2023
ESG Analyst Download

MAY 2024

Introduction

This California Water Service Group (Group or the Company) 2023 ESG Analyst Download supplements the information contained in Group's 2023 ESG Report and provides what we believe to be key data that is relevant for our stakeholders.

All data is reported at a Group-wide level—including California Water Service (Cal Water), Hawaii Water Service (Hawaii Water), New Mexico Water Service (New Mexico Water), and Washington Water Service (Washington Water)—unless otherwise noted. Since Texas Water Service (Texas Water) is a holding company and does not have full ownership of BVRT, Texas Water operations are not included.

If historic data is not available for a metric, either this is the first year we are aggregating or reporting the data; we do not report on trended data for that metric; or we are working to refine our methodology and plan to disclose the metric in future reporting.

For any questions regarding our ESG metrics, please contact us at sustainability@calwater.com.

CALIFORNIA WATER SERVICE GROUP
INVESTING FOR LIFE®

This 2023 Environmental, Social, and Governance (ESG) Report and ESG Analyst Download (collectively the "2023 ESG Disclosures") contain forward-looking statements within the meaning established by the Private Securities Litigation Reform Act of 1995. The forward-looking statements in the 2023 ESG Disclosures include the Company's objectives, goals, targets, progress, or expectations with respect to ESG, sustainability, and corporate social responsibility matters, and business risks, opportunities, and plans. 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 ESG investments without the support of our regulators, 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 ESG-related statements and data in the 2023 ESG Disclosures may be based on standards for measuring progress that are still developing, controls and processes that continue to evolve, and assumptions that are subject to change in the future.

The information included in, and any issues identified as material for purposes of, the 2023 ESG Disclosures may not be considered material for SEC reporting purposes, and the use of the term "material" in the 2023 ESG Disclosures is distinct from, and should not be confused with, such term as defined for SEC 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 ESG 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 2023 ESG Disclosures are provided for convenience only, and the content on the referenced third-party websites is not incorporated by reference into the 2023 ESG Disclosures, nor does it constitute a part of the 2023 ESG Disclosures. The Company assumes no liability for the content contained on the referenced third-party websites.

Environmental

Metric	2021	2022	2023
Energy and Emissions[1]			
Total energy consumption, by energy type (GJ)[2]	751,105	724,660	699,101
Diesel	20,433	20,306	19,875
Gasoline	74,902	65,117	78,203
Natural Gas	3,812	4,936	5,167
Propane	414	620	730
Grid electricity	651,003	566,623	497,921
Renewable[3]	541	67,058	97,205
Total energy consumption, by state (GJ)[4]	751,105	724,660	699,101
Cal Water	590,843	552,452	524,446
Hawaii Water	106,428	111,838	109,810
New Mexico Water	12,096	13,603	14,361
Washington Water	41,738	46,767	50,484
Percentage of energy consumption supplied from grid electricity[5]	86.7%	78.2%	71.2%
Percentage of energy consumption that was renewable energy[6]	0.1%	9.3%	13.9%
Total energy consumption intensity per USD million operating revenue (GJ / USD million)	950	857	879
Total biogenic GHG emissions, by source (metric tons CO_2e)[7]	202	242	91,237
Biogenic GHG emissions (California Water Service Group process and fugitive emissions)	202	242	815
Biogenic GHG emissions (third-party wastewater treatment)	—	—	90,422
Total biogenic GHG emissions, by state (metric tons CO_2e)[7]	202	242	91,237
Cal Water	0	0	86,367
Hawaii Water	129	142	4,460
New Mexico Water	41	62	401
Washington Water	31	38	9
Total Scope 1 (direct) GHG emissions, by state (metric tons CO_2e)[8]	8,028	7,533	8,210
Cal Water	5,734	5,160	5,992
Hawaii Water	866	876	1,013
New Mexico Water	312	326	380
Washington Water	1,116	1,171	825
Total Scope 2 (energy indirect/electricity) GHG emissions, location-based, by state (metric tons CO_2e)[9]	51,212	51,738	47,165
Cal Water	32,964	32,101	27,574
Hawaii Water	14,789	15,509	15,421
New Mexico Water	1,035	1,129	1,093
Washington Water	2,424	2,999	3,077
Total Scope 2 (energy indirect/electricity) GHG emissions, market-based, by state (metric tons CO_2e)[9]	45,867	36,018	30,644
Cal Water	22,857	13,754	11,011
Hawaii Water	21,306	19,661	17,229
New Mexico Water	1,231	1,487	1,251
Washington Water	473	1,116	1,153
Percent change in Scope 1 and 2 market-based GHG emissions from previous year[10]	—	-19.2%	-10.8%
Percent change in Scope 1 and 2 market-based GHG emissions from base year (2021)[11]	—	-19.2%	-27.9%

