

A woman in a yellow raincoat is smiling and has her arms raised in a bamboo forest. The sun is shining through the trees, creating a bright, natural atmosphere. The image is framed by large, stylized white letters 'H' and 'A' on a green background.

2019 Sustainability Report

Waters
THE SCIENCE OF WHAT'S POSSIBLE.™

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DIAMOND ANNIVERSARY

A MESSAGE FROM CHRIS

2018 was a meaningful year for Waters Corporation, and our focus on business sustainability is stronger than ever. We celebrated our 60th anniversary and made great progress toward long-term sustainability by conducting a comprehensive materiality assessment to better understand the key areas most important to our customers, employees, shareholders, and society. With this assessment complete, we are excited to launch our 2025 sustainability goals in this report.

As I reflect on the progress we made and envision our future, our guiding principle – “Deliver Benefit” – serves as a reminder of our core purpose to improve the lives of everyone with whom we interact.

Our founder, Jim Waters, coined the term “Deliver Benefit” to encapsulate the idea that we should positively impact our employees, investors, customers, and society at every opportunity.

It expresses the core of our business purpose: to apply our technical and scientific expertise to enable our customers in the life, materials, and food sciences industries to innovate and deliver on their missions to enhance human health and well-being.

As an industry leader in specialty measurement, we take pride in helping our customers improve people’s lives around the world. We are humbled to know that our work supports the scientific foundation that ensures the quality, efficacy and authenticity of so many things that make our lives better.

The work we do helps the pharmaceutical industry discover and develop new treatments and ensure the medicines they produce are reliable and safe. It helps nutritional scientists and the food industry verify the safety of what we eat and address the challenges of feeding the world’s growing population. And it helps leading scientists across many fields of innovation advance solutions to the world’s most pressing problems.

Our commitment to delivering benefit to society is not just about what we do, but equally about how we do it. It goes beyond our work of designing, innovating and manufacturing specialty measurement technologies for our customers. It is also embedded throughout our global business operations. That drives us to manage our environmental footprint and work towards long-term reductions in greenhouse gases (GHG), water and waste across our operations. And it’s the basis for growing and developing our high-quality workforce. In 2018, Waters developed a proprietary “employee success model”, which is the center of our organizational development program, and we conducted our first comprehensive employee engagement survey. Our long-standing commitment to diversity and inclusion resulted in an increase of female representation in leadership positions at the Vice President level or above from 8% to 25%. And the Waters Board of Directors now stands at 30% women directors.

This report highlights how we work to deliver benefit to all our stakeholders. I am excited to share the results of our comprehensive materiality assessment, which identified the key environmental, social and governance topics for Waters and how this led to this year’s establishment of our 2025 sustainability goals. I look forward to sharing our progress in the years to come and the impact we’re able to have on society.

Chris O’Connell

Chairman and CEO,
Waters Corporation



ABOUT WATERS CORPORATION

Founded in 1958 by James L. Waters, Waters Corporation is the world's leading specialty measurement company. Headquartered in Milford, Massachusetts, the company develops chromatography, mass spectrometry, thermal analysis instruments and software that serve the life, materials, and food sciences.

Fundamental to Waters' success are the company's core values, which have guided our decisions and actions from its origin. Early on, Jim Waters and the company leadership encouraged employees to simply focus on delivering some kind of benefit to our customers, employees, shareholders, and society at every opportunity. "Deliver Benefit" is a simple and positive message that expresses the ethos of our business purpose and has been nurtured by leadership throughout the company's history. "Deliver Benefit" continues to be the foundation and spirit of Waters. Today, Waters is a strong, focused global organization with annual revenue of approximately \$2.4 billion in 2018 (see complete financial disclosures on www.waters.com).

Waters employs approximately 7,200 people globally, operating in more than 100 countries around the world. Nearly 40 percent of the company's employees have more than 10 years of experience at Waters. The Research and Development organization is comprised of approximately 1,000 people located in five major centers worldwide and include chemists, physicists, mechanical engineers, software engineers, and many other scientific disciplines.

Additional details about Waters (including location of operations and economic impact) can be found in our [2018 10-k filing](#).

GRI Disclosures: 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8



Chris O'Connell (center) celebrates 60th Anniversary with Founder Jim Waters (right) and former CEO Doug Berthiaume (left).



