



American Water Works

CDP Corporate Questionnaire 2026

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

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C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☒ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☒ USD

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☒ Publicly traded organization

(1.3.3) Description of organization

American Water is the largest regulated water and wastewater utility company in the United States. With a history dating back to 1886 and celebrating 140 years in 2026, We Keep Life Flowing® by providing safe, clean, reliable and affordable drinking water and wastewater services to approximately 14 million people with regulated operations in 14 states and on 19 military installations. American Water's approximately 7,000 talented professionals leverage their significant expertise and the company's national size and scale to achieve excellent outcomes for the benefit of customers, employees, investors and other stakeholders. The Company conducts almost all its business through regulated utilities that provide water and wastewater services, collectively presented as the "Regulated Business." This primary business involves the ownership of utilities that provide water and wastewater services to residential, commercial, industrial, public authority, fire service and sale for resale customers. The operations of the Company's Regulated Businesses are generally subject to regulation by public utility commissions (PUCs) in the states in which they operate, with the primary responsibility of the PUCs being the promotion of the overall public interest by balancing the interest of customers and utility investors. Specific authority might differ from state to state, but in most states, PUCs review and approve rates charged to customers, accounting treatments, long-term financing programs and cost of capital, operation and maintenance expenses, capital expenditures, taxes, affiliated transactions and relationships, reorganizations, mergers and acquisitions, and dispositions, along with imposing certain penalties or granting certain incentives. American Water tracks greenhouse gas (GHG) emissions related to its Regulated Business; responses in this report apply accordingly. In addition, the Company operates other regulated-like businesses that provide complementary water and wastewater services to municipalities and the U.S. government on military installations that own their utility

systems. Energy and emissions data related to those businesses are outside the scope of this report. The Company maintains an industry-leading research and development (“R&D”) program that is designed to enhance its services, support its compliance activities, improve service quality and operational effectiveness, and provide environmental leadership. For more than four decades from its inception, American Water’s R&D program has evolved into an industry-leading effort and has achieved numerous advancements in the science of drinking water, and wastewater. The Company continues to leverage its expertise and collaborates with the EPA and state agencies to help establish effective environmental, health and safety, and water quality standards and regulations. This relationship includes sharing of the Company’s research, such as its treatment and distribution system optimization research and its national water quality monitoring data. The Company’s engagement with the EPA provides it with early insight into emerging regulatory issues and initiatives, thereby allowing the Company to anticipate and to accommodate its future compliance requirements. The Company also frequently engages with the American Water Works Association, other state environmental agencies, universities, research labs and national and international water research foundations. The Company believes that continued R&D activities are critical for providing safe, clean, reliable and affordable services, as well as maintaining its leadership position in the industry, which provides the Company with a competitive advantage as it seeks business and operational growth.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	12/31/2025	Select from: ☒ Yes	Select from: ☒ No

[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

4723000000

(1.5) Provide details on your reporting boundary.

(1.5.1) Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?

Select from:

☒ No

(1.5.2) How does your reporting boundary differ to that used in your financial statement?

As stated in its Annual Report on Form 10-K (Annual Report), the Company conducts the majority of its business (approximately 92% of total operating revenue) through regulated utilities that provide water and wastewater services, collectively presented as one reportable segment, referred to as the "Regulated Businesses." The Company also operates other businesses that provide water and wastewater services to the U.S. government on military installations, as well as municipalities. Individually, these other businesses do not meet the criteria of a reportable segment in accordance with generally accepted accounting principles ("GAAP") in the United States and are collectively presented throughout the Annual Report within "Other," which is consistent with how management assesses the results of these businesses. While the Annual Report provides financial performance data for both the Regulated Businesses and Other, the Company's GHG reporting boundary only includes the Regulated Businesses. The annual revenue figure cited above in response to question 1.4.1 is the operating revenue for the Regulated Businesses for 2025.

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

US0304201033

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

030420103

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ Yes

(1.6.2) Provide your unique identifier

AWK

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

☒ No

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☒ United States of America

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☒ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

☒ Upstream value chain

☒ Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

☒ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☒ Tier 2 suppliers

(1.24.7) Description of mapping process and coverage

American Water collects information from suppliers and customers from various sources to gain visibility into its upstream and downstream value chains. American Water's supplied goods, services, capital goods, wholesale purchased water, and fuel and energy related activities are gathered from its contracts, purchase orders, and invoices. For some specific capital goods, the upstream transportation for our Tier 1 suppliers is available for our mapping process. Prequalification surveys, third party questionnaires, assessments, and our supplier relationship management and supplier diversity programs provide additional insights not only for our Tier 1 suppliers but also for several Tier 2. Through American Water's customer connections, we have information for our downstream value chain mapping process for our Tier 1 customers.

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

1

(2.1.4) How this time horizon is linked to strategic and/or financial planning

American Water tracks, monitors, and studies extreme weather events on an on-going basis and routinely takes action in this area to provide safe, clean, reliable, and affordable water and wastewater services to our customers. In addition, we are also active in conservation activities with our customers, with an eye on the potential impact related changes in water supply and usage will have on our operations. In 2025, we invested \$3.2 billion for infrastructure improvements including growth from acquisitions.

Medium-term

(2.1.1) From (years)

1

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

American Water plans to invest between \$17 billion and \$17.5 billion over the next 5 years (2026-2030) in capital investments for infrastructure improvements within our regulated systems. In our disclosed 10-year plan (2026-2035), we project nearly 70% of the Company's regulated system investment is dedicated to infrastructure renewal, 10% is allocated to resiliency, and the balance is invested in water quality, operational efficiency, system expansion, and other categories. American Water reviews and updates, as needed, its 20-year System Master (Comprehensive) Plans for our water and wastewater systems at approximately 5-year intervals and undertakes various other specific engineering studies and inspections.

Long-term

(2.1.1) From (years)

5

(2.1.2) Is your long-term time horizon open ended?

Select from:

☒ No

(2.1.3) To (years)

50

(2.1.4) How this time horizon is linked to strategic and/or financial planning

As part of the Comprehensive Planning work, American Water develops 20-year System Master Plans for its water and wastewater systems that include an assessment of longer term climate-related impacts such as drought and flooding recurrence intervals, increasing storm intensity and related grid power outages, and the impact of heat/cold weather patterns on critical assets and water use. Where significant impact from climate-related droughts, flooding, sea level rise or natural disasters drive major capital improvement upgrade projects, the risks will be evaluated on a longer time period such as 25-50 years. The Company plans to invest between \$42 billion and \$43 billion over the next 10 years (2026-2035) for infrastructure improvements and replacements within its Regulated Businesses.

[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☒ Yes	Select from: ☒ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☒ Yes	Select from: ☒ Both risks and opportunities	Select from: ☒ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☒ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- ☒ Dependencies
- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(2.2.2.4) Coverage

Select from:

- ☒ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- ☒ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

- ☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- ☒ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific
- ☒ Local
- ☒ Sub-national
- ☒ National

(2.2.2.12) Tools and methods used

Enterprise Risk Management

- ☒ Enterprise Risk Management

Other

- ☒ Desk-based research
- ☒ Internal company methods
- ☒ Scenario analysis

(2.2.2.15) Risk types and criteria considered

Acute physical

- ☒ Drought
- ☒ Tornado
- ☒ Wildfires
- ☒ Cold wave/frost
- ☒ Cyclone, hurricane, typhoon

Chronic physical

- ☒ Water stress
- ☒ Sea level rise
- ☒ Water quality at a basin/catchment level
- ☒ Precipitation or hydrological variability
- ☒ Increased severity of extreme weather events

Policy

- ☒ Changes to national legislation

Market

- ☒ Changing customer behavior
- ☒ Lack of availability and/or increased cost of raw materials

Reputation

- ☒ Impact on human health

Technology

- ☒ Other technology risk, please specify :1) Cybersecurity; and 2) Treatment of contaminants of emerging concern

Liability

- ☒ Non-compliance with regulations and legislation

- ☒ Heavy precipitation (rain, hail, snow/ice)
- ☒ Flood (coastal, fluvial, pluvial, ground water)
- ☒ Storm (including blizzards, dust, and sandstorms)

- ☒ Water availability at a basin/catchment level
- ☒ Changing temperature (air, freshwater, marine water)
- ☒ Changing precipitation patterns and types (rain, hail, snow/ice)

(2.2.2.16) Partners and stakeholders considered

Select all that apply

- ☒ Customers
- ☒ Employees
- ☒ Investors
- ☒ Suppliers
- ☒ Regulators

- ☒ Local communities

(2.2.2.17) Has this process changed since the previous reporting year?

Select from:

- ☒ No

(2.2.2.18) Further details of process

Understanding, tracking and responding to the enterprise and local impacts of climate-related risks and opportunities are critical to implementing targeted adaptation and mitigation plans that will bolster climate resiliency, efficient operations, and GHG emissions reductions. The Company has an Enterprise Risk Management (ERM) process which includes an Asset Risk Assessment and Management process focused on the Company's assessment and tracking of the highest potential risks. The asset risk register is compiled at an individual state level and rolled up into a corporate view. State asset risk registers are used to manage actions to mitigate potential risks to service and environmental compliance. Mitigation of potential asset risks is through the Capital Improvement Program and refinements to emergency response and business continuity plans. Our Board of Directors' Safety, Environmental, Technology and Operations (SETO) Committee receives, reviews and discusses with executive management quarterly briefings on risks from natural hazards, such as drought and loss of supply due to extreme weather events and natural disasters. The SETO Committee monitors and reviews operational risk exposure, mitigation strategies and processes for assessing business continuity risks, including asset hardening, resiliency and contingency plans. Our management team and its ERM Committee raise risks to the Audit, Finance and Risk Committee and the Board.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

- ☒ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- ☒ Dependencies
- ☒ Impacts
- ☒ Risks
- ☒ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(2.2.2.4) Coverage

Select from:

- ☒ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

- ☒ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

- ☒ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

- ☒ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(2.2.2.10) Integration of risk management process

Select from:

- ☒ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- ☒ Site-specific
- ☒ Local
- ☒ Sub-national
- ☒ National

(2.2.2.12) Tools and methods used

Enterprise Risk Management

- ☒ Enterprise Risk Management

Other

- ☒ Internal company methods
- ☒ Scenario analysis

(2.2.2.15) Risk types and criteria considered

Acute physical

- | | |
|---|--|
| ☒ Drought | ☒ Cold wave/frost |
| ☒ Tornado | ☒ Pollution incident |

- ☑ Wildfires
- ☑ Algal bloom
- ☑ Toxic spills

Chronic physical

- ☑ Water stress
- ☑ Sea level rise
- ☑ Declining water quality
- ☑ Temperature variability
- ☑ Inadequate water-related infrastructure
- ☑ Changing precipitation patterns and types (rain, hail, snow/ice)
- ☑ Increased levels of environmental pollutants in freshwater or marine bodies
- ☑ Increased levels of macro or microplastic leakage to air, soil, freshwater and/or marine bodies

Policy

- ☑ Changes to national legislation

Market

- ☑ Changing customer behavior
- ☑ Lack of availability and/or increased cost of raw materials

Reputation

- ☑ Impact on human health

Technology

- ☑ Other technology risk, please specify :Other Technology Risks: 1) Cybersecurity; and 2) Treatment for contaminants of emerging concern

Liability

- ☑ Non-compliance with regulations and legislation

- ☑ Heavy precipitation (rain, hail, snow/ice)
- ☑ Flood (coastal, fluvial, pluvial, ground water)
- ☑ Storm (including blizzards, dust, and sandstorms)

- ☑ Water quality at a basin/catchment level
- ☑ Precipitation or hydrological variability
- ☑ Increased severity of extreme weather events
- ☑ Water availability at a basin/catchment level
- ☑ Changing temperature (air, freshwater, marine water)

(2.2.2.16) Partners and stakeholders considered

Select all that apply

- ☒ Customers
- ☒ Employees
- ☒ Investors
- ☒ Suppliers
- ☒ Regulators

- ☒ Local communities

(2.2.2.18) Further details of process

Understanding, tracking and responding to the enterprise and local impacts of risks and opportunities related to our water and wastewater services are critical to implementing targeted adaptation and mitigation plans that will bolster system resiliency, efficient operations, and compliance with environmental laws and regulations. The Company has an Enterprise Risk Management (ERM) process which includes an Asset Risk Assessment and Management process focused on the Company's assessment and tracking of the highest potential risks. The asset risk register is compiled at an individual state level and rolled up into a corporate view. State asset risk registers are used to manage actions to mitigate potential risks to service and environmental compliance. Mitigation of potential asset risks is through the Capital Improvement Program and refinements to emergency response and business continuity plans. Our Board of Directors' Safety, Environmental, Technology and Operations (SETO) Committee receives, reviews and discusses with executive management quarterly briefings on risks from natural hazards, such as drought and loss of supply due to extreme weather events and natural disasters. The SETO Committee monitors and reviews operational risk exposure, mitigation strategies and processes for assessing business continuity risks, including asset hardening, resiliency and contingency plans. Our management team and its ERM Committee raise risks to the Audit, Finance and Risk Committee and the Board.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

- ☒ Yes

(2.2.7.2) Description of how interconnections are assessed

As an industry-leader in providing safe, clean, affordable and reliable water and wastewater services, we seek to maintain the infrastructure needed to provide those services. By making prudent investments that support water and wastewater infrastructure reliability and resiliency, American Water contributes to the economic security and viability of the communities in which we operate. We consider the condition, performance, and criticality of existing infrastructure when prioritizing capital investments, with the goal of investing in infrastructure that represents the highest risk if it were to fail. We seek to provide all customers across our footprint with safe and reliable water and wastewater infrastructure. American Water strives to balance infrastructure needs with water and wastewater affordability by consistently

making infrastructure investments that will reduce significant risks and increase benefits to our customers. Our comprehensive planning process is a long-term, risk-based approach that evaluates the capacity, condition and performance of our water and wastewater systems. We conduct numerous comprehensive planning studies (CPS) and asset management plans annually, and we evaluate systems on a rotating basis by priority, resulting in a targeted capital improvement plan for each system.

[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☒ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☒ Direct operations

(2.3.3) Types of priority locations identified

Sensitive locations

☒ Areas important for biodiversity

☒ Areas of limited water availability, flooding, and/or poor quality of water

Locations with substantive dependencies, impacts, risks, and/or opportunities

☒ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to water

☒ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to biodiversity

(2.3.4) Description of process to identify priority locations

American Water's Comprehensive Planning Study process assesses water availability, flooding potential and quality of natural waters for our water systems and the performance of wastewater treatment plants and the quality of receiving streams for our wastewater systems. American Water utilizes the USEPA tools such as the EnviroAtlas, to assess select Ecosystems and Biodiversity topics such as groundwater recharge, water use, wetlands and the ecological integrity of watersheds. We use NOAA and FEMA mapping to identify and assess flooding potential. In addition, we work with state environmental regulators during the permit renewal processes

for water supply withdrawals and wastewater treatment plant effluent discharges. We measure water withdrawals on daily, monthly and annual basis for our water systems.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☒ No, we have a list/geospatial map of priority locations, but we will not be disclosing it

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

☒ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☒ Capital expenditures

(2.4.6) Metrics considered in definition

Select all that apply

☒ Frequency of effect occurring

☒ Time horizon over which the effect occurs

☒ Likelihood of effect occurring

(2.4.7) Application of definition

American Water's Asset Investment Strategy provides guidance related to the prioritization of investment within its capital program. This strategy outlines criteria for identifying and prioritizing projects to improve operational efficiency and resiliency. These criteria support the identification of opportunity projects during the comprehensive planning study process. In the future, American Water may refine this process through the development of an Opportunity Matrix. This will improve consistency of opportunity documentation and prioritization with the process for risk identification and prioritization.

Opportunities

(2.4.1) Type of definition

Select all that apply

☒ Qualitative

(2.4.6) Metrics considered in definition

Select all that apply

☒ Frequency of effect occurring

☒ Time horizon over which the effect occurs

☒ Likelihood of effect occurring

(2.4.7) Application of definition

American Water's Asset Investment Strategy provides guidance related to the prioritization of investment within its capital program. This strategy outlines criteria for identifying and prioritizing projects to improve operational efficiency and resiliency. These criteria support the identification of opportunity projects during the comprehensive planning study process. In the future, American Water may refine this process through the development of an Opportunity Matrix. This will improve consistency of opportunity documentation and prioritization with the process for risk identification and prioritization.

[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☒ Yes, we identify and classify our potential water pollutants

(2.5.2) Details of policies and processes in place to identify and classify potential water pollutants

American Water is subject to federal and state regulations governing the protection of the environment, health and safety and the provision of water and wastewater services, including those under the Safe Drinking Water Act, the Reduction of Lead in Drinking Water Act, the Clean Water Act, the Clean Air Act and other laws. The Company maintains an environmental program that includes responsible business practices focused on compliance with environmental laws and regulations and the effective use of natural resources. We work with the EPA and other research organizations to review and make recommendations on the policies that can help manage water quality issues or challenges. Our industry-leading research and development (R&D) team focuses on identifying contaminants of emerging concern and developing plans to mitigate and treat any potential threats to water quality. Our corporate Operational Performance & Planning, Research & Development, Source Water Protection, Water Quality & Environmental Compliance, Legal and Engineering teams work together to establish a coordinated strategy and deploy best practices and technologies to address these risks. Our state utility subsidiaries are responsible for managing water quality and emerging contaminants at the local level. This includes performing routine compliance sampling for emerging contaminants, and responding to events, such as spills.

[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

☒ Other physical pollutants

(2.5.1.2) Description of water pollutant and potential impacts

Total Suspended Solids (TSS) are organic and inorganic particles such as silt, clay, plant material, microorganisms, and industrial residues that remain suspended in water and can reduce clarity and overall water quality. Elevated TSS can limit sunlight penetration, impair photosynthesis, lower dissolved oxygen, increase water temperature, interfere with disinfection, and increase treatment and maintenance demands.

(2.5.1.3) Value chain stage

Select all that apply

☒ Direct operations

- ☒ Upstream value chain
- ☒ Downstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- ☒ Improving wastewater treatment processes/capacity
- ☒ Discharge treatment using sector-specific processes
- ☒ Upgrading of process equipment/methods

(2.5.1.5) Indicators for measuring and evaluating the success of the procedure

Select all that apply

- ☒ Compliance with discharge permits / regulatory limits
- ☒ Reduction in pollutant concentration or load against a baseline
- ☒ Receiving water body quality maintained or improved

(2.5.1.6) Please explain

The discharge of plant effluent from American Water's wastewater treatment facilities fall within the EPA's National Pollutant Discharge Elimination System permitting program (NPDES). American Water takes actions to comply with the requirements of applicable NPDES permit limits, including any limits for TSS. Treatment steps that seek to reduce TSS and other pollutants include ultrafiltration, biological treatment and clarification as per NPDES program requirements.

Row 3

(2.5.1.1) Water pollutant category

Select from:

- ☒ Microplastics and plastic particles

(2.5.1.2) Description of water pollutant and potential impacts

Microplastics found in drinking water and wastewater present the U.S. EPA and states with substantial challenges. These include how to identify microplastics of concern and reduce the introduction of microplastics into drinking water sources. There is no consensus on how to sample their presence, amplifying the need for an

EPA-approved method for the testing of microplastics in drinking water, and assurance that adequate lab capacity to support nationwide sampling exists. Additionally, more information is needed on the potential human health and environmental health impacts of microplastics in drinking water and wastewater. According to the U.S. EPA, its scientists are adapting existing methods and developing new methods to evaluate how microplastics, particularly nanoplastics, might impact human health and aquatic life.

(2.5.1.3) Value chain stage

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- ☒ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience
- ☒ Procedure(s) under development/ R&D

(2.5.1.5) Indicators for measuring and evaluating the success of the procedure

Select all that apply

- ☒ Compliance with discharge permits / regulatory limits

(2.5.1.6) Please explain

American Water remains steadfast in its commitment to be a leader in the U.S. water and wastewater industry and a provider of solutions to the challenges related to microplastics and other contaminants of emerging concern. American Water partners and collaborates with industry and research organizations on this and other water research topics. In March 2025, American Water and The Water Research Foundation (WRF) held a two-day Collaborative Forum on Microplastics Research (WRF Project 5318) at American Water's corporate headquarters in Camden, N.J. The forum brought together experts in microplastics, water and wastewater utilities, universities, state regulatory agencies and more, to build knowledge, strengthen collaboration, and identify research needs related to microplastics in water and wastewater. Forum participants agreed that additional research is needed on microplastics. They noted that in some areas, the science is still emerging and that considerably more data is needed before monitoring requirements or broader treatment regulations for water and wastewater utilities should be considered.

