

ESSENTIAL UTILITIES, INC.

Labor Rights Policy

Overview and Purpose

This Labor Rights Policy formalizes Essential Utilities and its subsidiaries' (collectively, "Essential" and "the Company") commitment to respect the labor rights of our employees and reinforce principles and commitments outlined in other Essential Utilities' policies, such as the Affirmative Action/Equal Employment Opportunity, Disability Accommodation, Anti-Harassment, Workplace Bullying, Human Rights, Non-Retaliation and Code of Ethical Business Conduct policies. This Labor Rights Policy seeks to embody key principles and core standards reflected in these policies, the applicable laws and regulations where the Company operates and Essential Utilities' commitment to its employees. We expect our vendors to emulate these same principles and standards.

The Company's Board of Directors ("Board") is responsible for overseeing human capital management, which encompasses human rights risk management and labor rights. The Company's management team is accountable to the Board for ensuring this policy is effectively implemented.

All employees and vendors¹ are expected to review and adhere to this policy, which underscores the Company's commitment to fully value and respect labor rights across its operations, independent of what federal, state, and local governments may or may not require.

Compliance with this Labor Rights Policy is effectuated primarily through the Company's:

- Code of Ethical Business Conduct, which:
 - Establishes core human and labor rights' values and practices applicable to employees, customers, and vendors
 - Provides anonymous channels for reporting violations of these values without fear of retaliation or reprisal. Any employee who believes a conflict exists between the language of this Labor Rights Policy and the policies, customs, and practices of the place where they work, or would like to confidentially report a potential violation of this policy should pursue anonymous reporting as set forth in the Code of Ethical Business Conduct. The Company will investigate, address, and respond to the concerns of any employee and as deemed necessary, take appropriate corrective action in response to the violation.
- Purchasing policies which ensure the Company purchases in accordance with US laws and prohibits purchasing from companies that are known violators of human and labor rights
- Compliance with labor laws and regulations applicable to the Company's operations and designed to protect employees

¹ Throughout this policy, the term "vendors" includes all suppliers, business partners, security arrangements, and contractors that contribute to our business operations

Essential Utilities is committed to maintaining the highest standards of integrity and treating our employees with dignity, respect and fairness. To honor this commitment, the Company regularly assesses labor rights-related risks and potential workplace impacts as well as its employment policies and practices. We also seek input from stakeholders on our approach.

The Company's vendors must make this same commitment. Failure by the Company's vendors to comply with this policy will subject them to disciplinary action, potentially including termination or cancellation of the business or other relationship.

Policy Details

1) Workplace Safety

Ensuring a safe and healthy work environment is of paramount importance. The Company seeks to provide a secure business environment for the protection of our employees, contractors, and visitors. The Company complies with all applicable regulatory requirements at a minimum and implements programs and processes to achieve greater protection. We strive to provide and maintain a safe, healthy, and productive workplace by addressing and remediating identified risks that could lead to accidents, injury, or detrimental health impacts. We undertake such efforts in partnership, consultation, and transparent communication with our employees. Furthermore, we are committed to maintaining a workplace that is free from violence, harassment, intimidation, and other unsafe or disruptive conditions due to internal and external threats.

2) Prevention of Human Trafficking, Forced Labor, and Child Labor

Consistent with our high standards for social responsibility, the Company will not use or tolerate the use of forced, debt bonded, indentured labor, involuntary prison labor, military labor, slavery or human trafficking in our business or supply chain. We forbid harsh or inhumane treatment, including corporal punishment or the threat of corporal punishment. Also, the Company does not engage in or condone unlawful youth employment or exploitation of children. Our policies are guided by the local laws and regulations where we operate as well as the principles and agreements promulgated by the United Nations and International Labor Organization. The Company expects its vendors to comply with these requirements.

3) Working Hours and Compensation Standards

The Company complies with applicable employee compensation and wage and hour laws, including those related to minimum wages, overtime hours, and legally mandated benefits. The Company competitively compensates employees relative to the industry and local labor market standards to ensure employees earn fair compensation for the work they perform. The Company expects its vendors to comply with these expectations.

4) Freedom of Association and Collective Bargaining

The Company recognizes and respects our employees' right to freely associate or not associate with third party organizations such as labor organizations, along with the right to bargain or not bargain collectively in accordance with federal law. No employee shall be

subject to harassment, intimidation, or retaliation because of his or her efforts to engage in protected and concerted activities.

5) Employee Engagement

The Company is committed to treating our employees with dignity and respect and creating an environment of open communication where employees can speak with their managers about their ideas, concerns or problems, and team together to address workplace issues. We encourage our employees to share their ideas, concerns, or suggestions through an environment of cooperation and teamwork.

6) Vendor Responsibility

The Company expects its vendors to maintain human rights, labor, health and safety, and ethical practices which meet or exceed all applicable laws and this policy.

7) Communication and Improvement

This policy is intended to succinctly express the Company's commitment to respect human and labor rights throughout its operations and supply chain. The Board and management regularly review this policy and update the policy as needed. The Company is committed to continuous and transparent communication with its stakeholders.

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