2023 SUSTAINABILITY REPORT

azuria™

WATER SOLUTIONS

// IN THIS REPORT

01

// OVERVIEW

A Message from Our CEO // 3

About Azuria // 4

02

// SUSTAINABILITY

Water Loss // 5

Water Conservation // 6

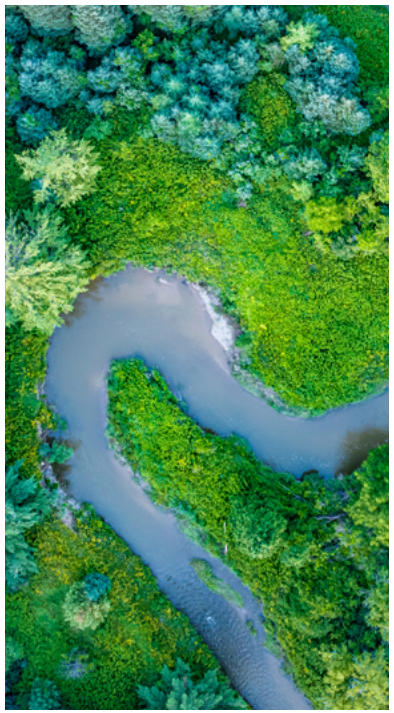
Project Highlight // 7

Carbon Emissions // 8

Carbon Calculator // 9

Reducing Waste // 10

Hazardous Waste Removal // 11



03

// SAFETY

Solution & Results // 12

04

// PEOPLE

An Employer of Choice // 13

05

// GOVERNANCE

Compliance // 14

Leadership // 15

Legal Disclosure // 16

// 01 OVERVIEW

A Message from Our CEO

For more than 50 years, Azuria has supported a more sustainable future through the implementation of technology and trenchless techniques to protect and rehabilitate water infrastructure.

Unlike traditional open-trench methods, trenchless rehabilitation allows us to repair and upgrade critical water infrastructure while minimizing disruption to soil and the environment. This approach reduces vehicle idle time and associated emissions while helping preserve surrounding ecosystems.

By leveraging innovations and refining our processes, we aim to achieve more while using less. This philosophy is a guiding principle that shapes our daily activities and long-term strategies.

Our efforts in sustainability are not just about meeting regulatory requirements or achieving industry standards; they are about leading by example and setting new benchmarks for what can be accomplished. We understand that true sustainability is a collective effort, requiring collaboration and innovation across all levels of our organization and with our partners.

In this report, you will find insights into our approach to sustainability and our initiatives. We are proud of our achievements but recognize that more work is always needed. We remain steadfast in our commitment to driving positive change and making a lasting impact on communities and the environment.

With our stakeholders' support, we can help build a sustainable future where clean water flows freely and responsibly for generations.

Sincerely,

Rob Tullman
President & CEO, Azuria Water Solutions

// 01 OVERVIEW
About Azuria

Azuria brands deliver cutting-edge technology and solutions for all types of pipelines, including wastewater, stormwater, and potable water. As the pioneer of trenchless pipe rehabilitation, we know the value of investing in innovation. Today, Azuria teams demonstrate the same entrepreneurial spirit that launched an industry and use the latest technology to develop solutions for tomorrow's challenges.

