

xylem

Decarbonizing
the water sector



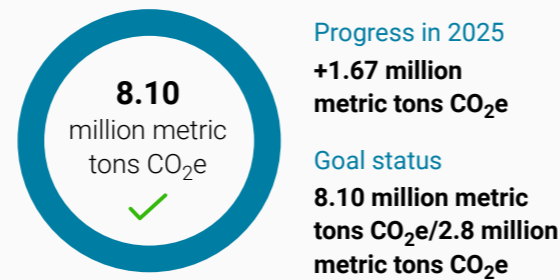
Decarbonize the water sector

Growing environmental and infrastructure challenges represent both a material risk and an opportunity to drive innovation in the water sector. As a technology partner to utilities, industrial water users, and municipalities, we work to reduce sector-wide greenhouse gas emissions while supporting customers' net-zero transitions. Our own science-based targets aim to cut Xylem's carbon emissions by 2030, with an ambition to reach net zero by 2050.

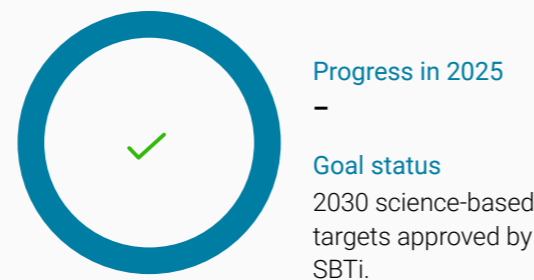
Through collaboration with stakeholders across the water sector, we share knowledge, resources, and standards for low-carbon operations, and we continuously assess and report the environmental footprint of our material products and solutions, from lifecycle performance to end-of-life impacts. By embedding emission-reduction targets into operational planning and decision-making, we align both our internal operations and our external solutions with the broader decarbonization goals we seek to advance across the sector.

2025 sustainability goals

Enable customers to reduce water's CO₂e footprint by more than 2.8 million metric tons.



Develop 1.5°C science-based targets for GHG reductions across Scopes 1, 2, and 3.

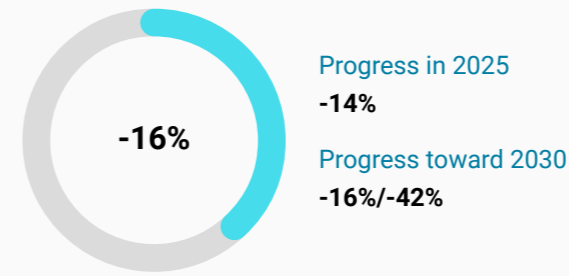


Use 100% renewable energy at our major facilities.¹

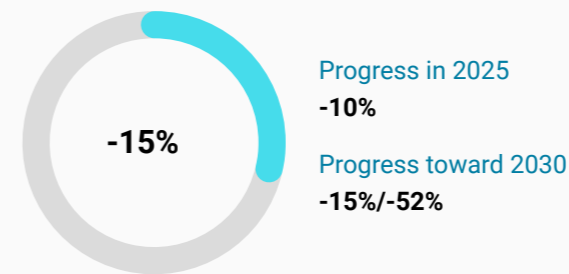


2030 sustainability goals

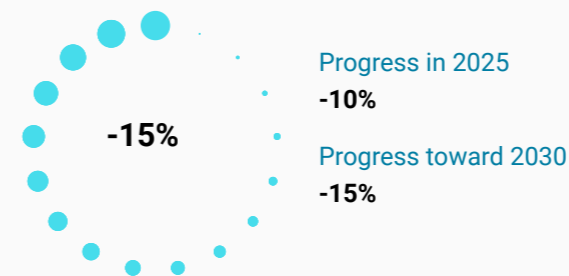
42% Scope 1 and 2 (market-based) emission reductions.⁴



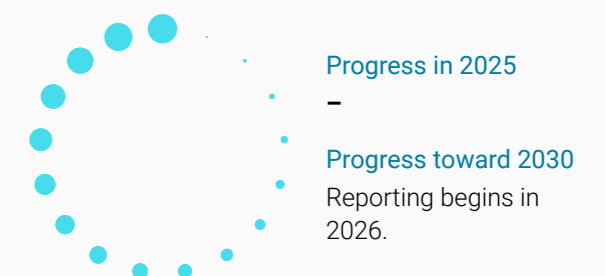
52% reduction in Scope 3 economic emissions intensity.^{5, 6}



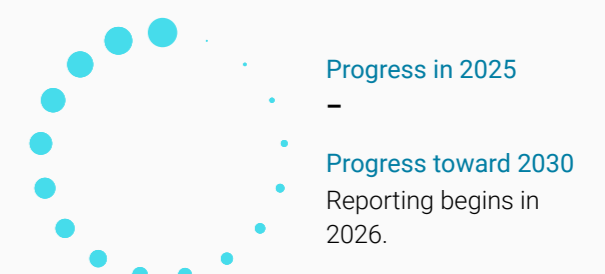
Reduce the economic emissions intensity associated with the use of our products by more than half, helping customers across the water sector decarbonize.



