshwater available through our products and services used for transporting, treating, and testing water. In 2021, Xylem commissioned Trucost to assist us in performing a Taskforce on Climate-Related Financial Disclosure (TCFD) Scenario Analysis assessing our climate-related transition and physical risks. For physical risks we focused on extreme weather impacts and other climate impacts in 2025, 2030, and 2050 timeframes for our most critical global locations. We also analyzed the physical risks for our most critical suppliers. We are aware that significant disruptions to global supply chains could occur in the future. We are exposed to the availability of materials from third-party suppliers, which may be subject to curtailment or change due to, among other things, interruptions in production by suppliers, pandemics and weather emergencies (see our response to question 4.2c).
Sufficient amounts of recycled, brackish and/or produced water available for use	Important	Important	Our R&D and Applied Research departments rely on recycled, brackish, and produced water to operate testing facilities. The supply of recycled/brackish water plays a role in validating set criteria in respect to energy and water usage efficiency for our products. In some facilities, we are collecting rainwater for use in test tanks and use recycled water for landscaping and sanitation. In terms of customers and consumers, as droughts increase, water reuse/recycled water will become increasingly important to help meet growing water demands. Xylem's advanced water reuse solutions produce high-quality potable water at a lower life-cycle cost than developing a new water supply. Following our comprehensive risk assessment of our operations, supply chain disruptions resulting from the impacts of water risks were not considered to have a direct impact on Xylem. However, we are aware that significant disruptions to global supply chains could occur in the future. We are exposed to the availability of materials from third-party suppliers, which may be subject to curtailment or change due to, among other things, interruptions in production by suppliers, pandemics and weather emergencies (see our response to question 4.2c).

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	76-99	Xylem tracks water withdrawal using an online metrics tool. Facilities equipped with water meters report monthly, facilities receiving consumption information from invoices report quarterly. Where data is not available, we apply estimations based on internal usage factors. In 2021, we made a significant step forward in data availability by generating estimated factors for water usage per square foot, based on the consumption at similar facilities. Water withdrawal values were aggregated at the corporate level and were used to track progress against our sustainability goal set in 2014 to reduce water use intensity by 25% by 2019. Since 2019, we have continued to reduce our water intensity and in 2021, we achieved an aggregate decrease of 32% reduction in water intensity over the past 5 years. To further accelerate our efforts, we have committed to employing 100 percent process water recycling at our major facilities by 2025 using Xylem technologies and equipment when available.
Water withdrawals – volumes by source	76-99	Xylem tracks water withdrawal by source using an online metrics tool. Facilities equipped with water meters report monthly, facilities receiving consumption information from invoices report quarterly. Where this data is not available, we apply estimations based on internal usage factors. In 2021, we made a significant step forward in data availability by generating estimated factors for water usage per square foot, based on the water consumption at similar facilities.
Entrained water associated with your metals & mining sector activities - total volumes [only metals and mining sector]	<Not Applicable>	<Not Applicable>
Produced water associated with your oil & gas sector activities - total volumes [only oil and gas sector]	<Not Applicable>	<Not Applicable>
Water withdrawals quality	76-99	Supervision and management of water quality at manufacturing locations occurs at the facility level. Water quality indicators are used at both the intake and discharge stages, and each applicable facility tracks its compliance with discharge limits and parameters. Xylem tracks this information monthly to ensure regulatory and environmental compliance. The methods used to determine and track compliance are based on the parameters outlined in the facility permits.
Water discharges – total volumes	1-25	We predominantly discharge all of our water to local sewer systems. Based on an assessment of facilities representing 80% of our water usage, we estimate that 69% of such water is being discharged. If we extrapolate that to our total 2021 water usage, that represents roughly 236 megaliters. Xylem only tracks water discharges of our manufacturing facilities, where water is treated before it is released. In 2021, this represented 16.5% of our total water withdrawals. The increase can be attributed to increased activity (3% higher YOY) and increased sales (7% higher YOY). Many of our smaller non-manufacturing facilities have washing stations which are equipped with oil separators to ensure water is clean before it is released. Most of our smaller facilities are not subject to water permits and hence have no discharge meters installed. Water discharge is measured using an online tracking tool. Each applicable facility tracks its compliance with discharge limits and parameters monthly.
Water discharges – volumes by destination	1-25	Based on an assessment of the facilities representing 80% of our water usage, we estimate that 74% (138 megaliters) of discharge is going to third party systems, 20% (37 megaliters) to surface water, and 6% (12 megaliters) to groundwater.
Water discharges – volumes by treatment method	1-25	Based on an assessment of the facilities representing the 80% of our water usage, we estimate that 32% (60 megaliters) of discharge is treated with primary systems, 16% (30 megaliters) is treated with secondary systems, and 6% (7 megaliters) is treated with tertiary systems. We recognize the risk of runoff and sewage spills caused by neglecting wastewater management. All Xylem facilities meet or exceed national, local and our internal requirements for the return of clean and safe wastewater back into public water streams. 16 of our facilities have installed on-site wastewater treatment systems. In 2021, those facilities treated and released over 56 megaliters of treated water back into the environment, or 16.5% of all water discharged. Water discharge is measured using an online metric tracking tool. Each applicable facility tracks its compliance with discharge limits and parameters. Xylem tracks this information monthly to ensure regulatory and environmental compliance.
Water discharge quality – by standard effluent parameters	1-25	Supervision and management of water quality at manufacturing locations occurs at the facility level. Water quality indicators are used at both the intake and discharge stages, and each applicable facility tracks its compliance with discharge limits and parameters. Xylem tracks this information monthly to ensure regulatory and environmental compliance. The methods used to determine and track compliance are based on the parameters outlined in the facility permits. Xylem only actively tracks water discharges of our manufacturing facilities where water is treated before it is released. In 2021, this represented 16.5 % of our total water withdrawals. Many of our smaller non-manufacturing facilities have washing stations which are equipped with oil separators to ensure water is clean before it gets released. Most of our smaller facilities are not subject to water permits and hence, have no discharge meters installed. We are planning to install additional meters in the future.
Water discharge quality – temperature	26-50	Xylem tracks water discharge quality using an online metrics tracking tool. Water discharge temperature is not tracked at the majority of our manufacturing facilities. Xylem mainly uses water for processes that are not associated with changes in temperature. In 2022, we evaluated our manufacturing facilities and determined the feasibility of adding temperature measurement as part of our monitoring program and will install where appropriate. Based on an assessment of the facilities representing 80% of our water usage, we estimate that, 52% of the facilities that represent 66% of the discharge (124 megaliters) are required to meet certain quality discharge parameters From those facilities, the following parameters are applicable to their discharge: 33%: Temperature The range of temperatures reported within those facilities varies between 18°C and 31°C.
Water consumption – total volume	1-25	We discharge all water we withdraw back to the local sewer systems. Evaporation can be considered insignificant, and our water consumption is minimal. Xylem only actively tracks water discharges of our manufacturing facilities, where water is treated before it is released to meet all environmental requirements. In 2021, this represented 16.5% of our total water withdrawals. Hence, we actively monitor water consumption at these facilities as well. Xylem tracks water data using an online metric tracking tool on a monthly basis. Based on an assessment of the facilities representing 80% of our water usage, we estimate that 69% of such water is being discharged and the rest 31% is being consumed. If we extrapolate that to our total 2021 water usage, the consumption represents approximately 106 megaliters.
Water recycled/reused	76-99	Xylem tracks water recycled/reused, using an online metrics tool. Water recycled/reused is reported and reviewed at the facility level monthly for facilities equipped with water meters, and quarterly for facilities getting consumption information from invoices. Water recycled/reused values are aggregated at the corporate level. In addition, these values are incorporated in the eco-efficiency tool to identify and prioritize areas/projects for water savings. In 2021, the amount of water recycled/reused at Xylem facilities represented 35.5.% of the total amount of withdrawn water, as compared to 16.4% in 2020. In 2021, other projects focused on recirculating and reusing water being used for testing products in Calamba Philippines (Jest, ESV and IES Pumps) , Morton Grove, IL (MM Switches) IL and Cegled Hungary (ACT Pumps) were completed during 2021, with an estimated investment of $110K USD
The provision of fully-functioning, safely managed WASH services to all workers	100%	Xylem provides fully functioning access to water supply, adequate sanitation, and hygiene (WASH) to all its employees. Xylem's Corporate Health Program ensures the safety of employees and includes a Corporate Hygiene Policy. In addition, Xylem's Corporate Drinking Water Management Policy, implemented at all Xylem facilities, ensures that all employees have access to safe, clean and an adequate supply of drinking water. The policy requires testing of the drinking water quality and quantity on at least an annual basis. This testing requirement is included in the scope of Corporate EHS audits. Xylem is a signatory to the WASH4Work Pledge, and we have expanded our commitment to include employee homes and employees in need during times of natural disasters. As part of our 2025 goals, we also have a requirement for all Xylem preferred suppliers to sign the WASH4Work Pledge

