



2022 SUSTAINABILITY REPORT

 **evoQUA**
WATER TECHNOLOGIES

TRANSFORMING WATER. ENRICHING LIFE.®

A Message From Our CEO

Today, the need for clean and available water has never been more in demand. With concerns around water scarcity, water resilience, and emerging contaminants in water rapidly growing for individuals, enterprises, and communities worldwide, we recognize that Evoqua is uniquely positioned to address these challenges.

We help our customers mitigate water risks by delivering technologies and full-service solutions that are connected, efficient, and resilient. We refer to this use and the resulting outcome as our Handprint. We are proud of, and energized by, the impact that our Handprint has on water resiliency every day. Utilizing our Sustainability and Innovation Hub, we continue to advance our research and development by investing in further innovation of cutting-edge water treatment technologies for our customers and for the environment.

We are also driven to become more sustainable in our own operational Footprint. We have set goals to address water risks related to climate change, seeking to reuse more water than we withdraw from source, by 2035. Utilizing the Greenhouse Gas (GHG) Protocol methodology, we have baselined our scope 1, 2, and 3 emissions, which will enable us to develop Science-Based

GHG emissions reduction targets. This is an important next step towards reaching our goal of net-zero emissions by 2050.

In addition to our environmental goals, we are continuing to build a more inclusive and diverse culture. Our inclusion and diversity strategy focuses on creating a sense of belonging to promote inclusion and spark opportunities. We work to cultivate an inclusive environment that fosters diversity of thought, perspective, and demographics, that enables us to flourish and grow as an organization.

Safety remains a top priority at Evoqua. In FY22, we set a goal to keep our total recordable incident rate (TRIR) at less than or equal to 1.0. We are proud to report that our team achieved this goal through a daily focus and reinforcement of our commitment to the safety of our employees, customers, and communities.

Sustainability is a core value at Evoqua and part of our daily work. We are proud of the progress we continue to make along our journey, and we are honored to have been awarded the 2022 Terra Carta Seal in recognition of our commitment to, and momentum towards, the creation of genuinely sustainable markets.



Our dedication to sustainability and our promise for a better tomorrow is a foundational principle in our business. Enabling a sustainable water ecosystem for future generations is both our opportunity and our responsibility. Thank you for your support as we continue to deliver on our purpose: **Transforming Water. Enriching Life.®**

Sincerely,

A handwritten signature in black ink, appearing to read 'R. C. Keating'. The signature is fluid and cursive, written over a white background.

RON C. KEATING

President, Chief Executive Officer,
Member of the Board of Directors

“Enabling a sustainable water ecosystem for future generations is both our opportunity and our responsibility.”

Executive Summary

An aerial photograph of a tropical beach. The water is a vibrant turquoise color, transitioning to a deeper blue further out. A wide, sandy beach curves along the shore. In the center of the beach, there is a large, irregularly shaped area of white sand dunes covered with sparse, low-lying vegetation. The overall scene is bright and clear, suggesting a sunny day.

This report includes forward looking goals, targets, and initiatives that relate to Evoqua as a stand-alone company. These goals, targets, and initiatives do not consider the impact of future mergers, acquisitions, or divestitures, including the pending merger with Xylem Inc., nor should these goals, targets, and initiatives be considered to be applicable to the combined company or any segment or division thereof, assuming the closing of the transaction. For more information about this report, see [pages 64-66](#).

Our Commitment

HOW WE DEFINE OUR IMPACT



HANDPRINT

Sustainably supporting customers, communities, and the environment to deliver a positive impact through our solutions.



FOOTPRINT

Pursuing sustainability throughout our internal operations.

OUR VALUES

Integrity

Do what's right

Performance

Deliver on promises

Customers

The foundation of our success

Sustainable

Our commitment to today and tomorrow

We transform water for our customers, communities, and planet.

We embrace inclusion and diversity as a primary catalyst for innovation.

We are stewards of environmental health through our actions and conduct.



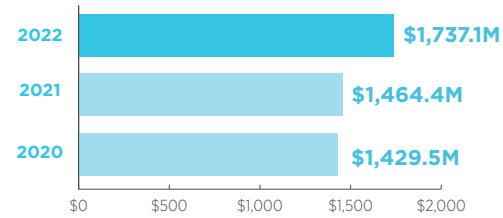
ABOUT US

Evoqua Water Technologies is a leading provider of mission-critical water and wastewater treatment solutions, offering a broad portfolio of products, services, and expertise to support industrial, municipal, and recreational customers who value water. Evoqua has worked to protect water, the environment, and its employees for more than 100 years, earning a reputation for quality, safety, and reliability around the world. Headquartered in Pittsburgh, Pennsylvania, USA, the company operates in more than 150 **locations** across nine countries. Serving more than 38,000 customers and 200,000 installations worldwide, our approximately 4,500 employees are united by a common purpose: **Transforming Water. Enriching Life.**[®]

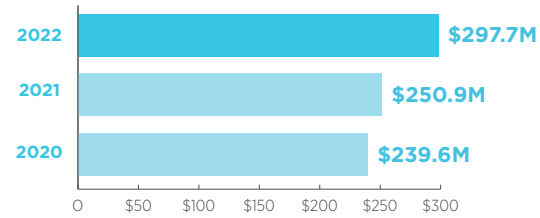
In FY22, our revenue was 1.74 billion, 90% of which is considered green as they come from the sale of products and services that support the sustainable use of water.* For more information on our financials, reference our 2022 Annual Report or Form 10-K for the year ended September 30, 2022, filed with the Securities and Exchange Commission (SEC) on November 16, 2022, available on our company [website](#) along with our other periodic reports.

Creating Value for Our Stakeholders

FY REVENUE in millions

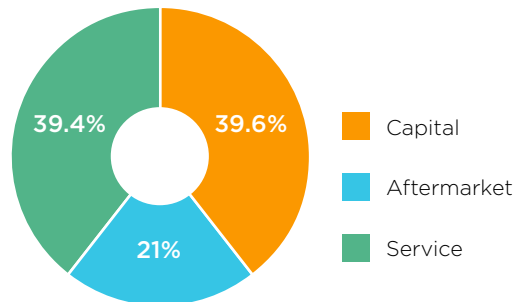


FY ADJUSTED EBITDA¹ in millions

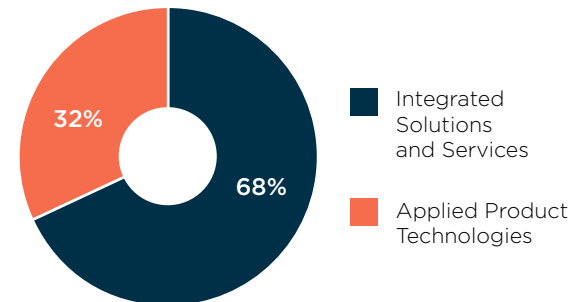


Over 90% of Evoqua's FY22 total revenues are considered green as they come from the sale of products and services that support the sustainable use of water.²

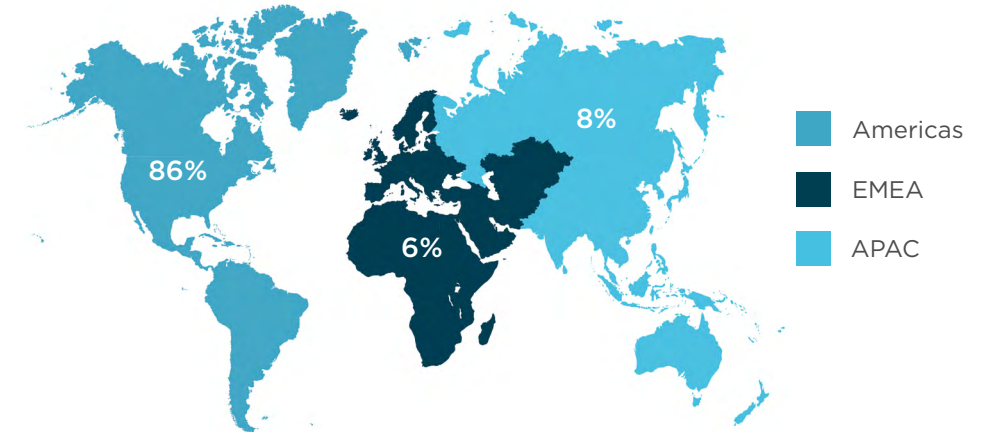
FY22 REVENUE BY TYPE



FY22 REVENUE BY SEGMENT



WHERE WE SELL



Markets We Serve



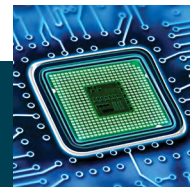
LIFE SCIENCES



LIGHT & GENERAL INDUSTRY



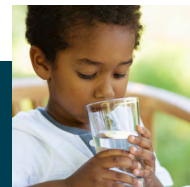
POWER



MICRO-ELECTRONICS



CHEMICAL PROCESSING



MUNICIPAL DRINKING WATER



FOOD & BEVERAGE



MUNICIPAL WASTEWATER



AQUATICS



REFINING & MARINE

¹ Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP financial measure, see the [Appendix](#) attached to this report.

² Proportion of the sales of Evoqua's products and services meeting the definitions of green and sustainable provided by [FTSE Russell](#), [MSCI](#) and [Corporate Knights](#)

Working Towards a Sustainable Future

CHALLENGES TO CLEAN WATER

Water challenges resulting from climate change, such as water scarcity, emerging contaminants in water, severe weather, and other factors are urgent and growing concerns worldwide. These water-related challenges continue to impact individuals, enterprises, communities, and governments. Safe and available water is critical to overall human health and well-being; however, certain sources estimate that as of early 2023, over 2.4 billion people live in water-scarce areas¹ and that by 2030, water scarcity could displace 700 million people.² When considering the global economic landscape, few industries can thrive without a stable water supply, whether it is used to power the enterprise, required to feed its supply chain, or instrumental in creating a product itself.

HOW WE HELP

At Evoqua, we recognize the need for action. According to the United Nations, water is the core element through which people will feel the impacts of climate change.² We work daily to build healthy and safe water systems by delivering water treatment technologies and solutions that help our customers and communities protect the world's most valuable resource — water. Beyond our products and services, we strive to reduce our own operational Footprint, **reach net-zero GHG emissions by 2050**, and raise awareness on water scarcity and the effects of climate change through our partnerships and community action.



We are proud to help solve for a broad range of water treatment challenges through technologies that enable water reuse. This includes our mobile response units that allow customers to build resilient water systems. See [page 50](#)

of this report for more information on our impact on the Sustainable Development Goals (SDGs).³



Business today has a responsibility that extends beyond it's own operations - to leaving things better than we found them. Learn more about sustainability at Evoqua [here](#).

¹ Source: [World Data Lab](#)

² Source: [UN News](#)

³ The use of the SDG logos or icons does not imply the endorsement of the [United Nations](#)



Evoqua transforms approximately 100 billion gallons of water every day with our products and services.

This is over 4.5 times the amount of water flowing over Niagara Falls every single day.

Supporting Our Communities

We recognize that meaningful, purpose-driven volunteer opportunities inspire our employees. Our corporate social responsibility (CSR) program is led by a diverse group of employees energized by our mission to connect people with their passion. Our program supports our employees and their commitments to volunteering and giving back. In FY22, hundreds of employees gave thousands of hours to serve their communities.



Derby, United Kingdom



Pittsburgh, Pennsylvania, USA



Tewksbury, Massachusetts, USA



East Rutherford, New Jersey, USA



Our work at Evoqua extends beyond what we do daily for our customers. It's also the positive impact our employees make in the communities in which they live and work, further demonstrating our purpose: Transforming Water. Enriching Life.®

— ANTHONY J. WEBSTER, Executive Vice President, Chief Human Resources Officer



Günzburg, Germany

A Message from Our Chief Growth & Sustainability Officer

Access to safe and available water is one of the most basic human needs for health and well-being; however, according to the United Nations, billions of people will lack access to these essential services by 2030.* Water is also the primary medium through which we will feel the effects of climate change via less predictable water availability, increased flooding threatening water points and sanitation facilities, and exacerbated water scarcity.

At Evoqua, each day, we work in partnership with our customers to help them make better use of water resources, resulting in the transformation of approximately 100 billion gallons of water every day. Our connected, resilient technologies and services help promote the health, safety, and prosperity of our customers and communities, as the risk landscape around water and its availability continues to change.

As we further evolve our sustainability strategy, in FY22, we updated our materiality assessment by gaining feedback from internal and external

stakeholders to ensure our environmental, social, and governance (ESG) initiatives align with stakeholders' needs. We commit to transparency in our reporting and report in accordance with the standards set forth by the Global Reporting Initiative (GRI), utilize the relevant recommendations provided by the Sustainability Accounting Standards Board (SASB), and align with the United Nations' Sustainable Development Goals (SDGs).

Our sustainability goals have unified our employees in a common purpose to prioritize actions and track progress across a number of key areas, which address where we are headed as a company and the role we can play in the communities in which we operate globally.

We hope you enjoy reading our new and improved report style, which highlights our accomplishments over the past year in a concise and user-friendly format. In this report, we provide details to help you track



our performance as we strive for continuous improvement in all that we do.

While our 2022 Sustainability Report looks back at our performance in important ESG areas, our focus is on tomorrow as we drive actions to progress towards our goals while continuing to support and serve our customers.

Sincerely,

A handwritten signature in black ink that reads "Snehal Desai". The signature is written in a cursive, flowing style.

SNEHAL A. DESAI

Executive Vice President,
Chief Growth and Sustainability Officer

“ Our connected, resilient technologies and services help promote the health, safety, and prosperity of our customers and communities.

* Read more about water and climate change from the [United Nations](#).

Materiality Assessment

At Evoqua, we view sustainability as a journey that we are on together with our customers and communities. As we continuously seek to become a more responsible business partner, we also reflect on where we have been successful and where there are opportunities to improve.

In FY22, we refreshed our materiality assessment and developed our first materiality matrix. Our update began with an extensive review of our previous assessment conducted in 2019, and relevant ESG reporting frameworks and agencies. We also conducted peer benchmarking to determine the material topics we should monitor and how best to conduct our materiality assessment.

We regularly engage our key stakeholders in meaningful discussions on material ESG topics. For our reassessment, we **interviewed and surveyed over 500 individuals*** across seven stakeholder groups to assess the ESG topics most important to Evoqua and the areas in which we can have the most meaningful impact. We identified more than 30 ESG topics through our review, consolidated into the 15 topics shown on the next page.