Publicly disclose lifetime environmental impacts for more than half of our products.



New Xylem products will be designed with sustainability embedded from the start.



¹ Major facilities are defined as those 21 sites with manufacturing activities that are the top contributors to Xylem's water, waste, or GHG metrics, or are in areas with extremely high water-stress risk.

² This reflects the divestment of our European metering operations and restructuring efforts in China to optimize cost structure and market focus. Capital and resources have been redirected toward initiatives expected to deliver equal or greater CO₂e reductions across our global operations.

³ Slaton (Texas), United States, previously classified as a major facility, closed in 2023, reducing our total number of major facilities to 21.

⁴ 2030 science-based target validated by SBTi.

⁵ 2030 science-based target validated by SBTi.

⁶ Scope 3 economic emissions intensity = Absolute Scope 3 emissions/Gross profit.



Learn more in our [2025 Sustainability Report](#).

Our path to net zero



Actions pre-2020

Our decarbonization journey builds on more than a decade of action and continuous improvement. In 2014, we set our first operations-focused emission-reduction target, committing to a 20% reduction by 2019. We exceeded that goal, achieving a 28% reduction in operations-related emissions over the period. Building on this progress, we introduced our 2025 Sustainability Goals in 2019, identifying 22 major facilities to lead our efforts to advance our net-zero ambition, expand renewable energy use, and transition significant portions of our global fleet. During this time, we also strengthened our emissions reporting across Scopes 1, 2, and 3.

Actions 2020–2030

From 2020 through 2030, our focus expanded to embedding science-based decarbonization across the business. By 2023, legacy Xylem sites had reduced absolute Scope 1 and 2 market-based emissions by 40% compared to a 2019 baseline.

In 2021, we committed to setting science-based targets aligned with a 1.5°C pathway and the ambition to reach net-zero emissions by 2050. Following the acquisition of Evoqua in 2023, we recalculated and disclosed the combined company's Scope 1, 2, and 3 emissions footprint, establishing a new 2023 baseline.

Based on this updated baseline, we resubmitted our 2030 science-based targets to SBTi, which validated and approved the targets in December 2024. From 2023 to 2025, we reduced Scope 1 and 2 emissions by 16% and Scope 3 economic emissions intensity by 15%.

From 2025 through 2030, we are implementing targeted decarbonization actions, including fleet rightsizing and the accelerated adoption of hybrid and electric vehicles across our global fleet. In parallel, we are strengthening our approach to reducing downstream Scope 3 economic emissions intensity by embedding decarbonization into the full lifecycle of our products.

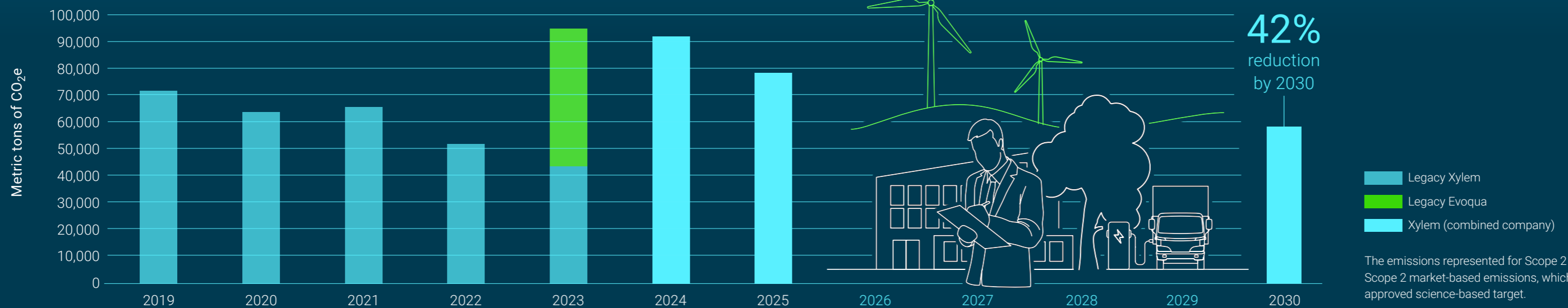
Actions 2030–2050

Looking ahead, our near- to mid-term actions include expanding renewable energy adoption across legacy Evoqua sites, continuing to reduce fleet emissions, and optimizing our product portfolio and customer engagement to further lower downstream Scope 3 economic emissions intensity.