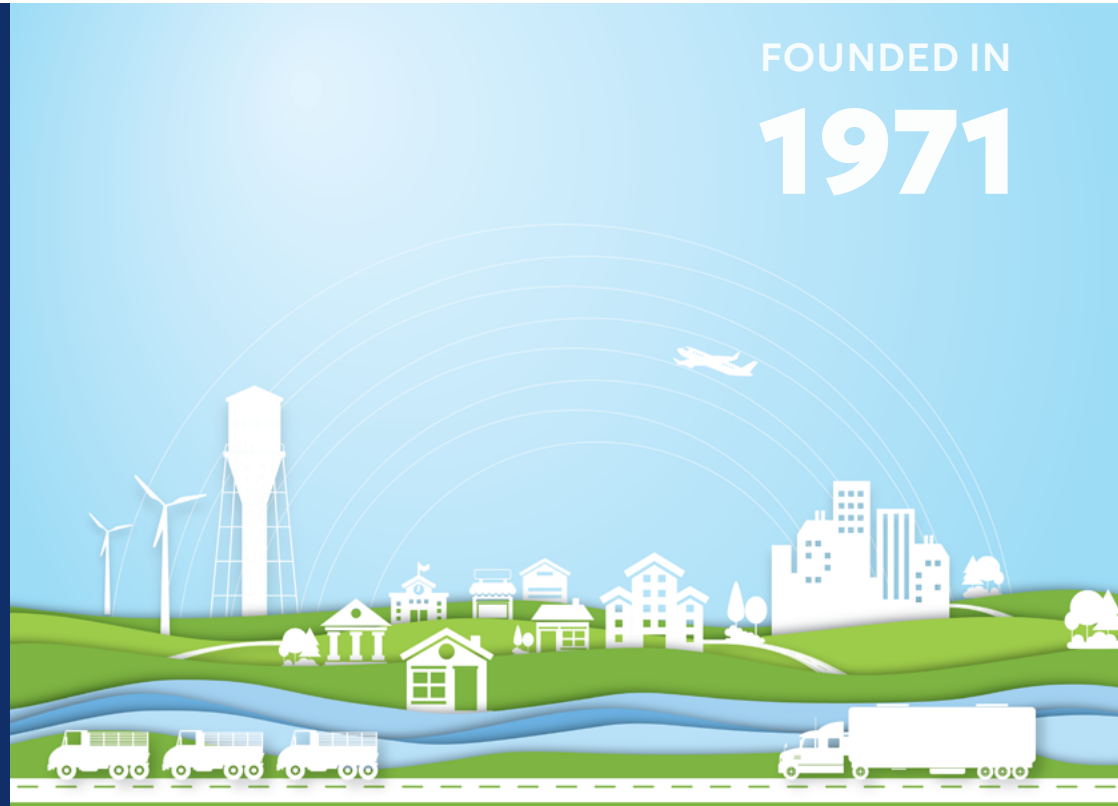
Products & Services

- Pipeline Rehabilitation
  + Cured-in-Place Pipe (CIPP)
  + Spray-in-Place Pipe (SIPP)
  + Sliplining
  + Pipe Bursting
  + Fusible PVC®
- Cleaning & CCTV Inspection
- Manhole Rehabilitation
- Corrosion Prevention
- Close Tolerance Pipe Slurrification

Portfolio Companies

- Insituform® Technologies
- Underground Solutions®
- MTC®
- Corrpro®
- Environmental Techniques
- EN-TECH Infrastructure
- C&L Water Solutions
- CULY
- Insituform Linings UK
- Portland Utilities

Products, Services & Portfolio Companies as of 12.31.2023



Markets

Municipal + Industrial + Transportation + Aviation + Federal Government

5.8M+
linear feet of pipeline rehabilitated in 2023[1]

12.8M+
linear feet of pipe liner manufactured in 2023[2]

274M
linear feet of pipeline rehabbed since 1971[3]

// 02 SUSTAINABILITY

Water Loss

A water main breaks every **2 minutes** in the U.S.[4a]

An estimated **6 billion gallons** of drinking water are lost daily[4b]

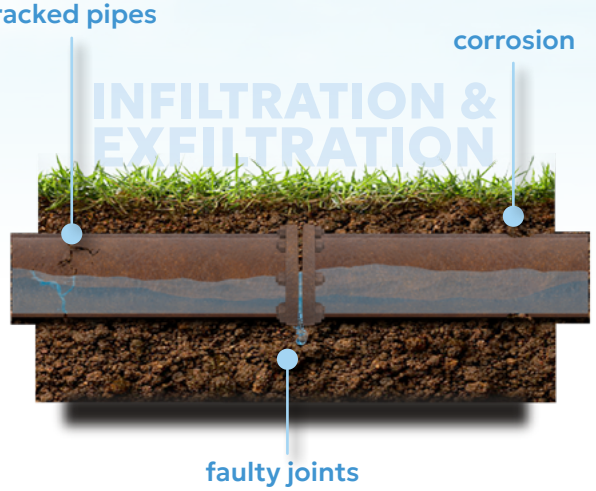
That's enough to fill more than **9,000** swimming pools[4c]

