



2014-2017

SUSTAINABILITY REPORT



2014 - 2017 SUSTAINABILITY report

CEO STATEMENT

ABOUT WATERS CORPORATION

GOVERNANCE

ABOUT THIS REPORT

OUR COMMITMENT TO SUSTAINABILITY

SUSTAINABILITY MANAGEMENT APPROACHES

ENVIRONMENTAL SUSTAINABILITY

PRODUCT LIFE CYCLE MANAGEMENT

SUSTAINABLE SUPPLY CHAINS

RESOURCES

COLLABORATIONS

EMPLOYEES

HEALTH AND SAFETY

Dear Stakeholders,

A defining characteristic of Waters Corporation is that our decisions and actions are guided by long-held values that can be summarized in two simple words — “Deliver Benefit.”

“Deliver Benefit” was first articulated by our founder, Jim Waters, to encapsulate the idea that we should positively impact our customers, employees, investors and society at every opportunity. Although the company has evolved and grown significantly over our 60 years, Waters Corporation remains grounded in this value system. “Deliver Benefit” expresses our core purpose to improve the lives and work of all those with whom we interact. It’s a driving force behind our successes as an organization and our standing as a strong and influential contributor to our society.

As an industry leader, Waters’ success relies on more than just designing, innovating and manufacturing specialty measurement technologies. We are also dedicated to contributing — responsibly and significantly — to the communities in which we work and live to make a positive impact on society as a whole. Furthermore, we are committed to the principle of “shared value”, where our business model and societal contributions reinforce each other.

This commitment manifests itself throughout Waters’ global business operations. Through our partnerships with leading scientists, we bring leadership and expertise to solving real-world problems. We manage our environmental footprint, and we take great pride in growing and developing our high-quality workforce and adding jobs around the world. And our efforts go well beyond the workforce of today; we are also passionate about supporting STEM education to

nurture and grow the diverse talent that Waters and the world needs for tomorrow’s innovations and societal advances.

The world’s population is growing and developing at an unprecedented rate, which requires business and society to work more cohesively and assertively to improve human health, reduce environmental impacts, and feed the billions of people on this planet. We at Waters value our role in improving the quality of people’s lives worldwide both through the technology and innovations we develop, and how we run our business.

This report highlights how we worked to benefit all our stakeholders, including Customers, Employees, Investors and Society from 2014 to 2017, as part of our ongoing commitment to deliver benefit in all parts of our business. We are also taking our 60th anniversary as an opportunity to realign, recommit and reinforce our commitment to create shared value for all our stakeholders. We are currently undertaking a large body of research to reset our goals and strategy to deliver shared value for years to come. I look forward to sharing more with you in 2019.

Best regards,



CHRIS O'CONNELL

Chairman and Chief Executive Officer,
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 and manufactures chromatography, mass spectrometry and thermal analysis innovations that serve the life, materials and food sciences.

Fundamental to Waters' success are the Company's core values, which have been part of the Company from its origin. Early on, Jim Waters and company leadership encouraged employees to simply focus on delivering some kind of benefit during each and every business interaction — internally or externally. "Deliver Benefit" is a powerfully simple and positive idea that has been nurtured by leaders throughout the Company's history and still captures the spirit of Waters today.

Today, Waters is a strong, focused global company with annual revenues of approximately \$2.3 billion in 2017 (see full financial disclosures on www.waters.com). Waters employs over 7,000 people worldwide, operating in more than 100 countries around the world. Nearly 40 percent of the organization has more than 10 years of experience. The Research and Development organization comprises about 900 people located in five major centers worldwide and includes chemists, physicists, mechanical engineers, software engineers, and many more scientific disciplines.



GOVERNANCE

At Waters, part of our commitment to sustainability includes maintaining the highest standards of business integrity. Over the past 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.

Waters provides our employees with the resources and knowledge required to conduct ethical business, including a Code of Business Conduct and Ethics (see box below). We are also committed to prompt and full public disclosure. Waters provides financial information through our quarterly earnings call, website and press releases. We strive to achieve the highest standards in transparent accounting and reporting. This sustainability report and our commitment to annual environmental, social and governance (ESG) reporting beginning next year continue that spirit of transparency and disclosure.

Good corporate governance starts at the top, and 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 10 members whose primary objective is to protect the long-term interest of Waters' shareholders. Waters' CEO is Chairman of the Board. The other nine members are independent directors.

CODE OF BUSINESS CONDUCT AND ETHICS

Waters strives to apply highly ethical, moral and legal principles in every aspect of its business conduct. Our Code of Business Conduct and Ethics is a guide for each employee, executive officer and director to follow in meeting these principles.

The Code is designed to prevent wrongdoing and promote the following:

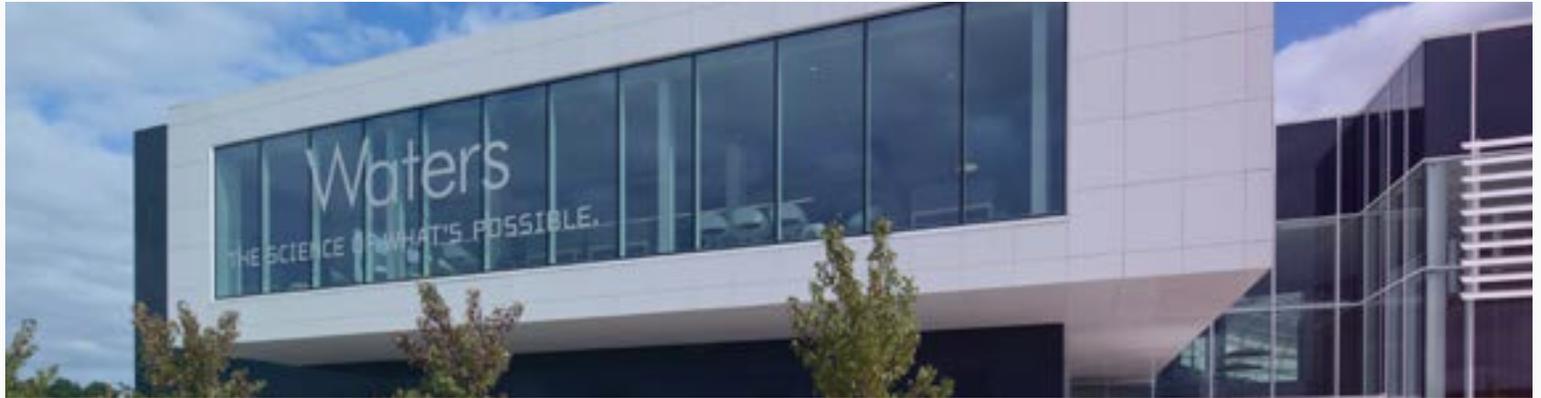
- **Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest with respect to personal and professional relationships;**
- **Full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission and in other public communications made by the Company;**
- **Compliance with applicable governmental laws, rules and regulations;**
- **Prompt internal reporting to an appropriate person or persons of violations of this Code; and**
- **Accountability for adherence to this Code.**

