

Corporate Presentation



American States
Water Company

Robert J. Sprowls – President & CEO

Eva G. Tang – SVP Finance & CFO

November 2022

NYSE: AWR

Certain matters discussed in this presentation are forward-looking statements intended to qualify for the “safe harbor” from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements can generally be identified as such because the context of the statement will include words such as the Company “believes,” “anticipates,” “expects” or words of similar import. Similarly, statements that describe the Company’s future plans, objectives, estimates or goals are also forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the statements.

Non-GAAP Financial Measures

- ❑ This presentation includes a discussion of certain financial measures that are not prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States, and constitute "non-GAAP financial measures" under SEC rules. These non-GAAP financial measures are derived from consolidated financial information but are not presented in our financial statements that are prepared in accordance with GAAP.
- ❑ Non-GAAP financial measures in this presentation include references to diluted earnings per share by business subsidiary/segment, which is based on each business segment's net income divided by the company's weighted average number of diluted shares. Furthermore, when presenting 10-year historical consolidated diluted EPS, certain one-time and non-recurring items have been excluded in some of the prior years.
- ❑ Non-GAAP financial measures supplement our GAAP disclosures and should not be considered as alternatives to the GAAP measures. Furthermore, the non-GAAP financial measures may not be comparable to similarly titled non-GAAP financial measures of other registrants. The company uses non-GAAP measures in evaluating its operating results and believes these measures are useful internal benchmarks in evaluating the performance of its operating segments. The company reviews these measures regularly and compares them to historical periods and to the operating budget. The computations and reconciliations of recently used non-GAAP measures to the most directly comparable GAAP measures are presented in the company's most recently filed Form 10-K with the SEC.

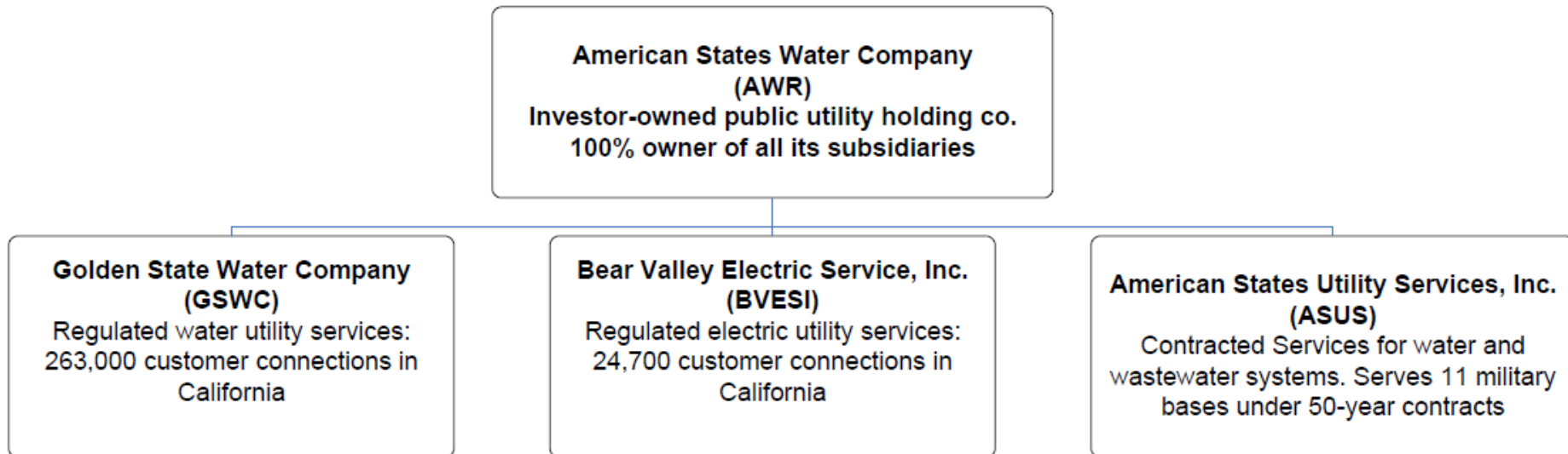
AWR is a low volatility water utility with a secure and growing dividend, operating in a constructive regulatory environment in California, along with a growing unregulated contracted services business serving military bases under 50-year contracts.

- ❑ Listed on the NYSE: AWR
- ❑ AWR debt rating → A+ Negative
- ❑ GSWC debt ratings → A+ Negative/A2 Stable
- ❑ As of November 15, 2022:
 - ~37.0 million common shares outstanding
 - Institutional Ownership → ~77%⁽¹⁾
 - 52-week low/high → \$71.22/\$103.77⁽¹⁾
 - Average daily volume → ~186,200 shares (3 months)⁽¹⁾
 - Market capitalization → ~\$3.6 billion⁽¹⁾
 - Dividend yield → 1.65%⁽¹⁾

