energy recovery®

2024 SUSTAINABILITY PERFORMANCE SUMMARY

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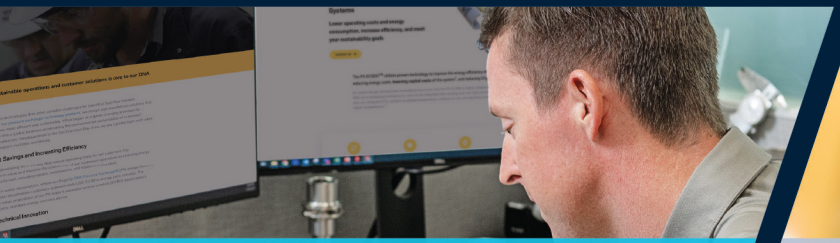

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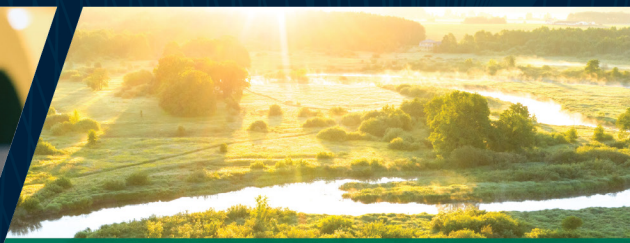

CONTENT INDEX 8

ENERGY RECOVERY IS PROUD TO PRESENT OUR 2024 SUSTAINABILITY PROGRESS REPORT

This summary provides a streamlined overview of our sustainability goal progress and performance data in 2024. For a deeper dive into our broader sustainability strategy, governance, and key initiatives, we encourage you to explore the sustainability section of our website. In November 2024, we published the results of our updated materiality assessment, developed with input from a diverse group of stakeholders including employees, investors, and customers. This assessment also informed our refreshed set of sustainability goals and targets.

We're pleased to share that we've made meaningful progress: all targets are either achieved or currently on track. This includes the addition of new, quantitative goals focused on reducing water use and waste in our operations, which we committed to setting in November 2024, as well as completing our 2025 goal of doubling customer emissions reductions from Energy Recovery products ahead of schedule. We believe that integrating sustainability into our strategy strengthens our products' core value proposition—helping our customers save energy and adapt to a changing climate—while supporting our long-term objective of profitable, sustainable growth.

INTRODUCTION

GOAL PROGRESS

GOAL PROGRESS

Achieved | Achieved and Ongoing | On Track | ★ New Target

GOAL	KPI	TARGET	2024 VALUE[1]	STATUS
Double emissions reductions from Energy Recovery products by end of 2025 vs. 2019 baseline[2]		20.8 Million	22.5 Million	
Further integrate sustainability into our product development process to understand a product's lifecycle impact	Develop and introduce a product sustainability scorecard that assesses the environmental impacts of producing, using, and disposing of a product	By end of 2026	Best practice assessment complete	
Reduce Scope 1 and 2 GHG emissions intensity 65% by 2026 from 2021 baseline	Scope 1 and 2 emissions intensity reduction (market-based)	10 MT CO_2e^3 per $1M of product revenue	14 MT CO_2e^3 per $1M of product revenue	
Reduce waste generated by our operations	Percentage of alumina powder waste recycled	>90%	100%	
	Set hazardous and non-hazardous waste goal	By end of 2025	New targets published June 2025	
	★ Maintain scrap waste sent to landfill rate below 2.5%	<2.5%	–	
	★ Disclose hazardous waste data annually starting in 2025, with expanded reporting by 2027, to enable continuous improvement	By end of 2027	Hazardous waste data added to Environmental Performance metrics	
Reduce water used in operations	Set water reduction goal	By end of 2025	New target published June 2025	
	★ Maintain water withdrawal intensity below 0.06 (2023 baseline)	<0.06 megaliters per $1M of product revenue	<0.05 megaliters per $1M of product revenue	

