



LEADING TODAY, SHAPING TOMORROW

2025 Annual Meeting of Shareholders • **NYSE: WTRG**





Growth

Essential's growth strategy addresses two of our nation's biggest crises: crumbling infrastructure due to years of neglect and a changing climate. Our ongoing commitment to infrastructure investment and innovation will continue to bring new energy solutions to more communities across our service footprint.



Operational Excellence

As a regulated utility provider, Essential brings ingenuity and operational excellence to deliver affordable, reliable, high-quality natural resources to customers.



Premier Employer

Guided by integrity, respect and excellence, Essential is committed to not only improving the lives of our customers but also providing our employees the ability to grow.



Superior Customer Service

Essential is deeply committed to caring for our customers through continuous improvement in our service and delivery of clean, reliable, affordable and safe natural resources.



Community Advocate

At Essential, we are an important local presence in each community where we operate. We believe in being a community partner by improving infrastructure and supporting and growing our business in a responsible, sustainable manner.

ESSENTIAL UTILITIES is a champion of communities, people and the environment, creating solutions to ensure we protect and provide natural resources for generations to come.

To Our Shareholders

March 25, 2025



“As stewards of a lasting legacy, we are driven by integrity, respect and the relentless pursuit of excellence. We are actively addressing today’s challenges while building a future defined by innovation, operational strength and customer-first solutions. Inherent in this approach is our commitment to invest in high quality employees who are vested in our mission to provide an excellent customer experience – culminating in increased shareholder value.”

—Christopher H. Franklin

Dear Shareholders,

On behalf of your Board of Directors, I invite you to attend the 2025 Annual Meeting of Shareholders of Essential Utilities, Inc., which will be held virtually on May 7, 2025, beginning at 8 a.m. eastern time.

In 2024, we made meaningful progress in delivering safe, reliable, and sustainable water, wastewater, and natural gas services. Our strong financial results would not have been possible without the discipline of our operating teams. We strengthened our infrastructure, navigated regulatory complexities, and positioned the company for long-term growth—all while maintaining our unwavering commitment to customers and creating value for you, our shareholders.

Infrastructure investment remains a cornerstone of our success. In 2024, we invested more than \$1.3 billion to modernize water and natural gas systems across our service areas. These investments are essential—not only for maintaining the safety and reliability of our services but also for addressing emerging environmental challenges, improving efficiency and ensuring a more resilient future for the communities we serve. Our infrastructure program is a key driver of growth and a responsibility we take great pride in leading.

At the same time, we continue to navigate an evolving regulatory landscape that presents both opportunities and challenges. In 2024, we achieved two significant regulatory milestones in our home state of Pennsylvania—resolving our water and gas rate cases and securing approval for a mechanism that stabilizes gas customer bills and company revenue amid weather fluctuations. We also worked closely with regulators to advance reforms to Pennsylvania’s fair market value statute, which will provide greater certainty for municipal transactions, promote regionalization and support long-term rate stability.

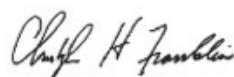
We continue to make significant strides in addressing some of today’s biggest challenges. We advanced PFAS treatment solutions, expanded lead service line replacements, and modernized our natural gas pipelines to reduce greenhouse gas emissions. Our investment in smart natural gas meters is a game changer in safety and efficiency across our operations.

Beyond our operational achievements, we take great pride in our role as a corporate citizen. Last year, we contributed nearly \$5 million to community organizations and reinforced our culture of giving through extensive employee volunteerism. Supporting the communities where we live and work is central to who we are, and we remain committed to these efforts.

None of this would be possible without our dedicated employees, whose expertise and commitment drive our success. As we look ahead, we remain focused on sustainable growth and stability, delivering long-term value for our customers and shareholders.

I look forward to sharing more about our progress and future plans during our Annual Meeting in May. On behalf of our Board of Directors, senior leadership team, and all Essential employees, thank you for your continued confidence, trust and investment.

Sincerely,



Christopher H. Franklin
Chairman and Chief Executive Officer

Notice of Annual Meeting of Shareholders

Essential Utilities, Inc.
762 W. Lancaster Avenue
Bryn Mawr, Pennsylvania 19010





Purpose	
1	To elect seven nominees for directors;
2	To approve an advisory vote on the compensation paid to the Company's named executive officers for 2024;
3	To ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm for the Company for the 2025 fiscal year.
4	To transact any other business as may properly come before the meeting or any postponement of the meeting.

Only shareholders of record at the close of business on March 10, 2025, will be entitled to notice of, and to vote at, the meeting.

Your vote is important

We urge each shareholder to promptly sign and return the provided proxy card, or to use telephone or internet voting.

See our Questions and Answers about the Annual Meeting and the voting section of the proxy statement for information about voting by telephone or internet, how to revoke a proxy and how to vote your shares at the virtual annual meeting.

How to vote	
	ONLINE BEFORE THE MEETING* www.proxyvote.com
	ONLINE AT THE MEETING Attend the Annual Meeting virtually at www.virtualshareholdermeeting.com/WTRG2025 and follow the instructions for voting
	BY PHONE* In the U.S. or Canada dial toll-free 1-800-690-6903
	BY MAIL Return your signed proxy card in the postage-paid envelope provided

*If you hold shares directly, you have until 11:59 p.m. (ET) on May 6, 2025, to vote through the internet or by phone. If you are a plan participant, you have until 11:59 p.m. (ET) on May 4, 2025, to vote through the internet or by phone. If you vote by Internet or by phone, you do not need to mail back your proxy card.

By Order of the Board of Directors,



Kimberly A. Joyce
Secretary
March 25, 2025

VIRTUAL ANNUAL MEETING OF SHAREHOLDERS

WEDNESDAY, MAY 7, 2025
8:00 AM ET

Record Date March 10, 2025

This year's Annual Meeting will be conducted virtually, entirely by live audio broadcast.

To attend, go to:

www.virtualshareholdermeeting.com/WTRG2025 and log in using the control number on your Notice of Internet Availability, proxy card or voting instruction form.

The list of shareholders will be available for inspection upon request by any shareholder for any purpose germane to the Annual Meeting for a period of 10 days prior to the Annual Meeting at our principal office located at 762 W. Lancaster Avenue, Bryn Mawr, PA 19010, by contacting us at www.essential.co/investor-relations

Shareholders will have the same opportunities to participate as they would at an in-person meeting, with the opportunity to vote and ask questions on the matters discussed in this proxy statement.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on May 7, 2025.

The Notice of Annual Meeting, Proxy Statement and 2024 Annual Report to Shareholders are available at: www.proxyvote.com.

If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call the technical support number that will be posted on the Virtual Shareholder Meeting login page.

Contents

Proxy Summary	6
Proposal 1 Election of Directors	13
Corporate Governance	21
Shareholder Outreach	30
Age and Term Limits	30
Sustainability Program	31
Other Governance Policies and Practices	37
Communications with the Company or Independent Directors	38
Director Compensation	39
2024 Director Compensation Program	39
Ownership of Common Stock as of March 10, 2025	42
Proposal 2 Advisory Vote to Approve Named Executive Officers' 2024 Compensation	43
Executive Compensation (see separate table of contents)	44
Proposal 3 Ratification of the Appointment of PricewaterhouseCoopers LLP as Independent Registered Public Accounting Firm for Fiscal 2025	86
Audit Committee Report	88
Annual Meeting Information	89
Questions and Answers about the 2025 Annual Meeting	89
Nominating Candidates for Director	92
Additional Information	93
Other Matters	93
Appendix A Reconciliations of GAAP to Non-GAAP Financial Measures	A-1

Forward-Looking Information

This document includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act) and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements use words such as "believe," "anticipate," "estimate" and similar words signifying forward-looking statements. Forward-looking statements are based on management's beliefs and assumptions. Various factors may cause actual results to be materially different than the suggested outcomes within forward-looking statements. Accordingly, there is no assurance that such results will be realized. For details on the uncertainties that may cause the Company's actual future results to be materially different than those expressed in our forward-looking statements, see our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission (SEC) and available on the SEC's website at www.sec.gov. In light of these risks, uncertainties, and assumptions, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than described. Forward-looking statements speak only as of the date they are made. Essential Utilities, Inc. expressly disclaims an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Proxy Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement before voting. For more complete information regarding the Company's 2024 performance, please review the Company's Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC at www.sec.gov.

Summary of Matters to be Voted upon at the Annual Meeting

The following table summarizes the items that shareholders are being asked to vote on at the 2025 Annual Meeting:

Proposal	Description	Vote Recommendation	Page Reference
PROPOSAL 1 Election of Directors	The Board of Directors of the Company (the Board of Directors or the Board) and the Corporate Governance Committee believe that the seven director nominees possess the necessary qualifications, attributes, skills, and experience to provide advice and counsel to the Company's management and effectively oversee the business and the long-term interests of our shareholders.	FOR each Director Nominee	13
PROPOSAL 2 Advisory Vote to Approve Named Executive Officers' Compensation	The Company seeks a non-binding advisory vote to approve the compensation of its named executive officers for 2024 as described in the Compensation Discussion and Analysis (CD&A) contained in this proxy statement and the compensation tables and narrative discussion. The Board values shareholders' opinions, and the Executive Compensation Committee will take into account the outcome of the advisory vote when considering future executive compensation decisions.	FOR	42
PROPOSAL 3 Ratification of Independent Accounting Firm	The Board believes that retaining PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for the 2025 fiscal year is in the best interests of the Company and our shareholders. As a matter of good corporate governance, shareholders are being asked to ratify the Audit Committee's selection of PricewaterhouseCoopers LLP.	FOR	85

What's New

- We continued to enhance our disclosures to make our proxy statement easier to read and understand.
- We focused on our employees' health and safety programs.
- The Executive Compensation Committee held in-depth discussions on the Company's strategy and compensation program, assessing the peer group, and evaluating each component of the package, including base salaries, short-term incentives, and long-term incentives, all with a keen eye to the behaviors that it intends to incent and those that it might not.

See pages 50 through 53 for a summary of our compensation program for 2024.

Director Nominees

The following table provides summary information about each of the Company's seven director nominees. Each director will serve a one-year term if elected.

All directors are independent except for Mr. Franklin.					Current and Proposed Committee Memberships				
Director Nominee	Age	Director Since	Principal Occupation	Other Public Company Boards	Executive	Executive Compensation	Audit	Risk Mitigation & Investment Policy	Corporate Governance
Elizabeth B. Amato	68	2018	Former Executive Vice President and Chief Human Resources Officer, United Technologies Corporation	0	●	●			CHAIR
Christopher L. Bruner	62	2024	Retired Partner, Ernst & Young (EY)	0	●	●	CHAIR		
David A. Ciesinski	58	2021	President, Chief Executive Officer, and Director, Lancaster Colony Corporation, and President, T. Marzetti Company	1	●		●	CHAIR	
Christopher H. Franklin Chairman	59	2015	Chairman, President and Chief Executive Officer, Essential Utilities, Inc.	1	CHAIR			●	
Daniel J. Hilferty Lead Independent Director	68	2017	Chairman and Chief Executive Officer, Comcast Spectacor, and Governor, Philadelphia Flyers	0	●	CHAIR			●
W. Bryan Lewis	48	2022	Vice President and Chief Investment Officer, United States Steel Corporation	0			●	●	
Tamara L. Linde	60	2024	Executive Vice President and Chief Legal Officer, Public Service Enterprise Group, Inc. (PSEG)	0				●	●
Committee Meetings held in 2024					0	8	9	7	6

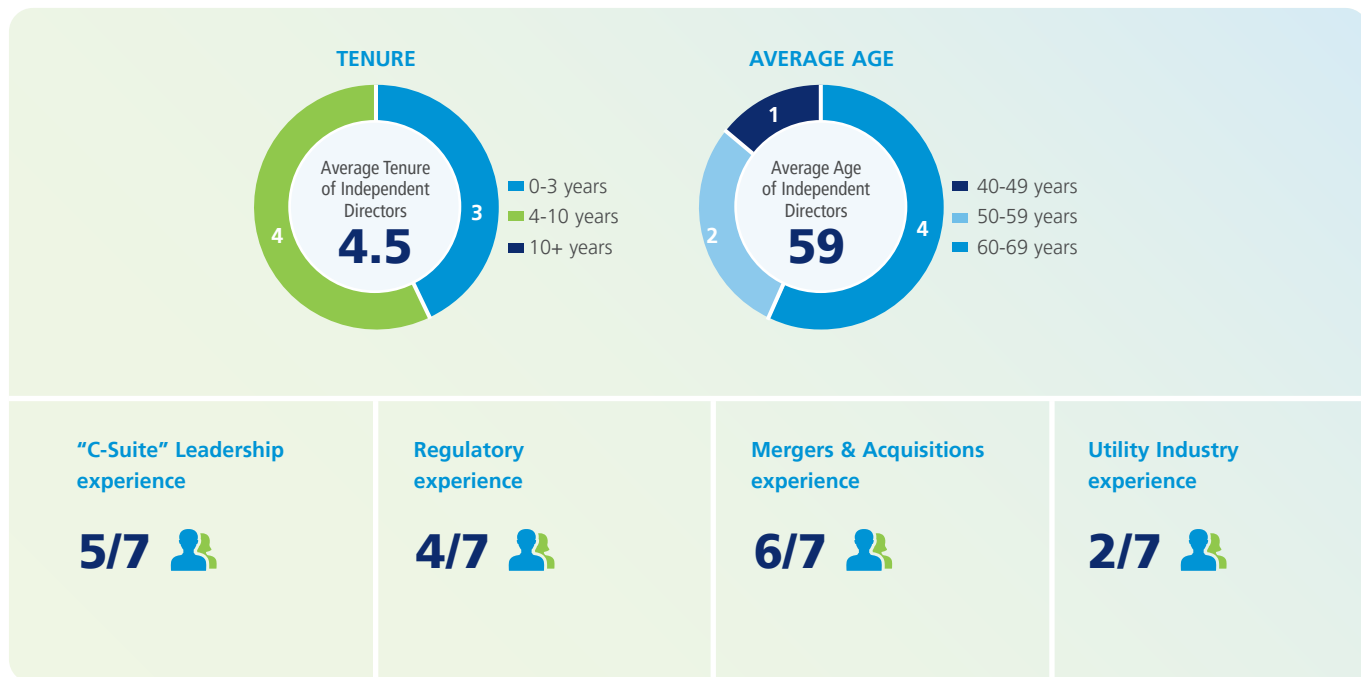
BOARD NOMINEES

from left to right

- Christopher H. Franklin**
- W. Bryan Lewis**
- Daniel J. Hilferty**
- Tamara L. Linde**
- Christopher L. Bruner**
- Elizabeth B. Amato**
- David A. Ciesinski**



Board Composition



Corporate Governance Highlights

We are committed to maintaining strong standards of corporate governance, which promote the long-term interests of our shareholders, strengthen Board and management accountability, and help build public trust in our Company. The Corporate Governance section beginning on page 22 describes our corporate governance framework.

Board Accountability	<ul style="list-style-type: none"> Annual election of directors 15-year term limit for directors who were elected after 2015 Peer review of director performance
Board Independence	<ul style="list-style-type: none"> Seven out of eight directors* were independent Independent audit, compensation, and governance committees
Lead Independent Director	<ul style="list-style-type: none"> Lead Independent Director with clearly defined and robust responsibilities
Board and Committee Evaluations	<ul style="list-style-type: none"> Peer evaluations of the directors, the Board, and its committees
Board Refreshment	<ul style="list-style-type: none"> All of the independent directors joined the Board since 2015 Mandatory retirement age of 75 for directors. The Retirement Policy was enforced in 2024.
Risk Oversight	<ul style="list-style-type: none"> Risk oversight by full Board and all committees Robust oversight of cybersecurity measures by full Board and Risk Mitigation & Investment Policy Committee Board evaluation of Artificial Intelligence, including Audit Committee review of external auditor utilizing AI.
Stock Ownership Guidelines	<ul style="list-style-type: none"> Robust director and management stock ownership guidelines All shareholdings disclosed and measured are actual shares owned and do not include RSUs, PSUs, and Stock Options. Directors: 5x annual base cash retainer CEO: 5x midpoint of average base salary Other NEOs/EVPs: 3x midpoint of average base salary
Shareholder Engagement	<ul style="list-style-type: none"> Comprehensive shareholder outreach conducted in 2024, including over 400 meetings held with investors

2024 Performance Highlights

Our core values of respect, integrity, and the pursuit of excellence are the underlying foundation to our mission of safely and reliably delivering Earth’s most essential natural resources to our customers and communities while delivering sustainable growth for our investors. During 2024, our leadership team remained focused on our long tradition of operational excellence, strong growth and continued progress on our sustainability commitments; prudently invested a record amount of over \$1.3 billion in infrastructure; and demonstrated the resiliency of our water and natural gas platforms. As of year-end 2024, we had a total of six signed purchase agreements to acquire water and wastewater systems, totaling over \$344.0 million in purchase price and expecting to serve over 210,000 equivalent retail customers or equivalent dwelling units.

\$1.3B



In 2024, we invested a record amount of over \$1.3 Billion in infrastructure projects across the water and gas utilities, helping to ensure safe and reliable service for all customers.

NET INCOME

\$595.3M

↑19.5%

Net income was \$595.3 million in 2024, an increase of 19.5 percent over 2023.

EARNINGS PER SHARE

\$2.17

↑16.7%

Earnings per share were \$2.17 in 2024 compared to \$1.86 in 2023, an increase of 16.7%.

ADJUSTED EARNINGS PER SHARE*

\$1.97

↑5.9%

DIVIDENDS TO SHAREHOLDERS

↑6.0% Increase

In July 2024, the Board of Directors approved a **6 percent increase in the quarterly dividend**, to an annualized rate of \$1.302 per share.

CUSTOMERS ADDED

10,158

Customers added in 2024

As of year end 2024, the Company had six¹ signed purchase agreements to acquire water and wastewater systems. These systems are expected to add more than 210,000 new customers or equivalent dwelling units to the Company’s footprint.

ACHIEVED

25%

Cumulative Scope 1 and Scope 2 emissions reduction

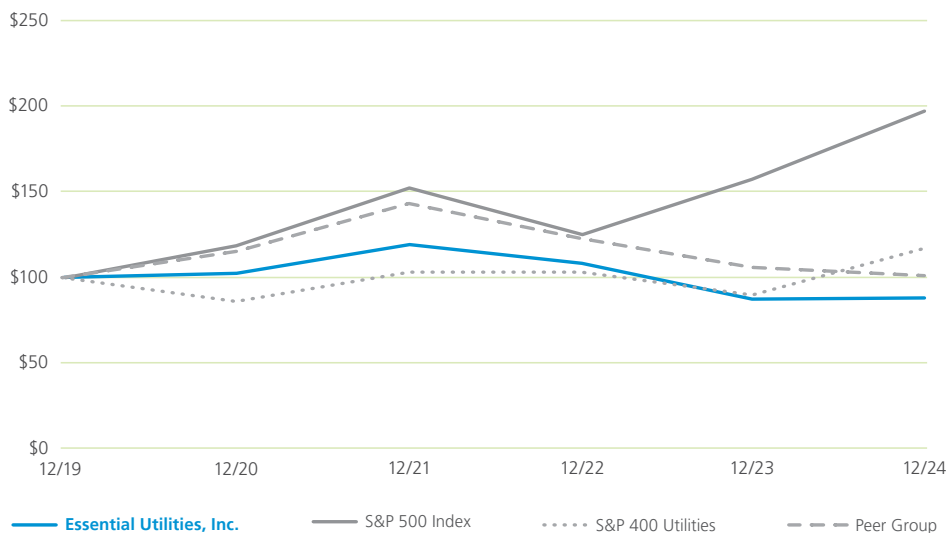
Since making a commitment to reduce greenhouse gas emissions in early 2021, the Company has achieved 25% Scope 1 and 2 emissions reduction from our 2019 baseline towards our 60% reduction target by 2035.

* 2024 Adjusted earnings per share (Non-GAAP) were \$1.97 after adjustments for one-time gain on assets sale and weather events. See Appendix A for GAAP to Non-GAAP reconciliation.

¹ This number does not include Greenville Sanitary Authority Wastewater System which closed on January 31, 2025.

Comparison of Five Year Cumulative Total Return*

Below is a chart showing our Total Return to our shareholders over the past five years as compared to the S&P 500 Index, the S&P 400 Utilities Index, and a Peer Group.



*\$100 invested on 12/31/19 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

Copyright© 2025 Standard & Poor's, a division of S&P Global. All rights reserved.

Compensation Highlights

Highlights of our executive compensation program include:

- Shareholder outreach designed to align compensation practices with shareholder interests
- Compensation program highly correlated to total shareholder return, adjusted earnings per share, and other financial metrics
- Continued emphasis on performance-based compensation
- Significant portion of compensation is variable and at risk for named executives
- Reasonable and limited number of change-in-control agreements, all with double-trigger termination clauses
- All incentive compensation, including time-vesting equity awards, is subject to our clawback policy
- Anti-hedging and anti-pledging policy in effect
- No tax gross-ups
- Share ownership requirements ensure that executives' interests are aligned with shareholders
- Reasonable severance arrangements in line with market practices
- Modest perquisites
- Annual review peer group data, as available, and compensation survey data in establishing executive compensation

2024 Pay for Performance Compensation Program

We have instilled a pay-for-performance culture throughout our Company. Our compensation program for named executive officers is designed to:

- Provide a total compensation package that is aligned with industry standards and enhances our ability to:
 - Motivate and reward our named executive officers for contributions to our financial success;
 - Attract and retain talented and experienced named executive officers; and
 - Ensure a significant portion of pay is performance-based to better align pay with the successful achievement of our business objectives.
- Provide compensation that is competitive with our industry peers and appropriately correlates incentive compensation to the achievement of the Company’s short- and long-term performance goals.
- Reward our named executive officers for leadership excellence and contribution to the organization’s success.
- Maintain an important focus on sustainability issues while building shareholder value.

2022–2024 Pay for Performance Alignment

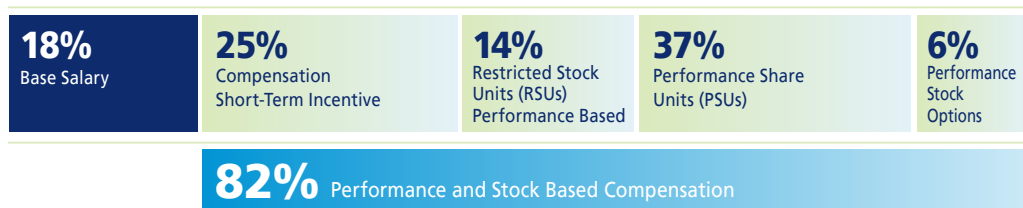
Our pay programs are designed to reflect the Company’s performance. The following table shows the relationship between financial performance goals and executive performance-based payouts over the past three years.

	Target EPS (adjusted for comp plan)*	Target EPS (adjusted for comp plan)*	STI Payout %	3 Year TSR Return	PSU Payout %
2022	\$1.77	Achieved	129.06%	12.37%	171.16%
2023	\$1.88	Achieved	143.73%	-15.49%	77.94%
2024	\$1.98	Achieved	136.48%	-14.81%	83.31%

*Target EPS is a non-GAAP financial measure. See Appendix A.

2024 NEO Total Compensation Pay Mix

CEO



Other NEOs



Shareholder Outreach and Results of 2024 Advisory Vote to Approve Executive Compensation

At our 2024 annual meeting of shareholders, our shareholders strongly supported our compensation program, with 93.7% of shareholders voting in agreement with the Company's compensation design. We believe the high level of support recognized the thoughtfulness and consideration the Executive Compensation Committee and the management team showed in ensuring the program aligns with shareholder interests.

Over the course of 2024, management held over 400 meetings with investors. Additionally, as part of our governance-focused outreach, we offered to meet with our top 25 shareholders. For this effort, we engaged with every shareholder who accepted our offer to meet. During these meetings and calls, we discussed numerous topics, including Company strategy, executive compensation, and environmental, social and governance performance.

For more information on our shareholder engagement program, investor feedback and the actions taken in response to that feedback, please see page 30 in this proxy statement.

93.7%
support for
compensation design

Management held
Over 400
meetings with investors

Proposal 1: Election of Directors

Our Board has nominated Ms. Amato, Mr. Bruner, Mr. Ciesinski, Mr. Franklin, Mr. Hilferty, Mr. Lewis and Ms. Linde for election as directors at this year's Annual Meeting for a one-year term upon the recommendation of our Corporate Governance Committee. Each nominee abstained from the vote with respect to his or her nomination.

The nominees will be elected by a plurality of the votes cast at the 2025 Annual Meeting. Properly executed proxies will be voted for the election of the seven nominees introduced below unless authority to do so has been withheld. Proxies have discretionary authority to cast votes for the election of a substitute should any nominee be unable or become unwilling to serve as a director. Each nominee has stated his or her willingness to serve and the Company believes all the nominees will be available to serve.

Essential's Corporate Governance Guidelines include a resignation policy for the election of directors in uncontested elections. Specifically, if an incumbent director in an election where the only nominees are those recommended by the Board of Directors receives a greater number of WITHHOLD votes than FOR votes, that director must promptly tender a resignation to the Board. The Board will evaluate the relevant facts and circumstances of the election and resignation, giving due consideration to the best interests of the Company and our shareholders. Within 90 days after the election, the independent directors (other than the director whose resignation is under consideration) will decide whether to accept or reject the tendered resignation. The Company will promptly disclose publicly its decision and the reasons for its decision. The Board of Directors believes the resignation policy enhances accountability to shareholders and responsiveness to shareholder votes, while allowing the Board appropriate discretion in considering a director's resignation.

Board Refreshment

Since the 2024 Annual Meeting, the Board of Directors has undergone a year of refreshment. As planned, two of the Directors retired pursuant to the Company's Mandatory Retirement Policy. The retirements were anticipated and the Board of Directors, through its Corporate Governance Committee, had conducted a thorough search for their replacements. In addition, one Director resigned due to

increasing demands of her executive position and another director resigned when he took the Chief Executive Officer position at another publicly traded company. The Corporate Governance Committee is undertaking a full search to find candidates that suitably represent the interests of the shareholders, as outlined below.

How We Identify Director Candidates

The Corporate Governance Committee identifies, evaluates and recommends director candidates to our Board of Directors for nomination. The Corporate Governance Committee seeks potential candidates from current directors, management, business partners, and shareholders. From time to time, the Corporate Governance Committee retains a third-party search firm to help identify potential directors, as appropriate.

The Corporate Governance Committee holds meetings to evaluate and to conduct interviews with potential candidates. As part of this process, the committee will consider a candidate's

personal abilities, qualifications, utility experience, independence, knowledge, judgment, character, leadership skills, education, background, and expertise and experience in fields and disciplines relevant to the Company, including financial expertise or financial literacy. Finally, the Corporate Governance Committee considers the candidate's existing professional obligations and the candidate's abilities to advance the Company's interests with our various constituencies. Important in all of this is the "fit" with the Board.

The Corporate Governance Committee will evaluate shareholder-recommended candidates in the same manner as it evaluates candidates recommended by others. Shareholders who would like the committee to consider particular candidates for selection as nominees at the 2026 Annual Meeting of Shareholders should submit their recommendations to the Chairperson of the Corporate Governance Committee no later than December 1, 2025.

The chart below summarizes the experience, qualifications, attributes, and skills of each of the nominees.

Director Nominee Experience, Qualifications, Attributes and Skills Criteria

Key Skills	Amato	Bruner	Ciesinski	Franklin	Hilferty	Lewis	Linde
 Utility Industry				●			●
 Regulatory		●		●	●		●
 Financial		●	●	●	●	●	●
 Legal/Government	●			●			●
 Leadership	●	●	●	●	●	●	●
 Mergers & Acquisitions	●	●	●	●	●		●
 Geographic Diversity	●		●			●	●
 "C-Suite" Experience	●		●	●	●		●
 Cyber Security Experience			●				

Information About Our Director Nominees

For each of the seven nominees for election as directors at the 2025 Annual Meeting, we have included biographical information on the following pages that highlights the experience, qualifications, attributes and skills that led the Board to determine the individual is qualified to serve as a director of the Company.



The Board of Directors unanimously recommends a vote FOR the election of each of these nominees as director.

Nominees for Election at the 2025 Annual Meeting



Elizabeth B. Amato

Former Executive Vice President and Chief Human Resources Officer, United Technologies Corp.

Independent Director Director Since: 2018 Age: 68

BOARD COMMITTEES:

- Chair, Corporate Governance Committee
- Executive Compensation Committee
- Executive Committee

KEY SKILLS

- Legal/Government
- Leadership
- Mergers & Acquisitions
- Geographic Diversity
- "C-Suite" Experience

Experience

- Executive Vice President & Chief Human Resources Officer of United Technologies Corp. (UTC), 2015-2020.
- Senior Vice President, Human Resources and Organization of UTC with global responsibility for Human Resources and Communications functions 2012-2015.
- Ms. Amato joined UTC in 1985 at Pratt & Whitney and held a variety of the most senior human resources leadership positions across the corporation in both aerospace and commercial building systems, including UTC Climate, Controls & Security (2011-2012), Carrier (2010-2011), Pratt & Whitney (2006-2009) and Sikorsky (1997-2006).

Ms. Amato is a recipient of the YWCA Women Achievers Award. She is currently a member of the Board of Directors for Children's Healthcare Charity, Inc. and Wake Forest University College Board of Visitors. Ms. Amato holds a bachelor's degree in political science from Davidson College and a law degree from the University of Connecticut.

