

## Risk Factors Comparison 2025-03-03 to 2024-02-28 Form: 10-K

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In evaluating our business and investment in our securities, investors should carefully consider the following discussion of material factors and events, along with all of the other information in this Report and in our other filings with the SEC. The events and consequences discussed below could, in circumstances that we may not be able to accurately predict, recognize or control, have a material adverse effect on our business, financial condition, cash flows, results of operations and / or market price of our common stock. **Some of the factors, events, and contingencies discussed below may have occurred in the past, and the disclosures below are not representations as to whether or not the factors, events or contingencies have occurred in the past, but are provided because future occurrences of such factors, events, or contingencies could have a material adverse effect.** These risk factors do not identify all of the risks we face. Our business is also subject to general risks that affect many other companies. In addition, we operate in a continually changing business, economic and geopolitical environment and as a result, new risk factors, or changes to our risk profile, may emerge from time to time. Risks not currently known to us, or that we currently believe are immaterial, may impact our business, operations, financial condition or share price. The global macroeconomic and geopolitical climate amplify many of the risks below. Risks in this section are grouped in the following categories: (1) Risks Related to Geopolitical, Macroeconomic and Industry Factors; (2) Risks Related to Our Business and Operations; (3) Risks Related to Financial and Tax; and (4) Risks Related to Legal and Regulatory. Many risks affect more than one category, and as a result the risks are not in order of significance or probability of occurrence. Industry and economic conditions may adversely affect our markets and our customers' operating conditions, ~~which can in turn affect our business, results of operations and demand financial condition.~~ With sales in approximately 150 countries, we compete across a wide range of geographies and end markets. Economic and industry factors that have had, or could in the future have, a material ~~impacted~~ **impact** on our businesses and demand for our products and services include: (i) the overall strength of, and our customers' confidence in, local and global macroeconomic conditions; (ii) inflation and related monetary policy actions by governments in response ~~to inflation~~, (iii) overall strength of industrial, governmental, public and private sector spending; (iv) overall strength of the industrial, residential and commercial real estate markets; (v) federal, state, local and municipal ~~governmental~~ **governments' environmental, energy efficiency,** fiscal, trade and procurement laws, regulations and policies, including as respects domestic content; (vi) the availability of commercial financing for our customers and end- users; and (vii) the degree of funding for our public sector customers, including for water infrastructure investments. **The aforementioned factors and other Macroeconomic-macroeconomic** impacts, including actual or potential **economic slowdowns, recession or other prolonged downturns in the global economy or our markets,** and supply chain dynamics ~~and~~, including supply shortages, ~~logistics challenges,~~ tight labor markets, inflation, and significant government debt and deficit levels, have had ~~and continue to~~ **may in the future** have, a material adverse effect on ~~demand our business and results of operations.~~ Future economic slowdowns or ~~for recession, or our products and solutions and therefore other prolonged downturns in the global economy or our markets could have material adverse effects on~~ our business, financial condition, cash flows, results of operations and stock price. ~~Our business may be materially adversely affected by geopolitical-Geopolitical,~~ regulatory, economic, foreign exchange and other risks associated with our global sales, supply chain and operations **may adversely affect our business.** In 2023-2024, 54-57% of our total revenue was from sales to U. S. customers and 46-43% was from sales to customers outside the U. S. We expect our **revenue profile** ~~sales from international operations and export sales to continue to be similar moving forward a significant portion of our revenue.~~ Many of our manufacturing operations, employees, suppliers and distribution channels are located outside of the U. S. Our operations, supply chain and sales both within the U. S. and internationally are subject, in varying degrees, to risks and uncertainties inherent in doing business globally, including: • economic nationalism, populism, protectionism, anti- global sentiment and changes in trade protection measures, including **the imposition of increased or new** embargoes, tariffs and other trade barriers, import and export regulations **or restrictions,** licensing requirements, ~~and new and existing domestic content requirements,~~ **and for projects receiving governmental governments funding, countermeasures in response;** • ~~instability of uncertainty, volatility~~ and impacts from the evolving global geopolitical environment **involving the U. S. federal government and other countries' governments,** including ~~concerning~~ the relationships among the U. S., European Union, Middle East, Russia, China, Taiwan, or other foreign countries, and the international community at large; • threat, outbreak, uncertainty or escalation of terrorism, political instability, insurrection, war ~~or,~~ other armed conflict, including between Russia and Ukraine, **and in the Middle East, and with the potential for regional escalation,** **and other global safety and security concerns;** • threat or outbreak of epidemics, global health crises or pandemics, and related uncertainties; • **impacts from significant shifts in U. S. immigration policy, such as a tightened labor market and inflation;** • changes in tax laws and potential negative consequences from the interpretation, application and enforcement by governmental ~~tax~~ authorities of tax laws and policies, as well as changes in other laws ~~and,~~ regulations **and policies** or how ~~they such provisions~~ are interpreted or administered; • disruptions in global or regional supply chains, our operations, or those of third parties upon which we rely, including due to labor disruptions, supply shortages, **increased or new tariffs** and freight and logistics challenges; • unanticipated regulatory changes or unfavorable circumstances arising from **U. S. or host country laws or,** regulations **or policies,** including those related to **water quality, the environment and energy efficiency,** infrastructure and data transmission, security ~~and,~~ privacy, **and artificial intelligence;** • theft, compromise ~~or,~~ misappropriation ~~of or~~ **challenges in protecting** our technology, intellectual property or data; **and** • shocks to the global financial system, including due to the outbreak or threat of war, armed conflict, other geopolitical conflicts, terrorism

or global health crises, the effects of climate change, or other idiosyncratic events. **Beyond the** foreign currency exchange rate fluctuations, restrictions on repatriation of earnings or payment of distributions, dividends, loans or advances to us by foreign subsidiaries; global or regional safety and security considerations; and increased costs and risks **indicated above** in developing, staffing and simultaneously managing our many global operations as a result of distance, remote work arrangements, language and cultural differences. In the year ended December 31, 2023, 16% of our total revenues were generated in emerging markets and we have placed a particular emphasis in our strategy on increasing our growth and presence in emerging markets, including China, India, and key markets in Africa, Middle East and Southeast Asia. Beyond the general risks that we face outside the U. S., our operations in emerging markets are subject to additional risks and uncertainties, including: (i) governments may impose or increase withholding or other taxes on remittances and other payments to us; (ii) governments may seek to nationalize our assets; (iii) governments may impose or increase investment barriers or other restrictions affecting our business; (iv) difficulty in enforcing commercial agreements or collecting receivables; (v) **challenges protecting pricing pressure on our products intellectual property and services other assets**; (vi) **elevated pricing pressure on our products and services**; (viii) higher business conduct risks; and (ix-vii) challenges in our ability to attract and retain qualified talent and labor. We cannot predict the impact that such factors might have on our business, financial condition, cash flows, results of operations and **stock share** price. We have significant **sales, operations and direct or-and** indirect suppliers located in China, which have been in the past, or could in the future be, adversely affected by: i) China's evolving laws, regulations and policies, including as respects public health crises, import and export tariffs and restrictions, and information security and privacy, and ii) changes in the political and geopolitical environment **involving, including** China, **including 's relations with the U. S., European Union and** ~~China or China-Taiwan relations~~. The U. S.'s imposition of tariffs on goods imported from China or deemed to be of Chinese origin, as well as the potential for new **or increased** tariffs, other governmental actions, trade embargoes or sanctions by the U. S., **or similar measures** or countermeasures imposed by China in response, has in the past and could in the future have an adverse direct or indirect impact our global supply chain, manufacturing costs, business and operating results. Geopolitical changes in China- Taiwan relations could disrupt the operations of several companies in Taiwan that are critical to **the our complex** global supply chain for semiconductors ("chips") and other electronic components. Such changes could have significant negative effects on the global semiconductor industry and could adversely affect our ability to manufacture our digitally-enabled products, such as pumps, controllers and smart meters. **In the year ended December 31, 2023, 54% of our revenues were from sales to U. S. customers, which included sales of some products for federally funded projects.