Risk From Aging Pipelines

The average age of the **2.2 million** miles of drinking water pipelines in the U.S. is more than **45 years**, meaning communities are relying on water systems that are near the end of their useful lives.[5] Failures are frequent leading to water loss and water line contaminants.

The U.S. produces **1.2 trillion** gallons of wastewater every year and at least **10%** of that water is lost through exfiltration.[6] This water loss reduces the amount of wastewater that can be recycled into potable water, adds to the demand placed on reservoirs, and contaminates groundwater.

Azuria is helping to address these challenges with technology that is less environmentally disruptive.



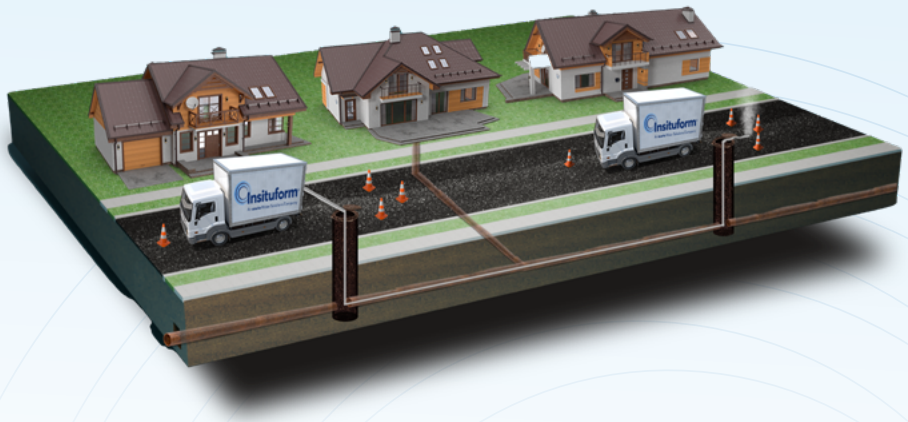
// 02 SUSTAINABILITY
Water Conservation

Trenchless Technology

Trenchless technology is used to repair or replace pipelines through a variety of techniques such as CIPP, pipe bursting and sliplining. For most stormwater, wastewater and drinking water applications, trenchless methods result in a more economical solution with fewer disruptions to communities and the environment than traditional excavation.

In addition to Azuria's positive impact on reducing water loss, we also help eliminate the infiltration of surrounding storm and groundwater into sewer systems. This reduces energy usage and helps prevent system overflows.

Annually, our wastewater pipeline rehabilitation work in the U.S. saves an estimated 1.5B gallons of wastewater and reduces up to 400M gallons of demand on freshwater reserves[7].



INTERESTING FACT

We can capture, test, remediate and return water used in our rehab installations back into the water cycle.

// 02 SUSTAINABILITY
Project Highlight

Cape Coral, Florida

In 2023, Azuria's Underground Solutions® worked with the City of Cape Coral, Florida, to install a large reclaimed water pipeline below the Caloosahatchee River.[8] The water, which would have otherwise been discharged into the river, now provides residents with an additional irrigation water source to reduce withdrawals from freshwater canals and help maintain water levels during the dry season. The project set a record for the longest continuous installation length of 24" Fusible PVC® — more than 7,630 feet.[9]

2023
"TRENCHLESS TECHNOLOGY MAGAZINE"
HONORABLE MENTION
Project of the Year[10]

REDUCTION OF	RECORD INSTALL	BELOW RIVER INSTALL
freshwater canal withdrawal	7,630 continuous feet of pipe	reduced environmental disturbance