MATERIALITY ASSESSMENT

Our sustainability strategy was informed by our materiality assessment and is directly aligned with our purpose and values *to deliver benefit to customers, employees, shareholders, and society through advanced science and analytical measurement technology that enhances human health and well-being.*

In 2018, Waters conducted a comprehensive materiality assessment to identify the environmental, social, and governance topics that are most important to the organization and our stakeholders. The results from this assessment informed our sustainability strategy and defined the key focus areas for the 2025 goal setting process.

Our materiality assessment was conducted in a multi-step process consisting of internal research to identify key material topics, stakeholder engagement, and feedback, and development of a methodology to prioritize the issues. To prevent potential biases, Waters engaged with an independent consultancy to assist and validate our findings.

First, we completed a peer-review assessment of customers, key suppliers, and influencers in our industry to identify a topics universe as a starting point for our analysis. This includes a review of key financial and sustainability reports, risk assessments, shareholder inquiries and resolutions, investor and reputational indices, industry association reports, sustainability reporting frameworks, and supplier surveys. Second, we conducted interviews across a broad spectrum of stakeholders to uncover any topic areas missed during our peer review assessment.



These engagements consisted of interviews with executive committee members, customers, investors, philanthropic partners, as well as feedback from a survey sent to all employees.

Last, we developed a methodology to prioritize the material topics based on importance to the stakeholder and importance to the business and validated them with executive committee members in the organization. The results of our materiality process grouped our focus areas into 3 categories: Strategic Opportunity, Organizational Priority, and Operational Imperative.

We will continue to engage with all our stakeholders – as well as with our industry – to update our strategy regarding materiality and ensure that our focus areas remain aligned with the most relevant issues.

GRI Disclosures: 102,40, 102-42, 102-44, 102-47, 103-1



STRATEGIC OPPORTUNITY

- Innovation and Thought Leadership
- Environmental Impact of Products
- Talent Recruitment and Development
- Culture and Engagement

ORGANIZATIONAL PRIORITY



- Financial Performance
- IT Transformation
- Sustainable Supply Chain
- Business Continuity Planning



OPERATIONAL IMPERATIVE

- Human Health, Safety, and Well-being
- Diversity and Fair Treatment
- Energy and Greenhouse Gas
- Water and Waste Management

OUR COMMITMENT TO SUSTAINABILITY

At Waters, our commitment to sustainability is centered on advancing scientific progress to enhance human health and well-being.

2025 Goals

The results from the materiality assessment identified key areas where Waters can drive sustainability throughout the organization. To accelerate our efforts in these areas, we engaged with business leaders across multiple disciplines in the organization to develop and commit to our first set of five-year sustainability goals. These goals were presented and approved by our executive committee in 2019 and represent five focus areas that deliver benefits to our customers, employees, shareholders and society. We're excited to kick off our efforts and will continue to define specific metrics for achieving these goals throughout 2020.



Advance Our Innovation Ecosystem

We will systematically implement measurable, sustainable practices in how we innovate, develop and deliver our products.



Lead by Example in our Employee Development & Engagement

We continue to focus on the employees we have today – and the employees we will need tomorrow – through programs and initiatives that drive diversity, inclusion, and development.



Reduce Our Environmental Impact

We will improve our operations performance by decreasing environmental impact and increasing natural resource efficiency.



Nurture Our Culture of Health, Safety, and Well-being

We will foster an attitude of awareness, preparedness, and responsiveness across our workplace and throughout our supply chain.



Enhance Our Sustainable Supply Chain

We will advance an end-to-end product and supply chain sustainability program that identifies opportunities in engineering, procurement and operations to reduce the environmental impact of our products and supply chain.

GRI Disclosure 103-2



ENVIRONMENTAL SUSTAINABILITY

We believe the health of our planet is fundamental to our purpose of enhancing human health and well-being.

With our global population expected to grow by 25% by 2050,* the natural resources we depend on will face continuous pressure. It is crucial we focus on decoupling our environmental impact with that of business growth, build resilience across our supply chain, and explore efficiency opportunities in our products.

