American Water Sustainability Overview

November 2026



AMERICAN WATER

WE KEEP LIFE FLOWING®

Forward-Looking Statements

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 Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, as filed with the SEC on October 28, 2026, 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.

Company Overview

American Water is the largest regulated water and wastewater utility in the United States

AMERICAN WATER NATIONAL FOOTPRINT



Strengthening the Communities We Serve

- Provides safe, clean, reliable and affordable drinking water and wastewater services to approximately 14 million, people through 3.6M customer connections
- Operates in 14 regulated states and on 19 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 19 military installations

* As of 12/31/2025

Company Mission, Values & Strategy

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.



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.



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.

Sustainability at American Water

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



Sustainability at American Water

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.**

Sustainability Topics Aligned with ERM

American Water utilizes an Enterprise Risk Management (ERM) framework to drive a consistent and holistic approach to identify, assess, prioritize, and manage Enterprise-level risks across the organization.

In 2026, we worked to align key sustainability topics with ERM priorities.

This approach enhances Board and Management alignment, reinforces the connection between Strategy, Enterprise Risk Management, and transparent reporting for investors and other stakeholders.

American Water Sustainability Topics & Key Disclosures

Corporate Governance

- Governance Structure
- Business Ethics
- Public Policy
- Stakeholder Engagement

Technology, Data & Cyber

- Cyber Security
- Data Security
- Technological Innovation

Employee Health, Safety & Well-Being

- Health & Safety

Talent Attraction, Development & Retention

- Organizational Culture
- Workforce Strategy & Talent Retention
- Talent Acquisition
- Performance Management

Water Access & Affordability

- Customer Affordability

Water Quality & Emerging Contaminants

- Emerging Contaminants
- Key Chemicals

Infrastructure & Operational Resiliency

- Effective Capital Deployment
- Critical Asset Management
- Climate Variability
- Event Planning & Response
- Source Water Protection
- Water Loss Management
- Biodiversity
- Emissions

Sustainability-Aligned Goals

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) [1]
- Achieve net zero absolute scope 1 and 2 GHG emissions by 2050 [1]

Water Use & Efficiency

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

[1] Announced in 2022; assumes States' renewable portfolio standards will be achieved and power providers will fulfill stated carbon transition plans.

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

- **Safety, Environmental, Technology & Operations Committee**
- **Audit, Finance, and Risk Committee**
- **Executive Development and Compensation**
- **Nominating / Corporate Governance Committee**

Management Oversight of Sustainability

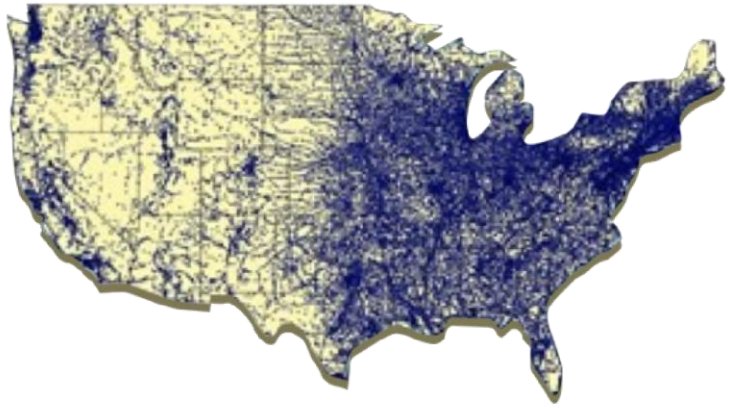
The Company's management function around sustainability involves the direct involvement and participation of a number of its business units, including its executive leadership team, as well as environmental, health and safety, human resources, legal, finance, accounting and investor relations professionals.

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.

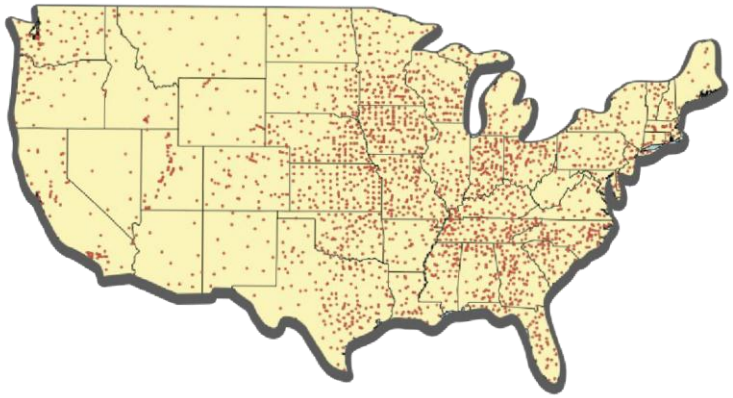
Highly Fragmented Water/Wastewater Industry Creates Opportunity

