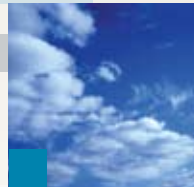
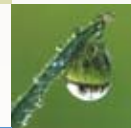


2009 Sustainability Report



Waters

THE SCIENCE OF WHAT'S POSSIBLE.™



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Dear Stakeholder,

At the center of ecological or biological sustainability discussions is a commitment to scientific research. However one defines sustainability, the environmental and health impacts of an organization or population are inevitably measured by laboratory research. Our mission at Waters is to provide scientists with the analytical laboratory tools that advance scientific understanding of these impacts in order to make real-world decisions.

Waters works with researchers at universities and pharmaceutical companies worldwide to discover cures for diseases and develop life-saving drugs faster and more affordably. We work with environmental and food safety laboratories to explore new ways to detect pollution and ensure safe food and water supplies.

Waters also recognizes its internal responsibility to our shareholders, communities, and employees to ensure our company is sustainable for the long-term. We have developed comprehensive policies and programs that promote the highest quality of governance, environment, health and safety, and supply chain management practices. Perhaps most important to our internal sustainability strategy is a commitment to our employees who are the heart of the company.

In this our first Sustainability Report, Waters is proud to demonstrate how our dedication to laboratory science places our organization at the heart of the sustainability discussion. In our 50-year history, Waters is proud to have supported breakthroughs that have lead directly to benefits for the environment, the well-being of the world's population and science itself.

Thank you for your support.



Douglas Berthiaume
Chairman, President and Chief Executive Officer



**Customer Success
is Our Mission**

Waters creates business advantages for laboratory-dependent organizations by delivering practical and sustainable scientific innovation to enable significant advancements in such areas as healthcare delivery, environmental management, food safety, and water quality worldwide.

Bringing keen understanding and deep experience to those responsible for laboratory infrastructure and performance, Waters helps customers make profound discoveries, optimize lab operations, deliver product performance, and ensure regulatory compliance.

Pioneering a connected portfolio of separation and analytical science, laboratory informatics, and mass spectrometry, Waters' technology breakthroughs and laboratory solutions provide an enduring platform for customer success.

As populations grow, stretching the earth's resources to its limits, the world relies on laboratory scientists to make profound discoveries that will lead to a better future. Since 1958, Waters has helped forge new scientific frontiers with industry-leading technology, global reach and determination to expand the impact of laboratory science.

By developing the analytical tools to help discover cures for diseases or to enable new ways of detecting contamination to ensure safe food and water supplies, Waters provides all areas of science the means to be as productive as they can be to improve our health, environment, and future.

Liquid Chromatography

Liquid chromatography is one of the most powerful laboratory techniques used in biochemistry and analytical chemistry to separate, identify, and quantify compounds in any sample that can be dissolved in water. In the 1970's the technique took a major step forward with the advent of high-pressure liquid chromatography (HPLC) that took advantage of new instrumentation and chemistry advances. There are approximately 200,000 HPLC systems in use today worldwide.

In 2004, Waters revolutionized liquid chromatography with the introduction of ACQUITY UltraPerformance Liquid Chromatography® (UPLC®), effectively setting the standard for "green" laboratory systems. Peer reviewed research paper after research paper has shown UPLC achieves the same or better results as traditional HPLC while reducing chemical consumption through reduced carrier solvent use. Furthermore, ACQUITY UPLC uses less energy because of its increased analytical speed and efficiency per sample analyzed. Lastly, the reduced chemical consumption creates less waste needing disposal, a critical environmental laboratory management concern. There is no liquid chromatography system that is more environmentally friendly than ACQUITY UPLC.

Life Sciences, Food Safety, and the Environment

Waters remains committed to innovation and working alongside our customers and partners in areas such as life sciences, food safety, industrial chemicals, environmental management, and water quality. The following provides insight into how Waters impacts the world we live in.

Life Sciences

To bring a new drug to market – and to maintain its quality release – large and small pharmaceutical companies as well as regulatory bodies must balance many factors for success. Waters partners with organizations around the world to provide the technologies and services that support their scientific and operational needs. By providing the needed technology at every level of drug discovery from disease research through quality control, Waters works with its pharmaceutical and regulatory partners on the goals that define their success.

Products and Relationships



Although initially driven by performance benefits, ACQUITY UPLC users are experiencing dramatic reductions in organic solvent use through their transitions from high performance liquid chromatography to ultraperformance liquid chromatography – up to a staggering 95% reduction.

The environmental implications are significant. If industry were able to transition the approximately 200,000 installed HPLC systems to UPLC, the hypothetical result would be the reduction of thousands of tankers of solvent a year plus the associated disposal impacts. Adoption of UPLC is well on its way to realizing this goal.