** We expect our U. S. sales in 2024 and beyond to be similar. However, on a case-by-case basis, we may not be able to successfully compete for a federally funded project as some of our products may not comply with the domestic content requirements of the U. S. Buy America mandate under the Infrastructure Investment and Jobs Act ("IJA") or other federally funded projects. We continue to evaluate and implement mitigation measures around sourcing and localization of manufacturing for our most significantly impacted product lines, as well as consider alternative products that may meet both project specifications and domestic content requirements, but there is no guarantee that we will be able in all cases to meet applicable domestic content requirements of a project or across all our product lines. While governmental exemptions and waivers may be issued that negate the application of the Buy America mandate for some or all of our potential sales into IJA and other federally funded projects, it is uncertain whether and to what extent such exemptions or waivers may be issued. An inability to meet applicable domestic content requirements could have a material adverse impact on our business, financial condition or results of operations. Inflation, tariffs, customs duties and other increases **or fluctuations** in manufacturing and operating costs have, and could continue to, adversely affect our cash flows and results of operations. Our **manufacturing and** operating costs are subject to fluctuations, particularly due to volatility or changes in prices for commodities, parts, raw materials, energy and related utilities, freight and logistics, and the cost of labor. **Cost fluctuations**; **Price volatility and changes** have been and may continue to be driven by a variety of factors, such as inflation, tight labor markets, prevailing price levels, exchange rates, changes in trade agreements, tariffs and other trade protection measures, and other economic **and geopolitical** factors. Throughout **2023-2024**, our operating costs were adversely impacted by price inflation, **including the cost of certain raw materials, components, energy, commodities, freight and logistics**, which could continue in **2024-2025** to varying degrees depending, in part, on broader macroeconomic, **political** or geopolitical conditions. For example, **we have significant manufacturing operations in Europe, which could be adversely impacted by increased energy costs related to an actual or our potential escalation in the ongoing Russia-Ukraine conflict.** Our global supply chain includes shipping routes through the Red Sea, where vessels have been and may continue to be impacted by armed conflicts involving rebel groups; and continued conflicts or escalation of **ongoing conflict conflicts in Ukraine or** the Middle East could adversely impact our logistics costs and **could also** result in an increase in our costs for energy and supplies, and potentially delay shipments to customers. **Additionally, We have a large and complex network of suppliers (and the their suppliers) and contract manufacturers globally, including in China and Mexico. The** U. S. has enacted **or threatened** various trade actions, including **imposing new or additional** tariffs on certain goods we import from China, **Mexico, Canada** and other countries, which has **or may** resulted **- result** in retaliatory tariffs **and other trade actions. As a result, these U. S. trade measures or countermeasures** by China and **, Mexico or** other countries. Additional tariffs imposed by the U. S., or further retaliatory trade measures taken by China or other countries, could increase the cost of our products **-We, which we** may not be able to offset **increases in our manufacturing costs through price increases or productivity, and could also impede our ability to remain competitive**. Further, in a declining price environment, our operating margins may contract because we account for inventory using the first-in, first-out method. Actions we take to mitigate volatility in manufacturing and operating costs may not be successful and, as a result, our business, financial condition, cash flows and results of operations could be materially and adversely affected. **Failure We may be unable** to compete successfully in our markets, **including our- or** ability to develop and commercialize innovative and disruptive **solutions and** technologies, **could adversely affect our business**. We offer our technologies, products and services in

highly competitive markets. We believe the principal points of competition are ~~product and service~~ performance, quality and reliability, **innovation price**, ~~speed to market with new or disruptive technologies and business models, application expertise, brand reputation, energy efficiency, product security, product life cycle cost,~~ **security, speed of development and commercialization of new technologies, processes and business models, brand reputation, application expertise, energy efficiency**, timeliness of delivery, proximity of our service centers to customers, effectiveness of our distribution channels, ~~price~~ and customers' experience in doing business with us **directly or through our channel partners**. Maintaining and improving our competitive position will require successful management of these factors in a **volatile** business environment with increasingly rapid rates of change and disruption. Our competitive position and future growth depend upon a number of factors, including our ability to successfully: (i) **enhance** ~~innovate, develop, bring to market and~~ **differentiate our** ~~maintain competitive, compelling, secure and efficient technologies, products-~~ **product** and ~~services-~~ **service offerings**, business models and customer experience **by increasing efficiency or security**, ~~to or adding innovative features or disruptive or emerging technologies, such as artificial intelligence, that~~ address emerging regulations and trends ~~and,~~ meet customers' needs (including those related to digitization of water-, social, environmental and **prevent commoditization** sustainability matters), (ii) defend our market share against an ever- expanding number of competitors, **including** many of which are new ~~and or~~ non-traditional **competitors** from outside our industry, such as large technology firms, ~~or those in the emerging markets,~~ (iii) ~~enhance our product~~ **continue to invest in** and **maintain** service offerings by adding innovative features, increased efficiency or **our distribution network** ~~disruptive or emerging technologies, such as artificial intelligence, that differentiate them from those of~~ **channel partners**, our competitors and prevent commoditization, (iv) **attract** ~~continue to invest in, cultivate, develop and maintain our distribution network of channel partners,~~ (v) attract, develop and retain **and train** individuals with the requisite innovation, digital and technical capabilities, expertise and understanding of customers' needs to develop ~~and,~~ commercialize **and sell** new technologies, products ~~and,~~ services **and solutions**; (vi) ~~continue to leverage and expand our external ecosystem of innovation partners with joint venture partners, universities, venture capital, the start-up of community and other technology firms innovators,~~ (vi) **continue to invest in our manufacturing, research and development, engineering, sales and marketing, modernization of our systems, and digitization of customer solutions, service and support tools**, (vii) ~~continue to invest in~~ **win** our manufacturing, research and development, engineering, sales **execute large contracts on schedule** and **marketing on budget**, and digitization of customer service and support tools, (viii) ~~win large contracts and execute them on schedule and on budget,~~ (ix) optimize our supply chain and manufacturing to enable predictable and efficient delivery to customers, and ~~(x) compete for business subject to applicable governmental procurement laws, regulations and policies, including new and existing sustainability and domestic content requirements in the U. S. and globally, as they may evolve over time. We~~ **Additional challenges we face include that customers may be slow to adopt our new and innovative solutions and technologies. Pricing pressures, including as a result of new or additional tariffs on our products or goods used in the manufacture of our products, and / or the impact of disruptive or emerging technologies, such as artificial intelligence, and our efforts to optimize our productivity may require that we adjust the prices of certain products, services, solutions or projects or rationalize certain of our offerings to stay competitive or win large contracts. As a result of the foregoing, we** may not be successful in maintaining our competitive position **and market share**, which could adversely affect our business, financial condition, cash flows or results of operations. ~~The failure of our technologies, products or services to maintain and gain market acceptance due to more attractive offerings, the failure of our products to comply with governmental regulations or policies, or customers' slower- than- expected adoption of and investment in our new and innovative technologies could significantly reduce our revenues or market share and adversely affect our competitive position. Pricing pressures could cause us to adjust the prices of certain products, services or projects to stay competitive, or we may not be able to continue to win large contracts, which could adversely affect our market share and competitive position. Cybersecurity incidents and related data breaches or other disruptions~~ **to involving** our enterprise information technology and operations, ~~or to~~ our connected products and services, **or information technology** including those of third parties on which we or our customers rely, could materially and adversely affect our business. ~~Our enterprise consists of our businesses, functions, operations, manufacturing and employees. We rely on information technology, including operational technology, and communications networks to run our manufacturing processes and equipment, to enable business processes~~ **and employee productivity**, and to process, transmit, store and manage our electronic information, including confidential business information and data relating to employees, customers or other business partners. We also rely on key third parties, **such as** including: i) direct and indirect suppliers, ii) ~~strategic joint venture partners that provide certain aspects of our digital services and offerings,~~ iii) contract manufacturers, iv) cloud- based service providers, and v) outsourced business process providers, including in the areas of Information Technology, Finance, Human Resources, Procurement and Travel. Together, we depend on information technology infrastructure and communication networks for access to reliable and secure networks in order to run our and their businesses. Regardless of **the** protection measures **we**, **all or the third parties we rely on, have implemented**, information technology and communications networks **are inherently may be** susceptible to damage or disruption due to causes such as: equipment, system or application failure, including as a result of maintenance, obsolescence, unavailability or age; human error or malfeasance; vandalism; natural disaster; fire; power, communication or other utility outage or failure; and cybersecurity incidents, including ransomware, denial- of- service, **vendor e- mail compromise, deepfake attacks,** malware, phishing, and computer viruses **resulting from a wide ranging threat landscape, including attacks by nation states and others**. In addition to damage or disruption, these cybersecurity incidents may lead to security and data breaches. We provide certain digitally -enabled or internet- connected products, such as pumps, controllers, meters and other equipment, ~~and services~~ **digital (or intelligent) solutions**, such as Water One @ and other remote monitoring ~~and capabilities,~~ condition assessment **capabilities**, and an interoperability platform via **a Idrica, our** strategic joint venture partner. These products and services are used by us and our customers for operational purposes or to collect data. Our connected products and services **are inherently may be** susceptible to