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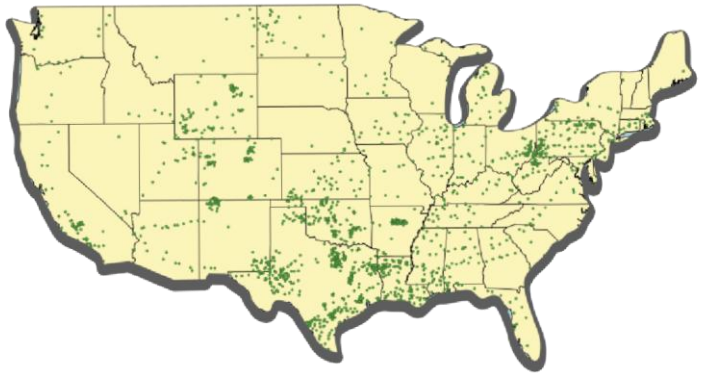
Water Utilities



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

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)

Water Utilities Source: EPA SDWIS Federal Reports Search

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

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

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The U.S.

Drinking Water: C-
Wastewater: D+

Report Card Shows No Progress in Four Years

- EPA determined that the U.S. water infrastructure needs stand at $625 billion over 20 years. That exceeds EPA's 2018 assessment by more than $150 billion.
- In 2024, the wastewater and stormwater annual capital needs were $99 billion, with a funding gap of $69 billion. The funding gap is estimated to grow to more than $690 billion by 2044.

United States' Vast Infrastructure Needs

Water Supply/Treatment, Pipe Replacement, Etc.

- Aging infrastructure, extreme weather events, and costs associated with regulatory compliance place increased strain on the nation's water systems.
- Aging infrastructure is also a leading contributor to water loss. Approximately 33.3 trillion gallons is lost annually, resulting in more than $187 billion in lost revenue.

AWK

Aging Pipes, Meters, and Service Lines

AWK Must Continue to Invest in Current Systems

- 55,000 miles of pipe in our footprint; avg. age of 50-60 yrs.
- Methodical replacement of 400-450 miles of pipe/year; decades of pipe replacement needed
- Over the next ten years, we plan to invest $43+ billion in our systems to help ensure safe, clean, reliable and affordable water and wastewater service.

Acquisition Opportunities Plentiful

Consolidation Promotes Efficiencies, Real Progress

- >50k water systems and >16k wastewater systems in the U.S.; **extreme fragmentation and poor state of infrastructure offers opportunity for us to grow**
- Acquisition pipeline of more than 1.5 million connections
- Wastewater growth is a natural opportunity; our customer mix is currently 91% water, 9% ww

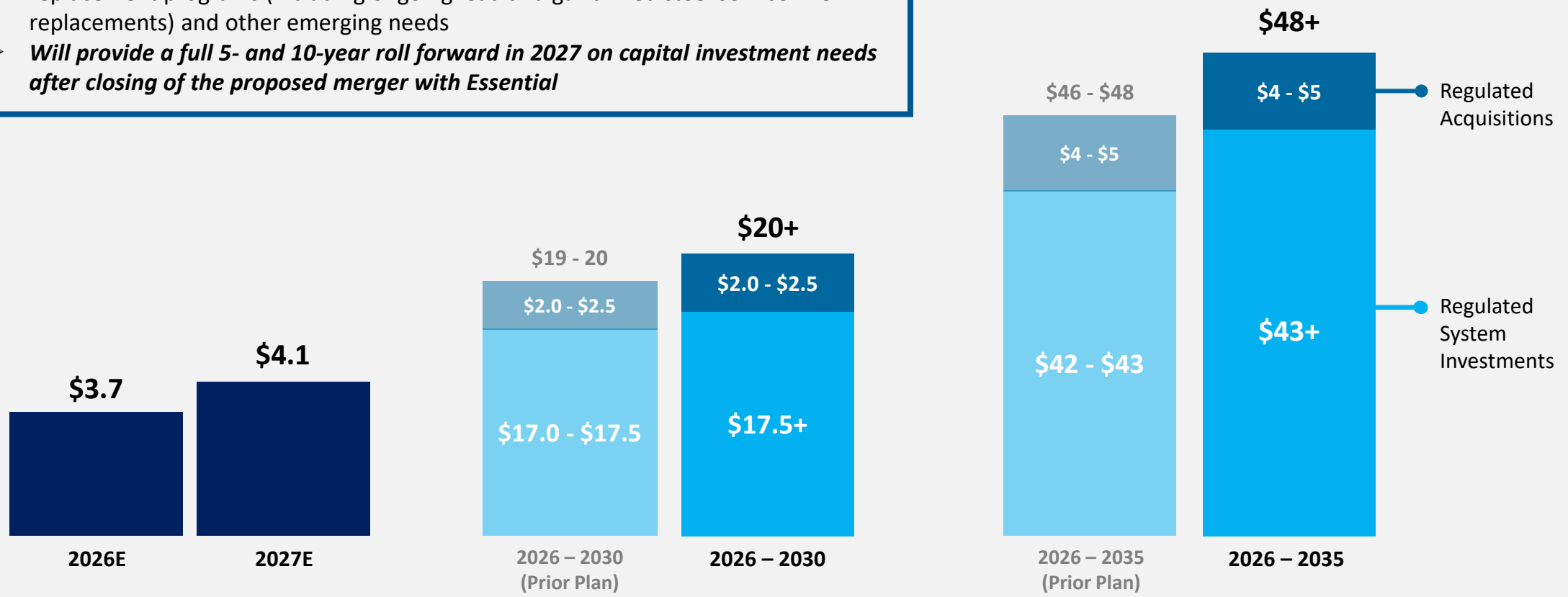
Critical Need for Multi-Decade Investment in Water/Wastewater Infrastructure