MATERIALITY ASSESSMENT ENGAGEMENT METHODS

- Reviewed by Evoqua's Executive Leadership Team (ELT)
- Conducted 11 interviews with external stakeholders
- Engaged with 15 investors on key topics
- Received over 500 employee survey responses

ESG TOPICS MOST MATERIAL TO OUR COMPANY INCLUDE:

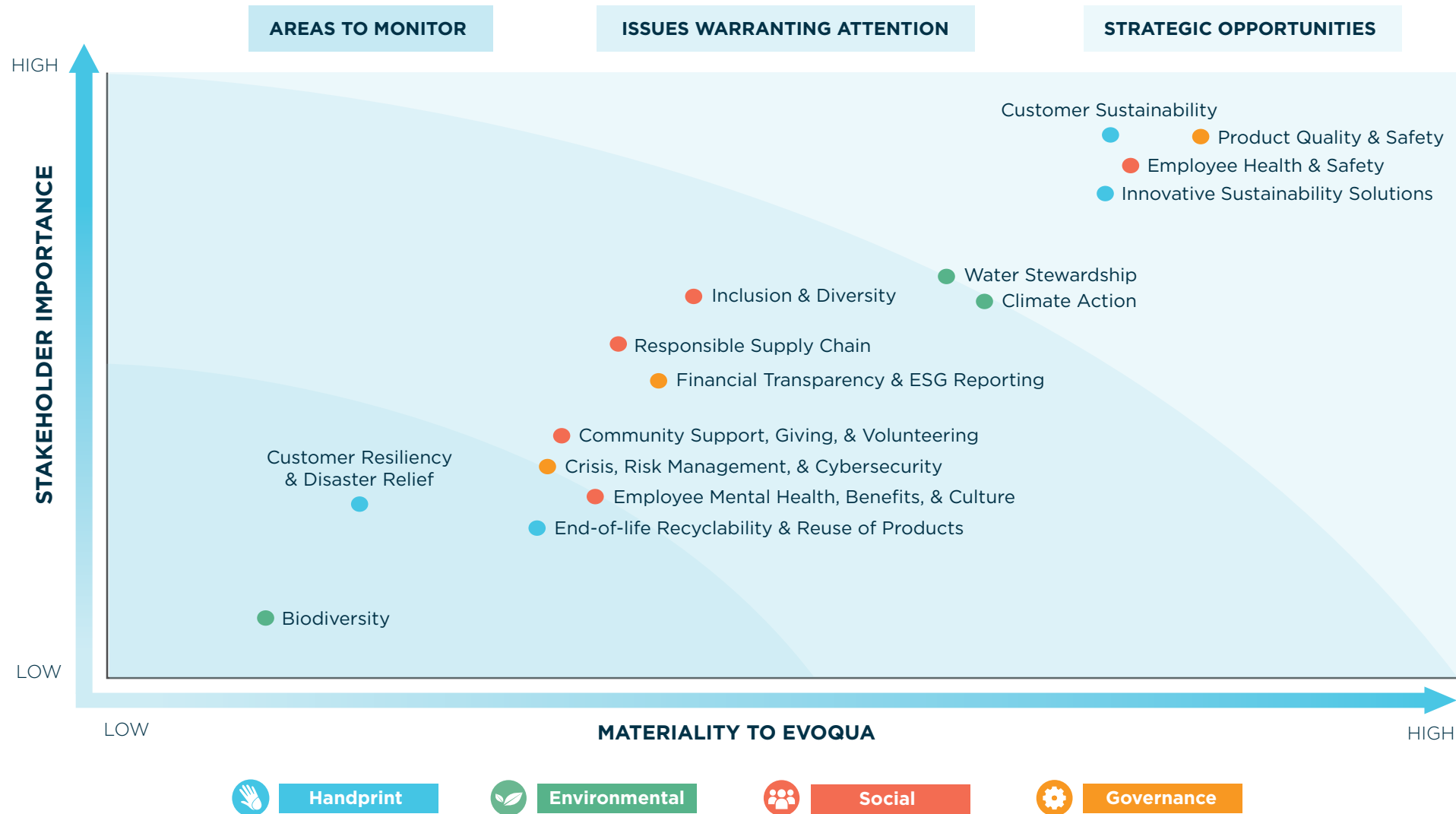
	PRODUCT QUALITY & SAFETY		CLIMATE ACTION
	CUSTOMER SUSTAINABILITY		INCLUSION & DIVERSITY
	EMPLOYEE HEALTH & SAFETY		FINANCIAL TRANSPARENCY & ESG REPORTING
	INNOVATIVE SUSTAINABILITY SOLUTIONS		RESPONSIBLE SUPPLY CHAIN
	WATER STEWARDSHIP		

SEE WHERE THESE TOPICS RANK WITHIN THE MATERIALITY MATRIX ON [PAGE 11](#).

* Stakeholders include Evoqua's Executive Leadership Team (ELT), employees, investors, customers, suppliers, water sustainability experts, and ESG rating agencies.

Materiality Matrix

Our materiality matrix depicts the topics most critical to our stakeholders and company and shapes our approach to sustainability. The top right quadrant of the matrix represents the topics most material to our business, which are also listed on the page above.



Our Sustainability Goals & Progress



Last year, we announced two ambitious environmental goals with respect to our own operations. As an organization, we are grounded in the health and well-being of our employees, customers, and communities, and we continuously work to improve our safety performance. We are proud to share an update on our progress and where we have opportunities for growth. Aligning around common goals and impact areas is crucial to maintaining internal momentum toward our purpose: **Transforming Water. Enriching Life.**[®]

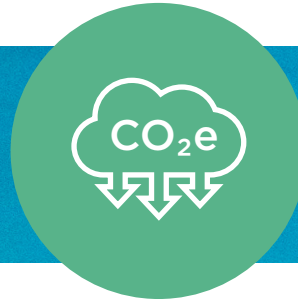


GOAL

By 2035, Evoqua’s facilities will seek to **recycle and reuse more water than withdrawn.**

PROGRESS

In FY22, our company-wide water reuse exceeded **65%**.¹



GOAL

Evoqua plans to set **science-based targets** that will assist the company with its goal of reaching **net-zero greenhouse gas (GHG) emissions by 2050.**

PROGRESS

In FY22, we began to develop our science-based targets for **scopes 1, 2, and 3.**



GOAL

Year-over-year, Evoqua aims to keep our total recordable incident rate (**TRIR**) **at less than or equal to 1.0.**


PROGRESS

In FY22, we achieved our TRIR goal of **≤ 1.0.**

FOR MORE INFORMATION ON OUR GOALS AND PROGRESS, SEE [PAGES 22-26.](#)

¹ Calculated using data from Evoqua’s key facilities, which encompass over 90% of our internal environmental impact based on management estimates.

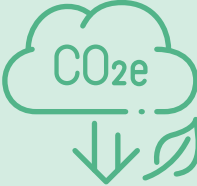
Fiscal Year 2022 in Review



Total company-wide water reuse exceeded

65%

an increase of **17.7%** from FY21¹



Reduced our CO₂e intensity by

15.8%

in FY22 as compared to FY21^{1,2}





Reduced our natural gas usage by^{1,2}

10%

Equivalent to removing over 450 gasoline-powered vehicles from the road for one year³

BOARD DIVERSITY

33% Gender diverse 

33% Racially/ethnically diverse 



Achieved our total recordable incident rate (TRIR) safety goal

≤ 1.0



~87%

of employees completed Evoqua's unconscious bias training

¹ Calculated using data from Evoqua's key facilities, which encompass over 90% of our internal environmental impact based on management estimates.

² Calculations employ standard conversions and calculation methodologies. Emission factors are per EPA's Greenhouse Gas Inventory, EPA's 2021 eGrid, and similar international factors.

³ As per the EPA's [greenhouse gas equivalencies calculator](#).



Recognitions & Ratings

Evoqua seeks to transparently communicate our sustainability performance through disclosure in relevant frameworks and to ESG rating and ranking agencies. We are honored to have received the following recognitions of our sustainability progress from leaders in the field and top-rated ESG ratings providers.



Ranked #6 overall on Corporate Knights' 100 Most Sustainable Corporations in the World (Global 100) list in 2023.¹ This was an improvement from our #19 rank on the 2022 list.



One of 19 companies awarded the 2022 Terra Carta Seal by the Sustainable Market Initiative. The Terra Carta seal recognizes global companies driving innovation and demonstrating their commitment to, and momentum towards, creating genuinely sustainable markets. Read more about the Terra Carta Seal [here](#).

Designated by **Frost and Sullivan** as the 2022 Global Sustainability in Water Technology Company of the Year.

Recognized by As You Sow and Corporate Knights on the **Clean200™** list of the 200 largest public companies ranked by clean revenues in 2022.⁴

Recognized on the **SDG2000** list by the World Benchmarking Alliance as one of 2,000 companies with the greatest potential to positively influence a more sustainable future as envisioned in the SDGs.



As of 2023, Evoqua received an **MSCI ESG Rating of AA**.²



Evoqua's ESG Risk Rating from Morningstar Sustainalytics placed us in the **top 10% of our industry group**, Machinery, in August 2022.³



In 2022, Evoqua was awarded the silver medal by EcoVadis to recognize our sustainability progress, placing us in the **top 20% of all rated companies**.

¹ The 2023 ranking reflects data contained within the 2021 Sustainability Report. Logo courtesy of Corporate Knights.

² MSCI updated score reflects data contained within the 2021 Sustainability Report.

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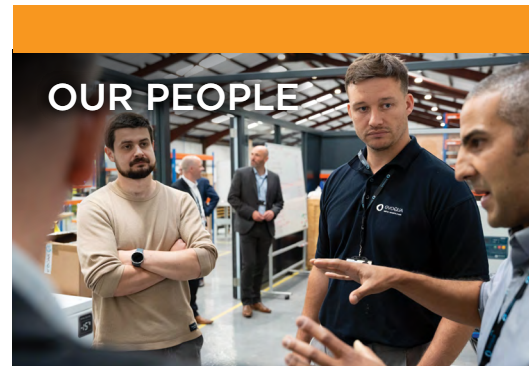
⁴ Clean200™ is a trademark of As You Sow. Learn more about the [Clean200](#).

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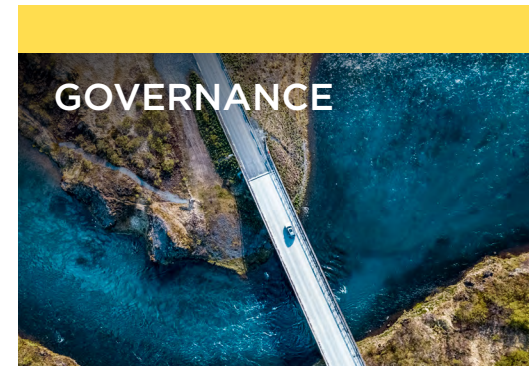


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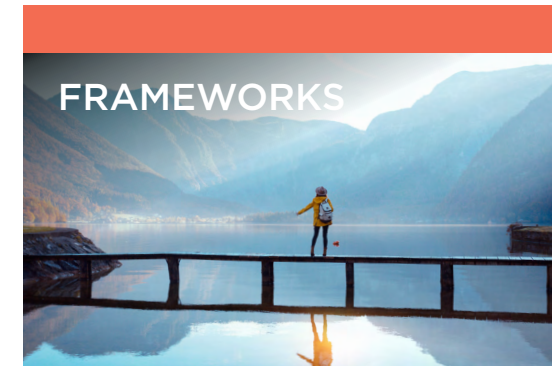
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Sustainability Impact Map

Each day, we work to address water and resource scarcity, climate risk, and health and safety concerns with circular and digitally connected solutions for our customers.

Learn how Evoqua's solutions can help by clicking on the impacts listed below.



HANDPRINT

Sustainably supporting customers, communities, and the environment to deliver a positive impact through our solutions.

INDUSTRIAL

- Reduce, reuse, and recycle water
- Air and water pollution reduction and groundwater remediation
- Reduce chemical use
- Increase energy and operational efficiencies
- Renewable energy production
- Resource recovery

MUNICIPAL

DRINKING WATER

WASTEWATER

- Reduce, reuse, and recycle water
- Stormwater management
- Contaminant removal from water, wastewater, and groundwater
- Reduce chemical use
- Improve energy efficiency
- Renewable energy production
- Resource recovery

COMMERCIAL/ INSTITUTIONAL

- Reduce, reuse, and recycle water
- Reduce chemical use
- Water pollution reduction
- Increase energy and operational efficiencies

Mitigate Water Scarcity

Health and Safety

Climate Action

Resource Recovery



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Driving Innovation

Our customers' evolving needs and sustainability challenges are at the forefront of our innovation process. Whether related to product life, customer impact, or manufacturing processes, we make decisions with potential environmental and social impacts in mind. As customers increasingly focus on reducing their environmental impact, staying in step with their sustainability objectives requires regular innovation of our products and services.

Our sustainable innovation checklist is vital to our innovation process. **The checklist enables us to systematically assess the environmental impacts across multiple dimensions of sustainability when designing new products or solutions.** Utilizing the checklist allows us to rate proposed products based on various ESG-related criteria over the complete product lifecycle, from efficiency in manufacturing, to years of customer usage, and at their end of life. We aim to design new products and improve upon existing ones to use materials efficiently, reduce energy consumption, CO₂ emissions, and water usage, and generate a minimum amount of waste.

Our Sustainability and Innovation Hub continues to advance our research and development capabilities, enabling further development of cutting-edge and sustainable water treatment technologies for our customers. [Read more](#) about the Hub and its impact.

DESIGNING MORE EFFICIENT PRODUCTS

Innovation of digitally enabled solutions is another tool to reduce our environmental impact within our business and our customers' operations. Our award-winning [Water One](#)[®] service allows us to increase customer uptime while reducing fleet mileage and ion exchange resin waste, among other things. Based on our estimates, this remote monitoring service has enabled us to reduce the distance our service technicians

drive to customer sites by over **200,000 miles** (321,800 km), which amounts to a reduction of approximately **177 metric tons of CO₂ emissions** since FY17.¹ As compared to FY17, our Water One[®] service has also reduced the volume of chemicals used in our resin regeneration process by approximately 127,000 pounds (57.6 metric tons) in FY22. This reduction is the result of more efficient tank exchanges (13% fewer trips).¹ To date, over **1,000 sites** have been converted to Water One[®]. For more on our innovative product offerings, visit our [webpage](#).

PRODUCT PROFILE

Evoqua's Chloropac[®] electrochlorination technology provides a reliable solution for treating the biological fouling of seawater in marine applications while eliminating the need to store and handle bulk chlorine on land or at sea. Through our innovation and continuous design improvement processes, Evoqua produced the Chloropac[®] MKIV electrochlorination cell, which provides the same level of safe and dependable performance while saving on electricity, maintenance, and space when compared to previous generations of cells. The Chloropac[®] system also utilizes platinum on titanium electrolytic cells (anodes) which are self-cleaning and designed to last the lifetime of the vessel in which they were installed, resulting in up to **300% cost savings** compared to copper anodes over a 20 year period.

Chloropac[®] MKIV electrochlorination cell²

ENERGY
20% reduction in electricity consumption

SAFETY
No need for live high-voltage testing of cells

EFFICIENCY
Output per cell is up to 700% greater than in previous versions

FOOTPRINT
Higher efficiency leads to reduced size and shipping weight

¹ Based on our review of data relating to just over 1,000 customers for the period from 2017 to 2022, we estimate that the digitally enabled remote monitoring service Water One[®] SD has allowed us to reduce the number of service trips to these customers during this period by 13%. This means less downtime and fewer disruptions for our customers. Based on the average time spent on a service trip and the average distance from our branches to these customer sites, we estimate that the reduction in service trips has resulted in approximately 13,300 fewer hours of time spent by our service technicians on service trips, fewer miles driven by our fleet, which in turn has reduced our CO₂e emissions and chemicals consumed in our resin regeneration process.

² Performance limitations depend on feed conditions, overall installed system design, and operation and maintenance processes. For specific information, please refer to Operations Manuals. For more information: contactus@evoqua.com.



