

# Content Index

## SASB Index

### Industrial Machinery & Goods – Accounting Metrics

Topic	SASB Code	Accounting Metric	Category	Unit of Measure	Response
<b>Energy Management</b>	RT-IG-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	(1) 47,491 gigajoules in FY 2020 (2) 29% in FY 2020 (3) 0.4% in FY 2020
<b>Employee Health &amp; Safety</b>	RT-IG-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Quantitative	Rate	(1) 4.03 in FY 2020 (2) 0.00 in FY 2020 (3) 8.06 in FY 2020
<b>Fuel Economy &amp; Emissions in Use-phase</b>	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Gallons per 1,000 ton-miles	Suggested accounting metrics for Fuel Economy & Emissions in Use-Phase are not applicable to Energy Recovery's business. As disclosed below, Energy Recovery modified suggested accounting metrics to demonstrate the energy efficiency and associated benefits of its energy recovery devices used in SWRO, an accounting metric it believes is highly relevant to its business model.  Avoided electricity consumption from sold and shipped SWRO ERDs: 26.3 TWh/y in FY 2020  The above metric is calculated as the avoided electricity consumption that can be attributed to Energy Recovery's PX Pressure Exchanger and Turbocharger energy recovery devices sold and shipped to customers globally still in use, an amount associated with avoiding approximately 12.5 million metric tons of carbon emissions per year.
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Gallons per hour	
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	Quantitative	Watts per gallon	
	RT-IG-410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	Quantitative	Grams per kilowatt-hour	

<b>Materials Sourcing</b>	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	FY 2020 ESG Report > Our Suppliers (pages <b>63-64</b> ) Please see Energy Recovery's conflict mineral sourcing policy, conflict minerals report, and conflict minerals statement located on the company's <b>investor website</b> .
<b>Remanufacturing Design &amp; Services</b>	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Quantitative	Reporting currency	Not applicable

RT-IG-130a.1 - (1) Excludes: leased facilities in Houston, Dubai, and Shanghai for which leased facility data was not available; de minimis diesel consumption in San Leandro; work from home employees. Includes Tracy facility, which was commissioned in July 2020; electricity usage for Tracy estimated from July-Oct prior to meter switch over.

RT-IG-130a.1 - (3) Energy Recovery installed solar panels in Katy in FY 2020.

RT-IG-320a.1 - (1) Excludes contractor hours and international personnel hours. The company plans to re-evaluate the ability to incorporate these numbers for future reports.

RT-IG-320a.1 - (3) Energy Recovery put in place tracking processes for this data in FY 2019. FY 2020 is the first full year of data.

RT-IG-410a.1 ; RT-IG-410a.2 ; RT-IG-410a.3 ; RT-IG-410a.4 - The estimate is based on actual sales figures and assumptions about the percentage of our cumulative SWRO ERD sales operating globally. PX Pressure Exchangers have a design life of over 25 years; therefore, this accounting metric assumes that the majority of our sold and shipped Pressure Exchangers are in operation. Although it is possible that SWRO ERDs shipped in FY 2020 may have been in the process of being commissioned and not fully operating as of fiscal year end, Energy Recovery does not have access to this data and therefore uses SWRO ERDs sold and shipped through the end of FY 2020 as the basis for this calculation. As SWRO ERDs constitute the majority of our sales through end of FY 2020, pumps and non-SWRO products are excluded from this calculation. The calculated CO<sub>2</sub> emissions reductions is based on 1.05 lbs CO<sub>2</sub>/kWh emissions factor as published by the International Energy Agency as of 2018, which has been updated in our model. Energy Recovery also added Turbochargers to the FY 2020 estimate. Taking into account these updates in methodology, the FY 2019 avoided electricity consumption is 21.9 TWh/y and carbon emissions avoided is 10.4 million metric tons. Assumed avoided electricity per PX Pressure Exchanger unit is based on nominal PX Pressure Exchanger efficiency of 96%, turbocharger efficiency of 69%, pump efficiency of 80%, motor efficiency of 96%, 64 bar nominal membrane pressure, and 42.5% membrane recovery.