Metric	2021	2022	2023
Energy and Emissions[1]			
Scope 1 and 2 water production-related GHG emissions intensity of water produced (metric tons CO_2e / AF)[12]	0.12	0.10	0.09
Total Scope 3 GHG emissions, by state (metric tons CO_2e)[13]	213,813	198,695	368,032
Cal Water	202,854	186,744	293,854
Hawaii Water	7,836	7,958	19,093
New Mexico Water	1,383	1,600	3,064
Washington Water	1,740	2,393	52,021
Total location-based GHG emissions, by state (metric tons CO_2e)[14]	273,053	257,966	423,405
Cal Water	241,552	224,005	327,419
Hawaii Water	23,492	24,343	35,527
New Mexico Water	2,730	3,055	4,536
Washington Water	5,279	6,563	55,923
Total market-based GHG emissions, by state (metric tons CO_2e)[15]	267,707	242,247	406,887
Cal Water	231,445	205,658	310,857
Hawaii Water	30,008	28,495	37,336
New Mexico Water	2,926	3,413	4,694
Washington Water	3,328	4,681	54,000
Breakdown of GHG Emissions, by activity (metric tons CO_2e)[16]			
Scope 1			
Diesel	1,444	1,435	1,404
Gasoline	5,204	4,524	5,433
Natural Gas	192	249	260
Propane	25	37	44
Refrigerant[17]	30	48	100
Wastewater treatment[18]	1,133	1,239	969
Scope 2			
Electricity (location-based)	51,212	51,738	47,165
Electricity (market-based)	45,867	36,018	30,644
Scope 3[19]			
Category 1: Purchased Goods and Services[20]	55,181	54,972	48,632
Category 2: Capital Goods[20]	67,550	64,300	71,523
Category 3: Fuel-and Energy-Related Activities	—	—	12,217
Category 4: Upstream Transportation and Distribution	—	—	727
Category 5: Waste Generated in Operations[21]	4,925	5,641	1,881
Category 6: Business Travel[22]	—	—	462
Category 7: Employee Commuting	—	—	3,947
Category 9: Downstream Transportation and Distribution[23]	—	—	26
Category 12: End-of-Life Treatment of Sold Products[24]	86,156	73,783	228,562
Category 13: Downstream Leased Assets[25]	—	—	54

Metric	2021	2022	2023
Water Supply Resilience and Reliability			
Total water sourced, by source type (thousand m³)[26]	418,358	404,833	391,731
Percentage from wells (groundwater)	47.5%	48.2%	48.7%
Percentage from purchased water	48.5%	45.1%	44.2%
Percentage from surface water	4.0%	3.7%	4.1%
Percentage from recycled water	—	3.0%	3.0%
Volume of groundwater sourced in California from regions with High or Extremely High Baseline Water Stress (thousand m³)	—	—	112,004
Percentage of groundwater (out of total groundwater sourced) in California from regions with High or Extremely High Baseline Water Stress	—	—	70%
Total volume of recycled water delivered to customers (thousand m³)	8,626	9,399	9,851
Percentage of recycled water out of total water delivered to customers	2.2%	2.6%	2.8%
Water System Resilience, Reliability, and Efficiency			
Total length of water mains (supply and distribution lines) (km)[27]	12,524	12,658	12,767
Total length of sewer pipe (sewer collection main) (km)[27]	165	171	182
Volume of non-revenue real water losses (thousand m³)[28]	16,464	19,035	19,254
Total investments in water system infrastructure (USD million)[29]	293.2	327.8	383.7
Average water main replacement rate for Cal Water[30]	0.45%	0.43%	0.50%
Unplanned service disruptions and customers affected, by duration[31]			
Number of unplanned service disruptions for which a boil-water advisory was issued – duration under 4 hours	6	4	2
Number of customer connections affected	711	175	155
Number of unplanned service disruptions for which a boil-water advisory was issued – duration between 4 and 12 hours	0	0	0
Number of customer connections affected	0	0	0
Number of unplanned service disruptions for which a boil-water advisory was issued – duration 12 hours or more	0	0	0
Number of customer connections affected	0	0	0
End-Use Conservation			
Percentage of water utility revenue from rate structures designed to promote conservation and revenue resilience	100%	100%	100%
Total annual customer water savings from efficiency measures implemented in the reporting year (m³)[32]	180,800	680,500	358,200
Dollar amount invested in water conservation rebates and programs for customers (USD million)[33]	—	6.1	4.4
Total water delivered to customers, by customer type (thousand m³)[34]	384,000	366,700	353,600
Residential customers[35]	248,600	233,400	223,000
Commercial customers[36]	93,500	93,700	92,300
Industrial customers	17,300	16,100	16,500
All other customers	24,600	23,500	21,800

Metric	2021	2022	2023
Environmental Management, Compliance, and Stewardship			
Number of incidents of non-compliance associated with water effluent quality permits, standards, and regulations[37]	1	1	1
Average volume of sanitary sewer wastewater treated per day, by state (m³ per day)	5,845	6,894	7,117
Cal Water[38]	204	308	454
Hawaii Water	4,065	5,148	5,152
New Mexico Water	1,387	1,287	1,397
Washington Water	189	151	114
Average volume of stormwater wastewater treated per day (m³ per day)	0	0	0
Average volume of combined sewer wastewater treated per day (m³ per day)	0	0	0
Total wastewater treatment capacity located in 100-year flood zones (m³ per day)	0	0	0
Number of sanitary sewer overflows (SSOs)[39]	6	3	3
Volume of sewage discharged to the environment through SSOs (m³)	1,788	12	9
Total volume of hazardous waste generated (metric tons)[40]	391	369	280

[1] GJ = gigajoule. CO_2e = carbon dioxide equivalent. AF = acre-foot. The information in this footnote and the following footnotes refers specifically to the data for 2021 through 2023. Greenhouse gas emissions is a term used broadly to represent the six gases listed in the Kyoto Protocol: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF6). Our GHG emissions inventory is conducted in alignment with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), GHG Protocol Scope 2 Guidance, and Corporate Value Chain (Scope 3) Accounting and Reporting Standard, collectively referred to as the "GHG Protocol." Group applied the operational control approach to define our GHG reporting boundary, meaning that we have accounted for emissions only from operations where Group has the full authority to introduce and implement its operating policies, pursuant to the GHG Protocol. Numbers presented herein may not sum to the provided totals due to rounding.