The Board includes five committees:

- 1 THE AUDIT COMMITTEE** ensures that management of the Company is maintaining internal controls adequate to provide reasonable assurance that assets are safe-guarded, transactions are properly executed and recorded, generally accepted accounting principles are consistently applied, and that there is compliance with corporate policies for conducting business.
- 2 THE COMPENSATION COMMITTEE** discharges the Board's responsibilities relating to the compensation of the Company's Chief Executive Officer and other senior executives of the Company, produces an annual report on the compensation of the CEO and senior executives, and oversees equity and long-term compensation plans.
- 3 THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE** identifies and recruits candidates qualified for membership on the Board, recommends to the Board the director nominees for annual approval by stockholders, recommends to the Board committee composition and the lead director of the Board, develops and recommends to the Board the Corporate Governance Guidelines and the Code of Business Conduct and Ethics for the Company, and monitors a process to assess the effectiveness of the Board.
- 4 THE FINANCE COMMITTEE** oversees the Company's financial activities and financial condition. This committee reviews capital allocation strategy and structure, financing and borrowing activities, tax structure and material transactions and investments.
- 5 THE SCIENCE AND TECHNOLOGY COMMITTEE** provides input to management on science and technology trends. This committee is responsible for reviewing Waters' R&D portfolio and key technology initiatives.

ABOUT THIS REPORT

This sustainability report describes Waters' approach to sustainability and corporate responsibility. It describes actions and the resulting outcomes from 2014 to 2017 that we at Waters consider to be material to our global business and the impacts We have on our key stakeholders, the communities where We operate, and on the environment.



SCOPE AND RELEVANCE

We are in the process of conducting a materiality assessment, which will serve as the basis of our next sustainability report, covering 2018 data. Our findings will also inform our 2025 sustainability targets and help us determine which of the UN's Sustainable Development Goals (SDGs) we can contribute to most meaningfully.

BOUNDARIES AND STAKEHOLDERS

This report relates to the 2014 to 2017 calendar years unless otherwise stated. We published our most recent sustainability report in 2014, which contained data related to the 2012 and 2013 calendar years. This report contains no restatements of data from previous reports and the boundaries for the report have not changed from previous years.

Key stakeholders are those that have the ability to significantly impact Waters' economic, ecological and social performance, and those that are significantly impacted by Waters' economic, ecological and social performance.

2014 - 2017 SUSTAINABILITY report

CEO STATEMENT

ABOUT WATERS
CORPORATION

GOVERNANCE

ABOUT THIS REPORT

OUR COMMITMENT
TO SUSTAINABILITY

SUSTAINABILITY
MANAGEMENT
APPROACHES

ENVIRONMENTAL
SUSTAINABILITY

PRODUCT
LIFE CYCLE
MANAGEMENT

SUSTAINABLE
SUPPLY CHAINS

RESOURCES

COLLABORATIONS

EMPLOYEES

HEALTH
AND SAFETY

Our engagement with key stakeholders differs based on the audience. We engage our customers through routine contact with our sales and service organizations, in addition to specialized activities that enable us to collect specific input from them. Investors are invited to attend open forums, held by Investor Relations executives who speak to the market communities. In addition, customers are often invited to Waters Executive Technology forums. Customers attending these forums are encouraged to discuss a wide range of topics with the Vice Presidents of operational organizations from the Company. These forums provide our customers with the opportunity to express points of view that may direct, change or maintain Waters' technologies.

We also interact with stakeholders through a variety of reporting activities, including sustainability reporting that communicates on our progress against environmental, social and governance indicators. In doing so, we fulfill customer and stakeholder requests, such as reporting CO₂ emissions. Waters responds to Carbon Disclosure Project (CDP) annual questionnaires designed to capture our vital environmental information. Waters has also received certification through EcoVadis, a leading supply chain evaluation tool for environmental, social and governance aspects of sustainability. To respond to the increasing number of requests, Waters strives to find ways to report information in a streamlined, comprehensive manner.

Waters employees also contributed to the preparation and production of this report by gathering key stories, data and other information relevant to Waters' sustainability performance.

For questions regarding this report and its contents:

CHRIS ORLANDO

Senior Public Relations Manager

Chris.Orlando@waters.com

JIM MCCABE

Sustainability Manager

Jim.McCabe@waters.com

OUR COMMITMENT TO SUSTAINABILITY



At Waters, we help foster scientific progress that has the potential to improve our world and the lives of those who live in it.

Founded on a commitment to strong corporate governance and shareholder value creation, Waters' sustainability efforts focus on six areas:



CUSTOMER COLLABORATION

Waters seeks long-term, collaborative relationships with our customers to better understand their needs, and develop innovative comprehensive solutions that fulfill their goals.



INNOVATIVE SOLUTIONS

Waters is committed to developing and bringing to market innovative products that support customers by providing solutions consistent with the goals of resource efficiency and environmental stewardship.



VALUE CHAIN MANAGEMENT

Waters values fair, reliable business relationships with suppliers and partners, and encourage those with whom we do business to share in our vision of responsible and ethical business practices.



ENVIRONMENTAL AND SAFETY RESPONSIBILITY

Waters aspires to protect and enhance the environment, to provide a safe and healthy work environment and to comply with all related laws and regulations.



COMMUNITY ENGAGEMENT

Waters values its global cultural diversity, and is committed to being a responsible and valued member of the communities in which we live and work.



EMPLOYEE COMMITMENT

Waters embraces passionate employees, who are committed to a workplace free of discrimination, and who continually explore the limits of their own potential.

SUSTAINABILITY MANAGEMENT APPROACHES



ECONOMIC ISSUES

Waters Corporation is one of the world's leading providers of analytical instruments. We manufacture, sell and service high performance liquid chromatography (HPLC), ultra-performance liquid chromatography (UPLC, and together with HPLC, referred to as "LC") and mass spectrometry (MS) technology systems and support products, including chromatography columns, other consumable products and comprehensive post-warranty service plans. Our TA instruments business primarily designs, manufactures, sells and services thermal analysis, rheometry and calorimetry instruments.

The Board of Directors provides strategic oversight of Waters' **economic performance**, with operational aspects delegated to the Executive Committee and the leadership of the individual business units. In the field of risk management, the Vice President and Chief Compliance Officer, who reports to the Chief Financial Officer, determines key areas of risk and recommends the necessary measures for risk control and risk mitigation. The Vice President of Internal Audit and Risk Management

also reports risk management outcomes to the Board of Directors on a yearly basis. The assessment covers any strategic, financial, operational, legal and compliance risks that could significantly impact Waters' ability to achieve our business goals and financial targets. The Vice President and Chief Compliance Officer weighs and prioritizes identified risks according to their significance and likelihood of occurrence. For each risk, specific risk mitigation measures — as well as their current status — are defined and responsibilities are allocated.