Because Waters sells to manufacturers and regulators around the world, we offer an objective perspective on the evaluation of food safety programs. Waters believes that lawmakers and regulators should have knowledge and/or a resource to understand food safety science as decisions are being made at the highest levels.

For example, in 2008, Waters worked with the Woodrow Wilson Center, Washington DC, on the research paper entitled *Sowing the Seeds: Opportunities for US-China Cooperation on Food Safety*, which was translated into English and Chinese.

Food

In today's global marketplace, the safety and quality of food products are a growing concern for consumers, governments, and producers alike.

The role of food testing laboratories has never been more critical as these groups face a variety of challenging issues, including greater numbers of food contaminants and more stringent regulations. For decades, Waters has developed end-to-end food testing systems that are able to identify trace levels of chemical compounds, meet compliance requirements and, most importantly, ensure public safety.

Environmental

Just as it is critical to know exactly what we put into our bodies, it is equally important to know what contaminants may be in our environment. Waters scientists are continually working with both our customers and regulatory agencies to stay at the forefront of environmental analysis. We have developed comprehensive methods for the analysis of all major classes of environmental contaminants of concern, such as pesticides, herbicides, pollutants, perfluorinated compounds, dioxins, endocrine disruptors, and many others.

Partnerships

From the days of company founder Jim Waters, the organization has worked alongside its partners, often at the chemist's bench, to ensure success. That commitment to partnership continues today.

Contributing to Environmental and Food Safety Internationally

Waters participates worldwide with industries and governments addressing environmental and food safety concerns. Recently, India has made significant efforts in the field of environmental protection; developing standards for both products and processes, requiring environmental impact statements in certain areas, and introducing environmental audits. Building on already strong relationships, a number of key laboratories (including the Marine/Agricultural Product Export Development Agency) have begun collaborating even more closely with Waters to develop advanced applications and solutions to problems unique to this phase of India's development.

Likewise, Chinese authorities are moving rapidly to meet stringent international food safety and environmental standards. Waters is collaborating with Chinese authorities to develop advanced applications and solutions to problems unique to this phase of China's development. For example, Waters is providing technology and expertise for food safety analysis and environmental regulatory compliance to the China Municipal Center for Disease Prevention and Control, Beijing Municipal Center for Disease Prevention and Control, and The Research Center for Eco-Environmental Sciences of the Chinese Academy of Sciences.

Working with US Environmental Protection Agency

Protecting the nation's water supply from deliberate contamination is a major concern for the US Department of Homeland Security. In response to this need, Waters is working with the US Environmental Protection Agency (EPA) to develop a comprehensive, transferable library of 280 chemicals listed by the US EPA as being of concern. These include agrichemicals (pesticides, insecticides, and herbicides), drug residues, drugs of abuse, and chemical warfare agents. The project goal is to give national and local water quality officials and water utilities across the country a quick screening tool to identify these compounds in drinking water.

Furthermore, the US EPA and Waters are collaborating on developing standard detection methods for perfluorinated compounds (PFCs) – synthetic chemicals that are toxic, persistent and bio-accumulative. PFCs are used in industries like paper/packaging and textiles/upholstery manufacturing and have been found to be a global pollutant in soil, waste water and drinking water, human breast milk, and animal tissue. Although research is still evolving, it is thought that PFCs are linked to liver damage and to severe developmental and reproductive defects. PFCs appear to remain in the human body for an extended length of time. This Waters collaboration with the US EPA expects to provide analytical methods to allow scientists to provide answers on the exposure risks to humans.



With well over 1,000 pesticides in use worldwide, multi-residue pesticide analysis is particularly challenging due to the low levels present, the wide variety of pesticides, and the very different chemical classes they represent.

Continued growth in the use of pesticides, poor agricultural practices, and illegal use can pose risks to human health through the presence of pesticide and metabolite residues in food products.

In 2008, Waters developed and published a method that allows scientist to test a food sample for 402 different pesticides in a single 10-minute experiment. This is another example of how Waters works in collaboration with customers to address the world's most pressing environmental and food safety issues.

Waters Corporation places the highest commitment on its financial and corporate governance through a comprehensive internal framework of compliance complemented by external review and audit.

Financial Integrity

Waters manages its financial affairs with a commitment to providing its shareholders and its employees with comprehensive financial disclosures which comply with or exceed all relevant federal securities laws and applicable accounting standards. Each quarter, as well as annually, the company files reports with the Securities and Exchange Commission which disclose fully and fairly all of the financial information pertaining to our company for the applicable period. This financial information is supplemented with footnotes, exhibits and narrative text which serves to expand upon the numerical data presented.