Row 4

(2.5.1.1) Water pollutant category

Select from:

- ☒ Inorganic pollutants

(2.5.1.2) Description of water pollutant and potential impacts

Ammonia is an “oxygen-demanding” pollutant and is highly toxic to fish and aquatic life at certain levels. If wastewater discharged to a receiving watershed has a high concentration of ammonia, it will demand more oxygen from the water and leave the water with less oxygen to support fish and other aquatic life.

(2.5.1.3) Value chain stage

Select all that apply

- ☒ Direct operations
- ☒ Upstream value chain
- ☒ Downstream value chain

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- ☒ Improving wastewater treatment processes/capacity
- ☒ Discharge treatment using sector-specific processes
- ☒ Upgrading of process equipment/methods

(2.5.1.5) Indicators for measuring and evaluating the success of the procedure

Select all that apply

- ☒ Compliance with discharge permits / regulatory limits
- ☒ Reduction in pollutant concentration or load against a baseline
- ☒ Receiving water body quality maintained or improved

(2.5.1.6) Please explain

The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the EPA's National Pollutant Discharge Elimination System permitting program (NPDES). American Water takes actions to comply with the requirements of applicable NPDES permit limits, including any limits for ammonia. Where required, these actions seek to minimize the adverse impacts of ammonia on water ecosystems primarily through biological nitrification and denitrification processes, converting acutely toxic ammonia to other compounds that are not harmful to aquatic life.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental risks identified
Climate change	Select from: ☒ Yes, both in direct operations and upstream/downstream value chain
Water	Select from: ☒ Yes, both in direct operations and upstream/downstream value chain

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☒ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☒ Increased severity of extreme weather events

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ United States of America

(3.1.1.9) Organization-specific description of risk

We view climate variability as the increasing frequency and severity of extreme weather events, as well as longer-term shifts in climate patterns. These changes have the potential to impact our infrastructure, operations, customers, suppliers, and long-term strategic priorities. We view this as a cross-cutting enterprise risk that interacts with a wide range of operational, financial, and strategic risk areas. These interdependencies include potential impacts on asset performance and reliability, emergency preparedness and response, key chemicals, and customer affordability, among others. We continue to integrate climate-related considerations into our enterprise risk management framework to enhance resilience, inform decision-making, and support the reliable delivery of essential water and wastewater services.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased capital expenditures

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

☒ Medium-term

☒ Long-term

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

(3.1.1.26) Primary response to risk

Policies and plans

☒ Other policies or plans, please specify :Capital Planning and Risk Assessments

(3.1.1.29) Description of response

We use standardized risk-based prioritization models to categorize infrastructure investments across our systems. We consider several factors to determine the priority of our infrastructure investment decisions, including regulatory requirements, employee and public health and safety, likelihood of asset failure, maintenance and operations costs. We also leverage current climate science and global models related to temperature, precipitation and sea level rise on an ongoing basis. Where actionable forecasts are available, American Water uses the information in our engineering CPS and Master Plans, which assess the risk and resiliency of our water and wastewater systems over short-, medium- and long-term time horizons (0–25+ years). Our engineering planning process enables us to evaluate and predict how water supplies, water quality and water demands may change over time. We also consider how increasing intensity and frequency of extreme weather events may affect our infrastructure and assets, which helps determine updates or changes to our design standards. America’s Water Infrastructure Act (AWIA) of 2018 requires us to complete detailed Risk and Resiliency Assessments (RRAs) and mitigation plans across all our public water systems serving populations over 3,300. In accordance with the AWIA, we will update our risk assessments every five years. We use the guidance provided by the AWWA J100 standard to take an “all hazards” approach to identifying and mapping the key risks across our business. This approach incorporates risk scenarios into our assessments, such as extreme weather, source water contamination and malevolent threats. We also evaluate the self-generating power capacity at our facilities and increase that capacity where needed. We install standby power generators, both stationary and mobile, throughout our operations. These power redundancy measures allow our critical facilities to operate on self-generated power for an extended period, if needed.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk4

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☒ Changes to regulation of existing products and services

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ United States of America

(3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Other, please specify :Various river basins - we operate in 14 states.

(3.1.1.9) Organization-specific description of risk

The company's Regulated Businesses are subject to regulation by Public Utility Commissions (PUCs), which balance the interests of customers and investors. PUCs oversee rates, accounting treatments, financing, O&M expenses, capital expenditures, acquisitions and mergers. Regulatory lag, the delay between an event triggering a change in revenue requirements and the recognition of that change in rates, could adversely affect our business if not mitigated. Changes in laws, governmental policies, or the appointment of new regulators can make it more difficult to recover our cost of operations and investments through rate increases, restrict the ability to terminate services for non-payment, or limit the ability to acquire new systems. Additionally, the company could face risks from eminent domain or condemnation proceedings where government entities may seek to acquire utility assets.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased compliance costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

☒ Medium-term

☒ Long-term

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

(3.1.1.26) Primary response to risk

Engagement

☒ Engage with regulators/policy makers

(3.1.1.29) Description of response

Our goal as a regulated utility is to support laws and policies that enhance our ability to provide our customers with safe, clean, reliable and affordable water and wastewater services. We engage with various levels of government to voice our support for effective policies that align with our business values, while helping lawmakers and other stakeholders better understand our industry, priorities, and the potential impacts policy decisions may have on customers. We also participate in several non-partisan partnerships to advocate for effective environmental, health and safety, and water quality standards and regulations at the local, state and federal levels. We are a key stakeholder for policy decisions that affect the water and wastewater utility industry. Our thought leadership helps inform the decisions of regulators and policymakers and can potentially prevent ineffective or costly regulation. We will continue working with regulators and other stakeholders to support responsible policies that enhance our ability to provide our customers with cost-effective water and wastewater solutions and that align with our business strategies.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Market

☒ Lack of availability and/or increased cost of raw materials

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ United States of America

(3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Other, please specify :Various river basins - we operate in 14 states.

(3.1.1.9) Organization-specific description of risk

The company must obtain cost-effective supplies of pipe, equipment (including personal protective equipment), chemicals, power, fuel, water, and other raw materials. Supply chain constraints may result in delays, shortages, or increased costs for materials critical to business operations. Disruptions can be caused by reduced quantities in the marketplace, manufacturing or shipping delays, labor shortages at vendors, or natural disasters. Such disruptions may prevent the company from obtaining needed goods at reasonable prices or at all, which can adversely impact operations and the ability to serve customers in compliance with regulatory requirements.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased direct costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

☒ Medium-term

☒ Long-term

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

(3.1.1.26) Primary response to risk

Engagement

☒ Engage with suppliers

(3.1.1.29) Description of response

Supply chain management is centralized to leverage efficiencies of scale and manage costs, and the company engages in quarterly business continuity planning with key suppliers. For example, American Water has secured a nine-year supply contract (through 2033) with Calgon Carbon for granular activated carbon and reactivation services at over 50 treatment sites to ensure material availability for PFAS treatment.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☒ Regulation of contaminants

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ United States of America

(3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Other, please specify :Various river basins - we operate in 14 states.

(3.1.1.9) Organization-specific description of risk

Our operations and the quality of the water we supply and the wastewater we treat and discharge are subject to extensive and increasingly stringent environmental, water quality, health and safety laws and regulations, including with respect to contaminants of emerging concern. These include, among others, CERCLA, the Clean Water Act, the Safe Drinking Water Act, the Lead and Copper Rule (as amended), and related federal and state law, regulations and requirements. For example, public utility commissions and environmental regulators establish standards and conditions for the water and wastewater services we deliver, and we must obtain and maintain various environmental permits to operate. Failure to comply with applicable laws, regulations, permit requirements, or water quality standards could result in substantial fines, penalties, litigation, remediation costs, operational restrictions, and reputational harm. Compliance with evolving regulatory requirements may also increase our operating expenses and capital investment needs. In particular, regulators have adopted more stringent requirements related to many contaminants, such as contaminants of emerging concern, including per- and polyfluoroalkyl substances (PFAS). The U.S. Environmental Protection Agency has established Maximum Contaminant Levels (MCLs) for six PFAS compounds, requiring initial monitoring by 2027 and compliance by April 2029. In addition, the Lead and Copper Rule Improvements (LCRI) require the replacement

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

☒ Medium-term

☒ Long-term

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

(3.1.1.26) Primary response to risk

Engagement

☒ Engage with regulators/policy makers

(3.1.1.29) Description of response

Our goal as a regulated utility is to support laws and policies that enhance our ability to provide our customers with safe, clean, reliable and affordable water and wastewater services. We engage with various levels of government to voice our support for effective policies that align with our business values, while helping lawmakers and other stakeholders better understand our industry, priorities, and the potential impacts policy and regulatory decisions may have on customers. We also participate in several non-partisan partnerships to advocate for effective environmental, health and safety, and water quality standards and regulations at the local, state and federal levels. We are a key stakeholder for policy decisions that affect the water and wastewater utility industry. Our thought leadership helps inform the decisions of regulators and policymakers and can potentially avoid ineffective or unnecessarily costly regulation. We will continue working with regulators and other stakeholders to support responsible policies that enhance our ability to provide our customers with cost-effective water and wastewater solutions and that align with our business strategies.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☒ Inadequate water-related infrastructure

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ United States of America

(3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Other, please specify :Various river basins - we operate in 14 states.

(3.1.1.9) Organization-specific description of risk

Aging infrastructure, including water and sewer mains, pumping stations, and treatment facilities, may lead to service disruptions, property damage and increased capital and O&M spending. Assets that have aged beyond their expected useful lives experience higher failure rates, which can lead to safety, environmental, and public health impacts. The company plans to invest between \$42 billion and \$43 billion over the next 10 years for capital improvements, primarily for pipe replacement and upgrading aging facilities.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Increased capital expenditures

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

☒ Medium-term

☒ Long-term

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

(3.1.1.26) Primary response to risk

Policies and plans

☒ Other policies or plans, please specify :Capital Planning and Risk Assessments

(3.1.1.29) Description of response

We strive to balance infrastructure needs with water and wastewater affordability by consistently making infrastructure investments that will reduce significant risks and increase efficiency and benefits to our customers. Our comprehensive planning process is a long-term, risk-based approach that evaluates the capacity, condition and performance of our water and wastewater systems. We conduct numerous comprehensive planning studies (CPS) and asset management plans annually, and we evaluate systems on a rotating basis by priority, resulting in a targeted capital improvement plan for each system. When we build new facilities and upgrade existing ones, we consider how rising sea levels and changing floodplains may affect the surrounding area, among other factors. We design critical equipment to be placed well above expected flood levels to mitigate the risk of interruptions amidst more frequent and intense weather events. Our design criteria often go beyond existing lagging regulations and guidance in our service areas, with input from our insurance carrier's technical recommendations. We invested \$3.2 billion to upgrade and expand our asset base as part of our capital investments in 2025. Our investments typically increase annually as we work to fix leaks, improve water quality, safeguard consistent water supply and maintain regulatory compliance across our water and wastewater systems. We expect the need for significant infrastructure investment to grow; over the next 10 years, we expect to invest approximately \$42–43 billion dedicated to investments including infrastructure renewal, resiliency and water quality.

Water

(3.1.1.1) Risk identifier

Select from:

☒ Risk6

(3.1.1.3) Risk types and primary environmental risk driver

Market

☒ Changing customer behavior

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☒ Downstream value chain

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☒ United States of America

(3.1.1.7) River basin where the risk occurs

Select all that apply

☒ Other, please specify :Various river basins - we operate in 14 states.

(3.1.1.9) Organization-specific description of risk

Changes in customer demand and patterns of use resulting from conservation efforts could impact revenues. While revenue stability mechanisms in some jurisdictions may help mitigate the impact of declining sales, operating results in other areas could be affected by seasonality and shifts in consumer behavior. There is also a risk that reductions in consumption may persist even after drought restrictions are lifted, or that the loss of large industrial customers could lead to a permanent decline in usage.

(3.1.1.11) Primary financial effect of the risk

Select from:

☒ Decreased revenues due to reduced demand for products and services

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

☒ Medium-term

☒ Long-term

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☒ No

(3.1.1.26) Primary response to risk

Engagement

☒ Engage in multi-stakeholder initiatives

[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

United States of America

☒ Other, please specify :Our Regulated Businesses operate in 14 states and across multiple river basins.

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

☒ Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

770

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

☒ 100%

(3.2.10) % organization's total global revenue that could be affected

Select from:

☒ Unknown

(3.2.11) Please explain

In 2025, our Regulated Businesses operated 770 water and wastewater treatment plants in 14 states and served 3.6 million active customers in its water and wastewater networks. In reference to the water-related risks mentioned in 3.1.1, these risks have the potential to affect any of the communities we serve and we will continue to assess and prioritize projects to support the health and safety of our customers and the environment.

[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

(3.3.1) Water-related regulatory violations

Select from:

☒ Yes

(3.3.2) Fines, enforcement orders, and/or other penalties

Select all that apply

☒ Fines, but none that are considered as significant

☒ Enforcement orders or other penalties but none that are considered as significant

(3.3.3) Comment

The Clean Water Act and related state laws regulate discharges from drinking water and wastewater treatment facilities into lakes, rivers, streams and groundwater. The Company's operations frequently require discharge permits under the National Pollutant Discharge Elimination System (NPDES) permit program established under the Clean Water Act and related state law. NPDES permits are subject to a five-year renewal cycle. Pursuant to the permit program, the EPA and implementing states set discharge limits for wastewater effluents and overflows from wastewater collection systems. Discharges that fail to comply with the limits can lead to fines and penalties, and persistent non-compliance could lead to significant fines and penalties and other compliance costs. The Company does not expect any such violations or fines to have a material impact results of operations or financial condition.

[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☒ No, and we do not anticipate being regulated in the next three years

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	Select from: ☒ Yes, we have identified opportunities, and some/all are being realized
Water	Select from: ☒ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resilience

☒ Increased resilience to impacts of climate change

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- ☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- ☒ United States of America

(3.6.1.8) Organization specific description

Maintaining a state of readiness throughout our systems is critical, which is why we set a goal to increase our water system resiliency to respond to more extreme events, measured as a 10% increase in our average Utility Resilience Index (URI) score by 2030 (from a 2020 weighted average baseline). The URI is part of the industry- recognized AWWA J100 standard and assesses a community's ability to absorb and cope with an incident and return to normal operations as quickly as possible. A utility's ability to meet minimum daily water demand is factored into the overall URI score. The goal includes scores on twelve different indicators, which include: Mutual Aid & Assistance, National Incident Management System, Emergency Response Plan, Ability to Meet Minimum Daily Demand or Treatment, Critical Parts and Equipment, Utility Bond Rating, Critical Staff Resilience, Emergency Power for Critical Operations, Business Continuity Plan, Unemployment, Median household Income, and Governmental Accounting Standards Board Assessment. In 2025, American Water achieved this goal, 5 years ahead of schedule.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term
- ☒ The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☒ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

No quantitative analysis as to the effect on our financial position, financial performance, and/or cash flows has been developed or disclosed for this reporting cycle. Generally, expanding emergency management strategies and business continuity plans will improve system resiliency against natural and/or malevolent threats such as extreme weather, cyber-attacks, and supply chain disruptions, and seek to reduce the risk and duration of unplanned service disruptions.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ No

(3.6.1.25) Explanation of cost calculation

The total cost to realize this opportunity has not been calculated and/or disclosed.

(3.6.1.26) Strategy to realize opportunity

American Water has exceeded its goal of improving water system resilience, achieving a weighted average Utility Resilience Index (URI) score of 74.8 in 2025, a 14% increase from our 2020 baseline and above our 2030 target of a 10% improvement.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

- ☒ Stronger competitive advantage

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- ☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- ☒ United States of America

(3.6.1.8) Organization specific description

On October 27, 2025, American Water and Essential Utilities announced a merger that will create the largest regulated water and wastewater utilities in the United States, serving approximately 4.7 million customer connections across 17 states. The combination is expected to strengthen operational scale, expand geographic diversity, and enhance customer-focused capabilities, allowing the combined company to deliver consistent, high-quality service across a broader footprint.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☒ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Please refer to the press release URL below for a description of the opportunity: https://cdn.prod.website-files.com/68f5a19c5ba7fc64d4747ece/68fea0fcee6826ba26e74eb3_American%20Water%20Press%20Release%20102725.pdf

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ Yes

(3.6.1.25) Explanation of cost calculation

Please refer to the press release URL below for a description of the of the opportunity: https://cdn.prod.website-files.com/68f5a19c5ba7fc64d4747ece/68fea0fcee6826ba26e74eb3_American%20Water%20Press%20Release%20102725.pdf

(3.6.1.26) Strategy to realize opportunity

The merger is expected to close by the end of the first quarter of 2027, but remains subject to customary closing conditions, including, among others, required regulatory approvals, including approval from all applicable public utility commissions.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp5

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resilience

- ☒ Participation in environmental collaborative industry frameworks, initiatives and/or commitments

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- ☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- ☒ United States of America

(3.6.1.8) Organization specific description

At American Water, we work closely with a broad network of partners, including river basin commissions, academic institutions, emergency planning groups, and national water policy and research groups, such as the national Source Water Collaborative and ORSANCO (Ohio River Valley Water Sanitation Commission) to advance source water protection.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☒ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

No quantitative analysis as to the effect on our financial position, financial performance, and/or cash flows has been developed or disclosed for this reporting cycle.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ No

(3.6.1.25) Explanation of cost calculation

The total cost to realize this opportunity has not been calculated and/or disclosed.

(3.6.1.26) Strategy to realize opportunity

Through this collaboration, we promote source water protection through education, policy engagement, research, and cross-sector coordination. Source water protection is the first step in our multi-barrier approach to providing safe, clean, reliable, and affordable water service.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp7

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☒ Use of renewable energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ United States of America

(3.6.1.8) Organization specific description

Cost-effective energy opportunity that supports customer bill affordability and environmental sustainability.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Reduced direct costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

☒ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☒ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

No quantitative analysis as to the effect on our financial position, financial performance, and/or cash flows has been developed or disclosed for this reporting cycle.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ No

(3.6.1.25) Explanation of cost calculation

The total cost to realize this opportunity has not been calculated and/or disclosed.

(3.6.1.26) Strategy to realize opportunity

In 2025, our engineering teams conducted two feasibility studies to evaluate opportunities to advance the Company's greenhouse gas emissions reduction objectives. One study assessed onsite renewable energy opportunities. Based on the findings, we identified and advanced multiple cost-effective renewable energy opportunities. In Illinois, our teams partnered with the local electric utility to participate in a community solar program expected to generate operating expense savings over the term of the agreement. The project is offered pursuant to Illinois' Future Energy Jobs Act and Climate and Equitable Jobs Act. Under the program, a community solar facility delivers electricity to the local utility through the electric grid, and the utility purchases the solar energy output by issuing bill credits to subscribed customers. Where feasible, we will continue to pursue cost-neutral or cost-favorable projects such as these that support prudent cost management, and clean energy objectives.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resilience

- ☒ Improved resilience to future regulatory changes

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

- ☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

- ☒ United States of America

(3.6.1.8) Organization specific description

Our goal as a regulated utility is to support policy that enhances our ability to provide our customers with safe, clean, reliable and affordable water and wastewater services.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Other, please specify :Our thought leadership helps inform the decisions of regulators and policymakers and can potentially prevent ineffective or unnecessarily costly regulation.

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☒ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

No quantitative analysis as to the effect on our financial position, financial performance, and/or cash flows has been developed or disclosed for this reporting cycle.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ No

(3.6.1.25) Explanation of cost calculation

The total cost to realize this opportunity has not been calculated and/or disclosed.

(3.6.1.26) Strategy to realize opportunity

We engage with various levels of government to voice our support for effective policies, while helping lawmakers and other stakeholders better understand our industry, priorities, and the potential impacts policy decisions may have on customers. We also participate in several non-partisan partnerships to advocate for effective environmental, health and safety, and water quality standards and regulations at the local, state and federal levels. In 2025, the Company strengthened its federal advocacy as well as expanded its engagement with key regulatory and industry stakeholders while also advancing our state legislative planning and political engagement aligned with business priorities. These efforts focused on affordability as well as constructive policies and programs to address the needs of the business and to help manage customer costs. We also supported legislative efforts in several states that meaningfully enhanced the regulatory framework for water and wastewater utilities, with a focus on timely recovery and accelerating infrastructure investment to strengthen system reliability/resiliency for customers.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp4

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resilience

☒ Participation in environmental collaborative industry frameworks, initiatives and/or commitments

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ United States of America

(3.6.1.8) Organization specific description

Industry association memberships allow American Water to share best practices, support constructive legislation and collaborate to provide high-quality services to customers. We belong to and engage with many organizations at the local, state and national level, and in many instances, our employees take on leadership roles through serving on organizational committees and boards.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Other, please specify :We engage stakeholders to support responsible practices that enhance our ability to provide our customers with cost-effective water and wastewater solutions and that align with our business strategies.