[2] Total energy consumption reflects the total amount of energy directly consumed by Group during the reporting period, in alignment with the Sustainability Accounting Standards Board (SASB) Water Utilities and Services Industry Standard. The data includes energy purchased from sources external to Group (e.g., direct natural gas and fuel usage or purchased electricity) and self-generated energy (e.g., renewable power sources). The 2021 and 2022 energy consumption data breakdowns for gasoline, natural gas, grid electricity, and renewable energy have been restated to reflect minor changes due to data corrections.

[3] Consumption values for renewable energy only include renewable energy from electric utility green tariffs and Cal Water's owned on-site solar system in Chico, California, for which Cal Water retains the renewable energy credits, or renewable attributes. Other renewable energy generation or purchases, such as the energy from the hydroturbines in California and Hawaii, the wind turbine in Hawaii, and electricity purchased from Community Choice Aggregators with higher percentages of renewable power, are not considered renewable consumption by Group because renewable energy credits are either not generated or not retained by Group. To learn more about our efforts to increase the use of renewables in our energy portfolio, please see the Energy and Emissions section of our 2023 ESG Report.

[4] The 2021 and 2022 energy consumption data breakdowns for gasoline, natural gas, grid electricity, and renewable energy have been restated to reflect minor changes due to data corrections.

[5] In alignment with the SASB Water Utilities and Services Industry Standard, this metric is calculated by dividing our energy consumption supplied from purchased grid electricity by our total energy consumption.

[6] In alignment with the SASB Water Utilities and Services Industry Standard, this metric is calculated by dividing our renewable energy consumption by our total energy consumption.

[7] Biogenic GHG emissions refer to emissions from biological degradation of organic material, specifically organic matter and sewage, in wastewater from wastewater treatment operations owned or controlled by Group and third-party treatment of wastewater from Group's sold product. According to the International Panel on Climate Change: 2019 Refinement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Chapter 6: Wastewater, these carbon dioxide emissions from organic matter and sewage in wastewater are considered wholly biogenic and are represented outside of Group's Scope 1, 2 and 3 GHG emissions inventory. An error in the 2021 and 2022 activity data used to calculate Hawaii Water's emissions from wastewater treatment was identified that caused biogenic GHG emissions to be overreported by 5,495 $MTCO_2e$ in 2021 and 4,922 $MTCO_2e$ in 2022. Accurate activity data is now reflected in the 2021 and 2022 values. Additionally, Group implemented two improvements in its 2023 biogenic GHG emissions inventory that are not reflected in the data disclosed herein for the 2021 and 2022 reporting years: an improved methodology for reporting sludge volumes associated with Hawaii Water's wastewater treatment operations, and the addition of biogenic GHG emissions resulting from process emissions due to third-party treatment of wastewater from Group's sold product. Therefore, 2023 data for total biogenic GHG emissions is not directly comparable to 2021 and 2022 data.

[8] Scope 1 emissions refers to direct GHG emissions from sources owned or controlled by Group. The primary emissions sources reflected in our Scope 1 emissions include natural gas, stationary and mobile fuel combustion, methane and nitrous oxide process emissions from wastewater treatment, and refrigerant emissions. An error in the 2021 and 2022 activity data used to calculate Hawaii Water's process emissions from wastewater treatment was identified that caused Scope 1 process GHG emissions from Hawaii Water to be overreported by 7,685 $MTCO_2e$ in 2021 and 6,615 $MTCO_2e$ in 2022. Accurate activity data is now reflected in the 2021 and 2022 values. See the "Total GHG emissions, by activity" disclosures herein for additional details and material data exceptions for each reported Scope 1 GHG emissions activity.

[9] Scope 2 emissions refers to indirect GHG emissions from the generation of purchased electricity that is consumed in Group's owned or controlled equipment or operations. We have calculated Scope 2 emissions with both market-based and location-based methodologies in alignment with the GHG Protocol Scope 2 Guidance's "dual reporting" requirement.

[10] Data includes percent change in total Scope 1 and 2 GHG emissions year-over-year utilizing the market-based accounting approach. The primary drivers of the decrease in GHG emissions from 2022 to 2023 were increased consumption of renewable energy sourced through Cal Water's enrollment in an electric utility green tariff program and the reduction in the market-based electricity emissions factor for electricity consumption in Hawaii. The primary drivers of the decrease in GHG emissions from 2021 to 2022 were Cal Water's enrollment in an electric utility green tariff program and reduced market-based electricity emission factors for one of Cal Water's electric utility providers.

[11] Data includes percent change in total Scope 1 and 2 GHG emissions from a base year of 2021 utilizing the market-based accounting approach. The primary drivers of the decreases in GHG emissions from a 2021 base year are Cal Water's enrollment in an electric utility green tariff program and reduced market-based electricity emissions factors for Hawaii Water (2021-2023) and Cal Water (2021-2022).