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Protecting Public Health & Reimagining Wastewater Treatment

PROVIDING SAFE AND RELIABLE PFAS REMOVAL

Orange County Water District (OCWD) needed to proactively address the emerging issue of per- and poly-fluoroalkyl substances (PFAS) in its regional groundwater basin. OCWD required a solution that could be installed quickly at its Fullerton Treatment Plant, which serves over 2,100 family homes in the county. With Evoqua’s help, OCWD began operating its first wellhead filtration system to remove PFAS compounds. Evoqua provided the plant with two high-pressure carbon adsorption treatment systems to effectively treat 3,000 gallons per minute (680 m³/h) from the well site. The flexibility of the vessel design allows for the use of alternative treatment media as new materials and regulations arise. The treatment solution enables OCWD to use the well site to continue providing up to 1.58 billion gallons (5.98 million m³) of safe drinking water per year to the local population while reducing \$1.2 million in costs to ratepayers for imported water.

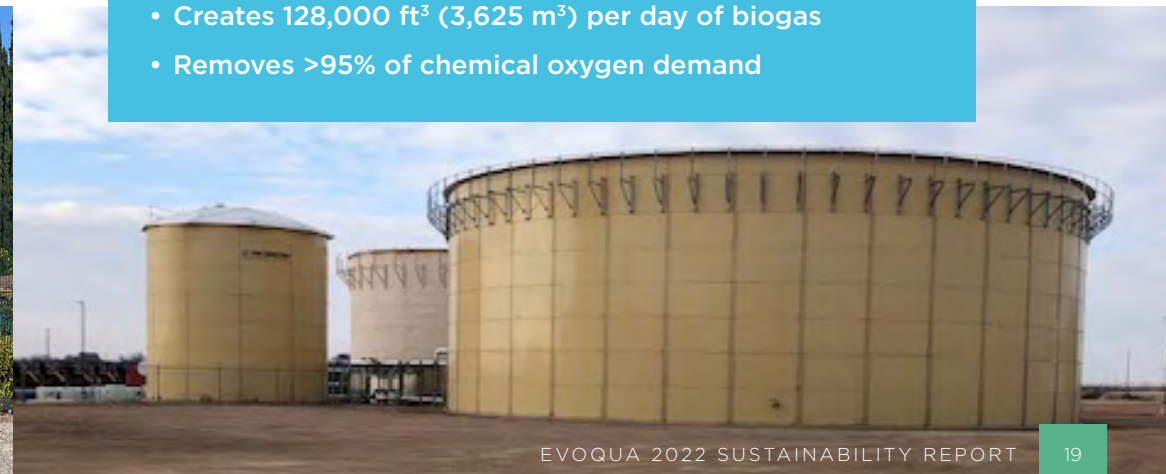
- Rapid response to emerging PFAS issue
- 1.58 billion gallons (5.98 million m³) of clean water
- \$1.2 million in annual savings by avoiding imported water



RESPONSIBLY INCREASING PRODUCTION

Lone Star Dairy already enjoyed the benefits of low-rate anaerobic digestion to treat their wastewater, but their production needs grew beyond the capacity of their existing system. An upgrade was needed to remain compliant and to protect the downstream publicly owned treatment works (POTW). Dairy processing waste can be a challenge to treat due to high concentrations of organic matter. To keep operating costs low and maintain use of Lone Star’s existing equipment, Evoqua installed a new 200,000-gallon (757 m³) equalization tank and a 2.4-million-gallon (9,085 m³) BVF[®] anaerobic reactor, sized to treat the full plant flow. The existing reactor now operates in series after the new reactor, and combined they can treat 350,000 gallons (3,625 m³) per day of high-strength dairy wastewater converting the organics into valuable biogas. In the future, the biogas can be used as a source of renewable energy. Read more [here](#).

- Treats up to 350,000 gallons (1,325 m³) per day of waste
- Creates 128,000 ft³ (3,625 m³) per day of biogas
- Removes >95% of chemical oxygen demand





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Evoqua Water Sustainability Award

OUR FIFTH ANNUAL EVOQUA WATER SUSTAINABILITY AWARD WINNER

Samsung Austin Semiconductor, LLC, a subsidiary of Samsung Electronics Co., Ltd., was recognized for Evoqua’s annual sustainability award after demonstrating noteworthy enhancements in waste reduction and water conservation for its semiconductor manufacturing facility in Austin, Texas. Samsung Austin Semiconductor is committed to environmental excellence in the operation of its advanced manufacturing operations.

The Austin facility recently upgraded its treatment solution to remove and recover copper from its wastewater prior to discharge in a more environmentally friendly manner. Following a successful pilot project, Evoqua worked with the facility to design and install a full-scale wastewater ion exchange solution based upon collaborative engineering solutions, providing the plant with a simplified and sustainable treatment system.

The system design incorporates many benefits, including the elimination of an estimated 1.5 million pounds of sludge sent to the landfill annually, the removal of lime slurry equating to an estimated 1.5 million gallons of water conserved per year, and reducing the amount of carbon media consumed by an estimated 10,000 pounds per year.



The Evoqua Sustainability Award proudly celebrates the dedication and innovation of our customers. Samsung Austin Semiconductor’s achievements in reducing water and waste in its operations have made it an exemplary company, and we are honored to be part of its sustainability journey.

— **RON C. KEATING**, President, Chief Executive Officer, Member of the Board of Directors

The Evoqua Water Sustainability Award recognizes Evoqua customers for their excellence in water stewardship. Winners include organizations using new or existing technologies in innovative and sustainable ways and who have made significant strides in water and energy efficiency. Each year, this recognition is awarded on World Water Day.

[Read more](#) about the Evoqua Water Sustainability Award process and view our prestigious list of previous award winners and finalists.

Learn more about Evoqua’s [wastewater ion exchange](#) offerings for removing dissolved heavy metals from rinse water and wastewater streams.



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Product Safety & Quality

We aim to provide our customers with proven, reliable, and safe water and wastewater treatment solutions. Managerial responsibility for product safety and quality is owned within each division. Each division is led by a vice president/general manager who reports to one of our segment presidents. Our product safety and quality initiatives include the following:

RISK ASSESSMENTS AND MONITORING PERFORMANCE

Product safety risk assessments are incorporated into the launch requirements for all products. Evoqua tracks and internally reports on product safety performance through our non-conformance reporting dashboard. This system allows us to track relevant safety performance metrics and take steps to resolve any product safety issues. We have internal targets for product safety performance in each business area.

INCIDENT INVESTIGATION

Both divisional and corporate Environment, Health, and Safety (EHS) resources investigate every product or service safety incident. We regularly test emergency response procedures as part of our EHS program. Part of our formal product recall procedures is to notify every impacted customer in the event of a recall. The segment president for the product under investigation is engaged in the review with our entire ELT. Corrective action may involve cross-functional engagement from product management, corporate engineering, segment quality, strategic sourcing, and technology and innovation. We publicly report on product/service safety issues in accordance with applicable laws.

PRODUCT AND SAFETY TRAINING

Our employees are at the heart of every product and service we provide to our customers. Employee product and safety training begins during our onboarding process, where each employee receives a mandatory overview of Evoqua’s safety and quality programs. Training is tailored by location and job function to ensure that employees are familiar with safety and quality processes and programs specific to their roles and responsibilities. We train our employees and customers in product safety during installation and start-up.

OUR APPROACH TO QUALITY MANAGEMENT

We maintain an Integrated Management System Manual designed to help customers and employees understand management’s commitment to establishing, implementing, and maintaining a management system aligned with ISO 9001, ISO 14001, and OHSAS 18001 requirements. The manual details our commitment to enhancing product quality and in turn, safety. The manual, which includes our management system policy statement, is available to all customers, employees, and personnel working on behalf of Evoqua.

CERTIFICATIONS

As of September 30, 2022, eight of our 11 global manufacturing sites are ISO 9001 certified (over 70%). Ten of our 13 U.S. resin regeneration plants are ISO 9001 certified (over 75%). We maintain internal quantitative targets for these certifications and receive external audits of our management systems. An additional four facilities have quality certifications specific to work performed at the facility, such as the American Society of Mechanical Engineers (ASME), American Welding Society (AWS), German Association for Welding and Allied Processes DVS, Atmospheres Explosives (ATEX), International Electrotechnical Commission System – Explosive Atmospheres (ICEEx), Underwriter Laboratories (UL) and NSF International (NSF).

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Reducing Our Footprint

The effects of climate change on global communities requires us to consider how we can responsibly reduce the environmental impact of our operations. Our CEO-endorsed [Environment, Health, and Safety and Sustainability \(EHS&S\) Policy](#) highlights our corporate commitment to sustainability and providing our solutions, products, and services in a safe, environmentally sound, and socially responsible manner. We have worked to increase our transparency in reporting our annual environmental metrics and progress. In FY21, we committed to two new environmental goals. We seek to reach **net-zero greenhouse gas (GHG) emissions by 2050**, and set science-based targets (SBTs) to help us reach our goal. We also plan to **recycle and reuse more water than we withdraw by 2035**.

OUR ENVIRONMENTAL MANAGEMENT SYSTEM

We work to protect our operating environment through our company-wide Environmental Management System (EMS) and are committed to monitoring and reporting our performance against the goals and KPIs outlined in our EMS. All of our locations are governed by an EMS, and our more extensive facilities, including Tewksbury, Massachusetts, USA; Holland, Michigan, USA; Caldicot, United Kingdom; and Singapore, are ISO 14001 certified. Our EMS has internal objectives, targets, and deadlines with a monitoring program and assigned roles for various employees. We track our EMS performance records and conduct internal and external audits periodically. We provide employee training on our EMS at the corporate level, with more robust training at certified sites. We have an EMS awareness program for contractors and visitors communicated through site literature. As our company EHS&S policy outlines, we aim for 100% compliance with all environmental regulations and permits. If environmental concerns from our operations arise, we take prompt corrective action to work with our stakeholders to resolve them. We have an internal and external communications process for environmental management issues.

MANAGEMENT APPROACH

Combating the effects of climate change requires action across many industries to help the earth remain below 1.5°C of warming. Evoqua helps our customers mitigate water risk and the impacts of climate change on water systems. We are also committed to continuing to look internally to do the same. To drive our Footprint strategy, we continually engage our stakeholders. In FY22, we updated our materiality assessment which supported previous stakeholder feedback on our Footprint priority areas and Evoqua's ongoing Footprint strategy. When asked about the environmental issues related to climate change, our stakeholders identified water and emissions as areas of opportunity where we could have the most impact.

Last year, we released the first complete data set of Evoqua's environmental Footprint, including GHG emissions, energy, water usage, waste generation, and additional environmental inputs, communicating our commitment to increased transparency around our environmental metrics to our stakeholders. In FY22, we continued to review our Footprint data for accuracy and developed an internal dashboard for improved progress tracking. On an annual basis, we track our year-over-year progress with a review by Evoqua's Internal Audit department. We facilitate regular best practice sharing among our top facilities to discuss valuable strategies to reduce our environmental impact. Methods for reduction include installing LEDs, reusing materials, energy audits, upgrading HVAC systems, utilizing local/state/federal incentives, and more. The shared knowledge between our facility leaders is so valuable that in FY23, we plan to launch a platform to build connections, communicate sustainability progress, and facilitate collaboration.



FOOTPRINT
Pursuing sustainability throughout
our internal operations.



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Emissions From Our Operations

We currently use the Greenhouse Gas (GHG) Protocol to calculate our baselines and the Science Based Targets initiative (SBTi) methodology to evaluate potential targets regarding our scope 1, 2, and 3 emissions. The SBTi provides a framework for companies to set emissions reduction targets that align with leading climate science and sector-relevant impacts. Using these methodologies to guide GHG emissions reduction targets is expected to help us reach our goal of **net-zero GHG emissions by 2050**.

In FY22, we began to evaluate our scope 3 emissions to determine whether they should be included in our proposed SBTs. In FY23, we plan to continue developing our SBTs, including ongoing reviews of our scope 1 and 2 data to ensure accuracy. We used this same review process to ensure the accuracy of the data contained in this report and the previous report. We plan to continue the evaluation of our scope 3 emissions and the development of strategies to address them in FY23.

Alongside evaluating our emissions, we seek strategic opportunities to make our facilities more energy efficient. As of September 30, 2022, renewable technologies accounted for 16.8% of our electricity from the electric grid.^{1,2} We continue to evaluate opportunities to incorporate additional renewables, such as solar and wind power, into our portfolio. With scope 2 comprising about 25% of our emissions, transitioning to more renewable sources will help reduce our impact.^{2,3} Our scope 1 emissions are nearly evenly distributed between our service vehicle fleet and natural gas usage.

A ROADMAP FOR OUR FLEET

We recognize that to impact our emissions positively, we must prioritize efficiency in our fleet. Evoqua's fleet, fueled by diesel and gasoline, accounts for approximately 40% of our FY22 scope 1 and 2 emissions.³ The slight increase in our gasoline use in FY22 is due primarily to the execution of our ongoing acquisition strategy. In FY21, we launched a three-year road map to reduce our fleet's environmental impacts. In the first year of the plan, we experienced some setbacks due to competing business priorities and unforeseen global supply chain challenges facing the automotive industry. In FY22, we progressed on our journey to a more sustainable fleet despite these continued challenges.

PROGRESS IN FY22

- Rolled out an additional **25 hybrid vehicles** and furthered progress on fleet electrification plans
- Improved **overall miles per gallon (MPG) by 26%** as compared to FY20
- Updated our fleet dashboard to better monitor driver behavior, safety, fuel usage, and idle time
 - Enhancements included compliance and device notifications and additional safety features such as driver score visibility and pre- and post-trip safety observation inspection forms

ON TAP FOR FY23

- Launch additional hybrid vehicles and pilot electric vehicles
- Continue to research alternative fuel options

¹ Calculations employ standard conversions and calculation methodologies. Emission factors are per EPA's Greenhouse Gas Inventory, EPA's and 2021 eGrid, and similar international factors.

² Renewable sources are hydroelectric, biomass, wind, solar, and geothermal.

³ Calculated using data from Evoqua's key facilities and fleet, which encompass over 90% of our internal environmental impact based on management estimates.

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Energy & Emissions by the Numbers

SCOPE 1 DIRECT EMISSIONS IN METRIC TONS CO₂e

EMISSIONS BY TYPE	FY20	FY21	FY22
Natural Gas	21,253	21,340	19,202
Propane	216	218	252
Diesel	12,855	12,150	11,969
Gasoline	7,624	8,978	11,662
Scope 1 Total Emissions (Direct)	41,948	42,686	43,085

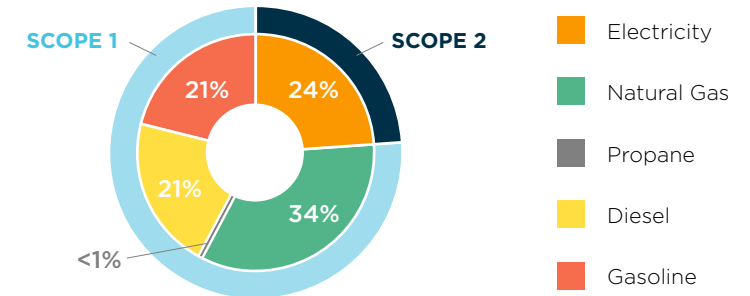
SCOPE 2 INDIRECT EMISSIONS IN METRIC TONS CO₂e

EMISSIONS BY TYPE	FY20	FY21	FY22
Electricity	14,487	13,925	13,470
Scope 2 Total Emissions (Indirect)	14,487	13,925	13,470

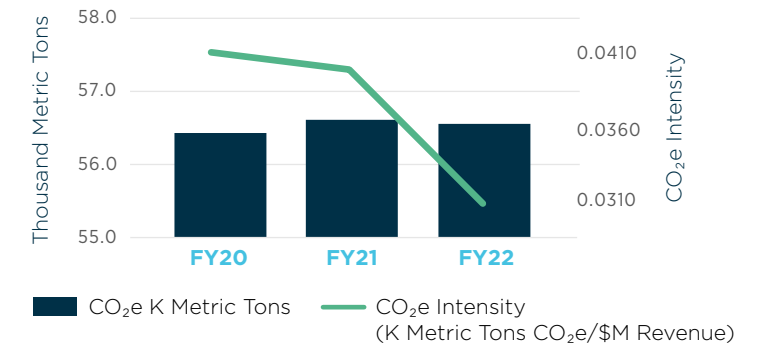
DIRECT ENERGY CONSUMPTION FROM OPERATIONS BY TYPE (MWh)^{1,2}

CONSUMPTION BY TYPE	FY20	FY21	FY22
Electricity	37,074	35,007	32,832
Natural Gas	113,337	113,799	102,401
Propane	1,083	1,093	1,264
Diesel	50,646	47,869	47,155
Gasoline	31,802	37,450	48,644
Total Energy Consumption	233,942	235,218	232,296

FY22 GHG EMISSIONS BY SOURCE (METRIC TONS OF CO₂e)



CO₂e EMISSIONS & INTENSITY



FY22 OTHER AIR EMISSIONS BY TYPE (METRIC TONS PER YEAR)³

EMISSIONS BY TYPE	Value
Emissions by Type	
Nitrous Oxides (NOx)	68.0
Sulfur Oxides (SOx)	0.1
Volatile Organic Compounds (VOCs)	17.0
Hazardous Air Pollutants (HAPs)	0.3
Particulate Matter (PM)	3.2

¹ Calculations employ standard conversions and calculation methodologies. Emission factors are per EPA's Greenhouse Gas Inventory, EPA's and 2021 eGrid, and similar international factors.

