



TRANSFORMING WATER. ENRICHING LIFE.



evoqua
WATER TECHNOLOGIES

2019
SUSTAINABILITY REPORT

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— “ —
As our communities face serious issues pertaining to water quantity and quality, we continue to develop innovative solutions to help the world solve complex water challenges.
— ” —

LETTER FROM OUR CEO

At the core of our business, **we transform water and enrich life.** Evoqua is a clean water technology company that purifies water for our customers **to protect future generations.** This drives us in our work to help our customers meet their sustainability goals in how they use and reuse water.

As our communities face serious issues pertaining to human health and wellness as well as water quantity and quality, we continue to develop innovative solutions to help the world solve complex water challenges. We welcome the responsibility we have in furthering the mission of the United Nation's Sustainable Development Goals (SDGs), particularly SDG 6, Clean Water and Sanitation.

As you will see in our 2019 Sustainability Report, we are working hard to improve our internal sustainability in three key areas, those being continued good governance practices, the environment and playing our part in corporate social responsibility.

In the future, this report will grow with more depth, detail and transparency as we launch our internal mechanisms for managing our internal sustainability. To chart a path to become more sustainable, we

completed our first materiality assessment in 2019 with internal and external stakeholders to inform the creation of our sustainability goals.

We thrive on our high-performance culture where employees are driven by our mission to transform water and enrich life. Sustainability drives our business decisions to uphold transparent business practices, maintain a resilient business strategy, improve our environment and serve our employees and communities.

Our dedication to sustainability and our promise to "be better tomorrow than today is" deeply rooted at Evoqua. Please engage with us on our journey to help build a more sustainable water future for all.

Sincerely,

RON KEATING
PRESIDENT, CHIEF EXECUTIVE OFFICER,
MEMBER OF THE BOARD OF DIRECTORS



2019 OVERVIEW

WHO WE ARE



EVOQUA HAS THE REACH OF A GLOBAL BUSINESS WHILE EMBRACING AN ENTREPRENEURIAL SPIRIT.

Our innovative products have been solving the world's water problems for more than 100 years. Today, we are building on that strong history of success - **transforming water** for our customers and **enriching the lives** of consumers.



ABOUT EVOQUA: EXPANDING OUR IMPACT

As of September 30, 2019

~4,150

team members

163

locations

10

countries

\$1.44B

FY19 revenue

200+k

installations

Evoqua is a global leader in water solutions, headquartered in Pittsburgh, Pennsylvania. As of September 30, 2019, we had approximately 4,150 team members. We operate 163 sites located in the United States, Canada, the United Kingdom, the Netherlands, Germany, Australia, China, Singapore, India and Korea, including 19 manufacturing facilities, seven research and development facilities and 97 service branches.

We are a small-mid cap company with \$1.44 billion in revenue for FY19. We are present in North America, Europe and Asia Pacific serving customers across municipal, industrial and commercial markets. For more information on our financials, see our 2019 [Annual Report](#) on Form 10-K for the year ended September 30, 2019, as filed with the Securities and Exchange Commission (SEC), our other periodic reports filed with the SEC and our annual report available on our [website](#).



Healthcare & Pharma

Microelectronics

Power

Wastewater

Commercial & Institutional

Refining & Chemicals

Drinking Water

Manufacturing

Food & Beverage

Aquatics & Pools

HIGHLIGHTS OF OUR PROGRESS IN SUSTAINABILITY



**REDUCED
WATER
USAGE BY
26%^[1]**

Five of our primary locations reduced their water usage by 26% since FY17.



**RENEWABLE
ENERGY TO
POWER 5,000
HOMES^[2]**

Our anaerobic digestion systems produce enough clean renewable energy to meet the needs of over 5,000 homes/day.



**WALKED 2,500
MILES TO
RAISE FUNDS
FOR CHARITY**

Evoqua employees walked 2,500 miles to raise funds for the organization, *charity: water*. This is the distance from San Francisco, CA to New York, New York.

[1] This covers our facilities in Colorado Springs, Colorado; Holland, Michigan; Tewksbury, Massachusetts; Thomasville, Georgia; Union, New Jersey.

[2] 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.

HIGHLIGHTS OF OUR PROGRESS IN SUSTAINABILITY



DOUBLED OUR IMPACT

We nearly doubled our charitable donations to non-profits working in education, science, social or humanitarian efforts from FY18.



BOARD DIVERSITY

In February 2020, our Board elected Lisa Glatch, an executive with extensive experience in energy, chemicals and infrastructure, as our Board's newest member. Evoqua continues to focus on board diversity. Learn more about the diversity of our board on page 50.



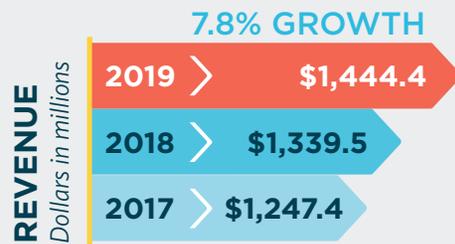
SUCCESSFULLY PREVENTING CORRUPTION

Our Anti-Corruption Policy is highly rated by ESG investor rating agencies such as MSCI, Sustainalytics and ISS.

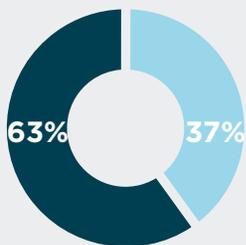
CREATING VALUE FOR OUR STAKEHOLDERS



FY2019 FINANCIAL OVERVIEW

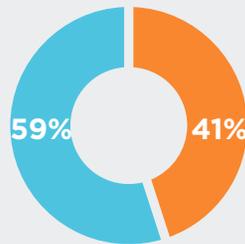


REVENUE BY SEGMENT



- Applied Product Technologies
- Integrated Solutions and Services

REVENUE BY TYPE



- Products
- Services

INVESTING IN INNOVATION

In FY19, we acquired ATG-UV Technology Limited, a leading manufacturer of ultraviolet (UV) light disinfection systems used in a wide range of municipal, aquatics and industrial applications. Since 2016 we have acquired four UV and ozone technologies companies to expand our reach into chemical-free disinfection.

THE CHALLENGES OF WATER



Water scarcity, emerging contaminants in water and climate change are growing concerns around the world. In combination with urbanization and population growth, our available water resources are under stress.

We can all have a meaningful part in helping to build a more sustainable water future for all. Evoqua is committed to ensuring safe, clean and reliable water quality and quantity. Since the role water plays in our daily lives can often go unnoticed, we work to increase awareness of the issues facing our water systems and infrastructure by actively participating in programs such as Imagine a Day Without Water, Value of Water Campaign, and World Water Day

A close-up photograph of a young girl with dark skin and hair, looking down intently at a public water tap. She is holding her hands under the running water, and a small amount of water is dripping from her fingers. The background is a soft, out-of-focus green, suggesting an outdoor setting. The text is overlaid on the left side of the image.