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

☒ Medium-term

☒ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☒ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

No quantitative analysis as to the effect on our financial position, financial performance, and/or cash flows has been developed or disclosed for this reporting cycle.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ No

(3.6.1.25) Explanation of cost calculation

The total cost to realize this opportunity has not been calculated and/or disclosed.

(3.6.1.26) Strategy to realize opportunity

Below are several of the organizations that we engaged with in 2025. National Industry Organizations: ■ American Chemical Society ■ American Society of Civil Engineers (ASCE) ■ American Water Works Association (AWWA) ■ Board of Certified Safety Professionals ■ Community Leaders of America ■ Edison Electric Institute (EEI) ■ Financial Research Institute (FRI) ■ National Association of Regulatory Utility Commissioners (NARUC) ■ National Utilities Diversity Council ■ New Mexico State University Regulatory Conference ■ Society for Corporate Governance ■ Source Water Collaborative ■ U.S. Conference of Mayors Water Council ■ Water Information Sharing and Analysis Center (WaterISAC) ■ Water Research Foundation ■ Water Sector Coordinating Council We are also active members and partners of organizations local to the communities and states we serve. When needed, we work with these organizations to develop formal engagement and communications plans for external groups, including customers, regulators, NGOs and state environmental commissions.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp6

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

☒ Expansion into new markets

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ United States of America

(3.6.1.8) Organization specific description

In October 2025, New Jersey American Water completed the acquisition of the South Orange Village water system, bringing approximately 5,000 customer connections into its service footprint. The acquisition enables significant investment in critical infrastructure improvements, including the replacement of lead and galvanized service lines, upgrades to aging water mains and fire hydrants, rehabilitation of water storage assets, and other system enhancements identified through comprehensive engineering analysis. These improvements are designed to strengthen system resiliency, support regulatory compliance, enhance water quality, and improve long-term service reliability. Customers also gain access to New Jersey American Water's operational expertise, advanced technologies, customer service resources, and assistance programs, helping ensure safe, reliable water service for future generations.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- ☒ Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- ☒ Short-term
- ☒ Medium-term
- ☒ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- ☒ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

- ☒ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

No quantitative analysis as to the effect on our financial position, financial performance, and/or cash flows has been developed or disclosed for this reporting cycle.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

- ☒ No

(3.6.1.24) Cost to realize opportunity

19700000

(3.6.1.25) Explanation of cost calculation

New Jersey American Water completed its acquisition of the water system of South Orange Village for \$19.7 million. As part of the agreement, New Jersey American Water will invest \$50 million in infrastructure improvements within the first 10 years of ownership while keeping rates affordable for customers. Anticipated improvements to the system — which is over 100 years old in some areas — include identifying and replacing all lead and galvanized steel service lines as well as upgrading aging water mains and fire hydrants. Additionally, New Jersey American Water will replace the Crest Drive Standpipe and rehabilitate the Newstead Watersphere. Further improvements will be identified through a comprehensive analysis of the system, which New Jersey American Water will conduct upon taking ownership.

(3.6.1.26) Strategy to realize opportunity

The acquisition followed voter and regulatory approval and reflects American Water's commitment to strengthening water infrastructure and enhancing service reliability for local communities.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp8

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☒ Use of new technologies

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ United States of America

(3.6.1.8) Organization specific description

American Water leverages Artificial Intelligence (AI) responsibly and safely to the extent appropriate to enhance operational efficiency, inform data-driven decision making, and improve customer experience, in adherence to the Company's AI policy.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

☒ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☒ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

No quantitative analysis as to the effect on our financial position, financial performance, and/or cash flows has been developed and/or disclosed for this reporting cycle.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ No

(3.6.1.25) Explanation of cost calculation

The total cost to realize this opportunity has not been calculated and/or disclosed.

(3.6.1.26) Strategy to realize opportunity

Below are several examples: ■ AI and Predictive Maintenance: We use advanced data analytics and are testing AI-enabled risk-modeling tools to assess the likelihood and potential impact of failures across pipes, pumps and treatment facilities, helping identify aging assets, prioritize proactive maintenance and replacement investments, strengthen system resiliency, reduce risk and maintain reliable service for customers. ■ AI and Water Loss Management: New Jersey American Water, as one example, partners with Echologics (a Mueller division) to deploy acoustic monitoring sensors across portions of the distribution system to detect leaks in metallic water mains. AI and machine learning analyze large volumes of acoustic sensor data to spot patterns that indicate leaks faster and more accurately than traditional methods. These systems learn what “normal” operations sound like, automatically flag anomalies, and pinpoint likely leak locations. New Jersey American Water’s operations and leak detection teams are then dispatched to verify and locate leaks using specialized acoustic tools, improving accuracy and reducing water loss and operational costs.

Water

(3.6.1.1) Opportunity identifier

Select from:

☒ Opp9

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Capital flow and financing

☒ Other capital flow and financing opportunity, please specify :Use of Low Interest State Revolving Funds

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☒ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☒ United States of America

(3.6.1.8) Organization specific description

One of several approaches taken to support customer affordability and keep consolidated enterprise-wide residential customers' monthly water bills to 1% or less of median household income.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☒ Increased access to capital at lower/more favorable rates

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☒ Short-term

☒ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☒ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☒ Medium

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

No quantitative analysis as to the effect on our financial position, financial performance, and/or cash flows has been developed or disclosed for this reporting cycle.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☒ No

(3.6.1.25) Explanation of cost calculation

The total cost to realize this opportunity has not been calculated and/or disclosed.

(3.6.1.26) Strategy to realize opportunity

We work to balance infrastructure investment with affordability and aim to keep consolidated enterprise-wide residential customers' monthly water bills to 1% or less of median household income. In 2025, American Water subsidiaries leveraged approximately \$182 million in low interest State Revolving Funds (SRF) and Principal Forgiveness funding.

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☒ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☒ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☒ Executive directors or equivalent

☒ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☒ No

[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: ☒ Yes
Water	Select from: ☒ Yes
Biodiversity	Select from: ☒ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☒ Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Overseeing the setting of corporate targets
- ☒ Monitoring progress towards corporate targets
- ☒ Overseeing and guiding major capital expenditures
- ☒ Monitoring the implementation of the business strategy
- ☒ Overseeing and guiding the development of a business strategy
- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

The Safety, Environmental, Technology and Operations (SETO) Committee (a) reviews and monitors (i) significant environmental strategies, (ii) policy and planning issues of interest to the Company as determined by the Committee, including matters before environmental regulatory agencies, (iii) compliance with environmental laws and regulations, and (iv) environmental performance in regards to Company metrics; and (b) oversees programs and policies with respect to protecting the environment, including the Company's sustainable efforts with respect to water conservation, climate change, contaminants of emerging concern and greenhouse gas emissions. The SETO Committee also reviews and monitors operational risk exposure and risk mitigation strategies in coordination with the company's Audit, Finance and Risk Committee.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☒ Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☒ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Reviewing and guiding annual budgets
- ☒ Overseeing the setting of corporate targets
- ☒ Monitoring progress towards corporate targets
- ☒ Approving corporate policies and/or commitments
- ☒ Overseeing and guiding major capital expenditures
- ☒ Monitoring the implementation of the business strategy
- ☒ Overseeing reporting, audit, and verification processes
- ☒ Overseeing and guiding the development of a business strategy
- ☒ Monitoring compliance with corporate policies and/or commitments
- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.7) Please explain

The Safety, Environmental, Technology and Operations (SETO) Committee (a) reviews and monitors (i) significant environmental strategies, (ii) policy and planning issues of interest to the Company as determined by the Committee, including matters before environmental regulatory agencies, (iii) compliance with environmental laws and regulations, and (iv) environmental performance in regards to Company metrics; and (b) oversees programs and policies with respect to protecting the environment, including the Company's sustainable efforts with respect to water conservation, climate change, contaminants of emerging concern and greenhouse gas emissions. The SETO Committee also reviews and monitors operational risk exposure and risk mitigation strategies in coordination with the company's Audit, Finance and Risk Committee.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- ☒ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- ☒ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- ☒ Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- ☒ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- ☒ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- ☒ Monitoring compliance with corporate policies and/or commitments
- ☒ Overseeing and guiding the development of a business strategy
- ☒ Monitoring the implementation of the business strategy
- ☒ Overseeing and guiding major capital expenditures

(4.1.2.7) Please explain

The Safety, Environmental, Technology and Operations (SETO) Committee (a) reviews and monitors (i) significant environmental strategies, (ii) policy and planning issues of interest to the Company as determined by the Committee, including matters before environmental regulatory agencies, (iii) compliance with environmental laws and regulations, and (iv) environmental performance in regards to Company metrics; and (b) oversees programs and policies with respect to protecting the environment, including the Company's sustainable efforts with respect to water conservation, climate change, contaminants of emerging concern and greenhouse gas emissions. The SETO Committee also reviews and monitors operational risk exposure and risk mitigation strategies in coordination with the company's Audit, Finance and Risk Committee.

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Integrating knowledge of environmental issues into board nominating process
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Executive-level experience in a role focused on environmental issues
- ☒ Management-level experience in a role focused on environmental issues

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☒ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

- ☒ Consulting regularly with an internal, permanent, subject-expert working group
- ☒ Integrating knowledge of environmental issues into board nominating process
- ☒ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

- ☒ Executive-level experience in a role focused on environmental issues
- ☒ Management-level experience in a role focused on environmental issues

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: ☒ Yes
Water	Select from: ☒ Yes
Biodiversity	Select from: ☒ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☒ Chief Operating Officer (COO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☒ Assessing environmental dependencies, impacts, risks, and opportunities

☒ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☒ Monitoring compliance with corporate environmental policies and/or commitments

(4.3.1.4) Reporting line

Select from:

☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☒ More frequently than quarterly

(4.3.1.6) Please explain

The Chief Operating Officer has overall responsibility for creating, planning and integrating the strategic direction of the business, including oversight of technological innovation within operations to improve effectiveness. Climate-related responsibilities are assigned to this position because the COO is responsible for our operations meeting current/future capacity requirements and having the resiliency to withstand climate-related impacts. The COO reports directly to the President and CEO.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Engagement

- ☒ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets

Strategy and financial planning

- ☒ Implementing the business strategy related to environmental issues
- ☒ Managing major capital and/or operational expenditures relating to environmental issues

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

The CEO has overall responsibility for, among other things, the development, assessment, and definition of the Company's overall business strategy, strategic priorities, and key projects. Integration of climate-related issues, and strategy to mitigate such risks into overarching Company plans is integral to the success of the business. Overall responsibility for climate-related and sustainability activities rests with the CEO as the principal executive officer of the Company.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Operating Officer (COO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

The Chief Operating Officer has overall responsibility for creating, planning, and integrating the strategic direction of the business including oversight of technological innovation within operations to improve effectiveness. Climate-related responsibilities are assigned to this position because the COO is responsible for our operations meeting current/future capacity requirements and having the resiliency to withstand climate-related impacts. The COO reports directly to the President and CEO.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- ☒ Chief Operating Officer (COO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

The Chief Operating Officer has overall responsibility for creating, planning, and integrating the strategic direction of the business including oversight of advancement of technology within operations to improve effectiveness. Climate-related responsibilities are assigned to this position because the COO is responsible for our operations meeting current/future capacity requirements and having the resiliency to withstand climate-related impacts. The COO reports directly to the President and CEO.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

- ☒ Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Operating Officer (COO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

American Water developed a sustainability management steering committee that reports to the Chief Operating Officer and is led by the Director of Sustainability. The committee is designed to foster sustainability governance, strategic planning, performance management and increased visibility of key goals and metrics disclosed through various channels.

Water

(4.3.1.1) Position of individual or committee with responsibility

Committee

- ☒ Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments

- ☒ Setting corporate environmental targets

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Operating Officer (COO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ More frequently than quarterly

(4.3.1.6) Please explain

American Water developed a sustainability management steering committee that reports to the Chief Operating Officer and is led by the Director of Sustainability. The committee is designed to foster sustainability governance, strategic planning, performance management and increased visibility of key goals and metrics disclosed through various channels.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Committee

- ☒ Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- ☒ Assessing environmental dependencies, impacts, risks, and opportunities
- ☒ Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- ☒ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

- ☒ Monitoring compliance with corporate environmental policies and/or commitments
- ☒ Measuring progress towards environmental corporate targets
- ☒ Measuring progress towards environmental science-based targets
- ☒ Setting corporate environmental policies and/or commitments
- ☒ Setting corporate environmental targets

(4.3.1.4) Reporting line

Select from:

- ☒ Reports to the Chief Operating Officer (COO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- ☒ Quarterly

(4.3.1.6) Please explain

American Water developed a sustainability management steering committee that reports to the Chief Operating Officer and is led by the Director of Sustainability. The committee is designed to foster sustainability governance, strategic planning, performance management and increased visibility of key goals and metrics disclosed through various channels.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ No, and we do not plan to introduce them in the next two years

(4.5.3) Please explain

The Company's medium- and long-term emissions goals have measurement periods out to 2035 and 2050, respectively, which are significantly longer in duration than the one-year measurement period for the Company's annual performance plan (APP), and the three-year measurement period for the Company's long-term performance plan. The APP is designed to provide a portion of a C-suite executive's at-risk compensation to be paid upon the achievement of our annual business objectives, which align with our core business strategies of growth, customers, safety, operational excellence and people.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☒ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

15

(4.5.3) Please explain

The monetary incentives linked to water are for C-suite only. There are no board-level incentives linked to water. The 15% number disclosed here represents the corporate performance factor percentage for the C-suite in the Company's APP allocated to the achievement of drinking water compliance (5%) and drinking water quality (10%) performance measures. The APP provides an opportunity for the C-suite to earn cash payouts tied to the satisfaction of annual corporate performance goals.

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☒ Corporate executive team

(4.5.1.2) Incentives

Select all that apply

☒ Other, please specify :Annual Performance Plan

(4.5.1.3) Performance metrics

Targets

☒ Achievement of environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☒ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Our executive compensation program is designed to reward our executives for delivering results and building long-term sustainable value for our shareholders and customers. The Annual Performance Plan (APP) is designed to provide a portion of an executive's at-risk compensation to be paid upon the achievement of our annual business objectives. The APP performance measures selected for 2025 align with core business strategies of growth, customers, safety, operational excellence (in this case, environmental leadership) and people. Drinking Water Compliance Notices of Violation: As part of our sustainability initiatives, we are committed to protecting the environment and maintaining our history of materially complying with, and in many cases, surpassing, minimum standards required by applicable laws and regulations. This metric is determined by counting the overall number of drinking water notices of violation, or NOV, received by the Company in accordance with internally established procedures, which may exclude NOV for newly acquired systems and third-party violations, among others. Drinking Water Quality NOV We are committed to excellent water quality and maintaining our history of materially complying with, and in many cases, surpassing, minimum standards required by applicable laws and regulations. This metric is determined by counting the overall number of drinking water NOV for maximum contaminant level exceedances received by the Company in accordance with internally established procedures, which may exclude NOV related to newly acquired systems and associated with thirdparty violations, among others.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

This short-term incentive supports our commitment to providing clean drinking water to our customers. Maintaining exceptional water quality is necessary for the health and safety of our customers and the communities we have the privilege to serve and is the foundation of our business.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☒ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply
☒ Climate change

(4.6.1.2) Level of coverage

Select from:
☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply
☒ Direct operations

(4.6.1.4) Explain the coverage

American Water's Environmental Policy serves as a guide to responsible management of natural resources within our footprint. The policy addresses compliance with environmental laws and regulations, environmental stewardship, efficient operations including energy use, as well as comprehensive planning and capital investment which includes reducing impacts on the environmental and strengthening resiliency related to climate change. We also highlight our commitment to sustainable water management, watershed protection, and water conservation. Our ability to deliver water to our customers in a safe and reliable manner depends, in part, on efforts to protect drinking water at the source. When planning and managing our water supplies, we consider the water source's ability to meet the anticipated long-term needs of our customers. We identify and mitigate the impacts of potential future threats to our existing sources of supply through Risk and Resiliency Assessments (RRA's) that inform our operational approach and potential need for capital investment. Our goal is effective mitigation of potential risks and maintenance of sufficient, high-quality water supplies for our customers.

(4.6.1.5) Environmental policy content

Environmental commitments

- ☒ Commitment to comply with regulations and mandatory standards
- ☒ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

- ☒ Commitment to net-zero emissions

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- ☒ No, and we do not plan to align in the next two years

(4.6.1.7) Public availability

Select from:

- ☒ Publicly available

(4.6.1.8) Attach the policy

American Water Environmental Policy.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☒ Water

(4.6.1.2) Level of coverage

Select from:

☒ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☒ Direct operations

(4.6.1.4) Explain the coverage

American Water's Environmental Policy serves as a guide to responsible management of natural resources within our footprint. The policy addresses compliance with environmental laws and regulations, environmental stewardship, efficient operations including energy use, as well as comprehensive planning and capital investment which includes reducing impacts on the environmental and strengthening resiliency related to climate change. We also highlight our commitment to sustainable water management, watershed protection, and water conservation. Our ability to deliver water and wastewater services to our customers in a safe and reliable manner depends, in part, on efforts to protect drinking water at the source. When planning and managing our water supplies, we consider the water source's ability to meet the anticipated long-term needs of our customers. We identify and mitigate the impacts of potential future threats to our existing sources of supply through Risk and Resiliency Assessments (RRA's) that inform our operational approach and potential need for capital investment. Our goal is effective mitigation of potential risks and maintenance of sufficient, high-quality water supplies for our customers.

(4.6.1.5) Environmental policy content

Environmental commitments

☒ Commitment to comply with regulations and mandatory standards

☒ Commitment to stakeholder engagement and capacity building on environmental issues

Water-specific commitments

☒ Commitment to water stewardship and/or collective action

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☒ No, and we do not plan to align in the next two years

(4.6.1.7) Public availability

Select from:

☒ Publicly available

(4.6.1.8) Attach the policy

American Water Environmental Policy.pdf

[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☒ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☒ Other, please specify :American Water Works Association, Edison Electric Institute, and Water Research Foundation

(4.10.3) Describe your organization's role within each framework or initiative

American Water is a member of and engages with many organizations at the local, state and national level that promote environmental sustainability and advance safe, clean, reliable and affordable water and wastewater services for customers. In many instances, our employees take on leadership roles through serving on organizational committees and boards. As an example, our EVP, Chief Operating Officer serves on the Board of Directors for the Water Research Foundation and our Director, Sustainability is a member of the Edison Electric Institute Sustainability Sub-Committee.

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Yes

☒ Yes, we engaged directly with policy makers

☒ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☒ No, and we do not plan to have one in the next two years

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☒ Yes, my organization is registered

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

☒ Mandatory government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

The American Water Works Company, Inc. Employee Federal Political Action Committee (PAC) is registered on the Federal Election Commission Register. The ID is: C00354548

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Our goal as a regulated utility is to support laws and policies that enhance our ability to provide our customers with safe, clean, reliable and affordable water and wastewater services. We engage with various levels of government to voice our support for effective policies that align with our business values, while helping lawmakers and other stakeholders better understand our industry, priorities, and the potential impacts policy decisions may have on customers. We also participate in several non-partisan partnerships to advocate for effective environmental, health and safety, and water quality standards and regulations at the local, state and federal levels. We are a key stakeholder for policy decisions that affect the water and wastewater utility industry. Our thought leadership helps inform the decisions of regulators and policymakers and can potentially prevent ineffective or costly regulation. We will continue working with regulators and other stakeholders to support responsible policies that enhance our ability to provide our customers with cost-effective water and wastewater solutions and that align with our business strategies. We work closely with the EPA, state Departments of Environmental Protection, regulatory agencies and other organizations to collaborate on research that informs effective standards, legislation, and regulations for our industry. We focus primarily on policies relevant to water quality, infrastructure, health and safety, liability protections and environmental stewardship. We work to support solutions to water and wastewater challenges for our industry, customers and communities, such as customer affordability and infrastructure safety and resilience. We tailor our engagement strategy depending on the geographic location, operational challenges and regulatory and legislative landscape of each state where we operate. American Water engages directly with policymakers in a variety of ways, including legislative sessions and face to face meetings, educational meetings, conferences and political action committee events. We continuously engage on water and wastewater policies that will benefit our business, our customers and our communities.

[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

The Safe Drinking Water Act and related regulations establish national or state standards for drinking water quality.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☒ Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

☒ Water pollution

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☒ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☒ United States of America

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☒ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☒ Ad-hoc meetings

☒ Other, please specify :**We engage with various levels of government to voice**

our support for effective policy and provide support that aligns with our business values in the communities that we serve.

