2025

Sustainability Report

MAY 2026



CALIFORNIA
WATER SERVICE GROUP
INVESTING FOR LIFE®

CALIFORNIA WATER SERVICE · HAWAII WATER SERVICE · NEW MEXICO WATER SERVICE · TEXAS WATER SERVICE · WASHINGTON WATER SERVICE

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This 2025 Sustainability Report and Sustainability Data Download (collectively the "2025 Sustainability Disclosures") contain forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995. The forward-looking statements in the 2025 Sustainability Disclosures include the Company's objectives, commitments, goals, targets, progress, or expectations with respect to ESG, sustainability, and corporate social responsibility matters, and business risks, opportunities, and plans, and are not intended to create legal rights or obligations. Because they are aspirational and are based upon currently available information, expectations, and projections, they are subject to various risks and uncertainties, including limitations on our ability to make sustainability investments without the support of our regulators, including the California Public Utilities Commission, changes in federal and state governmental and regulatory priorities and policies, and evolving stakeholder expectations and legal and regulatory requirements, and actual results may differ. Because of this, the Company advises all interested parties to carefully read and understand the Company's disclosure on risks and uncertainties found in Forms 10-K, 10-Q, and other reports filed with the Securities and Exchange Commission ("SEC"). The Company undertakes no obligation to update any forward-looking or other statements, whether as a result of new information, future events, or otherwise, and notwithstanding any historical practice of doing so. The Company may determine to adjust any objectives, goals, and targets or establish new ones to reflect changes in our business.

Historical, current, and forward-looking sustainability-related statements and data in the 2025 Sustainability Disclosures may be based on standards for measuring progress that are still developing, controls and processes that continue to evolve, data or representations from third parties, and assumptions that are subject to change in the future. The information included in, and any issues identified as material for purposes of the 2025 Sustainability Disclosures may not be considered material to us, our investors, or other stakeholders, or required to be reported in our filings for SEC or other mandatory reporting purposes, and the use of the term "material" in the 2025 Sustainability Disclosures is distinct from, and should not be confused with, such term as defined for SEC or other mandatory reporting purposes.

Due to the inherent uncertainty and limitations in measuring greenhouse gas (GHG) emissions under the calculation methodologies used in the preparation of such data, all GHG emissions or references to GHG emissions in the 2025 Sustainability Disclosures are estimates. There may also be differences in the manner that third parties calculate or report GHG emissions compared to the Company, which means that third-party data or methodologies may not be comparable to our data or methodologies.

Website references and hyperlinks throughout the 2025 Sustainability Disclosures are provided for convenience only, and the content on the referenced third-party websites is not incorporated by reference into the 2025 Sustainability Disclosures, nor does it constitute a part of the 2025 Sustainability Disclosures. The Company assumes no liability for the content contained on the referenced third-party websites.

Introduction

At California Water Service Group, we take pride in our long-standing efforts to provide quality, service, and value to our customers and communities. Our business strategy focuses on contributing to the well-being of people and the planet by investing in the long-term sustainability of our business and delivering value to our stockholders.



IN THIS SECTION

- Letter from the CEO
- 2025 Highlights
- Company Overview
- About Us
- About This Report
- Supplemental Resources
- Priority ESG Topics
- Our Objectives

Letter from the CEO

This year, California Water Service Group proudly celebrates a century of service to our customers and communities. We started out serving just four California communities in 1926, and today we provide water to about 2.2 million people in California, Hawaii, New Mexico, Texas, and Washington. While much has changed since the company's early days, our dedication to delivering safe, reliable, and affordable water remains paramount.

Our sustainability efforts are tightly linked to our business, grounded in science, and key to our long-term success. In 2025, we reassessed our priority environmental, social, and governance topics to understand our greatest impacts on the economy, environment, and people, as well as the impacts of these topics on our business. The assessment helped us confirm that our sustainability strategies, programs, and targets are in alignment and support our continued operations. Climate change, water affordability and access, emergency preparedness, as well as talent attraction, development, and retention remain important topics for our business.

I'm proud to share that we invested $7.3 million in emissions-reducing energy solutions in 2025, bringing our total to $11 million since 2022 and far surpassing our goal of investing no less than $5 million by 2033. Our 2025 progress was marked by upgrading to more energy-efficient pumps and motors, ongoing LED retrofits, white roof installations, and new electric vehicle infrastructure. Moving forward, we plan to review our energy and emissions goals and investments, especially as we acquire new systems and gain greater insight into climate change-related risks affecting the business.

We take pride in expanding access to affordable water while always prioritizing customer health and well-being. For example, our low-income Customer Assistance Program (CAP) reflects our commitment to supporting California residents who meet maximum income thresholds. In 2025, we provided almost $22 million in discounts to more than 108,000 customers enrolled in the CAP program.

We pursue improvements to our operational resiliency and harden our infrastructure to prepare for emergencies. In 2025, we increased field personnel's access to satellite communication technology to maintain connectivity during cell-tower outages. We also invested in backup power generation and portable power sources to restore and maintain service during emergencies.

Additionally, we remain focused on workforce development and engagement across the business. In 2025, we invested more than $1 million in employee training and continuing education and were proud to be named a Top Workplace in the Bay Area for a 13th year. We also continue to recruit qualified candidates through a broad range of talent pools, like trade schools, career fairs, and local colleges.

As we begin our second century, our history as a purpose-driven company grounded in an unwavering promise to provide quality, service, and value will continue to guide us. I remain deeply grateful to our trusted employees, whose expertise and commitment help enhance the quality of life for our customers, communities, fellow team members, and stockholders every day.





Martin A. Kropelnicki

Chairman, President and Chief Executive Officer

2025 Highlights

$7.3 million
investment in emissions-reducing energy solutions.

26.7%
reduction in total Scope 1 and 2 GHG emissions from a 2021 base year.

12.8%
renewable energy consumption from on-site solar, renewable diesel, and utility green rate program.

B
score on both our 2025 Climate and water CDP responses.

~ 2.6 billion
gallons of recycled water delivered for landscaping, irrigation, and industrial uses in 2025.

630,000+
water quality tests were conducted by our Water Quality Team to confirm that we met or surpassed state and federal water quality standards set to protect public health.

$1.9 million
donated to local community organizations.

$1+ million
invested in employee training and continuing education.

13.1
average hours of training time per employee.

10 of 11
independent Board directors.

100%
independent Board committees.

3 years
recognized by *Newsweek*, as one of the "World's Most Trustworthy Companies" and 5 years as one of "America's Most Responsible Companies," thanks to Group's sustainability and corporate citizenship efforts.

Company Overview

Our Core Values

- **Integrity**
- **Safety**
- **Agility**
- **Service**
- **Respect and Collaboration**
- **Commitment**
- **Innovation**
- **Corporate Citizenship**

Our Purpose

To enhance the quality of life for our customers, communities, employees, and stockholders

Our Operating Priorities

In everything we do, we are guided by these pillars:

- **Affordable, Excellent Service**
  Our user-friendly, technology-driven platforms enable clear and effective communication with our customers.
- **Employees as Best Advocates**
  We promote a work environment that is safe, healthy, respectful, and a positive place to grow.
- **Enhanced Stockholder Value**
  We have the infrastructure and strategy to be successful in the long term.
- **Public Health and Safety**
  Our water quality testing, water treatment technologies, and emergency preparedness systems and procedures are best-in-class.
- **Sustainability and Community Impact**
  We are committed to supporting our communities and being a responsible steward of our resources.



About Us

California Water Service Group (Group or the Company; NYSE: CWT) is the third-largest publicly traded, regulated water utility in the United States. Group is the parent company of regulated utilities California Water Service, Hawaii Water Service, New Mexico Water Service, Washington Water Service, and Texas Water Service, a utility holding company. Together, these companies provide regulated and non-regulated water and wastewater services to about 2.2 million people in California, Hawaii, New Mexico, Washington, and Texas. We are committed to being a leading provider of sustainable water and wastewater services.

The majority of our business consists of the production, purchase, treatment, testing, storage, distribution, and sale of water for domestic, commercial, industrial, public, and irrigation uses, including the provision of domestic and municipal fire protection services. Other services include wastewater collection and treatment and recycled water service. We also offer non-regulated services, such as water system operation, billing, and meter reading services, under agreements with municipalities and other private companies. Our Annual Report on Form 10-K includes more information about our operations and organization.

About This Report

Our 2025 Sustainability Report includes highlights of sustainability activities from January 1 to December 31, 2025; it is not a comprehensive description or representation of all of Group's sustainability activities during that time. Data and disclosures within this report cover all subsidiaries unless otherwise stated. Since our subsidiary, Texas Water, is a holding company and does not have full ownership of the utility development company BVRT, its operations are not included in our reporting. Our 2025 Sustainability Data Download provides key performance metrics for our reporting topics.

We align our disclosures with the Sustainability Accounting Standards Board (SASB) Water Utilities and Services Industry Standard, leverage the guidance of the Task Force on Climate-related Financial Disclosures (TCFD), and reference the 2021 Global Reporting Initiative (GRI) Universal Standards. Indices aligning our disclosures to these frameworks can be found in the Appendix.

In this report, "ESG" and "sustainability" are used interchangeably to indicate environmental, social, and governance practices that demonstrate our commitment to managing our priority ESG topics. For additional information about this report, please contact our ESG Manager at sustainability@calwater.com.

Supplemental Resources

Financial and Business Reporting

- 2025 Annual Report
- 2025 Form 10-K
- 2026 Proxy

CWSG Governance and Policies

- Business Code of Conduct
- Code of Business Conduct and Ethics Policy of the Board of Directors
- Corporate Governance Guidelines
- Diversity, Equality, and Inclusion Policy
- Environmental Sustainability Policy
- Human Rights Policy
- Our Commitment to Excellent, Affordable Service
- Privacy Policy

Climate Planning and Reporting

- 2025 Sustainability Data Download
- Climate Change Risk Assessment and Adaptation Framework: Executive Summary
- 2025 CDP Response
- Drought and Conservation Information for Cal Water Customers
- Planning for the Future: Understanding Climate Change Impacts on Water Reliability and Resources
- Urban Water Management Plans and Water Shortage Contingency Plans

Priority ESG Topics

Our analysis of key topics through ESG materiality assessments serves as the foundation for Group's ESG program and initiatives. In 2025, we conducted our first double materiality assessment to evaluate both our impacts on the economy, environment, and people, along with the business impacts of ESG topics on our ability to create value over time. We considered both internal and external stakeholder perspectives to assess each topic's impact on the Company and on the economy, environment, and people. We prioritized the topics based on evidence of impacts, risks, and opportunities, then validated the results with relevant company leaders.

In the context of this report, the terms "material" and "materiality" refer to ESG impacts consistent with voluntary Sustainability Reporting standards and should not be confused with what would be considered "material" to us, our investors, or other stakeholders, or required to be disclosed in our filings, in each case under U.S. securities laws and the filings made to the U.S. Securities and Exchange Commission (SEC) or any other laws or requirements that may apply to Group.



Highest Priority	Higher Priority	High Priority
Climate Change	Business Governance and Conduct	Materials and Waste
Community Engagement and Public Participation	Cybersecurity and Data Privacy	Natural Resources and Land Use
Emergency Preparedness and Response	Diversity, Equality, and Inclusion	Supply Chain Sustainability
Regulatory and Policy Exposure	End-Use Conservation	
Water Affordability and Access	Energy and Emissions	
Water Supply Resilience and Reliability	Talent Attraction, Development, and Retention	
Water System Resilience, Reliability, and Efficiency	Workplace Health and Safety	
Water Quality and Public Health		

Our Objectives

We prioritize sustainability-related topics and take an active approach to managing our objectives aligned with these topics.
In 2025, we continued to make progress toward our sustainability-related objectives.



Priority Topic	Objectives	2025 Progress	Description
Climate Change	Reduce absolute Scope 1 and 2 emissions by 63% by 2035 from a 2021 base year.	On track →	In 2025, our emissions decreased 4% from 2024, or a 26.7% reduction in absolute Scope 1 and 2 emissions from a 2021 base year. We continue to invest in energy-efficient projects, pursue on-site solar installations, purchase electric vehicles, and support water conservation activities, among other initiatives focused on emissions reduction.
Climate Change	Reduce water-production related Scope 1 and 2 GHG emissions per unit of water produced (i.e., sourced) by 60% by 2035 from a 2021 base year.	On track →	Our emissions intensity, measured by water-related Scope 1 and 2 metric tons of carbon dioxide equivalent ($MTCO_2e$) per acre-foot of produced water, was 0.09 in 2025, a 25% decrease from our 2021 base year.
Climate Change	Purchase 100% zero-emission passenger vehicles in California by 2035.	On track →	As we continue to build out our fleet electrification strategy, we have: • Developed a roadmap to replace older vehicles with more fuel-efficient ones and/or hybrid or electric vehicles (EVs) where feasible. • Completed a fleet standard for management vehicles, to increase the number of electric and hybrid vehicles. • Completed a study to evaluate and plan for EV charging station infrastructure needs, as we work toward our target of purchasing 100% zero-emission passenger vehicles in California by 2035.
Climate Change	By 2033, invest no less than $5 million in emissions-reducing energy solutions, such as renewables and low-carbon energy sources.	Achieved ✓	Since 2022, we have invested more than $11 million in emissions-reducing energy solutions, including: • Over $2.2 million in facility energy retrofits • Over $800,000 in electric vehicle purchases • Over $7.9 million in replacing pumps and motors with newer, more energy-efficient models

Continued on next page



Priority Topic	Objectives	2025 Progress	Description
Water System Resilience, Reliability, and Efficiency	By 2035, increase the use of recycled water in our operations by no less than 5% of total water supply to customers.	On track →	In 2025, recycled water accounted for approximately 2.7% of our total water supplied to customers. To reach 5%, we continue to invest in wastewater treatment infrastructure for high-quality water reuse and to explore additional recycled water project opportunities in our service areas.
End-Use Conservation and Regulatory and Policy Exposure	Meet the water-use targets mandated by the State of California for each district, effective in 2027.	On track →	Final water-use objectives for California were approved by the State Water Resources Control Board on July 3, 2024. We have completed a compliance assessment and are implementing our plan to comply with these objectives through our conservation program.
Community Engagement and Public Participation	Starting in 2022, partner with community stakeholders to host customer engagement and education events in low-income communities, to increase awareness of customer assistance and conservation programs. Host these events in each California district at least once every three years. Additionally, engage key stakeholders to increase public trust, build partnerships, and understand external perspectives.	On track →	Since setting this objective in 2021, we have successfully hosted customer events in low-income communities in no fewer than seven California districts each year. We intend to continue to host similar events over the coming years.

Planet

Protecting the planet's most precious resource is reflected in how we treat, manage, and deliver water every day. We are committed to investing in the long-term sustainability and resilience of our water supply and infrastructure.



IN THIS SECTION

- Utility Water Flow
- Climate Change
- Energy and Emissions
- Reliable Water Supply
- Water System Resilience
- End-Use Conservation
- Environmental Management, Compliance, and Stewardship

UTILITY WATER FLOW: SUSTAINABILITY IN THE UTILITY WATER PROCESS

We strive to take steps at every stage of the utility water flow to help us deliver clean, safe, and affordable water to our customers while managing our environmental footprint and the impact of climate change on water sources and our business.



Water Supply

Water for customer use is obtained from three primary sources: purchased water, groundwater, and surface water. We protect and diversify our water sources to support long-term availability.

See **Reliable Water Supply.**



Drinking Water Treatment

We treat raw water to meet or exceed water quality standards for safe customer use.

See **Water Quality.**



Distribution

Water is delivered to customers through distribution mains and pipes with the help of gravity or pumps. We invest in our assets and systems to maintain reliable, resilient infrastructure.

See **Water System Resilience.**



Recycled Water

Treating wastewater to stringent standards allows us to recycle water for landscaping, irrigation, and industrial uses. The use of recycled water in Hawaii protects ecosystems, extends limited freshwater supplies, and improves drought resilience.



Alternative Water

Wastewater treated to meet regulatory standards is typically returned directly to the water cycle.



Wastewater Treatment

Removing contaminants from wastewater and reducing negative environmental impacts from our operations protects our source watersheds, preserves and improves water quality, and supports a healthier planet.

See **Environmental Management, Compliance, and Stewardship.**





End Use

Customers use our water primarily for drinking, irrigation, and industrial purposes. Conservation programs help customers reduce their water usage and maintain a sustainable supply.

See **End-Use Conservation.**

Climate Change

Climate change exerts pressure on natural resources, including the water we depend on. We manage the impact of climate change on our water system and our business by focusing on three imperatives: affordability of our water service, climate change mitigation, and resilient adaptation.

Strategy

We continue to assess the impacts, risks, and opportunities associated with climate change and develop a long-term strategy to manage them. Our climate initiatives focus on five objectives:

Reducing Contributions to Climate Change from Our Operations and Value Chain

We aim to reduce our GHG emissions footprint by decreasing energy use in our operations, transitioning to renewable energy sources where feasible, increasing fleet efficiency and electrification, and exploring strategies to help reduce our suppliers' environmental impact and emissions. We also work to improve water system efficiency and help our customers conserve water, which, in turn, reduces the energy needed throughout the utility water flow.

Planning for Potential Climate Change Impacts on Our Business

We take steps to plan for climate-related physical risks in our infrastructure planning and consider transition risks and opportunities in responding to financial and regulatory conditions.

Ramping Up Collaboration and Advocacy

We collaborate with regulators, policymakers, customers, communities, and industry associations to address climate priorities in alignment with our core values and principles.

Setting Time-Bound Goals

We set and work toward operational emissions reduction targets to enhance resilience against climate-related risks.

Continuing to Mature Disclosures

Our climate change-related disclosures leverage TCFD guidance. Our GHG emissions inventory is updated annually and aligns with the GHG Protocol. We pursue limited-level verification of our Scope 1 and 2 GHG emissions from a third party and respond annually to the CDP Climate and Water questionnaires. We continue to monitor the climate disclosure landscape and prepare for future regulations.



Scenario Analysis

In 2025, we built on our Climate Change Risk Assessment and Adaptation Framework by considering climate scenarios under RCP 2.6 (not likely to exceed 1.5°C by 2100) and 8.5 (likely to exceed 4°C by 2100) for our California operations. Using these two scenarios, we identified a list of climate-related physical and transition risks and opportunities across short-term (2030), medium-term (2050), and long-term (2100) time horizons. Through document reviews and stakeholder interviews, we developed a prioritized set of risks and opportunities, which were scored based on consequence criteria (including financial, business, reputation, and operational impacts) and likelihood. The final risks and opportunities were reviewed by executive leadership and further refined based on their input.

Physical Climate Risks

Under RCP 8.5, we identified priority acute and chronic risks, including water scarcity, wildfire, flooding, litigation, extreme heat, storms, and changing temperatures. We also considered the physical effects of climate change at 25 prioritized sites in California. The physical risk assessment helped us understand the potential financial impacts of physical risks, especially flooding (riverine, surface, and coastal inundation) and wildfire, at some of our most vulnerable physical assets in the short, medium, and long-term.

Transition Risks and Opportunities

We identified transition risks as more likely and consequential under RCP 2.6. These risks include mandates on products and services, transitioning to lower-emissions technology, stakeholder concerns, carbon pricing, and changing consumer behavior. Under both scenarios, we identified opportunities to increase our renewable energy usage, increase the efficiency of our production and distribution, reuse water, focus on master planning, increase our supply chain resiliency, and expand into new markets.

What this Means for Cal Water

The results of our most recent scenario analysis help us refine our climate change strategy. For example, we continue to complete water-related studies, like regional reliability studies and Water Supply and Facilities Master Plans (WSFMPs), diversify our supplies, and make infrastructure investments. Understanding how physical risks impact specific sites will help us make considerate upgrades, like wildfire hardening at vulnerable sites. We also continue to improve our energy efficiency, working toward low-carbon solutions like our on-site solar photovoltaic (PV) installations, and planning actions that help us make progress toward our emissions reduction targets.

Governance

To manage our climate strategy and ongoing mitigation and adaptation efforts, we developed a comprehensive governance oversight structure.

- Board oversight and Board member climate competency.
- Regular reporting to the Board and its committees, and public disclosures.
- Management-level responsibility for initiatives, including performance incentives.
- Integration of climate-related topics into our Enterprise Risk Management (ERM) program.

Two cross-functional teams are dedicated to our climate initiatives. The Climate Change Decision Committee (CCDC) evaluates strategies and approves projects, like renewable energy programs, to enhance our climate efforts. The Climate Change Mitigation Working Group includes departmental experts who track progress on GHG emission reduction goals, identify mitigation opportunities, and bring them to the CCDC for discussion. The Working Group's monitoring and research support the CCDC's decision-making and strategic planning. For more details about the integration of climate considerations into our ESG governance, see Corporate Governance.

Enterprise Risk Management Integration

We regularly evaluate the potential impact of climate change on water supply and demand for our operations in each district in California. Risks presented by climate change are also integrated into our enterprise risk management (ERM) assessments, strategies, and mitigation plans. Group's ERM program aligns with globally recognized International Standards Organization (ISO) 31000 specifications. We conduct an annual mapping exercise to determine the linkage, if any, between each enterprise and climate risk. For more information, see the Group 2025 CDP Response.