EVOQUA RECOGNIZES THAT WATER IS A FUNDAMENTAL HUMAN RIGHT

Evoqua supports Water-4-Nations, whose mission is to bring clean and safe drinking water to communities in Haiti.



**EVOQUA WORKS
WITH NUMEROUS
LOCAL AND GLOBAL
ASSOCIATIONS TO
PARTICIPATE IN BROAD
DISCUSSIONS ON
WATER ISSUES AND
SOLUTIONS**

OUR ORGANIZATIONAL PARTNERS



MEMBERSHIP ORGANIZATIONS

- » American Water Works Association
- » British Water Membership
- » Chartered Institution of Water and Environmental Management / Water UK
- » National Rural Water Association
- » U.S. Water Alliance
- » Water & Wastewater Equipment Manufacturers Association
- » Water Environment Federation
- » WaterReuse Association

MATERIALITY AND OUR APPROACH



To chart a path to become more sustainable, we completed our first materiality assessment in the summer of 2019. This assessment focused on understanding the key aspects of sustainability that are important to our stakeholders. We interviewed and surveyed over 500 stakeholders from seven internal and/or external stakeholder groups.

The findings led us to two frames of reference for thinking about sustainability at Evoqua:

1. **Our Handprint:** enabling our customers to become more sustainable through our solutions and service offering
2. **Our Footprint:** Evoqua's responsibility to become more sustainable in our internal operations

As an outcome of our materiality assessment, we developed a Sustainability Steering Committee overseen by our CEO and other members of our Executive Leadership Team to focus on five areas: social factors, corporate governance, internal environmental footprint, corporate social responsibility and innovation. The following table explains our goals that came from the materiality process.

Our current goals are broad and look at sustainability holistically. In FY20 and FY21 we plan to create more concise corporate-level goals matched by localized action at our numerous sites and business segments.

GOALS FROM OUR MATERIALITY ASSESSMENT



GOAL	WORK GROUP ACTIONS
Help our customers improve their sustainability performance for water, energy and waste	Explore product innovation by forming a innovation working group to increase the sustainability of our products
Lessen the environmental impact of our internal operations	Focus on our internal environmental footprint by forming a focused working group to track our impact
Help our employees, partners and communities thrive	Enhance our social sustainability with our employees, suppliers and our communities within a social factors working group
Ensure we have the best-in-class business ethics and governance practices	Continue to build on our good business ethics and corporate governance
Improve the communities in which we work	Enhance our external outreach for corporate social responsibility through an external outreach work group



A top-down view of several hands of different skin tones (dark brown, light brown, and fair) holding soil and small green seedlings in a circle. The hands are arranged in a ring, each holding a small amount of dark soil and a tiny green plant with three leaves. The background is a dark, textured surface, possibly soil or a dark fabric. The overall composition is centered and symmetrical, emphasizing unity and environmental care.

ENVIRONMENTAL STEWARDSHIP

WE HELP OUR CUSTOMERS MEET THEIR SUSTAINABILITY GOALS



As a trusted advisor to our customers, we are dedicated to bringing awareness to sustainability issues they face. We serve the needs associated with water quality and quantity in applications such as emerging contaminant removal, wastewater treatment and water reuse. Our solutions and services enable customers to reduce the strain on freshwater resources.

We are dedicated to helping our customers meet their sustainability goals. While SDG 6 is where our largest impact lies, we also help our customers meet other SDGs, including SDG 3, 7, 9, 12 and 13.

We help our customers achieve their sustainability goals and are well positioned to do so in the future as the world moves towards a circular and sustainable economy. Our offerings are aligned with the United Nations Sustainable Development Goals (SDGs), allowing us to help our customers create a more sustainable future.



ENERGY

Our anaerobic digestion technology produces enough energy to meet the electricity needs of the equivalent of 5,000 American homes per day^[1]



SMART WATER

Our [Water One](#)[®] platform provides customers with reliable water quality and quantity when they need it through a digitally-enabled, proactive service model.

[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.

WE HELP OUR CUSTOMERS MEET THEIR SUSTAINABILITY GOALS



HEALTH AND WELLNESS

Disinfection and sanitization are critical to hospitals, laboratories and food processing operations. Evoqua's advanced services and technologies, offer reliable solutions worldwide.



CIRCULAR ECONOMY

Water reuse and recycling technologies, such as UV disinfection systems, help to provide a safe alternative water supply and reduce strain on fresh water resources.



CLIMATE CHANGE

Evoqua has one of the largest fleets of temporary and rapid response mobile units in North America, ready to provide clean water when and where it is needed most.



DELIVERING SOLUTIONS TO THE WORLD'S MOST PRESSING ISSUES



3 GOOD HEALTH AND WELL-BEING



PFOA and PFOS removal in Kennebunkport

SOLUTION

Granular Activated Carbon (GAC) lead-lag system using enhanced coconut-based carbon

RESULTS

The installed system removes PFAS to non-detect levels and delivers up to 160% longer bed life compared to the coal-based alternative (bituminous GAC) resulting in up to 40% lower life cycle costs.

OUR ROLE

- « Provide healthy and safe drinking water
- « Solve for emerging contaminants

>> [Click here](#) to read full case study

13 CLIMATE ACTION



Rapid response mobile solution for Apache Junction

SOLUTION

Mobile clarification and horizontal filtration technologies

RESULTS

Apache Junction was on a quickly approaching deadline of being able to provide potable water for the city's 19,000 residents.

Evoqua was able to meet the 2-week delivery and start-up time to fulfill capacity requirements, quality specifications and meet the needs of the residents.

OUR ROLE

- « Mitigate the effects of extreme weather with rapid response units

>> [Click here](#) to read full case study

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Municipal wastewater reused for industrial plant to reduce local water stress

SOLUTION

Enhanced ultrafiltration and reverse osmosis system with continuous online monitoring

RESULTS

The municipal wastewater was able to be used within the plant even with variable feedwater quality. This aided in reducing local water stress.

OUR ROLE

- « Products and services for water reuse
- « Services that prolong product life
- « Products for efficient nutrient capture

>> [Click here](#) to read full case study

DELIVERING SOLUTIONS TO THE WORLD'S MOST PRESSING ISSUES



ThaiBev replaced over 80% of heating needs with green energy captured on site

SOLUTION

Provided full-scale ADI anaerobic digestion systems to treat molasses stillage at five different ThaiBev locations in Thailand

RESULTS

The primary purpose was to generate biogas as a means of reducing fossil fuel energy costs. The anaerobic digestion systems replaced over 80% of the energy needed for heating.

OUR ROLE

- « Products that reduce energy usage
- « Products that capture biogas

>> [Click here](#) to read full case study



St. Luke's Hospital receives dependable water with proactive Water One® service

SOLUTION

Water One service combines remote monitoring and fast, local service to ensure reliable and consistent water quality

RESULTS

The continuous digital monitoring mitigates risk, automates tank exchanges and minimizes system downtime.