Beyond 2030, we have the ambition to reach net-zero emissions through continued absolute reductions across our sites, fleet, and supply chain. We will also continue working closely with customers to help reduce emissions associated with the use of our products, supporting their operational efficiency and

sustainability objectives while advancing our efforts to reach net zero by 2050. In 2026, we plan to assess the feasibility of this ambition in the context of evolving technologies, policy landscapes, and market conditions. As part of this, we will evaluate the pace and pathways required, recognizing that certain decarbonization levers, particularly across our value chain, are dependent on external factors. We may refine our approach, explore alternative pathways, and adjust timelines to ensure our strategy remains both ambitious and achievable, while maintaining transparency with stakeholders on our progress and any changes to our trajectory.

Xylem Scope 1 and 2 emissions



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

Decarbonizing our own operations

In 2025, we reduced Scope 1 and 2 (market-based) greenhouse gas emissions by approximately 14% compared to the 2024 calendar year and 16% from our 2023 baseline, reflecting continued progress in energy efficiency, renewable energy adoption, and operational performance. These reductions demonstrate steady progress toward our science-based targets, supported by focused investments and the continued deployment of scalable, low-carbon solutions across our operations.

Scope 1 emissions

Most of our Scope 1 emissions originate from our global vehicle fleet, making fleet transformation a critical lever in achieving our 2030 science-based targets. Our decarbonization strategy focuses on transitioning to lower-carbon alternatives, including battery-electric and plug-in hybrid vehicles, rightsizing vehicles where feasible, and adopting alternative fuels. Progress varies by region, with fleet electrification advancing more rapidly in Europe, while barriers including limited charging infrastructure, vehicle availability, and supply constraints hinder adoption in North America.

Lowering fleet-related emissions remains a core priority in our Scope 1 reduction strategy. Since establishing our fleet electrification ambitions in 2021, the acquisition of Evoqua and continued business growth have expanded our North American service fleet, increasing the proportion of medium- and heavy-duty commercial vehicles required to deliver critical customer services. Given limited vehicle availability and charging infrastructure constraints in North America, our fleet strategy has evolved toward a phased, regionally tailored approach aligned with our 2030 decarbonization roadmap. As a result of these structural market shifts and limitations, achieving our original 2025 fleet electrification target is no longer feasible. Progress continues across regions where market conditions and vehicle availability support electrification.

In 2025, we established a global fleet rightsizing policy to better align vehicle classes and utilization with operational needs, with phased implementation beginning in 2026. As we advance our 2030 regional roadmaps, particularly in Africa, the Middle East, and Latin America, we aim to invest further in electrification, digital insights, and efficiency

improvements to reduce fleet emissions while maintaining safety, reliability, and customer service standards.

[Read more on page 36 of the 2025 Sustainability Report.](#)

Scope 2 emissions

We reduce Scope 2 emissions by sourcing renewable electricity through direct generation (on-site solar) and indirect procurement from the grid, including solar, hydro, and wind power. Where direct renewable energy is not feasible due to regulatory or geographic constraints, we purchase certified renewable energy credits (RECs) to support renewable energy development and lower our Scope 2 footprint. These strategic purchases enable cost-effective decarbonization, particularly at locations without access to on-site or local renewable options. Reducing emissions from heat production remains a challenge, as renewable heat solutions and associated credit mechanisms are limited or cost-prohibitive in many regions.

We regularly assess our global decarbonization investments to align with strategic priorities and evolving market conditions. Following our 2025 portfolio review, we did not proceed with planned sustainability investments at sites in Shenyang, China, and Stará Turá, Slovakia, due to the divestment of our European metering operations and restructuring efforts in China.

While these adjustments resulted in the cancellation of site-specific projects, our overall decarbonization roadmap remains unchanged and on track. Capital and resources have been redirected toward initiatives expected to deliver equal or greater CO₂e reductions across our global operations, supporting continued progress toward our 2030 science-based targets and net-zero ambitions.