KEY OUTCOME

- **12M gallons of water reclaimed daily[8]**

// 02 SUSTAINABILITY

Carbon Emissions

Emissions from diesel and gasoline consumption are the largest contributors to Azuria's carbon footprint.[11]

2023

	U.S. GASOLINE		U.S DIESEL		U.S. TOTAL
Fuel Usage	616,492 GAL	+	2,200,397 GAL	=	2,816,889 GAL
Fuel Emissions Impact	5,417 TONS CO_2e	+	22,621 TONS CO_2e	=	28,038 TONS CO_2e

To reduce our impact, our teams designed new multifunctional vehicles that combine the jobs of three trucks into one. The new trucks began deploying to select job sites in 2023.

MULTIFUNCTIONAL TRUCKS CAN REDUCE DIESEL CONSUMPTION UP TO 36%[12a]

In 2023, multifunctional vehicles in the U.S. saved **4,800+ gallons** of diesel — the equivalent of **49 tons** of GHG emissions.[12b]

Plans to consolidate additional vehicle functions are underway, which will further reduce the number of vehicles required on job sites.

Azuria introduced eight multifunctional vehicles to the field in 2023, and we expect to deploy an additional 12 by the end of 2024.

// 02 SUSTAINABILITY
Carbon Calculator

Quantifying the Carbon Handprint of Trenchless Rehab

In 2007, PW Trenchless and the North American Society for Trenchless Technology - British Columbia **established an objective method to quantify the carbon handprint or benefit of trenchless versus dig and replace.**[13] The result was a "Carbon Calculator" that uses various inputs such as rehab methods, soil types, pipeline depths, manhole counts, fuel use, emissions and more.

Azuria utilized this Carbon Calculator to estimate our company's specific GHG emission impact based on data from trenchless projects performed in 2023.

Using TRENCHLESS INSTALLATIONS instead of traditional open-cut in 2023, AZURIA HELPED SAVE

SAVED
96K
tons of GHG emissions[14]

=

33K+ tons of waste in a landfill
OR
18K+ homes' electricity use for one year
OR
25.3 wind turbines running for one year
OR
CARBON OFFSET
112K+ acres of U.S. forests in one year[15]

SAVED
8M
gallons of diesel fuel[14]

=

245M+ miles driven by an average passenger vehicle
OR
4M+ propane cylinders used for home bbqs
OR
6B+ smartphones charged
OR
CARBON OFFSET
1M+ tree seedlings grown for 10 years[15]

// 02 SUSTAINABILITY

Reducing Waste

We produce various types of pipeline rehabilitation liners at our manufacturing facility in Batesville, Mississippi. Prior to 2023, the Batesville facility consumed **13 million pounds of new polyester fiber** annually to produce these liners.[16] Additionally, 100% of the plastic consumed during the process was new, and all fiber waste was sent to landfills.

In 2023, Azuria launched a program to manufacture liners using less new materials while also diverting more of its fiber waste from landfills.

As a result of the program, we divert the majority of fiber waste from landfills in two ways:

- Waste fibers are sold for recycling
- Non-recyclable waste fibers are utilized by a waste-to-energy provider for power plants

Additional work is underway to reduce our overall use of materials in manufacturing that will drive down waste production in 2024.

ANNUAL IMPACT OF U.S. RECYCLED MATERIALS PROGRAM

6.5M
pounds of recycled fiber utilized in production[17]

1M
pounds of production scrap diverted from landfills[18]

67%
decrease in the need for new production materials[19]

GOAL

Utilize **75%** recycled materials for U.S. manufacturing by 2027

// 02 SUSTAINABILITY

Hazardous Waste Removal

Close Tolerance Pipe Slurrification (CTPS)

In 2023, Azuria secured exclusive rights to a proprietary trenchless method of safely removing and replacing asbestos cement (AC) pipes, a process called Close Tolerance Pipe Slurrification (CTPS). With CTPS, existing AC pipe is reamed (ground) into a slurry that encapsulates the asbestos materials. Behind the reamer, a new pipe is pulled in place. Then, using vacuum excavation, the slurry is safely removed and transported to an approved disposal site.