In terms of **market presence**, the Company's management and senior executives are hired based on experience and ability, and are not preferentially hired from the local regions where Waters has operations. However, Waters remains cognizant of the impact that we have on the communities where we operate, particularly through salaries which we pay our employees. Salary levels are driven by market norms and ultimately are overseen by the Senior Vice President of Human Resources.

ENVIRONMENT

As a leading provider of analytical instrumentation, Waters **views environmental protection as an integral part of responsible business practices and is therefore committed to continuously refining products and processes, conserving resources, recycling and monitoring its environmental performance.** At the executive level, implementation of Waters' environmental strategies and policies is led by the Sustainability Manager and the Manager of Environment, Health and Safety (EH&S), who report directly to the Director of Facilities, EH&S and Real Estate. Local implementation of policies and procedures in accordance with applicable rules and regulations is the responsibility of the general managers of Water's facilities. All employees are responsible for ensuring that our business is conducted in compliance with applicable laws and in a manner that protects the

2014 - 2017 SUSTAINABILITY report

CEO STATEMENT

ABOUT WATERS
CORPORATION

GOVERNANCE

ABOUT THIS REPORT

OUR COMMITMENT
TO SUSTAINABILITY

SUSTAINABILITY
MANAGEMENT
APPROACHES

ENVIRONMENTAL
SUSTAINABILITY

PRODUCT
LIFE CYCLE
MANAGEMENT

SUSTAINABLE
SUPPLY CHAINS

RESOURCES

COLLABORATIONS

EMPLOYEES

HEALTH
AND SAFETY



environment. Employees are required to notify management if hazardous materials come into contact with the environment or are improperly handled or discarded.

Energy use is a cost driver for Waters, and we are taking steps to actively manage these costs, as well as the accompanying greenhouse gas **emissions** that come from energy usage. To this end, Waters is committed to reducing energy consumption in ways that both reduce costs and minimize environmental impacts. We monitor energy usage and corresponding Scope 1 and Scope 2 emissions on a regular basis, and evaluate opportunities to reduce them based on potential costs and benefits. Waters' energy usage and emissions are of a scale not currently subject to any emissions regulations or national policies, and offsets are not currently employed as a way to reduce greenhouse gas emissions.

Customers are increasingly requesting that companies address the **environmental impacts** associated with their products. To understand how our products impact the environment and human health, Waters conducted a life cycle assessment (LCA). LCA results distinguish the impacts resulting from different stages in a product's lifespan from cradle-to-grave. The "cradle" stage refers to the initial processes required to obtain the materials for the finished product and the "grave" denotes the ultimate

fate of the product. An LCA quantifies various contributions from these stages as well as stages in between. For analysis purposes, these stages are more commonly referred to as "production", "use", and "end-of-life" phases. Transportation methods required to move materials or the product itself are also considered in the assessment. For each phase, impacts were calculated based on parameters deemed most relevant for Waters' processes. The parameters examined were climate change, primary energy consumption, ecotoxicity and human-toxicity. These parameters account for ecological and physiological impacts resulting throughout the life cycle of Waters' products.

LABOR AND DECENT WORK

Employee training is central to Waters' success as a company. To foster continuous development of our capabilities, Waters conducts internal and external training programs, international assignments, project work and "on-the-job coaching." Waters' group training and development approach complements local and business-specific training offerings with an increasing array of global opportunities. In addition to developing technical competencies, Waters offers many other development areas, which contribute to a holistic development of the workforce. Examples include sales skills, customer relationships, personal effectiveness, project management, change management, compliance and leadership. Training and education programs are overseen by the Corporate Human Resources team, with the support of sponsors from the Executive Committee.

Our commitment to **operate safely** is overseen by the Director of Environment, Health and Safety and managed by the 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.

HUMAN RIGHTS

At Waters, we have a strong commitment to conducting business in an ethical manner. The Waters Code of Conduct provides overall guidance regarding the performance, integrity and professionalism that the company expects from our employees and partners with whom we do business. We remain committed to the observance of fundamental labor and environmental standards and promote a harassment-free environment. We do not tolerate any conduct which inappropriately or unreasonably interferes with work performance, diminishes the dignity of any person or creates an intimidating, hostile or otherwise offensive work environment. This includes **discrimination or harassment** based on race, color, religion, gender, age, national origin, sexual orientation, marital status or disability.

The same is expected of Waters' suppliers and other third parties that act on its behalf. In terms of procurement practices, Waters seeks mutually beneficial relationships with suppliers who also act responsibly and demonstrate integrity in the marketplace, including the recognition of basic human rights.



2014 - 2017 SUSTAINABILITY report

CEO STATEMENT

ABOUT WATERS
CORPORATION

GOVERNANCE

ABOUT THIS REPORT

OUR COMMITMENT
TO SUSTAINABILITY

SUSTAINABILITY
MANAGEMENT
APPROACHES

ENVIRONMENTAL
SUSTAINABILITY

PRODUCT
LIFE CYCLE
MANAGEMENT

SUSTAINABLE
SUPPLY CHAINS

RESOURCES

COLLABORATIONS

EMPLOYEES

HEALTH
AND SAFETY



SOCIETY

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 wide-ranging **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 of all new and current employees and is refreshed periodically.

With respect to **public policy**, Waters does not contribute to political campaigns. Waters has taken positions in industry debates that are consistent with our business goals, namely concerning issues in the analytical instrumentation industry, including certification boards and standard-setting organizations.

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 specific line management. These issues directly impact Waters' ability to operate in our markets, to develop new markets and to maintain our reputation of integrity and innovation.

PRODUCT RESPONSIBILITY

Waters' core business provides the highest quality and technically advanced analytical instrumentation to our customers. While ultimately, the customer is responsible for risks they are exposed to during the use phase of the product's lifecycle, Waters takes the idea of customer safety very seriously, and offers regular training to our customers on the proper usage of the instruments and ways to minimize risks they may encounter.

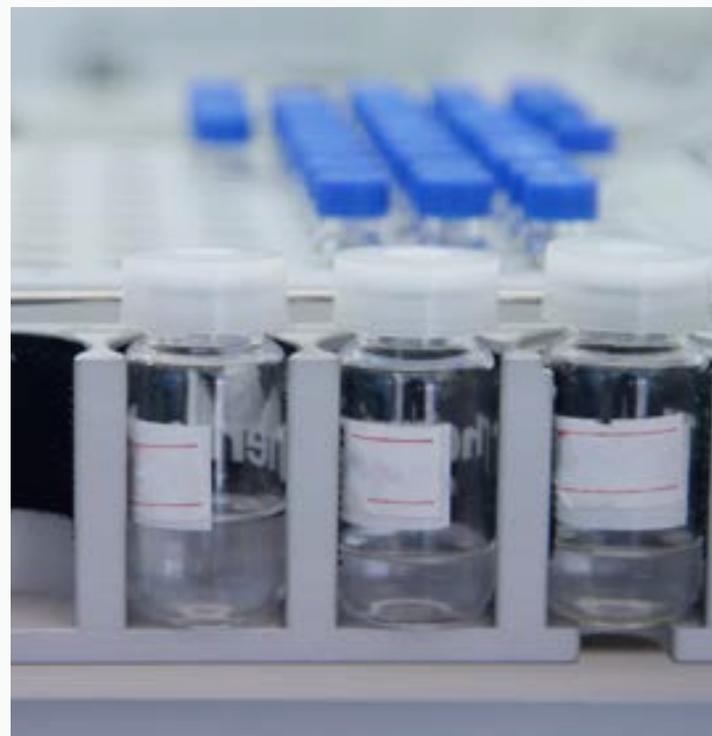
Similarly, customers are given every opportunity to provide feedback to Waters regarding their **overall satisfaction with the products and services provided to them**. This feedback is acquired through regular quarterly business reviews, customer satisfaction surveys and other formal and informal mechanisms.

