xylem



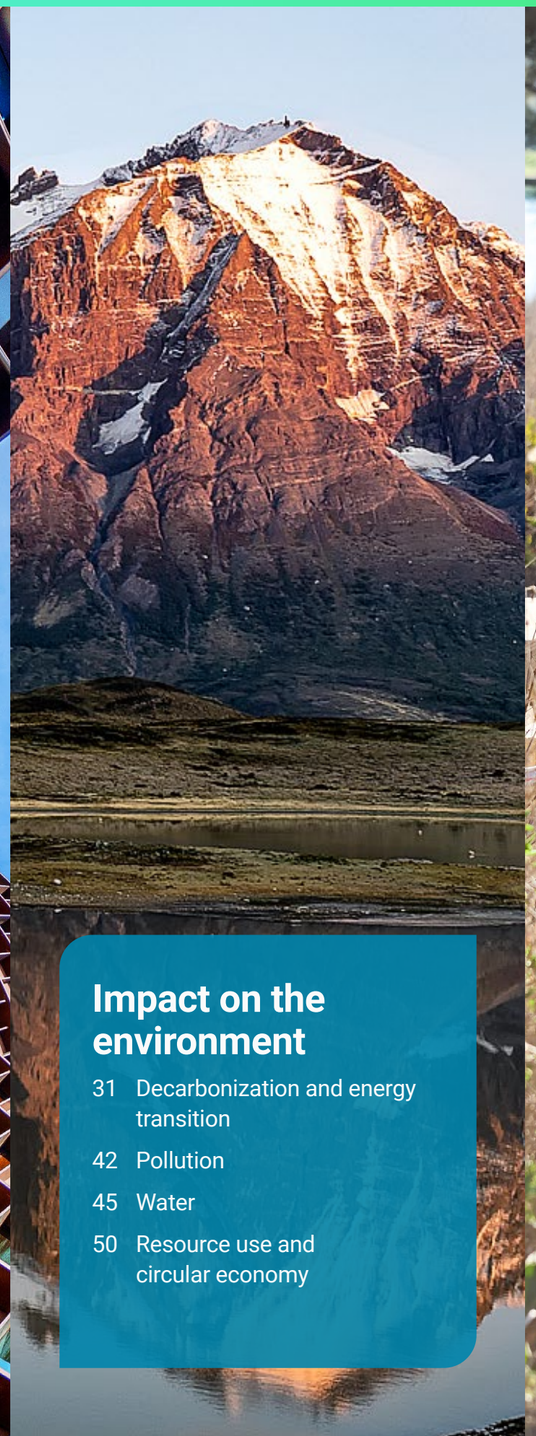
2025 Sustainability Report

xylem

2025 Sustainability Report

Contents









Introduction

03 Executive statement

04 2025 sustainability highlights

General disclosures

06 Basis for preparation

07 Governance

10 About Xylem

17 IRO identification and management

23 How IROs shape our strategy

Impact on the environment

31 Decarbonization and energy transition

42 Pollution

45 Water

50 Resource use and circular economy

Impact on society

58 Own workforce

75 Workers in the value chain

79 Affected communities

85 Customers and end users

Business conduct

89 Business conduct

Appendix

99 Reporting frameworks

109 Assurance statement

Introduction
Executive statement
2025 sustainability highlights
General disclosures
Impact on the environment
Impact on society
Business conduct
Appendix

Accelerating progress toward a water-secure future

Dear stakeholders,

Water is one of the defining challenges of our time, a critical constraint for urbanization, industrial growth, and now the AI revolution. The new economy is reshaping our world faster than any other technology before, but every chip, every data center, and every megawatt of power depends on reliable supplies of clean water. As demands are rising, the world's water systems are struggling. Aging infrastructure, decades of underinvestment, and climate pressures are straining supplies. Already water-stressed regions are especially hard-hit and urgently need more resilient, efficient, and sustainable water systems.

Innovation and prosperity can advance alongside water security; they do not have to compete. Our recent study Watering the New Economy, written in collaboration with Global Water Intelligence, has a clear conclusion: we can turn water constraints into water security, provided we stop the leaks, reuse the water, and build strong partnerships across industries, utilities, and communities.

Xylem brings the domain expertise, hardware, and analytics at scale to solve this sustainability challenge across the full water cycle. We have a clear strategy and purpose: to help customers and communities build a more water-secure world, from moving, treating, and measuring water to optimizing and maintaining the water systems that sustain communities and industries. We are convening partners, leveraging AI, and combining engineering expertise with digital innovation to help customers modernize water systems, improve operational performance, and manage resources more effectively. That's how we safeguard public health, strengthen community resilience, support economic growth, and protect the planet.

From commitment to measurable impact

In 2025, we completed the sustainability goals we set in 2019, surpassing many of our targets and achieving them ahead of schedule in collaboration with our customers and partners. Our Xylem teams:

- enabled the reuse of more than 22 billion cubic meters of water,
- prevented over 13 billion cubic meters of polluted water from entering communities and waterways,
- reduced more than 4.3 billion cubic meters of non-revenue water (water lost to leaks, meter inaccuracies, or unauthorized use), and
- reduced water's carbon footprint by more than 8 million metric tons of CO_2e.

This shows how innovation, advanced technologies, and close collaboration with customers turn sustainability ambitions into measurable operational and environmental outcomes.

We continued to transform our own operations, expanding renewable energy use, increasing process water recycling, and improving waste diversion at major facilities. We also strengthened safety performance and increased the representation of women in leadership roles. This progress was recognized externally: in 2025, Xylem was named to the CDP Climate Change A List, our strongest performance since we began reporting in 2013. Xylem also ranked No. 41 on the 2026 Global 100 list of the world's most sustainable corporations by Corporate Knights.

Turning lessons into action for 2030

Now we are building on this momentum and using our 2030 sustainability agenda to deepen our impact and accelerate progress toward water security. Our approach reflects lessons learned from previous goals, focusing on areas where we can have the greatest impact and deliver disproportionate value for customers and stakeholders. We will continue to drive decarbonization in the water sector, advance corporate water stewardship, and expand access to water, sanitation, and hygiene (WASH). To achieve our sustainability and business ambitions, we are investing in the talent, skills, and capabilities needed to innovate, scale solutions, and embed sustainability into every aspect of our business.

Water security requires innovation and collaboration on a global scale. At Xylem, we are committed to working with partners across sectors to build resilient systems that support communities, protect the environment, and create lasting value for customers and stakeholders. Together, we are building a more water-secure, sustainable future.



Matthew Pine
Chief Executive Officer



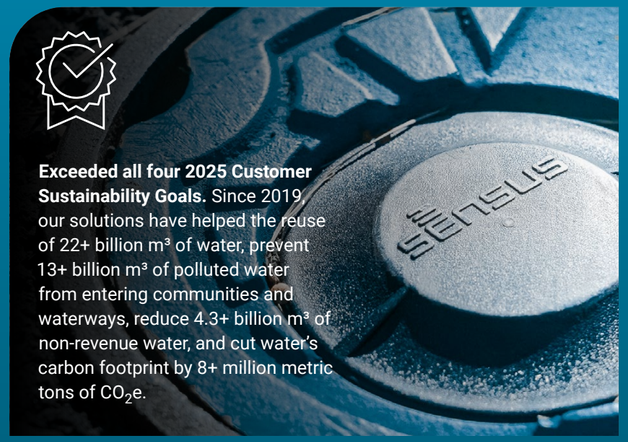
Claudia Toussaint
Chief People and Sustainability Officer





- Introduction
  - Executive statement
  - 2025 sustainability highlights
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

2025 sustainability highlights



Exceeded all four 2025 Customer Sustainability Goals. Since 2019, our solutions have helped the reuse of 22+ billion m^3 of water, prevent 13+ billion m^3 of polluted water from entering communities and waterways, reduce 4.3+ billion m^3 of non-revenue water, and cut water's carbon footprint by 8+ million metric tons of CO_2e.

46

Disaster-affected areas supported in 2025. We delivered humanitarian aid to communities impacted by water-related disasters—contributing to 200 areas supported since 2019, meeting our 2025 Sustainability Goal.



-16%

Reduction in Scope 1 and 2 (market-based) emissions since 2023.



#41

Ranked among the Global 100 most sustainable corporations by Corporate Knights (2026).

3.7 million

People reached in 2025. We provided access to clean water and sanitation solutions—bringing total impact to 20 million people since 2019, achieving our 2025 Sustainability Goal.

-15%

Reduction in water economic intensity since 2023.



81%

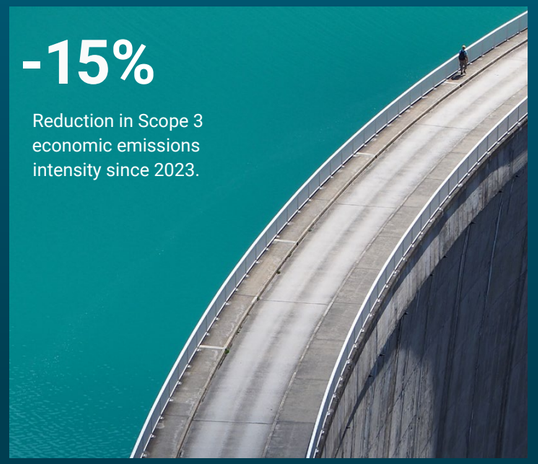
Employee participation in volunteer activities in 2025.

29%

Women represented in leadership positions through merit-based retention, promotion, and recruitment.

-15%

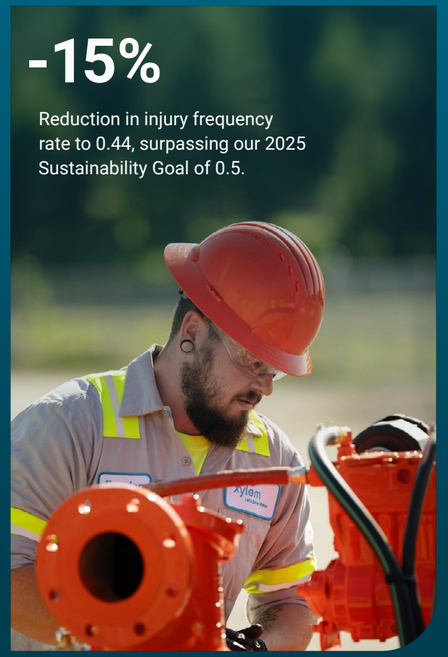
Reduction in Scope 3 economic emissions intensity since 2023.



CDP Climate Change A List. Our strongest performance since we began reporting in 2013.

-15%

Reduction in injury frequency rate to 0.44, surpassing our 2025 Sustainability Goal of 0.5.



- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

General disclosures



- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

ESRS BP-1; GRI 2-2, 2-3, 2-4

Basis for preparation

Introduction

The 2025 Sustainability Report presents Xylem's approach to managing, monitoring, and reporting on sustainability matters as identified through a double materiality assessment completed in early 2024. This assessment considered both the actual and potential impacts of our activities on the environment and society and the potential financial risks and opportunities arising from sustainability-related matters. The terms "material" and "materiality," as used in this report, are based on a different definition of materiality than that used in the United States federal securities laws.

This report covers data and information aligned with our 2025 calendar year, from January 1 to December 31, unless otherwise noted in the description of specific key performance indicators (KPIs).

Selected sustainability metrics, including greenhouse gas (GHG) emissions, energy and water consumption, waste generation, and key health and safety indicators, are subject to limited assurance by Lloyd's Register Quality Assurance (LRQA). The full assurance statement is available on pages 109–110.

Scope of consolidation

The scope of consolidation for this Sustainability Report is aligned with the consolidation boundary applied in Xylem Inc.'s consolidated financial statements. Accordingly, the report covers Xylem Inc. (the parent company) and all entities included in its financial consolidation. In addition, where relevant for the identification and assessment of material impacts, risks, and opportunities (IROs), the report includes information related to Xylem's upstream and downstream value chain, including direct and indirect business relationships.

At the end of 2024, Xylem acquired a majority ownership interest in Global Omnium Idrica, S.L., which is included in this report's data and information unless otherwise noted.

Where relevant, we use the terms "legacy Xylem" and "legacy Evoqua" to refer to the operations of each organization prior to Xylem's acquisition of Evoqua on May 24, 2023. "Xylem" refers to the combined company. Sustainability reporting for 2024 is presented on a consolidated basis for the combined company. Except where noted, 2023 sustainability data is also presented on a consolidated basis. For reporting years 2019–2022, and for any 2023 indicators for which consolidation was not possible due to differing fiscal years or data availability constraints, disclosures are presented separately.

Reporting frameworks

This report represents a voluntary, phased approach toward CSRD compliance in advance of the effectiveness of these requirements, as applicable. It incorporates certain key elements of the European Sustainability Reporting Standards (ESRS), including the principles of double materiality and structured disclosures on certain sustainability impacts, risks, and opportunities, though these disclosures are not yet comprehensive.

In addition, our reporting references the Global Reporting Initiative (GRI) Standards and is informed by the industry-specific standards of the Sustainability Accounting Standards Board (SASB), the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and the principles of the United Nations Global Compact (UN Global Compact). These frameworks guide the structure, comparability, and transparency of our sustainability disclosures.

Sources of estimation and outcome uncertainty

All key assumptions, methodologies, and potential sources of estimation or outcome uncertainty are documented in the corresponding accounting policies to support transparency and comparability. The use of estimates in calculating sustainability performance metrics, including those that incorporate upstream and downstream value chain data, is described in the relevant accounting policies for each metric.

The statements included in this document and the materials or websites they may cross-reference regarding future performance and results, expectations, plans, strategies, priorities, commitments, and other statements, including those related to our societal, environmental, and other sustainability goals, which are not historical facts are forward-looking statements within the meaning of the United States federal securities laws. Generally, the words "anticipate," "estimate," "expect," "project," "intend," "plan," "contemplate," "predict," "outlook," "forecast," "likely," "believe," "target," "goal," "objective," "will," "could," "would," "should," "potential," "may," and similar expressions, or their negatives, may, but do not necessarily, identify forward-looking statements.

Forward-looking and other statements included or cross-referenced in this document regarding our environmental and other sustainability efforts, plans, and goals are not an indication that these statements are necessarily material to investors, to our business, operating results, financial condition, outlook or strategy, to our impacts on sustainability matters or other parties, or are required to be disclosed in our filings with the Securities and Exchange Commission (SEC) or other regulatory authorities, and are not intended to create legal rights or obligations. In addition, historical, current, and forward-looking social, environmental, and sustainability-related statements may be based on standards for measuring progress that are still developing; internal controls and processes that continue to evolve; third-party data, review, representations, or certifications; information from acquired entities, which may be subject to ongoing review, may not yet or ever be integrated into our reporting processes, and may not be reconcilable with our processes; and assumptions that are subject to change in the future.

Forward-looking statements are based upon current beliefs, expectations, and assumptions and are subject to significant risks, uncertainties, and changes in circumstances that are difficult to predict, often beyond our control, and that could cause actual results to differ materially from the forward-looking statements. Although we believe that the expectations reflected in any of our forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any of our forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is provided in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025 and in subsequent filings we may make with the SEC, and includes changes in legal and regulatory requirements, business conditions, and stakeholder expectations. Readers of this report are cautioned not to rely on these forward-looking statements since there can be no assurance that these forward-looking statements will prove to be accurate. We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, and despite any historical practice of doing so. The information and statements in this document speak only as of the date of this document and are subject to change without notice.

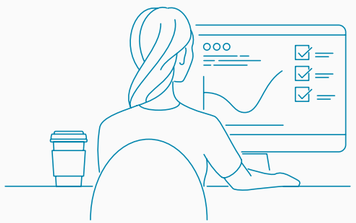
Changes in preparation or presentation

Restatements of previously reported sustainability data are made when reporting errors or changes in accounting or calculation methodologies exceed the 5% materiality threshold defined in Xylem's Sustainability Management System. Restatements may also occur when new scientific evidence, updated emission factors, or methodological improvements become available. These adjustments reflect our ongoing commitment to enhancing the accuracy, consistency, and comparability of our sustainability disclosures.

Any restated data is clearly identified, and the nature of and rationale for the changes are disclosed alongside the affected metrics.

In this report, we have restated our 2024 Scope 3 Category 11 emissions following the identification of inaccuracies in the power values previously applied to products within our Applied Water segment. Updated product-specific power assumptions have resulted in Category 11 emissions that are approximately 8% lower than previously reported. Accordingly, total Scope 3 emissions have been restated to reflect these corrections.

We welcome feedback and inquiries related to our sustainability reporting. Please contact us at **sustainability@xylem.com**



- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

ESRS GOV-1; GRI 2-24, 2-25, 102-2

Governance

ESRS GOV-1; GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-17

Governance bodies' roles and responsibilities

Robust governance structures are essential to the effectiveness and credibility of our sustainability programs, commitments, goals, and reporting. From our Board of Directors (Board) to our teams implementing sustainability across our businesses, we apply strong governance practices that provide oversight while remaining responsive to operational needs.

Xylem's executive leadership

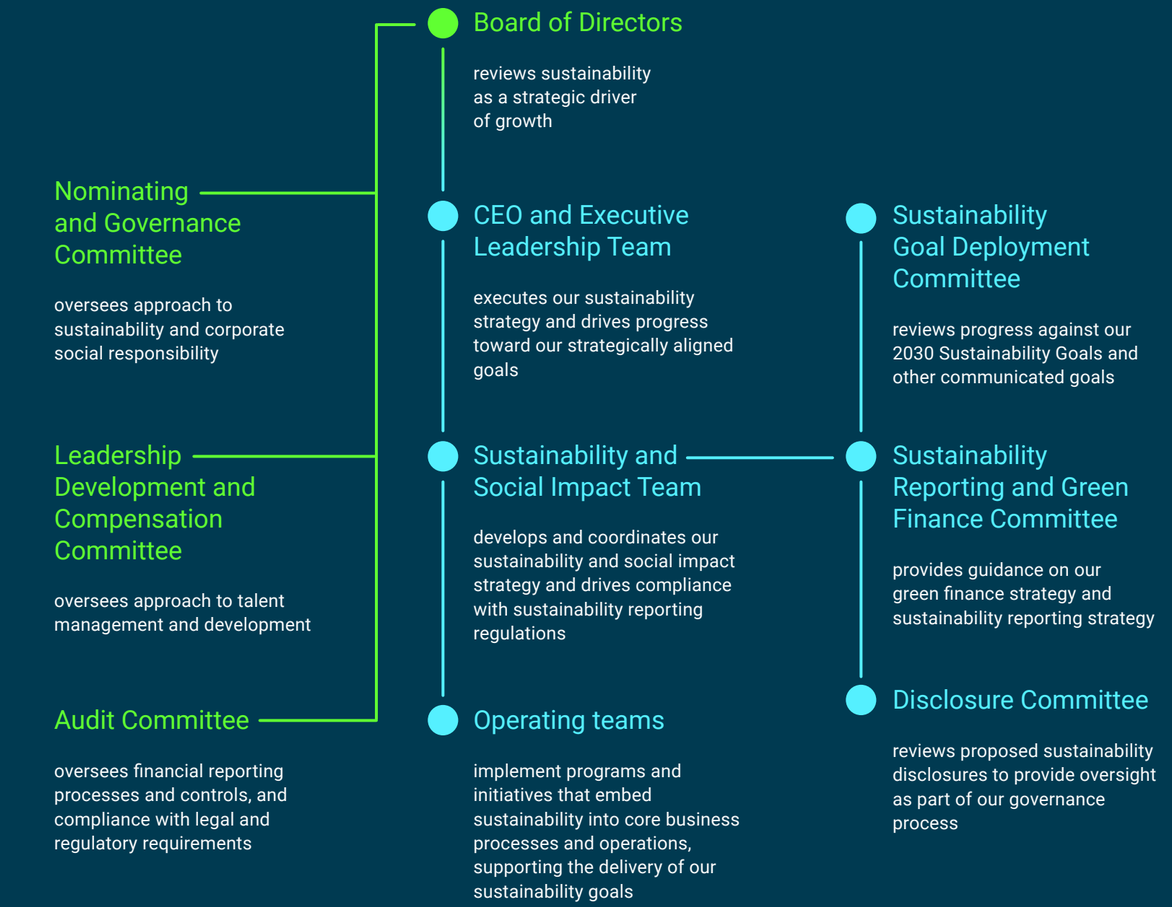
Xylem's executive leadership, including the Chief Executive Officer (CEO), Chief People and Sustainability Officer, business Presidents, and other executives, lead execution of our sustainability strategy and progress toward related goals. The Chief People and Sustainability Officer oversees the implementation of sustainability commitments and reporting. The review of sustainability goals has also been integrated into the executive leadership's quarterly business reviews alongside financial and operational updates.

Sustainability performance is regularly reviewed through established governance committees:

- The **Sustainability Goal Deployment Committee** meets quarterly to review progress, challenges, and opportunities.
- The **Sustainability Reporting and Green Finance Committee** advises on the green finance strategy and the refinement of sustainability reporting practices.
- The **Disclosure Committee** reviews proposed sustainability disclosures as part of the company's broader governance and oversight process.

The CEO reports directly to the Board on sustainability matters. During the Board's annual strategy meeting, the CEO leads a detailed review of Xylem's strategic plans, including sustainability topics. Additional updates are provided during regular Board meetings. Sustainability informs strategy development across business operations, manufacturing, supply chain planning, and long-term resource considerations. The Board's Nominating and Governance Committee also reviews sustainability-related reporting strategies and progress toward sustainability targets and goals.

Our sustainability governance structure



- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

GRI 405-1

Xylem's Board

Strong sustainability governance starts with our Board. Our Board, primarily through its Nominating and Governance Committee, oversees Xylem's sustainability and corporate social responsibility programs. This committee also oversees business continuity, disaster recovery, crisis response, and compliance programs, including data privacy, conflict minerals, and environmental, health, safety, and security and trade compliance. The Leadership Development and Compensation Committee oversees executive compensation, including its linkage to sustainability performance, and our approach to human capital management. The Audit Committee oversees financial reporting processes and controls, compliance with legal and regulatory requirements, the business ethics and anti-corruption program, and the effectiveness of our Code of Conduct.

Committees receive regular updates from management on matters within their purview and report their activities to the full Board. The full Board reviews sustainability as a strategic enabler of value creation and periodically reassesses committee responsibilities to maintain effective oversight amid evolving regulatory expectations. One Board meeting each year is dedicated to an in-depth review of Xylem's strategic plans, including our approach to sustainability and environmental, social, and governance (ESG) issues. At other meetings, the Board receives updates on strategy execution and sustainability progress.

Board selection

Xylem and its Board consider a broad range of backgrounds, experiences, and perspectives essential to long-term value creation. The Board seeks highly qualified candidates with appropriate professional experience, education, skills, and viewpoints that align with Xylem's strategy and global operations. Directors are expected to uphold the highest ethical standards, have recognized achievements, and act in the long-term interests of shareholders and other stakeholders.

The Nominating and Governance Committee, composed entirely of independent directors, regularly reviews the Board's composition, identifies and evaluates potential director candidates, recommends nominees for election or re-election by our shareholders, and reviews the performance of the Board and its committees as part of the annual Board evaluation process. All director candidates are assessed consistently under Xylem's By-Laws and Corporate Governance Principles.

The Board maintains competency on sustainability topics relevant to Xylem. Sustainability knowledge is included in the nominating process, and a few of our directors have experience and expertise in sustainability matters, including water-related challenges, climate-related risk management, climate accounting, assessment of climate technologies, and development of environmental and social strategies.

ESRS S1-8

Directors' profile[1]

Independent directors: 8 of 9
Directors with CEO experience: 5 of 9
Directors who are ethnically or racially diverse: 2 of 9
Directors who are women: 3 of 9
Directors with origins outside of the United States: 4 of 9
Average years of tenure: 6.9
Average age: 62



Earl R. Ellis

EVP & CFO, Panera Bread

Age: 60
Independent: ✓
Number of public company boards: 1
Director since: 2023
Committees: Audit Committee (Chair)



Robert F. Friel (Chair)

Former Chairman, President & CEO, PerkinElmer Inc.

Age: 70
Independent: ✓
Number of public company boards: 2
Director since: 2012
Committees: Leadership Development and Compensation Committee



Lisa Glatch

Former President, LNG and Chief Sustainability Officer, Sempra Infrastructure

Age: 63
Independent: ✓
Number of public company boards: 2
Director since: 2023[2]
Committees: Audit Committee; Leadership Development and Compensation Committee



Victoria D. Harker

Former EVP & CFO, TEGNA Inc.

Age: 61
Independent: ✓
Number of public company boards: 3
Director since: 2011
Committees: Leadership Development and Compensation Committee; Nominating and Governance Committee



Mark D. Morelli

President & CEO, Vontier Corp.

Age: 61
Independent: ✓
Number of public company boards: 2
Director since: 2022
Committees: Audit Committee; Leadership Development and Compensation Committee (Chair)



Jerome A. Peribere

Former President & CEO, Sealed Air Corp.

Age: 71
Independent: ✓
Number of public company boards: 2
Director since: 2013
Committees: Nominating and Governance Committee (Chair)



Matthew F. Pine

President & CEO, Xylem Inc.

Age: 54
Independent: CEO
Number of public company boards: 2
Director since: 2024
Committees: —



Lila Tretikov

Partner, Head of Artificial Intelligence Strategy, New Enterprise Associates, Inc.

Age: 47
Independent: ✓
Number of public company boards: 3
Director since: 2020
Committees: Audit Committee; Nominating and Governance Committee



Uday Yadav

CEO, TK Elevator

Age: 62
Independent: ✓
Number of public company boards: 1
Director since: 2020
Committees: Audit Committee; Nominating and Governance Committee

1 Information as of December 31, 2025.

2 Served on Evoqua Water Technology Corporation's Board of Directors from 2020 until Xylem's acquisition on May 24, 2023.

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

ESRS GOV-2; GRI 2-19

Sustainability-linked compensation

Xylem integrates sustainability performance into its executive compensation framework to reinforce accountability for the company's environmental and social commitments. The Leadership Development and Compensation Committee (LDCC) oversees the design and governance of incentive plans, aligning leadership actions with our sustainability strategy and stakeholder expectations.

Sustainability objectives formed part of the annual goals established for the CEO and executive leadership team in 2025. Although these objectives were not a separate or weighted component of the annual incentive compensation formula, the LDCC considered progress against key sustainability priorities in its overall performance assessment. These priorities included maintaining Xylem's sustainability leadership through progress against its 2030 environmental and social commitments—such as water sector decarbonization, corporate water stewardship, and WASH access—as well as improving Xylem's women in leadership representation through merit-based hiring and promotion, and pools of candidates from a range of backgrounds and demographics for all professional positions to attract and retain the most qualified talent.

In addition, Xylem's 2021 special, one-time performance share unit awards, granted to senior executives, remained outstanding through 2025, the final year of the five-year performance period. These awards were tied to the achievement of five long-term sustainability goals aligned with Xylem's 2025 sustainability objectives, including enabling customers to reduce non-revenue water, prevent polluted water from entering communities and waterways, lower water-related CO_2e emissions, and reuse water to extend the lifecycle and value of freshwater, and enabling Xylem to achieve full process-water recycling at major facilities.

Our due diligence approach

Core elements	Sections in this report
Embedding due diligence in our governance, strategy, and business model	"Governance," pp. 7–9 "Business conduct," pp. 88–97
Engaging with affected stakeholders in all key steps of due diligence	"Governance," pp. 7–9 "Interests and views of key stakeholders," p. 15 "Double materiality assessment," p. 17 "Own workforce," pp. 58–74 "Workers in the value chain," pp. 75–78 "Business conduct," pp. 88–97
Identifying and assessing adverse impacts	"Double materiality assessment," p. 17 "Material impacts, risks, and opportunities," pp. 18–22
Taking action to address those adverse impacts	Actions in each relevant section. For page references, see content navigation.
Tracking the effectiveness of these efforts and communicating progress	Targets and metrics in each relevant section. For page references, see content navigation. "Assurance statement," pp. 109–110

ESRS GOV-3

Statement on due diligence

Our sustainability due diligence approach is intended to identify, prevent, mitigate, and, where necessary, remediate actual and potential environmental and societal impacts across our operations and supply chain. This includes establishing and implementing policies, setting targets, conducting risk and impact assessments, and taking appropriate measures to address adverse impacts. These processes, and the actions we take to manage them, are described throughout this report.

The table (left) outlines the core elements of our due diligence approach.

ESRS GOV-4

Risk management and internal controls over sustainability reporting

Effective oversight of sustainability-related risks and opportunities is embedded within Xylem's enterprise risk management (ERM) framework. Management is responsible for the day-to-day management of the company's risks, including the implementation and maintenance of appropriate risk management programs, policies, and practices. Management conducts the ERM program, which is an evergreen process using a widely accepted framework to identify, assess, monitor, and communicate Xylem's strategic, operational, financial, compliance, and reputational risks over the short, medium, and long terms.

Through the ERM program, we seek to identify and mitigate risks and enable improved decision-making and prioritization of time and resources. Risk assessments are conducted annually and as needed in line with changes in our business and external factors. We continue to monitor risks throughout the year, including to understand how internal and external factors may impact our risk profile and inform our mitigation plans.

Sustainability and climate-related risks and opportunities are embedded within the enterprise risk register and scenario analyses, supporting resilience planning and alignment with global frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD). The Board provides oversight of management's approach to risk management, including sustainability-related risks and opportunities, as part of its governance responsibilities.

An integral component supporting this oversight is Xylem's Sustainability Management System (SMS). The SMS governs our sustainability reporting processes and establishes structured controls for identifying, managing, and disclosing sustainability-related data and information. It defines the roles and responsibilities of key stakeholders and embeds sustainability priorities across the organization, strengthening accountability and internal control processes.

Our sustainability reporting continues to evolve to meet regulatory and stakeholder requirements. The SMS is regularly updated to reflect best practices, insights from our sustainability program, and developments in the regulatory landscape. Our sustainability reporting controls framework and sustainability data management tools enhance the integrity, transparency, and audit readiness of our disclosures, reinforcing the integration of sustainability-related risks and opportunities within our broader governance and risk management systems.

Sustainable finance: Aligning purpose with performance

Xylem has an opportunity to strengthen the connection between financial performance and sustainability through our sustainable financing initiatives. Over the past decade, we have worked to align positive environmental and societal outcomes with strong economic results, reinforcing our commitment to embedding sustainability at the core of our business strategy. In recent years, we have further advanced our sustainable financing programs and the key performance indicators that support them.

In 2021, we established a demand deposit account with yields linked to the achievement of our 2025 Sustainability Goals. In 2023, we entered into a five-year revolving credit facility featuring pricing adjustments tied to both Xylem's achievement of specific sustainability targets and our credit rating. Extending our commitment globally, we became an anchor investor in T. Rowe Price Emerging Markets Blue Economy Blue Bond Strategy fund in 2025, supporting water security initiatives aligned with our broader mission.

We continue to integrate sustainability into our supply chain finance agreements, providing incentives for participating suppliers to initiate or improve their EcoVadis or equivalent scores, further embedding environmental and societal considerations across our value chain.

These initiatives reflect Xylem's ongoing strategy to align capital deployment with sustainability outcomes, enabling measurable environmental and societal impact while maintaining strong financial performance.

We remain focused on identifying and expanding sustainable financing mechanisms that align with Xylem's mission, support long-term value creation, and accelerate positive impact across the communities and customers we serve.

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

ESRS SBM-1; GRI 2-1, 2-6

About Xylem

Xylem is a Fortune 500 global water solutions partner committed to advancing sustainable impact and championing the people who make water work every day.

With ~22,000 employees worldwide, we collaborate with utilities, industrial manufacturers, building operators, and communities to solve the water challenges that matter most. We connect diverse capabilities, innovative technologies, and deep expertise to provide tailored solutions across the entire water cycle. From moving, treating, and measuring water to optimizing and maintaining water systems, Xylem helps customers strengthen resilience, improve resource efficiency, and protect public health and the environment.



~22,000
employees



100+ years
of product excellence



Serving customers in
~150 countries



>$226 million
invested in research and development in 2025



>$9 billion
in total revenue in 2025



- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

Our business segments

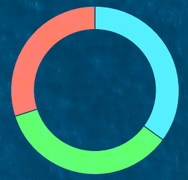
Xylem comprises four business segments with products and solutions to move, treat, and measure water, and optimize and maintain water systems.

Water Infrastructure

Water utility and industrial customers

2025 revenue: $2,636 million

Water Infrastructure provides essential solutions to transport, treat, and manage water throughout the entire water cycle. We serve water utility and industrial customers with integrated products and systems, including water and wastewater pumps, filtration, biological treatment, disinfection systems, and advanced digital solutions for enhanced performance and efficiency.



Geographical split

- United States ~40%
- Western Europe ~35%
- Emerging Markets and other ~25 %



End market split

- Wastewater utilities ~60%
- Industrials ~40%

Applied Water

Commercial, industrial, residential, and water utility customers

2025 revenue: $1,849 million

Applied Water provides flow control solutions to minimize water and energy usage while maximizing efficiency. We primarily serve commercial, industrial, residential, and water utility customers, providing pumps, heat exchangers, valves, and controls. These solutions are designed for process water circulation, heating and cooling systems, pressure boosting, potable water, and wastewater applications.



Geographical split

- United States ~55%
- Western Europe ~20%
- Emerging Markets and other ~25%



End market split

- Building solutions ~55%
- Industrials ~45%

Water Solutions and Services

Industrial and water utility customers

2025 revenue: $2,464 million

Water Solutions and Services provides tailored services and innovative solutions designed to deliver measurable outcomes. We serve industrial and water utility customers with integrated treatment systems for clean water, process water, and wastewater, pumping solutions for moving water and wastewater, and solutions for assessing and optimizing water distribution networks.



Geographical split

- United States ~75%
- Rest of world ~25%



End market split

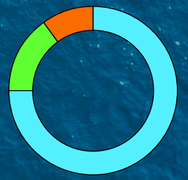
- Industrials ~80%
- Utilities ~20%

Measurement and Control Solutions

Water and energy utilities and industrial customers

2025 revenue: $2,086 million

Measurement and Control Solutions provides intelligent solutions that enhance operational efficiency through advanced sensing, communications, and data management technologies. We serve water, gas, and electric utilities and industrial customers, offering cutting-edge smart metering, quantitative and qualitative measurement capabilities, and data management solutions.



Geographical split

- United States ~65%
- Western Europe ~15%
- Emerging Markets and other ~20%



End market split

- Clean water utilities ~90%
- Industrials ~10%

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

Innovation and research for sustainable water solutions

At Xylem, innovation and sustainability are deeply interconnected, driving our efforts to tackle the world's most pressing water challenges. Our approach extends beyond developing advanced technologies to rethinking how we work, partner, deliver solutions to customers and communities, and cultivate talent in the water sector.

Sustainability is not just a goal but a guiding principle in our research, development, and growth strategy. Our design for sustainability approach integrates environmental and social considerations throughout the product lifecycle, helping customers achieve their sustainability objectives while minimizing impacts. This approach enables project teams to evaluate the environmental impacts of new products and make data-driven decisions regarding key materials and lifecycle stages early in development.

By focusing on high-quality, reliable products, services, and solutions, we aim to meet the emerging needs of our diverse global customer base. Proactive customer engagement, led jointly by our Product Sustainability and Product Management teams, provides valuable insights into sustainability priorities. These insights guide technology investments and support solutions in critical impact areas, such as water efficiency—a top priority for customers. Emerging trends highlight the growing demand for highly efficient, digital, and energy-saving water technologies.

Digitalization and advanced analytics increasingly support how we design, develop, and deliver sustainable solutions. Xylem selectively applies artificial intelligence (AI) within innovation and research to enhance decision-making, accelerate development, and improve product and system performance. These capabilities enable teams to analyze complex data, optimize designs earlier in the development cycle, and strengthen lifecycle and environmental assessments within our Design for Sustainability (DfS) Framework.

These same digital capabilities are embedded in customer-facing solutions. Xylem Vue, our integrated digital water solution platform, enables seamless data management across water and wastewater networks, helping utilities reduce water loss, optimize performance, adapt to changing conditions, and achieve cost savings. Powered by advanced analytics, Xylem Vue applications provide predictive insights that improve water efficiency, energy performance, and operational resilience, supporting more informed, proactive water management.

Alongside technology development, we are investing in building digital and AI capabilities across our workforce, empowering employees to responsibly apply these tools in their day-to-day work while maintaining a strong focus on trust, transparency, and our mission to build a more water-secure world.

Spotlight

Reimagining water management with generative AI

By Austin Alexander,
VP, Artificial Intelligence

Utilities today are navigating an era of interlinked challenges: aging infrastructure, workforce transitions, tightening regulations, and climate pressures that strain systems and resources. Against this backdrop, Xylem is helping water utilities reinvent how they manage water—not just as a service, but as a resilient, adaptive strategic asset.

Artificial intelligence (AI) is at the heart of this transformation, positioned not as a futuristic concept but as a practical, strategic tool for everyday operations. For example, unlike traditional analytics that optimize well-defined tasks, generative AI (GenAI) can synthesize vast, complex datasets to produce insights, accelerate decision-making, and support real-time operational needs across utility functions.

By aligning AI deployment with established utility management frameworks, Xylem is helping utilities use these technologies to improve asset performance planning, enhance customer engagement, anticipate maintenance needs, and strengthen compliance and resiliency planning. Early adopters are already demonstrating measurable benefits—from better cost control to more informed infrastructure decisions that reduce risk and improve service reliability.

Importantly, success hinges on preparing organizations for intelligent automation: clean and governed data, thoughtful integration with existing systems, and collaboration between people and machines. This human-centric approach allows AI to amplify expertise rather than replace it, preserving institutional knowledge as industry talent evolves.

Xylem's leadership in advancing AI-enabled water management underscores our commitment to empowering utilities to deliver smarter, more sustainable services—protecting communities and the environment while unlocking new efficiencies in how water resources are planned, operated, and maintained.



- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

Scaling water innovation through strategic partnerships and commercial impact

Xylem Innovation Labs, our corporate innovation and venture team, accelerates water innovation by collaborating with startups, universities, venture capital firms, and global innovators. Since launching the Partnerships Accelerator program in 2022, we have worked with more than 60 startups and 40 innovation partners to develop solutions with clear commercial pathways that address critical water challenges and advance water resilience, security, and affordability.

Xylem's integrated approach helps to identify and develop emerging water technologies that communities and businesses need now. We support pilot projects to demonstrate commercial viability and use creative financing mechanisms to accelerate adoption, cultivating a robust global water innovation ecosystem. A core part of this work is the Innovation Champions program, which brings startups together with Xylem colleagues across functions and regions to shape solutions with real-world operational insight while advancing Xylem's priorities. These efforts help bring high-impact technologies to market faster, supporting our customers' and communities' sustainability ambitions.

Spotlight

Nanobubble technology: From innovation to impact

Xylem Innovation Labs was created to help promising ideas move from concept to measurable, real-world impact. A standout example is Moleaer, a leader in nanobubble technology—an emerging solution advancing wastewater treatment.

In 2024, the Greer Commission of Public Works, Moleaer, Black & Veatch, and Xylem worked together at the Maple Creek Wastewater Treatment Plant (WWTP) in Greer (South Carolina), United States, to deliver real results in the field. The plant, which treats an average of 11.35 megaliters of wastewater per day, had long struggled with persistent foam, unstable sludge, and operational inefficiencies caused by industrial fats, oils, and grease (FOG), and surfactants—compounds commonly found in soaps, detergents, and personal care products. These conditions had historically led to higher chemical use, increased energy demand, and inconsistent biological treatment performance.

Together, the partners explored treatment alternatives, identified optimal deployment within the plant's processes, and implemented Moleaer's nanobubble pretreatment system—all without major infrastructure upgrades or operational changes.

"We used to manage surfactants and foaming with chemicals alone," said Daniel Fahr, Greer CPW Wastewater Operations Manager. "But with increased flow and higher surfactant loading, it became clear we needed an advanced treatment solution to improve efficiency and performance. Moleaer's nanobubble technology offered exactly that."

In just a year, the technology helped deliver measurable sustainability outcomes. Foam coverage was reduced by 50%, chemical use dropped by up to 60%, and aeration times and dissolved oxygen requirements decreased—lowering overall energy demand. The plant also achieved more stable biological phosphorus removal and improved effluent quality. Reduced chemical dosing improved sludge settling and contributed to lower hauling volumes and associated costs.

The Maple Creek project demonstrates how Xylem Innovation Labs turns collaboration into real-world results—bringing together utilities, engineering partners, and breakthrough technologies to strengthen operational efficiency, reduce environmental impact, and support more resilient, circular water systems.

> "Nanobubbles are ultra-fine bubbles, approximately 200 nanometers in diameter, 2,500 times smaller than a grain of salt. Their extremely small size creates a high surface area, allowing them to bind with surfactants, soaps, degreasers, and disinfectants. This improves separation processes and enhances oxygen transfer and biological health, essential for energy and cost efficiency in wastewater treatment."
>
> **John Crisman**
> Senior Water Process Engineer at Moleaer



- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

Driving impact across our value chain

As a leading global water solutions company, we are dedicated to advancing sustainable impact by empowering the people who make water work every day and their communities. We focus our sustainability efforts on one of the world's most urgent sustainability challenges: responsible stewardship of our shared water resources.

Sustainability is at the heart of everything we do. We view it as a driver of long-term value and a catalyst for positive societal impact. By integrating sustainability into our decision-making and daily operations, we create lasting benefits for our shareholders, customers, employees, and the communities we serve.

We promote sustainable impact across our value chain through proven water solutions and strong, collaborative partnerships with customers, colleagues, suppliers, and communities that drive positive environmental and societal outcomes and long-term value creation.

Through our advanced water technologies, products, and technical expertise, we empower customers and communities to address critical water challenges such as scarcity, quality, resilience, affordability, and availability. Our solutions enable reliable, efficient water and wastewater systems that protect public health, sustain essential services, promote business and economic stability, reduce environmental impact, and contribute to a more water-secure world for people and the planet.

Through our focus on sustainable business and operational practices, employee volunteerism, and community initiatives—including our corporate social responsibility program Xylem Watermark—we advance responsible business and environmental stewardship and promote stronger, more water-secure communities, while reinforcing sustainability as a core element of our strategy.

Customers

We partner with utilities and industries to address water scarcity, quality, resilience, and affordability. Through our broad product portfolio and technical expertise, we empower utilities serving both major cities and remote communities to optimize water and wastewater systems, supporting public health and environmental protection. We also provide integrated solutions to treat, transport, manage, and optimize water systems and improve operational efficiencies for industry and essential services.

Our company

We operate our business with integrity and accountability, focusing on reducing environmental impacts, enhancing product quality and sustainability, and maintaining high standards for safety, well-being, and inclusion. Our workforce and operating practices are central to delivering innovative, reliable water solutions across the value chain.

Communities

Through our technologies, expertise, and partnerships, we support water stewardship and sustainable development in the communities where we operate. Through Xylem Watermark, we collaborate with nonprofit partners, customers, suppliers, business partners, and colleagues to expand access to clean water, sanitation, and water education. These efforts contribute to resilient, water-secure communities and long-term societal and economic well-being.

ESRS SBM-1

Our value chain

▲ Upstream



Extraction of raw materials | Refining of raw materials | Assembly of components by suppliers | Supplier transport

▶ Our own operations



Operations and maintenance | Manufacturing of products | Offices | Design for sustainability

▼ Downstream



Customers and channel partners | Communities | Waste | End of life and circularity

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

Interests and views of key stakeholders

Key stakeholders	Interests of key stakeholders	Engagement channels
Employees	Employees seek safe working conditions, fair compensation, career development, well-being, inclusion, and a voice in how work is organized and decisions are made. Their feedback helps shape our people strategy, initiatives, and workplace practices.	Employee engagement surveys, town halls, performance and development discussions, employee network groups, works councils, health and safety committees, internal communication platforms, and Xylem Integrity Line.
Customers	Customers value reliable, high-quality products and solutions, innovation, operational resilience, and responsible business practices. Their input informs product development, service delivery, and sustainability priorities.	Direct customer meetings, account reviews, customer satisfaction surveys, technical workshops, site visits, ongoing commercial engagement, and Xylem Integrity Line.
Suppliers and business partners	Suppliers and partners are focused on fair business practices, timely payment, long-term relationships, operational collaboration, and clarity on sustainability and compliance expectations. Engagement supports responsible sourcing and value-chain resilience.	Supplier assessments, audits, contract negotiations, supplier meetings, sustainability questionnaires, onboarding and training sessions, and Xylem Integrity Line.
Investors and rating agencies	Investors and ESG rating agencies seek transparent, decision-useful information on financial performance, strategy, governance, risks, and sustainability impacts. Their perspectives inform our disclosures and long-term value creation approach.	Investor meetings, investor surveys, sustainability disclosures, and ESG rating questionnaires.
Authorities	Public authorities are focused on regulatory compliance, environmental and social impacts, worker protection, and contribution to societal goals. Engagement provides insight into evolving legal and regulatory expectations.	Bilateral engagement with authorities at national and international levels, regulatory reporting, inspections, and consultations.

ESRS SBM-2; GRI 2-29

Interests and views of key stakeholders

Xylem's strategy and business model are informed by structured engagement with our key stakeholders. Engagement responsibilities are embedded within relevant functions that regularly report insights to the Executive Leadership Team and, where appropriate, to Board committees. This governance structure ensures stakeholder perspectives are systematically considered in strategic planning, risk management, and sustainability decision-making.

Functional ownership of engagement reflects the stakeholder group and topic. The Human Resources and Environment, Health, and Safety functions lead employee engagement; Procurement oversees supplier engagement; commercial teams manage customer dialogue; Investor Relations and Sustainability engage investors and rating agencies; and Legal and Government Relations coordinate interactions with public authorities. This model promotes accountability while enabling consistent feedback into business decisions.

Insights from these engagements inform our enterprise risk management processes, materiality assessments, innovation priorities, and sustainability strategy. They also support the ongoing development of our Sustainability Management System and related controls, strengthening how we manage impacts, risks, and opportunities across our operations and value chain.

For operations with direct community interaction, proactive local engagement supports our license to operate, reinforces responsible business conduct, and helps address environmental, workforce, and resilience priorities.

Through these mechanisms, stakeholder interests are embedded in Xylem's long-term value creation approach and sustainability ambitions.

The Reservoir Center: Driving collaboration for shared water solutions

The Reservoir Center for Water Solutions is a hub for collaboration, innovation, and advancing shared interests across the water sector. Co-located with Xylem's global headquarters in Washington, DC, the Center enables diverse stakeholders—universities, nonprofits, think tanks, youth organizations, and other partners—to cross-collaborate to tackle pressing water challenges and accelerate sustainable solutions.

In 2025, the Center hosted more than 60 events, offering opportunities to engage directly with stakeholders, participate in cross-sector dialogues, and contribute to water policy discussions. Signature initiatives included the Careers for Change program, coworking days, and curated dialogues, where voices from across the water sector come together to discuss emerging topics and identify opportunities to move important conversations forward.

Beyond convening discussions across the sector, the Center is also committed to advancing education and community engagement. This year, the Center launched a water quality monitoring program with three watershed advocacy organizations in the DC area, equipping them with real-time water quality monitoring technology to advance their work to create fishable and swimmable rivers. A co-founding partner and sponsor of Reservoir, Xylem works with the Center to advance water sector collaboration and actionable solutions to the world's water challenges.

