



SUSTAINABILITY REPORT

2025



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Letter from President & CEO



Frédéric
Dugré

2025 was a landmark year for H₂O Innovation. As we celebrated 25 years of innovation, we also recognized the many people, partners, and communities whose contributions have shaped our journey. Throughout the year, we continued to advance a strategy centered on simplifying water through integrated technologies, services, and infrastructure solutions. This framing is consistent with sustainability reporting best practices that emphasize clear, stakeholder-focused, and transparent language.

Today, the water sector is defined by a heightened sense of urgency as global policies pivot toward mandatory water circularity and stringent environmental compliance. The strategic integration of WaterHubs, followed by the acquisition of Lama in the fall of 2025 significantly bolstered our portfolio, integrating advanced filtration technologies that enhance our ability to deliver robust, self-cleaning solutions to a broader international market. This expansion, combined with a global push for water resiliency, reinforces our role as a critical partner in navigating complex regulatory landscapes. H₂O Innovation continues to adapt to this dynamic environment, ensuring agility in our strategies while remaining steadfast in our commitment to long-term sustainability goals.

This progress would not have been possible without the dedication, expertise, and passion of our employees. Across all regions, our teams have demonstrated resilience, innovation, and a strong commitment to our mission. Their ability to collaborate, adapt to change, and deliver high-quality solutions for our clients is at the core of our success. As we mark 25 years of growth, we recognize that our people remain our greatest strength and a key driver of our continued leadership in the water sector.

Our dedication to sustainable treatment is further exemplified by our green chemistry platform, featuring phosphate-free formulations and concentrated antiscalant powders that minimize carbon footprint and water consumption. Beyond chemicals, H₂O Innovation is committed to ensuring water security for critical facilities, including healthcare systems, educational institutions, and essential industrial operations. Through our comprehensive WaterHub model and our newly expanded filtration capabilities, we provide end-to-end services encompassing system design, construction, and ongoing operations, as well as project financing.

As a leader in the water industry, our future depends on our ability to innovate and scale in a rapidly changing world. Looking ahead, we remain focused on accelerating decentralized water reuse, scaling sustainable chemical solutions, and integrating our new filtration expertise to meet the growing global demand for clean, safe water and climate-resilient infrastructure.

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

Letter from Chair of the Board

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 around the world.

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 such as water reuse. Driven by intensifying drought and scarcity, a growing number of municipalities are recycling wastewater back to drinking-water standards, accelerating demand for these solutions.

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.

Over the past year, H₂O Innovation has meaningfully broadened both its capabilities and its geographic reach. This transaction extend the platform well beyond North America, strengthening its presence in Europe and its ability to serve customers worldwide, a truly global water solutions company.

At the same time, H₂O Innovation has continued to scale its WaterHub platform: turnkey, fully financed water and wastewater treatment and reuse facilities delivered at no upfront capital cost to municipalities, utilities, universities, hospitals, airports, and industrial customers, and operated under long-term service agreements. In May 2026, the company closed a US\$200 million platform-level project debt facility to fund the acquisition, construction, and continued development of WaterHubs across the United States. We are especially proud that the facility was structured to qualify as a Blue Loan under the International Finance Corporation's Blue Finance Guidelines, a designation reserved for financing dedicated to the sustainable use and protection of water resources. This milestone gives H₂O Innovation dedicated, scaled capital to grow the platform while affirming, in the clearest financial terms, the sustainability purpose at the heart of this infrastructure.

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**

Materiality Assessment

In 2025, H₂O Innovation conducted its second materiality assessment, building on the analytical foundation established in 2021. This assessment supports the Company's roadmap for responsible growth by helping focus attention and resources on the sustainability topics most critical to its long-term performance and stakeholder value.

Given the breadth and diversity of H₂O Innovation's activities, the assessment was informed by three Sustainability Accounting Standards Board (SASB) industry standards selected to reflect the Company's distinct business model. As no single framework fully captures H₂O Innovation's operations, these standards were applied by segment to ensure an accurate and decision-useful evaluation:

- **Water Utilities & Services** (IF-WU) was applied to Operations & Maintenance (O&M) and Water Infrastructure Design (WID), which are the heart of the Company's water and wastewater system activities.
- **Engineering & Construction Services** (IF-EN) was applied to Water Treatment Solutions (WTS), which delivers engineered treatment systems for municipal and industrial clients.
- **Chemicals** (RT-CH) was applied to Specialty Products (SP), which manufactures and blends specialty products used in various water treatment applications.

Across all business segments, sustainability topics were evaluated within the following SASB dimensions: Environment, Social Capital, Human Capital, Business Model & Innovation, and Leadership & Governance. Topics were assessed at the segment level based on their relevance to operations and potential financial exposure. This resulted in a differentiated materiality profile that reflects the varying risk, opportunity, and operational characteristics of each business line.

Several topics emerged as consistently high priority across the organization, including effluent quality management, drinking water quality, climate-related resiliency of water infrastructure, and workforce health and safety across field operations, construction activities, and chemical manufacturing. These priorities align closely with H₂O Innovation's mission to protect water resources, support communities, and operate responsibly while delivering reliable and innovative solutions.

This assessment was conducted as an internal analytical exercise intended to inform strategy, risk management, and performance monitoring. Looking ahead, H₂O Innovation plans to build on this work through structured stakeholder engagement, beginning with the Board of Directors, to further validate and refine these priorities. Outcomes from this next phase will be shared in future annual reports as part of the Company's ongoing sustainability journey.



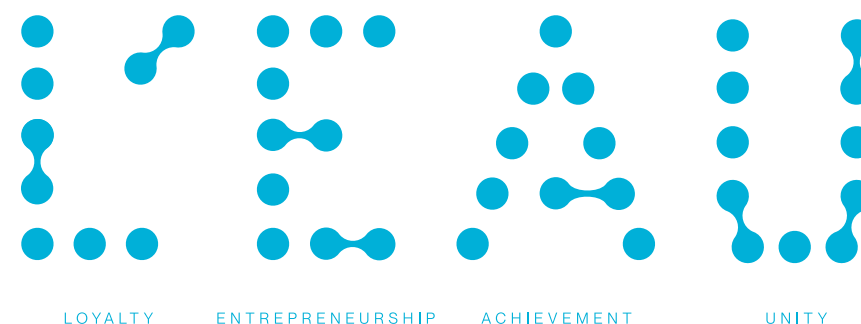
At a Glance

WaterHub™ in Tobaccoville, NC
Application: Water Reuse
Capacity: 200,000 GPD
Completed in 2024

Values

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)



Mission

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, 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. WaterHubs® provide reliable water management solutions that reduce risk, generate significant financial savings, and enhance environmental stewardship.

Maple & Agri-Food

The development of our products is supported by a strong experience as a foundational enterprise 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.

Simplifying Water, Together

Client Solutions: How H₂O Innovation Delivers Sustainable Outcomes

Reliable access to water is becoming increasingly complex as scarcity, regulatory pressures, and cost constraints intensify across regions and industries.

Clients turn to H₂O Innovation to address these challenges with solutions that not only ensure operational continuity, but also deliver measurable environmental and economic value.

Addressing Shared Water Challenge

Across sectors, our clients face variations of the same core issue: how to secure, treat, and reuse water more efficiently under growing constraints.

- Municipalities must increase treatment capacity without expanding infrastructure or exceeding limited budgets.
- Food and beverage producers are working to reduce discharge volumes in response to evolving regulatory requirements.
- Desalination operators seek to maximize water output while minimizing energy consumption.
- Industrial facilities must manage complex water streams safely, without disrupting operations.

While these challenges manifest differently, they reflect a shared need for more resilient and efficient water management. H₂O Innovation supports clients across key markets, including Municipal, Desalination, Industrial, Agri-food, and Food & Beverage.

Integrated Solutions for Measurable Impact

Our strength lies in delivering integrated, end-to-end water treatment solutions that simplify complexity and optimize performance throughout the asset lifecycle.

Each component of our offering is designed to address a specific operational need while contributing to broader sustainability outcomes.

- Engineering and system integration: Designing, building and delivering tailored treatment solutions aligned with client requirements and site-specific constraints.
- Consumables and components: Supplying membranes, chemicals, filters, and replacement parts that maintain system efficiency and reliability.
- Monitoring and operational support: Providing controls, data insights, and ongoing service to sustain performance over time.
- Aftermarket services: Extending asset life and optimizing efficiency through maintenance, upgrades, and technical support.