When developing **Marketing Communications**, Waters takes steps to ensure that all claims made regarding the performance of its products are verified, accurate and representative of the performance that the customer can expect. All marketing materials are the responsibility of the Vice President of Marketing, who works in close collaboration with the Product Managers.

Customer Privacy is an issue that Waters manages very carefully. All customer data is stored in accordance with applicable protocols for secure electronic data storage. Waters also frequently collaborates with customers to develop proprietary protocols for certain analytical methodologies. All such collaborations are carried out under non-disclosure and confidentiality agreements. The management and enforcement of such agreements are the ultimate responsibility of the Company's Legal Department.

PROCUREMENT PRACTICES

The Waters Supplier Code of Conduct outlines our expectations for supplier performance in the areas of labor and human rights, health and safety, environmental impacts, ethics, management commitments and compliance with laws. Outside of these expectations, we conducted in-depth **supplier assessments** to determine the sustainability-related risk they may pose to Waters. These key suppliers were subject to environmental impact assessments and were screened according to labor practices criteria. Each key supplier was then assigned a total risk score based on their social risk score, environmental impact score and the total annual spend on the supplier. Supply chain engagement and related risk-management exercises are overseen by Waters' Procurement and Sustainability Manager.

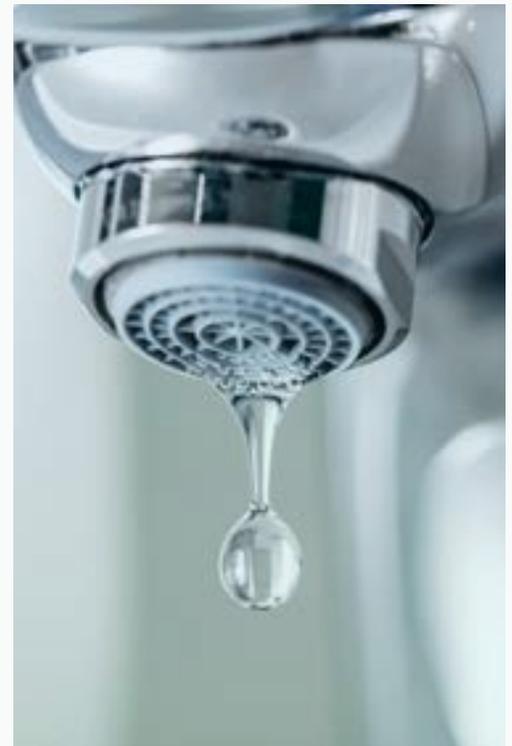
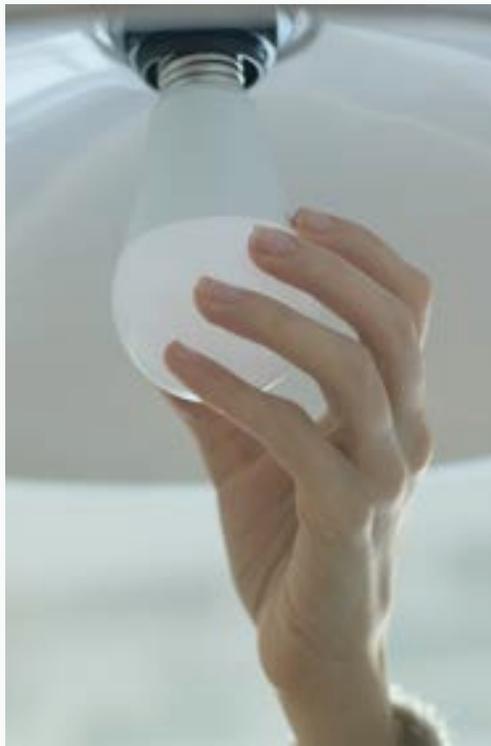


ENVIRONMENTAL SUSTAINABILITY

As an analytical technology manufacturing company, Waters' core expertise is enabling scientists to make precise measurements and analyze the resulting complex datasets. We strive to apply the same level of expertise to our environmental performance by collecting and analyzing key data including energy, greenhouse gas emissions, water and waste water.

By doing so, we are able to both track our progress within our environmental impact areas and identify areas for improvement and stewardship. Monitoring and communicating our environmental metrics also provides us with opportunities to engage our employees in sustainability initiatives in our facilities and offices across the globe.

Waters is continuously making improvements to our environmental data collection processes. While our current scope of data represents a significant proportion of our global footprint, we continue to add more facilities as new and higher-quality data becomes available.



PRODUCT LIFECYCLE MANAGEMENT

Waters decided early in its focus on sustainability to undertake a comprehensive examination of the lifecycle impacts of our product portfolio, to better understand where the greatest emissions arise and where opportunities to improve on these impacts exist.

Conducting a Life Cycle Analysis (LCA) is a valuable method of identifying how products impact the environment and human health. LCA results distinguish the impacts resulting from different stages in a product's lifespan, and it quantifies various contributions made at each stage of that lifespan. For analysis purposes, these stages are more commonly referred to as:



"use"
phase



"production"
phase



"end-of-life"
phase

Our LCA made many things clear:



The **majority of our products' environmental impacts** come from the "use" phase

This is due to the **energy usage**, and the **greenhouse gas emissions** resulting from the production of that energy



The most recent generation of our LC products, UPLC instruments, use **considerably less energy and less solvent per sample** than the comparable older model

The UPLC technology, specifically uses:

5-8 TIMES
less solvent per sample

33%
less energy per sample

As liquid chromatography technology has evolved, its efficiency has improved dramatically, thereby improving its environmental impact. This means that users can not only analyze their samples with greater sensitivity and precision, but also use smaller quantities of potentially hazardous and expensive solvents, resulting in lower energy use and fewer environmental impacts.

SUSTAINABLE SUPPLY CHAINS

Waters relies on a variety of suppliers for non-specialized materials. All of Waters' suppliers must meet set criteria and be certified ISO 9001. This enables us to ensure the quality of the products we use and to meet delivery times needed for our manufacturing plants to function efficiently.

A number of suppliers use the kanban approach to improve the speed of delivery and reduce the time to put these materials to use. This approach also reduces the use of packaging.