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	342.1	Lower	Our total water intensity decreased from 84.4 m3 per million $USD of revenue in 2019, to 73.3 m3 in 2020 and 65.8 m3 in 2021 respectively. This reflects an aggregate decrease of 32% reduction in water intensity over the past 5 years. In 2021, facilities including Cheektowaga, NY; Nanjing, China; Stara Tura, Slovakia; and Sundbyberg, Sweden reduced water usage significantly by improving their treatment systems, processes, controls, testing practices, and equipment to achieved significant reductions in water consumption (five or more megaliters year-over-year). With 342.1 megaliters withdrawn in 2021, Xylem's total water withdrawals were lower than in the previous year (357.8 megaliters). During 2021, 10 water projects with an estimated investment of $ 1.18 million USD were started. Due to several supply chain issues, only 8 were completed in 2021 ($497 USD) and the rest were or are being completed this year. Future water withdrawal levels may also vary due to both opportunities to reduce water usage, as well as risks of drought and extreme weather due to climate change.
Total discharges	285.6	Lower	Xylem only actively measures the discharge of previously treated water. Water used by our facilities is predominantly discharged to the local sewer systems. In 2021, treated water discharges amounted to 56.5 megaliters, as compared to 53 megaliters in 2020. We expect both opportunities to reduce water usage, as well as risks of drought and extreme weather due to climate change.
Total consumption	56	About the same	While 0 megaliters does not represent an accurate measurement since we only actively track water discharge of previously treated water, we predominantly discharge all water we withdraw back to the local sewer systems. Evaporation can be considered insignificant, and our water consumption is minimal. We expect this number to remain relatively steady in the future, as we continue to discharge all water back into the sewer systems.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	11-25	Lower	WRI Aqueduct	To determine which Xylem facilities are in water-stressed or water-scarce areas, Xylem uses the WRI Aqueduct Tool. The tool allows us to conduct sensitivity analyses in order to: a) determine how water stressed the area is where each Xylem facility is located, and b) provide specific, drilled down analysis of the water quality and resilience risks at each Xylem facility including characteristics such as regulatory landscape, drought, flood, upstream and groundwater risks among others. Xylem then uses the Aqueduct analysis along with actual water withdrawal data at each facility to set goals for reduction of water withdrawal and inform a risk-based approach to the allocation of resources for water consumption projects. In addition to responsible water use practices in our facilities, our commitment to watershed stewardship is reflected in our operations in water-stressed areas. Our facilities treat non-potable water without the use of chemicals to independently verified drinking water standards and continuous remote monitoring of the water quality allows us to adjust treatment as necessary. For example, our facility in Chihuahua, Mexico, located in a high-risk water-stressed region, uses Xylem products to enhance the quality of reused water in a pump washing water recirculation loop. In 2021, it was estimated that 267,000 litres were reused in such processes. The percentage of water withdrawn from water-stressed areas in 2021 was 23% and 29.7% in 2020.

W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	16.27	Higher	Overall, surface water is a very small portion of our overall water withdrawal volume. Our highest facility for water withdrawal is located in Emmaboda, Sweden. We anticipate reducing our freshwater use in Emmaboda in the future. For comparison, our fresh water withdrawal was 9 ML in 2020 and 16ML in 2021.
Brackish surface water/Seawater	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	Xylem produces a range of reverse osmosis membrane filtration systems for desalinating water and producing high-purity or potable water from brackish water and seawater sources. We use brackish water in our R&D and Applied Research testing facilities for these products, but we do not track the volume required at this time.
Groundwater – renewable	Not relevant	<Not Applicable>	<Not Applicable>	Xylem does not withdraw any renewable groundwater.
Groundwater – non-renewable	Relevant	3.56	Lower	In 2021, Xylem had two sites that used groundwater: Lubbock, TX, United States and Buenos Aires, Argentina. Water withdrawals remained consistent and we anticipate further reductions in non-renewable groundwater consumption due to our expectations of increased efficiencies.
Produced/Entrained water	Relevant but volume unknown	<Not Applicable>	<Not Applicable>	Currently Xylem does not track its produced water data by source at the corporate level.
Third party sources	Relevant	327.17	About the same	The majority of Xylem facilities procure or receive water from a municipal water treatment authority, and we include water from municipal water systems in this category. The volume for 2021 remained the same. We anticipate higher withdrawal rates after the pandemic recedes , but overall future reductions in withdrawal from third-party sources due to our expectation of ever-increased efficiencies. For comparison, water withdrawals from third party sources were 336 ML in 2020

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	37	This is our first year of measurement	Based on an assessment of the facilities representing 80% of our water usage, we estimate that 74% (138 megaliters) of discharge is going to third party systems, 20% (37 megaliters) to surface water, and 6% (12 megaliters) to groundwater.
Brackish surface water/seawater	Not relevant	<Not Applicable>	<Not Applicable>	
Groundwater	Relevant	12	This is our first year of measurement	Based on an assessment of the facilities representing 80% of our water usage, we estimate that 74% (138 megaliters) of discharge is going to third party systems, 20% (37 megaliters) to surface water, and 6% (12 megaliters) to groundwater.
Third-party destinations	Relevant	138	This is our first year of measurement	Based on an assessment of the facilities representing 80% of our water usage, we estimate that 74% (138 megaliters) of discharge is going to third party systems, 20% (37 megaliters) to surface water, and 6% (12 megaliters) to groundwater.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	7	Lower	1-10	Based on an assessment of the facilities representing the 80% of our water usage, we estimate that 32% (60 megaliters) of discharge is treated with primary systems, 16% (30 megaliters) is treated with secondary systems, and 6% (7 megaliters) is treated with tertiary systems.
Secondary treatment	Relevant	30	Higher	1-10	Based on an assessment of the facilities representing the 80% of our water usage, we estimate that 32% (60 megaliters) of discharge is treated with primary systems, 16% (30 megaliters) is treated with secondary systems, and 6% (7 megaliters) is treated with tertiary systems.
Primary treatment only	Relevant	60	Lower	1-10	Based on an assessment of the facilities representing the 80% of our water usage, we estimate that 32% (60 megaliters) of discharge is treated with primary systems, 16% (30 megaliters) is treated with secondary systems, and 6% (7 megaliters) is treated with tertiary systems.
Discharge to the natural environment without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Discharge to a third party without treatment	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Other	Not relevant	<Not Applicable>	<Not Applicable>	<Not Applicable>	

W1.3

(W1.3) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	5200000000	342	15204678.3625731	As a company focused on solving water issues, we consider the reduction of our own water use and its impact on the environment as a critical component of our sustainability strategy. Our total water intensity, which decreased from 84.4 m3 per million $USD of revenue in 2019, to 73.3 m3 in 2020 and 65.8 m3 in 2021 respectively. This reflects an aggregate decrease of 32% reduction in water intensity over the past 5 years.

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

1-25

% of total procurement spend

26-50

Rationale for this coverage

Prior to supplier contracting, all new strategic or critical suppliers are assessed for financial, sustainability, and EHS risks, including employee rights to water and sanitation and assessment of physical risks and water stress.