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix



GRI 2-28

Aligned with global principles for responsible business

As a signatory to these compacts, pledges, and mandates, we are committed to continuous progress aligned with their core principles. We advance this commitment through effective management and prioritization of our environmental, social, and governance opportunities and risks.

United Nations Global Compact

The United Nations Global Compact (UN Global Compact) is a corporate sustainability initiative that guides businesses in aligning their strategies and operations with universal principles on human rights, labor, environment, and anti-corruption. Xylem has been a signatory since 2002 and reports annually on our progress in implementing the Ten Principles.

CEO Water Mandate

Launched in 2007 by the UN Secretary-General and the UN Global Compact in partnership with the Pacific Institute, the CEO Water Mandate advances corporate water stewardship globally. Xylem endorsed the Mandate in 2017 and is committed to a comprehensive approach to water management across the six commitment areas.

Race to Zero

Race to Zero is a United Nations Framework Convention on Climate Change (UNFCCC)-backed global campaign mobilizing businesses, cities, and regions to take immediate action to support sustainable growth and halve global emissions by 2030. In 2021, Xylem joined a consortium of partners to help water and wastewater utilities commit to reducing greenhouse gas emissions. We continue to collaborate with sector partners to advance decarbonization across the water sector.

Women's Empowerment Principles

Established by UN Women and the UN Global Compact, the Women's Empowerment Principles (WEPs) provide guidance on advancing gender equality and women's empowerment in the workplace, marketplace, and community. Xylem has been a signatory since 2019.

Additional commitments include:

- Business Roundtable Pledge
- United Nations (UN75) Uniting Business Statement
- World Business Council for Sustainable Development WASH at the Workplace
- UN Standards of Conduct for Business: Tackling Discrimination Against LGBTI People
- Human Rights Campaign Foundation's Business Coalition for the Equality Act

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

Impact, risk, and opportunity identification and management

ESRS IRO-1; GRI 2-29, 3-1

Double materiality assessment

In early 2024, we completed our first double materiality assessment (DMA) in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The assessment identified and evaluated potential material impacts, risks, and opportunities (IROs) across our own operations and value chain. This report reflects a voluntary, phased approach toward CSRD compliance in advance of the effectiveness of these requirements. We will continue to enhance the disclosures in future reporting periods, as appropriate. The terms "material" and "materiality," as used in this report are based on a different definition of materiality than that used in the United States federal securities laws.

Preparation and scoping

The assessment followed a structured and documented methodology embedded within Xylem's governance and risk management processes. As a first step, we mapped our business model and value chain using existing company disclosures, internal documentation, management dialogue, and sector insights. This mapping served as a common reference point and informed the definition of assessment boundaries, covering relevant upstream and downstream activities within the scope of CSRD reporting.

We then defined materiality assessment dimensions in line with ESRS guidance and developed thresholds and scoring scales for impact materiality with reference to the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, EFRAG's Implementation Guidance on Materiality Assessment (October 2023), and Xylem's Enterprise Risk Management (ERM) framework. Thresholds for financial materiality took existing ERM processes into consideration and were informed by engagement with finance and risk management functions, among other things.

We identified affected stakeholder groups based on the mapped value chain and ESRS definitions of affected stakeholders. Representatives of key internal and external stakeholder groups, including Xylem subject-matter experts, investors, lenders, customers, and nonprofit partners, were selected to contribute through workshops, interviews, and follow-up consultations.

Identification of impacts, risks, and opportunities

A series of internal workshops with selected participants supported the identification of potential impacts, risks, and opportunities associated with the sustainability matters defined in the ESRS. This work resulted in a list of potentially material impacts, including related impact drivers and affected stakeholders. We further refined the list through desktop research, targeted interviews, and an internal expert survey involving stakeholders from multiple business segments and functions. Participants contributed expertise across all sustainability topics and provided insights on interactions with affected stakeholder groups.

When identifying impacts and potential financial effects, we assessed reasonably expected time horizons in accordance with ESRS definitions, distinguishing between short term (0–1 years), medium term (1–5 years), and long term (5+ years). All identified potential impacts, risks, opportunities, time horizons, and relevant value-chain segments were documented and reviewed for completeness and consistency, informed by external expertise in responsible business conduct, water, biodiversity, human rights, and CSRD reporting.

Assessment of materiality

We assessed materiality using predefined dimensions, scoring scales, and thresholds applied consistently across all topics.

- **Impact materiality** was assessed based on potential severity and likelihood[1], considering scale, scope, and irremediability for negative impacts, as well as the scale and likelihood of positive impacts.
- **Financial materiality** was assessed based on the potential magnitude and likelihood[2] of financial effects on Xylem's financial position, performance, and future prospects.

Assessment inputs included workshop outputs; stakeholder interviews; prior Xylem and Evoqua materiality assessments; sustainability reports; environment, health, and safety audit reports; and other relevant sources. The terms "material" and "materiality," as used in this report are based on a different definition of materiality than that used in the United States federal securities laws.

Validation and assurance readiness

Draft results of the DMA were reviewed, validated, and approved through dedicated internal validation workshops and follow-up meetings. We addressed identified data gaps and open questions through additional analysis and documentation. To support assurance readiness, we prepared documentation providing relevant information about methodology, assumptions, stakeholder involvement, scoring rationale, and final materiality determinations.

[1, 2] A likelihood scale was used to distinguish actual from potential IROs, informed in part by existing ERM processes among other considerations.

2025 integrity check

In 2025, Xylem conducted an integrity check of the 2024 DMA based on the ESRS Exposure Drafts issued in July 2025. As described above, the original DMA was conducted in alignment with the initial ESRS requirements, following a rigorous interpretation of the standards. This approach resulted in the identification of a broad range of material topics.

The integrity check served as an initial refinement step, involving a review of the identified potential IROs and a reassessment of their potential materiality in light of evolving guidance and practical experience. The IROs presented in this report reflect the outcome of this integrity check and subsequent refinements.

Xylem intends to further refresh and, where appropriate, redo the assessment in the future in consideration of evolving regulatory developments. In particular, as the final simplified ESRS standards are expected to be published in 2026, it is important to note that the DMA presented here was conducted under the original, more comprehensive ESRS framework from November 2022.

In 2025, Xylem conducted an integrity check of the 2024 double materiality assessment based on the ESRS Exposure Drafts issued in July 2025.



- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

ESRS IRO-2; GRI 3-2

Material impacts, risks, and opportunities *(IROs)*



E1 Climate change

Subtopic	Impact description	Actual/Potential	Time horizon	Value chain	Financial risk or opportunity description	Actual/Potential	Time horizon	Value chain
Climate change mitigation and adaptation	⊕ **Decarbonization through our products:** Empowering customers to lower their water-related carbon footprint through Xylem's products and services.	Potential	All	Downstream	↑ **Decarbonization through our products:** Growing demand for solutions that enable customers to measure and reduce their GHG emissions, with strong performance offering a competitive advantage.	Potential	All	Downstream
	⊕ **Advancing climate resilience:** Strengthening water security and enabling systems to manage both scarcity and extreme flows, positioning Xylem to support sustainable climate adaptation.	Potential	All	Downstream				
	⊖ **Decarbonization of own operations:** Scope 1 and 2 GHG emissions, driven by fossil energy use such as natural gas and purchased electricity.	Actual	Short term	Own operations	↓ **Decarbonization of own operations:** Reputational damage, reduced opportunities, and restricted financing if GHG emission targets are not set or met, or if expectations evolve.	Potential	Medium term	Own operations
	⊖ **Decarbonization of own operations:** Scope 3 GHG emissions, with use of sold products and services (Category 11) as the largest contributor.	Potential	Short term	Own operations / Downstream				
Energy	⊖ **Energy use:** Reliance on non-renewable energy sources, such as diesel and natural gas, in our operations.	Actual	Short term	Own operations				

Impact materiality
⊕ Positive
⊖ Negative

Financial materiality
↑ Opportunity
↓ Risk

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

E2 Pollution

Subtopic	Impact description	Actual/Potential	Time horizon	Value chain
Own operations	**Impact on nature and ecosystems:** Industrial activities and occasional spills at Xylem sites could impact nearby ecosystems.	Potential	Short term	Own operations / Downstream
Impact of products	**Water quality and pollution reduction:** Xylem solutions improve water quality through treatment, monitoring, and digital systems that reduce pollution in local waterways.	Potential	All	Downstream

Financial risk or opportunity description	Actual/Potential	Time horizon	Value chain
Environmental regulations: Growing pollution and nature-protection rules may raise compliance costs and delay projects for Xylem.	Potential	All	All
Rising demand for water quality and pollution control solutions: Growing water scarcity and stricter regulations are increasing demand for technologies that improve water quality, benefiting Xylem's treatment and monitoring solutions.	Potential	All	Downstream

E3 Water

Subtopic	Impact description	Actual/Potential	Time horizon	Value chain
Water management[1]	**Our own operations:** Water withdrawal and consumption during industrial processes.	Actual	Short term	Own operations
	Impact of our products: Enabling customers to reduce water use and discharges while improving water quality and access through smarter technologies and modernized infrastructure.	Actual	All	Downstream

Financial risk or opportunity description	Actual/Potential	Time horizon	Value chain
Impact of our products: Expanding smart water technologies that help customers reduce water use and costs.	Potential	All	Downstream

E5 Resource use and circular economy

Subtopic	Impact description	Actual/Potential	Time horizon	Value chain
Resource inflows	**Resource inflows:** Use of critical materials such as iron, steel, copper, aluminum, and select plastics, creating dependencies potentially contributing to resource scarcity.	Actual	Short term	Upstream
Resource outflows	**Circularity:** Extending product lifetimes and promoting circularity through repairs, take-back schemes, and partnerships.	Potential	Long term	Downstream
	Waste: Generating hazardous waste above acceptable levels and lacking sufficient waste management, leading to landfill disposal.	Actual	Short term	Own operations

Financial risk or opportunity description	Actual/Potential	Time horizon	Value chain
Material and component sourcing: Pricing risks driven by factors such as import duties, tariffs, supply chain due diligence costs, and limited availability of low-carbon or certified materials.	Potential	Medium term	Upstream

[1] Water management includes water withdrawal, consumption, and discharge.

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix



S1 Own workforce

Subtopic	Impact description	Actual/Potential	Time horizon	Value chain	Financial risk or opportunity description	Actual/Potential	Time horizon	Value chain
Working conditions	⊕ **Secure employment:** Offering employees secure employment with career development opportunities and competitive pay and benefits.	Actual	Short term / Medium term	Own operations				
	⊕ **Performance, learning, and development:** Providing a work environment that supports performance and career development.	Potential	Short term	Own operations				
	⊕ **Work–life balance:** Offering employees programs that support a positive work–life balance.	Potential	Medium term	Own operations				
	⊖ **Work–life balance:** Employees may be required to work extra hours, impacting work–life balance and well-being.	Potential	Medium term	Own operations				
	⊕ **Meaningful work environment:** Providing employees with opportunities to volunteer and generate community impact.	Actual	Short term	Own operations				
Social dialogue	⊕ **Social dialogue and collective bargaining:** Enabling employees to express their opinions and concerns, participate in works councils or associations, and benefit from collective bargaining agreements.	Potential	Medium term	Own operations				
Inclusion, belonging, and equal treatment	⊖ **Inclusion and belonging:** The negative impact of a non-inclusive work environment.	Potential	Medium term	Own operations				
	⊖ **Harassment in the workplace:** The negative impact of potential harassment incidents in the workplace.	Potential	Short term	Own operations				
Health and safety	⊖ **Health and safety incidents – own workforce:** Potential negative impacts arising from workplace incidents involving heavy machinery and manufacturing activities.	Potential	Short term	Own operations	↓ **Health and safety incidents – own workforce:** Cost implication of injuries in own workforce.	Potential	Medium term	Own operations

Impact materiality
⊕ Positive
⊖ Negative

Financial materiality
↑ Opportunity
↓ Risk

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix



S2 Workers in the value chain

Subtopic	Impact description	Actual/Potential	Time horizon	Value chain
Human rights	⊖ **Secure employment:** Providing workers from outsourced services (e.g., cleaners, security) with adequate wages.	Potential	Short term	Upstream / Own operations
	⊖ **Conflict minerals:** Sourcing metals from conflict regions could contribute to human rights violations and harm in affected communities.	Potential	Medium term	Upstream
	⊖ **Work–life balance:** Value-chain workers may be required to work extra hours, impacting work–life balance and well-being.	Potential	Medium term	Upstream
Social dialogue	⊖ **Social dialogue:** Failing to enable workers in the value chain to express their opinions and concerns.	Potential	Medium term	Upstream/ Downstream
Health and safety	⊖ **Health and safety incidents – value chain:** Injuries in Xylem's value chain could lead to lost productivity, regulatory penalties, and reputational damage.	Potential	Short term	Upstream

Financial risk or opportunity description	Actual/Potential	Time horizon	Value chain



S3 Affected communities

Subtopic	Impact description	Actual/Potential	Time horizon	Value chain
Community engagement	⊕ **Humanitarian aid:** Providing water-related humanitarian aid and access to clean water to communities.	Potential	Medium term	Downstream
	⊕ **Water education:** Providing water-related education to under-resourced communities.	Actual	Short term	Downstream
	⊕ **WASH education:** Xylem Watermark supports nonprofits with funding, technology, and WASH education to improve water access and strengthen sites in vulnerable communities.	Potential	Short term / Long term	All

Financial risk or opportunity description	Actual/Potential	Time horizon	Value chain

Impact materiality
⊕ Positive
⊖ Negative

Financial materiality
↑ Opportunity
↓ Risk

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

S4 Consumers and end users

Subtopic	Impact description	Actual/Potential	Time horizon	Value chain
Affordability				
Health and safety	⊕ **Impact from products on health, sanitation, and safety:** Xylem's water sanitation and reuse solutions support safer water access, benefiting millions of people.	Actual	All	Downstream
Data privacy				

Financial risk or opportunity description	Actual/Potential	Time horizon	Value chain
↑ **Affordability:** Growing demand for water sanitation solutions creates revenue opportunities, with innovation needed to keep products affordable and accessible.	Potential	Short term	Downstream
↓ **Data privacy:** Global digital operations require strict compliance with data-protection laws, and inadequate safeguards could compromise customer privacy.	Potential	Short term	Downstream

G1 Business conduct

Subtopic	Impact description	Actual/Potential	Time horizon	Value chain
Responsible business conduct	⊕ **Corporate conduct:** Xylem's responsible business conduct approach promotes lawful, responsible behavior and a safe work environment.	Potential	Short term	Own operations
	⊖ **Corruption and bribery:** Corruption or bribery incidents could harm people and society, particularly in developing countries.	Potential	Medium term	Own operations
	⊕ **Whistleblower protection:** Xylem maintains an effective, confidential reporting mechanism that enables safe, non-retaliatory reporting and supports timely investigation and resolution of concerns.	Potential	Short term / Medium term	Own operations
Supplier management	⊖ **Supplier management:** Limited supply chain visibility could hide social, environmental, or governance risks in Xylem's value chain.	Potential	Medium term	Upstream / Own operations

Financial risk or opportunity description	Actual/Potential	Time horizon	Value chain
↓ **Corporate conduct:** Mergers and acquisitions could affect Xylem's efficiency and commitment to responsible business conduct.	Potential	Medium term	Own operations
↓ **Cybersecurity / data security:** Supply chain interruptions, digital service outages, and evolving compliance requirements could significantly impact Xylem.	Potential	Medium term	All
↓ **Cybersecurity / data security:** Non-compliance with global privacy regulations could lead to data breaches and reputational or legal risks for Xylem.	Potential	Medium term	All
↓ **Supplier management:** Evolving laws, trade policies, and restrictions could disrupt Xylem's suppliers and operations.	Potential	Medium term	Upstream / Own operations

Impact materiality
⊕ Positive
⊖ Negative

Financial materiality
↑ Opportunity
↓ Risk

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

ESRS SBM-3; GRI 2-25

How impacts, risks, and opportunities shape our strategy

Sustainability is at the core of our business strategy, reflecting our belief that advancing environmental stewardship and contributing to a more resilient society are closely linked to long-term value creation.

As water challenges—from scarcity to emerging contaminants and climate issues—intensify, communities, regulators, and businesses worldwide are placing greater emphasis on water security, resilience, and responsible resource management. These growing pressures influence customer demand, regulatory expectations, operational priorities, and investment decisions across our markets.

Xylem is uniquely positioned to respond. Through innovative technologies and services, we empower customers to deliver clean water, treat wastewater, strengthen infrastructure resilience, create water and energy efficiencies, and protect public health. In doing so, our growth strategy is closely aligned with the most significant sustainability-related impacts, risks, and opportunities affecting our business and stakeholders.

In response to a changing world with increasing resource demands, we have advanced our 2025 Goals and established ambitious 2030 Goals to expand our positive impact and strengthen resilience across our value chain. By broadening access to water solutions and deepening collaboration, we are embedding sustainability into everything we do while accelerating progress toward a more sustainable, water-secure future for all.

Our strategic pillars

Three sustainability pillars guide our actions to improve water security and focus our efforts where we can create the greatest impact.

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.

Accelerate corporate water stewardship

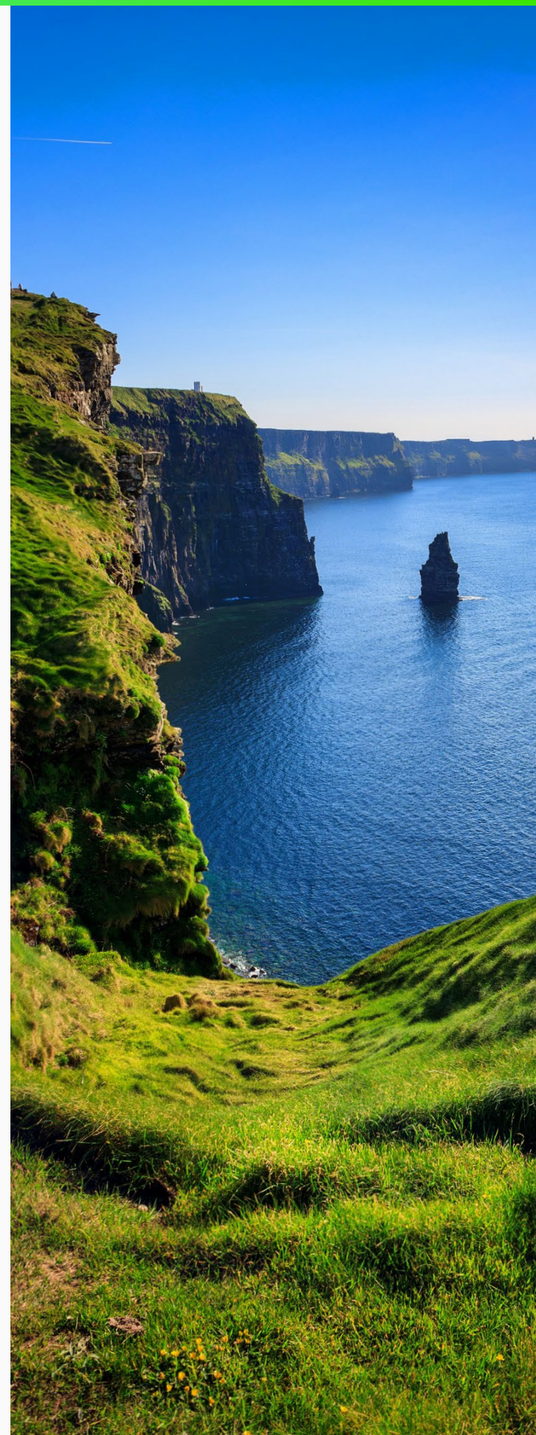
Increasing pressure on water resources creates increased urgencies—both operational risks and opportunities for communities and industries to advance more responsible and efficient water usage. Xylem's technologies help utility and commercial customers manage and address growing water demands, enhance reuse, and minimize environmental impact. Within our own operations and across our supply chain, we are actively strengthening water stewardship practices, improving water efficiency, and reducing environmental risks.

At the same time, we collaborate with customers, industry partners, and cross-sector initiatives to advance water stewardship and thought leadership, enabling communities, organizations, and governments to manage water resources more sustainably and resiliently.

Advance access to water, sanitation, and hygiene (WASH)

Limited access to clean water and safe sanitation affects billions of people worldwide, creating societal challenges and risks for community resilience. Xylem addresses these challenges by investing in technologies, partnerships, and programs that expand access to climate-resilient WASH solutions. Through strategic collaboration with nonprofits, governments, and the private sector, we help increase resources and funding to support sustainable water access initiatives.

Our colleagues contribute their expertise and volunteer time to strengthen program delivery and community impact. By designing and implementing solutions that mitigate water scarcity, improve public health, and enhance resilience, we support sustainable development in water-insecure regions while advancing our mission to enable safe and reliable water for all.



- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

Our sustainability goals

Our sustainability goals translate these strategic pillars into measurable, enterprise-wide commitments. They formalize how we address material impacts and risks, capture opportunities, and integrate sustainability across operations, innovation, and governance. By embedding these goals into planning, performance management, and accountability frameworks, we strengthen progress tracking and reinforce our long-term commitment to a sustainable, water-secure future.

2025 Sustainability Goals

2025 Customer Sustainability Goals

1. Enable customers to reduce more than 3.5 billion cubic meters of non-revenue water.

4.32 billion m^3 ✓

Progress in 2025
+0.61 billion m^3

Goal status
4.32 billion m^3/ 3.5 billion m^3

2. Enable customers to treat more than 13 billion cubic meters of water for reuse.

22.33 billion m^3 ✓

Progress in 2025
+4.18 billion m^3

Goal status
22.33 billion m^3/ 13 billion m^3

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

13.05 billion m^3 ✓

Progress in 2025
+2.31 billion m^3

Goal status
13.05 billion m^3/ 7 billion m^3

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

8.10 million metric tons CO_2e ✓

Progress in 2025
+1.67 million metric tons CO_2e

Goal status
8.10 million metric tons CO_2e/2.8 million metric tons CO_2e



- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

2025 Company Sustainability Goals (Operations)

1. Use 100% renewable energy at our major facilities.[1]



Progress in 2025
Following our 2025 portfolio review, we did not proceed with planned sustainability investments in Shenyang, China, and Stará Turá, Slovakia.[2]

Goal status
19/21[3]

2. Use 100% process water recycling at our major facilities.



Progress in 2025
+2

Goal status
21/21

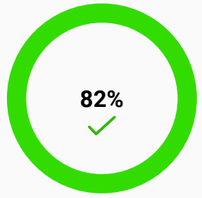
3. Achieve zero waste to landfill from processes at our major facilities.



Progress in 2025
+2

Goal status
21/21

4. Achieve packaging material consisting of 75% reusable, recyclable, or compostable content.



Progress in 2025
82%

Goal status
82%/75%

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



Progress in 2025
–

Goal status
2030 science-based targets approved by SBTi.

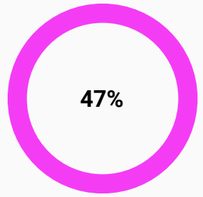
1 Major facilities are defined as those 21 sites with manufacturing activities that are the top contributors to Xylem's water, waste, or GHG metrics, or are in areas with extremely high water-stress risk.

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 CO_2e 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.

2025 Company Sustainability Goals (Supply Chain)

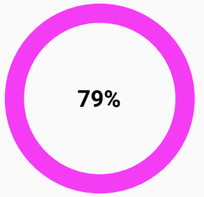
1. Require suppliers to disclose sustainability information via EcoVadis or equivalent.



Progress in 2025
+5%

Goal status
47%

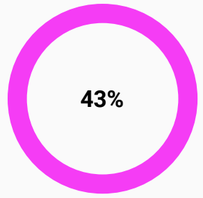
2. Engage sustainability-critical suppliers in sustainability initiatives through audit programs and corrective action plans.



Progress in 2025
Sustainability-critical suppliers identified and engaged.

Goal status
79% of sustainability-critical suppliers identified.

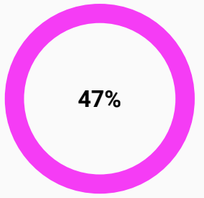
3. Require suppliers to disclose Scope 1 and 2 GHG emissions and water usage via CDP Supply Chain or equivalent.



Progress in 2025
+5%

Goal status
43%

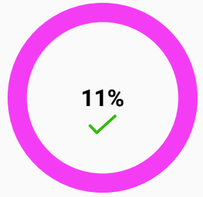
4. Require suppliers to take the WASH4Work pledge for access to safe water, sanitation, and hygiene at the workplace.



Progress in 2025
+4%

Goal status
47%

5. Establish a supplier community program to attract small businesses and suppliers that reflect the broad spectrum of markets we serve, with a goal of 9.5% spend with qualified small or diverse suppliers in the United States.



Progress in 2025
+2%

Goal status
11%/9.5%

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix



2025 Company Sustainability Goals (Workplace)

1. Achieve at least an average of 50 hours per employee per year of rich learning and development opportunities to build Xylem's ability to solve water for decades to come.



Progress in 2025
18

Goal status
18/50

2. 100% of employees have access to clean water and safe sanitation at home and during natural disasters.



Progress in 2025
–

Goal status
Pilot showed we cannot verify continuous 100% access; we are strengthening capabilities and partnerships to address risks or gaps.[4]

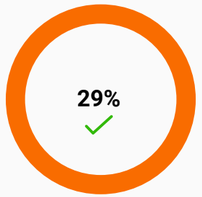
3. Reduce injury frequency to an incident rate of 0.5 or below.



Progress in 2025
-15%

Goal status
0.44/0.5

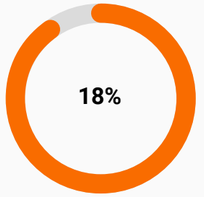
4. 29% representation of women in leadership positions, through merit-based retention, promotion, and recruitment.



Progress in 2025
+2%

Goal status
29%/29%

5. 21% minority representation in U.S. leadership positions, through merit-based retention, promotion, and recruitment.



Progress in 2025
-1%

Goal status
18%/21%

6. Conduct an annual pay equity assessment based on gender and U.S. minority classifications and make pay adjustments, as necessary, based on the results.



Progress in 2025
Following our organizational realignment, we conducted a follow-up pay equity assessment in 2025.

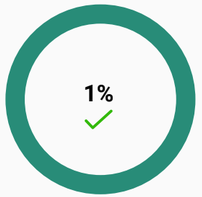
Goal status
2024 and 2025 reviews identified no systemic disparities based on gender or—within the United States—race or ethnicity.

[4] A single-site pilot highlighted limits in continuous verification; Xylem maintains its commitment, supported by disaster response capabilities and partnerships, especially following disruptions.

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

2025 Community Sustainability Goals

1. Give 1% of company profits[5] to water-related causes and education.



Progress in 2025
Donated $9.1 million.

Goal status
1%/1%

2. Provide paid time off for Xylem employees to volunteer 1% of their time.



Progress in 2025
20 hours

Goal status
Provided 20 hours paid time off.

3. Deploy humanitarian aid to 200 areas affected by water-related natural disasters.



Progress in 2025
+46

Goal status
200/200

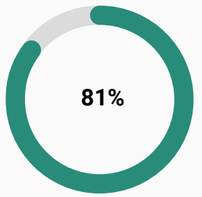
4. Provide 15 million people with water education to improve quality of life and raise awareness of water issues.



Progress in 2025
+2.6 million

Goal status
15 million/15 million

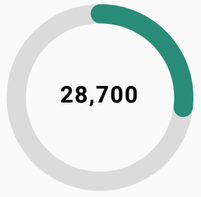
5. Engage at least 95% of Xylem employees in volunteer activities.



Progress in 2025
81%

Goal status
While participation remains well above industry peers, factors such as the 2023 Evoqua acquisition and resulting headcount growth affected achievement of this goal. We will continue engaging all employees through Xylem Watermark.

6. Engage 100,000 stakeholders in volunteer events.



Progress in 2025
+4,100

Goal status
28,700/100,000
Tracking participants outside Xylem remains challenging, limiting full measurement.[6]

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



Progress in 2025
+3.7 million

Goal status
20 million/20 million



5 "Company profits" is defined as GAAP net income.

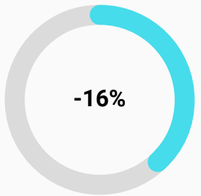
6 Since 2019, we've made strong progress working with suppliers, customers, and partners to expand our community impact. Our 2030 goals will reflect this by focusing on partner-led activations that advance WASH access and resilience.

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

Our 2030 sustainability goals

Decarbonize the water sector

1. 42% Scope 1 and 2 (market-based) emission reductions.[7]



Progress in 2025
-14%

Progress toward 2030
-16%/-42%

2. 52% reduction in Scope 3 economic emissions intensity.[8, 9]



Progress in 2025
-10%

Progress toward 2030
-15%/-52%

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



Progress in 2025
-10%

Progress toward 2030
-15%

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



Progress in 2025
–

Progress toward 2030
Reporting begins in 2026.

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



Progress in 2025
–

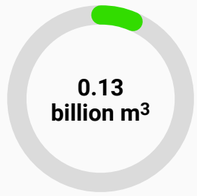
Progress toward 2030
Reporting begins in 2026.

[7, 8] 2030 science-based target validated by SBTi.

[9] Scope 3 economic emissions intensity = Absolute Scope 3 emissions / Gross profit.

Accelerate corporate water stewardship

1. Enable customers to reduce annual demand by at least 2 billion cubic meters.



Progress in 2025
+0.13 billion m^3

Progress toward 2030
0.13 billion m^3/2 billion m^3

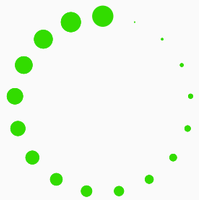
2. Reduce Xylem's water economic intensity by 30%.



Progress in 2025
-8%

Progress toward 2030
-15%/-30%

3. Reduce the water intensity of our supply chain through greater accountability of our high-impact suppliers.

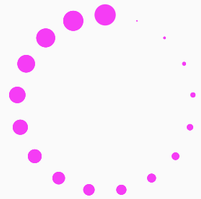


Progress in 2025
–

Progress toward 2030
Reporting begins in 2026.

Advance access to WASH

1. Improve water security for 80 million people by enabling climate-resilient WASH access and capacity-building in under-resourced, water-insecure communities by 2030.



Progress in 2025
–

Progress toward 2030
Reporting begins in 2026.

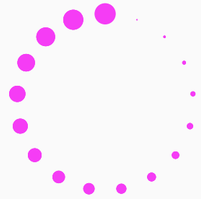
2. Invest 30% of employee volunteering in applying employees' professional skills to build organizational capacity, developing our people while sharing expertise where it is needed most.



Progress in 2025
–

Progress toward 2030
Reporting begins in 2026.

3. Engage strategic partners in more than 1,000 community activations that advance WASH access and resilience.



Progress in 2025
–

Progress toward 2030
Reporting begins in 2026.

- Introduction
- General disclosures
  - Basis for preparation
  - Governance
  - About Xylem
  - IRO identification and management
  - How IROs shape Xylem's strategy
- Impact on the environment
- Impact on society
- Business conduct
- Appendix

Ratings and recognition reflecting our sustainability performance

Sustainability ratings

EcoVadis:

Silver — 93rd percentile
(as of May 2025)

CDP:

Climate Change: A-List
(as of December 2025)

Water Security: B
(as of December 2025)

Supplier Engagement: A
(as of February 2026)

ISS ESG Corporate Rating:

Prime — Decile rank 1
(as of December 9, 2025)

ISS ESG Quality Score:

Environment 1

Social 1

(as of April 1, 2026)

Recognitions

2026 Global 100©
Corporate Knights
(ranked #41 out of 100 overall)

2026 Clean 200©
Corporate Knights
(ranked #106 out of 200 overall)

2026 USA 25 Most Sustainable Corporations
Corporate Knights
(ranked #7 overall)

2025 250 Best-Managed Companies
Wall Street Journal
(ranked #116 out of 250 overall)

2026 America's Most Responsible Companies
Newsweek (ranked #63 out of 600 overall)

2025 America's Greatest Companies
Newsweek
(4½ stars)

2026 America's Best Companies
Forbes (ranked #483 out of 500 overall)

2025 The Global 2000
Forbes (ranked #1,041 out of 2,000 overall)

2025 100 Most Sustainable U.S. Companies
Barron's (ranked #6)

2025 America's Most Just Companies
JUST Capital
(ranked #65 out of 933 overall)

2026 Equality 100 Award – Leader in Workplace Inclusion
Human Rights Campaign Foundation
(6th consecutive year)

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

Impact on the environment



Image © Kenny Khoo

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

Decarbonization and energy transition

Addressing evolving environmental risks is integral to our strategy and long-term resilience. We assess and manage transition and physical risks across our operations and value chain while advancing decarbonization through science-based targets aligned with a 1.5°C pathway and efforts to reach net zero by 2050. At the same time, our energy-efficient and digital water solutions help customers reduce emissions and strengthen infrastructure resilience.

ESRS E1-2, E1-3; GRI 102-2

Identifying climate-related risks

We completed our first climate-related risk assessment by applying the Task Force on Climate-related Financial Disclosures (TCFD) framework in 2021. The assessment examined both transition risk (policy risk exposure) and physical risk under three climate pricing scenarios. Transition risks arise from decarbonization, such as policy or regulatory changes (e.g., carbon pricing, subsidies), technological shifts (e.g., adoption of renewables, electric vehicles), and societal pressures. Physical risks arise from climate-induced environmental changes, encompassing both chronic risks (long-term shifts in climate patterns, sea level rise, etc.), and acute risks (event-driven risks with increasing severity, such as floods, hurricanes, and wildfires).

In 2024, we completed our second TCFD assessment.This assessment again evaluated both transition and physical risks across three climate pricing scenarios (low, moderate, and high) and two climate scenarios for physical risk (medium and high) with expanded scope. Our transition risk analysis now includes market and technology risk exposures, alongside policy risk exposure. We did not include reputational risk in our TCFD assessment due to the lack of established methodologies to quantify such impacts in a climate-specific and financially material way. We will continue to monitor stakeholder expectations and may incorporate reputational considerations in future disclosures as methodologies evolve. Our physical risk assessment increased from 100 sites in 2021 to approximately 330 sites in 2024 and now incorporates additional suppliers. Since the 2021 assessment, we have also set 2030 science-based targets, included in this review. Our 2030 science-based targets were officially validated by the Science Based Targets initiative in December of 2024 and include an updated baseline to reflect our 2023 acquisition of Evoqua.

The 2024 TCFD assessment includes Scope 1, 2, and upstream Scope 3 emissions. While downstream Scope 3 emissions (Category 11, Use of Sold Products) are our largest category of emissions, we assumed risk related to emissions would be primarily absorbed by our customers and not included in the financial risk assessment detailed here. Nonetheless, partnering with our customers to reduce emissions related to the use of our products remains a key priority of our decarbonization strategy and is included in our 2030 and 2050 targets.

ESRS IRO-2, GRI 3-2

Impacts, risks, and opportunities

▲ Upstream



▶ Our own operations

- ⊖ Scope 1 and 2 GHG emissions, driven by fossil energy use such as natural gas and purchased electricity
- ⊖ Scope 3 GHG emissions, with Category 11 as the largest contributor
- ⊖ Reliance on non-renewable energy sources in our operations
- ↓ Reputational, commercial, and financing risks if decarbonization targets are missed



▼ Downstream

- ⊕ Empowering customers to reduce water-related GHG emissions through products and services
- ⊕ Strengthening water security through scarcity and flow management
- ⊖ Scope 3 GHG emissions, with Category 11 as the largest contributor
- ↑ Growing demand for solutions that enable customers to measure and reduce their GHG emissions



Impact materiality	Financial materiality
⊕ Positive	↑ Opportunity
⊖ Negative	↓ Risk

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

We applied the following climate scenarios in our assessment:

Low Price IEA STEPS Scenario 2.4°C: The Stated Policies Scenario (STEPS) offers an overview of how energy systems are likely to evolve, based on a thorough analysis of current policies. The outcomes in the STEPS are shaped by a detailed review of policies and measures that are already implemented or are planned to begin soon.

Moderate Price IEA APS Scenario 1.7°C: The IEA Announced Pledges Scenario (APS) assumes that governments will fully and promptly deliver on all their announced climate commitments, including long-term net-zero targets and pledges outlined in their nationally determined contributions (NDCs).

High Price IEA NZE Scenario 1.5°C: The Net Zero Emissions by 2050 Scenario (NZE) outlines what actions are needed, by whom, and by when, across key sectors to achieve net-zero CO_2 emissions from energy and industrial processes by 2050.

Key climate-related risks identified

Technology and competitive market changes

Our competitive position and future growth rate depend on our ability to provide innovative solutions that meet customer needs and market demands. Specifically, in relation to climate-related market changes, several factors could impact our competitive position. To overcome these challenges, we need to: (1) innovate, develop, and maintain competitive and secure products and services, as well as business models and customer experience, to address emerging climate-related regulations and trends, (2) continue to invest in our supply chain, operations, and sites to build resiliency to potential impacts from climate change, such as intensified weather events and longer-term shifts in precipitation and temperature, and (3) continue to partner with an external ecosystem of partners and industry organizations to advocate for accelerated adoption of low-carbon energy solutions to power our technology in use.

Failure to adapt our technologies, products, or services to meet customers' climate-related needs, comply with new governmental regulations or policies, or address slower-than-expected customer adoption and investment could negatively impact our competitive position.

Carbon pricing mechanisms

Future implementation of carbon pricing mechanisms, such as emissions trading schemes, carbon taxes, and fuel taxes, whether through government regulation or voluntary markets, poses a potential risk to us. The uncertainty and variability in the adoption speed and levels of these carbon prices across different countries and regions could impact our greenhouse gas (GHG) reduction strategies. This variability may affect how we prioritize and pace our efforts to meet specific regional or category-based pricing mechanisms.

Supply chain disruptions (due to climate change)

Our sites and operations depend on a complex, highly reactive global supply chain, including single- or sole-source suppliers, distributors, contract manufacturers, utility providers, logistics service providers, and critical business partners.

Disruptions or delays within our supply chain may be caused by events such as natural disasters, extreme weather events, or other impacts of climate change, such as floods, droughts, or fires, and may adversely affect our operations or those of our key partners.

Increased severity and frequency of extreme weather events

The increasing severity and frequency of extreme weather events and conditions, along with related government mitigation efforts, may introduce volatility to our markets, impacting our business, operations, and financial results. Globally, the frequency and severity of weather events are rising, leading to unpredictable conditions such as flooding, droughts, and temperature fluctuations. These conditions can have both positive and negative effects on different parts of our business. Severe weather and climate-related impacts have already caused, and may continue to cause, disruptions to our sites and operations, and to those of our customers and suppliers.

Current and emerging regulations and reporting requirements

Unforeseen environmental issues could impact our financial position or operational results. Our business operations, products, and service offerings are subject to and affected by many federal, state, local, and foreign environmental laws and regulations, including those enacted in response to climate change concerns, such as greenhouse gas emissions limits, carbon pricing or taxation mechanisms, energy transition policies, and climate-related disclosure and reporting requirements. Changes in environmental laws or the implementation of mandatory climate-related reporting requirements have imposed and could further impose limitations on our operations or increase compliance costs.

Sustainability goals, targets, and objectives

We have set and will continue to develop sustainability goals and objectives, including science-based targets aligned to the Paris Agreement, aimed at limiting global temperature rise to 1.5°C above pre-industrial levels by 2030 and efforts to reach net-zero GHG emissions (Scopes 1, 2, and 3) by 2050. Meeting these commitments is likely to require evolving and innovating our product portfolio and sales mix to less energy-intensive product lines, expanding capital investments, and developing currently unavailable technologies. These efforts may lead to increased expenses or impairment charges. Additionally, there is also a risk of reputational damage or financial loss resulting from stakeholders who may disagree with our climate initiatives. The process of researching, setting, achieving, and reporting on these targets involves operational, reputational, financial, legal, and other risks. Success depends heavily on factors outside our control, including technological and infrastructure progress, widespread adoption of low-carbon energy sources, access to funding, and suppliers that meet our sustainability standards.

Key climate-related opportunities identified

Increased revenues resulting from increased demand for resilient solutions

The rising frequency and severity of weather events may increase global demand for products and services related to flood and drought response. The growing threat of extreme weather also heightens the need to upgrade existing infrastructure to provide reliable water access during emergencies. As public and private entities prepare for climate challenges, such as water scarcity, demand for our water, wastewater, and resiliency solutions and services may grow. The transition to a low-carbon economy is likely to further drive the demand to modernize energy-intensive water and wastewater systems. Our customer base is diverse, spanning industrial, commercial, and residential customers and end users who rely on our technology and expertise to mitigate the impacts climate challenges have on their water infrastructure.

Increased revenues through expanding markets

To the extent climate change disproportionately impacts regions with vulnerable water systems, it could create opportunities for us to expand in markets that need sustainable water infrastructure to adapt. Global trends, including stricter environmental regulations, population growth, and urbanization, are increasing the demand for efficient, resilient water solutions. These factors, combined with climate change-driven water scarcity and extreme weather events, are straining aging infrastructure and disrupting water supplies.

At Xylem, we believe that we are well-positioned to meet these challenges with proven solutions that improve water productivity, quality, and resilience. This includes advanced sensing technologies and data analytics to optimize water use and support sustainable infrastructure development, especially in climate-impacted emerging markets.

Sustainability goals, targets, and objectives

Xylem's sustainability commitments align with global efforts toward carbon mitigation and adaptation, enhancing our reputation as a leader in corporate responsibility. These goals may position us to attract investors, customers, and partners by offering solutions that help communities and industries adapt to climate change—such as advanced water management, flood control, reduced operational emissions, and drought response systems. Ultimately, these sustainability goals may enable us to drive long-term growth in a rapidly evolving market, particularly in the transition to a low-carbon and climate-resilient economy.

Partnerships for climate action

Collaborating with public and private organizations focused on sustainability and climate adaptation, such as the United Nations Global Compact (UNGC), CEO Water Mandate, United Nations Framework Convention on Climate Change (UNFCCC), Race to Zero campaign, and Reservoir Utility Climate Action Network, enables us to play a central role in collective climate action while creating growth opportunities through joint ventures and strategic projects.

Water regulation

Stricter water quality regulations may create significant opportunities for Xylem. These regulations drive the need for advanced treatment solutions, innovative monitoring systems, and more efficient water management technologies—areas in which we excel. As our customers strive to meet higher compliance standards, demand for cutting-edge technologies to advance safe, clean water increases, which may grow our business.

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

Results of the scenario analysis

Transition risks

Policy risk

Carbon pricing risk projections and our emission-reduction targets indicate that, in 2030, carbon pricing from policy, taxes, or regulatory mechanisms could range from $18.32 million (low carbon pricing scenario) to $28.07 million (high carbon pricing scenario) per year for our company. As projected emissions continue to decrease, our carbon pricing risk exposure also decreases.

This compares to our 2021 risk assessment, which resulted in a range of $50 million (low carbon pricing scenario) to $195 million (high carbon pricing scenario) per year by 2030. The reduction in transition risk is primarily due to setting and progressing toward our 2030 GHG-reduction targets.

Our most significant carbon pricing risk is within our global supply chain. Upstream Scope 3 emissions accounted for approximately 86% of carbon pricing risk for us in 2025.[1]

Regionally, our direct operations in the United States—where our largest operational footprint, and therefore carbon footprint, exist—have the highest exposure to potential carbon pricing risk. There is a low level of carbon pricing in place in the United States. Future implementation of carbon pricing would therefore have the greatest financial impact in the United States relative to other regions where we operate.

Market risk

Our market risk assessment identified the suppliers and customers that present the greatest market risk exposure to carbon pricing in 2030, measured in the percentage of Xylem's EBITDA at risk under carbon pricing scenarios. This analysis provides better visibility into potential supplier spend categories that may be at higher risk. As appropriate, we will be including this potential risk in conversations with suppliers and will co-develop mitigation efforts with our partners.

1 In accordance with standard practice, this TCFD analysis did not assess downstream carbon pricing risk.

Technology risk

Examples of climate-related technology risk include substitution of existing products and services with lower-emissions options, and increased costs to transition to lower-emissions technology. Technology risk analysis was based solely on publicly available information. Although examples of low-carbon and "green" products produced by Xylem were identified, overall results suggest this to be an area of opportunity for us. We expect to see increased clarity regarding technology risk assessments as we continue to align to the EU Taxonomy in the coming years.

Physical risks

Our TCFD physical risk analysis considered two climate scenarios—medium and high emissions—over decadal intervals from the 2020s to the 2090s. The physical hazards we analyzed include coastal flooding, pluvial flooding, fluvial flooding, extreme heat and cold, tropical cyclones, wildfire, water stress, and drought.

Medium emissions: Strong mitigation scenario in which total greenhouse gas emissions stabilize at current levels until 2050 and then decline to 2100. This scenario is expected to result in global average temperatures rising by 2.1–3.5°C by 2100.

High emissions: Low mitigation scenario in which total greenhouse gas emissions triple by 2075 and global average temperatures rise by 3.3–5.7°C by 2100.

Our physical risk results indicate that our exposure to all climate hazards is expected to remain low through 2030 under both the medium- and high-emissions scenarios. As we approach 2050, exposure to drought and temperature extremes is expected to increase to a moderate level of risk exposure. Temperature extremes present the largest financial risk in the medium- and high-emissions scenarios, primarily in our manufacturing sites within the United States. Drought and water stress are also risk drivers, but to a lesser extent. Our top sites by physical risk are in Australia, Chile, India, and the United States. Overall, both the medium- and high-emissions scenarios confer low financial risk. We also evaluated our top 100 suppliers (by spend) for physical risk exposure under the same emissions scenarios used for our own operations. Most of our spending in 2023 went to suppliers with low physical risk.

Expected average annual losses associated with climate hazards affecting our physical sites or our revenue are projected to remain below 5% of total assets during the 2030s. We will continue to prioritize risk mitigation in our highest-impact sites via our business continuity and risk management planning processes and actively engage with suppliers who present higher physical risk.

GRI 2-25, 3-3

Management of impacts, risks, and opportunities

Transparent environmental management

We promote effective environmental management through transparent data collection, monitoring, and reporting practices across our operations. Our digital environment, health, and safety metrics database enables consistent tracking of environmental impact, supports site-level environmental initiatives, and strengthens environmental data used for decision-making and external reporting.

We apply internationally recognized management system standards to embed environmental and energy considerations across our operations. Eighty-three Xylem sites are certified to ISO 14001 for environmental management, representing approximately 48% of our 21 major facilities and 20% of all sites. In addition, four sites are certified to ISO 50001 for energy management, representing about 19% of our major facilities and 1% of all sites. These certifications support our structured approach to identifying environmental risks, improving energy performance, and advancing our climate and environmental objectives.

ESRS E1-4; GRI 2-23, 103-1

Policies

Environmental Assessment: Provides guidance for identifying environmental aspects, evaluating new processes and materials before introduction, determining activities that require risk assessment, and maintaining a current aspect register.

Environmental Assessment and Due Diligence: Provides guidance to assess and prioritize environmental aspects and impacts, considering their significance, frequency, duration, and recoverability, to support corrective actions that address the highest risks first.