² Calculated using data from Evoqua's key facilities and fleet, which encompass over 90% of our internal environmental impact based on management estimates.

³ Includes emissions from Scope 1 & 2 sources. Excludes limited scope of facility-specific operations that may generate other process-related emissions unrelated to fuel combustion.



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Managing Our Water Withdrawal

The effects of climate change and water scarcity continue to challenge individuals, communities, enterprises, and governments. Evoqua’s products and services help our customers solve their most pressing water issues every day. Water is crucial to our business and our solutions. While we seek to address our customer’s needs by providing access to clean water, we also recognize our responsibility to manage our own consumption. Last year, Evoqua adopted a goal to reuse more water than we withdraw by 2035. This goal will be achieved if the volume of water reused in our facilities annually exceeds 100% of the volume of water we withdraw from source during the same period.

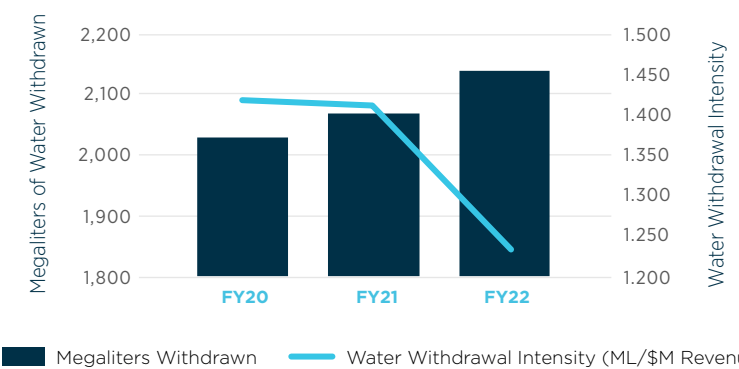
To help us reach our goal, we are collecting additional water use data and creating water management plans for our facilities to increase efficiency in our water usage and implement additional water recycling and reuse initiatives, using our technologies wherever possible. **In FY22, our company-wide water reuse exceeded 65%, an increase of 17.7% from FY21.**¹ This increase is due to the addition of new meters and improved tracking. Additionally, we reduced our overall water withdrawal intensity by 12.7% and increased our water reuse at our top 10 sites by 23.7% in FY22 from FY21.¹ As of September 30, 2022, our top resin regeneration facilities comprise over 80% of Evoqua’s total water withdrawal. We are currently creating water management plans at these facilities to help us meet our 2035 water reuse goal.

WATER BY THE NUMBERS

WATER WITHDRAWAL AND REUSE IN MEGALITERS¹

	FY20	FY21	FY22
Total Water Withdrawal	2,028	2,068	2,141
Water Withdrawal Intensity ²	1.419	1.412	1.233
Total Water Recycled or Reused	1,272 (62.7%)	1,171 (56.6%)	1,427 (66.6%)

WATER WITHDRAWAL & INTENSITY



¹ Calculated using data from Evoqua’s key facilities, which encompass over 90% of our internal environmental impact based on management estimates.

² Water Withdrawal Intensity = Megaliters/\$M Revenue.



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Circular Solutions

Creating a more circular economy is one of the ways we believe we can work to slow the effects of climate change. Reusing, recycling, and avoiding the use of virgin materials when possible is a priority for Evoqua. However, we have also identified this as an area of opportunity. Our sustainable product innovation checklist is an approach to systematically review and assess the materials used in our products and product end-of-life. In FY22, we began to work with a third party to better identify opportunities for circularity in our waste streams. In FY23, we plan to continue this identification and develop and implement strategies and solutions for waste diversion.

Our carbon and resin solutions remove organic and inorganic contaminants from water sources. As part of our service offering, we send spent carbon to reactivation facilities where it is thermally reactivated and returned to the customer site or other applications, avoiding landfill. In FY22, we **reactivated 13,054 tons of carbon**. Similarly, spent resin is exchanged and sent to a facility where the contaminants are removed, avoiding landfill and the purchase of virgin resin. In FY22, we **regenerated 100,795 tons of resin**, a 4% increase compared to FY21. Since FY20, we have prevented nearly 300,000 tons of carbon and resin from entering landfills. Learn more about our carbon and resin services [here](#).

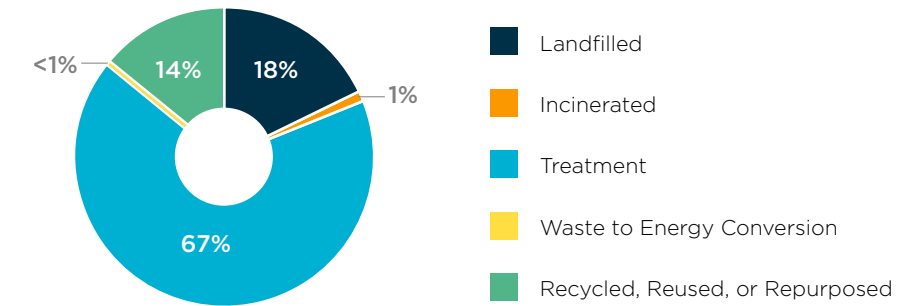
CIRCULAR SOLUTIONS IN TONS

	FY20	FY21	FY22
Total Carbon Reactivated	15,038	12,924	13,054
Total Resin Regenerated	51,929	96,842	100,795
Total Materials Recycled	66,967	109,766	113,849

WASTE PERCENT OF TOTAL*

	FY20	FY21	FY22
Landfilled	18.2%	17.3%	18.3%
Incinerated	0.9%	0.8%	0.7%
Treatment	68.3%	66.7%	66.8%
Waste to Energy Conversion	0.7%	0.5%	0.5%
Recycled, Repurposed, or Reused	11.8%	14.6%	13.7%

FY22 WASTE DISPOSAL METHOD



* Calculated using data from Evoqua's key facilities which encompass over 90% of our internal environmental impact based on management estimates.

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Inclusion & Diversity

At Evoqua, we aim to cultivate an inclusive environment that fosters diversity of thought, perspective, and demographic differences. Our Inclusion and Diversity (I&D) strategy focuses on creating a sense of belonging to promote inclusion and spark opportunities. We aim to diversify our workforce and enable our employees to feel safe, valued, and supported inside and outside the workplace. We embrace inclusion and demand equal and fair treatment for all employees regardless of status. We have zero tolerance for any discrimination or harassment across our global organization.

Accountability for I&D at Evoqua extends to every level of the organization. Our vice president of human resources and talent and our executive vice president, chief human resources officer, oversee our I&D initiatives and review our progress annually with our board of directors. At the board level, the compensation committee of the board of directors oversees our I&D strategy. Evoqua's inclusion network (EIN) acts as a business resource group, providing essential and diverse input into business issues. The members of the EIN serve as I&D ambassadors throughout the organization.

We continually update our I&D training which is provided to all employees. Additionally, we enable our managers and senior leaders to understand how to address bias, lead conversations to help diverse perspectives flourish, and embed I&D into their processes. In FY22, approximately **87% of employees completed Evoqua's unconscious bias training**, enabling them to better understand, acknowledge, and manage how biases may be present in our working environment and everyday lives. This company-wide training will continue to be assigned to Evoqua's workforce throughout FY23. By recognizing how our choices and actions impact others, we can begin to work together to foster a more inclusive workplace.

We understand that the employee experience begins before joining Evoqua. In FY22, we reviewed our talent acquisition and hiring processes for biases to confirm we are attracting the most qualified and diverse talent. To further engage a diverse talent pool, we launched a diverse candidate slate and interview panel pilot while partnering with colleges, universities, and professional organizations that would allow us to intentionally search for and interview candidates with different perspectives, backgrounds, and experiences. In FY23, we plan to expand the pilot program to all roles and continue updating our hiring practices. To better measure and track our progress, we launched an inclusion index, collecting data from our annual pulse surveys and benchmarking our progress through partnerships with professional organizations whose missions accelerate the business community toward equitable, inclusive, and diverse workplaces.



At Evoqua, we recognize inclusion and diversity as a catalyst for innovation. Embracing our differences allows us to learn, grow, and thrive. We are better together. Learn more about who we are [here](#).

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When employees can come to work and be themselves, bringing together their unique ideas, perspectives, and experiences, we can create the culture we want for our organization – one where I&D drive innovation and success for all our stakeholders.

EVOQUA INCLUSION NETWORK

Evoqua's inclusion network (EIN) is a resource we leverage to foster inclusion. The EIN is comprised of employees at varying levels of the organization who participate because of their passion for I&D topics. This diverse team of cross-functional employees serve as change leaders to establish embedded, specific, and transformative inclusion efforts. This global and voluntary team is co-led by two senior business leaders and senior human resources leaders. In FY22, we grew our inclusion network, further embedding the group into our culture. We will continue to foster the network and empower the EIN to accelerate our I&D efforts in FY23.

In FY22, the EIN was involved in several initiatives to drive our I&D strategy forward, including initiatives within talent acquisition, learning and development, total rewards, and communications workstreams. To enhance our inclusive environment, we conducted stay interviews with women in sales and commercial roles at Evoqua. The EIN was instrumental in completing one-on-one interviews, assessing the data, and creating the action plan. In addition, the group helped our talent acquisition team review our recruiting processes for areas of potential bias, utilizing the Equity Sequence Program™ training, a set of questions that can be applied to any business initiative to reduce bias and increase inclusion. Through this exercise, process and outreach actions were implemented, increasing our diverse applicant percentage from **45.3% in FY21 to 47.9% in FY22.**

ON TAP FOR FY23:

- Foster inclusion through a series of EIN-led inclusion events
- Continue to involve the EIN in I&D initiatives and business initiatives
- Continue to embed the Equity Sequence™ into Evoqua's culture
- Leverage the EIN to identify and solve inclusion challenges

PAY EQUITY ANALYSIS

In FY22, we reconducted our pay equity analysis and reviewed our progress with the compensation committee of our board of directors. The study showed positive results with no systemic inequities. In addition, we conducted a global job and pay structure review resulting in one global compensation structure aligned to the market. To drive continued success and compliance, we've implemented governance standards into our hiring and internal talent movement processes and continue to monitor our progress quarterly.

* Equity Sequence is a trademark of Tidal Equality, Inc

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ENGAGING OUR STAKEHOLDERS

We aim to keep our key stakeholders well-informed and provide transparency. Our employee engagement efforts include pulse surveys, our weekly company-wide newsletter, frequent all-employee town hall meetings, and our Evoqua proud recognition platform. We continue to undertake purposeful stakeholder engagement through our investor relations practices, consultation with our board of directors, customer questionnaires, focus groups, the EIN, and other activities.

In FY22, we continued to conduct employee pulse surveys to periodically measure engagement and receive employee feedback. These surveys provide Evoqua with actionable insights to improve our culture and employee experience. In FY22, we deployed two pulse surveys to 3,329 employees. The surveys focused on inclusion, belonging, and respect, and garnered a response rate of approximately 51%. Overall, employees responded positively to each of our three focus areas. Of employees who participated, an average of **76% responded positively to the inclusion and diversity questions**, and an average of **77% responded positively to questions on involvement and belonging**, indicating progress towards embedding inclusion into our business and culture. Additionally, an average of **80% of employees surveyed responded positively regarding recognition and respect**. In FY23, we plan to continue conducting pulse surveys and seek to solicit input on employee engagement and well-being.

INCLUSION & DIVERSITY INITIATIVES ACCOMPLISHED IN FY22:

- Fostered networks with organizations to aid us in benchmarking and accelerate I&D progress
- Implemented an intranet site to communicate key I&D actions and consistent messaging
- Provided training and resources to support employees' overall well-being
- Reviewed internal talent programs to remove potential bias and embed I&D practices
- Implemented a diverse candidate slate and interview panel pilot program
- Trained HR partners and senior leaders on I&D and trained our learning community on inclusive training design and facilitation
- Provided financial wellness tools and resources based on social determinants of health analysis

ON TAP FOR FY23:

- Continue to focus on the mental and overall well-being of our employees, providing at least one wellness webinar per quarter
- Continue to review our benefits program and policies, to provide inclusive offerings
- Complete the Vibrant Index, a benchmarking tool to compare I&D industry best practices, to identify opportunities to increase the impact of our I&D efforts*
- Review flexible scheduling options for operations employees
- Expand diverse interview slates and interview panels to all roles within the organization

* The Vibrant Index is administered by Vibrant Pittsburgh, an organization with 140+ employer members whose mission is to accelerate the business community toward equitable, inclusive, and diverse workplaces, creating a future-forward region.

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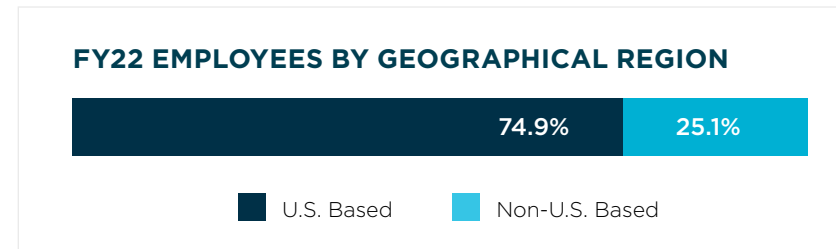
Initiatives & Metrics

CURRENT OVERVIEW STATUS

While our I&D efforts generally focus on the long-term culture of our organization, we are dedicated to transparency in our data. At the close of FY22, we had approximately 4,500 employees, a slight increase from FY21. U.S. racially/ethnically diverse employees comprised 25.7% of our self-identified workforce, and women represented 21.3% of our organization’s population in FY22. As of September 30, 2022, women comprised 20.3% of our new hires and 22.5% of our senior leadership team. We are dedicated to securing top talent and have a detailed succession plan that fosters long-term stability for the business. In FY22, this strategy allowed us to fill senior leadership roles with internal talent resulting in a slight decrease in women represented in senior leadership roles. In FY23, we will continue to review our succession planning for areas of opportunity to further embed I&D into the process and grow our diverse talent pool.