One of our 2025 goals is to engage suppliers in sustainability initiatives through audit programs and corrective action plans.

In 2021, we continued screening our Suppliers' sustainability performance via EcoVadis and via our Supplier Quality Audits. Moreover, we prepared the ground for launching our on-site sustainability audits, previously on hold due to Covid restrictions, dedicated to supporting our supply chain partners to improve their sustainability performance and mitigate environmental and social risks within their own operations and supply chain.

In 2021, suppliers representing approximately 35% of our global spend reported on Xylem's Sustainability Assessment platforms.

In 2021, Xylem commissioned Trucost to assist us in conducting a Taskforce for Climate-Related Financial Disclosure (TCFD) Scenario Analysis assessing our climate-related transition and physical risks. For physical risks we focused on extreme weather impacts and other climate impacts at in 2025, 2030, and 2050 timeframes for our most critical global locations. We also analyzed the physical risks for 133 of our most critical suppliers.

In addition, in 2021, we launched the CDP Supply Chain Program for our suppliers to start reporting out on climate change and water performance beginning July 2021. This program helps us support our suppliers in reducing greenhouse gas emissions and water usage and strengthening their climate resiliency.

Impact of the engagement and measures of success

In 2021, under the CDP Supply Chain Program, 87% of our disclosing suppliers reported active targets as compared to the CDP Supply Chain average of 67% and 88% of our disclosing suppliers reported active water-related targets and/or goals as compared to the CDP Supply Chain member average of 79% demonstrating the level of our supplier engagement. As the maturity of our CDP Supply Chain Program develops, we will begin to require GHG and water reduction plans from our suppliers annually.

In 2021, we started reviewing EcoVadis scorecards (which include environmental performance) with our suppliers and have requested Corrective Action Plans from suppliers with scores below expectations. By the end of 2021, 69% of the suppliers who were re-evaluated had improved their score and 15% remained stable; our average supply chain base performance score has improved since 2020.

Comment

Xylem's Supplier Sustainability Assessment Program covers the following elements:
- Environmental Impacts
- Health and Safety practices
- Labor and Human Rights
- Ethics
- Social Responsibility
- Risk Management
- Conflict Minerals

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement
Incentivizing for improved water management and stewardship

Details of engagement
Water management and stewardship action is integrated into your supplier evaluation

% of suppliers by number
1-25

% of total procurement spend
26-50

Rationale for the coverage of your engagement
To obtain Preferred Supplier status, suppliers must by 2025:
• Goal 1 Engage in sustainability initiatives through an audit program and corrective action plans
• Goal 2 Provide Scope 1 & 2 GHG emissions and water usage via CDP Supply Chain
• Goal 3 Disclose sustainability information via the EcoVadis platform
• Goal 4 Sign the WASH4Work Pledge

Impact of the engagement and measures of success
The measure of success will be the number of suppliers engaging in the goals year after year through 2025. In 2021, we engaged 35 percent global spend of suppliers in our Supplier Sustainability Assessment program, which also covers water-related risk management. This represents a 16% increase versus 2020 engagement.

Suppliers that refuse to participate in our Sustainability strategy by 2025 will no longer be able to be considered Preferred Suppliers.

The WASH4Work Pledge, which Xylem joined in 2019 (previously called WBCSD WASH Pledge), has been a great tool to address WASH standards and action on SDG6, within our Supply Chain. Since January 2020, more than 400 of our suppliers have committed to the WASH4Work Pledge, representing almost 35% of our supply base by spend joining the program.

Our Emerging Markets team led the way in 2021 and have taken important steps to ensure safe WASH for all employees in our Supply Chain across the Asia Pacific region: The teams onboarded 200 suppliers to the WASH Pledge in 2021, the majority of which are in India.

Comment
At our 2021 Supplier Conference, we further engaged our key suppliers with WASH and Water Stewardship, by inviting all to join our “Watermark Volunteer Challenge”. The challenge ran throughout the month of November, leading up to the conference. Partners were invited to donate to Planet Water Foundation, and to volunteer within their local communities. Xylem Watermark matched their efforts with extra funds to Planet Water.

W1.4c

(W1.4c) What is your organization’s rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

Xylem is engaging with our customers in the water sector through the “Race to Zero”, a global campaign under the banner of the UNFCCC, rallying support from businesses, cities, and regions to take rigorous and immediate action to halve global emissions by 2030 and promote sustainable growth. The water sector’s “Race to Zero” is an international collaboration of partners promoting the vision of delivering net zero water service for the world’s homes and businesses. The campaign is encouraging water utilities, worldwide, to commit to their own net-zero targets.

In 2021 Xylem called on water sector leaders and organizations to join a global sustainability push to reduce GHG emissions related to water systems and water management. The encouragement came after Xylem’s announcement to formalize its commitment to achieve net-zero carbon emissions across its value chain before 2050.

Attention to GHG emissions in the water sector is increasing, with water use and management accounting for up to 10% of global GHG emissions, today. Xylem is collaborating with a consortium of partners including the UNFCCC High Level Climate Action Champions, CDP, Water UK, the US Water Alliance, the International Water Association, GIZ and others to help water utilities commit to reducing GHG emissions.

For the past 12 years, The Xylem Reach℠ Conference has provided utilities across North America with networking, hands-on training and insights on top trends in the energy and water industries. In October 2022, Xylem expects hundreds of utility professionals to attend the conference.

Since we are selling solutions that solve the world’s water challenges, the success of customer engagement on these issues is reflected in our sales.

For more examples of stakeholder engagement visit page 90 of our 2021 Sustainability Report.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?
No

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?
Yes, fines

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines
2

Total value of fines
0

% of total facilities/operations associated
1

Number of fines compared to previous reporting year
This is our first year of measurement

Comment
Our Montecchio, Italy facility had an exceedance in phosphorus and nitrogen that is still pending resolution from the Municipality of Montecchio. No penalty or fine notification has been received to date.

Our Bridgeport, New Jersey facility received a Notice of Non-Compliance from the New Jersey Department of Environmental Protection regarding levels of lead and copper in tap water. Mitigation and corrective actions were taken and a response to the agency was submitted. No further notification has been received and a definitive solution is planned to be completed this year.

W2.2b

(W2.2b) Provide details for all significant fines, enforcement orders and/or other penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

Type of penalty
Other penalty type, please specify (Notice)

Financial impact
0

Country/Area & River basin

Italy	Not known

Type of incident
Other non-compliance with permits, standards, or regulations

Description of penalty, incident, regulatory violation, significance, and resolution
Our Montecchio, Italy facility had an exceedance in phosphorus and nitrogen that is still pending resolution from the Municipality of Montecchio. No penalty or fine notification has been received to date

Type of penalty
Other penalty type, please specify (Notice)

Financial impact
0

Country/Area & River basin
Please select

Type of incident
Failure to monitor effluent

Description of penalty, incident, regulatory violation, significance, and resolution
Our Bridgeport, New Jersey facility received a Notice of Non-Compliance from the New Jersey Department of Environmental Protection regarding levels of lead and copper in tap water. Mitigation and corrective actions were taken and a response to the agency was submitted. No further notification has been received and a definitive solution is planned to be completed this year

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

More than 6 years

Type of tools and methods used

Tools on the market
Enterprise risk management
International methodologies and standards
Databases

Tools and methods used

Ecolab Water Risk Monetizer
EcoVadis
WRI Aqueduct
COSO Enterprise Risk Management Framework
Enterprise Risk Management
Environmental Impact Assessment
Life Cycle Assessment
ISO 14001 Environmental Management Standard
Other, please specify (Internal company methods, External consultants, Materiality assessment, Nation-specific databases, tools, or standards , Scenario analysis)

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities
NGOs
Regulators
Suppliers
Water utilities at a local level
Other water users at the basin/catchment level

Comment

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

Xylem's vision and strategic plan drive its Enterprise Risk Management (ERM) function. Xylem's risks are managed by a comprehensive ERM Program that is based on the COSO Enterprise Risk Management Framework and consists of five key components:

1) Risk Appetite and Strategy,

2) Governance and Organization,

3) Policies and Procedures,

4) Risk Management Process, and

5) Monitoring & Reporting.