Greenhouse Gas Inventory Guidelines: Defines the main elements and steps associated with preparing Xylem's greenhouse gas inventory.

Air Emissions: Details approach to identifying and managing activities that generate air emissions, complying with applicable air permits and regulations, and implementing controls to minimize environmental impacts.

Green Finance Framework: Outlines how Xylem may issue green debt instruments—such as green bonds, green loans, and commercial paper—and allocate proceeds to projects with environmental benefits. The Framework is designed in alignment with the Green Bond Principles (2018) and Green Loan Principles (2020) to maintain credibility and consistency within the sustainable finance market. The Framework also reinforces Xylem's broader sustainability strategy, particularly our commitment to addressing global water challenges related to productivity, quality, and resilience.



20% of all Xylem sites certified to ISO 14001 for environmental management.



- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

ESRS E1-1, E1-5, E1-6; GRI 102-1, 102-2, 102-4

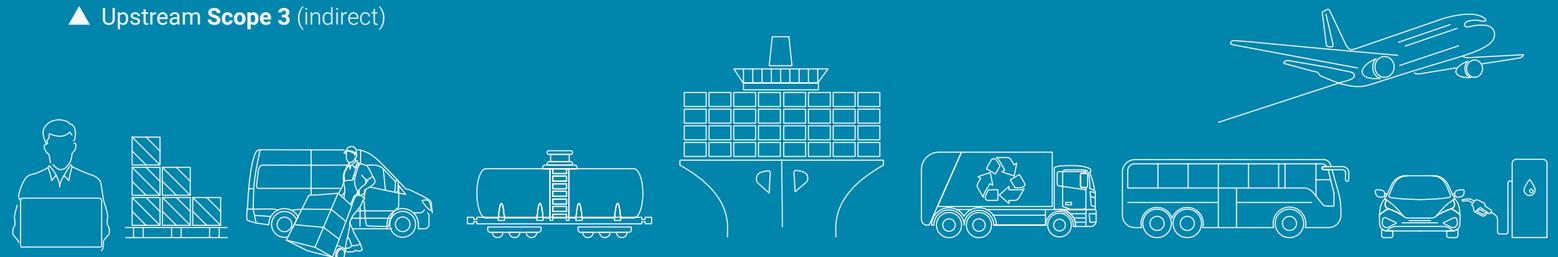
Our decarbonization journey

We aim to lead the decarbonization of the water sector by reducing greenhouse gas emissions across our value chain and demonstrating practical, scalable climate action. Our strategy aligns with a 1.5°C pathway and includes efforts to reach net-zero emissions by 2050, supported by interim science-based targets for Scopes 1, 2, and 3 by 2030. In late 2024, the Science Based Targets initiative (SBTi) validated and approved our 2030 targets, reinforcing the credibility of our decarbonization approach.

Against a 2023 baseline, our approved targets include a 42% absolute reduction in Scope 1 and 2 emissions, driven by increased energy efficiency, renewable energy adoption, and fleet decarbonization, and a 52% reduction in Scope 3 economic emissions intensity,[2] reflecting our focus on supplier engagement, product efficiency, and value-chain collaboration. These 2030 targets provide a clear, measurable pathway toward our long-term net-zero ambition while supporting responsible growth.

Decarbonizing our value chain

▲ Upstream **Scope 3** (indirect)



Purchased goods and services | Capital goods | Fuel and energy-related activities | Upstream transportation and distribution | Waste generated in operations | Business travel | Employee commuting

▶ Our own operations **Scope 1** (direct) **and 2** (indirect)

Scope 1 (Direct)



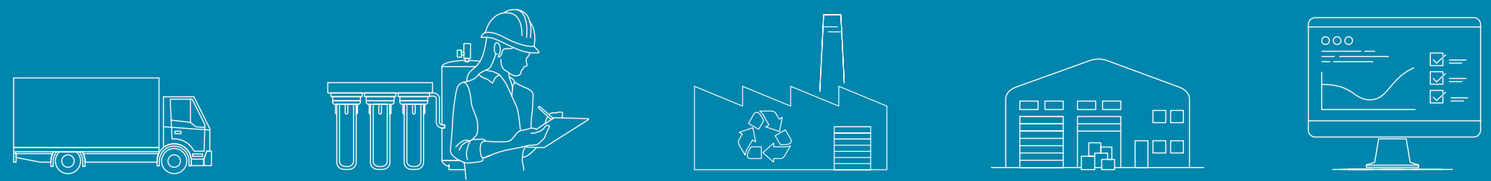
Xylem sites | Xylem fleet

Scope 2 (Indirect)



Purchased electricity | Purchased heat

▼ Downstream **Scope 3** (indirect)



Downstream transportation and distribution | Use of sold products | End-of-life treatment of sold products | Downstream leased assets | Investments

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

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

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%.

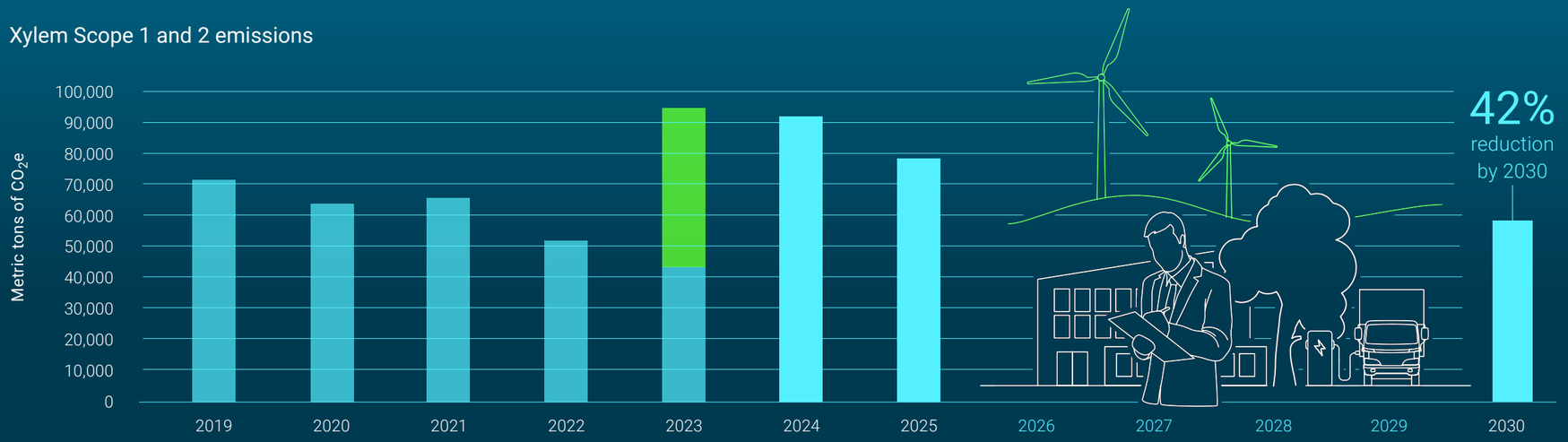
From 2025 through 2030, we are implementing targeted decarbonization actions, including fleet rightsizing and the accelerated adoption of hybrid and electric vehicles across our global fleet. In parallel, we are strengthening our approach to reducing downstream Scope 3 economic emissions intensity by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

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

GRI 102-5, 102-6, 103-2, 103-5

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.

Fleet efficiency and low-carbon transition

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 Europe, more than 1,000 electrified vehicles (EVs) were in operation at the end of 2025, representing over 50% of the total European fleet, including commercial vehicles. Since April 2021, all new ordered passenger vehicles in Europe have been electric, and in 2025, countries including France, Belgium, and the United Kingdom continued transitioning exclusively to battery-electric vehicles for new passenger vehicle purchases.

In North America, we ended 2025 with 41 fully electric or plug-in hybrid vehicles and 502 standard hybrid vehicles in operation. Since our 2023 baseline, EVs and hybrids in our fleet have more than tripled, reflecting progress in fleet electrification despite ongoing challenges related to charging infrastructure. Hybrid adoption provides near-term emissions reductions while maintaining operational needs amid evolving manufacturer priorities, changing incentives, and limited availability of electric medium- and heavy-duty vehicles. Following the Evoqua acquisition, fleet management in North America was consolidated under a single strategic provider to support our decarbonization strategy and fleet rightsizing and utilization objectives. Enhanced data integration implemented in 2025 increased transparency into fleet composition, utilization, and emissions performance, enabling more data-driven optimization and long-term transition planning.

We are bolstering our electrification efforts with additional operational efficiency measures. A unified telematics system across our commercial fleets is improving fuel efficiency, utilization, and emissions performance, while deployments in Australia and New Zealand are strengthening both driver safety and sustainability outcomes. 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.

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.

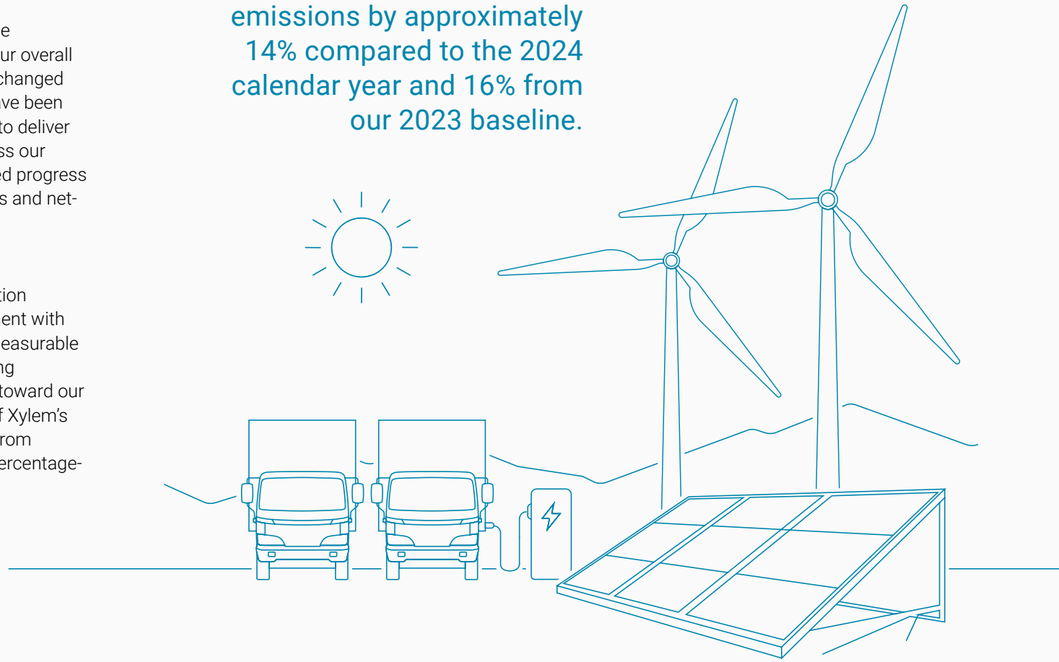
While these adjustments resulted in the cancellation of site-specific projects, our overall decarbonization roadmap remains unchanged and on track. Capital and resources have been redirected toward initiatives expected to deliver equal or greater CO_2e reductions across our global operations, supporting continued progress toward our 2030 science-based targets and net-zero ambitions.

Energy efficiency and optimization

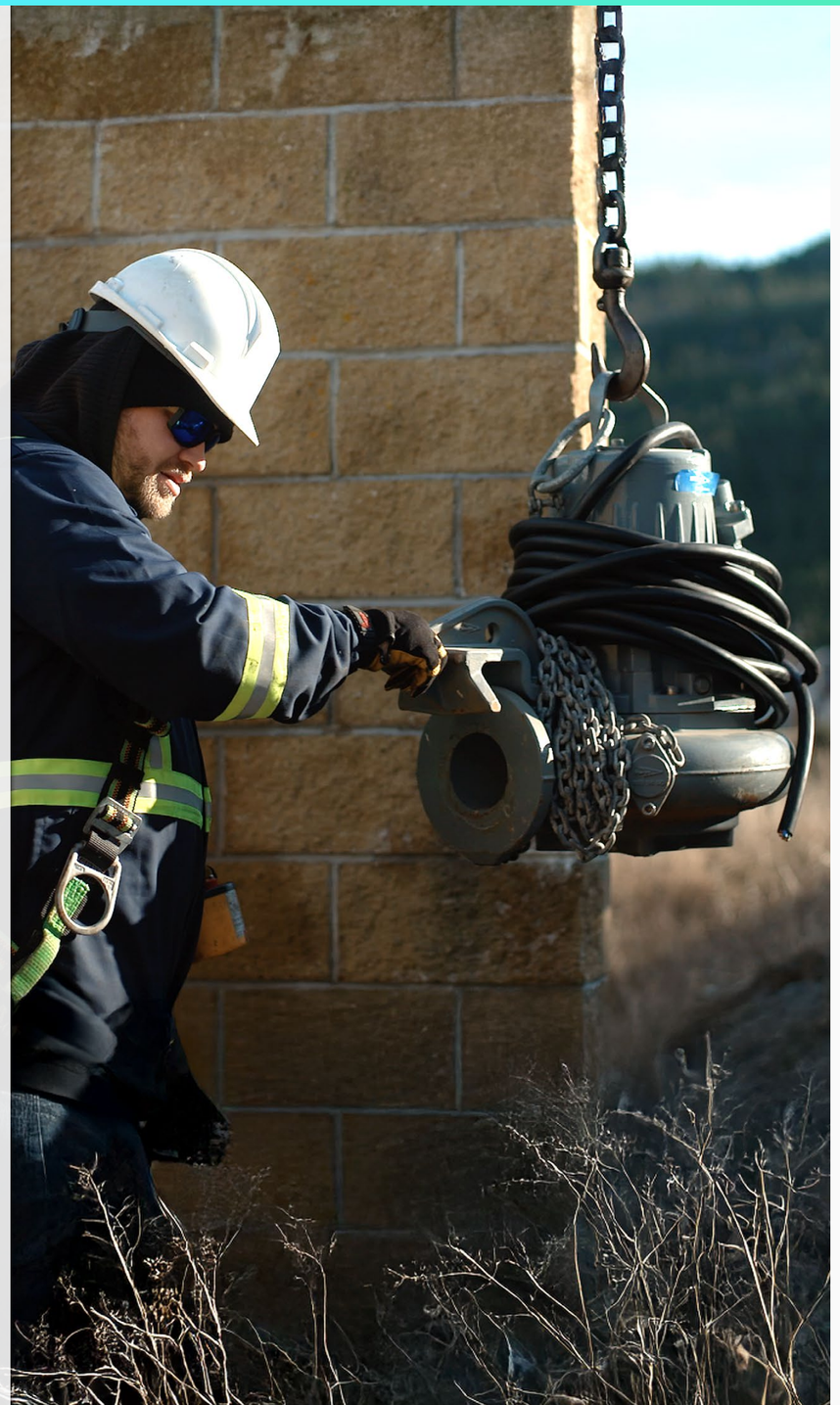
Our approach to Scope 2 decarbonization combines renewable energy procurement with site-level efficiency efforts to deliver measurable emissions reductions, while maintaining operational reliability and momentum toward our decarbonization goals. In 2025, 92% of Xylem's electricity consumption was sourced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

Alongside renewable electricity sourcing, we reduce Scope 2 emissions through targeted energy efficiency and heat optimization initiatives. In 2025, projects at our Morton Grove (Illinois), United States site—including destratification fans, hot water reset controls, and localized domestic hot water upgrades—are expected to reduce total greenhouse gas emissions by approximately 12%, or about 360 metric tons of CO_2e per year. At our DuBois (Pennsylvania), United States site, replacing two aging gas-fired boilers with smaller rooftop units for comfort heating is expected to deliver a further reduction of approximately 200 metric tons of CO_2e annually.

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.



- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix



GRI 102-7, 103-3

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.

Measurement approach and key drivers
In line with the GHG Protocol methodology, Category 11 emissions are calculated using average power draw (kilowatt) or fuel consumption rate and lifetime use (running hours). These factors are multiplied by the appropriate emission factor of the country where the products are sold. As a result, reported emissions are annually influenced by sales volumes, product mix, project scale, and regional grid characteristics.

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 Solutions segment are negligible, as most products rely on long-life batteries rather than continuous electricity use.

Regional considerations
Use-phase emissions vary significantly by geographic location due to differences in electricity grid emission factors. For example, a large custom pump or treatment system installed in a region with a higher-carbon grid can have a substantially larger emissions footprint than an identical system deployed in regions with lower emission factors. As a result, regional sales patterns and project locations can materially affect year-to-year Category 11 emissions.

Improving data quality and reporting
We continue to enhance the accuracy and reliability of our Scope 3, Category 11 reporting by refining calculation methods, expanding product coverage, and incorporating improved equipment-usage data where available. These ongoing updates support the accuracy of our emissions tracking and enable better-informed assessments of decarbonization progress.

As a result, we are restating our 2024 Scope 3, Category 11 emissions to correct previously applied power assumptions for certain Applied Water products. The revised, product-specific values reduce reported 2024 emissions by approximately 8% compared to the earlier figures.

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.

ESRS E2-4

Managing other air emissions

In addition to addressing Scope 1, 2, and 3 greenhouse gas emissions, we work to reduce other air emissions where feasible, with a particular focus on volatile organic compounds (VOCs). Enhanced data monitoring and analysis has enabled a more detailed and accurate assessment of VOCs and other regulated air emissions, supporting more targeted actions to minimize environmental impacts across our operations.

In recent years, we have strengthened our emissions calculation methodology to provide a more accurate and comprehensive view of our environmental footprint. These improvements expanded coverage to additional sites, including previously unaccounted-for legacy Evoqua locations, and replaced generalized emission factors with site-specific factors sourced from the International Energy Agency (IEA) and eGRID. The resulting changes reflect improved measurement and data quality rather than increases in actual emissions, enabling closer alignment between reported greenhouse gas emissions and CO_2-equivalent calculations, including cryogenic CO_2 and refrigerants.

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

GRI 102-4

Targets and metrics

ESRS E1-6; GRI 103-1

Targets and progress

2025 Sustainability Goals[3]	2025	2024	2023[4]	2019[5]
Use 100% renewable energy at our major facilities *(#)*	**19**	**19**	**19**	**7**
Develop 1.5°C science-based targets for GHG reductions across Scopes 1, 2, and 3	**-**	2030 science-based targets approved by SBTi	**-**	**-**
Enable customers to reduce water's CO_2e footprint by more than 2.8 million metric tons *(million $mtCO_2e$)*	**8.10**	**6.43**	**3.94**	**0.34**

2030 Sustainability Goals	Progress in 2025	Progress towards 2030
42% Scope 1 and 2 (market-based) emission reductions *(%)*	**-14**	**-16**
52% Scope 3 economic emissions intensity reduction[6] *(%)*	**-10**	**-15**
Reduce the economic emissions intensity associated with the use of our products by more than half, helping customers across the water sector decarbonize *(%)*	**-10**	**-15**
Publicly disclose lifetime environmental impacts for more than half of our products	**-**	**Reporting begins in 2026.**

3 Excluding Idrica.

4 Legacy Xylem.

5 Legacy Xylem.

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

Accounting principles

Direct CO_2 emissions (Scope 1): GHG emissions from sources owned or controlled by Xylem, including renewable energy generation, combustion of natural gas and fuels (e.g., propane, fuel oil, diesel, gasoline/petrol, LPG), refrigerant leakage excluding those covered by the Montreal Protocol, and cryogenic CO_2 in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

Indirect CO_2 emissions (Scope 2): GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by Xylem (e.g., purchased electricity and purchased heat, etc.), as outlined by the GHG Protocol Corporate Accounting and Reporting Standard. We use both location- and market-based calculation methodologies.

Indirect CO_2 emissions (Scope 3): GHG emissions not included in indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions, as outlined by the GHG Protocol Corporate Accounting and Reporting Standard. In preparing Xylem's Scope 3 calculations, a variety of data sources, conversions, and emission factor databases were utilized, as described on page 41.

Major facilities: Major facilities: Manufacturing sites featured in the top 10 contributors list for Xylem's water, waste, and g reenhouse gas emissions, as identified in 2019, or those located in areas facing extreme water stress, are considered major facilities. Legacy Xylem identified 22 such sites in 2019: Auburn (New York), Bridgeport (New Jersey), Cheektowaga (New York), Dubois (Pennsylvania), Lubbock (Texas), Morton Grove (Illinois), Pewaukee (Wisconsin), San Diego (California), Slaton (Texas), Texarkana (Arkansas), and Uniontown (Pennsylvania) in the United States; Chihuahua in Mexico; Emmaboda in Sweden; Montecchio in Italy; Herford in Germany; Stará Turá in Slovakia; Quenington in the United Kingdom; Dubai in the United Arab Emirates; Nanjing and Shenyang in China; Vadodara in India; and Calamba in the Philippines. We closed our Slaton site in Texas, United States in 2023 and divested Stará Turá in Slovakia as part of the sale of our international Sensus business, which leaves 20 major facilities. The list of sites undergoes periodic review to include sites consistent with this definition.

Product lifetime: The expected lifetime use of a product, as judged by Xylem subject-matter experts. Product lifetime is applied in formulas for calculating the estimated full lifetime impacts of a product that is purchased. It is not applied in rental scenarios.

Public disclosure of products' lifetime environmental impacts for 2030 Sustainability Goal: The proportion of annual product revenue generated from standard and configured product families for which representative, standard-validated lifecycle assessments (LCAs) or environmental product declarations (EPDs) are publicly available. Sixty percent of annual product revenue will come from standard and configured product families for which representative, standard-validated lifecycle assessments or environmental product declarations are publicly available.

- ***Calculation methodology:*** "Annual product revenue" reflects revenue from product families that are materially and functionally comparable to representative products assessed through LCAs or EPDs. Xylem conducts LCAs on representative products rather than every individual variant, and results may be applied to comparable products within the same family. All disclosed LCAs and EPDs follow recognized methodologies in effect at the time of publication, which may evolve. Revenue attribution is based on Xylem's internal product taxonomy and best available data and may be updated as products, data, or methodologies change. These disclosures do not guarantee environmental performance for individual products, nor commit Xylem to assess all current or future variants. We may refine our assessment approach, product family definitions, and related calculations as needed.
- ***Product groups/products included:*** Standard and configured product families across the portfolio for which representative, standard-validated LCAs or EPDs are publicly available.

Reduction of economic emissions intensity associated with our products for 2030 Sustainability Goal: The reduction in Scope 3, Category 11 economic emissions intensity, measured in metric tons of CO_2e divided by gross profit, achieved through the expanded availability and adoption of low-carbon products and solutions verified through lifecycle assessments (LCAs). Xylem will reduce Scope 3 Category 11 economic emissions intensity by 52% from a 2023 baseline by expanding the availability and adoption of low-carbon products and solutions verified through LCAs.

- ***Calculation methodology:*** Scope 3, Category 11 economic emissions intensity = Absolute Scope 3, Category 11 emissions ($mtCO_2e$) / Gross profit ($ gross profit).
- ***Product groups/products included:*** Applicable energy-using products and solutions are included, primarily those in our Applied Water and Water Infrastructure segments.

Reduction of water's CO_2e footprint for 2025 Customer Sustainability Goal: The enabled reduction of emissions, in metric tons of CO_2e, achieved through the increased energy efficiency when the most current Xylem innovative technology is installed instead of a less efficient industry-standard product. The full lifetime impact of the solution, based on product lifetime, is counted in the year of purchase. Total annual emission impacts are then accumulated from 2019 to the reporting year.

- ***Calculation methodology:*** Total reported energy efficiency improvement of installed solutions, relative to regional GHG emission factor and reduced distance driven due to installation of smart metering.
- ***Product groups/products included:*** Transport, dewatering, treatment, and smart metering solutions.

Renewable energy: Defined as any of the following: renewable electricity (e.g., solar, hydro, biomass, wind power, geothermal, and marine or renewable hydrogen that is either indirect (purchased from the grid) or direct (generated on-site)), renewable heat (including heat generated by systems powered by renewable electricity or energy sources, or passive heating systems), and renewable energy credits (RECs)—including equivalent energy attribute certificates (e.g., GOs, REGOs, I-RECs, TIGRs, and other recognized EACs)—used for sites where direct renewable energy procurement or on-site generation is not currently feasible due to regulatory, geographic, or cost constraints, and purchased by Xylem to offset our energy footprint.

Validation process of goal achievement: When a major facility reports achievement of an operational sustainability goal, internal subject-matter teams review reported data against predefined validation criteria specific to each goal type, including production water intensity, water recycling rates, and waste recycling and reuse practices.

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

Performance data[7]

ESRS E1-7; GRI 103-2, 103-4, 103-5

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 usage[10]	**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**	**-**	**-**

7 Excluding Idrica.

8 Combined company.

9 Legacy Xylem.

10 Total direct energy usage = Stationary + Mobile.

Accounting principles

Environmental data: The environmental data reflects information collected from 417 Xylem sites—350 sales and service locations and 67 manufacturing sites—that are included within our established reporting boundary and monitored through our environment, health, and safety (EHS) platform.

Fuel oil usage: Includes fuel oil used for heating sites, and rental pumps owned and operated by Xylem when providing service to a customer that includes us supplying the fuel.

Gaseous propane usage: Includes propane gas used for heating (such as foundry ovens), heating of parts, and stator burning.

Gasoline/petrol consumption: Total volume of gasoline consumed by service trucks and company cars.

Liquefied petroleum gas (LPG) mobile source: Total volume of liquefied petroleum gas (LPG) consumed by service trucks, forklifts, and company cars.

Liquid propane usage: Total volume of propane gas purchased in liquid form used for heating of premises, heating of parts (e.g., bearing mounting and wear ring assembly), and stator burning.

Natural gas usage: Total volume of natural gas purchased.

Purchased renewable energy credits: Total amount of certified renewable electricity purchased from electricity providers and certified renewable energy converted into kilowatt-hours (kWh).

Renewable energy: Defined as any of the following: renewable electricity (e.g., solar, hydro, biomass, wind, geothermal, and marine power or renewable hydrogen that is either indirect (purchased from the grid) or direct (generated on-site)), renewable heat (including heat generated by systems powered by renewable electricity or energy sources, or passive heating systems), and renewable energy credits (RECs)—including equivalent energy attribute certificates (e.g., GOs, REGOs, I-RECs, TIGRs, and other recognized EACs)—used for sites where direct renewable energy procurement or on-site generation is not currently feasible due to regulatory, geographic, or cost constraints, and purchased by Xylem to offset its energy footprint.

Renewable energy source: Energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes, e.g., geothermal, wind, solar, hydro, and biomass.

Renewable electricity generated: The total amount of renewable electricity generated at a Xylem-operated site, regardless of whether the equipment used to generate the electricity is owned or leased, measured in megawatt-hours (MWh).

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

Performance data (continued)

ESRS E1-8, E2-4; GRI 102-5, 102-6

Greenhouse gas (GHG) emissions *($mtCO_2e$)*	**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**
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 $)*	**9,035**	**8,562**	**8,146**	**5,249**
Scope 1 and 2 (location-based) economic emissions intensity *($mtCO_2e$/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[13]	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 *($mtCO_2e$/million $ revenue)*	**8.8**	**10.7**	**-**	**14.2**

11 Combined company.

12 Legacy Xylem.

13 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.

Accounting principles

Environmental data: The environmental data reflects information collected from 417 Xylem sites—350 sales and service locations and 67 manufacturing sites—that are included within our established reporting boundary and monitored through our environment, health, and safety (EHS) platform.

Direct CO_2 emissions (Scope 1): GHG emissions from sources owned or controlled by Xylem, including renewable energy generation, combustion of natural gas and fuels (e.g., propane, fuel oil, diesel, gasoline/petrol, LPG), refrigerant leakage excluding those covered by the Montreal Protocol, and cryogenic CO_2 in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

Fuel oil usage: Includes fuel oil used for heating sites, and rental pumps owned and operated by Xylem when providing service to a customer that includes us supplying the fuel.

Gaseous propane usage: Includes propane gas used for heating (such as foundry ovens), heating of parts, and stator burning.

Gasoline/petrol consumption: Total volume of gasoline consumed by service trucks and company cars.

Indirect CO_2 emissions (Scope 2): GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by Xylem (e.g., purchased electricity and purchased heat, etc.), as outlined by the GHG Protocol Corporate Accounting and Reporting Standard. We use both location- and market-based calculation methodologies.

Liquefied petroleum gas (LPG) mobile source: Total volume of liquefied petroleum gas (LPG) consumed by service trucks, forklifts, and company cars.

Liquid propane usage: Total volume of propane gas purchased in liquid form used for heating of premises, heating of parts (e.g., bearing mounting and wear ring assembly), and stator burning.

Natural gas usage: Total volume of natural gas purchased.

Net economic GHG (Scope 1 and 2) emissions intensity: The total amount of Scope 1 and Scope 2 emissions after deducting the GHG emissions avoided through purchased renewable energy credits, renewable electricity generated, and renewable purchased heat, considered as net GHG emissions (including renewable electricity) divided by annual revenue (in million $).

Total Scope 1 and 2 (location-based) emissions: The total amount of Scope 1 and Scope 2 emissions (location-based) measured in metric tons CO_2e. We calculate our global GHG emissions footprint each fiscal year following the guidelines of the GHG Protocol Corporate Accounting and Reporting Standard and use operational controls to categorize those emissions within our organizational boundaries.

- ***Scope 2 (location-based):*** Scope 2 GHG emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries.
- ***Scope 2 (market-based):*** Scope 2 GHG emissions based on GHG emissions emitted by the generators from which Xylem contractually purchases electricity bundled with contractual instruments, or contractual instruments on our own.

Scope 1 and 2 (location-based) economic emissions intensity: The total amount of Scope 1 and Scope 2 emissions (metric tons CO_2e) divided by annual revenue (in million $).

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

Performance data (continued)

ESRS E1-8, E2-4; GRI 102-7, 103-3

Greenhouse gas (GHG) emissions	2025	2024	2023[14]	2019[15]
GHG emissions – Scope 3 (indirect) *($mtCO_2e$)*				
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**	**63,670,876**[17]	**63,324,759**	**71,834,829**
Total gross profit *(million $)*	**3,475**	**3,212**	**3,008**[18]	**-**
Scope 3 economic emissions intensity *($mtCO_2e$/$ gross profit))*	**0.0179**	**0.0198**	**0.0211**	**-**
Air emissions *(mt)*				
Volatile organic compound (VOC) emissions	**75.9**	**80.6**	**91.1**	**89.4**
Other GHG emissions[19] *(mt)*				
CO_2	**116,746**	**125,115**	**58,842**	**-**
CH_4	**5.1**	**5.5**	**17.1**	**-**
N_2O	**2.0**	**2.3**	**79.3**	**-**

14 Combined company.

15 Legacy Xylem.

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.

19 This table breaks down the total GHG emissions previously reported in the above tables into specific gases—CO_2, CH_4, and N_2O—rather than presenting them solely as CO_2-equivalent (CO_2e).

Accounting principles

Environmental data: The environmental data reflects information collected from 417 Xylem sites—350 sales and service locations and 67 manufacturing sites—that are included within our established reporting boundary and monitored through our environment, health, and safety (EHS) platform.

Indirect CO_2 emissions (Scope 3): GHG emissions not included in indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions, as outlined by the GHG Protocol Corporate Accounting and Reporting Standard. In preparing Xylem's Scope 3 calculations, a variety of data sources, calculation methodologies, conversions, and emission factor databases were utilized, as described below:

- ***Category 1*** emissions were calculated using a hybrid approach, combining supplier-specific product emissions data, allocation-based calculations, and a general spend-based approach for all remaining suppliers. For spend-based calculations, the U.S. Environmental Protection Agency (EPA) Environmentally Extended Input–Output (EEIO) database (2024 version) was used, with expenditures mapped to the appropriate North American Industry Classification System (NAICS) codes.
- ***Category 2*** emissions were calculated using a spend-based approach. For spend-based calculations, the U.S. EPA EEIO database (2024 version) was used, with our corporate spend related to the purchase of capital goods mapped to the appropriate NAICS codes.
- ***Category 3*** emissions were calculated using fuel and electricity consumption totals, applying upstream well-to-tank emission factors and transmission and distribution loss factors sourced from the International Energy Agency (IEA) and the U.K. Department of Environment, Food, and Rural Affairs (DEFRA).
- ***Category 4*** emissions were calculated using a hybrid approach that incorporated carrier-provided emission totals where available, a distance-based methodology for carriers providing shipment weight and mileage data, and a shipment-mode-specific spend-based approach for all remaining carriers. For distance-based calculations, upstream well-to-tank emissions factors were sourced from the U.K. DEFRA, and tank-to-wheel emission factors were sourced from the US EPA Center for Corporate Climate Leadership GHG Emission Factor Hub. For spend-based calculations, the U.S. EPA EEIO database (2024 version) was used, with shipping expenditures mapped to the appropriate NAICS codes by shipment mode.
- ***Category 5*** emissions were calculated using a waste-type-specific approach. Metric tons of waste generated from our operations were quantified by waste type and multiplied by average-data emission factors sourced from ecoinvent v3.10.
- ***Category 6*** emissions were calculated using a spend-based approach. For spend-based calculations, the U.S. EPA EEIO database (2024 version) was used, with business travel expenditures mapped to the appropriate NAICS codes by travel mode.
- ***Category 7*** emissions were calculated using a distance-based approach. Commuting distances were estimated based on employee home postal codes and assigned work-location postal codes, using a geospatial platform (MAPLY) that leverages Google Maps API routing along the most direct driving route. The assessment population included all active employees as of December 31, 2025. For distance-based calculations, upstream well-to-tank emissions factors were sourced from the U.K. DEFRA, and tank-to-wheel emission factors were sourced from the US EPA Center for Corporate Climate Leadership GHG Emission Factor Hub.
- ***Category 9*** emissions were calculated using a modeled approach. The modeled approach used the percentage of units sold that go to distributors and assumed that same percentage emitted a similar amount of greenhouse gases as Xylem's upstream transportation emissions.
- ***Categories 11 and 13*** emissions were calculated by estimating energy use associated with sold and leased products, respectively. Electrically powered equipment used country- and region-specific generation-based emission factors from the IEA, including emissions from primary combustion and adjustment for inter-country electricity trade. Equipment powered by the direct combustion of fossil fuels applied emission factors sourced from the U.S. Energy Information Administration (EIA).
- ***Category 12*** emissions were calculated using a waste-type-specific approach. Product-specific weights were multiplied by regionally applicable disposal factors to estimate total emissions. Emission factors were sourced from ecoinvent v3.10, and waste disposal assumptions were based on Eurostat data for EU shipments and U.S. EPA data for North America and other regions.
- ***Category 15*** emissions were calculated using the average data approach. This approach applies Xylem's percentage equity ownership in each investment to the investee's revenue to determine our attributable share. Because investee-specific Scope 1 and 2 emissions data were not available, emissions were estimated by applying U.S. EPA EEIO supply chain emission factors to the attributable revenue by industry.
- ***Categories 8, 10, and 14*** were determined to be not material to Xylem's business model.

Other air emissions: Carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and volatile organic compounds (VOCs) measured in metric tons.

Scope 3 economic emissions intensity: Total Scope 3 emissions (metric tons CO_2e) divided by $ value added, where $ value added is defined as Xylem's gross profit.

Scope 3, Category 11 methodology: The Category 11 emissions calculation takes a product-specific approach, evaluating use-phase emissions based on factors such as average power consumption, annual sales, product destinations, operational runtime, and product lifespan. To provide accurate regional estimates, we apply country-specific electricity and fuel-based emission factors from the IEA.

In 2024, we introduced a hierarchical method for estimating power consumption to improve accuracy. This approach prioritizes real-world data from asset monitoring systems, followed by weighted average input power derived from industry standards and manufacturer test data. When such data is unavailable, we use a discounted rated input power, applying correction factors from third-party studies to better reflect real-world conditions. If suitable correction factors are not known, unadjusted rated input power is used for products that are known to operate near their rated values.

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

GRI 303-1

Pollution

Preventing pollution and protecting ecosystems are core to how we operate our business and serve our customers and communities. We manage environmental risks within our own operations through robust policies, controls, and monitoring systems—meeting evolving regulatory and compliance expectations and reinforcing our commitment to corporate responsibility.

At the same time, we partner with utilities, industries, and communities worldwide to help them address their growing pollution control and water quality challenges. Our water quality solutions help customers reduce contaminant discharges, improve treatment performance, and protect public health and local ecosystems.

GRI 2-25

Management of impacts, risks, and opportunities

ESRS E2-1; GRI 2-23

Policies

Environmental Assessment: Provides guidance for identifying environmental aspects, evaluating new processes and materials before introduction, determining activities that require risk assessment, and maintaining a current aspect register.

Environmental Assessment and Due Diligence: Provides guidance to assess and prioritize environmental aspects and impacts, considering their significance, frequency, duration, and recoverability. Supports corrective actions that address the highest risks first.

Wastewater Management: Provides guidance on managing business- or client-related discharges to drains and waterways, advising leadership on implementing environmental controls, and monitoring wastewater to minimize environmental impact.

Stormwater Management: Identifies potential sources of stormwater discharges and contamination. Provides managers with guidance on options to eliminate or control discharges, including monitoring where required by permits.

Soil and Groundwater Pollution: Outlines approach to identifying activities that may impact soil or groundwater and managing environmental risks through preventive and compliant practices to minimize pollution.

Prohibited and Limited Chemical List: Outlines approach to reducing and, where possible, eliminating hazardous chemicals from processes and products, using defined Black and Grey lists to identify chemicals that must be eliminated or restricted.

Spill Control Emergency Response: Provides guidance on responding to chemical spills, protecting employees involved in cleanup, and complying with regulatory requirements, including proper disposal of hazardous waste.

ESRS IRO-2

Impacts, risks, and opportunities

▲ Upstream

- Environmental regulation compliance risks



▶ Our own operations

- Impacts on local ecosystems from industrial activities
- Environmental regulation compliance risks



▼ Downstream

- Water quality improvement and pollution reduction through products
- Impacts on local ecosystems from industrial activities
- Rising demand for water quality and pollution control solutions
- Environmental regulation compliance risks



Impact materiality	Financial materiality
Positive	Opportunity
Negative	Risk

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

ESRS E2-2

Mitigating pollution and protecting nature in our operations

ESRS E2-4

Managing operational pollution risks

We recognize that certain industrial activities and chemical handling processes may pose a risk of localized environmental impacts. To manage these responsibly, we maintain robust environment, health, and safety (EHS) programs to prevent pollution, protect nearby ecosystems, and support timely response when incidents occur. Environmental incidents, including spills, are tracked through a centralized EHS system and managed in line with regulatory and internal requirements.

In 2025, reported incidents involved primarily small to moderate releases that were typically contained and, in most cases, fully recovered. One incident met the criteria for a reportable hazardous materials spill and was addressed promptly in coordination with authorities, with corrective actions completed and no regulatory penalties issued.

To further reduce risks, we continue to strengthen preventive and corrective measures, including root cause reviews, improved equipment and inspection practices, enhanced emergency response preparedness, and increased oversight of third-party activities. These efforts support ongoing pollution prevention and protection of ecosystems surrounding our operations.

ESRS E4-3

Nature stewardship

Nature stewardship is an evolving part of our broader sustainability efforts. Company-wide initiatives such as reducing water-related emissions, enhancing water reuse, and expanding access to water and sanitation indirectly support ecosystem health. We do not currently have formal biodiversity commitments, targets, or structured nature-related assessments. However, we continue to monitor emerging frameworks and best practices to inform potential future actions related to biodiversity and nature stewardship.

Employee engagement also plays an important role in supporting local ecosystems. Our employees and partners participate in watershed restoration through volunteering and collaborative initiatives that contribute to healthier environments. In 2025, employees and partners around the world dedicated 25,000 volunteer hours across more than 200 volunteer events to help protect local watersheds and preserve biodiversity.

ESRS E2-2

Reducing pollution through water quality solutions

Clean, safe water is essential to public health, economic activity, and ecosystem resilience. However, overuse and pollution continue to degrade water sources globally. Emerging pollutants such as per- and polyfluoroalkyl substances (PFAS), microplastics, and agricultural runoffs are placing unprecedented pressure on water systems. At the same time, demand for quality water is increasing across households, healthcare, industry, and data-intensive infrastructure. These challenges are making water-related threats such as scarcity and pollution a growing concern to communities and industries around the world, and increasing the need for advanced water quality solutions.

Xylem's solutions mitigate pollution by improving water quality through integrated advanced treatment, monitoring, and digital systems that decrease contaminant levels before discharge or reuse. Nearly half of our business contributes to reducing ecosystem pollution through technologies that enable customers to better manage nutrients, organic matter, metals, and other regulated substances, supporting healthier waterways and minimizing local environmental impacts.

Our water quality portfolio spans the full value chain—from wastewater to source water to tap water—combining sensing, analytics, treatment, and compliance solutions and support. Real-time detection and monitoring technologies provide continuous visibility into water quality, enabling customers to identify issues early and respond more effectively. Advanced treatment solutions, including disinfection, filtration, and biological processes, help customers achieve water quality that meets increasingly stringent regulatory and safety standards, while specialized technologies address emerging contaminants such as PFAS.

We also deliver flexible deployment and business models to meet our customers' varying economic needs and site limitations. These solutions range from mobile contaminant removal platforms to permanent installations, and from asset sales and rentals to operation services. These adaptable solutions support utilities in protecting public health and help industrial customers maintain reliable operations, while meeting tightening environmental requirements and budget constraints.

Through proven technologies and continuous innovation, Xylem enables our customers to prevent pollution, achieve regulatory compliance, and advance sustainable water management—empowering communities and businesses around the world to access safe, reliable water now and in the future.

Targets and metrics

ESRS E2-3

Targets and progress

2025 Sustainability Goals[1]	2025	2024	2023[2]	2019[3]
Enable customers to prevent more than 7 billion cubic meters of polluted water from flooding communities or entering local waterways *(billion m³)*	**13.05**	**10.74**	**8.44**	**1.25**

Accounting principles

Polluted water: Water that is released into waterways from combined sewer overflow (CSO) events.

Total polluted water prevented from flooding communities or entering local waterways for 2025 Customer Sustainability Goal: The annual volume of polluted water prevented from entering waterways attributed to the implementation of Xylem solutions. Total annual volumes are then accumulated from 2019 to the reporting year.

- ***Calculation methodology:*** Total reported volume of contaminated water pumped in temporary rental solutions and total reported volume of wastewater reduced in annual sewer overflow.
- ***Product groups/products included:*** Dewatering rental pumping and digital wastewater network optimization solutions.

1 Excluding Idrica.
2 Legacy Xylem.
3 Legacy Xylem.

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

Spotlight

Protecting the River Aire with advanced phosphorus removal

The River Aire winds along 148 kilometers in the United Kingdom, from the Yorkshire Dales to the River Ouse, passing through areas of incredible ecological importance—including 22 Sites of Special Scientific Interest, four Special Areas of Conservation, and two Special Protection Areas. But high levels of phosphorus in the water from wastewater effluent can trigger algal blooms that deplete oxygen and harm aquatic life.

To protect this vital river, Yorkshire Water invested nearly $80 million to upgrade its Knostrop Wastewater Treatment Works, the city's largest treatment site in Leeds, to meet stricter environmental standards for phosphorus discharge.

In partnership with Yorkshire Water, Xylem supported the upgrade with our unique CoMag® ballasted clarification system, a cutting-edge technology that accelerates solid settlement up to ten times faster than conventional methods, enabling more effective phosphorus removal. By recycling most of the magnetite used in the process, the system is both efficient and sustainable. In addition, its compact design—just one 32-meter CoMag® clarifier—replaces what would have required more than 14,000 square meters in a traditional final settlement tank, reducing capital costs and space requirements.

Since Yorkshire Water commissioned the system in September 2024, it now treats 75% of the site's flow, decreasing total phosphorus concentrations to an average of 0.25 milligrams per liter (mg/l)—well below the regulatory target of 0.4 mg/l. Performance tests have even reached as low as 0.1 mg/l, delivering immediate benefits for the River Aire and the wildlife that depends on it.

Innovative solutions like CoMag® show how advanced water treatment, adopted by forward-thinking utilities, can make a real difference—reducing pollution, protecting biodiversity, and helping ecosystems thrive.

> "The CoMag® system has provided us with a stand-out solution for reducing phosphorus levels. We can now confidently meet and exceed our environmental commitments while keeping costs and operations on track."
>
> **Sam Akeroyd,**
> Capital Delivery Programme Manager
> at Yorkshire Water



- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

GRI 303-1

Water

Water is central to our purpose and to the value we deliver to our customers and communities. We recognize our responsibility to manage water responsibly within our own sites, while helping customers to use water more efficiently through smart technologies, innovative solutions, and expertise. By combining disciplined water stewardship with proven digital customer offerings that reduce water losses and expand reuse, we strive to strengthen resilience, minimize negative impacts, and contribute to more sustainable water management globally.

GRI 2-25, 3-3

Management of impacts, risks, and opportunities

ESRS E3-1; GRI 2-23

Policies

Environmental Assessment: Provides guidance for identifying environmental aspects, evaluating new processes and materials before introduction, determining activities that require risk assessment, and maintaining a current aspect register.

Environmental Assessment and Due Diligence: Provides guidance to assess and prioritize environmental aspects and impacts, considering their significance, frequency, duration, and recoverability, to support corrective actions that address the highest risks first.

Water Management: Provides guidance to leadership on identifying, implementing, and maintaining appropriate environmental controls to protect water resources and prevent environmental harm, including the application of water monitoring and management practices.

Wastewater Management: Provides guidance on managing business- or client-related discharges to drains and waterways, advising leadership on implementing environmental controls, and monitoring wastewater to minimize environmental impact.

Stormwater Management: Identifies potential sources of stormwater discharges and contamination and provides managers with guidance on options to eliminate or control discharges, including monitoring where required by permits.

Water management

ESRS E3-2; GRI 303-2, 303-3, 303-4, 303-5

Water management in our own operations

As a company dedicated to addressing global water challenges through our products and solutions, we recognize the importance of managing water responsibly within our own operations and mitigating the potential impacts on local watersheds. To lead by example, Xylem focuses on minimizing our operational water footprint through reduction, reuse, and optimization—particularly in regions facing water stress—leveraging our own technologies where possible.

ESRS IRO-2

Impacts, risks, and opportunities

▲ Upstream



▶ Our own operations

⊖ Water withdrawal and consumption during industrial processes



▼ Downstream

⊕ Water use efficiency through our smart technologies

↑ Expanding smart water technologies that help customers reduce water use and costs



Impact materiality	Financial materiality
⊕ Positive	↑ Opportunity
⊖ Negative	↓ Risk

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

Our approach is guided by disciplined water management systems and long-term goals, including our 2030 water objective, which emphasizes digitized water monitoring, closed-loop reuse, and targeted reduction efforts in high-impact processes. While services such as resin regeneration and ion exchange are inherently water-intensive, they demonstrate the effectiveness of these systems: across all resin regeneration sites, the cumulative volume of water reused exceeds 100% of the water withdrawn at those same sites.

In 2025, our water economic intensity decreased to 0.2659 megaliters per million dollars of revenue, an 8% reduction compared with 2024 and 15% compared with our baseline in 2023. We also reached a key milestone when the remaining two major facilities achieved 100% recycling and reuse of process water, bringing the total to 21 major facilities and enabling us to meet our 2025 Sustainability Goal.

