



2024

SUSTAINABILITY REPORT



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Introduction

H₂O Innovation Sustainability Report 2024

Water is essential and often complex. At H₂O Innovation, we simplify water. By combining cutting-edge technology with the expertise of our team, we deliver intelligent solutions that solve water challenges for good. For the 2024 reporting period, we continued to advance our commitment to sustainable water treatment principles by integrating cutting-edge membrane technologies, expanding our specialty products, and providing reliable operation and maintenance services for water and wastewater treatment systems across North America and beyond.

Our approach to sustainability is rooted in responsible stewardship of water resources, reducing environmental impact, and supporting our communities. During this reporting period, we made significant progress in promoting water reuse, reducing waste through innovative methods, and transitioning to more sustainable packaging for our specialty products. We also strengthened our health, safety, and environmental programs to protect our employees, partners, and the public.

We are guided by these four core values: Loyalty, Entrepreneurship, Achievement, and Unity, which form the acronym L'EAU (French for "water"). These values reflect both our guiding principles and our commitment to sustainable water solutions.

H₂O Innovation remains dedicated to creating long-term value for all stakeholders while helping to build a more sustainable future for water management.

2024 by the Numbers

19

Acquisitions
over 20 years

3

Labs and R&D facilities
on 2 continents

5

Manufacturing facilities

9

Engineering / Sales
offices in 4 countries

5

Unique
business pillars

1,213

Employees
across the globe

800+

Facilities designed, built
and commissioned

650+

Water & wastewater
utilities operated and
maintained in North America

150+

Distributors & agents selling
H₂O Innovation's specialty
products to locally serve the
end-users, across **75** countries

62.2B

Gallons of **wastewater**
treated in 2024

821M

Gallons per day of **water treatment**
capacity with our equipment

133M

Galons per day **processing capacity**
from our systems for **water reuse**
maximizing resource conservation

1.2M¹

Population served through
900 miles of collection lines
and 700 lift stations

99.5%²

Compliance rate -
Over 620,000 compliance
samples taken annually

h₂O
innovation

Letter from President & CEO, Frédéric Dugré



Frédéric
Dugré

Our journey began with a bold vision: to simplify water. H₂O Innovation has grown with the clear mission of integrating leading technologies and a trusted team of experts into intelligent solutions in order to solve water for good. Today, our team of over 1,213 innovators, engineers, and changemakers lives that mission daily, delivering real-world impact through trusted relationships, cutting-edge technologies, and a deeply human approach to business.

In 2024, many countries' policies continue to shape the water sector through expanded investment, reinforcing PFAS regulation, and raising awareness around the necessity of water resiliency. At the same time, rising political polarization and regulatory uncertainty, driven by the upcoming election and shifting leadership, has created challenges around compliance and long-term planning. These highlight the need for agility in navigating evolving policy frameworks. H₂O Innovation continues to monitor and adapt to the dynamic political environment, ensuring compliance, risk mitigation, and alignment with long-term sustainability goals. We remain responsive to these changes, ensuring our strategies align with evolving regulations and sustainability priorities. Representing one approach to sustainable water treatment, our team has developed a green chemistry platform featuring phosphate-free formulations and concentrated antiscalant powders that reduce carbon emissions and water use during production and application.

H₂O Innovation is committed to ensuring water security and building resilient water infrastructure for critical facilities, including healthcare systems, educational institutions, airports, and essential industrial operations. Through our comprehensive WaterHub model, we deliver sustainable water solutions by providing end-to-end services encompassing project financing, system design, construction, and ongoing operations. This integrated approach enables us to support the long-term sustainability and operational continuity of vital community infrastructure while advancing responsible water stewardship.

As a water treatment company, our future depends on our ability to innovate, adapt to evolving regulations, invest in resilient infrastructure, and meet the growing global demand for clean, safe water. Looking ahead, we continue to focus on scaling decentralized water reuse, advancing sustainable chemical solutions, enhancing climate-resilient infrastructure, and supporting water-sector innovation.

— **Frédéric Dugré**
President & CEO, H₂O Innovation

Letter from Chair of the Board, Elena Savostianova

Ember Infrastructure is a private equity firm investing in businesses that deliver infrastructure solutions to reduce carbon intensity, improve resource efficiency, and strengthen resilience to climate impacts. In December 2023, Ember became the controlling shareholder of H₂O Innovation, taking the company private to accelerate its next phase of growth.

We partnered with H₂O Innovation because we recognized a compelling opportunity to support a very experienced management team in scaling a best-in-class integrated water solutions provider—one committed to delivering high-performance technologies and services to its customers.

H₂O Innovation continues to exemplify effective water stewardship, offering reliable, efficient, and sustainable solutions across the full water, wastewater, and reuse value chain. The company has aligned its business model with the sector's most attractive investment trends, targeting high-growth segments positioned for increased capital investments and operational improvements.

What distinguishes H₂O Innovation is not only the breadth of its offerings but also its capacity to deliver value across multiple verticals. Each business unit is positioned for organic growth, while the platform's cross-selling capabilities provide a significant advantage in meeting customer needs comprehensively.

The 2024 acquisition of NextEra Distributed Water marked a pivotal step in H₂O Innovation's evolution—bringing large-scale asset development and ownership capabilities in-house, while further expanding the company's abilities to meet its customers' demand for solutions. This transformative move established H₂O Innovation as a full-service water infrastructure platform, capable of delivering turnkey, fully financed wastewater treatment and reuse solutions to clients across North America. The transaction reflects both the company's agility and its ambition to lead in the decentralized water space.

We are proud to support H₂O Innovation's continued growth and its unwavering commitment to innovation and leadership in sustainable water solutions.

— **Elena Savostianova**
Board Chair, H₂O Innovation

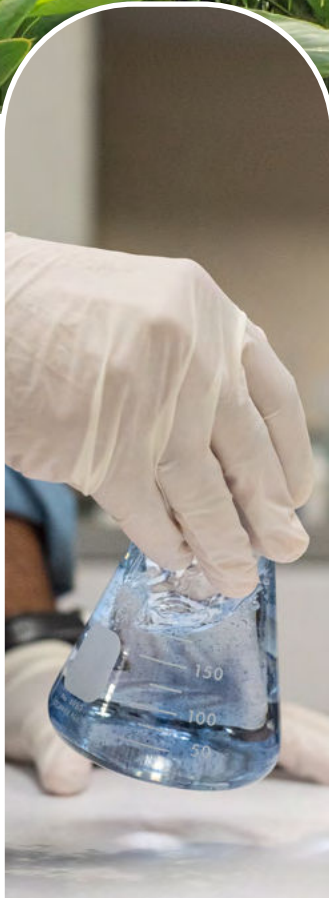
Managing Partner, Ember Infrastructure



Elena
Savostianova



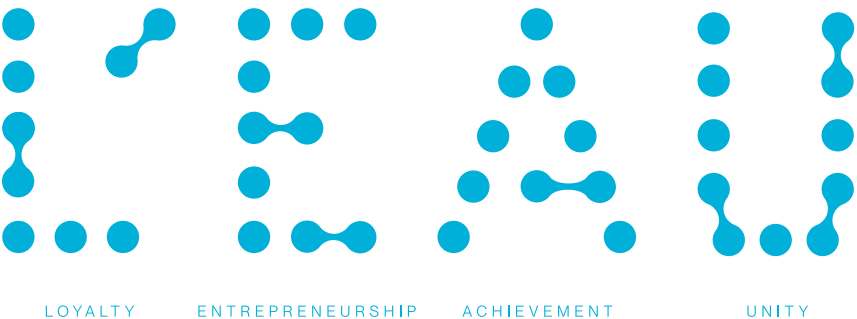
WaterHub™ in Richmond, VA
Application: Water Reuse
Capacity: 3 trains, 0.709 MGD
Completed in 2018



Mission

Water is vital and complex. We simplify water by integrating leading technologies and a trusted team of experts into intelligent solutions, solving water for good.

OUR VALUES (French for water)



Values

Through innovation and operational excellence, we empower our team to exceed customer expectations and drive industry transformation—all while protecting one of our most vital resources: water.

BUSINESS DIVISIONS

Water Technologies & Services

Our Water Technologies & Services (WTS) business pillar designs and builds custom water, wastewater and water reuse systems, with membranes at the heart of each system. We then support the customer with both site and remote services, as well as digital solutions, to optimize performance and maximize the life of the equipment.