*United Nations World Population Prospects 2019

Sustainability Management

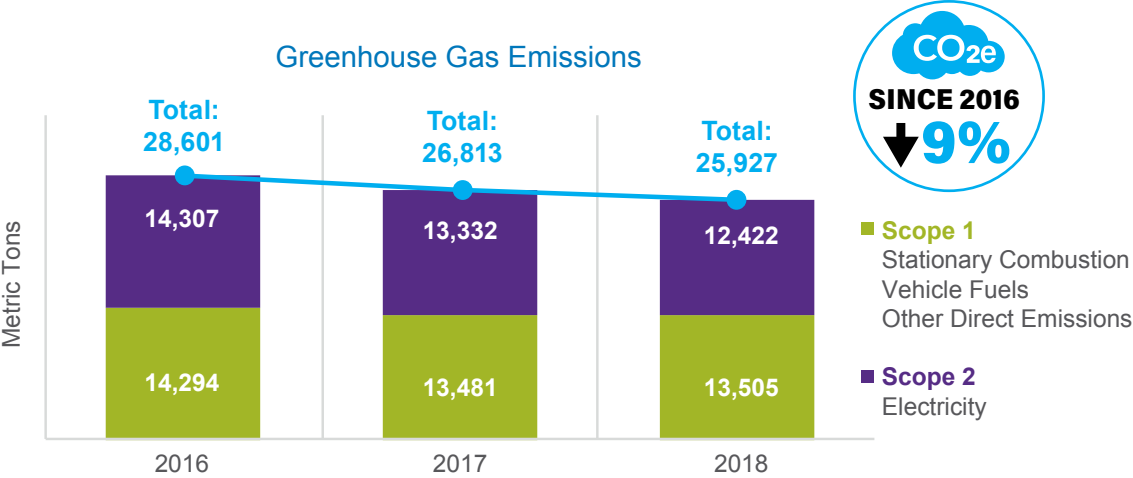
Management of Waters' environmental strategies and policies is led by the Senior Director of Facilities. Local implementation of policies and procedures in accordance with applicable rules and regulations is the responsibility of the Health, Safety and Environment (HSE) Coordinator at each Waters' facility. All employees are responsible for ensuring that our business is conducted in compliance with applicable laws and in a manner that protects the environment. Employees are required to notify management if hazardous materials come into contact with the environment or are improperly handled or discarded.



Greenhouse Gas Emissions

Measuring our greenhouse gas (GHG) emissions is essential in our environmental management process. The company has dedicated resources to measure and manage our environmental footprint and has committed to reduce our emissions by 35% by 2025 from a 2016 baseline.

Waters has implemented several emissions reducing initiatives. For example, we've upgraded the heating system at one of our primary sites in Wexford, Ireland from heating oil to cleaner burning natural gas to reduce the emissions needed to heat the building.



Footnote: Waters reports GHG market-based emissions for its 26 primary sites (2018). In total, these sites account for over 80% of total square footage and include those with the heaviest impact due to manufacturing and research operations.

GRI Disclosures: 305-1, 305-2, 305-4, 305-5

Energy

The manufacturing and testing of our products require heavy equipment that is energy intensive. We measure and monitor the amount of energy we use at our facilities to understand our energy usage and to identify where opportunities exist for reduction.

Energy		2016	2017	2018
Stationary Combustion (MwH)	Heating Oil	1,967	1,550	0
	Natural Gas	30,415	31,011	33,806
	Diesel Backup	18	42	34
Vehicle Fuels (MwH)	Diesel	3,359	4,061	3,338
	Gasoline	21,000	20,051	21,583
Total Energy Consumption	District Heating	56	41	31
	Electricity	55,699	55,497	56,828
	Total Energy Consumption	112,514	112,253	115,620
Revenue (Millions USD)		2,167	2,309	2,420
Energy/Revenue (MwH/\$mm)		51.91	48.61	47.78

Footnote: Waters reports energy usage for its 26 primary sites (2018). In total, these sites account for over 80% of total square footage and include those with the heaviest impact due to manufacturing and research operations.

GRI Disclosure: 302-1, 302-3, 302-4

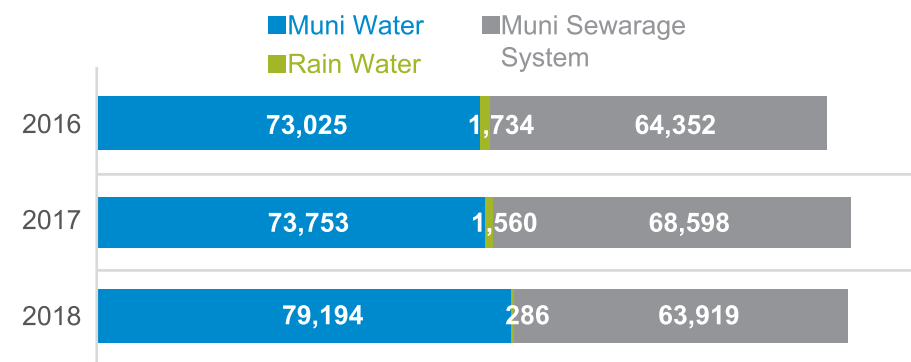
Renewable Energy

To minimize the environmental impact of our energy needs, we purchase renewable energy at our facility in Wexford, Ireland. Renewable energy accounts for approximately 9% of our total energy usage in 2018.

