

## **ESSENTIAL UTILITIES INC.**

### **Sustainability and Environmental Policy**

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

- Advance our sustainability framework through the company’s mission, culture and values to achieve Essential’s vision for a sustainable future.
- Comply fully with all applicable environmental laws and regulations and company procedures.
- Monitor the company systematically to reduce risk and liability through Enterprise Risk Management.
- Strive for performance beyond environmental compliance through operational efficiencies, technologies, recycling, reuse, materials and product substitution.
- Continue to integrate a comprehensive environmental management approach into our overall business and mitigate adverse environmental impacts caused by our operations.
- Pursue cost-effective energy and water efficiency improvements in our operations and promote conservation practices and investments in energy-saving technologies by our customers.
- Engage in open relationships, communication and education with our customers, regulators and other stakeholders on environmental matters.
- Transparently report our environmental performance and sustainability progress.

- Preserve natural resources, safeguard ecosystems and promote biodiversity through hazard reduction measures and enhanced land management.
- Continue our efforts to address climate change and global warming by participating in the Climate Disclosure.
- With regards to water quality and resiliency:
  - We reduce the amount of water lost by investing diligently in water system infrastructure.
  - We develop water supply plans and continuously assess water supplies.
  - We strive to meet or surpass all environmental standards related to water and wastewater operations.
  - We take a leadership role to operate in our watersheds in a way that protects and restores the natural environment.
  - We structure our rate tariffs to encourage customer conservation.
- With regards to energy efficiency:
  - We look to utilize energy as efficiently as possible this includes alternative energy such as solar and wind.
  - We prioritize energy efficiency on the pumps, generators, and other assets that are critical to managing our natural resource delivery process.
  - We consider “alternative fuel” vehicles when adding to our fleet.

*Approved by the Essential Utilities Board of Directors 2/26/2020*