



Evoqua Recognized as the

2021

Company of the Year

Global Sustainability
in Water Technology Industry
Excellence in Best Practices

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Evoqua excels in many of the criteria in sustainability in the water technology space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Sustainability Becomes a Tangible and Valuable Asset in a Post-pandemic World

Water scarcity, one of the world’s most critical challenges, impacts individuals, enterprises, and governments and creates a significant threat to the environment, water security, and global economic

“With its digitally enabled capabilities and comprehensive water treatment portfolio, Evoqua leverages its market leader position to expedite progress towards the United Nations Sustainable Development Goal (SDG) 6 of accessible water and sanitation for all by implementing end-to-end sustainable processes throughout its corporate governance structure and integrating it into the company’s business model.”

- Riana Barnard, Best Practices Research Analyst

growth. Urbanization and the rapid pace of industrialization further accelerate water stress worldwide. Simultaneously, increased awareness (inflated by the intensity and frequency of extreme weather events) results in regulators and policymakers revising existing standards and adopting stringent water monitoring and control mechanisms to regulate quantity, quality and discharge standards. Hence, the need for sustainable and smart infrastructure, precipitated by water stress and climate change, drives investment in the global water infrastructure market. Besides, global enterprises view sustainability more and more as an avenue to minimize risk, increase resilience, unlock new opportunities, and enhance

competitiveness. Thus, sustainability is becoming a tangible and valuable asset; it compels companies to

implement end-to-end sustainable processes throughout their corporate governance structure and integrate it into their business models.

Despite the complexity of the transition, businesses are starting to adopt circular economy principles in every stage of the supply chain, strengthened by a new consumer class that demands eco-responsible products, solutions, and services. Digitalization remains the number one enabler as it drives an integrated approach to address the water-energy-people nexus. As such, water technology companies can use their unique position to expedite progress towards the United Nations Sustainable Development Goal (SDG) 6 of accessible water and sanitation for all by improving water quality and increasing water-use efficiency to ensure affordable, reliable, and equitable freshwater supplies. Data analytics tools and software, along with advanced sensors, convert unintelligent infrastructure into smart, integrated, and sustainable infrastructure while delivering tangible economic benefits (SDG 11). Environment and asset management capabilities further support sustainability-related goals and mitigate climate change's negative impact (SDG 13). Within this context, implementing integrated water resources management tools is paramount in helping to protect water-related ecosystems. However, the widening digital gap (defined by the World Economic Forum [WEF] as "the differential ability to access data and digital technologies") increasingly weakens societal cohesion and threatens long-term sustainability.

Moreover, the WEF report states that climate change, a catastrophic risk, continues to loom as global cooperation deteriorates.¹ In 2020, COVID-19 exposed how structural inequalities violate social fabrics, creating a digital underclass that causes disconnected communities. Finally, as circular economy principles aim to eliminate waste and pollution, retain products and materials in use, and regenerate natural systems, SDG 12 advocates the recovery and reuse of resources. Due to the increase of material consumption in the growing global economy, water technology companies providing innovative solutions

"Evoqua's Water One® service platform empowers customers to achieve water, energy, product, and service efficiency and quantify the economic and environmental impact of a more connected water system. Through this digitally-enabled and value-add service, customers can now move beyond sensing and measuring to predict and drive sustainable benefits for improved resilience. Furthermore, Evoqua continues to expand its capabilities to treat complex emerging contaminants such as PFAS, selenium, and micro-plastics."

- Frederick Royan, VP: Sustainability and Circular Economy Practice

can proactively facilitate cost and energy savings (SDG 7) through responsible production (SDG 12) and mitigate supply chain risks. The opportunity to educate customers via knowledge sharing and collaborative initiatives also contribute to more resilient and sustainable communities (SDG 11).

Visionary Innovation and Performance of Evoqua

Evoqua Water Technologies (Evoqua), an industry leader in mission-critical water treatment solutions, embraces innovation and digitalization as key enablers to help communities and industries solve complex water challenges. The company serves industrial, commercial, and municipal customers by providing a highly differentiated and scalable range of products and technologies, including more than 1,700 patents

and trademarks and 200,000 installations. Over the past century, Evoqua carefully built a reputable brand

¹ *The Global Risks Report 2021*, 16th Edition, published by the World Economic Forum.

that embodies quality, safety, and reliability, and developed an extensive support network to serve its 38,000 global customers. Renowned for its expertise in removing impurities from water, Evoqua collaborates with customers to deliver industry-first innovations, tailored solutions, and sophisticated services to address full lifecycle customer needs related to SDG 12.

Evoqua transforms approximately 100 billion gallons of water every day through its products and services and positively affects health and safety at customer sites worldwide, including industrial, municipal, and recreational facilities. It supports customers, communities, and the environment by mitigating climate change via water resilience, efficiency and ensuring sufficient water quantities of the highest quality. In doing so, it helps its customers achieve more stability and predictability in their water-related costs, comply with regulations, and manage their resources sustainably.