Water

Waters is committed to addressing its water use throughout its operations and have focused our efforts at six main sites where water use is most prevalent. While water is used during the manufacturing process in some of our products, the majority of our water use is for domestic purposes. Due to an increase in production volume and headcount, we have seen an increase in water use in the reporting period. Waters remains committed to its water use and intends to improve our water reporting and management in the years ahead.

Water and Wastewater (Cubic Meters)

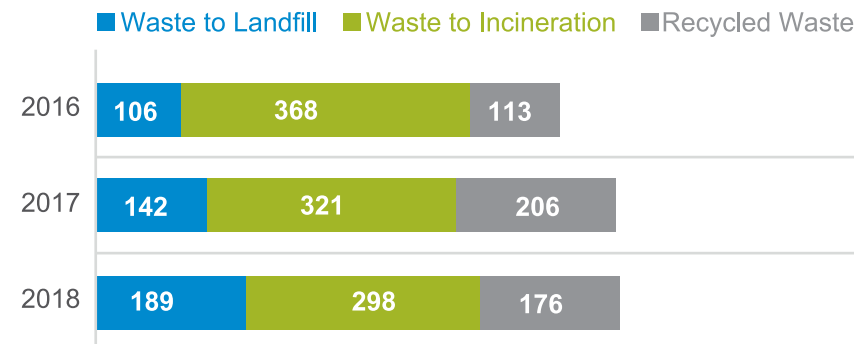


GRI Disclosure: 303-1, 303-3, 303-4, 303-5

Waste

Upholding our commitment to environmental responsibility includes monitoring how much waste we create and how we dispose of materials used throughout our manufacturing processes. Waters focuses the amount of waste generated at six main sites where manufacturing is core to the facility's operation. During the reporting period, the company consolidated manufacturing operations to main sites which attributed to an increase in waste. We intend to improve and expand our waste reporting in the years ahead.

Waste Generation (Metric Tons)



GRI Disclosure: 306-2

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SUSTAINABILITY BY DESIGN

Our Taunton, Massachusetts site is responsible for bulk synthesis of chromatographic media which is critical to sample analysis for pharmaceutical, biopharmaceutical, materials, food, clinical, and biomedical research applications.

In April 2018, Waters committed to investing approximately \$215 million to expand the chemistry operation to build and equip a state-of-the-art facility that will support rising global demand, as well as advancement in chemistry technology innovation. In designing the 135,000 square feet expansion, Waters will incorporate elements of Leadership in Energy and Environmental Design (LEED®) to optimize the efficiency of the facility for our chemistry operations.

Supply Chain

Waters relies on a variety of suppliers for the production of our products and for the business to operate efficiently. We require all suppliers to meet set criteria of ISO 9001 or other comparable standards to ensure the quality of our products meet the delivery times needed for our manufacturing processes to function effectively.

GRI Disclosures: 102-9, 102-10

Supplier Assessment

Our supplier management program oversees the financial, governance, environmental and social risk factors of the suppliers who provide goods and services to Waters.

To assess the environmental risk factors of our suppliers, we used metrics from a globally-recognized database that helps leading firms calculate the energy and environmental impact of various products and services. The database provides information on the environmental impacts of a product throughout its' lifecycle, from the raw material used to the production technique used to manufacture it. This insight allows the end-user to quantitatively compare the relative impacts of various products throughout its' lifetime.

To assess the potential social implications of our suppliers, we reviewed data including labor and wage related issues, risks for corruption and child labor, political unrest, past issues that were made public or reported in media as well as other factors. We also considered each supplier's industry and geographic location, recognizing that certain issues are more prevalent in different parts of the world. This strategy helped us identify the location and severity of socially-related risks.

A total risk score is then assigned to each key supplier based on the social risk score, environmental risk score, and the total annual spend with the supplier. Using these scores, we are able to focus in on a manageable number of key, high-risk suppliers and actively engage with them regarding their sustainability-related initiatives.

This risk management process enables Waters to strengthen relationships across the value chain and uncover opportunities to improve.