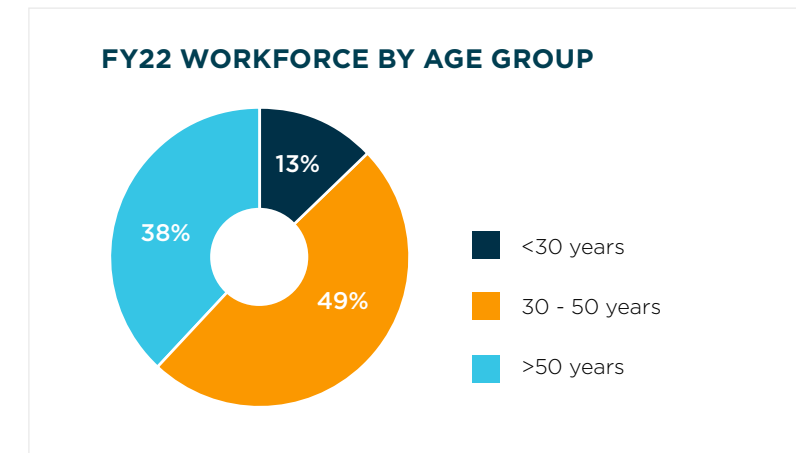
EMPLOYEE DIVERSITY METRICS

	FY20	FY21	FY22
% Women in Global Workforce	20%	20%	21.3%
% Women in Sr. Leadership Roles Globally ¹	25%	25%	22.5%
% Racially/Ethnically Diverse Employees in U.S. Workforce ²	24%	24%	25.7%
% U.S. Military Veterans in U.S. Workforce ³	6%	7%	6.9%



EVOQUA'S INCLUSION INDEX

The inclusion index gauges the degree of inclusivity at Evoqua and measures the impact of our I&D strategy over time. In FY22, we used our employee pulse surveys to help us develop the index and provide a baseline from which we can measure our I&D progress. In addition to the pulse surveys, we conducted focus groups to gain insight into key inclusion topics. The outcomes from the surveys and focus groups enabled our team to create an action plan, further embedding I&D into our company culture. In addition to the inclusion index, we implemented an I&D scorecard to monitor improvement of our I&D strategy. The scorecard enhances I&D governance and ownership from business leaders.



¹ Senior leadership is defined as a VP level and above.
² Percentage represents employees who responded to the voluntary self-identifying question.

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Employee Health & Wellness

WELL-BEING

Keeping our employees safe and healthy is a top priority. In FY22, we reviewed social determinants of health (SDOH) data for our U.S. locations to determine where our employees need more support and resources. Social determinants are conditions in the environments in which people are born, live, learn, work, play, worship, and age that affect a wide range of health, functioning, and quality-of-life outcomes and risks. Based on the results of our review, we plan to provide additional resources on financial wellness to our employees in FY23.

Our integrated workforce model (IWM) is designed to give employees the flexibility to better balance life and work long-term. To help our employees strike this balance, our leaders are enabled to work directly with their teams to determine how to meet business, team, and employee needs while supporting greater choice in where work is done. In FY22, a flexible scheduling pilot for front-line workers was implemented and will be reviewed in FY23 for potential rollout. Our employee assistance program (EAP) provides appropriate resources when and where employees need them. We work with a financial services partner to educate employees on managing retirement and savings plans during turbulent times. U.S. locations follow a standard work week of 40 hours per week, eight hours per day. Non-exempt employees who work more than 40 hours in a given workweek are paid a minimum of time and a half. Where required by state or local law, employees who work more than eight hours in a day are paid daily overtime. Additionally, Evoqua's LIVE WELL programming promotes worker health and well-being by providing the tools, resources, and support system that will motivate and empower employees to live a healthy lifestyle. Through LIVE WELL, we have arranged for employees to access complimentary fitness apps to exercise anytime, anywhere.

EMPLOYEE BENEFITS

Evoqua offers a comprehensive total rewards program to support employees and their families while allowing them a more fulfilling work experience. As a benefit to our full-time, salaried employees, we offer flexible, self-managed time off, enabling employees to take time when needed. In FY22, we added fertility benefits and virtual physical therapy to our total rewards program.¹ We also have a parental leave policy for expecting parents.² In FY23, our parental leave policy extended from two to four weeks of coverage for all expecting parents. This parental benefit provides all U.S. employees employed for at least twelve months with a paid leave benefit when taking leave to care for a newborn, newly adopted, or newly placed foster child.

In FY22, we incorporated two ESG-related performance metrics in our annual incentive plan (AIP). A total of 10% of the aggregate bonus opportunity for our executives and senior managers is linked to meeting our water stewardship and safety goals, both key elements of our company culture. The ESG-related performance metrics will continue to be included in our AIP in FY23. All U.S. employees who have been with Evoqua for a minimum of one year (working 20 hours or more per week) are eligible to participate in Evoqua's employee stock purchase program (ESPP).³ Global employees can join without minimum requirements in countries where the plan is available. U.S. employees classified as regular salaried or hourly (working a minimum of 20 hours per week) can participate in medical and pharmacy benefits, our tuition reimbursement program, and our 401(k) plan. Global employees are offered competitive healthcare and retirement programs. For more on our employee benefits, visit our [webpage](#).

¹ Fertility and Virtual Therapy Benefits apply to U.S. employees only.

² Parental benefit applicable for employees who worked at least 1,250 hours during a twelve-month period.

³ Generally, all U.S. employees who have been employed by Evoqua or a designated subsidiary under the plan for a minimum of one year (working 20 hours or more per week and more than five months per calendar year) are eligible to participate in Evoqua's employee stock purchase program (ESPP). Employees of designated non-U.S. subsidiaries, however, can join without meeting such employment requirements in countries where plan participation is available through an approved international sub-plan, although each such employee must reside in the country where the designated non-U.S. subsidiary employing the employee is located.

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Learning & Development

At Evoqua, we believe there is no one-size-fits-all approach to development and that many learning opportunities occur in the workplace. Through initiatives like our engagement programs for Evoqua's AQUA pro service professionals, internships, apprenticeships, co-ops, and leadership development program (LDP), employees learn new skills and gain experience they can leverage throughout their careers. Evoqua's interns, co-ops, and LDPs support vital projects that help drive success within our organization.

Evoqua's internship program is one of our emerging talent programs that provides an external talent pipeline into Evoqua. Throughout FY22, Evoqua hosted 60 interns who gained exposure in areas including operations, sustainability, engineering, finance, human resources, and sales. Our LDP continues to grow through enhanced rotational opportunities. The program spans two years and is divided into three eight month rotational assignments, giving professionals the opportunity to immerse themselves into various roles across the organization. In FY23, we plan to recruit our largest LDP cohort to date. To recruit our LDPs, we expanded our outreach to more schools and universities, focusing on institutions with similar I&D initiatives to our own. Over the last six years of the program, the LDP has had a retention rate of approximately 81%. **In FY22, we had 12 individuals in LDP roles with approximately 42% female representation.**

CAREER PLANNING

To make our learning programs more accessible, we created a learning and development program guide to help employees find the right training for their development. In FY22, 5,076 employees participated in training modules through our learning management system (LMS).¹

As of FY22, we have seven enterprise career paths, including sales, project management, engineering, customer excellence (customer service, operational support, and sales support), and commercial (non-sales, customer-facing roles). Each career path includes a toolkit that enables employees to grow their careers while supporting cross-functional growth. Currently, about 63% of Evoqua employees are represented in a career path. In FY22, we launched the Evoqua career lattice, a tool designed to assist employees with developing their careers and aiding in cross-functional movement within the company. In FY23, we will continue to evaluate additional job families and focus on governance of the career paths.

¹ Total employees taking LMS courses in FY22 is higher than current employee population due to temporary employees and turnover.

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Corporate Social Responsibility

Our work at Evoqua extends beyond what we do daily for our customers. It is also our employees' positive impact in the communities where we live and work, further demonstrating our purpose:

Transforming Water. Enriching Life.® In FY22, we continued to build the framework for our corporate social responsibility (CSR) program, expanding governance around tracking volunteer activity and corporate giving and forming a core committee to guide and grow the program.

Our CSR program supports our employees and their commitments to volunteering and giving back. In FY22, hundreds of employees gave thousands of hours to help and serve their communities. In FY23, we will continue to build on the momentum, focusing on establishing CSR as a pillar of our culture.

THE WALK FOR WATER

Each year, Evoqua employees participate in the Walk for Water to raise awareness and funds to help end the global water crisis. Throughout the spring, employees participate in activities that benefit an organization striving to make universal access to clean water and sanitation available. In FY22, the organization employees chose for the program was charity: water, whose mission is to implement sustainable, community-owned water projects in remote communities. Participation in this annual event soared in FY22 as our global community rallied around the mission of the walk and the organization. Our total miles walked, ran, biked, and swam increased by over 500% from the prior year, as 146 employees completed approximately 10,000 miles during the month. For each of the miles completed by our employees, a donation was made to directly fund a clean water project.

CLEAN WATER, COMMUNITY, AND CONSERVATION

Our purpose is deeply rooted in the work we do each day for our customers and the connections we make in our communities. This year, employees positively impacted local conservation efforts to help maintain parks and water systems for future generations. Employees at our Tewksbury, Massachusetts, USA, facility partnered with the [Lowell Parks & Conservancy Trust](#) to tackle an invasive and fast-growing knotweed species near Concord River Greenway. The Trust's mission is to create community through conservation, and our team was excited to dig in to help one of the region's favorite places remain safe and enjoyable. In the same month, employees from our Headquarters in Pittsburgh, Pennsylvania, USA, partnered with [Pittsburgh Parks Conservancy](#) to clean up a popular local lake and prepare the surrounding park for spring.



Our work at Evoqua goes beyond what we do for our customers. We are #EvoquaProud of the positive impact we make in the communities in which we live and work. Learn more about our CSR initiatives [here](#).

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Safety at Our Core

Evoqua values environmental health and safety as an organizational responsibility integral to our success. Our top priority is the safety of our employees and anyone who visits our facilities. We renew our commitment to safety each year with our [Environment, Health & Safety and Sustainability \(EHS&S\) Policy](#), signed by our CEO. The policy states, “We (Evoqua) will provide our solutions, products, and services in a safe, environmentally sound, and socially responsible manner.” In FY22, we reached our safety goal of keeping our total recordable incident rate (TRIR) at less than or equal to 1.0. In FY23, we plan to maintain our safety goal of TRIR at less than or equal to 1.0. Our EHS team closely monitors our programs and internal goals through:

- Monthly performance reviews at the executive level
- Reviewing each recordable accident with the CEO and ELT, focusing on the root cause and preventative action
- Quarterly operation reviews and reports to the board of directors
- Daily interactions with operation leaders
- Routine checks of key performance indicators
- Scheduled facility audits to confirm regulatory compliance

EHS MANAGEMENT SYSTEM

Evoqua’s EHS management system aligns with the essential elements of ISO 45001:2018, occupational health and safety, and ISO 14001:2015, environmental management. The multi-tiered governance and oversight structure of our global EHS program is designed to facilitate the flow of communication throughout our entire organization regarding safety priorities, data trends, and other critical matters. Our EHS management system covers all Evoqua employees. The scope includes the major product and service categories associated with the primary functions of manufacturing water and wastewater treatment solutions at multiple locations and distributing the product to industrial, municipal, and commercial customers worldwide. Contractors, service providers, and visitors should know and conform to the EHS management system when working at Evoqua-controlled facilities.

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EMPLOYEE EHS ENGAGEMENT AND TRAINING

We pride ourselves on our ability to communicate our EHS program and management system to our employees with integrity and transparency. Details on the system are shared via the Evoqua intranet and through targeted programs and training. Each of our divisions holds monthly calls to review safety issues. In the U.S. and Canada, we rely on daily tiered accountability boards (TABs), start-of-shift meetings, and toolbox talks for employees to receive safety information and raise safety concerns. In EMEA, we depend on our works councils, comprising a network including human resources, employee representatives, and operations management, to address employee health and well-being. Our manufacturing locations also utilize TABs. In APAC, we use safety committees comprised of employees and management. Additionally, all employees can raise concerns through our [compliance helpline](#).

We have targeted programs to confirm employees receive initial EHS training and regular refresher training. We also reinforce hazard awareness for physical risks in our employee safety orientation, routine in-person and online safety training, safety alerts and messages, monthly safety calls, and company-wide newsletters. Our EHS program focuses on work environments where each employee is enabled, empowered, and embraces personal accountability for protecting their health and safety and that of their co-workers.

Every employee is encouraged to:

1. Perform a “Take Two” risk assessment when they begin work and return from breaks to help identify and eliminate potential workplace hazards
2. Follow standard work instructions for the work task they are performing
3. Utilize STOP WORK when they are unsure, come across an unexpected condition, have a concern, or see the potential for injury

We continue to refresh our EHS training portfolio and safety communications for our employees. In FY22, we updated our EHS handbook and added it to our learning management system (LMS). Our Evoqua safety process (ESP) was added to our LMS and replaced the loss prevention system (LPS). The ESP is a set of behavior-based tools that facilitate organizational alignment, focus on employee safety, and aids us in our journey toward zero incidents. Additionally, we updated our STOP WORK authority and hazardous communications guidelines.

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INCIDENT PREVENTION, MITIGATION, AND INVESTIGATION

To prevent occupational health and safety impacts, Evoqua has EHS mobile applications to actively identify and track EHS issues to closure. These mobile applications include employee observations, safety challenges to identify and track hazards to closure, reporting of safety incidents that lead to investigations, and corrective actions also tracked to closure. Further information on our approach to preventing or mitigating significant adverse occupational health and safety impacts linked to our operations, products, services, business relationships, and the related hazards and risks can be found in our [EHS&S Policy](#).

In FY22, we implemented a task-specific flex and stretch program for Evoqua's AQUA pro service professionals. This program was developed specifically to engage employees in proactive stretching activities before handling vessels. Employees were informed of the flex and stretch program through posters in our facilities and wallet cards for on-the-go reminders. This confirms the work is being done thoughtfully and safely.

Corporate EHS has governing responsibility for our operations. All of our manufacturing locations have dedicated EHS personnel and safety committees responsible for investigating and reviewing accidents and communicating safety issues. All divisions host monthly reviews of both proactive and lagging safety measures. Our operating guidelines and procedures are relevant to our industry. Through our incident report and investigation program, which includes executive oversight, we have established reporting procedures for work-related injuries and significant non-injury losses focused on:

1. Providing prompt medical care for injured employees
2. Providing accurate and timely reporting of incidents within the organization and to governmental agencies, as required
3. Providing management with the tools to determine the root causes of incidents, implement corrective and preventive actions to avoid their recurrence, and share this knowledge throughout Evoqua

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Safety Performance

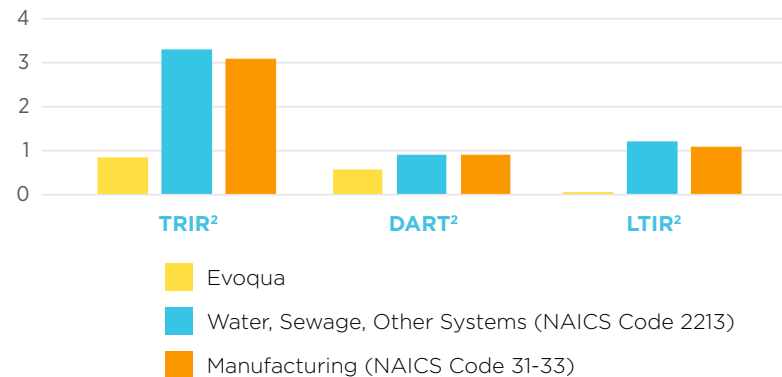
To further improve our safety performance, we have established standardized EHS initiatives in both segments and focus on safety participation across the organization. Our EHS scorecards provide a detailed view of the information gathered through our mobile applications, such as our activity-based observation, feedback, safety applications, and near misses and incidents. The scorecards are reviewed monthly with executives to confirm that individual leaders are accountable for routinely managing safety. Our EHS scorecards, simplifying our EHS mobile applications, and increased communication among the teams contributed greatly to reducing our incident rates in FY22 compared to FY21.

