Decarbonizing the water sector

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

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

Our 2030 Decarbonization Goals

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

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

Key efforts:

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

Spotlight

Empowering our customers' decarbonization journeys while delivering cost savings

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

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

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

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

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

Zsombor Vánkos
Application Engineering Team Leader

Our path to net zero

Actions pre-2020

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

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

Actions 2020–2030

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

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

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

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

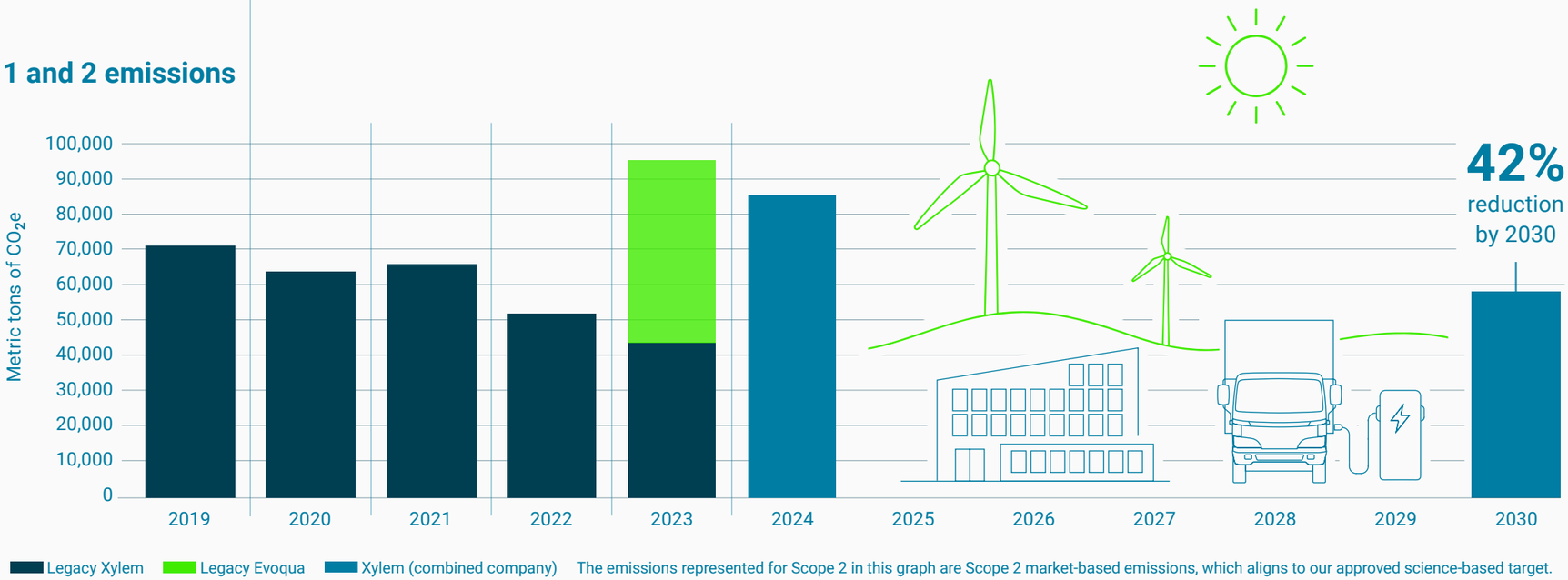
Our 2030 science-based targets were validated and approved by the SBTi in December 2024.

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

Actions 2030–2050

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

Xylem Scope 1 and 2 emissions



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

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

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