Together, these capabilities enable clients to improve water efficiency, reduce waste, and maintain compliance while supporting long-term operational resilience. Our business model integrates accountability at every stage of the customer journey to support the efficient and sustainable operation of water treatment plants.

Demonstrating Impact Through Data

We prioritize transparency and measurable outcomes in our sustainability approach. The value of our solutions is reflected in quantifiable results, including:

- Volumes of water treated, recovered, and returned to use;
- Reductions in chemical consumption and waste generation;
- Improvements in energy efficiency and operating costs;
- Enhanced regulatory compliance and long-term cost predictability.

These demonstrates how our solutions contribute to both environmental performance and business continuity. Since H₂O Innovation took overoperations in 2021, the Warren team has earned this recognition every year.

Enabling Sustainable Operations

Our clients do not engage H₂O Innovation solely to meet regulatory requirements. They partner with us because reliable access to clean water is fundamental to their operations and long-term success.

2025 by the Numbers



800+
Industrial & municipal
systems installed

500+
Water & wastewater
utilities operated and
maintained in North America

150+
Distributors & agents selling
H₂O Innovation's products to
serve the end-users globally

1,217+
Employees in **13+** countries

20
Acquisitions over 25 years

A global platform focused purely on WATER

2025 in Review

2025 was a pivotal year for H₂O Innovation, defined by strong momentum, strategic partnerships, and tangible impact. Across every dimension of the business, the Corporation deepened its commitment to a water-positive world, turning that vision into tangible results for communities and industries around the world.

Transforming How Industry Uses Water

The year opened with a landmark moment: the announcement and development of the largest university WaterHub® facility in the United States, in partnership with the University of Texas at Austin, a 9,600-square-foot onsite wastewater treatment and reuse facility designed to reduce the campus's potable water demand by 40%. Months later, on Earth Day, H₂O Innovation also marked the progress milestone of the WaterHub® facility at the Reynolds Operations Center in Tobaccoville, North Carolina, a groundbreaking project designed to enable the recycling of over 60 million gallons of water annually. Once operational, the system is expected to reduce water withdrawal by approximately 40% and decrease wastewater discharge by more than 90%, setting a new industry benchmark.

Expanding Reach, Strengthening Solutions

H₂O Innovation continued its strategic growth through acquisition and partnership. In September, the Corporation acquired Lama Sistemas de Filtrados S.L., a Spanish water filtration system manufacturer and its 20th acquisition in 25 years, strengthening its position as a global market leader in components and consumables for the membrane filtration industry. By year's end, an exclusive teaming agreement was signed with Fathom Water Corporation to jointly pursue wastewater treatment and reuse projects for the North American semiconductor sector, a rapidly growing industry with significant water demands. Additionally, three new Operation and Maintenance contracts were awarded, alongside the renewal of eight existing projects and scope expansions for five others, a testament to the trust clients place in H₂O Innovation's long-term expertise.

Mobile Systems Fleet Rental

The Corporation also broadened its service offering through mobile fleet leasing contracts, deploying containerized ultrafiltration, reverse osmosis, and membrane bioreactor systems to help clients achieve water supply security in critical situations without tying up capital.

Innovation Rooted in Purpose

In a first-of-its-kind initiative, H₂O Innovation announced its active contribution to a new research chair dedicated to maple sap production (Fr. eau d'érable) and sugar bush management, the first research chair of its kind worldwide, reflecting the Corporation's commitment to sustainable resource stewardship beyond traditional water infrastructure. H₂O Innovation's sustainability commitment extended to its product lines as well, with concentrated antiscalant formulations and a transition to sustainable packaging designed to reduce the company's carbon footprint.

Looking Forward

From industrial water recycling and university campuses to semiconductor fabs and global sailing campaigns, 2025 demonstrated that H₂O Innovation is not just responding to the world's water challenges. It means helping build mind-share, amplify the message, and define the solutions. As the Corporation enters its next chapter, it does so with a stronger global footprint, deeper industry partnerships, and an unwavering belief that water innovation is essential to a sustainable future.



Recognitions & Awards

Below are a few examples of notable accolades and achievements for H₂O Innovation in 2025



2025 | Outreach and Education – Be Water Positive Sailing Campaign, by WateReuse – March 2025

The Be Water Positive campaign, led by Canadian entrepreneur, adventurer, and sailor Scott Shawyer, raises awareness of global water scarcity while racing across the world's oceans.

In partnership with the International Desalination and Reuse Association (IDRA) and H₂O Innovation, the campaign promotes sustainable water management through education and innovation. Initiatives such as Revival Beer, a beer brewed from 100% purified reused water and showcased at the 2024 New York Vendée race, demonstrate practical solutions that inspire positive action and highlight the connection between everyday choices and global water sustainability.



2025 | Innovation in Water Circularity, by Wex Global (Water and Energy Exchange) – February 2025

WEX Global recognized H₂O Innovation's WaterHub at Piedmont Hospital in the category of Innovation in Water Circularity. These innovative systems deliver real-life measurable results for communities and the environment, and we're excited to see all the progress being made in that area.

WEX Global recognized H₂O Innovation for "showing what is possible when vision meets impact". This project cut carbon, restored ecosystems, and delivered tangible community benefits.



2025 | Gold Award from the Rhode Island Clean Water Association

Our Warren waste water treatment facility project in Rhode Island has once again been recognized with the 2025 Gold Award from the Rhode Island Clean Water Association! This distinction is given to facilities with zero environmental permit violations over the entire calendar year.

Since H₂O Innovation took over operations in 2021, the Warren team has earned this recognition every year.

Roadmap

H₂O Innovation Sustainability Report 2025

During the 2025 reporting period, H₂O Innovation continued to deliver on its commitment to sustainable water treatment principles through the evolution of tailored technology and services. These developments reinforced the Company's capacity to offer efficient, sustainable water and wastewater treatment solutions across all business segments.

Its approach to sustainability remains rooted in responsible water stewardship, reduced environmental impact, and community support. During this reporting period, significant progress was made in promoting water reuse, reducing waste through innovative methods, and transitioning to more sustainable packaging for specialty products. Robust health, safety, and environmental programs were also strengthened to protect employees, partners, and the public.

H₂O Innovation's actions and governance are guided by its core values: loyalty, entrepreneurship, achievement, and unity (L'EAU). These values serve as the foundation for its responsible water stewardship and inform the decisions that create long-term value for its clients.

Sustainability Targets

	AREA	DESCRIPTION	YEAR	GOAL
1. Water Leadership	Water Positive	Generating Positive water impacts	2035	Enable 10 billion gallons of annual water reuse and replenishment through customer projects
2. Low-Carbon Circular Solution	Emissions	Scope 1 Emissions Reduction	2030	Reduce emissions by 5% each year to reach 30% reduction by 2030
		Scope 2	2030	Reduce emissions by 4% each year.
	Chemistry	Sustainable Chemistry Transition	2028	100% of new formulations low- or non-phosphate and/or low-impact
	Packaging	Packaging & Logistics Reduction	2030	Reduce emissions from chemical packaging by 20%
3. Operational Excellence & Compliance	Compliance	Best-in-Class Compliance Leadership	2028	Maintain ≥99.5% compliance, with zero missed regulatory submissions
	Safety	Zero Harm + Leading Indicators	Annual	Achieve Zero Serious Injuries or Fatalities (SIF) annually
4. People & Responsible Growth	Workforce	Safety Culture & Leading Indicators	Annual	Build an industry-leading safety culture by achieving 100% employee participation in proactive safety programs by 2027
	Supply Chain	Responsible Procurement	2028	90% of targeted Tier 1 suppliers acknowledge our Supplier Code of Conduct.
	Governance	Cybersecurity	2028	Achieve zero material cybersecurity incidents impacting operations or customer data
	Leadership Representation	Diversity	2030	Maintain 20% women in management roles

Delivering Sustainable Water Impact for Clients

62.3B

Gallons of **wastewater** treated in 2025

829.7 MGD

of **water treatment capacity** with our equipment

133 MGD

processing capacity from our systems for **water reuse** maximizing recycling

1.2M

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

243.9 MGD

Wastewater treated capacity

189,567 MGD

Total **water & wastewater** managed

99.5%

Compliance rate - Over 620,000 compliance samples taken annually



Equivalent volume of **62.3 billion gallons of wastewater treated in 2025**, shown relative to Québec City.