OUR ROLE

- « Integrated system for water, energy, product and service efficiency

>> [Click here](#) to read full case study



Recovery of potable water from a PFOA contaminated well in Stratmoor Hills

SOLUTION

Ion selective IX resin helped Stratmoor Hills Water District solve an urgent PFC contamination problem and meet its customers' drinking water needs

RESULTS

Stratmoor Hills Water District was able to remove contaminants to nearly non-existent levels and distribute safe water to municipal customers.

OUR ROLE

- « Provide safe and healthy drinking water
- « Solve for emerging contaminants

>> [Click here](#) to read full case study

SUSTAINABILITY IS A COLLABORATIVE EFFORT



INDUSTRY

Aquatics and Pools

LOCATION

Atlanta, Georgia, USA

TECHNOLOGY

Sand Filter

RESULT

Saving nearly \$1.5M by reusing more than 99% of 10M gallons



Preserving water—the world’s most valuable resource—is at the heart of everything we do at Evoqua. Each year, we’re excited to honor an organization that prizes sustainability as much as we do. Georgia Aquarium’s extraordinary LSS processes have made it a water savings hero, and we’re proud to be part of its efforts to enrich life through smart water use.

RON KEATING | EVOQUA CEO



Evoqua named Georgia Aquarium the recipient of the **Evoqua Water Sustainability Award** for 2019. The award recognizes excellence in water stewardship, including companies using new or existing technologies in innovative, sustainable ways and companies that have made significant strides in water efficiency.

For the second year, Evoqua employees nominated companies from among its 38,000-customer base for their sustainability efforts to treat, re-use, and conserve water. Other companies shortlisted for the award included Johnson & Johnson and Phillips66.

CASE STUDY: GEORGIA AQUARIUM

CLIENT

Georgia Aquarium, the largest aquarium in the Western Hemisphere, has been committed to work on behalf of all marine life through education, preservation, exceptional animal care and research across the globe since its opening in 2005. Located in Atlanta, Georgia, the Aquarium’s mission is to be an entertaining, educational and scientific institution featuring exhibits and programs of the highest standards. To achieve that, Georgia Aquarium needed a reliable, effective water treatment system—and turned to Evoqua’s Neptune-Benson solutions to provide it.

In 2005, Evoqua’s Neptune-Benson® provided over 150 fiberglass high-rate sand filters to process the facility’s then-8 million gallons of fresh and marine water. This water is home to more than 100,000 animals, representing 500 species from around the world. When the Aquarium opened its second phase of habitats in 2010, Neptune-Benson supplied four high-rate sand filters for the penguin and sea otter exhibits. In 2011, 22 fiberglass high-rate sand filters were added for the new dolphin expansion. With each exhibit, Evoqua’s Neptune-Benson steel and fiberglass filters were custom engineered and fabricated to suit the unique needs of Georgia Aquarium.



SUSTAINABILITY IS A COLLABORATIVE EFFORT

CASE STUDY: GEORGIA AQUARIUM

CHALLENGE

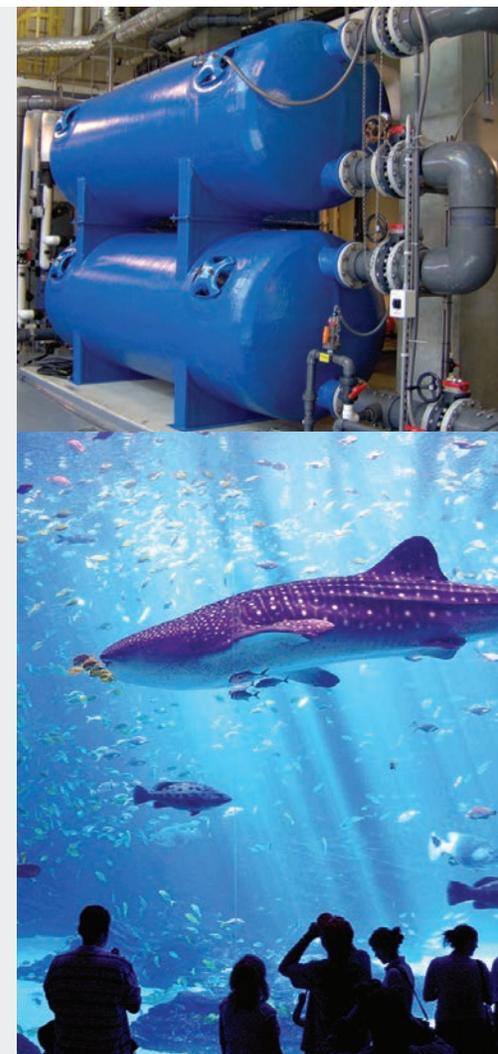
Georgia Aquarium needed a supplier for its life support systems (LSS) processes - which involve the upkeep of water and associated filtration systems to ensure water is both clean and healthy. LSS systems consist of a combination of sand filtration, protein skimming and ozone disinfection. The Aquarium sought a water filtration system that would boost its ability to treat and reuse water within exhibits. Saving water was key for Georgia Aquarium, since producing artificial seawater is expensive at 14 cents a gallon. Additionally, Georgia Aquarium's commitment to sustainability required a solution that would allow for more water reuse to meet their sustainability goal. To help fulfill its LSS needs, Georgia Aquarium turned to Evoqua's Neptune-Benson as a trusted partner.

SOLUTION

The LSS team at Georgia Aquarium developed a process of denitrification using fiberglass-reinforced plastic vessels, custom-built by Evoqua's Neptune-Benson, that house beneficial bacteria. This process reduces nitrates that form in the Aquarium's 6.3-million-gallon Ocean Voyager exhibit, and one of the largest indoor aquatic habitats in the world. Evoqua's Neptune-Benson supplied almost 100 sand filter vessels and 10 million gallons of artificial seawater to support the Aquarium's LSS processes.

RESULTS

Georgia Aquarium's water filtration system supplied by Evoqua's Neptune-Benson has successfully created a healthy balance of bacteria for its water habitats and allowed the Aquarium to save millions of dollars, and water consumption, through efficient water reuse. A recent study conducted by the Georgia Institute of Technology discovered that the types of bacteria found in Georgia Aquarium patented denitrification process, using custom Neptune-Benson fiberglass vessels, are nearly identical to those found in applicable natural marine settings. This means that the bacteria can naturally remove nitrates from the Aquarium's water, which leads to a significant reduction in wastewater and make-up water, contributing to Georgia Aquarium's sustainability goals. By reducing wastewater and make-up water, Georgia Aquarium avoids needing to replace vast quantities of water. Due to the cost of producing artificial seawater and the amount of water used within these exhibits, the filtration systems have the potential to save Georgia Aquarium nearly \$1.5 million annually by reusing more than 99% of the 10 million gallons of water in all its exhibits across seven major galleries.



