



Essential Utilities Publishes 2019 ESG Report

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Interactive microsite shares environmental, social and governance efforts

BRYN MAWR, Pa.--(BUSINESS WIRE)--Oct. 20, 2020-- Essential Utilities Inc. (NYSE:WTRG) published its 2019 Environmental, Social, and Governance or ESG report today. The report is published as an interactive microsite and is available at esg.essential.co. It follows a number of leading reporting frameworks, including those set out by the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD) and also highlights how our corporate efforts help society achieve some of the United Nations Sustainable Development Goals (UN SDGs).

"Financial performance is only one measurement of a company's strength," said Christopher Franklin, Essential's Chairman and Chief Executive Officer. "Others include a company's commitment to environmental stewardship, sustainable business practices, employee safety, diversity and inclusion, customer experience and community engagement. These principles are deeply rooted in our 134 year old company."

Essential's report reflects the efforts the company has taken to build a strong ESG platform. The report includes data from the 2019 calendar year and highlights achievements including:

- Aqua, Essential's water and wastewater division, achieved a 7x outperformance of the national average on drinking water compliance.¹ Essential made an ambitious pledge to address the important issue of poly-fluoro alkyl substances or PFAS contamination in drinking water by setting a company-wide standard of 13 parts per trillion (ppt), well below the EPA's non-enforceable health advisory level of 70ppt. PFAS are contaminants of emerging concern in communities across the country where groundwater is believed to have been impacted by nearby military bases or other causes. A state-of-the-art lab that is accredited and certified to test for PFAS is also being constructed and will open in early 2021.
- Essential will be sourcing 100% of our electric power from renewables by 2022 for our water and wastewater operations in Illinois, New Jersey, Ohio, and Pennsylvania. We have also entered into a purchase power agreement to source 25% of our electricity from solar power for our Texas operations. Essential will increase its water and wastewater utility's total energy derived from renewables to 60% in 2022 from around 5% at start of 2020. We also continue to make efficiency gains that have reduced the energy intensity of our operations.
- Essential is proud to receive the Advancing Women Company Award from the Forum of Executive Women in recognition of a workplace where women can thrive, succeed and have a voice. We were also named a Winning "W" Company by 2020 Women on Boards in recognition of one-third of our board seats held by women. Essential has made great strides providing a workplace where all feel welcome and treated fairly, including diverse recruitment tactics, employee resource groups, and unconscious bias workshops for employees.
- In 2019, we saw the strongest employee safety record across numerous metrics in the history of our water and wastewater business. The safety of Essential employees, customers, and communities is the foundation of our business and what guides all our employees' actions. Essential continues to invest in safety improvements, implement policies and procedures guided by best practices, and develop technical training and guidelines for our employees.

The foundation of ESG at Essential has been underway for a number of years. The ESG report replaces the company's biannually published corporate social responsibility report. Essential has also completed the CDP (formerly the Carbon Disclosure Project) climate change survey each of the last three years, most recently receiving a score of B- in 2019. Additionally, Essential updated several ESG-related policies and made additional disclosures as part of the publication of an ESG tear sheets and TCFD report.

A strong environmental focus will also be applied to Peoples, Essential's natural gas division acquired in March 2020. The company is currently baselining Peoples' overall emissions profile and expects to announce an emissions reduction target in the next six months. The replacement of nearly 3,000 miles of gas distribution lines is expected to significantly reduce methane emissions.

"Essential's ESG report shows where we are today," continued Franklin. "It will also guide our work in accelerating and advancing our efforts and projects. ESG is an important part of telling our entire story to the investment community, the general public and all interested audiences. A strong commitment to these principles is at the root of both the water and gas divisions of Essential. We will continue to innovate and transparently share our progress on ESG for both sides of the business going forward."

Essential's ESG report is available at esg.essential.co.

About Essential

Essential Utilities is one of the largest publicly traded water, wastewater and natural gas providers in the U.S., serving approximately 5 million people

across 10 states under the Aqua and Peoples brands. Essential is committed to excellence in proactive infrastructure investment, regulatory expertise, operational efficiency and environmental stewardship. The company recognizes the importance water and natural gas play in everyday life and is proud to deliver safe, reliable services that contribute to the quality of life in the communities it serves. For more information, visit www.essential.co

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others: the company's ability to receive governmental approval of the transactions and to successfully close the acquisitions. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: general economic business conditions; the receipt of governmental approvals; the successful closing of the acquisitions; the successful integration of the customers and the facilities; successful donation efforts to organizations; effects of pandemics or other widespread health problems; and other factors discussed in our Annual Report on Form 10-K, which is on file with the Securities and Exchange Commission. For more information regarding risks and uncertainties associated with Essential Utilities' business, please refer to Essential Utilities' annual, quarterly and other SEC filings. Essential Utilities is not under any obligation — and expressly disclaims any such obligation — to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

WTRGG

¹ *Measured as the percentage of community water systems with health-based (Tier 1 and Tier 2) violations*

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