Our approach to Scope 2 decarbonization combines renewable energy procurement with site-level efficiency efforts to deliver measurable emissions reductions, while maintaining operational reliability and momentum toward our decarbonization goals. In 2025, 92% of Xylem's electricity consumption was sourced from renewable energy, representing a 12-percentage-point increase compared to 2024.

[Read more on page 36 of the 2025 Sustainability Report.](#)

Decarbonizing our value chain

Reducing emissions beyond our own operations is central to Xylem's path to net zero. By working with customers and suppliers and advancing more energy-efficient solutions, we are lowering carbon emissions across our value chain. In 2025, our Scope 3 economic emissions intensity decreased by 10% compared to 2024 and 15% compared to our 2023 baseline, reflecting progress in data quality, product efficiency, and customer engagement.

Scope 3 emissions

Emissions from the use of sold products (Scope 3, Category 11) represent more than 96% of our total value-chain emissions. This reflects our solutions portfolio, which is largely composed of equipment designed to treat, transport, and manage water and wastewater, delivering essential benefits such as clean drinking water, sanitation and hygiene, and environmental protection. These products are typically electricity-intensive, operate for extended periods each day, and have long service lives that often exceed ten years.

Based on 2025 reported data, approximately 40% of Category 11 emissions are associated with our Applied Water segment pumping solutions serving industrial, commercial, and residential customers. Approximately 50% are attributed to the Water Infrastructure segment, driven largely by our Custom Pump portfolio, which includes large pumps. Within this segment, a small number of custom pump installations—often deployed in major infrastructure projects in regions such as China or India—can account for up to approximately 20% of total Category 11 emissions in a given year. Our Water Solutions and Services segment contributes approximately 10%, while emissions from our Measurement and Control .

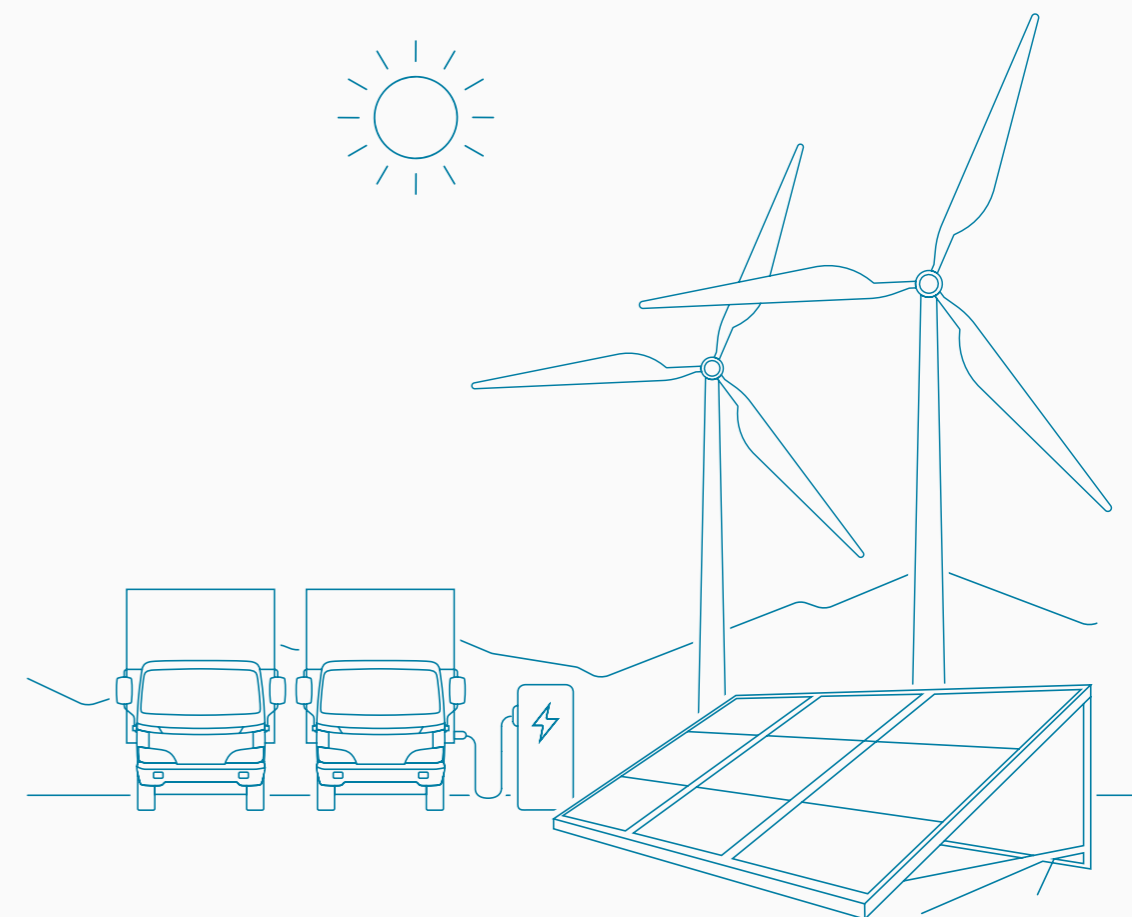
Decarbonization pathway and customer engagement