An aerial photograph of a river winding through a dense, lush green forest. The river flows from the top center towards the bottom right, curving through several green meadows and grassy banks. The surrounding forest is thick and vibrant green, covering the hillsides. The lighting is bright, suggesting a sunny day.

**WE WORK
RESPONSIBLY
TO ENSURE OUR
OPERATIONS
LESSEN OUR
IMPACT ON THE
ENVIRONMENT**

OUR ENVIRONMENTAL IMPACT FROM OPERATIONS



Every day we help our customers lessen their environmental impact with our products and services. We also work internally to ensure we are operating responsibly in a way that lessens our impact on the environment. Our CEO-endorsed [Environment Health and Safety and Sustainability Policy](#) (EHS&S), highlights our corporate commitment to sustainability. Our company-wide Environmental Management System helps to ensure we protect the environment in our operations. We are committed to monitoring and reporting our performance and performing better tomorrow than today by continuing to baseline our metrics and set new KPIs and targets over FY20. We will continue to report our environmental performance in our Sustainability Reports and consult with our stakeholders.

All our locations are governed by an environmental system (EMS) and our larger eight sites maintain their ISO 14001

certifications. Our EMS has internal objectives, targets and deadlines with assigned roles to various employees and a monitoring program in place. We track our EMS performance records internally, conduct internal audits regularly and external audits periodically to ensure performance of our EMS. At the corporate level, we have trainings for employees in our EMS which is more robust at sites with certification. We have an awareness program at sites for visitors that is communicated to contractors and visitors through site brochures. As outlined in our company EHS&S Policy, we aim for 100% compliance with all environmental regulations and permits. When environmental concerns from our operations do arise, we take immediate corrective action to work with our stakeholders to resolve them. We have an internal and external communications process in place for environmental management issues.



**OUR CARBON
REACTIVATION
FACILITIES PREVENTED
14,250 TONS OF
CARBON FROM
BEING LANDFILLED;
APPROXIMATELY THE
EQUIVALENT WEIGHT
OF THE LEANING
TOWER OF PISA**

According to [Primaziale Pisana](#), the Leaning Tower of Pisa weighs approximately 14,453 tonnes.

SUSTAINABILITY IN OUR OPERATIONS



Commercial LED Lighting is on the list of the top actions we can take to reduce climate change according to Project Drawdown.

Five of our larger manufacturing facilities have made a dedicated effort to be more sustainable in their operations. Pages 27 - 29 contain highlights from these five sites; Colorado Springs, Colorado; Holland, Michigan; Tewksbury, Massachusetts; Thomasville, Georgia.

COLORADO SPRINGS, CO, USA

LED lighting was installed in 75% of the building and 100% of parking lot.

Colorado Springs utilized the permaculture technique of xeriscaping to repurpose all ballast rock from their roof renovation. Thirty percent of the existing lawn is now xeriscaped which produced a 15% water savings.

TEWKSBURY, MA, USA

In addition to upgrading to LED lighting in FY18, the Tewksbury location installed occupancy sensors in the warehouse and manufacturing areas in FY19 which have reduced the use of LED high bay lighting by 30%. With the installation of the high-bay sensors and elimination of some 3-phase power supplies, Tewksbury reduced their electricity usage from the previous year by 10-14%. See lighting comparison image on the next page.

THOMASVILLE, GA, USA

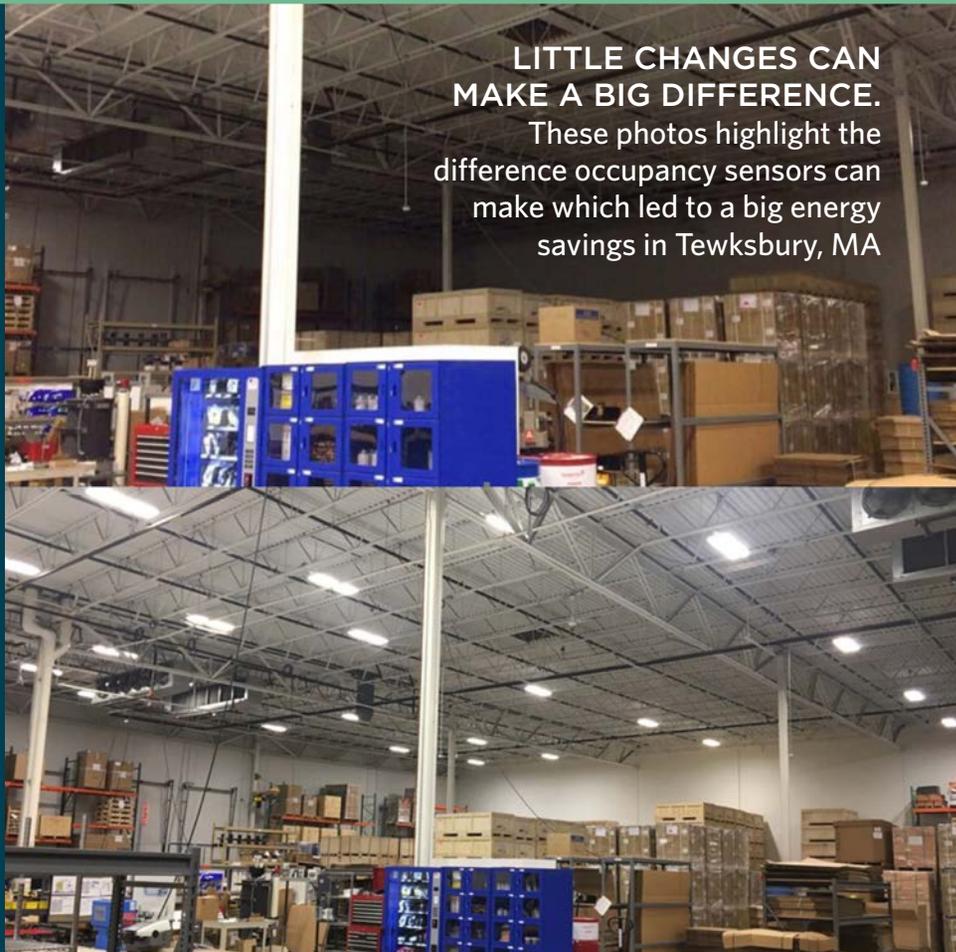
Our Thomasville location replaced 200 wood pallets with plastic pallets, which last four times longer.

This location also converted 50 shop lights to LEDs, which led to a total cost savings of \$18,000 and a reduction of approximately 180,000 kwh.

SUSTAINABILITY IN OUR OPERATIONS



LITTLE CHANGES CAN MAKE A BIG DIFFERENCE.
These photos highlight the difference occupancy sensors can make which led to a big energy savings in Tewksbury, MA



WATER USAGE

(gallons per employee)



FY17-FY19
26%
reduction

ELECTRICITY USAGE

(Kwh per employee)



FY17-FY19
6%
reduction

This covers our facilities in Colorado Springs, Colorado; Holland, Michigan; Tewksbury, Massachusetts; Thomasville, Georgia; Union, New Jersey.