☒ Regular meetings

☒ Discussion in public forums

☒ Submitting written proposals/inquiries

☒ Participation in working groups organized by policy makers

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Under the Safe Drinking Water Act, the EPA has issued rules governing the levels of numerous, naturally occurring and manufactured chemical and microbial contaminants and radionuclides allowable in drinking water, and continues to propose new rules. These rules also prescribe testing requirements for detecting

regulated contaminants, the treatment systems that may be used for removing those contaminants, and other requirements. On April 10, 2024, the EPA announced a final National Primary Drinking Water Regulation (NPDWR) for six Per- and Polyfluoroalkyl Substances (PFAS), also known as "forever chemicals". The NPDWR for PFAS establishes legally enforceable levels, called Maximum Contaminant Levels ("MCLs"), for PFAS in drinking water. The Company supports sound policies and compliance with the NPDWR for PFAS by all water utilities, while protecting customers and communities from the costly burden of monitoring and mitigating PFAS contamination in water systems. The Company continues to advocate for policies that hold polluters accountable and is participating in the multi-district litigation and other lawsuits filed against certain PFAS manufacturers seeking damages and reimbursement of costs incurred and continuing to be incurred to address contamination of public water supply systems by PFAS. On April 19, 2024, the EPA issued a final rule to designate PFOA and PFOS as hazardous substances under CERCLA, the Comprehensive Environmental Response, Compensation, and Liability Act. The Company, along with a coalition of other water and wastewater organizations, continues to actively advocate for and support bipartisan legislation that would provide PFAS liability protections under CERCLA for water and wastewater systems, as passive receivers of PFAS, and to hold polluters, and not the public or customers, accountable for PFAS-related liability.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

Row 2

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

The Clean Water Act and related state laws regulate discharges from drinking water and wastewater treatment facilities into lakes, rivers, streams and groundwater

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☒ Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

☒ Water pollution

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☒ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☒ United States of America

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☒ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☒ Ad-hoc meetings

☒ Other, please specify :**We engage with various levels of government to voice**

our support for effective policy and provide support that aligns with our business values in the communities that we serve.

☒ Regular meetings

☒ Discussion in public forums

☒ Submitting written proposals/inquiries

☒ Participation in working groups organized by policy makers

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

The Clean Water Act and related state laws regulate discharges from drinking water and wastewater treatment facilities into lakes, rivers, streams and groundwater. In addition to requirements applicable to the Company's wastewater collection systems, its operations require discharge permits under the National Pollutant

Discharge Elimination System ("NPDES") permit program established under the Clean Water Act. NPDES permits are subject to a five-year renewal cycle. Pursuant to the NPDES permit program, the EPA and implementing states set discharge limits for wastewater effluents and overflows from wastewater collection systems. The Company supports laws and policies that enhance our ability to provide our customers with safe, clean, reliable and affordable water and wastewater services. We engage with various levels of government to voice our support for effective policies that align with our business values, while helping lawmakers and other stakeholders better understand our industry, priorities, and the potential impacts policy decisions may have on customers.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

Row 3

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

The U.S. EPA's Lead and Copper Rule (and subsequent revisions), to reduce the corrosivity of water and control lead and copper in drinking water

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☒ Water

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

☒ Water pollution

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☒ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☒ United States of America

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☒ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☒ Ad-hoc meetings

☒ Other, please specify :**We engage with various levels of government to voice**

our support for effective policy and provide support that aligns with our business values in the communities that we serve.

☒ Regular meetings

☒ Discussion in public forums

☒ Submitting written proposals/inquiries

☒ Participation in working groups organized by policy makers

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

In 1991, the EPA published the Lead and Copper Rule, as amended ("LCR"), to reduce the corrosivity of water and control lead and copper in drinking water. In 2011, the Reduction of Lead in Drinking Water Act was enacted, further limiting the use and introduction into commerce of lead pipes, plumbing fittings for fixtures, solder and flux. While these measures have made an impact in reducing potential lead exposure in drinking water in the U.S. and educating water consumers, the 2021 Lead and Copper Rule Revisions ("LCRR") and 2024 Lead and Copper Rule Improvements ("LCRI") rules further advance public health protections by addressing the legacy lead service lines as well as lead plumbing materials, primarily in building plumbing, that still remain in many communities. The LCRR is designed to better identify high levels of lead, improve the reliability of lead tap sampling results, strengthen corrosion control treatment requirements, expand consumer awareness and improve risk communication. The LCRI focus includes requirements related to (i) replacing all lead and certain galvanized service lines under a utility's control by

October 30, 2037, 10 years after the Compliance Date; (ii) identifying the materials of all service lines of unknown material; (iii) improving tap sampling; (iv) reducing the lead action level; and (v) strengthening protections to reduce exposure to lead. The Company estimates an investment of approximately \$1.5 billion of capital expenditures between 2026 and 2030 related to complying with the LCRI. The Company will continue to invest thereafter in order to fully comply with the LCRI by 2037. The EPA recommends replacing the entire lead service lines (LSLs) at one time regardless of whether lead is found on the Company or customer portion of the service line and we align our approach with this recommendation. In 2025, American Water replaced nearly 15,000 lead/galvanized service lines across our footprint. Additionally, we collaborate with national public health, water utility, environmental, labor, consumer, housing and governmental organizations through the Lead Service Line (LSL) Replacement Collaborative to accelerate the full removal of lead pipes that deliver drinking water to American homes.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☒ Indirect engagement via a trade association

(4.11.2.4) Trade association

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☒ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☒ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☒ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

EEl member companies remain committed to addressing climate change and have implemented initiatives over the last 30 years to reduce, prevent, or sequester greenhouse gas emissions. From EEl's Lobbying, Advocacy, and other Expenditure Disclosure: EEl's member companies are among the most regulated companies in the country, and EEl engages on their behalf with federal and state legislators, regulators, and other policymakers through lobbying, advocacy, and regulatory proceedings, with the goals of providing reliable energy while keeping customer bills as low as possible. EEl also engages with a range of other industry stakeholders on issues related to grid reliability; cyber and physical security; mutual assistance and disaster response; finance and tax matters; and programs, services, and solutions for electricity customers. Industry association memberships allow American Water to share best practices, support constructive legislation and collaborate to provide high-quality services to customers. American Water is an associate member of EEl. American Water's funding for EEl is largely made through membership and technical conference attendance fees. The Company does not disclose an aggregated funding figure.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☒ Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☒ Indirect engagement via a trade association

(4.11.2.4) Trade association

North America

☒ Other trade association in North America, please specify :American Water Works Association

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☒ Climate change

☒ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☒ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☒ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

American Water and the American Water Works Association (AWWA) are aligned in their vision of providing water services to communities. At American Water, our goal as a regulated utility is to support laws and policies that enhance our ability to provide our customers with safe, clean, reliable and affordable high-quality water and wastewater services. We participate in several non-partisan partnerships, including AWWA, to advocate for effective environmental, health and safety, and water quality standards and regulations at the local, state and federal levels. AWWA recognizes that global climate change and inherent variability are having impacts on the hydrologic cycle, source water, and water demands that differ from statistical trends based on historical records, thus impacting the anticipated quantity, quality, and reliability of water supplies. Two principal goals for water utilities in addressing impacts due to climate change and inherent variability are: to assess risk and uncertainty; and to develop and take actions that improve resiliency and sustainability in utility management, facilities and water sources. Comprehensive planning efforts such as integrated water resources management, contingency and emergency preparedness, risk assessments, and energy management plans address a wide range of climate scenarios in preparation for, and response to, changing and variable climate conditions. Scenario planning should consider climate impacts on both water demand and supply quantity and quality as water demand can be impacted both by more frequent weather extremes and by future population migration trends that may be driven by climate change. (Full Statement: <https://www.awwa.org/policy-statement/climate-change/#:::text=The%20American%20Water%20Works%20Association>) American Water does not disclose funding in the aggregate.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☒ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☒ Sustainable Development Goal 6 on Clean Water and Sanitation

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☒ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☒ In mainstream reports

(4.12.1.2) Is your publication in line with a standard or framework?

Select from:

☒ No

(4.12.1.4) Environmental issues covered in publication

Select all that apply

☒ Climate change

☒ Water

(4.12.1.5) Status of the publication

Select from:

☒ Complete

(4.12.1.6) Content elements

Select all that apply

- ☒ Strategy
- ☒ Governance
- ☒ Risks & Opportunities
- ☒ Dependencies & Impacts
- ☒ Public policy engagement
- ☒ Water pollution indicators

(4.12.1.7) Page/section reference

Item 1. Business, pages 13-20 Item 1A. Risk Factors, pages 23-46 Item 3. Legal Proceedings, pages 49-58

(4.12.1.8) Attach the relevant publication

AWK Annual Report FY2025.pdf

(4.12.1.9) Comment

In addition to reporting our audited financial results, American Water's Annual Report on Form 10-K includes information on environmental dependencies, impacts, risks, and opportunities.

Row 2

(4.12.1.1) Publication

Select from:

- ☒ In voluntary sustainability reports

(4.12.1.2) Is your publication in line with a standard or framework?

Select from:

- ☒ Yes

(4.12.1.3) Standard or framework the publication is in line with

Select all that apply

- ☒ GRI
- ☒ TCFD
- ☒ Other, please specify :SASB

(4.12.1.4) Environmental issues covered in publication

Select all that apply

- ☒ Climate change
- ☒ Water
- ☒ Biodiversity

(4.12.1.5) Status of the publication

Select from:

- ☒ Complete

(4.12.1.6) Content elements

Select all that apply

- | | |
|---|--|
| ☒ Strategy | ☒ Dependencies & Impacts |
| ☒ Governance | ☒ Biodiversity indicators |
| ☒ Risks & Opportunities | ☒ Public policy engagement |
| ☒ Water-related targets | ☒ Climate-related targets |
| ☒ Value chain engagement | ☒ Water pollution indicators |
| ☒ Greenhouse gas emissions figures | |
| ☒ Content of environmental policies | |

(4.12.1.7) Page/section reference

All pages

(4.12.1.8) Attach the relevant publication

(4.12.1.9) Comment

American Water's Sustainability Report covers our sustainable operations across American Water and its operating subsidiaries' operations, and generally applies to both water and wastewater. We disclose several standards from the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). In addition, we reference the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and we take into consideration the United Nations Sustainable Development Goals (UNSDGs).

Row 3

(4.12.1.1) Publication

Select from:

☒ Other, please specify :Sustainability Data Summary

(4.12.1.2) Is your publication in line with a standard or framework?

Select from:

☒ Yes

(4.12.1.3) Standard or framework the publication is in line with

Select all that apply

☒ GRI

☒ Other, please specify :SASB

(4.12.1.4) Environmental issues covered in publication

Select all that apply

☒ Climate change

☒ Water

(4.12.1.5) Status of the publication

Select from:

☒ Complete

(4.12.1.6) Content elements

Select all that apply

- ☒ Governance
- ☒ Greenhouse gas emissions figures
- ☒ Climate-related targets
- ☒ Water-related targets
- ☒ Water accounting figures

(4.12.1.7) Page/section reference

Pages 4-15, 28-31

(4.12.1.8) Attach the relevant publication

2025 Sustainability Data Summary.pdf

(4.12.1.9) Comment

American Water's Sustainability Data Summary supplements our annual sustainability report by providing key data we believe is most relevant to our stakeholders. This summary emphasizes data transparency, year-over-year comparability, and alignment with our sustainability principles.

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ More than once a year

Water

(5.1.1) Use of scenario analysis

Select from:

☒ Yes

(5.1.2) Frequency of analysis

Select from:

☒ More than once a year

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 4.5

(5.1.1.2) SSPs used in conjunction with scenario

Select from:

☒ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☒ Business division

(5.1.1.5) Risk types considered in scenario

Select all that apply

☒ Acute physical

☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☒ 3.0°C - 3.4°C

(5.1.1.7) Reference year

1990

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2040
- ☒ 2060
- ☒ 2080
- ☒ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Changes to the state of nature
- ☒ Climate change (one of five drivers of nature change)

Finance and insurance

- ☒ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

- ☒ Impact of nature service delivery on consumer

Regulators, legal and policy regimes

- ☒ Methodologies and expectations for science-based targets

Relevant technology and science

- ☒ Granularity of available data (from aggregated to local)

Direct interaction with climate

- ☒ On asset values, on the corporate

Macro and microeconomy

- ☒ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Our Engineering Master Plan process assesses system and facility needs on at least a 20-year horizon with some studies extending a longer time. In a study of our Ocean City (NJ) sewer collection system, we utilized the USEPA Climate Explorer tool to assess the projected increase in precipitation between 2023 and 2100. This precipitation projection was then used to project changes to the inflow and infiltration (I&I) rates to the sewer system. While projections through 2100 provide a longer-term alignment with the life expectancy of newly built infrastructure, this analysis was incorporated into the base 20-year planning horizon. Situation: American Water performs Comprehensive Engineering Planning Studies with Risk and Resiliency assessments which incorporate climate related scenario analysis. Task: Use the USEPA Climate tools to define climate model scenarios where applicable to identify and select facility upgrade projects. Action: American Water performed a Comprehensive Engineering Planning Study for its Ocean City, New Jersey sewer system and incorporated precipitation projections as part of the analysis of system and facility capacity. This coastal system was selected for assessment due to its critical operation and vulnerability to flooding. We examined temperature and precipitation increases projected under RCP 4.5 and RCP 8.5 Result: The study in New Jersey was used to develop a long-term plan for the facilities within the sewer system. Immediate and short-term improvements were identified, and a long-term strategy was developed. The Comprehensive Engineering Planning work identifies needed system improvements which drive financial planning and business strategy.

(5.1.1.11) Rationale for choice of scenario

American Water utilizes USEPA tools for our scenario planning. USEPA tools use the Applied Climate Information System (ACIS) developed, maintained, and operated by the NOAA Regional Climate Centers (RCCs). ACIS manages the complex flow of climate information from data collectors to end users and includes an integrated metadata system for data on a national, regional, and local level. The USEPA tools are part of the USEPA US Climate Resilience Toolkit intended to improve the ability of communities and businesses to understand and manage climate-related risks and opportunities, while helping to make communities more resilient to extreme events.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

☒ RCP 4.5

(5.1.1.2) SSPs used in conjunction with scenario

Select from:

☒ No SSP used

(5.1.1.3) Approach to scenario

Select from:

☒ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

- ☒ Business division

(5.1.1.5) Risk types considered in scenario

Select all that apply

- ☒ Acute physical
- ☒ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

- ☒ 3.0°C - 3.4°C

(5.1.1.7) Reference year

1990

(5.1.1.8) Timeframes covered

Select all that apply

- ☒ 2040
- ☒ 2060
- ☒ 2080
- ☒ 2100

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- ☒ Changes to the state of nature
- ☒ Climate change (one of five drivers of nature change)

Finance and insurance

☑ Sensitivity of capital (to nature impacts and dependencies)

Stakeholder and customer demands

☑ Impact of nature service delivery on consumer

Regulators, legal and policy regimes

☑ Methodologies and expectations for science-based targets

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

Direct interaction with climate

☑ On asset values, on the corporate

Macro and microeconomy

☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Our Engineering Master Plan process assesses system and facility needs on at least a 20-year horizon with some studies extending a longer time. In a study of our Ocean City (NJ) sewer collection system, we utilized the USEPA Climate Explorer tool to assess the projected increase in precipitation between 2023 and 2100. This precipitation projection was then used to project changes to the inflow and infiltration (I&I) rates to the sewer system. While projections through 2100 provide a longer-term alignment with the life expectancy of newly built infrastructure, this analysis was incorporated into the base 20-year planning horizon. Situation: American Water performs Comprehensive Engineering Planning Studies with Risk and Resiliency assessments which incorporate climate related scenario analysis. Task: Use the USEPA Climate tools to define climate model scenarios where applicable to identify and select facility upgrade projects. Action: American Water performed a Comprehensive Engineering Planning Study for its Ocean City, New Jersey sewer system and incorporated precipitation projections as part of the analysis of system and facility capacity. This coastal system was selected for assessment due to its critical operation and vulnerability to flooding. We examined temperature and precipitation increases projected under RCP 4.5 and RCP 8.5 Result: The study in New Jersey was used to develop a long-term plan for the facilities within the sewer system. Immediate and short-term improvements were identified, and a long-term strategy was developed. The Comprehensive Engineering Planning work identifies needed system improvements which drive financial planning and business strategy.

(5.1.1.11) Rationale for choice of scenario

American Water utilizes USEPA tools for our scenario planning. USEPA tools use the Applied Climate Information System (ACIS) developed, maintained, and operated by the NOAA Regional Climate Centers (RCCs). ACIS manages the complex flow of climate information from data collectors to end users and includes an

integrated metadata system for data on a national, regional, and local level. The USEPA tools are part of the USEPA US Climate Resilience Toolkit intended to improve the ability of communities and businesses to understand and manage climate-related risks and opportunities, while helping to make communities more resilient to extreme events.

[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- ☒ Risk and opportunities identification, assessment and management
- ☒ Resilience of business model and strategy

(5.1.2.2) Coverage of analysis

Select from:

- ☒ Business division

(5.1.2.3) Summarize the influence of the scenario analysis on the selected business processes

American Water performs Comprehensive Engineering Planning Studies with Risk and Resiliency assessments which incorporate climate related scenario analysis. We use the USEPA Climate tools to define climate model scenarios where applicable to identify and select facility upgrade projects. Through the examination of temperature and precipitation increases projected under RCP 4.5 and RCP 8.5, we can assess the potential impact to water and wastewater facilities. The engineering studies develop long-term plans for the facilities including immediate and short-term improvements, and a long-term strategy. The Comprehensive Engineering Planning work identifies needed system improvements which drive financial planning and business strategy.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- ☒ Risk and opportunities identification, assessment and management

☒ Resilience of business model and strategy

(5.1.2.2) Coverage of analysis

Select from:

☒ Business division

(5.1.2.3) Summarize the influence of the scenario analysis on the selected business processes

American Water performs Comprehensive Engineering Planning Studies with Risk and Resiliency assessments which incorporate climate related scenario analysis. We use the USEPA Climate tools to define climate model scenarios where applicable to identify and select facility upgrade projects. Through the examination of temperature and precipitation increases projected under RCP 4.5 and RCP 8.5, we can assess the potential impact to water and wastewater facilities. The engineering studies develop long-term plans for the facilities including immediate and short-term improvements, and a long-term strategy. The Comprehensive Engineering Planning work identifies needed system improvements which drive financial planning and business strategy.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☒ No and we do not plan to develop a climate transition plan within the next two years

(5.2.20) Primary reason for not having a climate transition plan that aligns with a 1.5°C world

Select from:

☒ Not an immediate strategic priority

(5.2.21) Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world

While the company does not have a formal climate transition plan, we remain focused on identifying and advancing emissions-reduction initiatives where operationally and economically feasible.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

- ☒ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- ☒ Products and services
- ☒ Upstream/downstream value chain
- ☒ Investment in R&D
- ☒ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

- ☒ Physical risks
- ☒ Transition risks
- ☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- ☒ Climate change

- ☒ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

We view climate variability as the increasing frequency and severity of extreme weather events, as well as longer-term shifts in climate patterns. These changes have the potential to impact our infrastructure, operations, customers, suppliers, and long-term strategic priorities. We view this as a cross-cutting enterprise risk that interacts with a wide range of operational, financial, and strategic risk areas. These interdependencies include potential impacts on asset performance and reliability, emergency preparedness and response, key chemicals, and customer affordability, among others. We continue to integrate climate-related considerations into our enterprise risk management framework to enhance resilience, inform decision-making, and support the reliable delivery of essential water and wastewater services.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

- ☒ Physical risks
- ☒ Transition risks
- ☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- ☒ Climate change
- ☒ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

We view climate variability as the increasing frequency and severity of extreme weather events, as well as longer-term shifts in climate patterns. These changes have the potential to impact our infrastructure, operations, customers, suppliers, and long-term strategic priorities. We view this as a cross-cutting enterprise risk that interacts with a wide range of operational, financial, and strategic risk areas. These interdependencies include potential impacts on asset performance and reliability, emergency preparedness and response, key chemicals, and customer affordability, among others. We continue to integrate climate-related considerations into our enterprise risk management framework to enhance resilience, inform decision-making, and support the reliable delivery of essential water and wastewater services.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

☒ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Since its inception over four decades ago, our industry leading R&D team has leveraged effective technologies to identify threats to our water supplies, act on emerging regulations or new health advisories, and evaluate the benefits of new and advanced treatment technologies. R&D laboratories are located at our Central Laboratory in Belleville, Illinois and at our Delaware River Water Treatment Plant in Delran, NJ. Our R&D team includes several scientists with advanced degrees in chemistry, engineering or microbiology. American Water's R&D program differentiates us from our peers. Our program includes in-house scientific and engineering experts who routinely interact with and maintain constructive relationships with external governmental, industry and environmental groups, including the U.S. EPA, CDC, AWWA, the American Public Health Association and the Water Environment Federation. Our dedicated R&D laboratories are equipped with advanced analytical instrumentation for chemical and microbial analysis of a wide range of contaminants of emerging concern. Our research scientists also conduct technical research in drinking water, reuse, and desalination. We also participate in a number of Water Research Foundation projects related to contaminants of emerging concern, water scarcity challenges, operational optimization and cost-effective treatment or mitigation strategies.