Product Stewardship

Waters' Conflict Minerals Management Program (CMMP) is driven by the Product Stewardship team to ensure the responsible supply chain management of minerals potentially sourced from conflict-affected and high-risk regions of the world. The CMMP aligns with the conflict minerals reporting requirements of the Dodd-Frank Act.

Waters' products are compliant with the European Union's Reduction of Hazardous Substances (RoHS) Directive and other regional RoHS regulations, which seeks to reduce the environmental impact and increase the recycling of electrical and electronic equipment through restriction of certain hazardous substances. To ensure future products comply with the material composition and product documentation required, we've incorporated RoHS compliance into our new product development process. We also comply with the European Union's Waste Electrical and Electronic Equipment Directive to reduce the disposal of waste by allowing customers to return eligible equipment for recycling at the end of its useful life.

Product Sustainability

Reducing the environmental footprint from our manufacturing and operations is a one focus area of our sustainability program, but it's not our only approach to reducing environmental impact. The products we make also use resources when our customers use them. To understand the impacts of our products, we've conducted a Life Cycle Analysis (LCA) of our products to quantify where the impacts are and to identify where opportunities exist to improve efficiency. A LCA is a method to identify the environmental impacts of a product throughout various stages of the product's lifespan from the materials selection and production, through the use phase, and finally the products end-of-life. Our studies have found the major impacts of our products occur during its use phase and we're striving to increase the energy efficiency, decrease solvent use, and minimize the physical footprint of our products.

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EMPLOYEE DEVELOPMENT AND ENGAGEMENT

It is our people that create the Waters' difference and we have made important investments for our 7,200 talented and committed employees.

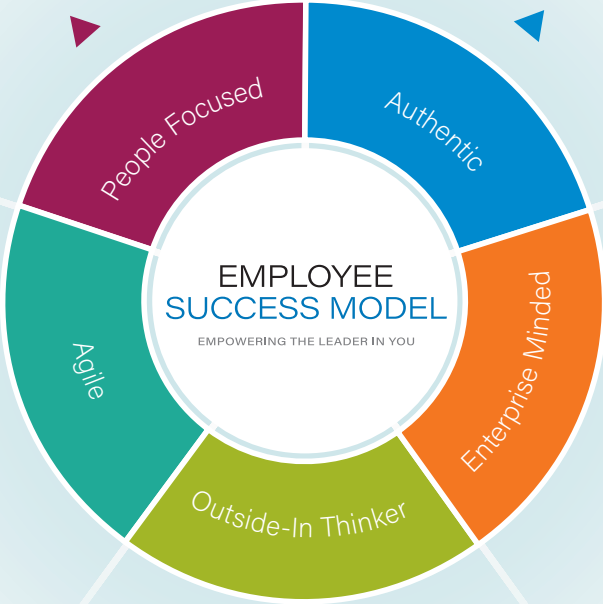
Employee Success Model

At Waters, we strive to create employee success and the center of our organizational development program is the "Employee Success Model." This model is a context specific articulation of the behaviors and attributes we believe will strengthen the values and vision of Waters. It defines the foundation of all our people activities, including talent acquisition, talent development, performance evaluation, and rewards.



Actively creates the conditions for Waters people and teams to succeed

Operates with integrity, transparency, and humility



Balances clear strategic thinking and accountability in execution to deliver results

Acts as a true company owner to advance the overall interests of Waters

Carries a broad global perspective of markets, technologies, and trends

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My Voices Survey

In 2018, Waters conducted its first comprehensive employee engagement survey, Voices. Nearly 90 percent of our employees provided feedback on everything from their understanding of Waters values and vision to how well they feel they are being developed to have an even greater contribution to the company.

Our strengths in 2018 were in the areas of motivation to contribute, understanding of employees' contribution to Waters goals, and the enjoyment with the people they work with. Opportunities for strengthening include improving feedback mechanisms from employees and career development and planning.

As the company builds initiatives to address areas in need of improvement, we look forward to reporting our progress and conducting our next Voices survey in 2020.

Talent Development

Our Talent Development strategy focuses on enabling Waters to attract, develop and retain talent for organizational sustainability and scalability. Through an integrated approach to managing talent, building capabilities, and motivating skilled employees, we aim to strengthen our position in the market as an employer of choice. Our talent development team drives and supports the company's culture and seeks to build an inspired workforce for personal and professional success.