Source: https://infrastructurereportcard.org/

Five- and Ten-Year Capital Plans: System Investment Needs Continue to Grow

Capital Plan ($ in billions)

- **Increase in 5-year capital plan** driven by an increase in the rate of pipe replacement
- **Increase in 10-year capital plan** driven similarly by expansion of aging infrastructure replacement programs (including ongoing lead and galvanized steel service line replacements) and other emerging needs
- ***Will provide a full 5- and 10-year roll forward in 2027 on capital investment needs after closing of the proposed merger with Essential***



Note: Capital plan continues to include $2 billion related to PFAS, primarily in 2026-2028; and $1.5 billion related to LCRI.

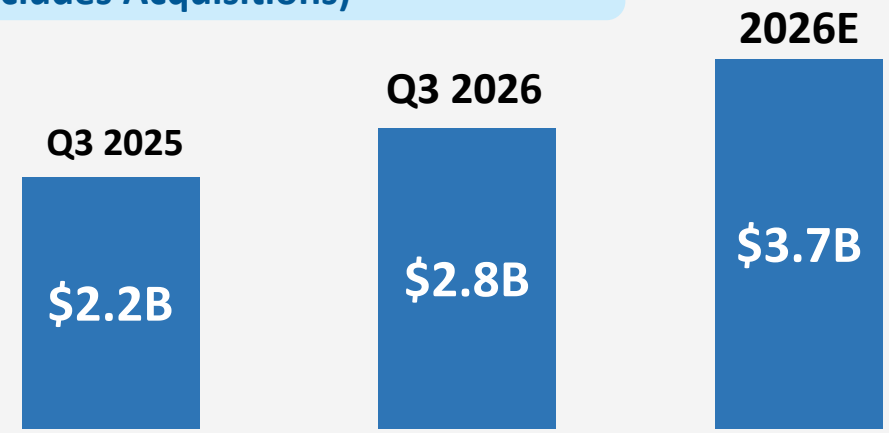
System Needs Drive Continued Investments

Supports Water Quality, Reliability, and a Focus on Affordability

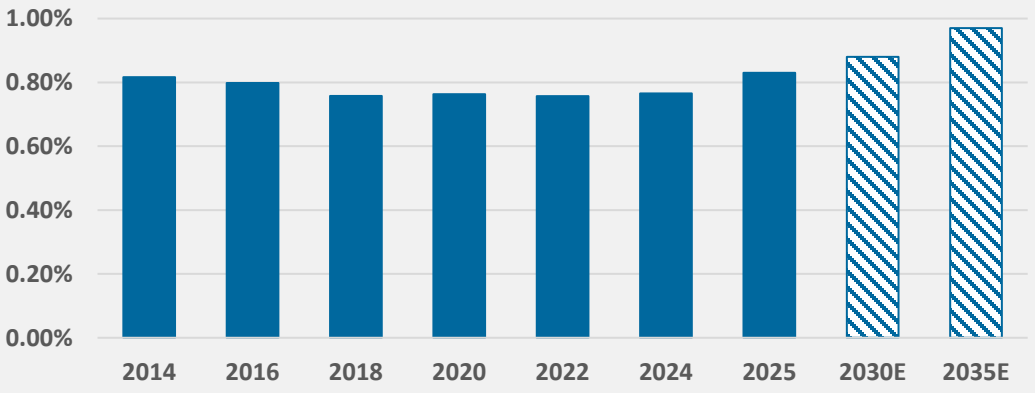
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Investing in Pipe Replacement, Other System Needs