damage or disruption from a myriad of causes as described above, ~~including cybersecurity incidents~~. Cybersecurity incidents may impact hardware, software and information installed, stored or transmitted by our products and services after they have been purchased and incorporated into customers' and other third parties' products, facilities, systems or infrastructure, including critical infrastructure applications. While we attempt to provide our customers with **reasonable** measures to safeguard our products and services from cybersecurity threats, the potential for a cybersecurity incident remains. In addition, certain of our customers continue to use digitally enabled products that we designed, manufactured and sold at a time when current security features were not available. A cybersecurity ~~Incident~~ **incident** or other damage or disruption to information technology and communications networks, or involving our connected products and services, may have adverse effects on us, our customers or third parties on which we rely, including: interference with operations and services, potentially with public health and safety risks involving certain of our customers; disruption of production, supply chain, shipments, billing, collections and customer service; disruption to data analytics; disruption to remote monitoring and control of operational systems; unauthorized access, disclosure, misappropriation, misuse, destruction, compromise or theft of our financial, operational or other proprietary information, including intellectual property and trade secrets, or data pertaining to our employees, customers or suppliers; damage to employee, customer and business partner relationships; recall of our products; legal claims, proceedings or regulatory enforcement actions, and fines or penalties; increased costs to prevent, respond to or mitigate cybersecurity incidents; and damage **to** our brands and reputation. Moreover, a delay in or failure to detect a cybersecurity incident or the full extent of an incident could exacerbate the effects of the incident. ~~As such, any of the foregoing could have a material adverse effect on our reputation, competitive position, results of operations, cash flows or financial condition.~~ To mitigate reliability and cybersecurity risks related to our enterprise and connected products and services, we maintain relevant policies, standards, procedures and technologies that are applicable to all Xylem employees and contractors, including: patching; passwords; network and data access, including requirements and rights; business continuity and disaster recovery **plans**; monitoring for external and insider risks; obsolescence or end-of-life of operating technologies or applications' operating systems; IT general computing controls; **and** secure software development. We are also operationalizing our strategy to establish segmentation between our information technology and operational technology. As implementation and compliance is the responsibility of employees across the enterprise, we cannot guarantee adherence in all instances with our policies, standards and procedures, or that our technologies will be sufficient to fully mitigate the aforementioned or evolving risks. We, and some third parties upon which we rely, have in the past experienced cybersecurity incidents or other attempts to gain unauthorized access to our information technology and connected products and services. As technology, **including the use of artificial intelligence, and the threat landscape** evolves ~~evolve~~, we may continue to experience such events, likely with more frequency and involving a broader range of devices and more sophisticated modes of attack. To date, none have resulted in any material adverse impact to or theft, misuse or loss of information of our business, operations, products and services, or customers. ~~We have implemented processes, procedures and technologies.~~ **Although we maintain a cybersecurity program that we believe is reasonably designed to protect** detect and respond to cybersecurity incidents and mitigate potential risks associated with cybersecurity ~~threats and incidents involving~~ our information technology, products and services. ~~However~~, because the timing, nature and modes of cybersecurity attacks and incidents change frequently, evolve and are unpredictable, and because unauthorized accesses may be difficult to detect for long periods of time, we may be unable to anticipate **or prevent** these intrusions or implement adequate protective or remedial measures. While we maintain insurance coverage designed to address certain aspects of business interruption and cybersecurity risks, it may not be sufficient to cover all losses or all types of claims. Although we continue to assess the aforementioned risks, implement policies, processes, standards, measures, technologies and redundancies to mitigate these risks and perform business continuity and disaster recovery planning, we cannot be sure that cybersecurity incidents or other disruptions with material adverse effects will not occur, or that our business continuity and disaster recovery efforts will be effective and adequate. **As such, any of the foregoing could have a material adverse effect on our reputation, competitive position, results of operations, cash flows or financial condition.** Lack of or delay in availability of products, parts, raw materials and energy from our supply chain or the inability of suppliers to meet delivery and other requirements, could adversely affect our business. Our business relies on a large and complex network of suppliers (and their suppliers), ~~including~~ contract manufacturers and subcontractors ~~to that~~ perform manufacturing and customer-related services for us, ~~as well as~~ commodity markets, and freight and logistics providers to secure and ship finished goods and raw materials, parts, **and** electronic components and other components used in our products. ~~We expect that our reliance on..... or all aspects of supply chain disruptions.~~ Some of our key components are available only from a sole- or single- source supplier or a limited group of suppliers. **We expect that our reliance on,** ~~and so reliance on, and~~ the complexity of, the **mentioned** supply chain ~~and contract manufacturers and subcontractors~~ will continue to be significant and, in some cases, increase. Parts, **components** and raw materials commonly used in our products include motors, fabricated parts, castings, magnets, bearings, seals, batteries, PCBs and electronic components, including semiconductors, as well as commodities, including steel, brass, nickel, copper, aluminum, **rare earth minerals** and plastics. We are exposed to the availability of these items, which throughout 2023 have been **has in the past** and may in the future be subject to delay, **shortage**, curtailment or change due to **macroeconomic**, among **geopolitical and other things factors**, ~~macroeconomic factors~~ including: supply and demand dynamics; labor shortages or disputes; changes in the **suppliers'** strategy or production planning of suppliers including decisions to exit production of key components upon **which** we **rely; interruptions in** are subject to supply and pricing risk. In addition, if a sole- or single- source supplier **suppliers'** were to cease or interrupt production or otherwise fail to supply a key component to us, **including as** it could adversely affect our production, revenues and operating results. As a result of global market **humanmade or natural disasters; a supplier's impaired financial condition; suppliers' capacity allocations to other purchasers; changes in trade agreements and trade protection measures including tariffs or export restrictions; ability to meet regulatory requirements; weather emergencies and the effects of climate change; public health crises; and threatened or actual terrorism, armed conflict or**

war, including the ongoing conflicts between Russia and Ukraine, in the Middle East, and rebel attacks on commercial vessels in the Red Sea. Any threatened or actual escalation of the aforementioned conditions and related impacts may disrupt supply and demand dynamics, we increase the cost of energy or logistics, or delay or interrupt our supplies from suppliers. We have in the past also experienced, and continue to could in the future experience shortages, capacity constraints fluctuating freight and logistics costs, and delivery delays related to port congestion in the supply of raw materials, labor actions parts, and components, including chips and other challenges electronic components. If While supply conditions eased throughout 2023, if disruptions in our supplies occur in the future (including related to the aforementioned risk of disruption in the rare earths or global semiconductor industry industries or other key inputs due to China-Taiwan geopolitical issues), or if our efforts to mitigate these shortages and disruptions are insufficient or unsuccessful, we may be delayed or unable to execute on our backlog, fill new customer orders or timely deliver products to our customers and therefore, which could have a material adverse effect on our business, financial condition or results of operations. Although we have insurance related to business continuity and supply chain, we cannot be certain that this coverage will continue to be available at a reasonable cost or will be adequate to cover any or all aspects of our supply chain disruptions. A material disruption to any of our facilities or operations, or that of third parties upon which we rely, may adversely affect our business and financial performance. Our facilities, operations and business businesses rely on our facilities and a complex and highly reactive global supply chain, including suppliers (and their suppliers), some of which are a single- or sole- source, distributors, contract manufacturers, subcontractors, joint venture partners, utilities providers, and freight and logistics providers. In addition, we outsource to vendors certain critical business processes and activities, including in the areas of Finance, Human Resources, Procurement, Travel and Information Technology. Certain of our businesses require that we or our subcontractors have access to customer sites to provide our products and services. Our facilities and operations, and certain customers, contract manufacturers, subcontractors or other third parties on which we