

ESSENTIAL UTILITIES, INC.

Sustainability and Environmental Policy

The way we do business at Essential reflects our commitment to a sustainable, safe and healthy environment for all our stakeholders. Sustainability is deeply engrained in our business strategy, we integrate environmental considerations into planning, decision-making, construction, operating and maintenance activities that we perform. We encourage all Essential employees to conduct work in a manner that demonstrates concern for preserving natural resources and protecting the environment – acting in accordance with our core values. We use resources wisely, care for the environment and continuously improve ourselves and our company.

Essential is committed to being a steward of the environments where we live and work. We use the following principles to guide our actions:

- Advance our sustainability framework through the company’s mission, culture, and values to achieve Essential’s vision for a sustainable future.
- Comply fully with all applicable environmental laws and regulations and company procedures.
- Monitor the company systematically to reduce risk and liability through Enterprise Risk Management.
- Strive for performance beyond environmental compliance through operational efficiencies, technologies, reuse, materials, and product substitution.
- Continue to integrate a comprehensive environmental management approach into our overall business and mitigate adverse environmental impacts caused by our operations.
- Engage in partnerships, education and open communication with our customers, employees, communities, regulators and other stakeholders on environmental matters.
- Continue to study emerging environmental challenges as well as consider, evaluate, and respond to identified operational risks and opportunities.
- Support public education campaigns on environmental protection and stewardship.

Water Quality and Resiliency

- Reduce the amount of water lost by investing diligently in water system infrastructure.
- Develop water supply plans and continuously assess water supplies.
- Strive to meet or surpass all environmental standards related to water and wastewater operations.
- Take a leadership role to sustainably operate in our watersheds in a way that protects and restores the natural environment and provides stewardship on behalf of the community.
- Structure our rate tariffs to encourage customer conservation.

Climate Change, Greenhouse Gas Emissions and Energy Efficiency

- Look to reduce our emissions of greenhouse gasses through the use of alternative energy such as solar and wind and the adoption of energy efficient technology (pumps, generators, etc.) and process efficiencies.
- Consider “alternative fuel” or electric vehicles when adding to our fleet.
- Invest diligently in our gas system infrastructure by quickly repairing known gas leaks and through the implementation of our large-scale gas main replacement program, reducing the amount of methane lost due to leaks.
- Prioritize credibility and transparency in setting greenhouse gas emissions-reduction targets.

Biodiversity, Ecosystem Stewardship, and Conservation

- Comply with environmental regulations and manage our lands to protect and preserve sensitive habitats and species.
- Support efforts to combat invasive species and restore native species.
- Avoid sensitive waterways, wetlands, and encounters with endangered species when proposing new pipeline routes and project locations.

- Apply mitigation hierarchy (avoid, minimize, rehabilitate, offset, and compensate) through all the processes of new construction or modifications that can impact biodiversity.
- Examine ways to monitor impacts and biodiversity on our lands.

Governance and Transparency

- Transparently report our environmental performance and sustainability progress.
- Regularly report to our Board of Directors on our environmental efforts, targets, and progress.
- Seek input from stakeholders on our environmental practices and performance.
- Expect all employees and suppliers to ensure their actions are consistent with this policy.
- Aim to align our programs and disclosures around guidance from frameworks such as the proposed Task Force on Nature-related Financial Disclosures (TNFD), United Nations Biodiversity Conference of the Parties (UN Biodiversity COP), the Task Force on Climate-related Financial Disclosures (TCFD), Carbon Disclosure Project (CDP), and United Nations Climate Change Conference of the Parties (UN Climate Change COP).
- Commit to have managerial and board-level responsibility for this policy.

Approved by the Essential Utilities Board of Directors 5/3/2023