Capital Investments (Includes Acquisitions)



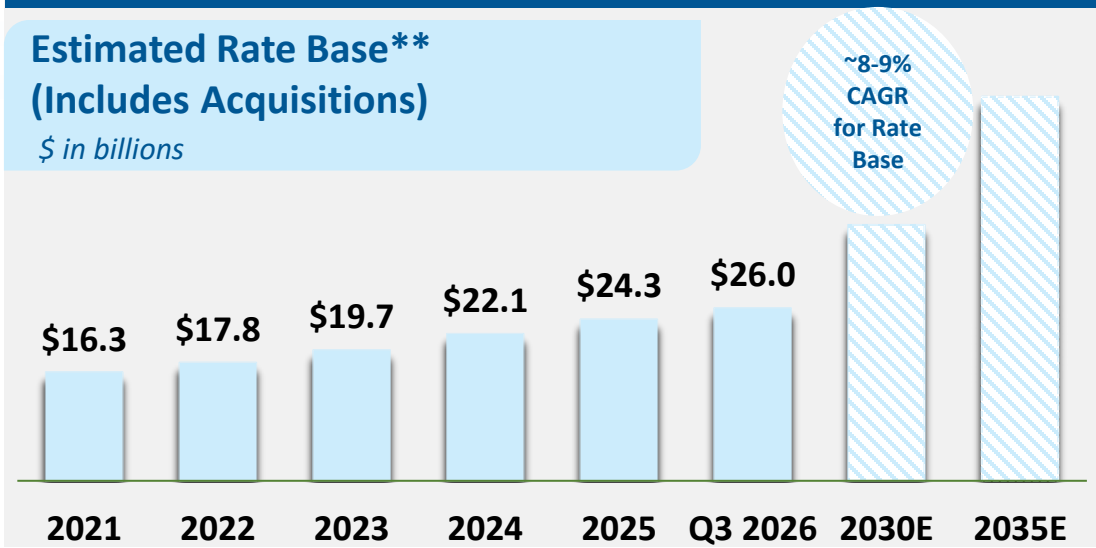
Residential Water Bill as % of Median Household Income*



Investments Drive Continued Rate Base Growth

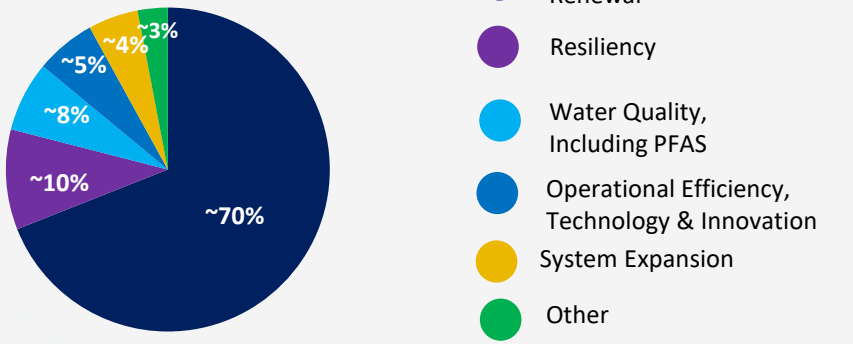
Estimated Rate Base (Includes Acquisitions)**

$ in billions



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. Will provide a full 5- and 10-year roll forward on affordability in 2027 after closing of the proposed merger with Essential.*

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

AWK Approach to Customer Affordability

Focused on Cost Discipline, Proactive Customer Strategies

Our focus is on balancing necessary upgrades under regulatory oversight while managing costs and expanding customer assistance programs

AW-average residential customer water bills overall are below 1% of our customers' median household income

Residential water bills are typically the lowest household utility* bill

Policy Advocacy & Regulatory Oversight

- Engage state utility commissioners to establish rates while addressing rising costs needed to provide safe, clean, reliable, and affordable water and wastewater services
- Advocate for permanent federal assistance and reestablishment of Low-Income Household Water Assistance Program (LIHWAP)