Specialty Products

Through a global network of more than 100 distribution partners, our Specialty Products (SP) pillar manufactures and delivers specialty chemicals, maple syrup production equipment, components, and consumables to end-users with a focus on membrane applications.

Operation & Maintenance

With a commitment to exceeding regulatory requirements, we are our clients' local partner for Operations & Maintenance (O&M) and contract operations of water, wastewater, and water reuse treatment, collection, and distribution systems, pumping stations, and associated assets for customers throughout North America.

Water Infrastructure Development

The WaterHub® is an eco-engineered water reclamation and reuse system that combines natural treatment techniques with the latest filtration and disinfection technologies. H₂O Innovation acquired NextEra's Distributed Water on October 1, 2024 and manages WaterHub project designs.

Maple & Agri-Food

The development of our products is supported by a strong experience of over 20 years in the maple industry and backed by an important know-how in membrane filtration. H₂O Innovation offers intelligent products to maximize production, regardless of the size of the installations.

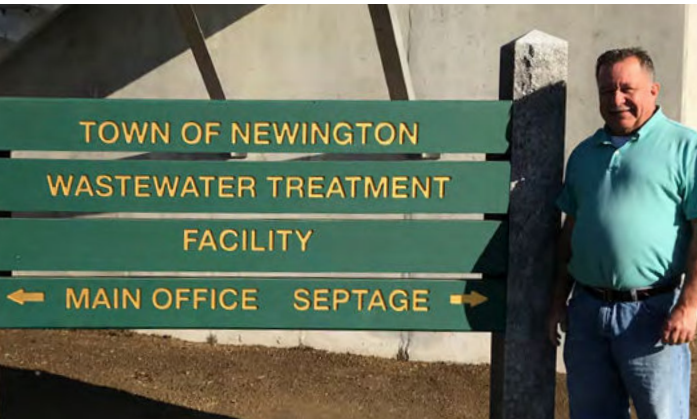
Recognitions & Awards

Year in and year out, H₂O Innovation receives industry awards for our products, services and commitment to excellence. Below is a small sampling of notable accolades and achievements we have received.



2024 | Most impactful Lab/Accelerator in water production tech - Madrid, Spain

H₂O Innovation received its second Special Mention at the Global Prize for Innovation in Water (GPIW). Nuria Peña García, H₂O Innovation's Director of Global Scientific Services, was recognized in the "Most impactful Lab/Accelerator in water production tech" category. The award acknowledged the company's continued commitment to developing innovative water treatment and sustainability solutions. The recognition reinforces the company's mission to improve global access to sustainable and reliable water solutions.



2024 | US EPA Region 1 Plant of the Year - City of Newington, NH

The Newington Wastewater Treatment Plant (WWTP), led by Plant Operator Ariel Wright, was recognized for exceptional work in operating and maintaining the wastewater treatment plant during the past year. The facility was one of only three facilities across New England to receive this award. The New Hampshire Department of Environmental Services was instrumental in the facility's nomination.

The EPA Regional Wastewater Treatment Plant Operation and Maintenance Excellence Award was established to recognize and honor the employees of publicly owned wastewater treatment plants for their commitment to improving water quality with outstanding plant operations and maintenance. Especially with the smaller facilities, conscientious operators and staff continue to perform exceptionally with limited resources.



2024 | Green Mountain Water Environment Association. - Village of Johnson Facility Excellence Award (Vermont)

The Facility Excellence in Wastewater is an award given to outstanding facilities that are exceeding system operation requirements. The recognition is for the entire facility and staff. This year had multiple recipients, the first being The Village of Johnson, which was acknowledged for the excellent work of the entire facility and staff in responding to the extreme damage caused by the flood and their efforts to maintain and restore operations.

Case Study | WaterHub

Context

Piedmont Hospital typically consumes 120 million gallons of water annually, with usage expected to double over the next six years due to hospital growth and increased operational demands. Concerns about sustainability and resiliency for its critical-care facility prompted collaboration between the hospital and city officials, particularly regarding the potential impact of water scarcity and rising costs on hospital operations.

To address these challenges, H₂O Innovation and the hospital collaborated to analyze the installation’s wastewater production and facility demands. This analysis led to the development of the WaterHub™ concept for Piedmont. Given the hospital’s location on a busy campus with limited space in the bustling heart of Atlanta, the WaterHub™ needed to be discreet, compact, and cost-effective.

Solution

The WaterHub™ is an eco-engineered water reclamation and reuse system. This project is part of a groundbreaking business model that employs state-of-the-art filtration and disinfection technology.

The treatment process involves the interception of wastewater from the hospital, its on-site transformation into clean, high-quality water, and the reuse of the treated effluent for utility purposes, namely for cooling tower makeup and boiler feed within the hospital.

This system is esthetically pleasing with a design that complements the urban location. With its 4,000 square-foot footprint, it is exceptionally compact. The WaterHub™ allows the facility to avoid cost and environmental impacts through a reduction in water demand and reduced wastewater generation and transportation.



RO Train at Piedmont WaterHub™.



Piedmont Hospital, Atlanta, GA, USA.

Synergies

This project is a great example of how different business lines of H₂O Innovation work together to deliver a complete solution. Our Water Technologies & Services team designed and installed advanced treatment systems to meet the unique needs of the hospital, including smart controls to automate operations. They also partnered with our Specialty Products team to provide the necessary treatment products and chemicals to keep the system running efficiently.

Once the system was up and running, our Operations & Maintenance team stepped in to ensure everything operated smoothly. They provided support during the startup and now continue to manage the plant’s daily operations. Given the complexity and high level of automation at the facility, a dedicated full-time operator is on-site to keep everything working as it should.

Upon full build-out, the Piedmont Hospital Water Hub is expected to conserve 75 million gallons of water annually. This is equivalent to the annual water usage of 1,000 homes, which highlights the project’s significant environmental and sustainability impact.

Results

The Piedmont Hospital WaterHub™ reduces wastewater discharge by up to 250,000 gallons per day, a 60% decrease in overall output. It also cuts potable water use by 40% and lowers energy costs by 25%, demonstrating how on-site reuse can drive both operational efficiency and environmental resilience.

Emergency

During one of Atlanta’s “Midtown Geyser” water main break, the Piedmont Atlanta Hospital remained unaffected thanks to its on-site WaterHub. Though not used for drinking, the treated wastewater is clean enough to meet high purity standards. The system ensures that hospital operations, including critical patient care, continue uninterrupted even if city water infrastructure fails — an investment hospital leaders say guarantees reliability and peace of mind.



TREATMENT SYSTEM OVERVIEW

Process Design

- Intercept Pumping: 305 gpm
- 60,000 gal. Equalization Tank
- Primary: < 2mm Rotary Screen
- Secondary: Anoxic, Aerobic
- Tertiary: 2-train Submerged MBR
- Disinfection: UV + Chlorine
- 2-train Reverse Osmosis System
- 2,400 CFM Odor Control, Planted Biofilter
- 27,000 gal. Blended Reuse Tank
- 7,200 gal. RO Storage Tank

Effluent Design

- BOD < 2.0
- TSS < 2.0
- TKN < 3.0
- Conductivity: 250/251

System footprint

5,870 ft²

75% Reduction in sewer flows

40% Reduction in potable water use

Up to

250,000 gallons/day

Water and Carbon Footprint

Environmental Reporting Statement

In alignment with our environmental responsibility and commitment to transparency, we conduct comprehensive greenhouse gas (GHG) emissions reporting following the rigorous ISO 14064:2018 international standard. This standard provides a systematic framework for quantifying, monitoring, and reporting GHG emissions at the organizational level, ensuring consistency and credibility in our environmental disclosures. Our current emissions assessment encompasses both Scope 1 and Scope 2 categories, representing the foundation of our carbon and water footprint analysis.

Through systematic measurement and disclosure of these emissions, we seek to establish a baseline for environmental performance, uncover potential reduction opportunities through operational efficiency improvements, monitor our advancement toward established climate objectives, and fulfill the growing expectations of our stakeholders—including investors, customers, regulatory bodies, employees and community members who increasingly demand transparent environmental reporting.

Current Reporting Scope

Our current reporting scope for the 2023-2024 assessment covers exclusively Scope 1 and 2 emissions for both carbon and water footprint analysis. This specific timeframe follows the previous assessment year. Using the AWARE (Available Water Remaining) calculations in the first report, we determined that most business units of the company were not located in areas with high or extreme water stress, resulting in the need to adjust our methodology. For this analysis, the ReCiPe method has been used as the assessment framework, evaluating broader ecological impacts of water consumption and focusing on long-term environmental consequences rather than immediate water availability.