rely, have experienced, and-or may in the future experience, disruptions or delays resulting from an actual or threatened event or circumstance, including due to: a significant equipment, technological or system failure; natural disaster; weather event or effects of climate change; water, communications, power or energy curtailment or outage; water or communications outage; fire; explosion; critical supply chain failure; terrorism; cybersecurity attack incident; political disruption; outbreak of a pandemic or other public health crisis; insurrection; armed conflict or war, including the ongoing conflicts involving Russia and Ukraine, the Middle East, and rebel attacks on vessels in the Red Sea; labor dispute, stoppage or slowdown; technology failure; lack of financial viability or other reason. In addition, our facilities or those of third parties upon which we rely operate in certain circumstances with equipment and manufacturing technology that may be unique and difficult to replace or involve long lead times for replacement. A significant disruption to any of our facilities or operations, or that of customers or third parties on which we rely, could cause material adverse impacts on our operations and business, including an inability to meet customer demand or contractual commitments, increased costs, and reduced market share or sales, and could also impact our business processes and activities, including our ability to timely report financial results. Any interruption may be lengthy, have lasting effects, require a significant amount of management and other employees' time and focus, and require us to make substantial expenditures to mitigate the situation, which could negatively affect our operations, business processes and activities, profitability, financial condition and reputation. Any recovery under our insurance policies may not fully offset the lost sales, increased costs, or longer term loss of suppliers, sales or customers that we may experience as a result of a disruption. Although we continue to assess these risks, implement mitigation plans and perform business continuity and disaster recovery planning, we cannot guarantee that interruptions with material adverse effects on our operational and financial performance will not occur. We may not realize some or all the expected benefits and synergies from our acquisition of Evoqua. On May 24, 2023, we completed the acquisition of Evoqua. The success of this acquisition will depend, in part, on our ability to realize the anticipated benefits from combining our and Evoqua's businesses. We have and continue to devote substantial management attention and resources to the integration of the combined company's business practices and operations so that we can fully realize the anticipated benefits of the acquisition, including cost and revenue synergies. Nonetheless, difficulties may arise during the integration process that could impede our ability result in the failure to achieve the anticipated cost or revenue synergies, including: the loss of key talent that may be difficult to replace or; disruption of the combined company's ongoing business; inconsistencies in each company's standards, controls, procedures and policies; and our ability to maintain and expand relationships with customers, partners, or suppliers or creditors. As a result, the anticipated benefits of the acquisition may take longer to realize, may not be fully realized fully within the expected timeframe or at all, may take longer to realize, or may cost more than expected, which could materially and adversely affect our business, results of operations or financial condition, as well as adversely impact the stock our share price of the combined company. Water and wastewater treatment operations, including those related to emerging contaminants, as well as the generation, handling, storage, use, transport, treatment, release or disposal of hazardous materials may result in contamination, environmental, personal or other liabilities, or pose other significant risks that could cause us to incur significant costs and reputational harm. Our Water water and wastewater treatment offerings involve various unique risks and require compliance with a variety of laws or regulations, including the Clean Water Act and the Safe Drinking Water Act. If our treatment systems fail or do not operate properly, or if there is a spill, untreated or partially treated wastewater could discharge onto property or into nearby bodies of water and groundwater, causing various liabilities, damages and injuries, including environmental. In addition, a number of emerging contaminants might be found in water that we treat, including PFAS, PFOA, selenium, micro- plastics, chemicals or pathogens, that may cause illness or death if not eliminated during the treatment process, and result in Liabilities liabilities and resulting from such events, damages against us and injuries could materially adversely affect our business, financial condition, results of operations or prospects. Changes in environmental requirements, laws and regulations, or increased public awareness around the presence and health impacts of human- made chemicals and naturally occurring contaminants in drinking water, could increase or decrease demand for our products and services, increase our cost

costs of operations, result in the obsolescence of our products, or lead to an interruption or suspension of our operations. Furthermore, certain of our **Water Solutions and Services segment engages in** business activities, such as those of our historical **Integrated Solutions and Services segment** and new **Water Solutions and Services segment**, include **including** manufacturing and, waste recycling and treatment processes that currently involve the use, treatment, storage, transfer, handling and / or disposal of non-hazardous and hazardous materials, chemicals and wastes, which are subject to applicable federal, state, and local laws and regulations. The cost of compliance with these laws and regulations may **increase** become significant, **resulting** in increased operating costs or **require required** additional investment in facilities, and therefore could have a material adverse effect on our business, financial condition, results of operations or prospects. These business activities also create a risk of accidental contamination or injury to **the environment and** our employees, customers and, other third parties, and the general public (as end-users of our industrial and municipal customers' products and services), and the environment. **In addition** As such, these activities create a risk of significant legal and environmental liabilities and reputational damage. For example, under certain applicable environmental laws and regulations, including **the Resource Conservation and Recovery Act ("RCRA")** and **the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA")**, we could be strictly, jointly and severally liable for releases of regulated substances by us at our current or former properties or the properties of others, or by other businesses that previously owned or used our current or former properties. We could also be liable or incur reputational damage if we transport such materials, generate hazardous materials or wastes, or merely arrange for their transportation, disposal, or treatment if, and they are subsequently released or cause harm. If **our the foregoing** business activities and water and wastewater treatment operations result in legal or environmental claims, damage or liabilities, including those described above, we could incur significant costs, liabilities or reputational damage in connection with legal defense, investigation, remediation of environmental contamination, damage to property or natural resources or personal injuries. Such costs and liabilities could exceed any applicable insurance coverage we may have. **If we are unable to successfully execute large projects or meet customers' timelines, budget, performance and therefore safety requirements, this** could have a material adverse effect on our **sales business, financial condition, results of operations or prospects, as well as our reputation. We may be unable to successfully execute large projects or meet customers' timelines, budget, performance and profitability safety requirements.** A portion of our revenue is derived from large projects that are technically complex and may occur over multiple years. These projects are subject to a number of significant risks, including project delays; cost overruns; changes in scope; unanticipated site conditions; design and engineering issues; incorrect cost assumptions; increases in the cost of materials and labor; health and safety hazards; subcontractor performance issues; weather issues; and changes in laws, regulations or permitting requirements. If we are unable to manage these risks, we may incur higher costs, liquidated damages, and other liabilities to our customers, which may decrease our profitability and harm our reputation. Furthermore, our project-based customers typically require performance guarantees around for the effluent produced by our water treatment equipment and services. Failure of our products and services to meet performance guarantees may require additional engineering, replacement of parts and equipment and, frequent replacement of consumables, or monetary reimbursement to a customer, or could otherwise increase our costs or result in liability to our customers. There are significant uncertainties and judgments involved in estimating performance guarantee obligations, including changing product designs, differences in customer installation processes and failure to identify or disclaim certain variables in a customer's influent. **If To the extent that** we incur substantial performance guarantee claims in any period, our reputation, earnings, and ability to obtain future business **prospects** could be materially adversely affected. Many of our customers also have safety performance requirements that we must meet to be allowed access to their sites to perform our services, install our products and execute projects. Risks arising from unsafe products or performance by our employees include, among other things, delays in or suspension of site access to service or timely deliver our products. Workplace accidents or near-accidents, product-related accidents or near-accidents, or the failure to follow our own or our customers' safety policies could also damage our reputation or our customers' perception of our safety record, which could have a material adverse impact on demand for our products and services, result in additional costs to our business, the loss of customers or litigation against us, or increase government or regulatory oversight over us. **Failure We may be unable** to retain our existing leadership, engineering, technology, sales, services and other key talents, **talent** or the inability to attract new qualified and **talent with** diverse **backgrounds, experiences and perspectives** talent could negatively impact our business. Our success depends to a significant extent on our ability to attract and, retain and develop highly qualified and diverse employees in leadership