Qualifications

Ms. Amato has over 30 years of experience in various roles with responsibilities ranging from integrating acquisitions to human resources to executive compensation. The Board of Directors believes Ms. Amato's independence, her broad experience, and her leadership roles support the Board's conclusion that Ms. Amato should serve as a director of the Company.

Other current public company directorships

None



Christopher L. Bruner

Retired Partner, Ernst & Young LLP

Independent Director Director Since: 2024 Age: 62

BOARD COMMITTEES:

- Chair, Audit Committee
- Executive Compensation Committee
- Executive Committee

KEY SKILLS

- Financial
- Regulatory
- Leadership
- Mergers & Acquisitions

Experience

- Retired from Ernst & Young LLP (EY) December 2024
- EY Audit Partner and Senior Advisory Partner, 2021-2024
- Managing Partner Philadelphia Office EY, 2008-2021
- Partner EY, 2000-2008
- EY, 1987-2000

Mr. Bruner is a graduate of Indiana University from which he holds a Bachelor of Science degree in accounting.

Qualifications

Mr. Bruner has over 38 years of experience in various leadership roles with responsibilities involving finance, audit, strategy, mergers and acquisitions, including being a public company audit partner for a major pharmaceutical company. Mr. Bruner's extensive leadership experience and his substantial expertise in public financial statements and as an auditor stood out to the Board of Directors. Based upon all of Mr. Bruner's qualifications the Board of Directors believes Mr. Bruner's independence, his broad financial experience, and his leadership roles support the Board's conclusion that Mr. Bruner should serve as a director of the Company.

Other affiliations

Mr. Bruner has served on several non-profit boards including member and Chair of The Mann Center for the Performing Arts, member and Chair of the Audit Committee of Main Line Health Board, and member and former Treasurer of The Union League of Philadelphia.

Other current public company directorships

None



David A. Ciesinski

President, Chief Executive Officer and Director of the Lancaster Colony Corporation and President of its subsidiary, T. Marzetti Company

Independent Director

Director Since: 2021

Age: 58

BOARD COMMITTEES:

- Chair, Risk Mitigation and Investment Policy Committee
- Audit Committee
- Executive Committee

KEY SKILLS

- Financial
- Leadership
- Mergers & Acquisition
- Geographic Diversity
- “C-Suite” Experience
- Cyber-Security Experience

Experience

- CEO of Lancaster Colony Corporation, a Nasdaq-listed company that produces and markets consumer products with a focus on specialty food products for the retail and foodservice markets, since 2017.
- President of Kraft Meal Solutions, 2014-2016.
- Group Vice President and Chief Marketing Officer, H.J. Heinz Company, U.S. Retail Division, 2001-2013.

Mr. Ciesinski is a graduate of West Point and a veteran of the U.S. Army, with service during the first Gulf War in Iraq, where he earned a Bronze Star Medal. Mr. Ciesinski holds a master’s degree in marketing and finance from the Tepper School of Business at Carnegie Mellon University.

Qualifications

Mr. Ciesinski has over 20 years of experience in various roles with responsibilities ranging from manufacturing to finance to mergers and acquisitions. The Board of Directors believes Mr. Ciesinski’s independence, his broad experience, and his leadership roles support the Board’s conclusion that Mr. Ciesinski should serve as a director of the Company.

Other current public company directorships

Lancaster Colony Corporation (since 2016)



Christopher H. Franklin
Chairman, President, and Chief Executive Officer,
Essential Utilities, Inc.

Director since: 2015 Age: 59

BOARD COMMITTEES:

- Chair, Executive Committee
- Risk Mitigation and Investment Policy Committee

KEY SKILLS

- Utility Industry
- Regulatory
- Financial
- Legal/Government
- Leadership
- Mergers & Acquisition
- C-Suite Experience

Experience

Chairman, President, and Chief Executive Officer of the Company.

- Mr. Franklin has worked for the Company for over 30 years in a variety of leadership positions: President and Chief Executive Officer since July 2015; Executive Vice President, and President and Chief Operating Officer, Regulated Operations (2012-2015); Regional President—Midwest and Southern Operations and Senior Vice President, Public Affairs (2010-2012);
- Regional President—Southern Operations and Senior Vice President, Public Affairs and Customer Relations (2007- 2010); Vice President, Public Affairs and Customer Operations (2005-2007); Vice President, Corporate and Public Affairs (1997-2005); and Manager, Corporate & Public Affairs (1992-1997).

Mr. Franklin is active in the community and serves on a number of nonprofit and higher education boards, including the University of Pennsylvania Board of Trustees and the Franklin Institute of Philadelphia. He earned his B.S. from West Chester University and his M.B.A. from Villanova University.

Qualifications

Since 2015, under Mr. Franklin's leadership as CEO, the Company's customer base has nearly doubled by completing over 70 acquisitions and increased its market capitalization from \$4.4 billion to \$10 billion at the end of 2024.

During his long tenure at the Company, Mr. Franklin has held a series of roles. Among his accomplishments in public affairs was pivotal advocacy for the passage of key legislation designed to provide customers with improved water quality and better water and wastewater systems while allowing a fair and reasonable return for shareholders. As vice president of customer operations, Mr. Franklin lead the implementation of a single-customer information system and the creation of three central call centers. As operating president, he integrated the acquisition of AquaSource and brought the utility back to full profitability.

The Board of Directors believes Mr. Franklin's extensive experience with the Company, capabilities, and his demonstrated leadership roles with the Company and in business and community activities support the Board's conclusion that Mr. Franklin should serve as a director of the Company.

Other affiliations

Mr. Franklin serves on the Board of Directors for the Independence Health Group.

Other current public company directorships

CenterPoint Energy, Inc. (2022-present)



Daniel J. Hilferty

**Lead Independent Director, Essential Utilities, Inc.
Chairman and Chief Executive Officer, Comcast Spectacor and
Governor, Philadelphia Flyers**

Independent Director	Director since: 2017	Age: 68
-----------------------------	-----------------------------	----------------

Experience

- Governor, Philadelphia Flyers (July 2023-present).
- Chairman and Chief Executive Officer, Comcast Spectacor, a Philadelphia-based American sports and entertainment company (February 2023-present).
- Chairman and CEO, Dune View Strategies LLC, an advisory firm focused on healthcare (2021-present).
- Former President and Chief Executive Officer of, and former Executive Advisor to, Independence Health Group (IHG), one of the nation’s leading health insurers serving nine million customers in 25 states and Washington D.C. (2010-2022).
- President and Chief Executive Officer of the AmeriHealth Mercy Family of Companies (1996-2009).
- Executive Director of PennPORTS in the administration of Pennsylvania Governor Robert P. Casey (1990-1991).
- Assistant Vice President overseeing community and media relations for Saint Joseph’s University (1987-1990).

Qualifications

Mr. Hilferty has extensive knowledge and experience in the areas of mergers and acquisitions, the health care field, and government relations and regulation. Based on Mr. Hilferty’s experience, qualifications, and knowledge, in 2017, the Board of Directors determined that Mr. Hilferty should serve as its Lead Independent Director. The Board of Directors believes Mr. Hilferty’s independence, his experience with regulation, his reputation in the healthcare industry, and his leadership roles in business and community activities support the Board’s conclusion that Mr. Hilferty should serve as a director of the Company.

Other affiliations

Mr. Hilferty has served on several industry-based and nonprofit boards, including America’s Health Insurance Plans, Greater Philadelphia Chamber of Commerce, and on a fund board of FS Investments. In 2015, he served as co-chair on the Executive Leadership Cabinet of the World Meeting of Families.

Other current public company directorships

None

BOARD COMMITTEES:

- Chair, Executive Compensation Committee
- Corporate Governance Committee
- Executive Committee

KEY SKILLS

- 🕒 Regulatory
- 📊 Financial
- 🛡️ Leadership
- 🔄 Mergers & Acquisition
- 📁 C-Suite Experience



W. Bryan Lewis

Vice President and Chief Investment Officer for United States Steel Corporation

Independent Director Director since: 2022 Age: 48

BOARD COMMITTEES:

- Audit Committee
- Risk Mitigation and Investment Policy Committee

KEY SKILLS

- Financial
- Leadership
- Geographic Diversity

Experience

- Vice President and Chief Investment Officer for United States Steel Corporation since 2019; responsible for the company's global investments for both the defined contribution and defined benefit plans, as well as other related programs.
- President and Chair, United States Steel Corporation and Carnegie Pension Fund, since 2019.
- Chief Investment Officer for Pennsylvania State Employees' Retirement System of Pennsylvania managing a \$30 billion pension fund (2016-2019).
- Executive Director for State Universities Retirement System of Illinois managing a \$ 20 billion pension fund (2015-2016).
- Investment Management for North Carolina Department of State Treasurer – Retirement Systems Division (2009-2015).

Mr. Lewis holds an MBA from the University of Miami and a bachelor of science degree in economics from the University of Maryland College Park.

Qualifications

The Board has determined, based on his abilities, qualifications, knowledge, judgment, character, leadership skills, education, background and experience in fields and disciplines relevant to the Company, including his financial expertise, that Mr. Lewis is qualified to serve on and will make a positive contribution to the Board. The Board of Directors believes Mr. Lewis' extensive experience with financial services, auditing and evaluation of financial statements and complex accounting issues, his capabilities, and his demonstrated leadership roles support the Board's conclusion that Mr. Lewis should serve as a director of the Company.

Other affiliations

Mr. Lewis serves on several industry-based and nonprofit boards, including Steelworkers Pension Trust (member on Board of Trustees), Virginia Retirement System (advisory member to the Board), Financial Accounting Foundation (Director), John Rex Endowment (Director), University of North Carolina Health Foundation (Director), Toigo Foundation (Director), and Institute for Private Capital (Director).

Other current public company directorships

None



Tamara L. Linde

Executive Vice President and Chief Legal Officer,
Public Service Enterprise Group, Inc. (PSEG)

Independent Director Director Since: 2024 Age: 60

BOARD COMMITTEES:

- Corporate Governance Committee
- Risk Mitigation and Investment Policy Committee

KEY SKILLS

- Utility Industry
- Legal/Government
- Regulatory
- Leadership
- C-Suite Experience
- Geographic Diversity
- Financial
- Mergers & Acquisition

Experience

- Executive Vice President and Chief Legal Officer at Public Service Enterprise Group (PSEG) Sept 2024-March 2025, responsible for the legal and regulatory matters for the PSEG Companies, as well as several other corporate functions including risk, compliance, claims, and procurement.
- Executive Vice President and General Counsel at PSEG 2014-Sept 2024.
- Vice President, Regulatory at PSEG 2006-2014.
- Ms. Linde has held other roles at PSEG including General Solicitor (2000-2006) and Attorney (1990-2000).

Ms. Linde is a graduate of Seton Hall University from which she holds a bachelor's degree in History in 1986 and a Juris Doctorate degree from Seton Hall University School of Law in 1989.

Qualifications

Ms. Linde has over 30 years of experience in various roles with responsibilities involving energy, regulatory, legal, risk, environmental, governmental affairs, and transactions. The Board of Directors believes Ms. Linde's independence, her broad regulatory and energy experience, and her leadership roles support the Board's conclusion that Ms. Linde should serve as a director of the Company.

Other affiliations

Ms. Linde is on the board of PSEG Foundation and is a member of the American Arbitration Association / International Centre for Dispute Resolution Council (AAA / ICDR). Ms. Linde previously served as Chair of the Edison Electric Institute (EEI) Legal Committee, member of the board of Community Foundation of New Jersey, member of the General Counsel Steering Committee of The National Association of Corporate Directors, past President of the Northeast chapter of the Energy Bar Association and past chair of the Energy Bar Association Electricity Regulation and Compliance Committee.

Other current public company directorships

None

Corporate Governance

The Board sets high standards for our employees, officers, and directors. Implicit in this philosophy is the importance of sound corporate governance. Following the principles of our Corporate Governance Guidelines, the Board serves as a prudent fiduciary for shareholders and oversees the management of our business.

Governance Materials Available on our Website

The following materials are available on our corporate website at

<https://www.essential.co/corporate-governance/documents>

Corporate Governance Guidelines. Developed by the Corporate Governance Committee, these Guidelines provide the principles governing the Board. The Committee annually reviews the Guidelines and recommends any necessary changes to the full Board. The Guidelines include categorical standards of director independence that are consistent with NYSE listing standards.

Board Committee Charters. Each of the Board's standing Committee's operates under a written charter that is reviewed annually.

Code of Ethical Business Conduct. The Code applies to our directors, officers, and employees and covers conflicts of interest; corporate opportunities; fair dealing; confidentiality; protection and proper use of Company assets; compliance with laws, rules and regulations (including insider trading laws); and how to report illegal or unethical behavior. In 2019, the Code was updated to reflect changes in our leadership structure and to stress our Core Values of Respect, Integrity, and the pursuit of Excellence. The Company intends to post amendments to or waivers from the Code of Ethical Business Conduct (to the extent applicable to the Company's executive officers, senior financial officer, or directors) on our website.

Our Sustainability Report is available ESG.Essential.co. For additional information see pages 31 through 36 in this proxy statement. Our Sustainability Report is not incorporated by reference into this proxy statement.

Board Leadership Structure



**CHRISTOPHER H.
FRANKLIN**

Chairman of the Board and
Chief Executive Officer

Mr. Franklin serves as Chairman of the Board and Chief Executive Officer. The Board of Directors deliberately and intentionally determined that the structure of the combined Chairman and Chief Executive Officer along with the position of a strong Lead Independent Director and independent Committee Chairs to be the most appropriate and efficient approach to managing the Company, while providing clear accountability to the execution of the Company's strategy and its results.



DANIEL J. HILFERTY

Lead Independent Director

Lead Independent Director

The Board of Directors annually elects the lead independent director to execute the following clear and specific duties:

- Preside at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the independent directors;
- Serve as liaison between the independent directors and the Chairman of the Board;
- Consult with the Chairman of the Board, reviewing and approving meeting agendas and information provided to the Board for meetings, with the authority to add items to the agendas for any Board meeting;
- Review and approve meeting schedules to ensure there is sufficient time for discussion of all agenda items;
- Call executive sessions of the independent directors and prepare the agendas for the executive sessions;
- If requested by major shareholders, participate in consultation and direct communications;
- Serve as a member of the Executive Committee; and
- In the event of the death or incapacity of the Chairman, become the acting Chairman of the Board until a new Chair is selected.

The Lead Independent Director routinely meets in executive session with the other independent directors and without Mr. Franklin present.

THE LEAD INDEPENDENT DIRECTOR has the authority (with the approval of at least the majority of the directors) to engage legal, financial or other advisors as the independent directors deem appropriate at the Company's expense and without consultation or the need to obtain approval from any officer of the Company.

Director Independence

The Board of Directors is responsible for determining whether each of the directors is independent. The Board has adopted Corporate Governance Guidelines that contain categorical standards of director independence that are consistent with the NYSE listing standards.

In 2024, all directors were determined to be independent, except our Chairman, President and CEO, Mr. Franklin.

The Board of Directors considered the following transactions, relationships and arrangements in connection with making the independence determinations for the current Board of Directors:

1. During 2024, the Company made contributions to charitable or civic organizations for which Mr. Franklin and Mr. Hilferty serve as directors, trustees or executive officers. None of the Company's contributions exceeded the greater of \$1 million or 2% of the recipient organization's consolidated gross revenues.
2. In 2024, Mr. Franklin was named a director of the Independence Health Group (IHG), and the Company has insurance arrangements with IHG or its affiliates. As a benefit for employees, the Company offers medical insurance benefits through plans established by IHG. The Company is self-insured for all of these plans, but IHG serves as the administrator. For each of the last three fiscal years, the fees paid to IHG for serving as administrator, IHG's gross revenues, and the fees as a percentage of IHG's gross revenues were as follows:

Fiscal Year	Fees Paid to IHG	IHG Gross Revenues	Fees Paid as a Percentage of IHG Gross Revenues
2022	\$3,454,017	\$21,000,000,000	0.017%
2023	\$3,770,035	\$31,100,000,000	0.012%
2024	\$1,368,790	\$32,011,000,000	0.0043%

Under the self-insured nature of the medical plans, the Company also submitted payments to IHG to maintain the necessary insurance reserves and to pay employees' medical claims. Because IHG is an administrator, these were "pass through" payments; they do not represent compensation to, or revenue of, IHG. The following "pass through" payments were made to IHG in the last three fiscal years:

Fiscal Year	Pass Through Payments
2022	\$19,818,919
2023	\$18,325,032
2024	\$21,181,679

3. Mr. Lewis is a Vice President at United States Steel Corporation. The Company delivers natural gas to United States Steel pursuant to an agreement that has been duly filed with the Pennsylvania Public Utility Commission. The amounts received by the Company are not material to the Company or United States Steel Corporation.
4. During the fiscal years 2022-2024, the Company utilized the services of the advisory (consulting) section of Ernst & Young (EY) for a specialized project to assist in the Company's integration of SAP with accounts payable. During this time, Mr. Bruner was employed by EY as a public company auditor and not within its advisory section. The decision to retain EY to assist the Company in its integration was made prior to Mr. Bruner being named a Director and was unrelated to Mr. Bruner.

Mr. Bruner retired as a Partner at the Philadelphia EY office effective December 27, 2024, and no longer receives remuneration from EY. See the Company's 8-K filed December 27, 2024.

For each of the last three fiscal years, the fees paid to EY for non-audit services, EY's gross revenues, and the fees as a percentage of EY's gross revenues were as follows:

Fiscal Year	Fees Paid to EY	EY Gross Revenues	Fees Paid as a Percentage of EY Gross Revenues
2022	\$ 311,030	\$45,170,000,000	0.0007%
2023	\$5,800,000	\$49,600,000,000	0.0117%
2024	\$7,315,000	\$51,200,000,000	0.0143%

The amounts paid by the Company to EY are not material to EY or to the Company.

The Company's Corporate Governance Committee and the full Board of Directors extensively reviewed Mr. Bruner's former employment with EY. The Committee weighed the attributes of Mr. Bruner, including his extensive experience as a public company audit partner, the NYSE standards, SEC requirements, and other relevant points, and determined that Mr. Bruner is independent. The Board believes that Mr. Bruner is a valuable leader of the Company's Audit Committee, bringing many years of experience to this role.

5. Ms. Linde is the Chief Legal Officer at Public Service Enterprise Group (PSEG). The Company purchased energy from PSEG in the amount of \$498,637 in 2024 pursuant to approved tariff rates. The amounts paid by the Company to PSEG are not material to PSEG or to the Company.

Board Committee Current Membership, Meetings and Director Attendance

Under our Bylaws, the Board of Directors may designate an Executive Committee and one or more other committees, with each committee to consist of two or more directors, except for the Audit Committee and Executive Compensation Committee, which must have at least three members. The Board of Directors annually assigns members to the Executive, Audit, Executive Compensation, Risk Mitigation and Investment Policy, and Corporate Governance Committees. The Board may also appoint ad hoc committees. The Retirement and Employee Benefits Committee, which is made up of senior management of the Company, reports periodically to the Board of Directors.

Based upon their respective qualifications, attributes, and skills, the below existing directors serve on the following committees:

Committee	Chair	Other Members
Audit	Christopher L. Bruner [†]	David A. Ciesinski [†] , W. Bryan Lewis [†]
Corporate Governance	Elizabeth B. Amato	Daniel J. Hilferty, Tamara L. Linde
Executive Compensation	Daniel J. Hilferty	Elizabeth B. Amato, Christopher L. Bruner
Executive	Christopher H. Franklin	Elizabeth B. Amato, Daniel J. Hilferty, David A. Ciesinski, Christopher L. Bruner
Risk Mitigation and Investment Policy	David A. Ciesinski	Christopher H. Franklin, W. Bryan Lewis, Tamara L. Linde

[†] Audit Committee Financial Expert.

Annually, the Corporate Governance Committee and the Board of Directors review the membership of the Committees and make changes, if necessary.

The Board of Directors held 5 meetings in 2024

- In 2024, each director attended 100% of all meetings of the Board and the Committees on which each director served and was eligible to attend.
- In accordance with our policy which encourages such attendance, all of the directors who were elected at the 2024 Annual Meeting of Shareholders attended that meeting.

Board Committees as of December 31, 2024



CHAIR*

Christopher L. Bruner

Members¹

David A. Ciesinski

W. Bryan Lewis

All members are independent under NYSE listing requirements and SEC rules.

All members are financially literate as defined in the NYSE listing standards and are audit committee financial experts within the meaning of applicable SEC rules.

¹ Edwina Kelly resigned as a director effective November 6, 2024.

Audit

2024 Meetings Held: 9

The Committee's primary responsibilities are to:

- monitor the integrity of the Company's financial reporting process and systems of internal controls, including the review of the Company's annual audited financial statements; and
- monitor the independence of our independent registered public accounting firm.

The Committee has the exclusive authority to select, evaluate and, where appropriate, replace the Company's independent registered public accounting firm.



CHAIR

Daniel J. Hilferty

Members¹

Elizabeth B. Amato

Christopher L. Bruner

All members are independent under NYSE listing standards.

¹ Roderick K. West resigned as a director effective February 15, 2025.

Executive Compensation

2024 Meetings Held: 8

The Committee is responsible for administering our equity compensation plans and determining executive compensation each year.

As part of its annual compensation-setting process, the Committee:

- reviews the recommendations of the Chief Executive Officer as to appropriate compensation of the Company's executive officers (other than the Chief Executive Officer) and determines the compensation of these executive officers; and
- reviews and recommends to the Board of Directors the compensation for the Chief Executive Officer, which is subject to final approval by the independent members of the Board of Directors.

The Committee has retained an independent compensation consultant, Pay Governance LLC, to assist in designing our executive compensation program and assessing its competitiveness through benchmarking peer analysis and other methodologies.

The Committee has the power to delegate aspects of its work to subcommittees, with the approval of the Board of Directors.



CHAIR
Elizabeth B. Amato

Members¹
Daniel J. Hilferty
Tamara L. Linde

All members are independent under NYSE listing standards.

¹ Roderick K. West resigned as a director effective February 15, 2025.

Corporate Governance

2024 Meetings Held: 6

The Committee's primary responsibilities include:

- identifying and considering qualified nominees for directors;
- developing and periodically reviewing the Corporate Governance Guidelines;
- advising the Board of Directors on director nominees, executive selections and succession planning, including a succession plan for the CEO and other senior executives; and
- implementing and overseeing the comprehensive Board, Committee and peer review process.

The Committee reviews and approves, ratifies or rejects related person transactions under the Company's written policy.



CHAIR*
David A. Ciesinski

Members¹
Christopher H. Franklin
W. Bryan Lewis
Tamara L. Linde

All members are independent under NYSE listing standards.

¹ Edwina Kelly resigned as a director effective November 6, 2024.

Risk Mitigation and Investment Policy

2024 Meetings Held: 7

The Committee's primary responsibilities include:

- Overseeing the Company's risk management process, policies, and procedures for identifying, managing and monitoring critical risks, including cyber-related risks, and compliance with legal and regulatory requirements; and
- Overseeing the Company's acquisition process, including being briefed on all potential transactions in excess of \$10 million, and reviewing all acquisitions valued in excess of \$20 million and all transactions that involve the Company's stock.

The Committee's Chairperson communicates with other Board Committees to avoid overlap and potential gaps in overseeing the Company's risks. The Committee advises the Board of Directors in its performance of its oversight of enterprise risk management.



CHAIR*
Christopher H. Franklin

Members
Elizabeth B. Amato
Daniel J. Hilferty,
David A. Ciesinski
Christopher L. Bruner

All members, except Mr. Franklin, are independent under NYSE listing standards.

Executive Committee

2024 Meetings Held: 0

The Committee has and exercises all the authority of the Board in the management of the business and affairs of the Company, with certain specified exceptions.

- The Committee is intended to serve in the event that action by the Board of Directors is necessary or desirable between regular meetings of the Board and when convening a meeting of the entire Board is not practical, or to make recommendations to the entire Board with respect to various matters.
- The Chairman of the Board of Directors serves as Chairman of the Committee.

Board Oversight Responsibilities

Board Oversight of Risk Management

Full Board

The Board believes that the present leadership structure, along with the important risk oversight functions performed by management, the Audit Committee, the Risk Mitigation and Investment Policy Committee, the Executive Compensation Committee, and the full Board, permits the Board to effectively perform its role in the risk oversight of the Company.

Management

Operational leadership updates the Board at each meeting of any significant operational, acquisition, or environmental matter. Additionally, annual updates are provided on:

- environmental matters by our Chief Environmental Officer;
- cyber security matters by our Chief Technology Officer;
- the Company's proposed capital spending plans by our Vice President, Financial Planning and Analysis; and
- the Company's Enterprise Risk Management program by our Executive Vice President and General Counsel.

Audit Committee

The Audit Committee, in consultation with management, the independent registered public accountants and the internal auditors, discusses the Company's policies and guidelines regarding risk assessment and risk management as well as its significant financial risk exposures and the steps management has taken to monitor, control and report such exposures.

- The Audit Committee meets in executive session with the Director of Internal Audit or with the independent registered public accountants at the end of each Audit Committee meeting.
- The Company's General Counsel reports to the Audit Committee quarterly regarding any significant litigation involving the Company and his opinion of the adequacy of the Company's reserves for such litigation.
- The Company's Internal Audit department reports directly to the Chair of the Audit Committee.
- The Committee reviewed, with the Company's independent registered public accountants, the use of artificial intelligence in financial auditing and other aspects of the business.

Corporate Governance Committee

The Corporate Governance Committee leads the Board's consideration of director nominees. It also oversees the Company's succession planning. The Committee also has direct oversight over most Sustainability matters and provides guidance on Sustainability decisions.

Executive Compensation Committee

The Executive Compensation Committee reviews the Company's overall compensation program in the context of the behaviors that the program may encourage and the risks it should mitigate. At least annually, the Executive Compensation Committee considers the risks that may be presented by the structure of the Company's compensation programs and the metrics used to determine individual compensation under that program.

Risk Mitigation and Investment Policy Committee

This Committee's primary purpose is to assist the Board of Directors in fulfilling its oversight responsibilities for the Company's:

- risk management practices;
- significant risks to the enterprise in conjunction with a Company-wide enterprise risk management (ERM) process is used to identify, prioritize and monitor key risks that may affect the Company;
- compliance with legal and regulatory requirements;
- potential investments in acquisitions and growth vehicles;
- cybersecurity risks; and to
- review and approve the Company's risk management framework.

Management receives approval from the Risk Management and Investment Policy Committee on all potential acquisitions valued in excess of \$20 million, and the Board approves every acquisition valued in excess of \$50 million or which involves the issuance of the Company's common stock as part of the consideration.

Board Oversight of Cybersecurity Management and the Use of Artificial Intelligence

The Board oversees the Company's cybersecurity risk assessment and security measures. By receiving at least quarterly reports, the Board of Directors and the Risk Mitigation and Investment Policy Committee ensure that the Company is devoting the appropriate amount of time and resources to mitigate the risk of a cybersecurity breach and that there is a clear response plan in the event of a breach. At the same time, the Company's Risk Management and Investment Policy Committee reviews the risks of the Company, which includes the evolving risks associated with the use of Artificial Intelligence, and the Audit Committee, among its other duties in 2024, reviewed the use of Artificial Intelligence in the area of audit and financial reporting.

The Board of Directors annually reviews and approves the capital and operating budgets, ultimately reviewing and approving the amount spent on cybersecurity measures.

Spotlight on Data Security and Privacy

Essential has a robust and long-standing cybersecurity program, which is aligned to the National Institute of Standards and Technology (NIST) Cybersecurity Framework.

Management Committee: The information security and cybersecurity program is overseen by a cross-functional committee of senior business leaders. This Committee meets bimonthly and is charged with ensuring that cyber risk is managed and that the program is aligned to business goals and objectives. Updates are provided to the Risk Mitigation and Investment Policy Committee quarterly and to the full Board once a year.

Risk Management: The information security organization is responsible for ongoing vulnerability assessments and threat analysis to essential assets such as customer and employee data, critical business systems, and industrial control environments.

Controls, Policy & Compliance: Essential has implemented enterprise-wide security policies, standards and controls that incorporate best practices in security engineering, technology architecture and data protection, which support regulatory compliance. An annual review of Essential's security framework controls is conducted in conjunction with a third party to promote objectivity.

Awareness, Training & Assessment: We have implemented specialized programs, such as enterprise-wide communications, presentations, phishing simulations and focused training for specific roles, as well as a general cybersecurity training program required for all employees.

Board Oversight of Sustainability Initiatives

Board of Directors

The full Board receives written reports and updates at least quarterly from Company executives at all regularly scheduled meetings on sustainability matters including safety, resiliency, environmental stewardship, human capital management, and the governance around these core company attributes.

The Corporate Governance Committee has direct oversight of most sustainability matters. Management, on an ongoing basis, presents updates about the corporate sustainability landscape and internal progress on key priority areas.

Board Oversight of Compensation Risk

In administering the executive compensation program, the Executive Compensation Committee aims to strike an appropriate balance among the elements of our compensation program to achieve the program's objectives. As a result of its review of the Company's overall compensation program in the context of the risks identified in the Company's enterprise risk management processes, the Executive Compensation Committee does not believe the risks the Company faces are materially increased by the Company's compensation programs.