Customer Assistance & Bill Flexibility

- Low-income tariff and grant programs available in 12 states
- Payment plans, budget billing and educational resources
- Where approved: emergency grants, discounts, rebates and tiered structures

Cost Mitigation Levers

- Seek low-interest state funding and principal forgiveness funding to support capital needs
- Achieve scale-driven procurement, sourcing and inventory cost discipline to help offset inflation
- Grow through acquisitions in all states to help spread fixed costs to serve

Proactive Customer Outreach & Support

- Multi-channel awareness through bills, email, direct mail, digital and social media
- Resource fairs and local events provide hands-on enrollment support
- Local leaders and third-party partners help expand reach

** Includes residential Electric, Gas, & Water utility bills.*

Widely Recognized Sustainability Program Aligned with Best Practices

Leading Sustainable Water Utility

AMERICAN WATER

AMERICA'S MOST RESPONSIBLE COMPANIES 2026

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

2026 AMERICA'S BEST EMPLOYERS FOR COMPANY CULTURE

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

WORLD'S MOST TRUSTWORTHY COMPANIES 2025

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

WORLD'S MOST SUSTAINABLE COMPANIES 2026

TIME's list of World's Most Sustainable Companies 2026

Best of Just American Business 2026 CNBC

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



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

Reporting & Disclosures

Frameworks & Standards

GRI Empowering Sustainable Decisions

SASB Sustainability Accounting Standards Board

TCFD

EEI Edison Electric Institute

UNDP Sustainable Development Goals

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 *(Best to Worst)*	Performance
MSCI	MSCI ESG Rating	AAA – CCC	A
SUSTAINALYTICS	Sustainalytics ESG Risk Rating	0 – 100	22.2 *Medium Risk*
CDP	CDP Corporate Questionnaire	A – D	B *Climate Score (2024)* AWK No Longer Pursuing Score as of 2025
ISS	ESG Corporate Rating	A+ – D-	B *In the Top Decile Rank with Prime Status*

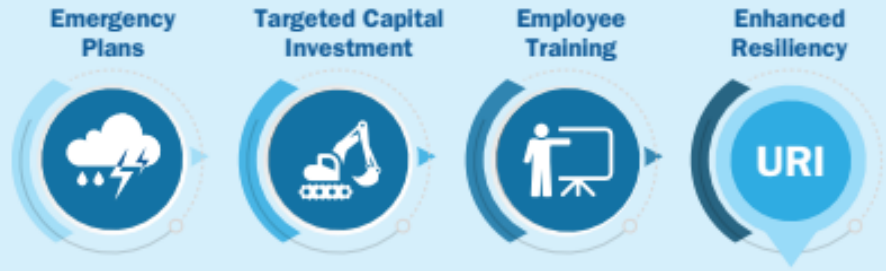
Environmental Goals & Strategies

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 Utility Resilience Index weighted average by 10% from 2020 baseline

OUR COMMITMENT



2020 Baseline: 65.6

2025 Performance: 74.8

Achieved 14% Improvement

UTILITY RESILIENCE INDEX

AWWA's Utility Resilience Index (URI) helps water and wastewater systems track progress in improving system resiliency levels, in an evolving landscape. URI is a relative measure that represents the ability of the utility and the community it serves to absorb and recover from the impact of incidents It considers operational and financial capabilities.