Efforts to address climate change risk include infrastructure upgrades and improvements throughout our operations. These projects support power reliability at critical facilities, worker safety, and water dependability during wildfires and flood events, among other objectives that mitigate risk. Our long-term water demand model includes evapotranspiration and climate projections to aid effective management of water resources. In 2025, we updated our ERM framework to include specific risks faced by our subsidiaries in Hawaii, Washington, New Mexico, and Texas. For additional information, see Corporate Governance.

Energy and Emissions

Improving energy efficiency and pursuing renewable and lower-carbon energy sources are essential to reducing our GHG emissions. We invest in operational efficiency improvements and continue to source renewable energy, among other actions, to help reduce our emissions.

Emissions Reduction Target

Our strategy to mitigate climate change risk includes reducing emissions throughout our operations with a science-aligned target of a 63% reduction in absolute Scope 1 and 2 greenhouse gas emissions by 2035 from a 2021 base year.

In 2025, our Scope 1 and market-based Scope 2 emissions decreased approximately 4% compared to 2024. The decrease was primarily driven by greener energy sources generating the electricity that we purchase from utilities and community choice aggregators. As of 2025, we have achieved a 26.7% reduction in absolute Scope 1 and 2 emissions from our 2021 base year. Our emissions intensity increased slightly in 2025 to 0.09 $MTCO_2e$ per acre-foot of water produced, representing a 25% reduction from the 2021 base year.

Our Approach to Emissions Reduction

In 2025, we achieved our goal of investing at least $5 million in emissions-reducing energy solutions by 2033, with a focus on on-site renewables and energy efficiency improvements.

Group has invested over $11 million in emissions reduction projects since 2022, including improvements to pump and motor efficiency, upgrades to lighting and HVAC systems, and the development of new fleet electrification infrastructure. We plan to continue evaluating future energy efficiency investments as part of our emissions reduction strategy.

Tracking and Measurement

We take a systematic approach to measuring our GHG emissions and establishing reduction strategies. Since 2021, our GHG emissions inventory has been conducted in accordance with the Greenhouse Gas Protocol. We have continued to enhance our inventory process and report on additional GHG emissions sources each year. In 2025, we obtained limited-level ISO 14064-3:2019 verification of our Scope 1 and 2 GHG emissions and biogenic emissions within our operational control. We plan to continue verifying our data to meet future reporting requirements. See our verification statements for more information.

2025 Highlights

$11+ million
invested in emissions reduction projects since 2022, far exceeding our goal of $5 million by 2033.

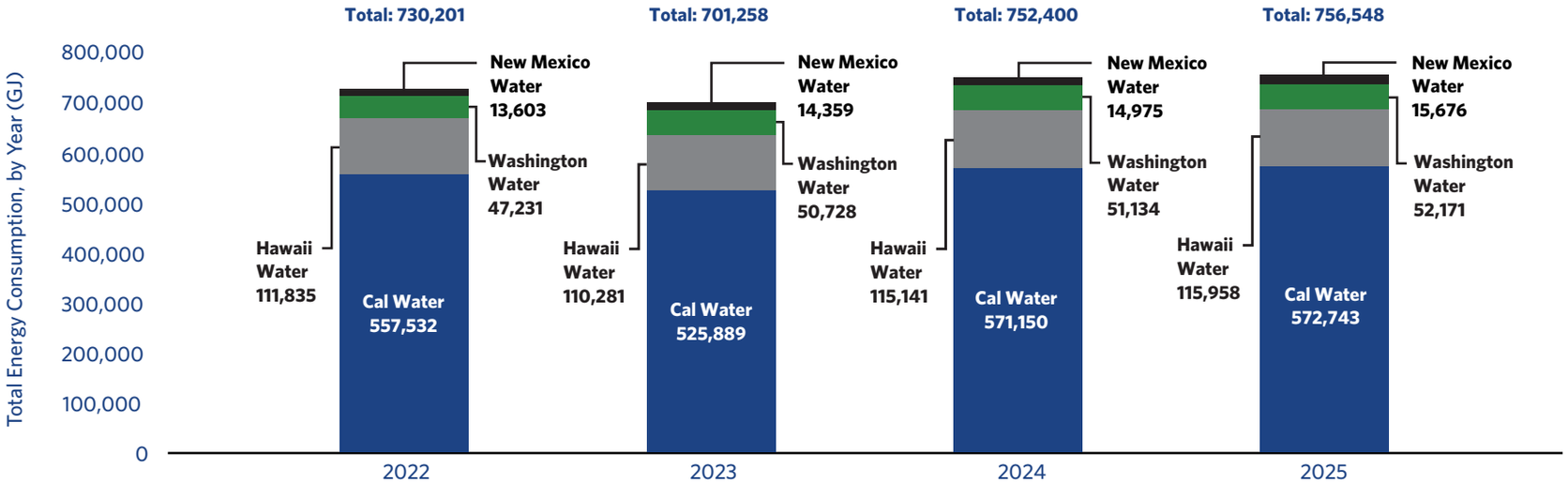
26.7%
reduction in absolute Scope 1 and 2 GHG emissions from a 2021 base year.

25%
reduction in water intensity emissions from a 2021 base year.

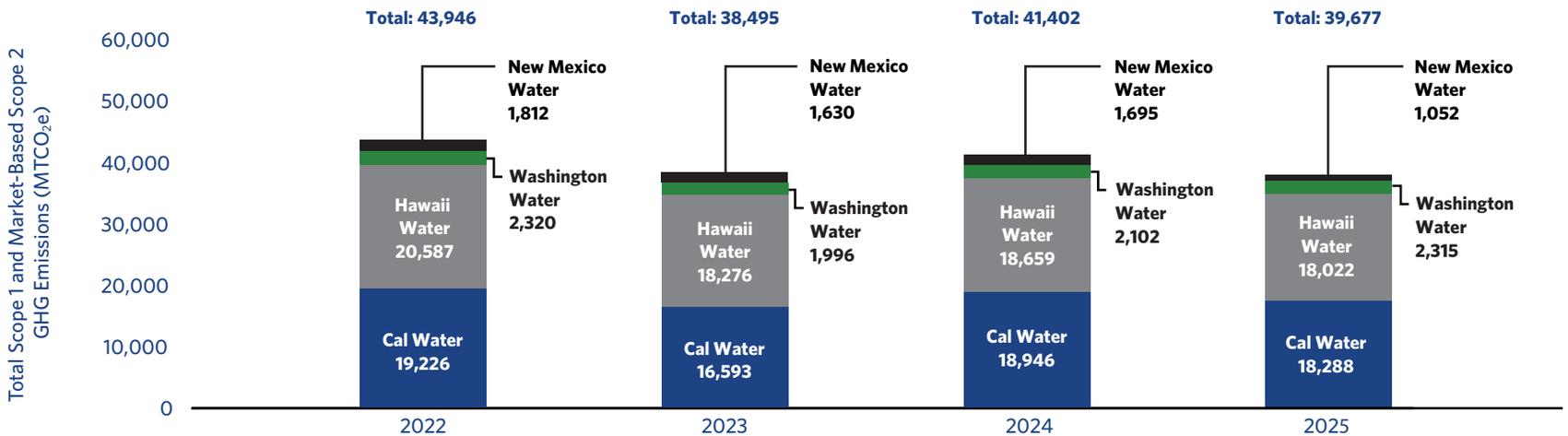
Scope 1 and 2 Energy and GHG Emissions Metrics

Our 2025 Sustainability Data Download provides details on our energy use and GHG emissions, including prior-year data, restatements, and calculation methodologies. Due to rounding, the numbers presented herein may not sum to the totals provided. Scope 3 categories reported in a particular year may fluctuate due to changes in relevance, data availability, or materiality.

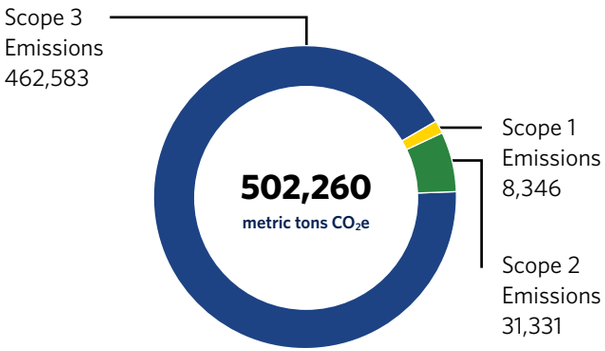
Year-Over-Year Energy Consumption Breakdown



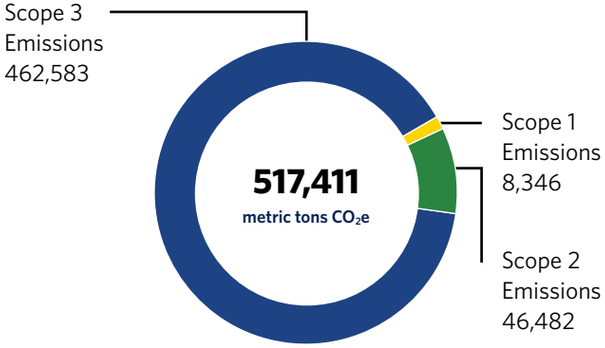
Year-Over-Year Operational (Scopes 1 and 2) GHG Emissions Breakdown



2025 Total Market-Based GHG Emissions by Scope



2025 Total Location-Based GHG Emissions by Scope



2025 Total GHG Emissions by Activity

Activity	GHG Emissions ($MTCO_2e$)	Percentage of Total GHG Emissions
Scope 1		
Diesel	1,344	<1%
Gasoline	5,779	1%
Natural Gas	182	<1%
Propane	69	<1%
Refrigerant	74	<1%
Wastewater Treatment	898	<1%
Scope 2		
Electricity (market-based)	31,331	6%
Scope 3		
Category 1: Purchased Goods and Services	56,797	11%
Category 2: Capital Goods	96,974	19%
Category 3: Fuel- and Energy-Related Activities	16,446	3%
Category 4: Upstream Transportation and Distribution	366	<1%
Category 5: Waste Generated in Operations (partially reported)	6,579	1%
Category 6: Business Travel	400	<1%
Category 7: Employee Commuting	3,792	1%
Category 9: Downstream Transportation and Distribution (partially reported)	1	<1%
Category 12: End-of-Life Treatment of Sold Products	278,168	55%
Category 13: Downstream Leased Assets	359	<1%
Category 15: Investments	2,701	1%
Other Emissions		
Biogenic Emissions from Group Operations	880	
Biogenic Emissions from Third-Parties	91,350	
Outside of Scope	42	

Boosting Operational Efficiency

Group works to increase energy efficiency throughout our operations. Pumping water accounts for a significant portion of our operational (Scope 1 and 2) GHG emissions, so we routinely assess pumping operations in an effort to establish the optimal schedules for pump and motor maintenance and upgrades. Our Energy Management System (EMS) provides detailed measurement and analysis of our energy use and costs in California. Additionally, it allows us to analyze efficiency data to identify strategies to better optimize our water system.

To enhance energy efficiency, we periodically upgrade lighting and controls, and, where feasible, optimize heating, ventilation, and air conditioning (HVAC) systems. We make operational adjustments to reduce energy consumption during peak times when electricity demand is high, and utilities rely more on nonrenewable energy sources. In addition, we participate in peak demand reduction programs such as Hawaii's Rider M program, earning discounts on our electricity bills in return.

In 2025, our efforts included replacing interior lighting at identified sites based on energy studies. We performed a mechanical refresh and HVAC system upgrade to increase energy efficiency. Improvements to the Customer Support Services data center cooling system are projected to reduce data center load by 25%. In Torrance, California, and at our East Los Angeles office, white roof projects were completed to lower roof temperatures, helping reduce energy use and associated costs. In Chico, we completed a roof replacement project with Energy Star-rated materials. We also plan to undertake remodeling projects in California to incorporate more efficient HVAC systems. Additionally, in Hawaii, we are installing more efficient pumps and replacing blowers.

Renewable Energy Strategy

Group continues to pursue renewable energy sources as part of an enterprise-wide strategy to increase renewable electricity use and decrease Scope 2 GHG emissions. For example, our rooftop solar system in Chico, California, supports the electricity needs for one of our offices, while renewable energy from our inline hydro turbine systems in our districts in Rancho Dominguez, Los Angeles County, and Waikoloa, Hawaii, supply energy to the grid. Our wind turbine in Waikoloa also provides energy to our operations and the grid.

Since 2021, we've increased our use of renewable energy, largely through participation in an electric utility green tariff. Through this program, we purchase renewable electricity from the local electric utility in Southern California, which works with solar developers to procure power for the program. In addition, some of the Community Choice Aggregators that provide our electricity in Southern California have lower emissions intensities.

We continue to seek renewable energy sources to support our low-carbon transition and adapt our plans as market conditions evolve. For example, we pursue solar opportunities, using a site evaluation tool to assess and rank our facilities based on location, incentives, solar policies, energy demand, land availability, and roof conditions. In 2025, we made progress on solar installations at two facilities in California: our San Jose headquarters and the Bakersfield Northeast Treatment Plant. The on-site rooftop solar installation at our San Jose headquarters is scheduled for completion in 2026. We anticipate the system will reduce our grid-purchased electricity by about 25% annually. In July, we signed a 20-year solar power purchase agreement (PPA) for the Bakersfield facility, which is expected to generate approximately 3,800 megawatt-hours of renewable energy annually. A proposed 2.36-megawatt solar PV facility will connect to an existing substation to power the adjacent Cal Water facility. Additionally, we are exploring rooftop solar arrays in Kukio, Hawaii, and a solar PPA at another site in Hawaii.

Improving Fleet Sustainability

Group is working to reduce our fleet's fossil fuel use as part of our efforts to lower our Scope 1 GHG emissions. We are advancing fleet electrification by reviewing vehicle replacement cycles, standardizing the vehicle procurement process, and optimizing travel routes.

In 2025, we began reviewing our fleet electrification strategy as availability, cost inflation, tariffs, and regulations evolve. Our strategy has been focused on California, where state regulations phase out the sale of fossil-fuel passenger vehicles by 2035. Although the purchase of 100% zero-emission vehicles may not be feasible in the current environment, we continue to pursue electric and hybrid vehicles and replace diesel trucks as conditions allow, while remaining mindful of costs, to maintain our commitment to affordability.

In support of our efforts to reduce emissions in our fleet, we are increasing electric vehicle (EV) charging capacity in California, with three new sites and upgraded power at a fourth location. We participate in energy utility EV fleet programs and seek grant opportunities to help cover the expenses of building EV infrastructure.

Understanding and Addressing Value Chain Impacts

We believe measuring and reducing value chain (Scope 3) emissions is vital to help address climate change. While this is a challenging task, we continue to improve the quality of Scope 3 GHG emissions data, to identify opportunities for reductions.

Third-party wastewater treatment after customer use accounts for approximately 60% of our 2025 Scope 3 emissions, reflected in the End-of-Life Treatment of Sold Products category. Our wastewater business treats only a small portion of the wastewater generated from customer use. Other entities treat wastewater generated by our customers, limiting our influence over their treatment processes and GHG emissions reduction efforts. However, we continue to evaluate opportunities to reduce GHG emissions from the End-of-Life Treatment of Sold Products category by decreasing customer water use and supporting industry initiatives to lower emissions linked to wastewater treatment.

We make infrastructure investments and purchase goods and services to support our systems' resilience. Emissions associated with these investments contribute to the Scope 3, Purchased Goods and Services and Capital Goods categories, respectively, accounting for approximately 33% of our 2025 Scope 3 emissions. Reducing emissions in these categories is a challenge, as we deliver value to customers and shareholders through investments in water and wastewater infrastructure as a regulated, investor-owned utility. As we work to improve our tracking and reporting of these emissions, we hope to identify opportunities to reduce them.

Emissions from purchased water are included in our Scope 3 Purchased Goods and Services category. We acquire about 45% of our water supply from major government agencies, and in certain areas, these agencies are our only available water source. For this reason, our emissions reduction efforts related to purchased water depend on the climate policies of these agencies. We continue to evaluate Scope 3 categories and refine our calculation methods.

Supplier Sustainability Pilot Program

Our Supplier Sustainability Pilot Program is one of the ways we aim to track our Scope 3, Purchased Goods and Services emissions. We engage key suppliers from industries known for high GHG emissions to understand their sustainability practices, identify opportunities for improved emissions reporting, and explore collaboration. Since launching the program in 2024, we have supported these suppliers' Scope 1 and 2 emissions calculations. Participating suppliers accounted for over 50% of our spending in 2025. Beyond the pilot program, we also collect information from suppliers about their existing climate change mitigation programs. In the future, we hope to identify collaborative reduction opportunities.

Managing Air Emissions

We monitor and manage air emissions such as nitrogen oxides, sulfur oxides, and volatile organic compounds to help mitigate air pollution. We do not exceed federal air permit thresholds, due to our small air emissions footprint, and we comply with environmental standards where applicable. For example, our generators use technologies designed to meet emissions control requirements and comply with air emissions laws. Permits for backup generators are obtained where necessary. A few small wells in California also require air emissions permits to help manage hydrogen sulfide removal from the water.



We aim to continue improving the quality of our Scope 3 GHG emissions data.

Reliable Water Supply

California Water Service Group aims to deliver a reliable water supply to customers by protecting existing water sources, adjusting sourcing strategies to support long-term availability, and exploring alternative water sources.

Planning Water Supply

Our 2025 scenario analysis identified water scarcity as a potential climate-related risk. We leverage climate science and global models to develop multiple interconnected plans and reports that guide our approach to addressing water needs in the short, medium, and long-term. Collaborations with organizations such as the Public Policy Institute of California (PPIC) provide funding and data for projects that evaluate groundwater management, climate-related impacts on wastewater and recycled water, and drought resilience. We continue to adopt more adaptive management practices as conditions evolve. For example, we completed a study on alternative water sources and developed a water reuse strategic plan that includes a framework for evaluating water reuse projects. Additionally, in 2025, we developed five new district-level supply and facility master plans that will guide water supply projects to be included in future California general rate cases.

Water Stress

The ratio of total water demand to available renewable surface and groundwater supplies, or water stress, is an important consideration in our ongoing water supply and risk evaluation. We identify and map water risks in our areas of operation, aligning with the World Resources Institute's baseline water-stress measures. We use this analysis to make targeted recommendations to address local needs based on supply, timeline, availability, accessibility, water quality, and affordability in areas of higher water stress. The actions we take in water-stressed areas include implementing conservation programs, investing in infrastructure that reduces water loss, and pursuing alternative water sources.

In California, our long-term resource planning is based on the Water Supply Reliability Studies in conjunction with interconnected water supply plans. This process helps enable us to project any gaps and invest in projects to develop and construct additional water supply or treatment facilities, diversify our supply, and conserve water where needed.

2025 Highlights

2.5%
of our total water sourced comes from recycled sources.

~ 2.6 billion gallons
of recycled water delivered for landscaping, irrigation, and industrial uses in 2025.

WATER SUPPLY PLANNING PROCESS

Driving Forces

Climate extremes and shifting trends in land use and population may cause significant variability in water supply and demand.



Climate



Land Use



Population

Planning Process

Our water resource planning process consists of a series of interconnected plans, studies, and assessments that help us understand impacts to water supply reliability and water demand over time.

Climate Change Risk Assessment and Adaptation Framework

- Regional Water Supply Reliability Studies
- Water Supply and Facilities Master Plans
- Annual Water Supply and Demand Assessments
- Urban Water Management Plans
- Water Shortage Contingency Plans
- Conservation Master Plans



TIMEFRAMES:
Our planning process covers time periods varying from one year to nearly 80 years. Some plans are completed annually and others every five to ten years.



GEOGRAPHIC SCOPE:
Some plans cover all Cal Water Districts together, while others focus on one specific region or district at a time.

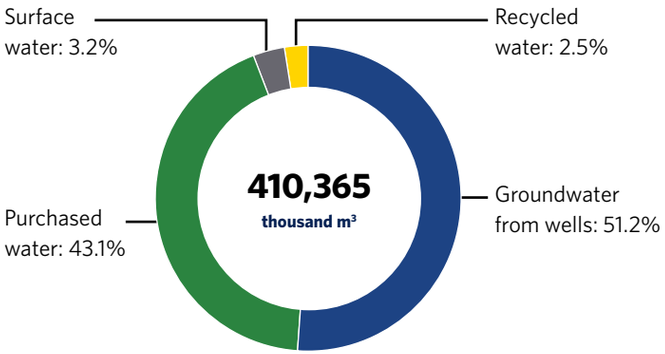
Outcomes

This planning process informs decision-making on water supply mix, infrastructure investments, and water conservation programs.

Our objective is to identify short-, medium-, and long-term strategies to support a reliable, sustainable, and resilient water supply that will serve generations to come.

Please see the Appendix for details on each of our water supply plans.

2025 Total Water Source Mix



Protecting Groundwater Basins

We collaborate with local authorities and work to comply with groundwater protection regulations. Our standard procedure includes regular monitoring of groundwater levels in the aquifers we rely on for our water supply. In the event of resource decline, we increase supply from alternative sources, such as surface water, where feasible, to help minimize groundwater extraction and facilitate recovery.

In California, the Sustainable Groundwater Management Act (SGMA) requires most water basins to establish a local Groundwater Sustainability Agency (GSA) and a Groundwater Sustainability Plan (GSP). For example, in districts with critically over-drafted, high-priority, or medium-priority subbasins defined by SGMA, such as Visalia and Bakersfield, we collaborate with the local GSA, its committees, and the state to comment on developing plans and basin protection. In addition, we work with city agencies, boards, and committees of additional GSAs to review potential projects and enhance local planning efforts. With full SGMA implementation by 2040, we hope to source nearly all our California groundwater from sustainably managed basins.

