

American Water Sustainability Overview

June 2026



AMERICAN WATER

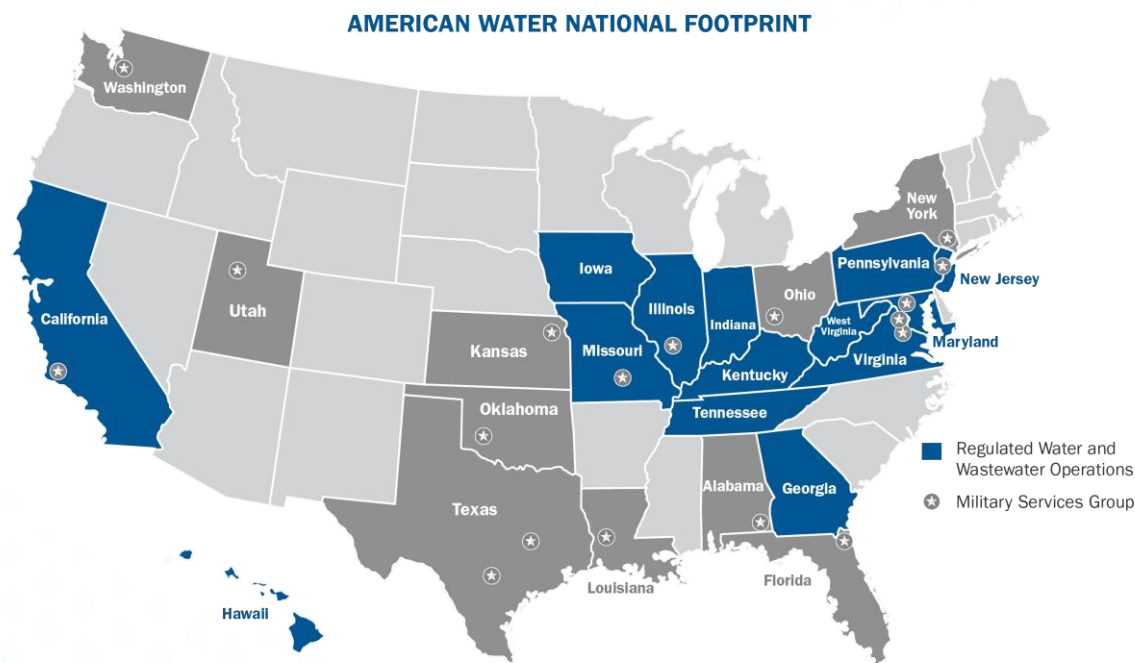
WE KEEP LIFE FLOWING®

Safe Harbor

This presentation includes forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. They are not guarantees or assurances of any outcomes, financial results, levels of activity, performance or achievements, and readers are cautioned not to place undue reliance upon them. The forward-looking statements are subject to a number of estimates and assumptions, and known and unknown risks, uncertainties and other factors. Actual results may differ materially from those discussed in the forward-looking statements included in this presentation.

Certain statements made, referred to or relied upon in this presentation are forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. These forward-looking statements can be identified by words with prospective meanings such as "intend," "plan," "estimate," "believe," "anticipate," "expect," "predict," "project," "propose," "assume," "forecast," "outlook," "likely," "uncertain," "future," "pending," "goal," "objective," "potential," "continue," "seek to," "may," "can," "will," "should" and "could", and/or the negative of such terms or other variations or similar expressions. These forward-looking statements are predictions based on American Water's current expectations and assumptions regarding future events. They are not guarantees or assurances of any outcomes, financial results, levels of activity, performance or achievements, and readers are cautioned not to place undue reliance upon them. The forward-looking statements are subject to a number of estimates, assumptions, known and unknown risks, uncertainties and other factors. The Company's actual results may vary materially from those discussed in the forward-looking statements included in this presentation as a result of the estimates, assumptions, risks, uncertainties and factors discussed in this presentation, in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, and in American Water's subsequent filings with the U.S. Securities and Exchange Commission. These forward-looking statements are qualified by, and should be read together with, such estimates, assumptions, risks, uncertainties and other factors, and the risk factors included in American Water's annual and quarterly reports and other SEC filings, and readers should refer to all of the foregoing in evaluating such forward-looking statements. Any forward-looking statements American Water makes shall speak only as of the date that this presentation was initially published. Except as required by the federal securities laws, American Water does not have any obligation, and it specifically disclaims any undertaking or intention, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or otherwise. New factors emerge from time to time, and it is not possible for American Water to predict all such factors. Furthermore, it may not be possible to assess the impact of any such factor on American Water's businesses, either viewed independently or together, or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement.

American Water is the largest and most geographically diverse publicly traded water and wastewater utility in the United States



Strengthening the Communities We Serve

- Provides safe, clean, reliable and affordable drinking water and wastewater services to approximately 14 million people with regulated operations in 14 states and on 18 military installations
- Committed to affordability, excellent customer service, and a high-performing and engaged workforce
- Transparent governance, with oversight from a skilled board of directors and strategic focus from our executive leadership team



Regulated Operations*

- 55,500 miles of pipe
- 600 water treatment plants
- 170 wastewater treatment plants
- 1,200 wells and 75 dams



Military Services Group

- Regulated-like earnings
- Serves 18 military installations

* As of 12/31/2025

Our Mission: Provide safe, clean, reliable and affordable water and wastewater services to our customers

Our **values** guide how we run our business. They are our beliefs in how we should behave and treat each other and our stakeholders.

VALUES

 Safety First

 Trust, Dignity & Respect

 One Team

 Environmental Leadership

 High Performance

Safety First
Safety is our top focus – for every employee, customer, and community we serve.

Trust, Dignity & Respect
is how we interact with each other and continue to foster a culture where everyone feels valued.