Case Study | Solar Panel

In September 2025, H₂O Innovation acquired Lama Sistemas de Filtrados, reinforcing its filtration capabilities and expanding its presence in sustainable water solutions. The acquisition supports H₂O Innovation's long-term strategy to deliver more efficient technologies that help customers improve water use, reduce waste, and strengthen resilience across industrial, municipal, and irrigation applications.

Sustainability is not only part of our long-term vision, it is already embedded in how we manufacture and operate every day. At our production facility in Seville, we have taken a significant step toward full energy independence by eliminating reliance on conventional grid electricity and operating entirely on renewable energy generated on-site. This initiative reflects our commitment to responsible industrial development and to reducing the environmental footprint of our operations.

Solution

As part of this transition, we implemented a large-scale photovoltaic system to support our Lama product line. The installation includes 803 solar panels, covering approximately 1,000 m² across four industrial buildings. The system was designed with a clear objective: to meet 100% of the facility's energy needs through solar power.

Today, the plant operates fully disconnected from conventional electricity sources, supporting a self-sufficient and sustainable production model. The photovoltaic system generates approximately 1,200 kW of renewable energy per day, powering all manufacturing, assembly, and operational processes. By producing energy on-site, we not only maintain operational efficiency but also significantly reduce indirect emissions associated with traditional electricity use.



To ensure consistent energy availability beyond peak sunlight hours, the facility is equipped with a high-capacity battery storage system. This allows us to maintain stable operations during early mornings, late afternoons, and periods of reduced solar exposure, particularly in winter.

The installation also integrates advanced energy management systems and inverters to optimize performance and support future growth.

Results

The transition to solar energy at our Seville facility goes beyond operational improvement; it demonstrates our commitment to manufacturing and delivering products with a lower carbon footprint. It also reflects a broader, client-focused approach where innovation, efficiency, and environmental responsibility are fully aligned to support more sustainable outcomes. At H₂O Innovation, sustainability is not only part of the solutions we deliver, it is integral to how we design, manufacture, and shape the future of our industry.



Lama manufacturing plant in Seville, Spain.



Seville Manufacturing Plant, Spain
Solar panels installation,
Completed in 2024

Environmental Oversight

Water and environmental stewardship are at the heart of H₂O Innovation. We prioritize the responsible management of natural resources, environmental compliance, and sustainable practices across our operations and value chain.

Through innovation and continuous improvement, we work to reduce environmental impacts, protect ecosystems, and help build a more sustainable future.

Reynolds WaterHub™, NC
Application: Water Reuse
Capacity: 200,000 GPD
Completed in 2024

Environmental Approach

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 solutions company and proud signatory of the CEO Water Mandate, we continue to lead by example in responsible water stewardship. In 2025, our teams advanced initiatives that help communities build resilient and sustainable water systems, supporting global calls for better water management and conservation.

Through our WaterHubs, we're reducing freshwater dependency and strengthening local water resilience. These on-site wastewater treatment and reuse systems allow reclaimed water to serve non-potable uses such as heating and cooling, irrigation, and toilet flushing, helping clients reduce their water footprint and operational impact.

Our commitment to reducing carbon emissions also remains strong. By optimizing energy efficiency, expanding the use of super-concentrated treatment chemicals, and streamlining shipping logistics, we continue to lower our overall carbon footprint. Within our Operation & Maintenance division, environmental compliance remains a cornerstone of excellence, with a record of maintaining over 99.5% compliance across 500+ sites in the U.S. and Canada.



Greenhouse inside of
Reynolds WaterHub™, NC

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

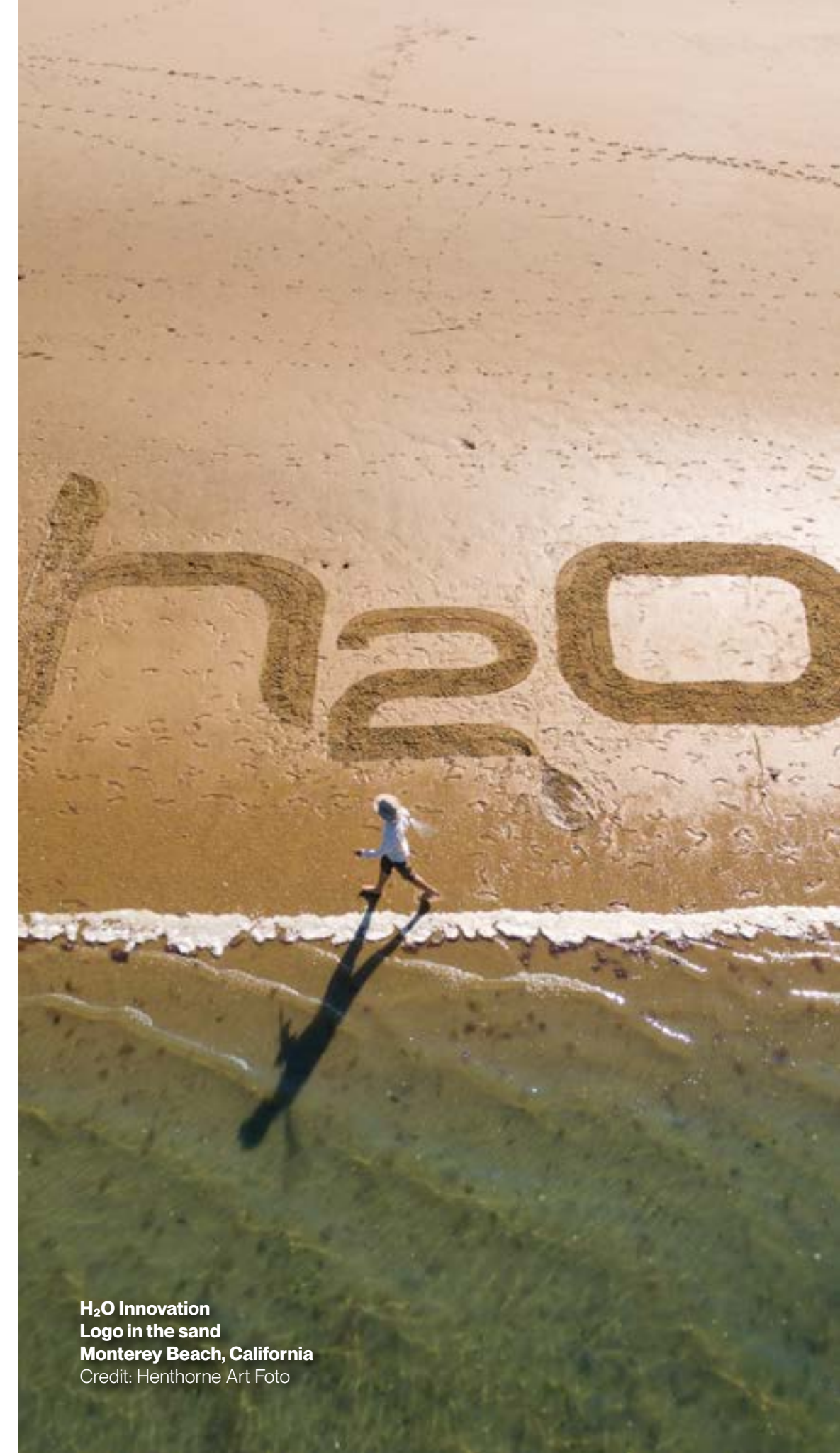
Our current reporting scope for the 2025 assessment covers exclusively Scope 1 and 2 emissions for both carbon and water footprint analysis. Using the AWARE (Available Water Remaining) calculations in the first report, we determined that most business units of the company were not located in areas with 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.

Water Footprint Results

In 2025, H₂O Innovation's total water footprint reached 466,225 m³, including WaterHub operations. Excluding WaterHub activities, the total amounted to 436,629 m³, up 28% from the restated FY 2023–2024 baseline of 340,100 m³.

This increase was primarily driven by the expansion of our overall activities and growing service demand across key markets. The rise reflects higher utilization of our infrastructure and resources to support increased operational capacity. While some sites saw optimization gains following internal adjustments, overall consumption trends are aligned with the scaling of our operations and our commitment to supporting clients with resilient and efficient water management systems.

WaterHub operations added a new dimension to the 2025 water footprint. While these activities contributed to the reported total, they also support H₂O Innovation's broader water stewardship approach by reclaiming and reusing water, thereby helping reduce reliance on freshwater resources. The assessment also showed that grey water represented the majority of the footprint across offices and plants, indicating that pollution-related impacts remained the main source of water-related environmental pressure.