SUPPLIER ASSESSMENT

Like many companies of our size, a significant portion of our environmental impact comes from our diverse and global supply chain. Therefore, to significantly reduce our impact we must constructively engage with our suppliers and support one another in achieving our sustainability-related goals.

To improve our supply chain sustainability, in 2015 we assessed the financial, governance, environmental and social risk factors of 1,000 of the suppliers that provide critical goods and services to Waters.

We used two primary sources of data in our assessment. To understand environmental implications, we used metrics from a globally-recognized database that helps leading firms calculate the energy and environmental impact of various products and services. The data is based upon Life Cycle Analysis, a rigorous technique that quantifies the energy used and emissions created at every stage of the product's life cycle. It assesses the environmental impact of multiple factors, from the production technique used to manufacture the product to the raw materials the product requires. This technique allows the end-user to quantitatively compare the relative impacts of various products. (For more on LCA, see page 16).

To understand potential social implications of our supply chain, we looked at data including labor and wage related issues, risks for corruption and child labor, political unrest, past issues that were made public or reported in the media and other factors. We 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.

Each key supplier was then assigned a total risk score based on their social risk score, environmental impact score, and the total annual spend with the supplier. Using these scores, we are able to address a manageable number of key, high-risk suppliers and actively engage with them regarding their sustainability-related initiatives. In 2015, we completed our supplier audit. Based upon our analysis, we then identified the top 25 high-risk suppliers of Milford and Wilmslow and the top 14 suppliers of TA instruments, which represent 47% of total supply chain spend. Follow-up analysis of Milford and Wilmslow's high-risk suppliers indicated that only one supplier did not meet our combined criteria. This risk management exercise enables Waters to strengthen relationships across the value chain and uncover opportunities to improve.

COMPLIANCE INITIATIVES

Waters has established, documented, and implemented a Conflict Minerals Management Program (CMMP) to ensure the responsible supply chain management of minerals potentially sourced from conflict-affected and high-risk regions of the world. The CMMP ensures that we can meet the conflict minerals reporting requirements of the Dodd-Frank Act. In 2014, Waters performed due diligence on its supply chain with respect to conflict minerals. This process, which was managed by the CMMP core team, was exploratory in nature and resulted in Waters filing a Form SD with the Security and Exchange Commission.

Waters also supports the intent of the European Union's Reduction of Hazardous Substances (RoHS) Directive, which seeks to reduce the environmental impact and increase the recycling of electrical and electronic equipment through restriction of certain hazardous substances. To this end, Waters makes ongoing efforts to bring all products into RoHS compliance by applicable deadlines. In parallel with these efforts, Waters is working to ensure that its in-scope products comply with the material composition and product documentation required by similar regulations, including the China RoHS regulation. 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.

RESOURCES

Using resources efficiently isn't just environmentally responsible; it's also simply good business. Our resource management efforts include our energy conservation initiatives.

ENERGY

Manufacturing and testing products can be energy intensive. Therefore, we monitor how much energy we're using at our facilities. Despite efforts to reduce energy use at our primary sites, total energy consumption at our facilities has increased. We attribute this primarily to an increase in output, and an increase in the number of reporting sites and acquisitions. To minimize our energy impact, we purchase renewable energy at our facility in Wexford, Ireland, and take advantage of Massachusetts' statewide use of 10 percent renewable energy at our facilities in Milford, Taunton and Beverly. Our facility in Wilmslow, U.K., produces some of its electricity using solar panels.

ENERGY CONSUMPTION											
		UNIT	2013	2014	% CHANGE, 2013-2014	2015	% CHANGE, 2014-2015	2016	% CHANGE, 2015-2016	2017	% CHANGE, 2016-2017
STATIONARY COMBUSTION	HEATING OIL	MWh	1,645	1,291	-22%	1,723	34%	1,967	14%	1,550	-21%
	NATURAL GAS	MWh	29,713	28,149	-5%	27,661	-2%	30,415	10%	31,011	2%
	DIESEL BACKUP GENERATORS	MWh	35	47	35%	53	14%	18	-67%	42	136%
VEHICLE FUELS	DIESEL	MWh	20,772	3,451	-83%	3,409	-1%	3,359	-1%	4,061	21%
	GASOLINE	MWh	34	20,932	6,1183%	20,746	-1%	21,000	1%	20,051	-5%
	DISTRICT HEATING	MWh	0	0	-	0	-	56	-	41	-26%
	ELECTRICITY	MWh	42,848	51,531	20%	51,531	5%	55,699	3%	55,497	0%
	TOTAL ENERGY CONSUMPTION	MWh	95,048	105,402	11%	107,462	2%	112,514	5%	112,254	0%
	ENERGY CONSUMPTION PER EMPLOYEE	MWh	15.8	17.0	7%	16.3	-4%	16.3	0%	16.0	-2%
	ENERGY CONSUMPTION PER NET SALES	MWh/employee	49.9	53.0	6%	52.6	-1%	51.9	-1%	48.6	-6%

Waters has calculated YOY% change between each year reported to accurately depict changes over time.

2014 - 2017 SUSTAINABILITY report

CEO STATEMENT

ABOUT WATERS
CORPORATION

GOVERNANCE

ABOUT THIS REPORT

OUR COMMITMENT
TO SUSTAINABILITY

SUSTAINABILITY
MANAGEMENT
APPROACHES

ENVIRONMENTAL
SUSTAINABILITY

PRODUCT
LIFE CYCLE
MANAGEMENT

SUSTAINABLE
SUPPLY CHAINS

RESOURCES

COLLABORATIONS

EMPLOYEES

HEALTH
AND SAFETY

SPOTLIGHT: BUILDING ENERGY EFFICIENCY

We are dedicated to using energy efficiently to meet both our business and sustainability goals.



Our newest facility,
completed in 2014

Certified
"VERY GOOD"
according to the **BREEM**
standard, a leading
certification program
for buildings

All leftover food
from the cafeteria
is **composted**



Waste generated on site
is **recycled** or used in
waste-to-energy plants
to **generate electricity**



50%
of rainwater is
recovered and reused
to water the landscaping
around the buildings



Staff members give
science lectures
at local schools
and participate
in **educational**
activities with
students



Bat boxes and
fitness trails provide
ample wildlife and
recreational activity
for employees as well
as community
members



Employees are encouraged to
commute using sustainable means
(car-pooling, bicycle riding, public transportation, etc.)

SPOTLIGHT: BUILDING ENERGY EFFICIENCY

We are dedicated to using energy efficiently to meet both our business and sustainability goals.



