



Subsidiaries: FLOJET

Locations: Washington D.C. (HQ)

Industries: Energy, Utilities



RISK LEVEL:

DESCRIPTION:

Xylem is High Risk. The company yields to political activism in shaping corporate governance, potentially alienating consumers, dividing employees, and harming shareholders. The company implements race and identity-based policies that replace merit, excellence, and integrity with preferential treatment and outcomes. Xylem embraces corporate initiatives that redirect its central focus from business goals to partisan policies and divisive issues. This approach fails to safeguard free exercise, free speech, and free enterprise.

Corporate Weaponization

Has canceled customers, suppliers, or vendors due to their political views or religious beliefs OR Medium Risk corporately boycotts, divests, or sanctions regions, people groups, or industries.

Xylem Inc.'s HRC 2023-2024 CEI rating indicates the company recruits employees based on sexual identity. The company discriminates against vendors that do not promote divisive sex and gender policies, indicating it prioritizes sexual issues over merit (1)(2). Xylem Inc. requires suppliers and partners to adhere to its ESG initiatives (3). However, the company has not publicly canceled customers, suppliers, or vendors based on political views or religious beliefs (4).

Charitable giving (including employee matching programs) policies or practices discriminate High Risk against charitable organizations based on views or religious beliefs.

Xylem's HRC 2023-2024 CEI rating indicates the company will not donate to non-religious charities unless they embrace controversial sexual identity policies (1)(2). Xylem does not publish charitable giving guidelines on its website (3).

Employment policies fail to protect against viewpoint or other discrimination and/or are High Risk ideological in nature.

Xylem's HRC 2023-2024 CEI rating indicates the company forces employees to attend multiple, controversial trainings on gender identity, sexual orientation, transgender issues, and divisive racial ideology. The company provides gender transition guidelines for its employees and a specific benefits guide with a comprehensive explanation of transgender services funded by the company (1)(2). *Xylem does not provide viewpoint protections for its employees* (3).

Corporate Governance and Public Policy



Uses corporate reputation to support causes, organizations, or policies hostile to freedom of expression.

High Risk

Xylem's HRC 2023-2024 CEI rating indicates the company agrees to allow a controversial stakeholder group focused on sexual identity issues to dictate marketing or advertising strategy (1)(2). By doing so, the company risks dividing employees, alienating customers and harming shareholders. The CEO of Xylem Inc, Patrick Decker, is a member of the Business Roundtable and signed its 2019 Statement on the Purpose of a Corporation, which promotes stakeholder capitalism over traditional obligations to shareholders (3)(4). The company is a Ceres Network Member, committed to carbon neutrality by 2040 (5)(6). Xylem opposed various state and local legislation intended to protect parental rights, girls' sports, bathroom facilities, and gendered spaces (7). The company opposed legislation in lowa intended to protect parental rights, girls' sports, bathroom facilities, and gendered spaces (8). Xylem opposed the Florida Parental Rights in Education Act, which would prohibit teaching gender identity and sexual orientation to kids in K-3rd grade (9). The company signed an open letter in support of the Equality Act (10).

Uses corporate funds to advance ideological causes, organizations, or policies hostile to freedom High Risk of expression.

Xylem's HRC 2023-2024 CEI rating indicates the company covers transgender related costs for its employees and their children, including paid short-term leave, puberty blockers, cross-sex hormones, chest surgeries, genital surgeries, medical visits and lab monitoring, travel and lodging. Additionally, the company has pledged philanthropic support of at least one organization or event that promotes sex and gender ideology (1)(2). By allowing a political stakeholder group to dictate operations, the company increases health care costs and risks dividing employees, alienating customers and harming shareholders. Otherwise, there are no publicly known cases of Xylem using corporate funds to advance ideological causes, organizations, or policies (3).

Uses corporate political actions and/or financial contributions for ideological, non-business High Risk purposes.

Xylem's HRC 2023-2024 CEI rating indicates the company publicly advocated for controversial sex and gender ideology through local, state or federal legislation or initiatives ($\underline{1}$)($\underline{2}$). By allowing a political stakeholder group to dictate operations, the company risks dividing employees, alienating customers and harming shareholders. Xylem does not operate a PAC at this time and has not lobbied for ideological purposes ($\underline{3}$)($\underline{4}$)($\underline{5}$).

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