
2015 SUSTAINABILITY SUMMARY

**TRANSFORMING
WATER.
ENRICHING
LIFE.**

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OVERVIEW



SUSTAINABILITY IT STARTS WITH A CLEAR STRATEGY



RON C. KEATING
CHIEF EXECUTIVE OFFICER

Evoqua, at its core, transforms water and enriches life. We help municipalities and industrial customers protect and improve the world's most fundamental natural resource: water. We do this through our trusted brands, proven products, advanced technologies and the industry's most knowledgeable people.

The foundation for everything we do is in our Values (see page 6). Evoqua's Executive Leadership Team and I are committed to ensuring that everyone in our organization lives these values and follows the principles and rules defined in our Business Conduct Guidelines. It is through this commitment that we achieve measurable success.

This report provides a summary of just a few of our corporate responsibility accomplishments in 2015.

Transforming water. Enriching Life. Said another way, everything we do is with sustainability in mind.

ABOUT EVOQUA

Evoqua Water Technologies is the global leader in helping municipalities and industrial customers protect and improve the world's most fundamental natural resource: water. Evoqua has a more than 100-year heritage of innovation and industry firsts, market-leading expertise, and unmatched customer service, where we continue to transform water and wastewater. Our cost-effective and reliable treatment systems and services ensure uninterrupted quantity and quality of water, enable regulatory and environmental compliance, increase efficiency through water reuse, and prepare customers for next-generation demands.

Evoqua's unparalleled portfolio of proven brands, advanced technologies, mobile and emergency water supply solutions and service helps cities across the world provide and discharge clean water, and enable commercial industry to maximize productivity and profitability.

For more information, visit www.evoqua.com.

BUSINESS CONDUCT GUIDELINES

- Sustainability in its three dimensions (environmental, social, and economic) is of the highest importance for Evoqua.
- Sustainable conduct forms the basis of our business decisions and dealings with our stakeholders.
- Adherence to applicable laws and internal policies is an essential part of our integrity and fundamental to our business.

View the [Business Conduct Guidelines](#).

OUR PURPOSE, MISSION, VISION & VALUES

Evoqua's Purpose, Mission, Vision and Values guide everything we do. And reinforce our unwavering commitment to customer service.



OUR PURPOSE

Transforming water. Enriching life.

OUR MISSION

Evoqua will produce superior returns for our customers, employees, and shareholders by providing best in class water solutions. We will double the reach of our business over the next 5 years through served market and product expansion. In accordance with our values, we will operate with integrity while delivering on our promises as a trusted partner to our customers and our stakeholders.

OUR VISION

The world's first choice for water solutions

OUR VALUES

Integrity: Do what's right

- We work safely
- We are honest and keep our word
- We lead by example and are good corporate citizens
- We respect our employees, business partners and environment

Customers: The foundation of our success

- We are responsive and reliable
- We provide high quality solutions
- We add value as a trusted partner

Performance: Deliver on promises

- We will be even better tomorrow than today
- We collaborate to win together
- We meet or exceed expectations

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE PROGRAMS



Evoqua's management team is committed to supporting and promoting compliance. Through our compliance system framework, we provide "Prevent-Detect-Respond" coverage, including the following elements:

- Oversight & Resources
- Risk Assessment
- Code of Conduct & Policies
- Tone from the Top
- Training & Guidance
- 3rd Party Due Diligence
- Reporting
- Case Handling & Sanctions
- Monitoring & Continuous Improvement

ENVIRONMENTAL STEWARDSHIP

A person wearing a red coat, blue pants, and red boots is walking on a sandy beach. The person is carrying a red bag. The background shows the ocean waves and a sunset or sunrise sky. The text "ENVIRONMENTAL STEWARDSHIP" is overlaid in white, bold, sans-serif font.

2015 KEY OPERATIONAL IMPACTS

THROUGH OPERATIONAL MODIFICATION,
THE INNOVATIVE USE OF EXISTING
TECHNOLOGIES AND THE APPLICATION OF
EVOLVING SOLUTIONS, EVOQUA STRIVES TO
REDUCE ITS ENVIRONMENTAL FOOTPRINT
WHILE CONTINUING TO EXCEED THE NEEDS
OF OUR CLIENTS.

CONSERVATION THROUGH ELECTRICAL ENHANCEMENTS AND MODIFICATIONS

Evoqua Water Technologies operates in more than 130 locations throughout North America. The following locations highlight four of our most notable operations and continued commitment to sustainability through energy reduction.