SGMA regulations require that each GSP include projects and management plans to improve the basin's sustainability and address the potential impacts of over-pumping and depletion of groundwater storage. GSP implementations may include:

- **Infrastructure development**, such as constructing recharge basins
- **Water use efficiency** through upgrading irrigation systems and promoting conservation
- **Regulatory and operational measures** to control and allocate groundwater resources



We leverage climate science and global models to develop interconnected plans and reports that guide our approach to addressing water needs.

Employee Photo Credit: Justin Belvail

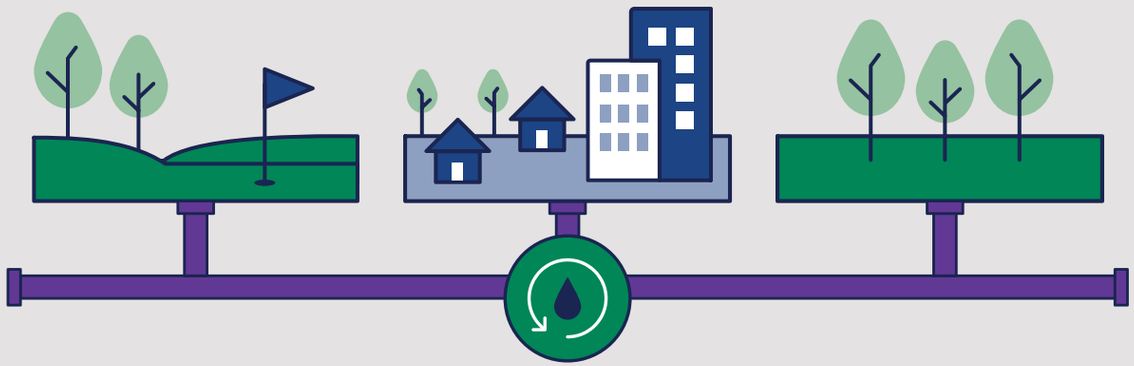
RECYCLED WATER IN CALIFORNIA

Recycled water can reduce freshwater dependency and increase water supply resilience. We delivered over 2.5 billion gallons of recycled water this year for landscaping, irrigation, and industrial uses, and have a target to increase the use of recycled water in our operations to no less than 5% of total water supply to customers by 2035. In 2025, approximately 2.7% of our total water delivered to customers from all sources was recycled water.

We continue to support recycled water projects in California to meet demand from new development and increase supply reliability. These efforts include expanding recycled water connections, including:

- A wholesale recycled water source in the Bayshore district in South San Francisco, our first recycled water connection in the area.
- Over 2,000 feet of new recycled water main that will supply Palos Verdes Golf Club in Los Angeles County with sustainable, reclaimed water. The first recycled water pipeline to serve the Palos Verdes Peninsula, the project includes a new pump station in Torrance to provide direct, reliable delivery of recycled water to the line.
- A planned recycled water initiative to own and operate the wastewater and recycled water systems of Silverwood, a new master-planned, mixed-use community currently under construction in San Bernardino County. Cal Water plans to take ownership of the wastewater collection and recycled water distribution systems upon completion.

An agreement with West Basin Municipal for a water treatment upgrade in Rancho Dominguez, projected to increase recycled water capacity in the area.



Alternative Water Supplies

Group continuously seeks alternative sources of water. Opportunities include:

- Recycled wastewater for landscaping, irrigation, and industrial uses.
- Water transfers between sellers with legal water rights and willing buyers, which can help distribute water supplies to places of critical need in dry times.
- Slant well brackish desalination that converts brackish well water into drinking water by removing salt content.
- Indirect Potable Reuse (IPR) and Direct Potable Reuse (DPR) to evaluate reusing treated wastewater as additional water sources.

Responding to Drought

Our Drought Response Program and Water Shortage Contingency Plans (WSCPs) outline our approach to managing water supply limitations and improving long-term reliability. In California, we use drought severity stages to guide water-use reduction measures, with conservation measures becoming more stringent as the impact on water sources increases. We are creating similar stage frameworks for other states we serve. In addition, we undertake capital projects designed to increase treatment capacity, update critical equipment, and restore existing wells.

Water System Resilience

We seek to maintain reliable infrastructure through ongoing investments and efficiency efforts to deliver high-quality water and wastewater services to our customers.

Infrastructure Management

We manage our infrastructure through strategic asset planning, ongoing maintenance, employee training, responsibility reviews, and the adoption of new technologies.

Strategic Asset Management Planning: Our Strategic Asset Management Plan (SAMP) provides a centralized framework to balance infrastructure investments and the affordability of our services. The SAMP supports sustainable capital programs based on factors such as the likelihood and consequences of asset failures, and the optimal timing for asset maintenance and replacement. Infrastructure projects include the maintenance and upgrades of assets, such as treatment plants and pipelines, at the optimal time. Water Supply and Facilities Master Plans complement the SAMP, to guide infrastructure investments and forecast future needs for each system, typically over a 25-year timeframe.

Maintenance and Optimization: We regularly maintain and replace smaller components, including customer meters, panelboards, control valves, flow meters, pumps, and motors. Additionally, we invest in projects to replace, upgrade, and retrofit water storage tanks, pressure vessels, and groundwater wells. We also make efforts to harden our infrastructure, to help maintain service during wildfires and public safety power shutoffs. To further improve our programs, we work to optimize system operations, reduce the frequency and severity of planned outages, and maximize the expected service life of our assets at the lowest lifecycle cost.

Training: Employees whose roles include maintaining or operating water system assets receive asset management training. Additional targeted training is determined by role.

Managerial Responsibility: Led by our Vice President, Engineering, our Chief Engineer, and Directors for each team, the Capital Planning and Budgeting, Distribution and Operations, Capital Delivery, and Asset Management Teams collaborate to plan and deliver asset management and infrastructure improvement programs. Planning and project delivery engineers also work with Asset Management to identify, plan, estimate, and deliver necessary infrastructure to address system needs.

Systems Technology: We employ technology systems to enhance efficiency and data management. For example, our Supervisory Control and Data Acquisition system facilitates remote access, control, and data collection for our water systems, and our Computerized Maintenance Management System tracks asset data, maintenance, and condition.

2025 Highlights

29 miles
of water main replaced in 2025.

$60+ million
invested in wildfire hardening projects since 2020.

SUPPORTING POWER AND WATER CONTINUITY

In 2025, our employees responded quickly and effectively to frequent Public Safety Power Shutoff events in the Kern River Valley, an area heavily affected by wildfire-related electricity outages. Within three weeks, the team designed, procured, and installed automatic transfer switches at critical booster stations and well pumps. This enabled existing equipment to operate on portable generators that could be deployed more quickly during power outages to help maintain reliable service to our customers. These solutions were shared across the Company, reinforcing our commitment to innovation and resilience.

In Hawaii, Group is working to improve electrical grid resilience by upgrading transfer switches, installing backup power, modernizing motor control centers, and replacing remote control panels. These efforts aim to boost reliability and provide continuous service during disruptions.



In 2025, Group benchmarked our asset management program against top-performing U.S. utilities to identify best practices for infrastructure reliability. Following a third-party assessment, we added new assets to our Enterprise Asset Management planning system and created reports comparing proactive and reactive maintenance. We are also developing an online reporting tool to enhance visibility and decision-making.

Infrastructure Improvement

Cal Water uses Infrastructure Improvement Plans (IIP) to provide a framework for facilitating the capital needed to maintain and upgrade our infrastructure. Each plan focuses on improving water supply, distribution, and storage, preventing power loss at critical infrastructure, protecting workers' safety, and increasing the reliability and resilience of our systems.

Every three years, an independent state agency reviews and analyzes proposed plans to establish water rates that fund the IIP. As part of the review process, the agency holds public hearings to gather input. In our 2024 IIP, we requested authorization to invest $1.6 billion in water system infrastructure from 2026 to 2028. Infrastructure investments include:

- Well replacements
- Replacement of aging water pipelines and pumps to enhance the long-term reliability of our systems
- Water treatment upgrades for existing and newly regulated contaminants
- Equipment to help withstand power outages and shutoffs
- Physical safety and cybersecurity enhancements to help protect facilities, customers, and employees
- Water supply initiatives to help safeguard the long-term reliability and sustainability of water sources

Main Replacement Rate

Annual water main replacement rates vary each year, primarily depending on regulatory approval of capital projects, the availability of construction materials and resources, and the timeliness of obtaining construction permits. The likelihood and consequence of failure are regularly assessed and drive the targeted replacement rates proposed to enhance reliability at the lowest cost to our customers. We continue to advance how we assess the need for replacement, including the use of machine learning to leverage patterns in our historical data.

	2023	2024	2025
Water main replacement rate	0.5%	0.5%	0.4%

Disaster Resilience

In addition to asset management, Group invests in operational reliability in disaster events. Our efforts include hardening assets against wildfires, floods, landslides, rising sea levels, and earthquakes. Investments in emergency generators, power transfer switches, fire hydrants, emergency bypass hoses, and new water pipelines to support water flow and control pressure across distribution zones increase our resilience to these threats. Cross-functional teams, such as our Wildfire Task Force, are responsible for maintaining operational reliability during disasters. Since its inception in 2019, the Wildfire Task Force has identified wildfire hardening projects for pipelines, pumps, and emergency generators. We have invested over $60 million since 2020 and expect to complete all projects currently identified by the end of 2026. In addition, our Supply Chain Resilience Group, comprising Procurement, Operations, and Engineering representatives, monitors risks such as climate events and takes action to mitigate them, including holding practice events with suppliers to improve preparedness.

Improving Water System Efficiency

We work to reduce water loss and optimize our systems for efficient water delivery. Water loss from identified or hidden leaks in distribution systems incur costs, use energy, and generate emissions.

Our Water Loss Audit and Control (WLAC) Team collaborates with each district to develop system-specific plans for water loss standard compliance. In 2025, Group completed water loss action plans for California and New Mexico and launched the process for Washington, with completion targeted for early 2026. We track water loss and adhere to regulatory water loss standards. Where these standards do not exist, we work to develop internal water loss goals. If a system exceeds water loss limits, we develop a water loss compliance plan.

We use data analytics and visualization tools to help us monitor supply, demand, and non-revenue water loss. These tools enable quarterly pulse checks to identify and manage errors, anomalies, and critical events. We use Geographic Information System (GIS)-based spatial leak dashboards to monitor leaks by type, pipe material, and repair status, as well as district-level trends. In 2025, our operation in Hawaii installed listening devices designed to detect leaks and prevent water and electricity waste.

Validated water loss calculations from the American Water Works Association's Free Water Audit Software help us validate water loss calculations in California and Hawaii. We plan to complete our first water loss report for New Mexico in early 2026, and are working on our first validated water loss audits on 10 systems in Washington.

Meter calibration and testing are part of our asset management program. We perform meter testing and calibrations for wells, booster pumps, treatment plants, large customers and interconnections with wholesale water providers and neighboring utilities. We complete meter replacements at specified intervals for our small- and medium-sized service customers, in compliance with industry best practices or California Public Utilities Commission (CPUC) standards.

In addition to detecting leaks using our own technology, we ask our customers to report leaks or water waste online or by phone. Once aware of a leak, we assess, repair, and document it in accordance with regulatory standards. We aim to minimize service interruptions and restore service quickly and safely, while avoiding water waste or contamination. Additionally, we communicate with the community, public officials, media, and affected customers.

Our ongoing infrastructure improvements also help reduce water losses. We periodically evaluate water mains for age, material, breaks, and location risks, then prioritize pipelines and set replacement timelines. In California, the Main Replacement Program Steering Committee guides our formalized Main Replacement Program, which is led by the Distribution/ Operations Engineering Director and Main Replacement Program Manager.

Meeting Regulatory Water-Use Reduction Targets

The California State Water Resources Control Board (SWRCB) has passed the "Making Conservation a Way of Life" regulation, which will require all urban retail water suppliers in the state to comply with water-use efficiency standards and performance measures. Annual reporting of water use data is also mandated, and enforcement is expected to begin in 2027. We are working to meet these requirements through strategies such as water budgeting, leak reduction, customer education, and other initiatives.



We work to reduce water loss and optimize our systems for efficient water delivery.

End-Use Conservation

Water is an essential resource, and we believe conservation is critical for preserving supply for future generations. California Water Service Group promotes responsible use by our customers through educational initiatives and incentives.

Promoting Customer Conservation

We invest in conservation and rebate programs to support customers' water-saving efforts. Every five years, we complete Conservation Master Plans to guide our ongoing strategy for improving end-use water consumption efficiency. These plans analyze our water conservation initiatives to help us maximize savings and minimize costs.

Water end-use varies by customer, so we offer a variety of programs to support conservation and efficiency. Our 2024 report, "The Economic Value of Efficiency for California Water Service: Lower Water Bills," demonstrated that rates in the 24 California districts studied would have been 1.2% to 20.5% higher had Cal Water not implemented water efficiency and conservation measures.

In 2025, Group expanded its conservation program in Hawaii to include Maui and the Big Island. We obtained approval and plan to extend our conservation program to Kā'anapali, Kapalua, and Waikōloa, with the aim of expanding it to all our Hawaii districts.

Group residential conservation programs include conservation kits with efficient hose nozzles, showerheads, faucet aerators, and leak-detection tablets. Our free Smart Landscape Tune-Up program helps eligible customers by evaluating irrigation systems, installing high-efficiency nozzles and controllers, and repairing leaks, conserving water and saving customers money. We also provide rebates for residential conservation measures, such as water-efficient plumbing fixtures and retrofits, high-efficiency toilets, Environmental Protection Agency WaterSense® appliances, smart irrigation controllers, and lawn replacement with landscaping suited to local conditions that require less water.

We offer solutions for industrial and manufacturing customers with water-intensive operations, including water capture and repurposing systems. For example, our Direct Recirculating Apparatus Firefighter Training Sustainability (DRAFTS) units capture and recirculate water that would otherwise be wasted during firefighter training. The eight units Cal Water donated to fire departments in California over the past few years can save almost 60 million gallons of water each year.

2025 Highlights

$3.4 million
invested in Cal Water customer conservation rebates and programs.

100+ million
gallons of water saved by our customers in 2025 from water-saving efficiency measures implemented across our 24 California districts.

SUSTAINABLE LANDSCAPING

In 2025, we launched the Plant Local program to help customers conserve water and support local ecosystems. The initiative encouraged homeowners to plant California native species and replace traditional lawns with drought-tolerant plants that thrive in our climate, thereby reducing outdoor water use and attracting pollinators.

We hosted 3,000 customers at 17 community events that provided hands-on education on sustainable landscaping and irrigation reduction. Participants also received free native plants to help transform their landscapes.



Education and Advocacy

Group has many initiatives to engage customers and communities in water conservation:

Education about water conservation and efficiency through several resources, including our website and online resources, fact sheets, events, learning programs, and local water conservation reports.

Community Engagement promotes conservation and provides free resources to residential customers.

Advocacy promotes water conservation through collaborations with public and nonprofit organizations and support for relevant policies and research.

Media campaigns promote conservation through broad-based media campaigns and targeted outreach to high-use customers, low-income customers, and other key stakeholders.

External partnerships extend our conservation efforts through collaboration. For example, we work with the American Water Works Association, and our department head serves on the Board of Directors of the California Water Efficiency Partnership as part of the Alliance for Water Efficiency.

Customer Conservation During Drought

Group's Drought Steering Committee oversees drought response across all the states where we operate. The Drought Response Program uses severity stages to identify necessary water conservation measures and guide potential water-use restrictions. Each stage includes a set of tools to promote conservation, such as expanded rebates, limited irrigation, customer-use guidelines, and penalties for wasteful or excessive water use. We regularly update our customers on drought status and provide resources on our website, including conservation guidelines, progress reports, watering restrictions, and other relevant information.



TAP INTO LEARNING

Our Tap Into Learning program has been educating students about conservation for 11 years. Offerings include classroom grants, an art competition, and water- and nature-based field trips. In 2025, Aqua Adventures brought more than 400 students from 12 California schools to Scout Island, the Cabrillo Marine Aquarium, or the California Academy of Sciences to explore environmental stewardship and associated career paths. We also host the Splash of Creativity art competition for grades K-12, in which students submit original artwork focused on caring for water.

Environmental Management, Compliance, and Stewardship

We are committed to complying with all applicable environmental quality regulations. Through regular assessments and collaboration with expert consultants, we manage environmental risks by conducting assessments and audits. We also strive to be responsible environmental stewards by protecting local watersheds and ecosystems, sourcing sustainably, and managing waste.

Our Environmental Management Program

California Water Service Group seeks to comply with all applicable regulatory requirements for environmental performance across our operating systems. Our environmental management program is the foundation of our approach, led by our Environmental Affairs Department. The program includes compliance assessments, monitoring, reporting, internal training, and external communications. We manage over 1,000 permits in California alone. In 2025, we completed the build of an Environmental Data Management Platform to streamline permitting, tracking, reporting, managing, and documenting incidents, as well as to provide insights for ongoing improvement.

Our Environmental Affairs Team provides guidance to project teams on permits and regulations throughout the organization. For example, we obtain permits for activities that require California Environmental Quality Act (CEQA) review, impact U.S. waters, involve chemical storage and hazardous materials, entail streambed alteration, or encroach on land needed for projects such as main replacements, treatment system installations, tank constructions, and others. We conduct a regulatory analysis of new permits and water systems to help us understand the applicable environmental requirements before operating any new system or infrastructure.

Compliance Assessments

We conduct risk-based internal assessments annually to evaluate district compliance with local, state, and federal regulations. Additionally, we work with a third-party consultant to assess several water systems annually. Districts that pose higher risks undergo assessments more frequently. Any corrective actions for non-compliance are tracked and documented, and we develop action plans and monitor their implementation.

Training

We train operations and water quality employees each year on hazardous materials and waste management. Depending on their roles, they may also receive extra instruction on hazardous waste shipping, emergency response, and discharge management. In 2025, we upgraded the environmental and safety training modules.

Communication

To support awareness and compliance, Group communicates about environmental management, regulations, and compliance internally through meetings, presentations, emails, and on-site visits. The External Communications Team may participate in public meetings or be included in public communications regarding new acquisitions, capital projects, water or wastewater systems, and remediation efforts. We also engage with our communities on biodiversity and environmental stewardship through conservation and education programs and projects.

Protecting Biodiversity and Ecosystem Health

Protecting watersheds so they remain clean and safe is fundamental to our license to operate. We strive to implement environmental best practices and take proactive steps to minimize the impact of construction and other activities on the natural environment, by adhering to local regulations and CEQA requirements, as applicable.

Our best practices include project planning and biological surveys to help mitigate impacts on species and sensitive waterways. Group's Environmental Affairs and project teams work together to evaluate and address applicable environmental factors. We utilize established work windows, vegetation management, revegetation planning, and erosion control measures to reduce disturbance to species, waterways, and sensitive habitats. Our process begins with an Environmental Affairs Questionnaire to flag potential risks early for any project that could impact the environment. We then assess permitting needs across local, state, and federal requirements. Historically, fewer than 1% of our projects have triggered biodiversity or natural resource protection requirements. When CEQA or other reviews are required, we take steps to help prevent avoidable environmental and cultural impacts. Even where they are not required, we apply our own standards and processes, including our Environmental Policy, Supplier Code of Conduct, and contract provisions requiring compliance with all relevant regulations. We apply additional controls, when necessary, such as for a construction project that creates soil disturbance.

When a facility is operating post-construction, we manage discharge risk by mapping sensitive species in the waterways where the discharge will flow. This is used as a reference to address impacts if a discharge occurs.

Managing Our Impact on Natural Resources

Many of the ways we manage our impact on natural resources align with the topics outlined in the Taskforce on Nature-related Financial Disclosures (TNFD). We consider the following nature-related issues to be most applicable to our business. For information on how we manage these topics, please see the relevant sections throughout the report.

Reliable water supply: Our business depends on a reliable water supply, and our sourcing, treatment, and distribution may impact broader freshwater supplies. Regulatory restrictions can also limit potential supply options.

Water conservation: Managing water use helps protect freshwater supply and reduces climate- and nature-related risks. Changes to the policy landscape also create financial risks. Without decoupling, reductions in demand may also reduce revenue, thereby constraining the capital available for climate adaptation.

Water quality: Source water quality determines treatment. Poor-quality wastewater discharge or effluent can harm freshwater quality and ecosystem health, so we focus our efforts on performance that exceeds requirements.

Natural disaster preparedness and response: Earthquakes, wildfires, landslides, and other natural disasters can impact both water quality and service reliability.

Biodiversity and ecosystem health: Infrastructure projects and discharges into waterways have the potential to affect species and habitats. Shifts in environmental policy may increase complexity and risk.

Waste management and air emissions: Poorly managed waste, discharges, or air emissions can contribute to pollution and degrade air and water quality.