Therefore, the Executive Compensation Committee believes the compensation program does not create the reasonable likelihood of a material adverse effect on the Company.

Board Oversight of Human Rights Risk Management

The Board of Directors is responsible for overseeing human rights risk management. In 2019, the Board enacted a Human Rights Policy that underscores the Company's commitment to conducting business in a way that minimizes the adverse effects our operations may have on people and the communities that we serve. As more fully described on page 38, at a minimum, the Company and its vendors will:

- make efforts to avoid causing or contributing to human rights violations;
- mitigate and/or remediate adverse human rights impacts of our operations where possible;
- prohibit the use of child labor, forced labor, or human trafficking; and
- be transparent in our efforts, successes and challenges.

Board Oversight of Succession Planning

The Board of Directors is responsible for the development and periodic review of a management succession plan for the Chief Executive Officer and other executives. The Board and management recognize the importance of human capital beginning with internal development initiatives and talent reviews, culminating in an annual review on succession planning with the Board of Directors. **At least annually and at a special meeting held only to discuss succession planning, the Board of Directors reviews the Company's succession planning process for the Chief Executive Officer and the named executive officers.** During this review, the directors review immediate succession candidates and prospective succession candidates, as well as their development plans, so the Company is well-prepared for the future.

Board and Committee Evaluations

Each year, the directors complete a targeted questionnaire that is administered by a neutral, non-affiliated entity to assess the performance of the Board and each of the standing committees. Every second year, directors complete a targeted questionnaire to assess the performance of the directors individually. Both questionnaires elicit quantitative and qualitative ratings in key areas of Board operation and function, and all responses are kept confidential. Each director also responds to questions to evaluate how well the committees on which he or she serves are functioning and to provide suggestions for improvement.

In 2024, the directors completed the targeted questionnaire to assess the performance of the Board and each Committee. The questionnaire was administered by a neutral third party, all responses were kept confidential, and all responses were aggregated for presentation. The Lead Independent Director, the Chair of the Corporate Governance Committee, and the Chairman met with each of the Committees and the Board of Directors, provided the results of the evaluations, and discussed the potential areas for increased performance.

Director Onboarding and Continuing Education

New directors typically join informal meetings with the existing directors, and participate in an onboarding process that includes in-depth meetings with the executive officers focused on items such as:

- merger and acquisition strategy;
- regulatory matters;
- utility accounting and financing;
- water, wastewater, and natural gas operations;
- Sustainability;
- board governance functions;
- Pennsylvania law with respect to the directors’ fiduciary duties; and
- a review of the Company’s Articles of Incorporation, Bylaws, Corporate Governance Guidelines, and other policies.

The directors also participate in various educational programs related to finance, corporate governance, and industry issues during committee and board meetings throughout the year.

Shareholder Outreach

At our 2024 annual meeting of shareholders, our shareholders strongly supported our compensation program, with 93.7% of shareholders voting in agreement with the Company’s compensation design. We believe the high level of support recognized the thoughtfulness and consideration the Executive Compensation Committee and the management team showed in ensuring the program aligns with shareholder interests.

Over the course of 2024, management held over 400 meetings with investors. Additionally, as part of our governance-focused outreach, we offered to meet with our top 25 shareholders. For this effort, we engaged with every shareholder who accepted our offer to meet. During these meetings and calls, we discussed numerous topics, including company strategy, executive compensation, and sustainability performance.

Shareholder Feedback Taken

Board Response to Shareholder Feedback	Actions Taken
Continued Performance-driven executive compensation	<p>FOCUS ON PERFORMANCE</p> <p>Following 2024 shareholder outreach, we continued our focus on creating performance-driven compensation opportunities for our named executive officers. 82% of our CEO’s compensation is performance-based and/or stock-based.</p>
Environmental and social programs and disclosures	<p>SUSTAINABILITY DISCLOSURE</p> <p>Based upon our review and shareholder feedback, we remain committed to expanding the disclosures of our environmental and social policies in a renewed Sustainability report and providing easier access to locate these policies. Our Sustainability report can be found at: www.ESG.Essential.co and other relevant policies can be found at www.Essential.co/investor-relations. In 2023, we provided updates on the progress on our Sustainability commitments. Our Sustainability report is not incorporated by reference into this proxy statement.</p>

Age and Term Limits

Term Limits: The Board believes term limits are an important element of good governance, helping to create an appropriate balance between the contributions of seasoned directors who have developed meaningful insight into the Company and its operations and those of new directors who bring a fresh perspective to our Board. Every director, after fifteen years of serving on the Board of Directors, must tender his or her resignation to the Board.

Age Limits: All directors are required to submit their resignation from the Board effective as of their 75th birthday. The Board’s policy does not intend that a director must immediately resign from the Board in the event of retirement. The Corporate Governance Committee, in consultation with the Chairman of the Board, will determine if the director’s continued service is appropriate and make a recommendation with respect thereto to the Board.

Sustainability Program

Essential has long understood that sustainability is a critical aspect of business operations. Successive generations of organizational leaders have built upon our legacy of excellence in water and wastewater treatment, stewardship of our waterways, and provision of reliable and affordable energy.



We encourage you to explore our microsite, [ESG.Essential.co](https://www.Essential.co), for full details of our initiatives and commitments.

Oversight

BOARD OF DIRECTORS

The **Full Board** receives written reports and formal updates from Company executives at regularly scheduled meetings on sustainability matters, including safety, environmental stewardship, community affairs, and human capital management. **The Corporate Governance Committee** has direct oversight of most sustainability matters. Management, on an ongoing basis, present updates about the corporate sustainability landscape and internal progress on key priority areas.

MANAGEMENT COMMITTEE

Management’s Sustainability Oversight Committee is made up of senior leaders from different functional areas and backgrounds. They meet at least quarterly to discuss sustainability matters, strategy, and technical planning to achieve goals, with input from our CEO.

Policies

These policy documents are available on the corporate governance section of our website at <https://www.Essential.co/corporate-governance/documents>:



- Sustainability and Environmental Policy
- Human Rights Policy
- Human Rights to Water Policy
- Political Spending Policy
- Code of Ethical Business Conduct
- Conflict of Interest Policy
- Equal Employment Opportunity and Anti-Harassment Policy
- Labor Rights Policy
- Corporate Governance Guidelines

These documents are not incorporated by reference into this proxy statement.

Reporting

Essential’s reporting currently includes the following components, which are available at our microsite [ESG.Essential.co](https://www.Essential.co):

- **2022 Sustainability Report**—Our biennial flagship report that provides detail on all relevant topics. The 2024 update to this report will be published later in 2025.
- **2023 SASB and ESG Metrics Index**—A concise document containing key metrics, primarily using the SASB framework
- **2023 TCFD Report**—Concise climate reporting as outlined by the Task Force on Climate-Related Financial Disclosures
- **2024 CDP Response**—Detailed climate reporting via the CDP questionnaire
- **2023 AGA Sustainability Template**—Technical GHG emissions data related to our gas system that is reported via the American Gas Association’s common industry template

Alignment with UN SDGs

Essential is committed to supporting the achievement of the United Nations’ Sustainable Development Goals (SDGs), which aim to address global challenges and achieve peace and prosperity for all. Our business can most significantly positively impact the following eight SDGs:



Environment

Climate Change and Greenhouse Gas Emissions



In January 2021, Essential announced an enterprise-wide commitment to substantially reduce our Scope 1 and 2 greenhouse gas (GHG) emissions. By 2035, we will reduce our emissions by 60% from our 2019 baseline. Our water and wastewater operations as well as our gas operations will each be contributing to this effort. As of December 31, 2023, Essential has achieved 25% emissions reduction from our 2019 baseline. Our 2024 greenhouse gas inventory will be formally calculated and published later in 2025 alongside updated sustainability reporting.

The two most significant actions that are contributing to achievement of the 60% emissions reduction target are:

- **Gas Operations:** Fulfilling our aggressive Long-Term Infrastructure Improvement Plan, which has a stated goal of replacing 3,000 miles of leak-prone bare steel and cast-iron pipe through 2034.
- **Water and Wastewater Operations:** Beginning January 1, 2022, we began procuring nearly 100% renewable electricity for our water and wastewater operations in Illinois, New Jersey, Ohio, and Pennsylvania. This greatly accelerated Essential's emissions reduction progress in 2022, and this procurement also enabled our water and wastewater operations to rapidly reduce its emissions by more than half since 2019.

Board Oversight and Climate Risk Management

- We have significant Board-level oversight of climate-related issues, including the risk factors associated with climate change. The Corporate Governance Committee's December 2024 meeting featured an in-depth and full review of these matters.
- Essential's Sustainability Oversight Committee, a group of senior leaders from across the organization as well as the CEO, meet at least once each quarter to discuss these topics.

* Please refer to ESG.Essential.co for more detailed climate change disclosure, including illustrative graphics depicting our progress towards our emissions reduction target.

Investing in Our Nation's Infrastructure

Essential has infused needed capital and resources to rehabilitate the infrastructure required for reliable water and efficient wastewater services. We are also making critical and robust investments in gas infrastructure. In 2013, Peoples Gas launched its Long-Term Infrastructure Improvement Plan (LTIIIP), an aggressive 20-year effort to replace and upgrade more than 3,000 miles of aged distribution main with modern resilient materials.

PEOPLES LTIIIP PROGRAM

>3,000 miles

Of distribution main being replaced with modern resilient materials.

Excellence in Providing Safe Drinking Water

Essential's community water systems, with their low rates of health-based violations, consistently and significantly outperform the national average. Cutting-edge technology has enabled us to increase our detection levels from parts per million to parts per trillion in many cases. In 2021, we opened a brand new, state-of-the-art environmental laboratory at our Bryn Mawr headquarters, employing a staff of 20 scientists and featuring an annual capacity of approximately 300,000 tests on water samples across 240 water quality parameters. This facility and technology greatly aid in promoting excellent water quality.

Essential continues to perform in water compliance*



¹ U.S. averages not yet available for 2024. U.S. averages compiled from the EPA's ECHO Database. Some prior year data presented here may shift versus prior reporting. This is driven by timing differences related to the regulatory review process and the time it takes for the EPA to provide this country-wide data.

² This is a preliminary figure. A final calculation will be provided within our 2024 sustainability reporting to be published later this year.

Measured as a percentage of community water systems with health-based violations².

* This chart represents the percentage of systems that had a health based violation at any time during the calendar year.

Human Capital Management

At Essential, we recognize our 3,200+ employees are our greatest assets in delivering life's most essential resources. Our goal is to build a talented, skilled, and diverse workforce that values teamwork and embodies a steadfast commitment to our customers and to the environment. Essential is committed to providing professional opportunities for career growth and competitive benefits packages to every employee. Similarly, we are dedicated to creating a culture that empowers employees and where all feel welcomed, respected, and recognized for their contributions.



Board Oversight of Human Capital Management

Essential's Board of Directors recognizes that our ability to attract, retain, and develop exceptional talent is a key strategic driver of long-term growth and success for all our stakeholders. The Chief Human Resources Officer regularly presents updates to the full Board as well as to the Governance Committee, engaging in strategic discussion with the group regarding the topics outlined below.

Engaging our Employees

Our success depends on employees understanding how their work contributes to Essential's overall strategy. We use a variety of communication channels to help them stay informed, including open forums with our executives, regular engagement surveys, and employee resource groups. In addition, we use formal engagement surveys across the entire organization and implement thoughtful action plans for leadership based on specific feedback.

Roadmap for Building Engagement at Essential: Building on our Positive Momentum



CORPORATE

- Reinforce messaging, behaviors and opportunities for the organization to operate as a collaborative team.
- Continue to be transparent in explaining "Why/Purpose" employment related decisions & changes are made to business processes and programs.
- Provide leaders with the information & justification needed to support changes.

LEADERSHIP

- Commit to communicating results and demonstrating action.
- Engage with stakeholders within and outside of the immediate team to plan, design and implement changes.
- Role model, reinforce and hold self and others accountable to demonstrating values-based behaviors.

EMPLOYEES

- Actively engage in change by contributing practical ideas, listening and supporting decisions, while learning how to successfully adapt.
- Hold self accountable to demonstrating values-based behaviors, particularly with employees outside of their immediate work group.

ALIGNED, CONSISTENT, ACCOUNTABLE DEMONSTRATION OF BEHAVIORS

At Essential we delivered on the following commitments to the employee experience in 2024:

1. Communicated results to employees to transparently demonstrate commitment to integrity.
2. Communicated to employees to model and reinforce listening, collaboration, and planning reflective of our values.
3. Championed implementation of an online recognition platform to support timely acknowledgement of the efforts and successes of Essential employees display on a daily basis.
4. Developed formalized career paths in disciplines across the Company to support growth and learning.
5. Revamped recruiting and onboarding processes and programs to increase employee retention.
6. Implemented disciplined approach to stakeholder involvement/ sponsor oversight in project management across all program, process, or system change initiatives.
7. Consolidated employee platforms to ensure consistent experience across business units and geography.

Talent Management—Training and Development

We believe in an integrated talent development approach and understand that a balanced and holistic approach to learning makes it more likely that employees will learn and retain the workplace behaviors we expect.

2024 organizational and workforce development focused on increasing employee engagement in development so that the organization’s talent has the skills to be successful.

Through expanded marketing and offering more formal learning programs, employee learning hours increased by 11% to 20,204 training hours completed. These formal programs included the following:

- Developed for the Future Emerging Leaders six-month curriculum developing high potential early career employees’ leadership skills.
- Expanded the Leadership Develop in Place sessions by delivering monthly topics educating all levels of employees to use leadership skills in the delivery of management tasks.
- Provided a structure for employees to document their skills, experiences, education, and interests to support career development and progression.

Our efforts on talent engagement and retention have had a positive impact on employee turnover as turnover has improved in 2024 by 9% over 2023.

We align our development model and activities to support our vision, mission, and competencies, with a balanced approach to developing our workforce and creating a confident, committed, and high-performance culture.




Succession Planning

Our succession planning strategy identifies leaders at different stages in their careers and customizes a development approach. The Essential Utilities executive leadership development strategy for future executives is a combination of experiences that includes 360 – assessments and coaching, executive presentation skills, and formal learning programs.

Safety And Wellness

The Essential safety program focuses on identifying hazards, training our employees on the best practices to remain safe, and providing them with the equipment and facilities necessary to face hazards in the safest way possible. We rigorously follow OSHA reporting guidelines to identify, report and investigate any injuries to our employees.

The health of our employees is just as important to us as their safety. We provide access to a variety of innovative, flexible, and convenient employee health and wellness programs. Recognizing mental health as a central part of each employee’s well-being, we have added additional resources and counseling access for employees and their families.



LEADERSHIP COMMITMENTS

To incentivize managers to promote a safe environment, we include safety metrics for Lost Time/Restricted Time Incidents, Responsible Vehicle Accident Rate, and Gas Damage Prevention Rate (20% collective weighting) into our executive compensation incentive plans.

Demonstrable Progress Through Program Improvement

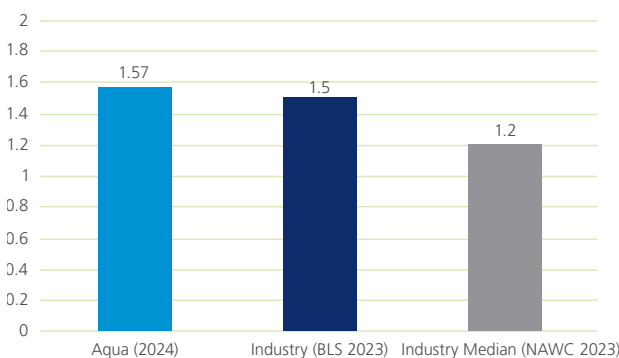
Essential’s safety initiatives focus on several industry accepted principles:

- Safety committees across Company leadership, state leadership, divisions, and facilities
- Mechanisms for employees to raise concerns, including a “stop work authority” empowerment and anonymous reporting
- Establishment of a near miss program
- Weekly reporting and analysis, buttressed by a strong auditing program and multi-faceted team communications
- Active participation in industry-wide safety efforts
- Scrutiny of contractor safety records and opportunities for partnership and feedback

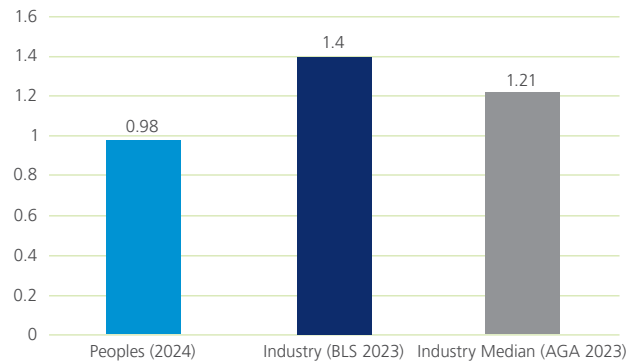
These initiatives have helped drive performance¹:

- Since implementing some of these initiatives, Peoples has achieved lower or similar lost time and restricted time injury rates (LT/RT) than the industry group average².
- Additionally, since 2021, Essential’s employee-responsible motor vehicle accidents (RVA) rate improved by 15%³.

Water Industry Average LT/RT Rate Comparison



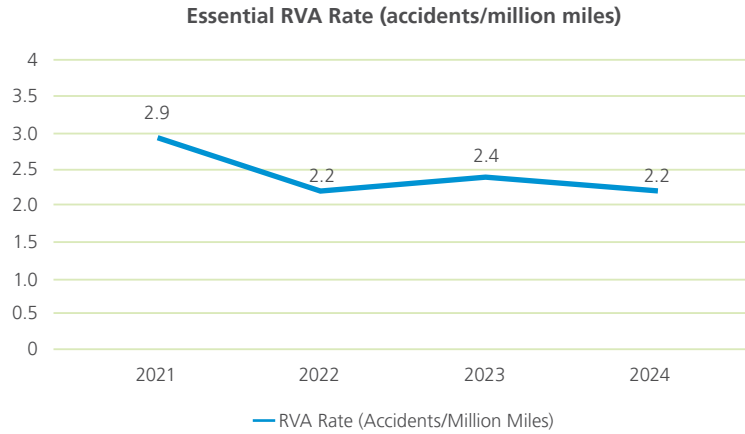
Gas Industry Average LT/RT Rate Comparison



¹ This data only pertains to full-time Essential employees.

² Industry group average data provided by Bureau of Labor Statistics, the National Association of Water Companies, and the American Gas Association. Rate equivalent to number of lost time and restricted duty injuries multiplied by 200,000 and divided by hours worked.

³ RVA rate equivalent to number of RVAs divided by miles driven and multiplied by 1,000,000.



Strengthening Our Community

Essential operates in nine states across America, but as a critical part of the communities we serve, our presence is felt locally. We do business with many local suppliers and build our team with members of those communities. Our employees take pride in the essential resources they provide for their families and neighbors. Our services enable households to grow, commerce to bustle, and the health of our towns and cities to flourish. Simply put, we thrive when our communities thrive. For these reasons, our organization and team members enthusiastically contribute time and resources to further strengthen our communities. Working with incredible nonprofits throughout our service areas, we have formed some powerful partnerships to improve the quality of life for our customers.

IN 2024, WE HAD

\$1.4 Billion

in controllable spend, over half of which was with suppliers from within the states where we operate and much of this was from local small-to-medium size businesses with which we have long-standing relationships.

IN 2024, ESSENTIAL EMPLOYEES TRACKED MORE THAN

4,460 Hours

of paid volunteer time.



IN 2024, ESSENTIAL'S CHARITABLE GIVING TO 501(C)(3) ORGANIZATIONS TOTALED

\$5 Million

We also matched employee donations to contribute a combined \$800,000 to the United Way.

\$800,000

Other Governance Policies and Practices

Clawback Policy

In accordance with recent Securities and Exchange Commission and New York Stock Exchange requirements, on February 22, 2023, the Company's Board of Directors unanimously adopted a Compensation Recoupment Policy (the Clawback Policy). **Among other items, this Clawback Policy covers the Company's ability to recoup compensation, including time-vesting equity awards in the event of a restatement, regardless of whether the executive was at fault or not and is intended to be fully compliant with all requirements of the Securities and Exchange Commission and the New York Stock Exchange.**

Anti-Hedging and Anti-Pledging Policy

We believe issuing incentive and compensatory equity awards to our directors and named executive officers along with our stock ownership guidelines help align their interests with our shareholders. As part of our insider trading policy, we prohibit all directors and employees from engaging in hedging or pledging activities with respect to any owned shares or outstanding equity awards. The policy specifically prohibits all insiders from engaging in any short sales of the Company's securities, buying or selling puts, calls or other derivative securities relating to the Company's securities, or pledging the Company's securities as collateral for a loan. *None of our directors or named executive officers engaged in any hedging or pledging activities with respect to the Company stock during 2024.*

Equal Employment Opportunity and Anti-Harassment Policy

The Equal Employment Opportunity and Anti-Harassment Policy provides that all employees are entitled to a work environment in which they are treated with dignity and respect and that is free of harassment and discrimination of any kind, including emotional, physical and sexual harassment.

Essential Utilities will not tolerate any form of harassment on the job by managers, other employees, or by non-employees, such as customers, vendors or contractors. The policy clearly defines harassment as including verbal comments that are offensive or unwelcome regarding a person's national origin, race, color, religion, gender, sexual orientation, age, body, disability or appearance, including epithets, slurs and negative stereotyping and nonverbal harassment to include distribution, display or discussion of any written or graphic material that ridicules, denigrates, insults, belittles or shows hostility, aversion or disrespect toward an individual or group because of national origin, race, color, religion, age, gender, sexual orientation, pregnancy, appearance, disability, sexual identity, marital status or other protected status.

Human Rights Policy

The Board of Directors is responsible for overseeing human rights risk management. In 2019, it enacted a Human Rights Policy that underscores the Company's commitment to conducting business in a way that minimizes the adverse effects our operations may have on people and the communities that we serve. At a minimum, the Company and its vendors will:

- make efforts to avoid causing or contributing to human rights violations;
- mitigate and/or remediate adverse human rights impacts of our operations where possible;
- prohibit the use of child labor, forced labor, or human trafficking; and
- be transparent in our efforts, successes and challenges.

The Human Rights Policy and the Equal Employment Opportunity and Anti-Harassment Policy demonstrate that the Company is committed to providing all of its employees with a work environment in which they are treated with dignity and respect and that is free of harassment of any kind, and affirmatively commit the Company to making efforts to avoid causing or contributing to human rights violations. Copies of these policies can be found at www.Essential.co/investor-relations or at ESG.Essential.co.

Related Person Transactions

The Board has a written policy for related person transactions to document procedures for reviewing, approving or ratifying these transactions. The policy applies to any transaction in which: (1) the Company is a participant, (2) any related person has a direct or

indirect material interest, and the annual amount involved exceeds \$120,000, but excludes certain types of transactions in which the related person is deemed not to have a material interest.

Under this policy, a related person means:

- any person who is, or at any time since the beginning of the Company's last fiscal year was, a director, an executive officer or a director nominee;
- any person known to be the beneficial owner of more than 5% of any class of the Company's voting securities;
- any immediate family member of a person identified in items (a) or (b) above, meaning such person's spouse, parent, stepparent, child, stepchild, sibling, mother- or father-in-law, son- or daughter-in-law, brother- or sister-in-law or any other individual (other than a tenant or employee) who shares the person's household; or
- any entity that employs any person identified in (a), (b) or (c) or that any person identified in (a), (b) or (c) directly or indirectly owns or in which any such person otherwise has a material interest.

The Corporate Governance Committee, with assistance from the Company's General Counsel, is responsible for reviewing and approving any related person transaction. In its review and approval of related person transactions (including its determination as to whether the related person has a material interest in a transaction), the Corporate Governance Committee will consider the factors set forth above. The Corporate Governance Committee intends to approve only those related person transactions that are in, or are not inconsistent with, the best interests of the Company and our shareholders.

There were no related person transactions in 2024.

Communications with the Company or Independent Directors

The Company welcomes shareholder comments and suggestions. All are given careful consideration. Your correspondence should be addressed as follows:

Corporate Secretary
Essential Utilities, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

In addition, shareholders or other interested parties may communicate directly with the independent directors or the lead independent director by writing to the address below. The Corporate Secretary will review all correspondence and provide any comments, along with the full text of the communication, to the independent directors or the lead independent director.

The Independent Directors or Lead Independent Director of Essential Utilities, Inc.
C/O Corporate Secretary
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

Director Compensation

As part of its annual review, the Executive Compensation Committee retained Pay Governance, LLC to review and benchmark the Board of Directors' compensation. As a result of this review, the Board of Directors did not change its compensation for 2024. The elements of director compensation for 2024 are shown below.

2024 Director Compensation Program

	Annual Cash Compensation	Annual Equity Compensation
Each Non-Employee Director	\$105,000	Stock grant equal to \$120,000 in value
Chair, Audit Committee	+ \$20,000	—
Chair, Executive Compensation Committee	+ \$15,000	—
Chair, Corporate Governance Committee	+ \$15,000	—
Chair, Risk Mitigation and Investment Policy Committee	+ \$15,000	—
Lead Independent Director	+ \$30,000	—

All directors are reimbursed for reasonable expenses incurred in connection with attendance at Board or committee meetings.

In late 2024, the Executive Compensation Committee again retained Pay Governance to review and benchmark the Board of Directors' compensation. Pay Governance compared the directors' compensation to director compensation paid by the Company's peers and made suggestions and recommendations to the Executive Compensation Committee and the Corporate Governance Committee.

Upon the recommendation of the Executive Compensation Committee and the Corporate Governance Committee, the Board of Directors agreed to revise the director compensation program for 2025 as follows:

2025 Director Compensation Program

	Annual Cash Compensation	Annual Equity Compensation
Each Non-Employee Director	\$110,000	Stock grant equal to \$135,000 in value
Chair, Audit Committee	+ \$20,000	—
Chair, Executive Compensation Committee	+ \$15,000	—
Chair, Corporate Governance Committee	+ \$15,000	—
Chair, Risk Mitigation and Investment Policy Committee	+ \$15,000	—
Lead Independent Director	+ \$30,000	—

All directors are reimbursed for reasonable expenses incurred in connection with attendance at Board or committee meetings.

Director Stock Ownership Guidelines

Each director is required to own shares of Company common stock having a value equal to five times the annual base cash retainer for directors. Directors have up to five years from appointment to attain the required ownership level and may not sell Company common stock until the required ownership has been reached. Once the required stock ownership level is attained, a director must maintain those stock holdings for the duration of the director's service. As of December 31, 2024, the guidelines required ownership of 14,459 shares.

All Directors are compliant with the stock ownership guidelines.

Director Stock Ownership as of December 31, 2024

Amato	19,362
Bruner ²	3,259
Ciesinski ²	9,526
Franklin ¹	NA
Hilferty	30,737
Lewis ²	6,725
Linde ²	3,259

(1) Mr. Franklin is a management director. His stock ownership guidelines and current shareholdings are detailed on pages 66 through 67.

(2) These directors have been on the Board for less than five years.

Total 2024 Director Compensation

Name	Fees Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Amato	120,000	119,996	—	—	—	—	239,996
Bruner	93,750	119,996	—	—	—	—	213,746
Ciesinski	116,250	119,996	—	—	—	—	236,246
Franklin⁽²⁾	—	—	—	—	—	—	—
Hilferty	150,000	119,996	—	—	—	—	269,996
Kelly⁽³⁾	—	—	—	—	—	—	—
Lewis	105,000	119,996	—	—	—	—	224,996
Linde	78,750	119,996	—	—	—	—	198,746
Ruff⁽⁴⁾	80,000	—	—	—	—	—	80,000
Stewart⁽⁴⁾	81,667	—	—	—	—	—	81,667
West⁽⁵⁾	105,000	119,996	—	—	—	—	224,996

(1) The grant date fair value per share of the stock awards paid on June 20, 2024, were \$36.82. This grant date fair value was calculated in accordance with FASB ASC topic 718.

(2) As an officer of the Company, Mr. Franklin does not receive any compensation for his service on the Board of Directors.

(3) Ms. Kelly directed her cash compensation be paid to CPPIB and she does not receive any stock awards. Ms. Kelly resigned from the Board in 2024 and is not standing for election.

(4) Ms. Ruff and Mr. Stewart retired from the Board during 2024.

(5) Mr. West resigned from the Board in 2025 and is not standing for election.

Ownership of Common Stock as of March 10, 2025

The table below shows the number of shares of our common stock beneficially owned as of the close of business on March 10, 2025, by: (1) each person known to the Company to be the beneficial owner of more than 5% of the Common Stock of the Company; (2) each director, nominee for director and executive officer named in the Summary Compensation Table; and (3) all directors, nominees and executive officers of the Company as a group. This information has been provided by each of the directors, executive officers and nominees at the request of the Company or derived from statements filed with the SEC under Section 13(d) or 13(g) of the Exchange Act. Beneficial ownership includes the possession, directly or indirectly, through any formal or informal arrangement, either individually or in a group, of voting power (which includes the power to vote, or to direct the voting of, such security) and/or investment power (which includes the power to dispose of, or to direct the disposition of, such security). Unless otherwise indicated, the address of the beneficial owners is Essential Utilities, Inc., 762 W. Lancaster Avenue, Bryn Mawr, Pennsylvania 19010.