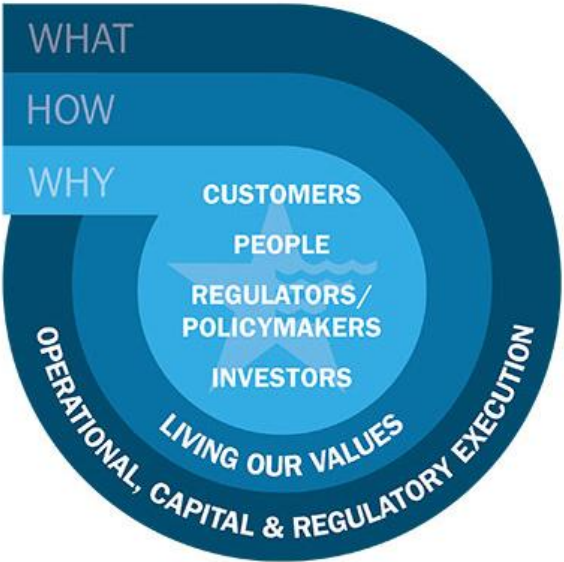
One Team
reflects our collaborative culture and encourages us all to work together to achieve shared goals.

Environmental Leadership
means delivering clean, safe, reliable, and affordable water and wastewater services to our customers, setting the standard for excellence while acting as a trusted steward of our most precious resource.

High Performance
means we are committed to excellence in everything we do because what we do is so critical to the lives of our customers.

Our **strategy** is the cornerstone of how we run our business— **WHAT** we need to do, **HOW** we achieve it, and **WHY** we do what we do.

STRATEGY



What:
Our strategy spans three core areas of our business: Operational, Capital, and Regulatory.

Operational execution involves the day-to-day management of our water and wastewater systems to ensure we provide services that are safe and clean.

Capital execution supports reliability and affordability. It involves billions of dollars in annual capital investment to upgrade plants, replace pumps and pipes, and help ensure resilient systems.

Regulatory execution is about working closely with our regulators and policymakers to keep water and wastewater services affordable and remain compliant with all federal and state rules and regulations.

How:
Living our values guides how we run our business.

Why:
Our stakeholders are integral to why we execute our mission; they are at the center of the decisions we make.

Our mission is to provide safe, clean, reliable and affordable water and wastewater services to our customers and communities, which aligns with our values and underpins our sustainability story.

American Water Sustainability Principles



FINANCIAL SUSTAINABILITY

Disciplined capital investment and regulatory execution while focusing on a strong balance sheet



OPERATIONAL SUSTAINABILITY

Delivering safe, clean, reliable and affordable water and wastewater service efficiently



CULTURAL SUSTAINABILITY

Maintaining a high-performing and aligned workforce focused on stakeholder value

Stakeholders



Financial Sustainability

We seek to achieve financial sustainability through our disciplined approach to **capital investment** and **regulatory execution**, which supports our efforts to grow our business and drive shareholder value while addressing water and wastewater challenges in the United States.

Our capital investment program is financed with cash flows from operating activities and through a combination of debt and equity capital issuances structured to **maintain a healthy balance sheet over the long term**. The Company's approach to balance sheet management is centered on **maintaining investment-grade metrics, substantial liquidity provided by highly-rated financial institutions, and interest rate management** on new debt issuances through our hedging program.

Operational Sustainability

Operational sustainability means focusing on our operating performance and the day-to-day management of our water and wastewater systems that provide **safe, clean, reliable and affordable service**.

We focus on the quality of execution and the need to **operate our systems safely, efficiently and in compliance with all environmental requirements, for the benefit of our customers**.

We believe this approach to operational sustainability is aligned with the values of our regulators, customers and other stakeholders.

Cultural Sustainability

Cultural sustainability is reflected in our commitment to support a **high performing workforce**, while seeking to **attract and retain employees** who share our **purpose and values** and understand the needs of the **communities in which we serve**.

We demonstrate this commitment to our employees through our values.

We also believe that **investing time, energy and resources in our workforce helps to generate new ideas, continuously improve operations and provide high quality, reliable service for our customers and communities**.

Annual Operational Performance Goals

Our Annual Performance Plan (APP) provides for at-risk cash compensation to be paid to Company employees upon the achievement of stated annual performance goals that are aligned with our commitment to sustainability. Performance measures and other mandatory training requirements for 2025 APP eligibility included the following:

- Drinking Water Quality and Program Compliance goals
- Customer Satisfaction and Employee Safety and Representation goals; and
- Completion of an annual Compliance and Ethics Department training module

Longer Term Operational Goals

Resiliency

- ✓ **Achieved!** By 2030, increase our water system resiliency to respond to more extreme events by increasing Utility Resilience Index (URI) weighted average by 10% from 2020 baseline

Greenhouse Gas (GHG) Emissions

- Paris-Agreement Aligned and science-based:**
- Reduce absolute scope 1 and 2 GHG emissions by 50% by 2035 (2020 baseline)
 - Achieve net zero absolute scope 1 and 2 GHG emissions by 2050

Water Use & Efficiency

- By 2035, continue to meet customer needs while saving 15% in water delivered per customer compared to a 2015 baseline

Supporting Governance Structure

A cross-functional approach for developing and implementing sustainability strategy, principles and reporting



Committees of the Board of Directors

Our corporate governance structure promotes accountability and integrity across the organization. Our Board of Directors has the following standing committees which provide oversight to key sustainability topics



Management Oversight of Sustainability

The Company’s management function around sustainability involves the direct involvement and participation of a number of its business units, including its executive leadership team, as well as environmental, health and safety, human resources, legal, finance, accounting and investor relations professionals.

In addition, the Company has 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.