Each quarter Waters releases its earnings statement to the public and conducts a conference call to present these results and to allow an open and public dialogue between senior management and its shareholders. In addition, Waters attends several financial conferences annually at which it presents a review of Waters, its products and its financial performance. These conferences allow additional time for investors to question representatives of management on Waters business operations.

Since the passage of the Sarbanes-Oxley Act of 2002 and the accompanying Section 404 thereof, the company has engaged in a comprehensive effort with respect to ongoing compliance with the internal controls requirements of the Act. The company's Vice President of Audit and Risk Management and her staff are responsible for all of the company's internal audit programs, including domestic and international audits of internal processes and procedures, and with respect to compliance with Section 404, has engaged the company's external auditors, PricewaterhouseCoopers LLP as well as Ernst & Young LLP, to assist in elements of continuing compliance with the Act.

The company's internal controls and operating procedures are intended to prevent, deter and remedy any violation of applicable laws and regulations, especially those relating to accounting, internal accounting controls, and auditing matters.

The company has adopted a policy designed to establish procedures that provide for (i) the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls and auditing matters; and (ii) the confidential anonymous submission by individuals of such concerns regarding questionable accounting or auditing matters.



“In each year since the Sarbanes-Oxley Act of 2002, PricewaterhouseCoopers LLP has reported to Waters Audit Committee that it identified no material weaknesses in the Company's internal controls over financial reporting.”

*John Ornell,
CFO for Waters Corporation*

“Best in Class” Governance

The company’s commitment to the highest quality of Corporate Governance is perhaps exemplified in the “Corporate Governance Quotient” calculated and reported by the Risk Metrics Group, an independent shareholder oversight organization. For more than five years, the adoption of “best in class” corporate governance initiatives by Waters has garnered a Corporate Governance Quotient among the highest within our industry.

The source of this governance leadership is the Waters Board of Directors and its Committees. The Board consists of current and former Chief Executive Officers, Chief Financial Officers, and members of the Investment Community. The Chairman of the Board also serves as the company’s Chief Executive Officer. Each member of the Board of Directors and its Committees meets our own independence criteria as well as independence standards of the New York Stock Exchange. This independence provides a forum for objective engaged discussion and dialogue on all matters concerning the management of Waters. The company’s Vice President, General Counsel, and Secretary along with its outside counsel regularly apprise the Board of Directors and its relevant committees of cutting edge corporate governance issues, as well as initiate and make recommendations as to their suitability to the company.

Structurally, the Waters Board of Directors consists of an Audit Committee, Compensation and Management Development Committee, and a Nominating and Corporate Governance Committee. Each Committee has its own charter which governs its behavior and each can be seen at www.waters.com/governance.

The Audit Committee oversees the integrity of the Waters financial statements, independent auditor qualifications, internal controls, compliance with all applicable legal and regulatory requirements and the performance of the company’s internal audit staff. The Audit Committee possesses broad authority to investigate any matter brought to its attention with full access to all Waters records, facilities and personnel. To achieve its goals, the Committee successfully maintains free and open communication among the Committee, PricewaterhouseCoopers (the company’s independent auditor), Vice President of Audit and Risk Management, and senior management.

The Compensation and Management Development Committee approves the compensation of executives of the company, including the Chief Executive Officer, and makes recommendations to the Board with respect to standards for setting compensation levels at the company and administering the company’s incentive plans, consistent with the Committee’s Charter. The Committee has traditionally retained an independent compensation consultant to assist with benchmarking, competitive analysis and consultation with the Committee with respect to compensation levels of similar executives in the company’s industry. In addition, the Committee works closely and cooperatively with the company’s Vice President of Human Resources who provides information and consultation on employment and compensation practices within the company.



The adoption of “best in class” corporate governance initiatives has garnered Waters a Corporate Governance Quotient among the highest within our industry.



Waters adopted a Code of Business Conduct and Ethics to promote the highest ethical, moral, and legal principles to every aspect of employee professional conduct.

In addition to evaluating the compensation requirements for the Chief Executive and other senior executive officers of the company, the Committee also conducts an annual review of Director Compensation and recommends to the full Board for its approval the form and amount of any such compensation.

Apart from its compensation review function, the Compensation and Management Development Committee serves to assist the Board and Management in developing and evaluating potential candidates for executive positions, including the Chief Executive Officer. It reviews, with management, major organizational and staffing matters and reviews and approves non-routine employment agreements, severance arrangements and change of control agreements and provisions when, and if, appropriate.