[12] This metric represents the enterprise-wide Scope 1 and market-based Scope 2 GHG emissions intensity associated specifically with water production-related activities for the purpose of Group's GHG emissions intensity reduction target. The numerator includes enterprise-wide Scope 1 and market-based Scope 2 GHG emissions from activities that contribute to the sourcing, treatment, and delivery of water to customers. The numerator excludes all Scope 3 emissions and emissions associated with office sites, fleet fuels, and other non-water production-related activities. The denominator includes water produced by Group (purchased water, groundwater, surface water, and recycled water). Calculation of this metric and Group's associated emissions intensity reduction target are based on guidance from the Climate Registry's Water Energy Nexus Registry Protocol Version 2.0 (June 2021).

[13] Scope 3 emissions refers to other indirect GHG emissions resulting from Group's value chain activities. 2021 and 2022 Scope 3 GHG emissions have been recalculated and restated to correct an error identified in the underlying activity data that caused emissions from the Purchased Goods and Services and Capital Goods categories to be overreported by 701,518 $MTCO_2e$ in 2021 and 645,575 $MTCO_2e$ in 2022. In 2023, we added the following Scope 3 GHG emissions categories to our inventory: Category 3 (Fuel- and Energy-Related Activities), Category 4 (Upstream Transportation and Distribution), Category 6 (Business Travel), Category 7 (Employee Commuting), Category 9 (Downstream Leased Assets) (partially reported), Category 12 (End-of-Life Treatment of Sold Products), and Category 13 (Downstream Leased Assets) (partially reported). As such, 2023 data is not directly comparable to 2021 and 2022 data. Year-over-year changes in total Scope 3 GHG emissions represent restatements of previously reported data, updates to GHG emissions calculation methodologies and continued improvement of the GHG emissions inventory process in alignment with the GHG Protocol, and changes in underlying GHG emissions activities. While the following Scope 3 categories were determined to be relevant to Group, we have not yet identified appropriate data sources to reliably estimate GHG emissions: Category 10 (Processing of Sold Products) and Category 15 (Investments). Additionally, Group assessed Category 8 (Upstream Leased Assets), Category 11 (Use of Sold Products), and Category 14 (Franchises) and concluded these Scope 3 GHG emissions categories are not relevant to us at this time for the following reasons: Category 8 is irrelevant because all assets Group leases from other entities at this time are within Group's operational control and are therefore accounted for under Scopes 1 and 2; Category 11 is irrelevant because Group does not sell any products that have direct use-phase emissions and indirect use-phase emissions are considered optional per the GHG Protocol; and Category 14 is irrelevant because Group does not operate any franchises at this time. See the "Total GHG emissions, by activity" disclosures herein for additional details and material data exceptions for each reported Scope 3 GHG emissions category.

[14] The data includes total Scope 1, Scope 2 (location-based), and Scope 3 emissions, and excludes biogenic emissions, in each case as defined herein. Endnotes associated with the Scope 1, Scope 2 (location-based), and Scope 3 GHG emissions data included above apply to this disclosure as well. 2023 data is not directly comparable to 2021 and 2022 data; year-over-year changes in total location-based GHG emissions represent restatements of previously reported data, updates to GHG emissions calculation methodologies and continued improvement of the GHG emissions inventory process in alignment with the GHG Protocol, and changes in underlying GHG emissions activities.

[15] The data includes total Scope 1, Scope 2 (market-based), and Scope 3 emissions, and excludes biogenic emissions, in each case as defined herein. Endnotes associated with the Scope 1, Scope 2 (market-based), and Scope 3 GHG emissions data included above apply to this disclosure as well. 2023 data is not directly comparable to 2021 and 2022 data; year-over-year changes in total market-based GHG emissions represent restatements of previously reported data, updates to GHG emissions calculation methodologies and continued improvement of the GHG emissions inventory process in alignment with the GHG Protocol, and changes in underlying GHG emissions activities and Scope 2 market-based emissions factors.

[16] Excludes biogenic emissions, in each case as defined herein.

[17] For the 2021 and 2022 reporting years, GHG emissions from refrigerant only reflect activity data associated with recharging of equipment at the Customer Service Center/ headquarters in San Jose, California. For 2023, GHG emissions from refrigerant reflect activity data associated with recharging of equipment at applicable locations within Group's operational control enterprise-wide, but do not include all potential refrigerant emissions from operation and/or disposal of all heating, ventilation, and cooling equipment (HVAC) and refrigeration units.

[18] An error in the 2021 and 2022 activity data used to calculate Hawaii Water's emissions from wastewater treatment was identified that caused Scope 1 process GHG emissions from Hawaii Water to be overreported by 7,685 $MTCO_2e$ in 2021 and 6,615 MTCO2e in 2022. Accurate activity data is now reflected in the 2021 and 2022 values.