[1]Past disclosures are available in the Content Index on pages 14–18
[2]Goal is achieved and will be retired this year. Annual data based on Energy Recovery estimates (internally validated). Additional detail on the rationale and calculation of this KPI is available in the "Content Index – SASB" section on page 9.
[3]Metric tons of carbon dioxide equivalents

GOAL PROGRESS

Achieved | Achieved and Ongoing | On Track

GOAL	KPI	TARGET	2024 VALUE[1]	STATUS
Develop workforce to deliver sustainable, diversified growth	Maintain retention rate above 90%	>90%	92%	
	Maintain new hire turnover rate below 10%	<10%	8%	
	Maintain employee engagement survey participation rate above 70%	>70%	77%	
Protect our employees by providing a safe and healthy work environment	Aim towards a total recordable incident rate of zero	Zero	3.34	
	Aim towards a lost time incident rate of zero	Zero	1.43	
	Execute 100% of planned annual safety trainings	100%	100%	
Deliver products and solutions customers can trust	Maintain warranty expenses below 1% of total product revenue	<1%	<1%	
	Percentage of manufacturing operations covered by Quality Management Systems certified to ISO 9001 standards or equivalent	100%	100%	
	Completion of product safety risk assessments for all new products	By end of 2026	Project kick-off planned for 2025	

[1] *Past disclosures are available in the Content Index on pages 14–18*

CONTENT INDEX

TCFD

Core Topic	Recommended Disclosures	Reference
Governance		
Disclose the organization's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities. Describe management's role in assessing and managing climate-related risks and opportunities.	TCFD Disclosures[1] pages 2, 12 Corporate Website > Sustainability Oversight
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2ºC or lower scenario.	TCFD Disclosures[1] pages 1, 4-11
Risk Management		
Disclose how the organization identifies, assesses, and manages climate-related risks.	Describe the organization's processes for identifying and assessing climate-related risks. Describe the organization's processes for managing climate-related risks. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	TCFD Disclosures[1] pages 2-3, 6-11
Metrics & Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. Disclose scope 1, scope 2, and scope 3 greenhouse gas (GHG) emissions, and the related risks. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	TCFD Disclosures[1] page 3 2024 Sustainability Performance Summary > Goal Progress, page 5 2024 Sustainability Performance Summary > Environmental Performance Table, pages 14-16

[1] *FY 2023 TCFD Disclosures; no material changes were identified during the FY 2024 annual review*

SASB

INDUSTRIAL MACHINERY & GOODS – SUSTAINABILITY DISCLOSURE TOPICS & METRIC

Topic	*SASB Code*	*Metric*	*Category*	*Unit of Measure*	*Response*
Energy Management	RT-IG-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	(1) 56,670 gigajoules in FY 2024, (2) 100% in FY 2024, (3) 89% in FY 2024
Workforce Health & Safety	RT-IG-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Quantitative	Rate	(1a) 3.34 in FY 2024, (2a) 0.00 in FY 2024, (3a) 45.76 in FY 2024 Energy Recovery does not currently include contractor hours in these metrics. We plan to re-evaluate the ability to incorporate these numbers for future reports.
Fuel Economy & Emissions in Use-phase	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Liters per 100 tonne-kilometers	Suggested accounting metrics for Fuel Economy & Emissions in Use-Phase are not applicable to Energy Recovery's business. As disclosed below, we modified suggested accounting metrics to demonstrate the energy efficiency and associated benefits of our energy recovery devices, an accounting metric we believe is highly relevant to our business model. Avoided electricity consumption from all products (excluding pumps) sold and shipped: 47.4 TWh/y in FY 2024. The above metric is calculated as the avoided electricity consumption that can be attributed to our energy recovery devices that have been sold, shipped and, to our knowledge, still in use by customers globally, an amount associated with avoiding approximately 22.5 million metric tons of carbon emissions per year.
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Liters per hour	
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	Quantitative	Kilojoules per liter	
	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	Grammes per kilojoule	