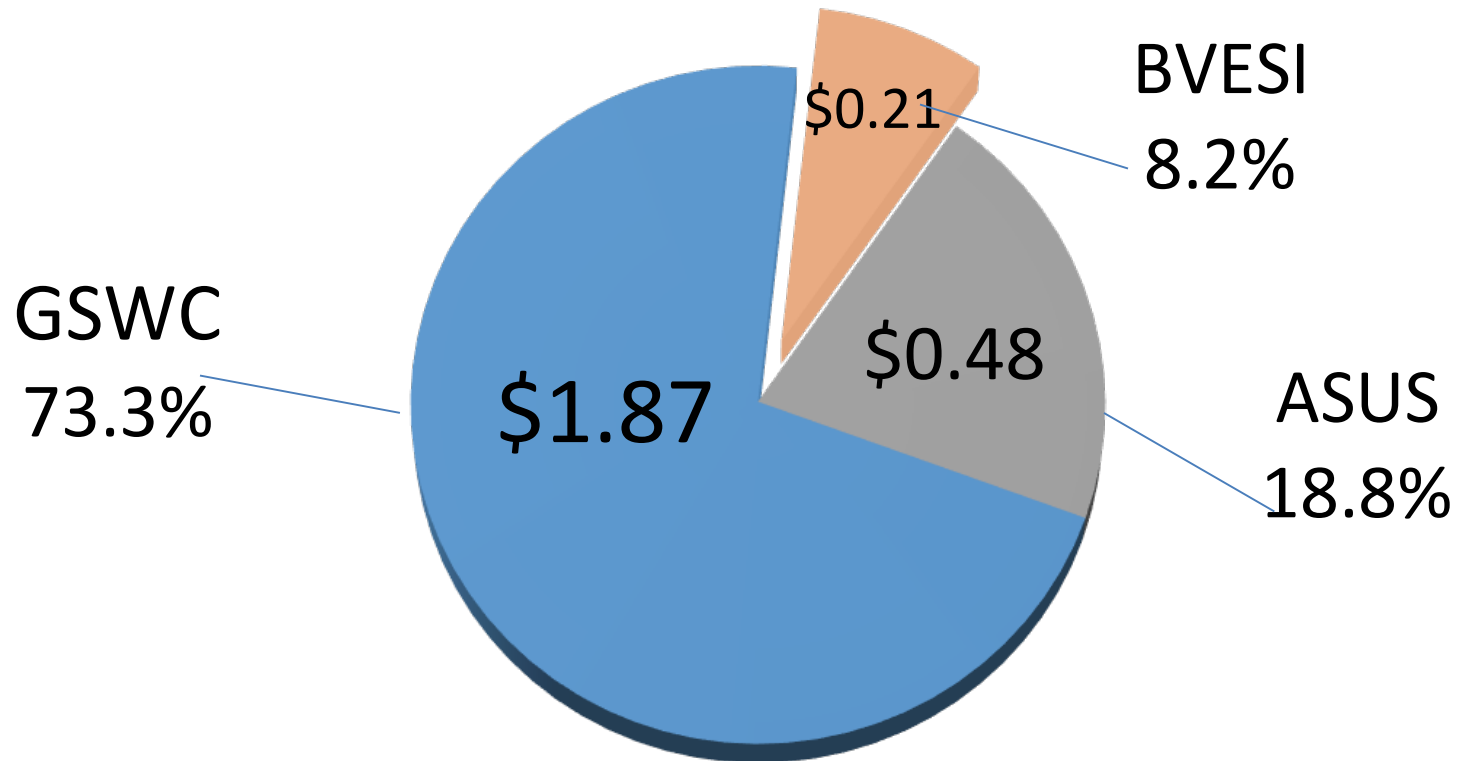


⁽¹⁾ Source: Yahoo! Finance

Company Organizational Structure

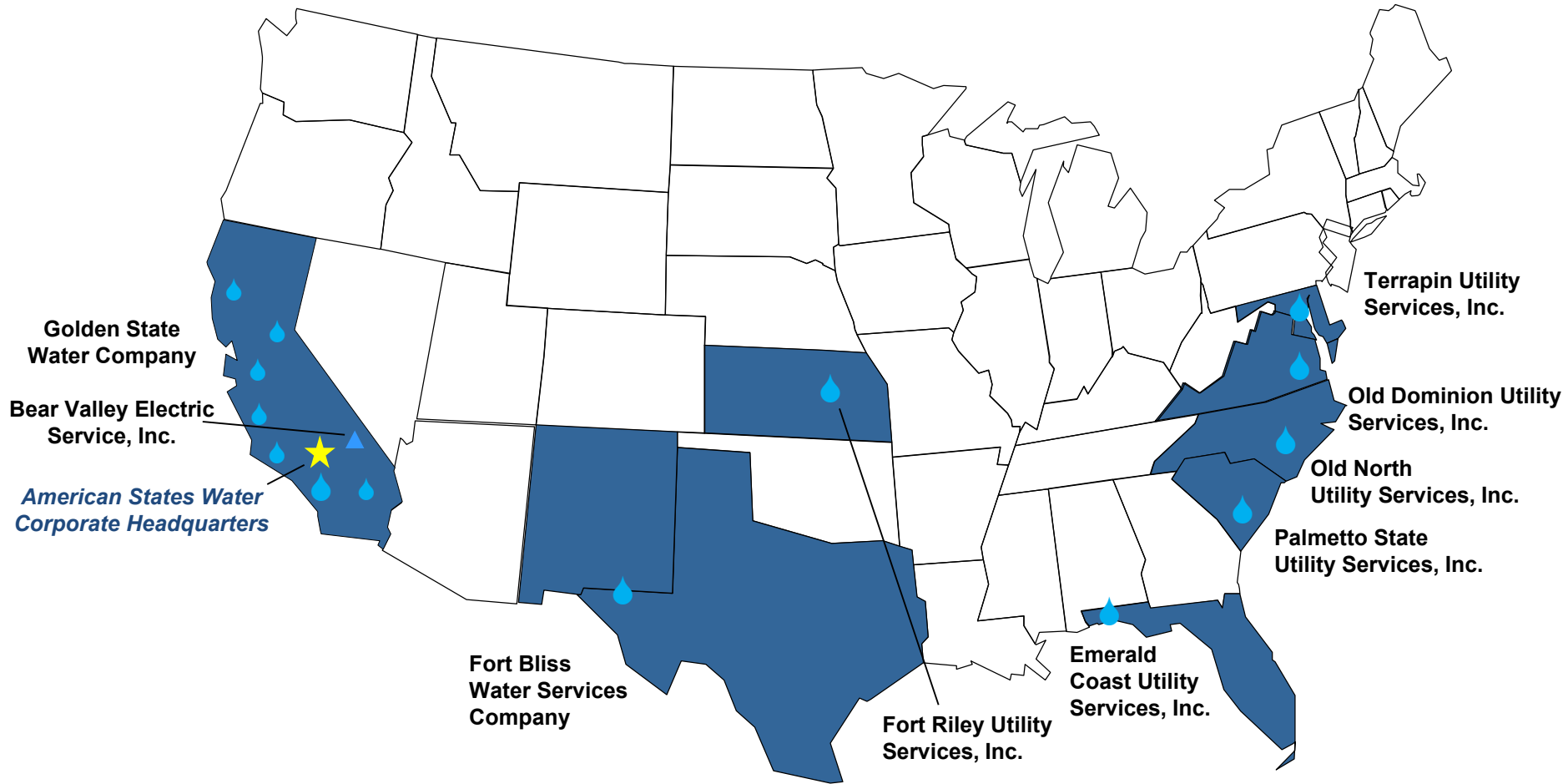


2021 Earnings per Share by Subsidiary



Note: Consolidated fully diluted earnings per share as reported for 2021 were \$2.55. The pie chart above sets forth the diluted earnings per share contribution by business subsidiary/segment, but excludes a negative \$0.01 per share reported at AWR (parent) in 2021.