positions, and in strategic or core competencies, including engineering, innovation, systems modernization, digital technologies, commercial excellence, service, and project management, as well as general production-related talent. The market for highly skilled talent, leaders and labor in our industry **with diverse backgrounds, experiences and perspectives** remains highly competitive in our industry. As a result, our success in attracting and retaining employees, particularly in the areas of services, digital technologies, innovation and data science, has depended, and will continue to depend, on our ability to offer attractive career growth opportunities, work arrangements, compensation, and benefits, and also policies and ways of working that support employee well-being. In addition, we continue to evolve our culture, where colleagues are inspired to innovate, empowered to lead and accountable to deliver, and includes advancing diversity, equity and inclusion and belonging. **These aspects of our Our high-impact** culture have **has** been and will remain critical to attracting and retaining talent needed to execute our strategy, **drive** while also driving innovation, remaining, **remain** competitive and **creating create** long-term value. We also need to continue to develop qualified talent to support business growth and robust succession plans, both of which are critical to our long-term success. A failure to attract or retain highly engaged and skilled talent and labor could adversely affect our ability to meet and exceed the needs of our customers, operate and grow our business and execute our strategy. Defects, unanticipated or improper use or inadequate disclosures concerning our products could adversely affect our business, reputation and financial condition and results of operations. Defects, inadequacies or quality issues in the manufacture, design, software, security or service of our products (including finished goods, parts or components

that we source from third parties), unanticipated or improper use, or inadequate disclosure of risks relating to the use of our products, could result in product safety, product security, regulatory or environmental risks, including personal injury, death, and property or environmental damage. These events could also lead to product recalls, safety or security alerts, or result in the removal of a product from the market, issuance of credits, ~~or~~ warranty ~~or~~, liability ~~or contractual~~ claims ~~and or contractual~~ damages against us. Although we have liability insurance, we cannot be certain that this insurance coverage will continue to be available to us at a reasonable cost or will be adequate to cover any or all aspects of liability claims. Manufacturing, design, software, security or service defects or inadequacies may therefore result in significant costs, decreased profitability, negative publicity, and reputational damage, that could reduce demand for our products and have material adverse impacts on our business, financial condition and results of operations. We may not achieve some ~~or all~~ of the expected benefits of our ~~simplification and productivity initiatives or~~ restructuring and realignment plans ~~or, our~~ ~~or~~ ~~restructuring such initiatives~~ and ~~realignment plans~~ may adversely affect our business. From time to time, we have and may continue to initiate ~~simplification, productivity,~~ restructuring and realignment actions for various reasons, including to optimize our cost structure, ~~increase profitability, drive growth,~~ improve our operational efficiency and effectiveness, and enable us to better serve our customers, or in response to impacts from business and economic conditions. **Starting in 2024, we launched initiatives focused on improving margins and customer centricity through a range of business simplification, strategic pricing and operational productivity measures across our offerings, operations and customer base. Such measures may include: differentiating our offerings and pricing among customers and channels; adjusting the prices of certain offerings; rationalizing certain of our offerings; modernizing our systems by standardizing key enterprise applications; rationalizing our footprint; write-offs on affected assets; and simplifying our supply chain. As a result of these measures, there could be an adverse impact on our market share, competitiveness, profitability and growth, as well as the potential for unanticipated disruption in customer service.** We are also engaged in ~~a~~ ~~an~~ ongoing, multi-year effort to transform ~~many~~ of our company's operating model, including our ~~businesses and support~~ supporting functions, and ~~have initiated~~ related ~~restructuring technologies, including Finance, Human Resources and Procurement~~ **realignment actions**. Challenges with the enabling technologies, ~~modernizing our systems,~~ and ~~delays in~~ implementing planned restructuring and realignment activities have ~~in the past, and may in the future, delayed~~ ~~delay~~ the realization of some of the expected operational ~~and,~~ financial ~~and customer centricity~~ benefits from such actions. We may not be able to obtain ~~all some~~ of the cost savings and benefits that were initially anticipated in connection with our ~~transformation,~~ restructuring and realignment plans. Additionally, as a result of these plans, we may experience a loss of ~~talent or~~ continuity ~~or of~~ accumulated knowledge, or inefficiencies during transitional periods ~~and ongoing operations~~. ~~Realignment~~ **Transforming, realigning** and restructuring ~~our company~~ require a significant amount of management and other employees' time and focus, which may divert attention from operating and growing our business. The successful implementation and execution of our ~~simplification, productivity,~~ restructuring and realignment actions are critical to achieving our ~~strategy and long-range plan through~~ expected cost savings, ~~as well as~~ effectively competing in the marketplace, and positioning us for future growth. Factors that may impede ~~a the~~ successful implementation ~~and,~~ execution ~~or realization of the benefits of these actions~~ include ~~the retention of~~ ~~a failure to retain~~ key ~~customers or~~ employees; the impact of regulatory matters including tax; matters involving certain third-party service providers selected to assist us, including staffing, technology, and compliance of service providers with our internal controls over financial reporting; and adverse economic market conditions. If our ~~simplification, productivity,~~ restructuring and realignment actions are not executed successfully ~~or we do not realize the anticipated benefits of such actions~~, it could have material adverse impacts on ~~the effectiveness of our internal controls over financial reporting,~~ our competitive position, business, financial condition, cash flows and results of operations. The execution of our strategy includes acquisitions and divestitures, which we may be unable to successfully execute. ~~To execute~~ **In support of** our growth strategy, we ~~plan to~~ continue to realign and enhance our portfolio by pursuing the acquisition of companies, assets, technologies, product lines and customer channels that complement or expand our existing business or improve our competitive position, and divesting non-core or less strategic businesses. We may not be able to complete acquisitions or divestitures ~~with on~~ favorable terms ~~or,~~ timing or at all, or obtain financing that may be needed to consummate acquisitions. In addition, ~~we~~ ~~our results of operations~~ may be adversely impacted by: (i) the failure to efficiently, effectively and timely integrate acquired businesses into our operations, technology, financial and other systems, (ii) the failure of acquired businesses to meet or exceed expected returns, which in the past has led to, and in the future may lead to, accounting impairments, ~~or~~ (iii) the discovery of unanticipated liabilities, ~~cybersecurity concerns, control or compliance issues,~~ **environmental matters,** labor relations difficulties, ~~cybersecurity concerns, control or compliance issues,~~ or other issues for which we lack contractual protections, insurance or indemnities. Failure to successfully execute our growth strategy via acquisitions and successfully integrate these acquisitions could adversely affect our competitive position, business, financial condition or results of operations. Acquisitions involve a number of risks and present financial, managerial and operational challenges, including: diversion of management's time and attention from existing businesses and operations; insufficient internal controls over financial or compliance activities or financial reporting ~~of acquired businesses~~; the failure to realize expected synergies; impact ~~on~~ our ability to achieve ~~some or all of~~ our sustainability commitments; ~~the~~ assumption of new material risks associated with the acquired businesses; and ~~the~~ loss of key employees of the acquired businesses. As a result, the anticipated benefits of acquisitions may ~~take longer to realize or~~ not be ~~fully~~ realized ~~fully within the expected timeframe or at all, may take longer to realize,~~ or may cost more than expected, which could materially and adversely affect our business, results of operations or financial condition. A significant portion of our products and offerings in our Measurement and Control Solutions segment are affected by the availability, regulation of and interference with radio spectrum that we use. A significant portion of the offerings in our Measurement and Control Solutions segment use radio spectrum ~~that,~~ ~~which~~ is subject to government regulation. ~~To the extent we introduce new.....~~ financial condition, and results of operations. In the U. S., our products are primarily designed to use FCC- licensed spectrum in the 900MHz range. ~~The~~ ~~if the FCC does~~ ~~may elect~~ not to

