

Dear Supplier,

Sustainability is at the heart of Xylem's business. Each year since 2013, we have disclosed our environmental performance through [CDP](#), a global non-profit specialized in environmental reporting.

Starting this year, we are asking all Xylem's key suppliers to do the same. Our goal is to reduce environmental impact throughout our supply chain.

Fortunately, the many of our key suppliers already report their performance to CDP. And, if you don't, getting started is straight-forward, and we'll help.

In the near future, submitting **Climate Change** and **Water Security** questionnaires to CDP will be a requirement of all Xylem Preferred Suppliers.

Whether or not you already file CDP disclosures:

- We have provided CDP with your name and email address. They will contact you about this request for information. You may already have received their email.
- If you are not the correct person to respond to this request, please reply to us with the appropriate contact.

If you have not previously filed CDP disclosures: We know the prospect of a new disclosure obligation can be daunting. If this is your first time, you can opt into a shorter version of the CDP questionnaires. Plenty of help is available, and filing the disclosures costs you nothing.

The deadline for submitting the Climate Change and Water Security to CDP is **July 28, 2021**.

More information and support resources are provided in the following pages.

Please feel free to raise any questions with our Global Procurement Sustainability Manager, Andrea Montuori, at andrea.montuori@xylem.com, about this important step in advancing our sustainability, together.

Sincere thanks, in advance,



Alberto Bozzi
Vice President, Global Procurement



Austin Alexander
Vice President, Sustainability and CSR

Xylem Suppliers' CDP Environmental Disclosures 2021

How to get started

Please register your account and activate the Climate Change and Water Security Questionnaires after you receive CDP's email during the week of April 12. If you do not receive an email from CDP by April 22, please contact respond@cdp.net.

What will you be asked?

The CDP **Climate Change Questionnaire** asks you to report information such as: your risks and opportunities associated with climate change, your emissions, details on your emissions management strategy such as targets, and actions you've taken to reduce your emissions.

The CDP **Water Security Questionnaire** asks you to report information such as: the water resources used in your direct operations and supply chain, the procedures and requirements in place for water risk assessments, and risk-related mitigation strategies and opportunities.

If this is the first time you are responding to CDP or you are a company with an annual revenue of less than \$250 million, you can opt into a shorter version of the questionnaires.

Xylem is not expecting perfection if you are just starting your sustainability journey. There is no minimum requirement and a partially filled-out questionnaire is preferred over no information.

Key dates

- Around now: CDP will email you the access link for the questionnaire
- July 28th, deadline to submit your response.

Please visit [CDP's website](https://www.cdp.net) for up-to-date information on the CDP timeline.

Support available to Xylem suppliers

To help you prepare for your disclosure, CDP provides the following resources:

- **Xylem webinar** - Please join Xylem and CDP for an upcoming webinar, to which you will receive the invite shortly. Please feel free to forward this webinar to other relevant contacts within your organization.
- **Online support** - CDP offers [free online guidance for suppliers](#) to help you disclose to the questionnaire. In addition, CDP offers [pre-recorded educational webinars](#) that are designed to help suppliers that are just beginning their environmental journey.
- **CDP organizational guide for environmental action** - The CDP roadmap provides a snapshot of actions companies are taking at each stage of this journey towards environmental excellence.
- **Technical support** – Suppliers with additional questions can contact our dedicated support team directly: respond@cdp.net.
- **One-to-one support** – CDP's Reporter Services program provides personalized disclosure support to help you best respond to the questionnaires and improve your environmental practices. For more information please contact reporterservices@cdp.net.
- **CDP webinars and events** – visit www.cdp.net/events for more information

High-priority Questions

While we encourage you to respond to the questionnaires as completely as possible, the following are the questions we will be reviewing most closely:

Key Environmental Performance Indicator	Related question	Why is this indicator valuable to Xylem
Disclose to CDP	---	Disclosing to CDP helps build understanding; just by starting you will gain insight into what best-practice environmental management looks like.
Set an emission reduction target, specifically a Science-Based Target	C4.1	Setting a target demonstrates your intention to act on emissions reductions, and the level of your ambition.
	C4.1a	Emissions reduction targets are not the only type of relevant targets that organizations use to drive change. Xylem is interested in understanding if you have climate goals separate from emissions reduction target.
Report your Scope 1 and Scope 2 emissions.	C6.1 & C6.3	What is measured can be managed. Reporting information on operational emissions can highlight areas of improvement and prepare you for any future legislation on emissions. We consider this the first step in a supplier's journey towards good climate change management.
Verification of these emissions.	C10.1	Verifying your emissions footprint is vital to ensure you're correctly calculating your emissions footprint.
Report your Scope 3 emissions.	C6.5	For many companies, the vast majority of their emissions lie in their supply chains or outside their direct operations. Calculating this footprint is the first step to driving action to reduce your impact.
Verification of these emissions.	C10.1	Calculating scope 3 emissions can be a challenge and verifying those calculations builds confidence that they are conducted correctly.
Allocated emissions	SC1.1	By reporting your emissions intensity per revenue or by allocating emissions relevant to your business with us, we can model our supply chain (scope 3) emissions.
Suggest ways in which we can collaborate	SC2.1	Using SC2.1 you can suggest ways we can work together to implement mutually beneficial changes to the way we work.

High-priority Questions (cont)

Key Environmental Performance Indicator	Related question	Why is this indicator valuable to Xylem
Disclose to CDP – preferably publicly	---	Disclosing to CDP helps build understanding; just by starting you will gain insight. Many companies now ask suppliers to participate; if one of your clients doesn't this time it may include you in the future.
Integrate water security into your business strategy	W7.1	Integrating water security into your business strategy allows us to know how you considered and acted upon water-related issues at a strategic level.
Evaluate current water security state	W1.1	To fully prepare for the impacts water scarcity could have in our supply chain, undertaking an evaluation of your current water related risks and opportunities is essential.
Report your water policy	W6.1/a	Reporting a water policy, preferably publicly and with scope and context, helps us to manage exposure to reputational water risk.
Report basic water accounting data	W1.2b	What is measured is managed. Understanding water withdrawn, consumed and discharged helps us to manage and monitor progress on reducing exposure to water risk.
Provide water, sanitation and hygiene services to your employees	W1.2	This indicates whether the organization reports on its monitoring of the provision of water, sanitation, and hygiene (WASH) services to all its workers. This is also an important metric for alignment to SDG6
Suppliers report a complete risk assessment for their operations	W3.3 & SW1.1	Facilities at risk from water impacts could potentially affect your operations and reputation. It could also affect your business ability to grow in the future. These risks need to be actively managed.
Report progress towards active company-wide targets or goals related to water	W8.1a/b	We want our suppliers to report goals and targets, as they are demonstrating commitment to improve their water security.
Suggest ways in which we can collaborate	SW2.1	You can suggest ways we can work together to improve our own or your water security. This collaboration could result in mutually beneficial changes to the way we work.