AWR Service Area Map



Regulated Utilities Service Area Map



Golden State Water Company

- Serves more than 80 communities in 10 counties
- Operates 38 water systems

Bear Valley Electric Service, Inc.

- Operates one electric system that serves the City of Big Bear Lake and surrounding areas

❑ The Company's **regulated utilities (GSWC and BVESI)**:

- Represented approximately 77% and 82% of AWR revenues and net income, respectively, in 2021
 - ✓ The regulated **water utility** under GSWC represented approximately 70% and 73%, respectively, in 2021
- GSWC and BVESI have a stable customer base, with about 90% of revenues derived from residential and commercial customers

❑ GSWC & BVESI are separately regulated by the California Public Utilities Commission (CPUC)

- **Revenue Requirement includes:**
 - ✓ Dollar for dollar recovery of projected operating expenses, plus
 - ✓ Rate of return on rate base (including projected CapEx)
- **GSWC and BVESI recover their capital investment from customers** over the life of the asset through annual depreciation and a return on its undepreciated capital assets

- ❑ **ASUS**, the company's **contracted services subsidiary** was established in 1998 and provides the company with:
 - A relatively low risk, growth investment
 - ✓ Allows AWR to capitalize on its competencies in operating water systems and in offering related services
 - Opportunities to improve companywide returns
 - A vehicle to diversify risk
 - ✓ By investing in high-growth states, similar to the way an investment manager diversifies risk by owning several different securities
 - A contributor to funding AWR's dividend to shareholders and covering the cost of being a publicly-traded company

- ❑ **ASUS** provides operations, maintenance and construction management services for water distribution and wastewater collection and treatment facilities at **eleven military bases in eight states under 50-year privatization contracts** with the U.S. government:
 - Fort Bliss in El Paso, Texas (parts in New Mexico)
 - Joint Base Andrews in Maryland
 - Fort Lee in Virginia (wastewater only)
 - Joint Expeditionary Base Little Creek – Fort Story and Joint Base Langley - Eustis in Virginia
 - Fort Jackson in Columbia, South Carolina
 - Fort Bragg, Pope Army Airfield, and Camp Mackall in Fayetteville, North Carolina
 - Eglin Air Force Base in Florida
 - Fort Riley in Kansas

- ❑ Numerous military bases still to be privatized; **active bids are currently in process**. Significant water and wastewater contracts to be awarded over the next 5 years.

- ❑ Under each of the 50-year contracts with the U.S. government, ASUS has the following revenue streams:
 - **O&M Revenues** for operating and maintaining the systems
 - ✓ A fixed amount each month included under the 50-year contracts, subject to annual economic price adjustments (EPAs)
 - **Construction Revenues** for:
 - ✓ Renewal and Replacement of existing capital assets included under the 50-year contracts, subject to annual EPAs
 - ✓ Other Capital Upgrades are additional projects (including improvements and expansion to the existing water and wastewater infrastructure) that in many cases are outside the scope of the 50-year contracts and are granted through contract modifications
- ❑ Filings for EPAs and requests for equitable adjustment provide ASUS with **additional revenues and operating income**

☐ Growth potential in earnings

- 2021 Diluted EPS of \$2.55 per share with a **10-Year CAGR from Continuing Operations of 8.7% from 2011 – 2021, and more recently a 5-Year CAGR of 9.5% from 2016 - 2021**
- Planned CapEx at **3.5-4.0 X** Depreciation increases rate base at the regulated utility businesses
- Significant recent success and growth prospects for the military base privatization business

☐ Strong dividend track record

- Increased the dividend in 2022 by 8.9% achieving a **10-Year CAGR of 9.2% from 2012 - 2022**
- Increased dividends to shareholders each calendar year for 68 consecutive years
- Paid dividends to shareholders every year since 1931
- Targeting a compound annual growth rate **of more than 7%** over the long term. Given AWR's earnings growth prospects, there is room to grow the dividend