SASB

INDUSTRIAL MACHINERY & GOODS – SUSTAINABILITY DISCLOSURE TOPICS & METRIC

Topic	SASB Code	Metric	Category	Unit of Measure	Response
Materials Sourcing	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	Corporate Website > People, Products, & Community > Responsible Sourcing Please see our conflict mineral sourcing policy, conflict minerals report, and conflict minerals statement located on the company's investor website. Our conflict minerals report is filed annually with the SEC. TCFD Climate-related Risks and Opportunities Report page 11
Remanufacturing Design & Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Quantitative	Presentation currency	Not applicable

RT-IG-130a.1 - (1) Includes natural gas, diesel, and electricity consumption across all sites. Excludes: leased facilities in Dubai and Shanghai for which leased facility data was not available and work from home employees.
RT-IG-130a.1 - (2) All electricity is obtained from grid due to structure of contract for on-site solar generation in Katy, TX.
RT-IG-130a.1 - (3) We installed solar panels in Katy, TX in FY 2020 and began purchasing 100% renewable energy for most electricity accounts mid-year 2023.
RT-IG-320a.1 - Excludes international personnel hours. We plan to re-evaluate the ability to incorporate these numbers for future reports.
RT-IG-410a.1; RT-IG-410a.2; RT-IG-410a.3; RT-IG-410a.4 - Calculated as the avoided electricity consumption that can be attributed to our energy recovery devices that have been sold, shipped, and, to our knowledge, are still in use by customers globally. These metrics have been internally validated. The estimate is based on actual sales figures and assumptions about the percentage of our cumulative sales (excluding pumps) operating globally. Although it is possible that ERDs shipped in FY 2024 may have been in the process of being commissioned and not fully operating as of fiscal year-end, we do not have access to this data and therefore use ERDs sold and shipped through the end of FY 2024 as the basis for this calculation. As ERDs constitute the majority of our sales through end of FY 2024, pumps are excluded from this calculation. The calculated CO_2 emissions reductions is based on 1.05 lbs CO_2/kWh emissions factor as published by the International Energy Agency as of 2018. The calculated customer cost savings is based on the global average power price of $0.152/kWh as published by Global Petrol Prices in 2023. Emissions and energy savings from the PX G1300 (CO_2 refrigeration ERD) are included, however, the contribution is de minimis. The remaining assumptions apply to water ERDs only: PX® Pressure Exchangers® have a design life of 30 years; therefore, this accounting metric assumes that the majority of our sold and shipped Pressure Exchangers are in operation. 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.

SASB

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	We do not disclose the number of units produced by product category. For a financial breakdown by business segment, please see Item 7 in our 2024 Annual Report.
–	RT-IG-000.B	Number of employees	Quantitative	Number	254 as of Dec. 31, 2024

ELECTRICAL & ELECTRONIC EQUIPMENT – SUSTAINABILITY DISCLOSURE TOPICS & METRICS

Topic	SASB Code	Metric	Category	Unit of Measure	Response
Product Lifecycle Management	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	Presentation Currency	$141.5 M in FY 2024 (98% of total FY 2024 product revenue across all business segments)

RT-EE-410a.3 – Includes revenue from products incorporated into systems which recover and reuse otherwise wasted energy. We updated this definition in FY 2021 based on detailed product mapping.

GRI CONTENT INDEX

GENERAL DISCLOSURES 2021

Certain materials throughout this report and the below table reference GRI 2021 Standards including 2-9 – Governance Structure and Composition, 2-10 – Nominating and Selecting the Highest Governance Body, 2-12 – Role of the Highest Governance Body in Overseeing the Management of Impacts, 2-13 – Delegation of Responsibility for Managing Impacts, 2-14 – Role of the Highest Governance Body in Sustainability Reporting, 2-15 – Conflicts of Interest, 2-16 – Communication of Critical Concerns, 2-17 – Collective Knowledge of the Highest Governance Body, 2-18 – Evaluation of the Performance of the Highest Governance Body, 2-19 – Renumeration Policies, 2-20 – Process to Determine Renumeration, 2-21 – Annual Total Compensation Ratio.