Certain Beneficial Owners	Sole Voting and/or Sole Investment Power	Shared Voting and/or Investment Power	Total Beneficial Ownership	Percentage of Class Outstanding ⁽¹⁾
BlackRock, Inc. ⁽²⁾ 55 East 52nd Street New York, NY 10055	31,004,969		31,004,969	11.25%
The Vanguard Group ⁽³⁾ 100 Vanguard Blvd. Malvern, PA 19355	27,536,540		27,536,540	9.99%
Canada Pension Plan Investment Board ⁽⁴⁾ One Queen Street East, Suite 2500 Toronto, Ontario M5C 2W5 Canada		21,661,095	21,661,095	7.86%
Directors, Nominees and Named Executive Officers				
Elizabeth B. Amato	19,362	—	19,362	*
Colleen M. Arnold ⁽⁵⁾	9,586	—	9,586	*
Christopher L. Bruner	3,259	—	3,259	*
David A. Ciesinski	9,526	—	9,526	*
Christopher H. Franklin ⁽⁵⁾	258,192	—	258,192	*
Daniel J. Hilferty	30,737	—	30,737	*
Michael Huwar	9,803	—	9,803	*
W. Bryan Lewis	6,725	—	6,725	*
Tamara L. Linde	3,259	—	3,259	*
Christopher P. Luning ⁽⁵⁾	60,605	—	60,605	*
Daniel J. Schuller ⁽⁵⁾	54,254	—	54,254	*
All Directors, Nominees and Named Executive Officers as a Group (12 persons)	490,738	26,010⁽⁶⁾	516,748	

* less than one percent

(1) Percentage of ownership for each person or group based on 275,524,251 shares of Common Stock outstanding as of March 10, 2025.

(2) The information from BlackRock, Inc. was obtained from the Schedule 13G/A filed by BlackRock, Inc. with the SEC on January 23, 2024.

(3) The information from The Vanguard Group was obtained from the Schedule 13G/A filed by the Vanguard Group with the SEC on February 13, 2024.

(4) The information from Canada Pension Plan Investment Board (CPPIB) was obtained from the most recent Schedule 13D filed by CPPIB with the SEC on November 8, 2024.

(5) Includes shares held under the Company 401(k) plan.

(6) The shareholdings indicated include 26,010 shares (i) held in joint ownership with spouses, (ii) held as custodian for minor children, (iii) owned by family members, or (iv) in trusts for adult children.

Proposal 2:

Advisory Vote to Approve Named Executive Officers' 2024 Compensation

Shareholders are entitled to an advisory (non-binding) vote on the executive compensation as described in this proxy statement for our named executive officers (sometimes referred to as Say on Pay). Currently, this vote is conducted every year. Accordingly, the following resolution is being presented by the Board of Directors at the 2025 Annual Meeting:

RESOLVED, that the compensation paid to the Company's named executive officers for 2024, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED.

This vote is non-binding. The Board of Directors and the Executive Compensation Committee, which is made up of independent directors, expect to take into account the outcome of the vote when considering future executive compensation decisions to the extent they can determine the cause or causes of any significant negative voting results.

Before you vote

Shareholders are encouraged to read the Compensation Discussion and Analysis, the accompanying compensation tables and the related narrative disclosure.

As described in detail under our Compensation Discussion and Analysis on pages 45 through 67 of this proxy statement, our executive compensation program is designed to motivate our executives to achieve our primary goals of providing our customers with quality, cost-effective and reliable water and wastewater services and providing our shareholders with a long-term, positive return on their investment.

We believe our executive compensation program, with its balance of short-term incentives, long-term incentives and share ownership guidelines, rewards sustained performance that is aligned with the interests of our customers, employees and long-term shareholders.



The Board of Directors unanimously recommends a vote FOR the approval, on an advisory basis, of the 2024 compensation of the Company's named executive officers.

Executive Compensation

Contents

Compensation Discussion and Analysis	45
Executive Summary	46
Introduction	46
2024 Performance Highlights	47
Our Pay for Performance Compensation Program	48
Highlights of our Compensation Policies	48
Pay for Performance and Results of the 2024 Advisory Vote to Approve Executive Compensation	49
Section 1: Our Compensation Philosophy	50
Elements of Compensation for Named Executive Officers	50
Section 2: How We Determine Executive Compensation	51
The Role of the Compensation Committee	51
The Role of Management	51
The Role of the Compensation Committee's Independent Consultant	51
Competitive Pay Positioning	51
Our 2024 Benchmarking for Competitive Pay	52
Our 2024 Benchmarking Peer Group	52
Shareholder Advisory Vote Impact on Compensation Committee Actions	53
Section 3: 2024 Executive Compensation Program	54
Overview	54
Base Salary	54
Annual Cash Incentive Awards	55
Long-Term Equity Incentive Awards	57
Other Benefits	60
Section 4: 2024 NEO Compensation and Performance Summaries	62
Section 5: Our 2025 Short- and Long-Term Incentive Programs	65
Section 6: Compensation Governance Policies and Practices	66
Anti-Hedging and Anti-Pledging Policy	66
Clawback of Incentive Compensation	66
Limited Perquisites	66
Stock Ownership Guidelines	66
Executive Compensation Committee Report	67
Executive Compensation Tables	68
Summary Compensation Table	68
Grants of Plan-Based Awards	73
Outstanding Equity Awards at Fiscal Year-End	74
Options Exercised and Stock Vested	76
CEO to Median Employee Pay Ratio	76
Retirement Plans and Other Post-Employment Benefits	77
Pension Benefits	77
Retirement Income Plan (the Retirement Plan)	78
Non-Qualified Retirement Plan	78
Actuarial Assumptions used to Determine Values in the Pension Benefits Table	79
Non-Qualified Deferred Compensation	80
Potential Payments Upon Termination or Change-In-Control	80
Retirement and other Benefits	81

Compensation Discussion and Analysis

In this Compensation Discussion and Analysis (“CD&A”), we address our compensation philosophy and program, and compensation paid or earned by the following executive officers:

Christopher H. Franklin

Chairman, President and Chief Executive Officer

Daniel J. Schuller

Executive Vice President and Chief Financial Officer

Christopher P. Luning

Executive Vice President and General Counsel

Colleen M. Arnold

President, Water

Michael A. Huwar

President, Gas

Matthew R. Rhodes

Former Executive Vice President and Chief Strategy & Corporate Development Officer (resigned September 20, 2024)

We refer to these executive officers as our “named executive officers” or “NEOs.”

As used in this CD&A,

- “Total cash compensation” means the total of base salary and annual cash incentive compensation; and
- “Total direct compensation” means the total of base salary, annual cash incentive compensation and equity incentive compensation.

The purpose of the CD&A is to explain the elements of compensation; why the Executive Compensation Committee (the Compensation Committee) selects these elements; and how the Compensation Committee determines the relative size of each element of compensation.

Compensation decisions for Messrs. Schuller, Rhodes, Luning and Huwar, and Ms. Arnold were made by the Compensation Committee. Compensation decisions for Mr. Franklin were made by the independent members of our Board of Directors based on the recommendation of the Compensation Committee.

Executive Summary

Introduction

Essential Utilities, Inc.'s mission is to improve quality of life and economic prosperity by safely and reliably delivering life's most essential resources. We are uniquely positioned to play an important role in solving today's water and natural gas infrastructure challenges by renewing and improving infrastructure through thoughtful capital investment, operational excellence, environmental stewardship and rigorous safety standards. Through the work of more than 3,200 employees across nine states, we help strengthen communities, improve service and enhance economic development, enabling people to live better lives. This vital work empowers us to grow as an organization and as individuals. We believe that, together, we will make a difference for generations to come.

Our executive compensation program is designed to promote this mission and strategy. Our compensation program does so by providing market-based pay and by rewarding performance that aligns with our four strategic objectives. The principles and components of our compensation strategy are regularly reviewed by the Compensation Committee, with input from our Chief Executive Officer, and the Compensation Committee's independent compensation consultant, Pay Governance, to ensure they meet the objectives of the program, the Company, and our stakeholders.

The Year in Review

Despite the 2024 winter weather that was significantly warmer than normal, our Company was successful in delivering the financial performance expectations. Essential invested a record amount of more than \$1.3 billion in capital improvement to its regulated water and natural gas infrastructure systems and to enhance customer service across its operations. Our Company continues to be a leader in the country at replacing miles of underground utility pipe and is committed to maintaining elevated levels of infrastructure investment. We will continue these investments in 2025 as we improve our footprint's pipes.

In February 2020, we announced that we will, over several years, install mitigation technology at water treatment facilities where source water exceeds 13 parts per trillion (ppt) for any Poly-fluoro alkyl substances (PFAS). We established our standards and began our work well before the U.S Environmental Agency's final rule in April 2024. We continue to make progress throughout our footprint on establishing PFAS remediation systems to address the chemical at the source. Additionally, our water operations teams continue their work on replacing lead service lines in water systems. This is important work to ensure cleaner drinking water and enhances infrastructure. These initiatives are reflected in our incentive plan goals.

Annually, the Compensation Committee incorporates investor feedback into its review of the compensation program design to ensure alignment with best practices and with investor expectations about our compensation and performance. Among other things, the Committee examines the performance measures for each element of the program to ensure they continue to align with the interests of our shareholders, customers, and employees and remain competitive with the compensation practices of our industry peer group. With the assistance of Pay Governance, the Compensation Committee's independent compensation consultant, the Committee has determined that our program design, types of compensation vehicles, and the allocation of the compensation elements for the named executive officers is consistent with current competitive compensation practices in the utility industry. Our continued favorable Say on Pay approval voting over the last few years confirms the confidence shareholders have in Essential's compensation program.

For the fourth consecutive year, Essential has been named to Newsweek's list of America's Most Responsible Companies. We are honored to be recognized for our commitments to operational excellence, environmental stewardship, and sustainable business practices and are excited to continue in our role as an industry leader.

Year	Say-on-pay Advisory Vote
2022	97.1%
2023	96.0%
2024	93.7%

The performance measures in the 2024 compensation program align the interests of our stakeholders and our named executive officers by correlating the amount of the named executive officers' pay with the Company's short-term and long-term performance and our stock price.

2024 Performance Highlights

Our core values of respect, integrity, and the pursuit of excellence are the underlying foundation to our mission of safely and reliably delivering Earth’s most essential natural resources to our customers and communities while delivering sustainable growth for our investors. During 2024, our leadership team remained focused on our long tradition of operational excellence, strong growth and continued progress on our sustainability commitments; prudently invested a record amount of over \$1.3 billion in infrastructure; and demonstrated the resiliency of our water and natural gas platforms. As of year-end 2024, we had a total of six¹ signed purchase agreements to acquire water and wastewater systems, totaling over \$344.0 million in purchase price and expecting to serve over 210,000 equivalent retail customers or equivalent dwelling units.

\$1.3B



In 2024, we invested a record amount of over \$1.3 Billion in infrastructure projects across the water and gas utilities, helping to ensure safe and reliable service for all customers.

NET INCOME

\$595.3M

↑ **19.5%**

Net income was \$595.3 million in 2024, an increase of 19.5 percent over 2023.

EARNINGS PER SHARE

\$2.17

↑ **16.7%**

Earnings per share were \$2.17 in 2024 compared to \$1.86 in 2023, an increase of 16.7%.

ADJUSTED EARNINGS PER SHARE*

\$1.97

↑ **5.9%**

DIVIDENDS TO SHAREHOLDERS

↑ **6.0%**
Increase

In July 2024, the Board of Directors approved a **6 percent increase in the quarterly dividend**, to an annualized rate of \$1.302 per share.

CUSTOMERS ADDED

10,158

Customers added in 2024

As of year end 2024, the Company had six¹ signed purchase agreements to acquire water and wastewater systems. These systems are expected to add more than 210,000 new customers or equivalent dwelling units to the Company’s footprint.

ACHIEVED

25%

Cumulative Scope 1 and Scope 2 emissions reduction

Since making a commitment to reduce greenhouse gas emissions in early 2021, the Company has achieved 25% Scope 1 and 2 emissions reduction from our 2019 baseline towards our 60% reduction target by 203

* 2024 Adjusted earnings per share (Non-GAAP) were \$1.97 after adjustments for one-time gain on assets sale and weather events. See Appendix A for GAAP to Non-GAAP reconciliation.

¹ This number does not include Greenville Sanitary Authority Wastewater System which closed on January 31, 2025.

2022-2024 Pay for Performance Alignment

Our pay programs are designed to reflect the Company's performance. The following table shows the relationship between financial performance goals and executive performance-based payouts over the past three years:

	Target EPS* (adjusted for comp plan)	Target EPS (adjusted for comp plan)	STI Payout %	3 Year TSR Return	PSU Payout %
2022	\$1.77	Achieved	129.06%	12.37%	171.16%
2023	\$1.88	Achieved	143.73%	-15.49%	77.94%
2024	\$1.98	Achieved	136.48%	-14.81%	83.31%

*Target EPS is a non-GAAP financial measure. See Appendix A.

Our Pay for Performance Compensation Program

Our compensation program for named executive officers is designed to:

- Provide compensation that is competitive with our industry peers and appropriately correlates incentive compensation to the achievement of the Company's short- and long-term performance goals.
- Provide a total compensation package that is aligned with industry standards and enhances our ability to:
 - Motivate and reward our named executive officers for leadership excellence and contributions to our financial success;
 - Attract and retain talented and experienced named executive officers; and
 - Ensure a significant portion of pay is performance-based to better align pay with the successful achievement of our business objectives.
- Maintain an important focus on sustainability issues while building shareholder value.

Highlights of our Compensation Policies



What We Do

- Tie a high ratio of our executives' pay to corporate and individual performance
- Require significant stock ownership by directors and executive officers
- Tie incentive compensation to an updated clawback policy
- Use an independent compensation consultant
- Engage with stockholders on compensation and governance



What We Don't Do

- Golden parachute tax gross ups
- Permit pledging or hedging of Essential Utilities securities
- Provide a single trigger vesting cash and equity severance upon a change in control
- Provide employment agreements to a broad group
- Encourage excessive or inappropriate risk-taking through our compensation programs

Pay for Performance and Results of the 2024 Advisory Vote to Approve Executive Compensation

We instill a pay for performance culture throughout the Company. At our 2024 Annual Meeting, we submitted a proposal to shareholders for a non-binding advisory vote on the 2023 named executive officers compensation. Our shareholders overwhelmingly approved the proposal, with 93.7% voting in favor. This validated the compensation design structure that we believe will propel us into the future.

Aligning Interests of NEOs and Shareholders

Annually, we solicit the opinions of our top shareholders on several items, including our executive compensation program design. We do this to ensure that the pay balance and alignment is viewed as driving strong long-term performance by our named executive officers and other members of management. As part of the Company's proactive governance outreach program, the Company offers meetings to our top 25 holders which represent approximately 55% of our outstanding shares. As a result, in 2024 the Company interacted with 6 of the top 25 holders which represent over 35% of our shares outstanding.

As a result of these meetings and conversations in 2024 and other analysis, the Compensation Committee has taken the below actions:

Compensation Committee Actions for 2024

- **Maintained a highly competitive peer group** based on Essential's post-acquisition revenue and market cap scope as well as business mix. These companies encompass both the gas and water utilities industries.
The peer group provides a more representative comparison between Essential, the relative utility industry, and those companies used as comparators by institutional investors.
- **Maintained long-term incentives in the form of performance share units to drive Company value and RSUs to promote retention of key employees.** For 2024, our long-term incentive mix continued to weigh heavier on PSUs, at 65%. We also awarded RSUs (25% of target long-term incentive compensation) and Stock Options (10% of target long-term incentive compensation).
- **Focused on performance based compensation** with 82% of the CEO pay and 66% of the other NEOs pay based on company performance.
- **Focused on talent acquisition and succession planning**, which included developing plans for key executive roles to ensure a strong internal talent pipeline for the future.

Section 1

Our Compensation Philosophy

Our compensation program for named executive officers is designed to:

- Provide compensation that is competitive with our industry peers and appropriately correlates incentive compensation to the achievement of the Company’s short- and long-term performance goals.
- Provide a total compensation package that is aligned with industry standards and enhances our ability to:
 - Motivate and reward our named executive officers for leadership excellence and contributions to our financial success;
 - Attract and retain talented and experienced named executive officers; and
 - Ensure a significant portion of pay is performance-based to better align pay with the successful achievement of our business objectives.
- Maintain an important focus on environmental, social, and governance issues while building shareholder value.

Elements of Compensation for Named Executive Officers

The following chart provides a brief summary of the principal elements of our executive compensation program for 2024. We describe these elements, as well as retirement, severance and other benefits, in more detail on pages 54 through 61.

	Compensation Element	Form	Compensation Objective	Relation to Objective
Fixed	Base Salary	Fixed annual cash paid bi-weekly	Compensate executives for their level of responsibility and sustained individual performance based on market data.	Merit salary increases are based on subjective performance evaluations as well as actual performance against defined objectives.
Performance- and/or Stock-Based Compensation	Annual Cash Incentive Awards	Variable cash paid on an annual basis based on achievement of pre-established goals	Motivate executives to focus on achievement of our annual business objectives.	The amount of the annual incentive award paid, if any, is entirely dependent on achievement of pre-established Company goals.
	Long-Term Equity Incentive Awards	Restricted Stock Units 25%	Align executive interests with shareholder interests; retain key executives.	Provide equity that will have the same value as shares owned by shareholders; subject to stock ownership guidelines.
		Performance Share Units 65%	Aligns executive interests with shareholder interests; creates a strong financial incentive to achieve or exceed long-term performance goals.	The named executive officer’s equity vests only if the pre-established goals are achieved.
		Stock Options 10%	Aligns executive interests with shareholder interests.	The named executive officer’s stock options only vest if the pre-established goal is achieved, and stock options only have value if the price of the Company’s common stock increases after the grant date.

Section 2

How We Determine Executive Compensation

We emphasize pay for performance, especially for our higher-level executives. Therefore, the named executive officers receive a substantial portion of their total direct compensation from annual cash and long-term equity incentives, both of which are risk-based incentives tied to the achievement of Company goals. In addition, the percentages of total direct compensation represented by base salary, annual cash incentive opportunities, and equity incentives for the named executive officers are generally in line with competitive market median benchmark percentages.

The Role of the Compensation Committee

The Compensation Committee, composed entirely of independent directors, determines the actual amount of each element of annual compensation to award to the Company's named executive officers. The goal is for the target total direct compensation opportunity for each named executive officer to be generally within a range of 15% above or below the market median rate for his or her position over time.

The Role of Management

- **Our Senior Vice President, Chief Human Resources Officer** assists the Compensation Committee by preparing schedules showing the present compensation of executives, market median rates, target annual cash incentives, and the target range of equity compensation awards from the information provided by the Compensation Committee's consultant.
- **Our Chief Executive Officer** compiles and presents supporting information describing the individual executive's performance against their individual objectives. He also provides the Compensation Committee with his recommendations for annual salary increases and any changes in target annual cash incentive percentages and equity incentive awards for the other executive officers, but the ultimate decisions regarding compensation for the named executive officers is made by the Compensation Committee.
- **Our Chief Financial Officer** provides the Compensation Committee with certifications as to our financial performance in relation to the Company-specific goals for the Annual Plan and our performance against the criteria established by the Compensation Committee for the vesting of restricted share grants and the earning of performance shares. These financial measures are also certified by our Director of Internal Audit and reviewed by the Audit Committee.

The Role of the Compensation Committee's Independent Consultant

The Compensation Committee retained Pay Governance, a nationally recognized compensation consulting firm, as its independent consultant to assist in designing and assessing the competitiveness of our executive compensation program. Pay Governance provides no other services to the Company other than serving as the Compensation Committee's compensation consultant for executive and director compensation decisions. The Compensation Committee concluded that Pay Governance is an independent consultant after considering the factors relevant to Pay Governance's independence from management, as well as NYSE and SEC rules regarding compensation consultant independence.

Annually, the Compensation Committee has the consultant develop a market rate for base salary, total cash compensation, and total direct compensation for each of the named executive officer positions, including the allocation between cash compensation and equity incentives. Each market rate represents the median compensation level that would be paid to a hypothetical, seasoned performer in a position having similar responsibilities and scope, in an organization of similar size and type as the Company.

Competitive Pay Positioning

We measure the competitiveness of our program for our named executive officers against the median compensation for comparable positions at other companies in our benchmark group composed of other investor-owned utilities.

Our goal is to provide total direct compensation that is competitive with the market median for each named executive officer. Based on the information supplied by Pay Governance, the total target direct compensation for each of our named executive officers was within the competitive range of the benchmark market data for each of their positions during 2024.

Our 2024 Benchmarking for Competitive Pay

In developing the market median for the named executive officers, the Compensation Committee’s consultant, Pay Governance, used compensation data from our 16 utility peer group companies.

The combination of salary, short-term incentives, and long-term incentives awarded to the named executive officers is intended to compensate them at approximately the 50th percentile of the market when the Company performs at target level.

Pay Governance reviews the Company’s executive compensation program for the Compensation Committee and annually provides the data and analysis described above. The compensation consultant discusses the proposed actual compensation awards for the named executive officers and provides research and input to the Compensation Committee on changes to the compensation program.

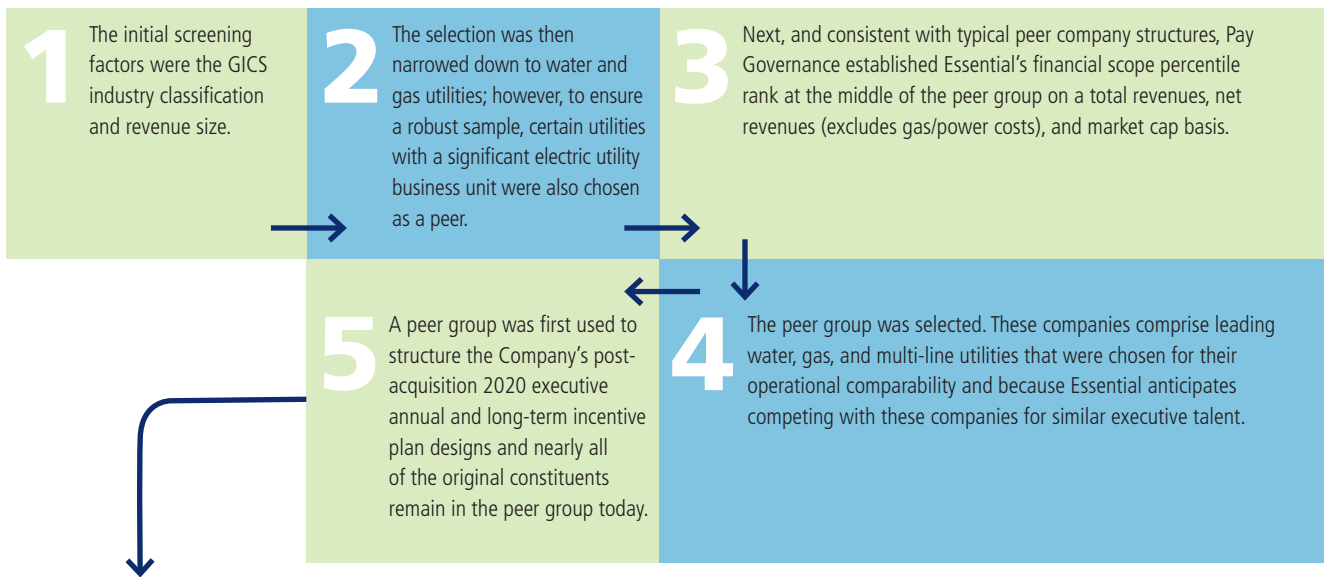
In 2024, Pay Governance also analyzed the Company’s executive compensation program to ensure that it remained competitive. Pay Governance uses the median to show the market rate for base salary, total cash compensation and total direct compensation, including the allocation between cash compensation and equity incentives.

Our 2024 Benchmarking Peer Group

We use a sixteen-company peer group to benchmark executive pay. This custom peer group process was first used in 2020 and will continue to be the foundation of our benchmarking approach.

How We Selected our Peer Group

A multi-step screening process was used to determine the final comparator companies.



Essential Utilities, Inc. 2024 Peer Group			
Alliant Energy Corp.	Avista Corp.	New Jersey Resources Corp.	ONE Gas, Inc.
American States Water Co.	Black Hills Corp.	NiSource, Inc.	Portland General Electric Co.
American Water	California Water Service Group	NorthWestern Corp.	Southwest Gas Holdings, Inc.
Atmos Energy Corp.	Eergy Inc.	OGE Energy Corp.	Spire, Inc.

Shareholder Advisory Vote Impact on Compensation Committee Actions

The Compensation Committee also takes into consideration the results of the advisory votes on the Company's executive compensation program for the previous few years. We are committed to providing shareholders with transparency regarding the metrics and measurements used for our incentive plans.

Highlights of 2024 Compensation Plan Structure

During 2024, the Compensation Committee made the following key decisions for the compensation plan designs:

- Used the Company's select peer group of sixteen companies with revenues, market capitalization and industry focus on water and gas comparable to Essential's;
- Retained the Company's focus on retention of key employees by continuing to issue restricted stock units (RSUs);
- Continued emphasizing long-term incentives in the executives' total compensation package to underscore our drive for long-term value creation for shareholders.

Section 3

2024 Executive Compensation Program

Overview

We believe the following seven elements contribute to making our compensation program well-designed, balanced and competitive:

Element of Compensation	Objectives
Competitively benchmarked base salaries	Designed to attract and retain named executive officers consistent with their talent and experience
Short-term incentives or annual cash incentive awards	Intended to reward executives for: <ul style="list-style-type: none"> • improving the quality of service to our customers; • controlling the cost of service to our customers by managing expenses and improving performance; • achieving economies of scale by acquiring additional water and wastewater systems that can benefit from our resources and expertise; • disposing of under-performing systems where appropriate; and • enhancing our financial viability and performance by achieving annual objectives.
Long-term equity incentives	Designed to reward named executive officers for: <ul style="list-style-type: none"> • enhancing our financial health, which also benefits our customers; • improving our long-term performance through both revenue increases and cost control; and • achieving increases in the Company's equity and in absolute shareholder value and shareholder value relative to peer companies.
Retirement benefits	Intended to assist named executive officers generate income for their retirement.
Non-qualified deferred compensation plan	Designed to allow eligible executives to manage their financial and tax planning by deferring current income until a later date, including following retirement or other separation from employment, without an additional contribution from the Company.
Double-trigger change-in-control agreements	Designed to promote stability and dedication to shareholder value in the event of a fundamental transaction affecting the ownership of the Company and to enable the named executive officers to evaluate any such transaction impartially.
Stock ownership guidelines	Designed to focus named executive officers on the long-term performance of the Company and align their interests with those of our shareholders by encouraging named executive officers to maintain a significant ownership interest in the Company.

Base Salary

Base salary is designed to provide the named executive officers and all our other employees with a level of fixed pay that is commensurate with their role and responsibilities. We believe by delivering base salaries that are reflective of market medians, we are positioned to attract and retain top caliber executives in an increasingly competitive labor market.

How We Determine Base Pay – Market Medians and Internal Pay Equity

The Compensation Committee annually reviews the base salaries of our named executive officers, and for all our senior executives, to evaluate whether they are competitive with our industry peers. Base salaries are considered for adjustment annually and are based on a combination of factors, including general movement in external salary levels, changes in the market median rate for an executive's position, individual performance, internal pay equity, and changes in individual duties and responsibilities.

For the NEOs in particular, the Compensation Committee analyzes both the market median rate for their positions and internal equity with both the other named executive officers and the other employees of the Company. For NEOs other than our CEO, the Committee also

considers recommendations from our CEO, Mr. Franklin, reflecting his assessment of the individual’s performance and their contributions to the achievement of business objectives. Mr. Franklin’s pay is evaluated separately by the Compensation Committee under the same criteria, with the final recommendation determined and approved by all the independent members of the Board of Directors.

NEO 2024 Base Salary

For 2024, the annual increases to the salaries for the named executive officers reflected these assessments. The NEOs’ salary increases averaged 3.7%, which approximated normal market-driven adjustments and reflected peer group median benchmarks ensuring NEO salaries aligned with the market. These increases were viewed as an important retention tool, reflected tenure, experience and peer group for the Committee. The base salaries approved by the Compensation Committee for 2024, effective April 1, 2024, were as follows:

- Mr. Franklin, \$1,032,500
- Mr. Schuller, \$526,575
- Mr. Rhodes,* \$500,763
- Mr. Luning, \$454,300
- Ms. Arnold, \$388,500
- Mr. Huwar, \$368,200

* We are not providing information regarding incentive compensation for Mr. Rhodes in this CD&A because he resigned on September 20, 2024 and did not receive any 2024 short-term or long-term compensation. Mr. Rhodes did not receive any severance or termination payments upon his departure and he forfeited his outstanding equity awards.

Annual Cash Incentive Awards

The Annual Cash Incentive Award Plan is a non-equity incentive plan that provides each named executive officer with the opportunity to earn a cash award tied to Company performance against specific business objectives.

A balanced scorecard approach to this cash incentive ensures that all employees work in the best interests of the shareholders, employees, and customers.