☐ Favorable regulatory environment in California

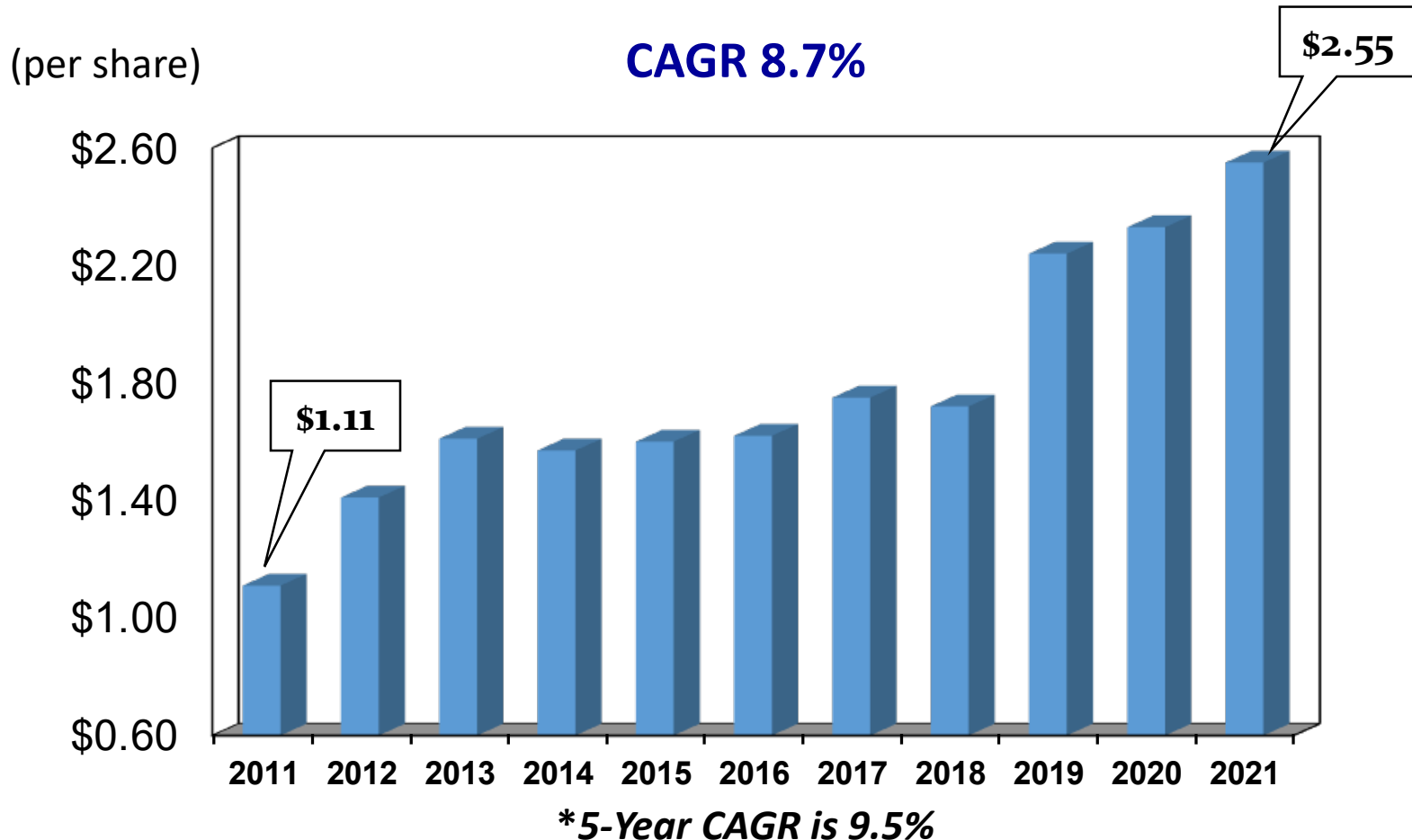
- Forward-looking (future) test years limit regulatory lag
- Recovery of / Return on Rate Base through the regulatory process
- Decouple revenue from sales to provide consistent returns through a Water Revenue Adjustment Mechanism (WRAM) for GSWC that currently remains in effect and a Base Revenue Requirement Mechanism (BRRAM) for BVESI

- ❑ **Well-positioned for privatization and consolidation opportunities**
 - Highly fragmented industry; few publicly-traded players; high barriers to entry
- ❑ **Aggressive posture toward recovery of operating costs and CapEx**
- ❑ **Stable utility customer base**
- ❑ **Seasoned and committed management team and Board**
- ❑ **Significant gender diversity at the Board level**
 - Five of AWR's eight independent directors are women
- ❑ **Strong balance sheet:** "A+/A2" ratings – some of the highest in the industry
- ❑ **Valuable water rights portfolio:** AWR owns ~70,900 acre-feet of adjudicated groundwater rights and a significant number of unadjudicated groundwater rights. In addition, AWR owns ~11,300 acre-feet of surface water rights