GRI Indicator	Description	Reference
2-9	Governance structure and composition	○ 2025 Proxy Statement pages 9-18, 23-28 ○ Sustainability Oversight ○ Committee Charters ○ Board of Directors
2-10	Nominating and selecting the highest governance body	○ 2025 Proxy Statement pages 9-39 ○ Sustainability Oversight ○ Nominating and Corporate Governance Committee Charter
2-12	Role of the highest governance body in overseeing the management of impacts	○ 2025 Proxy Statement pages 33-35 ○ Sustainability Oversight ○ Sustainability Priorities
2-13	Delegation of responsibility for managing impacts	○ Sustainability Oversight
2-14	Role of the highest governance body in sustainability reporting	○ 2025 Proxy Statement pages 33-35 ○ Sustainability Oversight

GRI CONTENT INDEX

GENERAL DISCLOSURES 2021

GRI Indicator	Description	Reference
2-15	Conflicts of interest	○ 2025 Proxy Statement pages 33, 97 ○ Code of Business Conduct and Ethics
2-16	Communication of critical concerns	○ 2025 Proxy Statement pages 33, 98-99 ○ FY 2024 Sustainability Report > Governance Performance Table (page 17) ○ Whistleblower Policy
2-17	Collective knowledge of highest governance body	○ 2025 Proxy Statement pages 11-16, 33-35 ○ Sustainability Oversight
2-18	Evaluation of the performance of the highest governance body	○ 2025 Proxy Statement page 22 ○ Corporate Governance Guidelines
2-19	Remuneration policies	○ 2025 Proxy Statement pages 8, 35-39, 40-83
2-20	Process to determine remuneration	○ 2025 Proxy Statement pages 35, 40-53 ○ Compensation Committee Charter
2-21	Annual total compensation ratio	○ 2025 Proxy Statement page 80 ○ The ratio between the annual total compensation of the Chief Executive Officer and the annual total compensation for the median employee was 25.16:1 in FY 2024.

PERFORMANCE TABLES

ENVIRONMENTAL PERFORMANCE DATA

Metric		Unit	Time Period		
Operational Impact & Management			**FY 2022**	**FY 2023**	**FY 2024**
Greenhouse Gas Emissions[1,2]	Scope 1 Emissions[3]	Metric Tons CO_2e ($MT CO_2e$)	1,606	1,731	1,956
	Market-Based Scope 2 Emissions[4,5]		552	204	42
	Location-Based Scope 2 Emissions[4,5]		1,230	1,002	1,166
	Scope 3 Emissions[6]		13,013	9,089	12,786
	– *Scope 3.01 Purchased Goods and Services*		4,317	2,264	5,192
	– *Scope 3.02 Capital Goods*		4,789	3,862	3,650
	– *Scope 3.03 Fuel and Energy-Related Activities*		525	828	880
	– *Scope 3.04 Upstream Transportation and Logistics*		777	613	1,113
	– *Scope 3.05 Waste Services of Operations*		227	91	72
	– *Scope 3.06 Business Travel*		1,186	604	470
	– *Scope 3.07 Employee Commuting*		439	571	386
	– *Scope 3.09 Downstream Transportation and Logistics*		753	256	1,024
	Total Scope 1 - 2 Emissions (Market-Based)		2,158	1,935	1,998
	Scope 1 Emissions Intensity[7]	MT CO_2e / $M Revenue	13	13	14
	Scope 2 Emissions Intensity[7]		4	2	0
	Scope 3 Emissions Intensity[7]		104	71	88
	Total Scope 1 - 2 Emissions Intensity[7] (Market-Based)		17	15	14