Site-level actions illustrate how these systems translate into measurable outcomes: in Strzelin, Poland, a closed-loop filtration and UV treatment system in testing stations, combined with reverse osmosis water reuse for toilets, reduced total water use by approximately 10%, saving about 570 megaliters annually. In Cheektowaga (New York), United States, a similar closed-loop filtration system in testing stations delivered a 10% reduction, conserving approximately 680 megaliters per year. And in Bridgeport (New Jersey), United States, recirculation of water used for equipment washing and the use of recycled water in wash bays enabled the reuse of roughly 820 megaliters annually, representing about 50% of water used in that process.

Together, these efforts demonstrate how structured water management systems, supported by technology and local action, help reduce freshwater demand, improve resilience, and strengthen water stewardship across Xylem's operations.

Spotlight

Closing the loop on water at Rockford's resin regeneration site

Some of our most meaningful water stewardship efforts take place within our own operations—particularly at our resin regeneration sites, where water is not a utility but a core raw material. Our nine resin regeneration sites account for approximately 80% of Xylem's total withdrawn water, making efficiency and reuse essential to both environmental performance and business resilience.

In 2025, our Rockford (Illinois), United States site demonstrated how targeted process improvements can deliver measurable impact. Historically, steam generated by the site boiler traveled approximately 90 meters to a heat exchanger used in high-temperature caustic and acid bath processes for aftermarket customers. While effective, the process discharged condensate from the heat exchanger to a waste pit, routed it through neutralization, and sent it to the sanitary drain.

To address this, the site implemented a boiler steam recovery and reuse system, transforming a linear process into a closed loop. Under the new configuration, condensate from the heat exchanger is captured, routed to a holding tank, and returned directly to the boiler for reuse. Steam is then reintroduced to the heat exchanger, completing the cycle and significantly reducing freshwater demand.

The impact was immediate and tangible: The system now reuses approximately 10,220 liters of water per day. While the boiler steam recovery and reuse system accounts for approximately 2.65 megaliters of annual savings, it represents just one part of a broader site-wide effort that conserved a total of more than 46.56 megaliters of water in 2025 through reduced chemical use, reuse of process water during resin separation, capture of rinse water from the microelectronics suite, and recovery of reject water from the reverse osmosis system.



"This initiative reflects our ongoing commitment to operational excellence and environmental stewardship while supporting Xylem's broader water reduction and reuse goals. By closing the loop on a critical water-intensive process, we show how smart engineering and everyday problem-solving can reduce impacts on local water systems and demonstrate that leadership in water stewardship starts at home."

Danny Mann,
Rockford Plant Manager

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

Spotlight

Proactive leak detection strengthens water network resilience

In 2020, real water loss in the Town of the Blue Mountains, an adventure and tourism destination in southwestern Ontario, Canada, peaked at 27%. The Town operates approximately 150 kilometers of water mains, including a 350–400 millimeter trunk pipeline that is essential for delivering drinking water and supporting firefighting capabilities in the eastern section of the community.

Leaks along this critical pipeline were undermining the Town's water conservation efforts. To address the issue, the Town of the Blue Mountains deployed Xylem's SmartBall® inline leak detection technology in 2025 to assess a key section of the trunk without disrupting service. The inspection provided highly accurate insights—typically locating leaks within 1.8 meters—enabling prioritized, targeted repairs.

During the inspection, the free-swimming SmartBall® tool traversed nearly 10 kilometers of pipeline, listening for acoustic signals associated with leaks while being remotely tracked above ground. This non-invasive approach allowed the Town to quickly and safely assess the pipeline, requiring fewer staff hours and no interruption to water delivery.

The inspection identified four active leaks contributing to water loss and three acoustic anomalies. Follow-up investigation confirmed one anomaly as a leak on a service connection. With this precise information, the Town can prioritize repairs, reduce water loss, lower delivery costs, and strengthen supply reliability for both residents and seasonal visitors.

This project demonstrates how advanced, data-driven technologies can help utilities proactively manage critical infrastructure, reduce resource loss, and support smarter, more sustainable water systems for communities.

> "Detecting leaks in deeply buried pipelines near the shoreline has posed a unique challenge for us. With SmartBall®, we were able to address water loss more efficiently and more accurately."
>
> **Rob Gilchrist,**
> Water Supervisor at the Town of the Blue Mountains



ESRS E3-2

Enabling customers to manage water more efficiently

Water scarcity is a growing challenge, with nearly two-thirds of the world's population experiencing severe water scarcity for at least one month each year.[1] Rising demand due to factors like severe weather, AI usage, and a growing population places increasing pressure on communities and industries, making efficient water management essential for resilience and growth. We help customers address water scarcity through smart water technologies and services that enable more efficient water use, helping to reduce waste, lower costs, and improve overall water security.

Our solutions include connected sensors, smart meters, and AI-driven analytics that provide real-time insights into water use, helping utilities and businesses detect leaks, optimize operations, and respond quickly to inefficiencies. Where deployed, these digital solutions have helped communities reduce water losses by 30–50%, preserving significant volumes of water within existing systems. That conserved water, when paired with advanced treatment and reuse technologies, creates further value. Water reuse and recycling solutions enable customers to recover and repurpose water for industrial or non-potable applications, easing pressure on limited freshwater resources.

By integrating intelligent monitoring, leak detection, and advanced treatment for reuse, we empower utilities and industries to optimize operations, improve resilience, and contribute to more sustainable, water-secure communities worldwide. Expanding adoption of these smart, circular solutions strengthens operational resilience, lowers costs, and advances more sustainable, water-secure systems worldwide.

1 Water scarcity | UNICEF.

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

ESRS E3-3; GRI 303-2, 303-3, 303-4, 303-5

Targets and metrics

ESRS E3-3

Targets and progress

2025 Sustainability Goals[2]	2025	2024	2023[3]	2019[4]
Use 100% process water recycling at our major facilities *(#)*	21	19	19	-
Enable customers to reduce more than 3.5 billion cubic meters of non-revenue water *(billion m^3)*	4.32	3.71	2.70	0.54
Enable customers to treat more than 13 billion cubic meters of water for reuse *(billion m^3)*	22.33	18.15	13.35	1.18

2030 Sustainability Goals	Progress in 2025	Progress toward 2030
Reduce our own water economic intensity by 30% *(%)*	-8	-15
Enable our customers to reduce at least 2 billion cubic meters of annual water demand *(billion m^3)*	0.13	0.13

2 Excluding Idrica.

3 Legacy Xylem.

4 Legacy Xylem.

Accounting principles

Major facilities: Manufacturing sites featured in the top 10 contributors list for Xylem's water, waste, and greenhouse gas emissions, as identified in 2019, or those located in areas facing extreme water stress, are considered major facilities. Legacy Xylem identified 22 such sites in 2019: Auburn (New York), Bridgeport (New Jersey), Cheektowaga (New York), Dubois (Pennsylvania), Lubbock (Texas), Morton Grove (Illinois), Pewaukee (Wisconsin), San Diego (California), Slaton (Texas), Texarkana (Arkansas), and Uniontown (Pennsylvania) in the United States; Chihuahua in Mexico; Emmaboda in Sweden; Montecchio in Italy; Herford in Germany; Stará Turá in Slovakia; Quenington in the United Kingdom; Dubai in the United Arab Emirates; Nanjing and Shenyang in China; Vadodara in India; and Calamba in the Philippines. We closed our Slaton site in Texas, United States in 2023 and divested Stará Turá in Slovakia as part of the sale of our international Sensus business, which leaves 20 major facilities. The list of sites undergoes periodic review to include sites consistent with this definition.

Non-revenue water: Water that is produced but not consumed due to losses. Real losses (referred to as physical losses) occur through leaks. Apparent losses occur through theft or metering inaccuracies.

Process water recycling: Xylem sites define process water as any water that is used for the following purposes: cleaning processes, cooling installations, testing processes, and painting processes. Xylem considers water to have been recycled when it has been used at least two times, either for the same purpose/process or for two different purposes/processes (reused). For estimation purposes, water that evaporates during processes in dispersed areas is excluded from recycled water calculations due to the technical and economic limitations associated with measuring, capturing, recovering, or condensing such water (e.g., water used in the formation of sand molds that evaporates during drying).

Reduction of global water demand for 2030 Sustainability Goal: Starting in 2025, we started measuring progress toward this goal through the end of 2030. The volume of water demand reduced by our customers is being measured using the Volumetric Water Benefit Accounting (VWBA) tool—a standardized, science-based methodology for assessing the benefits of water stewardship activities. Currently, this goal includes contributions from Xylem technologies that enable water reuse and reduction of real water losses.

- ***Calculation methodology:*** Progress is quantified using methodologies aligned with the VWBA framework. The 2030 goal measures annual reduction in water demand, targeting two billion cubic meters by 2030 (non-cumulative). Only systems newly installed between 2025 and 2030 are included; however, systems installed in 2025 continue to contribute annual reductions through 2030 and beyond.
- ***Product groups/products included:*** Product groups include leak detection and water reuse technologies (e.g., Wedeco disinfection) and advanced water reuse solutions, including ultrafiltration, reverse osmosis, deionization, and ion exchange.

Reduction in operational water economic intensity for 2030 Sustainability Goal: The reduction in Xylem's operational water economic intensity, measured in megaliters of water per million United States dollars of revenue, is achieved through improved water efficiency across global operations. The goal targets a 30% reduction by 2030 from a 2023 baseline year.

- ***Calculation methodology:*** Operational water economic intensity = Total megaliters of water withdrawn in the reporting year / Total revenue (million $) in the reporting year. Progress is measured as the percentage reduction in economic intensity relative to the 2023 baseline.
- ***Sites included:*** All operational sites are included within the scope of the goal. A subset of high-impact priority sites has been identified to accelerate efficiency improvements and drive the majority of targeted reductions.

Total reduction of non-revenue water (NRW) for 2025 Customer Sustainability Goal: This is calculated as the volume of NRW that Xylem enables customers to mitigate when they use smart water metering or leak detection technologies. The annual volumes that are potentially mitigated are accumulated from 2019 to the reporting year.

- ***Calculation methodology:*** Total reported volume of water losses reduced following digital or one-time inspection services and average reduced leak, or non-revenue water detected by smart water metering solutions.
- ***Product groups/products included:*** Smart metering, assessment services, and leak detection solutions.

Total volume of water treated for reuse for 2025 Customer Sustainability Goal: The volume of wastewater that customers are enabled to reuse through Xylem's treatment technologies and solutions. The customer identifies the technologies and solutions intended to be employed for reuse. The full lifetime impact of the solution, based on product lifetime, is counted in the year of purchase. Total annual volumes are then accumulated from 2019 to the reporting year.

- ***Calculation methodology:*** Total reported volume of water reuse enabled by a sold product throughout its operational lifetime.
- ***Product groups/products included:*** UV, ozone, advanced oxidation, and filtration treatment systems.

Validation process of goal achievement: When a facility reports achievement of an operational sustainability goal, internal subject-matter teams review reported data against predefined validation criteria specific to each goal type, including production water intensity, water recycling rates, and waste recycling and reuse practices. Since 2023, an independent third party has collected and analyzed data used to validate our process water recycling goal, which is linked to our revolving credit facility, providing objective assurance over reported performance.

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

ESRS E3-4

Performance data[5]

Water consumption *(ml)*	**2025**	**2024**	**2023**[6]	**2019**[7]
Total water withdrawal	**2,402**	**2,480**	**2,556**	**443**
Total water recycled and reused	**2,318**	**2,508**	**2,101**	**52**
Water recycled and reused (%)	96	100	82	12
Total water treated and released	**1,873**	**1,846**	**33**	**57**
Water discharged	235	-	-	-
Total revenue *(million $)*	**9,035**	**8,562**	**8,146**	**5,249**
Water economic intensity *(ml/million $ of revenue)*	**0.2659**	**0.2896**	**0.3138**	**0.0844**

5 Excluding Idrica.
6 Combined company.
7 Legacy Xylem.

Accounting principles

Environmental data: The environmental data reflects information collected from 417 Xylem sites—350 sales and service locations and 67 manufacturing sites—that are included within our established reporting boundary and monitored through our environment, health, and safety (EHS) platform.

Groundwater: Water that is being held in and can be recovered from underground formations.

Seawater: Water in a sea or an ocean.

Surface water: Water that occurs naturally on the earth's surface in ice sheets, ice caps, glaciers, icebergs, bogs, ponds, lakes, rivers, and streams. Surface water includes collected or harvested rainwater.

Third-party water: Municipal water suppliers and municipal wastewater treatment plants, public or private utilities, and other organizations involved in the provision, transport, treatment, disposal, or use of water and effluent.

Total water withdrawal: The total volume of water withdrawn from surface water, groundwater, seawater, produced water, and third-party water measured in megaliters.

Total water recycled and reused: The total volume of used water and wastewater processed through another cycle before discharge to final treatment and discharge to the environment, measured in megaliters. Water recycling and reuse can include wastewater recycled back in the same process or higher use of recycled water in the process cycle, wastewater recycled and reused in a different process but within the same facility, and wastewater reused at another of the organization's facilities. Measured in megaliters.

Total water treated and released: The total volume of water treated on-site and released from the facility into a sewer system, stormwater system, or any other water stream. Measured in megaliters.

Water economic intensity: Total megaliters of water withdrawn in the reporting year / Total revenue (million $) in the reporting year.

Water usage: The total volume of water withdrawn from surface water, groundwater, seawater, produced water, and third-party water.

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

SASB RT-IG-440a.1

Resource use and circular economy

Xylem embeds resource efficiency, circular product design, and waste management across the entire product lifecycle—from sourcing and manufacturing through use and end of life. We extend the value of materials and products through maintenance, reuse, refurbishment, and recycling, reducing resource consumption, minimizing waste, and lowering greenhouse gas emissions.

These practices improve product circularity, support responsible water management, and advance decarbonization in the water sector.

By integrating circular principles into our operations and solutions, we create lasting environmental, societal, and economic value for our company, customers, partners, and the communities we serve.

GRI 2-25, 3-3

Management of impacts, risks, and opportunities

ESRS E5-1; GRI 2-23

Policies

Non-Hazardous and Hazardous Waste: Requires Xylem entities to follow local laws and regulations for waste storage, handling, and disposal, providing guidelines to manage waste safely, reduce environmental impact, and minimize pollution throughout its lifecycle**.**

Spill Control Emergency Response: Provides guidance on responding to chemical spills, protecting employees involved in cleanup, and complying with regulatory requirements, including proper disposal of hazardous waste.

ESRS E5-2, E5-4; GRI 301-3

Resource inflows

Managing material and component sourcing

We address pricing and sourcing risks through a material-locking program and targeted pricing risk due diligence. The program secures critical commodity inputs—closely linked to materials such as magnets and lithium—through fixed or index-linked pricing, defined specifications, and committed supply volumes. This approach reduces exposure to commodity price volatility and potential supply shortages. Pricing risk due diligence further evaluates cost impacts from trade-related charges and supply-chain compliance requirements, supporting both cost predictability and responsible sourcing.

In 2025, we evaluated our exposure to the EU Deforestation Regulation (EUDR). This work included identifying materials and components within the scope of the EUDR, mapping upstream supply chains, and preparing the necessary due diligence to support regulatory compliance and responsible sourcing.

Collectively, these measures strengthen our ability to manage financial, regulatory, and sustainability risks across our material and component sourcing.

ESRS IRO-2

Impacts, risks, and opportunities

▲ Upstream

- ⊖ Use of critical materials that create dependencies potentially contributing to resource scarcity
- ↓ Material and component sourcing risks



▶ Our own operations

- ⊖ Generating hazardous waste above acceptable levels and inadequate waste management



▼ Downstream

- ⊕ Product lifetime extension and circular solutions



Impact materiality	Financial materiality
⊕ Positive	↑ Opportunity
⊖ Negative	↓ Risk

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

Material efficiency and circular resource use

Many of our products require the use of materials such as iron, steel, brass, nickel, copper, aluminum, and plastics, which are essential to delivering durable, high-performance water solutions. The extraction, processing, and manufacturing of these materials contribute to environmental impacts, which we mitigate by embedding resource efficiency, circularity, and responsible material use across product design, sourcing, and lifecycle management. Actions include optimizing designs to reduce material intensity, extending product lifetimes through durability and serviceability, and increasing the use of recycled and lower-impact materials where technically and commercially feasible.

We collaborate across our value chain to incorporate secondary resources and recycle materials from machining processes, reducing reliance on virgin, non-renewable inputs; for example, by integrating recycled materials into cast iron production at our foundry in Emmaboda. Responsible sourcing practices and ongoing assessments of the sustainability characteristics and availability of key materials further support these efforts.

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

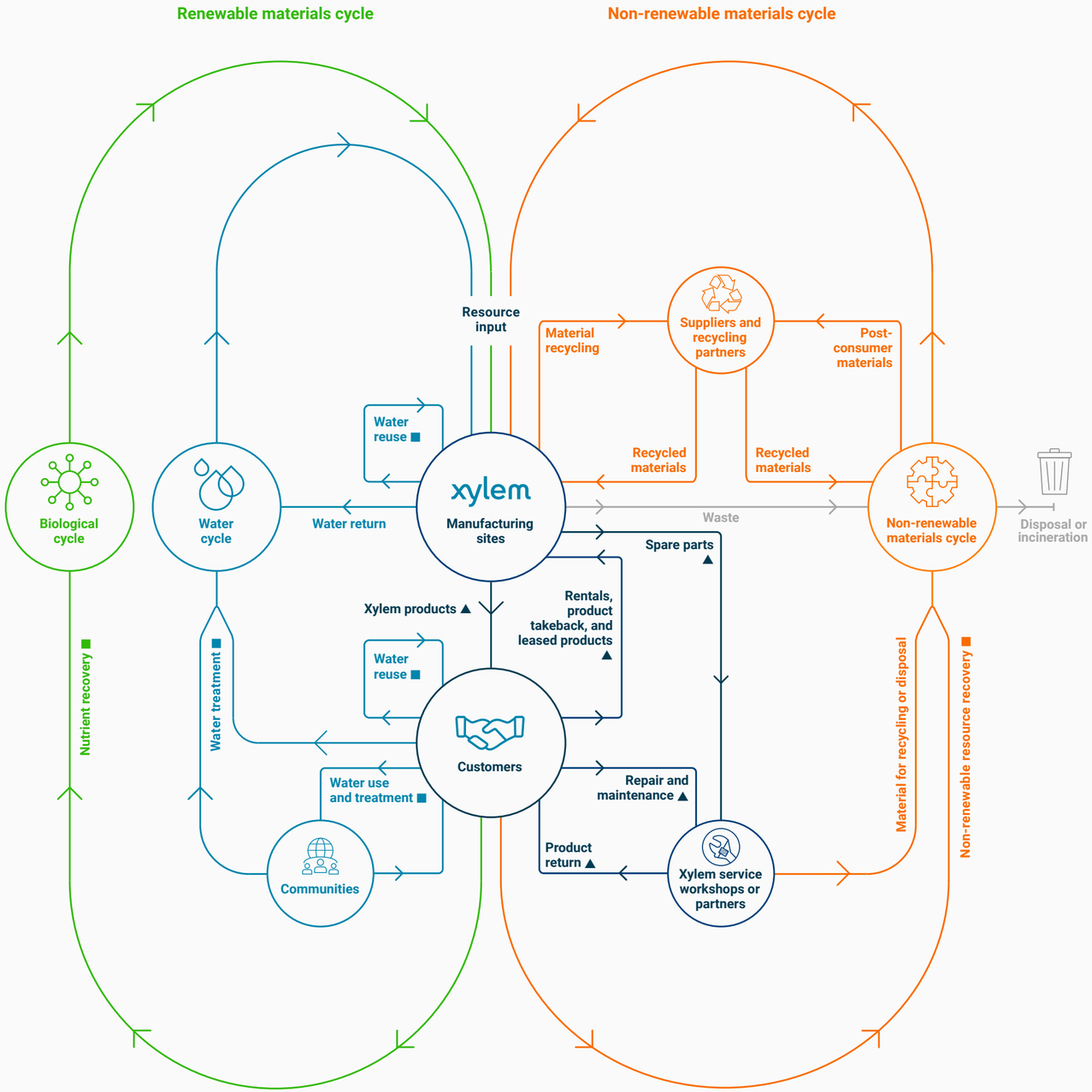
Renewable materials – Materials derived from biological sources, such as wood or paper.

Water – Water in liquid or vapor form.

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

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

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



- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

ESRS E5-2, GRI 301-3

Resource outflows

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.

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.

Sustainable packaging

Since 2019, we have prioritized sustainable packaging as part of our 2025 Sustainability Goals. We exceeded our original target of 75% of packaging materials being reusable, recyclable, or compostable as early as 2021, and today 82% of our packaging meets these circular criteria.

Delivering circular solutions to our customers

Our products and services prioritize circularity, helping customers reduce waste and recover valuable resources.

Our initiatives include metal recycling from pump returns, meter repairs, resin recycling, and rental solutions for pumps and treatment systems that support water reuse. In addition, hydronic system components are reused through Xylem's Bell & Gossett heating, ventilation, and air conditioning (HVAC) solutions.

We are also exploring take-back programs across several areas of our business to respond to growing customer interest in circular solutions, further enabling resource efficiency and sustainable operations.

Spotlight

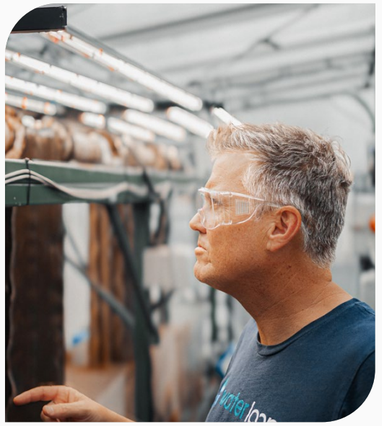
Pasco's circular water and energy recovery model

In Pasco (Washington), United States, industrial wastewater is being reimagined as a valuable resource. To modernize aging wastewater infrastructure for six local food processors, the City of Pasco and its partners—including Xylem—developed a centralized, circular water management system designed to recover resources, generate renewable energy, and enable water reuse at scale.

Burnham RNG and Sustainable Energy Ventures proposed a centralized site capable of treating high-strength wastewater while producing renewable natural gas (RNG) to support long-term growth across Pasco's industrial corridor. The system features two large anaerobic digesters, each with a 132,500-cubic-meter capacity—among the largest of their kind. These digestors use biological processes to break down organic material and generate biogas, which is purified into RNG.

Treatment continues beyond digestion. While the anaerobic system converts both soluble and non-soluble organics into biogas, nitrogen and phosphorus levels in the remaining effluent are too high for land irrigation. To solve this, Gross-Wen Technologies, part of Xylem Innovation Labs' 2023 Partnerships Accelerator cohort, adds an additional treatment layer: an algae-based polishing system that reduces nutrient levels and enables water reuse for agricultural irrigation.

Now operational, the site recycles more than 3.8 million cubic meters of process water annually, providing reliable, year-round treatment for participating processors and supporting local agricultural reuse. This circular system reduces environmental impacts and regulatory risk, generates renewable energy and nutrient-rich bioproducts, and offers a scalable model for industrial water management that strengthens community resilience.



The Pasco project demonstrates how advanced water technologies and strategic partnerships can deliver circular solutions that help customers and communities recover value from wastewater, reduce pollution, and build adaptive, sustainable systems—benefiting both nature and local economies.

> "This site represents more than a treatment upgrade. It's a new model for how communities can turn wastewater into renewable energy and regional resilience. With the scale of the anaerobic digesters and innovative algal polishing system, we're setting a new standard for circular infrastructure in the Northwest."
>
> **Chris Tynan,**
> CEO of Burnham RNG

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

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.

> "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

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.





- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

GRI 306-1, 306-2, 306-3,306-4, 306-5

Waste management

Our waste management approach is guided by the waste management hierarchy, which prioritizes prevention, reduction, reuse, recycling, energy recovery, and, as a last resort, treatment and disposal. This commitment is embedded across all Xylem sites, including the 21 major facilities covered under our 2025 Sustainability Goal to achieve zero waste to landfill.

In 2025, this goal was successfully achieved, with all 21 major facilities meeting the standard. Two additional major facilities reached zero waste to landfill in 2025, increasing the total from 19 in 2024 to 21. To qualify, major facilities must divert at least 90% of waste from landfills while limiting energy recovery to no more than 10%, in accordance with industry-wide standards.

Diverting waste from landfill

Our ongoing efforts to divert waste from landfill focus on both company-wide initiatives and site-specific programs. Across our major facilities, we are actively reducing packaging, improving waste segregation practices, optimizing recycling processes, and exploring innovative reuse methods. In 2025, Xylem recycled 29,504 metric tons of waste, representing approximately 57% of total waste generated.

Site-level initiatives demonstrate the tangible impact of Xylem's waste diversion programs. At our Uniontown (Pennsylvania), United States site, plastic resin scrap—including purge material, start-up scrap, off-spec parts, and regrind—was captured and sold as recyclable feedstock, returning 42.2 metric tons of resin to productive use rather than landfill.

At the Lubbock (Texas), United States site, the wood recycling program was expanded through additional recycling bins, enhanced training in proper segregation, and the introduction of a wood-crushing service that converted material previously sent to landfill. These improvements increased the amount of wood recycled by more than eightfold from 2022 to 2025, from 20.4 metric tons to 171.6 metric tons, while also expanding plastic and cardboard recycling across the site.

Meanwhile, at the Texarkana (Arkansas), United States site, a closed-loop materials management approach significantly reduced landfill disposal, with the site recycling approximately 585.1 metric tons of metal, 226.8 metric tons of scrap wood through local partners, and additional streams such as paper, plastic wrap, and epoxy powder coating returned to the supply chain. As a result of these integrated material-handling practices, less than 3% of all material leaving the site is now sent to landfill, illustrating the effectiveness of coordinated, site-level action.

By systematically identifying waste streams that can be recycled or repurposed, we reduce landfill dependence, conserve resources, and increase overall waste diversion rates, all while maintaining compliance with industry standards and advancing more sustainable manufacturing practices.

Management of hazardous waste

Xylem prioritizes the responsible management of hazardous waste, striving to minimize its generation wherever possible. Through rigorous tracking and reporting of hazardous waste streams, strict adherence to regulatory requirements, and implementation of industry best practices, we aim to reduce the environmental impact of hazardous materials. Ongoing initiatives include process optimization, material substitution, and safe handling programs, reflecting our commitment to environmental stewardship across all operations.

57% of total waste generated was recycled in 2025.



Spotlight

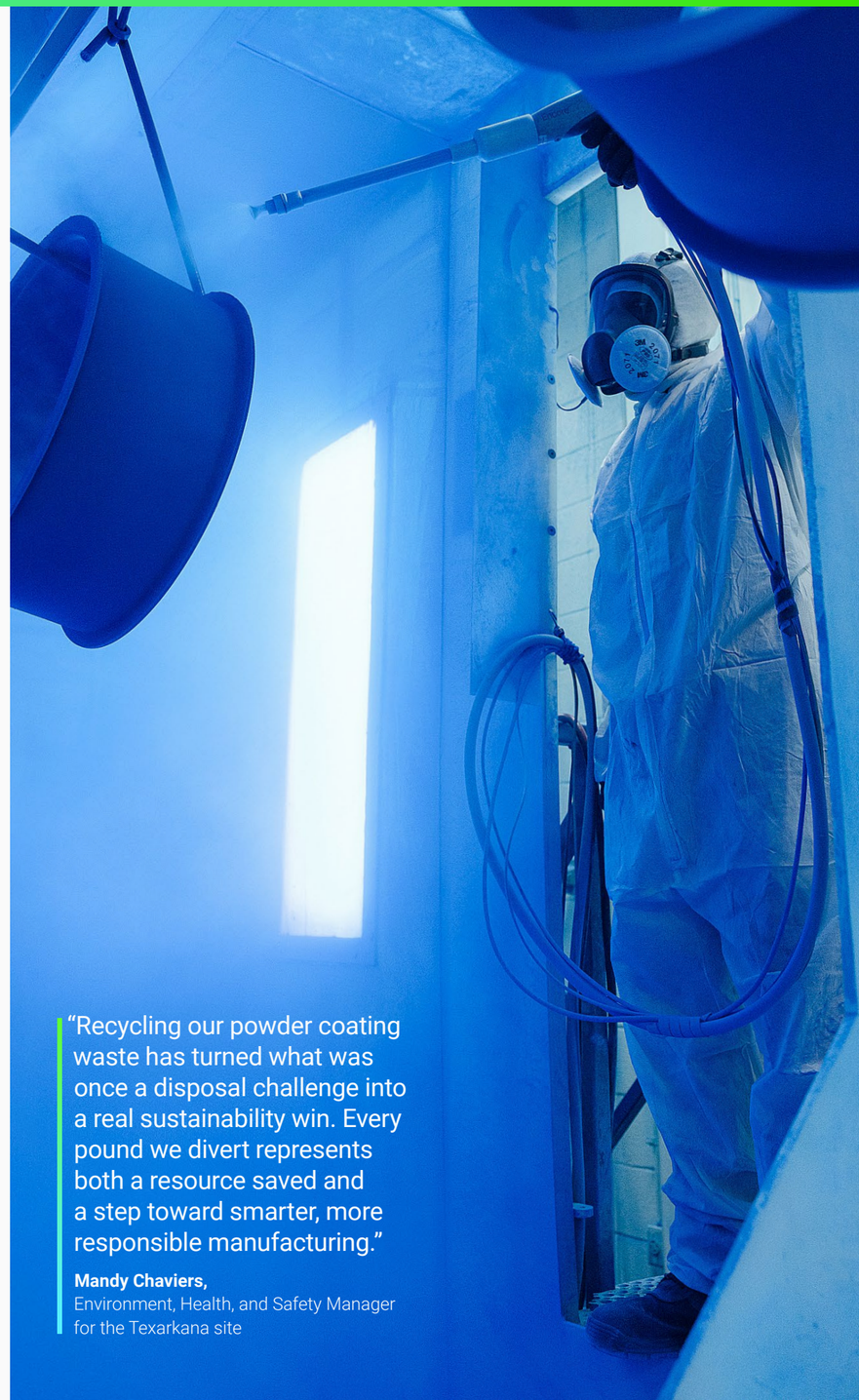
Turning waste into opportunity

In 2025, Xylem's Texarkana (Arkansas), United States site launched a closed-loop recycling program for epoxy powder coating waste, transforming a historical disposal stream into reusable raw material. By diverting nearly 2.27 metric tons of epoxy powder from landfill, the site converted high-value manufacturing byproduct into feedstock for vendors upstream in the coatings industry, creating a true circular-economy loop.

Previously, excess and overspray epoxy powder was sent to landfill. While compliant, this approach represented both lost material value and unnecessary environmental burden, as the powder contains embedded energy, resins, and pigments that can be recovered and reused. Starting in 2025, Texarkana partnered with a specialized recycler to divert this material from landfill and return it to the powder-coating supply chain.

The impact is significant. Beyond keeping 2.7 metric tons of industrial material out of landfill, the program reduces demand for virgin resins and pigments and supports our zero-waste-to-landfill and circular-economy objectives.

By converting a durable, chemically stable material into a reusable input, Texarkana has turned a former waste stream into a sustainability asset, aligning daily operations with our goals for resource efficiency and waste minimization.



"Recycling our powder coating waste has turned what was once a disposal challenge into a real sustainability win. Every pound we divert represents both a resource saved and a step toward smarter, more responsible manufacturing."

Mandy Chaviers,
Environment, Health, and Safety Manager for the Texarkana site

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

GRI 306-3, 306-4, 306-5

Targets and metrics

ESRS E5-3

Targets and progress

2025 Sustainability Goals[1]	2025	2024	2023[2]	2019[3]
Achieve zero waste to landfill from processes at our major facilities *(#)*	**21**	**19**	**17**	**3**
Achieve packaging material consisting of 75% reusable, recyclable, or compostable content *(%)*	**82**	**82**	**82**	**-**

2030 Sustainability Goals	Progress in 2025	Progress toward 2030
New Xylem products will be designed with sustainability embedded from the start	-	**Reporting begins in 2026.**

1 Excluding Idrica.
2 Legacy Xylem.
3 Legacy Xylem.

Accounting principles

Design for sustainability 2030 Sustainability Goal: The proportion of new products that complete a simplified lifecycle assessment (LCA) during the concept phase. 80% of new products will complete simplified LCAs during the concept phase, addressing carbon, water, and material risks, informing engineering decisions and enabling lower-emissions performance in use, supporting our net-zero and circularity goals.

- ***Calculation methodology:*** Percentage = Number of new products that applied the Xylem Design for Sustainability (DfS) Framework during product development / Total number of new products that are in development or were launched by 2030.

- ***Product groups/products included:*** All products that officially enter the development process from 2025 onward—across all relevant business areas and product types—must follow the DfS Framework if they are still in the early stages of development. Products that have already reached an advanced validation or pre-launch stage by the end of 2025 are exempt.

Major facilities: Manufacturing sites featured in the top 10 contributors list for Xylem's water, waste, and greenhouse gas emissions, as identified in 2019, or those located in areas facing extreme water stress, are considered major facilities. Legacy Xylem identified 22 such sites in 2019: Auburn (New York), Bridgeport (New Jersey), Cheektowaga (New York), Dubois (Pennsylvania), Lubbock (Texas), Morton Grove (Illinois), Pewaukee (Wisconsin), San Diego (California), Slaton (Texas), Texarkana (Arkansas), and Uniontown (Pennsylvania) in the United States; Chihuahua in Mexico; Emmaboda in Sweden; Montecchio in Italy; Herford in Germany; Stará Turá in Slovakia; Quenington in the United Kingdom; Dubai in the United Arab Emirates; Nanjing and Shenyang in China; Vadodara in India; and Calamba in the Philippines. We closed our Slaton site in Texas, United States in 2023 and divested Stará Turá in Slovakia as part of the sale of our international Sensus business, which leaves 20 major facilities. The list of sites undergoes periodic review to include sites consistent with this definition.

Validation process of goal achievement: When a facility reports achievement of an operational sustainability goal, internal subject-matter teams review reported data against predefined validation criteria specific to each goal type, including production water intensity, water recycling rates, and waste recycling and reuse practices.

Zero waste to landfill for 2025 Company Sustainability Goal (Operations): Achieved when a facility adheres to industry-wide standards dictating that a minimum of 90% waste is diverted from landfills, with no more than 10% used for energy recovery. Waste is considered to derive from processing when, during manufacturing or processing, it comes into direct contact with, or results from the use of, any raw material, intermediate product, finished product, or byproduct. Waste includes process scrap.

- Introduction
- General disclosures
- Impact on the environment
  - Decarbonization and energy transition
  - Pollution
  - Water
  - Resource use and circular economy
- Impact on society
- Business conduct
- Appendix

Performance data[4]

ESRS E5-5

Waste management *(mt)*	**2025**	**2024**	**2023**[5]	**2019**[6]
Non-hazardous waste recycled	28,284	29,608	32,067	21,772
Non-hazardous waste to non-landfill	-	1,594	1,588	1,557
Non-hazardous waste treated	137	-	-	-
Non-hazardous waste incinerated	136	-	-	-
Non-hazardous waste to energy	1,154	-	-	-
Non-hazardous waste to landfill	6,860	6,455	8,053	9,132
Total non-hazardous waste	**36,571**	**37,657**	**41,708**	**32,461**
Hazardous waste recycled	1,220	1,753	1,241	399
Hazardous waste to non-landfill	-	12,009	13,393	958
Hazardous waste treated	12,956	-	-	-
Hazardous waste incinerated	289	-	-	-
Hazardous waste to energy	105	-	-	-
Hazardous waste to landfill	616	89	63	111
Total hazardous waste[7]	**15,185**	**13,851**	**14,698**	**1,467**
Total waste recycled	**29,504**	**31,361**	**33,308**	**22,171**
Total waste to non-landfill	**14,777**	**13,602**	**14,981**	**2,514**
Total waste to landfill	**7,476**	**6,544**	**8,117**	**9,243**
Total waste	**51,756**	**51,507**	**56,406**	**33,929**

4 Excluding Idrica.

5 Combined company.

6 Legacy Xylem.

7 Since the 2023 Evoqua acquisition, hazardous waste treated has increased, primarily due to the legacy Evoqua site in Roseville (Minnesota), United States. The Roseville site is a specialized treatment, storage, and disposal facility (TSDF) that manages both hazardous and non-hazardous customer waste, including metal extraction and material consolidation for recycling or disposal. The waste handled, treated, and generated at this site stems from the treatment of customer hazardous wastes. Following on-site treatment, the wastewater is further treated and discharged as non-hazardous wastewater effluent and the sludge is sent off-site for disposal.

Accounting principles

Environmental data: The environmental data reflects information collected from 417 Xylem sites—350 sales and service locations and 67 manufacturing sites—that are included within our established reporting boundary and monitored through our environment, health, and safety (EHS) platform.

Hazardous waste: As defined by the national legislation at the point of generation, measured in metric tons.

Hazardous waste recycled: Total weight of hazardous waste recycled at the facility or by a waste contractor, measured in metric tons.

Hazardous waste to landfill: Total weight of hazardous waste that is placed directly in a landfill, without any prior treatment (except stabilization, blending, or other operations), measured in metric tons.

Hazardous waste to non-landfill: Total weight of hazardous waste that is neither recycled nor placed directly in a landfill. From 2025 onward, this metric is disaggregated into incinerated, waste-to-energy, and treated disposal routes. Measured in metric tons.

Hazardous waste treated: The total weight of hazardous waste that was processed, including liquid or solid waste, to render it less hazardous for discharge/further treatment. Measured in metric tons.

Non-hazardous waste: Waste that does not harm human or environmental health. Non-hazardous waste is "general waste," free of any actual or apparent contamination (e.g., pathological, infectious, radioactive, or hazardous chemical). It is defined by the national legislation at the point of generation and measured in metric tons.

Non-hazardous waste recycled: Total weight of non-hazardous waste recycled at the facility or by a waste contractor, measured in metric tons.

Non-hazardous waste to landfill: Total weight of non-hazardous waste that is placed directly in a landfill, without any prior treatment (except stabilization, blending, or other operations). Measured in metric tons.

Non-hazardous waste to non-landfill: Total weight of non-hazardous waste that is neither recycled nor placed directly in a landfill. From 2025 onward, this metric is disaggregated into incinerated, waste-to-energy, and treated disposal routes. Measured in metric tons.

Non-hazardous waste treated: Total weight of non-hazardous waste processed, including liquid or solid waste, to render it to a less hazardous state for discharge or further treatment, measured in metric tons.

Packaging material: Includes corrugated fiberboard, plastic wrap, liquid foam packaging (Instapak), rolled foam, wood (crates and pallets), paper, metal, and other plastic. Measured in metric tons.

Impact on society

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix



- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

GRI 2-7

Own workforce

Our success is driven by a global workforce united by a shared purpose: empowering customers and communities to build a more water-secure world. We foster a High-Impact Culture in which employees are inspired to innovate, empowered to lead, and accountable to deliver results.

We aim to create an environment where employees feel valued and heard, have meaningful opportunities for growth, can bring their authentic selves to work, experience a strong sense of belonging, and feel safe—both physically and psychologically—in the workplace.

Anchored in a standardized enterprise talent system, we intentionally invest in developing and advancing our people—building critical skills and capabilities, and providing the experiences and training needed for individuals to thrive and for the enterprise to succeed.

GRI 2-25, 3-3

Management of impacts, risks, and opportunities

ESRS S1-1; GRI 2-23

Policies

Xylem's workforce is supported by a comprehensive framework of policies designed to prevent workplace risks and injuries, promote fair and equitable treatment, and protect human rights. The policies listed below apply to all Xylem employees.

Working condition policies

Hiring and Staffing: Defines approach to recruiting, screening, selecting, and placing qualified personnel. The policy supports internal promotion opportunities for employees who meet posted qualifications and provides flexibility to consider qualified candidates from both internal and external sources.

Flexible Work: A number of regional policies outlining flexible work arrangements. Provides criteria and a framework to promote consistency in how flexible work options are applied for similarly situated roles.

Philanthropic Giving: Outlines approach to charitable giving through grants and matching donations to eligible nonprofit organizations, with criteria that promote fairness, inclusivity, and responsible use of funds while avoiding political, religious, or sensitive causes.

Volunteer Time Off (VTO): Grants employees 20 hours of paid volunteer time annually for approved charitable activities, including events hosted by Xylem Watermark, our corporate social responsibility program. VTO requires manager approval, must be tracked in MyWatermark, and does not carry over to the following year. Leaders are encouraged to support employees in using their full allowance.

Corporate Matching Guideline: Describes Xylem Watermark's 1:1 matching of employee donations made to eligible nonprofits, doubling the impact of each employee contribution.

ESRS IRO-2

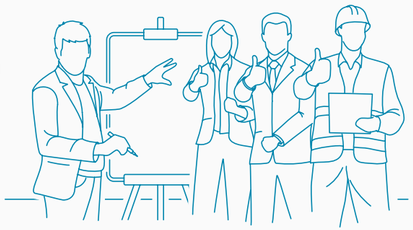
Impacts, risks, and opportunities

▲ Upstream



▶ Our own operations

- ⊕ Secure employment with competitive pay and benefits
- ⊕ A work environment that supports performance and career development
- ⊕ Programs that support a positive work–life balance
- ⊕ Opportunities to volunteer and generate community impact
- ⊕ Access to collective bargaining agreements and effective channels to voice concerns
- ⊖ Overtime's impact on work–life balance of employees
- ⊖ A non-inclusive work environment
- ⊖ Harassment in the workplace
- ⊖ Workplace incidents involving heavy machinery and manufacturing activities
- ↓ Cost implications of injuries in the workplace



▼ Downstream



Impact materiality
- ⊕ Positive
- ⊖ Negative

Financial materiality
- ↑ Opportunity
- ↓ Risk

ESRS S1-2

Social dialogue policies

Reporting Concerns and Non-Retaliation: Outlines when and how employees should report suspected or actual misconduct or non-compliance in good faith, as well as Xylem's responsibilities in responding to such reports. The policy also reinforces the company's commitment to a strict non-retaliation standard.

Inclusion and belonging policies

Code of Conduct: Establishes commitment to the highest ethical standards, respect for all stakeholders, and fair workplaces, detailing expected employee behaviors and providing guidance that aligns with company policies, applicable laws, and evolving industry standards.

Human Rights Statement: Outlines commitment to uphold fundamental human rights across operations and supply chains, providing guidance to manage risks, address impacts, and engage stakeholders in support of dignity, equality, and fair treatment.

Prevention of Workplace Harassment: Reinforces commitment to a harassment-free workplace grounded in dignity, respect, and mutual trust, and outlines how the company prevents, addresses, and disciplines inappropriate or intimidating behavior.

Prevention of Workplace Violence: Defines zero-tolerance standard for workplace violence and provides clear terms and guidance for reporting and addressing incidents or threats to provide a safe environment for employees and customers.

ESRS S1-13; GRI 403-1, 403-8

Environment, Health, and Safety Management System (EHSMS)

Our Environment, Health, and Safety Management System (EHSMS), aligned with ISO 45001, establishes global standards for identifying, assessing, and managing occupational health and safety risks across Xylem's operations. As of 2025, 53 Xylem sites are certified to ISO 45001, representing 12% of all sites and 4% of our 21 major facilities.

Setting the foundation for our EHSMS, our EHS Policy is approved by the CEO and reviewed annually. It applies to all employees, contractors, suppliers, and visitors, and is dedicated to preventing injuries, providing safe work environments and equipment, giving access to personal protective equipment, protecting workers from retaliation, and integrating safety into operations, capital planning, and climate transition activities.

The system reaches 100% of our workforce through onboarding, training, toolbox talks, multilingual materials, intranet platforms, local safety meetings, and the Code of Conduct. Effectiveness is monitored via metrics, audits, inspections, and lessons learned, with insights driving continuous improvement.

Related policies: Occupational health and wellness

Occupational Health: Establishes a proactive, prevention-focused approach to protecting employee health by identifying, evaluating, and managing workplace health risks while ensuring access to appropriate medical surveillance and care.

Respiratory Protection: Sets the framework for protecting employees from airborne hazards through risk-based controls, proper respirator selection, medical clearance, fit testing, and training aligned with regulatory and best-practice standards, while maintaining employee rights and confidentiality.

Hearing Conservation: Safeguards employees from noise-related hearing loss by monitoring exposure, implementing engineering and administrative controls, providing hearing protection, and conducting audiometric testing and education.

Industrial Hygiene: Drives a system at each site to anticipate, recognize, evaluate, and control exposure to health hazards, including chemical, noise, radiation, and biological risks.

Ergonomics: Defines our approach to preventing and minimizing injuries and absenteeism from ergonomic hazards and workplace stressors, providing guidance, tools, and education to proactively identify, assess, and address musculoskeletal risks.

Employee Wellness: Supports holistic well-being and a healthy workplace by promoting physical, mental, and emotional health through education, resources, training, and access to professional support.

Related policies: Safety management

Hazard Identification: Risk Assessment and Control: Provides guidelines for identifying, assessing, and managing workplace hazards and risks, prioritizing high-risk areas, applying the hierarchy of controls, and consulting employees to protect all who may be affected.

Management of Change: Provides guidelines for identifying, assessing, and managing environmental, health, safety, and sustainability risks associated with new or modified equipment, products, or processes, protecting operations and preventing unacceptable hazards or liabilities.

Non-Routine Task Permitting: Establishes requirements for performing non-routine work, including hazard identification, risk control, proper authorization, safe work procedures, and formal handover and hand-back processes to protect employees, the environment, and operations.

Stop-Work Authority: Establishes a program empowering employees and contractors to stop work when unsafe conditions or actions are observed, reinforcing our commitment to preventing harm without fear of retaliation.

Training: Provides managers, supervisors, and employees with guidance and instruction on EHS responsibilities, controlling workplace hazards, minimizing risks, and maintaining workplaces where harm to people is unacceptable.

Emergency Preparedness and Response: Provides a framework to strengthen emergency readiness by defining roles, procedures, and resources for responding to and recovering from emergencies, minimizing harm to people, the environment, and operations.

Incident Investigation and Reporting: Defines the structure for reporting and investigating incidents and illnesses, identifying root causes, implementing corrective actions, and tracking data to improve hazard management, risk controls, and EHS performance.

Communication: Establishes EHS communication channels to enable two-way engagement and closed feedback loops.

Employee Engagement: Establishes forums and processes for managers and employees to participate in health and safety programs, fostering collaboration, trust, and ownership while improving decision-making, workplace safety, and employee morale.

100% of our workforce are reached through measures set out in our Environment, Health, and Safety Management System.



- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

ESRS S1-3

Working conditions

We cultivate the next generation of water leaders while equipping employees with the skills, experience, and opportunities that support both individual growth and enterprise success.

In 2025, we advanced our people strategy through inclusive, merit-based hiring, retention, and promotion practices. Our approach is underpinned by professional development, continuous learning, comprehensive benefits, and competitive compensation, which together contribute to a high-performing, engaged workforce.

To further strengthen leadership capabilities and long-term talent succession, Xylem rolled out a leadership competency framework aligned with its long-term strategy and the evolving expectations of leadership in the 21st century. As part of this framework—and to support the company's next phase of growth—Xylem is investing in scaling its leadership capacity.