Operations

(5.3.1.1) Effect type

Select all that apply

☒ Physical risks

☒ Transition risks

☒ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☒ Climate change

☒ Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

We view climate variability as the increasing frequency and severity of extreme weather events, as well as longer-term shifts in climate patterns. These changes have the potential to impact our infrastructure, operations, customers, suppliers, and long-term strategic priorities. We view this as a cross-cutting enterprise risk that interacts with a wide range of operational, financial, and strategic risk areas. These interdependencies include potential impacts on asset performance and reliability, emergency preparedness and response, key chemicals, and customer affordability, among others. We continue to integrate climate-related considerations into our enterprise risk management framework to enhance resilience, inform decision-making, and support the reliable delivery of essential water and wastewater services. Weather events, including hurricanes, wildfires and droughts, as well as rising sea level and saltwater intrusion, can impact the communities we serve and test the resilience of our infrastructure and operations. Water and wastewater infrastructure is more susceptible to the effects of climate variability if aged beyond its useful life, is in poor condition, or is engineered to meet historical environmental conditions that have since changed. Vulnerable infrastructure may negatively impact our water supply or lead to service disruptions to our customers. To avoid these negative impacts, American Water must leverage effective risk management and strategic planning to increase the resilience of infrastructure. Investing in the resiliency of our systems is essential to meeting our customers' needs and providing safe and reliable water and wastewater services.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☒ Direct costs

☒ Capital expenditures

☒ Capital allocation

(5.3.2.2) Effect type

Select all that apply

☒ Physical risks

☒ Transition risks

☒ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☒ Climate change

☒ Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Climate-related risks and opportunities are integrated into American Water's capital program management through several pathways. The comprehensive engineering planning study (CPS) process identifies significant risks and opportunities related to AW's water and wastewater systems including those related to climate. As an output of the CPS process, these risks and opportunities may result in project recommendations that may be encompassed within the capital program management process. Climate-related risks and opportunities may also be identified through AW's risk and resiliency assessments (RRAs). We use the guidance provided by the American Water Works Association (AWWA) J100 standard to take an "all hazards" approach to identifying and mapping the key risks across our business. This approach incorporates risk scenarios into our assessments, such as extreme weather and climate variability, source water contamination, and malevolent threats. RRAs then inform our operational approach and potential need for capital investment. At the Board of Directors level, the Board's Safety, Environmental, Technology and Operations (SETO) Committee reviews and monitors significant environmental strategies; policy and planning issues of interest to the Company, including matters before environmental regulatory agencies; compliance with environmental laws and regulations; and environmental performance in regards to Company metrics. The SETO Committee also oversees programs and policies with respect to protecting the environment, including the Company's sustainability efforts with respect to water conservation, climate variability and greenhouse gas emissions and reviews management's processes for assessing business continuity risks and developing related contingency planning, including preparedness for restoration of service and back-up for key facilities and supply sources, and back-up plans for critical operating infrastructure and systems.

[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
	Select from: ☒ No, and we do not plan to in the next two years

[Fixed row]

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

3273000000

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

3197000000

(5.9.3) Water-related OPEX (+/- % change)

2966000000

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

3197000000

(5.9.5) Please explain

The Company conducts the significant majority of its business through regulated utilities that provide water and wastewater services, referred to as the "Regulated Businesses." The data below summarizes CAPEX and OPEX related to Regulated Businesses. As reported in its 2025 10-K filing, in years ending 2024 and 2025,

American water invested approximately \$3.3 billion and \$3.2 billion, respectively. This represents an approximate -2% change year over year. American Water expects to invest \$3.7 billion in its Regulated Businesses in 2026. American Water total operating expenses for the years ending 2024 and 2025 were \$2.97 billion and \$3.26 billion, respectively. The year-over-year OPEX change being an increase of approximately 10%.

[Fixed row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	Select from: ☒ Yes	Select all that apply ☒ Climate change ☒ Water
Customers	Select from: ☒ Yes	Select all that apply ☒ Climate change ☒ Water
Investors and shareholders	Select from: ☒ Yes	Select all that apply ☒ Climate change ☒ Water
Other value chain stakeholders	Select from: ☒ Yes	Select all that apply ☒ Climate change ☒ Water

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

	Assessment of supplier dependencies and/or impacts on the environment
Climate change	<i>Select from:</i> ☒ No, we do not assess the dependencies and/or impacts of our suppliers, and have no plans to do so within two years
Water	<i>Select from:</i> ☒ No, we do not assess the dependencies and/or impacts of our suppliers, and have no plans to do so within two years

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☒ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- | | |
|--|--|
| ☒ Material sourcing | ☒ Strategic status of suppliers |
| ☒ Procurement spend | ☒ Product safety and compliance |
| ☒ Product lifecycle | ☒ Suppliers' exposure or vulnerability to physical risks |
| ☒ Regulatory compliance | |
| ☒ Business risk mitigation | |

(5.11.2.4) Please explain

We hold our business partners to the same standards of integrity to which we hold ourselves. We seek to establish strong partnerships with U.S.-based companies to source products made in the United States and to further invest in our communities by working with various suppliers in the areas we serve. We abide by our “Buy U.S.” practice, which requires U.S.-based procurement for federal or state-funded projects. We maintain a Supplier Code of Conduct, which was most recently updated in 2026, to govern these relationships, focusing on ethical business conduct, health and safety, environmental standards, human rights and fair treatment and management procedures, by which we expect all suppliers to abide. In addition to the course of our regular, ongoing engagements with our suppliers, our Supply Chain group holds conversations with key suppliers where we engage on relevant business topics, which include: joint innovation, environmental compliance, and climate related business continuity plans, among other topics. Lastly, our RFP template includes questions about the supplier environmental program and the responses are collected by the purchasing team for evaluation. The suppliers are not required to submit responses to the environmental questions nor are they penalized for a non-response during the evaluation process, but it is helpful information for our organization to track.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- ☒ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- | | |
|--|--|
| ☒ Material sourcing | ☒ Strategic status of suppliers |
| ☒ Procurement spend | ☒ Product safety and compliance |
| ☒ Product lifecycle | ☒ Suppliers' exposure or vulnerability to physical risks |
| ☒ Regulatory compliance | |
| ☒ Business risk mitigation | |

(5.11.2.4) Please explain

We hold our business partners to the same standards of integrity to which we hold ourselves. We seek to establish strong partnerships with U.S.-based companies to source products made in the United States and to further invest in our communities by working with various suppliers in the areas we serve. We abide by our “Buy U.S.” practice, which requires U.S.-based procurement for federal or state-funded projects. We maintain a Supplier Code of Conduct, which was most recently updated in 2026, to govern these relationships, focusing on ethical business conduct, health and safety, environmental standards, human rights and fair treatment and management procedures, by which we expect all suppliers to abide. In addition to the course of our regular, ongoing engagements with our suppliers, our Supply Chain group holds conversations with key suppliers where we engage on relevant business topics, which include: joint innovation, environmental compliance, and climate related business continuity plans, among other topics. Lastly, our RFP template includes questions about the supplier environmental program and the

responses are collected by the purchasing team for evaluation. The suppliers are not required to submit responses to the environmental questions nor are they penalized for a non-response during the evaluation process, but it is helpful information for our organization to track.
[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☒ No, and we do not plan to introduce environmental requirements related to this environmental issue within the next two years

(5.11.5.3) Comment

Our RFP template includes questions about the supplier environmental program and the responses are collected by the purchasing team for evaluation. The suppliers are not required to submit responses to the environmental questions nor are they penalized for a non-response during the evaluation process.

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☒ No, and we do not plan to introduce environmental requirements related to this environmental issue within the next two years

(5.11.5.3) Comment

Our RFP template includes questions about the supplier environmental program and the responses are collected by the purchasing team for evaluation. The suppliers are not required to submit responses to the environmental questions nor are they penalized for a non-response during the evaluation process.

[Fixed row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

- ☒ Adaptation to climate change

(5.11.7.3) Type and details of engagement

Capacity building

- ☒ Provide training, support and best practices on how to mitigate environmental impact

Information collection

- ☒ Other information collection activity, please specify :Climate change and weather-related risk and impacts to our capital program (timely procurement of pipes, valves, etc.)

Innovation and collaboration

- ☒ Collaborate with suppliers on innovations to reduce environmental impacts in products and services

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

In addition to the course of our regular, ongoing engagements with our suppliers, our Supply Chain group prioritizes quarterly conversations with key suppliers where we engage on relevant business topics, which include: joint innovation, greenhouse gas reduction goals and plans, and climate related business continuity plans.

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

- ☒ Waste and resource reduction and improved end-of-life management

(5.11.7.3) Type and details of engagement

Innovation and collaboration

- ☒ Collaborate with suppliers on innovations to reduce environmental impacts in products and services

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

In addition to the course of our regular, ongoing engagements with our suppliers, our Supply Chain group prioritizes quarterly conversations with key suppliers where we engage on relevant business topics, which include: joint innovation, greenhouse gas reduction goals and plans, and climate related business continuity plans. American Water is also working with major suppliers in the area of PFAS treatment to reduce the amount of materials used by water plants to eliminate the chemicals from drinking water. This process allows for the reuse of the filtering materials, which will reduce the need for manufacturing, mining, and disposal. In addition, the spent material can also be used in other industrial applications at the of its useful life.

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- ☒ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- ☒ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- ☒ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

- ☒ 51-75%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☒ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

During 2025, our Investor Relations team, together with key executives and management, engaged with over 300 investors. In addition, our Corporate Secretary and Investor Relations teams jointly led a shareholder outreach program focused on corporate governance, executive compensation, sustainability, customer affordability, environmental stewardship, shareholder disclosure and related topics. Through this outreach program, now in its twelfth consecutive year and held both during and after proxy season, shareholders who beneficially owned, in the aggregate, approximately 53 percent of our common stock, as well as leading proxy advisory firms, were contacted. Through these sessions, we: discussed topics of interest to our shareholders; solicited shareholder viewpoints; conveyed our views on those topics; and gained a better understanding of areas of mutual consensus.

(5.11.9.6) Effect of engagement and measures of success

We received overall positive feedback regarding, among other things: our corporate governance framework, our Board composition, our proxy statement disclosures, our compensation practices, our annual sustainability report, our commitment to sustainability and customer affordability, including political contribution and lobbying governance and related disclosures. Shareholders expressed appreciation for our willingness to seek their views, and more importantly, the desire to establish an ongoing dialogue with them. Shareholders also encouraged us to continue to make voluntary disclosures that will help them better understand our policies, procedures and how we run the business. The input and insight gleaned from our shareholder outreach program is shared with management and our Board and influenced our decision to include Water Security disclosures in our response to the CDP Questionnaire for the first time in 2025. We intend to continue to engage regularly with shareholders and proxy advisory firms to solicit their input.

Water

(5.11.9.1) Type of stakeholder

Select from:

☒ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks

☒ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

- ☒ Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

- ☒ 51-75%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

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(5.11.9.6) Effect of engagement and measures of success

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Climate change

(5.11.9.1) Type of stakeholder

Select from:

- ☒ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- ☒ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- ☒ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- ☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- ☒ Collaborate with stakeholders on implementing adaptation activities
- ☒ Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

- ☒ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- ☒ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As a water and wastewater utility, we understand our role as stewards of the most precious natural resource: water. Customers receive important water-related messaging on a consistent basis, typically around 30 times throughout the year. Communications are delivered through monthly customer bills, either electronically or via standard mail. Additionally, approximately half of our customers have opted into receiving additional information via email (12-16 emails per year). Campaign topics include water quality, the effects of aging infrastructure, climate variability's impact on water supply, conservation and efficiency efforts, and more. In addition to written communication, we frequently host communication campaigns to educate our customers on a variety of water and wastewater topics, including water quality, the effects of aging infrastructure, water supply and the need to invest in local water resources and systems. Our educational campaigns and water efficiency programs also encourage our customers to learn more about the ways they use their water and how they can proactively manage their water use. For example, we provide additional communication to customers about preventing and mitigating frozen pipes in the winter and enhancing water conservation and efficiency measures in the summer. Lastly, once a year, each customer directly receives messaging regarding their local water quality through their annual Consumer Confidence Reports (CCR). American Water provides its customers with an Annual Water Quality Report, also referred to as a Consumer Confidence Report (CCR). CCRs let consumers know what contaminants, if any, were detected in their drinking water as well as related potential health effects. CCRs also include details about where your water comes from and how it is treated. Additionally, they educate customers on what it takes to deliver safe drinking water and highlight the need to protect drinking water

sources. We are committed to delivering high-quality drinking water service. To that end, we remain vigilant in meeting the challenges of source water protection, water conservation, environmental compliance, sustainability and community education while continuing to serve the needs of all our water users.

(5.11.9.6) Effect of engagement and measures of success

To guide our customer experience strategy, we set and evaluate overall customer satisfaction goals each year and disclose our performance against them in our Proxy Statement and other reporting. Our 2025 APP customer satisfaction target was based on the number of our utility subsidiaries being in the top quartile in overall customer satisfaction, as measured by the J.D. Power U.S. Water Utility Residential Customer Satisfaction Study. The study measures the satisfaction of residential water customers of more than 90 of the largest water utilities in the United States and considers eight factors to score companies on a 1,000-point scale: information provided; quality and reliability; level of trust; ease of doing business; total monthly costs; people; resolving problems or complaints; and digital channels. In the 2025 study, several American Water utility subsidiaries claimed top spots in respective categories

Water

(5.11.9.1) Type of stakeholder

Select from:

☒ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- ☒ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- ☒ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- ☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- ☒ Collaborate with stakeholders on implementing adaptation activities
- ☒ Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As a water and wastewater utility, we understand our role as stewards of the most precious natural resource: water. Customers receive important water-related messaging on a consistent basis, typically around 30 times throughout the year. Communications are delivered through monthly customer bills, either electronically or via standard mail. Additionally, approximately half of our customers have opted into receiving additional information via email (12-16 emails per year). Campaign topics include water quality, the effects of aging infrastructure, climate variability's impact on water supply, conservation and efficiency efforts, and more. In addition to written communication, we frequently host communication campaigns to educate our customers on a variety of water and wastewater topics, including water quality, the effects of aging infrastructure, water supply and the need to invest in local water resources and systems. Our educational campaigns and water efficiency programs also encourage our customers to learn more about the ways they use their water and how they can proactively manage their water use. For example, we provide additional communication to customers about preventing and mitigating frozen pipes in the winter and enhancing water conservation and efficiency measures in the summer. Lastly, once a year, each customer directly receives messaging regarding their local water quality through an Annual Water Quality Report, also referred to as a Consumer Confidence Report (CCR). CCRs let consumers know what contaminants, if any, were detected in their drinking water as well as related potential health effects. CCRs also include details about where your water comes from and how it is treated. Additionally, they educate customers on what it takes to deliver safe drinking water and highlight the need to protect drinking water sources. We are committed to delivering high-quality drinking water service. To that end, we remain vigilant in meeting the challenges of source water protection, water conservation, environmental compliance, sustainability and community education while continuing to serve the needs of all our water users.

(5.11.9.6) Effect of engagement and measures of success

To guide our customer experience strategy, we set and evaluate overall customer satisfaction goals each year and disclose our performance against them in our Proxy Statement and other reporting. Our 2025 APP customer satisfaction target was based on the number of our utility subsidiaries being in the top quartile in overall customer satisfaction, as measured by the J.D. Power U.S. Water Utility Residential Customer Satisfaction Study. The study measures the satisfaction of residential water customers of more than 90 of the largest water utilities in the United States and considers eight factors to score companies on a 1,000-point scale: information provided; quality and reliability; level of trust; ease of doing business; total monthly costs; people; resolving problems or complaints; and digital channels. In the 2025 study, several American Water utility subsidiaries claimed top spots in respective categories.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☒ Other value chain stakeholder, please specify :Regulators

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- ☒ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- ☒ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- ☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- ☒ Engage with stakeholders to advocate for policy or regulatory change
- ☒ Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

- ☒ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- ☒ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As a thought-leader in water research, we work closely with the EPA, state Departments of Environmental Protection, regulatory agencies and other organizations to collaborate on research that informs effective standards, legislation, and regulations for our industry. We focus primarily on policies relevant to water quality, infrastructure, health and safety, liability protections and environmental stewardship. We work to support solutions to water and wastewater challenges for our industry, customers and communities, such as customer affordability and infrastructure safety and resilience. We tailor our engagement strategy depending on the geographic location, operational challenges and regulatory and legislative landscape of each state where we operate. American Water engages directly with policymakers in a variety of ways, including legislative sessions and face to face meetings, educational meetings, conferences and political action committee events. We continuously engage on water and wastewater policies that will benefit our business, our customers and our communities.

(5.11.9.6) Effect of engagement and measures of success

Our goal as a regulated utility is to support laws and policies that enhance our ability to provide our customers with safe, clean, reliable and affordable high-quality water and wastewater services. We engage with various levels of government to voice our support for effective policies that align with our business values. We also

participate in several non-partisan partnerships to advocate for effective environmental, health and safety, and water quality standards and regulations at the local, state and federal levels. We see ourselves as a key stakeholder for policy decisions that affect the water and wastewater utility industry. Our thought leadership can help inform the decisions of regulators and policymakers and potentially prevent ineffective or costly regulation. We will continue working with regulators and other stakeholders to support responsible policies that enhance our ability to provide our customers with cost-effective water and wastewater solutions and that align with our business strategies.

Water

(5.11.9.1) Type of stakeholder

Select from:

- ☒ Other value chain stakeholder, please specify :Regulators

(5.11.9.2) Type and details of engagement

Education/Information sharing

- ☒ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
- ☒ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services
- ☒ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

- ☒ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
- ☒ Engage with stakeholders to advocate for policy or regulatory change
- ☒ Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

- ☒ 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As a thought-leader in water research, we work closely with the EPA, state Departments of Environmental Protection, regulatory agencies and other organizations to collaborate on research that informs effective standards, legislation, and regulations for our industry. We focus primarily on policies relevant to water quality,

infrastructure, health and safety, liability protections and environmental stewardship. We work to support solutions to water and wastewater challenges for our industry, customers and communities, such as customer affordability and infrastructure safety and resilience. We tailor our engagement strategy depending on the geographic location, operational challenges and regulatory and legislative landscape of each state where we operate. American Water engages directly with policymakers in a variety of ways, including legislative sessions and face to face meetings, educational meetings, conferences and political action committee events. We continuously engage on water and wastewater policies that will benefit our business, our customers and our communities.

(5.11.9.6) Effect of engagement and measures of success

Our goal as a regulated utility is to support laws and policies that enhance our ability to provide our customers with safe, clean, reliable and affordable high-quality water and wastewater services. We engage with various levels of government to voice our support for effective policies that align with our business values. We also participate in several non-partisan partnerships to advocate for effective environmental, health and safety, and water quality standards and regulations at the local, state and federal levels. We see ourselves as a key stakeholder for policy decisions that affect the water and wastewater utility industry. Our thought leadership can help inform the decisions of regulators and policymakers and potentially prevent ineffective or costly regulation. We will continue working with regulators and other stakeholders to support responsible policies that enhance our ability to provide our customers with cost-effective water and wastewater solutions and that align with our business strategies.

[Add row]

C6. Environmental performance - Consolidation approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☒ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

As stated in the response to question 1.5, the Company conducts the majority of its business (approximately 92% of total operating revenue) through regulated utilities that provide water and wastewater services, collectively presented as one reportable segment, referred to as the “Regulated Businesses.” The Company also operates other businesses that provide water and wastewater services to the U.S. government on military installations, as well as municipalities. Individually, these other businesses do not meet the criteria of a reportable segment in accordance with generally accepted accounting principles in the United States (“GAAP”) and are collectively presented throughout the Company’s Form 10-K within “Other.” While the Form 10-K provides certain financial performance data for both the “Regulated Businesses” segment and “Other”, the Company’s GHG reporting boundary only includes the “Regulated Businesses”.