SUSTAINABILITY IN OUR OPERATIONS



On average,

**for every 1 ton
we sent to
a landfill,
we sent 2.2 tons**



we sent to



**to a recycling
facility**

to be made into something new.*

13 CLIMATE ACTION



Evoqua continues to expand the development, monitoring, and reduction strategy of our overall environmental footprint. In FY20 we are seeking opportunities to reduce the idling rate of our roughly 1,200 vehicle fleet.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



We have a role to play in the circular economy. Our carbon and resin reactivation services allow our customers to reduce waste and carbon footprint by regenerating spent resin and reactivating spent carbon so that they can have a new life and purpose that doesn't include a landfill. Activated carbon is used to remove taste, odor and organics from municipal drinking water and removes chlorine for industrial processes. Our carbon reactivation facilities in FY19 alone, prevented our customers from landfilling 14,250 tons of spent carbon.

*This data is from five of our larger manufacturing facilities located in Colorado Springs, Colorado; Holland, Michigan; Tewksbury, Massachusetts; Thomasville, Georgia; Union, New Jersey.



**OUR
PEOPLE**

HEALTH AND SAFETY



Our corporate EHS team closely monitors our program through monthly performance reviews at the executive level; our CEO and other leadership review every recordable accident; quarterly Operations Review meetings and Board of Director reports; daily interactions with operations' leaders; routine reviews of key performance indicators; and regular facility audits to verify compliance.

The majority of our physically active employees work in manufacturing sites or on customer sites, primarily handling products and materials. The primary safety risks identified through analysis of historical safety data and our internal risk assessments are: slips, trips and falls; strains and sprains; and body parts in the line of fire.

We have implemented targeted programs to ensure employees receive initial training, followed by refresher training regularly. We also cover and reinforce hazard awareness for slips, trips and falls; strains and sprains; and body parts in the line of fire in our employee safety orientation, routine in-person and online safety training, safety alerts and messages, monthly safety calls, and our corporate-wide newsletters.

In addition, the majority of our sites have EHS committees that are responsible for investigating and reviewing accidents and communicating safety issues. All of our divisions hold monthly calls to review safety issues. Our operating guidelines and procedures are relevant for our industry.



HEALTH AND SAFETY



Our prevention activities enabled us to

reduce our total accidents by

14%

from FY18 to FY19, surpassing our target by 10%

Safety is embedded in Evoqua's core values. Evoqua considers EHS to be an organizational responsibility that is integral to our success. The safety of our employees, and anyone who visits our locations, is our top priority.

Each year, Evoqua renews our commitment to safety with our EHS and Sustainability Policy, which is signed by our CEO. It states we "will provide our solutions, products and services in a safe, environmentally sound and socially responsible manner."

We maintain an EHS program focused on work environments where each employee is enabled, empowered and embraces personal accountability for protecting their health and safety, as well as that of their co-workers. Every employee is empowered to:

- » Perform a Safe Performance Self-Assessment when they begin work.
- » Follow Standard Work Instructions for the job they are performing.
- » STOP WORK when they have a concern or see the potential for injury.

HEALTH AND SAFETY



To maintain employee safety and to reduce our vehicle incident rates,

1,200 employees who drive and/or fuel Evoqua vehicles

participated in driver safety training in FY19.

Our driver safety program has become standard for our internal fleet as a part of Learning and Development.

Through our Incident Report & Investigation program, which includes executive oversight, we have established reporting procedures for work-related injuries and significant non-injury losses that are focused on:

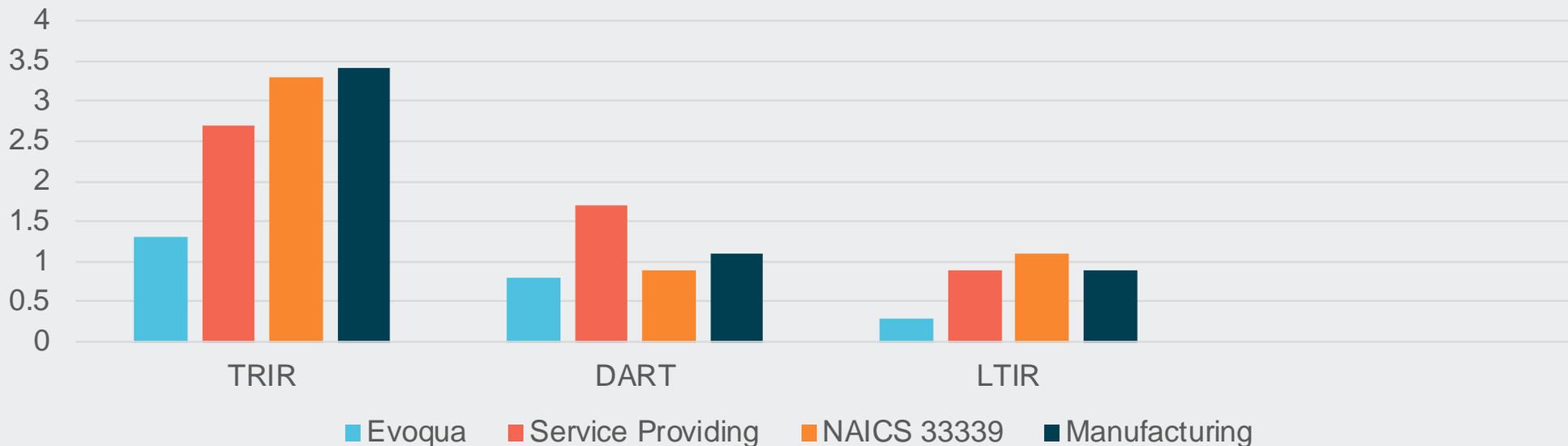
- » Ensuring prompt medical care for injured employees.
- » Providing for accurate and timely reporting of incidents within the organization and to governmental agencies (as required).
- » Providing management with the tools to determine the root causes of incidents, implement corrective and preventive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

Evoqua manages an EHS management system that aligns with the basic elements of the ISO 14001:2015, and OHSAS 18001:2007.

EHS INDUSTRY COMPARISON



COMPARISON OF EVOQUA INCIDENT RATES WITH INDUSTRY AVERAGES



While our safety metrics are below the industry averages, we hold ourselves to higher standards and remain vigilant in lowering these rates.

Total Recordable Incident Rate (TRIR), Days Away from Work, Days of Restricted Work Activity, Days of Job Transfer (DART), Lost Time Incident Rate (LTIR), North American Industry Classification System (NAICS)

DIVERSITY AND INCLUSION



To attract diverse talent, we use targeted recruitment methods that are aimed to bring in talent from across industries, background and lived experiences.