In 2025, the company introduced two distinct leadership development approaches: the Leadership Accelerator for its top 150 leaders and a General Manager (GM) development experience for current GMs and high-potential future GMs. Together, these approaches are designed to enhance leadership capability and capacity across the organization, fostering a strong and diverse pipeline of leaders equipped with the skills and attributes needed to advance Xylem's long-term strategy and navigate an increasingly complex and rapidly evolving business environment.

Secure employment

Creating our operating model for the future

To strengthen Xylem's long-term resilience and growth, we continued to evolve our operating model across processes, talent, and organizational structure in 2025. We focused on simplifying the organization by shifting from a highly matrixed model to a more streamlined, segment-led structure. Each segment now has end-to-end accountability for business performance, supported by common enterprise processes and performance standards that drive consistency across the enterprise and enable accelerated development and mobility of talent.

This evolution enables a simpler, faster organization—making it easier for customers to do business with us, accelerating performance through improved margins, and strengthening leadership capability by reinforcing clear ownership and accountability. By aligning structure, roles, and processes, we are better positioned to deliver sustainable outcomes and long-term value for our stakeholders.

ESRS S1-9

Compensation

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

All employees receive an adequate wage that reflects their contributions and supports fair treatment across the organization.

ESRS S1-10, S1-14; GRI 403-3, 403-6

Benefits and well-being

In 2025, we continued building a comprehensive, people-first approach to benefits and well-being designed to meet the diverse needs of our global workforce. Our total rewards framework brings together competitive compensation, health and retirement benefits, flexible work practices, and programs that support the physical, mental, social, and financial aspects of employee well-being. Although specific benefits differ by country, all employees have access to resources that promote stability, growth, and a positive work experience.

Our flexible and hybrid work models evolved further this year, with a stronger emphasis on meaningful and regular in-person collaboration. We established a consistent three-day hybrid standard across many locations to coordinate and strengthen team connection. These arrangements continue to support work–life integration while enabling more intentional collaboration. In parallel, we introduced additional scheduling options and tools that help employees manage their time and energy effectively.

We expanded preventive health offerings with on-site screenings, immunization campaigns, wellness days, and educational programming focused on nutrition, sleep, and chronic disease prevention. Physical activity remained a central component of our well-being strategy; organization-wide fitness challenges, walking groups, and access to wellness platforms encouraged employees to stay active and build long-term healthy habits.

Mental well-being continued to be a priority. Employees worldwide had access to 24/7 counseling services and emotional well-being platforms that offer coaching, digital resources, and crisis support. We introduced new training for managers to help them recognize signs of stress and respond with confidence and empathy. Our Well-Being Champion network—made up of volunteer employees—played a vital role in promoting available resources, organizing local initiatives, and encouraging open conversations about mental health.

Financial well-being remains a key area of focus. We expanded access to retirement planning tools, financial education sessions, and one-on-one financial guidance to support informed decision-making regarding saving, budgeting, and managing unexpected expenses. We also strengthened family and caregiving support through enhanced leave programs, backup care options, and more inclusive family-building benefits designed to meet the needs of different family structures and life stages. In 2025, we further broadened our approach by launching the Fidelity Global Financial Wellness Program for colleagues outside the United States, offering no-cost access to personalized financial wellness assessments, budgeting and debt management tools, educational webinars, and multilingual resources.

Together, these efforts help create a workplace grounded in well-being, respect, and holistic support, giving employees the resources they need to thrive both personally and professionally.



- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Spotlight



Young innovators deliver scalable flood warnings

Flooding is one of the world's most pressing climate challenges, impacting communities and water bodies of all sizes. Two student innovators from Germany—Niklas Ruf and Jana Spiller—won the 2025 Stockholm Junior Water Prize for their innovative work to create a smart, scalable flood warning system for small streams.

The award recognized Ruf and Spiller's four-year effort to develop a network of sensors linked to an app that provides real-time alerts to both experts and the public. Unlike larger rivers, small streams often lack the data needed for early warnings—an information gap the students' groundbreaking system is helping to close. The project is already being scaled across their region in collaboration with multiple partners.

The Award Jury praised the project for tackling "a critical challenge we are seeing around the globe: more frequent and bigger floods," noting that the students not only built a functioning system but are also actively scaling it to reach more communities.

Looking forward, the duo hopes decision-makers and industry leaders will increase their focus on the root causes of flooding, including climate risks: "Of course, what we are doing is building something to tackle the consequences of climate change," they reflected. "But the ideal solution would be if there were no climate change to begin with."

While the Junior Water Prize honored local innovation to mitigate flood impacts, the 2025 Stockholm Water Prize recognized Austrian professor Günter Blöschl, a global leader in flood hydrology. Together, their work underscores the importance of combining grassroots solutions and scientific expertise to address flood risks worldwide.

Talent management

Recruiting and hiring top talent

Attracting and hiring skilled talent is central to supporting Xylem's strategy and long-term performance. Our recruitment approach is grounded in fair, merit-based practices that promote equal opportunities and strengthen workforce pipelines across regions, functions, and career stages.

We engage students and early-career talent through localized university and graduate programs designed to align with regional labor markets and business needs. By partnering with educational institutions and leveraging employee ambassadors, we connect directly with students, share career pathways, and support the transition from education to employment. These programs help build technical and professional capabilities while expanding access to entry-level opportunities.

We concurrently implement targeted hiring initiatives to attract talent across all career levels and broaden workforce participation. These include programs supporting transitioning military personnel, individuals with disabilities, and candidates facing barriers to employment, such as those with prior criminal records. Through partnerships, policy alignment, and tailored training for hiring teams, we expand access to employment while meeting operational and skills needs, particularly in manufacturing and technical roles.

Together, these recruitment and hiring practices strengthen workforce capability, support inclusion and fair treatment, and contribute to Xylem's ability to attract, develop, and retain the talent needed to address complex water challenges worldwide.

ESRS S3-3

Developing the next generation of the water workforce

To empower the next generation to address critical water challenges, we focus on equipping young people with the knowledge, tools, and platforms needed to develop and implement innovative solutions. In 2025, we engaged more than 16,500 students through our global youth programs. Our flagship youth engagement program, Xylem Ignite, supports the development of young talent by offering mentorship, skills development, innovation experience, community action, and leadership opportunities. Through ongoing engagement, including Ignite newsletters designed to inspire action, our initiatives build awareness and practical experience, helping prepare participants to enter the water workforce and drive positive change.

Fostering talent and driving innovation
Through the Xylem Global Student Innovation Challenge, students gain knowledge and technical skills during an eight-week virtual competition, including mentorship from Xylem experts and expert-led master classes. In 2025, the Challenge focused on glacier loss and increasing water-related disasters, engaging more than 8,800 students who submitted over 440 ideas, with nearly 190 becoming published projects. The winning teams—which included Predictvent (High School category) for developing an integrated disaster management solution and Sinaya Philippines (University category) for creating an educational platform promoting youth engagement—demonstrate the power of collaboration and innovation.

Xylem is also the Global Founding Partner of the Stockholm Junior Water Prize, which supports students ages 15–20 in developing innovative solutions to water challenges. In 2025, German students Niklas Ruf and Jana Spiller won for a scalable flood warning system for small streams, already being scaled regionally. Additional recognition included a Diploma of Excellence to Kagan Mehmet Ozkok (Türkiye) for AI-based leak detection and the People's Choice Award to Divyasri Kothapalli (United Kingdom) for a low-cost, solar-powered water distillation system.

These initiatives highlight the ingenuity and impact of young innovators, reflecting Xylem's commitment to nurturing future water leaders and advancing practical, sustainable solutions worldwide.

Community action
Through our support of global nonprofit EarthEcho International, we empower young people to lead local water protection efforts in their communities. In 2025, EarthEcho welcomed a new cohort of Water Challenge Ambassadors, including 43 new youth leaders and 11 returning participants, who are taking part in a year-long program focused on water quality monitoring, community science, peer education, and advocacy. The global Challenge has engaged more than 1.8 million participants across 157 countries, and Ambassadors lead local monitoring activities and inspire community action to protect vital water resources. Supported through Xylem Watermark, this initiative strengthens youth leadership and drives measurable environmental impact at the community level.

Expanding talent pipelines through industry collaboration

We are also advancing the next generation of water leaders—within Xylem and across the water sector—by fostering cross-industry education and collaboration. Through targeted engagement, partnerships, and industry participation, we promote opportunities for emerging and early-career talent to build and share knowledge, cultivate connections, and develop leadership skills. In 2025, these initiatives enabled participants to explore how different career paths contribute to sustainability, strengthened internal and external collaboration, and highlighted the value of drawing on a range of perspectives to drive progress.

As part of our efforts to expand talent pipelines, we also participate in key industry forums and events, including WEFTEC–WEF InFLOW, Reach, and the Stockholm International Water Institute's World Water Week, as well as partnerships focused on talent development, skills-building, and workforce access. These efforts help us reach emerging talent and engage individuals with varied experience and capabilities across the water sector.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

In parallel, we support meaningful dialogue within the water community through convenings, learning forums, and professional development events at the Reservoir Center for Water Solutions, a hub for collaboration, innovation, and advancing shared interests across the water sector co-located with Xylem headquarters in Washington, DC. By creating spaces for collaboration across organizations, disciplines, and career stages, the Reservoir Center promotes learning, builds relationships, and helps individuals navigate career pathways within the water industry.

Together, these efforts strengthen the broader water ecosystem and contribute to a skilled, engaged workforce equipped to address complex water challenges.

Onboarding

In 2025, we further advanced our approach to onboarding by digitalizing and standardizing the new hire experience, building on the foundational tools and streamlined processes established in 2024. Our goal was to accelerate time to productivity while providing a consistent and high-quality onboarding experience. To support scalability, consistency, and equitable access across regions, we implemented a digital-first model for core onboarding learning.

Key developments included enhancements to pre-onboarding processes, with increased automation and integration between HR and IT systems, improving readiness for both new hires and managers before day one. This standardized approach reduces administrative effort, improves efficiency, and helps new hires access the tools, systems, and information needed from the start.

We also launched a Global New Hire Orientation program, delivering a unified digital experience that consists of seven mandatory eLearning modules in multiple languages to foster inclusion and a sense of belonging. The program is complemented by a Virtual Global Onboarding Forum, allowing new joiners to bring learning to life through interactive engagement and peer connection.

To support consistency and compliance, mandatory onboarding learning assignments are automatically triggered through Workday Learning, Xylem's primary training tracking system, promoting timely completion and alignment with internal training requirements. Managers can monitor progress through the People Leader Dashboard, strengthening accountability and enabling data-informed people management.

ESRS S1-12; GRI 404-2, 404-3

Performance, learning and development

Performance management

Our performance management system, Connect. Perform. Grow. (CPG), is designed to foster ongoing, meaningful conversations between managers and team members to set goals, assess performance, and identify growth opportunities. These dialogues include coaching and peer feedback to support professional development and career growth. The majority of employees participate in regular performance and career development reviews.

In 2025, we enhanced CPG to strengthen alignment with strategic priorities and prepare for the phased introduction of performance ratings:

- **Goal setting and development plans:** Employees set specific, measurable, attainable, relevant, time-bound (SMART) goals and individual development plans aligned with strategic priorities, with flexibility to adjust throughout the year.
- **Integration of High-Impact Behaviors:** Mid-year and year-end reviews combine goals and behaviors, reflecting performance alongside results.
- **Phased introduction of performance ratings:** Executive-level colleagues piloted performance ratings in their year-end reviews, marking the start of a phased rollout that will extend to all CPG-eligible employees in 2026, promoting consistency and fairness across the organization.
- **Enhanced manager and employee training:** Targeted training and resources support effective goal setting, feedback, and performance discussions.

These enhancements reinforce our commitment to transparency, fairness, and professional growth by providing employees with clear expectations and actionable feedback to support their development.

Recognition

Rooted in our High-Impact Behaviors, our recognition programs enable employees to celebrate exceptional contributions through monetary and non-monetary rewards. In 2025, we launched Xylem Proud, our global recognition platform that strengthens social well-being, celebrates everyday achievements, and reinforces our High-Impact Culture by enabling colleagues and leaders to recognize and reward one another.

This approach promotes belonging, collaboration, and an inclusive workplace by making recognition more accessible and equitable, while enabling managers to reinforce company values and improve the effectiveness of recognition efforts through data-driven insights.

Training and skills development

We follow the 70/20/10 learning model, recognizing that learning is shaped primarily through experiential on-the-job learning opportunities (70%), enriched by interactions and relationships with colleagues, customers, and partners (20%), and reinforced through formal training (10%). Our learning management system offers employees a wide range of formal development opportunities, including on-demand and instructor-led courses in leadership, professional skills, technical expertise, role-specific competencies, and AI. In 2025, employees averaged 18 hours of formal learning, reflecting engagement across all levels, functions, and regions, with AI education identified as a key skills development focus for the year.

AI education at Xylem is centered on equipping employees with the skills needed to confidently and effectively use AI in their roles. Through structured learning pathways in Workday Learning, short-form AI Education Series modules, and hands-on experience with tools such as Xylem.ai and Microsoft Copilot, colleagues build foundational knowledge, engineering skills, and an understanding of responsible and ethical AI use. Learning is reinforced through experimentation, peer collaboration, and support from the AI Champions Network, enabling employees to translate AI capabilities into real productivity gains. This intentional focus helps our workforce get the most value from AI, reimagine workflows, and prepare for the evolving future of work.

Our learning and development (L&D) programs are closely aligned with business strategies, equipping leaders and employees to contribute effectively to Xylem's success today and in the future. The L&D strategy balances targeted investments in key talent segments with equitable access to growth opportunities for all employees.

By combining experiential learning, relationship-building, and formal training, we cultivate the critical skills needed to meet current and future business demands, enable employees to make impactful contributions in their roles, and support career advancement for driven individuals. Our approach emphasizes high performance and leadership attributes, fostering continuous, self-directed learning across the organization.

Leadership development and talent growth

To strengthen leadership capability and support career growth, internal mobility, and succession planning, Xylem invests in strategic talent development programs across all levels of the organization. In 2025, we introduced two enterprise-level initiatives focused on accelerating leadership impact: global leadership team development through the Leadership Accelerator, and a comprehensive GM development experience.

The Leadership Accelerator, launched with Xylem's top 150 leaders, is designed to build the leadership competencies needed to advance the company's long-term strategy and navigate an increasingly dynamic 21st-century business environment. The approach emphasizes continuous learning, enterprise-wide talent development, and resilient, bold leadership. Structured around a cohort-based model, participants engage in small-group learning supported by self-assessments, peer coaching, and field-based projects that apply insights to real-world business priorities. A broader rollout is planned for 2027—2028, positioning Xylem to scale leadership competence consistently across the enterprise and support accelerated growth and talent mobility.

In 2025, we introduced two enterprise-level initiatives focused on accelerating leadership impact: global leadership team development through the Leadership Accelerator, and a comprehensive GM development experience.



The GM development experience strengthens the general manager talent pool and equips current and future GMs to shape holistic business strategies, drive operational performance, and accelerate customer engagement and growth. In 2025, participants completed comprehensive assessments—including 360-degree feedback and business simulations—followed by structured debriefings and individualized development plans. In 2026, the program will expand to include additional GMs and pipeline talent, complemented by executive coaching and a targeted learning curriculum that integrates insights from the Leadership Accelerator.

Together, these approaches build a robust pipeline of leaders positioned to deliver operational excellence and advance Xylem's long-term growth.

Beyond these flagship programs, Xylem's broader learning and development ecosystem is designed to cultivate emerging and mid-level leaders across the organization. This includes cohort-based leadership programs, mentorship and sponsorship initiatives, rotational experiences, and hands-on innovation projects that build capability through real-world application. Employees also expand their leadership skills through social impact initiatives under Xylem Watermark, gaining valuable experience while advancing community-focused programs.

Collectively, these efforts reinforce our commitment to developing leaders at every level—equipping them with the capabilities, perspectives, and experience needed to drive transformation, operational excellence, and sustainable impact across Xylem and the broader water sector.

ESRS S1-14, S1-10; GRI 401-3

Work–life balance through flexible working arrangements

We support employees in managing their work–life balance through working arrangements and robust leave policies. Flexible work options, including adaptable schedules and hybrid work, allow employees to manage time off for vacation, personal matters, or illness, helping to reduce burnout and support an inclusive workplace.

Parental leave

Our parental leave policies complement local regulations and provide additional support to caregivers. Paid leave is available for new parents, including for birth, adoption, surrogacy, or foster care, and is designed to accommodate the needs of both primary and secondary caregivers.[1] Employees also have access to medical coverage for reproductive care where applicable, further supporting family planning and well-being. Across all regions, these policies reflect our commitment to equitable treatment, workplace inclusion, and helping employees balance professional responsibilities with personal and family needs.

ESRS S1-12, S3-3

Meaningful work environment

Employee engagement through Xylem Watermark

Employee engagement is rooted in purpose and powered by Xylem Watermark, our global corporate social responsibility program. Employees are eligible for up to 20 hours of paid time off each year to engage in volunteer efforts—equivalent to 1% of their working time. By enabling employees to participate in volunteer activities, particularly water-related projects, and contribute beyond their day-to-day roles, Xylem Watermark strengthens connections between employees and the communities we serve, promotes workplace well-being and engagement, builds leadership skills, helps reduce absenteeism, and fosters a more connected, motivated, and resilient workforce.

In 2025, Xylem Watermark expanded its portfolio of in-person, virtual, and skills-based volunteering opportunities aligned with our mission to address global water challenges. Since 2019, employees have contributed more than one million volunteer hours. Employees who volunteer 20 or more hours annually are recognized through the Make Your Mark Club, which included 3,790 employees this year.

A global network of more than 500 Xylem Watermark Champions, Leads, and Ambassadors drives engagement across the organization, contributing to 81% overall employee participation and 255,000 hours to community service in 2025. Signature initiatives that engage employees as well as external business partners included Wave of Action and Aquaton.

Wave of Action mobilized employees and business partners worldwide through coordinated virtual and in-person activities focused on protecting water resources, resilient WASH access, and education and capacity-building. The initiative was launched with a global webinar attended by over 1,300 participants and engaged more than 4,000 participants overall, generating 8,200 volunteer hours across more than 150 events.

Aquaton, Xylem's global virtual marathon, continued to convert everyday exercise like running and biking into funding for community water projects. In 2025, more than 4,000 employees across 100+ teams collectively logged over 288,000 kilometers, exceeding the campaign goal and unlocking additional funding for water projects in three cities.

Volunteer engagement was also embedded in our leadership development. During the 2025 Global Leadership Summit in Washington, DC, Xylem leaders participated in a hands-on Xylem Watermark activity with local NGOs, translating strategy into action.

Local initiatives further strengthened community connections. In China, employees and partners participated in a Walk for Water during the Xylem China Dealer Conference. In Uniontown (Pennsylvania), United States, over 300 employees took part in site cleanups, community projects, and hygiene kit builds, engaging more than 95% of site employees. Additional highlights included the American Heart Association Triangle Heart Walk in the United States and creative recycling initiatives supporting schools in South Africa.

Through Xylem Watermark, employees apply their skills and passion to address critical water challenges while strengthening collaboration and leadership, with purpose and community engagement integral to how we work.

1 Regional variations may apply.

Spotlight

Cycling for safe water: Xylem's Latin Riders

Xylem's Latin Riders are a team of cyclists from across Latin America united by a shared passion for riding and a commitment to making a difference. The group of Xylem employees—seven men and two women from Argentina, Peru, Chile, Brazil, and the United States—came together through Aquaton to turn the kilometers they rode into meaningful support for communities facing water challenges.

During our 2025 Aquaton, the Latin Riders collectively logged more than 5,000 kilometers, helping advance Xylem's global goal and earning a winning position that unlocked an additional donation for a water project in Argentina. Their efforts are supporting critical repairs and upgrades to school water systems in the provinces of Chaco and Salta, improving hygiene and access to safe water for more than 500 students, teachers, and staff through Xylem Watermark and its partner, Fundación Aguas.

From kilometers ridden to lasting water solutions, the Latin Riders demonstrate how teamwork, purpose, and employee engagement can drive real and measurable change.

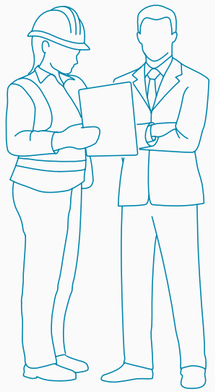


"We're a group of riders from across Latin America brought together by a shared passion for cycling and a desire to make a positive impact. Through Aquaton, we're able to turn the kilometers we ride into meaningful support for communities facing water challenges. Being part of Xylem allows us to combine what we love with a purpose that goes beyond the sport, reminding us that when we ride together, our impact is even greater."

Manfredo Pauluzzi,
Senior Sales Representative
based at Xylem in Argentina

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

73% favorable responses, reflecting resilience amidst a year of transformation.



ESRS S1-2, S1-3

Social dialogue

Engaging with our workforce

We foster an inclusive, respectful, and supportive workplace where employees feel empowered and safe to share their ideas, raise concerns, and contribute to continuous improvement. Guided by the principles set out in our Code of Conduct, we work to prevent and address any potential negative impacts on our workforce while promoting fair treatment and meaningful participation.

We maintain multiple formal and informal channels for worker engagement and feedback, fostering communication across all levels of the organization. These include global and business segment town hall meetings, biannual employee engagement surveys, listening sessions hosted by employee network groups, works council and health and safety committee meetings, and annual performance and development conversations. These mechanisms facilitate two-way dialogue, enhance transparency, and support strong working conditions, well-being, and performance across the company.

In 2025, we strengthened our listening strategy by conducting two global employee surveys—in March and October—to maintain more frequent and real-time pulse checks on the activation of our High-Impact Culture. All employees, regardless of role, work environment, or location were invited to participate. This dual-survey approach enables us to capture sentiment across different business cycles and create a more comprehensive baseline for understanding employees' full-year experience that will guide our actions.

The surveys were fully anonymous, enabling employees to share candid feedback and detailed suggestions for improvement. Combined results from 2025 show a workforce that remains highly purpose-driven and aligned with our strategic direction, while also identifying opportunities to improve work efficiency and reduce organizational friction.

2025 survey highlights (average across March and October):

- **73% favorable responses,** reflecting resilience amidst a year of transformation.
- **77% of employees would recommend Xylem as a place to work**, indicating a solid foundation of employee engagement.
- **84% clarity on contribution to 2025 goals**, our strongest metric and a continued indicator of our effective goal deployment process.

Using advanced analytics, including AI, we identified key areas where greater simplification would enhance efficiency and customer responsiveness. Following the March survey, we initiated several actions, such as streamlining organizational structures, standardizing processes and modernizing our IT systems, and we are continuing to implement these improvements as informed by our October survey. Through 2025 and into 2026, we remain focused on "closing the loop" by modernizing systems, removing barriers, and reducing complexity.

We also maintain ongoing dialogue with employees, strengthening the channels through which they can safely express feedback and concerns. Through regular pulse checks, engagement sessions, and transparent follow-up actions, we will continue to refine how we work together and advance our High-Impact Culture to deliver value for our workforce and our customers.

GRI 2-16, 2-26

Remediation and channels to raise concern

We encourage all employees to speak up and report in good faith any suspected unethical behavior, policy violations, or workplace issues. To support open dialogue and meaningful worker engagement, employees can use several internal channels, including direct conversations with their manager or another trusted leader, Human Resources, Legal business partners, members of the Ethics and Compliance or Finance teams, Xylem Integrity Ambassadors, the Chief Ethics and Compliance Officer, the Vice President Internal Audit, or the Chair of the Audit Committee of the Board of Directors.

Employees and third parties also have access to the Xylem Integrity Line, a confidential reporting mechanism operated by an independent third-party provider. The Integrity Line allows individuals to ask questions or report concerns at any time regarding conduct that may violate our Code of Conduct, policies, or applicable law. All reports received through this channel are promptly reviewed and assessed by the Xylem Ethics and Compliance team in line with established procedures.

Our Code of Conduct and Reporting Concerns and Non-Retaliation Policy reinforce Xylem's commitment to protecting anyone who raises a concern in good faith. Retaliation against individuals who speak up or participate in an investigation is strictly prohibited, and we monitor adherence to this commitment as part of our overall investigation and grievance management processes.

GRI 2-30

Employee representation

We recognize the important role that labor organizations, works councils, and unions play in supporting workers' rights, promoting constructive social dialogue, and improving working conditions. We fully respect employees' legal right to join, or to refrain from joining, such organizations. Decisions regarding membership or participation in worker representation bodies have no impact on employment status, opportunities, or conditions, and discrimination on these grounds is strictly prohibited.

To support compliance with internationally recognized labor standards and applicable national legislation, we regularly raise awareness among managers at all levels regarding the importance of respecting employees' freedom of association and collective bargaining rights. We also work to foster working conditions that encourage open communication, support employee engagement, and strengthen positive relations between employees and management. These efforts include establishing channels for dialogue, promoting transparency, and supporting professional development.

ESRS S1-3; GRI 405-1

Inclusion, belonging, and equal treatment

We foster a workplace grounded in equal treatment, mutual respect, and a strong sense of belonging. By creating working conditions where employees feel valued, heard, and supported, and where opportunities are based on merit, we strengthen engagement, collaboration, and innovation, contributing to employee well-being and Xylem's long-term success.

Inclusion and belonging are embedded in our workforce approach, purpose, and strategy. As a global water solutions company serving communities worldwide, teams with varied experience and perspectives help us better understand customer needs, build trusted relationships, and develop effective responses to complex water challenges.

Building an inclusive workplace

An inclusive work environment is shaped by policies, practices, and programs that promote fair treatment and support participation across the workforce. Through targeted hiring practices, inclusive benefits, leadership development, and capability-building initiatives, we enable employees to contribute, grow, and perform at their best.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Spotlight

Art with impact

In 2025, Xylem brought art, purpose, and inclusion together through a collaboration with ArtLifting that introduced 11 powerful works by artists with disabilities to our headquarters, co-located with the Reservoir Center in Washington, DC. The collection fills our space with color, movement, and water-inspired storytelling, while creating visibility, recognition, and meaningful economic support for artists whose voices are often underrepresented.

Each piece offers a unique interpretation of water's meaning and importance, reflecting Xylem's mission through bold, creative expression. From *Ocean Garden* by Eddie Li to *Deep Water Migration* by Diyah Najah, *Isle of the Skye 3* by Charlie French, and *Azul* by Chris Marinez, the artworks celebrate water as a force that connects, inspires, and sustains life. Together, they transform our workplace into a daily reminder of why our work matters.

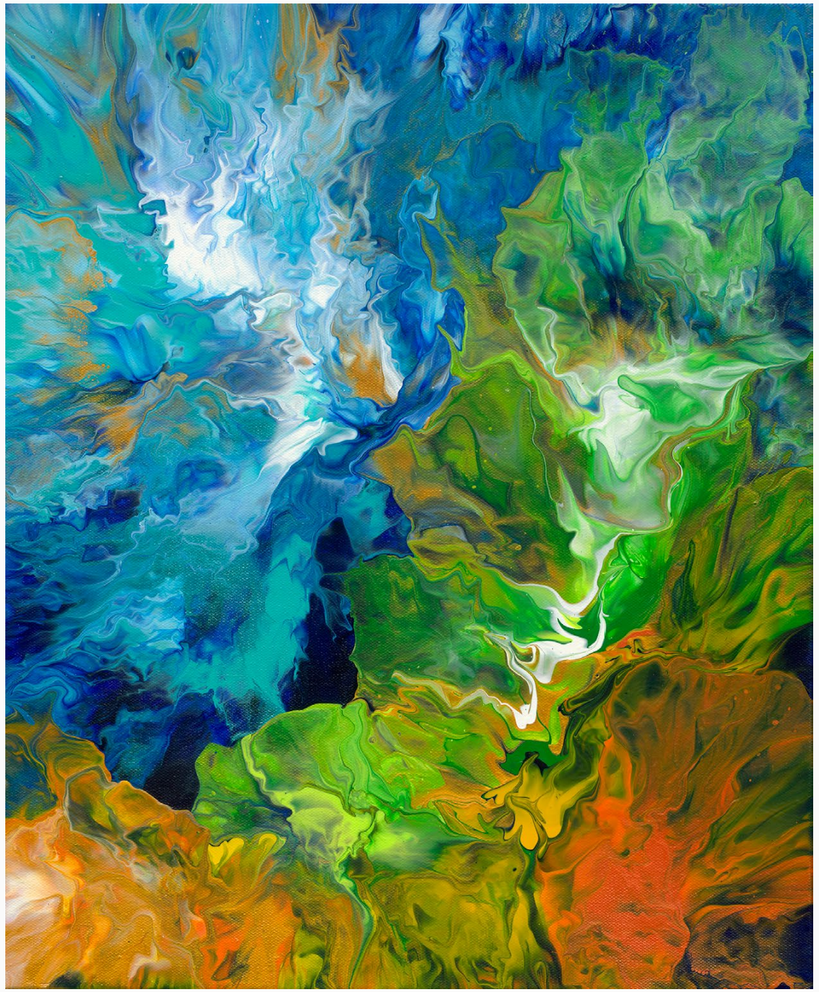


Artist feature: Eddie Li (Toronto, Canada)

Eddie Li's work stands out for its vivid color, layered detail, and joyful sense of movement. Living with autism, Eddie expresses himself most fully through painting, using art as a way to communicate emotion, imagination, and his connection to the natural world. His piece *Ocean Garden* reflects a deep fascination with water and marine life, blending bold patterns and vibrant hues to create a scene that feels both energetic and meditative.

Eddie's artistic journey highlights the power of creativity as a bridge between perspectives. Through ArtLifting, his work reaches new audiences and provides meaningful economic opportunity, allowing him to continue developing his craft and sharing his vision. By featuring Eddie's art at the Reservoir Center, Xylem is proud to elevate his voice, celebrate neurodiversity, and invite employees and visitors alike to experience water—and creativity—through a fresh and inspiring lens.

Through this collaboration with ArtLifting, we reinforce our commitment to inclusion, creativity, and the belief that diverse perspectives make our workplace, our communities, and our impact stronger.



Ocean Garden by Eddie Li © 2026 ArtLifting, PBC. All Rights Reserved

Inclusive practices

Our approach to inclusion is reflected in how we attract, support, and develop talent. In recruitment, we seek candidate pools that reflect a broad range of experiences and perspectives for professional roles, supporting fair and balanced hiring processes. All hiring decisions are based on qualifications, skills, and role requirements.

Career growth and internal mobility are supported through sponsorship programs that connect high-performing employees with experienced leaders for guidance and visibility, as well as through reverse mentorship, which enables two-way learning between employees and senior leaders. Together, these programs support professional development and strengthen the internal talent pipeline.

We support inclusive and fair working conditions through policies and programs that promote equity, safety, well-being, and respect. These include annual pay equity analyses and gap adjustments, clearly defined hours-of-work and overtime policies aligned with local labor laws, global harassment prevention training and investigation protocols, and wellness resources such as employee assistance programs. We also maintain leave, accessibility, and accommodation practices aligned with local requirements to support diverse employee needs.

We offer a people-focused benefits program designed to support employees and their families across different life stages and regions. Our benefits reflect local needs while promoting equitable access and inclusion globally. For example, we provide a voluntary parental insurance program in India, and employees in the United States have access to an LGBTQ+ Benefits and Services Guide that outlines medical coverage, inclusive health services, and additional support resources.

Additional information on our approach to employee benefits and well-being is available in the "Benefits and well-being" section on page 60.

GRI 404-2

Capability-building

Building inclusive capability across the organization is a core element of our people strategy. We support leaders and employees through learning and engagement initiatives that strengthen awareness, skills, and behaviors aligned with respectful and equitable workplaces.

Inclusive leadership is embedded early through our mandatory new manager orientation, which includes a virtual course focused on fostering belonging, supporting fair treatment, and shaping respectful team environments. This foundation is reinforced through the Allyship Journey for People Leaders, a structured program that guides leaders through stages of awareness, action, and advocacy.

Ongoing learning and dialogue are supported through the Xplore Inclusion and Belonging series, a monthly internal forum addressing topics such as allyship, empathy, and fair processes. We also recognize cultural, heritage, and religious awareness days and months through our inclusion and belonging calendar, supporting connection, respect, and appropriate workplace accommodations.

Together, these practices support equal treatment, strengthen engagement, and reinforce a workplace where employees can contribute and grow.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix



Our employee network groups

To advance inclusion and belonging across the organization, Xylem supports seven employee network groups open to all employees. Led by employee volunteers and supported by senior leadership sponsors, these groups foster connection, knowledge sharing, and collaboration through local chapters and internal social platforms. Engagement continues to grow, with 30% of employees participating in one or more employee network groups.

Women's Network: Supports the professional growth and impact of women at Xylem by providing a platform to exchange ideas, access learning opportunities, advocate for equal opportunities, and unlock leadership potential.

Emerging Leaders Network: Offers mid-career professionals globally the chance to connect, share experiences, and build relationships across all functions and business segments, while developing skills, gaining knowledge, practicing leadership, and advancing their careers within Xylem.

Veterans Network: Unites veterans, military family members, and supporters to discuss veteran-related issues, network, share experiences, and grow within the organization, fostering engagement, innovation, and professional development.

LGBTQ+ and Allies Network: Builds a community for Xylem's LGBTQ+ employees and allies, enhances business performance by leveraging their talents, and positions Xylem as an employer of choice for LGBTQ+ talent.

Maji (Black and African American) Network: Promotes the inclusion, visibility, and advancement of members and engages with communities where Xylem and its customers operate.

HOLA (Hispanic Origin and Latin Affinity) Network: Celebrates cultural heritage, supports the Hispanic and Latin American community, and fosters professional growth at Xylem and with our customers.

Non-Native English Speakers and Allies Network: Cultivates an environment where non-native English speakers feel confident contributing and advancing based on their work, not solely language proficiency.

ESRS S1-15; GRI 2-19, 405-2

Internal pay equity

Transparency, fair compensation, and the ongoing evaluation of equity across our workforce guide our approach. To support this, we conduct regular, comprehensive pay equity analyses that compare compensation for employees performing comparable roles—positions with similar responsibilities, scopes, and required skills. These analyses evaluate whether pay differences are attributable to legitimate factors, such as experience, performance, or geographic location, and identify any disparities based on other factors that would require corrective action.

By grounding our approach in rigorous, role-based assessments, we obtain the most accurate and statistically valid view of compensation equity. If unexplained differences are found, we take targeted actions to address them, reinforcing our commitment to a fair, inclusive, and equitable workplace.

In 2024, we conducted a global gender pay equity analysis across the eligible employee population, along with a race and ethnicity pay equity analysis in the United States. Following our organizational realignment, we conducted a follow-up analysis in 2025. The 2024 and 2025 reviews identified no systemic disparities based on gender or—within the United States—race or ethnicity.

ESRS S1-16; GRI 406-1

Discrimination and harassment in the workplace

We maintain a workplace grounded in dignity, respect, equal opportunity, and inclusion. Our workplace harassment and violence prevention program is closely aligned with our inclusion and belonging program to promote consistent expectations for appropriate behavior across the organization. These principles are reinforced through our Code of Conduct and supporting policies, which provide clear guidance on preventing discrimination, supporting inclusion, and demonstrating ethical leadership.

As part of our annual compliance training, employees complete a module dedicated to fostering inclusion and recognizing exclusionary behaviors. This training helps employees identify, prevent, and address conflicts with our standards of respect and belonging, including recognizing early warning signs of harassment or violence and understanding when to escalate concerns to the Ethics and Compliance team.

We strictly prohibit retaliation against anyone who raises concern in good faith or participates in an investigation. This commitment is emphasized across our training, policies, and awareness efforts to create an environment where employees feel safe, respected, and empowered to speak up.

We also expect our business partners and suppliers to uphold these principles. Our Business Partner and Supply Partner Code of Conduct outlines these expectations, including the promotion of equal opportunity within our partners' own operations and supply chains.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

ESRS S1-3, S1-13; GRI 403-3, 403-6

Health and safety

Safeguarding the health, safety, and well-being of our employees, contractors, customers, and communities is a core commitment and a foundational part of responsible business practices. By focusing on preventing harm, fostering a strong sense of care, and embedding health and safety into everything we do, Xylem cultivates a resilient, safety-focused approach across our global operations, supported through leadership engagement, accountability, employee participation, data-driven decision-making, and structured learning.

In 2025, we continued to advance our health and safety commitment through enhanced frontline safety initiatives and targeted interventions, guided by our Environment, Health, and Safety Management System (EHSMS) and predictive analytics. These efforts contributed to a total recordable incident rate (TRIR) of 0.44, surpassing our target of 0.50 and achieving a 15% reduction from 2024. Our ongoing efforts lowered workers' compensation costs by 68%, and earned over 100 safety awards, including our first Occupational Safety and Health Administration (OSHA) Voluntary Protection Programs (VPP) Star site.[2]

[2] OSHA VPP Star site represents the highest level of recognition from the U.S. Occupational Safety and Health Administration, honoring sites with comprehensive, proactive safety and health management systems that maintain injury and illness rates well below industry averages. Achieving Star status requires a rigorous application and on-site evaluation by OSHA, demonstrating excellence in management commitment, employee involvement, site analysis, hazard prevention, and safety training.

GRI 403-5

Health and safety training

We maintain a robust, global training program to equip employees with the skills and knowledge needed to work safely across all operations. Training is delivered in person and virtually, covering areas including ergonomics; slips, trips, and falls; confined-space entry; electrical safety; driving safety; and mental health awareness. Training is adapted to local languages, and employees with visual or hearing impairments receive tailored materials, hands-on demonstrations and interpreter support. In 2025, employees completed more than 73,500 hours of safety training, reflecting our ongoing commitment to competence and preparedness across all levels of the organization.

GRI 403-4

Employee engagement

Effective safety management relies on active employee participation. In 2025, we strengthened employee involvement through structured participation channels and leadership-led initiatives that foster trust and psychological safety.

Employees engage through Joint Health & Safety Committees, toolbox talks and safety briefings, surveys and digital feedback tools, Gemba walks, and Active Caring Safety–365 (ACS–365). ACS–365, in which participation increased by 126% in 2025, provided a platform for two-way communication and enabled leaders to connect directly with employees, listen to concerns, and collaborate on solutions. Engagement occurs routinely and at critical operational moments, including new equipment introductions, project startups, and line expansions.

Employee feedback directly informs operational improvements, including enhanced machine guarding, ergonomic upgrades, PPE selection, hazard signage, and emergency response procedures. Outcomes are communicated through team meetings and digital channels, maintaining closed feedback loops that reinforce accountability and safety awareness.

Spotlight



Setting the standard for safety in Lubbock, Texas

By focusing on strong leadership, engaged employees, and disciplined systems, Xylem's Lubbock (Texas), United States site achieved major safety excellence milestones in 2025. Marking a landmark year for the site, Lubbock achieved ISO 45001 certification, recorded zero OSHA-recordable injuries, received a Royal Society for the Prevention of Accidents (RoSPA) Gold Award, and became the first Xylem site to earn OSHA's VPP Star designation. Together, these achievements reflect not just compliance, but a deeply embedded commitment to safety shaped by the people closest to the work.

The results were not driven by a single initiative or moment. They were built through thousands of everyday actions—employees speaking up about hazards, leaders listening and removing barriers, and teams holding themselves and one another accountable. The stop-work authority (SWA) program is actively practiced, near misses are treated as opportunities to learn, and continuous improvement is part of how work gets done on the shop floor.

Earning OSHA VPP Star recognition required meaningful employee involvement and independent validation that safety is fully integrated into daily operations. Achieving ISO 45001 certification in the same year strengthened how risks are identified, managed, and continuously improved, reinforcing safety as a core operating discipline rather than a standalone program.

The impact is deeply personal. Zero recordable injuries in 2025 meant that every employee went home safe to their families at the end of each day.

"Lubbock's achievement shows how impact is created when safety is owned by everyone. Through a shared commitment to safety at all levels, consistent choices, shared accountability, and a willingness to speak up and act, colleagues at the site quietly set a new standard, one that continues to influence safety practices across Xylem and demonstrates how empowered teams protect what matters most: each other."

Jay Harf,
VP, Environment, Health, and Safety at Xylem

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

ESRS S1-2; GRI 403-4

Communication

Clear, timely communication underpins workplace safety. Xylem shares health and safety information through multiple internal channels, including Viva Engage, email, SharePoint, site bulletin boards, and digital displays. Key resources include safety flashes, lessons learned reports, EHS insights, and toolbox talks, which share incident learnings and preventive guidance. Monthly business reviews reinforce knowledge sharing, promote collaboration, and support proactive responses to emerging risks.

ESRS S1-2

Reporting channels and worker protection

To strengthen transparency and accountability, Xylem maintains multiple channels for reporting hazards, unsafe conditions, and near misses. Employees can raise concerns through our digital reporting system (VelocityEHS), on-site EHS professionals and supervisors, joint safety committees, union representatives, or the confidential third-party Xylem Integrity Line. Protection against retaliation is embedded in our Code of Conduct and anonymous reporting systems: no employee or contractor may be terminated, demoted, or disciplined for reporting a safety concern or exercising the right to stop unsafe work.

GRI 403-2

Incident management and learning

We take a structured approach to incident reporting, investigation, and corrective action. All incidents, near misses, and non-compliances are documented, investigated, and analyzed to determine root causes. Corrective actions are applied based on severity and potential impact, following the hierarchy of controls to reduce risk. Investigations involve site leadership, EHS managers, employee input, and, for major events, global subject-matter experts to maintain consistency and robust learning. Lessons from incidents are shared across sites to strengthen the safety practices and prevent recurrence.

GRI 403-2

Risk management

Xylem applies standardized procedures for hazard identification, risk assessment, and mitigation across all operations. High-risk tasks, including work at height, electrical activities, and manual handling, are assessed through pre-task risk assessments, job safety analyses, and high-risk assessments. Industrial hygiene monitoring, audits, and inspections protect employees from exposure while reinforcing proactive risk management. Third-party compliance audits occur every three to six years, with a shift to a risk-based audit model in 2026 to adjust audit scope and frequency based on site-specific risk levels and to include newly acquired sites.

WASH access in the workplace

In 2025, we continued our commitment to WASH by providing all employees with access to safe and reliable facilities in the workplace. We conduct annual testing of drinking water quality and provide clean, adequate sanitation facilities for all staff.

Security and travel safety

Physical security and travel safety are integral to protecting employees globally. In 2025, we strengthened enterprise-wide governance, appointed a Director of Global Security, and completed baseline assessments at all locations. High-risk sites received tailored action plans for access control, emergency preparedness, and physical security. Crisis24, our travel risk management system, provides real-time alerts, traveler tracking, and 24/7 support, enabling rapid response to global events and safeguarding employees while traveling.

GRI 403-9

Data-driven safety performance

Our digital EHS platform integrates incident tracking, auditing, industrial hygiene, inspections, and action management, while predictive analytics and AI deliver actionable insights to reduce risk and improve outcomes. Benchmarking our performance against other organizations through resources from the U.S. National Safety Council, RoSPA, and the Conference Board Chief EH&S Officers' Council supports continuous improvement and aligns our programs with global best practices.

Using the standard guide ASTM E2920-19, we prioritized injury nature and severity to prevent serious incidents. In 2025, we achieved a serious injury or fatality (SIF) rate of 0.28, with 60 SIF incidents recorded. This metric strengthens transparency and accountability while guiding targeted interventions to address high-severity risks. Our total recordable incident rate (TRIR) also declined by 15% to 0.44, exceeding our internal goal of 0.50 and remaining 73% below the industry average. Insights from 2025 are informing our 2026 roadmap, which emphasizes predictive analytics and proactive risk management to further enhance safety performance.



GRI 405-1

Targets and metrics

ESRS S1-4

Targets and progress

2025 Sustainability Goals[3]	2025	2024	2023	2019[4]
29% representation of women in leadership positions, through merit-based retention, promotion, and recruitment *(%)*	**29**	**27**	**25**	**24**
21% minority representation in U.S. leadership positions, through merit-based retention, promotion, and recruitment *(%)*	**18**	**19**	**19**	**15**
Conduct an annual pay equity assessment based on gender and U.S. minority classifications and make pay adjustments, as necessary, based on the results	Following our organizational realignment, we conducted a follow-up pay equity assessment in 2025 and identified no systemic disparities based on gender or, within the United States, race or ethnicity.	The 2024 review identified no systemic disparities based on gender or, within the United States, race or ethnicity.	Initiated global gender pay equity assessment as well as U.S. gender and race equity pay assessments.	-
100% of employees have access to clean water and safe sanitation at home and during natural disasters	Monitored for any gaps in access.	Monitored for any gaps in access.	Monitored for any gaps in access.	-
Achieve at least an average of 50 hours per employee per year of rich learning and development opportunities to build Xylem's ability to solve water for decades to come *(#)*	**18**	**16.4**	**16.8**	**12**
Provide paid time off for Xylem employees to volunteer 1% of their time *(# of hours)*	**20**	**10**	**10**	**8**
Engage at least 95% of Xylem employees in volunteer activities *(%)*	**81**	**79**	**89**	**58**
Reduce injury frequency to an incident rate of 0.5 or below *(%)*	**0.44**	**0.52**	**0.61**	**0.66**

2030 Sustainability goals	Progress in 2025	Progress towards 2030
Invest 30% of employee volunteering in applying employees' professional skills to build organizational capacity, developing our people while sharing expertise where it is needed most *(%)*	-	**Reporting begins in 2026.**

3 Excluding Idrica.

4 Legacy Xylem.

Accounting principles

Average number of training hours per employee: The average number of training hours per headcount is calculated based on learning hours recorded in Workday Learning, Xylem's primary training tracking system.

Employees who participated in volunteer activities: Percentage is based on Xylem's total headcount.

Minority representation in the United States: Headcount and percentage of headcount (in the United States only) by their self-identified race/ethnicity (White, Black or African American, Hispanic or Latino, Asian, Two or more races, Native Hawaiian or other Pacific Islander, American Indian or Alaska Native, Not specified, or no answer provided) across leadership and management categories. Our "Other race and ethnic minority" reporting combines "Two or more races," "Native Hawaiian or other Pacific Islander," and "American Indian or Alaska Native."

Leadership and management categories: Leadership: director level or above, significant business leader, or executive leader role. Middle management: professional specialist, supervisor, manager, senior manager, and similar roles (includes both people leader and individual contributor roles). Non-management: line, staff, and similar roles with no managerial responsibilities.

Skills-based volunteering participation for 2030 Sustainability Goal: The proportion of total employee (headcount) volunteering hours invested in skills-based initiatives that apply employees' professional expertise to strengthen organizational capacity within communities and partner organizations. Xylem will increase skills-based volunteering to 30% of total employee volunteered hours (from 18% in 2025).

Total recordable incident rate (TRIR): Calculation formula for TRIR per 100 full-time employees over a one-year timeframe based on the assumption that one full-time worker works 2,000 hours per year: (Number of recordable incidents x 200,000) / Total number of hours worked.