Wastewater and Effluents

Group focuses on environmental responsibility, regulatory compliance, and safety in our wastewater and effluent management practices. Our wastewater systems collect only sanitary sewer wastewater, which refers to wastewater liquid and waterborne waste from residences, commercial buildings, industrial plants, and institutions. This wastewater flows through a sanitary sewer system to our facilities for treatment. A team of over 40 certified wastewater treatment professionals supports the effective collection and treatment of wastewater prior to discharge or reuse. We strive to comply with all applicable regulations in each service area and maintain the appropriate treatment facility discharge and recycled water permits for our wastewater treatment systems. We prohibit the disposal of sewage sludge into the ocean and freshwater environments, and do not dispose of untreated sludge in landfills or on agricultural land.

Wastewater collection system maintenance is critical. We regularly inspect, clean, and maintain these systems to help reduce the risk of blockages and sanitary sewer overflows (SSOs). Our team conducts video and/or visual evaluations of our systems at frequencies that vary by system type. Maintenance activities vary by system and include cleaning with high-pressure equipment and removing solids or debris buildup. Customers play a role in preventing sewer blockages, so we provide proactive education on how fats, oils, and grease can clog collection systems and cause SSOs.

Once wastewater is collected, we use various treatment methods, primarily membrane and moving-bed bioreactors and sequencing batch reactors. A few operations use conventional activated sludge and facultative lagoon treatment methods. At many of our treatment facilities, wastewater is converted to non-potable recycled water for reuse. Please see Recycled Wastewater for more information.

Additionally, we try to anticipate periods of increased demand and plan for expanded wastewater system operations when needed.

Please see our 2025 Sustainability Data Download for more information about our sanitary sewer wastewater treatment volumes.

Sanitary Sewer Wastewater Treatment Volumes	
Average volume of sanitary sewer wastewater treated per day in 2025 (m^3 per day)	
Cal Water	0
Hawaii Water	6,867
New Mexico Water	1,411
Washington Water	74

Effluent Quality and Spill Prevention

Routine treated water discharges related to our operations may include effluent from water system maintenance activities such as main flushing and tank cleaning.

We aim to achieve zero violations of permits and regulations governing drinking water and wastewater discharges, including the Clean Water Act. Any violation of applicable permits or regulations is reported in accordance with regulatory requirements. We then conduct a root-cause analysis, develop and execute response plans, and implement operational improvements to help prevent recurrence. Often, we proactively perform internal compliance and risk assessments, monitor evolving regulations, engage with legislative bodies, and evaluate treatment technologies and best management practices.

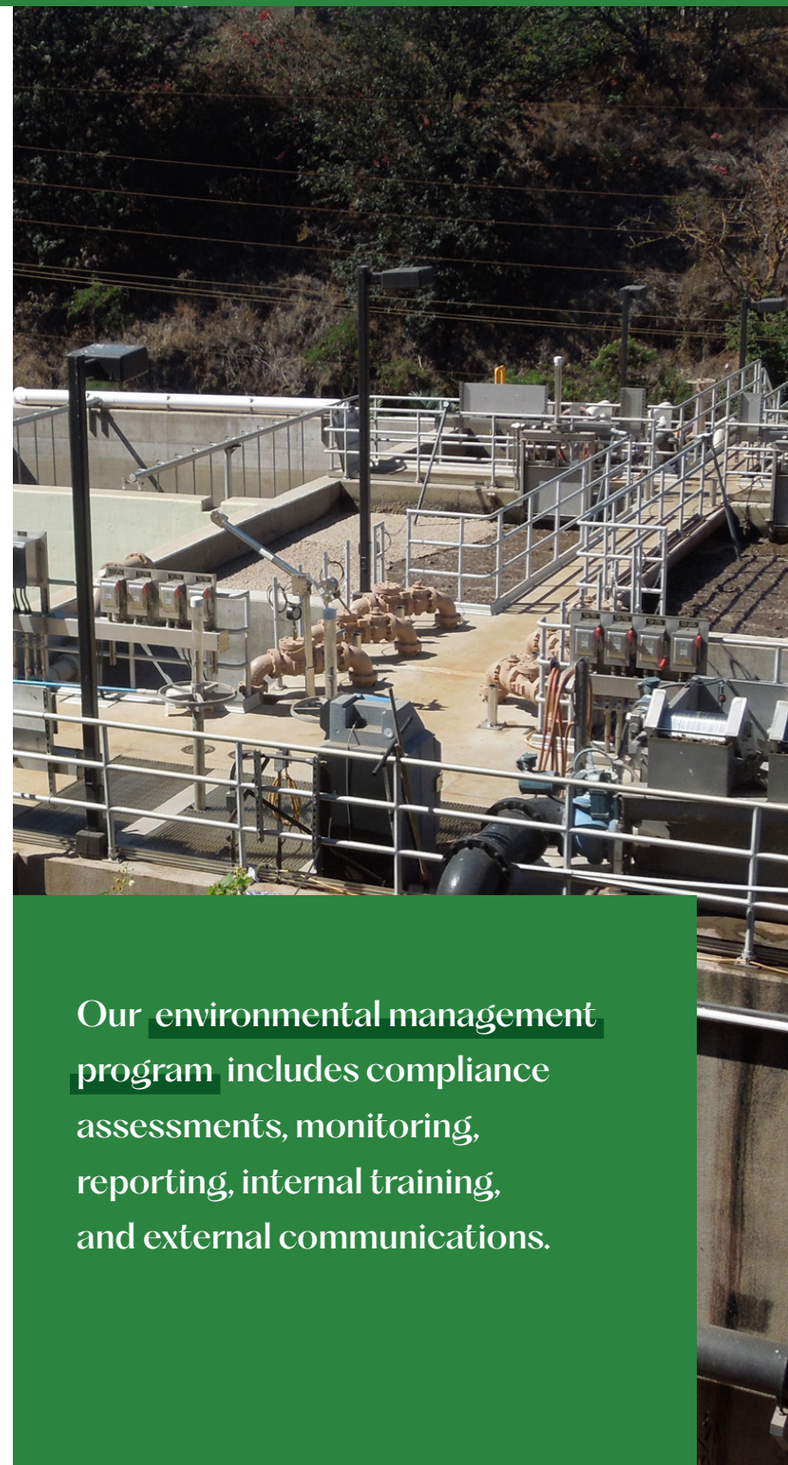
Operations employees receive a Discharge Management Guidance Manual and annual training on effluent and potable water discharges. We also provide annual training and oversee chemical storage at our water and wastewater treatment facilities and water-quality laboratory in California to help mitigate the risk of spills.

Unplanned or unregulated potable water discharges from treatment plant effluent or sanitary sewer overflows may contain chlorinated water or untreated wastewater, which could harm aquatic species, ecosystem health, and public health. The Discharge Record Form in California tracks planned and unplanned discharges and provides alerts on compliance issues, such as a discharge data point that is out of compliance.

In the event of an infrastructure failure or other event that may cause unregulated releases from water and wastewater systems, we have documented response procedures. For certain discharge events, such as unplanned discharges with large flow volumes that occur suddenly in sensitive areas, we engage third-party biologists and mobilize field teams to manage impacts to water sources and ecosystems.

Recycled Wastewater

Group has four wastewater recycling facilities in Hawaii. Two facilities, one in Hawaii and one in New Mexico, employ advanced membrane bioreactor filtration technology to treat wastewater. We continue to expand into new service areas while improving the quality of recycled water from our facilities. In 2025, we began designing a wastewater treatment plant in Silverwood, California, that aims to recycle 100% of its water. New projects in Hawaii include adding two new sources of recycled water, a recycled water quality improvement project, and two new membrane systems at our facilities.



Our environmental management program includes compliance assessments, monitoring, reporting, internal training, and external communications.

Responsible Waste Management

We aim to handle waste responsibly throughout our operations and seek to reduce, reuse, and recycle whenever feasible. To keep our employees safe and minimize risks, we provide protective gear, tools, and training for those who might interact with harmful waste. We also strive to use safer, less toxic materials whenever possible.

Hazardous waste: We handle hazardous waste in compliance with applicable regulations and seek opportunities to minimize it. For example, we modified our water treatment processes to reduce average hazardous chromium waste volumes by 70%. As part of our site remediation efforts, we voluntarily remove residual mercury from old waste materials, and we often engage local agencies to provide voluntary oversight of waste cleanup. Our operations and laboratory employees receive annual training on hazardous waste management.

Water production waste and wastewater: Water production waste and wastewater are managed based on the type of material and local diversion options. We aim to minimize waste generation where feasible and pursue reuse and recycling options when available. Examples include initiatives to reduce demolition waste and reuse materials from water storage tank cleanings in road construction.

Biosolids: We manage residual biosolids—sludge from wastewater treatment—based on the treatment process and locally available waste management options. Our policy is to manage all sludge disposal activities as approved, contained, and regulated by state and federal requirements. We use land application and dewatering for off-site landfill disposal by third parties. Sludge is monitored for contaminants, such as heavy metals and pesticides. If contaminants are present, the sludge is handled according to local, state, and federal disposal requirements.

Office waste: Our facilities utilize separate containers for recycling paper and collecting wet compost where feasible and depending on the services offered on-site. We also partner with a third-party vendor to recycle batteries and light bulbs.

E-waste: We collaborate with third-party providers to recycle e-waste, including computer equipment and electronic components.

Non-hazardous waste: In 2025, we developed our first non-hazardous waste inventory using high-confidence, readily available data. The inventory captures data for non-hazardous waste that was recycled, composted, or disposed of at our California district offices. In partnership with our largest supplier, we included non-hazardous construction waste generated across several of our districts. We plan to include this information in our Scope 3 GHG emissions inventory and to continue expanding our waste inventory to support future reduction and diversion. Please see our 2025 Sustainability Data Download for more information.

Responsible Materials

We promote sustainable consumption by selecting environmentally preferable materials whenever feasible and seeking ways to reduce resource use. LEED standards and the California Building Energy Efficiency standards guide our design and construction efforts for both existing and new building projects. We apply our sustainable procurement approach across our operations, utilizing materials such as paint that is free of volatile organic compounds (VOCs), carpet tiles made with recycled content, and refurbished furniture. In our California offices, we strive to source furniture and work surfaces that meet third-party sustainability standards, such as the Forest Stewardship Council, Intertek Clean Air, and Business and Institutional Furniture Manufacturers Association LEVEL certifications.



Employee Photo Credit: Francisco Lobato

Supplier Sustainability

Environmental management expectations for our suppliers are outlined in our Supplier Code of Conduct, and our contract language requires vendors to comply with all local, state, and federal environmental regulations. Additional specific requirements may be necessary depending on the type of work. In 2024, we launched a Supplier Sustainability Pilot Program focused on greenhouse gas emissions in our supply chain. Find out more in Supplier Management and Energy and Emissions.

Customers and Communities

Safe, high-quality water is essential to our customers' health and well-being. Beyond providing this necessity, we seek ways to promote affordability, improve service, and prepare for emergencies. We also engage the communities where we live, work, and serve through philanthropy and volunteerism.



IN THIS SECTION

- Water Quality
- Water Affordability and Access
- Stakeholder Engagement
- Customer Service
- Cybersecurity and Data Privacy
- Emergency Preparedness and Response
- Philanthropy and Volunteerism

Water Quality

Customer safety is a top priority at Group, and we invest in water sampling, testing, and treatment designed to meet high standards. Certified water quality professionals and rigorous training programs are critical to our success. We proactively address risks, including emerging contaminants and potential cross-connections.

Treatment and Testing

Careful planning and testing are critical to providing safe, high-quality water. Extensive monitoring programs and approximately 20 different treatment processes help us meet federal SDWA requirements, applicable state regulations, and more than 250 other water-quality standards.

Our certified in-house laboratory in San Jose analyzes most of the water samples from our California operations and is accredited by the Environmental Laboratory Accreditation Program (ELAP). It has passed site audits performed by the State of California or a third-party assessor, participated in annual laboratory proficiency testing studies, undergone blind testing for all analytes certified for, and received an acceptance rating for each analyte tested. We adhere to the National Environmental Laboratory Accreditation Conference Institute (TNI) Laboratory Accreditation Standards, which have been adopted by the State Water Resources Control Board (SWRCB) ELAP to meet even more rigorous operational requirements. TNI is nationally recognized as the accrediting authority for environmental laboratories.

In early 2026, we will begin the phased rollout of a new microbiology laboratory in our East Los Angeles District. Among our most significant investments, this lab will enhance testing speed and efficiency. It is also expected to lower costs, by reducing our need to outsource some testing to state-certified contract labs. The East Los Angeles lab will initially focus on testing for bacteriological and heterotrophic plate counts.

Our information technology systems enable rapid customer notification when we identify quality issues. Through our Laboratory Information Management System (LIMS), we manage sample scheduling, data collection, quality control, reporting, and regulatory compliance programs in California, New Mexico, and Washington state. We update the LIMS regularly to expand its functionality, scope of use, and capabilities. Implementation is currently in the planning stages for Hawaii as well.

In California, we maintain safety certifications for direct additives or products that could come into contact with drinking water. These products or chemicals are certified to meet the specifications of the NSF (formerly National Sanitation Foundation) International/American National Standard Institute.

2025 Highlights

630,000+

water quality tests were conducted by our Water Quality Team to confirm that we met or surpassed state and federal water quality standards set to protect public health.

100%

compliance with primary and secondary federal Safe Drinking Water Act (SDWA) and applicable state water quality standards across the Company.

Emerging Contaminants

Group supports policies and legislation that help protect water supplies from contaminants. We also participate in the federal Unregulated Contaminant Monitoring Rule (UCMR) program, which takes place every five years. This program requires us to collect and test samples for 30 emerging chemical contaminants, using analytical methods developed by the U.S. Environmental Protection Agency (EPA) and consensus organizations. In 2025, we successfully completed the third of three phases of UCMR 5, the program's fifth cycle.

In evaluating methods to treat emerging contaminants, we consider the best available technologies, cost-effectiveness, and the existence of any co-contaminants that must also be removed. Other site-specific factors include lot size, operational considerations, and discharge and waste disposal options.

Perfluoroalkyl and Polyfluoroalkyl Substances

Perfluoroalkyl and polyfluoroalkyl substances (PFAS) have long been used in consumer and industrial products. Unfortunately, these long-lasting, manufactured chemicals can have a negative impact on human health and the environment. Under the U.S. EPA's new National Primary Drinking Water Regulation (NPDWR) governing six PFAS, water utilities with impacted water systems must monitor for certain PFAS by 2027 and comply with the PFAS NPDWR by 2029. Although the EPA has indicated that it will delay the monitoring and compliance dates for the NPDWR, no changes have been made yet, and we are working to comply with the requirements of the existing regulation.

We began planning for these regulations nearly a decade ago by following recommendations from regulators, reviewing existing and new treatment methods, and developing a response strategy. We tested water systems in California, Washington, New Mexico, and Hawaii before it was required. Where we detected PFAS above the "response level" in California, we removed the source from service, installed additional treatment systems for PFAS removal, or made operational changes to lower PFAS levels. For sites at the "action level" in Washington, we have removed wells from service or made operational changes designed to lower PFAS.

In 2025, we continued to make progress, completing PFAS monitoring at all operable water sources and installing treatment at four additional sites, bringing the total to 29. For example, we completed construction and installation of treatment vessels on two local groundwater wells in California's Visalia District, with all active wells in the district now in compliance well ahead of the 2029 deadline. We plan to install treatment vessels in California, New Mexico, and Washington in 2026.

For PFAS treatment, Group is progressing to final design, permitting, and construction of many best-in-class Granular Activated Carbon (GAC) treatment systems. Construction and GAC treatment systems contracts are in place to support projected completion by 2027 for 45 source sites in California, 18 in Washington, and 2 in New Mexico.

The PFAS Compliance Steering Committee and a full-time manager responsible for the program oversee our efforts to meet the new PFAS NPDWR. We are actively pursuing grant funding for PFAS-related projects in California, New Mexico, and Washington through the following two EPA programs: the Drinking Water State Revolving Fund and the Emerging Contaminants in Small or Disadvantaged Communities Grant. The grants would help lower compliance costs and reduce the financial impact of treatment on our customers.

2025 Highlights

$40+ million

received (net legal fees and expenses) through PFAS-related litigation, which will benefit customers.

Group is also party to four separate class-action settlements designed to hold PFAS manufacturers financially responsible for the costs of monitoring and treatment. In 2025, we received more than $40 million in proceeds, net legal fees, and expenses from settlements.

Hexavalent Chromium

The California State Water Resources Control Board's maximum contaminant level (MCL) for hexavalent chromium (chromium-6) went into effect in 2024. We anticipated this regulation before it went into effect and currently comply with the MCL at most sources requiring treatment. We anticipate meeting the compliance timeline for the few remaining sources. In 2025, we brought one new treatment plant online in Oak Hills-Salinas, and plans are currently underway for two new treatment units, as well as a blending unit.

Lead and Copper

Lead and copper contamination may result from corrosion of lead or copper-bearing components in distribution infrastructure or household plumbing. Although this is not considered an emerging concern, the EPA's Revised Lead and Copper Rule expanded requirements for completing service line inventories on both the water utility and the customer side of the water meter to identify lead in drinking water. There are no known lead service lines within Group systems.

In 2024, the EPA issued a final rule requiring drinking water systems across the country to identify and replace lead pipes within 10 years. The Lead and Copper Rule improvements also require more rigorous drinking water testing and lower the threshold for requiring communities to act. The regulation includes requirements for water sampling for lead in schools and daycare centers.

We completed Phase 1, a paper-based study, across the Company in 2024. By the end of 2025, our California operations had completed 43% of Phase 2, and we expect to complete that work incrementally by 2027, ahead of the 2029 deadline. New Mexico, Hawaii, and Washington are still in the Phase 2 planning phase.

We also aim to prevent, identify, and address lead contamination of drinking water by:

- Monitoring water quality and testing for lead in drinking water as required by law.
- Maintaining and upgrading our systems to support compliance with health and safety codes.
- Mandating lead-free materials in water system replacements, repairs, and new installations.
- Preventing lead in home plumbing from affecting water quality by frequently testing the water's corrosivity and adding corrective measures when necessary.
- Planning and conducting water quality testing before using any new source of water.
- Providing educational resources for customers to learn about lead contamination and how they can reduce potential exposure to lead in drinking water.

Preventing Backflow Contamination

Our cross-connection control program helps protect our distribution system and customers from potential contamination in the event of backflow (or other hydraulic conditions that reverse the direction of water flow).

At-risk customers are required to install, test, and maintain proper backflow prevention measures to align with regulations and avoid potential liability. Our experts confirm annual testing of backflow prevention assemblies, assess water connections, and evaluate new commercial customers for hazards. Our mobile backflow tester application allows the Cross-Connection Control Team to dedicate more time to identifying hazards to our water systems and installing backflow protection.

The State of California's Cross-Connection Control Policy Handbook clarifies the requirement to conduct hazard assessments on all customers, including residential customers, on a recurring basis. In 2025, we submitted more than 50 hazard assessment plans to the state's Division of Drinking Water (DDW) and received approval on one of them by year-end. We plan to assess 25,000 residential customers annually to reach our goal by 2045, and have set assessment goals for non-residential customers as well.

Certifications and Training

In-house experts maintain multiple certifications and qualifications in cross-connection control, laboratory analyses, and treatment. Group provides training on SDWA regulations, sample collection, analytical equipment, field analyses, operation of specific treatment equipment, backflow prevention measures, and additional technical information. We offer ongoing training to meet TNI certification requirements. Additionally, we encourage employees across all roles to learn more about water quality by participating in relevant training, certification programs, and conferences.

Transparency in Reporting

Cal Water submits hundreds of monthly performance reports to the California DDW. The DDW also audits existing facilities, including wells, tanks, and pipelines, and provides permits for new operations. We also submit electronic annual reports to DDW for each of our systems for assessment of their performance and compliance with regulatory standards.

Our annual consumer confidence reports help residents and businesses learn about their local water supply. Available on our related utilities' websites, these reports provide information on water quality, sustainability, testing, standards, and other topics. Customers may also request a copy by contacting customer service.

Water Affordability and Access

Recognizing reliable drinking water as a basic human right, we are committed to expanding access and keeping customer costs manageable. We focus on enhancing operational efficiency, minimizing expenses without compromising reliability, developing support programs for low-income households, and pursuing grant opportunities.

Affordability in Rate Making

Public utilities commissions in our states set rates through a highly regulated process. When Group proposes rate structures, we seek to balance affordability and conservation goals with water quality standards, infrastructure investment needs, and supply costs.

Key factors beyond our control that could increase our costs include:

- New water quality regulations and standards that require greater investments.
- Government agencies mandating changes in planning, permitting, and reporting.
- Infrastructure repair and resilience projects to address climate change-related risks, such as wildfires, landslides, and flooding.
- Economic events such as inflation, import tariffs, or supply chain constraints that increase the cost of obtaining equipment and critical products.
- Long-term water supply challenges, which can increase the price of wholesale water or the development of more expensive sources of supply.

We evaluate multiple rate design scenarios and their potential impact on average bills in preparing for rate case proceedings, focusing on costs for residential and low-income customers. We may propose options to phase in rate increases over time and advocate for consolidating smaller water systems into larger ones to spread costs over a wider customer base.

Ongoing communication with our regulators fosters transparency. We also discuss other critical issues such as safety, reliability, and sustainability. For example, we support the Environmental and Social Justice Action Plan of the California Public Utilities Commission (CPUC). This plan targets investments in communities to help enhance local air quality, climate resilience, access to high-quality water, safety, outreach, and economic development. We regularly report to the CPUC on our progress in supporting these goals.