In 2019, the Environmental Protection Agency officially approved CTPS as the only alternative trenchless method to the replacement or abandonment of buried AC pipelines.[21]

Benefits of CTPS vs. Open-Cut[22]

- Significant cost and time savings
- Minimal onsite hazmat operations
- Less disruption for residents and businesses
- No new easements required

There are more than **635,000 miles** of asbestos cement pipe buried across the United States that have reached or are reaching the end of their useful lives.[20]

APPROXIMATELY 3X THE DISTANCE TO THE MOON

238K MILES

// 03 SAFETY
Solution & Results

Ensuring the safety of our employees is our top priority. Every Azuria team member is empowered to deliver best-in-class safety performance at all times, which strengthens our pursuit of a zero-incident culture. We proudly invest time and resources daily to support the safety of our employees, our customers and the communities where we live and work.

METRICS

1.45 (TRIR) Total Recordable Injury Rate

42% lower than the industry average for 2023

0.67 (LTIR) Lost Time Incident Rate

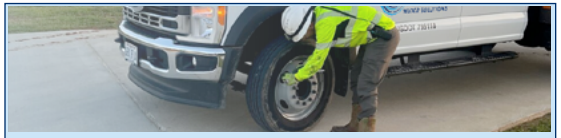
44% lower than the industry average for 2023[23]

INITIATIVES

SAFETY
OWN IT. EARN IT.

Incentivizing safe behaviors through reward & recognition programs

Protecting our workforce with best-in-class safety management software



Augmented driver checklists and inspections with a company-wide scorecard that identifies outliers

RECOGNITION

BESSEMER, ALABAMA WETOUT FACILITY

7 years without an OSHA recordable injury and 15 years without a lost time incident[24]

BATESVILLE, MISSISSIPPI MANUFACTURING FACILITY

Received Gold Star rating from OSHA's Voluntary Protection Program (VPP) audit[25]

Values We Live By SAFETY // INTEGRITY // INCLUSION // SOLUTIONS // RESULTS

// 04 PEOPLE

An Employer of Choice

Compensation

Achieve 75th+ percentile for the field

- Referral & sign-on bonuses
- Competitive comp & per diems
- Safety & productivity incentives

Desirable Workplace

Create fair & diverse environment

- 45% diverse workforce vs. 39% industry average[27]
- Military recruiting initiatives

Recognition

Encourage & recognize excellence

- Field Appreciation Month
- Crew of the Quarter & Crew of the Year
- Innovation Awards
- Tenure Milestones

Communication

Effectively communicate values, goals & objectives

- Immersive new-hire onboarding
- myAzuria app with news & resources

Career Path

Provide advancement opportunities

- Career advancement program
- Leadership Development Program
- In-house CDL Training Program

The Leadership Development Program (LDP) is designed to develop managers in their current role while building a pipeline for the next generation of company leadership. In partnership with Harvard Business School, we hone general management skills with peers from a broad range of industries; develop financial skills; focus on a deep understanding of our core business requirements; and establish KPIs.

> **The Azuria University Leadership Development Program is an investment in our employees and an opportunity to engage with future leaders.**
>
> — Rob Tullman, President & CEO, Azuria

// 05 GOVERNANCE
Compliance

Our Code of Conduct and Business Integrity

Integrity requires moral courage and a commitment to conducting business honestly and ethically. Integrity means we tell the truth and deal fairly with each other, customers, communities, suppliers, the government and regulators. It also means we seek out suppliers and business partners that share our values and our commitment to doing what's right.

By working for Azuria, or one of its subsidiaries or controlled joint ventures, employees agree to abide by our Code of Conduct and uphold these standards in their daily work.