The Nominating and Corporate Governance Committee identifies and recruits candidates qualified for membership on the Board of Directors, as well as nominates Board Committee members and the Lead Director for the Board. In addition to its nominating responsibilities, the Committee develops and recommends to the Board the company's Corporate Governance Guidelines and the components of its Code of Business Conduct and Ethics as well as processes to assess the effectiveness of the Board. The Committee routinely receives updates from the company's Vice President and General Counsel as well as its outside counsel of developments in the area of corporate governance and makes recommendations to the Board of Directors as to their adoption.

Code of Business Conduct and Ethics

In support of its Corporate Governance Guidelines, Waters adopted a Code of Business Conduct and Ethics (the "Code") to promote the highest ethical, moral, and legal principles to every aspect of employee professional conduct. The Code specifically addresses issues such as conflicts of interest, insider trading, competition and fair dealing, discrimination and harassment, health and safety, record keeping, protection and proper use of Waters assets, among others.

Waters has emphasized the significance and value of its Code by implementing an on-line interactive training program which specifically addresses the Code and engages employees in a tutorial in which hypothetical violations of the Code are examined and analyzed. In an effort to advance employee understanding of the Code and other issues of equal importance to the Governance of the company, additional courses are planned on foreign corrupt practices and other cutting edge topics.

It is not lost on Waters that the markets we serve directly contribute to improving environments, health, and safety for communities and individuals around the world. This external responsibility heightens our internal commitment to providing a safe and healthy workplace and to act responsibly to protect the environments that we directly affect.

Over the last few years, our Environmental Health and Safety (EH&S) Program experienced significant growth through enhancing existing programs and introducing new programs. These latest efforts are designed to respond to new and evolving challenges in the areas of global regulatory compliance, energy efficiency, and resource protection. Our corporate values create the backdrop that allow us to continually set new goals and tackle new challenges.

EH&S

The Waters EH&S Management Procedure supplies a program framework, supported by Waters Corporate EH&S Steering Committee, to define the mission, structure, roles, and responsibilities associated with EH&S performance and growth.

A core corporate EH&S group provides direction, management, communication, and cohesion. Every facility employs an EH&S coordinator. As additional EH&S professionals join Waters at the facility level, we constantly seek to improve and advance our programs.

Waters has established numerous policies and procedures to assess and control environmental safety and health risks, to minimize pollution and to ensure regulatory compliance. A corporate-driven audit program of all global Waters facilities maintains regulatory compliance and drives continual improvement. All policies and procedures are available to employees along with additional information and guidance on many pertinent EH&S topics.

Individual responsibility for EH&S is stressed through all levels of management. All managers are responsible for identifying and complying with applicable EH&S policies and procedures. Employees are expected to attend EH&S training, follow required procedures and to take reasonable precautions to protect themselves and the environment in the performance of their jobs at all company and customer facilities.

The Corporate EH&S Steering Committee, as well as many departmental safety committees, meet regularly to drive continuous improvement in their areas of control. EH&S performance is a factor in annual employee performance evaluations.

EH&S Programs



Waters is committed to provide a safe and healthful workplace for our employees, to act responsibly to protect the environment, and to be recognized by the communities in which we live and work as an excellent employer and corporate neighbor.

Waters shall:

- Conduct all company activities and operations in a manner that makes environmental health and safety considerations a priority.
- Integrate environmental health and safety procedures into our business operations and daily activities.
- Ensure the commitment and responsibility of Waters management to create and cultivate a workplace for our employees where recognized hazards are controlled and where all individuals are active participants and contributors.
- Meet or exceed all applicable EH&S regulatory requirements.

The major elements of the EH&S Program are:

- A formal EH&S Program with well defined responsibilities, policies, and procedures, including provisions for risk assessments and compliance auditing.
- Broad based programs to reduce our environmental impact, including:
 - Energy management programs to increase energy efficiency and reduce building electricity and heating, ventilation, and air conditioning (HVAC) costs.
 - Reduce/Reuse/Recycling programs for a myriad of materials.
 - Programs to reduce the use of hazardous materials, both in our products, processes and in our facilities.
- An Occupational Health and Safety Program that encourages employee input and participation and includes emergency preparedness, industrial hygiene risk assessment, occupational safety, and procedures for managing occupational accidents and injuries.

A more in-depth description of these program elements follows:

RISK ASSESSMENT AND COMPLIANCE AUDITING

Our EH&S management system provides corporate and site specific policies and procedures. These provide the means to meet or exceed all applicable environmental health and safety laws and regulations regardless of geography. From 2005–2007, Waters conducted 11 Corporate Facility Audits, with internal and external auditors, to review, assess, and improve our performance worldwide. All manufacturing sites have been audited and more than 85% of all findings have been addressed. Sites continue to work on closing the remaining findings.