Women in leadership: Headcount and percentage of headcount that self-identify as women who are in a director level or above, significant business leader, or executive leader role.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Performance data

ESRS S1-5

Top 10 countries by headcount[5] *(# as of December 31, 2025)*

United States	9,051	Sweden	1,821	United Kingdom	1,020	China	651	Canada	491
Germany	2,083	India	1,158	Italy	945	Mexico	647	Poland	412

ESRS S1-5

Headcount by gender[6] *(# (%))*	**2025**	**2024**	**2023**	**2019**[7]
Men	15,935 (73%)	16,924 (73%)	16,950 (74%)	12,445 (76%)
Women	5,745 (26%)	6,015 (26%)	5,747 (25%)	4,016 (24%)
Other (gender as specified by employee) or not disclosed	59 (1%)	193 (1%)	96 (1%)	-
Total	**21,739**	**23,132**	**22,793**	**16,461**

ESRS S1-5

Headcount by contract type[8] *(# (%))*	**2025**	**2024**	**2023**	**2019**[9]
Permanent headcount		-	-	-
Men	15,513 (73%)	-	-	-
Women	5,573 (26%)	-	-	-
Other (gender as specified by employee) or not disclosed	58 (1%)	-	-	-
Total	**21,144**			
Temporary headcount				
Men	422 (71%)	-	-	-
Women	172 (29%)	-	-	-
Other (gender as specified by employee) or not disclosed	1 (0%)	-	-	-
Total	**595**	-	-	-

ESRS S1-5; GRI 401-1

Turnover[10] *(%)*	**2025**	**2024**	**2023**	**2019**[11]
Voluntary turnover rate	**7%**	**7%**	**8.5%**	-

[5, 6, 8, 10] Excluding Idrica.

[7, 9, 11] Legacy Xylem.

Accounting principles

Headcount: Total number of employees as of December 31, 2025, who are under Xylem's financial control and have a valid permanent or temporary employment contract. This excludes trainees, apprentices, interns, seasonal workers, and contractors.

Headcount by country: Headcount by country for the countries in which Xylem has 50 or more employees and that are the ten largest countries in terms of employee numbers.

Headcount by gender: Headcount and percentage of headcount by their self-identified gender (man/woman/other or not disclosed) across leadership and management categories.

Permanent headcount: Headcount engaged under regular and expatriate contracts.

Temporary headcount: Headcount engaged under fixed-term contracts.

Voluntary turnover rate: The voluntary turnover rate is calculated by dividing the annual number of voluntary leavers by the average of headcount at the start and end periods.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Performance data (continued)

ESRS S1-8

Headcount by management level[12] *(# (%))*	**2025**	**2024**	**2023**	**2019**[13]
Leadership				
Men	647 (71%)	659 (73%)	675 (75%)	-
Women	262 (29%)	239 (27%)	229 (25%)	-
Other (gender as specified by employee) or not disclosed	1 (0%)	1 (<1%)	-	-
Total	**910 (4%)**	**898 (4%)**	**904 (4%)**	**-**
Middle management				
Men	8,029 (73%)	8,609 (73%)	8,606 (74%)	-
Women	2,965 (27%)	3,140 (27%)	2,932 (25%)	-
Other (gender as specified by employee) or not disclosed	20 (0%)	74 (<1%)	34 (<1%)	-
Total	**11,014 (51%)**	**11,823 (51%)**	**11,572 (51%)**	**-**
Non-management				
Men	7,259 (74%)	7,656 (74%)	7,669 (74%)	-
Women	2,518 (26%)	2,636 (25%)	2,586 (25%)	-
Other (gender as specified by employee) or not disclosed	38 (0%)	118 (1%)	62 (<1%)	-
Total	**9,815 (45%)**	**10,410 (45%)**	**10,317 (45%)**	**-**

U.S. headcount by race and ethnic minority group[14] *(# (%))*	**2025**	**2024**	**2023**	**2019**[15]
Leadership				
African American	15 (3%)	16 (3%)	17 (4%)	-
Asian American	33 (7%)	33 (7%)	34 (7%)	-
Hispanic	32 (7%)	27 (6%)	29 (6%)	-
Other race and ethnic minority	9 (2%)	12 (3%)	10 (2%)	-
Total	**89 (19%)**	**88 (19%)**	**90 (19%)**	**-**
Middle management				
African American	222 (5%)	225 (5%)	219 (5%)	-
Asian American	315 (8%)	322 (8%)	302 (7%)	-
Hispanic	290 (7%)	283 (7%)	276 (7%)	-
Other race and ethnic minority	101 (3%)	104 (3%)	84 (2%)	-
Total	**928 (23%)**	**934 (23%)**	**881 (21%)**	**-**
Non-management				
African American	604 (15%)	598 (15%)	593 (15%)	-
Asian American	123 (3%)	134 (3%)	138 (4%)	-
Hispanic	556 (14%)	539 (14%)	561 (14%)	-
Other race and ethnic minority	155 (4%)	143 (4%)	122 (4%)	-
Total	**1,438 (36%)**	**1,414 (36%)**	**1,414 (37%)**	**-**

12, 14 Excluding Idrica.

13, 15 Legacy Xylem.

Accounting principles

Headcount: Total number of employees at year-end who are under Xylem's financial control and have a valid permanent or temporary employment contract. This excludes trainees, apprentices, interns, seasonal workers, and contractors.

U.S. headcount by race and ethnic minority group: Headcount and percentage of headcount (in the United States only) by their self-identified race/ethnicity (White, Black or African American, Hispanic or Latino, Asian, Two or more races, Native Hawaiian or other Pacific Islander, American Indian or Alaska Native, Not specified, or no answer provided) across leadership and management categories. Our "Other race and ethnic minority" reporting combines "Two or more races," "Native Hawaiian or other Pacific Islander," and "American Indian or Alaska Native."

Leadership and management categories: Leadership: director level or above, significant business leader, or executive leader role. Middle management: professional specialist, supervisor, manager, senior manager, and similar roles (includes both people leader and individual contributor roles). Non-management: line, staff, and similar roles with no managerial responsibilities.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Performance data (continued)

Headcount by age[16] *(# (%))*	**2025**	**2024**	**2023**	**2019**[17]
<30 years				
Leadership	1 (0%)	0	0	-
Middle management	1,227 (6%)	1,268 (6%)	1,289 (6%)	-
Non-management	1,513 (7%)	1,650 (7%)	1,637 (7%)	-
Total	**2,741 (13%)**	**2,918 (13%)**	**2,926 (13%)**	**-**
30–50 years				
Leadership	486 (2%)	484 (2%)	497 (2%)	-
Middle management	6,439 (30%)	6,821 (30%)	6,644 (29%)	-
Non-management	4,865 (22%)	5,095 (22%)	5,119 (23%)	-
Total	**11,790 (54%)**	**12,400 (54%)**	**12,260 (54%)**	**-**
> 50 years				
Leadership	423 (2%)	414 (2%)	406 (2%)	-
Middle management	3,344 (15%)	3,542 (16%)	3,510 (16%)	-
Non-management	3,418 (16%)	3,538 (15%)	3,496 (15%)	-
Total	**7,185 (33%)**	**7,494 (33%)**	**7,412 (33%)**	**-**
> 50 years				
Leadership	0 (0%)	-	-	-
Middle management	4 (0%)	-	-	-
Non-management	19 (0%)	-	-	-
Total	**23 (0%)**	**-**	**-**	**-**

ESRS S1-12; GRI 404-1

Training and skills development[18] *(#)*	**2025**	**2024**	**2023**[19]	**2019**[20]
Average number of training hours per headcount	18	16.4	16.8	12

16, 18 Excluding Idrica.

17, 19, 20 Legacy Xylem.

Accounting principles

Average number of training hours per headcount: The average number of training hours per headcount is calculated based on learning hours recorded in Workday Learning, Xylem's primary training tracking system. Approximately 18,000 "wired" employees recorded an average of 22 training hours. When normalized across the total headcount, this results in an average of 18 training hours per headcount. Training for some non-wired employees is tracked locally and is not yet fully captured; governance over this data is expected to improve in future periods.

Headcount: Total number of employees at year-end who are under Xylem's financial control and have a valid permanent or temporary employment contract. This excludes trainees, apprentices, interns, seasonal workers, and contractors.

Headcount by age: The 2025 and 2024 data are based on available records and exclude employees whose date of birth is not captured in Workday—0.1% of Xylem employees in 2025 and 1.4% in 2024.

Leadership and management categories: Leadership: director level or above, significant business leader, or executive leader role. Middle management: professional specialist, supervisor, manager, senior manager, and similar roles (includes both people leader and individual contributor roles). Non-management: line, staff, and similar roles with no managerial responsibilities.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Performance data (continued)

ESRS S1-13; GRI 403-8, 403-9, 403-10; SASB RT-IG-320a.1

Health and safety[21] *(#)*	**2025**	**2024**	**2023**	**2019**[22]
Total recordable incident rate	**0.44**	**0.52**	**0.61**	**0.66**
Lost time injury rate	**0.23**	**0.34**	**0.33**	**0.34**
Number of fatalities from work-related injuries	**0**	**0**	**0**	**0**
Number of fatalities from work-related ill health	**0**	**0**	**0**	**0**
Number of cases of recordable work-related accidents	**92**	**112**	**137**	**99**
Number of cases of recordable work-related ill health	**1**	**2**	**2**	**8**
Number of days lost to work-related injuries, recordable work-related accidents, and work-related ill health	**1,192**	**2,900**	**3,917**	**1,805**
Employees who are covered by health and safety management system *(%)*	**100%**	**100%**	**100%**	**100%**

ESRS S1-14; GRI 401-3

Parental leave in the United States[23] *(# (%))*	**2025**	**2024**	**2023**	**2019**[24]
U.S. employees eligible for parental leave				
Men	6,940 (78%)	6,903 (77%)	3,300 (75%)	3,740 (78%)
Women	2,022 (22%)	2,049 (23%)	1,070 (25%)	1,060 (22%)
Other (gender as specified by employee) or not disclosed	19 (0%)	-	-	-
Total	**8,891**	**8,952**	**4,400**	**4,800**
U.S. employees who took parental leave				
Men	172 (80%)	183 (83%)	85 (85%)	33 (85%)
Women	43 (20%)	37 (17%)	15 (15%)	6 (15%)
Other (gender as specified by employee) or not disclosed	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Total	**215**	**220**	**100**	**39**
Return quota				
U.S. employees who took parental leave and returned to work *(%)*	**100%**	**100%**	**100%**	**100%**

21, 23 Excluding Idrica.

22, 24 Legacy Xylem.

Accounting principles

Lost time injury rate (LTIR): Calculation formula for LTIR per 100 full-time employees over a one-year timeframe based on the assumption that one full-time worker works 2,000 hours per year: (Number of lost time injuries x 200,000) / Total number of hours worked. This formula is the same as the calculations used for the days away from work rate in the LRQA assurance statement on pages 109-110.

Number of cases of recordable work-related accidents: The total count of individual cases during the reporting period where an employee or non-employee (e.g., temporary workers and contractors) under the organization's control experienced a work-related accident resulting in an injury that included death, days away from work, restricted work, job transfer, medical treatment beyond first aid, loss of consciousness, or significant injury diagnosis by a healthcare professional.

Number of cases of recordable work-related ill health: The total count of individual cases during the reporting period where an employee or non-employee (e.g., temporary workers or contractors) under the organization's control experienced work-related ill health (disease, illness, or disorder) caused or significantly aggravated by occupational exposure to hazards, including cases that result in death, occupational diseases, cancers, respiratory disorders, poisoning, or skin disorders.

Number of days lost to work-related injuries, recordable work-related accidents, and work-related ill health: The total number of calendar days during the reporting period that employees or non-employees (e.g., temporary workers or contractors) under the organization's control were unable to perform their normal work duties because of a work-related injury, illness, or accident. Days lost begin the day after the incident or diagnosis and continue until the individual returns.

Number of fatalities from work-related injuries: The number of actual deaths as a result of a work-related injury during the reporting period. This includes employees and non-employees (e.g., temporary workers or contractors) whose work and workplace are controlled by Xylem.

Number of fatalities from work-related ill health: The number of actual deaths as a result of an illness from an event or exposure in the work environment. This includes employees and non-employees (e.g., temporary workers or contractors) whose work and workplace are controlled by Xylem. Illness is defined as damage to health, including diseases, illnesses, and disorders, arising from exposure to hazards at work.

Parental leave: Parental leave in the United States is available to Xylem's non-union employees who are employed on a full-time basis and work at least 30 hours per week, following the birth of a child or the placement of a child through adoption, surrogacy, or foster care. The policy applies equally to new mothers, fathers, same-sex partners, and other eligible parents and may be taken within a defined period following a qualifying event. In addition to paid parental leave, eligible employees may receive income replacement through short-term disability benefits where applicable. In 2025, 100% of employees who took parental leave returned to work.

Employees who are covered by health and safety management system: The proportion of Xylem's total employees who are included within the scope of the occupational health and safety (OHS) management system, expressed as a percentage. Percentage = (Number of employees covered by the OHS management system / Total number of employees) x 100.

Recordable incident: A work-related injury or work-related ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or a significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

Serious incident and fatality rate (SIF): Calculation formula for SIF: (Number of level-one injuries or illnesses x 1,000,000) / Number of worked hours. The number of injuries or illnesses, or both, in the numerator and the number of hours worked must cover the same time period and the same population of employees.

Total recordable incident rate (TRIR): Calculation formula for TRIR per 100 full-time employees over a one-year timeframe based on the assumption that one full-time worker works 2,000 hours per year: (Number of recordable incidents x 200,000) / Total number of hours worked.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Performance data (continued)

ESRS S1-15; GRI 2-19, 2-21

Remuneration[25] *(CEO : Median Employee)*	**2025**	**2024**	**2023**	**2019**[26]
Annual total remuneration ratio	**170:1**	**180:1**	**192:1**	**166:1**

Employee volunteering *(#)*	**2025**	**2024**[27]	**2023**[28, 29]	**2019**[30, 31]
Number of volunteer hours	255,000+	220,000+	184,000+	70,000+
Employees who participated in volunteer activities (%)	81%	79%	89%	58%

25, 27, 29, 31 Excluding Idrica.

26, 28, 30 Legacy Xylem.

Accounting principles

Annual total remuneration ratio: The ratio of the CEO's total annual compensation to that of the median employee, including salary, annual incentive, commission, bonus, overtime pay, and grant date fair value of any long-term incentive awards, expressed as "CEO : Median Employee." The median employee is selected from Xylem's regular full-time and part-time employees (other than temporary, seasonal, or other non-permanent employees) and annualized if not employed for the full year. It is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records.

Employees who participated in volunteer activities: Percentage is based on Xylem's total headcount.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

GRI 2-8

Workers in the value chain

Respecting human rights and supporting safe working conditions are central to how we operate and engage with our value chain. We manage risks through defined policies, due diligence, and supplier monitoring, while promoting fair labor practices, health and safety, and WASH access. At the same time, initiatives like our corporate social responsibility program Xylem Watermark foster collaboration with suppliers and communities, strengthening ethical practices and advancing positive social impact.

GRI 2-25, 3-3

Management of impacts, risks, and opportunities

ESRS S2-1; GRI 2-23

Policies

Code of Conduct: Establishes commitment to the highest ethical standards, respect for all stakeholders, and fair workplaces, detailing expected employee behaviors and providing guidance that aligns with company policies, applicable laws, and evolving industry standards.

Business Partner and Supply Partner Code of Conduct: Outlines expectations for business partners and supply partners regarding business integrity, social and environmental responsibility, and continuous sustainability improvement. These expectations are embedded in standard procurement terms and applicable to all global business partners and supply partners, encouraging initiatives that enhance safety, efficiency, and sustainability across their operations, supply chains, and subcontractors.

Human Rights Statement: Outlines commitment to uphold fundamental human rights across operations and supply chains, providing guidance to manage risks, address impacts, and engage stakeholders in support of dignity, equality, and fair treatment.

Statement on Efforts to Combat Modern Slavery: Outlines actions to address modern slavery risks in operations and supply chains, including governance, risk assessment, supplier engagement, training, and monitoring, reflecting our commitment to dignity, ethical practices, and continuous improvement.

Conflict Minerals Policy Statement: Outlines commitment to responsible sourcing of tin, tantalum, tungsten, and gold, including supply chain due diligence in line with regulatory and international guidance to promote ethical practices and transparency.

ESRS S2-3; GRI 408-1, 409-1

Upholding human rights

Xylem upholds human rights in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs). This commitment covers internationally recognized human rights as defined in the International Bill of Human Rights, including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

ESRS IRO-2

Impacts, risks, and opportunities

▲ Upstream

- ⊖ Sourcing of metals from conflict regions
- ⊖ Overtime's impact on work–life balance in the value chain
- ⊖ Workers in the value chain lacking effective channels to voice their concerns
- ⊖ Implications of injuries in the value chain
- ⊖ Paying adequate wages to workers in outsourced services



▶ Our own operations

- ⊖ Paying adequate wages to workers from outsourced services



▼ Downstream

- ⊖ Workers in the value chain lacking effective channels to voice their concerns



Impact materiality
- ⊕ Positive
- ⊖ Negative

Financial materiality
- ↑ Opportunity
- ↓ Risk

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

We are also a signatory to the United Nations Global Compact and the Women's Empowerment Principles. In addition to complying with applicable local laws, we align our approach with widely recognized international human rights standards, including the International Convention on the Elimination of All Forms of Racial Discrimination, the Convention on the Elimination of All Forms of Discrimination Against Women, the Convention on the Rights of the Child, the Convention on the Rights of Persons with Disabilities, the Charter of Fundamental Rights of the European Union, and the American Convention on Human Rights.

Our Human Rights Statement formalizes our commitment to respect human rights and establishes overarching principles reflected across company policies and management systems. The Statement defines standards for responsible business conduct and guides the identification and management of actual and potential human rights impacts across our operations and value chain, including impacts on workers in the value chain.

We have implemented human rights due diligence processes designed to identify, prevent, mitigate, and address adverse human rights and environmental impacts. These processes align with the OECD Due Diligence Guidance for Responsible Business Conduct and the UNGPs, and are integrated into relevant procurement, supplier management, and risk assessment activities.

Preventive and mitigating measures include supplier screening and assessments, corrective action processes, and ongoing monitoring. These controls are implemented through mechanisms such as EcoVadis assessments, our conflict minerals program, and subject-specific assessments. We monitor the effectiveness of these measures and takes corrective action where gaps are identified. Where we cause or contribute to adverse impacts, or where impacts are directly linked to our business relationships, we provide for or cooperate in remediation, as appropriate.

We recognize that respect for human rights requires continuous improvement, and regularly review and strengthen our human rights program to respond to evolving risks and stakeholder expectations.

Training

We support the effective implementation of our human rights commitments through employee training. Employees receive training in human rights-related policies and procedures through annual Code of Conduct training. In 2025, 97% of employees completed the ethics and compliance training, which includes a dedicated module on the Code of Conduct and requires certification of compliance with its requirements.

Human rights risk management in our supply chain

We actively manage human rights across our supply chain. We apply policies, assessments, and monitoring processes to identify and address potential impacts, promote transparency, and strengthen ethical labor practices among our suppliers. These efforts support responsible sourcing, risk mitigation, and continuous engagement with partners to advance labor and human rights standards globally.

Assessment of suppliers' labor and human rights practices

We evaluate suppliers' performance annually across labor and human rights, environment, ethics, and sustainable procurement through EcoVadis, which verifies the existence of relevant policies, their alignment with international standards, and their effective implementation. By the end of 2025, more than 1,100 suppliers—representing 47% of our global spend—held active EcoVadis scorecards.

Suppliers identified as "high sustainability risk" trigger an internal mitigation workflow, with actions tailored to the severity of issues and supplier cooperation. These actions may include corrective action plans via EcoVadis, targeted assessments, training programs, and on-site audits. EcoVadis results, combined with expert analysis and AI-driven 360° Watch Findings, guide risk identification and mitigation across the supply chain. Based on these evaluations, no major violations of human rights or labor standards were identified in 2025.

Supplier participation is encouraged through regulatory expectations, structured engagement, and incentives, including Xylem's supply chain finance program with ING, which links improved financing terms to sustainability performance.

Modern slavery

We apply the same due diligence processes to address modern slavery risks. Suppliers are expected to comply with local labor laws and align with international standards on forced labor and modern slavery. EcoVadis 360° Watch Findings support ongoing monitoring of public and private sources to identify reported incidents and assess potential supplier risks.

Through these processes, we maintain continuous oversight of our supply chain, proactively identify potential human rights risks, and apply targeted mitigation measures to prevent adverse impacts on workers.

Conflict minerals management

We are committed to responsible sourcing and to preventing adverse human rights impacts linked to conflict-affected and high-risk areas. We comply with U.S. Securities and Exchange Commission (SEC) conflict minerals disclosure requirements and conduct an annual conflict mineral review to enhance supply-chain transparency, communicate responsible sourcing expectations, and promote supplier due diligence.

Xylem's conflict minerals due diligence program aligns with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, including the supplements for tin, tantalum, tungsten, and gold (3TG). The program follows the OECD's five-step framework and is integrated into our broader risk management and supplier engagement processes, including governance and oversight, risk identification and assessment, mitigation through supplier engagement and corrective actions, support for independent third-party audits of smelters and refiners where applicable, and public reporting.

This approach supports the identification, prevention, and mitigation of risks related to conflict minerals across our supply chain. We regularly review and strengthen our annual campaign and related controls. Beyond 2025, we plan to further leverage our cross-functional working group to enhance risk identification, increase awareness, and implement mitigation actions.

Conflict Minerals Policy Statement
As a manufacturer of industrial goods, we use tin, tungsten, tantalum, and gold (3TG) in certain products, including seals and electronic components. We support the objectives of the SEC's conflict minerals regulations and set out our expectations for responsible sourcing in our Conflict Minerals Policy Statement, which applies to relevant suppliers across the value chain.

By the end of 2025, more than 1,100 suppliers—representing 47% of our global spend—held active EcoVadis scorecards.



- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Spotlight



Turning supplier collaboration into clean water impact

In 2025, Xylem's Montecchio, Italy site brought together employees and value-chain partners for a Xylem Watermark volunteer event that combined community impact with supplier collaboration. Organized by our employees who serve as local Xylem Watermark Champions in partnership with our Montecchio procurement team, the event engaged seven supplier partners alongside Xylem buyers in a hands-on filter build in collaboration with global nonprofit Wine to Water.

Participants worked side by side to assemble water filter kits that provide clean and safe drinking water to families around the world. The collaborative format—paired with a friendly team competition—created an engaging experience while delivering a tangible contribution to global WASH efforts. By bringing people together around a shared task with visible outcomes, the event turned collaboration into meaningful action, illustrating how everyday partnerships can contribute to safer water and healthier communities.

The event demonstrated how Xylem Watermark serves as a platform for deeper engagement across our value chain, strengthening relationships beyond traditional business interactions and reinforcing shared sustainability priorities.

> "This experience showed the added value of true partnership. Working together with Xylem on a project that delivers real societal impact strengthened our relationship and highlighted how collaboration across the value chain can make a meaningful difference for communities."
>
> **Gianandrea Sterza,**
> Key Account Sales Manager at CPC Italy Srl.

ESRS S2-3, G1-2; GRI 204-1

Engaging with our supply chain

We engage our supply chain through a combination of policies, reporting mechanisms, due diligence processes (see "Assessment of suppliers' labor and human rights practices" on p. 76), and collaborative initiatives designed to promote ethical conduct, protect workers in the value chain, and strengthen governance and accountability.

ESRS S2-2, S4-2; GRI 2-16, 2-26

Reporting mechanisms and grievance channels

We expect business and supply partners to raise questions or concerns related to human rights, ethical conduct, and compliance. Retaliation against individuals who report concerns in good faith is prohibited. Workers in the value chain can report concerns through the Xylem Integrity Line, a confidential, 24/7 reporting channel available to employees, suppliers, and customers in Xylem's key languages. Reports may be submitted online or by phone, anonymously if desired. The Integrity Line aligns with applicable regulatory requirements, including the European Union's Whistleblower Directive and General Data Protection Regulation (GDPR). All reports are reviewed and addressed through defined investigation and response processes. Read more on p. 91.

Building a resilient and inclusive supply chain

We aim to develop a high-caliber and resilient supply chain that reflects the full range of markets and communities in which we operate. Through our supplier community program, we support small businesses and a broad range of suppliers, generating economic value through strategic sourcing, increased competition, innovation, and job creation. We have expanded our Tier 2 supplier program to promote inclusive procurement and collaboration with organizations that share a commitment to responsible business practices and opportunities for all.

Collaboration and community engagement

We also engage suppliers and other value-chain partners through collaborative community initiatives led by Xylem Watermark. These activities promote water education; advance water, sanitation, and hygiene (WASH) principles; and strengthen awareness of shared sustainability challenges.

In 2025, Xylem organized more than 120 Xylem Watermark events with suppliers, contributing to local community impact while strengthening supplier relationships. Engagement activities included volunteer programs, global awareness campaigns, and partnerships with nonprofit organizations such as Wine to Water and Planet Water Foundation. Through these collaborations, we expanded access to clean water, supported sustainable water infrastructure projects, and increased participation from suppliers, channel partners, and customers.

By combining reporting mechanisms, supplier due diligence, and collaborative engagement, we promote responsible business conduct, support the identification and mitigation of value-chain risks, and strengthen integrity and accountability across our supply chain, while advancing water security for communities.

ESRS S2-2; S2-3; GRI 403-7

Health and safety in our value chain

We protect the health and safety of workers across our value chain, including contractors and workers employed by business and supply partners. This focus is reflected in our policies, standards, and management processes, which set consistent expectations for safe and healthy working conditions.

Contractor safety management

Contractors perform critical work at Xylem sites, on projects and in field installations. We apply the same health and safety standards to contracted workers as to employees. Prior to contract award, contractor health and safety performance is assessed, including injury and illness rates, regulatory compliance history, and safety policies.

Contractors working on Xylem sites receive site-specific health and safety inductions covering hazards, control measures, PPE requirements, emergency procedures, incident reporting, and stop-work authority. For high-risk activities, appropriate competency training is required and monitored. Contractor safety risks are managed through defined EHS requirements, safe work procedures, audits, and corrective actions where needed.

Expectations for contractors and suppliers are further defined in our Business Partner and Supply Partner Code of Conduct, which requires compliance with applicable health and safety laws and proactive incident prevention. These measures support the identification, prevention, and mitigation of health and safety risks affecting workers in the value chain.

Water, sanitation, and hygiene (WASH)

We promote access to WASH as a core element of worker health and safety across our supply chain. In 2025, 47% of our global supplier base by spend committed to WASH. We expect suppliers to provide essential WASH facilities and uphold basic working conditions in line with our supplier expectations.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Targets and metrics

ESRS S3-4

Targets and progress

2025 Sustainability Goals[1]	2025	2024	2023[2]	2019[3]
Require suppliers to take the WASH4Work pledge for access to safe water, sanitation, and hygiene at the workplace *(% of global spend)*	**47**	**43**	**49**	**-**
Require suppliers to disclose sustainability information via EcoVadis or equivalent *(% of global spend)*	**47**	**42**	**43**	**-**
Establish a supplier community program to attract small businesses and suppliers that reflect the broad spectrum of markets we serve, with a goal of 9.5% spend with qualified small or diverse suppliers in the United States *(% of U.S. spend)*	**11**	**9**	**8**	**-**

1 Excluding Idrica.

2, 3 Legacy Xylem.

Accounting principles

EcoVadis assessment: A third-party review of a company's sustainability performance, evaluating its practices across Environment, Labor and Human Rights, Ethics, and Sustainable Procurement, providing a detailed scorecard and medal based on documented evidence and international standards.

Global spend for Xylem: All third-party spend as it relates to our 2025 Company Sustainability Goals (Supply Chain) is based on a 12-month rolling average (December to November) and not calendar year.

WASH4Work pledge: The WASH4Work pledge is a corporate commitment, in which companies pledge to provide safe water, sanitation, and hygiene (WASH) for all employees, extending efforts to their supply chains and surrounding communities to support Sustainable Development Goal 6 (SDG 6). Signatories commit to implementing these standards across their operations within three years, using a self-assessment tool to measure progress against best practices and identify gaps.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Affected communities

Access to safe water and sanitation is essential for healthy, resilient communities. Through our corporate social responsibility program Xylem Watermark and global partnerships, we expand water, sanitation, and hygiene (WASH) access, deliver water education, and provide humanitarian support to communities facing water challenges, enabling measurable, locally led impact.

GRI 2-25, 3-3

Management of impacts, risks, and opportunities

ESRS S3-1; GRI 2-23

Policies

Philanthropic Giving: Outlines approach to charitable giving through grants and matching donations to eligible nonprofit organizations, with criteria that promote fairness, inclusivity, and responsible use of funds while avoiding political, religious, or sensitive causes.

Gifts, Hospitality, Travel, and Charitable Contributions: Describes standards and procedures for giving and receiving business courtesies in compliance with corruption prevention laws, while supporting appropriate relationship-building. The policy provides guidance on acceptable limits, managing risks for improper influence or conflicts, and where to seek help.

Volunteer Time Off (VTO): Grants employees 20 hours of paid volunteer time annually for approved charitable activities, including through Xylem Watermark events. VTO requires manager approval, must be tracked in MyWatermark, and does not carry over to the following year. Leaders are encouraged to support employees in using their full allowance.

Corporate Matching Guideline: Describes Xylem Watermark's 1:1 matching of employee donations to eligible nonprofits, doubling the impact of each employee contribution.

ESRS S3-3; GRI 203-1, 203-2

Driving community impact

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

Our approach goes beyond technology. We focus on empowering communities through education, collaboration, and action—combining WASH solutions for underserved populations with employee volunteering, fundraising, humanitarian response, and partnerships that support resilient infrastructure. By aligning technical expertise with community engagement, we aim to create lasting, locally led impact.

ESRS IRO-2

Impacts, risks, and opportunities

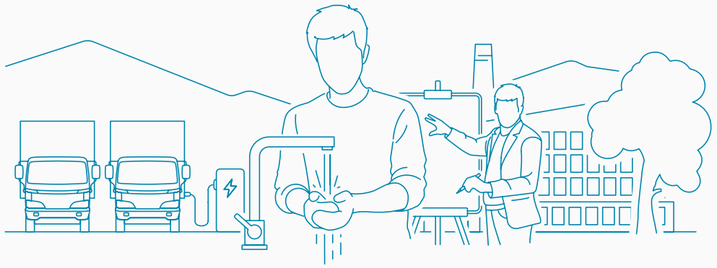
▲ Upstream

⊕ WASH education



▶ Our own operations

⊕ WASH education



▼ Downstream

⊕ WASH education
⊕ Humanitarian aid
⊕ Water education



Impact materiality	Financial materiality
⊕ Positive	↑ Opportunity
⊖ Negative	↓ Risk

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Advancing WASH access and capacity-building

Today, 2.2 billion people lack access to safely managed water, 3.5 billion live without adequate sanitation, and 2 billion lack basic hygiene facilities.[1] Climate extremes, conflict, and economic instability continue to slow progress toward the United Nations Sustainable Development Goal 6 (SDG 6): Clean Water and Sanitation for All. Access to safe WASH services improves health outcomes, supports education, and strengthens economic opportunity, while climate-resilient systems reduce vulnerability to shocks.

In 2025, our efforts to advance WASH access and build related capacities reached approximately 3.7 million people through donations, partnerships, innovative solutions, and strategic investments. By the end of 2025, we achieved a cumulative milestone of reaching 20 million people over seven years, demonstrating measurable progress in expanding access to safe and resilient WASH services.

Mobilizing donations

A key enabler of this progress was the launch of a streamlined in-kind donation process in 2025, which allows us to scale the deployment of high-value equipment and technology to nonprofit partners implementing water solutions in underserved communities. By pairing advanced technology with local implementation support, the program reduces financial barriers and accelerates deployment. For example, as part of the Lee County Pump project in South Carolina, United States, in collaboration with Community Engineering Corps (a program of Engineers Without Borders USA), we upgraded critical local water infrastructure. In Lynchburg (Virginia), United States, we sponsored the Path to New Wastewater Treatment Pumps initiative, contributing technical expertise and equipment that delivered tangible benefits to the community.

Providing WASH solutions

Partnerships remain central to delivering safe water and sanitation at scale. In 2025, collaboration with Wine to Water supported water filter build events and distributions that reached 50,000 people with over 4,100 filter kits. These efforts extended internationally through a rainwater harvesting initiative in Colombia and employee engagement activities for Ukraine. Our expansive work with Americares reached 1.6 million people across twelve countries—addressing urgent WASH needs of vulnerable and marginalized populations by improving access at healthcare facilities and implementing targeted actions at community level. At the same time, support for UNICEF's Regional WASH Programme strengthened multi-country initiatives serving refugees, internally displaced persons, and host communities in Ethiopia, Somalia, and Sudan. We contributed catalytic funding, technical expertise, and in-kind solutions for energy-efficient water access and managed aquifer recharge, reinforcing long-term resilience in fragile settings.

Investing for impact

Beyond direct donations and partnerships, we continue to invest strategically in scalable water technologies, infrastructure development, and growth-focused WASH ventures that combine commercial innovation with societal benefit. These investments help communities gain immediate access to water and sanitation, as well as systems capable of adapting to climate variability and population growth.

Looking ahead to 2030

To advance toward our 2030 WASH Goal, we are pursuing a multi-pronged strategy to reach 80 million additional people with climate-resilient WASH access and capacity-building, including disaster response support. This includes partnering with customers and suppliers to implement global WASH projects, scaling skills-based volunteering, strengthening the pipeline of water-sector talent, and expanding commercial WASH offerings alongside in-kind support. Employees remain central to these efforts through our commitment to dedicating 1% of their time to water-related causes.

[1] The United Nations World Water Development Report 2024: Water for prosperity and peace



- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Spotlight

Powering resilience: Climate-smart water systems transforming WASH in East Africa

Across the East and Horn of Africa, conflict, resource insecurity, and climate extremes have displaced 25 million people—nearly half of them children. In fragile settings across Ethiopia, Somalia, and Sudan, access to safe water is not only a humanitarian need, it is a foundation for health, stability, and opportunity.

Xylem is helping power the ongoing UNICEF[2] Regional WASH Programme (R-WASH)—a multi-year, multi-country initiative implemented with the United Nations Office of the High Commissioner for Refugees (UNHCR) with support from the Government of Germany and KfW Development Bank—to deliver climate-resilient water and sanitation services to more than 560,000 refugees and internally displaced persons and over one million host community members.

The impact is already tangible and local.

In Ethiopia's Somali region, solar-powered boreholes are replacing diesel generators in camps such as Kebribeyah and Aw-Barre—cutting fuel dependency while improving service reliability. Between 2024 and 2025 alone, solar installations reduced fuel and generator operating costs by 42%. In Sudan, similar upgrades in the targeted camps have reduced water-related expenditures by 33%. These savings free up scarce public and donor resources to expand essential services.

In Dolow, Somalia, completion of a new well field is securing resilient water access for more than 170,000 displaced people and host community members. At the same time,



© UNICEF/UNI851867/Saif

Xylem's support for innovative managed aquifer recharge modeling is helping capture and store floodwaters underground—strengthening groundwater reserves in one of the world's most climate-vulnerable regions. The approach offers a scalable blueprint for arid communities across Sub-Saharan Africa.

Beyond infrastructure, R-WASH is building long-term capacity. Four local utilities—including the Dolow Water Management Company and newly established utilities in Ethiopia's Somali region—are transitioning from NGO-managed systems to professional, utility-led operations. With training, financial billing systems, and operational roadmaps in place, water services are being embedded into national institutions, strengthening accountability and sustainability.

By combining catalytic funding, solar technology, groundwater expertise, and utility capacity-building, Xylem Watermark's support is accelerating the shift from short-term relief to durable, climate-smart WASH systems. The result is more than infrastructure; it strenghtened local ownership, reduced environmental impact, and sustainable water access for communities facing some of the world's most complex humanitarian challenges.

In advancing resilient WASH solutions at scale, Xylem and our partners are helping transform vulnerability into long-term water security—and bringing safe water closer to those who need it most.

> "R-WASH is transforming how water services are delivered in displacement settings. With Xylem's support, we are moving from costly emergency solutions to climate-resilient systems managed by local utilities, reducing operational costs while giving communities reliable water for the long term."
>
> **Lavuun Verstraete,**
> Programme Manager of UNICEF's R-WASH

[2] UNICEF does not endorse any company, brand, product or service.

Water awareness and education

Sustainable WASH access depends not only on infrastructure, but also on knowledge, behavior change, and community ownership. Our water awareness and education initiatives mobilize individuals to adopt responsible WASH practices and build local capacity to operate and maintain water systems. In 2025, we reached 2.6 million people through water education initiatives, achieving our 2025 Sustainability Goal of delivering water education to 15 million people cumulatively.

Through our partnership with the football club Manchester City F.C., the Play Smart campaign continued to inspire fans worldwide to adopt smart water-saving behaviors at home. In 2025, we reached 2.1 million individuals with targeted, interactive education—including a Water Score Calculator to help people better understand and reduce their household water consumption.

Together with Manchester City, we also delivered the Water Champions Project (WCP), a youth-led initiative using football-based activities to deliver vital WASH education across 10 cities worldwide. In 2025, WCP engaged more than 7,800 young people, upskilled 131 Young Leaders, and improved understanding of water safety and health, with 94% of surveyed participants reporting increased knowledge. On World Water Day, Young Leaders in all 10 cities delivered local volunteering events addressing urgent water challenges, while social impact storytelling from the program generated 57 million digital views worldwide.

We also expanded our collaboration with Engineers Without Borders USA, introducing new virtual do-it-yourself science, technology, engineering, and mathematics (STEM) workshops that enabled more Xylem employees to mentor community college students on real-world water challenges. This initiative strengthens technical knowledge, supports equitable access to water-related career pathways, and contributes to long-term sector resilience.

In partnership with Planet Water Foundation, hygiene education remains embedded in all AquaTower school projects, so that access to safe drinking water is reinforced by healthy hygiene behaviors such as handwashing and germ prevention. In 2025, hygiene education programs directly linked to AquaTower installations reached nearly 16,000 students across 24 schools. Beyond physical installations, the digital Germ Chasers hygiene education campaign reached an additional 183,500 students across 367 schools in multiple countries, using interactive virtual tools to educate underserved communities and foster lasting behavioral change.

By integrating infrastructure investment with education, digital engagement, and community empowerment, we strengthen local ownership and enhance the long-term sustainability of water solutions.



In 2025, we reached 2.6 million people through water education initiatives.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Disaster response and community resilience

During natural disasters and climate-related events, WASH services are often among the first critical systems to be disrupted. Restoring access to safe water quickly is essential to protect public health and help communities begin to recover. Pumping and water treatment solutions also help remove floodwaters, reopen roads, and support hospitals and other critical facilities. Beyond immediate relief, strengthening preparedness and resilience helps communities better withstand future shocks.

We support disaster-affected communities by mobilizing our people, partners, technology, and funding to deliver practical, timely assistance—sometimes in places where our employees live and work. Our approach combines emergency response with longer-term preparedness. This includes repositioning and deploying pumping and water treatment equipment to address flooding and contaminated water, supporting nonprofit partners through grants and matching campaigns, engaging employees in volunteer and supply collection efforts, and promoting preparedness through simulation activities and WASH education programs delivered with partners.

In 2025, we provided humanitarian assistance in 46 disaster-affected areas across 22 countries. Through our partnership with Planet Water Foundation, we supported eight emergency responses across Asia, Latin America, and the Caribbean, installing AquaBlock and AquaTower filtration systems to provide safe drinking water in evacuation centers, schools, and community hubs in countries including Jamaica, Myanmar, the Philippines, Mexico, and Indonesia. Support for Mercy Corps' Rapid Response Fund facilitated early-stage crisis assistance in Jamaica, Haiti, Somalia, Indonesia, Afghanistan, Lebanon, Myanmar, and Syria, reaching more than 589,000 people with WASH services, emergency supplies, and early recovery support.

Together, these actions help communities meet urgent needs while strengthening local capacity and resilience in the face of increasing climate and disaster risks.

Seven years of relief, recovery, and resilience

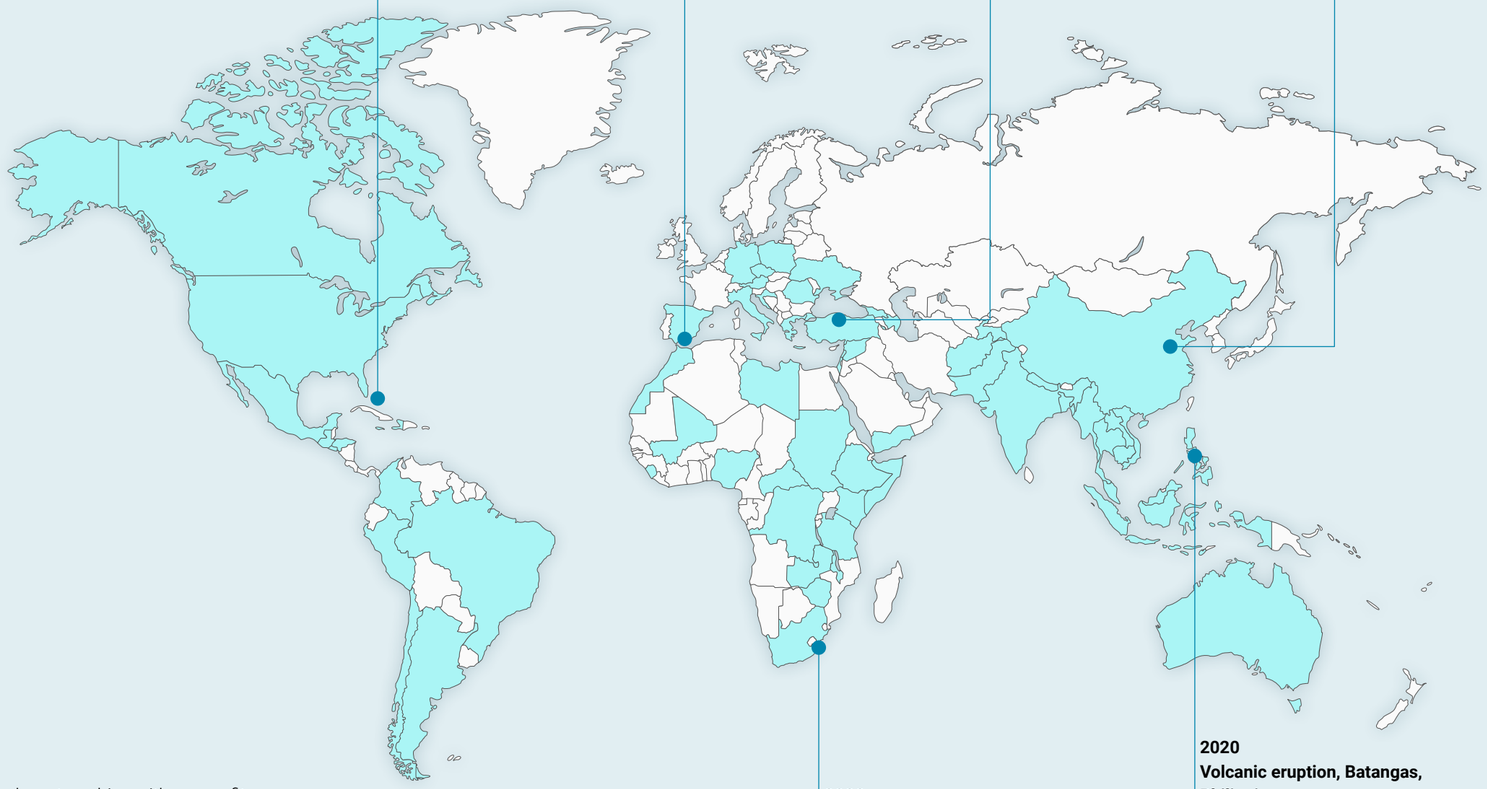
Over the past seven years, Xylem has responded to 200 disasters worldwide, providing immediate relief and long-term support to communities affected by climate events, storms, floods, and other crises.

2019
Hurricane, Bahamas
Xylem collaborated with NGOs, local response agencies, and utilities to deploy pumping technology and technical expertise, accelerating dewatering efforts and restoring critical drinking water infrastructure.

2024
Flooding, Valencia, Spain
Xylem volunteers worked with local partners to deploy more than 20 dewatering pumps at no cost to impacted communities.

2023
Earthquake, Türkiye
Xylem coordinated with local response agencies and Planet Water Foundation to deploy 16 AquaBlock water filtration units across displacement camps in three affected provinces.

2021
Flooding, Henan, China
Xylem teams supported customers and communities by donating approximately 40 Godwin and Flygt dewatering pumps to assist flood recovery efforts.



Through partnerships with nonprofit organizations, local authorities, and our own employees, we have delivered safe water, sanitation, emergency supplies, and recovery assistance to 66 countries.

2022
Flooding, Durban, South Africa
Working with local partners, Xylem South Africa deployed a trailer-mounted water filtration system to treat contaminated water supplies while damaged infrastructure remained offline for an extended period.

2020
Volcanic eruption, Batangas, Philippines
In partnership with Planet Water Foundation, Xylem supported the installation of emergency water filtration systems at schools serving as displacement shelters. Employee volunteers also distributed relief supplies, served meals, and raised funds.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Spotlight

From crisis to recovery: Our Hurricane Melissa response

In October 2025, Hurricane Melissa—one of the most powerful Atlantic storms on record—made landfall in Jamaica with sustained winds of 298 km/h. Catastrophic flooding and landslides caused widespread infrastructure damage, disrupting electricity, health services, and water systems. More than 2.3 million people were affected, including over 30,000 displaced, and communities across western Jamaica faced urgent shortages of safe drinking water and medical care.

Xylem activated a coordinated, multi-partner response to address immediate water, health, and recovery needs. Through our partnership with Planet Water Foundation, six AquaBlock emergency water filtration systems were rapidly deployed in the hardest-hit parishes of Westmoreland, Trelawny, and St. Elizabeth. Installed at shelters, schools, and community hubs, each system can produce up to 700 liters of safe drinking water per hour—collectively providing reliable access to clean water for up to 36,000 people and helping reduce the risk of waterborne disease.

To support frontline health services, we partnered with global nonprofit Americares as part of its $3 million emergency health response. Assessment teams mobilized quickly, distributing essential medicines and hygiene supplies, preparing mobile medical services, and coordinating with national and regional authorities to help stabilize primary care and strengthen health system resilience during the acute response phase.

We also worked with global nonprofit Wine to Water to distribute portable water filters to households with limited access to centralized treatment, expanding safe water coverage in remote and hard-to-reach communities.

In parallel, support through the Rapid Response Fund of global humanitarian nonprofit Mercy Corps enabled immediate relief and early recovery planning. Funding supported prompt needs and market assessments, distribution of essential non-food items through local partners on the ground in Jamaica, and groundwork for recovery approaches designed to operate through local markets to strengthen local capacity.

By combining water technology, healthcare support, local partnerships, and early recovery funding, our response to Hurricane Melissa addressed urgent humanitarian needs while helping lay the foundation for longer-term community resilience.



- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

ESRS S3-4

Targets and metrics

Targets and progress

2025 Sustainability Goals[3]	2025	2024	2023[4]	2019[5]
Give 1% of company profits to water-related causes and education *(% (million $))*	1 (9.1)	0.7 (6.4)	0.8 (4.8)	1 (2.5)
Deploy humanitarian aid to 200 areas affected by water-related natural disasters *(#)*	200	154	111	11
Provide 15 million people with water education to improve quality of life and raise awareness of water issues *(millions)*	15	12.4	10.3	0.32
Engage 100,000 stakeholders in volunteer events *(#)*	28,700	24,600	22,200	3,500
Provide access to clean water and sanitation solutions for at least 20 million people living at the base of the global economic pyramid *(millions)*	20	16.3	12.7	0.6

2030 Sustainability Goals	Progress in 2025	Progress toward 2030
Improve water security for 80 million people by the end of 2030 by enabling climate-resilient WASH access and capacity-building in under-resourced, water-insecure communities *(millions)*	-	**Reporting begins in 2026.**
Engage strategic partners in more than 1,000 community activations that advance WASH access and resilience *(#)*	-	**Reporting begins in 2026.**

3 Excluding Idrica.

4 Legacy Xylem.

5 Legacy Xylem.

Accounting principles

Company profits: Defined as GAAP net income.

Engage strategic partners in more than 1,000 community activations 2030 Sustainability Goal: This goal tracks the cumulative number of community activations completed with customers, suppliers, and other strategic partners that advance WASH access, resilience, or capacity-building. Activations may include partner-led or jointly delivered projects, events, or programs supported by Xylem and are counted on a per activation basis, regardless of size or duration. Reported totals reflect activities completed within the reporting period and do not represent unique beneficiaries or comparable levels of impact across activations. Definitions, qualifying criteria, and tracking processes may be refined over time to reflect improvements in data availability or program design.

Improve water security for 80 million people 2030 Sustainability Goal: Progress toward this goal is measured by calculating the number of people reached through Xylem-enabled improvements to water, sanitation, and hygiene (WASH) access and capacity-building in under-resourced, water-insecure communities. Estimates are based on the output and intended use of deployed WASH solutions (e.g., drinking water systems, sanitation facilities, hygiene infrastructure), as well as capacity-building and education programs delivered through partners. Where applicable, reach is calculated using solution-specific performance assumptions and population data provided by on-the-ground partners. Xylem applies the WASH Benefits Accounting Framework to estimate impact from in-kind donations, funded programs, and sales of WASH solutions, using methodologies appropriate to the intervention type. Reported figures represent estimated reach or benefit enabled during the reporting period and do not imply continuous access, exclusivity, or guaranteed long-term outcomes. Progress is measured annually from 2025 through 2030 and may be updated as methodologies, assumptions, or partner data evolve.

Measuring WASH access: When installing new WASH solutions in schools, hospitals, homes, and communities, we consider the number of individuals affected based on the output of these solutions. For instance, each AquaBlock emergency water system deployed in partnership with Planet Water Foundation can produce 700 liters of drinking water per hour, effectively meeting the daily drinking water needs of up to 6,000 people. Similarly, when enhancing WASH infrastructure or facilities in institutions or communities, such as repairing handwashing stations in schools, installing latrines in hospitals, or optimizing existing water systems to promote water conservation, our on-the-ground partners assist us in assessing the impact of these interventions. This evaluation takes into account the population utilizing these facilities and those who benefit from the improvements moving forward. Operating at the systemic level, we advocate for WASH access and education improvements by collaborating with partners who aim to foster change at the governmental level. When Xylem allocates dedicated funding to our partners for systemic WASH programs, we are able to track our reach in terms of improved WASH education and access as a proportion of the partners' annual WASH beneficiaries.

Water-related natural disasters: Our definition of a water-related natural disaster is based on the classification of disasters by the EM-DAT – International Disaster Database of the Centre for Research on the Epidemiology of Disasters: Water-related natural disasters refer to meteorological, hydrological, and climatological disasters such as droughts and wildfires, floods, wet mass movements (landslide, avalanche, subsidence), storms, wave action, or waterborne disease outbreaks. To be affected by water-related natural disasters is to experience, as a result of the disaster, reduced access to clean water or safe sanitation, damage to person or property, and/or exposure to pollution. Xylem also considers technological disasters and disasters such as earthquakes and airborne pandemics, which do not include damage through water, if there is a water-related aid response.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - Own workforce
  - Workers in the value chain
  - Affected communities
  - Customers and end users
- Business conduct
- Appendix

Customers and end users

Providing safe, affordable, and reliable water solutions is central to how Xylem serves communities and customers. Our products and services directly support public health, sanitation, safety, and data protection, while also creating operational and compliance responsibilities we must manage with care. Through strong governance, affordability-focused innovation, and proactive product safety management, we work to maximize positive societal impact while responsibly managing risks across the value chain and supporting resilient water systems for the communities we serve.

GRI 2-25, 3-3

Management of impacts, risks, and opportunities

ESRS S4-1; GRI 2-23

Policies

Product Safety: Requires relevant teams to implement programs to design, develop, and market products that meet safety requirements and evaluate all foreseeable uses, supporting the protection of customers, employees, the public, and the environment.

Product Safety Issue Reporting: Defines reporting requirements and procedures to address product safety concerns promptly and accurately, including appropriate disclosure to affected parties, in compliance with legal and corporate obligations.

Product Safety Labels and Warnings: Requires relevant teams to implement programs to provide and verify that all Xylem products and components carry appropriate labels and warnings, supporting the safety of customers, employees, users, the public, and the environment.

ESRS S4-3

Advancing affordability in water solutions

Reliable water services are essential for healthy communities and resilient economies, yet utilities face growing financial and workforce constraints. Meeting global drinking water goals by 2030 requires an estimated $1.7 trillion in investment[1]—nearly triple current spending—while increasing system complexity and significant workforce retirements strain operational capacity. These pressures heighten the need for solutions that deliver reliability and resilience at an affordable cost.

This situation creates both urgency and opportunity. Growing demand for water and sanitation solutions is accompanied by a shift in customer priorities to a focus on optimizing assets, improving productivity, and reducing lifecycle costs. Utilities are seeking integrated approaches that combine digital capability with operational expertise, enabling them to do more with fewer resources while managing increasingly complex systems.

1 OECD - Financing water: Investing in sustainable growth

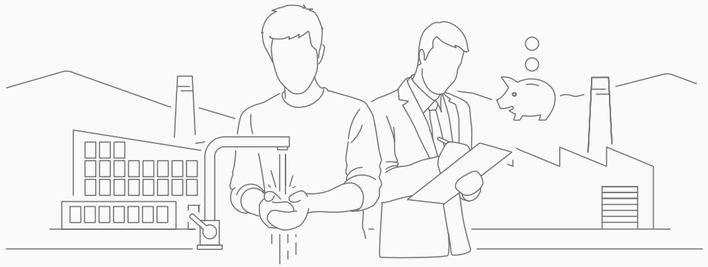
ESRS IRO-2

Impacts, risks, and opportunities

▲ Upstream



▶ Our own operations



▼ Downstream

- ⊕ Product impact on health, sanitation, and safety
- ↑ Affordable and accessible water sanitation solutions
- ↓ Equipment-related safety and liability risks
- ↓ Data privacy and compliance risks



Impact materiality	Financial materiality
⊕ Positive	↑ Opportunity
⊖ Negative	↓ Risk

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - S1 – Own workforce
  - S2 – Workers in the value chain
  - S3 – Affected communities
  - S4 – Customers and end-users
- Business conduct
- Appendix

Spotlight

Smarter spending, stronger systems: Transforming capital planning in Aurora

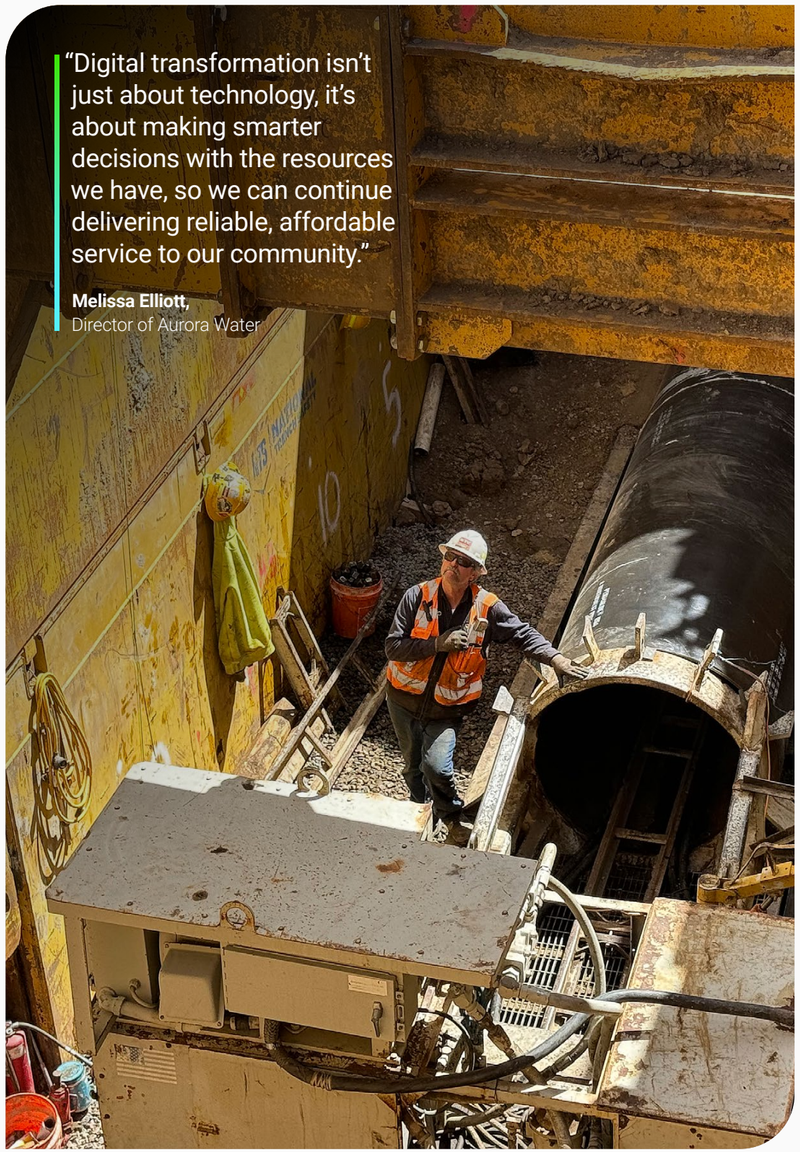
In Aurora (Colorado), United States, rapid population growth and aging infrastructure were placing increasing strain on both the city's water system and its budget. Like many utilities, Aurora Water needed every infrastructure dollar to deliver maximum impact for the community it serves.

A capital improvement budget is the long-term funding plan for major infrastructure investments such as replacing pipelines, upgrading treatment plants, and expanding system capacity. These investments shape service reliability for decades and directly influence what customers pay for water services.

Working with Xylem, Aurora Water applied machine learning across historical, environmental, and hydraulic data to identify its highest-risk assets. With advanced analytics and modeling, the utility generated data-driven recommendations it could confidently present to the city council.

The results were transformative. The analysis supported an increase in the capital improvement budget from $5 million to $28 million, allowing the utility to direct funding where risk—and community impact—were greatest. Instead of replacing assets based solely on age, Aurora Water now prioritizes investments based on real system risk, reducing the likelihood of costly emergency failures and avoiding unnecessary capital spending.

By combining advanced analytics with operational expertise, Xylem helps utilities unlock funding, optimize capital allocation and stretch limited budgets—strengthening resilience for communities while delivering affordability for customers.



Xylem helps customers make the most of limited budgets and workforce capacity, and reduce system complexity, by integrating digital tools, analytics, and advisory services that maximize limited financial and human resources. Real-time monitoring and AI-driven insights help optimize infrastructure and prioritize capital investments. Automated workflows and unified data systems streamline operations and preserve institutional knowledge. Complementary service partnerships bridge skills gaps and guide modernization, helping investments translate into operations value.

By enabling customers to stretch financial resources, empower smaller teams, and operate more predictively, Xylem supports the delivery of safe, affordable water services today, while helping customers build resilient systems for the future.

ESRS S4-3; GRI 403-7, 416-1, 416-2

Proactive management of product safety risks

We take appropriate safety measures related to the use of our products and services to protect customers, end users, employees, the public, and the environment. Product safety considerations are integrated throughout the product lifecycle and supported by formal governance, risk assessment, and incident management processes. In 2025, product safety processes and reporting were expanded to include Idrica.

Governance of product safety

Oversight of product safety is provided by Xylem's Board of Directors, primarily through delegation to the Audit Committee, which reviews product safety governance and performance with management. Xylem's Product Safety Policy requires safety to be addressed at all stages of product development and support, including design, manufacturing, installation, operation, maintenance, and end of life.

The Product Safety Management System—supported by Product Safety Review Committees and a Product Safety Manual—provides a structured framework for identifying, managing, and resolving safety-related inquiries and incidents. All cases are tracked and reviewed at multiple levels, with clearly defined roles, responsibilities, and annual training requirements. Product safety dashboards are used across business units and reviewed quarterly by the Product Safety Steering Committee.

Incident management and performance

In 2025, Xylem recorded 18 product safety inquiries. Seven were classified solely as inquiries; seven were near misses, and 16 involved low-potential safety hazards that were mitigated or eliminated through corrective actions. One incident was classified as minor, with no reported personal injury. Each case resulted in one or more corrective actions to reduce the likelihood of recurrence.

During the year, the Product Safety Steering Committee aligned to benchmark performance against industry practices and established a global objective to achieve an average closure time of 90 days or less for product safety inquiries. A defined measurement starting point was implemented to support consistent tracking and evaluation, reinforcing expectations for timely responsiveness.

Product safety risk assessments

Safety risks for new and modified products are evaluated during development, particularly where design changes may affect safety. Risks are documented and addressed through design or process improvements prior to product release. Product safety incidents are reviewed at the local level and escalated, as appropriate, to the relevant Product Safety Review Board to develop and implement risk mitigation actions.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
  - S1 – Own workforce
  - S2 – Workers in the value chain
  - S3 – Affected communities
  - S4 – Customers and end-users
- Business conduct
- Appendix

Targets and metrics

Targets and progress

Product safety *(#)*	2025	2024	2023	2019[2]
Recorded product safety inquiries	**18**	**27**	**34**	**26**
Recorded product safety inquiries classified solely as inquiries	**7**	**19**	**24**	**14**
Recorded product safety inquiries classified as near misses	**7**	**6**	**11**	**7**
Recorded product safety inquiries classified as low-potential safety hazards and mitigated or eliminated upon resolution	**16**	**17**	**25**	**20**
Recorded product safety inquiries classified as minor incident with no reported personal injury	**1**	**2**	**3**	**2**

2 Legacy Xylem.

Accounting principles

Low potential product safety hazard: An incident indicating potential safety or compliance risk with no personal injury and no material or property damage. Response includes corrective action, quality review, and monitoring for recurrence.

Minor potential product safety hazard: An incident indicating a moderate risk of recurrence, resulting in no personal injury or only temporary, reversible effects not requiring medical treatment, and minor material or property damage. Response includes formal investigation, corrective and preventive action (CAPA), and regulatory reporting where required.

Product safety inquiry: An initial report of a potential product-related hazard submitted to encourage open, proactive reporting. At this stage, the source and validity of the concern have not been confirmed. The inquiry enables prompt investigation and root-cause assessment and may remain classified as an inquiry or be elevated to a near miss or incident based on findings.

Product safety incident: A confirmed product-related hazard verified through a documented investigation in alignment with ISO 103077, including root-cause analysis and risk mitigation. Incidents arise when a hazard is attributable to the product (e.g., design, manufacturing, supplier performance, instructions, or warnings) and may or may not involve harm but presents a verified risk of injury or property damage. Incidents trigger defined governance, corrective actions, and regulatory compliance processes.

Product safety near miss: A validated product-related hazard that could have resulted in injury, property damage, or defect but did not, due to chance or timely intervention. Near misses are treated as indicators of emerging risk and are subject to containment, root-cause review, and trend monitoring.

Business conduct

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
  - Business conduct
- Appendix



- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
  - Business conduct
- Appendix

GRI 2-24, 2-27

Business conduct

Responsible business conduct is fundamental to Xylem's long-term success and how we operate, innovate, and create value for our stakeholders. We embed integrity, accountability, and ethical decision-making across our organization through strong governance practices, robust policies, employee training, and a commitment to compliance.

Our ethics and compliance program upholds rigorous standards in areas including regulatory compliance, anti-corruption, and antitrust. We also maintain a comprehensive cybersecurity and data-protection program, safeguarding intellectual property to support innovation, and engaging in responsible and transparent public policy advocacy.

These governance practices extend across our operations and value chain, where we focus on strengthening compliance with laws and policies, risk management, transparency, and oversight in line with the scale and complexity of our global activities. Through the use of digital tools, enhanced due diligence practices, and ongoing engagement, we work to identify and manage risks, reinforce compliance expectations, and support resilience across our business.

Together, these efforts help mitigate operational, legal, and reputational risks for Xylem and our value chain. By operating responsibly and with integrity, we reinforce stakeholder trust, support long-term value creation for our company and business ecosystem, and advance our purpose of building a more water-secure world.

GRI 2-25, 3-3

Management of impacts, risks, and opportunities

ESRS G1-1, S4-1; GRI 2-23, 205-2

Policies

Responsible business conduct policies

Code of Conduct: Establishes commitment to the highest ethical standards, respect for all stakeholders, and fair workplaces, detailing expected employee behaviors and providing guidance that aligns with company policies, applicable laws, and evolving industry standards.

Conflict of Interest: Defines conflicts of interest, explains the importance of disclosure, and outlines employee responsibilities for identifying and managing potential conflicts to protect employees and Xylem from harm. A multi-language guide provides additional guidance and resources.

Antitrust and Competition Law Compliance: Affirms Xylem's commitment to ethical business practices and compliance with antitrust and competition laws by preventing, managing, and mitigating related risks. The policy promotes fair competition, guards against unlawful restraints on trade, and is supported by toolkits with practical checklists outlining appropriate and prohibited actions.

ESRS IRO-2

Impacts, risks, and opportunities

▲ Upstream

- ⊖ Limited supply chain visibility
- ↓ Non-compliance with global privacy regulations
- ↓ Cyber and supply chain disruption risk
- ↓ Geopolitical changes



▶ Our own operations

- ⊕ Responsible corporate conduct
- ⊕ Whistleblower protection
- ⊖ Corruption and bribery incidents
- ⊖ Limited supply chain visibility
- ↓ Failing to uphold responsible business conduct commitments
- ↓ Non-compliance with global privacy regulations
- ↓ Cyber and supply chain disruption risk
- ↓ Geopolitical changes



▼ Downstream

- ↓ Non-compliance with global privacy regulations
- ↓ Cyber and supply chain disruption risk



Impact materiality	Financial materiality
⊕ Positive	↑ Opportunity
⊖ Negative	↓ Risk

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
  - Business conduct
- Appendix

Reporting Concerns and Non-Retaliation: Outlines when and how employees should report suspected or actual misconduct or non-compliance, as well as Xylem's responsibilities in responding to such reports. The policy also reinforces the company's commitment to a strict non-retaliation standard.

Anti-Corruption: Defines requirements for complying with global anti-corruption laws, preventing improper payments, and ensuring third parties uphold Xylem's ethical standards, with a supporting manual that highlights key compliance requirements, procedures, and resources.

Gifts, Hospitality, Travel, and Charitable Contributions: Describes standards and procedures for giving and receiving business courtesies in compliance with corruption prevention laws, while supporting appropriate relationship-building. The policy provides guidance on acceptable limits and managing risks for improper influence or conflicts.

Political Activities: Outlines approach to engaging in the public policy process in a responsible, transparent, and lawful manner. The policy promotes compliance with the Code of Conduct and applicable laws, supports accountability and integrity in political activities, and helps protect Xylem's reputation.

Product Cybersecurity: Establishes the product cybersecurity program to manage cybersecurity risks in connected products, keeping them secure by design and compliant with regulatory, contractual, and internal cybersecurity standards.

Cybersecurity: Defines the cybersecurity framework, including roles, responsibilities, and controls for protecting information and information assets based on risk, sensitivity, and regulatory requirements, while supporting compliance and safeguarding Xylem's reputation.

Acceptable Use of Information Technology: Defines acceptable and unacceptable use of Xylem information assets, aligning with the Code of Conduct, corporate policies, and applicable laws, while promoting protection of assets and adherence to Xylem's core values.

Intellectual Property: Provides guidance on the creation, protection, and lawful use of intellectual property at Xylem to support innovation and the development of smart water and infrastructure solutions.

Record Retention: Establishes requirements for creating, storing, retaining, and securely disposing of physical and electronic business records in compliance with legal, regulatory, and operational needs. It mandates adherence to applicable record retention schedules, including special provisions for personal data, legal holds, and contractual obligations.

Data Privacy: Establishes a global framework for protecting personal data in compliance with applicable privacy laws. It outlines governance roles, data privacy principles, and requirements for lawful processing, transparency, data minimization, retention, and security.

Business Proprietary Information: Establishes commitment to safeguarding proprietary business information as a legal, ethical, and operational imperative. It defines what constitutes proprietary information, outlines measures for its protection, and prohibits unauthorized disclosure or misuse.

Supplier management policies

Business Partner and Supply Partner Code of Conduct: Outlines expectations for business partners and supply partners regarding business integrity, social and environmental responsibility, and continuous sustainability improvement, embedded in standard procurement terms and applicable to all global business partners and supply partners, while encouraging initiatives that enhance safety, efficiency, and sustainability across their operations, supply chains, and subcontractors.

Global Procurement: Provides a structured framework and guidance for conducting procurement activities with integrity, transparency, and accountability, supporting best overall value creation for Xylem while managing supply chain risks and upholding ethical and social responsibility standards across the global supply base.

Supplier Qualification: Provides a structured process to evaluate whether a supplier meets minimum business criteria and quality requirements to become an approved supplier.

Supplier Quality Manual: Supplements Xylem's Standard Terms and Conditions of Purchase and communicates supplier requirements and core expectations.

Supplier Risk Management: Provides a structured process and guidelines for identifying, evaluating, mitigating, monitoring, and managing supplier risks in the supply base.

ESRS G1-2

Responsible business conduct

Ethics and compliance

Xylem's global ethics and compliance program reflects our commitment to conducting business with integrity, complying with applicable legal and regulatory requirements, and upholding ethical standards across all operations. The program is designed to prevent, detect, and address misconduct while maintaining trust with employees, customers, suppliers, and partners. We have zero tolerance for workplace misconduct, retaliation, bribery, or corruption, and expect our business partners to uphold the same high standards. The program is strengthened through regular monitoring of regulatory developments, analysis of Xylem Integrity Line reports, insights from due diligence platforms, employee feedback, audit findings, and risk assessments.

Our ethics and compliance policies are regularly reviewed, updated, and communicated, are easily accessible to all employees, and are available in multiple languages. Each policy clearly explains how to report suspected or actual misconduct, outlines consequences for noncompliance, and identifies available resources for guidance and support.

The semi-annual ethics and compliance training supports employees in applying ethical principles to daily decision-making. Training modules require acknowledgment of policy commitments and are tailored to employees' roles when applicable. For production staff and certain targeted employees, we hold regular in-person instruction designed to reinforce key policies and provisions of our Code of Conduct.

Oversight is provided by the Chief Ethics and Compliance Officer (CECO), who reports regularly to relevant Board committees. The CECO works closely with Ethics and Compliance Review Boards, which are cross-functional groups of senior leaders, to monitor and manage ethics and compliance risks across the organization. A network of over 100 trained Integrity Ambassadors provides confidential local support to employees worldwide, reinforcing accountability and transparency.

Code of Conduct

Our Code of Conduct was updated in 2025 to align with evolving regulatory requirements and industry best practices. It establishes the foundation for ethical decision-making and responsible business behavior. It guides employees in acting with integrity, complying with laws, safeguarding assets and property, competing fairly, safeguarding data privacy, managing conflicts of interest, ethical use of AI, rejecting corruption and fraud, community responsibility, and fostering a respectful, safe, and non-retaliatory workplace. Where local laws impose stricter requirements, those laws take precedence.

All employees, directors, and officers are expected to follow the Code. Training is provided upon joining Xylem and annually thereafter, via online and in-person sessions, and includes acknowledgment of understanding and compliance. Production employees also receive in-person training and ongoing communications to reinforce ethical behavior and the importance of speaking up against misconduct.

Our business partners and supply partners are expected to comply with our Business Partner and Supply Partner Code of Conduct, which models our Code of Conduct and outlines expectations regarding business integrity, social and environmental responsibility, and continuous sustainability improvement.

GRI 205-1, 205-2

Anti-corruption and fraud prevention

We maintain a comprehensive framework to prevent, detect, and respond to bribery, corruption, and fraud. Risk assessments are conducted at least annually to identify high-risk regions, third parties, and business activities, and these assessments inform training, policies, and monitoring activities. Higher-risk third parties, including identified channel partners, suppliers, agents, and joint venture partners meeting the thresholds of our anti-corruption due diligence framework, undergo anti-corruption due diligence, which includes certifying that they will comply with our Business Partner and Supply Partner Code of Conduct and applicable anti-corruption laws.

Corrective measures are applied when gaps are identified, ranging from enhanced due diligence, training, and monitoring to suspension of transactions or termination of business relationships in severe cases.

The Gifts, Hospitality, Travel, and Charitable Contributions Policy supports lawful business courtesies while mitigating potential bribery risks. Employees must seek pre-approval for higher-risk expenditures from the Ethics and Compliance team, who review, track, and monitor these activities.

Training reinforces anti-corruption awareness and practical application of policies. We deliver annual online and instructor-led anti-corruption training globally, reaching employees in commercial, procurement, and senior management roles. Additional in-person sessions are provided for key third-party partners.

Potential fraud risks are identified by various means, such as reporting mechanisms and automated expense monitoring, and are addressed by robust internal controls, segregation of duties, approval workflows, and continuous auditing.

In 2025, no material incidents of corruption or bribery were identified.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
  - Business conduct
- Appendix

Spotlight



Advancing integrity and impact through partnership

Strong governance and meaningful impact often take shape through steady, behind-the-scenes leadership. That leadership is reflected in the work of our Channel Administrators, who play a critical role in Xylem's anti-corruption due diligence process. More than 100 Channel Administrators worldwide support select third-party engagements, helping translate our business standard expectations into trusted, transparent business relationships.

Based in South Africa, Molly Motau has served as a Channel Administrator since 2021. Her work exemplifies how technical rigor and human connection can work together to strengthen compliance and create lasting impact. Molly began her career at Xylem as a due diligence coordinator, drawing on her background as a commercial attorney and a long-standing interest in ethical governance. She was equally motivated by our mission to address water scarcity—an issue with deep relevance across Africa—and by our hands-on approach to sustainability through initiatives such as our corporate social responsibility program Xylem Watermark, where employees contribute time and expertise directly to communities.

In her current role, Molly leads the anti-corruption due diligence process across the African region, working closely with sales teams and business partners. She approaches compliance as a shared responsibility and starting point for trust. By guiding partners through regulatory expectations with clarity and empathy, Molly helps turn complex requirements into constructive dialogue. This approach supports stronger alignment, encourages openness, and lays the groundwork for long-term collaboration rooted in shared values.

Molly's contributions extend beyond third-party due diligence. She also leads the Black Economic Empowerment (BEE) program for Xylem South Africa, coordinating planning, audits, and regulatory compliance alongside a seven-person team. Through this work, she supports broader economic inclusion and ownership, reinforcing our commitment to societal progress as part of our sustainability journey.

Through professionals like Molly, our company values are put into practice every day. Her work strengthens ethical partnerships, supports inclusive growth, and helps create conditions for sustainable water solutions—demonstrating how consistent, thoughtful leadership paired with strong governance practices can drive impact across communities and markets alike.

GRI 206-1

Antitrust

We uphold fair competition and compliance with global antitrust and competition laws. Policies, training, and proactive monitoring are applied to identify, assess, and mitigate risks for anti-competitive behavior. Employees receive targeted training before trade shows, industry events, and commercial negotiations, with refresher sessions to reinforce understanding of applicable regulations.

The antitrust program includes guidance on pricing discussions, market allocation, and information sharing to prevent violations. Compliance is supported through reporting mechanisms, risk assessments, and internal audits.

GRI 2-15

Conflict of interest

Our Conflict of Interest Policy and Guide help employees, directors, and officers recognize, disclose, and manage personal or professional interests—such as financial interests, outside employment, or relationships with suppliers or customers—that could influence decisions affecting the company.

Employees are required to disclose potential conflicts proactively and seek guidance from supervisors, HR, or the Ethics and Compliance team. Training and communication emphasize risk recognition and use real-world scenarios. Regular monitoring and escalation processes support accountability and consistent management of conflicts across the organization.

GRI 205-2

Ethics and compliance training

Integrity is a core value at Xylem. Training covers the Code of Conduct, reporting concerns, non-retaliation, workplace respect, anti-corruption, fraud prevention, antitrust, data privacy, cybersecurity, ethical leadership, conflict of interest, and workplace violence prevention. Training is delivered online and in person, with completion rates exceeding 95% globally.

In 2025, 97% of Xylem and Idrica employees completed online ethics and compliance training, and more than 5,200 hours of instructor-led training were delivered worldwide. Key commercial partners also receive targeted training to align with Xylem's ethical standards.

ESRS S1-2, S2-2, S3-2, S4-2; GRI 2-16, 2-26

Reporting mechanisms

Xylem encourages employees, suppliers, and other stakeholders to raise questions or concerns about ethics and compliance. Retaliation against good-faith reporting is strictly prohibited. Multiple reporting channels are available:

- **Xylem Integrity Line:** 24/7 confidential portal and phone line, available in multiple languages, anonymous if desired, and compliant with EU Whistleblower Directive and GDPR.
- **Idrica Ethical Channel:** 24/7 confidential portal, available in two languages, anonymous if desired, and compliant with EU Whistleblower Directive and GDPR.
- **Integrity Ambassador Network:** More than 100 trained ambassadors providing local, confidential guidance worldwide.
- **Internal resources:** Management, HR, Legal, Internal Audit, and Ethics and Compliance team, including the CECO.
- **Audit Committee of the Board:** Independent reporting channel to the Board's Audit Committee.

2025 Xylem Integrity Line – Issue types received



- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
  - Business conduct
- Appendix

Cybersecurity

Xylem's Board of Directors recognizes the importance of maintaining the trust and confidence of our customers, suppliers, employees, and shareholders. In line with its broader strategic oversight, the Board oversees cybersecurity, including strategy and processes. To assist with oversight of cybersecurity, the Board has delegated the responsibility to oversee certain aspects of cybersecurity, including controls and reporting, to its Audit Committee.

The Audit Committee or the full Board receives reports from Xylem's Chief Information Officer and Chief Information Security Officer at least semiannually, covering topics such as updates to Xylem's cybersecurity risk profile, assessments of enterprise and product security programs, management's strategy for mitigating risks, measures to identify and address cybersecurity threats, progress on initiatives to enhance Xylem's cybersecurity posture, the evolving cybersecurity threat landscape, and other relevant matters.

Risk management and strategy

Cybersecurity risk management is integrated into our enterprise risk management (ERM) program, which assesses and monitors risks across the company, including cyber threats and related risk mitigation plans. The Board receives a report from Xylem's management on the results of our annual ERM risk assessment, along with periodic updates on the ongoing monitoring of Xylem's risks, including cybersecurity.

We maintain a comprehensive cybersecurity program covering enterprise information technology (IT), operational technology, and third-party systems on which we rely, as well as connected products and services. This program is guided by the National Institute of Standards and Technology's (NIST) Cybersecurity Framework and the ISA/IEC 62443 standard, respectively.

Our program is designed to assess, identify, and manage risks from cybersecurity threats in order to protect and preserve the security, resiliency, integrity, and continued availability of our enterprise IT and operational technology systems and connected products and services, while also protecting the confidentiality and integrity of information owned by, or in the custody and care of, Xylem.

Key areas of responsibility in the program include governance, risk, and compliance; threat analysis and response; security architecture and engineering; security operations; product security; software development; and innovation management. We employ policies, processes, tools, technology, training, incident response, and regular testing—such as vulnerability scans and penetration tests of our enterprise and product security programs—to identify and mitigate cybersecurity risks.

Third-party assessments of these programs are conducted periodically to assist with identifying, assessing, and managing cybersecurity risks. In addition to utilizing these frameworks to guide our program, we have also achieved and maintain ISO 27001 and ISA/IEC 62443-4-1 certifications of certain products and environments. We also maintain specific regional certifications, such as Cyber Essentials in the United Kingdom.

We maintain cybersecurity policies that apply to all employees, as well as third-party vendors and contractors as required by applicable legal agreements. These policies specify roles and responsibilities, fundamental principles, and proper controls required for Xylem's protection, and also require the use of certain risk management processes to onboard new suppliers and other third parties. We periodically review our policies to identify potential gaps or areas for improvement, considering changes within Xylem and our connected products and services, as appropriate.

Employees receive ongoing education and training in relevant cybersecurity risks and practices, including periodic refreshers on how to protect information and systems from cyber threats, as well as monthly phishing simulations.

Incident response

Our Cybersecurity Incident Response Plan (IRP) generally aligns with NIST's guidance and provides management with a standardized framework for responding to an actual or potential cybersecurity threat or incident. The IRP sets out procedures for investigating, containing, documenting, and mitigating incidents, keeping senior management and other key stakeholders informed, reporting findings, and engaging third-party experts for advice and incident response, as appropriate.

The IRP is tested at least annually for effectiveness and to identify areas for improvement in our processes and technologies. As specified by our IRP, we have protocols and processes by which certain cybersecurity incidents are escalated within Xylem and, as appropriate, to the Board of Directors.



Intellectual property

Xylem's wide range of products and services requires a robust research and development program. Our program's innovation efforts often lead to the development of new products and services, which may include new proprietary technologies, unique brands, or other intellectual property. We also undertake collaborative research and development efforts with a variety of third parties. Such collaborations may result in intellectual property ownership and commercialization agreements between Xylem and third parties.

We protect intellectual property to prevent its unauthorized use and thereby maintain the competitive advantages it provides us and our customers. Our company-wide Intellectual Property Policy guides the management of intellectual property, including the protection of patents, trade secrets, proprietary technical information, trademarks, service marks, trade names, and copyrights.

It also includes a patent award program. Xylem employee inventors are eligible for patent filing and patent grant bonuses to encourage prompt disclosure of patentable inventions relevant to our business and to assist our Intellectual Property team in obtaining patents and protecting Xylem inventions. If it is determined that an otherwise patentable invention should be maintained as a trade secret instead of applying for a patent, employee inventors are still eligible to receive the equivalent of the patent filing bonus.

At the end of 2025, Xylem had approximately 4,400 patents, 1,200 patent applications, 3,300 trademark registrations, and 130 trademark applications in more than 100 countries.

Intellectual property training for employees

Xylem employees involved in product research, development, and marketing receive training in intellectual property, including our Intellectual Property Policy, the importance of intellectual property rights in protecting proprietary technologies and brands, and how this protection maintains our competitiveness and the competitiveness of our customers.

GRI 2-28

Political engagement

We engage with elected officials, policymakers, trade associations, coalitions, industry, and nonprofit stakeholders to accelerate progress in addressing global water challenges. Our dedicated government affairs team guides our response to business-critical issues, helping us seize opportunities and mitigate risks arising from new laws and regulations. The team also shares insights on regulatory developments, government funding, and incentives to inform business strategies across the organization.

Our advocacy efforts involve direct engagement, coalition building, and collaboration with like-minded industry and nonprofit organizations. We are active in key trade associations that help advance our public policy agenda, with a primary focus on the European Union and the United States, where we have our most significant business presence. As part of our commitment to global governance, we are gradually expanding our advocacy efforts worldwide.

Driving regulatory readiness and water innovation in the United States

Xylem closely monitors environmental regulations in the United States that impact our customers. Following the finalization of drinking water regulations for PFAS chemicals in 2024, the U.S. Environmental Protection Agency (EPA) confirmed its commitment to enforceable standards for perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS) while reevaluating standards for other PFAS compounds. We continue to track the EPA regulatory process and are prepared to help drinking water utilities deploy effective solutions.

In 2025, the EPA initiated a review of its 2024 Effluent Limitation Guidelines (ELGs) for the steam electric power sector. We are aligning with evolving standards and supporting customers in achieving compliant, cost-effective outcomes through advanced treatment technologies and zero-liquid-discharge solutions.

We continue to advocate for policies that promote sustainable water practices. In collaboration with the WateReuse Association, we support the Advancing Water Reuse Act (HR 2940), which would provide a tax incentive for industrial water users adopting water reuse technologies. We are also promoting incentives for smart water technologies, such as the Water Infrastructure Modernization Act (S 2388 and HR 6075), which would expand an existing EPA grant program to fund digitally enabled water solutions, enhancing efficiency and resilience against drought and water scarcity.

Shaping European water policy

Xylem played an active role in advising the European Commission on the development of the first-ever European Water Resilience Strategy. Published in June 2025, the strategy sets out the long-term vision of the European Union (EU) for addressing current and emerging water challenges. It outlines a wide range of actions to be implemented over the coming years, including measures to promote circular industrial water use, an EU Recommendation on the Water Efficiency First Principle, a Digital Water Action Plan to be released in 2026, and an additional $17.4 billion in funding through the European Investment Bank.

In anticipation of the Digital Water Action Plan, we worked with 14 leading global companies to update our joint industry statement, outlining key recommendations for accelerating digitalization across the European water sector.

In addition, we have begun engaging in the revision of the EU Public Procurement Directives, advocating for stronger sustainability and innovation criteria in public procurement across Europe.

Engaging with trade associations

Trade associations play an important role in sharing knowledge, fostering collaboration, and uniting stakeholders to pursue common goals. As a member of various trade associations worldwide, we leverage our partnerships to advance our policy agenda and business objectives. However, our membership does not imply agreement with all policy positions held by these associations.

In 2025, we continued development of a unified approach to tracking and managing our engagement with trade associations globally. This comprehensive initiative increases accountability by strengthening how we align the activities and benefits derived from trade associations with our business interests and values. We place significant value on trade associations that prioritize building human capital through inclusion and belonging, education, and volunteerism.

Xylem has approximately 4,400 patents, 1,200 patent applications, 3,300 trademark registrations, and 130 trademark applications in more than 100 countries.



Spotlight

Turning policy into water resilience across Europe

Across Europe, water systems are under growing pressure. Droughts and floods are intensifying, infrastructure is aging, and demand from cities, industry, and agriculture continues to rise. These challenges are reshaping how water is managed—and prompting a new level of action. Against this backdrop, the European Union introduced the European Water Resilience Strategy, a landmark policy designed to safeguard Europe's water future and accelerate the transition to smarter, more resilient water management.

The strategy signals a clear shift away from reactive water management toward a more preventive, integrated, and data-driven approach. Its aim is to help Member States anticipate risk, reduce pressure on water resources, and invest in solutions that deliver long-term resilience. At its core, the strategy focuses on safeguarding water availability through improved drought preparedness and accelerated water reuse, while boosting efficiency across utilities, agriculture, and industry by tackling leakage and energy waste. It also emphasizes protecting water quality and ecosystems through integrated river basin management and nature-based solutions, and strengthening resilience and transparency through better data, digital monitoring, and risk-based planning. Together, these priorities send a clear message: Europe's water systems must do more with less—and be ready for a more uncertain climate future.

For water utilities and industrial users, the European Water Resilience Strategy is more than a regulatory requirement. It is a catalyst for modernizing infrastructure, adopting digital solutions, and embedding resilience into daily operations. Xylem's technologies and services are closely aligned with these goals, helping customers turn policy ambition into measurable outcomes.

Reducing water loss remains a priority, as leaks continue to be one of the largest sources of inefficiency across European networks. Our smart pumps, advanced leak detection solutions, and digital analytics help utilities identify losses faster, optimize pressure, and reduce non-revenue water, while also lowering energy use and operating costs. At the same time, as extreme weather events become more frequent, we support resilience planning with flood control, wastewater transport, and monitoring solutions that enable proactive responses to floods, droughts, and system stress.

Water reuse is another cornerstone of the EU's resilience strategy. Our advanced treatment and disinfection technologies enable the safe reuse of municipal and industrial wastewater for agriculture, industry, and urban applications, extending available water supplies while easing pressure on natural ecosystems. The strategy also emphasizes transparency and informed planning. Our digital platforms advance these priorities by providing real-time insights into network performance, water quality, and energy use that advance regulatory compliance and confident long-term investment decisions.

Overall, the European Water Resilience Strategy marks a pivotal moment for Europe's water sector. By encouraging innovation, collaboration, and smarter investment, it creates the conditions for lasting resilience and sustainability. In partnership with our customers, Xylem is helping build a more resilient and water-secure future for Europe.

> "Water resilience is no longer a future ambition; it is a present-day necessity for Europe. This strategy provides a critical framework to align policy, investment, and innovation around protecting water as a strategic resource. We see it as an opportunity to accelerate solutions that already exist and scale those that are needed most."

Tania Pentcheva,
Director, European Government and Industry Relations at Xylem



ESRS G1-2, S2-2, S2-3; GRI 204-1, 308-1, 308-2

414-1, 414-2

Responsible supply chain management

Xylem extends its commitment to ethical and responsible business conduct across its supply chain, engaging more than 10,500 suppliers worldwide. All suppliers are expected to comply with Xylem's Business Partner and Supply Partner Code of Conduct, uphold fair labor practices, promote safe and healthy workplaces, and contribute to long-term sustainable value.

Supplier audits and risk management

Supply chain risk management program

We have developed a scalable supply chain risk management program to proactively identify, assess, and mitigate supplier risks. The program consists of two complementary phases: proactive risk management and reactive risk mitigation.

- **Proactive risk management** collects annual data from procurement and category management teams to assess supplier impact on operations. Suppliers are scored using an impact score, based on sourcing availability, intellectual property ownership, revenue at risk, and recovery time, which informs prioritization and targeted mitigation strategies. Procurement teams leverage a standardized toolkit of mitigation measures to reduce risk exposure, focusing on high-risk vendors and regions.

- **Reactive risk mitigation** responds to emerging disruptions, such as weather events or geopolitical developments. When critical risks arise, responsible stakeholders are alerted, and in severe cases, internal risk "response rooms" coordinate cross-functional responses.

Supplier risk modeling

We evaluate supplier risk through two complementary metrics:

- **Impact score:** Measures the potential effect of a supplier on operations and revenue. Proactive mitigation actions can directly reduce this score.

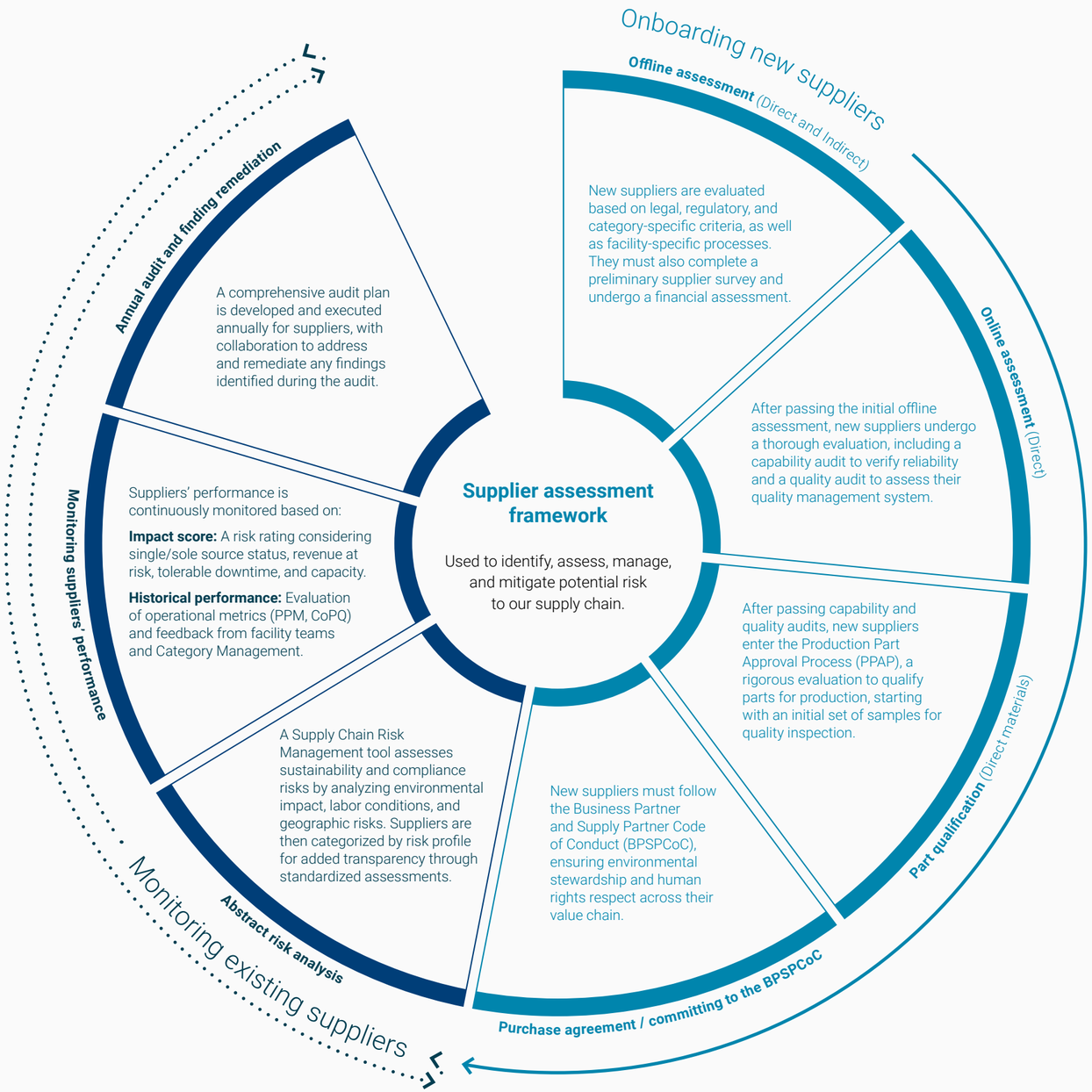
- **Failure score:** Assesses the likelihood of supplier disruption based on ESG risks, financial health, cybersecurity, and country/industry risk.

These scores combine to form a total risk score, enabling data-driven decision-making and prioritization of mitigation efforts.

Enhancing sub-tier supply chain visibility and risk management

As part of our enterprise risk management framework, we continue to strengthen governance, oversight, and transparency across our global supply chain to better identify, assess, and manage risk. Given the scale and complexity of our supplier network and the wide range of goods and services we procure, visibility into sub-tier (n-tier) supplier relationships is critical to understanding potential operational, social, and environmental risks beyond our direct suppliers. Historically, our centralized risk management program has focused primarily on Tier 1 suppliers and, in certain cases, Tier 2 suppliers. However, evolving geopolitical conditions, trade and regulatory pressures, armed conflicts, and the increasing frequency and severity of extreme weather events have heightened the importance of deeper supply chain insight.