2024 Annual Performance Metrics

Metric/Weighting	Metric Rationale and Definition Target Performance Range: 50%–150% of Target
<p>50% Financial</p>  <ul style="list-style-type: none"> Adjusted Earnings Per Share* 35% Return on Equity 15% 	<p>Half of the total award funding is based on the Company’s financial performance, with the majority (35%) based on Essential Adjusted Earnings Per Share and 15% based on Return on Equity.</p> <p>These award measures align the executives’ awards with results for shareholders.</p>
<p>20% Safety</p>  <ul style="list-style-type: none"> Lost Time/Restricted Time Incidents Responsible Vehicle Accident Rate Gas Damage Prevention 	<p>Essential demonstrates a strong commitment to safety by basing 20% of the executives’ annual awards on our ability to manage OSHA-defined lost time incidents and recordable incidents, as well as responsible vehicle accident rates, defined as the number of responsible vehicle accidents (RVA) during which the driver failed to do everything reasonable to avoid the accident per million miles driven. The determination of the preventability is based on criteria similar to those found in the National Safety Council’s Guide to Determine Motor Vehicle Accident Preventability Report. Gas Damage Prevention measures the number of incidents per one thousand tickets submitted, and focuses efforts on prevention.</p>
<p>10% Environmental Stewardship</p>  <ul style="list-style-type: none"> Water Compliance Wastewater Compliance Peoples Gas Leaks Peoples Gas LTIP 	<p>Environmental stewardship, as measured by water, wastewater and gas compliance rates, accounts for another 10% of the overall plan. Compliance rates are calculated by considering water or wastewater events causing the operating system to be out of compliance for at least one day out of the available days of the year (366 days in 2024). Reduction in gas leaks outstanding includes the number of leaks outstanding at year-end as reported on DOT reports. The gas LTIP mileage replacement is measured as percentage completed per the approved plan.</p>
<p>10% Customer Satisfaction</p>  <ul style="list-style-type: none"> Service Level 	<p>The customer satisfaction metric (10%) ensures that we balance financial, safety and environmental concerns with our customer service levels. This metric measures the percentage of customer calls that are answered within 30 seconds.</p>
<p>10% Individual Performance</p>  <ul style="list-style-type: none"> Two individual goals set 	<p>Individual performance based on specific goals that align with broader Company goals represent 10% of the formula. At the beginning of 2024, two individual goals were identified for each named executive officer that aligned with the broader Company goals. Each named executive officer was rated on the achievement of each goal.</p>

* Adjusted EPS is a non-GAAP financial measure. See Appendix A for reconciliation to the GAAP financial measure and adjustments made for purposes of the compensation metric attainment.

2024 Performance

The following table shows the Company's 2024 performance compared to the targets set in the Annual Plan. The Compensation Committee evaluated the actual attainment of each performance goal, with particular emphasis on the above-target achievement of all goals, and determined that the aggregate weighted achievement of the corporate goals was 136.48%.

2024 Company Performance Metric Scorecard

	Metric Component	Threshold 50% Payout	Target 100% Payout	Maximum 150% Payout	2024 Actual Results	Actual Attainment	Weight	Achievement
Financial 50%	Essential Earnings Per Share (EPS)*	\$1.93	\$1.98	\$2.03	\$2.17	150.00%	35.00%	52.50%
	Essential ROE	8.04%	9.54%	11.04%	11.77%	150.00%	15.00%	22.50%
Safety 20%	Essential Lost Time/ Restricted Time	1.70	1.20	0.85	1.14	108.57%	5.00%	5.43%
	Essential Responsible Vehicle Accident Rate	3.00	2.50	2.00	2.45	105.00%	5.00%	5.25%
	Gas Damage Prevention	3.33	3.22	3.11	2.84	150.00%	10.00%	15.00%
Customer Service 10%	Water Service Level	82.40%	83.40%	84.40%	83.67%	113.50%	5.00%	5.68%
	Gas Service Level	83.30%	84.30%	85.30%	85.21%	145.50%	5.00%	7.28%
Compliance 10%	Aqua Water Compliance	99.65%	99.75%	100.00%	99.80%	110.00%	2.50%	2.75%
	Aqua Wastewater Compliance	94.00%	96.50%	99.50%	96.71%	103.50%	2.50%	2.59%
	Peoples Gas Leaks	180	165	150	107	150.00%	2.50%	3.75%
	Peoples Gas LTIIIP	97.50%	100.00%	102.50%	104.60%	150.00%	2.50%	3.75%
Individual Goals 10%	Individual Goals	50.00%	100.00%	150.00%	10.00%	100.00%	10.00%	10.00%
Total Achievement								136.48%

* Actual Essential Earnings Per Share is adjusted (Non-GAAP financial measure). Refer to Appendix A for a reconciliation of this Non-GAAP financial measure to net income per share, the closest comparable GAAP financial measure.

Based on this determination, the table below shows the target and actual annual cash incentive awards approved by the Compensation Committee for 2024 for the named executive officers.

2024 Named Executive Officer Short-Term Incentive Awards

Name	2024 Salary Rate* (\$)	2024 Target Bonus %	2024 Achievement**	2024 STI Payment (\$)
Christopher H. Franklin	\$1,032,500	100%	141.48%	\$1,460,781
Daniel J. Schuller	\$526,575	65%	140.48%	\$480,826
Christopher P. Luning	\$454,300	60%	140.98%	\$384,283
Colleen M. Arnold***	\$388,500	45%	125.39%	\$219,213
Michael A. Huwar****	\$368,200	45%	143.41%	\$237,616

* The 2024 Salary Rate is an annualized rate.

** Each Named Executive Officer's goals attainment were evaluated and approved by the Executive Compensation Committee. Mr. Franklin attained 150% for his 10% Individual Goals resulting in 141.48% STI Achievement.

*** Ms. Arnold's Short-Term Incentive Plan focuses on a blend of Essential and Aqua specific financial, safety, customer service, environmental and individual metrics.

**** Mr. Huwar's Short-Term Incentive Plan focuses on a blend of Essential and Peoples Gas specific financial, safety, customer service, environmental and individual metrics.

Long-Term Equity Incentive Awards

Our use of equity incentive awards is intended to reward our named executive officers for:

- Enhancing the Company’s financial health, which also benefits our customers;
- Improving our long-term performance through both revenue increases and cost control; and
- Achieving increases in the Company’s equity and shareholder value.

We make these equity incentive awards under our Amended and Restated Omnibus Equity Compensation Plan (the Plan). Under the Plan, the Compensation Committee and the Board of Directors may grant stock options, performance-based or service-based stock unit and stock awards, stock appreciation rights and other stock-based awards to officers, directors, key employees and key consultants of the Company and its subsidiaries who are in a position to contribute materially to the successful operation of our business.

Since 2011, the Compensation Committee has used a combination of performance share units and restricted stock units to better link the named executive officers’ long-term incentive compensation to performance results that led to increased shareholder value and enhanced our long-term financial stability, which also benefits our customers. For 2022, the long-term incentive plan reintroduced performance-based stock options as part of the program to incentivize management to grow the value of the Common Stock.

We aim to strike a balance between the incentive and retention goals of our equity grants:

- All of the equity grants to our Chief Executive Officer are subject to performance goals; and
- For our other named executive officers, sixty-five percent of the equity grant is performance-based share units, twenty-five percent is in the form of restricted stock units, and ten percent is stock options for 2024.

Using the market median rates developed by Pay Governance, the Compensation Committee evaluates the target annual equity incentive awards made to the named executive officers as part of the total compensation package designed to be competitive with the benchmarked group and our industry. The Compensation Committee does not consider any increase or decrease in the value of past equity incentive awards in making these annual decisions.

In considering the number of equity incentive awards to be granted in total to all employees each year, the Compensation Committee considers the number of equity incentive awards outstanding and the number of equity incentive awards to be awarded as a percentage of Essential’s total shares outstanding.

The number of equity incentive awards granted annually to all employees has been less than 1% of Essential’s total shares outstanding per year for the past several years. It is our equity granting policy to make all employee equity incentive awards on the same grant date.

Long Term Equity Incentive Awards Mix

Performance-based equity awards provide guidance and incentives to management for building shareholder growth, while restricted share units and options provide retention benefits and closely align management with the shareholders. The table below shows the balance between the performance share units, performance-based options, and restricted stock units between 2021 and 2025.

Long-Term Equity Mix for 2021-2025

Award Year	Performance Period	Payment Year	Performance Share Units	Performance Based Stock Options	Restricted Stock Units
2021	2021-2023	2024	65%	N/A	35%
2022	2022-2024	2025	65%	10%	25%
2023	2023-2025	2026	65%	10%	25%
2024	2024-2026	2027	65%	10%	25%
2025	2025-2027	2028	50%	15%	35%

As a result of the Compensation Committee's analysis of competitive conditions, it established the target percentages of base salary for equity awards for each named executive officer as follows:

	2024 Target LTI (%)
Christopher H. Franklin	320
Daniel J. Schuller	175
Christopher P. Luning	140
Colleen M. Arnold	90
Michael A. Huwar	90

Vested Performance Share Awards and Status of Outstanding Performance Share Awards

Performance share or performance share unit grants (PSU) (together referred to as performance shares) provide the named executive officers with the opportunity to earn awards of shares based on Company performance against pre-determined, objective metrics for a three-year performance period. Participants are granted a target number of shares or units that can increase to 200% of the target or decrease to zero based on the Company's actual performance compared to the goals for the designated metrics. Dividends or dividend equivalents, as applicable, on the performance shares accrue and will be paid when the performance shares are earned and paid based on the number of shares actually earned, if any. Performance shares vest, if at all, three years after the grant date.

As seen by the charts above, the Compensation Committee believes that its long-term incentive compensation program aligns with the shareholders, combining total shareholder return with objective metrics aimed at increasing shareholder value, with the actual payout based on actual achievement of four metrics that the Compensation Committee believes address share-based and operational metrics that are important to shareholders.

Outstanding PSU Awards

The PSU awards granted in 2022 covered the performance period for the PSU awards for 2022 began on January 1, 2022, and ended on December 31, 2024. The calculation of the 2022 PSU award was based on its three metrics over the three-year grant period: Essential's ordinal ranking for Total Stockholder Return (TSR) compared to the peer group, targeted rate-based growth as a result of acquisitions, and controlling Operating and Maintenance expenses per targets. The three-year TSR return of -14.81% resulted in a zero payout of the first metric of the PSU. We had success in our rate base growth over the last three years, which shows in the second metric of the PSU. Lastly, our third metric on controlling O&M expenses was achieved through measured spending and managing through high inflation costs. The 2022 PSU calculation is depicted below.

The pay for performance design of the LTI program and the alignment of the LTI program with the Company's shareholders can clearly be seen in the 2022 PSU outcome of 83.31%, a lower PSU payout than in most recent years.

2022 PSU Calculation	Weight	Actual Result	Performance	Extrapolation
Metric 1 – TSR Peer Group	38.46%	Ranked 13th	0.00%	0.00%
Metric 2 – Rate Base Growth	30.77%	\$264M	124.17%	38.21%
Metric 3 – O&M	30.77%	\$1.73B	146.56%	45.10%
Total 2022 PSU Attainment:				83.31%

2022 PSU Payout Schedule: Threshold through Target through Maximum Goals

Average TSR % Ranking from Highest to Lowest.	Payout	Avg Rate Base Growth \$000s	Payout Schedule	O & M Payout	Attainment
1	200.00%	140,000	50%	200%	\$ 1,704,485
2	191.67%	160,000	60%	190%	\$ 1,706,485
3	175.00%	180,000	70%	180%	\$ 1,711,485
4	158.33%	200,000	80%	170%	\$ 1,716,485
5	141.67%	220,000	90%	160%	\$ 1,721,485
6	125.00%	240,000	100%	150%	\$ 1,726,485
7	108.33%	250,000	110%	140%	\$ 1,731,485
8	91.67%	260,000	120%	130%	\$ 1,736,485
9	75.00%	270,000	130%	120%	\$ 1,741,485
10	58.33%	280,000	140%	110%	\$ 1,746,485
11	0.00%	290,000	150%	100%	\$ 1,751,485
12	0.00%	300,000	160%	90%	\$ 1,756,485
13	0.00%	310,000	170%	80%	\$ 1,761,485
14	0.00%	320,000	180%	70%	\$ 1,766,485
15	0.00%	330,000	190%	60%	\$ 1,771,485
		340,000	200%	50%	\$ 1,776,485

Please see the disclosure on page 74 under the heading Outstanding Equity Awards at Fiscal Year-End for a detailed description of the status of the PSU awards.

Adjusted Return on Equity Calculation — Stock Options

Stock options vest, or not, based on the Company's adjusted return on equity, which is calculated annually in accordance with the descriptive formula below. If the adjusted return on equity meets or exceeds 150 basis points below the return on equity of the most current Pennsylvania PUC water rate award, the stock options will vest. Stock options vest one-third per year over a three-year period.

Return on Equity =

Net Income

(excluding net income or loss from acquisitions which have not yet been incorporated into a rate application as of the last year end)

Equity

(excluding equity applicable to acquisitions which are not yet incorporated in a rate application during the award period), all as adjusted in accordance with the Omnibus Equity Compensation Plan.

Restricted Share Awards

Annual restricted share or restricted stock unit grants (together referred to as restricted shares) entitle the named executive officers to receive the number of shares granted at the end of a given period of time, or in increments over a period of years, subject to continued employment with the Company. However, if a recipient separates from the Company due to death, disability, retirement or termination following a Change in Control, then acceleration of the lapse of forfeiture restrictions occurs as set forth in the Plan.

Highlights of Restricted Stock Unit Grants

- Dividends or dividend equivalents, as applicable, are accumulated and paid when the restricted shares are paid.
- The restricted shares to the named executive officers other than the Chief Executive Officer vest subject solely to continued service with the Company.
- The restricted shares to the Chief Executive Officer vest 100% after three years, subject to continued service with the Company and the Company's achievement of at least an adjusted return on equity equal to 150 basis points below return on equity granted by the Pennsylvania Public Utility Commission during the Company's Pennsylvania water subsidiary's last rate proceeding, subject to adjustments as allowed under the Plan. For this purpose, return on equity will be calculated in the same manner as it is calculated for the purpose of determining the return on equity required for the vesting of stock options.

Other Benefits

Retirement Plans

Our retirement plans are intended to provide competitive retirement benefits to help attract and retain employees. Some of our named executive officers are participants in our qualified pension plan (benefits frozen as of December 31, 2014) (the Retirement Plan), and in our non-qualified pension benefit plan (the Non-Qualified Pension Benefit Plan). Our non-qualified retirement plan is intended to provide executive officers with a retirement benefit that is comparable on a percentage of salary basis to that received by our other employees participating in the Retirement Plan by providing the benefits that exceed those permitted under current Internal Revenue Service regulations. Benefits continue to accrue for some of our named executive officers in the Non-Qualified Pension Benefit Plan. Starting in 2009, the Company began to fund the trust for the benefits under the Non-Qualified Pension Benefit Plan using trust-owned life insurance. A named executive officer's retirement benefits under our qualified and non-qualified retirement plans are not taken into account when determining the executive's current compensation.

- Effective December 31, 2014, the named executive officers ceased accruing a benefit under the Retirement Plan and their plan compensation and credited service for purposes of determining their benefits was frozen.
- Vesting service will continue to accrue in the Retirement Plan as long as the named executive officer remains employed by the Company.

Non-Qualified Deferred Compensation Plan

We maintain a non-qualified Executive Deferred Compensation Plan (the Executive Deferral Plan) that allows eligible members of management to defer all or a portion of their salary and annual cash incentives. The ability to defer compensation enables participants to save for retirement and other life events in a tax-effective manner. Deferred amounts are deemed invested in one or more mutual funds selected by the participant under trust-owned life insurance policies on the lives of eligible executives.

To provide named executive officers with the full Company matching contribution available to other employees under our qualified plans, executives who choose to defer up to six percent of their salary under one of the Company's 401(k) plans, but do not receive the full Company matching contribution under such qualified plans due to the Internal Revenue Service regulations limiting the total dollar amount that can be deferred under a 401(k) plan (\$19,500 each year for 2020 and 2021, \$20,500 for 2022, \$22,500 for 2023, and \$23,000 for 2024), receive the portion of the Company matching contribution that the executive would be otherwise ineligible to receive into the Executive Deferral Plan.

- Effective January 1, 2009, the Company began to fund the trust holding amounts deferred by the participants in the Executive Deferral Plan using trust-owned life insurance.
- A named executive officer's deferrals and any earnings on deferrals under our non-qualified deferred compensation plan are not taken into account in determining the named executive officer's compensation.

Severance Plans

All of the named executive officers are covered by a severance policy. The policy provides a severance benefit of (i) one full year salary, (ii) one full year projected bonus, and (iii) between one and six months of continued medical benefits following termination, provided the named executive officer is terminated for any reason other than for cause.

Additionally, on July 1, 2024, Mr. Franklin and the Company entered into a Renewed Employment Agreement (Mr. Franklin's Employment Agreement). Under Mr. Franklin's Employment Agreement, if the Company terminates Mr. Franklin's employment without cause or does not renew the term of the Employment Agreement, or if Mr. Franklin terminates his employment for good reason (as defined in the agreement), Mr. Franklin will receive any accrued but unpaid salary and accrued vacation, 36 months of COBRA, as well as a lump sum equal to 24 months of base salary and two times his target annual bonus.

Under his employment agreement, Mr. Franklin agrees that during his employment and for a period of twelve months after termination of his employment, he will not (1) employ, engage or solicit for employment employees of the Company, (2) solicit, entice, broker or encourage any then-current or potential customer, client or vendor of the Company or otherwise alter his, her or its relationship with the Company, or (3) participate in any way, directly or indirectly, in a "competing business."

If the Company terminates Mr. Franklin's employment for cause or if he terminates his employment without good reason, or in the event of death or disability, Mr. Franklin (or his estate) will receive any accrued but unpaid salary and accrued vacation. Mr. Franklin's Employment Agreement expires July 1, 2027, and may be extended for successive one-year terms upon mutual agreement of the Company and Mr. Franklin. Mr. Franklin's Employment Agreement is filed with our SEC filings.

Double Trigger Change-In-Control Agreements

We maintain change-in-control agreements with the named executive officers that are intended to:

- minimize the distraction and uncertainty that could affect key management in the event we become involved in a transaction that could result in a change in control of the Company;
- enable the executives to impartially evaluate such a transaction;
- provide a retention incentive to our named executive officers; and
- encourage executives' attention and dedication to their duties and responsibilities in the event of a possible change-in-control.

Under the terms of these agreements, a covered named executive officer is entitled to certain severance payments and a payment in lieu of the continuation of benefits if employment is terminated other than for cause, or in the event the executive resigns for good reason, as defined in the agreements, within two years following a change-in-control of Essential. See *the description of Potential Payments Upon Termination or Change-in-Control on pages 80 through 85*.

These change-in-control agreements are referred to as double trigger agreements because they only provide a benefit to executives whose employment is terminated, or who have good reason to resign, following a change-in-control. These change-in-control agreements do not provide any payments or benefits to the covered executives merely as a result of a change-in-control. The normal annual restricted share, stock option and performance share grants to the named executive officers also contain double trigger provisions. Each of the change-in-control agreements limit the amount of the payments under the agreements based on the limitation on the deductibility of these payments under Section 280G of the Internal Revenue Code (the Code).

The Company has determined that there will be no tax gross-ups in any change-in-control agreements with executives and that all such agreements will be subject to the limitations under Section 280G of the Code. We believe the multiples of compensation and other benefits provided under the change-in-control agreements, as described on pages 80 through 85, are consistent with the multiples in the market. Named executive officers who receive payments under their change-in-control agreements in connection with a separation from employment following a change-in-control will not be entitled to any payments under our normal severance policy. The form of change-in-control agreement is filed with our SEC filings.

Section 4

2024 NEO Compensation and Performance Summaries

Linking Pay and Performance

Here we provide a summary of each of our NEOs 2024 total direct compensation and an overview of their individual performance accomplishments relative to achieving our Company's annual and long-term performance goals for all NEOs except Mr. Rhodes, who resigned prior to determination of 2024 incentive compensation payouts.

Christopher H. Franklin

Chairman, President and Chief Executive Officer

Responsibilities

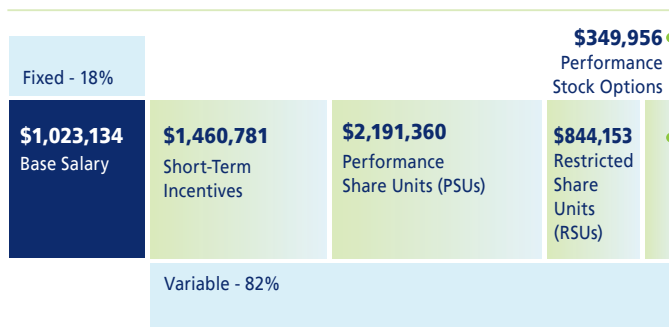
Mr. Franklin leads and guides the Company's strategic direction which primarily focuses on the high-quality delivery of water, wastewater and natural gas service in a manner that delivers value for shareholders. He sets the tone for the Company's culture based on a set of corporate values and objectives which incorporate strong environmental, social and governance practices.

Mr. Franklin leads the Company's work with legislators, regulators, customers, and communities to create solutions that support economic development and strong communities while preserving and protecting natural resources.

2024 Key Accomplishments

- Set the course for growth in 2025 with approximately \$380 million in pending acquisitions.
- Invested \$1.3 billion in infrastructure improvements across our footprint.
- With a focus on the community, through the Essential Foundation, contributed nearly \$5 million in community giving.
- Continued significant progress from Essential's GHG reduction program to substantially reduce Scope 1 and 2 greenhouse gas emissions, targeting a 60% reduction by 2035 from Essential's 2019 emission levels, which is consistent with the rate of reduction necessary over the next 15 years to keep on track with the Paris Agreement.
- Successfully completed the first Peoples Natural Gas rate case as part of Essential Utilities including a weather normalization mechanism to reduce volatility for customers and the company.
- Settled Aqua Pennsylvania rate case with a strong outcome.

2024 Total Compensation Mix



Daniel J. Schuller

Executive Vice President and Chief Financial Officer

Responsibilities

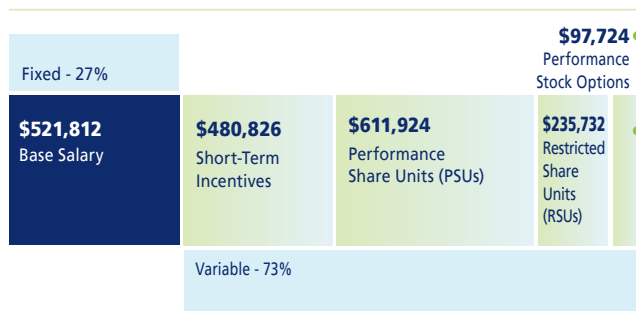
As CFO, Mr. Schuller is responsible for managing Essential’s overall financial condition, including resource and capital allocation, financial and expense discipline.

He leads all corporate finance functions, including accounting, financial planning, forecasting, cash flow planning, investment strategies, capital structure, regulatory and rate strategies, and tax. Further, Mr. Schuller oversees customer care, supply chain, fleet, and facilities.

2024 Key Accomplishments

- Successfully completed rate cases for Peoples Natural Gas, Aqua Virginia, Aqua New Jersey, and Aqua Illinois, and settled Aqua Pennsylvania rate case.
- Raised \$1B in long term debt in January and August offerings.
- Established \$1B equity ATM program.
- Implemented BlackLine, financial close software in seven states.

2024 Total Compensation Mix



- Implemented Accounts Payable improvement and efficiency “P2P” project.
- Finalized succession planning for Chief Accounting Officer retiring in mid-2025.
- Launched water customer portal which provides customer self-service and disruption mapping.

Christopher P. Luning

Executive Vice President, General Counsel

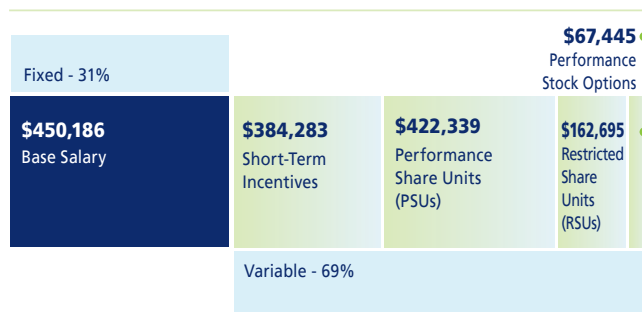
Responsibilities

Mr. Luning is responsible for acting as a legal and business advisor to the Board of Directors, the CEO, and the senior leadership team. In addition, Mr. Luning is responsible for the Company’s Legal, Regulatory and Corporate Affairs, Risk and Insurance, Environmental Affairs, Safety, and Records Departments, and is the Company’s designated SEC Compliance Officer.

2024 Key Accomplishments

- Regulatory department completed five (5) rate cases, including those for the Company’s major subsidiaries.
- Executed the company-wide PFAS strategy, including protecting the Company’s interests in multiple court, regulatory and government proceedings, including submitting over 380 claims for PFAS.

2024 Total Compensation Mix



- Reduced outside legal fees by 10% year over year.
- Assisted in raising \$1B in long term debt in January and August offerings and assisted in establishing \$1B equity ATM program.
- Led Company’s defense of potential large loss matters.
- Led evolution of Risk Department, including incident management protocols and securing insurance and reasonable rates and coverage.

Colleen M. Arnold

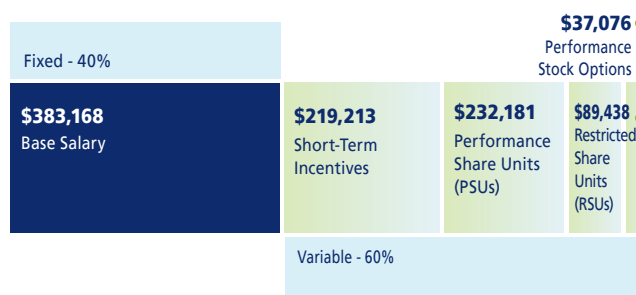
President, Water

Responsibilities

Ms. Arnold is responsible for the leadership, management and vision for Essential’s water operations. Ms. Arnold ensures that the Company has the proper operational controls, administrative and reporting procedures, and people systems in place to operate effectively and efficiently, grow the business, and remain financially strong.

Ms. Arnold directs the water business’ focus on the key operational metrics and performance indicators across all our states.

2024 Total Compensation Mix



2024 Key Accomplishments

- Achieved multiple successful rate case settlements in Aqua Pennsylvania, Aqua Virginia, Aqua Illinois, and Aqua New Jersey.
- Directed multi-year PFAS program mitigating 13 sites.
- Directed lead replacement program – submitted inventory for over 1,500 systems, replaced ~1,700 service lines, and converted ~150,000 unknown service line materials to known.
- Sponsored the development of an award-winning GIS and inventory platform.
- Launched successful customer portal including disruption map.
- Served as key speaker on multiple panels for water industry conferences.

Michael A. Huwar

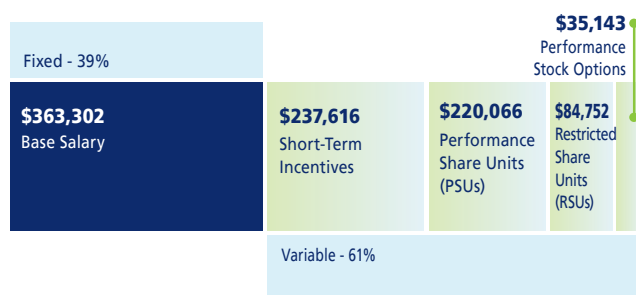
President, Gas

Responsibilities

Mr. Huwar is responsible for the leadership, management and vision for Essential’s gas operations. Mr. Huwar ensures that the Company has the proper operational controls, safety procedures and distribution processes in place to operate effectively and efficiently and remain financially strong.

Mr. Huwar directs the gas business’ focus on the key operational metrics and performance indicators across Pennsylvania and Kentucky.

2024 Total Compensation Mix



2024 Key Accomplishments

- Achieved beneficial rate case settlement in PA.
- Achieved settlement on weather normalization adjustment (WNA) to stabilize bills for customers and company.
- Led 20% reduction in year-end hazardous leakage outstanding as reported to DOT.
- Achieved 104% year-end mileage target for Long-term Infrastructure Improvement Plan (LTIIIP) in 2024.
- Successful pilot program to install >30,000 interactive gas meters.
- Completed first phase of Peoples storage asset improvement project including plugging and abandonment of 4 storage wells.

Section 5

Our 2025 Short- and Long-Term Incentive Programs

STI Metrics, Weighting and Target Payout Levels

Our STI metrics, which reflect the core areas of Company performance, will continue in 2025 to center on financial performance, water and wastewater compliance, gas leaks and infrastructure improvement, customer satisfaction, and employee safety. We believe this incentive program builds on and supports an already strong foundation of management oversight of sustainability. In order to better align our financial incentive drivers, our EPS metric will move to 50% weighting in our short-term incentive plan and our ROE metric will shift to our long-term incentive plan. To further support our employee experience, 5% of individual goals will be focused on employee engagement.

The goal of our short-term incentive program is to encourage our executive team to focus on core issues associated with driving long-term shareholder growth and ensuring safe and reliable water and natural gas services for our customers.

Proposed 2025 Essential Short-Term Incentive Plan



2025 Long-Term Incentive Program

2025 Essential Long-Term Incentive Plan

Our 2025 LTI plan continues to emphasize performance based pay. We have made some enhancements for 2025 to reflect the confidence we have in our company performance and to retain our talented leaders.



2025 Financial Metrics for PSUs

Ordinal TSR The most prevalent long-term incentive metric in the peer group. The performance is based on ordinal TSR rank against our 16-company peer group, with the percentile ranking determining the overall payout level (0 - 200%).