Widely Recognized Sustainability Program Aligned with Best Practices

Leading Sustainable Water Utility



Newsweek's list of America's Most Responsible Companies 2026



Forbes list of America's Best Employers for Company Culture 2026



Newsweek's list of World's Most Trustworthy Companies 2025



J.D. Power 2025
#1 ranking for Customer Satisfaction with Large Water Utilities in respective region



America's Most Just Companies 2026
by Just Capital and CNBC

Frameworks & Standards



Reports & Disclosures

[Sustainability Report](#)

[Sustainability Data Summary](#)

[American Water Charitable Foundation Community Impact Reports](#)

[Political Contributions](#)

[CDP Corporate Questionnaire](#)

Policies

[Anti-Corruption & Anti-Bribery Policy](#)

[Code of Ethics](#)

[Environmental Policy](#)

[Insider Trading and Prohibited Transactions Policy](#)

[Political Contribution Policy](#)

[Regulation FD Policy](#)

[Related Person Transaction Policy](#)

[Supplier Code of Conduct](#)

[Corporate Governance Guidelines](#)

[Board Committee Charters](#)

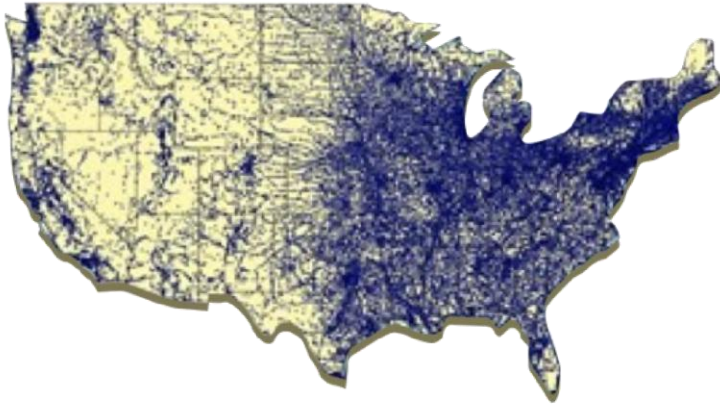
Key Sustainability Ratings

Agency	Rating Type	Scale <i>(Best to Worst)</i>	Performance
 MSCI	MSCI ESG Rating	AAA – CCC	A
 SUSTAINALYTICS	Sustainalytics ESG Risk Rating	0 – 100	22.2 <i>Medium Risk</i>
 CDP	CDP Corporate Questionnaire	A – D	B <i>Climate Score</i>
 ISS	ESG Corporate Rating	A+ – D-	B <i>In the Top Decile Rank with Prime Status</i>

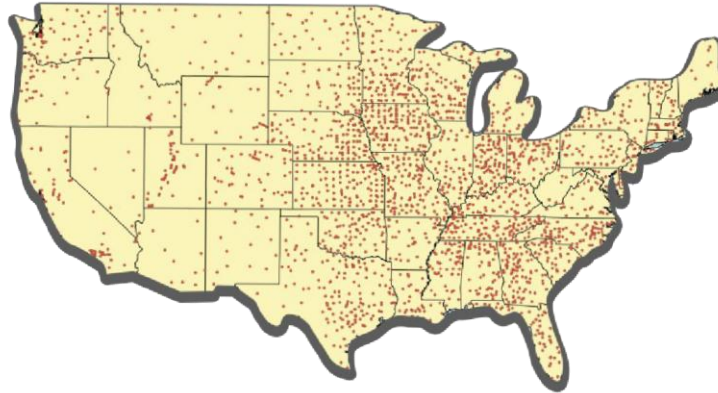
Community Impact

Highly Fragmented Water/Wastewater Industry Creates Opportunity

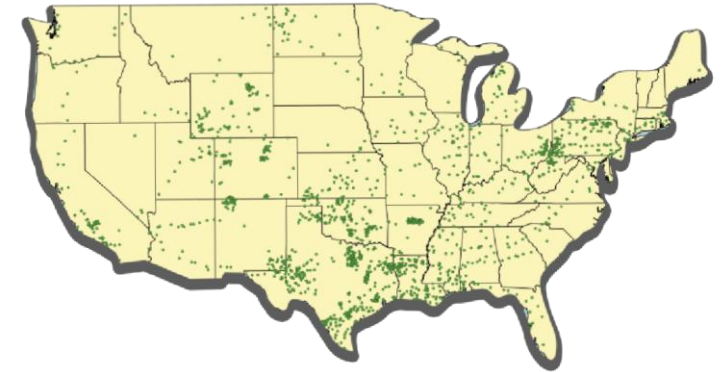
Water Utilities



Electric Utilities



Natural Gas Utilities



Industry Opportunity

>50K Water Systems	>16K Wastewater Systems
16% Investor Owned	2% Investor Owned
84% Public & Other	98% Public & Other

Water Utilities Source: EPA SDWIS Federal Reports Search

Electric Utilities Source: Form EIA-861 detailed data files
www.eia.gov/electricity/data/eia8

