

ESSENTIAL UTILITIES INC.

Political Spending Policy

Political Spending

At Essential Utilities, we take seriously our role in the public policy process. At our disposal are various outlets through which we can participate. The company engages in lobbying activities and trade association in order to educate and address issues impacting our service. In addition, our management team can participate in the Aqua H2O Political Action Committee (PAC).

Recognizing the importance of our political and legislative activities both in Washington, D.C. and in the various state capitals where we conduct business, we use the tools allowed by law including our Political Action Committee – H2O PAC. The PAC has been in existence since 1993 and it has given us the opportunity to support candidates that also believe in our mission of providing safe and reliable service to our customers. Engaging in this activity is important to support future and current candidates that want to maintain our mission by providing a strong water infrastructure for the next generation, protect the environment, and allow our company to be financially viable.

Compliance

Transparency is critical to building trust in political activities. All PAC and lobbying expenditures are reported in accordance with federal, state, and local laws.

The company reports all corporate lobbying-related activities and expenditures to the appropriate oversight agencies. Essential companies report lobbying expenditures when required by law.

Corporate lobbying-related activities vary by state and have various disclosure requirements. Pennsylvania lobbying reports are public information and can be found through the Pennsylvania Department of State (PADOS) website, listed below.

PA DOS:

<https://www.dos.pa.gov/OtherServices/LobbyingDisclosure/pages/default.aspx>

The Aqua America H2O Political Action Committee and the Aqua America H2O State Political Action Committee (Pennsylvania) both file reports listing all contributions to and from the PACs. You can find those reports on the Federal Election Commission's (FEC) Website and at the Pennsylvania Department of State's Website, listed below.

FEC: <http://www.fec.gov>

PA DOS:

<https://www.dos.pa.gov/VotingElections/CandidatesCommittees/CampaignFinance/Pages/default.aspx>

Approved by the Essential Utilities Board of Directors 12/18/2019