

Political Contribution Policy

Policy Number: POL-COMMEA02

Effective Date: 12/31/18 (as amended 04/12/2022)

Applicability: American Water Works Company, Inc. (“Parent Company”) and its subsidiaries (collectively, “American Water” or the “Company”)

ELT Sponsors: Senior Vice President, Communications and External Affairs

Document Author: Vice President, Chief SEC Counsel and Secretary

I. PURPOSE

This Policy governs the (1) approval and reporting of Political Contributions and (2) reporting of certain Third-Party Payments, each as defined in this Policy. This Policy applies equally to the Company’s regulated and market-based businesses.

II. POLICY STATEMENT

In furtherance of its business strategy and objectives, the Company participates responsibly in the political process and, where appropriate, the Company may make reasonable political contributions consistent with all applicable federal, state and local laws and reporting requirements. Political contributions of the Company reflect the Company’s interests and those of its customers and not those of its individual employees, officers and directors.

The Company also holds memberships in a variety of industry, trade and business associations. These memberships enable the Company to understand the views of others, obtain feedback on its positions, and voice its viewpoints on proposed legislation and regulatory matters. While the Company does not always support or agree with every position taken by an association or its leadership or membership, the Company believes that its participation in these associations are important to its overall success and to protect its customers.

As part of the Company’s commitment to good governance principles and transparency, the Company has adopted this Policy to specify oversight by the Parent Company’s Board of Directors (the “Board”) over the structure and processes surrounding Political Contributions and Third-Party Payments, and the public disclosure of certain information as described in this Policy.

III. POLITICAL CONTRIBUTIONS

This Policy requires that all direct contributions or expenditures (in cash or in kind) of the Company to a political party, a candidate for an elected office or his or her campaign, or a political action committee (“PAC”) be made only (1) by the American Water Works Company, Inc. Employee Federal PAC (the “Federal PAC”) or (2) to, or through, a PAC sponsored by or associated with an American Water subsidiary or line of business (a “Subsidiary PAC”) in accordance with applicable law (such contributions or expenditures are referred to in this Policy as “Political Contributions”). This Policy prohibits the Company from making political contributions outside of the United States.

Contributions and payments (in cash or in kind) made by the Company for or in connection with referendums, ballot initiatives, condemnation actions, or other similar matters or activities in support of a core business function of American Water are not Political Contributions, unless made to or in support of a political party, a candidate for an elected office or his or her campaign (in which case, such contributions and payments would be subject to this Policy). For purposes of this Policy, a core business function of the Company includes, but is not limited to, the

acquisition or disposition of a water or wastewater system or other business, or any issue impacting or affecting the operation of any of the Company's current or future regulated or market-based businesses.

A payment made by the Company to a trade association or tax-exempt organization (other than a PAC, Section 527 organization or similar entity) (a "Third-Party") is also not a Political Contribution, even if the Third-Party uses any portion of the payment for political purposes.

a. Approval Requirement

The Chief Executive Officer of the Parent Company must approve Political Contributions made by the Parent Company. All Political Contributions made by a subsidiary of the Parent Company must be approved by the subsidiary's or line of business' President, or similar officer. Separate approval is not required for political contributions made by the Federal PAC or a Subsidiary PAC, which are governed by such PAC's own charter, policies and procedures. A Political Contribution made by the Parent Company or a subsidiary of the Parent Company must also comply with all applicable limitations and requirements imposed by the Authorization and Limitation of Corporate Authority or any delegation of authority issued thereunder.

b. Public Reporting Obligations

The Company will publicly disclose on its website, on an annual basis and within 180 days after the end of a fiscal year, beginning with the 2018 fiscal year, this Policy and the following information with respect to Political Contributions made during that fiscal year:

- For each Political Contribution to a Subsidiary PAC, the date, form and amount of contribution, the title of the approver, and the name of the recipient Subsidiary PAC; and
- For each Political Contribution made by the Federal PAC or a Subsidiary PAC, the date, form and amount of contribution, and recipient name.

The Company will not disclose the names of, or the amount contributed by, any donor (other than the Company) to the Federal PAC or any Subsidiary PAC.

c. Employees' Personal Political Contributions

The Company's employees have the opportunity, as individuals, to make political contributions as they desire, using their personal resources and subject to any applicable legal restrictions. Employees' political contributions, including contributions to PACs, are not subject to this Policy. Employees will not be reimbursed directly or indirectly through compensation increases for personal political contributions, and the Company will not pressure or coerce employees to make personal political contributions or take any retaliatory action against employees who do not.

IV. PUBLIC REPORTING OF THIRD-PARTY PAYMENTS

The Company will publicly disclose on its website on an annual basis, 180 days after the end of a fiscal year, beginning with the 2018 fiscal year, its payments to a Third-Party, where the amount paid during a fiscal year exceeds \$50,000 (individually or in the aggregate), and where the Third-Party informs the Company in writing that a portion of such payment was used for lobbying expenditures or political contributions considered non-deductible under Section 162(e)(1) of the Internal Revenue Code (each, a "Third-Party Payment"). The Company will disclose the following information with respect to Third-Party Payments made during a fiscal year:

- Date, form and amount of payment (including the portion disclosed to the Company as being non-deductible for U.S. federal income tax purposes), and recipient name.

V. RESPONSIBILITIES

The Senior Vice President, Communications and External Affairs, in consultation with the General Counsel, acts as a resource with respect to questions regarding this Policy and shall interpret any of the provisions of the Policy with respect to specific facts and circumstances.

VI. STRATEGIC OBJECTIVE

This Policy addresses the Company's strategic objectives to (1) participate responsibly in the political process to further the interests of the Company and its various stakeholders, and (2) support transparency and public disclosure of information related to the Company's Political Contributions and Third-Party Payments.

VII. MONITORING

The Board will annually review the effectiveness of this Policy and will review and approve in advance the public disclosures contemplated by this Policy.

VIII. WAIVERS

Compliance with this Policy cannot be waived.

IX. NON-COMPLIANCE

Any employee who violates or circumvents the Policy may be subject to disciplinary action, up to and including termination.

Appendix – Summary of Policies & Practices Related to Political Contribution Policy

Policy	Related Practices
Code of Ethics	Political Contribution Practice
Authorization and Limitation of Corporate Authority	

Reviewed By	Version Reviewed	Key Comments/Changes
Sarita Malakar, Director Corporate Counsel	Version 1	Initial draft of policy
Jeffrey M. Taylor, Chief SEC & Corporate Governance Counsel	Version 2	Review of policy
Sarita Malakar, Director Corporate Counsel	Version 3	Review of policy revisions
Michael A. Sgro, Executive Vice President, General Counsel and Secretary	Version 4	Review of revised policy
Jeffrey M. Taylor, Chief SEC & Corporate Governance Counsel	Version 5	Implement amendments
Government Affairs Teams and Divisional CFOs	Version 5B	Suggested edits
Executive Leadership Team	Versions 5C-D	Suggested edits
Jeffrey M. Taylor, Chief SEC & Corporate Governance Counsel	Version 6	Proposed April 2020 amendments

Names in **bold** have reviewed multiple versions of the document.