In late 2025, we implemented a new risk management service to identify sub-tier supplier relationships, improve transparency, and uncover risk exposures that may previously have not been visible to our teams. This enhanced visibility strengthens our ability to proactively manage supply chain disruptions, support business continuity planning, and inform responsible sourcing and supplier engagement efforts. As we progress through 2026, these capabilities will further embed supply chain risk considerations into decision-making, reinforce accountability within our governance structures, and support our commitment to reliably serving customers, protecting communities, and building a more resilient and responsible supply chain.



Sustainability assessments of our suppliers

EcoVadis and similar tools evaluate suppliers on labor practices, human rights, environmental protection, ethics, and sustainable procurement. By year-end 2025, 47% of Xylem's global supplier spend was covered by active EcoVadis scorecards or equivalent.

High-risk suppliers trigger a mitigation workflow that may include corrective action plans, targeted assessments, and training programs. Continuous monitoring using EcoVadis 360° Watch Findings informs risk mitigation, and supplier performance consistently exceeds network averages.

Supplier on-site audits and quality management

Xylem's Supplier Quality team has conducted over 644 on-site audits in the past four years, closing more than 1,500 findings (~70% closure rate). Findings and corrective actions are tracked through supplier relationship management processes to drive continuous improvement and reduce operational risk.

Cross-functional collaboration

Xylem continues to strengthen collaboration among Procurement, Legal, and Ethics and Compliance teams to unify risk management processes, share insights, and enhance oversight. In 2025, initiatives included standardizing workflows, establishing regular cross-functional meetings, and creating a comprehensive risk framework to improve strategic decision-making and mitigation planning.

Procurement digitalization

In 2025, we continued to advance the digital transformation of our procurement organization while strategically exploring the application of AI. Key milestones included the successful launch of a unified enterprise resource planning (ERP) system and source-to-pay platform, establishing a scalable foundation for future innovation, and enhancing process consistency, data quality, and end-to-end visibility. Simultaneously, we began implementing AI-enabled solutions to strengthen supply chain visibility and resilience, automate routine processes, and support sourcing, negotiation, and data-driven decision-making. These initiatives are improving operational efficiency, transparency, and decision quality, while enabling sustainable growth.

Engaging our supply chain on sustainability

Embedding sustainability into sourcing

In 2025, we advanced our category-specific sourcing strategies by integrating sustainability more deeply into procurement decisions. Early engagement in contract award processes increased significantly, and sustainability considerations became a standard part of business reviews.

Partnering to reduce climate and water impact across our supply chain

Xylem integrates climate and water stewardship into procurement by leveraging the CDP Supply Chain program to support suppliers in measuring, disclosing, and reducing their environmental impacts. Our strategy focuses on expanding participation, enhancing data quality, and advancing risk mitigation through emissions tracking and reduction target setting.

In 2025, we invited nearly 19% more suppliers—primarily strategic suppliers by spend—to report climate impacts through CDP, engaging both existing and new participants. This resulted in a 74% disclosure rate, above the global CDP average of 67%, strengthening our Scope 3 Category 1 emissions reporting. We combine supplier-reported emissions with spend-based estimates using a hybrid methodology, which we continuously refine to improve accuracy and data coverage. Water-related disclosures were also expanded, with suppliers reporting on water use and impacts.

Looking forward to 2026 and beyond, we will engage supply partners in reducing water intensity across our value chain, prioritizing the largest water users and collaborating with them to lower their water footprint through innovative products, solutions, and services, reinforcing sustainable practices throughout our supply chain.

Our 2025 supplier conference

Xylem's annual 2025 supplier conference *Connected Futures – Accelerating Growth & Productivity Through Digital Transformation* highlights our commitment to building a digitally enabled, agile, and resilient supply network. The event showcased integrated tools, including ERP, Coupa, and advanced data analytics, to drive procurement efficiencies, enhance operational performance, and foster collaborative innovation in sustainable water solutions.

The conference also reinforced Xylem's focus on strong supplier partnerships, providing a platform on which to align our values and strategic priorities, explore collaboration on upcoming projects, and engage in meaningful dialogue to create mutual value. By combining technology, knowledge sharing, and strategic engagement, the event strengthened transparency, accountability, and collaboration across our global supply chain.

Spotlight



Danfoss: Driving sustainability through partnership

Our commitment to sustainability extends beyond our own operations; it scales throughout our network of world-class partners. In 2025, we recognized our supply partner Danfoss with the Xylem Sustainability Award at our annual supplier conference, honoring their outstanding work to advance environmental and social responsibility.

Danfoss participates in all of our supply chain sustainability programs, including WASH, EcoVadis, CDP, and Xylem Watermark. Recently, the company earned the EcoVadis Gold Medal, placing them among the top five percent of all companies evaluated, and in the top two percent within their industry—a testament to their rigorous sustainability practices and leadership in responsible business.

Danfoss's performance and approach set them apart. They consistently demonstrate proactive collaboration, going above and beyond in their supply chain practices, and engaging openly with us to identify opportunities for mutual progress. Their commitment shows that sustainability is most powerful when it is shared, creating impact that reaches beyond individual organizations and into the broader communities and markets we serve.

Through partnerships like this, Xylem and our suppliers are advancing solutions and practices that are innovative, efficient, and responsible—reinforcing that real sustainability is built together.

> "What excites us most is partnering with customers like Xylem to advance sustainability together. By collaborating, we can implement solutions that benefit our businesses, communities, and the environment."
>
> **Andrea Hernandez,**
> Vice President Strategy and Sustainability at Danfoss Drives

ESRS G1-3; GRI 308-1, 308-2, 414-1, 414-2

Targets and metrics

ESRS G1-3

Targets and progress

2025 Sustainability Goals[1]	2025	2024	2023[2]	2019[3]
Engage suppliers in sustainability-critical initiatives through audit programs and corrective action plans *(%)*	**79**	**79**	**-**	**-**
Require suppliers to disclose sustainability information via EcoVadis or equivalent *(%)*	**47**	**42**	**43**	**-**
Require suppliers to disclose Scope 1 and 2 GHG emissions and water usage via CDP Supply Chain or equivalent *(%)*	**43**	**38**	**36**	**32**

2030 Sustainability Goals	Progress in 2025	Progress toward 2030
Reduce the water intensity of our supply chain through greater accountability of our high-impact suppliers	-	**Reporting begins in 2026.**

Accounting principles

Global spend for Xylem: All third-party spend as it relates to our 2025 Company Sustainability Goals (Supply Chain) is based on a 12-month rolling average (December to November) and not calendar year.

Number of suppliers: Suppliers for which Xylem's spending exceeded $10,000 in the reporting year.

Online employee ethics and compliance training: Online training modules provide employees with foundational and role-specific education on ethics, compliance, and responsible business conduct, including Xylem's Code of Conduct, antitrust, conflicts of interest, harassment and discrimination prevention, trade compliance, information and cybersecurity, workplace violence prevention, and data privacy. For Idrica colleagues, training also covers the Code of Conduct (including discrimination prevention), whistleblower awareness, harassment prevention, crime prevention, and cybersecurity. These courses support consistent understanding of legal and ethical expectations and reinforce accountability across the organization.

Reduction of supply chain water intensity for 2030 Sustainability Goal: The reduction in water intensity associated with Xylem's supply chain, achieved through increased transparency, performance tracking, and accountability of high-impact suppliers. The goal focuses on engaging priority suppliers to measure, manage, and reduce water withdrawal and consumption within their operations, particularly in water-stressed regions.

Reports received and investigated via Xylem Integrity Line: The number of reports received and investigated include reports received from the Xylem Integrity Line, Idrica's Ethical Channel, and other reporting mechanisms such as Xylem's Integrity Ambassadors, Human Resources, Legal, and Finance.

Substantiated reports received: Represent the percentage of substantiated reports received and investigated via Xylem Integrity Line, Idrica's Ethical Channel, and other reporting channels. Industry benchmark is 45%. A higher or near-benchmark substantiation rate for ethics line reports indicates a strong, trusted, and effective compliance program where reporters are providing higher-quality, actionable information.

Performance data

Ethics and compliance	2025	2024[4]	2023[5]	2019[6]
Reports received and investigated via Xylem Integrity Line and other reporting channels (#)	303	257	282	-
Substantiated reports received (%)	59	43	57	-
Completion rate for online employee ethics and compliance training (%)	97	99	95	

ESRS G1-4

Intellectual property	2025	2024[7]	2023[8]	2019[9]
Number of patents *(#)*	4,400	4,900	4,300	3,058
Number of patent applications *(#)*	1,200	1,250	1,400	1,425
Number of trademark registrations *(#)*	3,300	3,400	3,300	2,045
Number of trademark applications *(#)*	130	170	175	175

Responsible supply chain management[10]	2025	2024	2023[11]	2019[12]
Suppliers that have completed CDP disclosure or equivalent *(% of global spend)*	43	38	36	-
Suppliers that have completed EcoVadis assessment or equivalent *(% of global spend)*	47	42	43	43

[1, 4, 5, 7, 8, 10] Excluding Idrica.

[2, 3, 11, 12] Legacy Xylem.

[6, 9] Excluding Idrica; Legacy Xylem.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
- Appendix
  - Reporting frameworks
  - Assurance statement

Appendix



Image © Kenny Khoo

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
- Appendix
  - Reporting frameworks
  - Assurance statement

Reporting frameworks

European Sustainability Reporting Standards (ESRS) – Content mapping[1]

Disclosure requirement		Section	Page
ESRS 2 – General disclosures			
BP-1	Basis for preparation	"Basis for preparation"	6
BP-2	Specific information if the undertaking uses phasing-in options	n/a	-
GOV-1	The role of the administrative, management and supervisory bodies in relation to sustainability	"Governance bodies' roles and responsibilities"	7–8
GOV-2	Integration of sustainability-related performance in incentive schemes	"Sustainability-linked compensation"	9
GOV-3	Statement on due diligence	"Statement on due diligence"	9
GOV-4	Risk management and internal controls over sustainability reporting	"Risk management and internal controls over sustainability reporting"	9
SBM-1	Strategy, business model and value chain	"About Xylem;" "Our value chain"	10–16; 14
SBM-2	Interests and views of stakeholders	"Interests and views of stakeholders"	15
SBM-3	Interaction of material impacts, risks, and opportunities with strategy and business model, and financial effects	"How impacts, risks, and opportunities shape our strategy"	23–28
IRO-1	Description of the process to identify and assess material impacts, risks, and opportunities and material information to be reported	"Double materiality assessment"	17
IRO-2	Material impacts, risks, and opportunities and disclosure requirements included in the sustainability statement	"Material IROs;" "Decarbonization and energy transition;" "Pollution;" "Water;" "Resource use and circular economy;" "Own workforce;" "Workers in the value chain;" "Affected communities;" "Customers and end users;" "Business conduct"	18; 31–41; 42–44; 45–49; 50–56; 58–74; 75–78; 79–84; 85–87; 89–97

Disclosure requirement		Section	Page
ESRS E1 – Climate change			
E1-1	Transition plan for climate change mitigation	"Our decarbonization journey"	34–37
E1-2	Identification of climate-related risks and scenario analysis	"Identifying climate-related risks"	31–33
E1-3	Resilience in relation to climate change	"Identifying climate-related risks"	31–33
E1-4	Policies related to climate change mitigation and adaptation	"Policies"	33
E1-5	Actions and resources in relation to climate change mitigation and adaptation	"Our decarbonization journey"	34–37
E1-6	Targets related to climate change	"Our decarbonization journey;" "Targets and progress"	34–37; 38–41
E1-7	Energy consumption and mix	"Performance data: Energy consumption"	39
E1-8	Gross scope 1, 2, 3 GHG emissions	"Performance data: Greenhouse gas (GHG) emissions"	40–41
E1-11	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	"Results of the scenario analysis"	33
ESRS E2 – Pollution			
E2-1	Policies related to pollution	"Policies"	42
E2-2	Actions and resources related to pollution	"Mitigating pollution and protecting nature in our operations;" "Reducing pollution through water quality solutions"	43
E2-3	Targets related to pollution	"Targets and progress"	43
E2-4	Pollution of air, water and soil	"Managing other air emissions;" "Performance data: Greenhouse gas (GHG) emissions;" "Managing operational pollution risks"	37; 40–41; 43
ESRS E3 – Water			
E3-1	Policies related to water	"Policies"	45
E3-2	Actions and resources related to water	"Water management in our own operations;" "Enabling customers to manage water more efficiently"	45–46; 47
E3-3	Targets related to water	"Targets and progress"	48
E3-4	Water metrics	"Performance data: Water consumption"	48

[1] Due to minor revisions between the European Sustainability Reporting Standards (ESRS) Exposure Drafts issued by European Financial Reporting Advisory Group (EFRAG) in July 2025 and the final drafts published in November 2025, the ESRS mapping presented in this report has been prepared with reference to the November 2025 versions.

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
- Appendix
  - Reporting frameworks
  - Assurance statement

Disclosure requirement		Section	Page
ESRS E5 – Resource use and circular economy			
E5-1	Policies related to resource use and circular economy	"Policies"	50
E5-2	Actions and resources related to resource use and circular economy	"Resource inflows;" "Resource outflows"	50–51; 52–54
E5-3	Targets related to resource use and circular economy	"Targets and progress"	55
E5-4	Resource inflows	"Resource inflows"	50–51
E5-5	Resource outflows	"Resource outflows;" "Performance data: Waste management"	52–54; 56
ESRS S1 – Own workforce			
S1-1	Policies related to own workforce	"Policies"	58–59
S1-2	Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy	"Social dialogue policies;" "Social dialogue;" "Communication;" "Reporting channels and worker protection;" "Reporting mechanisms"	59; 64; 68; 68; 76
S1-3	Actions and resources related to own workforce	"Working conditions;" "Social dialogue;" "Inclusion, belonging, and equal treatment;" "Health and safety"	60–64; 64; 64–66; 67–68
S1-4	Targets related to own workforce	"Targets and progress"	69
S1-5	Characteristics of the undertaking's employees	"Performance data: Headcount by country;" "Performance data: Headcount by gender;" "Performance data: Headcount by contract type;" "Performance data: Turnover"	70; 70; 70; 70
S1-6	Characteristics of non-employees in the undertaking's own workforce	n/a	-
S1-7	Collective bargaining coverage and social dialogue	n/a	-
S1-8	Diversity metrics	"Board selection;" "Performance data: Headcount by management level"	8; 71
S1-9	Adequate wages	"Compensation"	60
S1-10	Social protection	"Benefits and well-being;" "Work–life balance through flexible working arrangements"	61; 63
S1-11	Persons with disabilities	n/a	-
S1-12	Training and skills development metrics	"Performance, learning, and development;" "Meaningful work environment;" "Performance data: Training and skills development"	62; 63; 72
S1-13	Health and safety metrics	"Environment, Health, and Safety Management System (EHSMS);" "Health and safety;" "Performance data: Health and safety"	59; 67–68; 73
S1-14	Work-life balance metrics	"Benefits and well-being;" Work–life balance through flexible working arrangements;" "Performance data: Parental leave in the United States"	60; 63; 73
S1-15	Remuneration metrics	"Internal pay equity;" "Performance data: Remuneration"	66; 74
S1-16	Incidents of discrimination and other human rights incidents	"Discrimination and harassment in the workplace"	66

Disclosure requirement		Section	Page
ESRS S2 – Workers in the value chain			
S2-1	Policies related to workers in the value chain	"Policies"	75
S2-2	Engagement with workers in the value chain, existence of channels for workers in the value chain to raise concerns or needs and approaches to remedy	"Reporting mechanisms and grievance channels;" "Health and safety in our value chain;" "Reporting mechanisms;" "Responsible supply chain management"	77; 77; 91; 95–96
S2-3	Actions and resources related to workers in the value chain	"Upholding human rights;" "Engaging with our supply chain;" "Health and safety in our value chain;" "Responsible supply chain management"	75–76; 77; 77; 95–96
S2-4	Targets related to workers in the value chain	"Targets and progress"	78
ESRS S3 – Affected communities			
S3-1	Policies related to affected communities	"Policies"	79
S3-2	Engagement with affected communities, existence of channels for affected communities to raise concerns or needs and approaches to remedy	"Reporting mechanisms"	91
S3-3	Actions and resources related to affected communities	"Developing the next generation of the water workforce;" "Meaningful work environment;" "Driving community impact"	61; 63; 79–83
S3-4	Targets related to affected communities	"Targets and progress"	84
ESRS S4 – Consumers and end users			
S4-1	Policies related to consumers and end users	"Policies"	85; 89–90
S4-2	Engagement with consumers and end users, existence of channels for consumers and end users to raise concerns or needs and approaches to remedy	"Reporting mechanisms and grievance channels;" "Reporting mechanisms"	77; 91
S4-3	Actions and resources related to consumers and end users	"Advancing affordability in water solutions;" "Proactive management of product safety risks"	85–86; 86
S4-4	Targets related to consumers and end users	n/a	-
ESRS G1 – Business conduct			
G1-1	Policies related to business conduct	"Policies"	89-90
G1-2	Actions related to business conduct	"Engaging with our supply chain;" "Responsible business conduct;" "Responsible supply chain management"	77; 90–94; 95–96
G1-3	Targets related to business conduct	"Targets and progress"	97
G1-4	Metrics related to corruption or bribery	"Performance metrics: Ethics and compliance"	97
G1-6	Metrics related to payment practices	n/a	-

GRI Content Index

GRI CONTENT INDEX ESSENTIALS SERVICE WITH REFERENCE OPTION 2026

Statement of use: Xylem Inc. has reported the information cited in this GRI content index for the period January 1, 2025 to December 31, 2025 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021 **Applicable GRI Sector Standard(s):** None

For the Content Index – Essentials With Reference option Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting with reference to the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

General Disclosures

GRI Standards and disclosures		Section and direct answers	Page
GRI 2 – General disclosures 2021			
2-1	Organizational details	"About Xylem"	10–16
		2025 Form 10-K: "Item 1. Business;" "Item 2. Properties"	4–14; 28
2-2	Entities included in the organization's sustainability reporting	"Scope of consolidation"	6
2-3	Reporting period, frequency, and contact point	"Introduction"	6
		Contact: sustainability@xylem.com	
2-4	Restatements of information	"Changes in preparation or presentation"	6
2-5	External assurance	"LRQA Independent Assurance Statement"	109–110
2-6	Activities, value chain, and other business relationships	"About Xylem"	10–16
		2025 Form 10-K: "Item 1. Business"	4–14
2-7	Employees	"Own workforce"	58–74
		2025 Form 10-K: "Item 1. Business"	4–14
2-8	Workers who are not employees	"Workers in the value chain"	75–78
		Human Rights Statement; Statement on Efforts to Combat Modern Slavery	
2-9	Governance structure and composition	"Governance bodies' roles and responsibilities"	7–8
		2026 Proxy Statement: "Role of the Board;" "Director independence;" "Board composition and refreshment"	27–31; 36; 36–38
2-10	Nomination and selection of the highest governance body	"Governance bodies' roles and responsibilities"	7–8
		2026 Proxy Statement: "Election of directors;" "Board effectiveness;" "Board composition and refreshment"	8–19; 35; 36–38
2-11	Chair of the highest governance body	"Governance bodies' roles and responsibilities"	7–8
		2026 Proxy Statement: "Board leadership structure"	33–34
2-12	Role of the highest governance body in overseeing the management of impacts	"Governance bodies' roles and responsibilities"	7–8
		2026 Proxy Statement: "Role of the Board: Oversight of strategy;" "Board committees;" "Commitment to sustainability"	27–31; 40–43 46–49
2-13	Delegation of responsibility for managing impacts	"Governance bodies' roles and responsibilities"	7–8
		2026 Proxy Statement: "Board committees;" "Commitment to sustainability"	40–43; 46–49
2-14	Role of the highest governance body in sustainability reporting	"Governance bodies' roles and responsibilities"	7–8
		2026 Proxy Statement: "Board committees;" "Commitment to sustainability"	40–43; 46–49
2-15	Conflicts of interest	"Conflict of interest"	91
		2026 Proxy Statement: "Corporate governance policies: Related party transactions"	32
2-16	Communication of critical concerns	"Remediation and channels to raise concern;" "Reporting mechanisms and grievance channels;" "Reporting mechanisms"	64; 77; 91
		2026 Proxy Statement: "Communicating with the Board of Directors"	45
		Code of Conduct; Business Partner and Supply Partner Code of Conduct; Human Rights Statement; Integrity Line	
2-17	Collective knowledge of the highest governance body	"Governance bodies' roles and responsibilities"	7–8
		2026 Proxy Statement: "Election of directors"	8–19
2-18	Evaluation of the performance of the highest governance body	2026 Proxy Statement: "Board effectiveness"	35
2-19	Remuneration policies	"Sustainability-linked compensation;" "Internal pay equity;" "Performance data: Remuneration"	9; 66; 74
		2026 Proxy Statement: "Director compensation;" "Executive compensation"	51–53; 54–79
2-20	Process to determine remuneration	2026 Proxy Statement: "Shareholder engagement program;" "Director compensation;" "Executive compensation"	43–45; 51–53; 54–79
2-21	Annual total compensation ratio	"Performance data: Remuneration"	74
		2026 Proxy Statement: "CEO pay ratio"	77
2-22	Statement on sustainable development strategy	"Accelerating progress toward a water-secure future"	3
2-23	Policy commitments	"Policies"	33; 42; 50; 58–59; 75; 79; 86; 89–90
		Xylem policies	
2-24	Embedding policy commitments	"Governance;" "Business conduct"	7–9; 89–97
		Code of Conduct; Business Partner and Supply Partner Code of Conduct	
2-25	Processes to remediate negative impacts	"Governance;" "How impacts and risks shape our strategy;" "Management of impacts, risks, and opportunities"	7–9; 23–28; 33–37; 42–47; 50–54; 58–68; 75–77; 79–83; 85–86; 89–96
		2026 Proxy Statement: "Oversight of risk;" "Oversight of cybersecurity"	28–29; 29
		Code of Conduct; Business Partner and Supply Partner Code of Conduct	

General Disclosures (continued)

GRI Standards and disclosures		Section and direct answers	Page
2-26	Mechanisms for seeking advice and raising concerns	"Remediation and channels to raise concern;" "Reporting mechanisms and grievance channels;" "Reporting mechanisms" Code of Conduct; Business Partner and Supply Partner Code of Conduct; Human Rights Statement; Integrity Line	64; 77; 91
2-27	Compliance with laws and regulations	"Business conduct" 2025 Form 10-K: Note 20. Commitments and contingencies	89–97 108–109
2-28	Membership associations	"Aligned with global principles for responsible business;" "Political engagement" Xylem also holds positions in, participates with, or provides funding beyond routine membership fees to industry associations and advocacy organizations. These are some examples: **Industry:** – American Water Works Association – American Biogas Association – Alliance for Energy Savings (EU-ASE) – Association of Metropolitan Water Agencies – Australian Water Association – Aqua – Europump – European Biogas Association – European Water Association – Hydraulic Institute – International Society of Sustainability Professionals – International Water Association – National Association of Clean Water Agencies – Rural Community Assistance Partnership – Stockholm International Water Institute – Water and Wastewater Equipment Manufacturers Association – Water Environment Federation – Water Europe – Water Environment Federation – WateReuse Association **Social, governance, and ethics:** – Business Roundtable – HRC Foundation – Smart Water Networks Forum – Society of Corporate Compliance and Ethics – U.S. - India Business Council – United States Water Alliance – Water Research Foundation – World Economic Forum	16; 93–94
2-29	Approach to stakeholder engagement	"Interests and views of stakeholders;" "Double materiality assessment"	15; 17
2-30	Collective bargaining agreements	"Employee representation" 2025 Form 10-K: "Human capital"	64 13

Material topics

GRI Standards and disclosures		Section and direct answers	Page
GRI 3: Material topics 2021			
3-1	Process to determine material topics	"Double materiality assessment"	17
3-2	List of material topics	"Material IROs"	18–22
Climate change			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	33–37
GRI 102: Climate change 2025			
102-1	Transition plan for climate change mitigation	"Our decarbonization journey"	34–37
102-2	Climate change adaptation plan	"Our decarbonization journey;" "Identifying climate-related risks;" "Governance"	34–37; 31–33; 7–9
102-3	Just transition	n/a	-
102-4	GHG emissions reduction targets and progress	"Our decarbonization journey;" "Targets and metrics"	34–37; 38–41
102-5	Scope 1 GHG emissions	"Decarbonizing our own operations;" "Performance data: GHG emissions"	36; 40
102-6	Scope 2 GHG emissions	"Decarbonizing our own operations;" "Performance data: GHG emissions"	36; 40
102-7	Scope 3 GHG emissions	"Decarbonizing our value chain;" "Performance data: GHG emissions"	37; 41
Energy			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	33–37
GRI 103: Energy 2025			
103-1	Energy policies and commitments	"Policies;" "Targets and progress"	33; 38
103-2	Energy consumption and self-generation within the organization	"Decarbonizing our own operations;" "Performance data: Energy consumption"	36; 39
103-3	Upstream and downstream energy consumption	"Decarbonizing our value chain;" "Performance data: GHG emissions"	37; 41
103-4	Energy intensity	"Performance data: Energy consumption"	39
103-5	Reduction in energy consumption	"Decarbonizing our own operations;" "Performance data: Energy consumption"	36; 39

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
- Appendix
  - Reporting frameworks
  - Assurance statement

Material topics (continued)

GRI Standards and disclosures		Section and direct answers	Page
Indirect economic impacts			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	79–83
GRI 203: Indirect economic impacts 2016			
203-1	Infrastructure investments and services supported	"Driving community impact"	79–84
203-2	Significant indirect economic impacts	"Driving community impact"	79–84
Procurement practices			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	75–77; 89–96
GRI 204: Procurement practices 2016			
204-1	Proportion of spending on local suppliers	"Engaging with our supply chain;" "Responsible supply chain management"	77; 95–96
Anti-corruption			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	89–96
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	"Anti-corruption and fraud prevention" 2025 Form 10-K: "Item 1A. Risk factors: Risks related to legal and regulatory"	90 15-26
205-2	Communication and training about anti-corruption policies and procedures	"Policies;" "Anti-corruption and fraud prevention;" "Ethics and compliance training;" "Performance data: Ethics and compliance"	89–90; 90; 91; 97
205-3	Confirmed incidents of corruption and actions taken	"Anti-corruption and fraud prevention"	90
Anti-competitive behavior			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	89–96
GRI 206: Anti-competitive behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	"Antitrust"	91

GRI Standards and disclosures		Section and direct answers	Page
Materials			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	50–54
GRI 301: Materials 2016			
301-3	Reclaimed products and their packaging materials	"Resource inflows;" "Resource outflows"	50–51; 52–54
Water and effluents			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	42–44; 45–47
GRI 303: Water and effluents 2018			
3 303-1	Interactions with water as a shared resource	"Pollution;" "Water"	42–44; 45–49
303-2	Management of water discharge-related impacts	"Water management in our own operations;" "Targets and metrics"	45–46; 48–49
303-3	Water withdrawal	"Water management in our own operations;" "Targets and metrics"	45–46; 48–49
303-4	Water discharge	"Water management in our own operations;" "Targets and metrics"	45–46; 48–49
303-5	Water consumption	"Water management in our own operations;" "Targets and metrics"	45–46; 48–49
Waste			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	50–54
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	"Waste management" 2025 Form 10-K: "Governmental regulations: Environmental regulations"	54 11
306-2	Management of significant waste-related impacts	"Waste management" 2025 Form 10-K: "Governmental regulations: Environmental regulations"	54 11
306-3	Waste generated	"Waste management;" "Targets and metrics"	54; 55–56
306-4	Waste diverted from disposal	"Waste management;" "Targets and metrics"	54; 55–56
306-5	Waste directed to disposal	"Waste management;" "Targets and metrics"	54; 55–56

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
- Appendix
  - Reporting frameworks
  - Assurance statement

Material topics (continued)

GRI Standards and disclosures		Section and direct answers	Page
Supplier environmental assessment			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	89–96
GRI 308: Supplier environmental assessment 2016			
308-1	New suppliers that were screened using environmental criteria	"Responsible supply chain management;" "Targets and metrics"	95-96; 97
308-2	Negative environmental impacts in the supply chain and actions taken	"Responsible supply chain management;" "Targets and metrics"	95-96; 97
Employment			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	58–68
GRI 401: Employment 2016			
3 401-1	New employee hires and employee turnover	"Talent management;" "Performance data: Turnover"	61–62; 70
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	n/a	-
401-3	Parental leave	"Work–life balance through flexible working arrangements;" "Performance data: Parental leave in the United States"	63; 73

GRI Standards and disclosures		Section and direct answers	Page
Labor and management relations			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	58–68
GRI 402: Labor and management relations 2016			
402-1	Minimum notice periods regarding operational changes	Exceptional circumstances, including operational change or other planned measures or activities based on unexpected developments and affecting the interests of the employees to a considerable extent are communicated and minimum notice periods given according to our various union, collective bargaining, and works council agreements. **Topics requiring notice include:** - Mergers or splitting of companies or production facilities, - relocation of companies, production facilities (or significant parts thereof), and relocation of production, - cutbacks or closure of companies, production facilities (or significant parts thereof), and - collective redundancies. **Under the European Works Council, additional information and consultation applies to the following matters:** - Structure of Xylem and its economic and financial situation, - anticipated development of the business, including its production and sales levels, - employment situation and its anticipated development that are significant, including organizational changes, - significant EHS, ethics, and compliance matters, - investment priorities in the business, and - introduction of new working and production procedures.	-

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
- Appendix
  - Reporting frameworks
  - Assurance statement

Material topics (continued)

GRI Standards and disclosures		Section and direct answers	Page
Occupational health and safety			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	58–68
GRI 403: Occupational health and safety 2018			
403-1	Occupational health and safety management system	"Environment, Health, and Safety Management System (EHSMS)"	59
403-2	Hazard identification, risk assessment and incident investigation	"Incident management and learning;" "Risk management"	68; 68
403-3	Occupational health services	"Benefits and well-being;" "Health and safety"	60; 67–68
403-4	Worker participation, consultation, and communication on occupational health and safety	"Employee engagement;" "Communication"	67; 68
403-5	Worker training on occupational health and safety	"Health and safety training"	67
403-6	Promotion of worker health	"Benefits and well-being;" "Health and safety"	60; 67–68
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	"Health and safety in our value chain;" "Proactive management of product safety risks"	77; 86
403-8	Workers covered by an occupational health and safety management system	"Environment, Health, and Safety Management System (EHSMS);" "Performance data: Health and safety"	59; 73
403-9	Work-related injuries	"Data-driven safety performance;" "Performance data: Health and safety"	68; 73
403-10	Work-related ill health	"Performance data: Health and safety"	73
Training and education			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	58–68
GRI 404: Training and education 2016			
404-1	Average hours of training per year per employee	"Performance data: Training and skills development"	72
404-2	Programs for upgrading employee skills and transition assistance programs	"Performance, learning, and development;" "Capability-building"	62–63; 65
404-3	Percentage of employees receiving regular performance and career development reviews	"Performance, learning, and development"	62–63

GRI Standards and disclosures		Section and direct answers	Page
Diversity and equal opportunity			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	58–68
GRI 405: Diversity and equal opportunity 2016			
405-1	Diversity of governance bodies and employees	"Xylem's Board;" "Inclusion, belonging, and equal treatment;" "Targets and metrics"	8; 64–66; 69–74
		Executive leadership	-
405-2	Ratio of basic salary and remuneration of women to men	"Internal pay equity"	66
Non-discrimination			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	58–68; 75–77
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	"Discrimination and harassment in the workplace"	66
Child labor			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	75–77
GRI 408: Child labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	"Upholding human rights"	75–76
Forced or compulsory labor			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	75–77
GRI 409: Forced or compulsory labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	"Upholding human rights"	75–76

Material topics (continued)

GRI Standards and disclosures		Section and direct answers	Page
Supplier social assessment			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	89–96
GRI 414: Supplier social assessment 2016			
414-1	New suppliers that were screened using social criteria	"Responsible supply chain management;" "Targets and metrics"	95–96; 97
414-2	Negative social impacts in the supply chain and actions taken	"Responsible supply chain management;" "Targets and metrics"	95–96; 97
Customer health and safety			
GRI 3: Material topics 2021			
3-3	Management of material topics	"Management of impacts, risks, and opportunities"	85–86
GRI 416: Customer health and safety 2016			
416-1	Assessment of the health and safety impacts of products and services	"Proactive management of product safety risks"	86
416-2	Incidents of noncompliance concerning the health and safety impacts of products and services	"Proactive management of product safety risks"	86

Sustainability Accounting Standards Board (SASB)

Industrial machinery and goods

Disclosure requirement			Section	Page
Energy management				
RT-IG-130a.1	(1) Total energy consumption	Quantitative – Gigajoules (GJ)	1,793,167	-
	(2) Percentage grid electricity	Quantitative – Percentage (%)	99.7	-
	(3) Percentage renewable energy	Quantitative – Percentage (%)	91.8	-
Workforce health and safety				
RT-IG-320a.1	(1) Total recordable incident rate (TRIR) for direct employees	Quantitative – Rate	"Performance data: Health and safety"	73
	(2) Fatality rate for direct employees	Quantitative – Rate	"Performance data: Health and safety"	73
	(3) Near miss frequency rate for direct employees	Quantitative – Rate	"Performance data: Health and safety"	73
	(1) Total recordable incident rate (TRIR) for contract employees	Quantitative – Rate	n/a	-
	(2) Fatality rate for contract employees	Quantitative – Rate	n/a	-
	(3) Near miss frequency rate for contract employees	Quantitative – Rate	n/a	-
Fuel economy and emissions in use-phase				
RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative – Liters per 100 metric ton-kilometers	n/a	-
RT-IG-410a.2	Sales-weighted fleet fuel efficiency for non-road equipment	Quantitative – Liters per hour	n/a	-
RT-IG-410a.3	Sales-weighted fleet fuel efficiency for stationary generators	Quantitative – Kilojoule per liter	n/a	-
RT-IG-410a.4	Sales-weighted emissions of (1) nitrogen oxides (NOx) and (2) particular matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines and (d) other non-road diesel engines	Quantitative – Grams per kilojoule	n/a	-
Materials sourcing				
RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and analysis	"Resource use and circular economy"	50–56
Remanufacturing design and services				
RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Quantitative – Presentation currency	n/a	-

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
- Appendix
  - Reporting frameworks
  - Assurance statement

World Economic Forum sustainable value creation core metrics and disclosures

Theme	Governance: Core metrics and disclosures	Source
Principles of governance		
Governing purpose	Setting purpose The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	"About Xylem" ESRS SBM-1; GRI 2-1, 2-6, 2-28, 2-29
Quality of governing body	Governance body composition Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	"Governance bodies' roles and responsibilities" ESRS GOV-1, S1-8; GRI 2-9, 405-1 2026 Proxy Statement
Stakeholder engagement	Material issues impacting stakeholders A list of the topics that are material to key stakeholders and the company, how the topics were identified, and how the stakeholders were engaged.	"Interests and views of stakeholders;" "Risk, impact, and opportunity identification and management" ESRS SBM-2, IRO-1, IRO-2; GRI 2-29, 3-1, 3-2
Ethical behavior	Anti-corruption 1. Total percentage of employees who have received training on the organization's anti-corruption policies and procedures 2. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.	"Ethics and compliance" ESRS G1-2; GRI 205-1, 205-2, 205-3 Code of Conduct
	Protected ethics advice and reporting mechanisms A description of internal and external mechanisms for: 1. Seeking advice about ethical and lawful behavior and organizational integrity; and 2. Reporting concerns about unethical or unlawful behavior and lack of organizational integrity.	"Reporting mechanisms" ESRS G1-2; GRI 2-26 Code of Conduct
Risk and opportunity	Integrating risk and opportunity into business process Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time, and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship.	"How impacts, risks, and opportunities shape our strategy;" "Risk management and internal controls over sustainability reporting;" "Identifying climate-related risks" ESRS SBM-3, GOV-4, E1-2, E1-3; GRI 2-25, 102-2 2025 Form 10-K: "Item 1A. Risk factors" Climate Action Plan

Theme	Governance: Core metrics and disclosures	Source
Planet		
Climate change	Greenhouse gas (GHG) emissions For all relevant greenhouse gases (e.g., carbon dioxide, methane, nitrous oxide, F-gases, etc.), report in metric tons of carbon dioxide equivalent (tCO_2e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	"Performance data: Greenhouse gas emissions" ESRS E1-8; GRI 102-5, 102-6, 102-7
	TCFD implementation Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement—to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C—and to achieve net-zero emissions before 2050.	"Identifying climate-related risks" ESRS E1-2, E1-3; GRI 102-1, 102-2 Climate Action Plan
Freshwater availability	Water consumption and withdrawal in water-stressed areas Report for operations where material: megaliters of water withdrawn, megaliters of water consumed, and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool.	"Identifying climate-related risks;" "Pollution;" "Water" ESRS E1-2; GRI 303-1
People		
Dignity and equality	Diversity and inclusion (%) Percentage of employees per employee category, by age group, gender, and other indicators of diversity (e.g. ethnicity).	"Performance data: Headcount by gender;" "Performance data: Headcount by contract type;" "Performance data: U.S. headcount by race and ethnic minority group;" Performance data: Headcount by age" ESRS S1-5; GRI 405-1
	Wage level (%) Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	"Performance data: Remuneration" ESRS S1-15; GRI 2-21 2026 Proxy Statement
	Risks for incidents of child, forced, or compulsory labor An explanation of the operations and suppliers considered to have significant risk for incidents of child labor, forced, or compulsory labor.	"Upholding human rights" ESRS S2-3; GRI 408-1, 409-1 Statement on Efforts to Combat Modern Slavery
Health and well-being	Health and safety (%) The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.	"Performance data: Health and safety" ESRS S1-13; GRI 403-8, 403-9, 403-10; SASB RT-IG-320a.1
Skills for the future	Training provided (#) Average hours of training per person that the organization's employees have undertaken during the reporting period (total number of hours of training provided to employees divided by the number of employees).	"Performance data: Training and skills development" ESRS S1-12; GRI 404-1

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
- Appendix
  - Reporting frameworks
  - Assurance statement

World Economic Forum sustainable value creation core metrics and disclosures (continued)

Theme	Governance: Core metrics and disclosures	Source
Prosperity		
Employment and wealth generation	Absolute number and rate of employment 1. Total number and rate of new employee hires during the reporting period. 2. Total number and rate of employee turnover during the reporting period	"Performance data: Turnover" ESRS S1-5; GRI 401-1
	Economic contribution Direct economic value generated and distributed (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: - Revenues - Operating costs	2025 Form 10-K: "Item 7. Management's discussion and analysis of financial condition and results of operations"
	Financial investment contribution 1. Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. 2. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.	2025 Form 10-K: "Item 7. Management's discussion and analysis of financial condition and results of operations"
Innovation of better products and services	Total R&D expenses ($) Total costs related to research and development.	2025 Form 10-K: "Item 7. Management's discussion and analysis of financial condition and results of operations"

United Nations Global Compact Principles

Theme	Disclosure requirement	Source
Human rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	"Workers in the value chain;" Statement on Efforts to Combat Modern Slavery; Human Rights Statement; Code of Conduct; Business Partner and Supply Partner Code of Conduct
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	"Workers in the value chain;" Statement on Efforts to Combat Modern Slavery; Human Rights Statement; Code of Conduct; Business Partner and Supply Partner Code of Conduct
Labor		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	"Employee representation"
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	"Workers in the value chain;" Statement on Efforts to Combat Modern Slavery; Human Rights Statement; Code of Conduct; Business Partner and Supply Partner Code of Conduct
Principle 5	Businesses should uphold the effective abolition of child labor.	"Workers in the value chain;" Statement on Efforts to Combat Modern Slavery; Human Rights Statement
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	"Workers in the value chain;" "Working conditions;" "Inclusion, belonging, and equal representation;" Code of Conduct; Business Partner and Supply Partner Code of Conduct
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	"Decarbonization and energy transition;" "Pollution;" "Water;" "Resource use and circular economy"
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	"About Xylem;" "Decarbonization and energy transition;" "Pollution;" "Water;" "Resource use and circular economy;" "Political engagement"
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	"About Xylem;" "Decarbonization and energy transition;" "Pollution;" "Water"
Anti-corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	"Ethics and compliance;" Code of Conduct; Business Partner and Supply Partner Code of Conduct

- Introduction
- General disclosures
- Impact on the environment
- Impact on society
- Business conduct
- Appendix
  - Reporting frameworks
  - Assurance statement

GRI 2-5

LRQA Independent Assurance Statement

LRQA Independent Assurance Statement

Relating to Xylem, Inc. Environmental and Safety Metrics for Calendar Year 2025

This Assurance Statement has been prepared for Xylem, Inc. in accordance with our contract.

Terms of Engagement

LRQA was commissioned by Xylem, Inc. (Xylem) to provide independent assurance on its Greenhouse Gas (GHG) Emissions Inventory, Energy Use Inventory, Water Withdrawn Inventory, Waste Inventory and Injury & Illness metrics ("the Report") for the Calendar Year 2025 against the assurance criteria below to a limited level of assurance using LRQA's verification procedure and ISO 14064 - Part 3 for greenhouse gas data. LRQA's verification procedure is based on current best practise and is in accordance with ISAE 3000 and ISAE 3410.

Our assurance engagement covered Xylem's operations and activities globally and specifically the following requirements:

- Verifying conformance with:
  - Xylem EHSS Metric Reporting EHS-01.15 Effective February 10, 2026; and
  - World Resources Institute / World Business Council for Sustainable Development Greenhouse Gas Protocol: A corporate accounting and reporting standard, revised edition (otherwise referred to as the WRI/WBCSD Protocol) for the GHG data[1].
- Reviewing whether the Report has taken account of:
  - WRI Corporate Value Chain (Scope 3) Accounting and Reporting Standard;
- Evaluating the accuracy and reliability of data and information for only the selected indicators listed below:
  - Direct (Scope 1), Energy Indirect (Scope 2) and Other Indirect (Scope 3) GHG emissions;
    - Scope 3 GHG emissions verified by LRQA include the following: Category 1 Purchased Goods and Services, Category 2 Capital Goods, Category 3 Fuel and Energy Related Activities, Category 4 Upstream Transportation and Distribution, Category 5 Waste Generated in Operations, Category 6 Business Travel, Category 7 Employee Commuting, Category 9 Downstream Transportation and Distribution; Category 11 Use of Sold Products, Category 12 End-of-Life Treatment of Sold Products, Category 13 Downstream Leased Assets, and Category 15 Investments.
  - Energy use;
  - Water Withdrawn inventory (including surface water, groundwater and third-party water);
  - Waste Generated inventory (including hazardous and non-hazardous wastes); and
  - Injury and Illness metrics: Total Recordable Rate, Days Away from Work Rate and Severity Rate.

Except for the Scope 3 categories mentioned above, our assurance engagement excluded the data and information of Xylem's suppliers, contractors and any third-parties mentioned in the report.

LRQA's responsibility is only to Xylem. LRQA disclaims any liability or responsibility to others as explained in the end footnote. Xylem's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the Report and for maintaining effective internal controls over the systems from which the Report is derived. Ultimately, the Report has been approved by, and remains the responsibility of Xylem.

[1] *http://www.ghgprotocol.org/*

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that Xylem has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable performance data and information as summarized in Tables 1 and 2 below.

The opinion expressed is formed on the basis of a limited level of assurance[2] and at the materiality of the professional judgement of the verifier.

Table 1. Summary of Xylem Key Data for Calendar Year 2025:

Scope of GHG emissions	Metric Tons CO_2e
Scope 1 GHG emissions	71,013
Scope 2 GHG emissions (Location-based)[1]	46,590
Scope 2 GHG emissions (Market-based)[1]	8,114
Scope of Energy Use	**Megawatt hours**
Total Energy Use (direct and indirect)	493,532
Scope of Water Withdrawn Inventory	**Megalitres**
Global Water Use (surface water, ground water and third party provided water)	2,402
Scope of Waste Generated Inventory	**Tonnes**
Global Waste Generated (hazardous and non-hazardous)	51,756
Scope of Injury and Illness Metrics	**Per 200,000 work hours (100 employees)**
Injury or Illness Rate (recordable injury illness cases*200,000 hours/work hours)	0.44
Days Away from Work Rate (days away from work cases*200,000 hours/work hours	0.23
Severity Rate (days away from workdays*200,000 hours/work hours)	5.66
[1]Scope 2, Location-based and Scope 2, Market-based are defined in the GHG Protocol Scope 2 Guidance, 2015	

[2] The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Table 2. Summary of Xylem Scope 3 GHG Emissions for Calendar Year 2025

Scope of GHG emissions	Metric Tons CO_2e
Scope 3 GHG emissions Category 1: Purchased Goods and Services	743,757
Scope 3 GHG emissions Category 2: Capital Goods	57,607
Scope 3 GHG emissions Category 3: Fuel and Energy Related Activities	28,876
Scope 3 GHG emissions Category 4: Upstream Transportation and Distribution	168,770
Scope 3 GHG emissions Category 5: Waste Generated in Operations	10,203
Scope 3 GHG emissions Category 6: Business Travel	21,939
Scope 3 GHG emissions Category 7: Employee Commuting	55,012
Scope 3 GHG emissions Category 9: Downstream Transportation and Distribution	70,849
Scope 3 GHG emissions Category 11: Use of Sold Products,	59,966,458
Scope 3 GHG emissions Category 12: End of Life Treatment of Sold Products	49,946
Scope 3 GHG emissions Category 13: Downstream Leased Assets	917,960
Scope 3 GHG emissions Category 15: Investments	5,241

LRQA's Approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks were undertaken as part of the evidence gathering process for Xylem assurance engagement:

- reviewing overview of the processes used at the corporate level for the management of data and information related to the Scope 1, Scope 2, and Scope 3 GHG emissions, energy use, water withdrawn, waste generated, and injury and illness rates;
- interviewing relevant staff responsible for managing and maintaining data and information and for preparing the Report at the corporate level;
- reviewing Xylem's procedure for defining and collecting Scope 1, Scope 2, Scope 3 GHG emissions, energy use, water withdrawn, waste generated data, and injury and illness data;
- verifying historical Scope 1, Scope 2 and Scope 3 GHG emissions, energy use, water withdrawn, waste generated, and injury and illness data and records at an aggregated level for CY 2025 and reviewing information calculation spreadsheets;
- verifying Scope 2 renewable energy credits (RECs) and renewable energy use through review of the REC certificates invoices and verification of the emission calculations; and
- confirming Xylem's base year and recalculation policy are in accordance with the GHG Protocol. Xylem's base year is 2023.

LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

Signed



Dated: April 15, 2026

Andrea M. Bockrath
LRQA Lead Verifier
On behalf of LRQA Inc.
2500 CityWest Blvd, Ste 150 Houston TX 77042
LRQA reference: UQA0001726 / 7852562

LRQA Group Limited, its affiliates and subsidiaries, and their respective officers, employees or agents are, individually and collectively, referred to in this clause as 'LRQA'. LRQA assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person has signed a contract with the relevant LRQA entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

The English version of this Assurance Statement is the only valid version. LRQA assumes no responsibility for versions translated into other languages.

This Assurance Statement is only valid when published with the Report to which it refers. It may only be reproduced in its entirety.

Copyright © LRQA, 2026

xylem

Xylem Inc.
301 Water Street SE
Washington DC, 20003

