

H2O AMERICA

ENVIRONMENTAL POLICY

The regulated water and wastewater operating utilities of H2O America are subject to multiple state and federal regulations regarding rates, service, finances, operations, water quality and environmental standards. As a highly regulated business, the Company is committed to operating in compliance with all applicable laws and regulations. Our goal is not only to meet the letter of the law, but to do so in a manner that builds trust and respect with regulators, the environmental community, our customers and our shareholders. With operations in multiple states, systems of different sizes and varying water resources, and regulatory requirements across the company, appropriate operating practices are implemented to meet the needs of each system to serve its customers.

It is H2O America (HTOA) Policy to conduct business in compliance with applicable regulations in a manner that:

- recognizes the unique business of providing water and wastewater service, and the impact it has on people and communities;
- ensures the protection and conservation of the Group's natural resources;
- enhances the environmental stewardship of its assets;
- adopts business practices that minimize the environmental impact of operations through the use of renewable energy, water and energy conservation, reduction, reuse and recycling of materials, and management of hazardous materials and wastes;
- assures compliance with all environmental regulations and environmental permits;

Accordingly, H2O America shall develop and adopt an Environmental Management System that is consistent with provisions of the ISO Standard 14001 and contains these elements:

- demonstrated compliance with all environmental regulations and permits;
- leadership involvement and engagement of employees in improving the subsidiaries environmental performance;
- the stewardship of its watershed lands, promotion of water conservation and efficient use of water resources in a manner that enhances the protection of its natural resources;
- the minimization of Green House Gases while maximizing the competitive and financial advantage through improved efficiencies and reduced costs;
- and enhancement of the HTOA's suppliers' environmental performance.