PERFORMANCE TABLES

ENVIRONMENTAL PERFORMANCE DATA

Metric		Unit	Time Period		
Operational Impact & Management			**FY 2022**	**FY 2023**	**FY 2024**
Energy Consumption	Natural Gas – Across All Sites	Gigajoules (Gj)	31,340	34,247	37,321
	Diesel – Across All Sites		252	0	900
	Electricity – Grid Across All Sites		17,635	17,652	18,450
	Electricity – Renewable Across All Sites[8]		10,266	14,730	16,381
	Total Energy Consumption Across All Sites[9]		49,474	51,900	56,670
	Total Energy Intensity Across All Sites[10]	Gigajoules (Gj) / $M Revenue	394	405	391
Water	Total Water Withdrawal[11]	Million Liters	–	7.4	6.7
	Water Withdrawal Intensity[12]	Megaliters (ML) / $M Revenue	–	0.06	0.05
Waste	Alumina Powder Waste Recyled[13]	Percentage (%)	40%	39%	100%
	Hazardous Waste Produced[14]	Kilograms (kg)	–	–	15,862
Innovation & Opportunity			**FY 2022**	**FY 2023**	**FY 2024**
Customer savings from use of Energy Recovery product versus conventional products	Total Emissions Avoided Across All Products Per Year[15]	Million MT CO_2e	17.2	19.7	22.5
	Year Over Year Total Increase in Emissions Avoided[15]	Percentage (%)	18%	15%	14%
	Customer Energy Savings Per Year[15]	Terawatt Hours (TWh)	36.2	41.4	47.4
	Customer Cost Savings Per Year[15]	Billion USD	5.9	6.3	7.2

PERFORMANCE TABLES

ENVIRONMENTAL PERFORMANCE DATA

[1]We are focused on ensuring our methodology for measuring our GHG emissions remains aligned with best practices. As part of that effort, we will continue to update our inventories to be as accurate as possible. We remain committed to calculating a representative footprint, and as such, future process improvements can be expected to increase or decrease previously published emissions data. Our GHG emissions calculations have been internally validated. Numbers are rounded to the nearest metric ton, and as a result, totals may display de minimis discrepancies.

[2]In accordance with the GHG Protocol, we consider 2021 to be our best baseline since it is most representative of a normal operational year post-pandemic.

[3]Scope 1 emissions are direct emissions calculated using the operational-control method aligned with the GHG Protocol across our San Leandro, CA; Tracy, CA; and Katy, TX sites.

[4]Scope 2 emissions are indirect emissions produced from purchased energy calculated using the operational-control method aligned with the GHG Protocol across our San Leandro, CA; Tracy, CA; and Katy, TX sites.

[5]Given that we began purchasing 100% renewable electricity for most of our utility accounts in the summer of 2022, we have calculated both market-based and location-based scope 2 emissions. For the location-based calculations, we use the standard Western Power Grid factor (WECC-CA) for our San Leandro, CA and Tracy, CA sites. For the Katy, TX site, the SRVM factor was used. For the market-based calculations, the CA sites rely on the Ava Community Energy emissions factors for the Bright Choice and Renewable 100 plans published on the California Energy Commission Power Source Disclosure webpage. The 2022 e-Green factor was used for the Katy, TX site in the market-based calculations for the purchased renewable electricity in 2023 and 2024.

[6]Scope 3 emissions are indirect emissions across the value chain not captured in scope 1 and 2 and calculated leveraging a third-party proprietary model and software which aligns with the guidance of the GHG Protocol and relies on recent EPA emissions factors and trusted third-party data to determine indirect and induced greenhouse gas emissions. Our reported scope 3 emissions do not include the following categories: 3.08 - Upstream Leased Assets; 3.10 – Processing of sold products; 3.11 – Use of sold products; 3.12 – End-of-life treatment of sold products; 3.13 – Downstream leased assets; 3.14 – Franchises; 3.15 – Investments. Note, 3.10, 3.11, 3.12 all require customer data to which we do not have access, while our business model and operations deem categories 3.08, 3.13, 3.14, and 3.15 inapplicable. Our reported scope 3 emissions input categories reflect our U.S.-based operations and global business travel.

[7]Calculated as Metric Tons of CO_2e divided by FY revenue ($M).

[8]Solar panels in Katy, TX were down from August 2022-January 2023 due to an inverter issue. 100% renewable electricity plans began mid-year 2022 for most sites, with the exception of one utility account in Tracy, CA that was transitioned in 2024. There remains a small portion of electricity consumption under landlord control in San Leandro that is assumed to be on the default 40% renewable plan.