Scope 3 Development

While this provides a solid foundation for understanding our direct environmental impact, we acknowledge that Scope 3 emissions evaluation—which would include indirect emissions from our supply chain, business travel, employee commuting, waste disposal, and product lifecycle impacts—remains in active development. The complexity of Scope 3 reporting requires extensive collaboration with suppliers, detailed life cycle assessments, and sophisticated data collection systems that we are currently implementing.



Water and Carbon Footprint (continued)

Results and Year-over-Year Comparison

In comparison with the 2022 calculation, the Carbon Footprint for Scope 1 has increased by 7%, while Scope 2 has increased by 8%. Overall, the combined Scope 1 and 2 has risen by 46%.

Regarding the variations observed between this period and the results from the previous analysis, it should be noted that the differences may be significant. It is important to clarify that the data collection process during the 2023-2024 period has been more exhaustive and detailed, unlike the 2021-2022 period, which, being the first year of calculation, involved numerous assumptions. This improvement in data accuracy has resulted in higher values for this year, but they are also more precise.

Moving Forward

Moving forward, this emissions data will serve as the foundation for developing targeted reduction strategies, implementing energy efficiency initiatives, exploring renewable energy procurement options, and enhancing our overall environmental management system to ensure compliance with regulatory requirements and alignment with stakeholder expectations for responsible environmental stewardship.



ESG Oversight

At H₂O Innovation, Environmental, Social, and Governance (ESG) principles are not just part of our strategy, they are the foundation of our identity. We pride ourselves on cultivating an equitable and inclusive culture to support our talented employees, while addressing global environmental and social concerns.

Environment

As a water company and proud signatory of the CEO Water Mandate, we are deeply committed to responsible water stewardship and strive to contribute to the push for more sustainable and resilient water solutions. We know all too well the importance of water conservation and the necessity to take proactive steps to manage this precious resource responsibly. Ensuring that the services we provide and the products we design, manufacture, or sell, have minimal negative environmental and social impacts is always top of mind.

A key part in our efforts to reduce freshwater dependency and enhance local water resilience are our WaterHubs. These on-site wastewater treatment and reuse facilities are efficient recycling systems that reclaim wastewater for non-potable demands such as heating and cooling, irrigation and toilet flushing.

Reducing our overall carbon footprint also remains a priority. Energy efficient system designs and reduced CO₂ emissions from shipping our super-concentrated treatment chemicals are two examples of how we show care for the environment.

Within our Operation & Maintenance division, environmental compliance is central to our work. We proudly maintain a >99.5% environmental compliance rate across 607 water and wastewater sites we operate throughout the United States and Canada.

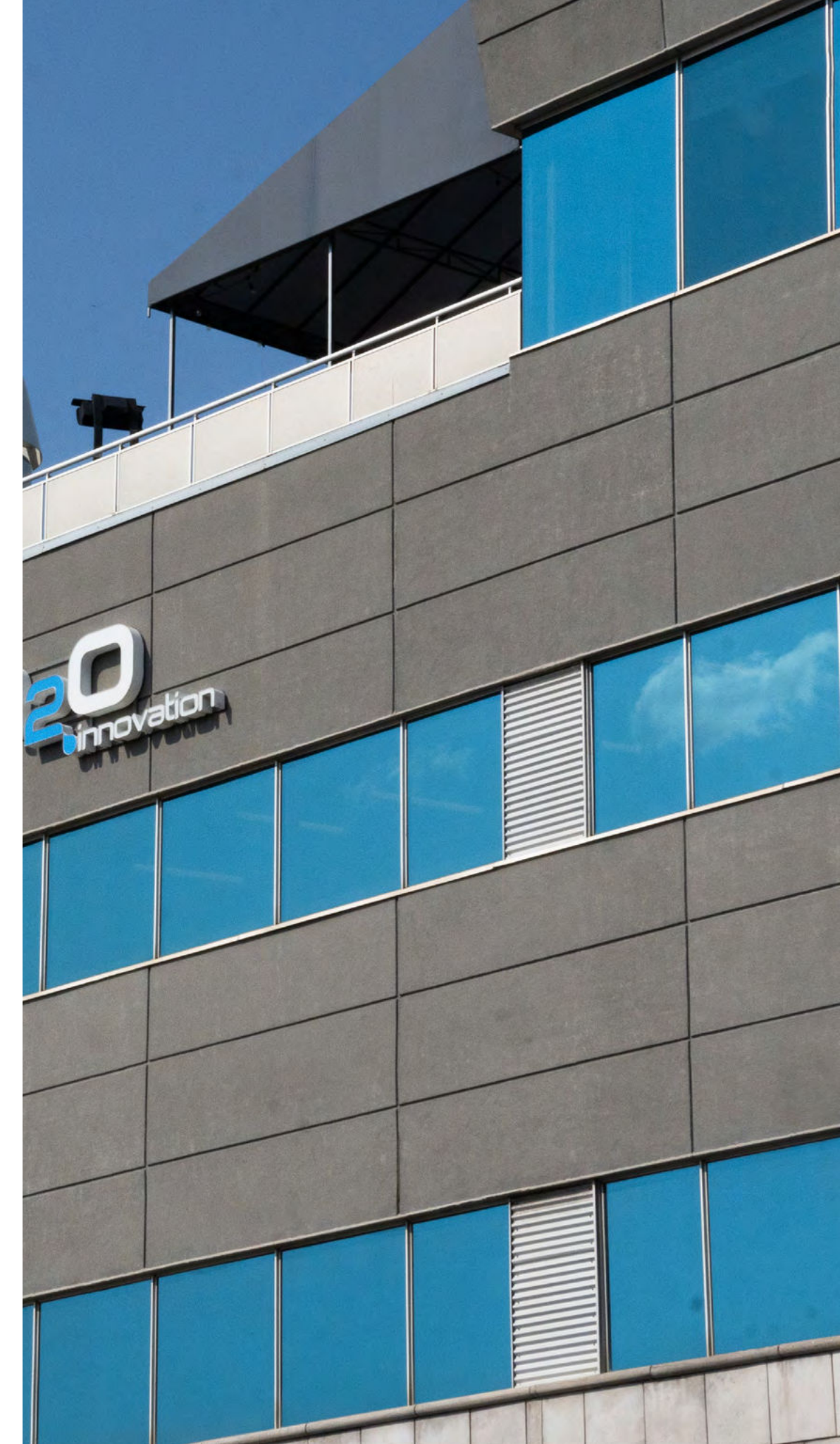
Social

At H₂O Innovation, we are committed to upholding human rights throughout our operations and supply chain. We believe our people are our most valuable asset, and we strive to foster an inclusive, safe and supportive work environment where everyone can thrive. When our people feel heard, valued, and empowered, they can make a greater impact within the company and beyond. This stance guides our daily actions and long-term vision.

With increasing water scarcity affecting regions worldwide, H₂O Innovation believes water stewardship is no longer optional.

This is why H₂O Innovation is committed to supporting and advancing water positive initiatives. Being water positive goes beyond water neutrality. It means being proactive and taking steps to restore and replenish more water back into local ecosystems than the amount consumed. The end goal is to help regenerate local watersheds and support surrounding communities for years to come.

Our commitment to protecting water resources extends beyond operations. We partner with NGOs and support community-based initiatives that improve access to clean water for underserved populations. Our employees actively participate in some of these programs, reflecting our belief that giving back is essential to driving sustainable impact. Through our sponsorship of globally recognized sailing events, we hope to raise awareness about water challenges and drive the conversation about the need for sustainable water treatment practices beyond the industry in which we operate.



ESG Oversight (continued)

Governance

We hold ourselves to the highest ethical standards, grounded in respect for international human rights principles, a zero-tolerance stance on bribery and corruption and the implementation of secure and resilient IT infrastructure. We recognize our responsibility to operate with integrity, transparency, and accountability, fostering long-term trust with our customers, partners, and communities.

To uphold these values, we have developed robust governance frameworks and policies that ensure we remain accountable, transparent, and true to our values.

Our governance structure ensures that decision-making is guided by integrity, oversight, and a commitment to sustainable value creation. Through clearly defined roles, responsibilities, and internal controls, we promote ethical conduct and drive accountability at all levels of the organization.

H₂O Innovation submitted its annual reports in May 2024 and May 2025, fulfilling the requirements under the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act.