WE EMBRACE DIVERSITY AND INCLUSION

We aim to empower all employees to succeed. [Our Code of Ethics and Business Conduct](#) outlines that we do not tolerate discrimination in our hiring or promotional practices based on race, color, creed, religion, national origin, ancestry, sex, age, physical or mental disability, marital status, pregnancy, genetic information, sexual orientation, gender identity, veteran, marital or military status or any other category protected under federal, state, local or applicable national and international law. This applies to employment, supplier and external partner decisions.

In FY19 we conducted a Global Leadership Gender and Pay Analysis. The results were reviewed with our senior leadership. This analysis included a review by function and level, as well as STEM education levels, to correlate fair share diversity. While the analysis provides a macro view of pay equity, it does not account for individual circumstances, such as job titles, education and experience. From the analysis, we found that at a macro scale, we have relative pay equity across the genders of the groups surveyed. We have a global family architecture in place for all employment positions, and we conduct frequent checks to ensure we are reaffirming our long-term commitment to fairly compensating all our employees.

ENABLING EMPLOYEES FOR SUCCESS



A total of 98 managers have completed our **Leading at Evoqua** training through December 2019

Our success depends on our ability to attract, engage and retain a diverse group of employees. Our research shows that many of our employees chose Evoqua because we have a rich 100-year history of solving the world's most pressing water issues through our mission: **Transforming Water. Enriching Life.**

In line with our culture, we work to **enable** employees to grow from within and develop their own interests in line with their career paths. Our Leading at Evoqua and Employee Learning programs provide support that can help them achieve their goals.

Leading at Evoqua is a customized six-month development program for managers. As part of a cohort managers build leadership capabilities that help them maximize employee and team success to drive bottom-line performance. Members of our Executive Leadership Team actively engage with participants during the learning experience, providing valuable insights on our strategy and leadership best practices that embody our **High Performance Culture**. We have developed a culture that is highly **enabled** to deliver, **empowered** to succeed and **accountable** to lead.

ENABLING EMPLOYEES FOR SUCCESS

EMPLOYEE LEARNING

At Evoqua, we believe there is no one-size fits all approach to learning, and that most learning happens in the workplace through special projects, rotational programs, problem-solving opportunities, and job shadowing. These opportunities allow employees to learn new skills and gain experiences they can leverage throughout their careers. We follow a 70-20-10 model where 70% of employee learning is on the job, 20% through social learning and 10% through structured learning.

FLEXIBLE SELF-MANAGED TIME OFF

We are always looking for opportunities to differentiate the programs and benefits that we offer to our employees. As an added benefit to our full-time exempt employees, we offer flexible self-managed time off. This enables our employees to take the time they need when they need it.

WHAT IT MEANS TO WORK HERE

OUR MINDSET

We know we succeed only when our customers succeed. To that end, we make decisions at lowest possible levels, at fastest possible speeds - freeing employees to respond to customers quickly and effectively without sacrificing safety or quality.

OUR ORGANIZATION: WE WORK AS “ONE EVOQUA”

We collaborate across our global enterprise in an increasingly competitive marketplace, no single product, group or unit succeeds on their own, no matter how remarkable they are. We are one team.

OUR PEOPLE: WE HIRE FOR BRAINS AND HEART

We are industry experts who foster great relationships with colleagues and customers. We value technical knowledge and experience, alongside business insight and people smarts. We nurture both the hard and soft skills of our talent.

OUR LEADERSHIP: WE LEAD FROM WHERE WE ARE

We take ownership. We lead from all levels. We value the opportunity to grow, as a business and as people. We hold each other accountable to make the right things happen for maximum performance.

OUR PROMISE: GROW WITH THE BEST

We are on the move. As the world's first choice for water solutions, our workplace will continue to evolve and expand, and so will the opportunities. This is a workplace that nourishes talented people. Immerse yourself ... in Evoqua

INTERNSHIP OPPORTUNITIES

Evoqua is committed to providing internship opportunities that can help to develop the future workforce and build a pipeline of talent in our company. At our Pittsburgh Headquarters, we partnered with the Allegheny Conference on Community Development to host interns from across Western Pennsylvania as part of the Passport Program. Interns in the program who are not from the area have an opportunity to learn more about the many companies – like Evoqua – that are headquartered in Pittsburgh. Across numerous Evoqua locations, we hosted 28 Interns in FY19. Beyond internships, our Germany and UK locations host apprentice programs for students to receive hands-on training while still in school. Our work with emerging talent allows us to develop future employees, foster a work ready workforce, and give valuable skills to the interns and apprentices involved.

LEADERSHIP DEVELOPMENT



Evoqua's Leadership Development Program (LDP) was established to attract emerging talent to Evoqua and train them in a cross-functional development rotation within our organization. This approach allows the LDP participants to build the technical skills, business acumen and leadership aptitude that can help them land a full-time position with Evoqua. Currently, the LDP is focused on Sales, Operations, Information Technology, and Marketing & Product Management. Evoqua hosted 13 participants in the LDP program in FY19.

Evoqua partnered with Thomasville-Thomas County Chamber of Commerce and Thomas County Schools for Project Purpose. The goal of Project Purpose is to connect Thomas County high school students to meaningful careers through work-based learning with companies in the County. Through the part-time apprentice program, Isaac King became the first Project Purpose participant to become a full-time Evoqua employee.



EMPLOYEE HEALTH AND WELLNESS



The LIVE WELL Program hosted 50+ events with 800+ employee participants

The wellness of our employees is extremely important at Evoqua. We recognize that our employee's good health and well-being not only allows them to out-perform in the workplace, but also to live a happy and rewarding life. We offer full health benefits, matching 401K, and an employee assistance program. Beyond the traditional benefits, we think holistically about wellness.

The mission of our LIVE WELL program is to create a work environment where employees have the tools, resources, and support system that will motivate and empower individuals to take responsibility for their health and live a healthier lifestyle. The LIVE WELL program consists of 40+ employee Wellness Champions at 25+ locations that work to implement wholistic wellness activities at their sites. LIVE WELL's pillars include:

- » **Move More:** Making activity an active part of the day
- » **Eat Better:** Enabling better food choices
- » **Be Safer:** Engaging in preventative care and accessing the right care as needed
- » **Be Mindful:** Prioritizing career, social, community, and financial well-being

EMPLOYEE ENGAGEMENT



We care for the employees in our Evoqua Family which we call "One Evoqua". We strive to build a work environment where employees are enabled to grow and develop the skills needed to not only succeed in their jobs, but to gain experiences. We work to provide employees engagement opportunities where they can spend quality time together to get to know each other and to build our workplace culture. While each site hosts its own employee engagement activities, some go above and beyond to create quality events, like our Colorado Springs location.

To inform our actions in 2019, we conducted a global employee survey the year before to gain a better understanding of employee engagement and satisfaction. Using the information gathered from the survey, we implemented a range of programs and took additional actions aimed at improving our employees' experience. We complete our employee engagement survey approximately every two years.