Adjusted⁽¹⁾ Diluted EPS from Continuing Operations*



American States
Water Company

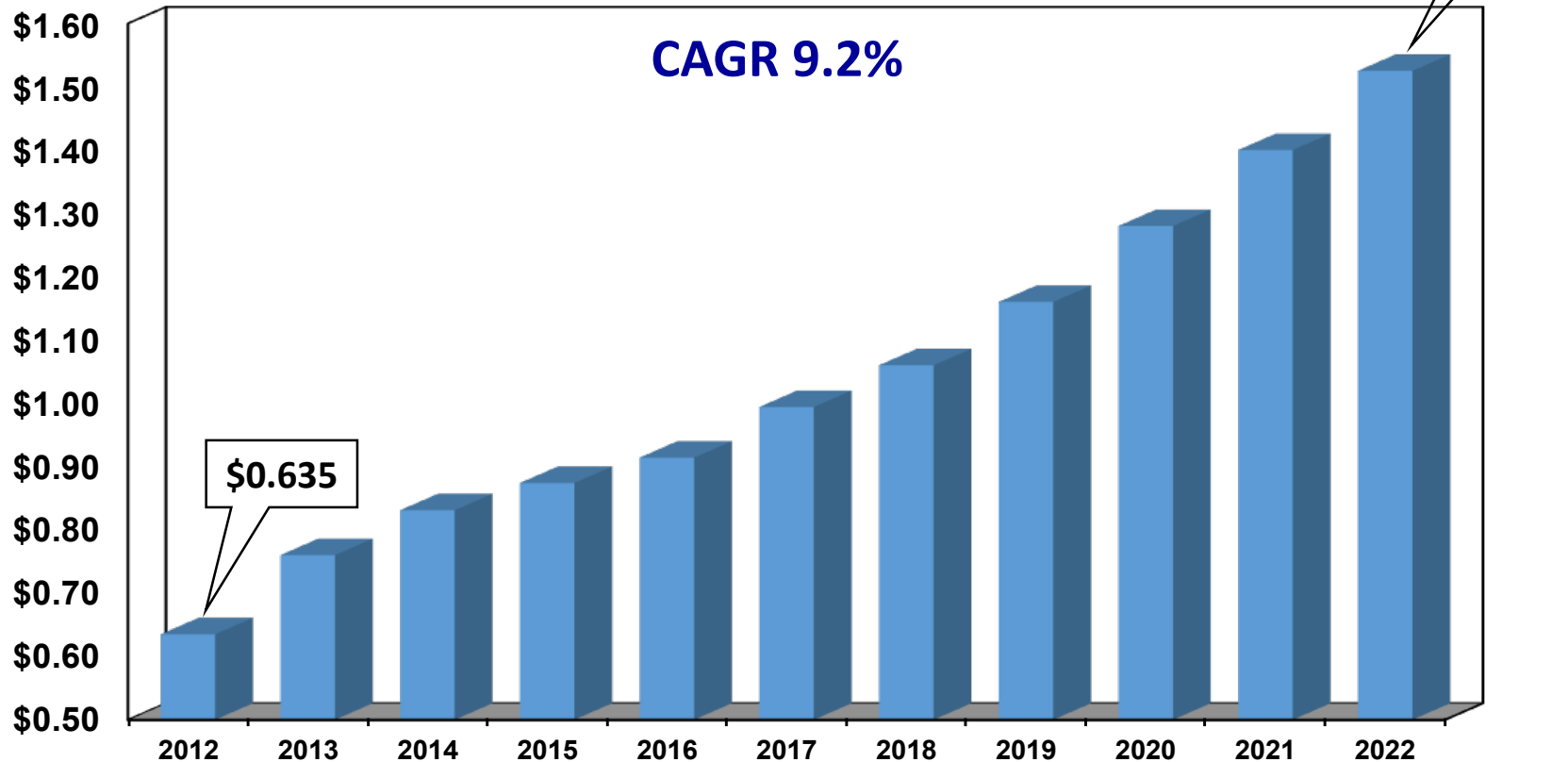


(1) In the chart above, 2011 **excludes** \$0.10 per share from discontinued operations; 2017 **excludes** \$0.13 per share gain on the sale of GSWC's Ojai water system, and 2019 **excludes** \$0.04 per share for the retroactive impact of the electric GRC related to 2018. Consolidated diluted EPS as reported for 2011, 2017 and 2019 were \$1.21, \$1.88 and \$2.28, respectively.

Dividend Growth

68 Consecutive Years of Dividend Increases

(per share)

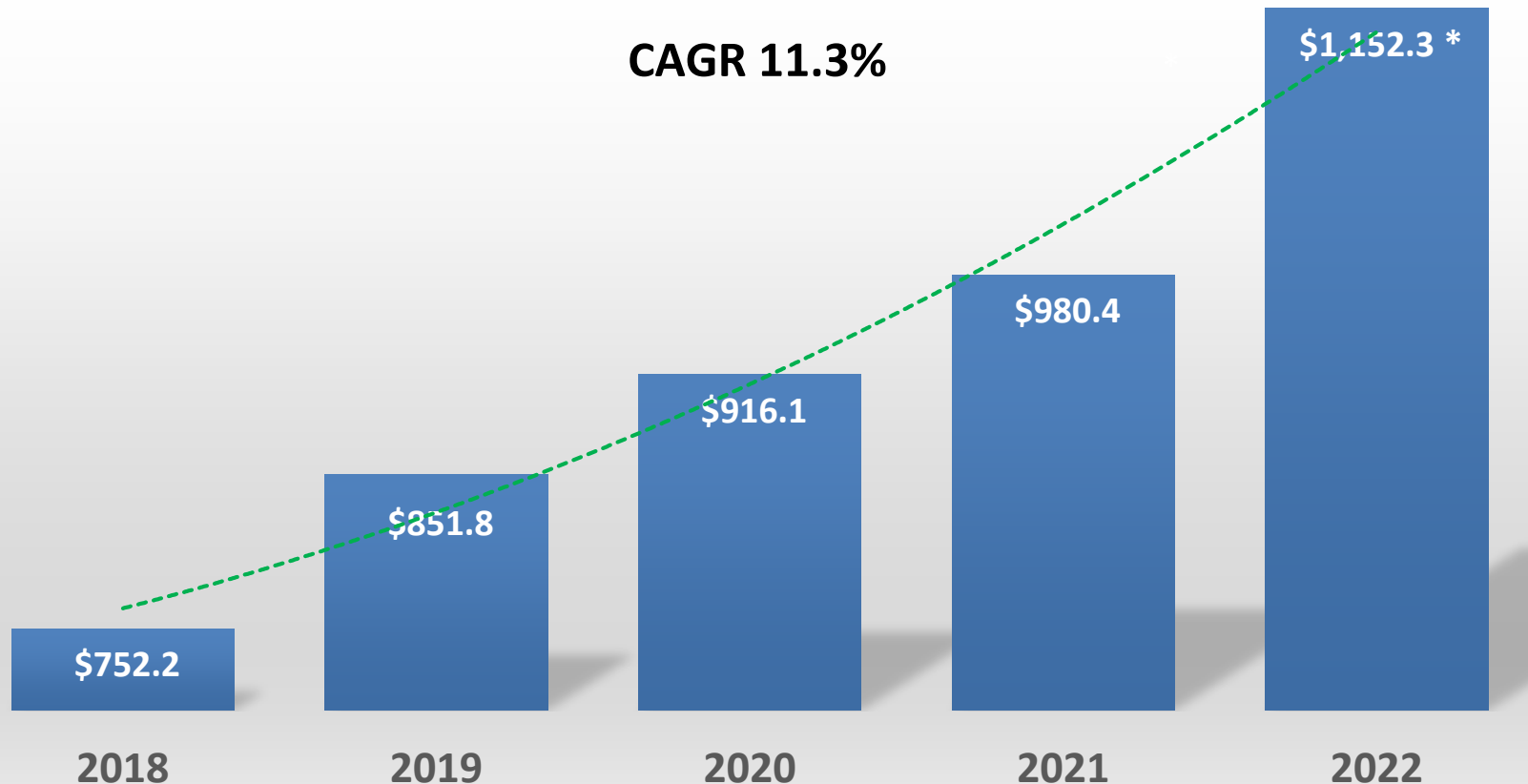


*In July 2022, the Board of Directors approved an 8.9% increase in the quarterly dividend
Targeting a dividend growth rate of more than 7% over the long term*

Adopted Average Water Rate Base

(in millions)

CAGR 11.3%



* Based on settlement agreement in current general rate case, does not include approximately \$9.4 million in advice letter projects