FACILITY	AUDIT FINDINGS			
	Total Findings	Findings Closed	Findings Open	% Action Items Completed
Dättwil, Switzerland (2007)	7	1	6	14%
EHQ France (2007)	24	23	1	96%
EMRC France (2007)	24	18	6	75%
Etten-Leur, European Distribution Ctr., The Netherlands (2006)	9	8	1	88%
Etten-Leur, Sales, The Netherlands (2006)	9	1	8	10%
Milford, MA, USA (2005)	11	11	0	100%
Parsippany, NJ, USA (2007)	4	4	0	100%
TAI, Delaware, USA (2006)	22	20	2	91%
Taunton, MA, USA (2006)	15	14	1	93%
Vicam, Watertown, MA, USA (2007)	9	8	1	93%
Wexford, Ireland (2005)	24	24	0	100%
Total	158	132	26	85%

Partnering with FM Global, a commercial insurance company, Waters facilities and business operations are assessed, risks are identified, and sound loss prevention solutions are implemented. From 2005–2007, FM Global conducted over 30 site assessments and follow-up visits.

Regulatory Compliance

Regulatory oversight and inspection are a part of today’s business operations. Waters believes that any regulatory non-conformances are unacceptable. So in addition to our corporate facility audit program, we also conduct limited scope audits and inspections that target specific regulatory procedure activities. These inspections can be conducted by EH&S or by individual departments with EH&S guidance.

Employee Health and Safety

Our employees are our most important resource. Waters EH&S programs strive to create and cultivate workplaces where all employees are encouraged to be active contributors and participants in their EH&S activities and where recognized hazards are eliminated or controlled. Departmental and site specific safety committees meet regularly to discuss concerns, conduct inspections, review incidents, and coordinate health and safety training.

Specifically, Waters routinely conducts risk assessments, including employee exposure assessments. Industrial hygiene monitoring throughout our major facilities consistently demonstrates that all exposures are not only well below regulatory levels, but also below applicable recommended or consensus organization thresholds. Personal Protective Equipment is provided to all relevant employees where exposure to hazards cannot be eliminated completely and where identified through risk assessment. Skill and task based EH&S training is provided as identified through the EH&S program and risk assessment.

All workplace injuries are reviewed by EH&S and timely corrective actions are implemented where warranted. Our Annual Injury Rates for the great majority of facilities are well below the applicable benchmarks (i.e. US Bureau of Labor Statistics), but Waters strives to further reduce injuries by implementing timely site specific and/or corporate initiatives.

Over the last three years, new initiatives or areas of emphasis include a safe driving program, enterprise risk management, and incident investigation training.

Waters shall:

- Actively pursue pollution prevention, waste reduction and the conservation of natural resources in all of our operations.
- Partner with suppliers, government agencies and the community to protect and improve the workplace, community and environment.
- Measure our environmental health and safety performance regularly and provide employees, customers, shareholders, officials and the public with timely and appropriate information on our environmental health and safety programs and activities.

Driver Safety Program

In 2006, Waters US and Waters Canada introduced a new program primarily designed for Waters Field Service personnel. The program, which was fully implemented in 2007, included a new Motor Vehicle Safety Policy and Procedure, qualification requirements including motor vehicle record checks for all drivers, and general as well as targeted training.

Enterprise Risk Management

Although basic emergency response, including emergency evacuation, medical, fire, and chemical incident response, has always been an integral part of our health and safety program, a new initiative, Enterprise Risk Management, was launched in 2007. Enterprise Risk Management (ERM) expands Emergency Response Programs to include the identification and evaluation of all business risks, allowing Waters to align control strategies with risk tolerance. Preplanning risk control, emergency response and evacuation, event management, business recovery, and site restoration are the elements of our ERM. The goal is to fully implement this plan over the next few years.

Incident Investigation Training

An internal training course was held for all worldwide EH&S Coordinators in 2007. This course enables all sites to respond appropriately to workplace injuries or accidents, determine root cause and take necessary preventive actions.

Waters Total Case Occupational Injury Rate

Incidents per 200,000 work hours (100 employees), Major Manufacturing Sites, and Worldwide Total



Waters Lost Workday Case Occupational Injury Rate

Incidents per 200,000 work hours (100 employees), Major US Manufacturing Sites, and Worldwide Total



Environmental Programs

Fueled by ever increasing environmental awareness, public opinion, customer mandates and global legislation, Waters environmental efforts have increased significantly. Formal plans to identify, track, and reduce environmental impacts from our products, processes, and facilities are increasingly integrated into Waters business plans. Waters EH&S is presently collecting additional data so that the company's environmental footprint can be better assessed.