Controlling Expenses

Carefully managing our expenses helps drive savings for customers. For example, as we diversify water supplies, we aim to pursue lower-cost sources that do not compromise quality. To help meet evolving regulations, we consider the costs of treatment technologies when piloting potential options, and we advise public health experts on reasonable implementation timelines. Customer conservation programs

2025 Highlights

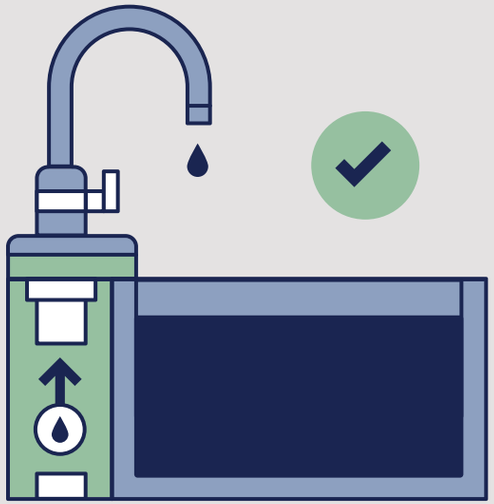
$10.1 million
grant approved for PFAS treatment in New Mexico.

100,000+
California customers enrolled in the Customer Assistance Program (CAP) as of year-end 2025, offering approximately $22 million in discounts during the year.

BRINGING RELIABLE DRINKING WATER TO WEST GOSHEN

In 2025, we were able to extend service to 44 homes in the disadvantaged community of West Goshen, in Tulare County, largely thanks to a $3.45 million grant from the California Department of Water Resources (DWR) Small Community Drought Relief Program.

These residences had private groundwater wells that had gone dry or no longer met the state's water quality standards. With DWR funding, Cal Water connected them to our system so that they could obtain safe, clean, and reliable drinking water. This consolidation, which also involved Tulare County and the Community Water Center, is an excellent example of government, the local community, and Cal Water working together to address critical issues and improve lives.



that reduce demand also help manage the cost of service for customers. Additionally, we strive to negotiate with our suppliers to achieve lower costs by signing long-term and/or bulk contracts, stockpiling critical inventory to avoid expensive delays, balancing our water supply mix to minimize service costs, and evaluating alternative, affordable materials.

Alternate Funding Mechanisms

Group proactively pursues grant funding, which can help us make additional investments in critical projects. It also reduces the financial impact on our customers, particularly in areas with higher needs. In 2025, we submitted applications for $20.4 million in grants from state and federal entities, to pursue a variety of projects focused on water supply, operational reliability, drought resiliency, water quality, and conservation programs. We regularly pursue civil litigation to hold parties responsible for remediating water contamination. When successful, these actions help reduce the financial impact on our customers.

Customer Financial Assistance

We support water affordability through rate designs and assistance programs that help customers manage their monthly bills. In California, residential customers are served under a tiered-quantity rate structure that includes a deeply discounted Tier 1 for the first 600 cubic feet of monthly use. The Tier 1 rate is set at 25% of the Tier 2 rate to align with the CPUC's essential service level for basic indoor uses such as drinking, cooking, and sanitation. An external analysis of customer billing records found that our customers enrolled in income-qualified assistance programs use less water, on average, than non-participants. This pattern supports the value of a discounted essential-use tier as a tool that can help keep bills more manageable for low-income households.

Our customer assistance programs build the foundation of our rate design for households that need additional support. Our Customer Assistance Program (CAP) provides a credit for residential customers in California who meet minimum income guidelines.

We host CAP events in districts to promote the program to eligible participants who have not yet signed up. We also share data with the energy companies that serve our districts four times a year, which helps determine whether qualifying customers have enrolled in our customer assistance programs.

The Rate Support Fund subsidizes monthly bills for customers in our three highest-cost districts in California. These districts have fewer customers available to share operational, maintenance, and infrastructure upgrade costs. In 2025, this program provided $5.6 million in benefits to approximately 9,400 California customers. We also have a stockholder-funded hardship grant program that protects access to water.

We offer several programs to support customers facing financial challenges, to make bill management easier and more convenient. These include penalty-free, interest-free payment arrangements, and extensions. We also do not charge late fees for payments in California, Hawaii, New Mexico, and Washington. Extended customer service hours help give customers more payment flexibility. We also strive to inform them of opportunities for bill payment arrangements, our financial assistance programs, and local low-income assistance programs. If customers have special medical needs, we reach out to offer additional assistance. Our PromisePay program allows residential customers with past-due water bills in California, New Mexico, and Washington to select customizable, interest-free payment plan options, set up automatic payments, and provide contact information for reminders and other notifications through text messaging.

In alignment with California SB 998, we aim to prevent disconnections by providing sufficient notifications and opportunities for exercising payment options before shutoff occurs. We allow non-payment for 79 days prior to disconnection, send payment reminders through multiple communications, and maintain residential health and safety exemptions. We notify customers promptly of past-due bills and offer information about the range of financial assistance programs and payment arrangements available.

Stakeholder Engagement

We are committed to building strong, positive relationships with our stakeholders, including customers, community leaders, employees, investors, and regulators. Through open, transparent, and consistent communication, we listen actively, address concerns, and integrate feedback to drive continuous improvement.

Building Trust with Stakeholders

By proactively engaging with our stakeholders, we aim to understand their needs and allocate our resources to address the most relevant environmental, social, and governance topics. Transparency is critical, and we believe building trusting relationships relies on consistent, two-way communication.

Our local management and Government and Community Affairs Teams monitor and track our stakeholder engagement activities through our Quorum engagement platform. This tool serves as a repository for political, regulatory, and community outreach efforts and streamlines processes for evaluating interactions. Using this platform, we can track engagement channels, location, tone, and issues of concern.

We also hold community meetings and participate in panel discussions about specific or current issues. During these meetings, we can answer community questions and solicit feedback.

Additionally, for main replacement and other capital projects that may cause a temporary inconvenience to community members in our service areas, we strive to provide advance notice, including details on project location, duration, process, and potential water service disruptions. Depending on the size and impact of the project, we may conduct additional outreach to customers and other stakeholders through direct engagement, press releases, digital and social media, community meetings, and other channels.

2025 Highlights

1,300+

interactions with community stakeholders, such as city council meetings.

Our Approach to Stakeholder Engagement

Stakeholder Group	Engagement Channels	Key Topics Discussed
Customers, Communities, and "Grasstop" Stakeholders (i.e., city council members, county supervisors, Chambers of Commerce board members)	• Bill inserts • Community advisory panels • Emails and direct mail • Focus groups • In-depth interviews • One-on-one discussions and meetings • Phone and text messages during emergencies • Public meetings • Social/digital media • Speaking engagements and presentations • Surveys	• Climate change and sustainability • Community-giving initiatives • Constituent concerns • Customer service offerings • Infrastructure projects • Safety, emergency preparedness, and Public Safety Power Shutoffs • Water affordability, equity, and rate changes • Water conservation, drought response, and supply reliability • Water quality
Employees	• Feedback forms • Focus groups • Intranet • Meetings • Surveys • Town halls • Training	• Compliance and ethics • Cybersecurity • Diversity, equality, and inclusion • Employee engagement and labor relations • Safety • Water supply management, reliability, and resilience
Industry Associations	• Conferences • Memberships • Participation in committees	• Climate change and sustainability • Cybersecurity • Diversity, equality, and inclusion • Employee engagement and labor relations • Government relations • Public information/communications • Public policy issues • Regulatory relations • Water affordability and equity • Water quality • Water supply management, reliability, and resilience • Water system efficiency

Continued on next page



Employee Photo Credit: Elaheh Esfahanian

Our Approach to Stakeholder Engagement

Stakeholder Group	Engagement Channels	Key Topics Discussed
Investors	• Conferences • Earnings calls • Meetings • Securities and Exchange Commission filings	• Climate change • Customer satisfaction • Emissions and energy consumption • Financial performance • Infrastructure investment • Regulations • Water supply management, reliability, and resilience
Nongovernmental Organizations and Activists	• Focus groups • One-on-one discussions and meetings • Speaking engagements and presentations	• Climate change and sustainability • Safety, emergency preparedness, and Public Safety Power Shutoffs • Water affordability and equity • Water conservation and drought response • Water quality
Regulators and Legislators	• Filings and reports • Lobbying • Meetings • Policy research • Trade associations	• Legislation • Public policy issues • Water affordability and equity • Water supply management, reliability, and resilience • Water quality
Suppliers	• Contract negotiations • Subcontractor diversity spend reporting • Supplier audits and evaluation • Supplier business review	• Climate change • Labor relations • Local economic impact • Supplier diversity

MEMBERSHIPS AND ASSOCIATIONS

In addition to memberships in local organizations, we are involved in a variety of associations and partnerships, including:

- Alliance for Water Efficiency (AWE)
- American Water Works Association (AWWA)
- Bay Area Council
- CalCEO Council
- California Chamber of Commerce (CalChamber)
- California Community Action Partnership Association (CalCAPA)
- California Contract Cities Association (CCCA)
- California Foundation for Commerce and Education
- California Foundation on the Environment and the Economy (CFEE)
- California Hispanic Chambers of Commerce (CAHCC)
- California Water Association (CWA)
- California Water Efficiency Partnership (CalWEP)
- Community Water Center
- League of California Cities
- National Association for the Advancement of Colored People (NAACP)
- National Association of Water Companies (NAWC)
- National Utilities Diversity Council
- Public Policy Institute of California
- Rural County Representatives of California (RCRC)
- Silicon Valley Leadership Group
- Sustainable Silicon Valley – Acterra
- Water Education for Latino Leaders (WELL)

Customer Service

We are committed to meeting and exceeding our customers' expectations for excellent service. Driven by a focus on continuous improvement, we find new ways to enhance convenience, keep customers informed, and safeguard their information.

Striving for Excellence

Group provides extensive training to equip our dedicated customer service representatives with the knowledge and tools to effectively field inquiries and deliver high-quality customer experiences. In 2025, our Cal Water Customer Service Team fielded nearly 400,000 calls. In our California districts, our Regional Customer Centers are open from 7 a.m. to 7 p.m., Monday through Friday.

We provide information to customers through multiple channels, including paper bills, direct mail, email, chat, social and digital channels, advertisements, phone calls, text messages, and traditional media. We continue to align our approach across the Company to promote consistency and enhance our outreach. When we acquire new water systems, we take steps to provide customers with essential information about our operations, customer service options, and ways they can reach us for support through a variety of communications channels.

Our customers' needs and preferences change over time, so we evolve our service approach accordingly. For example, throughout 2025, we ramped up our Walmart Bill Pay initiative designed to increase access for our unbanked and underbanked customers. We accept cash or debit cards at any Walmart Bill Pay service counter.

We have also taken a number of steps to enhance communications. Our website offers a robust online experience, and customers can use it to submit after-hours service requests. Additionally, our customer-facing portal enables secure account access on the web and connects to the Customer Cloud Service (CCS) platform launched in early 2025. It offers improvements in payment options, account recovery, notification management, leak detection, and conservation and meter analytics. This portal also helps enhance customer privacy safeguards.

2025 Highlights

557,100
customer connections in 2025 across California, Hawaii, New Mexico, and Washington.

9.1 out of 10
customer survey score, based on more than 12,000 responses.

Our Customer Outreach Portal, which syncs CCS and Geographic Information System data, helps us to quickly identify customers affected by emergencies and communicate important information through phone calls, texts, or email. We provide more non-emergency information via email through our Salesforce Marketing Cloud platform, which enables us to communicate with customers based on their interests and engagement. Our Connected Customer notification system updates customers with real-time alerts and expected arrival times of field technicians. Moreover, customers can report water waste concerns and water main or service leaks through our mobile application or website.

Customer feedback helps us identify opportunities for improvement. Across our service areas, we periodically conduct customer surveys to measure satisfaction levels and better understand priorities and expectations, communication needs, water usage, and more.

2025 California Customer Service Performance



Cybersecurity and Data Privacy

Cyberattack threats continue to rise globally, and we are committed to strengthening our defenses wherever feasible. We prioritize uninterrupted service for our customers, while safeguarding their personal information.

Compliance

Group remains vigilant against ever-increasing attempts to breach our firewall and other cyberattacks. We maintain multiple internal policies and procedures related to IT security, incident response, data privacy, information classification, encryption, vulnerability management, and other key cybersecurity topics. Our IT Team is responsible for the implementation and maintenance of the cybersecurity program. This team also helps us meet evolving federal standards and various state-level data privacy laws. For example, we enable customers to make California Privacy Rights Act (CPRA) inquiries and respond promptly. Those rights also extend to our employees, who can request any personal data collected by our Human Resources Department.

In addition to CPRA, multiple standards and regulations inform our cybersecurity risk management approach, including:

- National Institute of Standards and Technology (NIST) Cybersecurity Framework
- NIST 800-171 and Cybersecurity Maturity Model Certification (NIST 800-171 CMMC)
- Payment Card Industry Data Security Standard (PCI-DSS)
- California Consumer Privacy Act (CCPA)
- Health Insurance Portability and Accountability Act (HIPAA)
- Defense Federal Acquisition Regulation Supplement (DFARS)

We have also developed a rigorous framework for determining the materiality of a cyber incident. If we conclude that an incident is material, we first raise it with the three members of our internal disclosure committee: our Senior Vice President, Corporate Services and Chief Risk Officer; Senior Vice President, General Counsel; and Senior Vice President, Chief Financial Officer. If they agree, we then report the incident to our CEO and the appropriate federal agencies.

For more information about cybersecurity risk management at Group, see our 2025 Form 10-K.

Workforce Preparedness for Cyber Risk

Since employees and contractors are among our most important lines of cybersecurity defense, we annually provide cybersecurity training to help raise awareness and strengthen our ability to mitigate risks.

Our IT Department publishes a monthly internal cybersecurity newsletter that informs our workforce of cybersecurity best practices. We also share brief monthly videos and run mock phishing email campaigns to test security awareness. First-time offenders receive additional training, while repeat offenders require more serious intervention. With repeated employee engagement and training, we have significantly reduced the number of employees who click on test phishing emails.

FEATURES OF OUR CYBERSECURITY AND DATA PRIVACY MANAGEMENT PROGRAM

Regular testing: We proactively engage a third-party cybersecurity firm to conduct an annual network penetration test on our corporate and supervisory control and data acquisition networks. This test enables us to assess existing security controls to identify weaknesses and work to eliminate vulnerabilities. Our IT Team also rehearses our Incident Response Plan to test and enhance our ability to respond to cybersecurity incidents.

Monitoring for risks: We engage a third-party cybersecurity firm to manage our Security Operations Center (SOC) and monitor our network traffic. Our SOC helps identify and respond to cybersecurity issues in real time by assessing threat levels and recommending appropriate actions.

Security controls: We incorporate physical- and software-based security controls to prevent or detect unauthorized activities and proactively alert us should an unauthorized activity occur. Early detection can help the Security Team quickly contain and eradicate unauthorized activity, reduce the time exposure window, and minimize the impact of the incident.



Detection and prevention technology: We have implemented multiple technologies designed to help protect our systems from cybersecurity threats, including an intrusion prevention system, a next-generation antivirus program, an endpoint protection system, and a data loss prevention security tool. We also migrated Cal Water's customer care and billing system from in-house servers to the cloud in early 2025, which has helped reduce our attack surface and improve overall safety and security.

Ongoing improvements and engagement with key agencies: We regularly work to enhance our systems by integrating new information as well as the latest hardware and software. We also engage the FBI, the Department of Homeland Security, the California Cybersecurity Integration Center, and the Fusion Center (the state-owned and operated center for sharing threat-related information) to stay abreast of potential threats and provide incident response support. Our collaboration includes an annual joint tabletop exercise.

Monitoring vendors: The companies we work with must mirror Group's rigorous approach to cybersecurity. Through Bitsight, we continually monitor the risk management profile of approximately 70 vendors. We also require third parties to undergo regular audits that confirm their protection of personally identifiable information.

Our lifecycle management platform improves onboarding by giving employees and contractors access only to the applications, systems, and information they need based on their roles. In November 2025, we rolled out two enhancements to further strengthen our Zero Trust security strategy. One streamlines multi-factor authentication to reduce reliance on passwords, while the other checks that only secure, compliant employee devices are permitted to access corporate resources. Together, these controls reduce the risk of credential-based attacks while improving the user experience.

Group launched a new insider threat program in February 2026 that is expected to further enhance internal cybersecurity and reduce the potential for theft or sabotage.

Artificial Intelligence

Artificial intelligence (AI) has emerged as a significant factor in cybersecurity, leading to increasingly sophisticated attacks by bad actors. At the same time, this technology is driving new security products and services.

In 2025, a cross-functional team developed our AI framework and strategy, including evaluating the best ways to incorporate AI technologies across the Company. As a result, we selected an AI tool that integrates with our existing software services. Additionally, we finalized our AI policy, which establishes guidelines and best practices for the responsible, secure, and ethical use of AI tools by all employees. It applies to consultants and contractors as well.

We will continue to evaluate and adopt the AI solutions we believe are best aligned with our Company's and our customers' needs.

Emergency Preparedness and Response

Emergencies such as wildfires, earthquakes, and landslides can strike at any time. We invest in advanced training, reliable equipment, and proven processes to help us respond quickly, minimize service disruptions, and protect the communities we serve.

Emphasizing Prevention

Robust maintenance, education, and communication help us plan for emergencies and reduce potential impacts. We strive to align all employee training and procedures with Occupational Safety and Health Administration (OSHA) 30 and OSHA 10 certifications.

Group tracks communications from the Department of Homeland Security and InfraGard—an FBI and private sector partnership—to monitor external infrastructure threats. Additionally, our Incident Reporter helps employees report any actual or suspicious activity electronically, and it determines whom to notify based on threat level. At a minimum, our Security Team follows up on each incident through the appropriate chain of command. We have also developed short- and long-term strategies to reduce recurrence.

We have completed assessments required by the U.S. Environmental Protection Agency to gauge initial threats from natural hazards and malevolent acts, pursuant to the America's Water Infrastructure Act of 2018 (AWIA). These AWIA assessments must be conducted every five years.

Training and Collaboration

Emergency preparation across our service areas includes training and tabletop exercises. An Emergency Action Guidebook, which includes hazard-specific checklists for various scenarios, is available to all employees. We also develop unique, location-specific Emergency Response Plans.

Operations employees must complete annual training on Public Safety Power Shutoffs. In partnership with contracted emergency response professionals, we also provide "boots on the ground" emergency response training for field personnel who might be deployed. Internal emergency simulations test our evacuation practices and the functionality of emergency equipment.

Collaboration with our communities is critical to effective emergency preparedness and response. In 2025, our Operations and Community Emergency Response Team hosted 24 Emergency Operations Center (EOC) training exercises across our regions with local first responders, police departments, contractors, city employees, elected officials, electric utilities, and other key stakeholders. These exercises promote community preparedness, resilience, and outreach.

2025 Highlights

15

members of our Operations Rapid Response Teams responded to four events.

Managers and employees receive periodic internal EOC training on how to respond more efficiently within the command framework and support EOCs when emergencies occur in other districts. Our procedures are designed to align with guidance from the Standardized Emergency Management System and National Incident Management System.

Cal Water's annual Firefighter Grant Program helps offset community costs for fire protection, equipment, training, and education. In 2025, we awarded $186,000 in grants to nine California fire departments.

Hawaii Water launched its own firefighter grant program in December 2025. Fire departments in Hawaii Water's service areas will be invited to apply for funds to offset the cost of life-saving measures—from training to personal protective equipment.

Natural Disasters

To help mitigate risks from wildfires and other natural disasters, we have prioritized main replacement projects, improvements to system interconnections, and the installation of backup power sources at critical sites. We have also added more wildfire-related information to our website to help customers prepare.

Our Wildfire Taskforce guides emergency preparedness efforts by supervising training, directing vegetation-management efforts, and overseeing the strategic placement of critical equipment. The Wildfire Taskforce also helps maintain open lines of communication with fire agencies and other first responders. Our annual wildfire training, offered to all employees, reviews standard operating procedures for fire hydrant inspections, hydro pack operations and maintenance, fire prevention, dry weather monitoring, and responses to changing air quality.

Our Earthquake Task Force helps develop and implement strategies to plan for—and recover from—these potentially disruptive events. Employees from multiple departments, districts, and states participate. The Earthquake Task Force has nine separate subtasks, including the development of conceptual risk maps, evaluation of capital projects and interconnection options with neighboring systems, station hardening assessments, and liquefaction planning. It is also involved in planning for restrained joint pipelines, earthquake response, damage assessment, drills, and training.

In 2025, we began implementing company-wide earthquake preparedness training. Topics include understanding earthquake risks in water utility operations, preparedness protocols, facility and equipment readiness, post-earthquake response and recovery, and the importance of ongoing drills and education. Training also covers regional seismic hazards impacting our facilities, new ways to measure seismic impact, shaking potential across the states we serve, personal safety, and communication procedures.



Our taskforce teams help us manage, monitor, and prepare for natural disaster events.

TWO BAY AREA EMPLOYEES HONORED FOR LIFE-SAVING ACTIONS

When a Cal Water co-worker collapsed recently, Kelvin Ip Poon, an IT security analyst and former U.S. Marine, immediately began administering CPR. He was quickly joined by Intermediate Engineering Clerk Alauddin Mussa, a trained emergency medical technician who deployed the automated external defibrillator kept on site. Together, they maintained their co-worker's circulation while waiting for an ambulance to arrive.