renew our existing spectrum licenses, or materially ~~changes-~~ **change the** regulations affecting the use of these licenses ~~,our business, financial condition, and results of operations could be adversely affected.~~ In addition, there may be insufficient available frequencies in some markets to sustain or develop our planned operations at a commercially feasible price or at all. Outside the U. S., certain of our products require the use of radio frequency and are subject to regulations. In some jurisdictions, radio station licenses may be granted for a fixed term and must be periodically renewed. Our advanced and smart metering systems offerings transmit to (and receive information from, if applicable) handheld, mobile, or fixed network reading devices in licensed bands made available to us through strategic partnerships and are reliant, to some extent, on the licensed spectrum continuing to be available through our partners or our customers. We may be unable to find partners or customers that have access to sufficient frequencies in some markets to sustain or develop our planned operations, or that have access to sufficient frequencies at a commercially feasible price or at all. **To the extent we introduce new products designed for use in the U.S. or another country, such products may require significant modification or redesign in order to meet frequency requirements and other regulatory specifications. Limitations on frequency availability or the cost of making necessary modifications may preclude us from selling our products in certain countries. The regulations that govern our use of radio spectrum may change or new products may be allowed under the regulations that cause interference with our products, which may require us to modify our products or seek new partnerships. In addition, we may not be able to secure suitable partners for co-development of products.** ~~An~~ **The lack of availability of radio spectrum or an inability or delay in modifying our products to meet frequency** ~~such~~ **requirements, or the cost of completing such modifications, could have material adverse effects on our business, financial condition, and results of operations** Weather conditions, including the effects of climate change **and as well as** associated efforts by governmental or regulatory authorities to mitigate such effects, may cause volatility in our served markets and **affect demand for** our ~~products businesses, operations and financial results-~~ **products**. The unpredictable nature, frequency, **and severity of,** and changes in weather events, patterns and related conditions, such as heavy flooding, prolonged droughts, wildfires, rainfall amounts and intensity, sea levels, and fluctuations in temperatures, including as a result of climate change, can positively or negatively impact portions of our business and therefore result in volatility in our financial results. For example, certain events may disrupt ~~the customers' operations of our customers-~~ **customer** shutdowns that prevent **our** site access or defer our performance of services or sale of equipment. Heavy flooding and rain events may increase demand for our solutions that help manage water and stormwater overflows or remove and transfer excess or unwanted water. Prolonged drought conditions may increase demand for our pumping technology used in agriculture and turf irrigation applications. Demand for water reuse applications, such as those provided by our treatment business, may also increase as communities look to address water scarcity challenges. Fluctuations in temperatures may result in varying demand for our products used in residential and commercial hydronic applications, where homes and buildings use circulating water to heat and cool living spaces. **In addition, certain of our products, services and solutions assist our customers in meeting increasingly stringent scarcity, efficiency, environmental and safety requirements, including via U. S. and other countries' laws or regulations enacted for the purpose of limiting greenhouse gas (" GHG ") emissions or making water supplies more resilient, cleaner and safer. Our future growth is dependent in part on the impact and timing of such potential new laws and regulations, as well as potential changes to existing laws and regulations. If stricter laws or regulations are delayed, not enacted, repealed, amended to be less strict, not enforced or are enacted with prolonged phase - in periods, demand for our products and services may be reduced. We are currently unable to predict whether changes to laws and regulations will affect demand for our products and services. To the extent that such changes increase uncertainty or have a negative impact on us, our business, financial condition, results of operations or prospects may be materially and adversely impacted.** Severe weather events and other effects of climate change have also caused, and may in the future cause, disruptions to our facilities and operations, and those of our customers and suppliers **, as well as fluctuations in demand for our products and services, and could also increase competition**. In 2021-2024, a physical risk analysis of ~~our legacy Xylem~~ **facilities using the Task Force on Climate Related Financial Disclosures framework indicated that our exposure to certain of our facilities are at moderate risk for exposure to reviewed physical hazards (e. g. drought, wildfire, temperature extremes,** water stress, ~~coldwave etc.) is expected to remain low through 2030 under assessed GHG emission mitigation scenarios; but as we approach 2050, exposure to drought and wildfire impacts temperature extremes may increase~~ due to the effects of climate change. **We** While we continue to assess these risks, implement mitigation plans and perform business continuity and disaster recovery planning, we cannot be sure that disruptions with material adverse effects will not occur **despite**. In addition, certain of our products, services and solutions assist our customers in meeting increasingly stringent scarcity, efficiency, environmental and safety requirements, including via laws or **our** regulations enacted for **continued assessment of the these risks** purpose of limiting greenhouse gas emissions or making water supplies more resilient, **implementation** cleaner and safer. Our future growth is dependent in part on the impact and timing of **mitigation plans** potential new laws and regulations, as well as potential changes to existing laws and regulations. If stricter laws or regulations are delayed, not enacted, repealed, amended to be less strict, not enforced or are enacted with prolonged phase - in periods, demand for our products and services may be reduced. We are currently unable to predict whether changes to laws and regulations will affect demand for our products and services. To the extent that such changes increase uncertainty or have a negative impact on us, our **business continuity;** **financial condition, results of operations or prospects may be materially and adversely impacted-disaster recovery planning**. Our sustainability commitments, goals, targets, objectives and initiatives, and our public statements and disclosures regarding them **or in response to mandatory reporting standards**, expose us to numerous risks. **We** **In support of our strategy, we** have and will continue to establish goals, targets, and other objectives related to sustainability matters, including ~~our~~ **sustainability goals and commitments to Science-science**. **Based-based Targets-targets** aligned to limiting global temperature increase to 1.5 ° C above pre- industrial level **by 2030**, in line with the Paris Agreement, **by 2030 and commitment to net** **zero** ~~greenhouse gas (" GHG ") emissions (Scope 1, 2 and 3) before 2050. Achieving these~~ **our sustainability** goals and

commitments will require evolving our business, making capital investments and developing technologies that might not currently exist. We might incur additional expenses or be required to recognize impairment charges in connection with our efforts. These commitments, goals, targets and other objectives reflect our current plans and there is no guarantee that they will be achieved **or maintained**. Our efforts to research, establish, accomplish and accurately report on these commitments, goals, targets and objectives expose us to operational, reputational, financial, legal, and other risks. Our ability to achieve any stated commitment, goal, target, or objective is subject to **varied** factors and conditions, many of which are outside of our control, including the extent to which energy generated from renewable resources is available from the grid, the pace of changes in technology, the availability of requisite financing, and the availability of suppliers that can meet our sustainability and other standards. We may face increased scrutiny from the investment community, regulators, media **(including social media)** and other stakeholders related to our sustainability activities, commitments, goals, targets and objectives, and our methodologies and timelines for pursuing them. At the same time, certain governmental representatives and other stakeholders have increasingly expressed or pursued opposing views, **legislation-legal** and investment expectations around sustainability initiatives, including the enactment or proposal of “ anti- ESG ” legislation **, executive orders** or policies **and adverse social media campaigns** . We are subject to increasing regulatory requirements around sustainability- related disclosures, including significant **rule making** ~~rulemaking~~ **making** by the EU related to the Corporate Sustainability Reporting Directive and **anticipated rulemaking** ~~anticipated rulemaking~~ **climate- related rules and regulations pursued** by **U. S.- based governments (e. g. federal or states) and the other SEC countries** , which may continue to evolve. Complying with regulators’ disclosure requirements **may has and will continue to** impose substantial additional costs and **will** require additional resources, including for third- party attestation, **and** to enable the capture, analysis and audit of appropriate data **. We may also experience operational disruption, increased costs, and other harms in our efforts to comply with or respond to reversals or changes in such requirements** . Any actual or alleged failure to comply with regulatory requirements around disclosures could result in fines, penalties and civil liabilities, and damage to our reputation. Furthermore, if our sustainability reporting and practices do not meet investors, regulators or other stakeholders’ expectations, standards and requirements, or if we are unable to satisfy all stakeholders **(who reflect varied and evolving expectations)** , our reputation, ability to attract or retain employees, and attractiveness as an investment, business partner or acquiror could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our sustainability commitments, goals, targets, and objectives, to comply with ethical, environmental or other standards, regulations, or expectations, or to comply with reporting and disclosure requirements and standards related to these matters, within the timelines we announce, or at all, could have adverse operational, reputational, financial and legal impacts. Our business is subject to foreign currency exchange rate fluctuations. Sales outside of the U. S. for the year ended December 31, **2023-2024** accounted for approximately **46-43** % of our net sales. We also have significant operations in various locations outside of the U. S. Our principal currency exposures for which we enter into cash flow hedges relate to the Euro, Swedish Krona, British Pound, Canadian Dollar, Australian Dollar, and Polish Zloty. Changes in the value of currencies of the countries in which we do business relative to the value of the U. S. Dollar or Euro could affect our ability to sell products competitively and control our cost structure, which has had and may continue to have a material adverse effect on our business, financial condition, cash flows and results of operations. Additionally, we are subject to foreign exchange translation risk due to changes in the value of foreign currencies in relation to our reporting currency, the U. S. Dollar. The translation risk is primarily