Employee Circles

At Waters, we believe we reach our full potential when we harness the totality of different perspectives of what individuals contribute. To leverage the talent of our diverse workforce, it's essential we promote a culture which engages and empowers employees from different backgrounds in an inclusive and accepting workplace. Our Employee Circles and their members serve as ambassadors and change agents to promote diversity and foster inclusion across the company. In 2018, Waters formalized the Gender Diversity Network, setting the foundation for additional circles.

Innovation

In 2018, Waters launched nine new products, upgrades, and solutions that advance our customers' ability to improve human health and well-being. With approximately one out of every seven employees in our research and development, and over 250 Doctor of Philosophy (PhD) employees throughout the company, our collective knowledge of separations science not only covers several depths of understanding, but also across a wide breadth of topics.

By taking a break from their day-to-day responsibilities, the Innovation Summit brings together the R&D leadership, our scientific, engineering and operations staff along with outside experts to an immersive environment to explore innovation. Through oral presentations, sharing findings from research, infotutorials and networking sessions, scientists and engineers can give and receive feedback on present and future research projects.



INNOVATION SUMMIT

Waters held its Innovation Summit in 2018 as an opportunity for scientists and engineers to celebrate innovation, recognize individual accomplishments, inspire creativity, and share ideas and best practices with one another. The Summit is the chance to focus on innovation and its importance in fulfilling Waters' vision to Deliver Benefit and its mission to improve human health and well-being.

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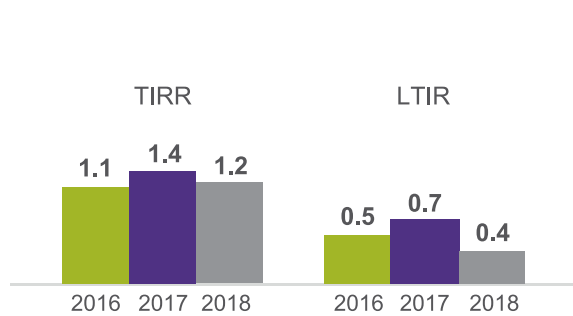
Health and Safety

Waters is committed to driving a culture in which the health, safety, and well-being for all our employees is an integral part of managing our business. This commitment is driven by the Senior Director of Facilities.

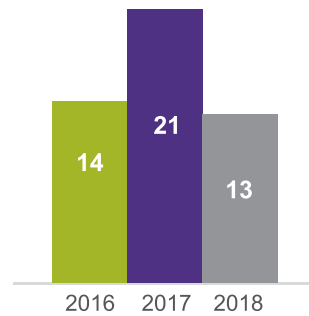
As part of how we do business, Waters follows all general safety training protocols, including requiring safety training for employees. Through online and in-person training programs, we ensure all employees can prevent accidents and injuries in the workplace and remain safe every day. In addition, employees receive specialized training on an as needed basis for specific topics such as compressed gases, biological substances, and hazardous materials.

Waters closely monitors our Total Recordable Incident Rate (TIRR), Lost Time Incident Rate (LTIR), and Number of Lost Time Cases as our key safety performance indicators in our effort to build a zero-accident workplace culture.

Workplace Safety Rates



Number of Lost Time Cases



GRI Disclosure: 403-2, 403-4, 403-5, 403-9

Compensation

Waters provides employees with a compensation structure that is market focused and performance-based – with an incentive structure to deliver on both annual and long-term goals.

Our compensation strategy aims to:

- Align total compensation with our business strategy and make it performance-based;
- Establish and maintain pay levels based on evaluation of jobs, work performance and compensation paid in the marketplace;
- Attract and retain talented employees whose efforts are essential to the continued success of the company; and
- Achieve balance between global consistency and local flexibility.

GRI Disclosures: 102-35, 102-36



BENEFITING SOCIETY

Deliver Benefit is the foundation behind our business purpose and is a call to action that guides every Waters employee around the world. By giving our time and committing resources through volunteer opportunities and philanthropic efforts, we aim to make a positive impact to the communities where we work and live.

Advancing Science, Technology, Engineering, and Math (STEM) Learning

Waters' ability to thrive and sustain success not only relies on the talented workforce we have today, but also the next generation of innovators and problem solvers who will advance society's future needs. We're committed to supporting STEM education to nurture and grow diverse talent through our programs and partnerships throughout an individual's educational journey.

We inspire the next generation of scientists through our STEM Ambassador Initiative which provides education programs to students from elementary school to high school. Our dedicated employees and partners have created curriculum to introduce separation science in elementary schools, led site visits and tours of Waters manufacturing operations to middle school students, and exposed high school students to potential careers in science through job shadowing opportunities.