[19] While the following Scope 3 categories were determined to be relevant to California Service Group, we have not yet identified appropriate data sources to reliably estimate GHG emissions: Category 10 (Processing of Sold Products) and Category 15 (Investments). Additionally, Group assessed Category 8 (Upstream Leased Assets), Category 11 (Use of Sold Products), and Category 14 (Franchises) and concluded these Scope 3 GHG emissions categories are not relevant to us at this time for the following reasons: Category 8 is irrelevant because all assets Group leases from other entities at this time are within Group's operational control and are therefore accounted for under Scopes 1 and 2; Category 11 is irrelevant because Group does not sell any products that have direct use-phase emissions and indirect use-phase emissions are considered optional per the GHG Protocol; and Category 14 is irrelevant because Group does not operate any franchises at this time.

[20] GHG emissions from Scope 3 Category 1 (Purchased Goods and Services) and Scope 3 Category 2 (Capital Goods) have been recalculated and restated for the 2021 and 2022 reporting years to correct an error identified in the underlying activity data utilized to calculate previously reported emissions that caused emissions from the Purchased Goods and Services and Capital Goods categories to be overreported by 701,518 $MTCO_2e$ in 2021 and 645,575 $MTCO_2e$ in 2022.

[21] Scope 3 Category 5 (Waste Generated in Operations) includes estimated GHG emissions associated with the disposal, hauling, and treatment of waste streams from wastewater treatment plants within Group's operational control. Additional sources of waste exist but were not calculated due to data unavailability. GHG emissions from electricity usage and sludge disposal associated with third-party wastewater treatment of Group's potable water sales were previously accounted for under Scope 3 Category 5 for the 2021 and 2022 reporting years, however, they are now accounted for under Scope 3 Category 12 (End-of-Life Treatment of Sold Products) for the 2021, 2022, and 2023 reporting years. This change was made based on an improved understanding of the emissions sources and to better align with the GHG Protocol Corporate Value Chain (Scope 3 Standard).

[22] Scope 3 Category 6 (Business Travel) includes optional disclosure of estimated GHG emissions associated with hotel stays for business travel purposes.

[23] Scope 3 Category 9 (Downstream Transportation and Distribution) includes estimated GHG emissions associated with the distribution of recycled water (Group's sold product) by customers outside of Group's operational control. Scope 3 Category 9 GHG emissions do not include GHG emissions associated with the distribution of other sold products where data is not available (e.g., water transportation for dust control, firefighting, or street sweeping).

[24] Scope 3 Category 12 (End-of-Life Treatment of Sold Products) includes estimated GHG emissions from electricity usage, sludge disposal, and process emissions associated with third-party wastewater treatment of Group's potable water sales. GHG emissions from electricity usage and sludge disposal associated with third-party wastewater treatment of Group's potable water sales were previously accounted for under Scope 3 Category 5 for the 2021 and 2022 reporting years, however, they are now accounted for under Scope 3 Category 12 for the 2021, 2022, and 2023 reporting years. Additionally, as of 2023, data reported in Scope 3 Category 12 also includes process emissions (methane and nitrous oxide) from third-party wastewater treatment that are not included in the 2021 and 2022 GHG emissions disclosed herein. These changes were made based on an improved understanding of the emissions sources and to better align with the GHG Protocol Corporate Value Chain (Scope 3 Standard). Scope 3 Category 12 GHG emissions for the 2021, 2022, and 2023 reporting years do not include waterway GHG emissions after treated water leaves the third-party wastewater treatment plant. Biogenic GHG emissions are reported separately under "Biogenic GHG emissions" above. For the purposes of this GHG emissions calculation, Group assumes all water sold to customers is eventually treated at wastewater treatment plants. Group believes this is a conservative estimate in that some of its sold water (e.g., potable water used for irrigation) may instead wash into storm drains and/or percolate into groundwater and would therefore not undergo treatment at wastewater treatment plants.

[25] Scope 3 Category 13 (Downstream Leased Assets) includes estimated GHG emissions associated with building space that Group leases to another entity. Scope 3 Category 13 GHG emissions do not include GHG emissions from other operations on our leased sites, as data on these emissions is not available at this time.

[26] All water sources are freshwater sources, excluding recycled water.

[27] Disclosures include data for owned systems, as well as for leased systems or systems that are operated under contract for municipalities or private companies in Hawaii, New Mexico, and Washington. This data does not include the Tesoro Viejo wastewater treatment site in California.

[28] Non-revenue real water losses refer to the total volume of physical water leakages, which are not billed and produce no revenue, occurring in the distribution system through breaks, spills, or other means in the reported year. Estimated losses are calculated using American Water Works Association Free Water Audit Software (v6.0) methodology. Validated water loss audits are completed after the publishing of this report; therefore, volumes listed herein are subject to change as a result of state-regulated validation processes and requirements. Year to year data is not comparable, because we have been improving the breadth of our data disclosures each year. The 2021 data includes all districts for Cal Water, New Mexico Water, and Washington Water, but Hawaii Water is excluded because water loss audits were not completed yet for the year. 2022 and 2023 data is Group-wide.

[29] Investments refers to cash for capital expenditures, both Company-funded and developer-funded. Cash used in investing activities fluctuates each year largely due to the availability of construction resources and our ability to obtain construction permits in a timely manner.

[30] The water main replacement rate refers to the total length of pipe replaced during the reporting year, as a percentage of the total length of existing water mains in Cal Water’s distribution systems for the reported year.

[31] Data only includes Cal Water and reflects the number of boil-water advisories associated with unplanned service disruptions—or unplanned service disruptions for which a boil-water advisory was issued—reported in three categories of unplanned service disruption duration: under 4 hours, between 4 and 12 hours, and 12 hours or more of unplanned service disruption.