Additionally, two other operating measures were chosen to balance internal financial and operational management with external shareholder results.

Return on Earnings Defined as the approved average return on earnings over the three years of the grant. ROE is central to the Company's profitability.

Operations and maintenance performance To ensure cost-effective operations, operations and maintenance targets include the budget plus the first two years in the plan for the regulated businesses only.

Section 6

Compensation Governance Policies and Practices

Anti-Hedging and Anti-Pledging Policy

Issuing equity awards to our directors and named executive officers and imposing stock ownership guidelines helps to align their interests with those of our shareholders. As part of our insider trading policy, we prohibit all directors and employees from engaging in hedging or pledging activities with respect to any owned shares or outstanding equity awards. The policy specifically prohibits all insiders from engaging in any short sales of the Company's securities; buying or selling puts, calls or other derivative securities; or pledging the Company's securities as collateral for a loan. None of our directors or named executive officers engaged in any hedging or pledging activities with respect to the Company stock during 2024.

Clawback of Incentive Compensation

In accordance with recent Securities and Exchange Commission and New York Stock Exchange requirements, on February 22, 2023, the Company's Board of Directors unanimously adopted a Compensation Recoupment Policy (the Clawback Policy). Among other items, the Clawback Policy covers the Company's ability to recoup compensation, including time-vesting equity awards, in the event of a restatement, regardless of whether the executive was at fault or not and is intended to be fully compliant with all requirements of the Securities and Exchange Commission and the New York Stock Exchange.

In the event of a significant restatement of our financial results caused by executive fraud or willful misconduct, the Compensation Committee reserves the right to review the cash incentive compensation received by the named executive officers with respect to the period to which the restatement relates. The Committee will recalculate Essential's results for the period to which the restatement relates and seek reimbursement of that portion of the cash incentive compensation that was based on the misstated financial results from the executive or executives whose fraud or willful misconduct was the cause of the restatement.

In addition, starting with the performance share unit grants and restricted stock unit grants in 2014, all shares issued pursuant to those grants are subject to any applicable recoupment or clawback policies and other policies implemented by the Board, as in effect from time to time.

Limited Perquisites

We offer a limited number of perquisites for our named executive officers. The Board has authorized executive benefits consisting of executive financial planning and annual executive physical exams. The Board regularly reviews the benefits provided to our executives and makes appropriate modifications based on the value of these benefits.

Equity Grant Practices

The Company's long-standing practice has been to grant equity compensation, including stock options, on a pre-determined schedule at approximately the same time each year, generally in late January or early to mid-February. This timing has been utilized for at least the past ten years. Rarely the Compensation Committee makes off-cycle grants as circumstances warrant. The Compensation Committee and the Board do not take material nonpublic information into account when determining the timing and terms of stock option awards. During fiscal 2024, the Company did not grant stock options to any named executive officer during any period beginning four business days before and ending one business day after the filing of any Form 10-K, Forms 10-Q or any Form 8-K disclosing material non-public information about the Company.

Stock Ownership Guidelines

In 2005, the Board of Directors established stock ownership guidelines for the named executive officers to encourage these executives to maintain a significant ownership interest in the Company and to help align the interests of these executive officers with the long-term performance of the Company. In 2017, these guidelines were modified to recognize the different levels of executives who may be among the named executive officers and to state the guidelines in terms of the number of shares to be held rather than a dollar value, in order to avoid fluctuations in the number of shares to be held based on variations in the Company's stock price. In establishing the number of shares to be held, the Compensation Committee uses a round number of shares, the value of which approximates the following multiples of the midpoint of the average base salary grade for the executives:

Position	Multiple of Midpoint of 2024 Average Base Salary	Approximate Vested Shares To Be Held Based upon December 31, 2024 Share Price
Chief Executive Officer	5	143,200
Executive Vice President/NEO	3	35,700

Each named executive officer is expected to have shareholdings consistent with these guidelines within five years of becoming a named executive officer or after receiving a significant promotion. This is the third year Ms. Arnold has been identified as a NEO and the first year Mr. Huwar has been identified as a NEO.

Shareholdings, as defined for ownership requirement purposes, include shares held directly or beneficially, including shares acquired under our Employee Stock Purchase Plan or 401(k) plans.

An executive who has not achieved the guideline within this five-year period is expected to retain one-half of any equity awards, after any required tax withholding, in Company stock and to use 10% of any annual cash incentive awards after tax to purchase shares of Company stock until the guideline is met. The chart below shows the shareholdings of the named executive officers as of December 31, 2024.

Officer Shareholdings as of December 31, 2024

Name	Position	Vested Shares Held
Franklin	Chief Executive Officer	233,150
Luning	Executive Vice President	55,886
Schuller	Executive Vice President	47,661
Arnold	President, Aqua	7,248
Huwar	President, Peoples	7,556

Executive Compensation Committee Report

The purpose of the Compensation Committee is to assist the Board of Directors in its general oversight of the Company's compensation programs and the compensation of the Company's executives. The Compensation Committee Charter describes in greater detail the full responsibilities of the committee and is available on our website: www.essential.co.

The Executive Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis on pages 45 through 67 with management. Based on this review and discussion, the Executive Compensation Committee recommended to the Company's Board of Directors, and the Board of Directors approved, the inclusion of the Compensation Discussion and Analysis in the Company's Proxy Statement for the 2025 Annual Meeting of Shareholders.

Respectfully submitted,

Members:

Daniel J. Hilferty, *Chair*
Elizabeth B. Amato
Christopher L. Bruner

February 18, 2025

Executive Compensation Tables

The following Summary Compensation Table shows compensation paid to or earned by the named executive officers for 2024.

Summary Compensation Table

Principal Position	Year	Salary (\$) ⁽¹⁾	Bonus (\$)	Grant Date Fair Value (\$) ⁽²⁾	Grant Date Fair Value of Stock Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽¹⁾⁽³⁾	Change in Pension Value and Non-qualified Deferred Compensation Earnings (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total (\$) ⁽⁶⁾
Christopher H. Franklin President and Chief Executive Officer	2024	1,023,134	—	3,035,513	349,956	1,460,781	329,976	23,632	6,222,992
	2023	985,584	—	2,523,854	298,940	1,437,300	2,483,717	20,555	7,749,950
	2022	938,628	—	2,138,892	246,090	1,226,070	—	19,367	4,569,047
Daniel J. Schuller EVP and Chief Financial Officer	2024	521,812	—	847,656	97,724	480,826	—	25,888	1,973,906
	2023	500,560	—	647,856	78,862	476,465	—	27,640	1,731,383
	2022	473,278	—	577,065	66,389	400,345	—	36,822	1,553,899
Matthew R. Rhodes EVP, Strategy & Corporate Development	2024	384,520	—	713,953	82,312	—	—	21,289	1,202,074
	2023	479,554	—	531,153	64,991	418,254	—	24,899	1,518,851
	2022	460,984	—	466,367	53,658	360,916	—	33,580	1,375,505
Christopher P. Luning EVP, and General Counsel	2024	450,186	—	585,033	67,445	384,283	276,423	17,589	1,780,959
	2023	433,415	—	466,539	56,702	379,447	407,271	11,936	1,755,310
	2022	412,595	—	417,442	48,026	323,027	—	18,644	1,219,734
Colleen M. Arnold President, Aqua	2024	383,168	—	321,620	37,076	219,213	—	33,157	994,234
	2023	357,807	—	256,597	32,416	200,000	—	34,743	881,563
	2022	316,971	—	204,928	23,584	181,780	—	36,973	764,236
Michael A. Huwar President, Peoples	2024	363,302	—	304,818	35,143	237,616	—	35,380	976,259

- (1) **Salary and Non-Equity Incentive Plan Compensation** amounts include amounts deferred by the named executive officer pursuant to the Executive Deferral Plan described beginning on page 80.
- (2) **The grant date fair value of stock-based compensation** is based on the fair market value on the date of grant as determined in accordance with the FASB ASC Topic 718 accounting guidance for stock compensation. The assumptions used in calculating the fair market value are set forth in Note 15, Employee Stock and Incentive Plan contained in the Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC at www.sec.gov. For performance shares, the RSUs, and Restricted Stock, the Grant Date Fair Value of Stock and Options Awards shown is based on the target number of the shares underlying the awards granted.
- (3) **Non-Equity Incentive Plan Compensation** is shown for the year in which the compensation is earned and is generally paid in the following calendar year. See the description of these annual cash Incentive awards above under the CD&A section of this proxy statement.
- (4) **Change in Non-qualified Pension Value and Deferred Compensation Earnings.** The change in pension value is based on the aggregate change in the actuarial present value of the named executive officer's accumulated benefit under all defined benefit pension plans (including non-qualified pension plans) from the pension plan measurement date used for financial statement reporting purposes in the Company's audited statements for the prior completed fiscal year to the pension plan measurement date used for financial statement reporting purposes in the Company's audited financial statements for the covered fiscal year. There was a steep drop in discount rates at the end of 2023, which increases the present value of the pension benefit significantly. All amounts deferred by participants in the Executive Deferral Plan and all prior deferrals under the Executive Deferral Plan are invested in a variety of mutual funds selected by each participant under trust-owned life insurance used by the Company to fund the Executive Deferral Plan; there are no preferential or above-market earnings on this deferred compensation. Messrs. Huwar and Schuller and Ms. Arnold are not eligible to participate in the Retirement Plan because they were hired by the Company after the Retirement Plan was closed to new entrants. Negative amount changes are not included in this section per SEC guidelines.

(5) All Other Compensation includes the components listed below.

		Group Life (\$) ^(a)	OTHER COMPENSATION			Total (\$)
			401(k) Company Match and Company Contribution (\$) ^(b)	Car Allowance (\$) ^(c)		
Franklin	2024	7,740	9,958	5,934	23,632	
	2023	7,740	9,715	3,100	20,555	
	2022	6,708	7,933	4,726	19,367	
Schuller	2024	5,380	19,675	833	25,888	
	2023	2,815	22,860	1,965	27,640	
	2022	552	34,233	2,037	36,822	
Rhodes	2024	1,335	19,954	—	21,289	
	2023	1,746	23,153	—	24,899	
	2022	360	33,220	—	33,580	
Luning	2024	4,644	11,809	1,136	17,589	
	2023	4,540	6,476	920	11,936	
	2022	4,309	9,593	4,742	18,644	
Arnold	2024	2,112	27,046	3,999	33,157	
	2023	2,042	25,714	6,987	34,743	
	2022	552	28,176	8,245	36,973	
Huwar	2024	5,349	30,031	—	35,380	

(a) Represents the taxable value of group life insurance benefit for the named executive officer.

(b) Includes Company match and year end contribution to the 401(k) and the non-qualified retirement plan.

(c) The Company provides the use of Company owned or leased vehicles for several of its named executive officers.

(6) Total compensation is calculated in accordance with the SEC requirements under Item 402(c) of Regulation S-K, but does not reflect the compensation paid for the year. Specifically, the Total compensation includes the change in pension value in the qualified and non-qualified defined benefit pension plans in which the named executive officers participate. Such pension benefits will not be paid to the named executive officers until they retire from service to the Company.

Pay Versus Performance (PVP)

As required by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(v) of Regulation S-K, we are providing the following information about the relationship between compensation actually paid to our Principal Executive Officer (PEO) and to our named executive officers and certain financial performance metrics of the Company using a methodology that has been prescribed by the SEC.

Fiscal Year (a)*	Summary Compensation Table Total for PEO ⁽¹⁾ (b)	Compensation Actually Paid to PEO ⁽¹⁾⁽²⁾ (c)	Average Summary Compensation Table Total for non-PEO NEOs ⁽¹⁾ (d)	Average Compensation Actually Paid to non-PEO NEOs ⁽¹⁾⁽²⁾ (e)	Value of Initial Fixed \$100 Investment Based on:		Net Income (h)	Adjusted EPS ⁽⁴⁾ (i)
					Total Shareholder Return (f)	Peer Group Total Shareholder Return ⁽³⁾ (g)		
2024	\$6,222,992	\$5,157,561	\$1,385,486	\$ 883,261	\$ 88.15	\$117.50	\$595,314,000	\$2.27
2023	\$7,749,950	\$2,489,517	\$1,471,777	\$ 856,685	\$ 87.70	\$ 89.38	\$498,226,000	\$2.00
2022	\$4,569,047	\$4,579,810	\$1,569,825	\$1,131,942	\$108.77	\$102.99	\$465,237,000	\$1.81
2021	\$5,339,716	\$5,944,071	\$1,488,288	\$1,779,964	\$119.44	\$103.14	\$431,612,000	\$1.80
2020	\$7,173,359	\$5,496,122	\$1,770,429	\$1,814,639	\$102.93	\$ 86.13	\$284,490,000	\$1.67

⁽¹⁾ Our principal executive officer (PEO) for 2020-2024 is Mr. Franklin. The non-principal executive officers (Non-PEO) reflected in columns (d) and (e) include the following individuals: Mr. Schuller (2020-2024), Mr. Rhodes (2020-2024), Mr. Luning (2020-2024), Ms. Arnold (2022-2024), Mr. Huwar (2024), and Mr. Fox (2020-2022).

⁽²⁾ The following amounts were deducted from / added to Summary Compensation Table (SCT) total compensation in accordance with the SEC-mandated adjustments to calculate Compensation Actually Paid (CAP) to our principal executive officer (PEO) and average CAP to our non-PEO named executive officers. The fair value of equity awards was determined using methodologies and assumptions developed in a manner substantively consistent with those used to determine the grant date fair value of such awards.

⁽³⁾ The Peer Group for which Total Shareholder Return is provided in column (g) is the S&P Midcap 400 Utilities Index.

⁽⁴⁾ Adjusted EPS is a non-GAAP financial measure. See Appendix A for reconciliation to the GAAP financial measure and adjustments.

PEO SCT Total to CAP Reconciliation

Fiscal Year	2020	2021	2022	2023	2024
SCT Total	\$ 7,173,359	\$ 5,339,716	\$ 4,569,047	\$ 7,749,950	\$ 6,222,992
- Change in Actuarial Present Value of Pension Plans Reported in Fiscal Year	\$(3,008,515)	\$(1,096,773)	\$ 0	\$(2,483,717)	\$(329,976)
+ Service Cost of Pension in Fiscal Year	\$ 105,108	\$ 145,149	\$ 138,759	\$ 106,388	\$ 109,019
+ Prior Service Cost of Pension in Fiscal Year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
- Grant Date Fair Value of Stock Awards Granted in Fiscal Year	\$(2,053,175)	\$(2,144,852)	\$(2,384,982)	\$(2,822,794)	\$(3,385,469)
+ Fair Value at Fiscal Year-End of Outstanding Unvested Stock Awards Granted in Fiscal Year	\$ 2,677,987	\$ 3,173,125	\$ 3,584,530	\$ 2,641,275	\$ 3,539,948
± Change in Fair Value of Outstanding Unvested Stock Awards Granted in Prior Fiscal Years	\$ 341,454	\$ 913,795	\$(1,114,238)	\$(2,662,913)	\$(1,113,865)
± Fair Value at Vesting of Stock Awards Granted in Fiscal Year That Vested During Fiscal Year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
± Change in Fair Value as of Vesting Date of Stock Awards Granted in Prior Fiscal Years For Which Applicable Vesting Conditions Were Satisfied During Fiscal Year	\$ 144,032	\$(513,508)	\$(408,431)	\$(196,908)	\$(100,297)
- Fair Value as of Prior Fiscal Year-End of Stock Awards Granted in Prior Fiscal Years That Failed to Meet Applicable Vesting Conditions During Fiscal Year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
+ Dividends Accrued During Fiscal Year	\$ 115,872	\$ 127,419	\$ 195,125	\$ 158,236	\$ 215,209
Compensation Actually Paid	\$ 5,496,122	\$ 5,944,071	\$ 4,579,810	\$ 2,489,517	\$ 5,157,561

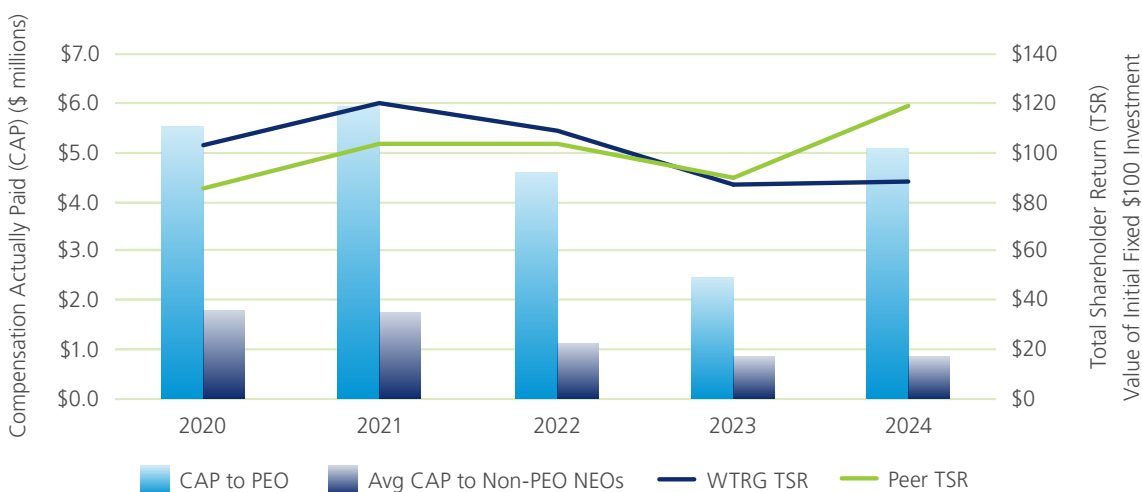
Non-PEO NEO Average SCT Total to Average CAP Reconciliation

Fiscal Year	2020	2021	2022	2023	2024
Average SCT Total	\$1,770,429	\$1,488,288	\$1,569,825	\$1,471,777	\$1,385,486
- Change in Actuarial Present Value of Pension Plans Reported in Fiscal Year	\$ (343,844)	\$ (169,224)	\$ (279,211)	\$ (101,818)	\$ (55,285)
+ Service Cost of Pension in Fiscal Year	\$ 63,474	\$ 87,452	\$ 68,366	\$ 31,159	\$ 25,761
+ Prior Service Cost of Pension in Fiscal Year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
- Grant Date Fair Value of Stock Awards Granted in Fiscal Year	\$ (615,185)	\$ (505,411)	\$ (497,732)	\$ (533,779)	\$ (618,556)
+ Fair Value at Fiscal Year-End of Outstanding Unvested Stock Awards Granted in Fiscal Year	\$ 813,607	\$ 747,714	\$ 558,334	\$ 514,573	\$ 480,261
± Change in Fair Value of Outstanding Unvested Stock Awards Granted in Prior Fiscal Years	\$ 82,955	\$ 231,197	\$ (175,708)	\$ (516,479)	\$ (147,702)
+ Fair Value at Vesting of Stock Awards Granted in Fiscal Year That Vested During Fiscal Year	\$ 0	\$ 0	\$ 56,413	\$ 0	\$ 0
± Change in Fair Value as of Vesting Date of Stock Awards Granted in Prior Fiscal Years For Which Applicable Vesting Conditions Were Satisfied During Fiscal Year	\$ 13,391	\$ (131,958)	\$ (135,957)	\$ (39,641)	\$ (17,515)
- Fair Value as of Prior Fiscal Year-End of Stock Awards Granted in Prior Fiscal Years That Failed to Meet Applicable Vesting Conditions During Fiscal Year	\$ 0	\$ 0	\$ (68,996)	\$ 0	\$ (190,584)
+ Dividends Accrued During Fiscal Year	\$ 29,810	\$ 31,907	\$ 36,609	\$ 30,894	\$ 21,394
Average Compensation Actually Paid	\$ 1,814,639	\$ 1,779,964	\$ 1,131,942	\$ 856,685	\$ 883,261

Charts of CAP vs Performance Metrics

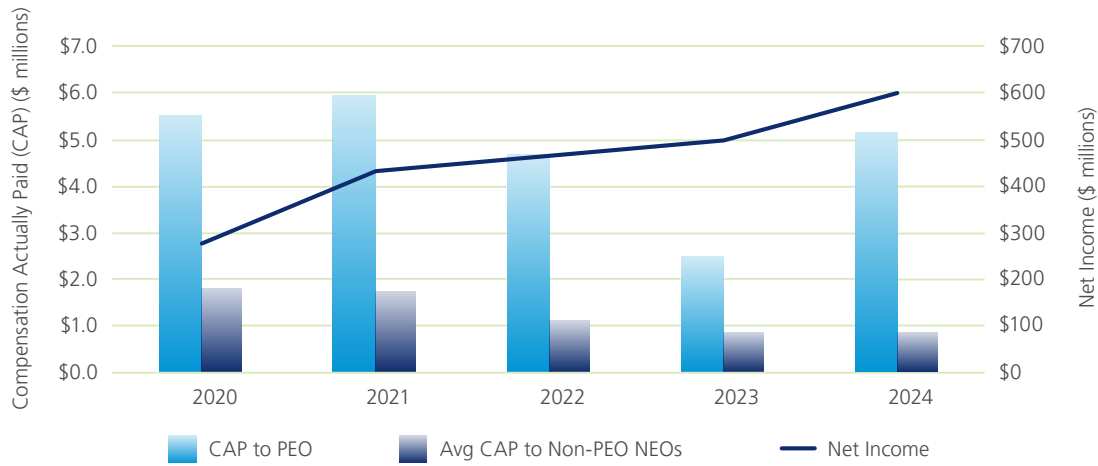
The chart below illustrates the relationship between the PEO and average Non-PEO CAP amounts and the Company's and Peer Group's TSR during the period 2020-2024.

CAP vs. TSR

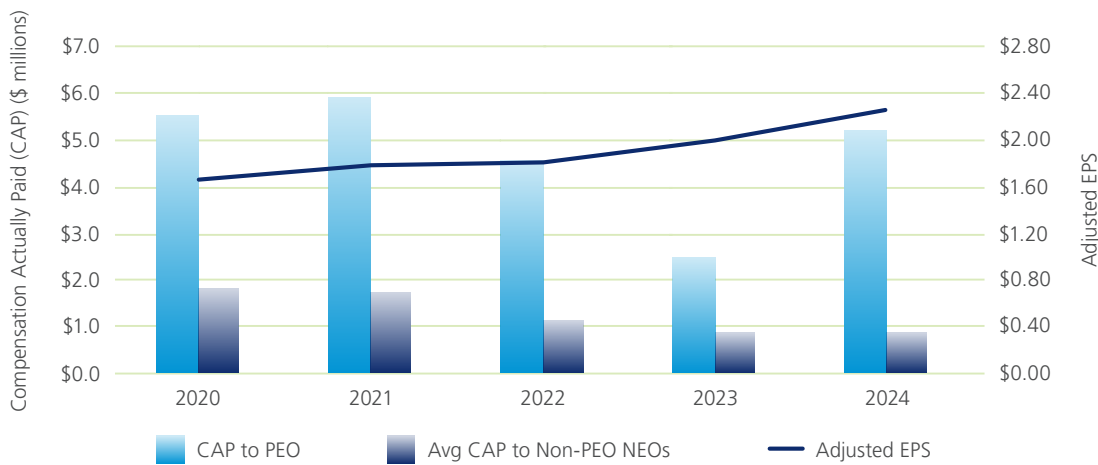


The charts below illustrate the relationship between the PEO and Non-PEO CAP amounts and the Company's Net Income and Adjusted EPS during the period 2020-2024.

CAP vs. Net Income



CAP vs. Adjusted EPS



Tabular List of Most Important Performance Measures

The five items listed below represent the most important performance metrics we used to determine CAP for FY2024 as further described in our Compensation Discussion and Analysis (CD&A) within the sections titled “Short-Term Incentive Awards” and “Long-Term Equity Incentive Awards.”

Most Important Performance Measures
• Adjusted EPS
• Return on Equity
• Relative TSR
• Operations & Maintenance Measures
• Rate Base Growth

Grants of Plan-Based Awards

The following table contains information regarding equity and non-equity awards granted to the named executive officers in 2024:

Grants of Plan-Based Awards

Name	Grant	Estimated Future Payouts Under						All Other Stock Awards: Number of Shares of Stock or Units ⁽⁶⁾ (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
		Non-Equity Incentive Plan Awards			Incentive Plan Awards ⁽⁵⁾						
		Threshold (\$) ⁽²⁾	Target (\$) ⁽³⁾	Maximum (\$) ⁽⁴⁾	Threshold (#)	Target (#)	Maximum (#)				
Franklin	1/24/24	516,250	1,032,500	1,548,750	51,816	80,574	138,090	0	43,098	\$35.78	3,385,469
Schuller	1/24/24	171,137	342,274	513,411	8,031	16,061	32,122	6,439	12,035	\$35.78	945,380
Rhodes	1/24/24	150,229	300,458	450,686	6,764	13,528	27,056	5,423	10,137	\$35.78	796,265
Luning	1/24/24	136,290	272,580	408,870	5,543	11,085	22,170	4,444	8,306	\$35.78	652,478
Arnold	1/24/24	87,413	174,825	262,238	3,047	6,094	12,188	2,443	4,566	\$35.78	358,696
Huwar	1/24/24	82,845	165,690	248,535	2,888	5,776	11,552	2,315	4,328	\$35.78	339,961

⁽¹⁾ The named executive officers’ Non-Equity Incentive Plan Awards are calculated based on the named executive officers’ current annual salary multiplied by the executive’s target incentive compensation percentage times the factors described on pages 55 through 56.

⁽²⁾ The Threshold Non-Equity Incentive Plan Award is based on the factors described on pages 55 through 56.

⁽³⁾ The Target Non-Equity Incentive Plan Award is based on the factors described on pages 55 through 56.

⁽⁴⁾ The Maximum Non-Equity Incentive Plan Award is based the factors described on pages 55 through 56.

⁽⁵⁾ The February 16, 2024 Equity Incentive Plan Awards in these columns are composed of performance-based RSUs and PSUs for the CEO, Mr. Franklin, and performance-based share units (PSUs) for the other named executive officers which vest on the third anniversary of the grant date as long as the named executive officer is providing service to the Company and the performance goal is achieved.

⁽⁶⁾ Represents service-based restricted stock unit grants to the named executive officers other than Mr. Franklin which vest on the third anniversary of the grant date as long as the named executive officer is providing service to the Company.

Outstanding Equity Awards at Fiscal Year-End

Name	Number of Securities Underlying Unexercised Options Unexercisable	Number of Securities Underlying Unexercised Options Exercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested ⁽¹⁾⁽²⁾⁽³⁾	Market Value of Shares or Units of Stock That Have Not Vested ⁽¹⁾⁽²⁾⁽³⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested ⁽¹⁾⁽³⁾	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ⁽¹⁾⁽³⁾
Franklin	—	17,815	34.51	2/27/2028				
	—	190,088	35.94	2/28/2029				
	8,783	17,565	45.19	2/16/2032				
	17,528	8,764	45.39	2/22/2033				
	43,098	—	35.78	1/24/2034	53,193	2,042,606	132,816	5,100,281
Schuller	—	6,789	30.47	2/22/2027				
	—	8,723	34.51	2/27/2028				
	—	55,208	35.94	2/28/2029				
	2,369	4,739	45.19	2/16/2032				
	4,624	2,312	45.39	2/22/2033				
	12,035	—	35.78	1/24/2034	14,473	555,575	36,137	1,387,235
Luning	—	5,670	30.47	2/22/2027				
	—	7,215	34.51	2/27/2028				
	—	39,107	35.94	2/28/2029				
	1,714	3,428	45.19	2/16/2032				
	3,324	1,663	45.39	2/22/2033				
	8,306	—	35.78	1/24/2034	10,237	393,137	25,561	981,665
Arnold	—	247	30.47	2/22/2027				
	—	998	34.51	2/27/2028				
	—	8,149	35.94	2/28/2029				
	842	1,683	45.19	2/16/2032				
	1,900	951	45.39	2/22/2033				
	4,566	—	35.78	1/24/2034	5,532	212,527	13,812	529,966
Huwar	825	1,651	45.19	2/16/2032				
	1,798	899	45.39	2/22/2032				
	4,328	—	35.78	1/24/2034	5,285	202,836	13,195	506,431

⁽¹⁾ All PSUs are subject to the achievement of the applicable performance criteria for the designated performance period, and continued service with the Company to the vesting date; actual results could vary materially at the end of the performance period. All RSUs for Mr. Franklin are subject to the achievement of the applicable performance criteria and his continued service with the Company to the vesting date. All RSUs for the other NEOs are subject to the individual's continued service with the Company to the vesting date. The following table contains information on outstanding stock option and stock awards held by the named executive officers at December 31, 2024.

⁽²⁾ The market value of the RSU and PSU awards include accrued and unpaid dividend equivalents. The dividend equivalents are accrued based upon the assumption that the PSUs would be issued at target.

⁽³⁾ The PSU grants made in 2022, 2023, and 2024 for the three year performance periods ended December 31, 2024, December 31, 2025 and December 31, 2026 respectively, consisted of three performance goal metrics. These metrics and the associated achievement are determined by the Compensation Committee as described on pages 57 through 59 of this proxy statement.