For their actions, we nominated Kelvin and Alauddin for the National Association of Water Companies' (NAWC) 2025 Living Water Award. The NAWC presents this award annually to regulated water industry professionals who best demonstrate excellence in serving the community, colleagues, the industry, or the environment.

Response and Recovery Planning

During emergencies, we aim to keep our employees and communities safe while delivering a reliable water supply to customers and first responders. Through our Water on Wheels initiative, we operate 19 vehicles with two 300-gallon tanks in California that can provide drinking water in emergencies.

Supplemented by mobile offices as needed, our EOCs serve as central command centers, enabling communication with relevant internal and external stakeholders to coordinate emergency response and recovery. That includes distributing essential equipment, resources, and support.

Investments in backup power generators, portable power sources, and other equipment help us restore and maintain service during emergencies. In 2025, we expanded the distribution of satellite phones that run off the Iridium Satellite Communications Network to field personnel, which further strengthens connectivity during power and cell tower outages. In Hawaii, a new radio system has improved communication between operations on Maui and the Big Island.

Emergency events may leave long-lasting impacts on the community and our employees, so we typically extend our response and recovery efforts beyond the end of a crisis, providing water, food, and information. Per our disaster relief plan, we offer bill discounts and assistance to those who have lost their homes.

We can also deploy Operations Rapid Response Teams (ORRT) that are equipped, ready, and able to respond to operational emergencies throughout the Company. Our ORRTs are staffed by 58 highly trained employees, and 15 members responded to four events in 2025. These responses included assisting a small mutual water utility affected by the Eaton Fire in Southern California, responding to a small wildfire near one of our tank sites in Lucerne, assisting with system damage created by underground construction near our facilities in Oroville, and supporting the resolution of an operational issue in Salinas.



Employee Photo Credit: Javier Mendez

By tracking our progress, executing tactical projects, and regularly evolving our strategy, we believe we can better support the long-term resiliency of our operations in emergency events. We evaluate our emergency response and identify opportunities for improvement by using after-action reports and tracking alignment with regulatory requirements.

Philanthropy and Volunteerism

We believe charitable giving and volunteerism have the power to create meaningful change, and our efforts focus on strengthening the communities we serve. Through financial contributions and hands-on support, we address a wide range of needs, including workforce development, education, and emergency response.

Embracing the Power of Community

We seek to partner with organizations that share our dedication to driving meaningful change. Guided by a formal community giving plan, our philanthropy is tailored to meet the unique needs of each community we serve. These efforts, funded by our stockholders, do not affect customer rates.

In response to the January 2025 Southern California wildfires, we contributed $25,000 to the California Fire Foundation, World Central Kitchen, and American Red Cross to provide critical relief. We also made $12,500 contributions to the Pasadena Humane Society and the Los Angeles SPCA. California Water Service Group matches employee donations to eligible nonprofit organizations, up to $250 per employee annually. In 2025, we offered an additional match of up to $250 per employee for contributions to any of these five organizations.

The annual Tap Into Learning program offers multiple opportunities for students, classrooms, and school-based clubs in Cal Water service areas to engage in water conservation and sustainability activities throughout the academic year. Learn more about Tap Into Learning.

Our College Scholarship Program awarded $80,000 in 2025 to 13 students in our California, Hawaii, New Mexico, and Washington service areas pursuing higher education or vocational training. Nine of them are the first in their families to attend college. Awards are based on community service, academic achievement, and financial need. Since its inception in 2014, this program has provided over $839,000 in scholarships. Additionally, we fund a graduate scholarship through the California-Nevada Section of the American Water Works Association.

Our sponsorship of Water Education for Latino Leaders (WELL) supports its efforts to create educational opportunities, foster inclusive cultures, increase the effectiveness of local leaders, and contribute to healthy communities. In 2025, our activities included the joint sponsorship of multiple WELL events throughout the state designed to educate and train local water leaders.

2025 Highlights

$1.9 million
donated to local community organizations.

610+
Season of Service volunteers supported 60+ organizations.

$186,000
contributed through our annual Firefighter Grant Program, which funds training, personal protective gear, life-saving equipment, and other necessities.

LOCAL CHAMBERS OF COMMERCE HONOR TWO CAL WATER EMPLOYEES

Many Cal Water employees make vital contributions to our communities through their local chambers of commerce, and two of them received recognition for their hard work in 2025. The East Los Angeles Chamber of Commerce recognized District Manager Jim Crawford with the Community Impact Award for his ongoing engagement and leadership in the community, including holding board positions on the Central Basin Water District and Metropolitan Water District. It also named Cal Water Utility of the Year.

The San Joaquin County Hispanic Chamber of Commerce honored Shannon McGovern as its 2025 Business Advocate of the Year. Part of our Government and Community Affairs Department, McGovern is the regional public affairs program manager for our northern districts. This award highlights her significant contributions to the business community and recognizes her efforts to support and advocate for the interests of the region's Hispanic businesses.

Season of Service has become an annual company-wide initiative that engages employees in a wide range of worthwhile causes in the communities where they live. More than 610 Group employees volunteered their time to more than 60 organizations in its third year. Here are just a few of the activities aimed at improving the lives of the people we serve and the neighborhoods they call home:

- More than 50 team members from our company headquarters donated blood to the Stanford Blood Center, helping meet critical needs at Stanford Medical Center and Lucile Packard Children's Hospital.
- Our Hawaii Water team once again volunteered to pack food items for senior citizens in need on the Big Island.
- Nine New Mexico Water team members volunteered a combined 90 hours to cook and serve traditional Frito pie for more than 500 community members in Elephant Butte. The team also collected donations to benefit Friends of Elephant Butte Lake State Park.
- The Washington Water team volunteered with All Kids Win in Lacey to pack bags of food for disadvantaged area youth and supported the Graham/South Hill Food Bank with donations and hands-on operational support.

2025 Charitable Giving

Approximately $1.9 million donated to local community organizations

Giving by Category

19.5%	Assistance for at-risk, underserved, and disadvantaged communities
18.6%	Community improvement, economic growth, and workforce development
9.5%	Education
9.5%	Youth support
5%	Healthcare
2%	Environmental sustainability
16.8%	Support for firefighters, police officers, and first responders
2.3%	Animal welfare
9.4%	Emergency preparedness and disaster response
2.4%	Veteran support
5%	Other

Workforce

Our team members are at the heart of our success and the reason we deliver exceptional value to our customers. We are committed to fostering an inclusive, safe, and engaging workplace where every individual can thrive and contribute.



IN THIS SECTION

- Diversity, Equality, and Inclusion
- Talent Attraction and Retention
- Health and Safety

Diversity, Equality, and Inclusion

We are dedicated to fostering diversity, equality, and inclusion in everything we do. These values shape our hiring practices, guide how we develop talent, and influence the way we choose suppliers. We believe this approach is essential to our business success.

Equal Opportunity: Our Commitment in Action

We strive to provide equal opportunities across our workforce—from field employees and office staff to management and executive leadership. This commitment extends to our supply chain, where we seek to foster a competitive marketplace and increase spending with women-, minority-, veteran-, disabled veteran-, and LGBTQ-owned suppliers consistent with the California Public Utilities Commission's (CPUC) Supplier Diversity Program. CPUC's program aims to advance the U.S. and California private enterprise marketplace through transparent, free, and open competition. For more information on our efforts, see Responsible Sourcing.

Group maintains a zero-tolerance policy against discrimination, harassment, and retaliation. We seek to provide equal opportunity regardless of age, sex, race, ethnicity, ancestry, religion, creed, citizenship status, disability, national origin, marital status, military status, sexual orientation, gender identity, socioeconomic status, or any other characteristic protected by law or any other non-job-related factor or activity. It is our policy to review and address any non-compliance claims from employees and to continue working to enhance policies and procedures. We report Equal Employment Opportunity (EEO) statistics annually.

Inclusion Practices

Our inclusive hiring practices aim to draw candidates from diverse talent pools and backgrounds. The Company reaches a broad range of candidates through job fairs, partnerships with local community colleges, and targeted job boards.

We also partner with diverse recruiting, educational, and community resource organizations to help us identify a broader pool of qualified candidates. We proactively train our teams to prevent biases and assumptions during the selection process. Utilizing diverse interview panels also supports inclusive hiring.

To promote awareness of proper workplace conduct, employees receive annual live, online, or virtual training on topics such as workplace harassment and discrimination, including sexual harassment. Beginning in 2025, we also required all managers to complete inclusive leadership training. We believe that this is essential to driving innovation, enhancing team collaboration, and building a workplace where every individual feels respected, valued, and empowered.

At the Board level, the Nominating/Corporate Governance Committee considers any candidate, including gender- and ethnically-diverse individuals, who demonstrate a range of thought, perspectives, skills, backgrounds, experiences, and independence.

Tracking Progress

Evaluating our progress on diversity, equality, and inclusion informs our ongoing strategy. We periodically analyze pay equity by gender and analyze demographic data across geography, education, and other dimensions. Employee feedback helps inform our approach and provides additional context for our practices and priority areas.

Our Board reviews our annual diversity data and discusses ways to enhance our diversity strategy at all employee levels. Officers gather insights into leading practices through our involvement in industry associations.

Workforce Diversity

	Female								Male								Total
Job Category	**American Indian or Alaska Native**	**Asian**	**Black or African American**	**Hispanic or Latino**	**Native Hawaiian or Other Pacific Islander**	**Two or More Races**	**White**	**Total Female**	**American Indian or Alaska Native**	**Asian**	**Black or African American**	**Hispanic or Latino**	**Native Hawaiian or Other Pacific Islander**	**Two or More Races**	**White**	**Total Male**	**Grand Total**
Administrative Support Workers	3	23	12	50	3	3	41	**135**		8	3	15	2	3	18	**49**	184
Craft Workers			1	3		1	8	**13**	1	3	4	59	5	4	82	**158**	171
Executive/Senior Level Officials and Managers		9	2	2		1	7	**21**		7	1	6		3	29	**46**	67
First/Mid-Level Officials and Managers		10	3	10			25	**48**	2	19	7	41	6	5	67	**147**	195
Laborers and Helpers								**0**	1	2	1	38		1	18	**61**	61
Operatives			2	13		4	14	**33**	4	12	13	175	19	13	144	**381**	414
Professionals		44	2	17		4	26	**93**		29	4	16		8	48	**105**	198
Technicians		4		4			4	**12**	1	10		6		1	16	**34**	46
Grand Total	**3**	**90**	**22**	**99**	**3**	**13**	**125**	**355**	**9**	**90**	**33**	**357**	**32**	**38**	**422**	**981**	**1336**

Data as of December 31, 2025. Our workforce diversity data shown in this report may differ from our EEO-1 filing due to the Equal Employment Opportunity Commission's filing requirements each year. Learn more about EEO-1 reporting.

Talent Attraction and Retention

The water industry brings exciting opportunities as well as complex challenges. We invest in attracting and developing top talent, offering competitive pay and benefits along with industry-leading training programs and clear pathways for career growth.

Recruitment

We seek candidates who share our values and uphold high ethical standards. Our hiring managers provide flexible interview formats and encourage diverse perspectives. They also receive unconscious bias training to help minimize potential preferential treatment and promote consistent hiring practices.

To help develop our talent pipeline, we frequently collaborate with local high schools, trade schools, and colleges to educate students on potential careers in the water industry. Additionally, we participate in career fairs and provide internship opportunities to students.

Each intern performs duties under the supervision and guidance of an employee. Students must be enrolled in a bachelor's or graduate degree program at an accredited college or university to be eligible for the internship.

For 2026, we plan to launch a pilot apprenticeship program in the Bay Area to fill entry-level roles with students from local vocational schools. Apprentices will be able to develop their careers in water through a defined curriculum, training, and certification.

Employee Engagement

Providing our customers with outstanding service requires us to develop the best workforce we can and identify new opportunities to drive job satisfaction. For our efforts, the San Francisco Chronicle named Group a Top Workplace in the Bay Area for the 13th consecutive year, and we also received Great Place to Work Certification™ for the 10th straight year. Both are based entirely on employee feedback.

In 2025, our CEO streamed two town halls that were open to all employees. The videos included an overview of the company's financials, interviews with key personnel, employee Q&As, and more. Additionally, a corporate officer visited each district quarterly to gather feedback from local employees and share information in person, facilitating real-time engagement. Through our Caught Doing It Right program, managers recognize employees for excellence in customer service, ethics, job execution, and safety.

We periodically assess employee satisfaction and gather feedback through various surveys, which help identify opportunities for improvement. For example, we revamped our onboarding process based on the results of last year's

2025 Highlights

$1+ million
invested in employee training and continuing education.

13.1
average hours of training time per employee.

Energage survey. That helped drive an 11% improvement in new-employee scores in 2025. As part of the same survey, our execution and interdepartmental cooperation scores rose by 8%, and our company direction score increased by 7%.

Our attention to employee feedback helped us limit employee turnover to 10% in 2025, lower than our industry's average. Voluntary resignation accounted for 5%, involuntary termination for 3%, and employee retirement for 2% of our workforce.

Training and Development

Training and development opportunities are essential for supporting employees' professional growth. When assessing strategic training needs, we take a comprehensive approach, considering factors such as:

- Internal standards and external regulations, including compliance requirements
- Insights from previous training and team-building programs
- Succession planning and preparation for anticipated retirements
- Responses to geopolitical or cultural developments
- Alignment with our core values and organizational priorities

Our Human Resources Team is responsible for carefully reviewing feedback and making adjustments to keep programs relevant, effective, and impactful.

To help improve their capabilities, all managers are expected to complete our Management Essentials training series. Its six modules cover coaching for performance, team building, conflict resolution, leadership, performance counseling, building trust, and performance management. Newly promoted and recently hired managers must also take Foundations of Leadership training, which offers tools and resources to help drive their success and navigate new roles.

Our Future Leaders of Water program provides employees with an additional leadership development opportunity and serves as a key pipeline for senior management talent. Over 18 months, high-potential employees learn from external instructors and officer-level mentors. They complete modules to improve strategic thinking, executive presentation, business writing, rate-making, risk management, and project management. At the beginning and end of the program, participants take 360-degree assessments that evaluate their impact.

Through the two modules of our Operations Leadership Pathway program, employees moving from hourly to management positions learn and demonstrate water operations expertise, leadership skills, and business acumen. Module 1 focuses on key soft skills, provides an overview of essential Group programs and departments, and sets expectations for community and district involvement. It also includes leadership workshops with human resources and mentorship to support the transition into new roles. Its sixth class graduated in 2025. Module 2, which graduated its first class this past year, emphasizes continuous improvement, building trust, fostering collaboration, and aligning team efforts with company-wide vision and strategy. New operations managers are required to complete both learning modules within the first 18 months in the role.

Building on the success of this program, we launched Group Career Pathways in 2024, to promote opportunities in non-union roles. Career Pathways provides career maps at each departmental level that outline the specific training, experience, and education required for a given non-union position. Employees can access these maps on our Human Resources Department intranet page as well as on each functional department's intranet page. All training courses listed within the career maps can be taken at home—usually through our Workday platform. Although completing the requirements for any position does not guarantee promotion, the training provides a valuable opportunity for professional development. More than 65 non-union employees received promotions in 2025.

Employees may also pursue external education opportunities. Our workforce holds more than 2,000 industry-specific certifications, and we offer bonuses to encourage employees to achieve additional certifications beyond the minimum requirements. We collaborate with a local community college to offer online water treatment and distribution certification courses, engage third parties to teach courses on our campus, and provide tuition reimbursement for outside coursework. We also work jointly with the American Water College to grant access to over 120 state-approved courses to obtain or renew distribution, treatment, and wastewater certifications. Employees have access to over 4,500 online employee development training classes and books, which they can easily access at any time on our human capital management platform.

Group employees undergo annual performance reviews to promote discussions with their managers, identify development opportunities, and determine short- and long-term career goals. We also conduct yearly talent review and succession planning sessions with each member of the officer team, with results presented to—and discussed with—the Board.

Compensation and Benefits

We offer competitive compensation and a comprehensive benefits package. Eligible regular full- and part-time employees in good standing may also participate in our performance-based compensation program. This program is tied to key performance metrics that help drive business success.

Some of our benefits include paid time off, a defined benefit pension plan, a 401(k) savings plan with an employer match, and medical, dental, and vision insurance plans. Our part-time employees receive the same benefits as full-time employees, with adjustments for accrual of hours. Some benefits are subject to minimum service levels with the Company.

We also offer flexible work options, such as hybrid remote work and consideration of job-sharing requests, for certain eligible employees based on job requirements. Our 9/80 work schedule option compresses 80 working hours over two weeks into nine days rather than 10.

In 2025, we launched our Total Health wellness program. Each month, Total Health offers a fun and engaging challenge that encourages employees to stay active, mindful, and focused on their well-being. Those who successfully complete the month's wellness activity are entered into drawings for prizes. All permanent and temporary employees are eligible.

Our Leave of Absence Policy provides employees with parental leave in accordance with the Family and Medical Leave Act (FMLA) and applicable state laws. We may provide up to two years of unpaid leave after any paid leave is exhausted.

Visit our Total Rewards webpage to learn more about our offerings.

Labor Relations and Management Practices

We are committed to protecting labor rights, maintaining safe working conditions, participating in regular dialogue with our employees, and efficiently addressing any concerns. As outlined in our Business Code of Conduct and the Ethics section of this report, employees can report grievances through our ethics hotline. Our policy respects the right to freedom of association and collective bargaining. To help drive informed decisions, we communicate the differences between union-represented and non-represented employees. We also provide a mechanism for union employees to submit grievances and outline this process in union contracts.

At the end of 2025, union employees represented about 60% of our workforce. They include members of the Utility Workers Union of America (UWUA), American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), and the International Federation of Professional and Technical Engineers (IFPTE). We meet monthly with our unions to review business matters and discuss potential issues. Together, we also seek to foster opportunities for career development and provide applicable safety and functional training. For more information about union involvement in our safety programs, see Health and Safety.

Group is committed to employment security whenever possible and has not laid off regular/permanent employees since the Company was founded in 1926.



California Water Service Group has **not laid off** regular/permanent employees since the company was founded in 1926.

Employee Photo Credit: Travis Beau

Health and Safety

California Water Service Group prioritizes workplace safety through a comprehensive approach centered on prevention, training, and risk mitigation. We strive to meet or exceed all regulatory compliance standards, encourage employee input, and continually strengthen our safety practices.

Prioritizing Safety

Our comprehensive Illness and Injury Prevention Plan includes more than 30 internal health and safety programs, procedures, and policies. We review and update the plan annually and provide resources that help employees mitigate risk and operate safely. We work to meet or exceed all industry safety benchmarks with the goal of reducing company-wide health and safety incidents by 5% annually. In 2025, we exceeded expectations and reduced OSHA recordable injuries to 28, down from 43 in 2024. Ongoing safety training has improved both awareness and behavior.

Our physical security program includes security signage, a third-party service to monitor CCTV/surveillance systems at various facilities, and engagement with local law enforcement. By expanding the use of cameras and other technologies, we have increased our ability to detect and respond to physical security incidents, enhancing overall site security.

A local Safety Committee is expected to meet monthly at each of our locations. Members include a Safety Committee Chair, Safety Champions, and representative employees, including frontline supervisors, managers, and union members. These committees use our "Safety Champion Handbook" to conduct job safety analyses, raise awareness of safety guidelines, and promote safe practices.

Our Safety Team regularly evaluates and updates our safety program and procedures to meet OSHA regulatory requirements on a variety of topics, including asbestos awareness, blood-borne pathogens, confined spaces, noise exposure/hearing conservation, respiratory protection, valley fever, and silica dust.

In 2025, we also made our in-person Workplace Violence Prevention Training mandatory for all employees. Provided by Life Theatre Services, these interactive dramatizations focus on identifying red flags, de-escalating situations, and keeping everyone safe before any issue can escalate. We offer company-wide Active Shooter and Situational Awareness training as well.

Creating a Culture of Safety Through Training

Informed by injury trends and other available data, employee safety training designed to reinforce relevant topics is delivered both in-person and online. Our Master Planning Safety Training Calendar charts our annual training on general workplace safety and other safety-related topics. We track training attendance for all employees, as required by OSHA standards, which mandate specific training on first aid, heat illness prevention, use of fire extinguishers, and other topics, and we continue to achieve a high completion rate.

All new employees are required to complete an online driver's course during onboarding, and operations employees undergo peer-to-peer driver observations as part of Power for America (P4A) Safety training. We also require employees to perform a 360-degree vehicle walk-around before driving. This inspection helps identify potential hazards and minimize risks.

Our Safety Department offers role-specific training to reflect the specific safety risks employees are most likely to encounter. Training may cover "boots on the ground" emergency response, EOC response, wastewater biohazard safety, sprains and strains, hearing conservation, safe lifting mechanics, and ergonomics. We also provide optional training opportunities through our human capital management platform.

We encourage employee involvement in evaluating our occupational health and safety programs. For example, in California, we partner with the UWUA and AFL-CIO to train union employees to become Power for America safety advocates. These advocates conducted more than 473 audits in 2025 across more than ten different job site categories, such as general observation, fall protection, heat illness safety, and temporary traffic control.