[32] All data is rounded to the nearest hundred and reflects estimated annual customer water savings from conservation programs implemented in the reporting year. Data only includes Cal Water; we do not currently track customer water savings from efficiency measures in other states.

[33] Data only includes Cal Water.

[34] All data is rounded to the nearest hundred. Data covers only regulated districts, the City of Hawthorne and the City of Commerce, Group-owned or leased systems, and services for which we bill customers directly.

[35] Includes residential and multi-unit residential customers.

[36] Includes business, irrigation, and recycled water customers.

[37] In alignment with the SASB Water Utilities and Services Industry Standard, this disclosure only includes incidents of non-compliance that resulted in formal enforcement actions.

[38] Includes wastewater treatment volumes for the Tesoro Viejo Wastewater Treatment and Recycled Water Production Plant in California, which Cal Water does not own, but operates and maintains for the Tesoro Viejo Master Mutual Water Company.

[39] Sanitary sewer overflows to the environment refer to untreated or partially treated overflows, spills, releases, or diversions of wastewater from sanitary sewer systems under the Company’s ownership or operational control.

[40] 2021 data only includes Cal Water. 2022 and 2023 data are Group-wide. We define hazardous wastes for this disclosure as those required to be reported on a United States Environmental Protection Agency (U.S. EPA) Uniform Hazardous Waste Manifest.

Social

Metric	2021	2022	2023
Philanthropy and Volunteerism			
Total amount donated to local nonprofit, community, and other philanthropic organizations (USD million)[1]	>2.1	>1.5	>1.5
Dollar amount donated for college scholarships (USD)[2]	$90,000	$87,500	$85,000
Drinking Water Quality and Safety			
Total number of incidents of non-compliance associated with drinking water quality standards and regulations, by tier	2	2	3
Number of Tier 1 (acute health-based) drinking water violations	0	0	0
Number of Tier 2 (non-acute health-based) drinking water violations	0	0	0
Number of Tier 3 (non-health-based) drinking water violations	2 procedural	2 procedural	3 procedural
Water Affordability and Access			
Number of residential customer water disconnections for non-payment[3]	0	1,317	6,737
Percentage reconnected within 30 days	N/A	60%	84%
Number of customers enrolled in Cal Water's CAP program (formerly LIRA)	111,287	116,447	121,613
Total annual dollar amount of discounts offered to customers through Cal Water's CAP program (formerly LIRA) (USD million)[4]	12.7	14.1	15.3
Average retail water rates, by customer type[5]	5.33	5.79	6.13
Residential customers[6]	5.71	6.26	6.67
Commercial customers[7]	5.04	5.39	5.73
Industrial customers	4.38	4.63	4.76
Recycled water customers[8]	3.66	4.03	3.83
All other customers	4.80	5.25	5.56
Cybersecurity and Data Privacy			
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0
Number of CCPA requests	352	358	256
Deletion	280	298	207
Request to know	72	60	49
Request to change	—	—	0
Customer Service			
Total customers served (total customer connections billed in the month of December), by customer type[9]	545,700	550,800	553,600
Residential customers[10]	484,300	489,100	491,900
Commercial customers[11]	43,600	43,800	43,700
Industrial customers	900	900	900
Other customers	16,900	17,000	17,100

Metric	2021	2022	2023
Customer Service			
Customer satisfaction - California[12]			
Average satisfaction[13]	73%	77%	75%
Overall favorability[14]	82%	84%	82%
Average overall customer satisfaction - Group-wide[15]			
Average satisfaction[16]	—	—	78%
Overall favorability[17]	—	—	85%

[1] 2021 data includes a one-time contribution from our officers in the amount of $600,000.

[2] Totals include scholarship donations for both the annual community program and the program we have for children of employees.

[3] An executive order in California that prohibited water shutoffs from non-payment began in mid-2020 and ran through 2021. Group resumed shutoffs in July 2022.

[4] Dollar amounts are rounded to the nearest hundred.

[5] Data only includes Cal Water. In alignment with the SASB Water Utilities and Services Industry Standard, this metric is calculated as the total USD revenue directly resulting from water delivered to retail customers divided by the corresponding amount of water delivered (in 1 Ccf increments). Data pertains to Cal Water's regulated districts and excludes Travis, Tesoro Viejo Mutual, Grand Oaks, and the City of Bakersfield. Customer types are categorized by billing group and rate tariffs.

[6] Includes metered residential and flat-rate residential customers.

[7] Includes metered business and irrigation customers. In some cases, irrigation customers purchase recycled water.

[8] Includes recycled water customers but does not include all types of customers who purchase recycled water in California; for example, certain commercial customers who purchase recycled water for irrigation are billed as commercial customers.

[9] All customer connection data is rounded to the nearest hundred and reflects the approximate number of customer connections for water and/or wastewater service on December 31 of each reporting year. Data covers only regulated districts, the City of Hawthorne and the City of Commerce, Group-owned or leased systems, and services for which we bill customers directly. Increases in customer connections are generally due to water system acquisitions and/or expansion in existing services areas. In 2021, we reported public authority customer data as its own customer class. As of 2022, public authority customers are combined into the "other" customers category herein.

[10] Includes residential and multi-unit residential customers.