This framework directly supports the ERM Program's objective of establishing "practical and sustainable policies, procedures and processes that help the Company manage and monitor risk effectively. We are using the WRI Aqueduct tool to identify Xylem facilities located in water-stressed areas. We considered the facilities that were ranked 'high risk' and above for Physical Risk Quality, Physical Risk Quantity and Baseline Water Stress.

In alignment with our water management goals for 2025, we are identifying operations with water-intensive processes and exploring opportunities to reuse or recycle water wherever feasible. Facilities with higher usage rates or in water-scarce areas are being prioritized. The program is led through the Environmental, Health and Safety team, with policies approved by our VP, Environment, Health & Safety and our Chief Sustainability Officer (CSO).

We also install our own products at facilities located in water-stressed areas to treat contaminated water to independently verified drinking water standards, reduce water usage, recycle water, and collect rainwater. For instance, in 2020, Shenyang, China (high water stress), installed a system consisting of more than 30 mechanical and Sensus digital meters to track and monitor water usage and rapidly detect leaks. In Chihuahua, Mexico (extreme high-water stress) an in-house solution was implemented to recycle water used for testing products, which will save 30K+ liters/year. As part of this project, four Jabsco 426 pumps were installed.

By the end of 2021, our water intensity was estimated to be 22 percent lower than 2019 mainly due to the implementation of water usage reduction projects in a number of important facilities, including: Montecchio, Italy; Uniontown, Pennsylvania, USA; and Texarkana, Arkansas USA .

Several projects were underway in 2021 to work towards reducing our water use intensity:

• Restrooms retrofit (replacement of devices like urinals, toilets, showers), were completed in 2021, estimating a 600K+ liters/year reduction in Santiago, Chile and similar project in Chihuahua, México (Sinks and toilets) , estimating 700K+ liters/year. Both facilities are in extremely high water stressed areas.

• Testing process water recycling process implementation, estimating 73K+Liters/year in Chihuahua, México in 2021.

• Our Montecchio, Italy factory installed a new process washing technology based on vacuum for component cleaning activity to replace the water and detergent process in place with reduction of water use and added a recovery unit.[LX6] The facility reported 6 million gallons of water was recycled/reused during 2021.

At year end 2021, 8 of our major facilities are recycling 100% of site process water.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

Definition of substantive financial or strategic impact and whether the definition applies to direct operations, or supply chain, or both:

Xylem defines a substantive financial or strategic impact as anything within our direct operations, supply chain, or value chain that stands to impact 4% or more of Xylem's overall annual revenue.

The measure(s), metric(s) or indicator(s) used to identify substantive change, and threshold of change which indicates substantive change:

Substantive change is identified through our comprehensive Enterprise Risk Management (ERM) Program that has a corporate framework consisting of five key components: (1) Risk Appetite and Strategy, (2) Governance and Organization, (3) Policies and Procedures, (4) Risk Management Process, and (5) Monitoring and Reporting. Our Risk Management Process (4) includes a semi-annual Enterprise Risk Assessment, in which we identify, measure and categorize strategic, operational, financial and reputational risks in the Company and business segments that could impact our ability to meet our strategic objectives and impede our business resilience. Each risk is assigned a ranking of either primary or secondary. Risks are tracked on a Monitoring Dashboard that cascades primary and secondary risks and specifies who owns each risk. The dashboard denotes primary risks as high, moderate or minimal. Primary risks are updated quarterly to add new risks and determine how each primary risk's residual risk has changed (increase, decrease or no change).

Every Xylem facility is also responsible for developing and implementing a site-specific Business Continuity Plan, including as elements Crisis Management Plans and IT Disaster Recovery Plans. This process requires facilities to evaluate change on a frequent basis and plan for situations that could have a substantive impact to our business. An analysis of water-related risks is included in the local Business Continuity Plans for all Xylem facilities. This proactive procedure helps Xylem to mitigate the risks posed by water, including water scarcity, flood occurrence, biodiversity, regulatory uncertainty and declining water quality.

At least one example of substantive impact:

A substantive impact within our direct operations would be any disruption to a facility that contributes 4% or more to Xylem's revenue (critical facilities). A substantive impact in our supply chain could be a sole-source supplier that can no longer make a critical part for Xylem's products, reducing our product sales by 4% or more.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	1	Less than 1%	We use the WRI Aqueduct Tool to assess and communicate water use and risks relative to water availability at 310 Xylem facilities (over 90% of our facilities). Xylem has identified 2 facilities located in 'arid and low water use' areas, 40 facilities located in 'high risk' areas, and 32 facilities located in 'extremely high risk' areas in 2021. The tools consider the following attributes: physical risk quality, physical risk quantity, baseline water stress, regulatory and reputational risk, inter-annual and seasonal availability, flood occurrence, drought severity, upstream storage, groundwater stress, return flow ratio, upstream protected land, media coverage, access to water, and threatened amphibians. One facility that could have substantive impact on Xylem's business is Shenyang, China. That facility is considered of critical importance to Xylem's business because it contributes to 4% or more of Xylem's revenue, and a disruption at the facility (including a water-related disruption), would cause a substantive impact on our business. To reduce potential water-related risks, we proactively manage the site to identify and implement solutions to reduce their water use. These initiatives not only improve our cost efficiencies and insulate from potential future risk, but also build our reputation as a water technology company and provide an internal testing ground for our products and solutions. The upgrade of the existing wastewater treatment system at the Shenyang, China, facility reduced our vulnerability at this site and contributed to our overall reduction in water use intensity. This included the installation of Xylem products (Flygt, Steady and Lowara pumps, Sanitaire aerator and Wedeco ozone generator), allowing the facility to treat its wastewater and reuse it for test tanks, facility cleaning, toilet flushing, landscaping and sprinkler system refilling. In 2020, a system to track and monitor water usage and rapidly detect leaks was implemented. The facility opened a new factory in 2020, leading to an overall increase in water withdrawals of 44%. The new factory was connected to the existing water treatment and recycling plant in 2021. The plan is to achieve 100% process water recycling at the site in 2022.

W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

China	Liao He

Number of facilities exposed to water risk

1

% company-wide facilities this represents

Less than 1%

Production value for the metals & mining activities associated with these facilities

<Not Applicable>

% company's annual electricity generation that could be affected by these facilities

<Not Applicable>

% company's global oil & gas production volume that could be affected by these facilities

<Not Applicable>

% company's total global revenue that could be affected

1-10

Comment

The Shenyang, China facility is considered a "critical" Xylem facility since it contributes to 4% or more of Xylem's annual revenue.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

China	Liao He

Type of risk & Primary risk driver

Acute physical	Drought

Primary potential impact
Reduction or disruption in production capacity

Company-specific description
In addition to our comprehensive Enterprise Risk Management (ERM) Program, Xylem uses the WRI Water Aqueduct tool to analyze which sites are at risk of a host of environmental factors that would lead to water scarcity, including physical risk quality, physical risk quantity, baseline water stress, regulatory and reputational risk, inter-annual and seasonal availability, flood occurrence, drought severity, upstream storage, groundwater stress, return flow ratio, upstream protected land, media coverage, access to water, and threatened amphibians. Considering all the factors, Xylem's facility in Shenyang, China is found to be in an area of extreme water scarcity. Even though Xylem is not dependent on large quantities of freshwater for production, should Shenyang's water cease as a source for our site, Xylem's production capacity may be negatively affected and cause a substantive financial impact on our business.

Timeframe
More than 6 years

Magnitude of potential impact
Medium-high

Likelihood
About as likely as not

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
208000000

Potential financial impact figure - minimum (currency)
<Not Applicable>

Potential financial impact figure - maximum (currency)
<Not Applicable>

Explanation of financial impact
This facility located in Shenyang, China is considered a "critical" Xylem facility since it contributes to 4% or more of Xylem's overall revenue. Xylem's overall revenue in 2021 was 5.2 billion, therefore 4% would be 208 million.