The following table sets forth the number of shares underlying outstanding PSUs and RSUs at December 31, 2024:

Named Executive Officer	Performance Share Units			Restricted Share Units		
	Performance Period Ends	Date to be Vested, Earned and Paid if Applicable	Number of Units Issued ⁽⁴⁾	Vesting Period Ends	Date to be Earned And Paid if Applicable	Number of Units Issued at Target
Franklin	12/31/2024	2/16/2025	35,457	2/16/2025	2/16/2025	14,162
	12/31/2025	2/22/2026	39,843	2/22/2026	2/22/2026	15,973
	12/31/2026	1/24/2027	57,516	1/24/2027	1/24/2027	23,058
Schuller	12/31/2024	2/16/2025	9,566	2/16/2025	2/16/2025	3,821
	12/31/2025	2/22/2026	10,510	2/22/2026	2/22/2026	4,213
	12/31/2026	1/24/2027	16,061	1/24/2027	1/24/2027	6,439
Luning	12/31/2024	2/16/2025	6,920	2/16/2025	2/16/2025	2,764
	12/31/2025	2/22/2026	7,556	2/22/2026	2/22/2026	3,029
	12/31/2026	1/24/2027	11,085	1/24/2027	1/24/2027	4,444
Arnold	12/31/2024	2/16/2025	3,397	2/16/2025	2/16/2025	1,357
	12/31/2025	2/22/2026	4,321	2/22/2026	2/22/2026	1,732
	12/31/2026	1/24/2027	6,094	1/24/2027	1/24/2027	2,443
Huwar	12/31/2024	2/16/2025	3,332	2/16/2025	2/16/2025	1,331
	12/31/2025	2/22/2026	4,087	2/22/2026	2/22/2026	1,639
	12/31/2026	1/24/2027	5,776	1/24/2027	1/24/2027	2,315

The following table details the number of RSUs that are vested and earned by the named executive officers other than Mr. Rhodes, under the 2022 RSU grants as of the date of this proxy statement:

Named Executive Officer	Performance Period End	Date Vested, Earned and Paid	Number of RSU Shares Issued
Franklin	12/31/24	2/16/25	14,162
Schuller	12/31/24	2/16/25	3,821
Luning	12/31/24	2/16/25	2,764
Arnold	12/31/24	2/16/25	1,357
Huwar	12/31/24	2/16/25	1,331

Options Exercised and Stock Vested

Options Exercised and Stock Vested

The following table shows (1) the number of shares of stock options, restricted shares, PSUs or RSUs previously granted to the named executive officers that were exercised, vested or were earned during 2024, and (2) the value realized by those officers upon the exercise, vesting, or payment of such shares based on the closing market price for our shares of Common Stock on the exercise or vesting date.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#) ⁽¹⁾	Value Realized on Vesting (\$) ⁽²⁾
Franklin	—	—	42,213	1,497,717
Schuller	—	—	11,177	396,560
Rhodes	50,550	104,275	9,148	324,571
Luning	—	—	8,187	290,475
Arnold	—	—	4,036	143,197
Huwar	—	—	4,301	152,599

(1) The Number of Shares Acquired on Vesting column represents the number of shares of common stock issued upon the earning and vesting of the 2022 RSUs in 2025.

(2) The Value Realized on Vesting column does not include dividend equivalents paid for PSU's and RSUs vesting in the amount of \$143,220 for Mr. Franklin, \$37,920 for Mr. Schuller, \$27,777 for Mr. Luning, \$13,690 for Ms. Arnold and \$14,591 for Mr. Huwar.

CEO to Median Employee Pay Ratio

Here we provide information about the relationship of the annual total compensation of our employees and the annual total compensation of Mr. Franklin:

To determine our median employee, we chose base salary as our consistently applied compensation measure. We annualized this measure of compensation for those who began their employment during 2024. Using a determination date in December 2024, we calculated the median base salary for all required employees. The annual total compensation of the employee identified as the median employee of the Company (other than Mr. Franklin), was \$97,843 and, the annual total compensation of Mr. Franklin was \$6,222,992. The annual total compensation for the median employee and Mr. Franklin were calculated under Item 402(c) of Regulation S-K.

Accordingly, the ratio of the annual total compensation of Mr. Franklin to the median of the annual total compensation of all employees of the Company was estimated to be 64 to 1.

This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on our payroll and employment records and the methodology described above. The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices. As such, pay ratios reported by other companies may not be comparable to the pay ratio reported above.

Retirement Plans and Other Post-Employment Benefits

Pension Benefits

The following table shows: (1) the number of years of credited service for the named executive officers, other than Mr. Rhodes, under our various retirement plans as of December 31, 2024; (2) the actuarial present value of accumulated benefits under those plans as of December 31, 2024; and (3) any payments made to the named executive officers during 2024 under those plans.

Pension Benefits

Name	Plan Name	Number of Years of Credited Service*	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
Franklin	Retirement Income Plan for Essential Utilities, Inc. and	22	1,017,695	—
	Subsidiaries Non-Qualified Retirement Plan	32	10,824,273	—
Schuller	Retirement Income Plan for Essential Utilities, Inc. and		—	—
	Subsidiaries Non-Qualified Retirement Plan		—	—
Luning	Retirement Income Plan for Essential Utilities, Inc. and	12	390,170	—
	Subsidiaries Non-Qualified Retirement Plan	22	1,859,428	—
Arnold	Retirement Income Plan for Essential Utilities, Inc. and		—	—
	Subsidiaries Non-Qualified Retirement Plan		—	—
Huwar	Retirement Income Plan for Essential Utilities, Inc. and		—	—
	Subsidiaries Non-Qualified Retirement Plan		—	—

* For benefit accrual purposes, credited service in the Qualified Plan is frozen as of December 31, 2014. For early retirement eligibility purposes, service continues to accrue after December 31, 2014 and will equal that shown for the Non-Qualified Retirement Plan.

Assumptions

Discount Rate: 5.64%

Mortality:

For Qualified Plan: blended 40% gender-specific and 60% "unisex" (blended 50% male and 50% female). Pri-2012 non-disabled annuitant mortality table without collar adjustments projected generationally from 2012 with Scale MP-2021 improvements.

For Nonqualified Plan: Pri-2012 "unisex" (blended 50% male and 50% female) non-disabled annuitant mortality tables without collar adjustments projected generationally from 2012 with Scale MP-2021 improvements.

Retirement Income Plan (the Retirement Plan)

Essential Utilities sponsors a qualified defined benefit Retirement Plan to provide retirement income to the Company's employees hired prior to certain dates starting in 2003. Effective December 31, 2014, the eligible named executive officers ceased accruing a benefit under the Retirement Plan. Specifically, their plan compensation and credited service for purposes of determining their benefits were frozen in the Retirement Plan as of December 31, 2014.

For the portion of the Retirement Plan covering certain of the named executive officers, plan compensation is defined as total compensation paid, but excludes contributions made by the Company to a plan of deferred compensation, distributions from a deferred compensation plan, amounts realized from the exercise of stock options or when restricted shares underlying restricted stock units or performance shares become freely transferable, fringe benefits, welfare benefits, reimbursements or other expense allowances, moving expenses and commissions.

The Employee Retirement Income Security Act of 1974, as amended (ERISA), imposes maximum limitations on the annual amount of pension benefits that may be paid, and the amount of compensation that may be taken into account in calculating benefits, under a qualified, funded, defined benefit pension plan such as the Retirement Plan. The Retirement Plan complies with these ERISA limitations.

Benefits earned under the final pay formula for the retirement plan are equal to 1.35% of average plan compensation plus 0.45% of average plan compensation above Covered Compensation for each year of credited service up to 25 years, and 0.5% of average plan compensation for each year of credited service above 25 years.

The annual benefit is subject to a minimum benefit schedule.

- Average plan compensation is defined as the average of plan compensation over the highest five consecutive years out of the last ten years.
- Covered Compensation is defined as the average of the Social Security Wage Bases (as defined in the Retirement Plan) in effect for each calendar year during the 35-year period ending with the last day of the calendar year of the benefit determination.

Effective December 31, 2014, years of credited service and plan compensation in the Retirement Plan was frozen for the eligible named executive officers.

Under the terms of the Retirement Plan, a Company participant becomes fully vested in his or her accrued pension benefit after five years of credited service. All eligible named executive officers are vested in the Retirement Plan. Participants may retire as early as age 55 with 10 years of service. Unreduced benefits are available when a participant attains the earlier of age 65 with 5 years of vesting service or age 62 with 30 years of vesting service. Otherwise, benefits are reduced 3% for each year by which retirement precedes the attainment of age 65 or are reduced actuarially in

accordance with the terms of the Retirement Plan and federal law if payment occurs before age 55. Pension benefits earned are payable in the form of a lifetime annuity or can be collected as a lump sum benefit. Married individuals may receive a reduced benefit paid in the form of a qualified joint and survivor annuity.

Non-Qualified Retirement Plan

Effective December 1, 1989, the Board of Directors adopted a supplemental benefits plan for salaried employees of the Company. On December 1, 2014, the Board of Directors adopted an amended benefits plan for salaried employees of the Company (the Non-Qualified Pension Benefit Plan). The Non-Qualified Pension Benefit Plan is a plan that is intended to provide an additional pension benefit to Company participants in the Retirement Plan and their beneficiaries whose benefits under the Retirement Plan are adversely affected by the ERISA limitations described above. Effective December 31, 2014, the Non-Qualified Pension Benefit Plan was amended to include credited service and plan compensation that the named executive officers would have otherwise accrued under the Retirement Plan if their benefit had not been frozen in the Retirement Plan. In addition, deferred compensation is excluded from the Retirement Plan compensation definition but is included in the calculation of benefits under the Non-Qualified Pension Benefit Plan.

The benefit under the Non-Qualified Pension Benefit Plan is equal to the difference between:

- (i) the amount of the benefit the Company participant would have been entitled to under the Retirement Plan absent such ERISA limitations, absent the freezing of plan compensation and credited service, and including deferred compensation in the final average earnings calculation; and
- (ii) the amount of the benefit actually payable under the Retirement Plan.

Participants may retire as early as age 55 with 10 years of service under the Non-Qualified Pension Benefit Plan. Unreduced benefits are available when a participant attains the earlier of age 65 with 5 years of service or age 62 with 30 years of service. Otherwise, benefits are reduced 3% for each year by which retirement precedes the attainment of age 65. Pension benefits earned under the Non-Qualified Pension Benefits Plan are payable in the form of a lump sum, unless an alternative election is made. An alternative election may be made such that benefits are paid as an annuity for life (and the life of the participant's spouse upon death), in a series of installments or under certain circumstances transferred at separation from employment to up to five separate distribution accounts under the Company's Executive Deferral Plan.

Messrs. Franklin and Luning are earning benefits under the Non-Qualified Pension Benefit Plan and are fully vested in those benefits. Mr. Franklin and Mr. Luning are currently eligible to retire under the Non-Qualified Pension Benefit Plan. Messrs. Huwar and Schuller and Ms. Arnold do not earn any benefits under the Non-Qualified Pension Benefit Plan. In 2009, the Company began to fund the Non-Qualified Pension Benefit Plan through the use of trust-owned life insurance.

Actuarial Assumptions used to Determine Values in the Pension Benefits Table

The amounts shown in the Pension Benefits Table above are actuarial present values of the benefits accumulated through the date shown. An actuarial present value is calculated by estimating expected future payments starting at an assumed retirement age, weighting the estimated payments by the estimated probability of surviving to each post-retirement age, and discounting the weighted payments at an assumed discount rate to reflect the time value of money. The actuarial present value represents an estimate of the amount, which, if invested today at the discount rate, would be sufficient on an average basis to provide estimated future payments based on the current accumulated benefit. Assumptions used to determine the values are the same as those disclosed on the Company's financial statements as of those dates with the exception of the assumed retirement age and the assumed probabilities of leaving employment prior to retirement. Retirement was assumed to occur at the earliest possible unreduced retirement age (or current age, if later) for each plan in which the executive participates. For purposes of determining the earliest unreduced retirement age, service was assumed to be granted until the actual date of retirement. Actual benefit present values will vary from these estimates depending on many factors, including an executive's actual retirement age. The key assumptions included in the calculations are as follows:

Retirement Age

	December 31, 2024	December 31, 2023
Discount Rate	5.64%	5.51%
Retirement Age		
Franklin	62	62
Luning	65	65
Termination, pre-retirement mortality and disability rates	None	None
Post-Retirement Mortality	40% of the present value for the Retirement Plan is calculated using the PRI-2012 gender specific nondisabled annuitant mortality tables projected generationally from 2012 with Scale MP-2021 improvements. 60% of the present value of the Retirement Plan and 100% of the present value for the Non-Qualified Pension Plan is calculated using a 50% male and a 50% female blended PRI-2012 nondisabled annuitant mortality table projected generationally from 2012 with Scale MP-2021 improvements.	40% of the present value for the Retirement Plan is calculated using the PRI-2012 gender specific nondisabled annuitant mortality tables projected generationally from 2012 with Scale MP-2021 improvements. 60% of the present value of the Retirement Plan and 100% of the present value for the Non-Qualified Pension Plan is calculated using a 50% male and a 50% female blended PRI-2012 nondisabled annuitant mortality table projected generationally from 2012 with Scale MP-2021 improvements.

Please note the following with regard to the incremental pension value above that included in the Pension Benefits Table upon retirement, termination, death and disability:

* Upon termination, the benefits for Mr. Franklin and Mr. Luning are assumed to be payable as an immediate lump sum from the qualified pension plan and lump sum payment at age 55 from the nonqualified plan (as required by the plan provisions of the nonqualified pension plan). Benefits Payable from the qualified pension plan are actuarially equivalent to the benefit payable at age 65. Benefits payable from the non-qualified plan have been reduced for early commencement by 3% per year of commencement prior to age 65 to the assumed age 55 commencement date.

Retiree medical plan eligibility is age 55 with 15 years of service. We have not included retiree medical plan values for Mr. Franklin and Mr. Luning since they have not attained retirement eligibility for that plan.

Non-Qualified Deferred Compensation

The following table contains information regarding contributions to, earnings on, withdrawals from and balances as of December 31, 2024 for our non-qualified Executive Deferral Plan.

Non-Qualified Deferred Compensation

Name	Registrant Contributions in Last FY (\$) ⁽¹⁾	Individual Contributions in Last FY (\$) ⁽¹⁾	Aggregate Earnings in Last FY (\$) ⁽²⁾	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last FYE (\$) ⁽³⁾
Franklin	19,668	—	15,813	(22,877)	181,469
Schuller	51,381	—	55,643	—	306,666
Rhodes	45,942	—	19,810	—	234,848
Luning	3,102	94,862	8,595	—	126,014
Arnold	19,102	180,000	72,084	(89,448)	676,712
Huwar	1,137	73,701	3,104	—	79,729

(1) The Company's and the named executive officers' contributions to this plan are included in the base salary earned in 2024 in the Summary Compensation Table.

(2) In 2024, the deferred amounts were invested in mutual funds chosen by the participant under a trust-owned life insurance policy maintained by the Company to fund the Executive Deferral Plan. The earnings shown in this column include the earnings on those mutual funds.

(3) Prior year contributions were reflected in the Summary Compensation Table for prior years.

Employees with total projected W-2 compensation for 2024 in excess of \$180,000 were eligible to participate in the Company's Executive Deferral Plan for 2024. Participants may defer up to 90% of their salary and 90% of their non-equity incentive compensation under the Company's Annual Cash Incentive Compensation Plan. At the time the participant elects to make a deferral under the Executive Deferral Plan, the participant is also required to elect the form of payment with respect to the amounts deferred for the upcoming calendar year. If a separation distribution account is elected, the participant may choose to receive his or her distribution in either a lump sum payment or, subject to certain requirements, in annual installments over 2 to 15 years. If a flexible distribution account is elected, the participant will receive his or her distribution in a lump sum payment. The executive officers, including the named executive officers, may not commence the receipt of their account balances and the earnings on these deferrals sooner than the first day of the seventh month following the date of the executive's separation from employment.

Potential Payments Upon Termination or Change-In-Control

Double-Trigger Change-In-Control

The Company maintains double-trigger change-in-control agreements with its named executive officers. Payments under these agreements are triggered if the named executive officer's employment is terminated other than for cause or the executive resigns for good reason, as defined in the agreements, within two years after consummation of a change-in-control transaction involving the Company.

The following table provides a summary of the benefits to which each named executive officer would be entitled under the change-in-control agreements.

Payment in Lieu

Name	Multiple of Base Compensation	Years of Health Benefit Continuation Period	Outplacement Services
Franklin	3	3	36 Months
Schuller	2	2	6 Months
Luning	2	2	6 Months
Arnold	2	2	6 Months
Huwar	2	2	6 Months

For base compensation under the change-in-control agreements: *Base Compensation is defined as current base annual salary, plus the greater of the named executive officers target bonus for the year in which the executive incurs a termination of employment, or the last actual bonus paid to the named executive officer under the Annual Cash Incentive Compensation Plan (or any successor plan maintained by the Company), in all capacities with the Company and its subsidiaries or affiliates.* The executive's Base Compensation would be determined prior to reduction for salary deferred by the named executive officer under any deferred compensation plan of Essential and its subsidiaries or affiliates, or otherwise. The NEO is entitled to receive a pro-rata share of the named executive officer's target annual cash incentive compensation based on the portion of the calendar year that has elapsed at the time of the named executive officer's termination. The NEO is also entitled to receive a lump sum payment in lieu of the continuation of certain health benefits for a period of 2 years and outplacement services.

The payment of the multiple of Base Compensation would be made in a lump sum within 60 days after the executive's termination as defined under the agreement, although under the requirements of Section 409A of the Code, part or all of such payment may need to be deferred until the first day of the seventh month following the date of the named executive officer's separation from employment. Each executive is required to execute a standard release of the Company as a condition to receiving the payment under the agreement.

For equity incentive awards made under the Plan: (i) for restricted stock units without performance goals, if a change-in-control occurs prior to the vesting date, the restricted stock units would remain outstanding and vest on the vesting date or, if earlier, vest upon a qualified termination event following a change-in-control; (ii) for Options, if a change-in-control occurs prior to any vesting date, the Options would remain outstanding and vest in accordance with the vesting schedule, or, if earlier, accelerate and vest upon a qualified termination event following a change-in-control; and (iii) for performance shares, if a change-in-control occurs, performance would be measured at the date of the change-in-control, and the number of performance shares earned to be determined as of the date of the change-in-control as follows:

- If a change-in-control occurs more than one year after the grant date, then the number of performance shares earned as of the change-in-control date would be the greater of (i) the amount earned based on actual performance, or (ii) the target number of performance shares.
- If a change-in-control occurs within one year after the grant date, then the number of performance shares earned as of the change-in-control date would be a pro-rata portion (based on the number of whole months in the applicable performance period worked from the date of grant to the change-in-control) of the greater of (i) the amount earned based on actual performance, or (ii) the target number of performance shares.

Any performance shares that are not earned at the change-in-control date would be forfeited. The vesting of these equity incentives is applicable to all grantees under the Plan.

The number of shares underlying the performance share awards will be earned and paid out at the end of the performance period, or, if earlier, as a double-trigger payment on the date of termination of employment following or in connection with the change-in-control.

For purposes of the change-in-control agreements and the vesting of unvested equity incentives as described above, a change-in-control, subject to certain exceptions, means:

1. any person (including any individual, firm, corporation, partnership or other entity except Essential, any subsidiary of Essential, any employee benefit plan of Essential or of any subsidiary, or any person or entity organized, appointed or established by Essential for or pursuant to the terms of any such employee benefit plan), together with all affiliates and associates of such person, shall become the beneficial owner in the aggregate of 20% or more of the common stock of Essential then outstanding; or
2. during any 24-month period, individuals who at the beginning of such period constitute the Board of Directors of Essential cease for any reason to constitute a majority thereof, unless the election, or the nomination for election by Essential's shareholders, of at least seventy-five percent of the directors who were not directors at the beginning of such period was approved by a vote of at least seventy-five percent of the directors in office at the time of such election or nomination who were directors at the beginning of such period; or
3. there occurs a sale of 50% or more of the aggregate assets or earning power of Essential and its subsidiaries, or its liquidation is approved by a majority of our shareholders or Essential is merged into or is merged with an unrelated entity such that following the merger the shareholders of Essential no longer own more than 50% of the resultant entity.

The change-in-control agreement for Mr. Franklin and the form of change-in-control agreement for the other named executive officers have been filed with the SEC as exhibits to the Company's periodic report filings.

Retirement and Other Benefits

Under the terms of our qualified and non-qualified defined benefit retirement plans, eligible salaried employees, including certain named executive officers, are entitled to certain pension benefits upon their termination, retirement, death or disability. In general, the terms under which benefits are payable upon these triggering events are the same for all participants under the qualified and nonqualified plans. The present value of accumulated pension benefits, assumed payable at the earliest unreduced age (or current age, if later), for the named executive officers is shown in the Pension Benefits Table on page 77. The pension benefit values included in the tables on pages 77 through 79 reflect the incremental value above the amounts shown in the Pension Benefits Table for benefits payable upon each triggering event from all pension plans in the aggregate.

The Company sponsors postretirement medical plans to subsidize retiree medical benefits for employees hired prior to certain dates starting in 2003. Under the postretirement medical plans, employees are generally eligible to retire upon attainment of age 55 and completion of 15 years of service. Upon retirement, eligible participants are entitled to receive subsidized medical benefits prior to attainment of age 65 where the subsidy provided is based upon age and years of service upon retirement. Upon attainment of age 65, eligible participants are entitled to receive employer contributions into a premium reimbursement account which may be used by the retiree in paying medical and prescription drug benefit premiums. The postretirement medical benefits shown in the tables on pages 83 through 85 are those which are payable from the Company under each of the triggering events.

Assumptions used to determine the values are the same as those disclosed on the Company's financial statements. In addition, the Company assumes immediate termination, retirement, death or disability have occurred at December 31, 2024 for purposes of the table on page 80. Participants not eligible to receive benefits if leaving under a triggering event as of December 31, 2024 are shown with zero value in the tables.

Upon termination for any reason, the named executive officer in our Executive Deferral Plan, would be entitled to a distribution of their account balances as shown in the Non-qualified Deferred Compensation table on page 80, subject to the restrictions under the Executive Deferral Plan described on page 80. The values of these account balances are not included in the tables on pages 83 through 85. The named executive officers are also eligible for the same death and disability benefits of other eligible salaried employees. These common benefits are not included in the tables on pages 83 through 85.

Under the terms of the Amended and Restated Omnibus Equity Compensation Plan (the Plan):

- if the employment of the named executive officer terminates, then any vested Options will remain exercisable for 90 days following the date of termination, or if shorter, the remaining term of the stock option;
- if the named executive officer retires, other than in a change-in-control context, then a prorated portion of the unvested Options will vest if the applicable performance goal is met for the year in which retirement occurs, and the vested Options will remain exercisable for the full term of the Options;
- if the named executive officer dies or becomes disabled, then any unvested portion of any outstanding Options will become immediately vested, and will remain exercisable for one year following the termination date; and,
- if, in connection with a change-in-control, the named executive officer's employment is terminated by retirement, termination without cause or disability or death, then all unvested stock options will accelerate and vest on the termination date. The vested Options shall be exercisable for the applicable period.

Under the terms of the RSUs granted under the Plan, grantees of RSUs will (i) vest in a pro-rata portion of unvested grants upon the grantee's termination of employment as a result of retirement, or

(ii) vest immediately in unvested grants following the grantee's termination of employment as a result of death or disability. Shares of Company stock equal to the applicable portion of the restricted stock units shall be issued to the grantee within 60 days following the grantee's retirement, death or disability, subject to applicable tax withholding and the values of these restricted stock units as of December 31, 2024 are included in the tables on pages 83 through 85.

Under the terms of the performance share unit grants under the Plan, grantees of performance share units will (i) earn a pro-rata portion of unvested grants upon the grantee's termination of employment as a result of retirement or (ii) earn immediately any unvested grants following the grantee's termination of employment as a result of death or disability. Shares of Company stock equal to the applicable portion of the performance share units shall be issued to the grantee on the vesting date for such performance share units and the estimated values of these performance share units based on interim performance through December 31, 2024 are included in the tables on pages 83 through 85. For purposes of the performance share units tied to the performance goal of cumulative earnings before taxes, the Company's actual performance is measured against a pro-rata portion of the performance goal as of year-end. Actual performance results for the full performance period may be substantially different from the amounts presented in the tables on pages 83 through 85.

Termination

For a termination event other than in connection with a change-in-control, the severance plan applicable to the named executive officers other than Mr. Franklin, and Mr. Franklin's Employment Agreement as described on page 61, provides the named executive officers with a severance benefit of one full year salary and one full year projected bonus and up to six months of continued medical benefits if the named executive officer is terminated for any reason other than for cause.

In addition, once vested, participants are eligible to receive qualified benefits under the Retirement Plan and nonqualified benefits from the Non-Qualified Pension Benefit Plan. Benefits vest upon attaining five years of service. Pension benefits for Messrs. Franklin and Luning are vested and payable from the Retirement Plan as well as the Non-Qualified Pension Benefit Plan.

The full value of the benefits payable due to termination is determined based on the assumed timing and form of the benefits payable as follows: the benefits for Messrs. Franklin and Luning are payable as an immediate lump sum payment or life annuity from the Retirement Plan and an immediate lump sum payment at age 55 from the non-qualified plans. Benefits have been reduced for early commencement by 3% per year of commencement prior to age 65.

Retirement

In the case of retirement, the present value of benefits is determined in the same manner as termination. Messrs. Schuller, Luning and Huwar and Ms. Arnold are not currently eligible for retirement benefits. Mr. Franklin is eligible for retirement.

Death

Vested benefits under the Retirement Plan are payable to the participant's surviving spouse as a single life annuity upon the death of the participant. The benefit will be paid to the spouse as early as the deceased participant's earliest retirement age (age 55 with ten years of service or age 65). The benefit will be equal to 75% of the benefit calculated as if the participant had separated from service on the date of death (assumed to be December 31, 2024 in the tables on pages 77 through 79), survived to the earliest retirement age and retired with a qualified contingent annuity.

Vested benefits under the Non-Qualified Pension Benefit Plan are payable to the participant's surviving spouse as a lump sum (or in certain cases transferred to the Company's Executive Deferral Plan) upon the death of the participant. The benefit will be equal to 75% of the benefit calculated as if the participant had separated from service on the date of death (assumed to be December 31, 2024 in the tables on pages 77 through 79), survived to the earliest retirement age and retired with a qualified contingent annuity. For each of the participants, the total present value of pension benefits payable upon death is less than the amount

shown in the Pension Benefits Table. For purposes of the benefit calculations shown, spouses are assumed to be three years younger than the participant.

Disability

If an individual is terminated as a result of a disability with less than ten years of service, the benefits are payable in the same amount and form as an individual who is terminated. Individuals who terminate employment as a result of a disability with at least ten years of service are entitled to future accruals until age 65 (or earlier date if elected by the participant) assuming level future earnings and continued service. The benefits are not payable until age 65, unless elected by the participant for an earlier age. Upon the attainment of age 65, the individual would be entitled to the same options as an individual who retired from the Retirement Plan.

Messrs. Franklin and Luning have each completed ten years of service. Therefore, for purposes of this present value calculation, these participants are assumed to accrue additional service and earnings until age 65, at which time pension payments are assumed to commence. Ms. Arnold, Mr. Schuller, and Mr. Huwar have not completed ten years of service.