[11] Includes business, irrigation, and recycled water customers.

[12] Data only includes Cal Water customers and is based on results from mixed mode surveys administered in 2021, 2022, and 2023 as follows: April 30 to May 25, 2021, with a representative sample of 2,771 Cal Water customers; October 3 to November 6, 2022, with a representative sample of 3,961 Cal Water customers; and April 12 to April 20, 2023, with a representative sample of 1,487 Cal Water customers. Quotas and weighting were used to provide a representative sample. The margin of error was within +/-3% for the total sample for each year.

[13] Customers were asked to rate satisfaction using a 0 to 10 scale in five areas relating to Cal Water service, including safety of water, customer service, water quality, water system care, and affordability. In 2021, an average of 73% of responses were rated "somewhat satisfied" or "very satisfied" across the five service attributes. In 2022 and 2023, respondents were also asked for overall satisfaction, and 77% and 75% of responses, respectively, were rated "somewhat satisfied" or "very satisfied."

[14] Customers were asked whether they have a favorable or unfavorable opinion of Cal Water. Data reflects the percentage of responses that were rated "somewhat favorable" or "very favorable."

[15] Based on results from a mixed mode survey administered from April 12 to April 20, 2023 with a representative sample of 2,387 customers in California, Hawaii, New Mexico, and Washington. Quotas and weighting were used to provide a representative sample. The margin of error was within +/-3% for California, +/-8% for Hawaii, +/-6% for New Mexico, and +/-4% for Washington.

[16] Customers were asked to rate overall satisfaction using a 0 to 10 scale. Data reflects the average percentage of responses across states that were rated “somewhat satisfied” or “very satisfied” (scores of 6-10).

[17] Customers were asked whether they have a favorable or unfavorable opinion of Group. Data reflects the average percentage of responses across states that were rated "somewhat favorable" or "very favorable."

Workforce

Metric[1]	2021	2022	2023
Diversity, Equality, and Inclusion			
Percentage of women in the overall workforce	28%	27%	27%
Percentage of women in field and office staff	28%	27%	27%
Percentage of women in management positions (first- and mid-level managers)	26%	24%	23%
Percentage of women in senior management (directors and officers)	32%	32%	33%
Total number of full-time employees, by gender	1,179	1,215	1,248
Female	325	328	334
Male	854	887	914
Total number of part-time employees, by gender	3	10	18
Female	2	5	7
Male	1	5	11
Total number of permanent employees, by gender	1,138	1,168	1,196
Female	321	326	330
Male	817	842	866
Total number of temporary employees, by gender	44	57	70
Female	6	7	11
Male	38	50	59
Racial/ethnic diversity: overall workforce			
Asian	12%	13%	14%
Black	5%	4%	4%
Hispanic	29%	31%	32%
Native American	1%	1%	1%
Native Hawaiian	1%	2%	2%
Two or more	3%	4%	3%
White	49%	44%	44%
Racial/ethnic diversity: field and office staff			
Asian	12%	12%	13%
Black	5%	4%	4%
Hispanic	33%	34%	34%
Native American	1%	1%	1%
Native Hawaiian	2%	3%	3%
Two or more	3%	3%	3%
White	44%	43%	42%
Racial/ethnic diversity: management positions (first- and mid-level managers)[2]			
Asian	14%	15%	15%
Black	4%	3%	5%
Hispanic	25%	25%	25%
Native American	1%	1%	1%
Native Hawaiian	2%	2%	2%
Two or more	3%	3%	3%
White	51%	51%	50%

Metric[1]	2021	2022	2023
Diversity, Equality, and Inclusion			
Racial/ethnic diversity: senior management (directors and officers)			
Asian	17%	21%	23%
Black	5%	7%	6%
Hispanic	8%	11%	10%
Native American	0%	0%	0%
Native Hawaiian	0%	0%	0%
Two or more	4%	3%	5%
White	66%	58%	56%
Talent Attraction and Retention			
Total number of employees, by state	1,182	1,225	1,266
Cal Water	1,047	1,077	1,118
Hawaii Water	47	49	48
New Mexico Water	14	19	18
Washington Water	74	80	82
New employee hires (temporary and permanent)	134	186	148
Employee turnover[3]	12%	12%	8%
Voluntary resignation[4]	6%	6%	4%
Involuntary resignation	2%	2%	2%
Retirement	4%	4%	2%
Number of large-scale redundancies or significant job cuts affecting more than 1,000 employees or more than 5% of the total workforce	0	0	0
Employee satisfaction (average score across all areas in the annual Great Place to Work employee survey)	74%	81%	76%
Response rate received for the annual Great Place to Work employee survey	409 responses (of 1112 invited)	421 responses (of 1146 invited)	434 responses (of 1186 invited)
Average hours of training per year per employee[5]	9	22	14
Total employee training costs (USD)[6]	$393,500	$1,058,400	$728,000
Total number of union employees	727	744	757
Percentage of workforce represented by unions (Group-wide)	61.5%	60.7%	59.8%
Workplace Health and Safety[7]			
Total Case Incident Rate (TCIR)[8]	3.4	4.4	4.7
Days Away, Restrictions, and Transfers (DART) rate[9]	2.8	1.9	2.6
Lost Time rate[10]	1	0.5	0.9
Restriction/transfer rate[11]	1.8	1.4	1.7
Occupational disease rate[12]	38.4	22.1	20.5
Number of work-related recordable injuries	35	46	52
Number of work-related fatal accidents among employees and contractors	0	0	0

[1] All workforce demographics are provided as of December 31 of the reported year. Gender, racial, and ethnic diversity identities are self-reported by Group employees.