Warrendale, PA - Continued to optimize and fine tune the Energy Management System to include additional programming for seasonal adjustments. Even with a nearly 30% increase in the number of cooling degree days year over year at this location, these efforts enabled us to achieve a reduction in electrical energy usage in KWH/employee of 19%.

Colorado Springs, CO - Installed and operated new building climate control equipment to maximize electrical usage efficiencies. As a result of these efforts, while the number of cooling degree days for this location increased by 13% year over year, the facility still achieved an electricity usage reduction in KWH/employee of 10%.

Holland, MI - Despite an increase of approximately 6% in the number of cooling degree days (year over year), we were able to maintain electrical usage for KWH/Employee at levels comparable to the same period of the prior year. This was achieved through continued efforts to maximize efficiencies of current systems and internal controls.

Indianapolis, IN - Despite an increase of approximately 20% in the number of cooling degree days in 2015, we were able to nearly maintain the electrical usage for KWH/Employee compared to the same period of the prior year. The following initiatives and actions contributed to this success:

- Improved building HVAC systems to increase circulation and reduce heat loss
- Replaced lighting system components with more efficient T5 lighting
- Replaced manual exterior lighting components with dusk-to-dawn sensors

Location	FY 13 KWH per employee	FY 14 KWH per employee	Comparison YOY	FY 15 KWH per employee	Comparison YOY
Warrendale	14,400.7	12,240.8	-15%	9,867.1	-19%
Colorado Springs	5,785.3	5,275.8	-9%	4,748.4	-10%
Holland	11,106.3	10,541.8	-5%	10,553.9	0%
Indianapolis	39,448.4	34,158.3	-13%	35,518.6	4%

FY = fiscal year and KWH = kilowatt-hour

CONSERVING RESOURCES THROUGH SOLID WASTE REDUCTION AND METALS RECOVERY

SOLID WASTE REDUCTION

Evoqua achieved an 18% reduction in solid waste disposal at our US manufacturing facilities from 2013 to 2015. The following initiatives have been put in place to reduce solid waste disposal.

	FY 13	FY 14	FY 15
Solid Waste Disposal Metric*	3.88	2.87	3.17

*pounds of solid waste / production hour

REDUCTION INITIATIVES

- implementing formal recycling programs for cardboard, plastics, and other landfill materials with local municipalities and waste handlers
- reducing corrugated box use for incoming materials
- eliminating or recycling wooden pallets
- designing import crates to be re-used for finished product shipment
- distribution program established with key suppliers to utilize pallets and containers from other supply streams

METALS RECOVERY

Evoqua operates a centralized treatment and recovery facility in Roseville, MN that processes metal-bearing aqueous materials received from our customers. We work aggressively to recover and reclaim these metals. As shown in the table below, these efforts have resulted in the recovery of over 624 thousand pounds of metals including Cadmium, Chrome, Copper, Lead, Magnesium, Nickel and Zinc.

METALS RECOVERY

	Cadmium	Chrome	Copper	Lead	Magnesium	Nickel	Zinc	Total
FY 12	538	16,733	75,805	671	2,118	28,424	87,383	211,672
FY 13	260	32,451	51,849	473	2,491	26,921	94,588	209,033
FY 14	204	43,631	53,190	387	4,747	23,296	78,496	203,951
								624,657

In Pounds, FY = fiscal year
 FY 15 data will be available next year due to the timing of regulatory reports.

ACHIEVING SUSTAINABILITY THROUGH CARBON REACTIVATION

Evoqua’s carbon reactivation facilities utilize a thermal processes to remove and destroy organic constituents from spent activated carbon, reactivating the carbon and restoring its adsorptive properties for reuse as an effective treatment medium. State-of-the-art pollution controls are employed to meet stringent emission control requirements at each of these facilities. We also strive to minimize our carbon footprint through energy recovery and control as demonstrated in the chart below.

This carbon recycling process helps our customers meet their sustainability goals by eliminating the need to land dispose spent carbon, and helps reduce the resource requirements (primarily coal mining and other extractive technologies) relative to producing virgin activated carbon.

In addition to these significant waste minimization and resource reduction benefits, the use of reactivated carbon provides substantial benefits toward battling climate change. An independent

study conducted by the University of California Berkeley estimated that the reactivation of carbon generates one eighth the carbon dioxide equivalents as compared to the production of virgin carbon.