Embracing the zero-incident safety culture model remains a priority at Evoqua. In FY22, we implemented zero-incident culture training sessions that strive to increase positive communication among our employees. Administered by a third party, these sessions focus

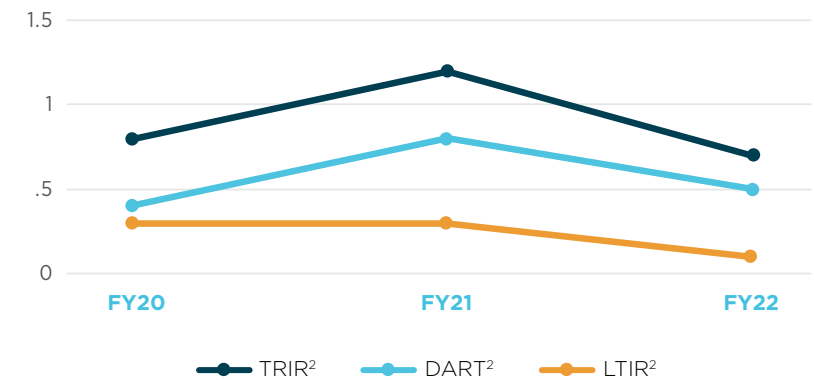
on hazard recognition, personal accountability for safety, positive coaching and recognition, peer-to-peer communication, and supervisor-to-employee engagement. Our zero-incident culture sessions will continue into FY23. Other methods intended to improve our health and safety performance in FY23 include:

- Increasing participation in safety reporting among employees, including observations, near misses, and safety challenges through our mobile applications
- Monthly reviews with senior management of employee participation with our EHS scorecards
- Updating EHS training in our LMS
- Defining standard work instructions to promote safe tank-handling procedures

FY22 COMPARISON OF EVOQUA INCIDENT RATES WITH INDUSTRY AVERAGES¹



YEAR OVER YEAR COMPARISON OF SAFETY KPIS



¹ Incident rate data based on U.S. Bureau of Labor and Statistics data.

² Total Recordable Injury Rate (TRIR); Days Away, Restricted or Transferred (DART); and Lost Time Incident Rate (LTIR). Accidents are represented as OSHA defined recordable accidents. Our fatality rate continues to remain at zero.

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Our Board of Directors

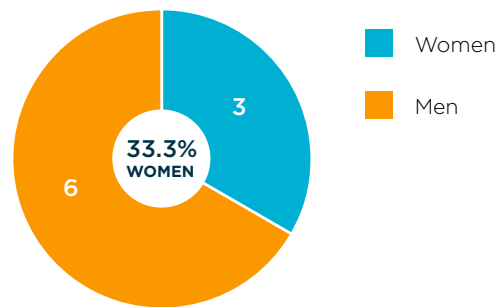
As a foundational element of our corporate governance structure, we require a majority of our board members to be independent. In the last five years, we have added five new board members who bring independent and diverse perspectives and extensive experience as public company board members or leaders in strategic planning and operational roles. Currently, eight out of the nine directors on our board (89%) are independent according to our [corporate governance guidelines](#) and the New York Stock Exchange corporate governance standards. An independent director chairs our board, and all members of the board’s standing committees are independent. The sole non-independent board member is our CEO. The board of directors has the following standing committees: audit committee, compensation committee, and nominating and corporate governance committee. To continually improve board effectiveness, the board and each standing committee conduct an annual self-evaluation. For additional information about our board, including meeting cadence and attendance, see our [Proxy Statement](#), page 23.

BOARD DIVERSITY

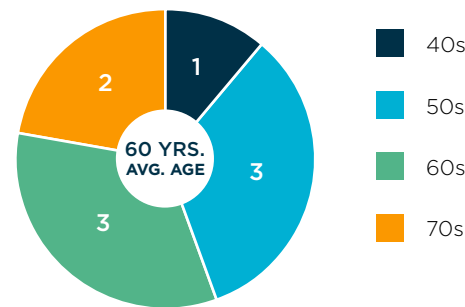
The board strives to include diverse knowledge, experiences, and viewpoints. In searching for qualified persons to serve on the board, the board considers age, gender, race, ethnicity, sexual orientation, gender identity, and other personal characteristics. Three of our current board members self-identify as diverse based on race or ethnicity, and three self-identify as women. Since October 2018, our corporate governance guidelines have provided that the nominating and corporate governance committee will include, and request that any search firm it engages include, female and racially/ethnically diverse candidates in the initial pool of new director nominees selected. In each of the last three years, our board has added a female and/or racially/ethnically diverse individual to its membership.

FY22 BOARD DIVERSITY

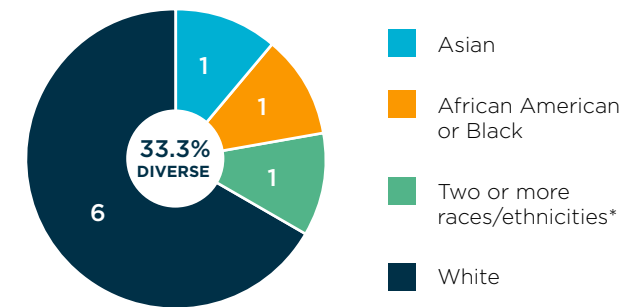
GENDER DIVERSITY



AGE DIVERSITY



RACIAL, ETHNIC DIVERSITY



* African American or Black and Alaskan Native or Native American

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Sustainability Governance

OVERSIGHT OF SUSTAINABILITY

The nominating and corporate governance committee of our board of directors is responsible for overseeing the company’s sustainability program priorities, including policies and strategies with respect to environmental impacts, corporate social responsibility (CSR) initiatives, and other stakeholder-related matters. Our entire board periodically reviews ESG-related matters, on a holistic basis, along with other elements of the company’s overall business strategy.

Our chief growth and sustainability officer (CGO/CSO) leads the company’s sustainability program. Our CGO/CSO reports directly to our CEO and provides quarterly updates to the nominating and corporate governance committee regarding program management. Our core sustainability team reports to the CGO/CSO, manages our program on a day-to-day basis, and coordinates with individual workgroups across Evoqua’s functional areas with respect to program initiatives. We also maintain a separate sustainability steering team, composed of vice presidents and senior managers from different functional areas, which monitors stakeholders’ interests. The sustainability steering team works with our core sustainability team and advises the executive leadership team on priorities to pursue under our sustainability program.

HANDPRINT WORKGROUPS

Customers: Responsible for quantifying our sustainability impacts through case studies, strategic marketing and expanding our positive contributions to our customers, known as our Handprint. This team also works to identify opportunities to quantify our Handprint and share our sustainability value proposition with our key end markets.

Innovation: Responsible for advancing environmentally conscious and sustainable solutions as a core strategic element of our technology acquisition and development strategy.

Awareness and Community Engagement: Responsible for overseeing our CSR initiatives and communicating our sustainability journey through our Handprint and our Footprint to our stakeholders.

Government Affairs: Responsible for keeping our purpose top of mind with legislative bodies and providing guidance to employees and end users on regulatory requirements.

FOOTPRINT WORKGROUPS

Operations: Responsible for driving our internal Footprint management across emissions, water, and waste. This team is also vital in building our science-based targets (SBTs) and strategic roadmap for our greenhouse gas (GHG) emissions reduction and water reuse goals.

Social: Responsible for leading social impact improvements across health and safety, ethics and compliance, inclusion and diversity, and supply chain.

Governance: Responsible for developing our internal processes and structures for information flow, decision-making, and management.

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Ethics & Compliance

The nominating and corporate governance committee is responsible for periodically reviewing our Code of Ethics and Business Conduct and approving any proposed changes. At least annually, the audit committee receives a report and meets with the general counsel and the director of ethics and compliance to discuss systems for monitoring compliance with applicable laws, regulations, and our code of ethics and business conduct. Our [Code of Ethics and Business Conduct](#) is available on our company website and refers to many of our policies. The Code of Ethics and Business Conduct applies to our directors, officers (including our principal executive officer, principal financial officer, and principal accounting officer), and employees. All employees are required to annually certify compliance with the code of conduct. In FY22, more than 98% of our employees assigned the code of conduct completed the employee refresher training and signoff through our learning management system, which actively engaged employees in the code prior to their signoff.

Evoqua is committed to regularly communicating and training on ethics and compliance topics to maintain the highest levels of integrity. With our global training initiatives and targeted training for specific functions, we regularly see over 90% completion of our targeted training modules. The ethics and compliance team also works with the ELT to develop and deliver ethics and compliance messaging to the organization. This leadership is a demonstration of our commitment to doing business with integrity. This report outlines a few policies that are specific to ESG, which can also be found [here](#).

ANTI-CORRUPTION POLICY

In our strides to maintain the highest possible ethical standards, Evoqua has a comprehensive [Anti-Corruption Policy](#) that details information on prohibiting bribes, both governmental and commercial; training on anti-corruption policies and procedures; due diligence on all third-party intermediaries, with continuous monitoring of high-risk third parties; strict requirements around gifts, travel, and entertainment of government officials; and internal auditing of anticorruption program policies, procedures, and controls. We assess our operations for risks related to corruption. To prevent corruption, our management team receives periodic, targeted anti-corruption training. To our knowledge, we had no instances of bribery, corruption, or anti-competitive practices in FY22.

WHISTLEBLOWER PROGRAM AND POLICY

Evoqua is committed to conducting business ethically and legally. This is underlined by our belief that no profit is ever worth compromising employee safety or the company's integrity. Evoqua's [compliance helpline](#) is managed by a third-party and is available twenty-four hours a day, seven days a week. Our [Employee Concern Policy](#) provides that anyone using the helpline can report anonymously without fear of retaliation. The purpose of the policy is to provide avenues for and encourage employees to raise concerns internally for investigation and resolution. Employee concerns are taken seriously, and we are committed to investigating and responding to every report. Our independent helpline is available for all internal and external parties in six languages. We proactively communicate the helpline's availability to employees through our employee newsletter, website, intranet, printed materials, and regular communications throughout the year, including employee town halls. The helpline and the ethics and compliance team are available to help employees by providing guidance on compliance-related topics or any other concerns that could impact the company's integrity.

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CONFLICTS OF INTEREST

Our Conflicts of Interest Policy applies to all our directors, officers, and employees. Conflicts between personal interests and the company's interests can introduce ethical and legal challenges that jeopardize the reputation and the integrity of Evoqua and our directors, officers, and employees. Clear guidance on identifying, disclosing, analyzing, and mitigating actual or potential conflicts builds trust and reinforces a culture of integrity.

BUSINESS PARTNER CODE OF CONDUCT

Our [Business Partner Code of Conduct](#) applies to representatives, agents, distributors, and other channel partners, confirming that any persons or entities acting on behalf of Evoqua are held to the same high standards as our Code of Ethics and Business Conduct. Our Business Partner Code of Conduct is designed to reflect the current business, ethics, and compliance risks. The Code is modeled after the Responsible Business Alliance (RBA) Code of Conduct. All business partners are required to certify the Business Partner Code of Conduct at onboarding and at the time of contract renewal, if applicable.

CONFLICT MINERALS PROGRAM AND POLICY

Our conflict minerals program demonstrates our support to ending the violence and human rights violations related to the mining of certain minerals from a location described as the "conflict region," which is situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries (the "Covered Countries"). Conflict minerals refer to tin, tantalum, tungsten, and gold (referred to as 3TG). Evoqua does not purchase conflict minerals or purchase directly from 3TG raw material providers.

In FY22, we updated our [Conflict Minerals Policy](#) to better communicate our commitment to responsible sourcing. Additionally, we conducted a reasonable country of origin inquiry (RCOI) in good faith to determine whether 3TGs may have originated in the Covered Countries and/or whether such 3TGs may have come from recycled or scrap sources. To conduct the RCOI, we surveyed select tier 1 suppliers using the conflict minerals reporting template (CMRT) v 6.1, a standardized reporting template developed by the Responsible Minerals Initiative (RMI), that facilitates the transfer of information through the supply chain regarding mineral country of origin and the smelters and refiners being utilized. None of the surveyed suppliers stated conclusively that they sourced conflict minerals from the Covered Countries.

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Risk Management

RISK OVERSIGHT

We acknowledge that with our business comes risk. Evoqua has processes in place for identifying, managing, and mitigating potential risks while also assessing areas of opportunity for our company. Risk management is vital to our purpose: **Transforming Water. Enriching Life.**® Management is responsible for identifying, assessing, prioritizing, and managing Evoqua’s risks. We maintain a management-level risk committee, consisting of the chief financial officer, general counsel, and vice presidents and directors from functional areas such as internal audit, ethics and compliance, information security, and risk management. The risk committee monitors the effectiveness of the risk management structures and advises our ELT on the effectiveness of those structures and strategies for prioritizing and mitigating enterprise risks.

Our entire board monitors the strategic risks and business risks that could prevent our business from executing against our annual operating plan and long-term strategic plan. In this oversight role, our board must actively evaluate management’s business strategies,

plans, policies, and activities and understand management’s approach to identifying, assessing, and managing the associated risks and opportunities. Due to the broader implications of certain risk categories, such as financial, compensation, cybersecurity, human capital management, and ESG and sustainability, our board coordinates oversight of these risks with its standing committees. The board of directors’ audit committee oversees the structures, systems, and processes established by management to identify and manage enterprise risks, as well as legal and regulatory risks, compliance risks, and cybersecurity risks. The risk committee reports on its activities periodically to the audit committee. For more on each committee’s area of oversight, visit our [Proxy Statement](#), page 33.

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Risk Management

CYBERSECURITY

The data Evoqua owns and controls is among its most valuable assets. We have adopted measures to mitigate potential risks associated with information technology disruptions and cybersecurity threats; however, there is no assurance that these measures will prevent cyber-attacks or security breaches. The safety of the information that our customers, employees, suppliers, and stakeholders share with us remains a priority. Evoqua maintains an information security program to monitor and help mitigate our cybersecurity risk and confirm the confidentiality, integrity, and availability of our information systems and data. The program aligns with the National Institute of Standards and Technology (NIST) Cybersecurity Framework (CSF), Special Publications 800-53 and 800-171, and is evaluated through our internal audit activities and periodic external assessments. The information security program is operated by Evoqua’s director of information security in collaboration with the vice president of information technology. It includes an information security policy, system logging and monitoring, vulnerability and patch management, and a detailed incident response program to evaluate threats quickly. The director of information security is a member of the management-level risk committee so that IT risks are identified and assessed as part of the overall enterprise risk management process.