Impact of COVID-19

- ❑ During the COVID-19 pandemic, GSWC, ASUS and BVESI have continued their operations given that their water, wastewater, and electric utility services are deemed essential.
- ❑ The regulated utilities have continued their operations while adhering to orders issued by the CPUC and other governmental agencies, including suspending service disconnections for nonpayment pursuant to CPUC and state orders.
 - The CPUC’s moratorium on service disconnections due to non-payment from water and electric customers has ended, with disconnections for residential customers resuming in June 2022.
- ❑ State Relief Funds (Received from the Federal American Rescue Plan Act of 2021)
 - California’s governor committed \$2 billion to assist customers with past due water and electric utility bills accumulated during the pandemic. The CPUC requires any state/federal funding be first offset against unpaid customer bills before the utility is able to receive recovery from its customers at large.
 - In early 2022, GSWC and BVESI received \$9.5 million and \$321,000, respectively, in relief funding from the state of California for its customers' unpaid water/electric bills incurred during the pandemic.
- ❑ COVID-19-related memorandum accounts have been established by GSWC and BVESI as authorized by the CPUC to track incremental costs resulting from the pandemic.
 - Regulated utilities have recorded a total of approximately \$5.6 million as of September 30, 2022 in these accounts as regulatory assets (primarily for past due AR balances, net of state funds received), as it is believed such amounts are probable of future recovery from customers; hence no earnings impact.
- ❑ COVID-19 has not had a material impact on ASUS's operations.

- ❑ **July 2022: An 8.9% increase** in the third quarter cash dividend, resulting in an increase in the annual dividend from \$1.46 per share to \$1.59 per share. This increase is comparable to the compound annual growth rate of 9.3% achieved by the company in its quarterly dividend rate over the last five years.
- ❑ **June 2022/November 2021:** Maintenance of strong Credit Ratings:
 - S&P: A+ credit rating for both AWR and GSWC, with negative outlook
 - Moody's: A2 rating with a stable outlook on GSWC
- ❑ **July 2020:** Effective July 1, 2020, completed a reorganization plan that transferred GSWC's electric division to Bear Valley Electric Service, Inc., a separate legal entity and wholly owned subsidiary of AWR.
- ❑ **Since 2020:** Our board of directors was recognized as “gender-balanced” by the 50/50 Women on Boards™ organization, a designation that only 8% of Russell 3000® companies have achieved. Five of AWR's eight independent directors are women, including the Chairman of the Board.

- ❑ **November 2021:** GSWC and the Public Advocates Office at the CPUC filed a joint motion to adopt a settlement agreement between the two parties in connection with the pending general rate case application filed in July 2020, and which will determine new water rates for the years 2022 – 2024. Among other things, the settlement, if approved:
 - resolves all issues related to the calculation of the 2022 annual revenue requirement in the general rate case application, leaving only three unresolved issues;
 - authorizes GSWC to invest approximately \$404.8 million in capital infrastructure over the three-year cycle, plus \$9.4 million of capital projects that have been completed and were filed for revenue recovery effective February 15, 2022 through advice letters;
 - increases GSWC’s adopted operating revenues for 2022 by approximately \$30.3 million, which includes an increase for higher adopted supply costs of \$9.6 million, as compared to the 2021 adopted revenues, excluding the advice letter project revenues; and
 - allows for potential additional increases in adopted revenues for 2023 and 2024 subject to an earnings test and changes to the forecasted inflationary index values.

The three remaining unresolved issues will be addressed when a proposed decision is issued and relate to GSWC's requests for: (i) a medical cost balancing account, (ii) a general liability insurance cost balancing account, and (iii) the consolidation of two of GSWC's customer service areas. In October 2022, the CPUC issued a decision approving an extension of the statutory deadline for a final decision in the general rate case proceeding to February 14, 2023. When approved, the new rates will become effective and retroactive to January 1, 2022.

❑ **May 2021:** GSWC filed its cost of capital application requesting:

- a capital structure of 57% equity and 43% debt,
- a return on equity of 10.5%,
- a return on rate base of 8.18%, and
- authorization to continue the Water Cost of Capital Mechanism (WCCM).

Hearings on this proceeding occurred in May 2022 and briefs were filed in June 2022. For the period from October 1, 2021 through September 30, 2022, the average Moody's Aa utility bond rate increased by more than 100 basis points from the benchmark, which triggered the WCCM adjustment. Triggering the WCCM would adjust the authorized return on equity (and therefore the rate of return on rate base) in years 2 and 3 of the cost of capital rate cycle by one-half the change if there is a positive or negative change of more than 100 basis points in the average Moody's rate from October 1 through September 30. The WCCM is expected to be addressed by the CPUC in the pending proposed decision. GSWC's authorized rate of return on rate base was 7.91% (including a return on equity of 8.9%) for 2018 - 2021.

❑ **May 2021:** GSWC redeemed its 9.56% private placement notes early in the amount of \$28.0 million with a maturity date in 2031. Cost savings from redeeming higher interest rate debt are passed on to customers.

- **August 2020:** The CPUC issued a decision, which addressed various issues including eliminating the continued use of the WRAM and MCBA by investor-owned water utilities (IOWUs) in California beginning with general rate case (GRC) applications filed after the effective date (August 27, 2020). The final decision:
- provides the option for IOWUs to propose a limited price adjustment mechanism referred to as the Monterey-Style WRAM, and an incremental supply cost balancing account in its next GRC,
 - will not have any impact on GSWC's WRAM & MCBA balances during the GRC cycle that covers the years 2019 – 2021, and
 - allows GSWC to keep the use of the WRAM and MCBA through 2024, which was confirmed in a procedural hearing held in connection with GSWC's pending GRC.

In September 2022, the governor of California signed SB 1469 allowing Class A water utilities, effective 1/1/2023, to request the use of the WRAM in their next GRC's. GSWC will be able to request the WRAM in its next GRC that will establish new rates for the years 2025 – 2027, which will be subject to CPUC approval.