COMMON USES FOR ACTIVATED CARBON:

Municipal Drinking Water

Removes taste/odor and organic

Food and Beverage Industry

Removes color and chlorine from process water used in products

Chemical Industry

Removes pesticides, alcohols and solvents from the water leaving plants

Petroleum Industry

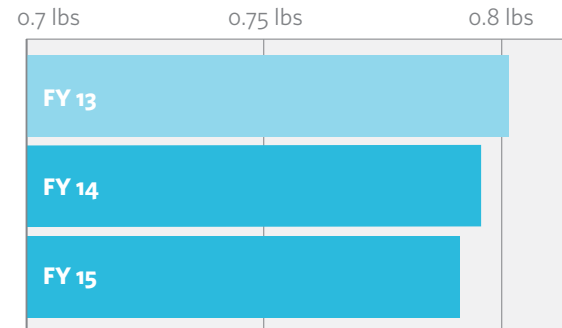
Reduced concentrations of phenols, heavy metals, volatile and semi-volatile organics

Substances containing greater than ninety percent carbon can be utilized to manufacture activated carbon, including varying grades of coal, coconut

shells, bones and walnut shells. Reactivated carbon consists of cleaning out the pore structure through a burning process utilizing a kiln. The reactivation process recycles spent carbons into new activated carbon materials that continue to provide excellent performance in many treatment applications. Evoqua supports our customers in their continued commitment to utilize reactivated carbon when permitted by industry regulations.

Learn more about [Carbon Reactivation](#).

LBS OF CO₂ EMITTED PER LB OF CARBON REACTIVATED



FY = fiscal year

SOCIAL FACTORS



ENVIRONMENTAL, HEALTH AND SAFETY

Evoqua is committed to conducting business in a manner that protects the health and safety of our employees, environment, customers, partners and our communities. This commitment is reflected in the very first aspect under our stated Values – that as a basis of Integrity, “We will Work Safely”. Our practices, programs and policies are proven and proactive, assuring compliance with applicable laws and regulations as a minimum foundation. Our facilities are designed and operated to high standards with the systematic anticipation, recognition, evaluation and control of safety, health and environmental risks.

OUR GUIDING PRINCIPLES

- We will meet or exceed all government regulations affecting our facilities.
- All employees are encouraged and expected to take an active role in our EH&S program, and to accept a personal responsibility for protecting their own safety and health.
- All employees are aware that they have both the right and responsibility to immediately halt and report unsafe or noncompliant activities that could endanger themselves, other personnel, property, or our environment. Management support of this policy is total and absolute.
- We provide employees with education, training, equipment, and other resources so that they can effectively plan and perform all assigned work tasks in a safe, healthful and compliant manner.
- We strive for continuous improvement in all aspects of our EH&S Program, including training, implementation and motivation.
- Commitment to our EH&S standards is an integral part of every employee’s job and a key criterion of our performance evaluation process.

As a key component of our EH&S Program, Evoqua has adopted and been committed to an effective behavior-based process (our Loss Prevention System).

LOSS PREVENTION SYSTEM A SMARTER AND SAFER WAY TO DO BUSINESS

Loss Prevention System (LPS) is a set of tools that proactively enable employees to identify and eliminate at-risk behaviors that can lead to losses and near losses, such as:

- Personal injuries or illnesses
- Equipment or property damage
- Environmental releases
- Regulatory violations
- Operational or system inefficiencies
- Motor vehicle accidents

EVOQUA'S LPS PHILOSOPHY

At Evoqua, LPS is not simply a safety program, it is a philosophy embedded in our culture and corporate strategy.

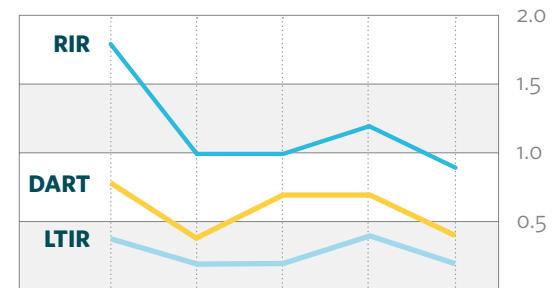
Basic elements of this philosophy include:

- Incorporating LPS into our overall business plan
- Ensuring company-wide participation
- Recognizing and eliminating or controlling hazards before incidents occur

RESULTS

As depicted below, we have achieved and maintained improving incident rates which are indicative of the effectiveness of our EH&S programs and processes. In fact, we achieved the lowest overall injury and illness Recordable Incident Rate in 2015 than in any of the previous 5 years. We are fully committed to ensuring the health and safety of all our employees and we are confident that we have the right systems in place to continue with this exceptional performance.