Advancing Research – University Partnerships

Waters Centers of Innovation Program recognizes analytical scientists facilitating breakthrough in health and life science research, food safety, environmental protection, sports medicine, and many other areas.

In partnership with Waters, leading scientists are using liquid chromatography and mass spectrometry to unlock the mysteries of science and take research towards new and exciting paths.



PROFESSOR CHRISTIANE AURAY-BAIS

Professor-researcher, Faculty of Medicine and Health Sciences Université de Sherbrooke and CIUSSS de l'Estrie-CHUS Sherbrooke, QC Canada

A primary focus of Prof. Auray-Blais's research is related to a group of conditions known as lysosomal storage diseases. One of these is called Fabry disease which occurs in one out of every 40,000 people. Genetic mutations that cause Fabry disease interfere with the function of an enzyme which processes biomolecules known as glycosphingolipids. This leads to an accumulation of these substances in the walls of blood vessels and different organs causing among other complications, stroke, cardiac hypertrophy and renal failure. Clinical and research teams at Sherbrooke led by Prof. Auray-Blais succeeded in discovering, identifying and elucidating the structure of several important lipid biomarkers in urine. They then developed, validated and translated into the clinic the first-ever mass spectrometry-based, high-risk screening method for them. Patients having these late-onset cardiac mutations of Fabry disease can now be detected earlier and monitored throughout their lives as the level of some of these biomarkers can inform their physicians about the severity of their disease.

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Partnerships

To amplify our impact to the communities we serve, Waters partners with nonprofits, nongovernmental organizations, government agencies, and other companies to deliver benefit to society. We intensified our focus on advancing STEM learning through partnering and supporting organizations such as Girls STEM Summit, Ron Burton Training Village, Museum of Science and Industry in Manchester, UK, and supporting science focused scholarships through local chambers of commerce.

Memberships

Waters values the importance of playing a leadership role in our industry to advance the organization and scientific progress. Our association memberships, across stakeholder's industries, allow us to collaborate with others to set the standard for industry best practices.

The industry associations Waters participates in include:

- American Chemical Society
- American Society of Mass Spectrometry
- Associated Industries of Massachusetts
- British Society of Mass Spectrometry
- Canadian Society of Mass Spectrometry
- Food Industry Asia
- Grocery Manufacturers Association
- Manufacturers Alliance for Productivity and Innovation
- Manufacturing Advancement Center Workforce Innovation Collaborative (MACWIC)
- NAEM (National Association of Environmental Management)
- The Royal Society
- The Royal Society of Chemistry
- Society of Chemical Manufacturers and Affiliates
- United Nations Products Alliance
- U.S.-India Business Council

GRI Disclosure: 102-13

Partnering to Address Global Food and Water Safety Challenges



INTERNATIONAL
FOOD & WATER
RESEARCH CENTRE



INTERNATIONAL FOOD & WATER RESEARCH CENTRE

As the world's population is expected to add approximately 2 billion people by 2050 according to the United Nations, ensuring food and water supplies are safe, healthy, and plentiful is an important concern. To address the growing challenges of food and water security, and safety, Waters opened the International Food & Water Research Centre (IFWRC) in Singapore as a model for scientific collaboration between industry, government, and academia.

Led by a Scientific Advisory Panel, the IFWRC will serve as a resource to support scientists throughout the world working in the areas of food authenticity, food fraud discovery, water contamination research, food quality enhancement, and new ingredient/formulation studies. The Scientific Advisory Panel will identify meaningful, innovation projects by working with academic and industrial leaders globally.

Researchers will gain access to IFWRC's state-of-the-art facilities outfitted with the latest advanced analytical instrumentation from Waters. Additionally, the laboratory will be staffed with scientists and researchers who will work closely with project owners throughout implementation.

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HOW WE DO BUSINESS

Code of Business Conduct and Ethics

Waters is committed to ethical, moral, and legal principles in every aspect of its business conduct. We do not condone actions or behaviors that are inconsistent with our values or violate our code of conduct. Our Code of Business Conduct and Ethics provides guidance and resources to help us adhere to these ethical standards and protect our reputation.

All employees at Waters – from associates to executive officers and directors – must follow our code. It applies to everyone, regardless of their position or tenure at the company. All employees are required to complete training on our code annually.

Waters Code of Business Conduct and Ethics is available [online](#).