Primary response to risk
Adopt water efficiency, water reuse, recycling and conservation practices

Description of response
To actively manage our potential risk from operating in areas of extreme water scarcity, Xylem proactively manages potential water-related risks at our facilities by equipping our facilities with Xylem technologies. The recent upgrade of the existing water treatment facility at the Shenyang, China, included the installation of Xylem products (Flygt, Steady and Lowara pumps, Sanitaire aerator and Wedeco ozone generator) allowing the facility to treat its wastewater and reuse it for test tanks, facility cleaning, toilet flushing, landscaping and sprinkler system refilling. In addition, in 2020 a system to track and monitor water usage and rapidly detect leaks was implemented. The facility opened a new factory in 2020, leading to an overall increase in water withdrawals of 44%. The new factory was connected to the existing water treatment and recycling plant in 2021. The plan is to achieve 100% process water recycling at the site in 2022.

Cost of response
100000

Explanation of cost of response
The cost to upgrade the wastewater treatment facility at Shenyang using Xylem products was $200,000 USD. The cost for improvements and the connection to the system in 2021 was $100,000 USD.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	Following our comprehensive risk assessment of our operations, supply chain disruptions resulting from the impacts of water risks were not considered to have a direct impact on Xylem. However, we are aware that significant disruptions to global supply chains could occur. As part of a proactive strategy to avoid these risks and reduce impacts we are strengthening our relationships through ongoing supplier monitoring including a new risk classification of strategic suppliers, audits, capacity building and incentives. However, should any of these risks and uncertainties develop into actual events, our business, financial condition or results of operations could be materially and adversely affected. Risks related to operational and external factors include the inability of suppliers to meet delivery requirements. Our business relies on third-party suppliers, contract manufacturing and commodity markets to secure raw materials, parts and components used in our products. We are exposed to the availability of these materials, which may be subject to curtailment or change due to, among other things, interruptions in production by suppliers, pandemics, and weather emergencies. Any delay in our suppliers' abilities to provide us with necessary materials could impair our ability to deliver products to our customers and, accordingly, could have a material adverse effect on our business, financial condition or results of operations.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Products and services

Primary water-related opportunity

Increased sales of existing products/services

Company-specific description & strategy to realize opportunity

Today, less than 1% of the total water available on earth is fresh water, and supplies are under threat due to the draining of aquifers, pollution and climate change. Demand for fresh water is rising rapidly due to population growth, industrial expansion, and increased agricultural development. Consumption is estimated to double every 20 years. By 2025, more than 30% of the world's population is expected to live in areas without adequate water supply. Even in developed countries with sufficient clean water supply, existing water supply infrastructure is aging and inadequately funded. These and other challenges create opportunities for growth in the global water industry. We compete in areas that are pivotal to improving water productivity, water quality and resilience.

Our customers often face challenges, ranging from inefficient and aging water distribution networks, energy-intensive or unreliable wastewater management systems or exposure to natural disasters such as floods or droughts.

For instance, Xylem's pump systems and disinfection systems may provide relief from flooding, while Xylem drinking water and desalination systems may provide needed freshwater during emergencies.

Through Sensus, we also provide solutions to enhance communications and efficiency, improve safety and conserve resources to customers in the water, electric, gas, and lighting sectors.

Delivering value in these areas creates significant opportunity for the Company.

Estimated timeframe for realization

More than 6 years

Magnitude of potential financial impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

61000000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact

We estimate the total addressable market size of our industry to be approximately $560 billion. According to our market share, we estimate our total served market size to be approximately $61 billion USD.

At Xylem, we believe digital solutions can create bold, new water, energy and cost efficiencies and benefits for our customers throughout all areas of our portfolio, from our robust foundational products like diesel dewatering pumps and wastewater pump stations to smart water meters and data analytics platforms that enable smart city infrastructure.

One example of how we are creating financial and sustainability impact for our customers is our BLU-X digital platform: In South Bend, Indiana, the city faced a billion-dollar consent decree for combined sewer overflows. The city implemented Xylem's BLU-XTM intelligent sewer solution, utilizing a combination of sensors and artificial intelligence to provide real-time decision support and coordinated real time system control. As a result, the City has reduced combined sewer overflow volumes by over 70%, reduced E. coli concentrations in the St. Joseph River by 50% and is expected to reduce capital required to comply with the consent decree by more than $500 million.

The city of Grand Rapids, Michigan, set out to certify the performance of its newly separated sanitary sewer system. After building one of the largest distributed sensor networks of any storm water and wastewater utility in the country, the city utilized Xylem's BLU-X™ visualization and analytics tools to assess planned I&I mitigation projects. By linking these to a common framework, the city found many of these projects were not necessary and has reduced capital infrastructure program needs from over $1 billion to less than $50 million.

Another recent example is Xylem's Sensus brand, which provides intelligent infrastructure solutions, including meters, sensors, communication networks and data analytics to help our customers operate efficiently and reliably, providing real-time information on resource consumption and system performance. The new Sensus Cordonel® high-performance static flow meter for commercial and industrial applications, launched in 2019, helps water utilities, industries, and agriculturalists precisely measure flow, temperature and pressure data in real time providing the accuracy required for the reduction of non-revenue water and improved operations.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number
Facility 1

Facility name (optional)
Shenyang

Country/Area & River basin
Please select

Latitude
41.79222

Longitude
123.43278

Located in area with water stress
Yes

Primary power generation source for your electricity generation at this facility
<Not Applicable>

Oil & gas sector business division
<Not Applicable>

Total water withdrawals at this facility (megaliters/year)
15.8

Comparison of total withdrawals with previous reporting year
Higher

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes
0

Withdrawals from brackish surface water/seawater
0

Withdrawals from groundwater - renewable
0

Withdrawals from groundwater - non-renewable
0

Withdrawals from produced/entrained water
0

Withdrawals from third party sources
15.8

Total water discharges at this facility (megaliters/year)
15.64

Comparison of total discharges with previous reporting year
Higher

Discharges to fresh surface water
0

Discharges to brackish surface water/seawater
0

Discharges to groundwater
0

Discharges to third party destinations
15.64

Total water consumption at this facility (megaliters/year)
0.16

Comparison of total consumption with previous reporting year
Higher

Please explain
The increases above are attributed to an increased level of activity in 2021 following the COVID-19 pandemic. Some of the data provided above was performed in a recent assessment conducted in Shenyang, and therefore such information is not available for 2020.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified
76-100

Verification standard used
Lloyd's Register Quality Assurance (LR) was commissioned by Xylem, Inc. (Xylem) to provide independent assurance of its Water Withdrawn Inventories for the Calendar Year 2021 against the assurance criteria below to a limited level of assurance using LR's verification procedure. LR's verification procedure is based on current best practise and is in accordance with ISAE 3000 and ISAE 3410.