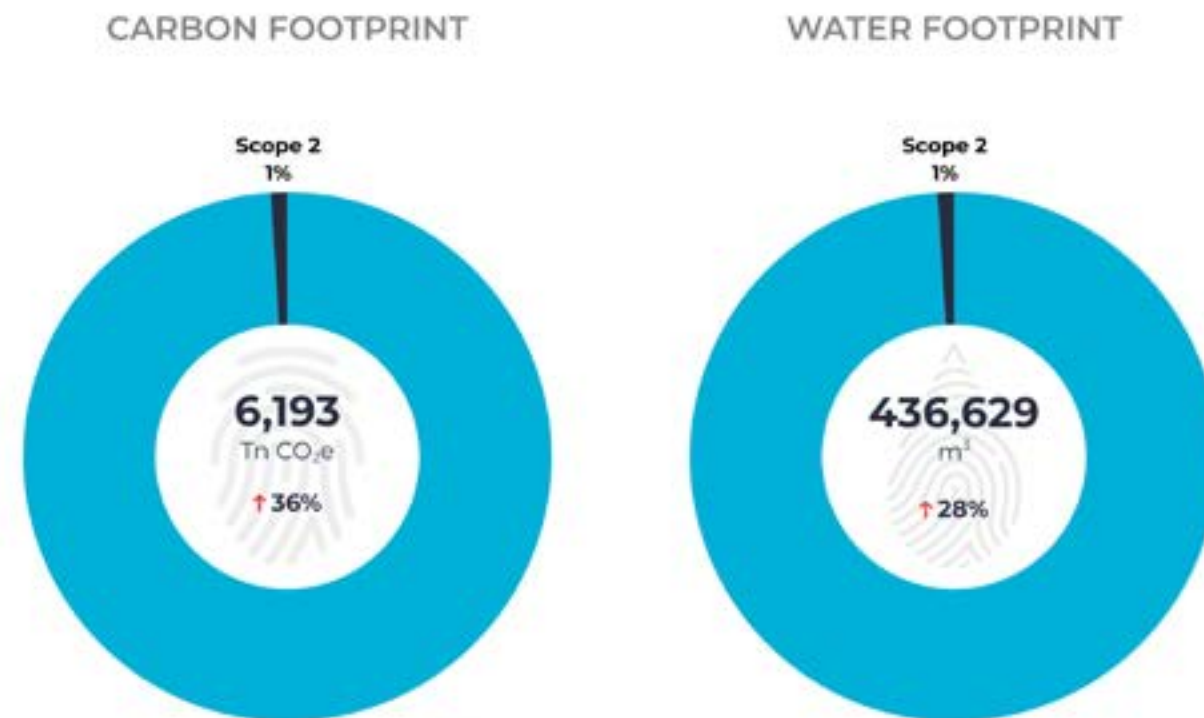


H₂O Innovation
Logo in the sand
Monterey Beach, California
Credit: Henthorne Art Foto

Water and Carbon Footprint (continued)

Carbon Footprint

In 2025, H₂O Innovation's total carbon footprint reached 7,052 tonnes of CO₂e, including WaterHub operations. Excluding WaterHub activities, total emissions amounted to 6,193 tonnes of CO₂e, representing a 36% increase compared with the restated FY 2023–2024 baseline of 4,570 tonnes of CO₂e. This increase is primarily aligned with the Company's strong business expansion and corresponding revenue growth over the period, reflecting the scaling of operations to meet rising demand for water and wastewater solutions.



Footprint increased, alongside revenue growth of 27% over the same period

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 life-cycle 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.



WaterHub™ at Philip Morris USA, VA
 Application: Water Reuse
 Capacity: 650,000 GPD
 Completed in 2019

WaterHub & Water Positive Impact

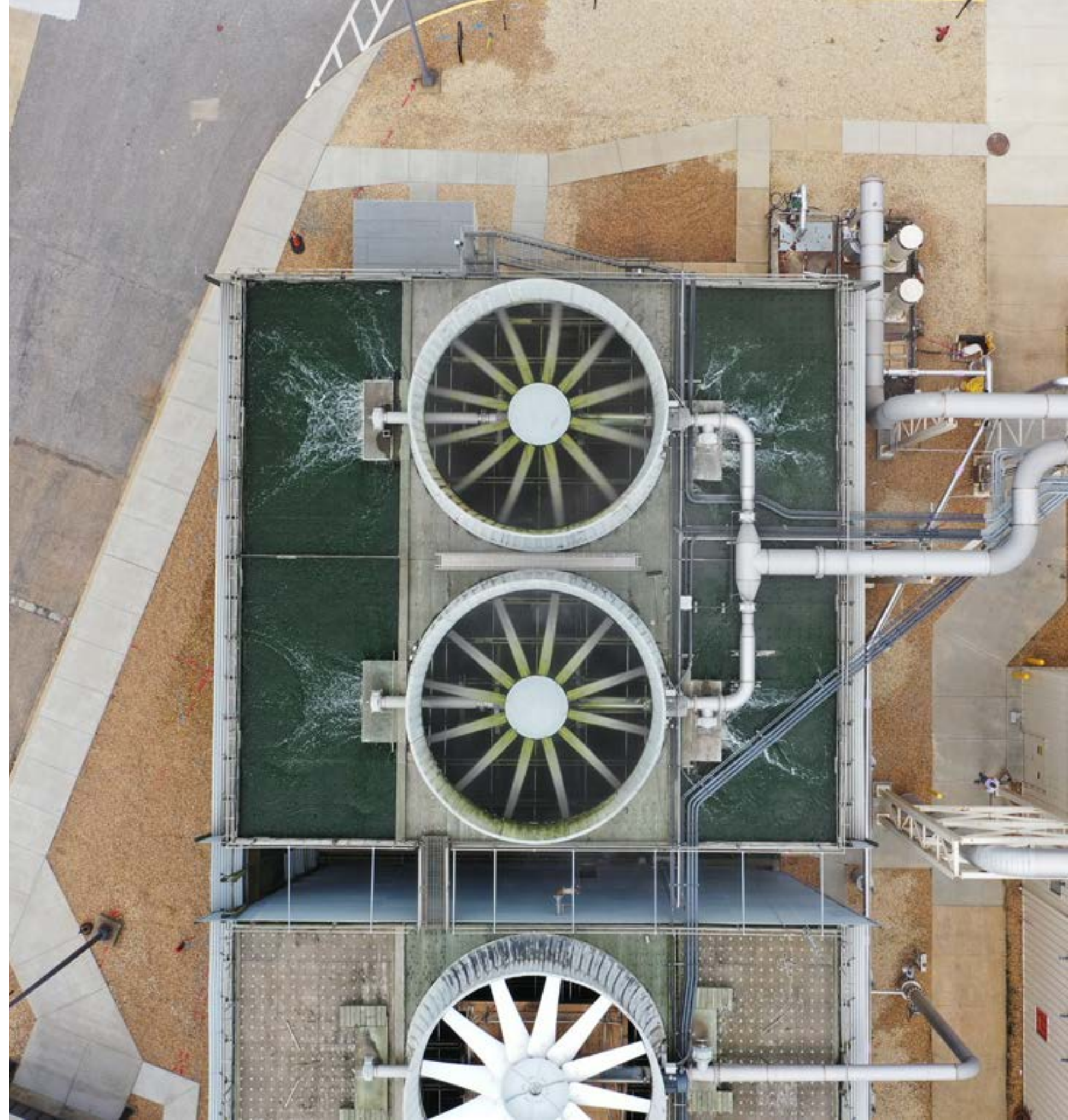
H₂O Innovation defines water positive performance as a basin-specific commitment, not a global accounting exercise.

Unlike carbon, water has no single atmospheric pool: a liter reused in Texas does not change the pressure on an aquifer in Quebec or a river basin in Chile. Our water positive initiative is therefore built on a simple principle measure and reduce our own operational footprint first, and then, wherever we design, build, or operate a water reuse system, demonstrate a real reduction in freshwater withdrawal within that same hydrological system. This distinction matters: it keeps our commitments credible, verifiable, and directly tied to the communities and watersheds where the impact actually occurs.