We protect data based on its value and corresponding risk. Gaining stakeholder consent for the processing, sharing, and storing of data includes following industry standards, such as our privacy policy and our Code of Ethics and Business Conduct. Our third-party risk management program evaluates our IT partners throughout their lifecycle with us, assessing them for potential threats to our company. Each year, we require our employees to take cybersecurity awareness training courses through our learning management system, which details best practices to prevent information security breaches. In addition to training, employees receive regular communications on cybersecurity, including email phishing exercises, posts in our electronic newsletter, and a dedicated intranet site. The audit committee of our board of directors is responsible for monitoring the company’s information security program and periodically receives reports from the director of information security.

HIGHLIGHTS FROM FY22 INCLUDE:

- Completed a user access role redesign for our enterprise resource planning suite
- Implemented a governance, risk, and compliance tool to help maintain compliance
- Deployed antivirus software to further protect our server and cloud environment

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Supply Chain

Responsible business practices are key to innovation and resiliency, and we know that extends to our supply chain. We maintain a cost-effective, diversified procurement program through strong relationships with strategic suppliers across critical commodities. Our supply chain’s top acquired materials include chemicals, membranes, resin, metal fabrications, carbon, and electrical components. We seek sources of supply from multiple suppliers and geographies, which enables us to be cost-effective and responsive. In FY23, we plan to launch a targeted waste reduction campaign, as mentioned on [page 26](#) of this report. This campaign will be impactful to our supply chain.

We have a comprehensive [Supplier Code of Conduct](#) to confirm we partner with businesses that share our mandate to respect international human and environmental rights and good business ethics. Certification with our Supplier Code of Conduct is required prior to engagement. We have procedures in place to help us manage compliance-related issues associated with our vendors and business partners. Training is provided to our employees on our monitoring program to vet and monitor our customers and suppliers. We are dedicated to a supply chain that respects human rights and ethical practices. We reinforce this through our Supplier Code of Conduct, Code of Ethics and Business Conduct, Modern Slavery Statement, and Conflict Minerals Policy.

To mitigate risk in our supply chain, we question our suppliers’ environmental practices during onboarding. This process is intended to ensure we engage suppliers who follow compliant and ethical business practices and share our commitment to these principles. Our supply chain protocol is a two-phased process. It includes: (1) an initial assessment that each supplier must complete, including a supplier questionnaire, which is evaluated to determine if we will use their products, and (2) a second assurance phase, our compliance requirement auditing process. We also monitor our suppliers and customers for major compliance incidents and systematically monitor our suppliers for major environmental controversies.

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Supplier Diversity

SUPPLIER DIVERSITY PROGRAM

At Evoqua, we believe that inclusion and diversity are primary catalysts for innovation. To achieve this, we continue to seek opportunities to develop mutually beneficial relationships with small, minority-owned, women-owned, disadvantaged, disabled, LGBTQ, and veteran-owned business enterprises. We continue to focus on supplier diversity to meet our customers' needs and align with our core value: sustainable. Our [Supplier Diversity Policy](#) further details our next steps to promote diversity within our supply chain.

GOALS OF OUR PROGRAM:

- Promote the inclusion of diverse suppliers in our global procurement process
- Create economic growth for new suppliers and their communities
- Continuous development of a resilient supply chain
- Foster continuous improvement between new and existing suppliers and provide the best value for Evoqua's customers

For more information on our supplier diversity program, including diverse supplier qualifications, please visit our [webpage](#).

OUR PROGRESS

Evoqua continues to evaluate all available platform capabilities to fully assess the enterprise supply chain impact. Simultaneously, awareness of the need to improve supply chain performance is a key communication point to our supply chain. 5.75% of Evoqua's global spend during FY22 was with certified diverse suppliers, a decrease from approximately 6% in FY21.* This decrease resulted from suppliers who no longer are certified as diverse and completed projects that previously engaged diverse suppliers. We have set a goal to increase our certified diverse spending while continuing to focus on customer fulfillment. While supply chain disruptions did stabilize slightly this year, we still feel the impact of these disruptions on our operations. In FY23, we hope our ability to increase our certified diverse spending while still meeting customer needs becomes more feasible.

* A diverse supplier is recognized as a business that is at least 51% owned and operated by an individual or group that is part of a traditionally marginalized, underutilized, and underrepresented group.

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Our Membership Associations

Evoqua works with numerous local and global associations to participate in broad discussions on water issues and solutions. As part of our commitment to [Corporate Knights' Action Declaration](#), an early voluntary commitment by companies to take steps toward aligning to emerging climate-policy engagement standards, we reviewed our major water treatment industry trade associations to gauge their commitments to Paris-aligned climate policy engagement activities. See below for our identified major industry trade associations as well as the methodology and findings of our review.

MAJOR ASSOCIATIONS

World Environment Federation (WEF), American Water Works Association (AWWA), US Water Alliance, WateReuse Association, British Water Association, Singapore Water Association, and Australian Water Association.

METHODOLOGY

First, we developed our list of major industry associations based on the following criteria:

- Water is the association's focus
- The association has national or international membership and marketing (not statewide/regional)
- Evoqua is a member or sponsor of the association
- Deemed by Evoqua to be influential in the water industry

SUMMARY OF FINDINGS

Our analysis found that all our major industry associations (listed above) showed public support of, or lobbying for, policies to limit the effects of climate change, net zero commitments, and/or the Paris Climate Agreement. As such, using our ranking system, all the associations evaluated in this study would carry a **green** ranking. We continue to monitor the sustainability commitments of our major industry associations and are prepared to assist in driving efforts towards Paris-aligned climate policy, if needed.

Second, we assessed the identified list on their Paris Climate Agreement alignment and sustainability commitments. The bullets below detail the methods we took to evaluate our industry associations:

- Reviewed publicly available documentation (reports/websites) for evidence of support or engagement in lobbying efforts supporting goals aligned to the Paris Climate Agreement, net zero commitments, or climate change mitigation
- Reviewed publicly available documentation (reports/websites) for evidence of support or engagement in lobbying efforts supporting goals contrary to the Paris Climate Agreement, net zero commitments, or climate change mitigation
- Contacted each association to ask for verification of support of or lobbying for the Paris Climate Agreement by name, net zero commitments, or climate change mitigation

Each association was then ranked on a scale, as shown below:

- **Red** for lobbying, policies, or public support of policies contrary to the Paris Climate Agreement, net zero commitments, or climate change mitigation
- **Yellow** for lacking public support of policies to limit the effects of climate change
- **Green** for public support of, or lobbying for, policies to limit the effects of climate change, net zero commitments, and/or the Paris Climate Agreement

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The Sustainable Development Goals

As the world moves toward a more circular and sustainable economy, we believe we are well-positioned to help our customers achieve their goals. Our broad portfolio of innovative products and services are aligned with the relevant United Nations' Sustainable Development Goals (SDGs) and assist our customers in solving their most complex water and wastewater treatment challenges.¹ Our internal sustainability goals also align with the SDGs. Aligning our Handprint and Footprint to the SDGs allows us to help our customers address the global challenges they may face and better manage our environmental impact, creating a path toward a more sustainable future.

While SDG 6: Clean Water and Sanitation, is where we believe we have the most significant impact, we also contribute to many other goals. At Evoqua, we focus on the SDGs most relevant to our business, specifically where we can impact our customer's operations and within our own operations, which includes SDGs 3, 6, 7, 9, 12, and 13. Examples of our influence over these relevant SDGs are noted below:

SDG	HANDPRINT - HOW WE HELP OUR CUSTOMERS	FOOTPRINT - INTERNAL OPERATIONAL IMPACT
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Our products and services help achieve SDG 6, Clean Water and Sanitation, by solving our customers' most critical and challenging water treatment issues. We work hard to provide clean and reliable water to communities, enterprises, and individuals who need it most.</p> <p>Through innovative technologies, we strive to assist our customers on their sustainability journey by increasing water reuse, becoming more energy efficient, or reducing the physical footprint of their operations.</p>	<p>Our corporate social responsibility (CSR) efforts align with our purpose: Transforming Water. Enriching Life.[®] Whether through volunteering, educational opportunities, or corporate giving, we work to prioritize raising awareness around the effects climate change has on our water systems.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>We provide products and services to support disinfection and sanitization, which are critical to maintaining safe operations in hospitals, laboratories, food processing, and aquatic facilities by removing common and challenging contaminants.</p> <p>Evoqua offers a variety of solutions that help customers treat drinking water for consumption by removing emerging contaminants, such as the removal of per- and polyfluoroalkyl substances (commonly known as PFAS).</p>	<p>Through our CSR efforts, Evoqua strives to make a difference in the health and well-being of our communities. Efforts like community clean-ups, food and clothing drives, and investments in the healthcare of vulnerable groups all help advance SDG 3.</p>

¹ The use of the SDG logos or icons does not imply the endorsement of the [United Nations](#).

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HANDPRINT – HOW WE HELP OUR CUSTOMERS

FOOTPRINT – INTERNAL OPERATIONAL IMPACT



Traditional water treatment can be energy-intensive, so we work hard to confirm our solutions are energy efficient. For example, our anaerobic digestion technology installations produce enough renewable energy to meet the electricity needs for the equivalent of ~5,000 American homes per day.¹ In prioritizing the energy efficiency of our products, we know that our customers can have a more positive impact on the environment.

We continue looking internally to see where we can become more energy efficient in our operations. Currently, we are in the process of setting our science-based targets. Reducing our energy consumption and moving to cleaner energy sources will be a priority as part of this process.



Our Sustainability and Innovation Hub continues to serve as our center of excellence for research and innovation, addressing emerging water trends including climate change, connectivity, and health and safety.

Our sustainable innovation checklist enables us to systematically assess the environmental impacts across multiple dimensions of sustainability when designing new products or solutions. Utilizing the checklist allows us to rate proposed products based on various ESG-related criteria over the complete product lifecycle, from manufacturing efficiency to years of customer usage and at their end of life.

Evoqua aims to design new products and improve upon existing ones to efficiently use materials, reduce energy consumption, CO₂ emissions, water usage, and generate a minimum amount of waste. Through our integrated digital water solutions, such as our [Water One](#)[®] service or our [Sophis](#)[™] solution, we achieve water, energy, product, and service efficiency that saves on costs and is more environmentally friendly.



With increased water scarcity facing many communities worldwide, we are proud to offer solutions to reduce water stress through water reuse and recycling technologies, such as UV disinfection systems, which help to provide a safe alternative water supply.²

We have set ambitious internal sustainability goals to become a more responsible company. Last year, in addition to developing a goal to achieve net-zero GHG emissions by 2050, we also set a goal to recycle and reuse more water than withdrawn by 2035. In FY22, our total company-wide water reuse exceeded 65%.³

Reusing materials when possible and avoiding the purchase of virgin materials is a priority for Evoqua. Our carbon reactivation and resin regeneration services have prevented over 100,000 tons of spent resin and carbon from entering landfills in FY22 alone.

Our sustainable innovation checklist, (see SDG 9 above), also helps us confirm we produce products responsibly, screening each new product or service on its impact.

¹ Evoqua Water Technologies anaerobic wastewater treatment systems produce approximately 540,000 m³ per day of biogas at installations around the world. This is utilized to produce an estimated 2,000,000 kWh of heat and 170,000 kWh of electricity every day. This estimate is based on average home electricity usage provided by the U.S. Energy Information Administration.

² Evoqua UV disinfection generator systems undergo third-party validation testing in accordance with the UVDGM (USEPA, 2006). Validated products are tested to confirm a minimum inactivation equivalent of 3 log (99.9%) for microorganisms in accordance with NSF/ANSI 50 and the UVDGM. Performance is not claimed nor implied for any product not yet validated; unvalidated products use single point summation calculations to provide delivered dose recommendations. Performance limitations depend on feed conditions, overall installed system design, and operation and maintenance processes; please refer to Operations Manuals. For more information: Contactus@evoqua.com.

³ Calculated using data from Evoqua's key facilities, which encompass over 90% of our internal environmental impact based on management estimates.

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HANDPRINT - HOW WE HELP OUR CUSTOMERS

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We work daily to build a more sustainable, healthy, and safe water system by providing water treatment solutions to communities, companies, and organizations worldwide. Evoqua’s product and service offerings enable us to help our customers solve their most pressing water challenges due to climate change or other factors. Our technologies are well-positioned to solve water scarcity and emerging contaminants, building a more resilient water system.

We also work to alleviate the effects of climate change on our communities. To mitigate the impact of extreme weather, Evoqua has one of North America’s largest fleets of temporary and rapid response mobile units, ready to provide clean water when and where it is needed most.

Our sustainability goals communicate our commitment to doing our part to reduce our Footprint. Our goals include achieving net-zero GHG emissions by 2050, setting science-based targets to help us achieve net-zero emissions, and recycling and reusing more water than withdrawn by 2035. We continue to look internally to see where there are opportunities for us to become better environmental stewards. For more information on our journey, see [page 22](#).

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STATEMENT OF USE

The Evoqua Water Technologies 2022 Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards for the period 1 October 2021 – 30 September 2022

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s): None

GENERAL DISCLOSURES

DISCLOSURE	LOCATION
2-1 Organizational details	Found on page 4 of this report.
2-2 Entities included in the organization's sustainability reporting	This report covers Evoqua Water Technologies Corp.
2-3 Reporting period, frequency and contact point	Reporting period: 2022 (FY22), October 1, 2021, to September 30, 2022 Frequency: Annual Contact point: sustainability@evoqua.com
2-4 Restatements of information	There were no restatements of information in this report.
2-5 External assurance	This report is not externally assured.
2-6 Activities, value chain and other business relationships	See pages 4-5 and 46 of this report or our Annual Report , pages 3-5.
2-7 Employees	See page 31 of this report or our Annual Report , pages 11-12.
2-8 Workers who are not employees	Evoqua employs contingent workers which make up a small percentage of our workforce.
2-9 Governance structure and composition	See page 41 of this report or our Proxy Statement , pages 12-21 and 27-31.
2-10 Nomination and selection of the highest governance body	See page 40 of this report or our Proxy Statement , pages 18-21 and 31.
2-11 Chair of the highest governance body	See our Proxy Statement , page 23.
2-12 Role of the highest governance body in overseeing the management of impacts	See page 40-41 of this report or our Proxy Statement , pages 31 and 34.

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DISCLOSURE	LOCATION
2-13 Delegation of responsibility for managing impacts	See page 41 of this report or our Proxy Statement , pages 31, 32, and 34.
2-14 Role of the highest governance body in sustainability reporting	See page 41 of this report or our Proxy Statement , pages 32 and 34.
2-15 Conflicts of interest	See page 43 of this report or our Proxy Statement , pages 22 and 35.
2-16 Communication of critical concerns	See our Proxy Statement , pages 28 and 32-33.
2-17 Collective knowledge of the highest governance body	See our Proxy Statement , pages 5 and 25.
2-18 Evaluation of the performance of the highest governance body	See page 40 of this report or Proxy Statement , page 25.
2-19 Remuneration policies	See our Proxy Statement , pages 36-88.
2-20 Process to determine remuneration	See our Proxy Statement , pages 29-30 and 43-62.
2-21 Annual total compensation ratio	See our Proxy Statement , pages 87 and 88.
2-22 Statement on sustainable development strategy	Found on page 2 of this report.
2-23 Policy commitments	Found on page 42 of this report. Precautionary principle: Each year, Evoqua renews its commitment to safety with our Environment, Health & Safety (EHS) and Sustainability policy signed by our CEO. It states that we will provide our solutions, products, and services in a safe, environmentally sound, and socially responsible manner. For more information on our commitment to safety, please see our EHS & Sustainability Policy . For more information, see our Code of Ethics and Business Conduct .
2-24 Embedding policy commitments	We require annual compliance with relevant policies from our employees, business partners, and suppliers. For more information, see pages 42-43 and 46-47 of this report.
2-25 Processes to remediate negative impacts	Found on page 42 of this report. For more information, see our compliance helpline and ethics & compliance webpage.
2-26 Mechanisms for seeking advice and raising concerns	Found on page 42 of this report.
2-27 Compliance with laws and regulations	Found on page 42 of this report. For more information, see our Annual Report , pages 28 and 29.
2-28 Membership associations	Found on page 48 of this report.
2-29 Approach to stakeholder engagement	Found on page 10 and page 30 of this report.
2-30 Collective bargaining agreements	None of our facilities in the United States or Canada are covered by collective bargaining agreements. As is common in Germany and the Netherlands, our employee populations there are represented by works councils. We are not involved in any material disputes with our employees and believe that relations with our employees and, to the extent applicable, with our works councils, are good. For more information, see our Annual Report , page 11.