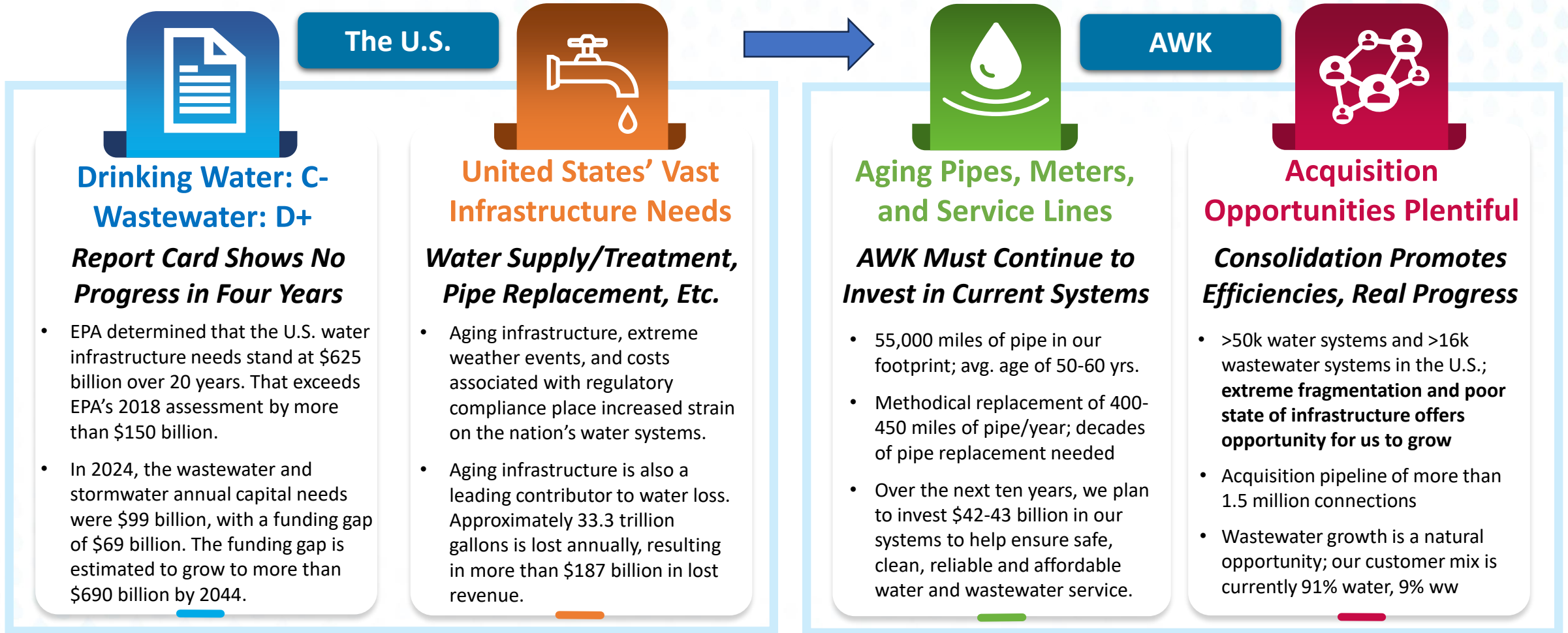
American Water Footprint

- Ideal for industry consolidation opportunities
- Target 5,000-50,000 customer connections per acquisition
- Water and wastewater focus (AWK customer connections mix - 91% water & 9% wastewater)

Gas Utilities Source: EPA F.L.I.G.H.T. Greenhouse Gas Emissions from Large Facilities
Ghgdata.epa.gov/ghgp/main.do#

ASCE 2025 Infrastructure Report Card (March 2025)

American Society of Civil Engineers' Latest Study Highlights Investment Needs



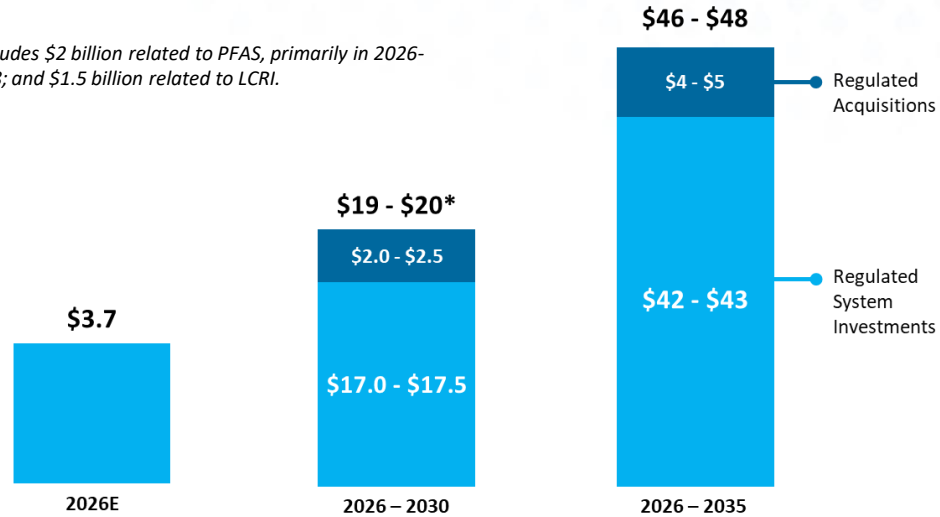
Critical Need for Multi-Decade Investment in Water/Wastewater Infrastructure

System Needs Drive Continued Investments

Supports Water Quality, Reliability, and a Focus on Affordability

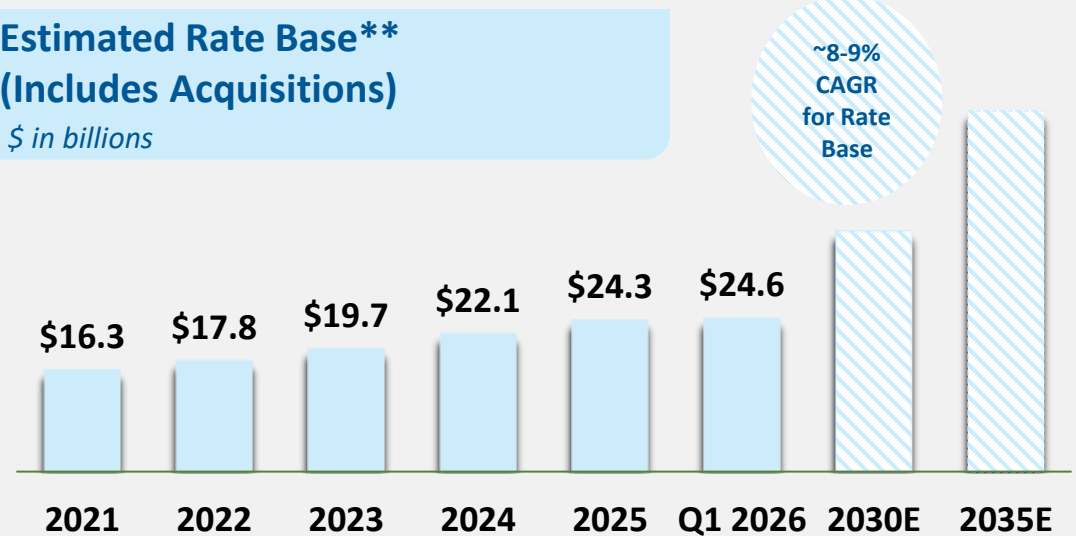
Investing in Pipe Replacement, Other System Needs

*Includes \$2 billion related to PFAS, primarily in 2026-2028; and \$1.5 billion related to LCRI.