Evoqua prioritizes sustainability as one of its core values. Its approach to sustainability considers both its handprint -- how Evoqua leverages its solutions to help customers create positive ESG impact -- and its footprint -- how Evoqua measures and mitigates its own operational impact. Following its 2019 materiality assessment, Evoqua engaged with stakeholders through employee engagement surveys, customer questionnaires, interviews, and focus groups. It created a cross-functional team to leverage product innovation processes and partner with clients to help achieve their sustainability goals, while also considering employee health and safety, inclusion and diversity, sustainable supply chains, and protecting human rights. Through this focus on both customers and internal operations, embedded in a governance structure navigating environmental and social impact, Evoqua quantifies and proactively manages sustainability. A pragmatic stance underpins the company's approach to transform water and enrich life, particularly relevant in a COVID-19 world.

Digital Innovation Drives Sustainable Benefits for All

Frost & Sullivan's research studies find that digital water solutions play a critical role in monitoring and optimizing water and wastewater treatment systems and associated transmission networks. They provide data to monitor and utilize resources efficiently while improving customer service, infrastructure security, back-end information systems, and service delivery effectiveness. In particular, water treatment solutions connected to the Internet of Things (IoT), such as smart water meters and intelligent water networks, enable clients to understand, ascertain, and manage important quality and quantity aspects. Digital twin solutions open up opportunities to test multiple scenarios, optimize the process, and provide predictive maintenance, reducing downtime and the need for various pilot tests.

Hence, Frost & Sullivan lauds Evoqua's Water One® service platform, which empowers customers to achieve water, energy, product, and service efficiency and quantify the economic and environmental impact of a more connected water system. Through this digitally-enabled and proactive service, customers can move beyond sensing and measuring to predicting, bringing about sustainable benefits.

Use Case 1 (SDGs 6 and 13): Selling Water as a Service to a Start-up Brewery

Through selling water as a service, Evoqua drives reuse and recycling practices for its industrial customers, such as breweries, dairies, microelectronics manufacturers, and chemical processing facilities. Water reuse is fundamental to sustainability, and a circular approach to water use helps close the loop between

demand and supply. Since Evoqua's solutions also use remote monitoring to ensure water quality, they reduce the travel-related emissions associated with reviewing meters on-site, lowering CO2 emissions.

Evoqua brought these capabilities to support a startup craft brewery in the U.S. state of Texas. The brewery faced sporadic drought conditions that negatively impacted the plant's high-quality water supply for brewing.² After reviewing the facility's water quality and process requirements, Evoqua collaborated with a local mechanical firm to develop a comprehensive plan addressing the plant's 16-point distribution loop that would apply the source water to both ingredient and process applications. The solution included Evoqua's Vantage® PTC Softener, a flexible and feature-rich system that filters feed water through a cation resin bed to remove hardness and calcium. Supplemented by a Vantage PTC Carbon filter to remove chlorine and chloramines, the two systems work together as a pretreatment module conditioning the water to improve the downstream reverse osmosis (RO) filtration efficacy. By filtering the water through the Vantage M43 RO system, the process removes minerals and dissolved solids before pumping the water into a storage tank where ultraviolet disinfection occurs. The water is then distributed and reused in the brewery process. Evoqua signed a five-year Water One® service agreement with the customer, combining its experience and applications (Water One services; RO systems/nanofiltration systems; water softeners) to benefit the business. The advantages of these reuse and recycling technologies are multifold: reducing operating and expense risks, promoting safe and compliant operation, improving cash flow, and extending the facility's life span. Notably, Evoqua's solution also reduces water stress and provides a safe alternative water supply.

Use Case 2 (SDG 3 and 11): Removing PFAS for Kennebunkport

Evoqua promotes health and safety through water quality. This includes removing contaminants such as per- and polyfluoroalkyl substances (PFAS), non-degrading chemicals that are harmful to humans and the environment. These chemicals can impact people's health by increasing the likelihood of cancers, fertility challenges, hormone suppression, and other adverse effects. Due to its fire-retardant and non-stick properties, PFAS are part of many everyday products, from textiles and mattresses to cookware and dental floss. As the dangers from PFAS have become more widely acknowledged, various actors in the value chain conduct rigorous testing and implement water treatment solutions to remove these toxic compounds and ensure safe, clean water. Since water quality and treatment requirements differ across communities, Evoqua helps customers find the water treatment solution that most effectively addresses their specific needs while protecting health and safety.

As an example, Evoqua's lead-lag carbon vessel system was used to treat drinking water for the tourist towns Kennebunkport, Kennebunk, and Wells, in Maine.³ This treatment solution successfully reduced PFOA and PFOS to current non-detect levels. In addition to the health benefits, the solution will allow the Water District to be prepared for upcoming regulatory action on PFAS and provides a longer bed life with Evoqua's AquaCarb® CX coconut-shell carbon in comparison to coal-based carbon resulting in up to 40% lower life cycle costs.