In October 2020, GSWC, three other California IOWUs, and the California Water Association (CWA) filed applications with the CPUC for rehearing on the discontinuation of the WRAM and MCBA, which the CPUC denied in September 2021. Each separately filed petitions with the California Supreme Court (Court) to review the matter. In May 2022, the Court granted the petition for writ of review and ordered the IOWUs and CWA to file opening briefs, which were filed on September 1. In November, the Court denied a motion that had been filed by the CPUC requesting dismissal of the IOWUs and CWAs petition since the state had passed SB 1469. As a result of the denial, the CPUC's answer to the opening brief is due December 9. There is no timeline for the Court to complete their review. At this time, management cannot predict the final outcome of this matter.

- ❑ **July 2020:** GSWC completed the issuance of unsecured private placement notes totaling \$160 million. Because of its strong credit rating, GSWC was able to obtain favorable terms including historically low coupon rates of 2.17% (10-year) and 2.90% (20-year). GSWC used the proceeds from the notes to pay down the majority of its intercompany borrowings from AWR.
- ❑ **May 2020:** The CPUC approved GSWC's finance application requesting authority to issue additional long-term debt and equity securities not to exceed \$465 million to support its water operations.
- ❑ **May 2019:** The CPUC issued a final decision in the water general rate case, which set new rates for the years 2019 – 2021. Among other things, the final decision authorized GSWC to invest approximately \$334.5 million in capital infrastructure over the three-year rate cycle, and allowed for additional water operating revenues from rate increases in 2019, 2020 and 2021 of \$16.5 million, \$13.1 million and \$11.5 million, respectively. The increase in water revenues reflected increases in supply costs, which are passed through to customers on a dollar-for-dollar basis.

BVESI Recent Accomplishments & Initiatives



- ❑ **October 2022:** The Office of Energy Infrastructure Safety (OEIS) under the California Natural Resources Agency issued a draft decision approving BVESI’s 2022 Wildfire Mitigation Plan (WMP) update that it had filed in May 2022. The CPUC had previously ratified BVESI’s 2021 WMP in September 2021, which among other things, approved capital projects and programs dedicated to improving system safety and reliability specifically aimed at reducing the possibility of wildfires. California legislation requires all investor-owned electric utilities to have a WMP approved by OEIS and ratified by the CPUC. The 2022 WMP update is pending CPUC ratification.
- ❑ **September 2022:** BVESI submitted a request for renewal of its safety certification to OEIS. The current safety certification approved by OEIS in September 2021 will remain valid until OEIS adjudicates BVESI’s safety certification renewal request. Under California legislation a safety certification improves electric utilities’ ability to recover wildfire costs.
- ❑ **August 2022:** BVESI filed a GRC application to set new electric rates for the years 2023 – 2026. Among other things, BVESI requested (i) capital budgets of approximately \$62 million for the four-year rate cycle, and another \$6.2 million for a large line replacement capital project to be filed for revenue recovery through an advice letter when the project is completed; (ii) a capital structure for BVESI of 61.8% equity and 38.2% debt, a return on equity of 11.25%, an embedded cost of debt of 5.51%, and a return on rate base of 9.05%; and (iii) recovery of all previously incurred capital and other costs performed under its Wildfire Mitigation Plans (WMPs). A pre-hearing conference scheduled in December 2022 will determine the scope of issues and schedule for the proceeding. When approved, the new 2023 rates are expected to be effective and retroactive to January 1, 2023.

- ❑ **April 2022:** BVESI completed the issuance of \$35 million in unsecured private placement notes consisting of \$17.5 million at a coupon rate of 4.548% due April 28, 2032, and \$17.5 million at a coupon rate of 4.949% due April 28, 2037. BVESI used the proceeds to pay down amounts outstanding under its credit facility.
- ❑ **July 2020:** Effective July 1, 2020, began operating as a stand alone and wholly owned subsidiary of AWR. BVESI established a separate 3-year, \$35 million revolving credit facility not guaranteed by AWR that supports the electric business' operations and capital expenditures.
- ❑ **August 2019:** A final CPUC decision in GSWC's electric general rate case set new rates for 2018 - 2022. The decision (i) increased electric's adopted base rates and revenues by \$2.3 million for 2018, \$1.2 million for each of the years 2019 and 2020, by \$1.1 million in 2021, and by \$1.0 million in 2022; and (ii) authorizes BVESI to construct \$44 million of capital projects, which are dedicated to improving system safety and reliability. The decision continues to apply to BVESI.

California Drought

- ❑ As of November 1, 2022, the U.S. Drought Monitor reported that 43% of California was considered in “Extreme Drought” and 92% in “Severe Drought”
 - Record drought so far in 2022; calendar year 2022 projected to end as one of the three driest years on record
 - In March 2022, the California Department of Water Resources reduced the allocation of State Water Project (SWP) water from 15% to 5%.
- ❑ In September 2022, the California Governor signed legislation setting more stringent targets
 - The indoor standard targets will decrease to 47 gallons per capita per day (gpcd) in 2025 and 42 gpcd in 2030 (previously set at 52.5 gpcd and 50 gpcd in 2025 and 2030, respectively).
- ❑ In April 2022, the Metropolitan Water District (MWD) declared a water supply emergency for SWP dependent areas
 - Impacts GSWC’s Simi Valley and Claremont service areas.
 - Includes an emergency conservation program limiting outdoor watering to 1-day per week in affected areas.
- ❑ Executive order issued in March 2022 by the governor calling on water suppliers to reduce water use by 20-30%.
 - GSWC has proactively moved all its water systems to two days of outdoor watering per week (besides affected SWP dependent areas currently on one outdoor watering day per week).
 - GSWC is working with its local suppliers to assess water supply conditions and water-use restrictions in its service areas and make appropriate adjustments as needed.
- ❑ CPUC has authorized memo accounts to track incremental drought-related costs for future recovery
- ❑ BVESI’s service territory has experienced above average precipitation during the last two full calendar years (2020 and 2021). BVESI’s WMPs are being executed, which include capital projects and programs dedicated to improving system safety and reliability specifically aimed at reducing the possibility of wildfires.