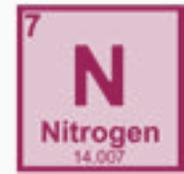
Installation of new
energy efficient lighting

This is part of a complete
refurbishment and was
completed in 2017



LED light replacement in outdoor
areas was completed in 2014

LED replacement units for Machine Shop
and Distribution have been installed



27
Individual nitrogen
generators were replaced
in December 2015

2014 - 2017 SUSTAINABILITY report

CEO STATEMENT

ABOUT WATERS CORPORATION

GOVERNANCE

ABOUT THIS REPORT

OUR COMMITMENT TO SUSTAINABILITY

SUSTAINABILITY MANAGEMENT APPROACHES

ENVIRONMENTAL SUSTAINABILITY

PRODUCT LIFE CYCLE MANAGEMENT

SUSTAINABLE SUPPLY CHAINS

RESOURCES

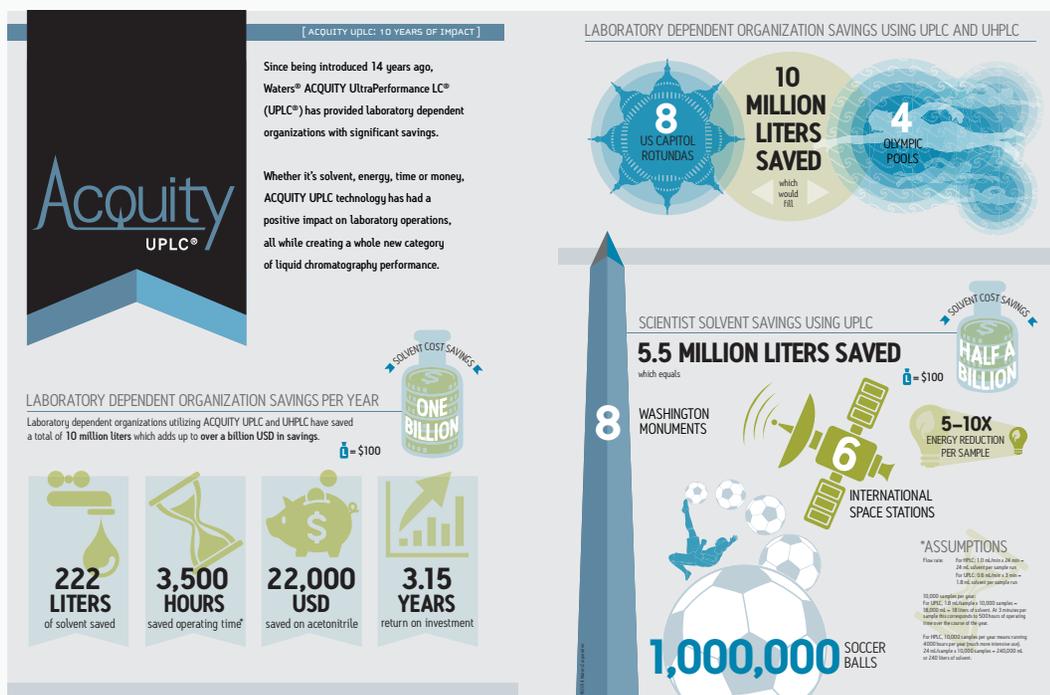
COLLABORATIONS

EMPLOYEES

HEALTH AND SAFETY

SPOTLIGHT: PRODUCT ENERGY EFFICIENCY

While curbing energy use at our own facilities is an important part of limiting our environmental impact, it's not the whole story. The products we make have their own environmental impact when our customers use them. To address this, we are constantly striving to increase the energy efficiency of the products we make. Our latest generation of LC products, the UPLC family, is far more energy efficient than previous generations of LC products. The UPLC family also reduces the use of solvents. Our ACQUITY UPLC products let labs make the switch to more efficient chromatography and use less solvent per sample. In fact, over its full lifecycle, the product uses 35 percent less energy and up to 80 percent less solvent than comparable instruments (assuming 10 years of ownership and 100,000 total samples analyzed in that time).



The UPLC infographic covers the timespan between 2004-2014

Afla-V[®] QUANTITATIVE STRIP TESTS

VICAM INTRODUCES THE AFLA-V[®] AQUA™, AN ECO-FRIENDLY AFLATOXIN TESTING SOLUTION

VICAM, a Waters Business, introduced a new “green” method for detecting aflatoxins in grains in 2014. Traditional methods for the detection of aflatoxins have required the use of methanol, ethanol and other solvents for the extraction step, costly chemicals which require specialized shipping, handling and storage facilities. The Afla-V[®] AQUA™ strip test replaces chemical solvents with a water-based extraction solution which is both environmentally friendly and safer for use in the field, process or laboratory environment and for our team members.

EMISSIONS

Tracking our greenhouse gas (GHG) emissions is a critical element in our environmental management processes. During this period, we saw an increase in Scope 1 and Scope 2 GHG emissions due to an increase in output at our major manufacturing sites, which resulted in an increase in energy use. Additionally, we have added a number of smaller sites to our data collection efforts, thereby improving the quality of our data.

To counter these increases, we began implementing a number of emission-reduction initiatives to our Milford, MA headquarters in 2015. In older buildings, we are replacing the equipment, HVAC systems, exhaust fans and lighting as more efficient technology becomes available. To improve maintenance schedules and ensure a comfortable working environment, we replaced three HVAC systems in three buildings with a single cooling tower. We subsequently saw a significant drop in energy use. We have also replaced individual-lab nitrogen generators with bulk nitrogen to significantly reduce CO₂ emissions.

SCOPE 1 AND 2 GHG EMISSIONS											
	UNIT	2013	2014	% CHANGE, 2013-2014	2015	% CHANGE, 2014-2015	2016	% CHANGE, 2015-2016	2017	% CHANGE, 2016-2017	
SCOPE 1	STATIONARY COMBUSTION	Metric Tons	6,456	6,127	-5%	6,144	0%	6,765	10%	6,782	0%
	VEHICLE FUELS	Metric Tons	5,569	6,216	12%	6,158	-1%	6,209	1%	6,156	-1%
	FUGITIVE EMISSIONS (E.G. REFRIGERANTS)	Metric Tons	496	1,179	138%	1,321	12%	1,320	-21%	543	-48%
	PROCESS EMISSIONS (E.G. PURCHASED CO ₂)	Metric Tons	16	54	238%	0	-100%	0.04	-	0.07	108%
SCOPE 2	DISTRICT HEATING	Metric Tons	0	0	-	0	-	12	-	9	-26%
	ELECTRICITY ¹	Metric Tons	17,141	19,625	14%	20,113	2%	20,183	0%	19,919	-1%
	TOTAL SCOPE 1&2 GHG EMISSIONS	Metric Tons	29,677	33,201	12%	33,736	2%	34,207	1%	33,409	2%
	SCOPE 1&2 GHG EMISSIONS PER EMPLOYEE	MT/Employee	4.9	5.4	8%	5.1	-5%	5.0	-3%	4.8	-4%

1) The GHG emissions associated with electricity consumption are reported according to the "location-based approach," as defined in the Greenhouse Gas Protocol Scope 2 Guidance. This is considered an approximation of the "market-based" approach.

2) Waters has calculated YOY% change between each year reported to accurately depict changes over time.

WATER

Due to an expansion in our productivity and increased reporting from Waters' facilities between 2014-2017, we have seen some increases in our water consumption over this period. Waters remains fully committed to addressing its water use and will continue to prioritize reporting and metering improvements for all environmental data collection.