Water

(6.1.1) Consolidation approach used

Select from:

☒ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

As stated in the response to question 1.5, the Company conducts the majority of its business (approximately 92% of total operating revenue) through regulated utilities that provide water and wastewater services, collectively presented as one reportable segment, referred to as the “Regulated Businesses.” The Company also operates other businesses that provide water and wastewater services to the U.S. government on military installations, as well as municipalities. Individually, these other businesses do not meet the criteria of a reportable segment in accordance with generally accepted accounting principles in the United States (“GAAP”) and are

collectively presented throughout the Company's Form 10-K within "Other". While the Form 10-K provides certain financial performance data for both the "Regulated Businesses" segment and "Other", the Company's water related disclosures generally are limited to only the "Regulated Businesses".

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☒ Financial control

(6.1.2) Provide the rationale for the choice of consolidation approach

As stated in the response to question 1.5, the Company conducts the majority of its business (approximately 92% of total operating revenue) through regulated utilities that provide water and wastewater services, collectively presented as one reportable segment, referred to as the "Regulated Businesses." The Company also operates other businesses that provide water and wastewater services to the U.S. government on military installations, as well as municipalities. Individually, these other businesses do not meet the criteria of a reportable segment in accordance with generally accepted accounting principles in the United States ("GAAP") and are collectively presented throughout the Company's Form 10-K within "Other". While the Form 10-K provides certain financial performance data for both the "Regulated Businesses" segment and "Other", the Company's GHG reporting boundary only includes the "Regulated Businesses".

[Fixed row]

C7. Environmental performance - Climate change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:

☒ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☒ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply

☒ Yes, a change in methodology

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

Given the delay in Emissions & Generation Resource Integrated Database (eGRID) data from the United States EPA, 2025 Scope 2 and Scope 3 emissions were calculated using emissions factors made available by the Cornerstone Sustainability Data Initiative.
 [Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

	Base year recalculation
	Select from: ☒ No, because the impact does not meet our significance threshold

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

- ☒ The Climate Registry: General Reporting Protocol
- ☒ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- ☒ The Greenhouse Gas Protocol: Scope 2 Guidance
- ☒ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard
- ☒ Other, please specify :Cornerstone Sustainability Data Initiative (given the delay in US EPA eGRID data)

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based	Comment
	<i>Select from:</i> ☒ We are reporting a Scope 2, location-based figure	<i>Select from:</i> ☒ We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure	<i>American Water continues to consider capturing and incorporating electricity supplier emission factors into future reporting.</i>

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are excluded from your disclosure of climate-related data?

Select from:

☒ Yes

(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions which are not included in your disclosure.

Row 1

(7.4.1.1) Source of excluded emissions

Refrigerant losses

(7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

☒ Scope 1

(7.4.1.3) Relevance of Scope 1 emissions from this source

Select from:

☒ Emissions are not relevant

(7.4.1.8) Estimated percentage of total Scope 1+2 emissions this excluded source represents

2

(7.4.1.10) Explain why this source is excluded

The most recent estimate of emissions from refrigerant used for cooling of facilities is less than 2% of our total emissions. This was based on a conservative estimate of air-conditioned floor area and the associated operating losses. This value is excluded from our Scope 1 emissions reporting due to immateriality as the contribution of this specific emissions source falls below our materiality threshold of +/- 5%.

(7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

The calculation is based on an estimate of the square feet of air-conditioned space across the American Water footprint. Using American Water's headquarters (220,000 SF) as the basis, estimated additional areas included 11 administrative buildings across our regulated business (including our Central Lab) at 1/3 the size, 80 surface water treatment plants at 1/4 of the size, and 50 miscellaneous areas at 1 percent of the size. The total air-conditioned area of approximately 10.9 million SF was then converted to annual HFC losses (MT CO₂e) using available conversion factors.

[Add row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2007

(7.5.2) Base year emissions (metric tons CO₂e)

63977

(7.5.3) Methodological details

For the measurement of GHG emissions in 2007 (short-term, absolute goal base year) American Water used the Financial Control approach to account for GHG emissions from its facilities. American Water included only those facilities located in the United States for which there was full financial control of the assets. This included most of American Water's production facilities and corporate, state, and local offices. American Water accounted for emissions from leased assets in accordance with the Design Principles; that is, emissions from assets leased via finance or capital leases were included, whereas emissions from assets leased via operating leases were not included. Carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons were tracked. American Water did not track sulfur hexafluoride and perfluorocarbons as neither compound was used, found, or emitted from American Water's operations. Stationary direct emissions (Scope 1) sources included boilers, furnaces, space heaters, hot water heaters, backup electrical generators, and fossil fuel powered pumps. Mobile direct emissions (Scope 1) sources included fleet vehicles and forklifts. Process/fugitive emissions were included to account for leakage of sludge gas from anaerobic digesters. Indirect emissions (Scope 2) sources included electricity consumption. The emission factors used in the Inventory are either Climate Leaders default values from the Stationary Sources Guidance or values calculated using accepted Climate Leaders formulae in the Stationary Sources Guidance. The factors have the CO₂ equivalent emission factors for CH₄ and N₂O added to the CO₂ emission factor to generate a total CO₂e emission factor for fossil fuel consumption. The emissions factors used in the Inventory for imported electricity emission factors are the eGRID 2006 Subregion Emissions Factors for the given American Water district. The factors have been calculated to include the CO₂ equivalent emission factors for CH₄ and N₂O.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2007

(7.5.2) Base year emissions (metric tons CO₂e)

789699

(7.5.3) Methodological details

For the measurement of GHG emissions in 2007 (short-term, absolute goal base year) American Water used the Financial Control approach to account for GHG emissions from its facilities. American Water included only those facilities located in the United States for which there was full financial control of the assets. This included most of American Water's production facilities and corporate, state, and local offices. American Water accounted for emissions from leased assets in accordance with the Design Principles; that is, emissions from assets leased via finance or capital leases were included, whereas emissions from assets leased via operating leases were not included. Carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons were tracked. American Water did not track sulfur hexafluoride and perfluorocarbons as neither compound was used, found, or emitted from American Water's operations. Stationary direct emissions (Scope 1) sources included boilers, furnaces, space heaters, hot water heaters, backup electrical generators, and fossil fuel powered pumps. Mobile direct emissions (Scope 1) sources included fleet vehicles and forklifts. Process/fugitive emissions were included to account for leakage of sludge gas from anaerobic digesters. Indirect emissions (Scope 2) sources included electricity consumption. The emission factors used in the Inventory are either Climate Leaders default values from the Stationary Sources Guidance or values calculated using accepted Climate Leaders formulae in the Stationary Sources Guidance. The factors have the CO₂ equivalent emission factors for CH₄ and N₂O added to the CO₂ emission factor to generate a total CO₂e emission factor for fossil fuel consumption. The emissions factors used in the Inventory for

imported electricity emission factors are the eGRID 2006 Subregion Emissions Factors for the given American Water district. The factors have been calculated to include the CO2 equivalent emission factors for CH4 and N2O.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

101000

(7.5.3) Methodological details

Annual spend for our goods and services are separated into categories and emissions were calculated based on the industry category emissions average and the spend level.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

245000

(7.5.3) Methodological details

Annual spend for our goods and services are separated into categories and emissions were calculated based on the industry category emissions average and the spend level.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

160000

(7.5.3) Methodological details

Annual spend for our goods and services are separated into categories and emissions were calculated based on the industry category emissions average and the spend level.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2021

(7.5.2) Base year emissions (metric tons CO2e)

199

(7.5.3) Methodological details

Annual spend for our goods and services are separated into categories and emissions were calculated based on the industry category emissions average and the spend level.

[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

73358

(7.6.3) Methodological details

American Water tracks and reports greenhouse gas (GHG) emissions related to its water and wastewater operations and set its emissions reduction targets for its Regulated Businesses segment. Emissions are calculated and reported using GHG Protocol guidance and the Financial Control consolidation approach. 2025 Scope 1 emissions were calculated using The Climate Registry (February 2025) default emission factors. Please note that we exclude the following items from our emissions calculations refrigerant losses at operations from HVAC units, and fugitive emissions from wastewater operations.

[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

425174

(7.7.4) Methodological details

American Water tracks and reports greenhouse gas (GHG) emissions related to its water and wastewater operations and set its emissions reduction targets for its Regulated Businesses segment. Emissions are calculated and reported using GHG Protocol guidance and the Financial Control consolidation approach. We do not track or disclose market-based emissions. Given the delay in Emissions & Generation Resource Integrated Database (eGRID) data from the United States EPA, 2025 Scope 2 emissions were calculated using emissions factors made available by the Cornerstone Sustainability Data Initiative.

[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

129000

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.6) Please explain

We follow GHG Protocol guidance for using the Spend-based method to estimate emissions for goods and services by collecting data on the economic value of goods and services purchased and multiplying it by relevant secondary emission factors.

Capital goods

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

516000

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.6) Please explain

We follow GHG Protocol guidance for using the Average spend-based method to estimate emissions for goods by collecting data on the economic value of goods purchased and multiplying it by relevant secondary emission factors.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☒ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

161000

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.6) Please explain

We follow GHG Protocol guidance for using the Average-data method which involves using industry average emission factors for upstream emissions per unit of consumption

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.6) Please explain

We currently provide annual disclosure of estimated scope 3 emissions in categories 1, 2, 3, and 6 and seek to increase our emphasis with key suppliers on reducing these emissions factors while balancing affordability for our customers. In 2022, we worked with an independent third party to assist the Company in evaluating and calculating our material value chain categories according to size, influence, peer analysis, and other considerations.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.6) Please explain

We currently provide annual disclosure of estimated scope 3 emissions in categories 1, 2, 3, and 6 and seek to increase our emphasis with key suppliers on reducing these emissions factors while balancing affordability for our customers. In 2022, we worked with an independent third party to assist the Company in evaluating and calculating our material value chain categories according to size, influence, peer analysis, and other considerations.

Business travel

(7.8.1) Evaluation status

Select from:

☒ Not relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

454

(7.8.3) Emissions calculation methodology

Select all that apply

☒ Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.6) Please explain

We follow GHG Protocol guidance for using the Spend-based method, which involves determining the amount of money spent on each mode of business travel transport and applying secondary (EEIO) emission factors.

Employee commuting

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.6) Please explain

American Water continues to evaluate the materiality of Scope 3 emissions related to employee commuting.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

Select from:

☒ Not applicable to our organization's activities

(7.8.6) Please explain

We have no upstream leased assets and therefore GHG emissions associated with this category for American Water are zero (0 MT CO₂e).

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☒ Relevant, not yet calculated

(7.8.6) Please explain

We currently provide annual disclosure of estimated scope 3 emissions in categories 1, 2, 3, and 6 and seek to increase our emphasis with key suppliers on reducing these emissions factors while balancing affordability for our customers. In 2022, we worked with an independent third party to assist the Company in evaluating and calculating our material value chain categories according to size, influence, peer analysis, and other considerations.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

Select from:

☒ Not applicable to our organization's activities

(7.8.6) Please explain

Not relevant to the water/wastewater industry as we sell no products outside of water/wastewater services. As there are no sold products, emissions resulting from the processing of sold products that may be attributed to this category are zero (0 MT CO₂e).

Use of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

Select from:

☒ Not applicable to our organization's activities

(7.8.6) Please explain

Not relevant to the water/wastewater industry as we sell no products outside of water/wastewater services. As there are no sold products, emissions resulting from the use of sold products that may be attributed to this category are zero (0 MT CO₂e).

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

Select from:

☒ Not applicable to our organization's activities

(7.8.6) Please explain

Not relevant to the water/wastewater industry as we sell no products outside of water/wastewater services. As there are no sold product, emissions resulting from the end of life treatment of sold products that may be attributed to this category are zero (0 MT CO₂e).

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

Select from:

☒ Not applicable to our organization's activities

(7.8.6) Please explain

We have no downstream leased assets and therefore GHG emissions associated with this category for American Water are zero (0 MT CO₂e).

Franchises

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

Select from:

☒ Not applicable to our organization's activities

(7.8.6) Please explain

We have no franchises and therefore GHG emissions relevant to this category for American Water are zero (0 MT CO₂e).

Investments

(7.8.1) Evaluation status

Select from:

☒ Not relevant, explanation provided

(7.8.5) Reason for this category not being relevant

Select from:

☒ Not applicable to our organization's activities

(7.8.6) Please explain

We have no investments in this area and therefore GHG emission relevant to this category for American Water are zero (0 MT CO₂e).

[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Select from: ☒ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Select from: ☒ Third-party verification or assurance process in place
Scope 3	Select from: ☒ No third-party verification or assurance

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☒ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.1.4) Attach the statement

ERM CVS – Limited Assurance Report for American Water 2025.pdf

(7.9.1.5) Page/section reference

All

(7.9.1.6) Relevant standard

Select all that apply

☒ ISAE3000

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☒ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☒ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☒ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☒ Limited assurance

(7.9.2.5) Attach the statement

ERM CVS – Limited Assurance Report for American Water 2025.pdf

(7.9.2.6) Page/ section reference

All

(7.9.2.7) Relevant standard

Select all that apply

☒ ISAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

☒ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

American Water's change in emissions was not due to a change in renewable energy consumption.

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

American Water's change in emissions was not due to other emissions reduction activities.

Divestment

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

American Water's change in emissions was not due to a divestment in 2025

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

While we are not attributing a change in emissions due to acquisitions, American Water closed on 18 acquisitions of various regulated water and wastewater systems during 2025, which added approximately 20,900 water and wastewater customer connections.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

On October 26, 2025, American Water entered into a merger agreement with Essential Utilities, Inc., or Essential, to combine the two companies. We currently estimate that the closing of the proposed merger will occur by the end of the first quarter of 2027. Any emissions reductions as a result of this merger will not be reported until 2028.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

American Water did not change its business output in 2025.

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

1193

(7.10.1.2) Direction of change in emissions

Select from:
☒ Decreased

(7.10.1.3) Emissions value (percentage)

(7.10.1.4) Please explain calculation

American Water's Total Scope 1 & 2 Emissions dropped from 499,725 MT CO₂e in 2024 to 498,532 MT CO₂e in 2025 for a decrease of 1,193 MT CO₂e or 0.2%. The decrease in Scope 1 & 2 emissions in 2025 was likely driven by a methodology change for calculating Scope 2 emissions. Given the delay in Emissions & Generation Resource Integrated Database (eGRID) data from the United States EPA, 2025 Scope 2 emissions were calculated using emissions factors made available by the Cornerstone Sustainability Data Initiative.

Change in boundary**(7.10.1.1) Change in emissions (metric tons CO₂e)**

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

American Water did not change its reporting boundary in 2025.

Change in physical operating conditions**(7.10.1.1) Change in emissions (metric tons CO₂e)**

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

American Water did not change its physical operating conditions in 2025.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

American Water's change in emissions was not due to an unidentified activity.

Other

(7.10.1.1) Change in emissions (metric tons CO₂e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☒ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

American Water's change in emissions was not due to any other activity.
[Fixed row]

(7.12) Does your organization have significant land sector activities in its operations or value chain?

	Agriculture, forestry or other land sector activities	Specify the reason for no significant activities
	Select from: ☒ No, explanation provided	Select from: ☒ No relevant activities identified

[Fixed row]

(7.13) Does your organization choose to account for and report technological CO2 removals or captured CO2 with geologic storage, or have you done so in previous years?

	Technological CO2 removals or captured CO2 with geologic storage in the reporting year	Specify the reason for no technological CO2 removals or captured CO2 with geological storage in the reporting year	Technological CO2 removals or captured CO2 with geologic storage were accounted for and reported in previous years
	<i>Select from:</i> ☒ No, explanation provided	<i>Select from:</i> ☒ No relevant activities identified	<i>Select from:</i> ☒ No

[Fixed row]

(7.15) Does your organization break down its Scope 1 and/or Scope 2 emissions by greenhouse gas type?

(7.15.1) Emissions breakdown by greenhouse gas type

Select from:

☒ Yes, both Scope 1 and Scope 2 emissions

[Fixed row]

(7.15.1) Break down your total gross global Scope 1 and Scope 2 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:

☒ CO2

(7.15.1.2) Scope 1 emissions (metric tons of selected gas)

71291

(7.15.1.3) Scope 1 emissions (metric tons of CO2e)

71291

(7.15.1.4) Scope 2 location-based emissions (metric tons of selected gas)

422832

(7.15.1.5) Scope 2 location-based emissions (metric tons of CO₂e)

422832

(7.15.1.8) GWP Reference

Select from:

☒ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

☒ CH₄

(7.15.1.2) Scope 1 emissions (metric tons of selected gas)

4.1

(7.15.1.3) Scope 1 emissions (metric tons of CO₂e)

109

(7.15.1.4) Scope 2 location-based emissions (metric tons of selected gas)

35.5

(7.15.1.5) Scope 2 location-based emissions (metric tons of CO₂e)

(7.15.1.8) GWP Reference

Select from:

☒ IPCC Sixth Assessment Report (AR6 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

☒ N2O

(7.15.1.2) Scope 1 emissions (metric tons of selected gas)

0.8

(7.15.1.3) Scope 1 emissions (metric tons of CO2e)

217

(7.15.1.4) Scope 2 location-based emissions (metric tons of selected gas)

5.1

(7.15.1.5) Scope 2 location-based emissions (metric tons of CO2e)

1384

(7.15.1.8) GWP Reference

Select from:

☒ IPCC Sixth Assessment Report (AR6 - 100 year)

[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	73358	425174	0

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply

☒ By activity

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	Stationary Combustion	37053
Row 2	Mobile Sources	34563
Row 3	Refrigerant - Fleet	1741

[Add row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☒ By activity

(7.20.3) Break down your total gross global Scope 2 emissions by business activity.

	Activity	Scope 2, location-based (metric tons CO2e)
Row 1	Electricity Usage	425174

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

73358

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

425174

(7.22.4) Please explain

American Water’s Consolidated Accounting Group, as defined by CDP, encompasses its Regulated Businesses whose greenhouse gas emissions data are reported within this CDP response.

All other entities

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

American Water has not included any Scope 1 and Scope 2 greenhouse gas emissions data for entities outside the Consolidated Accounting Group within this CDP response.

[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:

☒ No

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:

☒ More than 5% but less than or equal to 10%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: ☒ Yes
Consumption of purchased or acquired electricity	Select from: ☒ Yes
Consumption of purchased or acquired heat	Select from: ☒ No
Consumption of purchased or acquired steam	Select from:

	Indicate whether your organization undertook this energy-related activity in the reporting year
	☒ No
Consumption of purchased or acquired cooling	Select from: ☒ No
Generation of electricity, heat, steam, or cooling	Select from: ☒ Yes

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☒ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

345114

(7.30.1.5) Total (renewable + non-renewable) MWh

345114.00

Consumption of purchased or acquired electricity

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

1121373

(7.30.1.4) MWh from non-renewable zero or near-zero emission sources

0

(7.30.1.5) Total (renewable + non-renewable) MWh

1121373.00

Consumption of self-generated non-fuel renewable energy

(7.30.1.2) MWh from renewable sources

2877

(7.30.1.5) Total (renewable + non-renewable) MWh

2877.00

Total energy consumption

(7.30.1.2) MWh from renewable sources

69875

(7.30.1.3) MWh from non-renewable sources

(7.30.1.4) MWh from non-renewable zero or near-zero emission sources

0

(7.30.1.5) Total (renewable + non-renewable) MWh

1466486.00

[Fixed row]

(7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: ☒ Yes
Consumption of fuel for the generation of heat	Select from: ☒ Yes
Consumption of fuel for the generation of steam	Select from: ☒ No
Consumption of fuel for the generation of cooling	Select from: ☒ No
Consumption of fuel for co-generation or tri-generation	Select from: ☒ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Total fuel MWh consumed by the organization

0

(7.30.7.2) MWh fuel consumed for self-generation of electricity

0

(7.30.7.3) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) Comment

American Water did not consume any sustainable biomass in 2025.

Other biomass

(7.30.7.1) Total fuel MWh consumed by the organization

39

(7.30.7.2) MWh fuel consumed for self-generation of electricity

0

(7.30.7.3) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) Comment

American Water consumed approximately 39MWh from biomass fuels (E100 and B100) in 2025.

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Total fuel MWh consumed by the organization

0

(7.30.7.2) MWh fuel consumed for self-generation of electricity

0

(7.30.7.3) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) Comment

American Water did not consume any other renewable fuels in 2025.

Coal

(7.30.7.1) Total fuel MWh consumed by the organization

0

(7.30.7.2) MWh fuel consumed for self-generation of electricity

0

(7.30.7.3) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) Comment

American Water did not consume any coal in 2025.

Oil

(7.30.7.1) Total fuel MWh consumed by the organization

150194

(7.30.7.2) MWh fuel consumed for self-generation of electricity

0

(7.30.7.3) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) Comment

American Water consumed a total of 142,227 MWh between Gasoline, Diesel, Fuel Oil 2, B10, B20, B5, E10, and E85 in 2025.