Water recycling delivers this kind of measurable, place-based value. By capturing water that has already been used once and treating it to a fit-for-purpose standard, on-site reuse systems reduce the volume of potable water withdrawn from municipal or natural sources and the volume of wastewater discharged to sewer or surface water. Because these systems increasingly rely on biological and gravity-driven treatment processes rather than energy- and chemical-intensive machinery, they also reduce the resource intensity of treatment itself. The result is a smaller draw on freshwater reserves, lower strain on aging municipal infrastructure, and greater resilience for the facilities and communities that depend on that water benefits that compound as drought frequency and climate variability increase across our service regions.

This is the model our WaterHub® systems put into practice. Owned and operated by H₂O Innovation under long-term agreements with institutional and industrial partners, each WaterHub® captures wastewater generated on-site, treats it to non-potable reuse standards, and returns it for applications such as cooling towers, boilers, and irrigation closing the loop locally, within the same basin where the water was originally drawn. It is this basin-level substitution of potable extraction with regenerated water, and not a global offset claim, that represents our genuine contribution to water positive outcomes.

Water reuse enables a wide-range of practical applications that further reduce pressure on local water resources. Treated water can be used for cooling systems, boilers, irrigation, and other operational needs, displacing demand for potable supply without compromising performance. By matching water quality to end use, these applications reinforce the efficiency and resilience benefits of on-site reuse within the same basin.



Case Study | University of Texas^(UT)

A WaterHub® is an on-site water recycling system that captures wastewater generated by buildings, treats it to non-potable reuse standards, and returns it for applications such as cooling towers, boilers, and irrigation. This decentralized water reuse model supports circular water management by reducing reliance on potable water for uses that do not require drinking-water quality.

In 2025, H₂O Innovation announced the development of the UT WaterHub® at the University of Texas at Austin, a 9,600-square-foot on-campus water recycling facility currently under construction. Once completed and operational, the facility is expected to become the largest university installation of its kind in the United States. Developed in collaboration with the University of Texas at Austin, the project is designed to support more sustainable water management on campus and improve long-term utility resilience.

The sustainability benefits of this approach are significant. Early projections indicate that the UT WaterHub® will reduce campus potable water use by 40% and cut sewer volume by up to 70%, lowering pressure on both municipal water supplies and wastewater infrastructure. The system is also expected to use fewer chemicals and fewer resources overall to treat wastewater, in part by incorporating natural processes such as plant life and gravity and reducing dependence on energy-intensive machinery.

Beyond these measurable operational gains, the project provides broader environmental and institutional value. By decreasing dependence on city water supplies year-round, the WaterHub® is expected to improve long-term water resilience, support utility cost savings, and help the campus adapt to increasingly variable water conditions. Its location in the center of the engineering district will also allow students and researchers to study water treatment and water reuse technologies in a real-world setting, extending the project's impact beyond infrastructure into education and innovation.

This project illustrates how decentralized water reuse infrastructure can advance sustainability goals by conserving freshwater resources, improving operational resilience, and embedding circular resource management into the built environment. For H₂O Innovation, the UT WaterHub® demonstrates how innovative treatment systems can generate measurable environmental benefits while creating long-term value for institutional partners and the communities they serve.



3D Model of the upcoming WaterHub at University of Texas

40%
Reduction in campus potable
water use

70%
Reduction in sewer
discharge volume

9,600 ft²
On-Campus facility
footprint

#1
Largest university WaterHub
in the U.S. (projected)

2025
Year announced /
under construction

Case Study | Mobile Water Systems

H₂O Innovation's FlexBox mobile water treatment units provide a scalable, rapid-response solution to evolving water challenges. Designed for deployment in a wide range of contexts, from emergency response and temporary capacity needs to pilot testing and decentralized treatment, FlexBox units combine operational flexibility with high-performance treatment technologies.

These containerized systems are fully integrated and pre-engineered, enabling fast mobilization and minimal site preparation. By reducing construction timelines and avoiding permanent infrastructure where it is not required, FlexBox solutions help lower the environmental footprint associated with traditional water treatment projects. This approach supports more sustainable resource management, particularly in regions facing water stress, climate-related disruptions, or infrastructure limitations.

FlexBox units are adaptable to diverse water sources and treatment objectives, including potable water production, wastewater reuse, and industrial process water. Their modular design allows clients to scale capacity up or down based on demand, optimizing both energy use and operational efficiency over time. This flexibility is particularly valuable in supporting circular water strategies and advancing water reuse initiatives.

In addition to their technical performance, FlexBox units contribute to resilience and continuity of service. Municipalities and industries can rely on these mobile systems to maintain operations during infrastructure upgrades, emergencies, or peak demand periods, reducing the risk of service interruptions and associated environmental impacts.

By offering a mobile, efficient, and adaptable treatment solution, H₂O Innovation's FlexBox units play a key role in advancing sustainable water management practices. They embody a forward-looking approach that aligns operational needs with environmental responsibility, helping clients respond to today's water challenges while preparing for the uncertainties of tomorrow.



Flexbox RO on Oil & Gas extraction site



Flexbox installed in Thunder Bay, ON
Application: Tailings Storage Facility (TSF) Pit Dewatering for Water Reuse and Environmental Discharge
Capacity: 1.25 MGD per train
Asset rented in 2022

Social Oversight

People are at the heart of H₂O Innovation. We prioritize human rights, equity, safety, and belonging throughout our operations and supply chain. Our inclusive culture empowers every employee to contribute to meaningful change — both within the company and in the communities we serve.



Ethanol Plant in the Midwest
Celebrating the Installation of
Membranes at Client Site

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.

Employee Referral Program

Our employee referral program helps support talent attraction while strengthening employee engagement across the organization. This program allows employees to actively contribute to the company's growth by helping identify passionate and qualified individuals who can thrive in our collaborative environment. Referred candidates follow the same recruitment and evaluation process as all applicants, ensuring fairness and equal opportunity throughout the hiring process.

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 and Sick Paid Time Off

Wellness days are a way to promote work-life balance et non 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.

Communication & Recognition Platform (AwardCo)

Available to all employees, this platform supports a culture of recognition by allowing colleagues to acknowledge each other's contributions in real time. Employees can accumulate recognition points that can be redeemed for a variety of rewards and prizes. This approach reinforces employee engagement, strengthens alignment with company values, and helps promote retention by celebrating achievements across teams.

Health & Wellness Initiatives

The Health & Wellness Committee is dedicated to promoting the overall wellbeing of employees across the organization. It supports initiatives that encourage both physical and mental health, including a company Strava group to foster friendly physical activity challenges, as well as themed wellness months focused on mental health awareness and healthy lifestyle habits. The committee also organizes various engagement activities throughout the year to encourage participation, strengthen connections between colleagues, and support a healthier, more balanced work environment.

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 Employee

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 on their seniority and relevant past experience, our employees enjoy up to 5 weeks of paid vacation

Team Buildings Activities

Various and inclusive activities and events organized by H₂O to enhance team building, connexion, and celebration!

Biennial Leadership Summit

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

Reimbursement of Professional Certification

Association Fees / Employee Certification for water and wastewater treatment operators.

Career Development and Training Programs

We are committed to fostering the growth and development of all employees, ensuring that every team member has opportunities to take on new responsibilities, and progress in their career.



Our Headquarters' team in front of the Carrefour de l'eau trailer, August 2025

Workforce

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, H₂O Innovation is committed to maintaining high standards of integrity and ethical conduct across all its activities. We foster a work environment built on trust, respect, and openness, where employees are encouraged to report any suspected wrongdoing through our whistleblowing process, in good faith and without fear of retaliation. This commitment is supported by our Whistleblower Policy, which complements our Code of Business Conduct and Ethics and ensures that all concerns are handled through a fair and transparent process.

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 inspire the next generation to pursue careers in **STEM (Science, Technology, Engineering, and Mathematics)**, including offering internships and mentorship opportunities.

2. Inclusive Recruitment Practices: Our recruitment efforts are designed to be inclusive and to attract a diverse pool of talent.

By embracing these initiatives, we aim to create an environment where all employees 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 longterm sustainability and success in today's rapidly evolving global market.



ConOps Team in Gulfport, MS
Taking a picture with our GWI
2020 Water Company
of the Year Award

Workforce (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 2024 survey results reveal a significant increase in our engagement score, now standing at 79%.

Following the results of our latest employee engagement survey, we carefully reviewed employee feedback and identified key areas where we could continue improving the employee experience. Based on these insights, several initiatives were implemented throughout the year to strengthen recognition, improve internal communication, and support career development and growth opportunities across the organization.