Compliance with Laws

In addition to complying with the Code, employees must also follow the laws and regulations of the countries in which we do business. Global laws and regulations can be complex, subject to change and can vary from country to country. But, just because local laws or customs may permit actions or you see other companies acting in an improper way, does not make it acceptable at Azuria. Our Code sets higher standards that we must follow.

Code Oversight

Azuria's Legal Department is committed to our values and is responsible for promoting and monitoring the Code of Conduct and Company policies supported by the team's knowledge and expertise.

Cybersecurity and Transparency

Azuria is proud to employ a dedicated team of experts who oversee data safety and cybersecurity.

In today's digital age, cybersecurity is a cornerstone of our sustainable business practices. We are dedicated to maintaining a robust cybersecurity framework that safeguards our digital assets and protects the privacy of our stakeholders.

Azuria was highly-ranked among peers in a 2023 internal audit of cybersecurity compliance and performance within New Mountain portfolio companies.

// 05 GOVERNANCE
Leadership

Azuria's governance structure and balanced oversight help us build long-term relationships that fuel growth and position us as the global leader in technology-enabled water solutions.

Our engaged Board of Directors brings relevant skills and facilitates the effective management of our business and our sustainability initiatives. The Board receives regular updates from Azuria's Executive Leadership Team and provides input on sustainability topics.