² <https://www.evoqua.com/en/case-studies/brewery-food-beverage-waterone2/>

³ <https://www.evoqua.com/en/case-studies/kennebunkport-drinking-water-activated-carbon/>

Use Case 3 (SDG 7 and 12): Leveraging Biogas to Lower Energy Demand

In Evoqua's experience, businesses are more receptive to looking at energy challenges through a sustainability lens – and aligning with its approach to sustainability – if a cost driver is involved. For this reason, waste is becoming an even greater focus in their operations. Currently, most organic wastewater streams contain between two and six times as much energy as that required to treat them. Evoqua increasingly captures and treats the wastewater, with water circularity also leading to reductions in energy costs.

For example, one of Southeast Asia's largest beverage companies sought a wastewater treatment solution to reduce fossil fuel consumption at its distilleries in Bangkok, Thailand.⁴ Molasses was the primary raw material used in production, generating difficult-to-treat wastewater. However, the company realized it could leverage biogas created from an anaerobic wastewater treatment process to lower its fossil fuel energy costs. The beverage company searched for a suitable technology partner and chose Evoqua's ADI® Systems, focused on cost-effective industrial wastewater treatment and waste-to-energy solutions. Evoqua provided five full-scale anaerobic digestion systems consisting of an equalization pond, a low-rate anaerobic ADI-BVF® reactor, and an effluent holding pond.

The anaerobic digestion installation generates biogas. To leverage the biogas optimally, correct treatment of the wastewater is paramount, since much of the complex organics and suspended solid material are slow to degrade. By removing sediment and moisture from the biogas (produced in the BVF® reactors), the solution allows the company to use them in dual-fuel boilers at the processing plants. The biogas-based strategy replaced 80% of the company's heating energy requirements, dramatically reducing energy costs.

Internal Processes and Resources Help Evoqua to Embrace Sustainability as a Core Value

Embracing its responsibility to become more sustainable in internal operations, Evoqua is eager and excited to build on its momentum.

Grounded in its 2019 materiality assessment and stakeholder feedback, Evoqua has purposefully created an environment where management encourages employees to prioritize water sustainability. Its video series, "Imagine a Day Without Water," brought diverse perspectives to illuminate the brand's purpose: Transforming Water. Enriching Life®. Sustainability and innovation drive employees' actions and initiatives. In addition to its initiatives to integrate sustainability into its brand, the company recognizes customers for excellence in water stewardship. Each year, employees are invited to nominate customers who demonstrate and accelerate sustainable strategies around community impact, water and energy efficiency, and environmental protection. In recent years, the candidate field for this Evoqua Water Sustainability Award has expanded widely. In partnership with local universities, Evoqua also embarked on a research journey leading to resources that help employees advance internal sustainability. Evoqua has a dedicated team that focuses on all aspects of sustainability for the company and its clients, complemented by best-in-class resources to educate its workforce about sustainability, cultivate ownership, and foster innovation.

⁴ <https://www.evoqua.com/en/case-studies/thaibev-bvfreactor/>

To guide these efforts, Evoqua embeds sustainability into its governance structure, encompassing executive leadership, its steering team, and workgroups. Its Board of Directors has oversight of Evoqua's sustainability priorities and the overall execution of its sustainability program.

Conclusion

Urbanization and the rapid pace of industrialization accelerate water stress worldwide. Water scarcity is now one of the top priorities on the global risk agenda. Thus, more and more industrial customers demand increased stability and predictability in water-related costs, along with regulatory compliance and sustainability practices that align with current stringent quality and discharge standards. Besides, global enterprises view sustainability more and more as an avenue to minimize risk, increase resilience, unlock new opportunities, and enhance competitiveness. Following its materiality assessment in 2019, Evoqua assigned a cross-functional team to leverage product innovation processes while reflecting on the social impact side of sustainability (i.e., covering topics such as the supply chain, diversity, and inclusion). Continuously evaluating its handprint (i.e., its solutions and service offerings) and footprint (i.e., elevating sustainability through internal operations), Evoqua quantifies and manages sustainability diligently. By incorporating end-to-end sustainable processes throughout its corporate governance structure and integrating it into its business model, Evoqua differentiates itself through its sustainability strategy, operations, and impact within the water sector. Many use cases in various industries and municipalities showcase Evoqua's commitment and capability to transform water and enrich lives, much-needed in a COVID-19 water-stressed world.

For its next-generation technologies and pragmatic approach, supported by an all-inclusive commitment to innovate and advocate, Evoqua earns Frost & Sullivan's 2021 Global Company of the Year Award for sustainability in the water technology market.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first-to-market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