Gulfport Feed the Homeless
[SDG 1](#) • [SDG 2](#) • [SDG 3](#) • [SDG 10](#)

Women's Resource
[SDG 1](#) • [SDG 2](#) • [SDG 3](#) • [SDG 5](#) •
[SDG 10](#)

Harris County Education
[SDG 1](#) • [SDG 2](#) • [SDG 3](#) • [SDG 4](#) •
[SDG 5](#) • [SDG 8](#) • [SDG 10](#)



Sustainable Solutions for Clients

Through our projects and services, H₂O Innovation supports municipalities and industries in implementing advanced treatment systems that conserve freshwater, reduce wastewater discharge, promote water reuse, and improve overall resource efficiency. In parallel, our product offerings—ranging from high-performance consumables to smart membrane care solutions—help extend equipment lifespan, reduce chemical consumption, and minimize waste, enabling more efficient and environmentally responsible operations. These efforts further ingrain sustainability into the H₂O culture and beyond.

PROJECTS AND SERVICES	PRODUCTS
- Advances water treatment - Improves discharge quality - Deploys energy-efficient membrane systems - Offers custom systems adaptable to local needs - Helps clients meet regulatory requirements sustainably - Enables circularity in water use - Decentralized systems reduce reliance on grid infrastructure - Reduces freshwater withdrawals - Reduces water discharge - Supports off-grid or remote community access to clean water	- Provides critical components for advanced projects and services - Extends membrane lifespan, reducing waste - Lowers carbon footprint by using concentrated products - Lowers chemical consumption with eco-formulations - Improves system efficiency and reduces downtime - Enhances energy efficiency through better cleaning cycles - Reduces frequency of equipment replacement

The result : lower water and emissions footprint. Lower costs. Stronger sustainability.



“By using Genesol 704, we increased our permeate flow by 20%, reduced inlet pressure, and significantly lowered the risk of fouling. It made our entire system more efficient.”

— Client, Aktau, Kazakhstan



Case Study | Super Concentrated Antiscalants

At its core, our SpectraGuard™ 111 (SG111) product is a sophisticated chemical formulation designed to control the formation of various types of scale that commonly plague reverse osmosis systems.

Environmental Advantages

The environmental benefits of SG111 are multifaceted and address several key areas of ecological concern. Perhaps most significantly, the product is formulated without phosphates or phosphonates, which represents a major step forward in environmentally responsible water treatment. Traditional antiscalants often contain these compounds, which can contribute to water pollution and eutrophication in aquatic ecosystems when discharged. By eliminating these potentially harmful chemicals, SG111 reduces the environmental impact of water treatment operations.

The concentrated formulation delivers significant cost advantages across multiple areas. Stock inventory and storage requirements are reduced by 90%, creating substantial space savings and lower warehousing costs. The system also streamlines ordering and payment processes, reducing administrative complexity. Transportation expenses decrease by approximately 92%, representing major logistics savings.

Packaging-related benefits include a 90% reduction in packaging costs and approximately 90% fewer emissions from both packaging materials and transportation. The carbon footprint improvement is particularly notable, as manufacturing and transporting a standard IBC³ generates over 300 kg of CO₂ emissions. By minimizing container usage through concentration, these emissions are dramatically reduced.

Life Cycle Analysis

As part of H₂O Innovation's environmental responsibility efforts, a Life Cycle Assessment (LCA) was conducted in 2022 to quantify the environmental impact of its SG111 super-concentrated dendrimer-based antiscalant.

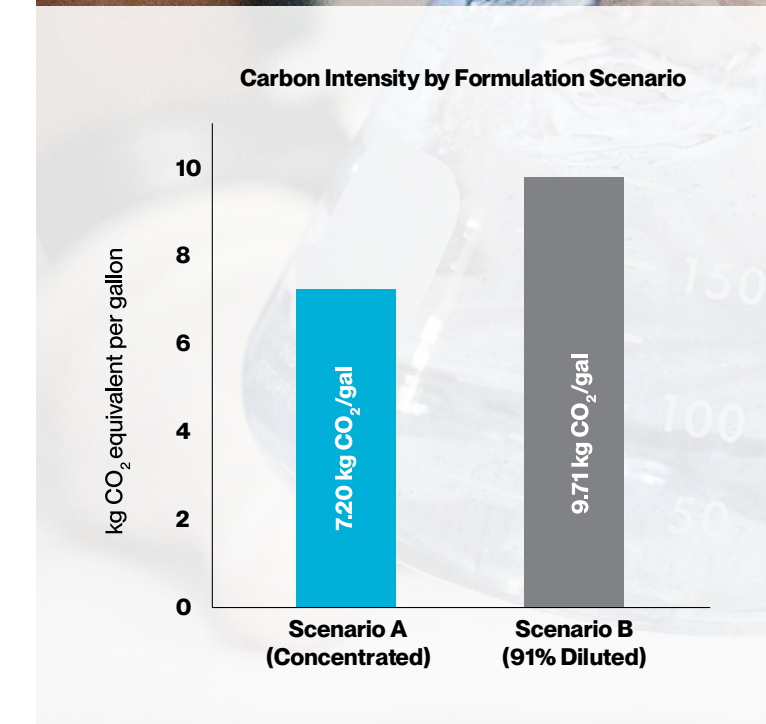
This LCA examined every phase of the product's journey, spanning from initial raw material procurement to final disposal. The research was conducted at our San Diego location following ISO 14040/14044 standards, with one gallon (3.78 liters) of the finished formulated product serving as the functional unit.

The LCA sensitivity scenarios examined climate change impacts under different concentration levels to understand the environmental implications of product formulation. Two primary scenarios were evaluated to assess the carbon footprint variations.

Scenario A represents the concentrated formulation used in the actual LCA study, which generated 7.2 kg CO₂ equivalent per gallon. This concentrated approach demonstrates the environmental efficiency of the optimized formulation.

In contrast, Scenario B examined a significantly diluted version at 91% dilution, resulting in 9.71 kg CO₂ equivalent per gallon. This represents a notable increase in carbon intensity compared to the concentrated alternative.

The comparison reveals that the diluted formulation increases the climate change impact by approximately 35% per gallon of functional product. This difference underscores the environmental advantage of concentrated formulations, as they require less packaging, transportation, and storage per unit of active ingredient delivered. The sensitivity analysis confirms that product concentration is a critical factor in minimizing the overall environmental footprint of specialty chemical products.



Our People

Competitive Healthcare Plan

At H₂O Innovation, we prioritize the well-being of our employees. As part of this commitment, we offer a comprehensive range of insurance benefits. These include Health Insurance, a Health Savings Account (HSA), Telemedicine, as well as voluntary Dental, Vision, Short-Term and Long-Term Disability, and Life Insurance for employees, spouses, and children. In addition, all employees receive company-paid Life Insurance coverage equal to at least one time their base salary.

Retirement Savings Plans (401K and RRSP)

We contribute an amount equal to 100% of the employee's first 3% contribution, and 25% of any additional contributions, up to a maximum of 5% of the employee's salary.

Wellness Program

Wellness days are a way to promote work-family balance and to encourage a healthy equilibrium between an employee's professional and personal lives without compromising their vacation time or their pay. This approach is in keeping with our corporate values and culture.

Employee Assistance Program (EAP)

When H₂O Innovation employees or their family members need extra support, whether it is an issue at work or at home, the EAP is there to provide confidential professional assistance, 24/7.

Flexible Work Schedule

Many of our employees are approved to work from home or have a hybrid work schedule (3-4 days at the office and 1-2 days at home).

Variable Remuneration Based on Performance Available to All Employees

Under the form of commissions, bonuses, annual variable remuneration and profit sharing.

Transportation or Parking Allowances

For the employees who do not have access to free parking, we give an allowance to alleviate those costs. We also offer transportation reimbursement for employees living in remote areas and pay for public transit passes.

Paid Vacation Time and Sick Days

Depending upon the country of residence, all our employees enjoy between 11 and 14 days.

Paid Training and Team Buildings Activities

Activities and events organized by the employer to help employees develop skills and strengthen teamwork.

Biennial Management Bootcamp

Practical training program that helps managers learn the skills and tools they need to lead teams, run projects, and achieve company goals

Employee Referral Program

An amount is paid to an employee who refers someone who is hired by the company and retains their employment anywhere in the organization.