While our current management system establishes a framework for sound environmental management, Waters EH&S Steering Committee supports internationally standardized Environmental Management Systems (EMS), and will actively pursue ISO 14001 certification. An EMS provides a process for developing, implementing, and documenting the identification and management of significant environmental impacts. The overall aim of Waters EMS, already underway at its Milford facility, is to support environmental protection and prevent pollution.



In the US, Waters has been a voluntary member of the EPA's WasteWise program since 1998, reporting recycling results and reductions on a yearly basis.

Recycling and Solid Waste Reduction

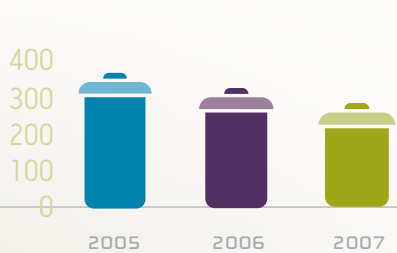
Waters has recycling programs in place at most facilities, large and small. The list of recycled materials includes: paper, corrugated cardboard, plastics, glass, newspaper and magazines, metals, and electronics including our instruments at end of life. In EU countries, Waters is complying with the Waste Electrical and Electronic Equipment (WEEE) directive. A statement on our website provides guidance to customers.

In the US, Waters has been a voluntary member of the EPA's WasteWise program since 1998, reporting recycling results and reductions on a yearly basis. Over the years we increased the number of sites participating in this program, including Waters' five largest US facilities.

These efforts have been aided by our strategy of reducing or eliminating the use of packaging materials from vendors. Products and parts currently shipped to and from our manufacturing vendors use specially constructed rolling racks and packaging devices, thus reducing or eliminating the use of packing materials.

Solid waste generation rates and recycling rates versus solid waste generated are shown below for our Milford facility:

Solid Waste Generated by Milford per Million Dollar Sales



Milford Recycling in Tons



RECYCLED MATERIALS

- 2005
- 2006
- 2007

TOTAL SOLID WASTE

- 2005
- 2006
- 2007

* Waters has just begun to collect solid waste and recycling information from our worldwide sites. This information will be used to measure and assess future initiatives.

Energy Reduction Systems and Programs

Sustainable or “green” building practices can have a large impact on the natural environment, human health, and the economy. Given the significant environmental benefits, Waters has been incorporating sustainable strategies into its building operations for years.

In the US, the US EPA holds that buildings account for:

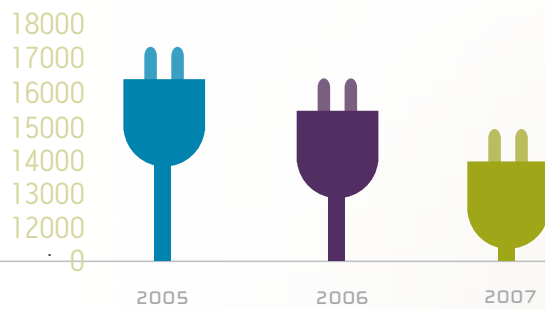
- 39 percent of total energy use
- 12 percent of the total water consumption
- 68 percent of total electricity consumption
- 38 percent of the carbon dioxide emissions

Waters Facility Management focuses efforts on energy and resource efficient building design, construction, renovation, operation, and maintenance. Some of the recent upgrades at facilities in the US and Europe, such as automated HVAC and lighting systems, have reduced energy costs and improved our environmental performance.



Some of the recent upgrades at facilities in the US and Europe, such as automated HVAC and lighting systems, have reduced energy costs and improved our environmental performance.

Electricity (KWH) per Thousand Dollar Sales (Milford Site)





“The most significant reason I like working for Waters revolves around the products and services we provide in the marketplace. The technologies we develop are important to the everyday life of people around the world and make the quality of life better for so many. These technologies are on the cutting edge of performance and are continually pushing the industry, which for someone like me is exciting.”

*Patrick, Supervisor,
Technical Product
Management,
Milford, MA*

Green Buildings

Laboratories for the 21st Century and the US Green Building Council’s Leadership in Energy and Environmental Design (LEED) and LEED for Existing Buildings (LEED EB) are voluntary partnership programs dedicated to improving the environmental performance of new and retrofitted laboratories and buildings. Waters Facilities Management has taken on the task of learning about these programs. Although Waters does not plan to obtain a formal LEED or LEED EB certification at this time, we intend to implement and use many of the recommended practices and materials in our upcoming planned renovations.