GRI Disclosure: 102-16, 102-25

Compliance

Compliance with all relevant and applicable laws and regulations, including those relating to employment and labor, environmental laws, product-related regulations and other topics as applicable, is the responsibility of the all employees and overseen by specific line management. Waters does not condone actions that don't adhere to these laws and regulation since they directly impact our ability to operate in our markets, to develop new markets and to maintain our reputation of integrity and innovation.

GRI Disclosure: 102-16

Anti-Bribery/Anti-Corruption

Waters operates in compliance with all applicable anti-bribery and corruption laws as well as all applicable laws and regulations of the countries in which we operate.

Waters has implemented anti-corruption training programs to help employees and other stakeholders understand the issues related to actual, potential or perceived corruption, including how to ensure that charitable donations, sponsorships or gifts and entertainment are not used as disguised forms of bribery. This training is required for all new employees and current employees on an annual basis.

GRI Disclosure: 102-16, 205-2

Labor and Decent Work

Our commitment to operate safely is overseen by the Senior Director of Facilities and managed by staff at local facilities. Regular health and safety programs and training are offered to employees to cover a wide range of topics relating to workplace safety and wellbeing. To measure our health and safety performance, we rely on collecting the total recordable incident rate and lost time incident rate at our facilities.

GRI Disclosure 403-2

Whistleblower Policy

Waters is committed to complying with and requires its employees acting on its behalf to comply with all applicable legal and regulatory requirements relating to accounting, internal accounting controls and auditing matters. Our employees are expected to report any actual or suspected violations and may do so anonymously and without any form of retaliation. Find more information regarding our Whistleblower policy and the ways to report violations, our policy can be found on www.waters.com.

GRI Disclosure: 102-17



CORPORATE GOVERNANCE

At Waters, our commitment to sustainability includes maintaining the highest standards of business integrity. Over the last 60 years, we've built a valuable reputation for integrity and continually take steps to reinforce our commitment to it. We believe that adherence to sound principles of corporate governance is essential to protecting Waters' reputation, assets, investor confidence, and customer loyalty.

Board Structure

Waters' Board of Directors and its various committees are responsible for ensuring our business is conducted and managed in a responsible manner. The Board of Directors consists of ten members whose primary objective is to protect the long-term interest of Waters' shareholders. Waters' CEO serves as the Chairman of the Board and the other nine members are independent directors.

Board Composition

The diversity of our Board of Directors is critical in our ability to effectively oversee the strategic direction of the company. Our board members come from a wide range of scientific, technical, financial and operational backgrounds and female representation is at 30%. We have a strong lead independent director and will continue to add new perspectives as our industry and business continue to evolve.

In addition to the of two new independent directors in 2018, we have continuously enhanced board processes, cadence and committee work. We have also added two new committees – the Finance Committee and Science & Technology Committee to supplement our Audit, Nominating & Corporate Governance, and Compensation Committees – and commenced a committee rotation of our board members to diversify their perspective.

To learn more about our board composition and corporate governance, view our [proxy statement](#).

GRI Disclosures: 102-18, 102-22, 102-23, 102-24, 102-25, 102-28, 102-35

Executive Compensation

Waters' executive compensation program is intended to be both performance-based and market competitive. The objectives of our company's program are to:

- Focus senior management on achieving financial and operating objectives that enhance long-term shareholder value;
- Align the interests of senior management with the company's stockholders; and
- Attract and retain senior executive talent.

For further details of executive compensation, see our [proxy statement](#).

GRI Disclosures: 102-36, 102-37, 102-38

Public Policy

Waters does not contribute to political campaigns or political action committees.

Waters has taken positions in industry debates and associations that are consistent with our business goals, namely concerning issues in the analytical instrumentation industry, including certification boards and standard setting organizations.

GRI Disclosure: 415-1

ABOUT THIS REPORT

This sustainability report covers Waters' approach to sustainability and corporate responsibility and our global progress on environmental, social and governance (ESG) topics through the 2018 calendar year, with key highlights from 2019. While this report was not developed in accordance with the GRI Sustainability Reporting Standards, a reference to specific disclosures has been included where full or partial information has been provided. That means we have assessed our most material ESG impacts and have aligned our reporting with them.

We published our most recent sustainability report in 2018, which contained data covering the 2014 to 2017 calendar years. We seek feedback from stakeholders each year, which informs our selection of content for sustainability reporting. You can contact us via email at

sustainability@waters.com

GRI Disclosures: 102-10, 102-50, 102-51, 102-53, 102-54

For questions regarding this report and its contents:

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