Board of Directors

// Joe Delgado
Managing Director
New Mountain Capital

// William Haley
Director
New Mountain Capital

// Lars Johansson
Managing Director
New Mountain Capital

// Harris Kealey
Managing Director
New Mountain Capital

// Rob Tullman
President & CEO
Azuria Water Solutions

// Michelle Edler
Independent Director

// Jose Garcia
Independent Director

// Charlie Hocking
Independent Director

// James Mitchell, Jr.
Independent Director

// Radha Swaminathan
Independent Director

// Rob Tullman
President & CEO

// Ali Sheikh
EVP, Chief Financial Officer

// Burt Keating
EVP, Chief Operating Officer

// Robert Moorhead
EVP, Chief Commercial Officer

// Tammi Wall
SVP, Chief HR Officer

// Jim Junker
SVP, Technology & Innovation

// Thys Lourens
SVP, Chief Information Officer

// John Heggemann
SVP, Controller & Chief Accounting Officer

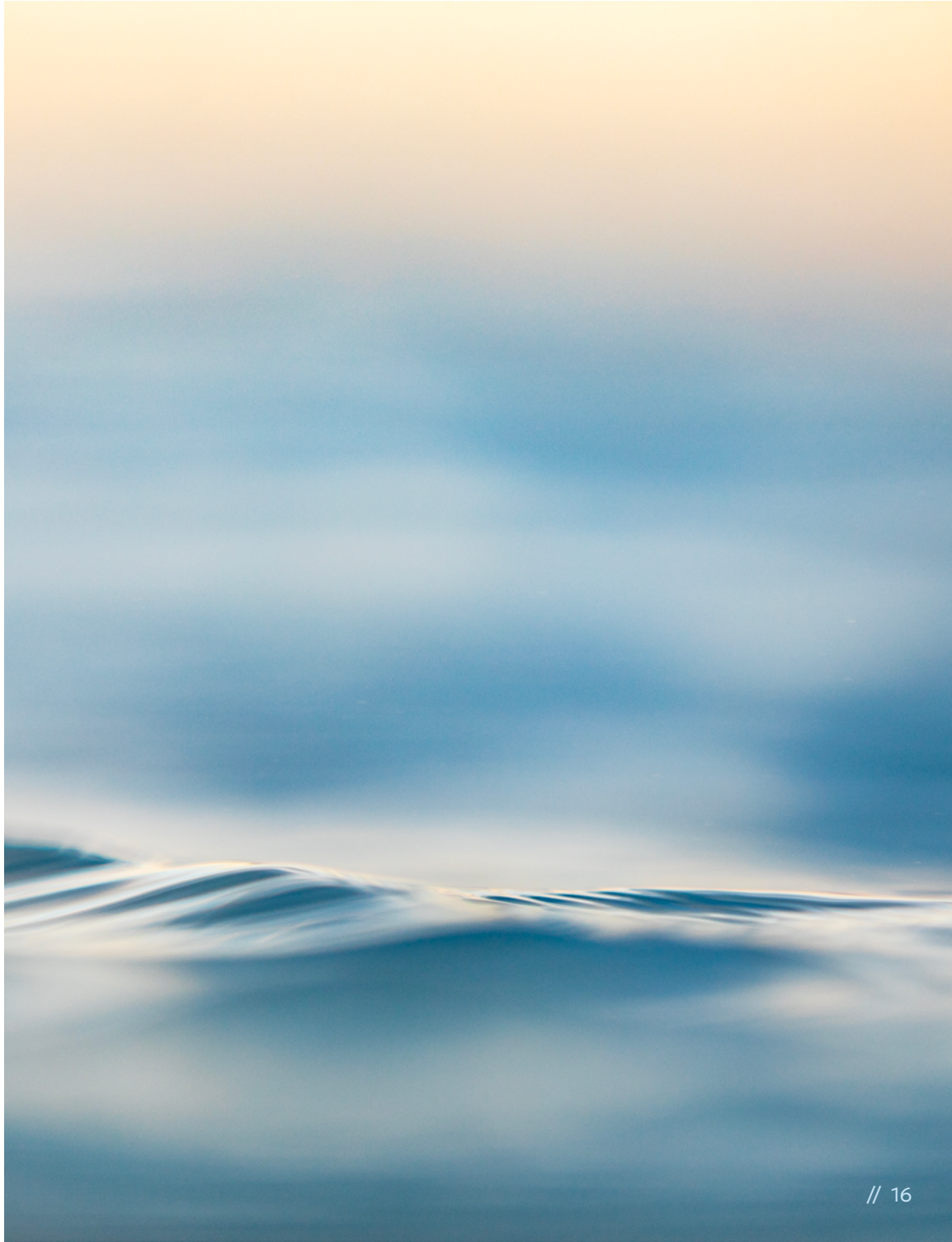
// Dan Schoenekase
SVP, General Counsel & Corporate Secretary

Azuria data as of 12.31.2023

// 05 GOVERNANCE

Legal Disclosure

This is the first Sustainability Report from Azuria Water Solutions. The report contains quantitative metrics drawn from available data for the 2023 calendar year. Various statements contained in this report may be considered forward-looking statements. These statements are subject to a number of risks and uncertainties and are not guarantees of future performance. Actual events or results may differ materially from those in these forward-looking statements. These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate under the circumstances. The data and information herein are as of December 31, 2023, unless otherwise indicated.



// RESOURCE CITATIONS

// 01 OVERVIEW

Citation	Page Number	Description	Resource
1	4	5M+ linear feet of liner, 800K linear feet of Fusible PVC installed in 2023	Azuria project data as of 12.31.2023
2	4	12M+ linear feet of liner manufactured, 800K linear feet of Fusible PVC in 2023	Azuria project data as of 12.31.2023
3	4	274M linear feet of pipeline rehabbed since 1971	Azuria historical data inclusive of self- and third-party installed sales as of 12.31.2023