concentrated in the exchange rate between the U. S. Dollar and the Euro, British Pound, **Chinese Yuan**, Canadian Dollar, ~~Chinese Yuan~~, Australian Dollar, **Swedish Krona, and** Indian Rupee ~~, and Swedish Krona~~. As the U. S. Dollar fluctuates against other currencies in which we transact business, revenue and income may be impacted. Strengthening of the U. S. Dollar relative to the Euro and the currencies of the other countries in which we do business, has materially and adversely affected, and could in the future materially and adversely affect, our sales growth and profitability **in future periods**. Refer to Item 7A." Quantitative and Qualitative Disclosures about Market Risk" for additional information on foreign exchange risk. Our financial results may fluctuate from period to period and can be difficult to predict. Our businesses ~~, including that of our Applied Water segment,~~ are impacted by **a substantial amount of** short cycle and book- and- bill business **to varying degrees** , which **may be difficult to predict, or** we have limited visibility into, particularly for the business that we transact through our significant distribution network. In addition, our businesses ~~, including our Measurement and Control Solutions segment, and our legacy Integrated Services and Solutions segment and the new Water Solutions and Services segment,~~ are impacted by long- cycle business including large projects, which could be unexpectedly canceled, or whose timing can change based upon customer requirements due to a number of factors affecting the **project-projects** that are beyond our knowledge or control, such as funding, readiness of the project and regulatory approvals. We rely on a complex global supply chain, which ~~is~~ **is** ~~has been~~ subject to dynamic conditions, volatility, unexpected changes and disruptions due to macroeconomic and geopolitical conditions ~~, including the ongoing conflicts between Russia and Ukraine and the Middle East, and high inflation~~. These supply chain challenges have affected, and may continue to affect, our cost structure, production and ability to timely fill customer orders ~~. We cannot predict how, when, or if, these conditions will worsen, ease or subside in the future~~. Accordingly, our financial results for any given period have been and will continue to be difficult to predict. We may incur ~~additional~~ impairment charges for our goodwill and other indefinite- lived intangible assets ~~which would negatively impact our operating results~~. We have a significant amount of goodwill and purchased intangible assets on our Consolidated Balance Sheets as a result of acquisitions. As of December 31, **2023-2024** , the net carrying value of our goodwill and other indefinite- lived intangible assets totaled approximately \$ 8 billion. In accordance with generally accepted accounting principles, we evaluate these assets for impairment at least annually, or more frequently if changes in events or circumstances indicate it is more likely than not that a potential impairment could exist. Significant negative industry or economic trends, disruptions to our business or our customers’ business, inability to effectively integrate or scale acquired businesses, increases in cost of capital, unexpected significant changes or planned changes in use of the assets, failure of the FCC to renew radio spectrum licenses, and divestitures and market capitalization declines may cause

impairment of our goodwill and other indefinite-lived intangible assets. ~~For example, in 2020 we recorded goodwill impairment charges of \$ 58 million within our Measurement and Control Solutions segment primarily related to the performance of the business of the Pure Technologies Ltd. acquisition (" Pure") (as detailed in Note 12, " Goodwill and Other Intangible Assets ").~~ We did not record goodwill impairment charges within our Measurement and Control Solutions segment in 2021, 2022 or 2023. Material impairment charges have in the past and could in the future adversely affect our results of operations and financial condition. Changes in our effective tax rates and tax expenses may adversely affect our financial results. We sell our products in approximately 150 countries and ~~46-43~~ % of our revenue was generated outside the U. S. for the year ended December 31, ~~2023~~ **2024**. Given the global nature of our business, a number of factors may increase our effective tax rates and tax expense, including: • the geographic mix of jurisdictions in which profits are earned and taxed; • the statutory tax rates and tax laws in jurisdictions in which we conduct business; • the resolution of tax issues arising from tax examinations by various tax authorities; and • the valuation of our deferred tax assets and liabilities. Additionally, tax laws, regulations, and administrative practices in various jurisdictions may be subject to significant change, with or without notice, due to economic, political and other conditions. Significant judgment is required in evaluating and estimating our provision and accruals for these taxes. We continue to monitor the developments and tax implications surrounding changes in the global tax environment, including the Organization for Economic Co- operation and Development' s model rules that propose a global minimum tax rate of 15 %. Certain countries, ~~including EU member states,~~ have enacted **such** or are expected to enact legislation to be effective **in as early as 2024**. **Furthermore**, with widespread implementation of a global minimum we expect the U. S. Congress to consider **additional** tax ~~expected by~~ **legislation in 2025**, **including extensions or other changes to the 2017 Tax Cuts and Jobs Act**. We will continue to monitor pending legislation and implementation by individual countries and evaluate the potential impact on our business in future periods. ~~Based on currently enacted legislation, we do not expect a material impact on our effective tax rate and cash tax liabilities in the near term. However, additional guidance and details regarding implementation of these rules continue to be released. Any implementation of these rules via domestic legislation of countries or via international treaties could have a material impact on our effective tax rate or result in higher cash tax liabilities.~~ Our businesses are regularly examined by various tax authorities throughout the world and the resolutions of these examinations do not typically have a significant impact on our effective tax rates and tax expenses, but they could. For example, following an examination regarding aspects of the reorganization of our European business that occurred in 2013, the Swedish tax authority issued a tax assessment to Xylem' s Swedish subsidiary in 2019, which we are appealing as further described in Note 7, " Income Taxes. " This examination as well as other examinations can result in increased tax assessments, and settlement or litigation about the assessments and final resolution could be unfavorable to Xylem. We regularly assess the likelihood of favorable or unfavorable outcomes resulting from these examinations to determine the adequacy of our provision for income taxes, including unrecognized tax benefits; however, **unanticipated** developments in an audit or litigation could materially and adversely affect us. Although we believe our tax estimates and accruals are reasonable, there can be no assurance that any final determination will not be materially different than the treatment reflected in our historical income tax provisions, accruals and unrecognized tax benefits, which could materially and adversely affect our business, operating results, cash flows and financial condition. Our pension and other defined benefit plans are subject to **regulatory and** financial market risks ~~that could adversely impact our earnings, financial condition and cash flows in future periods~~. Certain current and retired employees are covered by pension and other defined benefit plans (collectively, " post- retirement benefit plans "). We make contributions to fund our post- retirement benefit plans when it is necessary or we consider it advantageous to do so. Risks to the Company include significant changes in market interest rates and inflation, decreases in fair value of plan assets, changes in discount rates, or changes in minimum funding requirements established by governments, taxing authorities or other agreements, any of which could increase our funding obligations and adversely impact our earnings, financial condition and cash flows in future periods. In addition to cash funding, we attempt to mitigate these risks, including through investments in assets intended to hedge market risk and in insurance solutions to transfer risk. However, the cost of our post- retirement benefit plans is incurred over long periods of time and involves factors that can be volatile and unpredictable, including rates of return on plan assets, discount rates used to calculate liabilities and expenses, changes in laws, regulatory actions, and changes in actuarial experience and assumptions, which could adversely impact our earnings, results of operations, financial condition and cash flows. Failure to comply with laws, regulations and policies related to our business conduct, including the U. S. Foreign Corrupt Practices Act, other applicable anti- corruption laws, trade regulations, and data privacy and security laws, could have a material adverse impact on **us** ~~our business, results of operations, financial condition and reputation~~. Given our global operations, we are subject to regulation under a wide variety of U. S. and non- U. S. laws, regulations and policies related to anti- bribery and corruption, trade including tariffs, exports and imports, anti- trust and competition, money laundering, and employment. Our policies mandate compliance with these laws and regulations. The U. S. Foreign Corrupt Practices Act (the" FCPA"), the U. K. Bribery Act of 2010 and similar anti- corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials or other persons for the purpose of obtaining or retaining business. We operate in many parts of the world that are recognized as having governmental and commercial corruption and in certain circumstances, strict compliance with anti- corruption laws may conflict with local business customs and practices. We cannot guarantee that our internal controls, policies and procedures will always prevent and protect us from improper conduct by our employees or business partners, including distributors **and sales agents**. In the event that we believe or have reason to believe that our employees or business partners have or may have violated applicable laws, regulations or policies, including anti- corruption laws, we are required to investigate the relevant facts and circumstances. This can be expensive and require significant time and attention from senior management. Any violation could result in substantial fines, sanctions, civil and / or criminal penalties, termination of relationships with business partners, or curtailment of operations in certain jurisdictions, and as a result might materially and adversely affect our business, results of operations or financial condition. In addition, actual or