Air

Most Waters facilities do not have significant air emissions, but we do have programs in place to reduce the impact from fuel utilization equipment. Fuel (#2 low sulfur fuel oil or gas) utilization equipment is maintained by certified onsite technicians to the highest level to reduce our use of fossil fuels. Our Taunton site is our only permitted facility. In 2005, a regenerative thermal oxidizer, an air pollution control technology, was installed at the Taunton facility. High energy efficiency is achieved by recovering and re-using the excess heat energy which is created in the process of combusting the organic materials contained in the air stream.

Water

Waters has demonstrated a commitment to water conservation through a variety of conservation initiatives and system modifications. Our Taunton production facility installed a closed-loop cooling system in an effort to conserve water. In Milford, water is used in manufacturing processes and labs, as well as for sanitary use. Recycling and reusing water and reducing its use where possible are ongoing practices. Some of the water reduction processes and conservation programs in place in Milford include:

- Counter current rinses on the passivation baths
- Resistivity meters to allow lower flow rates and reduce make-up water needs
- Ultra-filtration systems to recycle aqueous cleaning rinse water
- Installation of waterless urinals

Whether our customers are testing soil or water or they are analyzing the latest pharmaceutical to ensure it is safe, Waters ingenuity plays a key role in helping communities and individuals live in a safe and healthy world. We bring that same tenacity to ensuring a safe and healthy workplace and to protect the environments in which we operate.

Waters is committed to employing the best possible supply chain practices available in order to assure that our products are manufactured with safe and reliable components and that our suppliers are compliant with relevant standards with regard to environmental and social practices. Our processes and procedures are rigorously documented under ISO standards and are reviewed, revised and re-issued on a bi-annual basis. This process is subject to routine audit by Lloyd's Registry.

Ensuring Responsible Behavior

Prospective suppliers first complete a Supplier Profile Questionnaire that assesses fundamental performance areas including quality certifications, Restriction of Hazardous Substance (ROHS) compliance, and Customs-Trade Partnership Against Terrorism (C-TPAT) certification. This information is then distilled utilizing an automated risk assessment tool. A satisfactory score then leads to a formal audit. Every prospective supplier must successfully pass a physical on-site audit conducted by Waters engineers skilled in supplier quality management and oversight, with technical expertise in the respective disciplines under observation. A prospective supplier must successfully pass this audit to be considered for any ongoing business relationship with Waters. A robust supplier Corrective and Preventative Action (CAPA) system is in place and monitored by our quality organization. All suppliers are then placed on a routine audit schedule consistent with a formal assessment of risk potential.

Once engaged, every supplier is placed on the Qualified Supplier List (QSL). Each supplier receives a monthly supplier scorecard based upon key measures of performance including delivery, quality, and service. Each supplier must maintain rigid standards of excellence in order to remain in good standing on the QSL.

Waters makes use of third party manufacturing agreements. Our manufacturing services providers are members of the Electronic Industry Citizenship Coalition (EICC). In those cases where suppliers are not directly known to Waters, our manufacturing services providers conduct themselves in accordance with the EICC Code of Conduct which exists, in part, "...to ensure that working conditions in the electronics industry supply chain are safe, that workers are treated with respect and dignity, and that manufacturing processes are environmentally responsible."

Our Mission to the Community

Beyond the contribution Waters innovations bring to improving environments and the quality of healthcare, Waters places a high importance on supporting global charitable efforts to further improve the quality of life in the communities where we work and live. Specifically, Waters focuses on supporting organizations dedicated to education and healthcare, in addition to actively supporting local organizations dedicated to the arts, health and human services, recreation, education, and the environment.

Education and Healthcare

Waters supports a wide variety of educational programs and places specific emphasis on science education. Over the past years, Waters educational support has ranged from supporting science and healthcare career development to supporting community education through science museums and local school systems. Waters has provided educational grants for advanced degrees and participated in recognition programs that foster scientific advancement. Waters continues to actively seek fundraising opportunities to support some of the finest healthcare institutions in the world.



Supporting the development and understanding of science and improving the quality of healthcare are core values of Waters, and drivers for our community support efforts.

In addition to supporting educational programs in our community, Waters created the Waters Scholarship Program for children of its employees worldwide. This program recognizes outstanding academic ability and potential by providing scholarships for undergraduate study. The selection of the recipients is based on academic merit. Since 1998, Waters has granted scholarships to 22 students.

Supporting the development and understanding of science and improving the quality of healthcare are core values of Waters and drivers for our community support efforts.

Community

Waters recognizes that the communities in which we live and work have additional needs and challenges that require our participation.