Reimbursement of Professional Certification

Association Fees / Employee Certification for water and wastewater treatment operators

Career Development and Training Programs

Using Udemy for Business as an online learning tool that provides employees access to professional courses



Diversity, Equity, Inclusion (DEI)

As an international company, H₂O Innovation prioritizes diversity and inclusion. To further reinforce these principles, we have implemented a mandatory training program for all employees, both new and existing. This foundational training focuses on Diversity, Equity, and Inclusion (DEI) principles, ensuring that everyone within the organization understands and embraces these values. This is not a one-time occurrence; refresher training is required from time to time.

Additionally, we have established a dedicated email address where employees can report any inappropriate behavior they may witness. A committee oversees the management of these reports, ensuring a fair and transparent process to address concerns and foster a respectful workplace for all.

Bias Workshop for Managers

In 2023, we conducted a workshop on biases during our management meeting. The purpose of this workshop was to encourage open discussion, provoke thoughtful reflection, and explore new approaches to fostering inclusivity.

Inclusive Language in Communications

Our team has integrated inclusive language into all internal and external communications. This initiative has been positively received by both our internal stakeholders and potential candidates, reinforcing our commitment to inclusive practices.

Promoting Gender Diversity in Male-Dominated Fields

We recognize the importance of promoting gender diversity within traditionally male-dominated industries such as engineering, information technology, and management. We are committed to advancing women's participation in these sectors by actively partnering with local organizations and educational initiatives that promote female representation and provide mentorship.

Our approach includes:

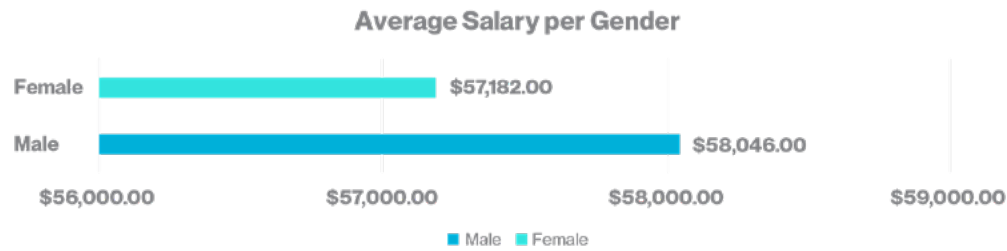
1. Collaborations with Local Organizations: We work closely with local initiatives that focus on inspiring young women to pursue careers in STEM (Science, Technology, Engineering, and Mathematics), including offering internships, mentorships, and scholarships aimed specifically at women.
2. Inclusive Recruitment Practices: Our recruitment efforts are designed to be inclusive and to attract a diverse pool of talent. We actively encourage women to apply for roles in all areas, with a focus on STEM fields where they are underrepresented.

By embracing these initiatives, we aim to create an environment where women can thrive and contribute meaningfully to sectors that shape the future of innovation. Diversity not only fosters creativity and problem-solving but is also essential for long-term sustainability and success in today's rapidly evolving global market.

Since 2021, we've expanded women's representation in our workforce from **13% to over 18%**, with **one in five** management roles now held by women.



DEI (continued)

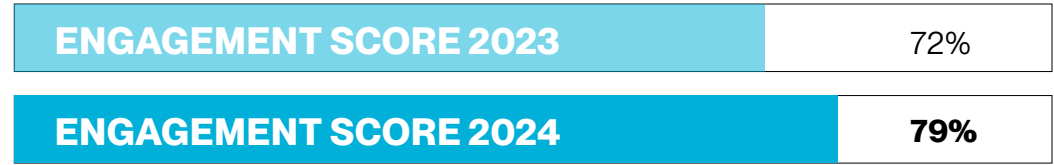


Employee Engagement and Our Commitment to Growth

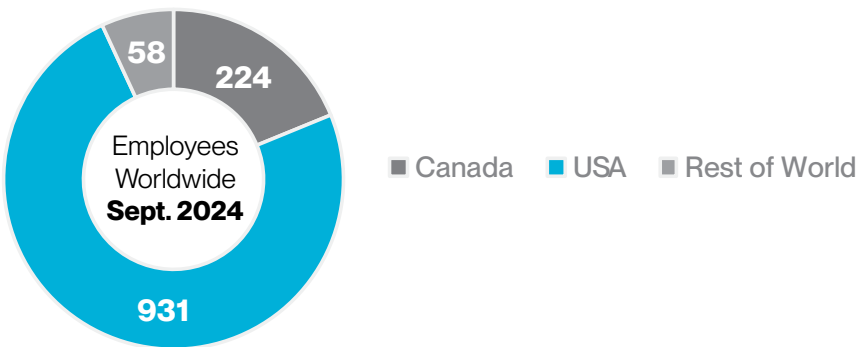
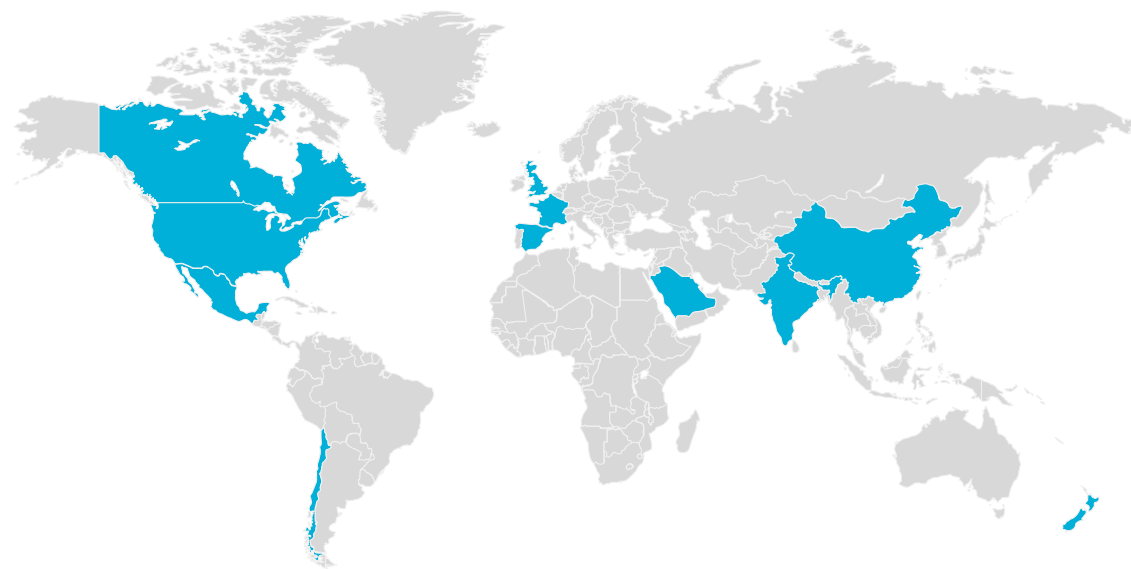
At H₂O Innovation, we deeply value the engagement and satisfaction of our employees, recognizing that our greatest strength lies in our people and the unique company culture we've cultivated. Every year, we conduct an employee engagement survey to gauge the pulse of our workforce and identify areas for growth.

In 2023, we achieved an engagement score of 72%. However, we are excited to report that our efforts have paid off; **the 2024 survey results reveal a significant increase in our engagement score, now standing at 79%.**

This upward trend reflects the hard work and dedication of our teams, as well as the success of initiatives focused on enhancing communication and strengthening our organizational culture. As we look ahead, our focus for the coming years will be on improving communication across all employee groups and developing personalized career development plans. These initiatives will ensure every individual has the opportunity to grow, thrive, and advance within H₂O Innovation. Further enriching our workplace and reinforcing our commitment to sustainable development and employee well-being will drive progress in all aspects of our business.



OUR 1213 EMPLOYEES



Policies

Strengthening Our Commitment to Responsible Business Practices

Four new policies adopted

Since the last report, H₂O Innovation has strengthened its corporate governance by adopting four new policies: the Water and Product Stewardship Guidelines, the Human Rights Policy, the Anti-Bribery Policy, and the Privacy Policy. While the principles underlying these policies were already embedded to some extent in our Code of Conduct and Ethics, formalizing them as independent policies was a deliberate decision to enhance clarity, visibility, and accountability. Together, our policies form a comprehensive framework that guides our operations, employee conduct, and engagement with all stakeholders, ensuring that we act ethically, responsibly, and in full compliance with regulatory requirements.