Please explain
<Not Applicable>

Water withdrawals – volume by source

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain

Water withdrawals – quality by standard water quality parameters

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain

Water discharges – total volumes

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain

Water discharges – volume by destination

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain

Water discharges – volume by final treatment level

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain

Water discharges – quality by standard water quality parameters

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain

Water consumption – total volume

% verified
Not verified

Verification standard used
<Not Applicable>

Please explain

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business dependency on water Description of business impact on water Description of water-related performance standards for direct operations Description of water-related standards for procurement Reference to international standards and widely-recognized water initiatives Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to water-related innovation Commitment to stakeholder awareness and education Commitment to water stewardship and/or collective action Commitment to safely managed Water, Sanitation and Hygiene (WASH) in the workplace Commitment to safely managed Water, Sanitation and Hygiene (WASH) in local communities Acknowledgement of the human right to water and sanitation Recognition of environmental linkages, for example, due to climate change	As a water technology company, Xylem's business model depends on water. Our Climate Action Plan outlines our enterprise commitment to develop innovative mitigation and adaptation solutions for the water-related challenges associated with climate change. Climate Change will intensify water availability and quality risks. We: work with partners to increase water productivity, quality and resilience, resulting in direct and indirect benefits to climate change; Understanding that our own water footprint pales in comparison to the impact we can have using our products, we introduced several goals related to the use of our products with a target year of 2025 in 2019. We also aim to use 100 percent process water recycling at our major facilities by 2025. At the end of 2021, 8 of our major facilities are recycling 100% of facility process water. Our Emerging Markets team led the way in 2021 and taken important steps to ensure safe WASH for all employees in our Supply Chain across the Asia Pacific region: The teams onboarded 200 suppliers to the WASH4Work Pledge in 2021, the majority of which are in India. At our 2021 Supplier Conference, we further engaged our key suppliers with WASH and Water Stewardship, by inviting all to join our "Watermark Volunteer Challenge". We learned that more examples, tools, support and knowledge sharing is necessary going forward to support our supply partners in joining and implementing the WASH pledge program. As a global Procurement organization at Xylem, we also look forward to further leveraging our Watermark events, partners and expertise on WASH to help our supplies tackle water stewardship across their own businesses, value chains and communities. We are a signatory to the UN Global Compact's CEO Water Mandate and Caring for Climate Statement; are committed to water-related innovation in developed and developing countries; encourage employee engagement in our sustainability initiatives and global citizenship program, Watermark; address water infrastructure through Value of Water Coalition; educate with reports and publications, such as our Urban Resilience series; ask companies to adopt SDGs. Find our Climate Action Plan here: https://www.xylem.com/siteassets/about-xylem/climate-change/20150528_climate-change-policy-position_vfinal.pdf

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board Chair	Our business strategy, risk management, and reputation are intricately linked to climate- and water-related issues The Board of Directors provides oversight of our sustainability strategy and oversees our risk management processes and policies. The Board has delegated certain responsibilities to designated Committees that report to the full Board. We review our business strategy with our board of directors during our annual strategy discussions and then again 2-3 times per year. We develop our business and sustainability strategy through the lens of our customers' most urgent needs that we can serve. Those needs are resiliency against climate change, water scarcity and water affordability. As a result, the topics of climate and water related risks are part of our regular strategy discussions with the board. Further, when we review our manufacturing and supply chain strategy with the board, sustainability and how we manage our footprint is part of those discussion. In addition, the Innovation & Technology Committee of the Board reviews our technology and innovation strategy. Reducing the climate impact of our pumping and treatment technologies is well embedded in that strategy and the Committee's recent focus areas have been the advancement of digital technology to further assist our customer in managing their environmental impacts and resiliency against climate change. Lastly, our Nominating & Governance Committee formally reviews our sustainability strategy and performance against our goals, many of which consider climate and water risks, such as investing further in digitization to expand our leading position in the smart water sector, at least annually.

W6.2b

(W6.2b) Provide further details on the board's oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing and guiding corporate responsibility strategy Reviewing innovation/R&D priorities Setting performance objectives	As a water technology company, Xylem's long-term business objectives hinge on the understanding and planning for macro-economic trends regarding water issues and the nexus between water and climate. Our business strategy, including M&A, our approach to risk management and R&D are intricately linked to water-related issues and the increasingly visible nexus between water and climate. The Board of Directors provides oversight of our strategy and oversees our risk management processes and policies. The Board has delegated certain responsibilities to designated Board Committees that report back to the full Board. Water- and climate-related issues are addressed by the full Board, as well as the following Xylem Board Committees: • Audit & Finance monitors Xylem's overall risk assessment and risk management program. Water risks are considered in risk analyses. •Nominating & Governance reviews Xylem's sustainability; business continuity and disaster recovery; and environmental, safety, health and security programs. It also reviews our corporate social responsibility programs which are focused on providing education and community resources regarding water-related risk. • The Innovation & Technology oversees Xylem's technology and innovation approach, including the technical talent needed to advance our innovation. All Committees regularly report their activities to the full Board. The Board oversees the Company's strategy and management's approach to risk management and execution of its risk management responsibilities; both strategy and risk management include areas that affect Xylem's sustainability efforts. Our Board, primarily through its Nominating & Governance Committee, provides oversight of the Company's approach to sustainability and corporate social responsibility. In addition, our Leadership Development & Compensation Committee oversees the Company's approach to improving diversity, equity and inclusion as well as talent development. The Board and its committees regularly discuss with management our approach to sustainability, including risks and opportunities, and implications for the Company's strategy. The Board, primarily through its Nominating & Governance Committee, provides oversight of our approach to sustainability, corporate citizenship and social value creation, including our approach to sustainability reporting. Our CSO is responsible for the execution of our Sustainability goals, commitments, and reporting. To further drive executive oversight of Sustainability performance, review of a set of 2025 Sustainability Goals was added to Quarterly Business Reviews, alongside financial and operational reviews. A larger set of executives were also granted special ESG PSUs aligned to 5 key 2025 Sustainability Goals to further enhance accountability.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

	Board member(s) have competence on water-related issues	Criteria used to assess competence of board member(s) on water-related issues	Primary reason for no board-level competence on water-related issues	Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future
Row 1	Yes	Our CSO is responsible for the execution of our Sustainability goals, commitments, and reporting. To further drive executive oversight of Sustainability performance, review of a set of 2025 Sustainability Goals was added to Quarterly Business Reviews, alongside financial and operational reviews. A larger set of executives were also granted special ESG PSUs aligned to 5 key 2025 Sustainability Goals to further enhance accountability. We believe that our longer-tenured directors generally qualify as competent on water issues. They've been hearing, learning and in dialogue about water issues with management and external thought leaders at almost all regular meetings for the entirety of their tenures. In addition to water competence, two of our directors have deep expertise in the water industry.	<Not Applicable>	<Not Applicable>

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)
Chief Executive Officer (CEO)

Responsibility
Assessing future trends in water demand
Assessing water-related risks and opportunities
Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues
Quarterly

Please explain
Our CEO has ultimate responsibility for aligning Xylem's long-term business strategy with water and climate-driven market conditions in the water technology industry.

Or CEO leads the review our business strategy with our Board during our annual strategy discussions and then again 2-3 times per year. He helps develop our strategy through the lens of resiliency against climate change, water scarcity and water affordability. When we review our manufacturing and supply chain strategy, sustainability and how we manage our footprint is part of the discussion. Innovation & Technology Committee reviews our technology and innovation strategy including reducing the climate impact of our pumping and treatment technologies. Recent focus areas by the CEO have been the advancement of digital technology. Nominating & Governance formally reviews our sustainability strategy and performance against our goals, many of which consider climate and water risks, at least annually.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	An important barometer of Xylem's continued commitment to sustainability, the individual component of the 2021 Annual Incentive Compensation for both our CEO and CSO was tied to Xylem's sustainability performance as rated by Sustainalytics. In addition, the individual component of the 2021 Annual Incentive Compensation for our business Presidents included the safety performance of their businesses as measured by injury frequency and risk reduction index. In 2021, Xylem augmented its sustainability linked compensation for members of our Senior Leadership Team, as well as a broader group of executives, with a special, one-time grant of performance share units with goals that are based on 5 of our strategically transformative 2025 sustainability goals.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Executive Officer (CEO) Chief Sustainability Officer (CSO)	Other, please specify (Environmental Performance, Health & Safety, Operational Performance)	An important barometer of Xylem's continued commitment to sustainability, the individual component of the 2020 Annual Incentive Compensation for both our President & Chief Executive Officer and our Senior Vice President, General Counsel & Chief Sustainability Officer was tied to Xylem's sustainability performance. A significant portion of our executive pay is performance-based and not guaranteed. 75% of our corporate executive team's annual incentive compensation is tied to revenue growth, operating income growth and working capital improvements, weighted equally. Revenue growth means that we are successful in selling more of our green/sustainable products and solutions. Operating income improvements means that we are thoughtful about our costs, including energy costs. Our energy treasure hunts routinely contribute to our operating income performance In 2021, the Company augmented its sustainability-linked compensation for members of our Senior Leadership Team, as well as a broader group of executives, with a special, one-time grant of performance share units with goals that are based on 5 of our strategically transformative 2025 sustainability goals. The Annual Incentive Compensation as rated by Sustainalytics will continue to be in effect for the foreseeable future.
Non-monetary reward	Other, please specify (Employees)	Reduction in consumption volumes	Treasure Hunts and other activities that identified efficiency measures including water reduction opportunities were conducted at 35 Xylem facilities in 2021. Non- monetary incentives such as Xylem-logoed shirts and novelty items, pizza parties and cookouts are given to employees in recognition for participation in Sustainability and Health & Safety initiatives like the Treasure Hunts.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?
Yes, direct engagement with policy makers
Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

We have a cross functional team made up of mostly internal but also have external participants, to review our direct and indirect activities seeking to influence policy. If we find any activity not consistent with our own values as a company in general and specifically around our water policies, we will elevate that activity to the Chief Sustainability Officer, Chief Marketing Officer and relevant Business Unit Leader to review and take a decision for Xylem to either: continue with such activity, stop the activity or perhaps launch a review of our own policies to make them as competitive and sustainable as we can .Since it is our business to sell solutions to the world's water challenges, influencing policy inconsistent with our own water policies and commitments would be counterproductive to our reputation and success.