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MATERIAL TOPICS

DISCLOSURE	LOCATION
3-1 Process to determine material topics	Found on page 10 of this report.
3-2 List of material topics	Found on pages 10-11 of this report.

ECONOMIC PERFORMANCE 2016 (EVOQUA MATERIAL TOPIC: FINANCIAL TRANSPARENCY & ESG REPORTING)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 4 of this report.
201-1 Direct economic value generated and distributed	Found on page 5 of this report.
201-3 Defined benefit plan obligations and other retirement plans	Found on page 32 of this report.

PROCUREMENT PRACTICES 2016 (EVOQUA MATERIAL TOPIC: RESPONSIBLE SUPPLY CHAIN)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on pages 46-47 of this report.
204-1 Proportion of spending on local suppliers	Found on page 47 of this report.

ANTI-CORRUPTION 2016 (EVOQUA MATERIAL TOPIC: CRISIS, RISK MANAGEMENT, AND CYBERSECURITY)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 42 of this report.
205-1 Operations assessed for risks related to corruption	Found on page 42 of this report.
205-2 Communication and training about anti-corruption policies and procedures	Found on page 42 of this report.
205-3 Confirmed incidents of corruption and actions taken	Found on page 42 of this report.

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ANTI-COMPETITIVE BEHAVIOR 2016 (EVOQUA MATERIAL TOPIC: CRISIS, RISK MANAGEMENT, AND CYBERSECURITY)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 42 of this report.
206-1 Legal actions for anti-competitive behavior; anti-trust, and monopoly practices	Found on page 42 of this report.

ENERGY 2016 (EVOQUA MATERIAL TOPIC: CLIMATE ACTION)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 22 of this report.
302-1 Energy consumption within the organization	Found on page 24 of this report.
302-3 Energy intensity	Found on page 24 of this report.
302-4 Reduction of energy consumption	Found on pages 23-24 of this report.

WATER AND EFFLUENTS 2018 (EVOQUA MATERIAL TOPIC: WATER STEWARDSHIP)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 25 of this report.
303-1 Interactions with water as a shared resource	Found on pages 6 and 25 of this report.
303-2 Management of water discharge-related impacts	Found on page 25 of this report.
303-3 Water withdrawal	Evoqua facility water usage is sourced from municipal water providers and a few groundwater wells in areas where public service is unavailable. No surface, sea, or produced water is applicable. For more information, visit page 25 of this report.
303-5 Water consumption	Found on page 25 of this report.

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APPENDIX**ABOUT THIS REPORT****EMISSIONS 2016 (EVOQUA MATERIAL TOPIC: CLIMATE ACTION)**

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 22 of this report.
305-1 Direct (Scope 1) GHG emissions	Found on pages 23-24 of this report.
305-2 Energy indirect (Scope 2) GHG emissions	Found on pages 23-24 of this report.
305-3 Other indirect (Scope 3) GHG emissions	In FY22, we began to evaluate our scope 3 emissions to determine whether a scope 3 target should be included in our science-based targets (SBTs) emissions reduction target based on the relative percentage of scope 3 emissions to Evoqua's overall emissions inventory. This evaluation of our scope 3 emissions and the development of strategies to address them will carry into FY23.
305-4 GHG emissions intensity	Found on page 24 of this report.
305-5 Reduction of GHG emissions	Found on page 24 of this report. Our baseline year for our GHG calculations is 2019 which can be found here .
305-6 Emissions of ozone depleting substances	Found on page 24 of this report.
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Found on page 24 of this report.

EMPLOYMENT 2016 (EVOQUA MATERIAL TOPIC: EMPLOYEE MENTAL HEALTH, BENEFITS, & CULTURE)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 32 of this report.
401-1 New employee hires and employee turnover	Found on page 31 of this report.
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Find on page 32 of this report, and see our Annual Report , pages 98 and 99.
401-3 Parental leave	Found on page 32 of this report.

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OCCUPATIONAL HEALTH AND SAFETY 2018 (EVOQUA MATERIAL TOPIC: EMPLOYEE HEALTH & SAFETY)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 35 of this report.
403-1 Occupational Health and Safety Management System	Found on page 35 of this report.
403-2 Hazard identification, risk assessment, and incident investigation	Found on page 37 of this report.
403-3 Occupational health services	Found on pages 36-37 of this report.
403-4 Worker participation, consultation, and communication on occupational health and safety	Found on pages 35-36 of this report.
403-5 Worker training on occupational health and safety	Found on page 36 of this report.
403-6 Promotion of worker health	Found on pages 32 and 36 of this report.
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Found on page 37 of this report.
403-8 Workers covered by an occupational health and safety management system	All employees.
403-9 Work-related injuries	Found on page 38 of this report.

TRAINING AND EDUCATION 2016 (EVOQUA MATERIAL TOPIC: EMPLOYEE MENTAL HEALTH, BENEFITS, & CULTURE)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 33 of this report.
404-2 Programs for upgrading employee skills and transition assistance programs	Found on page 33 of this report.
404-3 Percentage of employees receiving regular performance and career development reviews	100% of all exempt employees had the opportunity to have at least one performance conversation in FY22. 88% of our exempt employees completed the entirety of the performance review process within our performance system.

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DIVERSITY AND EQUAL OPPORTUNITY 2016 (EVOQUA MATERIAL TOPIC: INCLUSION AND DIVERSITY)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 30 of this report.
405-1 Diversity of governance bodies and employees	Found on pages 31 and 40 of this report.

LOCAL COMMUNITIES 2016 (EVOQUA MATERIAL TOPIC: COMMUNITY SUPPORT, GIVING, & VOLUNTEERING)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 34 of this report.
413-1 Operations with local community engagement, impact assessments, and development programs	Found on page 34 of this report.

SUPPLIER SOCIAL ASSESSMENT 2016 (EVOQUA MATERIAL TOPIC: RESPONSIBLE SUPPLY CHAIN)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 46 of this report.
414-1 New suppliers that were screened using social criteria	All our suppliers are required to adhere to our Supplier Code of Conduct, which contains social criteria. For more information, see page 46 of this report and/or our Supplier Code of Conduct .

SUPPLIER ENVIRONMENTAL ASSESSMENT 2016 (EVOQUA MATERIAL TOPIC: RESPONSIBLE SUPPLY CHAIN)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 46 of this report.
414-1 New suppliers that were screened using environmental criteria	All our suppliers are required to adhere to our Supplier Code of Conduct, which contains environmental criteria. For more information, see page 46 of this report and/or our Supplier Code of Conduct .

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CUSTOMER HEALTH AND SAFETY 2016 (EVOQUA MATERIAL TOPIC: PRODUCT QUALITY & SAFETY)

DISCLOSURE	LOCATION
3-3 Management of material topics	Found on page 21 of this report.
416-1 Assessment of the health and safety impacts of product and services category	Found on page 21 of this report.

INNOVATIVE SUSTAINABILITY SOLUTIONS (NON-GRI MATERIAL TOPIC)

DISCLOSURE	LOCATION
3-3 Management of material topic	Found on page 18 of this report.
Designing innovative products	Found on page 18 of this report.

CUSTOMER SUSTAINABILITY (NON-GRI MATERIAL TOPIC)

DISCLOSURE	LOCATION
3-3 Management of material topic	Found on page 18 of this report.
Enabling customer sustainability	Found on pages 17-20 of this report.

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TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Industrial Machinery and Goods Standard

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DISCLOSURE
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-IG-130a.	(1) 840,186 GJ (2) 14.1% (3) 16.8%
Employee Health and Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near-miss frequency rate (NMFR)	Quantitative	Rate	RT-IG-320a.1	See page 38 of the report.
Fuel Economy and Emissions in Use-phase	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Gallons per 1,000 ton-miles	RT-IG-410a.1	Not Applicable
	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Gallons per hour	RT-IG-410a.2	Not Applicable
	Sales-weighted fuel efficiency for stationary generators	Quantitative	Watts per gallon	RT-IG-410a.3	Not Tracked
	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate 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 kilowatt-hour	RT-IG-410a.4	See page 24 of the report which captures these emissions from all scope 1 and 2 sources.
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-IG-440a.1	See pages 44 and 46 of the report.
Remanufacturing Design and Services	Revenue from remanufactured products and remanufacturing services	Quantitative	Reporting currency	RT-IG-440b.1	Not Tracked

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TABLE 2. ACTIVITY METRICS

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	DISCLOSURE
Number of Units Produced by Product Category	Quantitative	Number	RT-IG-000.A	Not Tracked
Number of Employees	Quantitative	Number	RT-IG-000.B	See page 31 of the report.

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Adjusted EBITDA

RECONCILIATIONS BY FISCAL YEAR

(IN MILLIONS)	2020	2021	2022
Net income	114.4	51.7	72.3
Income tax (benefit) expense	7.4	10.1	-3.0
Interest expense	46.6	37.5	34.7
Operating profit	168.4	99.3	104.0
Depreciation and amortization	107.3	113.7	127.6
EBITDA	275.7	213.0	231.6
Restructuring and related business transformation costs	17.4	11.3	6.4
Purchase accounting adjustment costs	0.0	0.0	4.2
Share-based compensation	10.5	17.7	23.5
Transaction costs	1.9	1.6	8.1
Other losses (gains) and expenses	-65.9	7.3	23.9
Adjusted EBITDA	239.6	250.9	297.7

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About This Report

The reporting period for the metrics included in this report is our fiscal year 2022 (FY22), October 1, 2021, to September 30, 2022, unless otherwise noted. This report was released in April 2023. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. Our GRI Content Index can be found on [page 53](#) of this report. We disclosed relevant Sustainability Accounting Standards Board (SASB) disclosures within the Industrial Machinery & Goods standard, which can be found in our SASB Index on [page 61](#) of this report.

FORWARD-LOOKING STATEMENTS

This Sustainability Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. You can generally identify forward-looking statements by our use of forward-looking terminology such as “aim,” “anticipate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “goal,” “intend,” “may,” “might,” “plan,” “progress,” “potential,” “predict,” “projection,” “seek,” “should,” “will,” or “would” or the negative thereof or other variations thereon or comparable terminology. All of these forward-looking statements are based on our current expectations, assumptions, estimates, and projections. While we believe these expectations, assumptions, estimates, and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control. These and other important factors may cause our actual results, performance, or achievements to differ materially from any future results, performance, or achievements expressed or implied by these forward-looking statements, or could affect our share price. Some of the factors that could cause actual results to differ materially from those expressed or implied by the forward-looking statements include, among other

things, the failure to complete the proposed transaction with Xylem Inc. (“Xylem”) (the “Merger”) on the anticipated terms and timing, or at all; the failure to obtain stockholder approvals or to satisfy any of the other conditions to the Merger on a timely basis or at all, or other delays in completing the Merger; the failure to obtain necessary regulatory approvals (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the Merger); the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the Company’s merger agreement with Xylem; the possibility that the Merger may be less accretive than expected, or may be dilutive; the possibility that the anticipated benefits of the Merger will not be realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where the Company and Xylem do business; the possibility that the Merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events; diversion of management’s attention from ongoing business operations and opportunities, as a result of the Merger; the risk that stockholder litigation in connection with the Merger may affect the timing or occurrence of the Merger or result in significant costs of defense, indemnification and liability; the effect of the announcement of the Merger on our ability to maintain relationships with customers, suppliers, and other third parties; uncertainty as to the long-term value of Xylem’s common stock; material, freight, and labor inflation, commodity and component availability constraints, and disruptions in global supply chains and transportation services; general global economic and business conditions, including the impacts of rising interest rates, recessionary conditions, geopolitical conflicts, such as the conflict between Russia and Ukraine and tensions between China and the U.S., and the COVID-19 pandemic; our ability to execute projects

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on budget and on schedule; the potential for us to incur liabilities to customers as a result of warranty claims or failure to meet performance guarantees; our ability to meet our own and our customers' safety standards; failure to effectively treat emerging contaminants; our ability to continue to develop or acquire new products, services and solutions that allow us to compete successfully in our markets; our ability to implement our growth strategy, including acquisitions, and our ability to identify suitable acquisition targets; our ability to operate or integrate any acquired businesses, assets or product lines profitably; our ability to achieve the expected benefits of our restructuring actions; delays in enactment or repeals of environmental laws and regulations; the potential for us to become subject to claims relating to handling, storage, release or disposal of hazardous materials; our ability to retain our senior management, skilled technical, engineering, sales, and other key personnel and to attract and retain key talent in increasingly competitive labor markets; including as a result of the announcement of the Merger; risks associated with international sales and operations; our ability to adequately protect our intellectual property from third-party infringement; risks related to our contracts with federal, state, and local governments, including risk of termination or modification prior to completion; risks associated with product defects and unanticipated or improper use of our products; our ability to accurately predict the timing of contract awards; risks related to our substantial indebtedness; our increasing dependence on the continuous and reliable operation of our information technology systems; risks related to foreign, federal, state and local environmental, health and safety laws and other applicable laws and regulations and the costs associated therewith; our ability to execute on our strategies related to environmental, social, and governance matters, and achieve related goals and targets, including as a result of evolving standards, laws, regulations, processes, and assumptions, delayed scientific and technological developments, increased costs, and changes in carbon markets; and other risks and uncertainties, including those listed under Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2022, as filed with the Securities and Exchange Commission (SEC) on November 16, 2022, and in other filings we may make from

time to time with the SEC. All statements other than statements of historical fact included in this Sustainability Report are forward-looking statements. Any forward-looking statements made in this Sustainability Report speak only as of the date of this Sustainability Report. Except as required by law, we do not undertake any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements made herein, whether as a result of new information, future events or otherwise after the date of this Sustainability Report. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this Sustainability Report.

The sustainability and environmental, social, and governance (ESG)-related information presented, discussed, referenced or otherwise included in this Sustainability Report or made available on or through our website does not cover all information about our business. The inclusion of information or references, including the use of "materiality" or similar terms, should not be construed as a characterization regarding the materiality of such information to our financial results or that such information is necessarily material to investors or other stakeholders for purposes of U.S. federal securities laws.

The sustainability and ESG-related goals, targets and commitments presented, discussed, referenced or otherwise included in this document or made available on or through our website are aspirational and not guarantees or promises that such goals, targets or commitments will be achieved. In addition, historical, current and forward-looking information included in this document or made available on or through our website may be based on standards and practices for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change. Accordingly, such historical, current and forward-looking information or underlying assumptions may be subject to modifications in future disclosures due to such developing standards, practices and controls and processes. Readers and viewers are cautioned not to place undue reliance on such information.



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