Termination Events Compensation

The total estimated value of the payments that would be triggered by a termination following a change-in-control, a termination other than for cause without a change-in-control, retirement, death or disability for the named executive officers calculated assuming that the triggering event for the payments occurred on December 31, 2024 and assuming a value for our Common Stock as of December 31, 2024 for purposes of valuing the vesting of the equity incentives are shown on the following page:

Christopher H. Franklin

Payments and Benefits Upon Separation	Change-in-Control \$	Termination \$	Retirement \$	Death \$	Disability \$
Triggered Payments and Benefits					
Severance Payment	7,479,843	4,130,000	—	—	—
Prorated current year bonus	1,032,500	1,032,500	1,032,500	1,032,500	1,032,500
Payment of accrued dividend equivalents	386,385	—	247,302	386,385	386,385
Vesting of restricted stock	—	—	—	—	—
Vesting of restricted share units	1,931,970	—	1,096,210	1,931,970	1,931,970
Vesting of performance share units	5,151,034	—	2,701,537	5,151,034	5,151,034
Vesting of stock options	—	—	—	—	—
Continuation of welfare benefits	102,350	16,233	—	—	—
Outplacement services	67,500	—	—	—	—
Vested Retirement Benefits					
Pension Benefits Table	—	—	930,217	—	—
Present value of retiree medical benefits	295,480	295,480	295,480	—	295,480
Total	16,447,062	5,474,213	6,303,246	8,501,889	8,797,369

Daniel J. Schuller

Payments and Benefits Upon Separation	Change-in-Control \$	Termination \$	Retirement \$	Death \$	Disability \$
Triggered Payments and Benefits					
Severance Payment	2,014,802	868,849	—	—	—
Prorated current year bonus	342,274	342,274	342,274	342,274	342,274
Payment of accrued dividend equivalents	104,657	—	66,624	104,657	104,657
Vesting of restricted stock	—	—	—	—	—
Vesting of restricted share units	525,659	—	296,037	525,659	525,659
Vesting of performance share units	1,405,884	—	731,140	1,405,884	1,405,884
Vesting of stock options	—	—	—	—	—
Continuation of welfare benefits	66,556	16,233	—	—	—
Outplacement services	20,000	—	—	—	—
Vested Retirement Benefits					
Pension Benefits Table	—	—	—	—	—
Present value of retiree medical benefits	—	—	—	—	—
Total	4,479,832	1,227,356	1,436,075	2,378,474	2,378,474

Christopher P. Luning

Payments and Benefits Upon Separation	Change-in-Control \$	Termination \$	Retirement \$	Death \$	Disability \$
Triggered Payments and Benefits					
Severance Payment	1,677,166	726,880	—	—	—
Prorated current year bonus	272,580	272,580	272,580	272,580	272,580
Payment of accrued dividend equivalents	74,445	—	47,766	74,445	74,445
Vesting of restricted stock	—	—	—	—	—
Vesting of restricted share units	371,808	—	211,360	371,808	371,808
Vesting of performance share units	990,904	—	520,406	990,904	990,904
Vesting of stock options	—	—	—	—	—
Continuation of welfare benefits	66,298	16,170	—	—	—
Outplacement services	20,000	—	—	—	—
Vested Retirement Benefits					
Pension Benefits Table	—	—	957,283	—	659,461
Present value of retiree medical benefits	242,985	242,985	242,985	—	242,985
Total	3,716,186	1,258,615	2,252,380	1,709,737	2,612,183

Colleen M. Arnold

Payments and Benefits Upon Separation	Change-in-Control \$	Termination \$	Retirement \$	Death \$	Disability \$
Triggered Payments and Benefits					
Severance Payment	1,215,426	563,325	—	—	—
Prorated current year bonus	174,825	174,825	174,825	174,825	174,825
Payment of accrued dividend equivalents	39,778	—	25,005	39,778	39,778
Vesting of restricted stock	—	—	—	—	—
Vesting of restricted share units	200,922	—	112,103	200,922	200,922
Vesting of performance share units	538,496	—	278,163	538,496	538,496
Vesting of stock options	—	—	—	—	—
Continuation of welfare benefits	59,498	14,512	—	—	—
Outplacement services	20,000	—	—	—	—
Vested Retirement Benefits					
Pension Benefits Table	—	—	—	—	—
Present value of retiree medical benefits	—	—	—	—	—
Total	2,248,945	752,662	590,096	954,021	954,021

Michael Huwar

Payments and Benefits Upon Separation	Change-in-Control \$	Termination \$	Retirement \$	Death \$	Disability \$
Triggered Payments and Benefits					
Severance Payment	1,211,632	533,890	—	—	—
Prorated current year bonus	165,690	165,690	165,690	165,690	165,690
Payment of accrued dividend equivalents	38,133	—	24,116	38,133	38,133
Vesting of restricted stock	—	—	—	—	—
Vesting of restricted share units	191,951	—	107,726	191,951	191,951
Vesting of performance share units	513,483	—	266,667	513,483	513,483
Vesting of stock options	—	—	—	—	—
Continuation of welfare benefits	59,498	14,512	—	—	—
Outplacement services	20,000	—	—	—	—
Vested Retirement Benefits					
Pension Benefits Table	—	—	—	—	—
Present value of retiree medical benefits	—	—	—	—	—
Total	2,200,388	714,092	564,199	909,258	909,258

Proposal 3:

Ratification of the Appointment of PricewaterhouseCoopers LLP as Independent Registered Public Accounting Firm for Fiscal 2025

The Audit Committee of the Board of Directors appointed PricewaterhouseCoopers LLP (PwC) as the independent registered public accounting firm for the Company for the 2025 fiscal year. PwC has been the Company's independent registered public accountants since 2000. The Board of Directors recommends that shareholders ratify the appointment.

The Audit Committee of our Board of Directors carefully considers the qualifications of the independent auditors before engaging them to conduct an audit and has the oversight authority with respect to the performance of the independent auditors. Although shareholder ratification of the appointment of PwC is not required by law or the Company's Bylaws, the Board of Directors believes it is good practice to give our shareholders the opportunity to ratify the appointment. If the shareholders do not ratify the appointment of PwC, then the Audit Committee will take their views into consideration and may or may not consider the appointment of another independent registered public accounting firm for the Company for future years. Even if the appointment of PwC is ratified, the Audit Committee may, in its discretion, direct the appointment of a different independent registered public accounting firm during the year if the Audit Committee determines such a change would be in the best interests of the Company.

Representatives of PwC are expected to be present at the 2025 Annual Meeting, will have the opportunity to make a statement at the meeting if they desire to do so, and will be available to respond to appropriate questions.

PwC has informed us that they are not aware of any relationships between their firm and the Company other than the professional services discussed in Services and Fees below.

The Audit Committee is responsible for the appointment, compensation and oversight of the work of the independent registered public accounting firm. As a result, the Audit Committee is required to pre-approve the audit and non-audit services performed by the independent registered public accounting firm to ensure that such services do not impair the auditor's independence from the Company. The Audit Committee has established a procedure to pre-approve all auditing and non-auditing fees proposed to be provided by the Company's independent registered public accounting firm prior to engaging the accountants for that purpose. Consideration and approval of such services occurs at the Audit Committee's regularly scheduled meetings, or by unanimous consent of all the Audit Committee members between meetings. All fees and services were pre-approved by the Audit Committee for the 2024 fiscal year.

Services and Fees

The following table presents the fees paid to PwC for professional services rendered with respect to the 2024 and 2023 fiscal years:

Fiscal Year	2024	2023
Audit Fees⁽¹⁾	\$3,085,020	\$3,093,000
Audit-Related Fees⁽²⁾	\$ —	\$ —
Tax Fees⁽³⁾	\$ —	\$ 60,000
All Other Fees⁽⁴⁾	\$ 69,000	\$ 66,600
TOTAL	\$3,154,020	\$3,219,600

⁽¹⁾ Represents fees for any professional services provided in connection with the audit of the Company's annual financial statements (including the audit of internal control over financial reporting), non-recurring audit fees of \$277,201 (2024) and \$389,000 (2023), reviews of the Company's interim financial statements included in Form 10-Qs, audits of the Company's subsidiaries, issuance of consents, review of comment letter, and comfort letter procedures.

⁽²⁾ Represents fees for services in connection with pre-implementation work for enterprise computer system implementations, accounting consultations of acquisitions, consultation concerning implementation of auditing standards, and regulator required workpaper reviews.

⁽³⁾ Represents fees for any professional services in connection with the review of the Company's federal and state tax returns.

⁽⁴⁾ Represents fees for software licensing for accounting research, a utility and technical accounting seminar, and out-of-pocket expenses



The Board of Directors unanimously recommends a vote FOR ratifying the appointment of PricewaterhouseCoopers LLP as the company's Independent Registered Public Accounting Firm for the 2025 fiscal year.

Audit Committee Report

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including the system of internal control. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management the audited financial statements in the Annual Report, including:

- the quality of the accounting principles, practices and judgments;
- the reasonableness of significant judgments;
- the clarity of disclosures in the financial statements; and
- the integrity of the Company's financial reporting processes and controls.

The Committee also discussed the selection and evaluation of the independent registered public accounting firm, including the review of all relationships between the independent registered public accounting firm and the Company.

The Audit Committee reviewed with the independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of the Company's audited financial statements with generally accepted accounting principles in the United States, their judgments as to the quality of the Company's accounting principles and such other matters as are required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board.

In addition, the Audit Committee has discussed with the independent registered public accounting firm the firm's independence from management and the Company, including the matters in the written disclosures required by the applicable requirements of the Public Company Accounting Oversight Board and of the Securities and Exchange Commission regarding the independent accountant's communications with the Audit Committee concerning independence, and considered the compatibility of non-audit services with the accountants' independence.

The Audit Committee discussed with the Company's internal auditors and independent registered public accounting firm the overall scope and plans for their respective audits. The Audit Committee meets with the internal auditors and the independent registered public accounting firm, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board of Directors approved, the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, for filing with the SEC.

Respectfully submitted,

Christopher L. Bruner, Chair
David A. Ciesinski
W. Bryan Lewis

February 18, 2025

Annual Meeting Information

Questions and Answers About the 2025 Annual Meeting

WHAT IS THE PROXY?

The proxy card or electronic proxy that you are being asked to give is a means by which a shareholder may authorize the voting of his or her shares at the meeting if he or she does not expect to attend in person. The individuals to whom you are giving a proxy to vote your shares are Christopher P. Luning, our Executive Vice President and General Counsel, and Daniel J. Schuller, our Executive Vice President and Chief Financial Officer.

The shares of common stock represented by each properly executed proxy card or electronic proxy will be voted at the meeting in accordance with each shareholder's direction. Shareholders are urged to specify their choices by marking the appropriate boxes on the proxy card or electronic proxy or voting via telephone. If the proxy card or electronic proxy is signed, but no choice has been specified, the shares will be voted as recommended by the Board of Directors. If any other matters are properly presented at the meeting or any adjournment or postponement thereof for action, then the proxy holders will vote the proxies (which confer discretionary authority to vote on such matters) in accordance with their judgment.

WHY AM I RECEIVING A NOTICE OF AVAILABILITY OVER THE INTERNET?

As permitted by SEC rules, the Company is furnishing proxy materials to many of our shareholders via the Internet, rather than mailing printed copies of those materials to each shareholder. If you received a notice of availability over the Internet of the proxy materials (Notice) by mail, you will not receive a printed copy of the proxy materials unless you request one. Instead, the Notice will instruct you as to how you may access and review the proxy materials on the Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, please follow the instructions included in the Notice.

The Notice is being sent to shareholders of record as of March 10, 2025, on or about March 25, 2025. Proxy materials, which include the Notice of Annual Meeting of Shareholders, this proxy statement and the Annual Report to Shareholders for the year ended December 31, 2024, including financial statements and other information about the Company and its subsidiaries (the Annual Report), are first being made available to shareholders of record as of March 10, 2025, on or about March 25, 2025.

WHO IS ENTITLED TO VOTE?

Holders of shares of the Company's common stock of record at the close of business on March 10, 2025, are entitled to vote at the meeting. Each shareholder entitled to vote is entitled to one vote on each matter presented at the meeting for each share of Common Stock outstanding in such shareholder's name.

WHAT IS A QUORUM?

A quorum of shareholders is necessary to hold a valid meeting of shareholders for the transaction of business. The holders of a majority of the shares entitled to vote, present in person or represented by proxy at the meeting, constitute a quorum. Abstentions and broker non-votes (explained below) are counted as present and entitled to vote for purposes of determining a quorum.

HOW MANY SHARES CAN VOTE?

As of March 10, 2025, there were 275,524,251 shares of Common Stock outstanding and entitled to be voted at the meeting. Shares can be voted in the following way according to the instructions set out in the proxy materials:

- **Electronically** via the internet before the meeting at www.proxyvote.com or during the meeting at www.virtualshareholdermeeting.com/WTRG2025;
- **By telephone** before the meeting; or
- **By mail.**

WHAT IS THE DEADLINE FOR VOTING?

If you vote by proxy and are not a Plan participant, we must receive the proxy by 11:59 P.M. ET on May 6, 2025, in order for your vote to count. If you vote by proxy and are a Plan participant, we must receive the proxy by 11:59 P.M. ET on May 4, 2025, for your vote to count. If you vote electronically over the Internet or by telephone, you must do so by 11:59 P.M. ET on May 6, 2025.

IF A PROXY IS EXECUTED, CAN A SHAREHOLDER STILL ATTEND THE MEETING?

Yes; executing the accompanying proxy or voting through an electronic proxy or voting by telephone will not affect a shareholder's right to attend the meeting and, if desired, to vote during the meeting. Any vote during the meeting will nullify a previously granted proxy. You can submit a proxy and still attend the meeting without voting during the meeting.

HOW DO I PARTICIPATE IN THE VIRTUAL ANNUAL MEETING?

All shareholders as of the record date, or their duly appointed proxies, may participate in the virtual 2025 Annual Meeting.

- **Access to the Audio Webcast of the Annual Meeting.** The live audio webcast of the 2025 Annual Meeting will begin promptly at 8:00 a.m., Eastern Time on May 7, 2025. Online access to the audio webcast will open approximately thirty minutes prior to the start of the Annual Meeting to allow time for you to log in and test the computer audio system. We encourage our shareholders to access the meeting prior to the start time.
- **Log in Instructions.** To attend the online Annual Meeting, log in at www.virtualshareholdermeeting.com/WTRG2025. Shareholders will need their unique 16-digit control number, which appears on the Notice or proxy card and the instructions that accompanied the proxy materials. If you do not have a control number, please contact your broker, bank, or other nominee as soon as possible and no later than May 6, 2025, so that you can be provided with a control number and gain access to the meeting.
- **Submitting Questions at the virtual Annual Meeting.** Shareholders can submit their questions during the live event, and there will be a question and answer session in accordance with the Annual Meeting's Rules of Conduct for questions that are pertinent to the Company and the meeting matters, as time permits. Questions and answers will be grouped by topic and substantially similar questions will be grouped and answered once. To submit a question, once logged in, use the Q&A button to open the panel, enter a question in the field labeled "Submit a question," and click submit.
- **The Annual Meeting's Rules of Conduct** will be posted on <https://www.Essential.co/investor-relations> approximately 2 weeks prior to the date of the Annual Meeting.
- **Technical Assistance.** Beginning 30 minutes prior to the start of and during the virtual Annual Meeting, we will have support team ready to assist shareholders with any technical difficulties they may have accessing or hearing the virtual meeting.
If you encounter any difficulties accessing the virtual meeting during the check-in or meeting time, please call the technical support number that will be posted on the Virtual Shareholder Meeting log-in page.
- **Availability of live webcast to team members and other constituents.** The live audio webcast will be available to not only our shareholders but also our team members and other constituents.

WHAT IS A BENEFICIAL OWNER?

If your shares are held by a brokerage firm, bank, trustee or other agent (known as a "nominee"), your nominee is the stockholder of record and you are the "beneficial owner." As the beneficial owner, you have the right to direct how your shares will be voted. Your nominee will give you instructions for voting by telephone or

online or, if you specifically request a copy of printed proxy materials, you may use a proxy card or instruction card provided by your nominee.

HOW DO I VOTE AT THE VIRTUAL ANNUAL MEETING?

If you plan to vote at the meeting, you can do so by logging in to the online virtual 2025 Annual Meeting platform. Once logged in, use the Voting button to open the voting and submit your vote. If you are a shareholder of record, you have the right to vote electronically at the 2025 Annual Meeting. If you are the beneficial owner of shares held in street name, you may also vote electronically at the 2025 Annual Meeting if you follow the instructions from your broker, bank or other nominee to vote those shares. Please note, you must get instructions from your broker, bank or other nominee to vote any shares for which you are the beneficial owner, but not the shareholder of record.

DO I HAVE TO WAIT TO VOTE AT THE VIRTUAL ANNUAL MEETING?

No. We recommend that you vote in advance by proxy so that your vote is recorded and counted prior to the meeting. You can still attend the meeting.

CAN I REVOKE OR CHANGE MY VOTE?

Yes. Any shareholder giving a proxy card or voting by electronic proxy or voting by telephone has the right to revoke the proxy or the electronic or telephonic vote by giving written notice of revocation to the Secretary of the Company at any time before the proxy is voted, by executing a proxy bearing a later date, by making a later-dated vote electronically or by telephone, or by attending the meeting and voting in person. Attendance at the meeting will not, by itself, revoke a previously granted proxy.

WHY DID I RECEIVE ONLY ONE COPY OF THE PROXY MATERIALS WHEN TWO SHAREHOLDERS LIVE AT MY ADDRESS?

We have adopted a procedure approved by the SEC called householding for eligible shareholders who live at the same address. Under this procedure, multiple shareholders who share the same last name and address and do not participate in electronic delivery will receive only one copy of the Proxy Materials or the Notice. Householding helps us reduce our printing costs and postage fees, as well as the environmental impact of the meeting. Shareholders may elect to receive individual copies of the Proxy Materials or Notice at the same address by contacting Broadridge Financial Solutions, Inc. by telephone at 1-866-540-7095, or by mail at Broadridge Householding Dept., 51 Mercedes Way, Edgewood, New York 11717. Shareholders who are receiving individual copies of such materials, and who would like to receive single copies at a shared address, may contact Broadridge Financial Solutions, Inc. with this request using the contact information provided above.

WHAT ARE THE VOTING REQUIREMENTS TO APPROVE EACH PROPOSAL? WHAT IS THE IMPACT OF ABSTENTIONS AND BROKER NON-VOTES ON EACH PROPOSAL?

The following table summarizes the vote required for the approval of each proposal and the impact, if any, of abstentions and broker- non votes.

Proposal	Voting Options	Vote Required for Approval	Impact of Abstentions	Impact of Broker Non-Votes
PROPOSAL 1 Election of directors	For, Against, or Withhold for each nominee	Plurality of the votes cast*	No effect on this proposal	No effect on this proposal
PROPOSAL 2 Advisory vote on executive compensation	For, Against, or Abstain	Affirmative vote of a majority of the votes cast by those shareholders present in person or represented by proxy at the meeting	No effect on this proposal	No effect on this proposal
PROPOSAL 3 Ratification of the appointment of PricewaterhouseCoopers LLP	For, Against, or Abstain	Affirmative vote of a majority of the votes cast by those shareholders present in person or represented by proxy at the meeting	No effect on this proposal	Not applicable as brokers have discretionary authority to vote on this proposal

* In accordance with the Company's current resignation policy, in an election where the only nominees are those recommended by the Board of Directors, any incumbent director who is nominated for re-election and who receives a greater number of WITHHOLD votes than FOR votes for the director's election must promptly tender a resignation to the Board of Directors.

The affirmative vote of a majority of the votes cast by those shareholders present in person or represented by proxy at the meeting is required to take action with respect to any matter properly brought before the meeting, other than the election of directors, on the recommendation of a vote of a majority of the entire Board of Directors.

The affirmative vote of at least three quarters of the votes which all voting shareholders, voting as a single class, are entitled to cast is required to take action about any other matter properly brought before the meeting, other than the election of directors, without the recommendation of a vote of a majority of the entire Board of Directors.

WHAT IS A BROKER NON-VOTE?

A broker non-vote occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power under NYSE rules for that particular item and has not received instructions from the beneficial owner.

If you are a beneficial owner, your bank, broker or other holder of record is only permitted to vote your shares on the ratification of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the 2025 fiscal year unless the record holder receives voting instructions from you.

Your bank, broker, or other holder of record may not vote on the election of directors or the advisory vote on the compensation paid to the Company's named executive officers for 2024

without our voting instructions. **If you do not provide voting instructions on these matters, a broker non-vote will occur and your shares will not be represented.**

Your proxy vote is important. You are asked to complete, sign and return the proxy card or submit an electronic proxy, vote telephonically or provide your broker with instructions on how to vote your shares, regardless of whether or not you plan to attend the meeting.

WHO PAYS FOR THE COST OF SOLICITING PROXIES?

The cost of soliciting proxies will be paid by the Company, which has arranged for reimbursement at the rate suggested by the New York Stock Exchange (the NYSE) of brokerage houses, nominees, custodians and fiduciaries for forwarding proxy materials to the beneficial owners of shares held of record. In addition, the Company has retained Alliance Advisors LLC to assist in the solicitation of proxies from brokers, bank nominees, other institutional holders, and individual holders of record. The fee paid to Alliance Advisors LLC for normal proxy solicitation does not exceed \$15,500 plus expenses, which will be paid by the Company. Directors, officers and regular employees of the Company may solicit proxies, although no compensation will be paid by the Company for such efforts.

PROCESS FOR SUBMITTING SHAREHOLDER PROPOSALS AT THE NEXT ANNUAL MEETING

Who can submit a shareholder proposal at an annual meeting of shareholders?

Shareholders may submit proposals involving proper subjects for inclusion in the Company's proxy materials for consideration at an Annual Meeting of Shareholders by following the procedures prescribed by Rule 14a-8 of the Securities Exchange Act of 1934, as amended.

What is the deadline for submitting shareholder proposals for inclusion in the Company's proxy materials for the next annual meeting?

To be eligible for inclusion in the Company's proxy materials relating to the 2026 Annual Meeting of Shareholders, proposals must be submitted in writing and received by the Company at the address below no later than December 1, 2025.

What is the deadline for proposing business to be considered at the next annual meeting, but not to have the proposed business included in the Company's proxy materials?

Section 3.17 of the Company's Bylaws requires that the Company receive written notice of business that a shareholder wishes to present for consideration at the 2026 Annual Meeting of Shareholders (other than matters to be included in the Company's proxy materials) between January 26, 2026, and February 26, 2026. The notice must meet certain other requirements set forth in the Company's Bylaws. Copies of the Company's Bylaws can be obtained by submitting a written request to the Secretary of the Company.

Proposals, notices and requests for a copy of our Bylaws should be addressed as follows:

Corporate Secretary
Essential Utilities, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010

Nominating Candidates for Director

HOW DOES A SHAREHOLDER NOMINATE A DIRECTOR FOR ELECTION TO THE BOARD OF DIRECTORS AT THE 2025 ANNUAL MEETING?

A shareholder entitled to vote for the election of directors may make a nomination for director provided that written notice (the Nomination Notice) of the shareholder's intent to nominate a director at the meeting is filed with the Secretary of the Company in accordance with provisions of the Company's Articles of Incorporation and Bylaws.

Section 4.14 of the Company's Bylaws requires the Nomination Notice to be received by the Secretary of the Company between 14 days and 50 days prior to any meeting of the shareholders called for the election of directors, with certain exceptions. These notice requirements do not apply to nominations for which proxies are solicited under applicable regulations of the SEC. The Nomination Notice must contain or be accompanied by the following information:

1. Residence of the shareholder who intends to make the nomination;
2. A representation that the shareholder is a holder of record of voting stock and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the Nomination Notice;
3. Such information regarding each nominee as would have been required to be included in a proxy statement filed pursuant to the SEC's proxy rules had each nominee been nominated, or intended to be nominated, by the Board;

4. A description of all arrangements or understandings among the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; and
5. The consent of each nominee to serve as a director of the Company if so elected.

In addition to satisfying the foregoing advance notice requirements under the Company's By-Laws, to comply with the universal proxy rules under the Exchange Act, stockholders who intend to solicit proxies in support of director nominees other than the Company's nominees must provide notice that sets forth the information required by Rule 14a-19 under the Exchange Act no earlier than December 31, 2025, and no later than January 31, 2026.

WHAT IS THE DEADLINE FOR SUBMITTING A NOMINATION NOTICE FOR THE 2025 ANNUAL MEETING?

A Nomination Notice for the 2025 Annual Meeting must be received by the Secretary of the Company no later than April 18, 2025.

WHAT IS THE PROCESS FOR USING THE PROXY ACCESS BYLAW FOR THE 2026 ANNUAL MEETING?

The Company Bylaws, at Section 4.15, set forth the process to be followed if you want to have a director nominee included in the Company's proxy statement for the 2026 Annual Meeting. The Bylaws can be found on our website at www.essential.co/corporate-governance/documents. To be timely, a nomination under the proxy access bylaw must be received between November 1, 2025, and December 1, 2025.

Additional Information

The Company will provide without charge, upon written request, a copy of the Company's Annual Report on Form 10-K for 2024 and 2024 Annual Report to Shareholders. Please direct your request to Investor Relations Department, Essential Utilities, Inc., 762 W. Lancaster Ave., Bryn Mawr, PA 19010. Copies of our Corporate Governance Guidelines, Committee Charters and Code of Ethical Business Conduct can be obtained free of charge from the Corporate Governance portion of the Investor Relations section of the Company's website: www.Essential.co.

Other Matters

The Board of Directors is not aware of any other matters that may come before the meeting. However, if any further business should properly come before the meeting, the individuals named in the enclosed proxy will vote upon such business in accordance with their judgment.

By Order of the Board of Directors,

KIMBERLY A. JOYCE
Secretary

March 25, 2025

This page intentionally left blank

Appendix A

Essential Utilities, Inc. and Subsidiaries Reconciliation of GAAP to Non-GAAP Financial Measures (In thousands, except per share amounts)

The Company is providing disclosure of the reconciliation of the non-GAAP financial measures to the most comparable GAAP financial measures. The Company believes that the non-GAAP financial measures "adjusted income" and "adjusted diluted income per common share" provide investors the ability to measure the Company's financial operating performance by adjustment, which is more indicative of the Company's ongoing operating performance. The Company further believes that the presentation of these non-GAAP financial measures is useful to investors as a more meaningful way to compare the Company's operating performance against its guidance range for 2024.

This reconciliation includes a presentation of the non-GAAP financial measures "adjusted income" and "adjusted diluted income per common share" and have been adjusted for the following items:

- (1) During the first quarter of 2024, the Company completed the sale of its interest in three non-utility local microgrid and distributed energy projects and recognized a gain of \$91,236, net of transaction expenses. In October 2023, the Company completed the sale of its regulated natural gas utility assets in West Virginia. In 2024, the Company received additional proceeds from this sale of regulated natural gas utility assets in West Virginia and post-transaction activities.
- (2) Estimated impact to Peoples Natural Gas (PNG) operating revenues from warmer than normal weather conditions during 2024 and nonrecurring usage. These impacts are partially offset by favorable regulated water consumption in 2024 due to drier than normal weather conditions.
- (3) The income tax impact of the non-GAAP adjustments described above.

These financial measures are measures of the Company's operating performance that do not comply with U.S. generally accepted accounting principles (GAAP), and are thus considered to be "non-GAAP financial measures" under applicable Securities and Exchange Commission regulations. These non-GAAP financial measures are derived from our consolidated financial information, if available, and is provided to supplement the Company's GAAP measures, and should not be considered as a substitute for measures of financial performance prepared in accordance with GAAP.

The following reconciles our GAAP results to the non-GAAP information we disclose :

	Year Ended December 31, 2024
Net income (GAAP financial measure)	\$ 595,314
Adjustments:	
(1) Gain on sales of assets and related transaction activities	(94,024)
(2) Adjustments for estimated effects of unfavorable weather (addback)	18,749
(3) Income tax effect of non-GAAP adjustments	20,859
Adjusted income (Non-GAAP financial measure)	\$ 540,898
Net income per common share (GAAP financial measure (Earnings per share)):	
Basic	\$ 2.17
Diluted	\$ 2.17
Adjusted income per common share (Non-GAAP financial measure (Adjusted Earnings per share)):	
Basic	\$ 1.97
Diluted	\$ 1.97
Average common shares outstanding:	
Basic	273,914
Diluted	274,421

Essential Utilities, Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Financial Measures
For Compensation Metric Attainment
(In thousands, except per share amounts)

Adjusted income is a non-GAAP financial measure that is derived from the following GAAP financial measures:

	Year Ended December 31, 2024
Net income (GAAP financial measure)	\$595,314
Adjustments:	
Weather normalization of gas business	35,909
Normalization of non-core expenses	2,128
Transaction-related expenses	272
Income tax effect of non-GAAP adjustments	(10,727)
Adjusted income (Non-GAAP financial measure)	\$622,896
Net income per common share (GAAP financial measure):	
Basic	\$ 2.17
Diluted	\$ 2.17
Adjusted diluted income per common share (Non-GAAP financial measure):	\$ 2.27
Average common shares outstanding:	
Basic	273,914
Diluted	274,421

This page intentionally left blank

This page intentionally left blank



OUR SUSTAINABILITY PROGRAM HIGHLIGHTS



Nature

- By 2035, Essential will substantially reduce its Scope 1 and 2 greenhouse gas emissions 60% from our 2019 baseline. Progress through end of year 2023 was 25%, with a calculation for 2024 to be published later this year
- Essential continues to be an industry leader regarding water quality with its commitment to test and treat for PFOA, PFOS, and PFNA compounds across all states served by its regulated water segment. The company reaffirms its commitment to providing finished water that will meet the EPA timelines and standards
- Consistently favorable comparison against national average for percentage of community water systems with health-based violations
- Modernization of America's infrastructure through robust investments that improve sustainability, reliability and safety



Governance

- Strong board diversity, both in broad expertise and demographic composition
- Governance Committee provides direct board oversight of Essential's Sustainability program and performance
- Sustainability Oversight Committee provides direct senior management oversight of Essential's Sustainability program and performance
- Comprehensive board-approved governance policies covering range of ethical, human rights and environmental issues



Safety and Community

- Incorporation of lost time/restricted time incidents, responsible vehicle accident rate and gas damage prevention performance metrics into short-term incentive compensation plan
- Nearly \$5 million in charitable giving to 501(c)(3) organizations and including \$800,000 of combined donations with our employees to the United Way, along with over 4,460 hours of tracked and paid employee volunteer hours
- Most controllable spend in states where we operate, and much of this was from local small-to-medium size businesses with which we have long-standing relationships



Reporting & Merits

- Extensive sustainability reporting (ESG. Essential.co) aligned with Sustainability Accounting Standards Board (SASB), United Nations Sustainable Development Goals (SDGs), Task Force on Climate-Related Financial Disclosures (TCFD), CDP (Carbon Disclosure Project), and American Gas Association (AGA)
- Recently redesigned and easy-to-navigate reporting microsite
- Strong scores from ISS, MSCI, CDP and Sustainalytics
- Renamed to Newsweek's Most Responsible Companies List and named to USA Today's 2024 list of America's Climate Leaders



Essential Utilities, Inc. | 762 W. Lancaster Avenue | Bryn Mawr, PA 19010

NYSE: WTRG | 877.987.2782 | www.Essential.co