[9]Calculated as the sum of renewable and non-renewable grid electricity (Gj), diesel (Gj), and natural gas (Gj) consumed at our three facilities (San Leandro, CA; Tracy, CA; Katy, TX).

[10]Calculated as Gigajoules (Gj) divided by FY revenue ($M).

[11]Sum of all water drawn for any use over the course of the reporting period at our three facilities (San Leandro, CA; Tracy, CA; Katy, TX). 2023 data excludes Tracy, CA.

[12]Calculated as megaliters (ML) divided by FY revenue ($M).

[13]Calculated as kilograms of reclaimed alumina powder used in PX production and kilograms of alumina powder waste recycled by a third-party vendor, divided by total kilograms of alumina powder waste. Reclaimed alumina powder and virgin alumina powder are tracked as separate part numbers in inventory and on as-builts.

[14]External reporting of hazardous waste data began with FY 2024 reporting period

[15]Calculated as the avoided electricity consumption that can be attributed to our energy recovery devices that have been sold, shipped, and, to our knowledge, are still in use by customers globally. These metrics have been internally validated. The estimate is based on actual sales figures and assumptions about the percentage of our cumulative sales (excluding pumps) operating globally. Although it is possible that ERDs shipped in FY 2024 may have been in the process of being commissioned and not fully operating as of fiscal year-end, we do not have access to this data and therefore use ERDs sold and shipped through the end of FY 2024 as the basis for this calculation. As ERDs constitute the majority of our sales through end of FY 2024, pumps are excluded from this calculation. The calculated CO_2 emissions reductions is based on 1.05 lbs CO_2/kWh emissions factor as published by the International Energy Agency as of 2018. The calculated customer cost savings is based on the global average power price of $0.152/kWh as published by Global Petrol Prices in 2023. Emissions and energy savings from the PX G1300 (CO_2 refrigeration ERD) are included, however, the contribution is de minimus. The remaining assumptions apply to water ERDs only: PX® Pressure Exchangers® have a design life of 30 years; therefore, this accounting metric assumes that the majority of our sold and shipped Pressure Exchangers are in operation. 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.

PERFORMANCE TABLES

GOVERNANCE PERFORMANCE DATA[1]

Metric		Unit	Time Period		
General			**FY 2022**	**FY 2023**	**FY 2024**
Company Profile	Annual Revenue	Million USD	125.6	128.3	144.9
	Number of Employees	Number	246	269	254
Board Composition			**FY 2022**	**FY 2023**	**FY 2024**
Board Composition	Board of Director Female Representation[2]	Percentage (%)	43%	29%	33%
	Board of Director People of Color Representation[2]		29%	29%	17%
	Independent Director Representation[2]		86%	71%	83%
Stakeholder Engagement			**FY 2022**	**FY 2023**	**FY 2024**
Stakeholder Engagement	Number of Total Critical Concerns	Number	0	0	0
Executive Compensation			**FY 2022**	**FY 2023**	**FY 2024**
Executive Compensation	CEO Pay Ratio	Ratio	18.64:1	16.92:1	25.16:1

[1]Please refer to the company's current and prior Annual Reports on Form 10-K and Proxy Statement for further information.

[2]After the 2025 annual meeting date, Female Representation is 33%, People of Color Representation is 17%, and Independent Director Representation is 83%.

PERFORMANCE TABLES

SOCIAL PERFORMANCE DATA

Metric		Unit	Time Period		
Employees			**FY 2022**	**FY 2023**	**FY 2024**
Health & Safety	Total Recordable Incident Rate[1]	(Incidents per 200,000 hours worked)	8.48	2.39	3.34
	Lost Time Incident Rate[2]		–	–	1.43
	Near Miss Frequency Rate[3]		18.96	17.24	45.76
	Fatality Rate[4]		Zero	Zero	Zero
	Safety Training Completion Rate[5]	Percentage (%)	93%	96%	100%
Retention & Engagement	Retention Rate[6]		93%	96%	92%
	New Hire Turnover Rate[7]		8%	8%	8%
	Employee Engagement Survey Participation Rate[8]		70%	75%	77%
	Sustainability Training for New Hires Completion Rate[9]		100%	100%	100%
Product Safety & Performance			**FY 2022**	**FY 2023**	**FY 2024**
Quality	Warranty Expenses as a Percentage of Product Revenue	Percentage (%)	Less than 0.1%	Less than 0.1%	Less than 0.2%