[2] Totals may not add up to 100% due to rounding.

[3] As of year-end of the reported year. Employee turnover refers to the total number of employees (including full-time, part-time, permanent, temporary, and intern employees) that leave within the reporting year, as a percentage of the total number of employees at the Company for that given year.

[4] Voluntary resignation refers to instances in which an employee actively chooses to resign from employment with the Company, fails to return from leave, mutually consents to ending employment, or abandons their job, and excludes any instances of employee retirement.

[5] Training hours per employee may fluctuate year-to-year as a result of changes to employee training offerings, job responsibilities, and/or completion of recurring training requirements that do not necessarily occur on an annual basis.

[6] Dollar amounts are rounded to the nearest hundred. Data includes training costs directly incurred by Group as well as reimbursements for employee certifications and continued education.

[7] All health and safety metrics are for full-time employees (excluding contractors), unless otherwise noted. Rates disclosed herein refer to the number of cases occurring per 100 full-time employees during the designated reporting year. Per the Occupational Safety and Health Administration (OSHA) guidelines, these rates are calculated with the following formula: Total number of cases X 200,000 ÷ Number of hours worked by all employees = Total case rate. The 200,000 figure in the formula represents 100 employees working 40 hours a week for 50 weeks during a calendar year, and provides the standard base for calculating incident rates. The increasing trend in safety incidents from 2021-2023 is due to a combination of the following factors: higher retirement rates in 2021-2023 than previous years, resulting in loss of expertise and safety knowledge; an increase in injuries reported by newer employees with less experience and safety education; an increase in repetitive-type incidents reported by employees due to retire in 2-3 years; and the transition of office-based roles to field-based roles upon closure of Cal Water customer service lobbies.

[8] TCIR refers to the number of recordable work-related injuries and illnesses per 100 full-time employees during the designated reporting year.

[9] DART rate refers to the number of OSHA recordable cases involving days away from work, days of restricted work activity, or job transfer per 100 full-time employees during the designated reporting year.

[10] Lost Time rate refers to the number of incidents that result in time away from work per 100 full-time employees during the designated reporting year.

[11] Restriction/transfer rate refers to the number of OSHA recordable cases that result in days of restricted work activity or job transfer per 100 full-time employees during the designated reporting year.

[12] Occupational diseases rate is calculated with the following formula: Total number of occupational diseases ÷ total working hours X 1,000,000. Total working hours = total number of workers X 2,000. Occupational diseases include any abnormal condition or disorder (other than an injury) that resulted from work-related exposure to a biological, chemical or physical agent. These include both acute and chronic illnesses or diseases that may be caused by inhalation, absorption, ingestion or direct contact.

Governance

Metric	2021	2022	2023
Corporate Governance			
Board diversity[1]			
Racial/ethnic diversity	8%	1%	18%
Gender diversity	42%	46%	36%
Ethics			
Total number of significant instances of non-compliance with laws and regulations during the reporting period	0	0	0
Number of instances for which fines were incurred	0	0	0
Number of instances for which non-monetary sanctions were incurred	0	0	0
Total number and the monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period	0, $0	0, $0	0, $0
Number and monetary value of fines for instances of non-compliance with laws and regulations that occurred in the current reporting period	0, $0	0, $0	0, $0
Number and monetary value of fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods	0, $0	0, $0	0, $0
Total number and nature of confirmed incidents of corruption and actions taken	0	0	0
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant	0	0	0
Public Policy and Political Involvement			
Total lobbying payments made (USD)[2]	$999,337.21	$2,318,377.27	$1,824,062.59
General Lobbying (USD)[3]	$671,187.60	$1,979,068.50	$1,720,237.79
PUC Lobbying (USD)	$328,149.61	$339,309.07	$103,824.80
Total political contributions (USD)[4]	$217,350.00	$334,799.00	$350,050.00
Total contributions from the California Water Service Group PAC (USD)	$25,000.00	$35,000.00	$10,000.00
Total contributions from the Cal Water State & Local PAC (USD)	$10,500.00	$33,649.00	$4,750.00
Total contributions from Cal Water (USD)	$181,850.00	$266,150.00	$335,300.00
Responsible Sourcing[5]			
Percentage of net procurement spending on diverse suppliers (women, minority, disabled veteran, lesbian, gay, bisexual, transgender, and persons with disabilities business enterprises)	21%	24%	27%
Overall spending with diverse suppliers (women, minority, disabled veteran, lesbian, gay, bisexual, transgender, and persons with disabilities business enterprises) (USD million)	53.5	70.9	91.5

[1] Gender, racial, and ethnic diversity identities are self-reported.

[2] We do not incur lobbying expenses in Hawaii, New Mexico, or Washington. Lobbying activities are reported to the California Secretary of State through the Cal-Access database.

[3] This includes both direct lobbying expenses as well as other payments to influence, which are separately reported in California.

[4] Political contributions are also reported to the Federal Election Commission and to the California Secretary of State through the Cal-Access database.

[5] Data only includes Cal Water.