The Water and Product Stewardship Guidelines

The Water and Product Stewardship Guidelines, aligned with the United Nations sustainable development goals, reflect H₂O Innovation's dedication to environmental sustainability and responsible resource management. We recognize the critical importance of water conservation and are dedicated to taking proactive measures to manage water resources responsibly. Furthermore, we strive to ensure that the products we design, manufacture, or sell minimize environmental and social impacts throughout their lifecycle.

The Human Rights Policy

Respect for human rights is a fundamental principle of our business operations. Our Human Rights Policy is aligned with international frameworks such as the United Nations Guiding Principles on Business and Human Rights. We are committed to fair labor practices, non-discrimination, and the protection of workers' rights. Our Human Rights Policy prohibits the use of forced or child labor and states H₂O Innovation's commitment to promote diversity, equity and inclusion and a safe and healthy working environment. This policy extends to all employees, suppliers, and business partners, ensuring that human rights are upheld throughout our value chain.

The Anti-Bribery Policy

H₂O Innovation maintains a strict zero-tolerance policy toward bribery and corruption. Our Anti-Bribery Policy prohibits all forms of bribery, including the offering, giving, receiving, or soliciting of anything of value intended to improperly influence business decisions. The policy provides clear guidelines on gifts, hospitality, donations, and facilitation payments to prevent any unethical practices. We ensure compliance through robust training, monitoring, and enforcement mechanisms.

The Employee Privacy Policy

We recognize the importance of protecting our employees' data and privacy in an increasingly digital world. Our Employee Privacy Policy adds to our Privacy Policy to outline our approach to safeguarding personal and confidential information, ensuring compliance with applicable data protection laws and regulations. We implement strict security measures to protect employee and business partners' data from unauthorized access, breaches, and misuse. Our policy also ensures transparency in data collection, storage, and processing, giving individuals control over their personal information.



Policies (continued)

Strengthening Our Commitment to Responsible Business Practices

We have also reviewed and updated our existing corporate policies, where necessary, to ensure they remain current with applicable laws, regulations, and standards, and continue to reflect H₂O Innovation’s values and evolving operational practices:

The Ethics and Business Conduct Policy

This policy establishes the legal and ethical conduct standards required of all H₂O Innovation’s representatives, including its employees, consultants, board members, or anyone involved in operations. It outlines our commitment to integrity, fairness, and transparency in all business dealings. H₂O Innovation’s representatives are expected to act with professionalism, respect for others, and adherence to legal and regulatory requirements, ensuring that our corporate culture remains ethical and aligned with our core values.

The Supplier Code of Conduct

As a company committed to responsible sourcing, our Supplier Code of Conduct sets clear expectations for ethical behavior, human rights protection, and environmental sustainability among our suppliers. We require all existing and new vendors, contractors, distributors, agents, service providers and consultants to adhere to applicable laws, maintain ethical business practices, comply with labor laws notably by prohibiting child and forced labor, ensure workplace safety, and conduct their operations with minimal environmental impact.

The Whistleblower Policy

We have established this policy to promote a culture of accountability and transparency that enables employees and stakeholders to report concerns related to unethical behavior, misconduct, or violations of H₂O Innovation’s policies without fear of retaliation. We provide secure and confidential reporting channels, and all reported concerns are investigated thoroughly and fairly.

The Delegation of Authority Policy

Our Delegation of Authority Policy defines the framework for decision making within the organization. It ensures that decisions are made responsibly and in compliance with internal controls and regulatory requirements. It also helps mitigate risks by assigning appropriate authority levels to employees based on their roles and responsibilities.

The Policy on the Use of Information Technology and Telecommunications

In an era of increasing cyber threats and digital transformation, our IT Policy establishes guidelines for the secure and ethical use of technology within the company. This policy covers data security, cybersecurity measures, acceptable use of IT resources, and compliance with regulatory standards.

Employees are required to follow best practices for data protection, including strong password management, secure access to company systems, and adherence to IT security protocols. Regular training and monitoring are conducted to enhance cybersecurity awareness and prevent data breaches.



Giving Back

As a company, we take great pride in being more than just a business operating in our communities—we strive to be a true partner and good corporate citizen. Our commitment to the neighborhoods and regions where we work goes far beyond our day-to-day operations.

Why We Choose to Be Active in Our Communities

First and foremost, we believe it is our duty to contribute positively to the places where our employees live and work. By supporting local initiatives, we help enhance the quality of life for everyone around us—whether through investments in education, health, or infrastructure, or by providing opportunities for local businesses and job seekers. Our goal is to foster community development and create lasting, positive impact.

But our involvement is not just about giving back—it is also about building trust. When we act as responsible neighbors, we strengthen our relationships with customers, employees, and local partners.

From a business perspective, being a good corporate citizen also brings real benefits. It helps us attract and retain talented employees who want to work for a company with strong values. It builds loyalty among our customers, who increasingly want to support businesses that make a difference. And, ultimately, it supports our growth, as a positive reputation opens doors to new opportunities and partnerships.

To showcase this journey, this is an example of the Operation and Maintenance (O&M) business pillar of H₂O Innovation. In 2024, the team made significant contributions through sponsorships and fundraising events across Texas, New York, Mississippi, and several other states. There are more than 50 initiatives that were supported by this division over 2024, showcasing our commitment to supporting our communities.

Seeds of Change

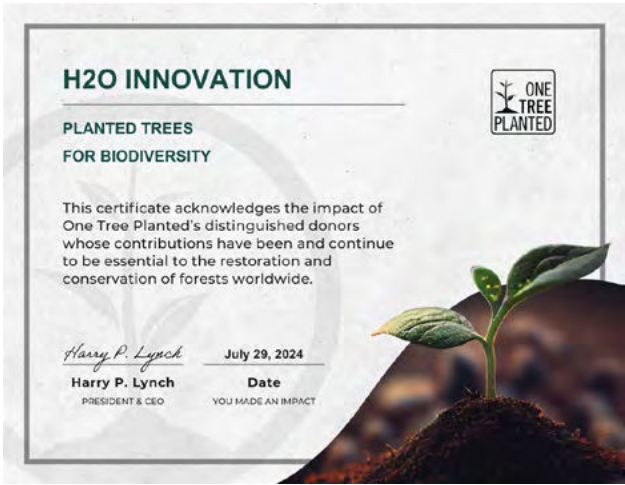
H₂O Innovation remains committed to supporting humanitarian initiatives that create meaningful, sustainable change. We recognize that true sustainability encompasses not only environmental responsibility but also social equity and community well-being.

Seeds of Change is a nonprofit foundation that strives to transform the lives of individuals through education and agriculture. Our ongoing engagement with organizations like Seeds of Change reflects our dedication to being responsible corporate citizens and contributing to global development efforts.

One Tree Planted

H₂O Innovation has an established strategic partnership with One Tree Planted, a leading environmental NGO focused on global reforestation efforts. This collaboration demonstrates our commitment to environmental restoration and climate action beyond our direct operations. This partnership exemplifies our approach to stakeholder engagement, allowing customers to participate directly in environmental restoration efforts through their purchasing decisions. With each purchase of our SG 111 antiscalant, customers become active participants in our sustainability mission.

Through these efforts, we continue to advance our mission and share best practices, ensuring that both our communities and our industry thrive.



Certificate of Acknowledgement from One Tree Planted.



Water Positive Initiative

The concept of water positivity involves enhancing the regeneration of water resources beyond the amount consumed. It includes innovative practices such as improving water efficiency, increasing water recycling, and advancing sustainable water management technologies. By integrating these practices, we aim to foster a more water-resilient world.

Sailing Team

Since July 2023, H₂O Innovation has been partnering with Canada Ocean Racing in supporting the Be Water Positive sailing campaign, embarking on a journey that extends H₂O Innovation's commitment to water sustainability into the vast expanses of the world's oceans.

The Be Water Positive sailing campaign, led by the Canadian businessman, adventurer, and professional sailor Scott Shawyer and his sailing team, aims to recognize the impact of water scarcity while racing on the oceans. By promoting a message of water positivity, the team sheds light on global water scarcity and inspire positive change in how we all manage our precious water resources and our environment.

In collaboration with the International Desalination and Reuse Association (IDRA) and H₂O Innovation, the campaign extends its water sustainability advocacy beyond the ocean to land-based initiatives. This collaboration is more than a sponsorship; it's a shared mission to highlight the critical importance of water conservation and innovative water management solutions.



Pre-race gathering at the Canada Ocean Racing tent.