Our Scope 3 decarbonization strategy prioritizes actions that can drive measurable reductions in downstream use-phase emissions. Key levers include the expanded commercialization of energy-efficient equipment, digital and optimization solutions, and service interventions that recover or improve system efficiency over time. We are also aligning our commercial strategy to support a gradual shift in revenue toward

lower-emission products and solutions, informed by lifecycle-based assessments that demonstrate environmental performance.

In parallel, customer engagement remains a critical driver of our emissions reduction progress. We work with customers to increase transparency and access to environmental performance information for our products and solutions, supporting more informed procurement decisions, risk management, capital planning, and operating-cost optimization. Together, these actions support tangible Scope 3 emissions reductions while reinforcing the long-term resilience and efficiency of water infrastructure systems.

In 2025, we reduced Scope 1 and 2 greenhouse gas emissions by approximately 14% compared to the 2024 calendar year and 16% from our 2023 baseline.



Performance data⁷

Energy consumption (MWh)	2025	2024	2023 ⁸	2019 ⁹
Direct energy by type				
Renewable electricity generated	491	1,713	1,526	1,031
Natural gas	135,243	127,784	152,898	100,175
Stationary source gaseous propane	1	20	161	0.4
Stationary source liquid propane	2,377	1,710	4,729	2,318
Stationary source fuel oil	2,940	4,144	6,789	5,419
Total stationary energy usage	141,051	135,370	166,103	108,943
Mobile source gasoline	67,543	65,157	65,885	4,612
Mobile source diesel	98,225	116,552	110,027	76,993
Mobile source liquid propane	19	14	1,075	0.2
Total mobile energy usage	165,787	181,723	176,987	81,605
Total direct energy usage¹⁰	306,838	317,093	343,091	190,548
Indirect energy by type				
Purchased electricity	178,417	189,500	187,351	167,232
Purchased heat	8,278	11,235	10,565	8,498
Total indirect energy usage	186,695	200,736	197,916	175,730
Total energy consumption	493,532	517,829	541,007	366,278
Total revenue (million \$)	9,035	8,562	8,146	5,249
Energy economic intensity (MWh/million \$ of revenue)	55.1	60.5	-	-

Greenhouse gas (GHG) emissions (mtCO ₂ e)	2025	2024	2023 ¹¹	2019 ¹²
GHG emissions – Scope 1 (direct)				
Natural gas	24,487	23,136	28,142	18,158
Stationary source gaseous propane	0.1	4.2	34.2	0.1
Stationary source liquid propane	509	366	990	485
Stationary source fuel oil	741	1,044	1,710	1,365
Cryogenic CO ₂	1.5	1.8	1.2	1.3
Refrigerant	197	75	188	532
Total stationary GHG emissions	25,935	24,627	31,065	20,543
Mobile source gasoline	17,775	17,148	16,057	1,212
Mobile source diesel	26,817	31,821	28,709	20,713
Mobile source liquid propane	486	347	389	4
Total mobile GHG emissions	45,078	49,315	45,156	21,929
Total Scope 1 emissions	71,013	73,943	76,221	42,471