Gas

(7.30.7.1) Total fuel MWh consumed by the organization

194880

(7.30.7.2) MWh fuel consumed for self-generation of electricity

0

(7.30.7.3) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) Comment

American Water consumed a total of 194,880 MWh between Natural Gas and Propane in 2025.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Total fuel MWh consumed by the organization

0

(7.30.7.2) MWh fuel consumed for self-generation of electricity

0

(7.30.7.3) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) Comment

American Water did not consume any other non-renewable fuels in 2025.

Total fuel

(7.30.7.1) Total fuel MWh consumed by the organization

345114

(7.30.7.2) MWh fuel consumed for self-generation of electricity

0

(7.30.7.3) MWh fuel consumed for self-generation of heat

0

(7.30.7.7) Comment

American Water consumed a total of 345,114 MWh in 2025. Data for fuel types consumed shown above (Gasoline, Diesel, Fuel Oil 2, B10, B100, B20, B5, E10, E85, E100, Natural Gas, and Propane) are reported above within this response.

[Fixed row]

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

2877

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

2877

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Heat

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

[Fixed row]

(7.30.14) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

United States of America

(7.30.14.1) Consumption of purchased electricity (MWh)

1118496

(7.30.14.2) Consumption of self-generated electricity (MWh)

2877

(7.30.14.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.14.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.14.6) Total electricity/heat/steam/cooling energy consumption (MWh)

1121373.00

[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.000106

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

498532

(7.45.3) Metric denominator

Select from:

☒ unit total revenue

(7.45.4) Metric denominator: Unit total

4723000000

(7.45.6) % change from previous year

8.62

(7.45.7) Direction of change

Select from:

☒ Decreased

(7.45.8) Reasons for change

Select all that apply

☒ Other emissions reduction activities

☒ Change in revenue

(7.45.9) Please explain

The 2025 intensity figure decreased 8.6% from 2024 due mainly to increased revenues and decreased emissions.
[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☒ Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☒ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

☒ Well-below 2°C aligned

(7.53.1.5) Date target was set

10/31/2022

(7.53.1.6) Target coverage

Select from:

☒ Business activity

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

☒ Nitrous oxide (N2O)

☒ Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☒ Location-based

(7.53.1.11) End date of base year

12/31/2020

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

64429

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

482201

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

546630.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2035

(7.53.1.55) Targeted reduction from base year (%)

50

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

273315.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

73358

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

498532.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☒ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)**(7.53.1.79) % of target achieved relative to base year**

17.60

(7.53.1.80) Target status in reporting year

Select from:

☒ Underway**(7.53.1.82) Explain target coverage and identify any exclusions**

The Company's Regulated Business involves the ownership of utilities that provide water and wastewater services to residential, commercial, industrial, public authority, fire service, and sale for resale customers. The Company also operates other businesses that provide water and wastewater services to the U.S. government on military installations, as well as municipalities. American Water tracks greenhouse gas (GHG) emissions related to its Regulated Businesses.

(7.53.1.83) Target objective

Our mission to provide safe, clean, reliable and affordable water and wastewater services to our customers and communities aligns with and reinforces our commitment to environmental stewardship. Our sustainability commitments are based on our deep experience and expertise as to how our operations impact the environment and society.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

Our latest review of the pathway to these targets indicates that achievement is increasingly challenged by several factors. Our progress toward the targets is significantly dependent on the pace of U.S. electric grid decarbonization and the regulatory framework governing cost recovery and affordability for water utilities and

their customers. With Scope 2 emissions accounting for roughly 90% of our emissions profile, American Water’s emissions trajectory is highly dependent on the U.S. policy and electric grid resource mix. Recent shifts in climate policy, clean energy incentives, electrification policy, and accelerating electricity demands, have contributed to a slower pace of grid decarbonization due to sustained reliance on fossil generation and delays in retiring certain coal-fired assets. This creates a challenge in meeting our Scope 1 & 2 emissions targets, as considerable incremental investment would be required to overcome the impact created by these recent shifts. Regulators generally expect electric and gas utilities to lead clean-energy transition efforts, as they are the experts in energy procurement and generation and are much better positioned to do so at scale and affordably. Regulators look to water utilities to prioritize safe, clean, reliable, and affordable water and wastewater services. Consistent with that view, we pursue renewable energy projects when they advance customer interests in a cost-effective manner and deliver customer benefits. These considerations are further influenced by significant capital investment needs across the water sector, including aging infrastructure renewal, system upgrades, and the rising cost of operating expenses needed to meet or exceed drinking and wastewater treatment standards. Balancing economic feasibility, resilience, and long-term investment needs can limit the extent to which additional premium-priced energy solutions can be incorporated. Despite these challenges, we remain focused on identifying and advancing emissions reduction initiatives where operationally and economically feasible. Recent and ongoing efforts include: completion of two feasibility studies to evaluate onsite renewable energy opportunities and the electrification of the Company’s vehicle fleet and partnering with a local utility in Illinois to participate in a community solar program that is expected to reduce operating costs over time. More detail is provided on each of these initiatives in our 2025 Sustainability Report.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☒ No

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☒ Net-zero targets

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☒ NZ1

(7.54.3.2) Date target was set

10/31/2022

(7.54.3.3) Target Coverage

Select from:

☒ Business activity

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☒ Abs1

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

☒ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.54.3.8) Scopes

Select all that apply

☒ Scope 1

☒ Scope 2

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☒ Carbon dioxide (CO2)

☒ Methane (CH4)

- ☒ Nitrous oxide (N2O)
- ☒ Hydrofluorocarbons (HFCs)

(7.54.3.10) Explain target coverage and identify any exclusions

The Company's Regulated Businesses involve the ownership of utilities that provide water and wastewater services to residential, commercial, industrial, public authority, fire service and sale for resale customers. The Company also operates other businesses that provide water and wastewater services to the U.S. government on military installations, as well as municipalities. American Water tracks greenhouse gas (GHG) emissions related to its Regulated Businesses.

(7.54.3.11) Target objective

Reduce emissions through improved operational efficiency and the strategic procurement and deployment of renewable energy.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

- ☒ Unsure

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

- ☒ No, we do not plan to mitigate emissions beyond our value chain

(7.54.3.17) Target status in reporting year

Select from:

- ☒ Underway

(7.54.3.19) Process for reviewing target

American Water calculates emissions relevant to its net-zero goal on an annual basis. American Water's Scope 1 and Scope 2 GHG emissions data has been independently assured by ERM Certification and Verification Services Incorporated (ERM CVS) in accordance with the International Standard for Assurance Engagements ISAE 3000 (Revised). Achievement of our medium- and long-term emissions goals are significantly dependent on the pace of U.S. electric grid decarbonization and the regulatory framework governing cost recovery and affordability for water utilities and customers.

[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

	Emissions reduction initiatives that were active within the reporting year
	Select from: ☒ Yes

[Fixed row]

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☒ No

(7.79) Has your organization retired any project-based carbon credits within the reporting year?

Select from:

☒ No

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

☒ No

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Daily

(9.2.3) Method of measurement

American Water's regulated drinking water systems withdraw water for treatment and distribution to customers. Sources of supply include surface water, ground water, and purchased water. Water withdrawal volumes are generally measured using metering equipment at the treatment plant influent or at the point of interconnection if purchasing water from an interconnected system.

(9.2.4) Please explain

American Water uses System Delivery to report water withdrawal volumes.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Daily

(9.2.3) Method of measurement

American Water's regulated drinking water systems withdraw water for treatment and distribution to customers. Sources of supply include surface water, ground water, and purchased water. Water withdrawal volumes are generally measured using metering equipment at the treatment plant influent or at the point of interconnection if purchasing water from an interconnected system.

(9.2.4) Please explain

American Water uses System Delivery to report water withdrawal volumes.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Daily

(9.2.3) Method of measurement

American Water's regulated drinking water systems withdraw water for treatment and distribution to customers. Sources of supply include surface water, ground water, and purchased water. Source water quality is measured for both compliance and to inform plant process operations.

(9.2.4) Please explain

American Water uses System Delivery to report water withdrawal volumes.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Other, please specify :Discharges are monitored according to applicable schedules in NPDES permits for the specified wastewater treatment facility.

(9.2.3) Method of measurement

The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the EPA's National Pollutant Discharge Elimination System (NPDES) permitting program and the requirement for or method of measurement depends on each specific NPDES permit or state regulations.

(9.2.4) Please explain

The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the EPA's National Pollutant Discharge Elimination System (NPDES) permitting program. Water discharges are tracked at the facility level in line with permitting requirements and not available for public disclosure in the aggregate.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Other, please specify :Discharges are monitored according to applicable schedules in NPDES permits for the specified wastewater treatment facility.

(9.2.3) Method of measurement

The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the EPA's National Pollutant Discharge Elimination System (NPDES) permitting program and the requirement for or method of measurement depends on each specific NPDES permit or state regulations.

(9.2.4) Please explain

The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the EPA's National Pollutant Discharge Elimination System (NPDES) permitting program. Water discharges are tracked at the facility level in line with permitting requirements and not available for public disclosure in the aggregate.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Other, please specify :Discharges are monitored according to applicable schedules in NPDES permits for the specified wastewater treatment facility.

(9.2.3) Method of measurement

The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the EPA's National Pollutant Discharge Elimination System (NPDES) permitting program and the requirement for or method of measurement depends on each specific NPDES permit or state regulations.

(9.2.4) Please explain

The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the EPA's National Pollutant Discharge Elimination System (NPDES) permitting program. Water discharges are tracked at the facility level in line with permitting requirements and not available for public disclosure in the aggregate.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Other, please specify :Discharges are monitored according to applicable schedules in NPDES permits for the specified wastewater treatment facility.

(9.2.3) Method of measurement

The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the EPA's National Pollutant Discharge Elimination System (NPDES) permitting program and the requirement for or method of measurement depends on each specific NPDES permit or state regulations.

(9.2.4) Please explain

The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the EPA's National Pollutant Discharge Elimination System (NPDES) permitting program. Water discharges are tracked at the facility level in line with permitting requirements and not available for public disclosure in the aggregate.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Other, please specify :Discharges are monitored according to applicable schedules in NPDES permits for the specified wastewater treatment facility.

(9.2.3) Method of measurement

The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the EPA's National Pollutant Discharge Elimination System (NPDES) permitting program and the requirement for or method of measurement depends on each specific NPDES permit or state regulations.

(9.2.4) Please explain

The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the EPA's National Pollutant Discharge Elimination System (NPDES) permitting program. Water discharges are tracked at the facility level in line with permitting requirements and not available for public disclosure in the aggregate.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☒ Not monitored

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ At least once a month

(9.2.3) Method of measurement

Water consumption is tracked at the facility level in line with permitting requirements and the requirement for or method of measurement depends on each specific permit or state regulations.

(9.2.4) Please explain

Water consumption is tracked at the facility level in line with permitting requirements and not available for public disclosure in the aggregate.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Daily

(9.2.3) Method of measurement

Water recycled/reused is tracked at the facility level in line with permitting requirements and the requirement for or method of measurement depends on each specific permit or state regulations.

(9.2.4) Please explain

Water recycled/reused is tracked at the facility level in line with permitting requirements.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

☒ 100%

(9.2.2) Frequency of measurement

Select from:

☒ Daily

(9.2.3) Method of measurement

Safety is a core value at American Water. We conduct regular reviews to examine our performance and compliance on various health and safety topics, and our health and safety team manages compliance with health and safety policies, procedures, laws, and regulations.

(9.2.4) Please explain

While we do not track performance against a specific target for WASH services, we are subject to the laws and regulations under the U.S. Occupational Safety and Health Act. The health and safety of our contractors, our employees and the public are American Water's highest priorities. Suppliers are asked to comply with all applicable health and safety regulations and Company requirements. Our Supplier Code of Conduct states that suppliers shall provide employees with safe and healthy working conditions. At a minimum, employees must have, among other things, potable drinking water, clean restrooms, adequate ventilation, appropriately lit workstations, fire exits, essential safety equipment, an emergency first aid kit, access to emergency medical care, adequate safety training, and proper protective equipment.

[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters)

1614000

(9.2.2.2) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in efficiency

(9.2.2.4) Five-year forecast

Select from:

☒ Unknown

(9.2.2.5) Primary reason for forecast

Select from:

☒ Mergers and acquisitions

(9.2.2.6) Please explain

On October 26, 2025, American Water entered into a merger agreement with Essential Utilities, Inc. ("Essential"), to combine the two companies in a stock-for-stock transaction. Upon completion of the proposed merger, Essential will be a wholly owned subsidiary of American Water, and American Water will retain its existing name and remain headquartered in Camden, New Jersey. The completion of the proposed merger is subject to certain customary conditions, including obtaining required regulatory approvals. We currently estimate that the closing of the proposed merger will occur by the end of the first quarter of 2027. We entered into the Essential merger agreement with the expectation that the proposed Essential merger will result in various benefits, including, among other things, increased efficiencies of scale and size, increased geographic diversity, greater long-term growth opportunities for employees of the combined company, and other operating efficiencies. Following the completion of the Essential merger, the size of the combined company's business will be significantly larger than the current size of either our or Essential's respective businesses. While we do expect the water and wastewater services provided by the combined company to increase, we are not forecasting the magnitude of water withdrawals, discharges and consumption volumes for the combined company.

Total discharges

(9.2.2.4) Five-year forecast

Select from:

☒ Unknown

(9.2.2.5) Primary reason for forecast

Select from:

☒ Mergers and acquisitions

(9.2.2.6) Please explain

On October 26, 2025, American Water entered into a merger agreement with Essential Utilities, Inc. ("Essential"), to combine the two companies in a stock-for-stock transaction. Upon completion of the proposed merger, Essential will be a wholly owned subsidiary of American Water, and American Water will retain its existing name and remain headquartered in Camden, New Jersey. The completion of the proposed merger is subject to certain customary conditions, including obtaining required regulatory approvals. We currently estimate that the closing of the proposed merger will occur by the end of the first quarter of 2027. We entered into the Essential merger agreement with the expectation that the proposed Essential merger will result in various benefits, including, among other things, increased efficiencies of scale and size, increased geographic diversity, greater long-term growth opportunities for employees of the combined company, and other operating efficiencies. Following the completion of the Essential merger, the size of the combined company's business will be significantly larger than the current size of either our or Essential's respective businesses. While we do expect the water and wastewater services provided by the combined company to increase, we are not forecasting the magnitude of water withdrawals, discharges and consumption volumes for the combined company.

Total consumption

(9.2.2.4) Five-year forecast

Select from:

☒ Unknown

(9.2.2.5) Primary reason for forecast

Select from:

☒ Mergers and acquisitions

(9.2.2.6) Please explain

On October 26, 2025, American Water entered into a merger agreement with Essential Utilities, Inc. ("Essential"), to combine the two companies in a stock-for-stock transaction. Upon completion of the proposed merger, Essential will be a wholly owned subsidiary of American Water, and American Water will retain its existing name and remain headquartered in Camden, New Jersey. The completion of the proposed merger is subject to certain customary conditions, including obtaining required regulatory approvals. We currently estimate that the closing of the proposed merger will occur by the end of the first quarter of 2027. We entered into the Essential merger agreement with the expectation that the proposed Essential merger will result in various benefits, including, among other things, increased efficiencies of scale and size, increased geographic diversity, greater long-term growth opportunities for employees of the combined company, and other operating efficiencies. Following the completion of the Essential merger, the size of the combined company's business will be significantly larger than the current size of either our or Essential's respective businesses. While we do expect the water and wastewater services provided by the combined company to increase, we are not forecasting the magnitude of water withdrawals, discharges and consumption volumes for the combined company.

[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

☒ Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

118940

(9.2.4.3) Comparison with previous reporting year

Select from:

☒ Higher

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

☒ Change in accounting methodology

(9.2.4.5) Five-year forecast

Select from:

☒ Unknown

(9.2.4.6) Primary reason for forecast

Select from:

☒ Mergers and acquisitions

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

(9.2.4.8) Identification tool

Identification tool used

☒ Other, please specify :Company-specific methodology

(9.2.4.9) Please explain

In 2025, American Water enhanced its methodology for identifying water-stressed systems to better align with its operational definition of water stress. Under the revised approach, systems are included in our water stress classification when demand exceeds 90 percent of available supply, or when they are located in areas with known source water constraints, such as New Jersey Critical Areas. Under this revised methodology, approximately seven percent of our water is sourced from water stressed areas. On October 26, 2025, American Water entered into a merger agreement with Essential Utilities, Inc. ("Essential"), to combine the two companies in a stock-for-stock transaction. Upon completion of the proposed merger, Essential will be a wholly owned subsidiary of American Water, and American Water will retain its existing name and remain headquartered in Camden, New Jersey. The completion of the proposed merger is subject to certain customary conditions, including obtaining required regulatory approvals. We currently estimate that the closing of the proposed merger will occur by the end of the first quarter of 2027. We entered into the Essential merger agreement with the expectation that the proposed Essential merger will result in various benefits, including, among other things, increased efficiencies of scale and size, increased geographic diversity, greater long-term growth opportunities for employees of the combined company, and other operating efficiencies. Following the completion of the Essential merger, the size of the combined company's business will be significantly larger than the current size of either our or Essential's respective businesses. While we do expect the water and wastewater services provided by the combined company to increase, we are not forecasting the magnitude of water withdrawals from water-stressed areas for the combined company.

[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

☒ Relevant

(9.2.7.2) Volume (megaliters)

1128126

(9.2.7.3) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in efficiency

(9.2.7.5) Please explain

Total water withdrawals from fresh surface water sources were approximately 1,128,126 megaliters for year ending 2025, as compared to approximately 1,134,000 for year ending 2024

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

Within its regulated businesses, American Water does not currently withdraw from and/or treat seawater. The Monterey Water Supply Project includes the construction of desalination facilities, to be owned by California American Water (Cal Am), and the construction of wells that would supply water to the desalination facilities. The Water Supply Project is intended, among other things, to fulfill obligations of Cal Am to eliminate unauthorized diversions from the Carmel River as required under orders of the California State Water Resources Control Board. Subject to the impacts, outcomes or resolution of applicable litigation and other legal and regulatory proceedings, construction of the desalination plant for the Water Supply Project is underway, and the desalination plant is currently anticipated to be in service by the end of 2029.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☒ Not relevant

(9.2.7.5) Please explain

American Water does not currently withdraw from renewable groundwater sources.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☒ Relevant

(9.2.7.2) Volume (megaliters)

372884

(9.2.7.3) Comparison with previous reporting year

Select from:

☒ About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☒ Increase/decrease in efficiency

(9.2.7.5) Please explain

Total water withdrawals from groundwater sources were approximately 372,884 megaliters for year ending 2025, as compared to approximately 372,600 for year ending 2024

Produced/Entrained water

(9.2.7.1) Relevance

Select from:
☒ Not relevant

(9.2.7.5) Please explain

American Water does not currently withdraw from produced/entrained water sources.

Third party sources

(9.2.7.1) Relevance

Select from:
☒ Relevant

(9.2.7.2) Volume (megaliters)

113183

(9.2.7.3) Comparison with previous reporting year

Select from:
☒ About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:
☒ Increase/decrease in efficiency

(9.2.7.5) Please explain

Total water withdrawals from third-party sources were approximately 113,183 megaliters for year ending 2025, as compared to approximately 113,400 for year ending 2024
[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

☒ Relevant but volume unknown

(9.2.8.5) Please explain

Water discharges are tracked at the facility level in line with permitting requirements and not available for public disclosure in the aggregate. The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the applicable National Pollutant Discharge Elimination System (NPDES) permitting program and is treated to required regulatory standards before being returned to the environment.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

☒ Relevant but volume unknown

(9.2.8.5) Please explain

Water discharges are tracked at the facility level in line with permitting requirements and not available for public disclosure in the aggregate. The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the applicable National Pollutant Discharge Elimination System (NPDES) permitting program and is treated to required regulatory standards before being returned to the environment.

Groundwater

(9.2.8.1) Relevance

Select from:

☒ Relevant but volume unknown

(9.2.8.5) Please explain

Water discharges are tracked at the facility level in line with permitting requirements and not available for public disclosure in the aggregate. The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the applicable National Pollutant Discharge Elimination System (NPDES) permitting program and is treated to required regulatory standards before being returned to the environment.

Third-party destinations

(9.2.8.1) Relevance

Select from:

☒ Relevant but volume unknown

(9.2.8.5) Please explain

Water discharges are tracked at the facility level in line with permitting requirements and not available for public disclosure in the aggregate. The discharge of plant effluent from American Water's wastewater treatment facilities is regulated by the applicable National Pollutant Discharge Elimination System (NPDES) permitting program and is treated to required regulatory standards before being returned to the environment.