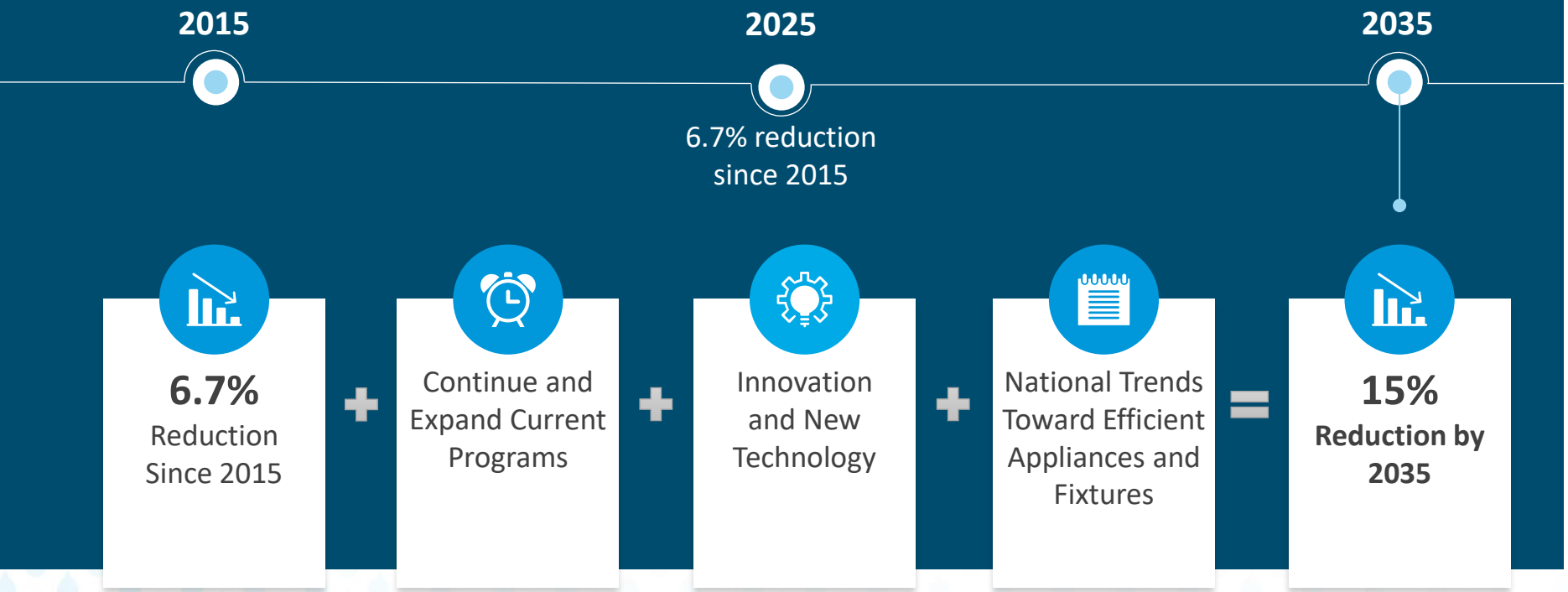
Source: J-100 standard: ANSI/AWWA J100-21 **Risk and Resilience Management of Water and Wastewater Systems**. May 1, 2021. Section 4.6.

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

Water Use & Efficiency Goal

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



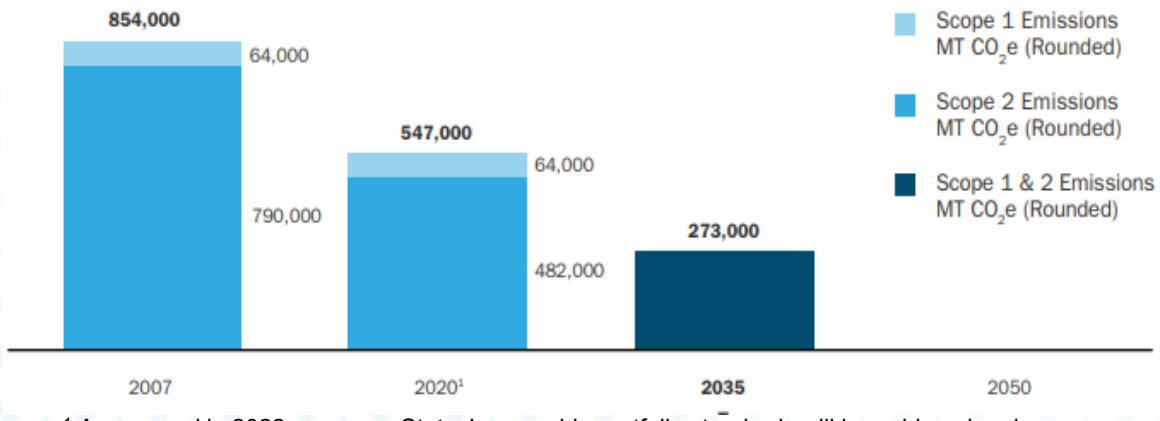
BENEFITS

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

Scope 1 and 2 GHG Emissions Goals

As a regulated U.S. water and wastewater utility, the pathway to achieving our Medium and Long-Term emissions reductions goals is highly dependent on the U.S. policy and electric grid environment, and other factors

	Base Year	2025 Actuals
Medium-term Reduce absolute scope 1 and 2 emissions by 50% by 2035 from a 2020 baseline [1] *Science-based and Paris Agreement Aligned*	547,000 *Metric Tons CO2e (Rounded)*	**8.8% Reduction** 498,532 *Metric Tons CO2e*
Long-term Achieve net zero absolute scope 1 and 2 emissions by 2050 [1] *Science-based and Paris Agreement Aligned*	*Not Applicable*	498,532 *Metric Tons CO2e*



[1] Announced in 2022; assumes States' renewable portfolio standards will be achieved and power providers will fulfill stated carbon transition plans