Employees in Colorado Springs organized a team camping trip in July, 2019



CHARITABLE GIVING



We direct our corporate giving towards: education, science, social and humanitarian efforts. Particularly those that satisfy our corporate objective to meet the needs for safe and clean water and sanitation. Our community relations and engagement sits with our VP of Brand and Strategy. We do not make political contributions. To further our mission to transform water, we have been involved in lobbying efforts that further that goal. This information is publicly available online.

A close-up photograph of a young girl with dark, curly hair, smiling broadly. She is holding a stream of clear water in her cupped hands. She is wearing a blue patterned top and several colorful beaded necklaces. The background is a blurred, arid landscape under a clear sky.

**IN FY19 WE
DOUBLED OUR
CORPORATE
GIVING DOLLARS
FROM THE
PREVIOUS YEAR**

One of the non-profits that we gave to was *charity: water*, whose mission is to bring clean and safe drinking water to people in developing countries.

SUSTAINABILITY IS A COLLABORATIVE EFFORT



In FY19 we partnered with an employee-founded non-profit called Water-4-Nations to bring drinking water disinfection systems to villages in northern Haiti.

Johnny Robinson, a sales manager with Evoqua Water Technologies, and his wife Sha live Evoqua's mission statement: **Transforming Water. Enriching Lives.** Since 2011, they have been on a mission to improve the water quality in Haiti for those who do not have access to safe drinking water. While they can't fix all water issues, they have found solutions to help three villages in Northern Haiti: Rochefort, Creve, and Trandemese.

Through Water-4-Nations, a nonprofit organization that Johnny and Sha created, they are building a water distribution system that supplies clean, potable water to the villages.

Less than half of people who live in the rural areas of Haiti have access to water. Only one-fourth have access to a toilet. Waterborne illnesses, like typhoid, cholera, and chronic diarrhea, are the cause of more than half of the deaths in the country every year.

"Providing safe and sustainable water in Haiti is complicated because it lacks the infrastructure to set up a sophisticated and efficient water cleaning system," Robinson said, adding that "Haiti is approximately 200 years behind the U.S. in water treatment technology."

SUSTAINABILITY IS A COLLABORATIVE EFFORT



WATER-4-NATIONS STORY CONTINUES

These stats don't sit well with Johnny, so he dedicates the majority of his personal time to supporting and raising funds for Water-4-Nations. Johnny and Sha enlisted friends who are engineers and experts in the drinking water field and leveraged the contacts they have in various developing countries. Water-4-Nations also works with local Haitian organizations, including missionaries, churches, and community leaders, all of whom want to help provide safe water to their people. In 2019, Evoqua stepped in as a corporate sponsor.

Robinson designed an easy-to-operate batch chlorine disinfection water system, which filters and disinfects the water to make it potable. Batch sizes vary from 65 to 600 gallons and can be filtered approximately every hour depending on the raw water supply (captured rainwater or spring water). Water is pumped into a large tank, and the water flows by gravity through an overflow chlorinator where it picks up enough residual chlorine to clean it.

"Our technology is sustainable, easy to transfer and can be used in more parts of the world," said Robinson. Water-4-Nations is currently evaluating where to go next.



“

Having Evoqua's support speaks to our corporate mission statement. Transforming Water. Enriching Life. With Water-4-Nations, we really are.

JOHNNY ROBINSON
EMPLOYEE & WATER-4-NATIONS FOUNDER

”

OUR EMPLOYEES SERVE OUR COMMUNITIES



Pittsburgh cleanup with Allegheny Cleanways

16 Evoquians by boat
and land removed 9 tires
and 850 lbs of trash from
Pittsburgh's waterways.



OUR EMPLOYEES SERVE OUR COMMUNITIES



For the past ten years, employees from our Lowell and Tewksbury locations volunteer monthly to prepare and serve dinner at a local soup kitchen.

OUR EMPLOYEES SERVE OUR COMMUNITIES



Pictured (left to right): Evoqua employees Richard Barnes (Project Administrator); his wife, Libbi; Jeremy Glennon (Materials Support); his two sons, Alden (10) and Zan (7); and Shiloh Barnes (Painter).

COMMUNITY CLEAN UP IN THOMAS COUNTY, GEORGIA

On March 23, 2019 employees from Evoqua's Thomasville office and their families took part in the local Keep Thomas County Beautiful Great American Cleanup Event. Keep Thomas County Beautiful is an affiliate of Keep America Beautiful.

The Great American Cleanup (GAC), which marked its 21st year in 2019, engages an average of more than 3 million volunteers and participants every year to create a positive and lasting impact. The initiative prompts individuals to take greater responsibility for their local environment by conducting grassroots community service projects that engage volunteers, local businesses and civic leaders.

The Thomasville GAC attracted more than 100 volunteers and collected a total of 564 lbs. of litter from the roadways in and around Thomasville within a three-hour time frame.

This is the second year in a row that Evoqua employees have helped beautify their community through volunteering with Keep Thomas County Beautiful. Evoqua employee Richard Barnes serves on the organization's Board of Directors.

OUR EMPLOYEES SERVE OUR COMMUNITIES



SERVING THE COMMUNITY OF CAIRO, GEORGIA

Hurricane Michael brought devastation to the Florida coast, along with a lot of damage and destruction to the small town of Cairo, Georgia. Many Evoqua employees at the Thomasville, Georgia, facility live in and around Cairo. After the hurricane, Cairo worked together to regain some semblance of who they were before.

Unfortunately, these efforts were short-lived. On Sunday, March 3, 2019 Cairo was hit by an F3 tornado that cut a path through the entire town. Many homes and businesses were destroyed.

The residents of Cairo were once again banding together and reaching out to neighbors. One of those residents is Evoqua's own Fergus Robinson, who works in Aftermarket Sales in Thomasville, and whose hometown is Cairo.

Fergus decided to arrange lunch for the community on Saturday, March 9, 2019. He reached out to his many friends, family and Evoqua for donations and contributions. Fergus teamed up with another Evoqua employee, Andrew Cooper. They loaded Andrew's truck with freshly prepared meals and distributed them throughout the neighborhoods.

Georgia Congressman Sanford Bishop, Emergency Management Director Richard Phillips, and a few City Councilmen stopped by to share their appreciation with the team.

"It's just the right thing to do," Fergus said.



A close-up, high-angle shot of a waterfall cascading over dark, wet rocks. The water is clear and creates a misty spray at the base. The overall tone is cool and natural.