// 02 SUSTAINABILITY

Citation	Page Number	Description	Resource
4a	5	A water main breaks every 2 minutes in the U.S.	ASCE 2021 Infrastructure Report Card on Drinking Water
4b	5	An estimated 6 billion gallons of drinking water are lost daily	ASCE 2021 Infrastructure Report Card
4c	5	That's enough to fill more than 9,000 swimming pools	ASCE 2021 Infrastructure Report Card
5	5	The average age of the 2.2 million miles of drinking water pipelines in the U.S. is more than 45 years	Water Finance and Management 2017 "Bluefield: CAPEX for Pipe Suppliers to Hit $300 Billion Over Next Decade"
6	5	The U.S. produces 1.2 trillion gallons of wastewater every year and at least 10% of that water is lost through exfiltration	EPA Project Summary: Exfiltration in Sewer Systems Exfiltration results in a loss of 10-17% of US Wastewater
7	6	Annually, our wastewater pipeline rehabilitation work in the U.S. saves an estimated 1.5B gallons of wastewater and reduces up to 400M gallons of demand on freshwater reserves	• Azuria project data as of 12.31.2023; ASCE 2021 Infrastructure Report Card: Wastewater Infrastructure • Azuria project data as of 12.31.2023; EPA Project Summary: Exfiltration in Sewer Systems (Exfiltration results in a loss of 10-17% of US Wastewater); assumes pipes serviced by Azuria have same leak rate as national average but actual ratio is likely much higher; 2012 Guidelines for Water Reuse (epa.gov) (22% of US wastewater is recycled into potable)
8	7	12M gallons of water reclaimed daily	Cape Connect: A City of Cape Coral Publication: Jan 2024
9	7	The project set a record for the longest continuous installation length of 24" Fusible PVC® – more than 7,630 feet	Azuria project data as of 12.31.2023
10	7	Trenchless Technology Magazine Honorable Mention - 2023 Project of the Year	TrenchlessTechnology.com: 2023 Trenchless Technology Project of the Year New Installation Honorable Mention – Reclaimed Water Transmission Main – Caloosahatchee River Crossing
11	8	Azuria's U.S. diesel and gasoline consumption	Azuria project data as of 12.31.2023
12a	8	Multifunctional trucks can reduce fuel consumption up to 36%	Azuria internal data as of 12.31.2023
12b	8	In 2023, multifunctional vehicles saved 4,800+ gallons of diesel fuel in the U.S. - the equivalent of 49 tons of GHG emissions	Azuria internal data as of 12.31.2023

// RESOURCE CITATIONS

// 02 SUSTAINABILITY (cont'd)

Citation	Page Number	Description	Resource
13	9	In 2007, PW Trenchless and the North American Society for Trenchless Technology - British Columbia established an objective method to quantify the carbon handprint or benefit of trenchless versus dig and replace	PW Trenchless: Carbon Calculator
14	9	96K tons of GHG emissions saved + 8M gallons of diesel fuel saved	PW Trenchless: Carbon Calculator
15	9	Equivalencies of 96k tons and 8M gallons of fuel saved	EPA Greenhouse Gas Equivalencies Calculator
16	10	Prior to 2023, the Batesville facility consumed 13 million pounds of new polyester fiber annually to produce these liners	Azuria financial data as of 12.31.2023
17	10	6.5M pounds of recycled fiber utilized in production	Batesville AP invoices through 12/31/2023 (paid to waste-to-energy provider)
18	10	1M pounds of production scrap diverted from landfills	Azuria financial data as of 12.31.2023
19	10	67% decrease in the need for new production materials	Azuria production data as of 12.31.2023
20	11	There are more than 635,000 miles of asbestos cement pipe buried across the United States that have reached or are reaching the end of their useful lives	EPA Downloads
21	11	In 2019, the Environmental Protection Agency officially approved CTPS as the only alternative trenchless method to the replacement or abandonment of buried AC pipelines	EPA Notice of Final Approval
22	11	CTPS vs. Open-Cut	EPA CTPS Fact Sheet

// 03 SAFETY

Citation	Page Number	Description	Resource
23	12	TRIR 1.45 + 42% lower than the industry average for 2023; LTIR 0.67 + 44% lower than the industry average for 2023	Azuria internal data: incidents reported to OSHA & BLS report
24	12	Bessemer, AL: 7 years without an OSHA recordable injury and 15 years without an LTI	Azuria EHS data as of 12.31.2023
25	12	Batesville, MS: Received Gold Star rating from OSHA's Voluntary Protection Program (VPP) audit	OSHA VPP #313312

// 04 PEOPLE

Citation	Page Number	Description	Resource
26	13	2,500+ employees worldwide	Azuria HR data as of 12.31.2023
27	13	45% racially diverse workforce vs. 39% industry average	Azuria HR data as of 12.31.2023