Emissions Pathway Considerations for U.S. Regulated Water Utilities	
Electric Grid & Policy	• Slower grid decarbonization amid policy shifts, fossil generation reliance and delayed coal retirements
Regulatory & Affordability	• Premium-priced energy must be prudent, customer-beneficial and supportable through regulatory processes
Capital Priorities	• Aging infrastructure, system upgrades, expansive treatment standards and resilience compete for investment
Growth Impact	• Mergers and acquisitions may increase the overall emissions profile and will be evaluated over time

Where feasible, we will continue to pursue cost-neutral or cost-favorable projects that support prudent cost management and clean energy objectives.

Renewable Energy Projects

Guided through the lens of customer affordability

Pennsylvania American Water Solar Power Purchase Agreement

- Expected to supply approx. 20% of overall annual energy consumption
- Supports a stream of benefits:
  - Producing and delivering clean, renewable energy back to the grid
  - Creates hundreds of jobs
  - Reutilizes brownfields sites



Aerial photo of BE Pine, a 98,000 solar panel facility in Beaver County, Pennsylvania
Photo Credit: Four Twelve Renewables

Illinois American Water Community Solar Energy Partnership

- 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.
- 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.
- The project is offered pursuant to Illinois' Future Energy Jobs Act and Climate and Equitable Jobs Act.

New Jersey American Water On-Site Solar Energy Partnership

- NJAW partnered with NJR Clean Energy Ventures to construct the largest floating solar array in North America
- Provides approximately 95% of the annual power needs at the NJAW Canoe Brook Water Treatment Plant
- 16,510 floating solar panels on 17 acres



Array is owned and operated by NJR Clean Energy Ventures (CEV), the renewable energy subsidiary of New Jersey Resources (NYSE: NJR)

While clean energy procurement supports broader environmental stewardship, American Water generally does not retain renewable energy certificates to count towards our emissions goals, as the costs would be passed on directly to customers

Approach to Scope 3 Emissions

Committed to Annual Disclosure of Categories 1, 2, 3, and 6

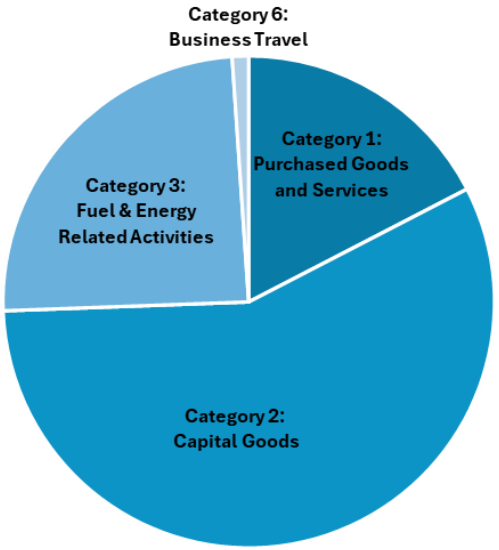
Our mission of providing clean, safe, affordable and reliable water to customers, and scaling our business across necessary capital investment and acquisitions influence Scope 3 emissions

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

Stories

Protecting Against Cybersecurity Threats

Board of Directors & Chief Information Security Officer Oversight

- Safety, Environmental, Technology & Operations (SETO) Committee provides dedicated oversight of cybersecurity strategy, risks, and mitigation, and works closely with the Audit, Finance & Risk (AFRC) to monitor cybersecurity controls, assessments, and overall risk management
- Chief Information Security Officer (CISO) oversees cybersecurity controls, assesses and reports cybersecurity risks, maintains relationships with Federal/state agencies and industry partners and collaborates with the Enterprise Risk Management Committee to identify, prioritize, and mitigate enterprise-level risks, including cybersecurity threats

National Institute of Standards and Technology (NIST) Aligned Approach

Independent Operational Systems

Operational environment is fully segmented from the IT network, with site-specific Emergency Response Plans

Continuous Monitoring

Encryption, threat management, investigation support and backups protect systems

Proactive Processes

Vulnerability scanning, penetration testing and independent assessments identify weaknesses before they are exploited

Identity & Access Management

Multi-factor authentication and safeguards for elevated privileges help limit unauthorized access

Employee Awareness & Training

Mandatory training and simulations help employees recognize, prevent and report attacks