WATER AND WASTEWATER										
		UNIT	2014	% CHANGE, 2013-2014	2015	% CHANGE, 2014-2015	2016	% CHANGE, 2015-2016	2017	% CHANGE, 2016-2017
WATER CONSUMPTION	MUNICIPAL WATER	Cubic Meters	78,065	-	86,248	10%	86,260	0	90,902	5%
	SURFACE WATER	Cubic Meters	36	-	52	44%	46	-12%	42	-9%
	RAIN WATER	Cubic Meters	1,658	-	1,679	1%	1,734	3%	1,560	-10%
WASTEWATER	MUNICIPAL SEWERAGE SYSTEM	Cubic Meters	139,014	-	73,121	-47%	58,196	-20%	67,116	15%

Waters has calculated YOY% change between each year reported to accurately depict changes over time.

WASTE

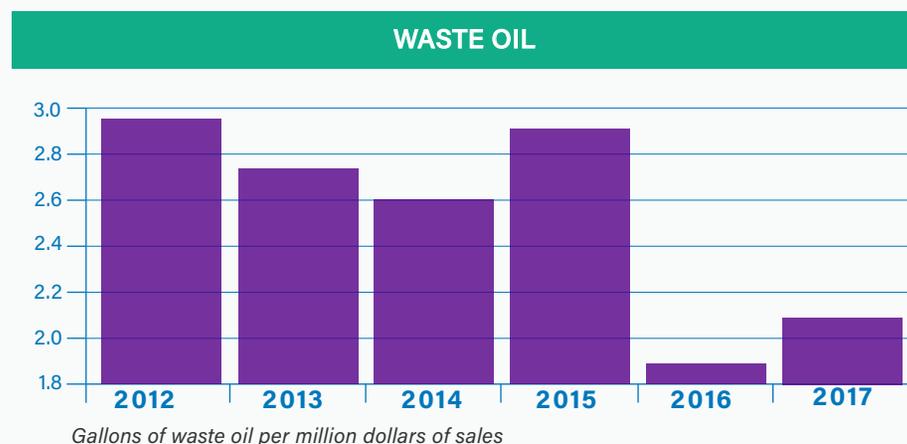
In 2016 - 2017, there was an increase in waste from our facilities going to landfill and to incineration. This is due to recent changes to our facilities, particularly our headquarters in Milford, MA, where we removed materials from the buildings during renovations. We were able to recycle more material in the renovations' early phases. Additionally, three primary sites did not report waste to incineration numbers in 2016, but did in 2017, causing a significant increase between 2016 and 2017.

Upholding our commitment to environmental responsibility includes monitoring how much waste we create and how we dispose of materials used in our manufacturing processes. We intend to continuously improve the quality of our waste and recycling data in the years ahead.

WASTE GENERATION										
		UNIT	2014	% CHANGE, 2013-2014	2015	% CHANGE, 2014-2015	2016	% CHANGE, 2015-2016	2017	% CHANGE, 2016-2017
NON-HAZARDOUS WASTE	GENERAL WASTE TO LANDFILL	Metric Tons	194	-	192	-1%	171	-11%	272	59%
	GENERAL WASTE TO INCINERATION	Metric Tons	242	-	336	39%	27	-92%	737	2645%
	GENERAL WASTE TO UNKNOWN TREATMENT	Metric Tons	18	-	22	25%	30	35%	111	272%
RECYCLING OF NON-HAZARDOUS WASTE	TOTAL WASTE RECYCLED	Metric Tons	893	-	981	10%	525	-46%	779	48%

Waters has calculated YOY% change between each year reported to accurately depict changes over time.

The machine shop at Waters plays a leading role in our ability to produce new, innovative products, and oil is a major component of shop operations. As noted in previous reports, we use an oil recovery system in the machine shop as well as environmentally friendly oils. The data for 2012 through 2015 generally shows a reduction in oil leaving our facility. The increase seen in 2015 is due to the addition of a number of new machines in the shop. To mitigate this increase, we entered into a program that enabled the shop to bring recovered oil up to specifications of new oil, thereby extending its usability. The 2016 drop demonstrates that the oil-cleaning program was successful in reducing the oil we used. The slight increase in 2017 represents oil used to fill new machines, and sump cleanings and oil replacements for existing machinery. The sump oil can now be part of the cleaning process, which will further reduce oil use.



COLLABORATIONS WITH CUSTOMERS AND GOVERNMENTS

We strive to support scientific advancement by developing innovative technology that fundamentally changes how scientists perform their experiments. To do this, we build long-term, collaborative relationships with our customers so that we can better understand their needs and develop innovative, comprehensive solutions that fulfill their goals.

We begin by understanding the goals and challenges of today's laboratories. We don't necessarily ask scientists what they want. Rather, we ask what they are trying to accomplish and what barriers to their success are. We have found that the answers to these questions often lead us to new innovations that enhance the pursuit of discovery and the quality of laboratory science.

COLLABORATIONS

WATERS & THE CHINESE PHARMACOPEIA COMMISSION ESTABLISHED A JOINT OPEN LABORATORY IN CHINA

In January, 2015, Waters announced the inauguration of its Joint Open Laboratory established in partnership with the Chinese Pharmacopoeia Commission (ChP). The 400-square-meter Joint Open Lab is located within the laboratory building of the Beijing Zhendong Guangming Drug Research Institute.

Outfitted with Waters' chromatography and mass spectrometry technologies, the analytic laboratory focuses on areas including in-depth research of pharmacopoeia standards, development of testing methods, methods validations, and basic and advanced technical training of pharmacopoeia detection methods. The laboratory has the potential to improve the safety of China's food supply and is also anticipated to be one of the national technical support centers in the field of Chinese pharmaceutical standards.

GLOBAL FOOD SAFETY PARTNERSHIP

Food safety is a complex problem. As demand for it rises, food is increasingly making longer and more complicated journeys from farm to table, and more companies are participating in its production and delivery. As a result, the opportunities for the introduction and spread of contamination increase. Tackling this takes an organized, coordinated approach — across borders, governments, and industry — to ensure the safety of the world's food.

MEMBERSHIPS

We recognize the importance of playing a leadership role in our industry to advance our organization. Our association memberships, across stakeholders' industries, allow us to collaborate with others to set the standard for sustainability best practices, while also helping us to improve our own operations. Those associations 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 Managers)
- The Royal Society
- The Royal Society of Chemistry
- Society of Chemical Manufacturers and Affiliates
- United Natural Products Alliance
- U.S.-India Business Council

Waters is a founding member of the Global Food Safety Partnership (GFSP), a public-private partnership facilitated by the World Bank which aims to improve food safety around the world by building capability in low- and middle-income countries.

The GFSP brings government regulators, non-government organizations and industry together with international organizations, such as the Food and Agriculture Organization of the United Nations, the United Nations Industrial Development Organization and the World Health Organization in order to improve food safety systems and improve compliance with food safety standards.