For example, during the Liberty Race, also known as the Vendée Liberty, a special event organized as part of the New York Vendée - Les Sables d'Olonne race, serving as the final qualifying event for the prestigious Vendée Globe, scheduled for May 24, 2024, in Manhattan Bay, New York, the team promoted water positivity in numerous ways. H₂O Innovation provided its recycled-water beer, named Revival Beer, to all attendees of the race, which led to valuable opportunities to discuss water positivity.

The name "Revival" symbolizes the second life given to the water used as its main ingredient, emphasizing the importance of sustainable water use. Revival Beer thus serves not only as a refreshing beverage but also as a tangible example of how advanced water recycling technology can contribute to sustainability in brewing and water management. It was also possible for many to meet the Canada Ocean Racing team and discuss challenges around sailing and the importance of fighting water scarcity by implementing water-positive solutions.



Social media advertisement of the Revival Beer Pale Ale (3rd Edition) brewed for NY Vendée.



UN Global Compact CEO Water Mandate

Since 2022, H₂O Innovation has committed to reporting to the UN Global Compact (UNGC) initiative. The UNGC is the world's largest voluntary corporate sustainability initiative, inviting companies to align their strategies and operations with ten universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. By joining, H₂O Innovation commits to responsible practices that support broader UN goals, including the Sustainable Development Goals (SDGs), and publicly reports on our progress.

Endorsed by H₂O Innovation in 2022, the CEO Water Mandate is a specialized initiative under the UNGC, launched in partnership with the Pacific Institute, that mobilizes business leaders to advance global water stewardship. Companies endorsing the CEO Water Mandate commit to continuous improvement across six key areas: direct operations, supply chain and watershed management, collective action, public policy, community engagement, and transparency. Endorsing the Mandate requires companies to be UNGC signatories, or to become one within a year, and to report annually on their water stewardship progress.

Together, participation in the UNGC and endorsement of the CEO Water Mandate underscore H₂O Innovation's commitment to sustainable, responsible business and proactive leadership in addressing global water challenges.



United Nations
Global Compact



Health, Safety & Environment

H₂O Innovation has undergone a comprehensive Health, Safety, and Environmental (HSE) transformation over the past three years. The foundation of our transformation has been built on strengthening accountability at every organizational level. While we maintained strong engagement at the corporate level with senior H₂O Innovation staff, we recognized the critical need to push accountability down to frontline managers and supervisors. This approach has proven essential for improving performance through localized ownership and responsibility.

To support this initiative, we restructured our HSE support team to be regionally distributed, continuing to expand both the team size and their specialized capabilities to meet local requirements. This strategic realignment has been instrumental in driving increased HSE culture throughout the organization, ensuring that safety priorities are understood and implemented at the ground level where they matter most.

Leading Indicators and Performance Metrics

Our focus shifted toward proactive measurement through leading indicators, including observations, inspections, training completion rates, and time to close reports. We established specific targets such as one observation per employee per quarter, which directly aligns with our commitment to engagement and accountability across all organizational levels. This metrics-driven approach has provided clear benchmarks for success and continuous improvement opportunities.

Vehicle Safety Program Success

Following the heightened focus on vehicle incidents in 2022 and 2023, we gained valuable insights that led to action. In 2024, we deployed a comprehensive telematics system across company vehicles in our operating regions, combining data collection with targeted communication and coaching for frontline managers and staff to enhance driving behaviors.

The results exceeded expectations. Within less than 12 months, we improved our average driving performance to over 90%. We have documented significant decreases in incident severity, frequency of injuries, and at-fault accident occurrences. This program demonstrates the power of combining technology, data-driven insights, and focused training to achieve measurable safety improvements.

Anti-Idling

Since 2023, drivers of any H₂O vehicle shall turn off the engine upon stopping at a destination and shall not cause or allow an engine to idle at any location for more than 10 minutes. Idling vehicles create pollution and cause premature engine wear. It is every employee's responsibility to minimize fleet operating costs while reducing harmful effects to our air quality. Any infringement of this policy can lead to measures taken by authority.

Key Improvements:

- **TCIR decreased 13.5%** - Fewer overall workplace injuries and illnesses per 100 employees
- **EMR decreased 25%** - Significantly lower workers' compensation claims vs. industry standards
- **DART decreased 35%** - Substantial reduction in serious injuries requiring time off or job restrictions
- **10,000 proactive safety observations** - Observations are a quick and easy way to document an unsafe condition, action, defect, or flawed piece of equipment. By reporting these items in Sospes, employees can actively prevent an unfortunate event from occurring.



Cybersecurity

Information security is an essential function that allows us to conduct our daily business activities with the confidence that our servers, information and data are properly protected. Our IT department develops and enforces stringent IT Policy as well as standards, procedures and guidelines to protect our assets and to achieve the following objectives.

- ✔ **Guarantee the security and the integrity of our databases and other technological assets**
- ✔ **Prevent the illegal or unacceptable use of our IT assets**
- ✔ **Notify users of the existence of strict control measures**
- ✔ **Ensure the stability, integrity and security of work environments and the computer network**
- ✔ **Enable the optimal exploitation of technological resources**
- ✔ **Protect the reputation of H₂O Innovation and its staff.**

We continuously promote awareness and training of all our employees by providing regular training on the most recent threats in term of cybersecurity, which training are developed by a qualified consulting firm specialized in cybersecurity. The IT Team regularly simulates phishing scams to assess the level of awareness of our employees.

Our IT team conducts yearly security verification activities including penetration testing, audits, and cybersecurity assessments. In addition, the Governance, Remuneration and ESG Committee periodically receives reports on security posture and cyber risk management.



OUR IT TEAM MADE SIGNIFICANT CHANGES IN CONNECTION REQUIREMENTS THAT SUCCESSFULLY REDUCED THE NUMBER OF UNAUTHORIZED CONNECTION ATTEMPTS FROM AN AVERAGE OF 4,000 PER WEEK TO AN AVERAGE OF 10 PER WEEK!

IN 2024...

78
Phishing
campaigns within
the organization

23K
Phishing
test results

12
New system,
solution, or technology
into actual use within
the organization

600
Hours of
cybersecurity
training

93K
Completion of
cybersecurity
courses

3
New strategic
project or program
now in place

Case Study | Hurricane Beryl

The H₂O Innovation team doesn't just serve thousands of communities across North America; we call those very places home. And when tragedy strikes, that commitment to people is even more apparent.

On July 8, 2024, Hurricane Beryl made landfall in the Gulf Coast region of Texas. The deadly storm brought sustained 90 mph winds and heavy rain that resulted in massive flooding and even tornadoes. Beryl may have been a Category 1 storm, but its path of destruction was far reaching, especially in the greater Houston area where thousands of H₂O Innovation customers live. Over two million homes and businesses were left without power, some for weeks during scorching heat and humidity. The disaster caused the loss of 44 lives, left numerous trees blocking roadways, and resulted in **\$6 billion in damage** across the region.

Hurricanes can significantly disrupt our operations, which include providing clean water to communities. Our systems rely on continuous power to operate critical infrastructure like lift stations, treatment plants, and remote monitoring systems. Beryl caused grid failures in our area, forcing us into emergency response mode: activating backup generators, manually monitoring systems, and rapidly deploying crews around the clock. Despite all of this, our operations never ceased, water kept flowing, and we supported everyone in need.



Power generators being deployed in Texas in the wake of Hurricane Beryl.

Our Spring office stayed open during the storm, providing much needed shelter, food and safety for our employees. Many of our team members were without power for over two weeks and their homes sustained damage. Amid those personal hardships, we remained steadfast and continued to not only keep critical water/wastewater services running for the communities but also take care of our own. Our team purchased air mattresses for all employees and their families as well as provided hot meals daily for nearly two weeks.

That experience deepened our connection as a team, while also reinforcing why the work we do matters so much. Our communities are resilient thanks in part to the hardworking people that call them home.

Each year, several H₂O Innovation projects are impacted by hurricanes and other emergency events. These challenging circumstances continue to reveal the resilience, professionalism, and commitment of our Operations & Maintenance teams. Their decisive actions embody the core of our company culture—the 3 Cs: Care, Communicate, Celebrate. By communicating effectively under pressure, they express genuine care for our people, clients, and communities, and once stability is restored, they take pride in celebrating a job well done.

“Many thanks to H₂O [...] for their hard work and outstanding efforts to keep the waters flowing during this extended power outage.”