Third Party Risk Management

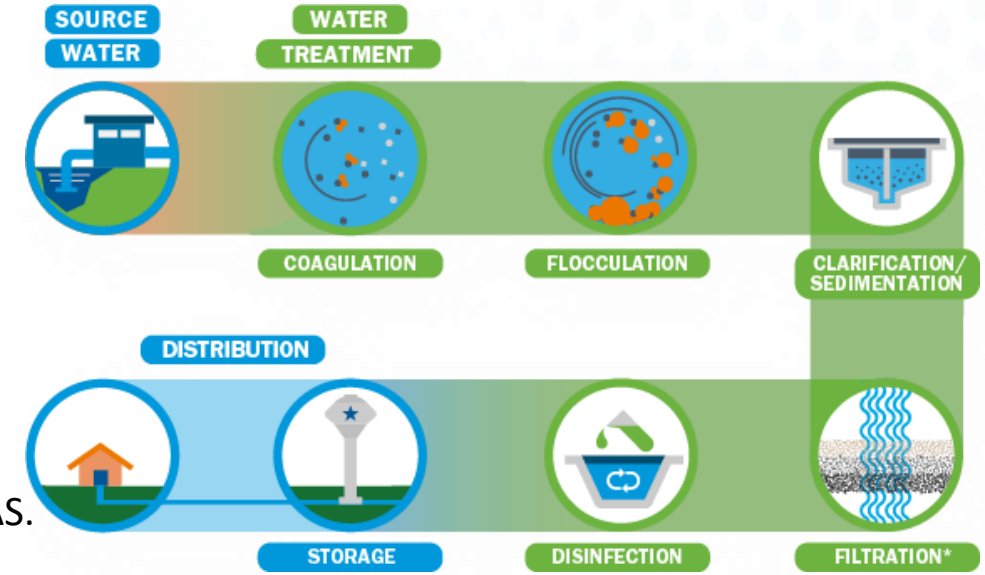
Due diligence, continuous monitoring, cyber risk scoring, contract standards and sector intelligence strengthen third-party resilience

Partnerships: Federal, state, and industry partners, including DHS, FBI, EPA-affiliated sector councils, WaterISAC, regulators, and others

PFAS Treatment Plans

Implications of Final Federal PFAS Rule

- U.S. EPA announced on May 14, 2025 its intent to maintain drinking water limits of 4.0 parts per trillion for PFOA and PFOS.
- American Water estimates $2B of capital and up to $50M annually for operating expenses in its 2026-2030 plan.
- American Water has entered into a nine-year supply contract with Calgon Carbon to supply granular activated carbon, equipment and reactivation services to >50 treatment sites across 10 states through 2033.
- U.S. EPA designated PFOA and PFOS as hazardous substances under CERCLA in April 2024. The Company 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.



*Includes PFAS treatment

PFAS Litigation Recap

- American Water is a party to the Multi-District Litigation (MDL) lawsuit against several PFAS manufacturers.
  - **As of September 30, 2026, the Company's utility subsidiaries received settlement payments from defendants of ~$235 million, collectively, net of legal fees and administrative costs.** The Company is seeking regulatory approval from its respective public utility commissions to apply the net proceeds for the benefit of customers, where permissible.

American Water Impact in South Orange Village, NJ

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

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

"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

AMERICAN WATER

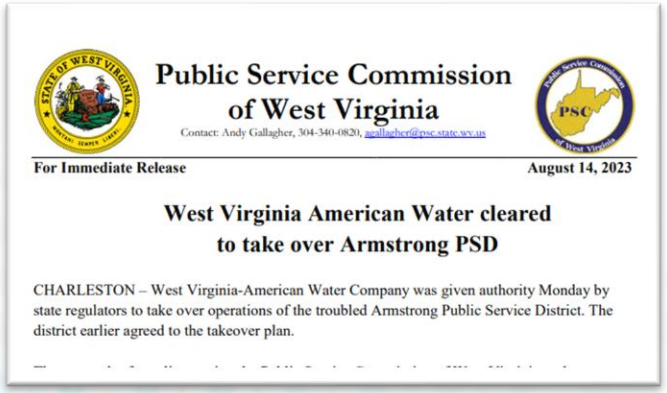
American Water Impact in Armstrong Public Service District, WV

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



Public Service Commission of West Virginia

Contact: Andy Gallagher, 304-340-0820, agallagher@psc.state.wv.us

For Immediate Release — August 14, 2023

West Virginia American Water cleared to take over Armstrong PSD

CHARLESTON – West Virginia-American Water Company was given authority Monday by state regulators to take over operations of the troubled Armstrong Public Service District. The district earlier agreed to the takeover plan.

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

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.

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

Supporting Biodiversity Through Stream Restoration

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

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