- ❑ **February 2022:** ASUS announced the hiring of Mr. Christopher Connor to the position of Senior Vice President of ASUS. Since 2004, Mr. Connor has held various positions at Jacobs Engineering Group Inc., and is a very accomplished professional with a strong leadership background and, among other things, a proven business development and sales track record working with the DOD.
- ❑ **Actively pursue** new military base privatizations for the DOD. In recent years, ASUS's success has included the award of two significant 50-year contracts that began operations at the following bases:
 - **June 2017** - Eglin Air Force Base in Florida, with a contract value of **\$702 million**
 - **July 2018** - Fort Riley in Kansas, with a contract value of **\$681 million**
 - ✓ Like all 50-year contracts, both of these are subject to annual economic price adjustments
- ❑ **ASUS continues** to pursue new construction work on the military bases it serves:
 - As of September 30, 2022, ASUS has been awarded approximately \$31.1 million in new construction projects for completion in 2022 through 2025.
 - Despite COVID-19-related delays, ASUS was awarded \$17.3 million and \$15.5 million of new construction projects in 2021 and 2020, respectively. Some of the 2021 funded projects were completed in 2021, with the remainder being completed during 2022.
 - In the prior few years, new construction awards have exceeded \$20 million per year.
- ❑ **Update on Economic Price Adjustments (EPAs)** with the U.S. government for operating and maintaining the water and wastewater systems at the various military bases.
 - Pricing on all ASUS 50-year contracts with the U.S. government is current
 - All the contracts have successfully been converted to annual EPAs

- ❑ Deliver outstanding customer service
- ❑ Focus on operational efficiency to minimize costs to customers and determine additional ways to generate efficiencies through new technology implementation and process improvement
- ❑ Make prudent capital additions that enhance shareholder and customer value on a timely basis within approved rates:
 - In 2021, the Regulated Utilities invested **\$142.6 million** in company-funded capital. They expect to spend **\$145 – \$160 million** in 2022.
 - Adopted Average Water Rate Base at GSWC expected to grow at a 4-Year CAGR of **11.3%** from 2018 through 2022 if the joint settlement in the general rate case is approved.
- ❑ Earn the authorized return on equity and return on rate base

- Receive timely recovery of costs
- Maintain good working relationship with state regulatory commission
- Be proactive in managing resources and influencing policy
- Expand customer base through organic growth and acquisitions
- Employ management systems to conserve water and energy resources (see our *ESG Report* available at www.aswater.com)
- Maintain a strong water supply portfolio
- Purchase goods and services from diverse vendors

- ❑ Increase net income at the military bases currently served through:
 - Efficient operations
 - Requests for equitable adjustments
 - Economic price adjustments

- ❑ Increase the size and scope of our contracted services operations:
 - Further develop service opportunities on current military bases
 - Actively pursue numerous military bases still to be privatized; active bids are currently in process

- ❑ Earn higher returns on investment than the allowed returns for regulated utilities

- ❑ Deliver outstanding customer service

- ❑ GSWC meets its customers' water demand on average with:
 - **~50%** from GSWC's own groundwater sources
 - ✓ GSWC has a significant portfolio of adjudicated water rights
 - **~45%** purchased principally from the The Metropolitan Water District (MWD) and its member agencies, imported from:
 - ✓ California State Water Project
 - ✓ Colorado River
 - **~5%** from surface water under contracts with the United States Bureau of Reclamation and the Sacramento Municipal Utility District

Environmental Strength

- ❑ Since 2007, water usage per customer by Golden State Water Company customers is down 32%
- ❑ Capital improvement program at the regulated utilities has totaled \$634.6 million in the last five years (2017-2021), improving water and electric reliability and reducing water loss throughout our systems, including \$142.6 million in 2021 of which \$15.5 million was spent on environmental control facilities.
 - Capital spending in 2022 is expected to be \$145 - \$160 million, of which \$23.5 million will be on environmental control facilities
- ❑ Target goal to reduce greenhouse gas emissions 60% by 2035
- ❑ BVESI's renewable power represented 36% of total electric supply purchases in 2021. California's Renewables Portfolio Standard requirements continue to escalate, reaching 50% by 2026 and 100% carbon free by 2045.
- ❑ Our Environmental Guidelines commit to protecting the environment, ensuring the health and safety of our employees, our customers, and the diverse communities where we operate.
- ❑ California, home to our regulated utilities, is one of the leading states in the nation in setting environmentally-sensitive policies.

- ❑ Providing safe, reliable water, electricity and wastewater services to over one million customers every day including homes, commercial and industrial businesses, and military bases.
- ❑ Community service – giving back to our local communities and military programs through volunteering and charitable contributions.
- ❑ Doing business with a broad group of vendors - our regulated utilities spend with diverse suppliers was 31.3% in 2021, a four-fold increase since 2004. At ASUS, in 2021 we awarded 77.9% of available dollars to small businesses, far exceeding the U.S. government’s requirements.
- ❑ Diversity focus – Published our first Diversity & Inclusion Policy. Our workforce is representative of the U.S. workforce population in terms of ethnic diversity.

- 8 of 9 board members are independent, including the Chairman
- 5 of 8 (62.5%) independent board members are female, including the Chairman
- More than 50% of the board members are female
- 75% of the CEO's long-term equity awards are performance-based
- The Company maintains a clawback policy for its performance-based executive compensation
- No poison pill
- The Nominating and Governance Committee of the Board of Directors provides Sustainability oversight at the Board level. Updates to the ESG Report and the issues and disclosures contained within, are reviewed by this committee.

We will continue to:

- Focus on growing the regulated utility businesses through necessary infrastructure replacement and water customer acquisition
- Improve efficiency of current operations at all business segments
- Pursue rate case and other regulatory filings timely
- Grow the contracted services business through additional military base privatizations and by developing significant opportunities for new construction work on the bases we currently serve
- Meet the needs of our customers and investors
- Be a leader in the industry by sticking to what we do best

***Providing value for investors and quality
service to the customer***



<http://www.aswater.com>