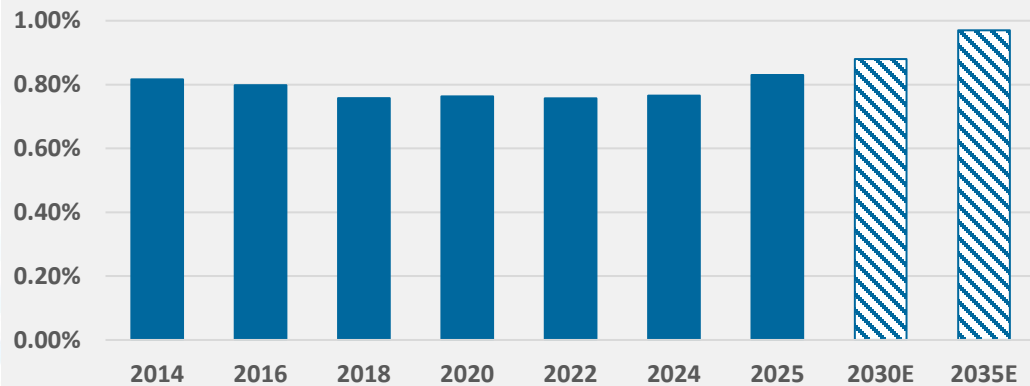


Investments Drive Continued Rate Base Growth

Estimated Rate Base**
(Includes Acquisitions)
\$ in billions

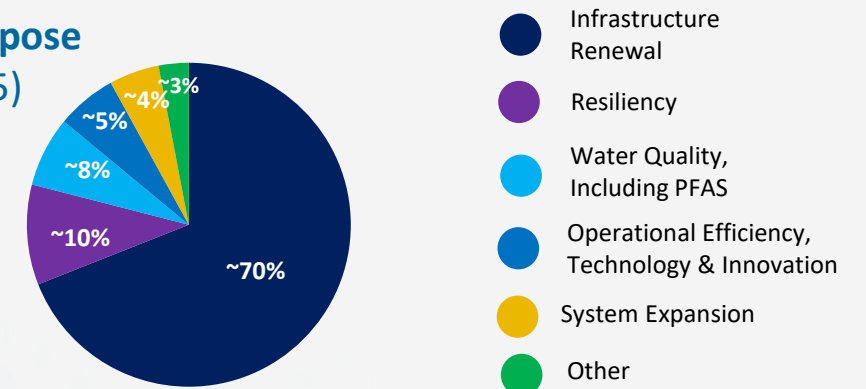


Residential Water Bill as % of Median Household Income*



Cap Ex Driven by System Renewal, Resiliency, and Water Quality

Capital by Purpose
(2026-2035)



* Figure is estimated based on data from the US Census Bureau American Community Survey based on zip codes served by American Water and assumptions for future MHI levels. American Water does not collect household income data from its customers.

** An approximation of rate base, which includes Net Utility Plant not yet included in rate base, pending rate case filings/outcomes.

South Orange Village Challenges Prior to Acquisition

AGING INFRASTRUCTURE: Over \$50 million needed for capital upgrades in the next decade; some parts of the system were over 100 years old

FINANCIAL BURDENS: The water utility debt already stood at \$18.3 million

RATE INCREASES: South Orange Village projected a 74% rate increase would be needed over the next 5 years to fund these necessary repairs

REGULATORY COMPLIANCE: State-mandated lead and galvanized steel service line replacement program, with costs of replacement borne by property owners

New Jersey American Water Solutions

BALANCING PRUDENT CAPITAL IMPROVEMENTS AND AFFORDABILITY: \$50 million in infrastructure improvements within the first 10 years of ownership:

- Identification and replacement of all utility and customer-owned lead and galvanized steel service lines, Replacing all four-inch water mains and associated fire hydrants, Replacing the assets to support water supply and resilience needs.
- Additional improvements will be identified through a comprehensive analysis of the system
- Expanded customer support including low-income assistance programs

“After careful consideration and the extensive work of the water utility task force, our Village Council, our Village administrative staff, Village residents and outside financial consultants, I am fully confident that the sale of our water system to New Jersey American Water is in the best interest of South Orange residents. This agreement ensures that our community will receive the investment needed to modernize our water infrastructure and eliminate lead and galvanized service lines, while also providing the expertise and resources of a trusted, regulated utility. This is a positive step toward securing safe, reliable, and affordable water for generations to come.”

Sheena Collum
Mayor
South Orange Village

American Water Impact in Greene County, PA

*PA American Water Restores Service Under State-Appointed Emergency Receivership;
Acquires System in 2025*

East Dunkard Water Authority Challenges

PRIOR TO RECEIVERSHIP & ACQUISITION

- Persistent water quality violations, unreliable service, and aging infrastructure
- Major system failure, disrupting water for several days
- PA DEP and PA PUC initiated emergency receivership to system

“Today is a victory for the people of this community. It’s also a powerful example of what happens when state agencies, local governments, utilities, and community leaders work together toward a common goal — providing safe and reliable water to the Pennsylvanians who depend on it.”