Risk Mitigation and Injury Management

Group strives to prevent safety incidents before they occur, providing personal protective equipment, implementing clear rules and procedures for daily operations, and beginning meetings with a safety reminder. We conduct extensive job safety analyses to help identify potential hazards, record compliance trends, and promote safe practices. For example, in 2025, we worked with a third party to develop personnel assessments regarding potential exposure to the chemicals used in our water treatment operations.

To understand our performance and inform training, we encourage employees to report any issues, record safety and near-miss data, and collect insights from our "boots on the ground" team members. We log incidents through our Incident Response Procedure and Incident Reporter tools.

Our Stop Work Authority Program empowers employees and contractors to pause work if they observe a health, safety, or environmental risk. Our policy prohibits punishment or retribution for exercising that authority. We require managers to evaluate the potential hazard and address any concerns before work resumes.

The HSI Donesafe application supports enhanced recordkeeping and compliance tracking. Since this tool is available for both mobile and desktop users, it is easily accessible in the office or the field. Among its capabilities, HSI Donesafe helps employees access Safety Data Sheets on any chemical or substance used or stored at each facility, report a Near Miss or Unsafe Condition, submit a job safety analysis, and much more.

Contractor Safety Management

Contractors must meet the same safety standards and expectations as our employees. They are required to provide a health and safety plan for our review and confirm that any staff working with us have been trained. We require both contractors and employees to review our analysis of job-related injury trends before starting work. Contractors are required to provide daily work reports, with designated on-site construction managers tracking their progress.

Our supplier risk management program assesses safety and performance using the recordable incident data that our high-risk and critical suppliers submit to OSHA. If injury rates exceed the industry average, our system is designed to alert us. We then discuss potential actions with the supplier, including requiring corrective action plans to improve performance. Depending on the circumstances, we may delay or halt work with a supplier until it meets our safety expectations.

Safety Performance

In 2025, our Total Case Incident Rate (TCIR) decreased by 38% to 2.4, while our Days Away, Restricted, or Transferred (DART) Rate improved by 23% to 2.0. Factors that contributed to our overall safety performance include:

- Districts consistently reinforced participation in daily safety workouts.
- P4A Safety Advocates strengthened peer-to-peer safety awareness.
- Continued emphasis on the Caught Doing It Right and Caught Working Safely programs.
- Increased focus on Near Miss/Unsafe Condition reporting.

Total Case Incident Rate (TCIR) and Days Away, Restricted, or Transferred (DART) Rate

	2023	2024	2025
TCIR	4.7	3.9	2.4
DART	2.6	2.6	2.0

Governance

We hold our Board, employees, and suppliers to the highest ethical standards as we serve our customers. We champion our customers' interests and those of our communities, employees, and future generations.



IN THIS SECTION

- Corporate Governance
- Ethics
- Public Policy and Political Involvement
- Responsible Sourcing

Corporate Governance

Group's corporate governance is built on a strong foundation of compliance, transparency, and accountability. We have established a clear framework of oversight and mechanisms that guide everyone, from our Board and executive leadership team to our frontline employees, to promote long-term value and build stakeholder trust.

Grounded in Integrity

Our Board embodies our commitment to governance. The Board oversees and collaborates with our Leadership Team to pursue ambitious business goals while adhering to rigorous legal and ethical standards. Our overarching approach to corporate governance is covered extensively on our website, in our Annual Report, and in our Proxy Statement.

ESG Governance

As part of our ESG program, we established a formal ESG governance structure. This structure provides defined lines of responsibility and guides our execution. The entire Board oversees the implementation of our climate change strategy, and the Nominating/Corporate Governance Committee oversees our ESG program and reporting. The Board delegates oversight of specific ESG-related matters to additional Board committees with expertise in these areas. Our Leadership Team and supporting management committees are responsible for overseeing individual ESG focus areas, addressing cross-cutting issues, and tracking progress. Our short- and long-term incentive programs link executive compensation to metrics related to ESG initiatives. See our Proxy Statement for details.

Several cross-functional committees outside the formal ESG program support the Board and Leadership Team by advising on and executing strategies to address specific needs related to ESG topics. Examples include the Drought Steering Committee, Capital Program Management Committee, PFAS Compliance Steering Committee, and others. The report Appendix includes the topic-by-topic ESG Governance Responsibilities Matrix. The Group's 2025 CDP Response provides complete information on the governance of climate-related issues.

2025 Highlights

10 of 11
independent Board directors.

100%
independent Board committees.

50+
instances in which ESG-related matters were discussed during committee or full Board meetings.

ESG Governance Structure		
Oversight Level	**Entity**	**Responsibility**
Board	Nominating/Corporate Governance Committee	Oversees overall ESG program and reporting, as well as Board diversity.
	Enterprise Risk Management (ERM), Safety and Security Committee	Assists the Board in the oversight of Group's ERM, Safety, and Security programs, including items related to physical safety, security, and environmental risks.
	Organization and Compensation Committee	Oversees employee relations, retention, diversity, development, and compensation plans including executive compensation.
	Finance and Capital Investment Committee	Oversees investments in corporate assets and our ability to obtain financing, which includes ESG efforts and climate-related projects.
	Audit Committee	Oversees compliance with environmental and ethics standards, internal controls, cybersecurity risk, and supplier integrity.
Executive	Senior VP, Customer Service and Chief Sustainability Officer	Oversees ESG Program and co-leads the ESG Executive Oversight Committee.
	ESG Executive Oversight Committee (executive leadership across functional areas) led by Senior VP, Customer Service and Chief Sustainability Officer and ESG Manager	Comprised of the full Senior Officer Team. Oversees overall ESG vision, management, and communications, and tracks progress of strategies, policies, and practices related to material sustainability issues.
Supporting	ESG Working Groups	Comprised of officer sponsors, subject matter experts, and goal owners across the Company. Executes strategies and objectives and facilitates collaboration among departments on specific cross-cutting ESG focus areas.
	ESG Manager	Manages the ESG Program and co-leads the ESG Executive Oversight Committee.

Board Oversight of ESG

Executives and ESG working groups update the Nominating/Corporate Governance Committee as needed throughout the year, with at least one formal update annually. Topics include progress on ESG focus areas and objectives, new strategic ESG initiatives, significant stakeholder concerns relating to ESG matters, and current and emerging ESG legislation and trends relevant to Group. Additionally, specific topics within Group's ESG strategy may be discussed at other committee or full Board meetings throughout the year. For example, the Enterprise Risk Management, Safety, and Security Committee discusses specific physical safety, security, and environmental matters at least twice yearly and on an as-needed basis thereafter.

The primary responsibility for overseeing our ESG program, reporting, and Board diversity falls to the Nominating/Corporate Governance Committee. To promote critical insight and competence on climate-related issues, the committee looks for Board members with varied occupational and personal backgrounds as well as experiences and perspectives. For example, the Board member who serves as Chair of the Enterprise Risk Management, Safety, and Security Committee brings over 40 years of water and natural resource management experience.

Integrating ESG Risks into ERM

As part of our Enterprise Risk Management (ERM) program, we assess risks and mitigation controls annually. Our annual ERM review process includes analyzing new and existing risks and developing or reviewing mitigation controls. The majority of the risks monitored through our ERM program align with our priority ESG topics. Additionally, we review and update our analysis of overlapping ERM and ESG areas and strive to integrate new and emerging ESG-related risks into our risk analyses and mitigation controls as appropriate. We plan to complete a realignment of enterprise risks and priority ESG topics in 2026.



We assess risks and mitigation controls annually through our Enterprise Risk Management program.

Ethics

We pride ourselves on doing the right thing. To maintain our culture of integrity, we established detailed policies and procedures and set defined expectations for leadership and employees to follow. We collaborate with one another in the spirit of fairness and transparency to serve our stakeholders.

Maintaining Personal and Professional Integrity

Group's Business Code of Conduct and Code of Business Conduct and Ethics Policy of the Board of Directors set clear expectations for employees, officers, and Board members. Our Supplier Code of Conduct outlines our expectations for the partners that supply us with the goods and services we need to operate.

The Business Code of Conduct applies to all employees and spells out expectations for compliance with laws, fair dealing, conflicts of interest, confidential information, anti-corruption, and other ethical issues. It also prohibits retaliation against employees who report misconduct. New employees are required to certify that they have received, read, and understand the Business Code of Conduct when they join Group. Additionally, all employees are required to review and acknowledge the Business Code of Conduct as part of mandatory annual ethics training. Group's 2025 refreshed ethics training aimed to garner greater engagement through interactive modules.

The Business Code of Conduct and the Code of Business Conduct and Ethics Policy of the Board of Directors help foster a culture of honesty and accountability by focusing on areas of ethical risk. These Codes offer guidance on recognizing and addressing ethical issues and provide mechanisms for reporting unethical conduct.

Our Audit Committee annually reviews and approves the Business Code of Conduct and the Supplier Code of Conduct, while the Nominating/Corporate Governance Committee annually evaluates and enhances the Code of Business Conduct and Ethics Policy of the Board of Directors. Our Senior Vice President, General Counsel, regularly reports to the Board's Audit Committee on ethics matters. Additionally, our Internal Audit Department, which provides updates to the Audit Committee and senior management, evaluates the effectiveness of internal controls.

2025 Highlights

5 years

as one of "America's Most Responsible Companies" recognized by Newsweek, thanks to Group's sustainability and corporate citizenship efforts.

We encourage employees to communicate ethical concerns about potential violations of the Business Code of Conduct or other policies directly to management. Additional channels for reporting ethics concerns include:

- Email or mail reports submitted directly to the Audit Committee of the Board of Directors.
- Email or mail reports submitted directly to the Senior Vice President, General Counsel; Vice President, Chief Human Resource Officer; or Vice President, Corporate Secretary and Chief of Staff.
- Our confidential, 24/7 Ethics Hotline (1-833-596-6689) is available to all employees and external stakeholders, including suppliers and customers. Written complaints may be submitted to the Ethics Hotline using an online form accessed via the Intranet or QR Code.

Reports to the Ethics Hotline may be confidential and anonymous, although we encourage anyone submitting a concern to identify themselves, to facilitate follow-up and investigation. We strive to protect the reporting individual's identity and share information only with those who need to know to help investigate and resolve concerns. In some instances, however, it may be impossible to keep the reporting individual's identity confidential, due to the demands of conducting a thorough investigation or complying with legal requirements. Our Senior Vice President, General Counsel, evaluates all submitted complaints, promptly reports such matters to the Chairman, President and CEO, and Chair of the Audit Committee, and then engages appropriate resources to conduct an investigation. Final investigation reports are submitted to the Chairman, President and CEO.

Our Internal Audit Department is responsible for reviewing and investigating responses by senior leaders and management received through our quarterly Sarbanes-Oxley (SOX) Section 302 certification questionnaire. The Internal Audit Department refers issues to the appropriate parties for further investigation and provides a summary of employee SOX 302 report results to management's Disclosure Committee and the Audit Committee of the Board.

As part of the annual company leadership disclosure process, all officers and directors complete questionnaires to identify potential ethical and legal issues, including conflicts of interest, that may arise based on other board memberships and compensation, as well as external relationships, such as related-party transactions.

Human Rights

The Board of Directors oversees Group's Human Rights Policy, which, in accordance with the United Nations (UN) Guiding Principles on Business and Human Rights, covers ethical conduct, water affordability, workplace health and safety, equal opportunity, labor practices, and responsible sourcing. Our policies prohibit slave, child, or otherwise forced labor throughout our operations and supply chain, and we have not identified any material human rights risks.

As a leading provider of a valued natural resource, we believe we have a responsibility to support equal access to safe, reliable, and affordable drinking water for all people. We aim to make water affordable by managing costs, providing financial support and flexible payment options, and encouraging conservation in order to lower water bills. We also work to expand access to high-quality water for communities that need it, whether by connecting to nearby, struggling water systems through new water system acquisitions or by investments in infrastructure.



Group's Human Rights Policy covers ethical conduct, water affordability, workplace health and safety, equal opportunity, labor practices, and responsible sourcing.

Public Policy and Political Involvement

We engage in public policy discussions to understand the needs of our customers, communities, employees, and stockholders. Group's political involvement and contributions are guided by our values and aim to influence and elect leaders who align with topics critical to our mission.

Supporting Policies That Reflect Our Values

Our political involvement is intended to be policy-driven, nonpartisan, transparent, and designed to benefit our customers, communities, employees, and stockholders. We advocate for water affordability, quality, sustainability, and equality for our customers and seek to safeguard our position as the leading water service provider in our communities. Our policies are designed to set clear internal expectations for our employees and align our activities with our values and objectives.

Accountability in Advocacy

Our Government and Community Affairs Team leads our public policy and political involvement efforts and manages our political donations in line with local, state, and federal laws and regulations. The team also oversees two employee-funded Political Action Committees (PACs), a federal PAC, and a state and local PAC focused on California. Both PAC Boards are led by our Senior Vice President, Customer Service and Chief Sustainability Officer; our Chairman, President and CEO; and our Vice President, Government and Community Affairs.

We file quarterly lobbying disclosure reports for our California subsidiary, as required by California Government Code Section 86116. Our policy is to use only contract lobbyists in California; none of our employees are registered lobbyists.

Although most of our legislative advocacy focuses on California, our regulatory advocacy covers all states in which we operate. Our Rates Department oversees our relationship with the utilities commission in each state. We regularly communicate with our regulators on issues impacting our business and customers, including safety, reliability, and affordability.

Industry organizations and trade associations are valued partners in preparing for emerging regulations and offering policy input. We collaborate with organizations including the American Water Works Association, the California Water Association, the Water Research Foundation, the National Association of Water Companies, and the Public Policy Institute of California.



Employee Photo Credit: Adam Eberhardt

CORE ADVOCACY PRIORITIES

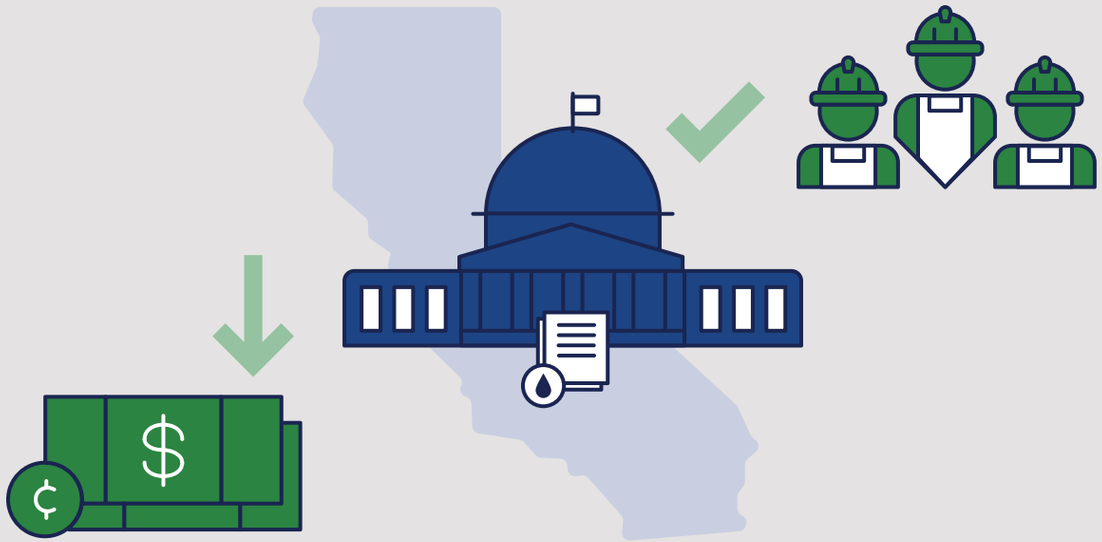
We actively review federal bills, bills introduced at the California Legislature, and items introduced by our regulatory agencies. We support those that we believe align with our core values and principles and oppose those that run counter to our mission.

Affordability. Many of our advocacy efforts focus on improving water affordability and access for our customers. We have supported legislation intended to remove extraneous customer fees, enhance access for low-income communities, and provide financial assistance for customers who cannot afford their water bills due to economic hardship.

- California SB 350 Low-income Rate Assistance
- California SB 473 Decoupling Water Rates

Workforce. We strongly advocate for the protection of our employees and their workers' rights. Advocating for our employees means meal break flexibility, and providing workers wages, protections, and benefits negotiated through collective bargaining. We collaborated closely with the Utility Workers Union of America, and the following bill passed unanimously, removing a hurdle to effective emergency response.

- California SB 693 Workforce Break Flexibility





We advocate for water affordability, quality, sustainability, and equality for our customers.

Responsible Sourcing

Our supply chain is integral to our business. We seek suppliers who are accountable for the lifecycle of their products and services, align with the expectations outlined in our code of conduct, safeguard the human rights of their workers and supply chain workers, and provide value.

A Principled and Resilient Supply Chain

Our suppliers are required to comply with applicable regulations and our Supplier Code of Conduct. This code incorporates principles from the UN Global Compact, and references recognized standards and regulations, such as the U.S. Foreign Corrupt Practices Act, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization core labor standards.

Our Supplier Code of Conduct outlines expectations regarding anti-corruption, anti-bribery, fair dealing, conflicts of interest, confidential information, workplace conduct and safety, environmental management, human rights and labor practices, supplier diversity, compliance, and the need for an anonymous worker grievance process. Our 2025 updates to the Code focused on improving clarity and consistency, along with updating data security and privacy, environmental management, and human rights and labor practices content. The Code also encourages our suppliers to implement their own written code of conduct and adopt labor practices that conform to international and domestic regulations for their supply chain.

Supplier Management

Our Supplier Management Team engages with suppliers throughout their relationship with Group. At the outset, we screen potential suppliers and assess their ability to meet our requirements. We establish contracts designed to drive best practices and minimize risks through competitive bidding processes. Depending on the supplier, that may include specific requirements related to hazardous materials, waste disposal, and health and safety. After the bidding and contracting process, we work to build mutually beneficial long-term relationships while monitoring compliance and taking corrective action as needed.

Supplier Risk Management

Because our suppliers are so integral to our business, we continue to refine our supplier risk management (SRM) program, which includes critical and high-risk suppliers in California. We also manage risk with selected large suppliers that provide services across multiple state operations, and we plan to expand the SRM program to other state operations.

2025 Highlights

99%
of suppliers have acknowledged our Supplier Code of Conduct.

Presently, the SRM platform tracks approximately 80% of high-risk and critical suppliers. Our spend with high-risk and critical suppliers constitutes 64% of our 2025 procurement spend. The program uses a third-party service and a software solution to efficiently manage our supplier risks. The process includes four key steps, from initial assessment to ongoing monitoring.

SUPPLIER RISK MANAGEMENT PROGRAM

1. Initial Supplier Assessment

We check all potential suppliers against the denied party lists maintained by the U.S. Treasury Department's Office of Foreign Assets Control. Checks may include identifying sanctions and embargoes placed on nations and political jurisdictions. We then perform an insurance check where insurance is required, verify that each supplier is licensed to do business, and confirm that it has no record of corrupt practices.

2. Supplier Risk Segmentation

We segment suppliers into critical and high-risk categories. Critical suppliers offer unique services, have high switching costs, or help prevent service interruptions. High-risk suppliers may be exposed to activities with stricter safety and security requirements, such as excavating or demolition, electrical work, hazardous waste disposal, confined space work, or information security.



3. Further Supplier Qualification

We require suppliers to sign the Supplier Code of Conduct as part of their contract. To date, more than 99% of suppliers have acknowledged the Code. To further qualify suppliers within our SRM program, we evaluate their regulatory, financial, environmental, and cybersecurity performance. Our self-certification process includes an annual questionnaire and upholds our right to audit. We flag issues in our SRM system, and vendors must provide an explanation and a corrective action plan that may include training related to the issue before we consider them for potential work.

4. Supplier Monitoring

We establish ongoing communication with our key suppliers, collect information about their performance, and strive to address any issues promptly. If a supplier does not meet our standards, we may also engage internal subject matter experts to address concerns. If critical issues are repeated or remain unresolved, we may issue stop work orders, terminate contracts, and/or add a supplier to our no-bid list.

Promoting Supplier Diversity

The CPUC encourages investor-owned utilities, among other entities, to include diverse firms in their procurement activities and purchase at least 23% of their services and goods from diverse-owned businesses (through General Order 156). In 2025, we surpassed this goal for the third consecutive year.

We work to source high-quality products and services through our Supplier Diversity Program, while supporting businesses owned by women, minorities, disabled veterans, LGBTQ individuals, and persons with disabilities, consistent with the General Order. We aim to achieve the annual CPUC target for spending with diverse suppliers and follow best practices to enhance our program while complying with applicable laws.

The five pillars of our Supplier Diversity Program include:

Policy: For every competitive bidding event over $50,000, we invite one diverse supplier.

Internal Communications: We update the program status, provide support for internal stakeholders, and help project managers make decisions regarding supplier diversity.

External Outreach: We work to expand our existing network and maintain good relationships with community-based organizations.

Capacity Building: We invite suppliers and provide technical assistance and training, and we also support their access to capital as warranted.

Subcontracting: For larger Tier-1 suppliers, we encourage the use of diverse Tier-2 suppliers.

We assist qualified suppliers to achieve certification through the CPUC Supplier Clearinghouse. We also seek to support our local economies by purchasing from nearby businesses when feasible. While we continue to exceed the federal subcontracting goals for small businesses on our Travis Air Force Base operations in Fairfield, California, we remain focused on engaging more Historically Underutilized Business Zone suppliers there.