## Industrial Machinery & Goods – Activity Metrics

Topic	SASB Code	Activity Metric	Category	Unit of Measure	Response
-	RT-IG-000.A	Number of units produced by product category	Quantitative	Number	Energy Recovery does not disclose the number of units produced by product category. For a financial breakdown by business segment, please see Item 7 in our <b>2020 Annual Report</b> .
-	RT-IG-000.B	Number of employees	Quantitative	Number	216 as of Dec. 31, 2020

## Electrical & Electronic Equipment – Accounting Metrics

Topic	SASB Code	Accounting Metric	Category	Unit of Measure	Response
Product Lifecycle Management	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	Reporting Currency	\$90.5M in FY 2020 (98% of total FY 2020 product revenue across all business segments).

*RT-EE-410a.3 – Includes revenue from products incorporated into systems which recover and reuse otherwise wasted energy. Energy Recovery updated this definition in FY 2020 based on detailed product mapping. With this updated methodology, the FY 2019 metric is \$66.1M, 91% of total FY 2019 product revenue.*

## GRI Content Index – General Disclosures 2016

*Certain materials throughout this ESG report and the below table reference GRI 2016 Standards including 102-18 – Governance Structure, 102-19 – Delegating Authority, 102-20 – Executive-level responsibility for economic, environmental, and social topics, 102-21 – Consulting stakeholders on economic, environmental, and social topics, 102-22 – Composition of the highest governance body and its committees, 102-23 – Chair of the highest governance body, 102-24 – Nominating and selecting the highest governance body, 102-25 – Conflicts of Interest, 102-26 – Role of highest governance body in setting purpose, values, and strategy, 102-27 – Collective knowledge of highest governance body, 102-28 – Evaluating the highest governance body’s performance, 102-29 – Identifying and managing economic, environmental, and social impacts, 102-30 – Effectiveness of risk management processes, 102-31 – Review of economic, environmental, and social topics, 102-32 – Highest governance body’s role in sustainability reporting, 102-33 – Communicating critical concerns, 102-34 – Nature and total number of critical concerns, 102-35 – Remuneration policies, 102-36 – Process for determining remuneration, 102-37 – Stakeholders’ involvement in remuneration, 102-38 – Annual total compensation ratio, and 102-39 – Percentage increase in annual total compensation ratio.*

GRI Indicator	Description	Reference
102-18	Governance structure	<ul style="list-style-type: none"> <li>• <b><u>2021 Proxy Statement pages 12-16</u></b></li> <li>• FY 2020 ESG Report &gt; ESG Oversight (pages <b><u>76-77</u></b>)</li> <li>• <b><u>Committee Charters</u></b></li> <li>• <b><u>Board of Directors</u></b></li> </ul>
102-19	Delegating authority	<ul style="list-style-type: none"> <li>• FY 2020 ESG Report &gt; ESG Oversight (pages <b><u>76-77</u></b>)</li> </ul>
102-20	Executive-level responsibility for economic, environmental, and social topics	<ul style="list-style-type: none"> <li>• FY 2020 ESG Report &gt; ESG Oversight (pages <b><u>76-77</u></b>)</li> </ul>