CORPORATE GOVERNANCE

OUR BOARD OF DIRECTORS



We have a ten-member Board of Directors, at least a majority of which are independent. Our Board of Directors is led by an independent Chair. Under our Corporate Governance Guidelines, the non-management members of our Board will appoint a Lead Independent Director if, in the future, the same person holds the Chair and CEO positions. Our Board of Directors has the following standing committees: Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee. Our directors are engaged and have attended nearly 100% of the meetings of the Board and the Committees of which they are a member. Additionally, non-management directors hold executive sessions without any members of management present following most Board meetings. To continually improve performance, our Board and each standing committee conducts an annual self-evaluation.

Our [Corporate Governance Guidelines](#) are posted on our website. For specific information on our Board of Directors, please see our Proxy Statement.

Our Board membership reflects diverse personal backgrounds and experience: 1 African American; two Asian Americans; one UK national; five with global business experience. Our Board also has been recognized by the Pittsburgh Business Times, among boards of other regional companies, for its racial diversity.^[1] Our Board has adopted the Rooney Rule, which means the Board is committed to include women and persons of color in each pool of candidates from which we select new director nominees. In February 2020, our Board elected Lisa Glatch, a woman with extensive experience in energy, chemicals and infrastructure, as our Board's newest member.

[1] from April 5-11th, 2019 edition, pg. 15

PAY FOR PERFORMANCE



Our Compensation Committee is advised by an independent compensation consultant. We hold an advisory “say-on-pay” vote at each Annual Meeting of Stockholders to provide our stockholders the opportunity to inform us of their view on our executive compensation program.

The FY19 compensation program for our principal executive officer, principal financial officer and our three other most highly compensated executive officers (named executive officers or NEOs) has a reasonable, straightforward structure and encourages long-term outlook: 44 - 58% of compensation is in the form of long-term incentives to provide strong alignment between NEOs’ and stockholders’ interests. FY19 annual bonuses, if determined to be earned, for executive leadership were authorized to be paid in equity and not cash to further align management with the long-term interests of investors.

PAY FOR PERFORMANCE



Our Annual Incentive Plan drives critical short-term achievements: challenges management to seek profitable sales growth on a company-wide basis and more efficient conversion of net earnings into deployable cash. Our equity compensation plan reflects good governance and reasonable compensation practices:

- » Double-trigger change-in-control provisions for all stock-based awards under our equity compensation plan
- » Stockholder approval required to increase share reserve
- » No discounted stock options or stock appreciation rights
- » Repricing of equity awards not allowed
- » No liberal share recycling
- » No tax gross-ups

To strongly align their interests with stockholders' interests, our officers and directors are required to build ownership of a significant amount of Evoqua stock (5x base salary in the case of our CEO; 3x base salary for all other executive officers; and 5x annual cash retainer in the case of our non-management directors). We also prohibit our officers and directors from hedging, margining, pledging, short-selling or publicly trading options in our stock. We adopted a robust Clawback Policy that allows recoupment of incentive compensation earned by executive officers or other employees in the event of a material restatement of our financial statements or certain misconduct that causes economic or reputational damage to Evoqua.

ETHICS AND COMPLIANCE

Our Global Ethics and Compliance Program is overseen by the Audit Committee of our Board of Directors. On a more frequent basis, our compliance team reports to our Executive Vice President, General Counsel and Corporate Secretary, who also serves as our Chief Compliance Officer. We have a Code of Business Ethics and Conduct publicly available on our website that contains many of our policies. We we have outlined a few in this Report that are of specific interest to those with ESG in mind.

ANTI-CORRUPTION POLICY

Evoqua has a comprehensive anti-bribery/anti-corruption program that includes: policies 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 anti-corruption program policies, procedures and controls. To prevent corruption, our management team receives periodic, targeted anti-corruption training. For more details on our strong anti-corruption and related policies, please see our publicly available [Code of Conduct](#).

WHISTLEBLOWER PROGRAM AND POLICY



Evoqua is committed to conducting business in an ethical and legal manner. This is underlined by the principle that no profit is ever worth compromising employee safety or the Company's integrity. The purpose of the Employee Concern Policy is to: encourage employees to raise concerns internally for investigation and resolution, provide avenues for employees to raise concerns and assure employees that they will be protected from retaliation.

Evoqua's Compliance Helpline is staffed by a third party and is available twenty-four hours a day, seven-days-a-week. Our Employee Concern Policy ensures that anyone using the Helpline can report anonymously and without fear of retaliation. Employee concerns are taken seriously, and the Company is committed to investigating and responding to every report. Our independently run Helpline is available for all internal and external parties in six different languages twenty-four hours a day, seven days a week. The availability of the Helpline is proactively

communicated to employees through our electronic employee newsletter, the Intranet, printed materials at every Evoqua location, as well as regular communication throughout the year, including during employee Town Hall meetings.

The helpline 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. To build upon our High Performance Culture and corporate Values, which include Integrity as a key component of doing business, and to ensure our leaders are equipped with the tools and resources necessary to foster a positive work environment, we offer Positive Employee Relations (PER) training. This program emphasizes to managers that they play a key role in creating a workplace free of harassment and retaliation. It also stresses the importance of collaboration and open communication at work.

OUR SUPPLY CHAIN



We maintain a cost-effective, diversified procurement program through strong relationships with strategic suppliers across key inputs. The top materials in our supply chain include metal, calcium nitrate, membranes and ion exchange resin. Further, we seek to insource certain products that align with our existing core competencies, including our manufacturing capabilities, and further enable us to provide our customers with a complete lifecycle solution. We seek sources of supply from multiple suppliers and often from multiple geographies. We believe that our supply chain is well positioned to remain stable.

We have a comprehensive, legally binding [Supplier Code of Conduct](#) for our suppliers that ensures we are partnering with businesses that share our desire to respect international human and environmental rights through good business ethics. The procedures we have in place help us manage compliance-related issues associated with our vendors and customers. We provide training to our employees on our monitoring program to vet and monitor our customers and suppliers.

OUR SUPPLY CHAIN



We are dedicated to ensuring that we respect human rights throughout our supply chain. We do this through our [Supplier Code of Conduct](#), [Employee Code of Conduct](#), [Modern Slavery Statement](#) and [Conflict Minerals Policy](#).

In our Supplier Code of Conduct and supplier onboarding process, we question our suppliers to ensure that they are limiting negative environmental impacts in their operations and require certification through a Declaration in the Supplier Code prior to engagement. In order to assure that we engage only suppliers who follow fundamentally compliant and ethical business practices, and who share our commitment to these principles, we have a two-phased process in our Supply Chain Protocol. This includes an initial assessment that each supplier must complete and submit our Supplier Questionnaire which is evaluated to determine if we will use their products, followed by a second assurance phase, our Compliance Requirement Auditing processes. We also monitor our suppliers and customers for major compliance incidents. We systematically monitor our suppliers for major environmental controversies. In FY20 and FY21 we will be working to build this out to a more proactive and innovative program.





TRANSFORMING WATER. ENRICHING LIFE.



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CONTACT US

We are excited about our journey ahead within our growing sustainability program. If you would like to engage with us, please email sustainability@evoqua.com

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