WATERS CENTERS OF INNOVATION (COI) PROGRAM

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

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

COI SPOTLIGHTS



Professor Sunghwan Kim

Associate Professor
Kyungpook National University
Daegu, Republic of Korea

Dr. Kim's unique research is making great contributions to what we know about the effects of polycyclic aromatic hydrocarbons (PAHs) on our environment. PAHs are a component of crude oil, coal and gasoline and are a byproduct of wood and fossil fuel combustion. They are known as a persistent organic pollutant because, once in the environment, they are hard to get rid of. Their long-term effects are not well understood. Dr. Kim employs analytical chemistry to test for and identify these pollutants in soil, air and water. It is why, in the aftermath of the BP oil spill in 2010, Dr. Kim was hired to consult on the effectiveness of the clean-up and to assess the harm done to marine and plant life.



Professor Chris Elliott

Director of the Institute for Global Food Security
Chair of Food Safety and Microbiology
Queen's University
Belfast, Northern Ireland

Dr. Elliot uses immunochemical-based screening technologies to analyze a wide range of toxic chemicals that can be found in foods and agricultural commodities, such as mycotoxins, phycotoxins and plant toxins. He has published more than 300 papers in the field of detection and control of chemical contaminants in agri-food commodities and coordinated one of the world's largest research projects in this area. Dr. Elliot also coordinated another major EU research project QSAFFE which has dealt with contaminant issues along the animal feed supply chain. Following the 2013 UK Horsemeat scandal, Chris led the UK government's independent review of food systems.

EMPLOYEES

At Waters, we strive to create a workplace culture that rewards high performance and encourages inclusion, participation, and respect. Our company's success is a direct reflection of the diverse and impactful skill-set of our team.

It is also our responsibility to provide employees with an environment consistent with our values and ethical standards. One of Waters' most closely held values is the pursuit of knowledge, and we strive to create an environment where employees at all levels are constantly learning new skills and expanding their knowledge base. Training begins with new employees and continues through every part of your career at Waters.

The environment we've created for employees has enabled us to attract and retain top talent.

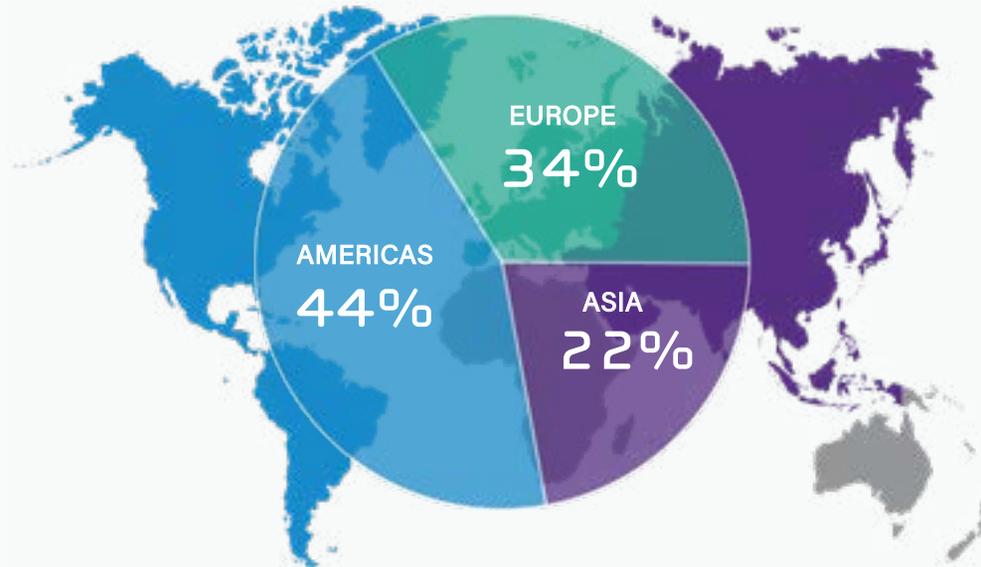
Many of these employees are long-term. These employees are crucial vessels of scientific and institutional knowledge, and they **pass that knowledge to the next generation of Waters' employees**, ensuring the continuation and success of our operations.

AVERAGE TENURE

of employees is

9.08 years

EMPLOYEES BY REGION



HEALTH AND SAFETY

Waters has long embraced environmental health and safety programs as an important element of managing our business. Through online and in-person training programs, we ensure all employees can prevent accidents and injuries in the workplace and avoid specific business risks.

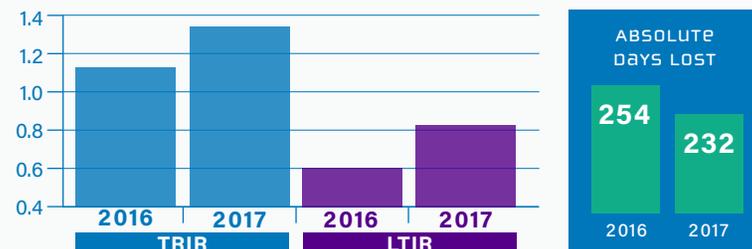
As a matter of practice, Waters follows all general safety training protocols, including requiring safety training for all employees. Annual health and safety training programs equip employees to work in and around our facilities by training them in emergency response and specific safety protocols. In addition, employees receive specialized training as necessary on specific topics such as compressed gases, biological substances and hazardous materials.

A company-driven audit program of all global Waters facilities ensures sites maintain regulatory compliance and drives continual improvement.

Waters has in place an ISO 14001:2004 Environmental Management Certificate that attests to our commitment to ongoing behaviors that assist us in being good stewards within the communities where we operate and meeting the needs of our employees to ensure their ongoing safety. We will continue to prioritize EHS and enhance our standards and protocols over time. As part of our ongoing audit program we reviewed EHS practices at 12 sites in 2015. There were no major issues or concerns found.

The number of sites reporting increased from 2014 to 2015 due to acquisitions. We also improved the quality of our safety data by including sites that did not previously report this information. As a result, the absolute lost work days at our manufacturing sites increased year over year. We expect to see our performance numbers fluctuate as we continue to enhance our reporting capabilities and as we bring the new sites under the guidance of Waters' health and safety programs.

Waters closely monitors our Total Recordable Incident Rate (TRIR) and Lost Time Incident Rate (LTIR) as our key safety performance indicators. There were no significant changes in TRIR or LTIR between 2014-2017. In 2017, we saw a decrease in lost work days.



TRAINING NEW EMPLOYEES AT WATERS' MILFORD AND WILMSLOW FACILITIES

At Waters' Milford (U.S.) and Wilmslow (U.K.) facilities, new employees are supplied a manual of health and safety information. Their managers ensure they read and understand the manual by going over all safety information with the new employee using an Environmental Health and Safety (EHS) checklist. EHS classes are held on a quarterly basis for all employees. Attendance is voluntary, but some departments require this training and design it for optimal ongoing learning.

2014-2017 SUSTAINABILITY
REPORT

For more information on Waters' business performance, please see our [2014 and 2015 annual reports](#).

Waters
THE SCIENCE OF WHAT'S POSSIBLE.™