Greenhouse gas (GHG) emissions (mtCO ₂ e) continued...	2025	2024	2023 ¹³	2019 ¹⁴
GHG emissions – Scope 2 (indirect)				
Purchased electricity	44,714	49,459	51,126	48,354
Purchased heat	1,875	2,545	1,579	1,773
Total Scope 2 emissions – location-based	46,590	52,005	52,704	50,127
Total Scope 2 emissions – market-based	8,114	17,516	18,272	28,763
GHG emissions – Scope 1 and 2 economic emissions intensity				
Total Scope 1 and 2 (location-based) emissions	117,602	125,947	128,924	92,598
Total revenue (million \$)	9,035	8,562	8,146	5,249
Scope 1 and 2 (location-based) economic emissions intensity (mtCO₂e/million \$ revenue)	13	14.7	-	17.6
Emissions avoided via purchased renewable energy credits	39,802	35,035	34,448	17,605
Renewable electricity generated	0	0 ¹⁵	800	681
Renewable purchased heat	0	833	813	6
Net GHG emissions (Scope 1 and 2) incl. renewable energy	79,127	91,459	93,676	74,306
Net economic GHG (Scope 1 and 2) emissions intensity (mtCO₂e/million \$ revenue)	8.8	10.7	-	14.2

GHG emissions – Scope 3 (indirect) (mtCO ₂ e)	2025	2024	2023 ¹⁶	2019 ¹⁷
Category 1 – Purchased goods	743,757	847,077	869,020	1,978,871
Category 2 – Capital goods	57,607	11,731	13,924	-
Category 3 – Fuel and energy-related activities	28,876	30,568	40,998	20,643
Category 4 – Upstream transport	168,770	190,755	217,852	251,410
Category 5 – Waste generated	10,203	39,615	14,546	6,050
Category 6 – Business travel	21,939	23,074	31,518	11,653
Category 7 – Employee commuting	55,012	48,277	45,064	20,400
Category 9 – Downstream transport	70,849	82,647	110,346	45,026
Category 11 – Use of sold products	59,966,485	61,466,413 ¹⁶	61,288,587	69,500,776
Category 12 – End-of-life treatment of sold products	49,946	55,895	57,314	-
Category 13 – Downstream leased assets	917,960	869,497	629,286	-
Category 15 – Investments	5,241	5,327	6,304	-
Total Scope 3 emissions	62,096,618	63,670,876¹⁷	63,324,759	71,834,829
Total gross profit (million \$)	3,475	3,212	3,008¹⁸	2,046
Scope 3 economic emissions intensity (mtCO₂e/\$ gross profit)	0.0179	0.0198	0.0211	-

⁷ Excluding Idrica.

^{8, 11, 13} Combined company.

^{9, 12, 14} Legacy Xylem.

¹⁰ Total direct energy usage = Stationary + Mobile.

¹⁵ Renewable electricity generated does not produce emissions. In previous years, our figures reflected avoided emissions rather than actual emissions; this has been corrected from 2024.

¹⁶ Restated after identifying inaccuracies in the power values previously applied to products within our Applied Water segment. The updated product-specific power assumptions resulted in restated emissions approximately 8% lower than previously reported.

¹⁷ Restated to reflect the correction to Category 11 emissions.

¹⁸ We revised our 2023 baseline gross profit emissions to reflect a full-year, pro forma gross profit for the combined Xylem and Evoqua business. Although the Evoqua acquisition was completed in May 2023, this adjustment aligns gross profit with our full year 2023 Scope 3 emissions for the combined company and better reflects the progress toward our reduction target. We expect to assess a rebaselining of our Scope 3 science-based target with SBTi in 2026.

Advancing circularity across our value chain

Our approach to the circular economy is guided by the principles set out in ISO 59004:2024 and focuses on reducing resource use, improving material efficiency, and extending resource value across the lifecycle. Circularity considerations are embedded across product design, operational management, and the solutions we deliver, providing a strong foundation for advancing resource efficiency and circular resource flows. Continued progress requires ongoing innovation, value-chain collaboration, and sustained implementation of circular practices.

Across the value chain—from raw material extraction through manufacturing, use, and end of life—we prioritize actions that reduce resource consumption in operations while maximizing the positive use-phase impact of our products. Our actions aim to keep materials and components in circulation for as long as possible through durability, reuse, refurbishment, and recycling, while enabling customers to reduce their own resource use through efficient water treatment solutions.

We are actively developing and implementing measures to minimize waste generation, increase the use of secondary resources, and improve end-of-life recovery, supporting the gradual decoupling of economic growth from the consumption of finite resources.

[Read more on pages 52-54 of the 2025 Sustainability Report.](#)

Designing for sustainability

Design for sustainability is embedded in our product development process and provides a structured framework for identifying and reducing environmental impacts (such as material, water, and carbon impacts) of new products across their lifecycle. Through this process, project teams assess key materials and lifecycle stages, enabling data-driven design decisions related to material selection, product architecture, and end-of-life performance. This approach supports early integration of circularity considerations, including recyclability, repairability, and disassembly, into product development.