[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

☒ Yes, we have assessed this value chain stage and identified facilities with substantive water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

770

(9.3.3) % of facilities in direct operations that this represents

Select from:

☒ 100%

(9.3.4) Please explain

As a water and wastewater services provider, we believe all of the facilities we operate are subject to substantive water-related dependencies, impacts, risks, and/or opportunities. As of year end 2025, American Water owns and operates approximately 80 surface water treatment plants, 520 groundwater treatment plants, and 170 wastewater treatment plants.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☒ No, we have not assessed this value chain stage for facilities with substantive water-related dependencies, impacts, risks, and opportunities, and are not planning to do so in the next 2 years

[Fixed row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

While American Water does not pursue third party verification of water withdrawals, services provided by the company are subject to regulation by multiple state utility commissions or other entities engaged in utility regulation. Federal, state and local governments also regulate environmental and water accountability matters. The company maintains an environmental program that includes responsible business practices focused on compliance with environmental laws and regulations and the effective use of natural resources, recognizing that drinking water standards have generally, over time, increased in number and become increasingly more stringent.

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

While American Water does not pursue third party verification of water withdrawals, services provided by the company are subject to regulation by multiple state utility commissions or other entities engaged in utility regulation. Federal, state and local governments also regulate environmental and water accountability matters. The company maintains an environmental program that includes responsible business practices focused on compliance with environmental laws and regulations and the effective use of natural resources, recognizing that drinking water standards have generally, over time, increased in number and become increasingly more stringent.

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

While American Water does not pursue third party verification of water withdrawals, services provided by the company are subject to regulation by multiple state utility commissions or other entities engaged in utility regulation. Federal, state and local governments also regulate environmental and water accountability matters. The company maintains an environmental program that includes responsible business practices focused on compliance with environmental laws and regulations and the effective use of natural resources, recognizing that drinking water standards have generally, over time, increased in number and become increasingly more stringent.

Water discharges – total volumes

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

While American Water does not pursue third party verification of water discharges, services provided by the company are subject to regulation by multiple state utility commissions or other entities engaged in utility regulation. Federal, state and local governments also regulate environmental and water accountability matters. The company maintains an environmental program that includes responsible business practices focused on compliance with environmental laws and regulations and the effective use of natural resources, recognizing that water discharge permitting standards have generally, over time, increased in number and become increasingly more stringent.

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

While American Water does not pursue third party verification of water discharges, services provided by the company are subject to regulation by multiple state utility commissions or other entities engaged in utility regulation. Federal, state and local governments also regulate environmental and water accountability matters. The company maintains an environmental program that includes responsible business practices focused on compliance with environmental laws and regulations and the effective use of natural resources, recognizing that water discharge permitting standards have generally, over time, increased in number and become increasingly more stringent.

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

While American Water does not pursue third party verification of water discharges, services provided by the company are subject to regulation by multiple state utility commissions or other entities engaged in utility regulation. Federal, state and local governments also regulate environmental and water accountability matters. The company maintains an environmental program that includes responsible business practices focused on compliance with environmental laws and regulations and the

effective use of natural resources, recognizing that water discharge permitting standards have generally, over time, increased in number and become increasingly more stringent.

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

While American Water does not pursue third party verification of water discharges, services provided by the company are subject to regulation by multiple state utility commissions or other entities engaged in utility regulation. Federal, state and local governments also regulate environmental and water accountability matters. The company maintains an environmental program that includes responsible business practices focused on compliance with environmental laws and regulations and the effective use of natural resources, recognizing that water discharge permitting standards have generally, over time, increased in number and become increasingly more stringent.

Water consumption – total volume

(9.3.2.1) % verified

Select from:

☒ Not verified

(9.3.2.3) Please explain

While American Water does not pursue third party verification of water discharges, services provided by the company are subject to regulation by multiple state utility commissions or other entities engaged in utility regulation. Federal, state and local governments also regulate environmental and water accountability matters. The company maintains an environmental program that includes responsible business practices focused on compliance with environmental laws and regulations and the effective use of natural resources, recognizing that water discharge permitting standards have generally, over time, increased in number and become increasingly more stringent.

[Fixed row]

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

(9.5.1) Revenue (currency)

4723000000

(9.5.2) Total water withdrawal efficiency

2926.27

(9.5.3) Anticipated forward trend

Our withdrawal volumes for years 2021-2025 have been within +/- 2% of the five year avg despite customer growth count variances through acquisitions and divestitures, and organic growth in existing systems given its growing capital investment, focus on efficient operations, and national trends towards more water-efficient appliances. Efficiency trends will fluctuate as revenues increase and water withdrawals change in line with growth activities.

[Fixed row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

(9.13.1) Products contain hazardous substances

Select from:

☒ No

(9.13.2) Comment

American Water's water and wastewater operations are subject to extensive federal, state and local laws and regulations governing the protection of the environment, public health and safety and the provision of water and wastewater services, particularly with respect to the quality of water the Company delivers to its customers, and the manner in which it collects, treats, discharges, recycles and disposes of wastewater. In the United States, these regulations are developed under federal legislation including the Safe Drinking Water Act, the Reduction of Lead in Drinking Water Act and the Clean Water Act, and under a variety of applicable state laws. Environmental, health and safety, and water quality regulations are complex and may vary from state to state in those instances where a state has adopted a standard that is more stringent than the federal standard.

[Fixed row]

(9.14) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Primary reason for not classifying any of your current products and/or services as low water impact	Please explain
	Select from: ☒ No, and we do not plan to address this within the next two years	Select from: ☒ Other, please specify :American Water is a water and wastewater utility company.	American Water is a water and wastewater utility company, whose products are drinking water and treated wastewater.

[Fixed row]

(9.15) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

Water pollution

(9.15.1) Target set in this category

Select from:

☒ Yes

(9.15.2) Science-based target set in this target category according to SBTN guidance

Select from:

☒ No, and we do not plan to in the next two years

Water, Sanitation, and Hygiene (WASH) services

(9.15.1) Target set in this category

Select from:

☒ No, and we do not plan to within the next two years

(9.15.3) Primary reason for not setting a target in this category

Select from:

☒ Other, please specify :While we do not have a specific target for WASH services, we are subject to the laws and regulations under the U.S. Occupational Safety and Health Act.

(9.15.4) Explain why you do not have a target set in this category

Safety is a core value at American Water. While we do not have a specific target for WASH services, we are subject to the laws and regulations under the U.S. Occupational Safety and Health Act. The health and safety of our contractors, our employees and the public are American Water's highest priorities. Suppliers must ensure that their employees comply with all applicable health and safety regulations and Company requirements. Our Supplier Code of Conduct states that suppliers shall provide employees with safe and healthy working conditions. At a minimum, employees must have potable drinking water, clean restrooms, adequate ventilation, appropriately lit workstations, fire exits, essential safety equipment, an emergency first aid kit, access to emergency medical care, adequate safety training, and proper protective equipment.

Other

(9.15.1) Target set in this category

Select from:

☒ Yes

[Fixed row]

(9.15.1) Provide details of your water-related targets and the progress made.

Row 1

(9.15.1.1) Target reference number

Select from:

☒ Water target 1

(9.15.1.2) Target coverage

Select from:

☒ Organization-wide (direct operations only)

(9.15.1.3) Category of target & Quantitative metric

Other

☒ Other, please specify :Drinking Water Program Compliance This metric is determined by counting the overall number of drinking water notices of violation, or NOVs, received by the Company in accordance with internally established procedures.

(9.15.1.4) Date target was set

01/01/2025

(9.15.1.5) End date of base year

12/31/2025

(9.15.1.7) End date of target year

12/31/2025

(9.15.1.8) Target year figure

6

(9.15.1.9) Reporting year figure

5

(9.15.1.10) Target status in reporting year

Select from:

☒ Achieved

(9.15.1.12) Global environmental treaties/initiatives/frameworks aligned with or supported by this target

Global environmental treaties/initiatives/frameworks aligned with or supported by this target

☒ Sustainable Development Goal 6

(9.15.1.13) Explain target coverage and identify any exclusions

Our target coverage for Drinking Water Program Compliance and Drinking Water Quality includes both the Regulated Businesses segment and our market-based business operations. This metric is determined by counting the overall number of drinking water NOV's for maximum contaminant level exceedances received by the Company in accordance with internally established procedures, which may exclude NOV's related to newly acquired systems and associated with third-party violations, among others.

(9.15.1.15) Actions which contributed most to achieving or maintaining this target

Although the U.S. government, state governments and environmental and public health regulators set and enforce industry standards for water utilities, we often achieve results beyond minimum requirements to earn our customers' trust and provide high-quality water. Each year, we extensively test water throughout our service territories to monitor and seek to control microbial, chemical and radiological contaminants. Our teams conduct significant research to enhance our understanding of contaminants of emerging concern and their impact on water supplies. Our performance demonstrates our expertise; the drinking water that we deliver to our customers meets or exceeds established standards.

(9.15.1.18) Further details of target

Target is included in at-risk Annual Performance Plan (APP) compensation for employees.

Row 2

(9.15.1.1) Target reference number

Select from:

☒ Water target 2

(9.15.1.2) Target coverage

Select from:

☒ Organization-wide (direct operations only)

(9.15.1.3) Category of target & Quantitative metric

Other

☒ Other, please specify :Drinking Water Quality. This metric is determined by counting the overall number of drinking water NOVs for maximum contaminant level exceedances received by the Company in accordance with internally established procedures.

(9.15.1.4) Date target was set

01/01/2025

(9.15.1.5) End date of base year

12/31/2025

(9.15.1.7) End date of target year

12/31/2025

(9.15.1.8) Target year figure

2

(9.15.1.9) Reporting year figure

0

(9.15.1.10) Target status in reporting year

Select from:

☒ Achieved

(9.15.1.12) Global environmental treaties/initiatives/frameworks aligned with or supported by this target

Global environmental treaties/initiatives/frameworks aligned with or supported by this target

☒ Sustainable Development Goal 6

(9.15.1.13) Explain target coverage and identify any exclusions

Our target coverage for Drinking Water Program Compliance and Drinking Water Quality includes both the Regulated Businesses segment and our market-based business operations. This metric is determined by counting the overall number of drinking water NOV for maximum contaminant level exceedances received by the Company in accordance with internally established procedures, which may exclude NOV related to newly acquired systems and associated with third-party violations, among others.

(9.15.1.15) Actions which contributed most to achieving or maintaining this target

Although the U.S. government, state governments and environmental and public health regulators set and enforce industry standards for water utilities, we often achieve results beyond minimum requirements to earn our customers' trust and provide high-quality water. Each year, we extensively test water throughout our service territories to monitor and seek to control microbial, chemical and radiological contaminants. Our teams conduct significant research to enhance our understanding of contaminants of emerging concern and their impact on water supplies. Our performance demonstrates our expertise; the drinking water that we deliver to our customers meets or exceeds established standards.

(9.15.1.18) Further details of target

Target is included in at-risk Annual Performance Plan (APP) compensation for employees.

Row 3

(9.15.1.1) Target reference number

Select from:

☒ Water target 3

(9.15.1.2) Target coverage

Select from:

☒ Organization-wide (direct operations only)

(9.15.1.3) Category of target & Quantitative metric

Water use efficiency

☒ Other water use efficiency, please specify :Reduction in amount of water delivered per customer

(9.15.1.4) Date target was set

02/01/2021

(9.15.1.5) End date of base year

12/31/2015

(9.15.1.6) Base year figure

141394

(9.15.1.7) End date of target year

12/31/2035

(9.15.1.8) Target year figure

120185

(9.15.1.9) Reporting year figure

131961

(9.15.1.10) Target status in reporting year

Select from:

☒ Underway

(9.15.1.11) % of target achieved relative to base year

44

(9.15.1.12) Global environmental treaties/initiatives/frameworks aligned with or supported by this target

Global environmental treaties/initiatives/frameworks aligned with or supported by this target

☒ Sustainable Development Goal 6

(9.15.1.13) Explain target coverage and identify any exclusions

American Water's Water Use and Efficiency goal applies to its Regulated Businesses only. Baseline is the 2014/2015 average delivery per customer. New York American Water was excluded from baseline and tracking anticipating divestiture.

(9.15.1.14) Plan for achieving target, and progress made to the end of the reporting year

Through this target, we aim to provide customers with the water they need while increasing efficiency and reducing water loss. We will achieve this target by expanding best practices from existing conservation and water loss management programs, using innovative technologies such as Advanced Metering Infrastructure (AMI) and leak detection and investing capital to improve the integrity of our buried infrastructure.

(9.15.1.18) Further details of target

Delivering water efficiently benefits our business, our customers, the environment and the communities we serve. By increasing water efficiency through focused management of water loss and expansion of water conservation, we can realize benefits, such as reduced operating costs and energy consumption. Our customers benefit from water efficiency through cost savings, and we can protect the environment by preserving freshwater supplies and reducing our GHG emissions. In our operations, the greatest opportunities to increase efficiency include minimizing water loss through prevention of leaks and breaks and maintaining infrastructure. We also work with our customers through education, tools and technology to empower individuals to make their water use more efficient and sustainable.

Row 4

(9.15.1.1) Target reference number

Select from:

☒ Water target 4

(9.15.1.2) Target coverage

Select from:

☒ Organization-wide (direct operations only)

(9.15.1.3) Category of target & Quantitative metric

Other

☒ Other, please specify :Water Supply Resilience. By 2030, increase water system resiliency to respond to more extreme events by increasing Utility Resilience Index (URI) weighted average by 10% from 2020 baseline.

(9.15.1.4) Date target was set

02/01/2021

(9.15.1.5) End date of base year

12/31/2020

(9.15.1.6) Base year figure

65.6

(9.15.1.7) End date of target year

12/31/2030

(9.15.1.8) Target year figure

72.2

(9.15.1.9) Reporting year figure

74.8

(9.15.1.10) Target status in reporting year

Select from:

☒ Achieved

(9.15.1.11) % of target achieved relative to base year

139

(9.15.1.12) Global environmental treaties/initiatives/frameworks aligned with or supported by this target

Global environmental treaties/initiatives/frameworks aligned with or supported by this target

☒ Sustainable Development Goal 6

(9.15.1.13) Explain target coverage and identify any exclusions

American Water's resiliency goal only applies to its Regulated Businesses that serve 3,300 or more customers.

(9.15.1.15) Actions which contributed most to achieving or maintaining this target

American Water achieved its resilience goal in 2025, well ahead of schedule and marking a milestone in the company's overall efforts to strengthen its ability to respond to emergencies and extreme weather events. Reaching this goal, which uses the American Water Works Association's (AWWA) Utility Resilience Index (URI) as a metric, shows our deep commitment to resilience and preparedness. It means our people are ready, our systems are strong, and our communities are better protected when disruptive events occur. Through proactive targeted infrastructure investments, enhanced emergency planning, and ongoing employee training, American Water reached its URI resilience goal, five years ahead of schedule.

(9.15.1.18) Further details of target

We assess our resilience and preparedness through our average Utility Resilience Index (URI) score, which is a measure of a utility's ability to respond to and recover from the impacts of extreme weather, environmental incidents, supply chain disruptions and other extreme events that would disrupt our services. The URI is part of the industry-recognized AWWA J-100 standard and assesses a community's ability to absorb and cope with an incident and return to normal operations as quickly as possible. The index is scored on a scale of 0 to 100, with scores between 60 and 70 considered relatively resilient. In 2020, American Water completed a baseline assessment across its facilities and recorded an average score of approximately 66 and set a goal to increase its weighted average URI score by 10 percent by 2030. Through proactive targeted infrastructure investments, enhanced emergency planning, and ongoing employee training, American Water reached its URI resilience goal, five years ahead of schedule.

[Add row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☒ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

☒ Land/water protection

☒ Land/water management

☒ Species management

☒ Education & awareness

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	<div>Select from:</div> <div>☒ Yes, we use indicators</div>	<div>Select all that apply</div> <div>☒ State and benefit indicators</div>

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ Data not available

(11.4.2) Comment

Data on proximity to this type of area is not currently disclosed.

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ Data not available

(11.4.2) Comment

Data on proximity to this type of area is not currently disclosed.

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ Data not available

(11.4.2) Comment

Data on proximity to this type of area is not currently disclosed.

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ Data not available

(11.4.2) Comment

Data on proximity to this type of area is not currently disclosed.

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ Data not available

(11.4.2) Comment

Data on proximity to this type of area is not currently disclosed.

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☒ Yes

(11.4.2) Comment

Biodiversity considerations are integrated into company operations to help protect local ecosystems in the communities we serve, while delivering safe, clean, reliable, and affordable water and wastewater services.

[Fixed row]

(11.4.1) Provide details of your organization's activities in the reporting year located in or near to areas important for biodiversity.

Row 1

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☒ Other areas important for biodiversity

(11.4.1.4) Country/area

Select from:

☒ United States of America

(11.4.1.5) Name of the area important for biodiversity

Ecosystems within the communities served by American Water.

(11.4.1.6) Proximity

Select from:

☒ Data not available

(11.4.1.8) Briefly describe your organization's activities in the reporting year located in or near to the selected area

Biodiversity considerations are integrated into company operations to help protect local ecosystems in the communities we serve, while delivering safe, clean, reliable, and affordable water and wastewater services. Capital Planning: We utilize the U.S. EPA's rating of waterways (good, impaired, unknown) to understand the ecosystems where we operate and identify the condition of aquatic life, drinking water, fish and shellfish consumption and recreation. Our engineering processes assess impacts to wildlife and plant species when considering infrastructure, such as water intakes, dams, and other critical assets. Water Use & Efficiency: Managing customer demand and reducing leakage preserves water supplies over the long-term, which supports local habitats of wildlife and native plant species. Where we have a water diversion permit to take water from a stream, river, lake, or other drinking water supply source, the state regulatory agency considers the health of the water body in the permitting process and we strive to adhere to those requirements. Wastewater Treatment: Our operating policies guide us to effectively manage effluent quality consistent with NPDES permit requirements, which helps protect local ecosystems within the communities we serve through discharging treated water back to the receiving stream. The American Water Charitable Foundation's Water and Environment Grant Program provides funding for eligible projects that improve, restore or protect watersheds, surface water and groundwater supplies in our local communities.

(11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

☒ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☒ Scheduling

☒ Abatement controls

☒ Restoration

☒ Operational controls

☒ Site selection

☒ Project design

☒ Physical controls

(11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

American Water strives to conduct business in a safe manner that drives regulatory compliance, protects public health, and promotes environmental stewardship, all in support of American Water's value of environmental leadership. We are committed to compliance with relevant environmental laws, regulations and standards, sustaining the environment through responsible business practices that promote environmental stewardship and effective use of natural resources. Biodiversity considerations are integrated into company operations to help protect local ecosystems in the communities we serve, while delivering clean, safe, affordable and reliable water and wastewater services. ■ Capital Planning: We utilize the EPA rating of waterways (good, impaired, unknown) to understand the ecosystems where we operate and identify the condition of aquatic life, drinking water, fish and shellfish consumption and recreation. Our engineering processes assess impacts to wildlife and plant species when considering infrastructure, such as water intakes, dams, and other critical assets. ■ Water Use & Efficiency: Managing customer

demand and reducing leakage preserves water supplies over the long-term, which supports local habitats of wildlife and native plant species. Where we have a water diversion permit to take water from a stream, river, lake, or other drinking water supply source, the state regulatory agency considers the health of the water body in the permitting process and we adhere to those requirements. ■ Wastewater Treatment: Our operating policies guide us to effectively manage effluent quality, which helps protect local ecosystems within the communities we serve through discharging clean water back to the receiving stream. ■ The American Water Charitable Foundation's Water and Environment Grant Program: AWCF provides funding for eligible projects that improve, restore or protect watersheds, surface water and groundwater supplies in our local communities.

[Add row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☒ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☒ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☒ Other data point in module 7, please specify :Total Energy Consumption

(13.1.1.3) Verification/assurance standard

General standards

☒ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

In addition to American Water's Scope 1 and Scope 2 GHG emissions data, Total Energy Consumption data for 2025 has been independently assured by ERM Certification and Verification Services Incorporated (ERM CVS) in accordance with the International Standard for Assurance Engagements ISAE 3000 (Revised).

(13.1.1.5) Attach verification/assurance evidence/report (optional)

ERM CVS – Limited Assurance Report for American Water 2025.pdf

[Add row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

EVP & Chief Operating Officer

(13.3.2) Corresponding job category

Select from:

☒ Chief Operating Officer (COO)

[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub to facilitate collective action in priority basins.

Select from:

☒ No