For additional information, see Diverse Business Certification and Registration and our annual supplier diversity reports filed with the CPUC.

Percentage of Net Procurement Spend with Diverse Suppliers		
2023	**2024**	**2025**
27.2%	25.3%	26.0%

Supply Chain Resilience

Our operations depend on a robust supply chain, but numerous factors can threaten reliability. Disruptions and cost increases may result from natural disasters, geopolitical or regional conflicts, tariffs, inflation, and labor shortages. In 2025, we established a Supply Chain Resilience Group to enhance our management of supply chain risks. As part of our proactive approach, we closely monitor key material and service categories, order materials in advance, stockpile inventory, strengthen relationships with key partners, diversify our supplier base, and engage domestic or local vendors where feasible. We also continue to build redundancy in the supply of critical maintenance, repair, and construction services and supplies. We aim to protect service reliability, operational efficiency, and be prepared for emergencies.

Inventory Optimization

To better manage the supplies in our facilities, we launched a pilot program in 2024 aimed at identifying opportunities to eliminate obsolete items, optimize space, increase high-usage inventory, and refine inventory management processes. We launched the pilot at a storeroom in Stockton, California, where the team sorted items for scrap, recycling, and retention. We set target inventory levels, established storage locations for each item, defined processes to keep inventory updated, and trained local staff on these processes and technology. The Stockton site proved successful, and we expanded the program to optimize eight additional district inventories in 2025.



We continue to build redundancy in our supply chain to protect service reliability, promote operational efficiency, and prepare for emergencies.

Appendices



IN THIS SECTION

- ESG Governance Responsibilities Matrix
- Water Study Plans
- TCFD Content Index
- SASB Content Index
- GRI Content Index

ESG GOVERNANCE RESPONSIBILITIES MATRIX

Departments, officers, and Board and Committees responsible for each of our priority ESG topics:

Priority Topic	Departments (Led by Directors and Managers)	Responsible Officers	Board-Level Oversight
Business Governance and Conduct	• Human Resources • Legal	• Chairman, President and CEO • VP, Corporate Secretary and Chief of Staff • VP, Chief Human Resource Officer • Senior VP, General Counsel	• Audit Committee • Full Board of Directors
Climate Change/Energy and Emissions	• Water Resource Sustainability • Engineering • Procurement (Fleet and Facilities) • Operations	• Chairman, President and CEO • Senior VP, Customer Service and Chief Sustainability Officer • VP, Water Resources Planning and Sustainability • VP, Facilities, Fleet and Procurement	• Full Board of Directors
Cybersecurity and Data Privacy	• Information Technology	• Senior VP, Corporate Services and Chief Risk Officer	• Audit Committee • Full Board of Directors
Community Engagement and Public Participation	• Government and Community Affairs	• VP, Government and Community Affairs • VP, Rates and Regulatory Affairs	• Full Board of Directors
Diversity, Equality, and Inclusion	• Human Resources	• VP, Chief Human Resource Officer	• Organization and Compensation Committee • Full Board of Directors
Emergency Preparedness and Response	• Safety • Operations	• Senior VP, Corporate Services and Chief Risk Officer • VP, Emergency Preparedness, Safety and Security • Senior VP, Operations	• Enterprise Risk Management, Safety and Security Committee
End-Use Conservation	• Water Resource Sustainability	• VP, Water Resources Planning and Sustainability	• Full Board of Directors

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Priority Topic	Departments (Led by Directors and Managers)	Responsible Officers	Board-Level Oversight
Materials and Waste	• Environmental Affairs • Sustainability	• VP, Water Quality and Environmental Affairs • VP, Facilities, Fleet and Procurement	• Enterprise Risk Management, Safety and Security Committee
Natural Resources and Land Use	• Environmental Affairs	• VP, Water Resources Planning and Sustainability • VP, Water Quality and Environmental Affairs	• Enterprise Risk Management, Safety and Security Committee
Regulatory and Policy Exposure	• Government and Community Affairs	• Chairman, President and CEO • Senior VP, Customer Service and Chief Sustainability Officer • VP, Government and Community Affairs	• Nominating/Corporate Governance Committee • Full Board of Directors
Supply Chain Sustainability	• Procurement	• VP, Facilities, Fleet and Procurement	• Audit Committee
Talent Attraction, Development, and Retention	• Human Resources	• VP, Chief Human Resource Officer	• Full Board of Directors • Organization and Compensation Committee
Water Affordability and Access	• Rates and Regulatory Affairs*	• VP, Rates and Regulatory Affairs • VP, Government and Community Affairs • VP, Water Resources Planning and Sustainability • Senior VP, Customer Service and Chief Sustainability Officer	• Full Board of Directors
Water Quality and Public Health	• Water Quality • Operations	• VP, Water Quality and Environmental Affairs • Management Committee • Strategy and Operating Committee • Oversight Committee	• Enterprise Risk Management, Safety and Security Committee • Full Board of Directors

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Priority Topic	Departments (Led by Directors and Managers)	Responsible Officers	Board-Level Oversight
Water Supply Resilience and Reliability	• Water Resource Sustainability • Engineering	• Chairman, President and CEO • VP, Water Resources Planning and Sustainability • VP, Engineering	• Full Board of Directors
Water System Resilience, Reliability, and Efficiency	• Water Resource Sustainability • Engineering • Operations	• VP, Water Resources Planning and Sustainability • VP, Engineering • Senior VP, Operations	• Full Board of Directors
Workplace Health and Safety	• Safety • Operations	• Chairman, President and CEO • Senior VP, Corporate Services and Chief Risk Officer • Senior VP, Operations • VP, Chief Human Resource Officer • VP, Emergency Preparedness, Safety and Security • Executive Safety Committee	• Enterprise Risk Management, Safety and Security Committee • Full Board of Directors

**We take an interdepartmental approach to many of our ESG topics, particularly for Water Affordability and Access. All departments play a role in finding opportunities to reduce expenses and increase affordability. Additionally, the Water Resource Sustainability Department leads our grant funding efforts.*

WATER SUPPLY PLANS

Climate Change Risk Assessment and Adaptation Framework

Area: All Cal Water districts within one report

Frequency: ~5–10 years

Timeframe Assessed: Three 30-year time horizons covering 2020–2099

Purpose: Determines risk for specific water sources based on threat likelihood, consequence magnitude, and vulnerability.

Outcome: Informs efforts to address climate-related risks to water quality and supply. Outputs from this study impact the other plans where climate risks apply.

Impact: Overarching review of climate change-related risks for integration into all other plans where appropriate.

Required by: Voluntary Cal Water planning and research

Regional Water Supply Reliability Studies

Area: All Cal Water districts, grouped by regions for each report

Frequency: ~10 years

Timeframe Assessed: 25–30 years

Purpose: Enhances reliability by assessing existing regional water supplies under multiple scenarios and supply and demand options. Considers climate-driven risks, recommendations for further review, and potential adaptation measures and projects.

Outcome: Recommends projects based on ranking potential water sources on factors including reliability, environmental impact, permitting, and cost.

Impact: Input for Water Supply and Facilities Master Plans.

Required by: Voluntary Cal Water planning and research

Water Supply and Facilities Master Plans

Area: All Cal Water districts, one report for each district

Frequency: ~10 years

Timeframe Assessed: 25–30 years

Purpose: References water supply strategy to maintain and improve long-term operational reliability. Includes assessment of existing infrastructure.

Outcome: Identifies current and anticipated infrastructure deficiencies and associated risks, and approximate timing and type of potential improvements needed.

Impact: Technical basis to support General Rate Case project justifications.

Required by: California Public Utilities Commission (CPUC)

Urban Water Management Plans (UWMPs)

Area: All Cal Water districts, one report for each district

Frequency: 5 years

Timeframe Assessed: 20 years

Purpose: Supports medium- and long-term resource planning to provide adequate water supplies for existing and future needs.

Outcome: Determine water source reliability and demand management measure

Impact: Appendix includes Water Shortage Contingency Plan and Conservation Master Plan.

Required by: California Water Code

Water Shortage Contingency Plans (WSCPs)

Area: All Cal Water districts, one report for each district

Frequency: 5 years

Timeframe Assessed: Not applicable

Purpose: Helps plan for adequate water supplies if shortages occur due to severe climate events or other catastrophes.

Outcome: Improves water conservation and water shortage planning and prioritizes adaptation actions.

Impact: Appendix to UWMP and describes procedures for Annual Water Supply and Demand Assessments.

Required by: California Water Code

Conservation Master Plans (CMPs)

Area: All Cal Water districts, one report for each district

Frequency: 5 years

Timeframe Assessed: 5 years

Purpose: Evaluates conservation efforts to promote cost-effective conservation programs that help customers use water efficiently.

Outcome: Informs annual conservation activities and mix of conservation measures based on estimated water savings, costs, and effects on water demand.

Impact: Optional appendix to UWMP, positions districts for compliance with regulations for "Making Water Conservation a California Way of Life."

Required by: Voluntary Cal Water planning and research

Annual Water Supply and Demand Assessments (AWSDAs)

Area: All Cal Water districts, one report for each district

Frequency: 1 year

Timeframe Assessed: Current year and one dry year

Purpose: Assesses supply and demand to predict likelihood of short-term water shortages, using criteria including purchased water availability, treatment and distribution system constraints, and state regulatory conditions.

Outcome: Determines response to anticipated water shortages.

Impact: Basis for generating and submitting an Annual Water Shortage Assessment Report.

Required by: California Water Code

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) CONTENT INDEX

We seek to align our disclosures with the guidance of the TCFD, focusing on transparency around the four thematic areas that represent the core of the recommendations: governance, strategy, risk management, and metrics and targets.

TOPIC	TCFD Recommendations	Location or Direct Response
Governance	Describe the board's oversight of climate-related risks and opportunities.	Climate Change: Strategy ESG Governance Responsibilities Matrix Group 2025 CDP Response
	Describe management's role in assessing and managing climate-related risks and opportunities.	Climate Change: Strategy Governance Corporate Governance ESG Governance Responsibilities Matrix Group 2025 CDP Response
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Change: Strategy Scenario Analysis Group 2025 CDP Response
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Climate Change: Strategy Scenario Analysis Group 2025 CDP Response 2025 Form 10-K
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Climate Change: Strategy Scenario Analysis

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TOPIC	TCFD Recommendations	Location or Direct Response
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	Scenario Analysis Group 2025 CDP Response
	Describe the organization's processes for managing climate-related risks.	Climate Change: Strategy Group 2025 CDP Response
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	Enterprise Risk Management Integration Group 2025 CDP Response
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Climate Change Our Objectives 2025 Sustainability Data Download Group 2025 CDP Response
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions and the related risks.	Emissions Reduction Target 2025 Sustainability Data Download
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Emissions Reduction Target Group 2025 CDP Response

SASB CONTENT INDEX: WATER UTILITIES AND SERVICES SUSTAINABILITY ACCOUNTING STANDARD

SASB Disclosure	Location or Direct Response
Energy Management	
IF-WU-130a.1: (1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Energy and Emissions 2025 Sustainability Data Download
Distribution Network Efficiency	
IF-WU-140a.1: Water main replacement rate	Water System Resilience 2025 Sustainability Data Download
IF-WU-140a.2: Volume of non-revenue real water losses	Water System Resilience 2025 Sustainability Data Download
Effluent Quality Management	
IF-WU-140b.1: Number of incidents of non-compliance associated with water effluent quality permits, standards, and regulations	Environmental Management, Compliance, and Stewardship 2025 Sustainability Data Download
IF-WU-140b.2: Discussion of strategies to manage effluents of emerging concern	Environmental Management, Compliance, and Stewardship Water Quality
Water Affordability and Access	
IF-WU-240a.1: Average retail water rate for (1) residential, (2) commercial and (3) industrial customers	2025 Sustainability Data Download
IF-WU-240a.3: (1) Number of residential customer water disconnections for non-payment, (2) percentage reconnected within 30 days	2025 Sustainability Data Download
IF-WU-240a.4: Discussion of impact of external factors on customer affordability of water, including the economic conditions of the service territory	Water Affordability and Access

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SASB Disclosure	Location or Direct Response
Drinking Water Quality	
IF-WU-250a.1: Number of incidents of non-compliance associated with drinking water quality standards and regulations	Water Quality 2025 Sustainability Data Download
IF-WU-250a.2: Discussion of strategies to manage drinking water contaminants of emerging concern	Water Quality
End-Use Efficiency	
IF-WU-420a.1: Percentage of water utility revenues from rate structures designed to promote conservation and revenue resilience	2025 Sustainability Data Download
IF-WU-420a.2: Customer water savings from efficiency measures, by market	Reliable Water Supply End-Use Conservation 2025 Sustainability Data Download
Water Supply Resilience	
IF-WU-440a.1: Total water sourced from regions with High or Extremely High Baseline Water Stress, percentage purchased from a third party	This data is not available for disclosure while we work to enhance our data collection processes.
IF-WU-440a.2: Volume of recycled water delivered to customers	Reliable Water Supply 2025 Sustainability Data Download
IF-WU-440a.3: Discussion of strategies to manage risks associated with the quality and availability of water resources	Utility Water Flow Climate Change: Strategy Reliable Water Supply Water Quality

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SASB Disclosure	Location or Direct Response
Network Resiliency and Impacts of Climate Change	
IF-WU-450a.1: Wastewater treatment capacity located in 100-year flood zones	2025 Sustainability Data Download
IF-WU-450a.2: (1) Number and (2) volume of sanitary sewer overflows (SSO) and (3) percentage of volume recovered	Environmental Management, Compliance, and Stewardship 2025 Sustainability Data Download
IF-WU-450a.3: (1) Number of unplanned service disruptions and (2) customers affected, each by duration category	2025 Sustainability Data Download
IF-WU-450a.4: Description of efforts to identify and manage risks and opportunities related to the impact of climate change on distribution and wastewater infrastructure	Utility Water Flow: Sustainability in the Utility Water Process Climate Change: Strategy
Activity Metrics	
IF-WU-000.A: Number of: (1) residential, (2) commercial, and (3) industrial customers served, by service provided	2025 Sustainability Data Download
IF-WU-000.B: Total water sourced, percentage by source type	Reliable Water Supply 2025 Sustainability Data Download
IF-WU-000.C: Total water delivered to: (1) residential, (2) commercial, (3) industrial, and (4) all other customers	2025 Sustainability Data Download
IF-WU-000.D: Average volume of wastewater treated per day, by (1) sanitary sewer, (2) stormwater, and (3) combined sewer	Environmental Management, Compliance, and Stewardship 2025 Sustainability Data Download
IF-WU-000.E: Length of (1) water mains and (2) sewer pipe	2025 Sustainability Data Download

GRI CONTENT INDEX

Statement of use	California Water Service Group has reported the information cited in this GRI Content Index for the period January 1, 2025, to December 31, 2025, with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Disclosure		Location or Direct Response
General Disclosures		
The Organization and Its Reporting Practices		
GRI 2: General Disclosures 2021	2-1 Organizational details	Company Overview 2025 10-K
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	2025 Sustainability Data Download We have restated data from previous years due to corrections and/or changes in methodology. Restatements are noted where applicable.
	2-5 External Assurance	2025 Verification Statement

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GRI Disclosure		Location or Direct Response
General Disclosures		
Activities and Workers		
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	Company Overview 2025 10-K
	2-7 Employees	2025 Sustainability Data Download
Governance		
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Corporate Governance 2026 Proxy
	2-10 Nomination and selection of the highest governance body	2026 Proxy
	2-11 Chair of the highest governance body	2026 Proxy
	2-12 Role of the highest governance body in overseeing the management of impacts	2026 Proxy
	2-13 Delegation of responsibility for managing impacts	Corporate Governance 2026 Proxy
	2-14 Role of the highest governance body in sustainability reporting	Corporate Governance 2026 Proxy

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GRI Disclosure		Location or Direct Response
General Disclosures		
Strategies, Policies, and Practices		
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Energy and Emissions Letter from the CEO
	2-23 Policy commitments	Cybersecurity and Data Privacy Diversity, Equality, and Inclusion Ethics Responsible Sourcing California Water Service Group does not formally follow the precautionary principle.
	2-24 Embedding policy commitments	Energy and Emissions Cybersecurity and Data Privacy Diversity, Equality, and Inclusion Ethics Responsible Sourcing
	2-25 Processes to remediate negative impacts	Stakeholder Engagement Labor Relations and Management Practices Ethics
	2-26 Mechanisms for seeking advice and raising concerns	Ethics
	2-27 Compliance with laws and regulations	2025 Sustainability Data Download
	2-28 Membership associations	Stakeholder Engagement

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GRI Disclosure		Location or Direct Response
General Disclosures		
Stakeholder Engagement		
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Stakeholder Engagement
	2-30 Collective bargaining agreements	Labor Relations and Management Practices 2025 Sustainability Data Download
Material Topics (highest and higher priority topics; listed by order of report)		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Priority ESG Topics
	3-2 List of material topics	Priority ESG Topics
Climate Change		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance Utility Water Flow Energy and Emissions Group 2025 CDP Response
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Climate: Scenario Analysis Energy and Emissions Group 2025 CDP Response

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GRI Disclosure		Location or Direct Response
General Disclosures		
Material Topics (highest and higher priority topics; listed by order of report)		
Energy and Emissions		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and Emissions 2025 Sustainability Data Download
	302-3 Energy intensity	Energy and Emissions 2025 Sustainability Data Download
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and Emissions 2025 Sustainability Data Download
	305-2 Energy indirect (Scope 2) GHG emissions	Energy and Emissions 2025 Sustainability Data Download
	305-3 Other indirect (Scope 3) GHG emissions	Energy and Emissions 2025 Sustainability Data Download
	305-4 GHG emissions intensity	Energy and Emissions 2025 Sustainability Data Download
	305-5 Reduction of GHG emissions	Energy and Emissions 2025 Sustainability Data Download

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GRI Disclosure		Location or Direct Response
General Disclosures		
Material Topics (highest and higher priority topics; listed by order of report)		
Water Supply Resilience and Reliability		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance Utility Water Flow Reliable Water Supply
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Utility Water Flow Reliable Water Supply
	303-3 Water withdrawal	Reliable Water Supply 2025 Sustainability Data Download
Water System Resilience, Reliability, and Efficiency		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance Water System Resilience
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water System Resilience
Self-Selected Metric	We provide relevant indicators for this material topic within the corresponding report section and in the 2025 Sustainability Data Download.	Water System Resilience 2025 Sustainability Data Download
End-Use Conservation		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance End-Use Conservation
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	End-Use Conservation
Self-Selected Metric	We provide relevant indicators for this material topic within the corresponding report section and in the 2025 Sustainability Data Download.	End-Use Conservation 2025 Sustainability Data Download

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GRI Disclosure		Location or Direct Response
General Disclosures		
Material Topics (highest and higher priority topics; listed by order of report)		
Water Quality and Public Health		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance Water Quality
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2025 Sustainability Data Download
Water Affordability and Access		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance Water Affordability and Access
Self-Selected Metric	We provide relevant indicators for this material topic within the corresponding report section and in the 2025 Sustainability Data Download.	Water Affordability and Access 2025 Sustainability Data Download
Community Engagement and Public Participation		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance Philanthropy and Volunteerism Stakeholder Engagement
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Philanthropy and Volunteerism
Self-Selected Metric	We provide relevant indicators for this material topic within the corresponding report section.	Stakeholder Engagement

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GRI Disclosure		Location or Direct Response
General Disclosures		
Material Topics (highest and higher priority topics; listed by order of report)		
Cybersecurity and Data Privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance Cybersecurity and Data Privacy
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2025 Sustainability Data Download
Emergency Preparedness and Response		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance Emergency Preparedness and Response
Self-Selected Metric	We provide relevant indicators for this material topic within the corresponding report section.	Emergency Preparedness and Response
Diversity, Equality, and Inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance Diversity, Equality, and Inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity, Equality, and Inclusion 2025 Sustainability Data Download

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GRI Disclosure		Location or Direct Response
General Disclosures		
Material Topics (highest and higher priority topics; listed by order of report)		
Talent Attraction, Development, and Retention		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance Talent Attraction and Retention
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Talent Attraction and Retention 2025 Sustainability Data Download
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Attraction and Retention

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GRI Disclosure		Location or Direct Response
General Disclosures		
Material Topics (highest and higher priority topics; listed by order of report)		
Workplace Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance Health and Safety
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety
	403-3 Occupational health services	Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety
	403-5 Worker training on occupational health and safety	Health and Safety
	403-6 Promotion of worker health	Compensation and Benefits Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Health and Safety
	403-9 Work-related injuries	2025 Sustainability Data Download

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GRI Disclosure		Location or Direct Response
General Disclosures		
Material Topics (highest and higher priority topics; listed by order of report)		
Business Governance and Conduct		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance Corporate Governance Ethics
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Ethics
	205-3 Confirmed incidents of corruption and actions taken	2025 Sustainability Data Download
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2025 Sustainability Data Download
Self-Selected Metric	We provide relevant indicators for this material topic within the corresponding report section and in the 2025 Sustainability Data Download.	Corporate Governance 2025 Sustainability Data Download
Public Policy and Political Involvement		
GRI 3: Material Topics 2021	3-3 Management of material topics	ESG Governance Public Policy and Political Involvement
GRI 415: Public Policy 2016	415-1 Political contributions	Public Policy and Political Involvement 2025 Sustainability Data Download

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