— Northwest Harris County Municipal Utility District 22, in reference to Hurricane Beryl, Summer 2024



EcoVadis

In its quest to better evaluate and demonstrate its sustainability performance across environmental, social, and ethical dimensions, H₂O Innovation introduced the well-known EcoVadis platform into its sustainability journey. Through a well-structured assessment process, this globally recognized platform provides a detailed scorecard that reflects how well the company manages issues such as environmental impact, labor practices, ethics, and sustainable procurement. In 2023, the company scored Bronze and has reassessed for the current year.

The EcoVadis assessment involves a detailed review of a company's documented policies, actions, and results related to sustainability. The company provided evidence supporting each claim, which are evaluated against 21 sustainability criteria tailored to our industry, size, and location. Additionally, EcoVadis performs external screening through its 360° Watch Findings, which considers official statements, court rulings, and media reports to ensure transparency and credibility.

Trusted by over 65,000 organizations worldwide, EcoVadis is widely used across industries to manage supply chain risk, meet regulatory requirements, and enhance corporate reputation. Its framework aligns with international standards such as the UN Global Compact, GRI, and ISO, making it a valuable tool for companies seeking to demonstrate sustainability leadership and transparency to stakeholders.



Acknowledgement

We extend our sincere gratitude to all those who contributed to the development of this sustainability report and to our ongoing environmental and social responsibility initiatives. We thank our Board of Directors and executive leadership team for their unwavering commitment to sustainability and for providing the strategic direction and resources necessary to advance our environmental and social goals.

Special recognition goes to our dedicated sustainability team members who worked tirelessly to collect, analyze, and present the data contained in this report. Their expertise and passion for environmental stewardship have been instrumental in driving our sustainability initiatives forward.

We acknowledge the valuable contributions of our employees across all departments who have embraced sustainable practices in their daily work and have provided insights that have shaped our sustainability strategy. Their commitment to our shared values makes our progress possible.

We finally thank all departments that provided data, documentation, and insights that form the foundation of this report. Their diligence in measurement and reporting enables us to track progress and identify areas of improvement.

This report represents a collaborative effort that reflects our organization's collective commitment to building a more sustainable future. We look forward to continuing this important work with all our stakeholders in the years ahead.



Disclosure

Reporting Framework and Standards

This sustainability report has been prepared meticulously and incorporates elements from the Sustainability Accounting Standards Board (SASB) framework. Where applicable, we have aligned our disclosures with the United Nations Sustainable Development Goals (SDGs).

Reporting Period and Scope

Reporting Period: January 1, 2024, to December 31, 2024, except for Scope 1 and 2, which are from July 1, 2023, to June 30, 2024.

Organizational Scope: This report covers all the operations of H₂O Innovation. The report encompasses all material operations.

Data Sources and Methodology

- Environmental data has been collected from internal management systems, third-party monitoring, and utility providers.
- Social metrics are sourced from HR systems, employee surveys, and community engagement programs.
- Economic data is derived from audited financial statements and management accounting systems.

Data Quality and Limitations

- Where actual data is unavailable, estimates have been made using industry-standard methodologies.
- Any significant assumptions or estimation methodologies are disclosed in relevant sections.
- Data collection processes continue to evolve, and year-over-year comparisons may be affected by methodology improvements.

Materiality Assessment

Our materiality assessment process involves engagement with key stakeholders, including employees, suppliers, and partners. Material topics were identified based on their significance to our business strategy and their importance to stakeholders.

Material Topics Identified:

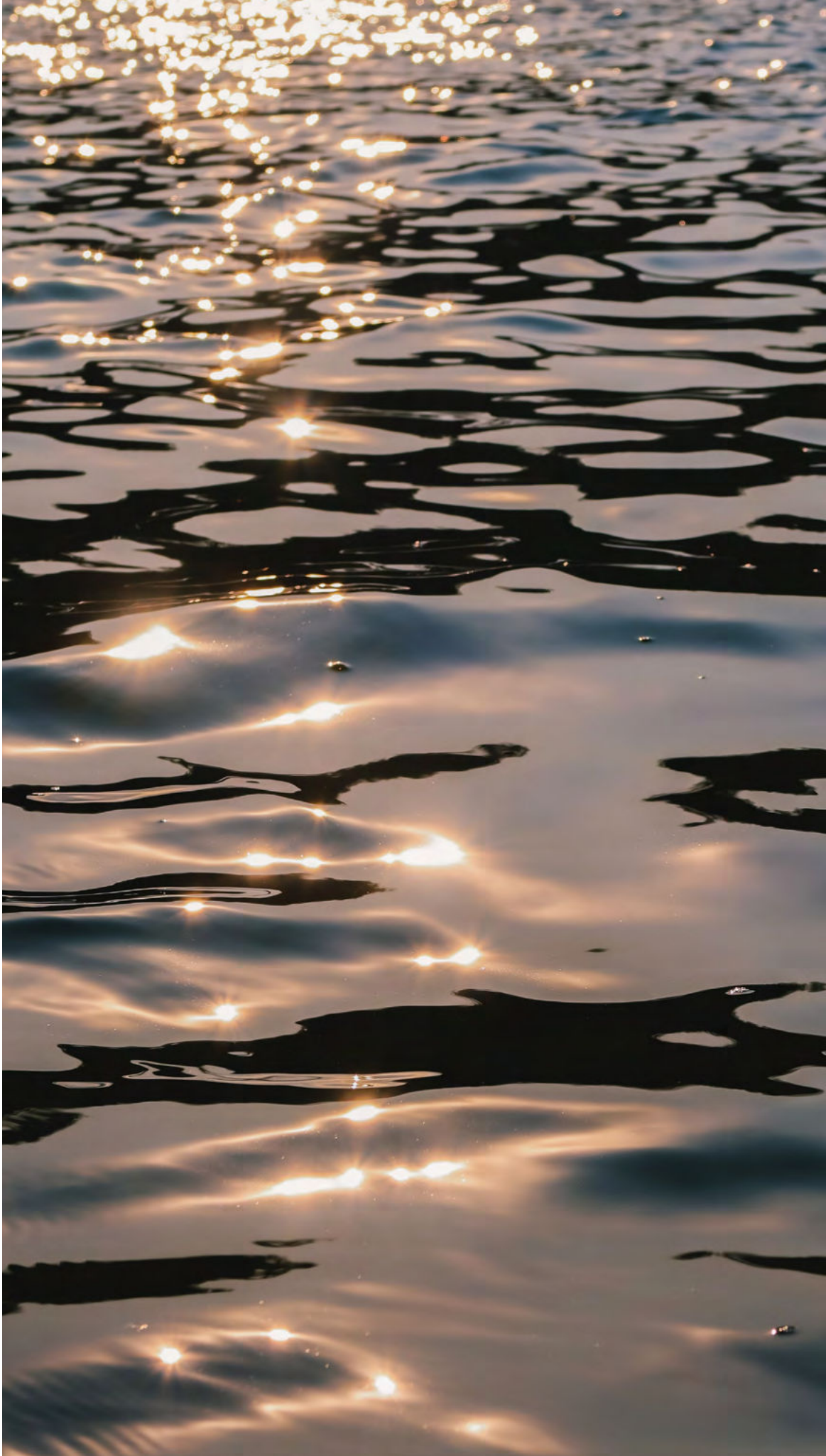
- Energy and water management
- Employee health, safety, and well-being
- Diversity, equity, and inclusion
- Community engagement and social impact
- Business ethics and governance
- Innovation and sustainable products/services

Forward-Looking Statements

This report contains forward-looking statements regarding our sustainability targets, strategies, and future performance. These statements are based on current expectations and assumptions and are subject to risks and uncertainties. Actual results may differ materially from those projected.

Restatements and Revisions

If applicable, any restatements of previously reported information are clearly identified and explained within the relevant sections. We are committed to continuous improvement in our data collection and reporting processes.



Notes

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1. Lift station: "Facilities containing pumps and equipment to move water or wastewater from one place to another. These stations overcome elevation changes and are critical for water supply, sewage transport, drainage, and flood control."

2. A 0.5% non-compliance rate may seem small, but for effective compliance reporting, it's important to clarify why such exceptions arise—especially when causes are outside the company's scope of action. These are instances where, despite the company maintaining robust compliance controls, non-compliance occurs due to factors beyond direct influence.

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3. Intermediate Bulk Container is a reusable industrial container designed for the transport and storage of bulk liquids or granulated substances, such as chemicals, food ingredients, solvents, or pharmaceuticals.

