

ESSENTIAL UTILITIES, INC.
AND ITS SUBSIDIARIES
SUPPLIER CODE OF CONDUCT

Scope and Purpose.

The success of Essential Utilities, Inc. and its subsidiaries (“Essential”) rests on our commitment to integrity, honesty, reliability, and commitment to quality service. Essential remains committed to conducting its business in an ethical, legal, and socially responsible manner. To encourage compliance with all legal requirements and ethical business practices, Essential has established this Supplier Code of Conduct (“Code of Conduct”) for all suppliers doing business with Essential (“Suppliers”).

The Code of Conduct defines the basic requirements placed on Suppliers of goods and services concerning their responsibilities towards their stakeholders and the environment. The Code of Conduct should not be read in lieu of, but in addition to, the Supplier’s obligations as set out in any agreements between Essential and the Supplier. In the event of a conflict between the Code of Conduct and an applicable agreement, the agreement shall control.

Compliance with Laws and Regulations.

Suppliers are required to abide by all applicable laws, codes, or regulations including, but not limited to, any local, state or federal laws regarding wages and benefits, worker’s compensation, working hours, equal opportunity, non-discrimination, bribery, kickbacks, price fixing, antitrust, child labor, forced and indentured labor, and worker and product safety. Essential also expects that Suppliers will conform their practices to the published standards for their industry.

Notification to Employees: To the extent required by law, Suppliers should establish company-wide policies implementing the standards outlined in this Code of Conduct and post notices of those policies for their employees. The notices should be in all languages necessary to fully communicate policies to their employees.

Environmental Protection.

The mission of Essential Utilities is, in part, “providing natural resources for life”. Sustainability and resiliency are deeply engrained in our business strategy and are articulated in our [Sustainability and Environmental Policy](#), which we encourage all Suppliers to read and align with, in principle. We seek to use resources wisely, care for the environment, and continuously improve ourselves and our company. We expect our Suppliers to join us in the responsibility of being careful and committed stewards of the environment. We also expect that our Suppliers, in turn, extend these principles and commitments to their Suppliers.

Fundamentally, we expect our Suppliers to specifically conform to standards identified by Essential in contract documents and applicable state and federal regulations. However, we encourage and ask that our Suppliers go well beyond this minimum threshold and do more to incorporate sustainability principles into their operations, products, and larger value chain.

We value Suppliers that proactively:

- Identify, manage, and mitigate and/or prevent environmental risks through their value chain
- Develop programs and monitor key metrics surrounding: natural resource usage, material intensity, reuse and recycling, air emissions, sustainable land use, waste reduction and management, energy use, water use, greenhouse gas emissions, and other relevant and material areas of environmental management for the Supplier's industry and operations
- Monitor best industry practices and latest developments in environmental management
- Provide guidance and information to Essential concerning how to most responsibly treat, handle, and/or dispose of products at the end of their life
- Are transparent in disclosing environmental impacts and results publicly, in accordance with established ESG frameworks
- Take a total lifecycle approach and perspective in designing products or supplying raw materials or commodities
- Engage and partner with Essential Utilities on identified opportunities to reduce impacts or enhance sustainability for both parties
- Participate in industry collaborations and efforts to address key environmental issues
- Set public and measurable goals that reduce environmental impacts and promote resilience and sustainability
- Introduce product options and alternatives, where applicable, that have added sustainability attributes

Essential Utilities reserves the right to:

- Ensure compliance with environmental standards and regulations through periodic on-site audits or other assessments of Suppliers
- Request information and details about our material Tier 2 Suppliers regarding environmental compliance and management
- Inquire about programs, plans, metrics, and policies regarding any of the aforementioned environmental management subject areas
- Inquire about life cycle inventory data for Supplier processes and products
- Request full material content of products supplied to Essential
- Request that a Supplier address or remediate specific environmental issues

Human Rights

Essential Utilities respects human rights. All our employees, Suppliers, and business partners are expected to be strong ethical community partners forming positive relationships wherever we do business. Our Human Rights Policy underscores our commitment to value and respect human rights across our operations and to conduct business in a way that minimizes the adverse effects our infrastructure or operations may have on people and communities, where possible, independent of what governments may or may not require. We apply these standards of conduct to our Suppliers with no exception. We encourage our Suppliers to develop and publicly disclose a similar commitment to human rights. Further, we encourage the same request to be made to our Tier 2 suppliers. Our Suppliers should be procuring from businesses with similar values and perspectives on human rights.

Both Essential Utilities and our Suppliers will:

- Make efforts to avoid causing or contributing to human rights violations;
- Mitigate and/or remediate adverse human rights impacts of operations where possible;
- Prohibit the use of child labor, forced labor or human trafficking; and
- Be transparent in these efforts, successes and challenges

We expect our Suppliers to make Essential Utilities immediately aware of any known human rights violations in their value chains. Our Suppliers must comply with all applicable labor laws and regulations in the geographic regions and locales where they operate and conduct business.

Health and Safety of employees.

Supplier is solely responsible for the health and safety of its employees and shall comply with health and safety standards specified in its agreement with Essential. While providing services to Essential, Supplier shall not act in a manner that jeopardizes the health and safety of Essential's employees, customers and/or the general public. Supplier shall comply with all federal, state, and local laws and OSHA regulations.

Supply Chain.