102-21	Consulting stakeholders on economic, environmental, and social topics	<ul style="list-style-type: none"> <li>FY 2020 ESG Report &gt; Materiality Assessment (pages <a href="#">12-14</a>)</li> </ul>
102-22	Composition of the highest governance body and its committees	<ul style="list-style-type: none"> <li><a href="#">2021 Proxy Statement</a> pages 12-16</li> <li><a href="#">Committee Charters</a></li> </ul>
102-23	Chair of the highest governance body	<ul style="list-style-type: none"> <li><a href="#">2021 Proxy Statement</a> page 12</li> </ul>
102-24	Nominating and selecting the highest governance body	<ul style="list-style-type: none"> <li><a href="#">2021 Proxy Statement</a> pages 13-16</li> <li>FY 2020 ESG Report &gt; Board Structure and Composition (pages <a href="#">68-72</a>)</li> <li><a href="#">Nominating and Corporate Governance Committee Charter</a></li> </ul>
102-25	Conflicts of interest	<ul style="list-style-type: none"> <li><a href="#">2021 Proxy Statement</a> pages 13-14, 17, 39</li> </ul>
102-26	Role of highest governance body in setting purpose, values, and strategy	<ul style="list-style-type: none"> <li>FY 2020 ESG Report &gt; Our Approach to ESG (pages <a href="#">12-25</a>)</li> <li>FY 2020 ESG Report &gt; ESG Oversight (pages <a href="#">76-77</a>)</li> </ul>
102-27	Collective knowledge of highest governance body	<ul style="list-style-type: none"> <li><a href="#">2021 Proxy Statement</a> page 13, 36-39</li> <li>FY 2020 ESG Report &gt; ESG Oversight (pages <a href="#">76-77</a>)</li> </ul>
102-28	Evaluating the highest governance body's performance	<ul style="list-style-type: none"> <li>FY 2020 ESG Report &gt; Director Nomination, Board Evaluation, and Refreshment (page <a href="#">71</a>)</li> </ul>
102-29	Identifying and managing economic, environmental, and social impacts	<ul style="list-style-type: none"> <li>FY 2020 ESG Report &gt; Materiality Assessment (pages <a href="#">12-14</a>)</li> </ul>
102-30	Effectiveness of risk management processes	<ul style="list-style-type: none"> <li><a href="#">2021 Proxy Statement</a> page 16-17</li> <li>FY 2020 ESG Report &gt; Systemic Risk Oversight (page pages <a href="#">72-74</a>)</li> <li>FY 2020 ESG Report &gt; ESG Oversight (pages <a href="#">76-77</a>)</li> </ul>
102-31	Review of economic, environmental, and social topics	<ul style="list-style-type: none"> <li>FY 2020 ESG Report &gt; Systemic Risk Oversight (pages <a href="#">72-74</a>)</li> <li>FY 2020 ESG Report &gt; ESG Oversight (pages <a href="#">76-77</a>)</li> </ul>
102-32	Highest governance body's role in sustainability reporting	<ul style="list-style-type: none"> <li>FY 2020 ESG Report &gt; ESG Oversight (pages <a href="#">76-77</a>)</li> </ul>



102-33	Communicating critical concerns	<ul style="list-style-type: none"> <li>• <a href="#">2021 Proxy Statement</a> pages S-3, 17</li> <li>• FY 2020 ESG Report &gt; Ethics and Compliance (pages <a href="#">65-66</a>)</li> </ul>
102-34	Nature and total number of critical concerns	<ul style="list-style-type: none"> <li>• FY 2020 ESG Report &gt; Recent Governance Updates (page <a href="#">68</a>)</li> </ul>
102-35	Remuneration policies	<ul style="list-style-type: none"> <li>• <a href="#">2021 Proxy Statement</a> pages S-3, 22-25</li> </ul>
102-36	Process for determining remuneration	<ul style="list-style-type: none"> <li>• <a href="#">2021 Proxy Statement</a> page 24</li> </ul>
102-37	Stakeholders' involvement in remuneration	<ul style="list-style-type: none"> <li>• <a href="#">2021 Proxy Statement</a> pages 11, 24-25</li> <li>• <a href="#">Compensation Committee Charter</a></li> </ul>
102-38	Annual total compensation ratio	<ul style="list-style-type: none"> <li>• <a href="#">2021 Proxy Statement</a> pages 29-30, 35</li> </ul>
102-39	Percentage increase in annual total compensation ratio	<p>The ratio between the annual total compensation of the Chief Executive Officer and the annual total compensation for the median employee was 20:1 in 2019 and 19.6:1 in 2020. For more information, see our <a href="#">2020 Proxy Statement</a>, page 56 and our <a href="#">2021 Proxy Statement</a>, page 35.</p>