These actions reflect our commitment to listening to our employees and continuously evolving as an employer. Progress on these initiatives will continue to be measured through our next engagement survey, scheduled for September 2026, covering the 2025 year.

The survey also highlighted many positive aspects of our workplace culture. Employees particularly recognized the strength of our people, the collaborative and supportive culture at H₂O Innovation, and the stability of the company. These results reinforce the importance of maintaining an environment where employees feel valued, connected, and confident in the future of the organization.

H₂O's workforce is 81% male and 19% female (vs. 82% male and 18% female in 2024). While certain business units, such as CSS, demonstrate more balanced representation, others remain heavily male-dominated which is not uncommon in industrial, engineering, or field, construction & manufacturing-driven organizations. Executive leadership is currently fully male, highlighting an opportunity to further strengthen diversity over time, particularly through more intentional and inclusive succession planning efforts.

Gender representativity in management : 79% male, 21% female.
While some level of gender diversity is present within management, representation remains uneven and reflects a narrower leadership pipeline (no change since 2024).

The Corporate Support Services (CSS) function at headquarters employed 82 individuals as of December 31, 2025, with women representing 54% (44) of the workforce and men 46% (38). At the management level (M+), gender representation remained relatively balanced, with women holding 52% (11) of positions and men 48% (10). These figures reflect the organization's commitment to promoting gender diversity and equitable representation across its corporate functions.



Team in front of our office in Champlin, MN

Policies

H₂O Innovation's 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 Privacy Policy

We recognize the importance of protecting the privacy and personal data of individuals in an increasingly digital world, including information of our employees, contractors, and business partners. Our Employee Privacy Policy supplements our general Privacy Policy and outlines our approach to safeguarding personal and confidential information, ensuring compliance with applicable data protection laws and regulations.

We implement strict security measures to protect personal and business-related data from unauthorized access, breaches, and misuse. Our privacy policies also promote transparency in how personal data is collected, used, stored, and processed, while providing individuals with appropriate rights and control over their personal information in accordance with applicable laws.

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.



Policies (continued)

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, responsible use of artificial intelligence tools, 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. Where artificial intelligence tools are used, employees must ensure such use is appropriate, authorized, and does not compromise confidential, personal, or sensitive information, in accordance with Company guidelines. Regular training and monitoring are conducted to enhance cybersecurity awareness and prevent data breaches.

H₂O Innovation regularly reviews its corporate policies and updates them as necessary to ensure they remain aligned with applicable laws, regulations, and standards, and continue to reflect H₂O Innovation’s values and evolving operational practices.



Giving Back

At H₂O Innovation, our commitment to sustainability extends far beyond our technical operations; it is deeply rooted in the communities we serve. As our global footprint continues to expand, we recognize that our responsibility grows with it. We believe that global success is inevitably tied to local prosperity. By remaining actively engaged at the local level, we ensure that the communities providing the backdrop for our work have the resources, support, and infrastructure they need to thrive and grow.

Our Impact Highlights

- **Seeds of Change:** Over the past year, we have significantly deepened our commitment to this foundation both financially and in dedication. Our partnership has evolved from general support of the organization's education and agriculture missions to targeted initiatives that transform lives. In Madagascar's Androy region, Seeds of Change and H₂O Innovation are installing solar-powered water systems and desalination equipment. This initiative provides clean water while empowering farmers to grow food and build sustainable futures.
- **Surge for Water:** To address the global water crisis, we partnered with Surge for Water and launched a dedicated fundraising campaign to support their mission of improving access to safe water, sanitation, and hygiene (WASH). This organization works tirelessly to support underserved global communities, breaking the cycle of poverty through sustainable health solutions. For several weeks, a donation platform was set to support the cause, and H₂O Innovation matched all donations.
- **O&M Community Initiatives:** Our Operation and Maintenance (O&M) teams are the boots on the ground of our philanthropic mission in North America. In the regions where we operate, we've made tangible impacts through efforts such as youth sports sponsorship, arts and culture community initiatives, and support of local military veterans, ensuring we are good neighbors as well as service providers.
- **One Tree Planted:** Environmental restoration remains a pillar of our strategy. Through our ongoing partnership with One Tree Planted, we have integrated reforestation into our business model, planting trees to offset our carbon footprint and restore vital ecosystems. H₂O Innovation continues to support this impactful organization, doing our small part to help with the over 135 million trees they have planted so far.
- **HQ Initiatives (Quebec City):** Our heart remains at home. In Quebec City, our headquarters team has led several local efforts, including raising funds for Centraide (United Way) and providing food for local shared refrigerator to support those in need, fostering a culture of giving that starts from within.

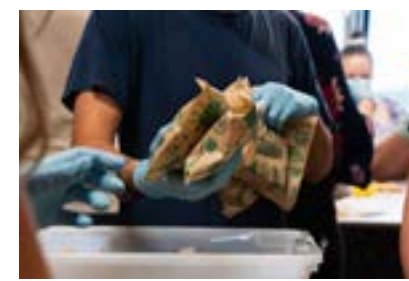
These highlights represent only a small fraction of the initiatives championed by our global and caring team. By staying deeply connected to the regions where we live and work, we ensure that our growth as a company directly translates into positive, tangible progress for our neighbors.

At H₂O Innovation, "Care" is more than just a pillar of our corporate culture, it is the driving force behind every action we take to strengthen our communities and preserve the environment for future generations.

Memberships: We maintain memberships with numerous water-related organizations, including statewide rural water associations, local water environment federations, AWWA, AWBD, APWA, and chambers of commerce, reinforcing our commitment to supporting the communities and industries we serve.



Seeds of Change



Sandwich making for the homeless in Quebec



Seeds of Change
Charity Trip
Kenya, Africa

Be Water Positive Campaign

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.

Since July 2023, H₂O Innovation has partnered with Canada Ocean Racing to support the Be Water Positive sailing campaign, extending its commitment to water sustainability across the world's oceans. In 2025, this partnership continued to grow through increased visibility, stakeholder engagement, and on-the-ground activation initiatives aligned with major international sailing events.

The Be Water Positive campaign, led by Canadian entrepreneur, adventurer, and professional skipper Scott Shawyer, aims to raise awareness of global water scarcity while competing at the highest levels of offshore racing. By carrying this message across oceans, the team highlights the urgency of water challenges and inspires more sustainable water practices worldwide.

Throughout various races, H₂O Innovation hosts strategic gatherings and exclusive events at key ports to connect with customers, distributors, and industry partners around the shared mission of water innovation and sustainability.



Scott Shawyer, skipper for Canada Ocean Racing

2025 activation stops

Activations notably took place within the broader Ocean Race Europe 2025 framework and created opportunities to engage stakeholders in meaningful conversations about water reuse, desalination, membrane technology, and the role of innovation in building more resilient water systems.

- Cartagena focused on connecting with Spanish water utilities and desalination partners, building brand awareness in the Mediterranean region, and networking with local water management stakeholders.
- Genova centered on engaging Italian and European water sector professionals, showcasing membrane technology expertise, and fostering partnerships with water solution providers.
- Montenegro strengthened H₂O Innovation's presence in the Eastern European and Adriatic region, connected the company with regional water authorities, and reinforced its water positivity commitment.

Throughout the 2025 season, opportunities to meet the Canada Ocean Racing team and engage with H₂O Innovation partners helped connect the excitement of offshore sailing with the urgent need to address water scarcity. These moments strengthened awareness, credibility, and the shared commitment to water-positive solutions across industries and communities.



Case Study | Water Academy

Gulfport High School Waterworks Academy Seniors Prepare for National Licensure Exam

Gulfport High School and the Gaston Point College & Career Readiness Institute are proud to recognize nine seniors from the Waterworks Academy who are preparing to sit for their Class 2 Wastewater Licensure Exam next week.

Students have spent months completing specialized coursework and hands-on training in wastewater treatment operations through the innovative Waterworks Academy program.

This credential will qualify these students for employment at Class 2 wastewater treatment facilities across the nation, including opportunities with H₂O Innovation.

The Waterworks Academy, sponsored by H₂O Innovation and the Harrison County Utility Authority, represents a pioneering partnership between Gulfport High School and the Gaston Point College & Career Readiness Institute. The program is the first of its kind in the nation, designed to equip high school students with industry-recognized credentials and workforce-ready skills before graduation.