-Stephen De Frank, Pennsylvania PUC Commissioner

Pennsylvania American Water Solutions

RAPID STABILAZATION UNDER RECEIVERSHIP

\$2 million investment to restore safe, dependable drinking water:

- Removal of acute public health risks that had triggered boil water advisories
- Repair of 82 major leaks
- Improved and stabilized water pressure

CUSTOMER & COMMUNITY BENEFITS FROM ACQUISITION

FIVE-YEAR, \$16M IMPROVEMENT PLAN
Comprehensive treatment plant upgrades, Water main replacements across high-failure zones and Updated system monitoring and emergency response capability

WATER QUALITY: Cont. regulatory compliance and elimination of boil-water advisories

RATE STABILITY: No changes to existing customer rates set by the PUC

CUSTOMER ASSISTANCE: Expanded customer support including low-income assistance programs

EMPLOYEE RETENTION: Retention and training of local employees, ensuring continuity and community knowledge

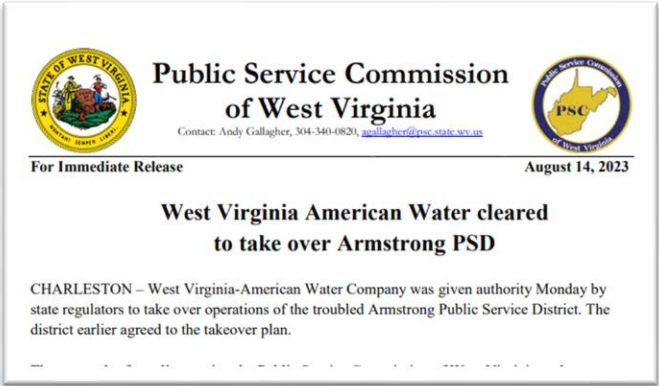
American Water Impact in Armstrong Public Service District, WV

Emergency Regulatory Action Brings WV American Water in to Stabilize Troubled Water System

Armstrong PSD Challenges

PRIOR TO ACQUISITION

- Aging and deteriorating water system, leading to chronic service disruptions, widespread leaks and longstanding water quality concerns
- West Virginia Public Service Commission ordered emergency intervention



West Virginia American Water Solutions

WEST VIRGINIA AMERICAN WATER LED RESTORATION UNDER STATE DIRECTIVE

WVAW stepped in to stabilize the Armstrong PSD system and restore reliable drinking water service

Under the interim emergency agreement, WVAW conducted leak surveys, began urgent water main repairs, reviewed system operations and assumed day-to-day operational responsibility

CUSTOMER & COMMUNITY COMMITMENTS

INFRASTRUCTURE UPGRADES: More than \$9 million invested to date, including construction of a major water main from Smithers to Armstrong, enabling reliable service from the Kanawha Valley Water Treatment Plant

WATER QUALITY: Permanent interconnection ensuring safe water from a modern, professionally operated facility.

CUSTOMER ASSISTANCE: Expanded customer support including low-income assistance programs

RESTORED FIRE PROTECTION: Replacement and rehabilitation of long-neglected hydrants, directly improving firefighting capability and system safety

American Water Impact in Salem, NJ

New Jersey American Water Commitments for Water and Wastewater Customers in Salem, NJ

- The sale eliminated \$11 million in utility debt for Salem, paid off a portion of the municipal debt and enables the city to put over \$1 million back into their budget annually
- New Jersey American Water committed \$50 million planned investment in water and sewer system improvements between 2024-2033, including:
 - Permanent treatment to address the presence of Perfluorononanoic acid (PFNA) in the water supply
 - Replace lead service lines in the water system



New Jersey American Water's new Salem Operations Team celebrates the closing of the acquisition. Six employees join the company from Salem City's former water and wastewater utility as part of the acquisition.

15-year solar agreement provides environmental and economic benefits

- Expected to supply approximately 20% of Pennsylvania American Water's overall annual energy consumption
- Supports a stream of environmental and economic benefits, including:
 - Producing and delivering clean, renewable energy back to the grid
 - Creates hundreds of construction jobs
 - Reutilizes unproductive brownfields sites



Aerial photo of BE Pine, a 98,000 solar panel facility in Beaver County, Pennsylvania, where American Water has entered a 15-year PPA to purchase solar energy.

Photo Credit: Four Twelve Renewables

Value of American Water's Resiliency Investments Demonstrated During Hurricane Ida

- The river outside our Raritan-Millstone Plant in New Jersey crested at record height of 44.87', three feet below the top of the recently heightened flood wall
- Flood doors at our Norristown Water Treatment Plant in Pennsylvania withstood 5' of floodwater
- Recently reinforced Scranton, PA dam withstood heavy rains
- Maryland received 8" of rain, raising the turbidity of the typical water supply; our operations switched to alternate water source



Raritan-Millstone Water Treatment Plant



Environmental Goals & Strategies



Water System Resilience Goal

Achieved in 2025 with a 14% improvement from 2020 baseline



By 2030, increase our water system resiliency to respond to more extreme events by increasing URI* weighted average by 10% from 2020 baseline