[1] *Total recordable incident rate is calculated as (number of incidents x 200,000)/(hours worked). Excludes international employees, temp employees, and contract workers. Note: Our TRIR was 4.49 excluding COVID-19 incidents for FY 2022. There were zero COVID-19 incidents in FY 2023 and in FY 2024.*

[2] *Lost time incident rate is calculated as (number of lost time incidents x 200,000)/(hours worked). Excludes international employees, temp employees, and contract workers. External reporting began in 2024.*

[3] *Near miss frequency rate is calculated as (number of near misses x 200,000)/(hours worked). Excludes international employees, temp employees, and contract workers. Our near miss reporting includes both proactive reports of a potential safety hazard (good catch) and events that have already happened where an injury/incident could have occurred (near miss). Rate increased significantly in 2024 due to new process of identifying good catch/near misses in a more systemized manner.*

[4] *Fatality rate is calculated as (number of work-related fatalities x 200,000)/(hours worked). Excludes international employees, temp employees, and contract workers.*

[5] *Safety training completion rate is based on the number of planned trainings.*

[6] *Retention rate is calculated as the number of voluntary terminations divided by the average headcount for the fiscal year and includes both domestic and international employees.*

[7] *Includes both voluntary and involuntary terminations of domestic and international employees. Excludes interns, temporary employees, and part-time employees.*

[8] *Data definition updated in 2024, so that metric reporting year corresponds to the year in which survey is delivered.*

[9] *Training launched in August 2022. Data represents completion rate since post-launch.*

ABOUT THIS REPORT

We are pleased to present Energy Recovery's ("we," "our," "Energy Recovery," or "the company") annual sustainability disclosures, which describes our performance for our fiscal year 2024 from January 1, 2024, to December 31, 2024, and includes all company operations worldwide, unless otherwise noted. We have also incorporated select examples of our initiatives to date in 2025. Included in this report are disclosures containing relevant, industry-specific data and information aligned with the Sustainability Accounting Standards Board (SASB) framework and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We have also included select disclosures aligned with the Global Reporting Initiative (GRI) framework. Content within this report should not be considered a substitute for the financial and other material information provided in Energy Recovery's periodic filings with the Securities and Exchange Commission (SEC). Detailed footnotes regarding data presented in this report are located in the Content Index and Performance Tables starting on page 7. The term "materiality" or "material" used herein is not defined per the Supreme Court's definition and that enforced by the SEC. For questions about this report, please contact sustainability@energyrecovery.com.

Forward-Looking Statements

The statements included in this report are made in an effort to share our views on our sustainability initiatives with our key stakeholders, and to further enhance our collective understanding of sustainability issues. Certain matters discussed in this report are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on information currently available to us and on management's beliefs, assumptions, estimates, or projections and are not guarantees of future events or results. Because such forward-looking statements involve risks and uncertainties, changes in circumstances, and assumptions that are difficult to predict and are often beyond our control, our actual results may differ materially from the predictions in these forward-looking statements. All forward-looking statements are made as of today, and we assume no obligation to update such statements, whether as a result of new information, future events, or otherwise. You should not place undue reliance on any forward-looking statement. Factors that could cause actual results to differ materially from those described in forward-looking statements can be found in this report, in the company's filings with the SEC, and disclosures available on our corporate website. The company does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

DISCLOSURES

energy recovery®

2024 SUSTAINABILITY PERFORMANCE SUMMARY

energyrecovery.com
1717 Doolittle Drive, San Leandro, CA 94577
sustainability@energyrecovery.com