This initiative underscores the Gulfport School District's ongoing commitment to expanding career and technical education opportunities that prepare students for high-demand, sustainable careers in the water and environmental management industries.

The Waterworks Academy, developed through a partnership between H₂O Innovation, Harrison County Utility Authority, and Gulfport High School, was created to help address the growing workforce needs in the water and wastewater industry while introducing students to meaningful and sustainable career opportunities.

The inaugural cohort included nine senior students who completed specialized coursework and hands-on operational training in wastewater treatment operations.

Throughout the program, students gained practical experience through site visits, laboratory testing, preventive maintenance activities, and operational training led by industry professionals.

A major milestone of the program was the successful achievement of wastewater operator training certifications by five of the nine participating students. After completing the short course and sitting for the Mississippi Department of Environmental Quality (MDEQ) wastewater examination, these students successfully obtained their wastewater training license, providing them with an industry-recognized credential before graduating high school.

This accomplishment demonstrates both the dedication of the students and the value of combining education with real-world operational experience. By earning their certification early, these students are now better positioned to pursue employment opportunities within the water and wastewater sector, including future opportunities with H₂O Innovation, Harrison County Utility Authority, and other utilities across the region.

Beyond technical training, the Waterworks Academy also helped students develop communication, teamwork, and problem-solving skills through written assignments, presentations, and collaborative field activities. The program represents an innovative approach to workforce development and highlights the importance of investing in the next generation of skilled water professionals.

- We partnered with the Harrison County Utility Authority in Mississippi to offer classes to high school students. Our first class was made up of 9 participants, with Tony as the instructor.
- They did leave this class with the foundational knowledge of the Water/Wastewater industry and ultimately be the next generation of operators
- The water academy students received their results from the MDEQ wastewater exam they took after the short course.

- The students had to write a essay on what they learn in this program, on today they had to present their paper to the class.
- The students had to collect their effluent sample and run a PH along with a chlorine test on the sample. The main part of this training was to teach them that the samples had to be run within fifteen minutes of collecting the sample



Governance Oversight

Integrity, transparency, and accountability define H₂O Innovation's governance framework. We uphold the highest ethical standards, including a zero-tolerance stance on bribery and corruption, strong alignment with international human rights principles, and a commitment to secure, resilient IT infrastructure.

Our governance structure ensures clear oversight, ethical conduct, and disciplined decision-making across all business units. In 2025, we continued to strengthen internal controls and compliance mechanisms to build lasting trust with customers, partners, and the communities we serve.

H₂O Innovation also fulfilled its annual reporting obligations under the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act, consistently submitting its annual reports since the legislation came into force, thereby reinforcing transparency and accountability across its supply chain.

UN Global Compact CEO Water Mandate

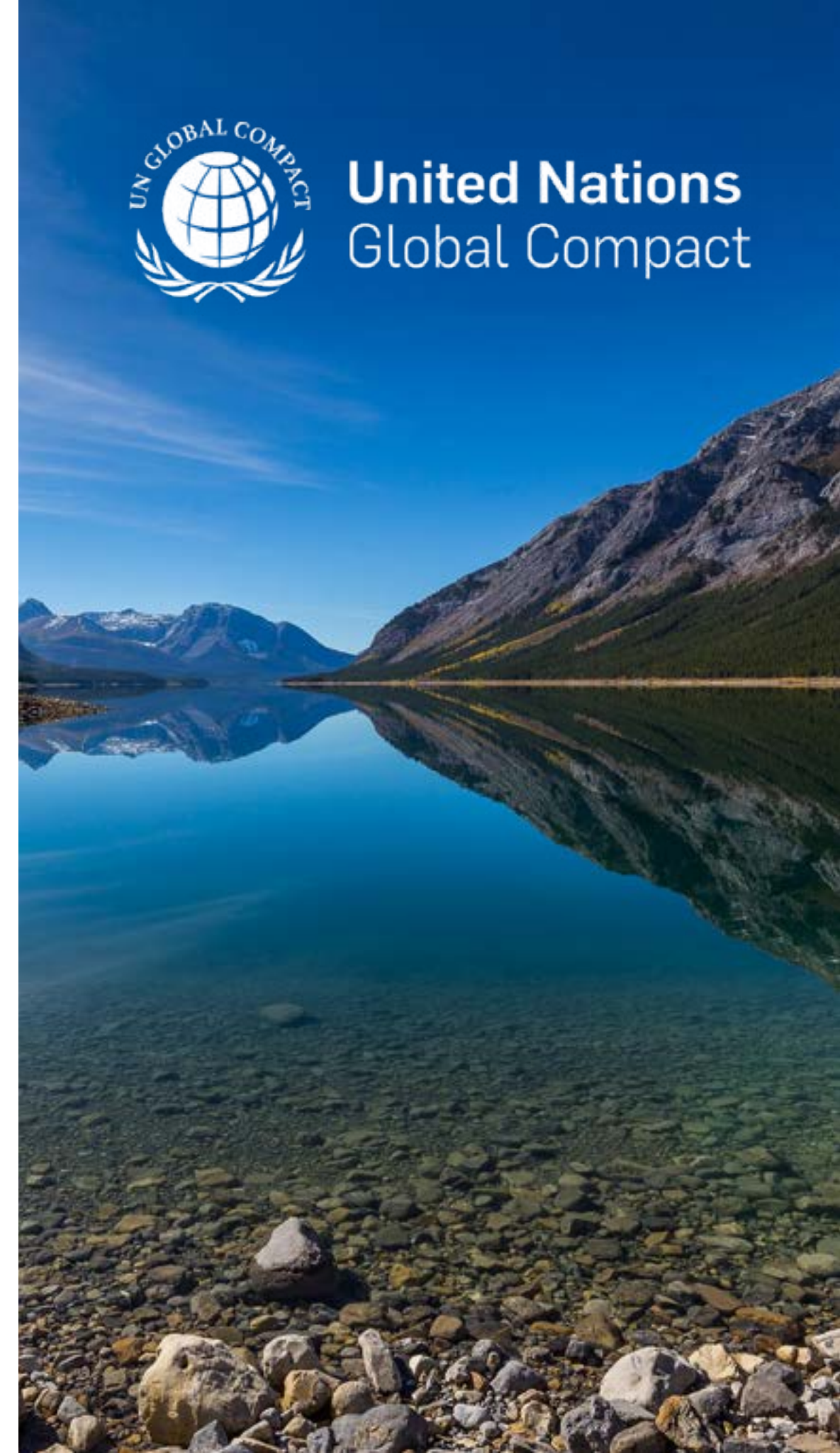
Since 2022, H₂O Innovation has committed to reporting to the UN Global Compact (UNGC) initiative. The UNGC is the world's largest voluntary corporate sustainability initiative, inviting companies to align their strategies and operations with ten universally accepted principles in the areas of human rights, 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

In 2025, our HSE strategy continues to prioritize proactive performance measurement through leading indicators such as safety observations, inspections, training completion rates, and time to close corrective actions. The established target of one safety observation per employee per quarter remains a cornerstone of our approach, reinforcing engagement and accountability across all organizational levels. This disciplined, metrics-driven framework enables consistent performance tracking, supports informed decision-making, and drives ongoing continuous improvement across the organization.

Training tool

H₂O Innovation uses a global safety and training platform, named Sospes to standardize HSE procedures, employee communications, training materials, and certification records across regions. The main benefit is operational consistency across H₂O Innovation's international operations. It also helps improve compliance and supports continuous improvement by giving the company more safety data to act on.

Stop Work Authority

H₂O Innovation encourages all employees to exercise their right to halt any work activity that may pose a risk to their health and safety, that of others, the public, or the environment. Stop Work Authority (SWA), embedded within the Company's operational and safety framework and formalized under its current designation in 2025, is supported by defined procedures for work stoppage, notification, corrective action, and the safe resumption of activities. In 2025, the Company strengthened the program by introducing annual mandatory training and formal knowledge assessments to ensure consistent understanding of SWA application.

Key Numbers:

- Total Recordable Incident Rate (TCIR) remained below the industry average (as per Bureau of Labor Statistics, average of peers is 3.2), reflecting strong overall safety performance.
- Days Away, Restricted, or Transferred (DART) rate improved year over year, demonstrating continued progress in reducing workplace incidents.
- Approximately 10,000 proactive safety observations were recorded. These observations enable employees to quickly identify and report unsafe conditions, behaviors, equipment defects, or procedural gaps through the Sospes system, helping prevent potential incidents before they occur.
- Nearly 20,000 HSE-focused training units were delivered and managed through a centralized Learning Management System (LMS), supporting consistent and scalable employee development in health and safety practices.