2020 Baseline:

65.6

2025 Performance:

74.8

★Achieved★

14% Improvement

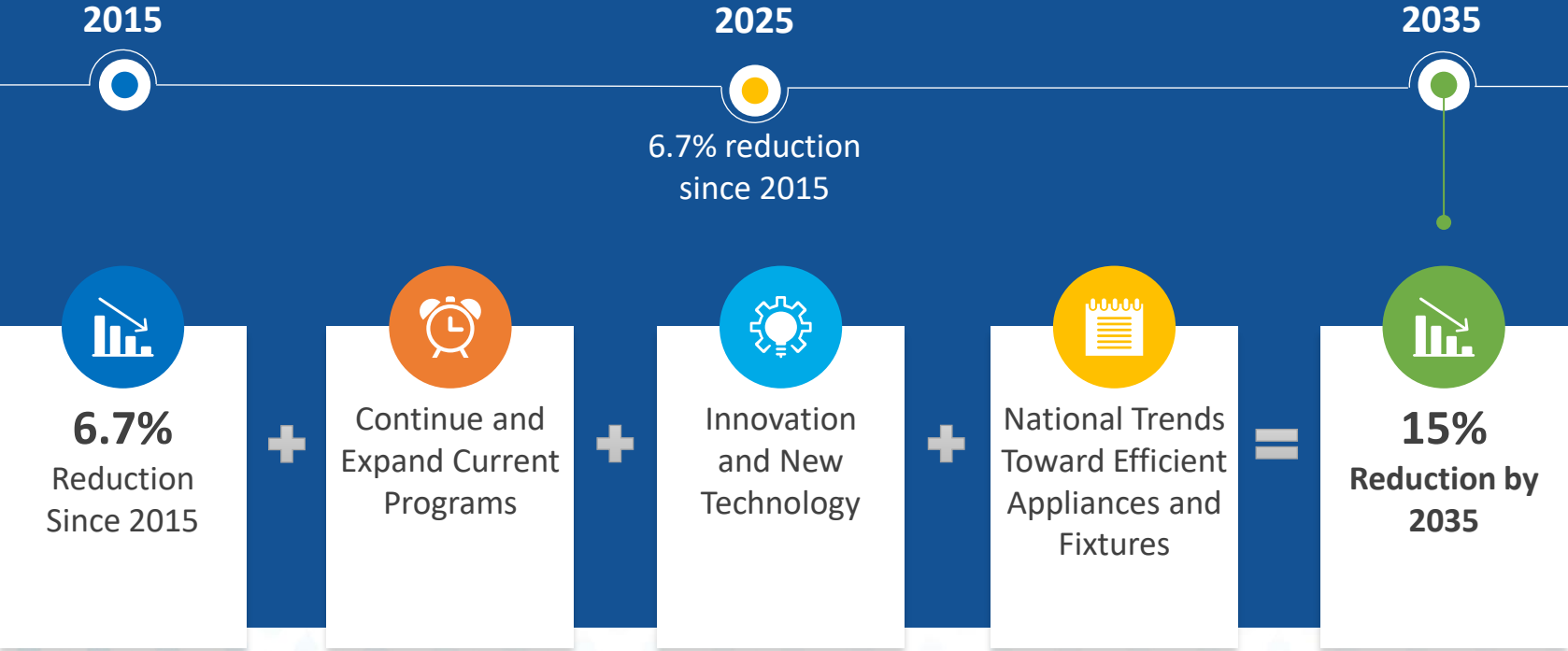


BENEFITS

- Availability and reliability of service
- Robust, comprehensive emergency planning
- Response to extreme events
- Customer, employee and public safety
- Physical, cyber and fiscal security
- Workforce resiliency

*Utility Resilience Index

By 2035, American Water commits to meet customer needs while saving 15% in water delivered per customer compared to a 2015 baseline

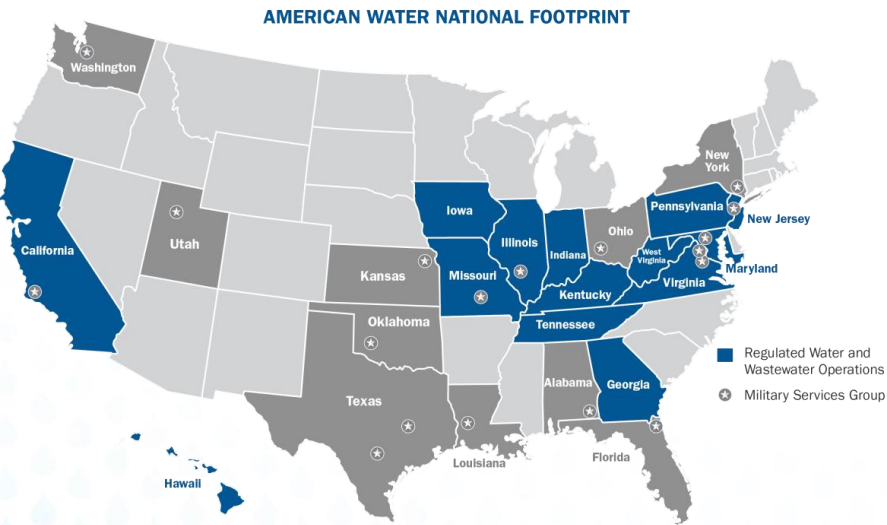


BENEFITS

- Environment
- Energy Savings
- Avoided Capital
- Reduce Non-Revenue Water
- Lower Cost to Customers

As the nation’s largest water and wastewater utility provider, American Water is proud to provide water and wastewater services to more than 14 million people with regulatory operations in 14 states and on 18 military installations.

- Delivering a reliable supply of clean, safe, affordable and reliable water service to our customers and treating their wastewater is fundamental to our business.
- We are committed to limiting our impact on the environment and supporting the sustainability of a key resource to strengthen the 1,700 communities we serve.



Scope 1 and Scope 2 Emissions Goals ¹		
	Base Year Actuals	2025 Performance
Medium-term Reduce absolute scope 1 and 2 emissions by 50% by 2035 from a 2020 baseline ² <i>Science-based and Paris Agreement Aligned</i>	546,630 <i>Metric Tons CO2e (Rounded)</i>	8.8% Reduction 498,625 <i>Metric Tons CO2e</i>
Long-term Achieve net zero absolute scope 1 and 2 emissions by 2050 ² <i>Science-based and Paris Agreement Aligned</i>	Not Applicable	498,625 <i>Metric Tons CO2e</i>

¹ In 2024, American Water achieved its short-term emissions reduction goal of reducing scope 1 and scope 2 greenhouse gas emissions by more than 40% from its 2007 baseline.