INCIDENT RATES 2011-2015



FY 2011 2012 2013 2014 2015
RIR - Recordable Incident Rate, DART - Days Away/Restricted Duty or Transfer Rate, LTIR - Lost Time Incident Rate

HUMAN RIGHTS ASSURANCE

At Evoqua, we treat each other with respect and courtesy. Consistent with our corporate principles and with the employment laws of the countries in which we work, we do not tolerate discrimination, intimidation, harassment, bullying, or indecent conduct of any kind. These principles apply to both internal cooperation and conduct towards external partners.

EMPLOYEES, PARTNERS AND SUPPLIERS OF EVOQUA DECLARE

Respect for basic human rights:

- To promote equal opportunities for and treatment of employees irrespective of race, color, religion, sex, national origin, age, disability, genetic information, gender identity or expression, or veteran status
- To respect the personal dignity and rights of each individual allowing for a safe, comfortable, and professional work environment
- To refuse to employ or make anyone work against his or her will
- To refuse to tolerate any unacceptable treatment of an individual that unreasonably interferes with operational objectives
- To prohibit behavior including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative

- To provide fair remuneration and to guarantee the applicable national statutory minimum wage
- To comply with the maximum number of working hours according to applicable law
- To recognize the right of free association of employees and to neither favor nor discriminate against members of employee organizations or trade unions

Prohibition of child labor:

- To not employ child or forced labor in any of our global facilities as defined by International Labour Organization (ILO) Convention 138.

SUPPLY CHAIN PROTOCOL

Evoqua expects its suppliers to share our values. Furthermore, we require suppliers to act in accordance with the following principles concerning responsibilities to its stakeholders and the environment:

- Comply with all applicable laws
- Prohibit corruption
- Respect basic human rights of employees
- Comply with laws prohibiting child labor
- Take responsibility for the health and safety of employees
- Act in accordance with applicable statutory and international standards regarding environmental protection
- Further promote this Supplier Code of Conduct to their own suppliers

The Supplier Code of Conduct is required for all new suppliers to sign and return to Evoqua.

SUPPLIER SELF-ASSESSMENT QUESTIONNAIRE

As part of our supplier qualification process, selected suppliers are required to complete a self-assessment questionnaire. The selection criteria for when a supplier is to complete the self-assessment is based on several factors such as:

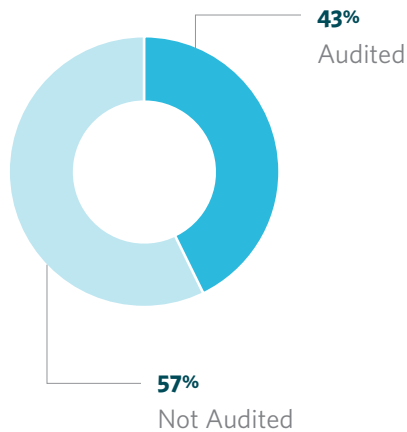
- The part is an Evoqua designed part
- The supplier is in a high risk country as defined by TI/CPI* guidelines
- The purchased part is within a critical commodity (such as castings, fabrications), the part is produced using a critical process (such as welding, galvanizing)
- The part is a critical component of the end product (as defined by Engineering)
- There is a potential for a high for dollar spend (either estimated annual spend is greater than \$50,000 or a single PO dollar amount in excess of the same amount)



* The high risk designation is based on the Corruption Perceptions Index (CPI) score which is published annually by Transparency International

SUPPLY CHAIN PROTOCOL

HIGH RISK COUNTRIES WITH \$50,000+ SPEND



*Supplier provided Code of Conduct included the same information as Evoqua Supplier Code of Conduct.

SUPPLIER CODE OF CONDUCT

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 implemented 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) which involves conducting actual onsite audits at the Supplier's facilities to evaluate how well Supplier Questionnaire responses align with their actual practices and operations. Suppliers undergo an audit on a periodic basis of at least once every 3 years (or more frequently if an Evoqua employee suspects or discovers a violation of our Supplier Code of Conduct).

In 2015, 100% of new Suppliers that we engaged completed and submitted Supplier Questionnaires.

CORPORATE CITIZENSHIP

Evoqua continues our commitment to developing internal processes that align with both the California Transparency in Supply Chain Act and the SEC's requirements on Conflict Minerals to mitigate the risk of slavery and human trafficking in our supply chain. Evoqua suppliers must comply with our Supplier Code of Conduct, which prohibits suppliers from using forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise. In addition, suppliers must certify that they are in compliance with the laws in the countries in which they operate. Suppliers who are in violation of our Supplier Code of Conduct and local law are subject to corrective action plans or termination.



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