We provide technology and market expertise to inform policymakers on key water issues in the US and the EU contributing language to the FUTURE Act and Advanced Research Projects Agency — Water (ARPA-H2O) Act in US federal and state legislatures to assist in the adoption of digital technology and accelerating the assessment of critical water infrastructure.

Our goals include:
- Co-developing and advancing bold new technologies and applications through partnerships with universities, research institutes, startups, NGOs, policymakers and other tech companies
- Convening broader conversations about water challenges with policymakers and the general public.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)
xyl-12.31.2021-10-k.pdf
Xylem 2021 TCFD Report.pdf

Significant fluctuations in weather conditions and climate changes can result in volatility in our financial results. Severe weather events and other effects of climate change have caused, and may in the future cause, disruptions to our facilities and operations, and those of our customers and suppliers. In 2021, a physical risk analysis using the Task Force on Climate Related Financial Disclosures ("TCFD") framework indicated that certain of our facilities are at a moderate risk for exposure to water stress, coldwave and wildfire impacts due to the effects of climate change. While we continue to assess these risks, implement mitigation plans and perform business continuity and disaster recovery planning, we cannot be sure that disruptions with material adverse effects will not occur.

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Technology is transforming how we solve water. Smart water networks identify water infrastructure problems earlier and more efficiently, saving wasted water. Improved wastewater management means less polluted waterways. We're creating the technological platform to address these opportunities. We expect global macro trends to fuel demand for our solutions. Global regulations are increasing the need for more efficient solutions. Population growth, urbanization and a growing middle class in emerging markets are boosting demand for clean water while putting strains on aging infrastructure. The impacts of climate change are disrupting water supplies with intensifying water scarcity in many parts of the world and increased flooding. These factors create a growing need for water and energy infrastructure solutions that are modern, efficient and resilient. Xylem is well-positioned to fulfill these long-term needs. While the world's water challenges are growing exponentially, so too are the opportunities to address and overcome them. That's why we're focused every day on finding a smarter way forward to solve water by harnessing the power of cutting-edge technologies and innovation. The water-related issues we include in this process include: water usage efficiency, wastewater quality, and water infrastructure and are factored into our decisions regarding new product research and development, geographic prioritization for product introductions, and new facility investment.
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	Xylem's business strategy is built on creating technology-enabled solutions to help our customers solve their most pressing challenges related to scarcity, resilience and affordability. One of Xylem's core business strategies is to drive long-term, accelerated growth by investing key markets with attractive fundamentals, sustainability initiatives to do right by our customers and the environment, innovation and technology to enable smart infrastructure, and disciplined M&A to continually advance our portfolio and channels to market. We are building on over $2 billion of investments since 2016 on a series of acquisitions to form the basis of our Monitoring & Controls Solutions segment by investing further in digitization to expand our leading position in the smart water sector, developing new infrastructure with greater localized offerings and technology enablement in emerging markets which will attract the vast majority of investment in water sector through 2025, and expanding our broader service capabilities and leveraging the breadth of our portfolio to best serve our customers. Furthermore, we have integrated sustainability deeper throughout our business, including identifying 2025 sustainability goals. The water-related issues we include in this process include: water usage efficiency, wastewater quality, providing access to water for under-served populations and water infrastructure.
Financial planning	Yes, water-related issues are integrated	5-10	Xylem takes a balanced approach to capital deployment, managing leverage with investments in growth. We return capital to shareholders via dividend growth in line with earnings and opportunistic share repurchases. Water related issues play a key role in our Green Finance Framework, which guides our financing efforts including our $1B Green Bond issued in 2020. The water-related issues we include in this process include: water usage efficiency, wastewater quality, and water infrastructure. These issues are factored into our decisions regarding new product research and development, geographic prioritization for product introductions, and new facility investment.

W7.2

(W7.2) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0

Anticipated forward trend for CAPEX (+/- % change)

0

Water-related OPEX (+/- % change)

0

Anticipated forward trend for OPEX (+/- % change)

0

Please explain

We expect CAPEX and OPEX to remain stable through 2023. We anticipate increasing CAPEX and OPEX in the future as the result of Xylem's efforts to meet our 2025 goals, SBTs, and Net-Zero targets.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	Xylem uses the WRI Aqueduct Tool to conduct sensitivity analysis to determine a level of water stress at each facility; it provides specific analysis of the water quality and resilience risks at each facility, such as regulatory landscape, drought, flood, and groundwater risks. The tool allows to also consider future water-stress scenarios as influenced by climate change. Xylem uses these analyses and actual water withdrawal to set water reduction goals and uses a risk-based approach to the allocation of resources for water projects consistent with our water intensity reduction goal. Water withdrawal is tracked through an online metrics tool called GenSuite and reported and reviewed at the facility level. Water withdrawal values are aggregated at the corporate level and used to track our progress against our goal. For more information please see TCFD here: https://www.xylem.com/siteassets/sustainability/company/external-reporting/xylem-tcfd-final.pdf

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization's business strategy.

	Type of scenario analysis used	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
Row 1	Water-related	In 2021, Xylem identified 32 facilities, out of 299 facilities, that are at extremely high physical risk to the quantity or quality of water. Two are in the arid & low water use category already	In 2021, Xylem identified 32 facilities, out of 299 facilities, that are at extremely high physical risk to the quantity or quality of water. Two are in the arid & low water use category already.	medium