alleged violations could damage our reputation and ability to do business. Additionally, to conduct our business and operations, we ~~regularly retain or~~ move data across borders, and consequently we are subject to the ~~continuously~~ evolving legal and regulatory landscape regarding data privacy, data protection and data security, including the California Consumer Protection Act, the EU's ~~General Data Protection Regulation~~ ("GDPR") and the China ~~Personal Information Protection Law~~ ("PIPL"). The scope of these and other laws that may be applicable to us continues to evolve, is often uncertain and may be conflicting, particularly as respects foreign laws. GDPR greatly increases the jurisdictional reach of EU law and adds a broad array of requirements for handling personal data, including the enforcement of data subject rights, enhanced security requirements, obligations to guarantee EU data subject rights are not compromised in countries outside the EU, and public disclosure of significant data breaches. Other countries, such as China with its PIPL, have enacted or are enacting data localization and security laws, as well as various reporting requirements. All of these evolving legal and operational requirements impose significant costs of compliance that are likely to increase over time. We cannot guarantee that we will at all times be in compliance with all requirements. In addition, any violation could result in substantial fines, sanctions and / or civil penalties, damage to our reputation and could materially and adversely affect our business, results of operations or financial condition. Failure to comply with, and the cost of complying with, laws, regulations, policies and taxes applicable to our operations, products and services, including those involving the environment, climate change, and health and safety, could have a material adverse impact on ~~us our business, results of operations, financial condition and reputation~~. Certain of our operations, products and services are governed by various federal, state, and local or foreign ~~environmental, health and safety~~ laws and regulations for the protection of the public, our employees and the environment, including ~~as respects those related to~~: emissions; potable and non-potable water; wastewater treatment and discharge; the generation, handling, storage, use, transport, treatment and disposal of non-hazardous and hazardous materials and wastes; the use of U. S. FCC- licensed radio spectrum (as detailed above); and our employees' health and safety. Such laws and regulations include the Occupational Health and Safety Act, the federal Safe Drinking Water Act, the Clean Water Act, the Clean Air Act, ~~RCRA the Resource Conservation and Recovery Act~~, ~~CERCLA the Comprehensive Environmental Response, Compensation, and Liability Act~~, the Toxic Substances Control Act, the Federal Insecticide, Fungicide and Rodenticide Act, the EU's Restriction of Hazardous Substance Directive, and the EU's Registration, Evaluation and Authorization of Chemicals Directive, as well as others enacted in response to environmental and climate change concerns. In addition, certain of our products may be subject to product safety regulations. For example, ~~certain of our Mar-Cor product products line provides US supplied to the medical industry are subject to U. S.~~ Food and Drug Administration 510 (k) ~~cleared water purification systems to the dialysis industry~~. The aforementioned laws and regulations establish, among other things, criteria and standards we must comply with and may require licensing, permitting, approval or reporting. We cannot ~~guarantee provide assurance~~ that our operations, products or services will at all times be in compliance with all applicable laws, regulations and permits or that we will be able to obtain or renew all required permits. Increasing public and governmental concern regarding the environment and the effects of climate change has, and may continue to, result in new or increased legal and regulatory requirements, policies and taxes intended to limit environmental damage and GHG emissions; ~~including as respects~~. ~~These may encompass~~ pollution and discharges, emissions trading schemes, carbon, fuel or other taxes. In addition, as discussed above, we ~~are expect to be~~ subject to increasing regulatory requirements around disclosures related to our business' impact on climate change. Compliance with all of these requirements is complex. Applicable requirements change frequently and the timing and substance of future changes is uncertain and difficult to predict. We incur, and expect to continue to incur, ~~increased~~ costs to comply with applicable requirements, including: i) ~~increased~~ operating and capital expenditures related to our facilities and equipment; ii) ~~increased~~ research and development costs, including with respect to the design or re-design of our products in order to conform to changing emissions and efficiency standards and regulations, and iii) costs for tools, talent and resources to ~~meeting meet~~ the increasing disclosures requirements (discussed above). Our failure to comply with applicable laws, regulations, policies and taxes may result in substantial litigation and defense costs, fines, penalties and criminal sanctions; facility shutdowns to address violations; and investments in costly pollution control equipment or operational changes to limit emissions or discharges. Developments such as the adoption of new environmental or climate change laws and regulations, enforcement actions or litigation, discovery of previously unknown or more extensive contamination conditions, obsolescence of our products, interruption or suspension of our operations, an inability to recover costs associated with any such developments, or the financial insolvency of other responsible parties, could have material adverse effects on our business, financial condition, cash flows, results of operations, and reputation. We face risks related to legal and regulatory proceedings. We are subject to various laws, regulations and other requirements of ~~U. S. and foreign~~ governmental authorities ~~in the U. S. and foreign countries~~, any violation of which could potentially create substantial liability and damage our reputation. Changes in laws, ordinances, regulations or other government policies, the nature, timing, and effect of which are uncertain, may significantly increase our expenses and liabilities. From time to time, we are involved in legal and regulatory proceedings that are incidental to the operation of our businesses (including that of acquired or previously owned entities). These proceedings may seek remedies relating to environmental matters, tax, securities, intellectual property, acquisitions or divestitures, product liability, property damage, personal injury, privacy, employment, labor and pensions, governmental and commercial or contractual issues or disputes. In addition, our continued transition to connected products and services and digital technologies and solutions has increased our exposure to intellectual property litigation and we expect that this risk will continue to increase as we execute on our innovation and technology priorities. It is not possible to predict with certainty the outcome of claims, investigations, regulatory proceedings and lawsuits, and we ~~have in the past and~~ could in the future incur judgments, fines or penalties or enter into settlements ~~and claims that could have an adverse effect on our reputation, our business, results of operations and financial condition~~. Additionally, we may be required to change or cease operations at one or more facilities if a regulatory agency determines that we have failed to comply with laws, regulations or orders applicable to our business. The global and diverse nature of our operations, coupled with the increase in regulation and enforcement in many regions ~~globally of~~

~~the globe~~, means that we will continue to face legal and compliance risks. Additional legal and regulatory proceedings and other contingencies, the outcome of which cannot be predicted with certainty, have in the past and may in the future arise from time to time. In addition, subsequent developments in legal and regulatory proceedings may affect our assessments and estimates of loss contingencies recorded as a reserve and require us to make payments in excess of our reserves ~~which~~. **Any of the foregoing impacts** could have an adverse effect on our **business, results of operations and financial condition and reputation**. Infringement or expiration of our intellectual property rights, or allegations that we have infringed upon the intellectual property rights of third parties could negatively affect us. We own numerous patents, trademarks, copyrights, trade secrets and other intellectual property and licenses to intellectual property owned by others, that are important to our business. Our intellectual property rights may provide us with competitive ~~advantage~~ **advantages** because they may help us differentiate our technologies, products and services ~~including our growing portfolio of data analytics and digitally enabled offerings~~. However, our current or future intellectual property rights may not be sufficiently broad or may be challenged, invalidated, circumvented, misappropriated, independently developed, or designed around, particularly given our operations in countries where laws governing intellectual property rights are not highly developed, protected or enforced. Our failure to obtain or maintain intellectual property rights that convey competitive advantage, adequately protect our intellectual property, or detect or prevent circumvention, misappropriation or unauthorized use of such property, as well as the cost of enforcing our intellectual property rights, could adversely impact our business, financial condition and results of operations. From time to time, we receive ~~notices~~ **claims** from third parties alleging intellectual property infringement or misappropriation. ~~Any dispute or litigation regarding intellectual property could be costly and time-consuming to defend due to the complexity and uncertainty of intellectual property litigation.~~ We may not be successful in **defending**, asserting a counterclaim ~~or negotiating a license~~, in response to ~~a~~ **such claim-claims of infringement or misappropriation**. In addition, as a result of such infringement or misappropriation claims, we could lose our rights to use or license critical technology, sell critical products and services, be required to pay substantial damages or license fees with respect to the use of third-party intellectual property rights, or be required to redesign our products at substantial cost, any of which could adversely impact our competitive position, financial condition and results of operations. Even if we successfully defend against claims of infringement or misappropriation, we may incur significant costs and diversion of management attention and resources, which could adversely affect our business, financial condition and results of operations.