We apply design principles that promote ease of disassembly, serviceability, maintenance, and repair, supporting efficient material separation and recovery at end of life. Products are designed with durable structural features to extend useful life while maintaining the ability to disassemble components even after prolonged use. These principles contribute to improved product circularity and reduced material losses.

Combined with our lifecycle assessment (LCA) capabilities, this approach supports the ongoing decarbonization of the product portfolio, progress toward 2030 SBTi targets, and more efficient use and retention of materials and resources. Together, these actions enable us and our customers to advance toward more circular and resource-efficient solutions.

Advancing sustainability through product lifecycle insights

In 2025, we strengthened our LCA capabilities in alignment with ISO 14040 and ISO 14044, enabling a comprehensive understanding of product environmental impacts across all lifecycle stages. Our LCAs combine primary, product-specific data with high-quality secondary datasets and follow standardized modeling practices, including independent technical review where applicable.

We expanded the number of product lines with completed LCAs and product sustainability reports (PSRs), including Flygt 4600 mixers, Grindex 8100 dewatering pumps, Concertor 6030, Steady & Lowara 1300 series pumps, and Sensus 640 water meters, providing transparent insights into environmental footprints and identifying opportunities for improvements in material use, efficiency, and product circularity. Our PSRs are available [here](#).

To meet growing customer demand, we continued to develop environmental product declarations (EPDs), including the Ecocirc S, M, and L ranges, independently verified by NSF International. These disclosures offer standardized, credible information to support sustainable purchasing, reporting, and regulatory compliance.

Recognizing gaps in water-sector product category rules (PCRs), we leverage our expertise to support their development, helping customers access reliable upstream environmental data on materials, manufacturing, and packaging. Collectively, these actions strengthen transparency, promote circularity, and enable more informed, sustainable decision-making across the value chain.

Extending product lifespan through maintenance and refurbishment

Xylem works to maximize product lifespans and resource efficiency by offering comprehensive maintenance, repair, and refurbishment solutions across its portfolio. Wedeco TAK UV systems, for example, can be refurbished and upgraded to extend the life of ultraviolet wastewater disinfection equipment by 10–20 years, improving disinfection efficiency, increasing treatment capacity, and delivering energy and cost savings. Flygt pumps and mixers are supported through a spare parts policy that guarantees availability for up to 20 years, depending on the model, ensuring long-term operability. Godwin products benefit from preventive maintenance services that enhance longevity, while Ebro temperature loggers are part of a refurbishment program developed in collaboration with a German customer, allowing units to be inspected, cleaned, recalibrated, and resold with renewed warranties.

These initiatives collectively reduce waste, optimize resource use, and support a more circular approach to water infrastructure.

Spotlight



Strengthening water system reliability through preventive maintenance

Across the state of Florida, water and wastewater utilities are navigating increasing pressure from aging infrastructure, constrained budgets, and workforce shortages, all while supplying the essential services their communities depend on every day. At sites in Sanford, Fort Myers, and Jupiter (Florida), United States, utilities are partnering with Xylem's Flygt Service Solutions to move from reactive repairs to proactive preventive maintenance agreements (PMAs), helping safeguard critical assets and reduce the risk of service disruptions.

Through these long-term service partnerships, our teams conduct routine inspections, service pumps according to manufacturer standards, monitor performance trends, and address issues before failures occur. This proactive approach extends equipment life and reduces unplanned outages. It also lowers overall resource use by minimizing premature replacements, excess energy consumption, and emergency interventions.

Behind the scenes, Flygt Service Solutions teams manage multiple sites, coordinate complex schedules, and work closely with utility operators to keep systems performing at their best. These efforts free up utility staff to focus on long-term planning and system improvements, while helping protect water quality and operational continuity.

By partnering with Xylem to embed preventive maintenance into daily operations, Xylem's utility customers demonstrate how proactive asset management strengthens reliability, supports environmental stewardship, and increases community confidence in local water and wastewater systems.

“Preventive maintenance costs a little up front, but it saves significantly over time. More importantly, it allows utilities to stay focused on serving their communities instead of reacting to breakdowns.”

Ben Griffin,
Branch Manager at Xylem's Flygt Service Center in Florida