W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

Xylem is not directly dependent on large quantities of water, however as a water technology company, we need to actively manage our water risks to enhance our brand and reduce reputational risks. We plan to explore water valuation practices within the next few years.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
Row 1	Yes	As an example, our Emmaboda facility has been using Lowara circulation pumps for the heat exchange and thermal borehole storage systems since 2017. In more recent projects (2019-2021) pumps for filtering and skimming are used to exchange water and recirculate it to the test pit and furnaces allowing cooling integration to the heat system. In 2020 the facility commenced a 2 year project concluded in early 2022 to recirculate and treat pond water to be reused on facility processes. The project included Xylem's equipment like pumps, oxidation system, Lamella filtration system, sand filters, UV filter and booster pumps among others. Some of the Xylem's brand products installed during the project include Concertor, Sanitaire, Leopold, Lowara, Wedeco and Flygt. This helps allow safe and efficient usage of water and can be classified as low water impact products.	<Not Applicable>	In 2020 the facility commenced a 2 year project concluded in early 2022 to recirculate and treat pond water to be reused on facility processes. The project included Xylem's equipment like pumps, oxidation system, Lamella filtration system, sand filters, UV filter and booster pumps among others. Some of the Xylem's brand products installed during the project include Concertor, Sanitaire, Leopold, Lowara, Wedeco and Flygt. This helps allow safe and efficient usage of water and can be classified as low water impact products.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	Company-wide targets and goals Activity level specific targets and/or goals Site/facility specific targets and/or goals Brand/product specific targets and/or goals	Targets are monitored at the corporate level Goals are monitored at the corporate level	In 2017, Xylem signed the CEO Water Mandate, committing to continuous progress against six core elements of water stewardship. To determine Xylem facilities located in water-stressed or water-scarce areas, Xylem used The Global Water Tool, developed by the World Business Council for Sustainable Development. This tool is used at manufacturing facilities, sales and service facilities and large office-only facilities. Additionally, since 2018, Xylem uses the WRI Aqueduct Tool to conduct sensitivity analysis to: a) determine how water stressed the area is where each Xylem facility is located, and b) provide specific, drilled down analysis of the water quality and resilience risks at each Xylem facility including characteristics such as regulatory landscape, drought, flood, upstream and groundwater risks among others. Xylem uses the Aqueduct analysis along with actual water consumption at each facility to set water consumption reduction goals and use a risk-based approach to the allocation of resources for water consumption projects consistent with our water intensity reduction goal. Xylem tracks water withdrawal using an online metrics tracking tool. Water withdrawal is reported and reviewed at the facility level, monthly for facilities equipped with water meters, and quarterly for facilities getting consumption information from invoices. Water withdrawal values are aggregated at the corporate level and still used to track our progress against our goal to reduce water use intensity by 25% by 2019. Since 2019, we have continued to reduce our water intensity and in 2021, we achieved an aggregate decrease of 32% reduction in water intensity over the past 5 years. Xylem also conducts regular materiality assessments to ensure that the goals and targets we create and monitor are most material to our business and our stakeholders. In 2018, Xylem initiated a comprehensive review of our sustainability approach to establish new long-term goals and review the best ways to track our progress against some of the harder-to-measure metrics. Our current goals are aligned with the UN SDGs and UN Global Compact Principles. Particularly recognizing that Xylem can have the biggest impact using our products, many of our current goals are related to the use of our products with a target year of 2025.

W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number
Target 1

Category of target
Water use efficiency

Level
Business activity

Primary motivation
Commitment to the UN Sustainable Development Goals

Description of target
Reduce over 3.5 billion m3 of non-revenue water, equivalent to the domestic water use needs of over 55 million people annually (component of our water savings Signature Goal)

We will leverage digital technologies to help reduce water losses from broken infrastructure, faulty meters or unauthorized use (non-revenue water), making water more accessible and affordable for all.

Quantitative metric
Other, please specify (Absolute reductions in real water losses through the use of our products)

Baseline year
2018

Start year
2019

Target year
2025

% of target achieved
41

Please explain
We reduced 0.44 billion m3 in 2021 representing 41 percent of the 2025 cumulative goal. We continue to work closely with the Sustainability and Health Initiative for NetPositive Enterprise (SHINE) at the Massachusetts Institute of Technology (MIT) to obtain third-party validation of the methodologies, models and definitions for our customer goals to validate our metrics and to align our approach with industry standards when available.

Target reference number
Target 2

Category of target
Water recycling/reuse

Level
Business activity

Primary motivation
Commitment to the UN Sustainable Development Goals

Description of target
Treat 13 billion m3 of water for reuse, equivalent to the domestic water use needs of over 197 million people annually (component of water savings Signature Goal)

Quantitative metric
Other, please specify (Absolute volumes of water treated through the use of our products)

Baseline year
2018

Start year
2019

Target year
2025

% of target achieved
55

Please explain
We reduced 1.08 billion m3 in 2021 representing 55 percent of the 2025 cumulative goal. In addition, we continue to work closely with the Sustainability and Health Initiative for NetPositive Enterprise (SHINE) at the Massachusetts Institute of Technology (MIT) to obtain third-party validation of the methodologies, models and definitions for our customer goals to validate our metrics and to align our approach with industry standards when available.

Target reference number
Target 3

Category of target
Water pollution reduction

Level
Business activity

Primary motivation
Commitment to the UN Sustainable Development Goals

Description of target
Prevent over 7 billion m3 of polluted water from flooding communities or entering local waterways.

Quantitative metric
Other, please specify (Absolute volumes sewage overflow prevented through the use of our products)

Baseline year
2018

Start year
2019

Target year
2025

% of target achieved
65

Please explain
We prevented 1.9 billion m3 in 2021 increasing our achievement to 65 percent of the 2025 cumulative goal. In addition, we continue to work with the Sustainability and Health Initiative for NetPositive Enterprise (SHINE) at the Massachusetts Institute of Technology (MIT) to obtain third-party validation of the methodologies, models and definitions we will be using to validate our metrics and to align our approach with industry standards when available.

Target reference number
Target 4

Category of target
Water, Sanitation and Hygiene (WASH) services in the workplace

Level
Business activity

Primary motivation
Commitment to the UN Sustainable Development Goals

Description of target
Provide access to clean water and sanitation solutions for at least 20 million people living at the base of the global economic pyramid.

Quantitative metric
Other, please specify (Number of people for whom access to clean water and sanitation has been provided)

Baseline year
2018

Start year
2019

Target year
2025

% of target achieved
32.5

Please explain
We provided access to 1.8 million people in 2021, bringing our cumulative total to 6.5 million people; representing 32.5 percent of 2025 goal. Our impact reporting numbers are captured by our non-profit partners using NGO validated methodologies.

Target reference number
Target 5

Category of target
Water, Sanitation and Hygiene (WASH) services in the workplace

Level
Company-wide

Primary motivation
Commitment to the UN Sustainable Development Goals

Description of target
Ensure 100 percent of Xylem employees have access to clean water and safe sanitation at work, at home and during natural disasters

Quantitative metric
Proportion of employees using safely managed sanitation services, including a hand-washing facility with soap and water

Baseline year
2018

Start year
2019

Target year
2025

% of target achieved
100

Please explain
In 2020, 100 percent of surveyed employees met this goal at the workplace. In 2020, we developed a pilot program for employee homes in India. In 2021, we piloted an employee home program in South Africa. We are in the process of developing further assessment procedures for employees in the future.

Target reference number

Target 6

Category of target
Water recycling/reuse

Level
Company-wide

Primary motivation
Reduced environmental impact

Description of target
Use 100 percent process water recycling at our major facilities

Quantitative metric
Other, please specify (Proportion of major facilities that have implemented water process recycling)

Baseline year
2018

Start year
2019

Target year
2025

% of target achieved
36

Please explain
8 of our 22 major facilities are using 100 percent process water recycling. Major facilities are defined as those 22 facilities with manufacturing activities that are the top contributors to Xylem's water, waste, or GHGs metrics or located in areas with extreme high water-stress risk.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal
Other, please specify (Commitment to SDG 6 Clean Water & Sanitation Level)

Level
Company-wide

Motivation
Commitment to the UN Sustainable Development Goals

Description of goal
OXylem's vision is to help create a world where water issues are no longer a barrier to human health, prosperity and sustainable development.

Baseline year
2018

Start year
2019

End year
2030

Progress
Xylem's innovative solutions solve critical water issues for communities around the world, including the millions of people living at the base of the global economic pyramid. By developing and bringing to market digital technologies in areas such as treatment, water loss and water reuse, we benefit the public good by making communities more resilient and sustainable. Our holistic watershed management practices create water, energy and cost efficiencies that support health and well-being in those communities that are in greatest need.

Our corporate social responsibility programs, including Watermark, in collaboration with its non-profit partners, work to make sanitation and safe affordable drinking water accessible to all by restoring water-related ecosystems and protecting them for future generations.

We help our customers improve water quality by reducing pollution, reducing the proportion of untreated wastewater and substantially increasing recycling and safe water reuse globally.

Based on company estimates, approximately 90 percent of Xylem revenue addresses SDG 6.

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?
Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W1 Current state	2021 total water withdrawal = 342.1 megaliters.	ISAE 3000	Lloyd's Register Quality Assurance (LRQA) provided limited assurance in relation to specified 2010 environmental and safety data presented in the 2021 Xylem Sustainability Report (page 104). The 2021 Assurance Statement issued by LRQA covers our Water Withdrawn inventory and includes surface water, groundwater and third-party water.

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	CEO	Chief Executive Officer (CEO)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate's Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

Please confirm below

I have read and accept the applicable Terms