One of the charitable partnerships Waters is most proud of is with the American Red Cross. There are no shortages of natural disasters around the world and the victims of these events are often in immediate need of support. This was the case following the 2008 earthquake in Central China, the 2004 tsunami that hit Southeast Asia, and the 2005 hurricane that ravaged the Gulf Coast region of the United States.

To offer our support we turned to the experts at the American Red Cross by ensuring they had the resources needed to provide relief efforts. In 2006, Waters received the Circle of Humanitarians Award from the American Red Cross for our corporate contribution and employee engagement efforts in their support. Waters views our partnership with the American Red Cross as a long-term commitment to do our part no matter where in the world crisis occurs.

Not only is Waters proud of its own charitable giving, we are especially proud of our employees who consistently contribute to charitable organizations of their choice. To bolster the giving power of each individual, Waters matches each employee's contributions to qualified non-profit organizations through our Matching Gift Program.

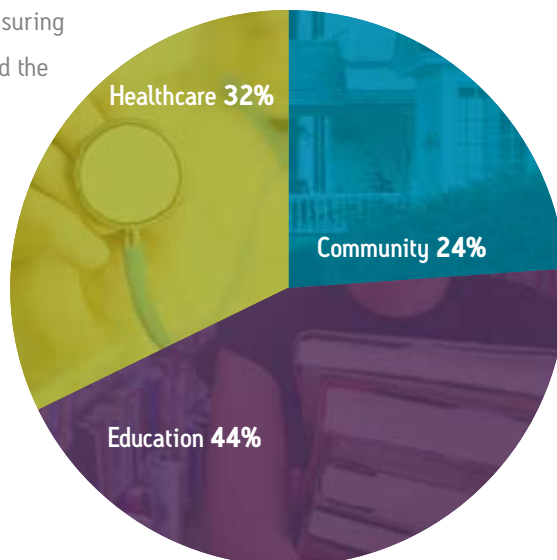
Our Employees

At the heart of Waters success are our employees who consistently strive to create innovative new products, provide solutions to our customers, and deliver industry leading financial results to our shareholders. Waters is committed to providing our employees with programs and resources that encourage and recognize employee innovation, collaboration, accountability, and results. It is also our responsibility to provide employees with an environment consistent with our values and ethical standards.

Waters has approximately 5,000 employees in 35 countries around the world with an average length of service of nine years. We are proud of the long service of our employees and their dedication to Waters, our customers, and our shareholders.

Waters recognizes that employee contributions drive business success and that our success as a company benefits all employees. Our strategy is to take a holistic view of working at Waters taking into account all aspects of what an individual contributes and receives as a Waters employee.

Our total rewards basic framework is broken into four areas: a healthy life, a secure future, a rewarding career, and a culture of support. The more effective Waters is at fulfilling our commitment to employees, the more successful and valuable employees become.



Waters Charitable Contributions

- Waters has granted scholarships to 22 students since 1998.
- Waters received the Circle of Humanitarians Award from the American Red Cross for our corporate contribution and employee engagement efforts in 2006.
- Waters supports community education through science museums and local school systems.



In 2008, Waters Corporation was named by *The Boston Globe* as one of the Top Places to Work in Massachusetts. The newspaper's Top Places to Work honor recognizes the most progressive companies in the state based on employee opinions about company leadership, compensation and training, diversity/inclusion, career development, family-friendly flexibility, and values and ethics.

Within the context of supporting a healthy life and a culture of wellness, Waters provides a variety of regional programs and services, such as medical coverage. This philosophy extends to promoting and assisting employees with lifestyle choices in hopes our employees live a long and healthy life.

Waters efforts to assist employees in producing a secure future are highlighted by a global compensation philosophy of pay for performance and a variety of compensation programs that reward employees for their contributions to Waters success. Our compensation programs are designed to establish competitive compensation levels within relevant markets and affordable resources. In addition, Waters partners with employees in preparing for retirement through company sponsored retirement plans where appropriate.

Helping an employee develop a rewarding career is a win-win proposition. Waters accomplishes this through our performance management programs and by supporting an employee's personal development. Waters provides employees with development opportunities, comprehensive learning and educational assistance program, as well as valued service and recognition awards.

Lastly are Waters efforts to create a culture of support. From personal accountability training to quality of work life, Waters looks to each employee to be responsible for maximizing their opportunities and improving the company as whole. Also consistent with this culture of support is providing a work environment that is consistent with our Code of Business Conduct and Ethics and includes a workplace free of discrimination and sexual harassment.

At the core of our sustainability practices is a commitment to our employees. They are central to our business success. Our ability to succeed as a company dramatically grows with our ability to succeed as an employer.

Waters

THE SCIENCE OF WHAT'S POSSIBLE.™

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