10,000
Proactive safety observations

20,000
HSE-focused training units

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, including the use of AI.

- ✔ **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.**
- ✔ **Cybersecurity audit by specialized firm**

Awareness and training continue to be promoted across the organization through regular employee training on the most recent cybersecurity threats. These training programs are developed by qualified consulting firms specializing in cybersecurity, and the IT team regularly simulates phishing attempts to assess employee awareness.

The IT team also carries out ongoing 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.

The Company continued to monitor new and evolving cybersecurity and privacy laws globally to meet the legal and regulatory requirements of the jurisdictions in which it operates.

IN 2025...

1,260

Hours of
cybersecurity
training

3,863

Completion of
cybersecurity
courses

0

Confirmed
corruption
incidents

0

Confirmed
information
security incidents

Case Study | Distributor Summit 2025

As part of our ongoing commitment to stakeholder engagement and responsible business practices, H₂O Innovation hosted the Distributor Summit 2025 in Cancun, Mexico. This multi-day event brought together our global network of partners for a dynamic exchange of knowledge, recognition of achievements, and collaborative discussions aimed at driving collective growth.

This summit served as a strategic platform to deepen relationships with our distributors, grounded in the core values of our organization: **Care, Communicate, and Celebrate.**

CARE

Beyond knowledge-sharing, the summit was a way to give back — reinforcing our commitment to building resilient, long-term relationships. We provided strategic support and personalized resources to help our partners succeed, not just as business collaborators but as critical actors in the water sector.

COMMUNICATE

Through open dialogue and technical workshops, we created space for two-way conversations that allowed us to better understand the operational realities of our partners. This dialogue informed how we adapt and innovate our offerings to meet local and regional needs more effectively.

CELEBRATE

We recognize the dedication and performance of our distributors who serve as an essential extension of our mission. Their local insights and on-the-ground efforts enable the delivery of sustainable water solutions in over 70 countries. This event provided a meaningful opportunity to celebrate their contributions and strengthen our shared commitment to global impact.

By creating meaningful interactions rooted in mutual respect, H₂O Innovation continues to prioritize **inclusive collaboration**, recognizing that the health of our value chain depends on how well we support the people within it.

The Distributor Summit exemplifies how we bring our ESG commitments to life by investing in human connections, shared success, and long-term partnerships.



2025 Distributor Summit in Cancún, Mexico



Aerial view of the coast
in Cancún, Mexico

Appendix

The following appendix contains supporting data, reporting methodologies, definitions, and additional disclosures referenced throughout this report. Together, these resources provide greater transparency into H₂O Innovation's ESG performance and the processes used to measure, manage, and communicate our sustainability commitments.

SASB Index

	Material Topic	SASB Code	Disclosure Metric	Unit / Format	Segments	Current Answer / Status
Environment	Effluent Quality Management	IF-WU-140b.1	Effluent permit compliance rate	% annually	O&M, WTS, WID	99.5%
	Effluent Quality Management	IF-WU-140b.1	Number of permit exceedances	# events / yr	O&M, WTS, WID	2,646 out of 512,359
	Effluent Quality Management	IF-WU-140b.2	Emerging contaminant management strategy (PFAS, EDCs, pharmaceutical residuals)	Narrative	O&M, WID	H ₂ O identifies PFAS, micropollutants, hormones, and pharmaceutical residuals as core challenges its membrane portfolio is designed to address.
	Water Supply Resilience	IF-WU-440a.1	Water withdrawn from high water-stress catchments	m ³ / yr	O&M, SP, WID	1,516 m3/year (covering Madrid, Santiago and California's office)
	Water Supply Resilience	IF-WU-440a.2	Volume of recycled / reused water delivered to customers	gal / day	O&M, WTS, WID	133M gal / day
	Water Supply Resilience	IF-WU-440a.3	Water supply risk management strategy	Narrative	O&M, WTS, WID	SP leads in desalination; WTS supports Direct Potable Reuse; WID builds distributed water resiliency.
Social Capital	Drinking Water Quality	IF-WU-250a.1	Number of formal enforcement actions (SDWA / provincial DWQ violations)	# incidents / yr	O&M, WTS	26
	Drinking Water Quality	IF-WU-250a.1	Drinking water compliance rate across all operated systems	% of samples	O&M	99.75%
	Drinking Water Quality	IF-WU-250a.2	PFAS / emerging contaminant strategy — systems exceeding EPA MCLs; upgrade plan to 2029	# systems + narrative	O&M, WID	Membrane and GAC technology portfolio designed to address PFAS, micropollutants, hormones, and pharmaceutical residuals.
Human Capital	Workforce Health & Safety	IF-EN-320a.1 / RT-CH-320a.1	Total recordable incident rate (TRIR) — direct and contract workforce by segment	Per 200,000 hrs worked	WTS, SP, O&M, WID	2.64
	Workforce Health & Safety	RT-CH-320a.2	Chronic chemical exposure management strategy (SP: biocides, antiscalants)	Narrative	SP	Multi-layered safety approach: engineering controls (ventilation, isolation), administrative protocols, and mandatory task-specific PPE.
Leadership & Governance	ESG Disclosure & Reporting Alignment	IFRS S1 / SASB 2023-12	SASB metric disclosure completeness	# disclosed	All	13
	ESG Disclosure & Reporting Alignment	IFRS S1 / SASB 2023-12	Existing voluntary frameworks and standards active	List + assurance level	All	ISO 14064:2018 · EcoVadis · UN Global Compact · CEO Water Mandate · Fighting Against Forced Labour Act · Annual Sustainability Report

Other Non-Financial KPI

	METRIC	UNIT	FY2025
GHG Emissions	Scope 1	Tn CO2e	6,065
	Scope 2	Tn CO2e	129
	Scope 2 WaterHubs	Tn CO2e	859
	Direct GHG emissions from offices	Tn CO2e	2,447
	Direct GHG emissions from offices (Stationary)	Tn CO2e	15
	Direct GHG emissions from offices (Mobile)	Tn CO2e	2,432
	Direct GHG emissions from plants	Tn CO2e	3,618
	Direct GHG emissions from plants (Stationary)	Tn CO2e	495
	Direct GHG emissions from plants (Mobile)	Tn CO2e	3,123
	Indirect GHG emissions from office imported energy (offices)	Tn CO2e	79
	Indirect GHG emissions from plant imported energy (plants)	Tn CO2e	50
	Indirect GHG emissions by WaterHubs	Tn CO2e	859
Energy	Total energy consumption	kWh	447,692
	Total renewable energy consumption	kWh	1,606,245
Water	Scope 1	m3	433,553
	Total consumption related to fuel for offices	m3	222,478
	Total consumption to fuel for plants	m3	211,074
	Scope 2	m3	3,076
	Total consumption from imported energy for offices	m3	1,350
	Total consumption from imported energy for plants	m3	1,726
	Scope 2 WaterHubs	m3	29,596
	Total water consumption	m3	466,225
	Total amount of water recycled and reused in WaterHubs	m3	801,190

	METRIC	UNIT	FY2025
Training	Average hours of training per employee	hours	5
Compensation	Average unadjusted gender pay gap	%	9.6
Responsible procurement	Targeted suppliers who have signed the supplier code of conduct	%	75
	Targeted suppliers with contracts that include clauses on environmental, labor, and human rights requirements	%	86
Business ethics	Reports related to whistleblower procedure	0	0
	Confirmed corruption incidents	Case	None
	Confirmed information security incidents	Case	None

Affiliations

EcoVadis

In its ongoing effort to strengthen how it evaluates and communicates sustainability performance, H₂O Innovation integrated the EcoVadis platform into its sustainability journey. This globally recognized assessment tool provides a comprehensive scorecard across key areas, including environmental impact, labor and human rights, ethics, and sustainable procurement.



Alliance for Water Stewardship

H₂O Innovation is affiliated with the Alliance for Water Stewardship (AWS), an organization that promotes globally recognized standards for responsible water use and stewardship. This affiliation underscores H₂O Innovation's commitment to advancing sustainable water management practices, aligning its operations and solutions with best-in-class principles for protecting freshwater resources and supporting long-term water resilience.



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, 2025, to December 31, 2025.
Scope 1 & 2

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