² Assumes States’ renewable portfolio standards will be achieved and power providers will fulfill stated carbon transition plans

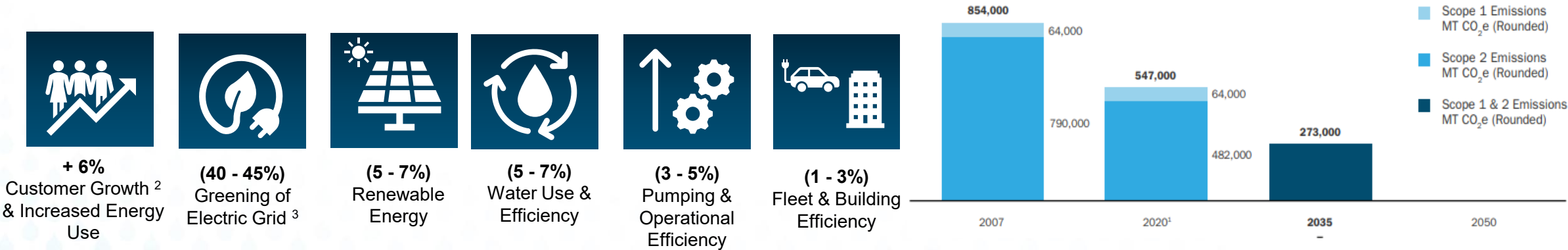
Science-Based Goals for Scope 1 and 2 GHG Emissions Reductions - *Aligned with Paris Agreement*



Medium-term: By 2035, reduce absolute Scope 1 and 2 emissions by 50% (2020 baseline^{1, 2})
Long-term: Achieve Net Zero Scope 1 and 2 emissions by 2050

- Medium- and long-term goals are science-based and aligned with the Paris Agreement
- Complements existing short-term target of reducing absolute Scope 1 and 2 emissions by 40% by 2025 (2007 baseline)
- **Our focus: invest to improve sustainability while prioritizing customer affordability and resiliency**

American Water’s Path to GHG Emissions Reduction in 2035



¹ Scope 1 and scope 2 rounded emissions were updated in July 2023
² Includes organic growth; annual adjustments to baseline will occur to incorporate growth through acquisitions
³ Assumes States' renewable portfolio standards will be achieved and power providers will fulfill stated carbon transition plans

INVESTOR RELATIONS CONTACTS



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Appendix



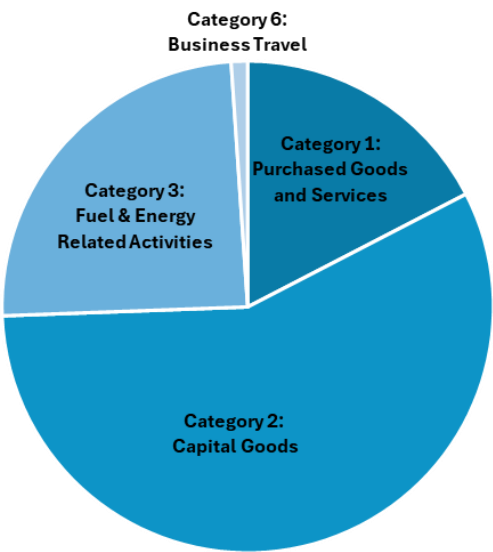
Our mission of providing clean, safe, affordable and reliable water to customers, and scaling our business across necessary capital investment and acquisitions influence Scope 3 emissions

Scope 3 Emissions Drivers

- As our spend increases to address the critical investment needed for our country’s aging infrastructure, we anticipate that Scope 3 emissions attributable to purchased and capital goods and services will also rise
- Scope 3 emissions will also increase as we continue to execute upon our acquisition program, as many of the systems we purchase have been underfunded and require significant investment

Supplier Landscape, Engagement and Focus on Affordability

- We procure from roughly 4,500 companies, of which the majority are private construction, chemical, and materials companies
- Increasing emphasis with key suppliers on reducing emissions factors while balancing affordability for our customers



Scope 3 Disclosures

[Sustainability Data Summary](#)

Scope 3 Category Study Relevance to American Water	
●	Category 1: Purchased Goods and Services
●	Category 2: Capital Goods
●	Category 3: Fuel & Energy Related Activities
●	Category 4: Upstream Transportation and Distribution
●	Category 5: Waste Generated in Operations
●	Category 6: Business Travel
●	Category 7: Employee Commuting
●	Category 8: Upstream Leased Assets
●	Category 9: Downstream Transportation and Distribution
●	Category 10: Processing of Sold Products
●	Category 11: Use of Sold Products
●	Category 12: End of Life Treatment of Sold Products
●	Category 13: Downstream of Leased Assets
●	Category 14: Franchises
●	Category 15: Investments

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.

LEGEND

- Relevant, Calculated
- Relevant, Not Material
- Not Relevant

Many communities rely on reservoirs and dams for their water supply. In some cases, older dams may no longer be needed, creating the opportunity to return a stream or river to its natural flow, which can benefit the biodiversity of the ecosystem



Stream Restoration Benefits:

- Rehabilitation of native species
- Enhancement of the migration or movement of species within a river
- Variation in sediment sizes transported by a river, which promotes the diversity of species
- River connectivity is restored which aids passage up- and downstream for migrating fish and wildlife
- Populations and habitats are no longer isolated above or below a dam and the interface between land, freshwater, and coastal ecosystems is restored

AMERICAN WATER STREAM RESTORATION EXAMPLES

- | | | | | |
|-----------------------|--------------------------------|---|------------------------|-----------------------------------|
| • Hillside Intake Dam | • Claysville School Street Dam | • Storage Dam on Johnson Branch of Lithia Springs Eastern | • Trout Run Upper Dam | • Phillipsburg No. 2 Dam |
| • Hillside Filter Dam | • Boydstown Dam | • Kokomo No. 1 Dam | • Trout Run Middle Dam | • High Service Dam |
| • Maple Lake Dam | • San Clemente Dam | | • Trout Run Lower Dam | • Pikes Creek Canal Headworks Dam |