Supplier should take reasonable efforts to promote among its suppliers compliance with a code of conduct. Supplier shall subscribe to principles of nondiscrimination with respect to its supplier selection and treatment.

Essential encourages supplier diversity. Suppliers who may be owned by minorities, women, disabled persons, veterans, or lesbian gay bisexual transgender persons are strongly encouraged to become certified by the applicable certifying agencies. Essential also encourages suppliers who use subcontractors or suppliers to use certified, minority, women, disabled, veteran and LGBT owned businesses and keep track of their use. For further information on how to become certified and/or the definition of a qualifying business enterprise, please refer to the following:

<https://www.aquaamerica.com/about-aqua/corporate-purchasing.aspx>

Supplier's acceptance of a purchase order or supply of goods and or services constitutes that Supplier's acceptance of the terms set forth in this Code of Conduct. Suppliers must ensure that Essential's Code of Conduct is also implemented by Supplier's subcontractors, business associates or employees,

Conflict of Interest.

Essential expects both employees and Suppliers to support and adhere to high standards of business ethics and professional conduct. To this end, no conflict of interest should exist that could conceivably influence an Essential employee's judgment in handling Essential's business or that might present an unfair advantage to Suppliers. In this regard, Suppliers should not provide gifts, amenities, offers of employment or other remuneration to Essential employees, Board members or their families. In this regard:

1. Essential employees must emphasize Essential's interest while developing and enhancing a mutually productive relationship with Suppliers.

2. Essential employees must refrain from any direct or indirect business or financial relationships with Suppliers which could, in any way, interfere with the independent exercise of the employee's judgment or give the appearance of impropriety or of interfering with the proper performance of his or her job.
3. Essential employees and/or members of their immediate families cannot accept:
 - discounts, services or gifts in excess of \$300
 - unusual hospitality in an amount not to exceed the greater of \$300 or .25% of the employee's salary
 - any preferential treatment from Suppliers.

Confidentiality.

Essential Suppliers and its employees are to maintain the confidentiality of information acquired in the course of work with Essential. This includes information about Essential's pricing, potential pricing, quantities, acquisitions, customers, vendors, competitors and other employees. Such information may only be utilized to provide services pursuant to Suppliers agreement with Essential.

Maintaining the integrity of the purchasing process is of paramount importance, and information concerning these transactions with Essential is considered confidential. Any Supplier disseminating confidential information either intentionally (e.g., via conversation) or inadvertently (e.g., leaving paperwork in common areas) to any other Supplier or Essential competitor are in violation of this trust and will be subject to breach of this Code of Conduct.

Suppliers shall implement and maintain such internet and electronic information security standards that may be required under its agreement with Essential and, in the absence of such provisions in its agreement, shall utilize standards that are acceptable within its industry. Supplier shall notify Essential if records pertaining to Essential or its customers have been accessed by any third party without authorization.

Audits and Inspections.

Each Supplier should conduct audits and inspections to ensure its compliance with this Code of Conduct and applicable legal and contractual standards. Each Supplier should keep accurate and auditable records of all transactions with Essential. Each Supplier is expected to follow a reasonable record retention policy that meets industry and reasonable business standards. In addition to any contractual rights of Essential, the Supplier's failure to observe the Code of Conduct may result in termination of the Supplier relationship. The business relationship with Essential is strengthened upon full and complete compliance with the Code of Conduct and the Supplier's agreements with Essential.

In connection with the standards and requirements set forth in this Code of Conduct, at any time, with or without advance notice, Essential reserves the right to audit, at its own expense, without any restrictions, performance under any agreement with supplier (including any of its Suppliers or subcontractors). Should Supplier fail to comply with this initial audit, Essential reserves the right to conduct additional audits on any or all such facilities (including any of its Suppliers or subcontractors) at Supplier's expense. Essential may also authorize a third party to audit any or all such facilities (including any of its suppliers or subcontractors), but only with Essential's express prior written authorization as provided to Supplier and as Supplier is obligated to first verify with Essential. Supplier shall require that the facility's management

provide unfettered access to the facility and all of its books and records to allow for a comprehensive audit to be conducted, including an opportunity for confidential and private interviews with facility workers selected by the auditor. No retaliation of any sort shall be taken against any worker or auditor for reporting a code of ethics violation. Upon review of any unsatisfactory audit results, Essential, in its sole discretion, reserves the right to require corrective action be taken. If Supplier fails to take corrective action, Essential may stop current production and cancel contracts with any non- conforming Supplier and such Supplier shall be liable for all related damages incurred by Essential, including lost profits.

REPORTING VIOLATIONS

Violations of Essential's Code of Conduct can be reported confidentially. If you have knowledge that any of these standards are being violated, you are encouraged to report the issue. Contact methods are listed below.

- Phone: 1.877.271.9012
- World Wide Web: <http://www.aquaamerica.com/ContactUs>

This Code of Conduct supplements and does not supersede or replace the Essential Code of Business Conduct and Ethics or any other written Essential policy or procedure.

Essential reserves the right to amend this Code of Conduct at any time.

The undersigned warrants and represents that (s)he is the _____ of Supplier, has authority to bind the Supplier to comply with the terms of this Code of Conduct and acknowledges Supplier's responsibility to adhere to this Code of Conduct. Supplier certifies that the products it sells to Essential comply with the laws of the country where Supplier does business.

Company Name:

Name of Representative:

Title:

Signature:

Date: