

The Journey

Managing Climate Risks and Opportunities

2023 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT



Introduction

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UGI CORPORATION'S 2023 ESG REPORT

The Journey – Managing Climate Risks and Opportunities

Welcome to UGI Corporation's ("UGI" or the "Company") sixth Environmental, Social and Governance (ESG) report. The theme for this report is "The Journey – Managing Risks and Opportunities." The report covers ESG information from our four business segments, LPG – AmeriGas Propane and UGI International, and Natural Gas and Electric – UGI Utilities and UGI Energy Services. It provides information at the business level and, where appropriate, on a fully consolidated basis.

We are building off our past ESG reports to focus on certain key topics, namely climate risk and updates on our ESG-related commitments. This report is organized to align with the Task Force on Climate-Related Financial Disclosures (TCFD). UGI continues to deliver on its commitment to release material information in its annual ESG report and other disclosures. Our goal is to use both legally required and voluntary ESG data to supplement our financial and non-financial disclosures to meet the growing demands of our constituents for sustainability information. UGI streamlined this report to focus on updated progress to our ESG commitments. [See prior reports](#) for additional information.

UGI is well-positioned to be a partner in the pursuit of sustainability. We continue to focus on reducing our emissions, enabling our customers to reduce their emissions, investing in alternative energy solutions, and ensuring our customers have access to reliable energy sources.

We are committed to working in a sustainable and socially responsible manner to minimize our impact on the environment and to being good stewards to the planet while providing affordable and efficient energy products and services to our customers in a safe and reliable manner.

UGI continues to partner with organizations that make meaningful impacts in the communities we serve, as further described in this report.

UGI's commitment to sound corporate and sustainable governance are displayed in its leadership and its strategies that align with company standards and vision to be a partner in a successful future.

We continue to build data collection protocols and reporting platforms across our business portfolio to supplement our disclosures over time. Information in this report covers UGI's 2023 Fiscal Year (October 1, 2022 to September 30, 2023) (Fiscal 2023) unless otherwise indicated. In addition, we will provide any updates on our ESG practices and policies, disclosures, and performance through our website at www.ugiesg.com.

Letter From The Interim CEO



I would like to introduce our sixth annual ESG report titled “The Journey – Managing Climate Risks and Opportunities.” UGI’s ESG journey has strengthened our commitment to building a sustainable company. We have a history of aligning our ESG commitments with our long-term strategy, value creation, and continuous improvement. UGI is committed to evaluating risks and opportunities to uncover innovative and better ways to serve our customers, investors, and employees. As we navigate climate assessments, scenario analyses, and feedback from our stakeholders, we are confident that we will continue to develop new ways to minimize risk while maximizing the opportunities associated with climate change.

For the last 140 years, the company has offered differentiated and innovative solutions to match evolving consumer preferences, which has included renewable energy. UGI is well positioned to expand on its core competencies and deliver those innovative solutions to our nearly 1 million natural gas customers in the United States and over 2 million liquefied petroleum gas (LPG) customers in the United States and Europe. We are focused on opportunities that leverage our project development and execution expertise, and existing infrastructure. Additionally, we continue to upgrade our distribution network at our UGI Utilities business. In Fiscal 2023, we replaced 142 miles of aging pipe, which not only reduces fugitive methane emissions, but also strengthens the integrity and reliability of our overall distribution network. Over the last 10 years, our pipeline replacement and betterment efforts have reduced fugitive methane emissions by over 60,000 metric tons of CO₂ equivalent, which is equivalent to more than 14,000 gasoline-powered passenger cars being removed from the road. We strive to continue to grow the potential of our business as we address the fundamental needs of our communities for sustainable, reliable, and affordable energy solutions.

Fiscal 2023 emphasizes UGI’s commitments to ESG and reflect the exceptional collaboration and execution amongst our leaders, team members, partners, and stakeholders. Some highlights include:

- **E** - Completed construction of two previously announced Renewable Natural Gas (RNG) projects in upstate New York in the United States, Allen Farms and El-Vi, which have the capacity to produce 140 million cubic feet of RNG annually.
- **S** - Met our spend commitment with diverse suppliers ahead of schedule.
- **S** - UGI International Region East went 500,000 working hours without a Recordable Injury (RI).

We are very proud to see our organization recognized for our efforts, including these recent accomplishments:

- Maintained our AAA rating with MSCI;
- Improved our score with the Carbon Disclosure Project (CDP) to “B”;
- Upgraded to “Prime” status from ISS for ESG Corporate Rating as of August 5, 2023; and
- Upgraded to the Medium-Risk category with Morningstar Sustainalytics.

Along with our people, customers, and stakeholders, a focus on building a sustainable business is the keystone to our continued success. I would like to thank all our employees for their hard work and dedication. On behalf of everyone at UGI Corporation, thank you for your interest in our company.

Mario Longhi
Interim President and Chief Executive Officer

Our Business



UGI is a publicly traded company listed on the New York Stock Exchange under the ticker symbol "UGI." Through subsidiaries and affiliates, UGI distributes, stores, transports, and markets energy products and related services. Our subsidiaries and affiliates operate principally in the following four business segments: AmeriGas Propane, Utilities, UGI International, and Midstream & Marketing. Our business strategy is to grow our business responsibly by focusing on our core competencies. Our corporate headquarters are located in Valley Forge, Pennsylvania. Please see our Annual Report on Form 10-K for Fiscal 2023 for a more detailed description of our business.

AmeriGas Propane



As of September 30, 2023, AmeriGas Propane is the nation's largest retail propane distributor based on the volume of propane gallons distributed annually. In Fiscal 2023, AmeriGas Propane delivered approximately 940 million gallons of propane to nearly 1.2 million customers from all 50 states from approximately 1,380 propane distribution locations. As of September 30, 2023, AmeriGas Propane had approximately 5,160 employees.

UGI International



As of September 30, 2023, UGI International conducted liquefied petroleum gas (LPG) distribution business in 17 countries throughout Europe and had approximately 2,500 employees.¹

Midstream & Marketing



UGI Energy Services LLC markets natural gas, electricity and liquid fuels to commercial, institutional and industrial customers at approximately 42,000 locations in eleven eastern states and Washington, D.C. UGI Energy Services owns and operates natural gas midstream assets such as liquefied natural gas storage and vaporization, underground storage fields, gathering, intra and interstate pipeline systems, compressor stations and renewable natural gas (RNG) digesters. These assets support the retail business as well as our electric generation assets, and peaking plants.

Utilities and Mountaineer Gas Company



The Utilities segment consists of the regulated natural gas (PA Gas Utility) and electric (Electric Utility) distribution businesses of our wholly owned subsidiary, UGI Utilities, and the regulated natural gas distribution business of our indirect, wholly owned subsidiary, Mountaineer Gas Company (Mountaineer). PA Gas Utility serves customers in eastern and central Pennsylvania and in portions of one Maryland county, and Mountaineer serves customers in West Virginia. Electric Utility serves customers in portions of Luzerne and Wyoming counties in northeastern Pennsylvania. As of September 30, 2023, the Utilities segment had approximately 1,600 employees.

¹ As of the date of publication, UGI International now operates in 16 countries.

FY23 Highlights

2.6+

million
customers

~19,000

miles of
utility system
gas mains

139

consecutive
years paying
dividends

36

consecutive years
of increasing
dividends

420+

miles of
midstream
pipeline

18

countries¹

1.8

billion retail
LPG gallons
delivered

~10,000

employees
worldwide

¹ As of the date of publication, UGI Corporation now operates in a total of 17 countries.

Mission

UGI's mission is to be the preeminent energy distribution company in our targeted markets by providing a superior range of clean and sustainable energy solutions to our customers.

At UGI, we believe that safe, sustainable, reliable, and affordable energy solutions are a necessity for our customers and communities. We strive to deliver this fundamental need through best-in-class safety, operations, products, and services while enhancing the quality of life of our employees, customers, and the communities we serve.

Our Vision is supported by our deeply rooted Core Values, which are the basis for how we approach our daily work on behalf of our stakeholders.

Our Values

Sustainability

We are committed to responsible business practices and growing the Company in an environmentally responsible way. Natural gas and LPG are clean burning, efficient, cost-effective, and abundantly available energy sources. We will continue to supplement and replace with innovative, efficient, and renewable energy solutions to benefit our customers and our communities.

Reliability

We are a reliable service provider with a long-standing history in our communities. We recognize that our customers and communities rely on the products and services we provide. In turn, we support the communities we serve through our investment in critical infrastructure and our team's commitment to philanthropic activities.

Safety

Safety is a way of life for us. We take the time to be safe, safeguard one another, and make safety a priority in our interactions with our colleagues, customers, and communities.

Excellence

We are committed to achieving exceptional performance through disciplined growth, execution, and continuous improvement. Our goal is to deliver the best value to our investors as a high-performing investment, to our customers as a best-in-class service provider, to our employees as a great place to work, and to our communities as a valued neighbor.

Respect

We embrace the diversity and uniqueness of individuals and cultures, and the varied perspectives they provide. We recognize that our success depends upon the commitment and capabilities of our employees to create greater value for all.

Integrity

We do the right thing and act with honesty. We are ethical and trustworthy in all our relationships.



United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are a collection of 17 interlinked global goals. Taken together, the SDGs set a blueprint for achieving a better, more sustainable future. UGI is committed to supporting the achievement of the SDGs, which aim to address global challenges and achieve peace and prosperity for all. UGI's mission aligns strongly with the SDG agenda, but we are focused on making the greatest impact in goals 7, 8, 10, 12, and 13. These five goals are most aligned to our mission, vision, values, and strategy and recent investments. Throughout this report, you will see the images of these five SDGs where UGI is making the greatest impact.



Our Commitments¹

Environmental

Scope 1 Emissions Reduction Commitment

55% Reduction by 2025²



Methane Emissions Reduction Commitment

92% Reduction by 2030, 95% Reduction by 2040



Pipeline Replacement and Betterment Commitments

Replace all cast iron by 2027

Replace all bare steel by 2041



Renewable Investment

Invest \$1-1.25 billion dollars by 2025



¹ We are currently on track to achieve all of our commitments except the renewable investments goal of \$1-1.25 billion. Subsequent to Fiscal 2023, UGI communicated its intent to complete previously announced renewable energy projects, totaling approximately \$500 million. UGI will continue to evaluate goals and commitments in the future that align with stakeholders' expectations.

² Scope 1 emissions reduction target did not include emissions from the Mountaineer acquisition, which closed in September 2021. The target also excluded the Moraine East acquisition and only accounted for our ownership interest in the Pennant system at the time we set the target. UGI now owns 100% of Pennant. The emissions from our ownership interest in the Pine Run acquisition, announced in February 2021, were included in the baseline 2020 number. The 2020 baseline number also takes a 5-year emissions average from the Hunlock power generation facility to account for year-over-year differences in run time.

Social

Supplier Diversity Goal

Improve spend with diverse Tier I and Tier II suppliers by 25% by 2025



Safety

Total Recordable Injuries

35% Reduction in Total Recordable Injuries by 2025^{1,2}
(Per 200,000 hours)



Accountable Vehicle Incidents

50% Reduction in Accountable Vehicle Incidents
(AVI) by 2025^{3,4,5} (Per 1,000,000 miles)



¹ All domestic UGI companies use the Occupational Safety and Health Administration (“OSHA”) definition for TRIs. TRIs represents the number of work-related recordable injuries or illnesses requiring medical treatment beyond first aid, per 200,000 hours.

² UGI International reports rates in accordance with the Industrial Management System guidelines. A TRI represents a work-related recordable injury to an employee or hired staff that requires medical treatment beyond first aid, as well as those that cause death, or days away from work.

³ UGI Utilities and UGI Energy Services use the American Gas Association definition for AVI, which defines an AVI as a reportable motor vehicle incident in which the driver failed to do everything that reasonably could have been done to avoid the incident.

⁴ UGI International reports rates in accordance with the Industrial Management System guidelines. At UGI an AVI represents an incident that caused or contributed to, in whole or in part, by actions of the company driver or contractor driver, or an incident that could have been avoided by the company driver, using reasonable defensive driving measures, which resulted in injury or damage, either to the vehicle, or to the object struck, regardless of value.

⁵ AmeriGas Propane defines an AVI as any incident that could have been preventable by the company driver.

Disclosure Commitments

We continue to align disclosures with stakeholder expectations and where required.

2018

- Issued first ESG report



- Conducted first materiality assessment

2019

- Issued corporate-wide policies

- Introduced SASB framework



2020

- Established goals around Scope 1 emissions, safety, and supplier diversity

- Completed CDP disclosure and received a score of C



2021

- Conducted second materiality assessment

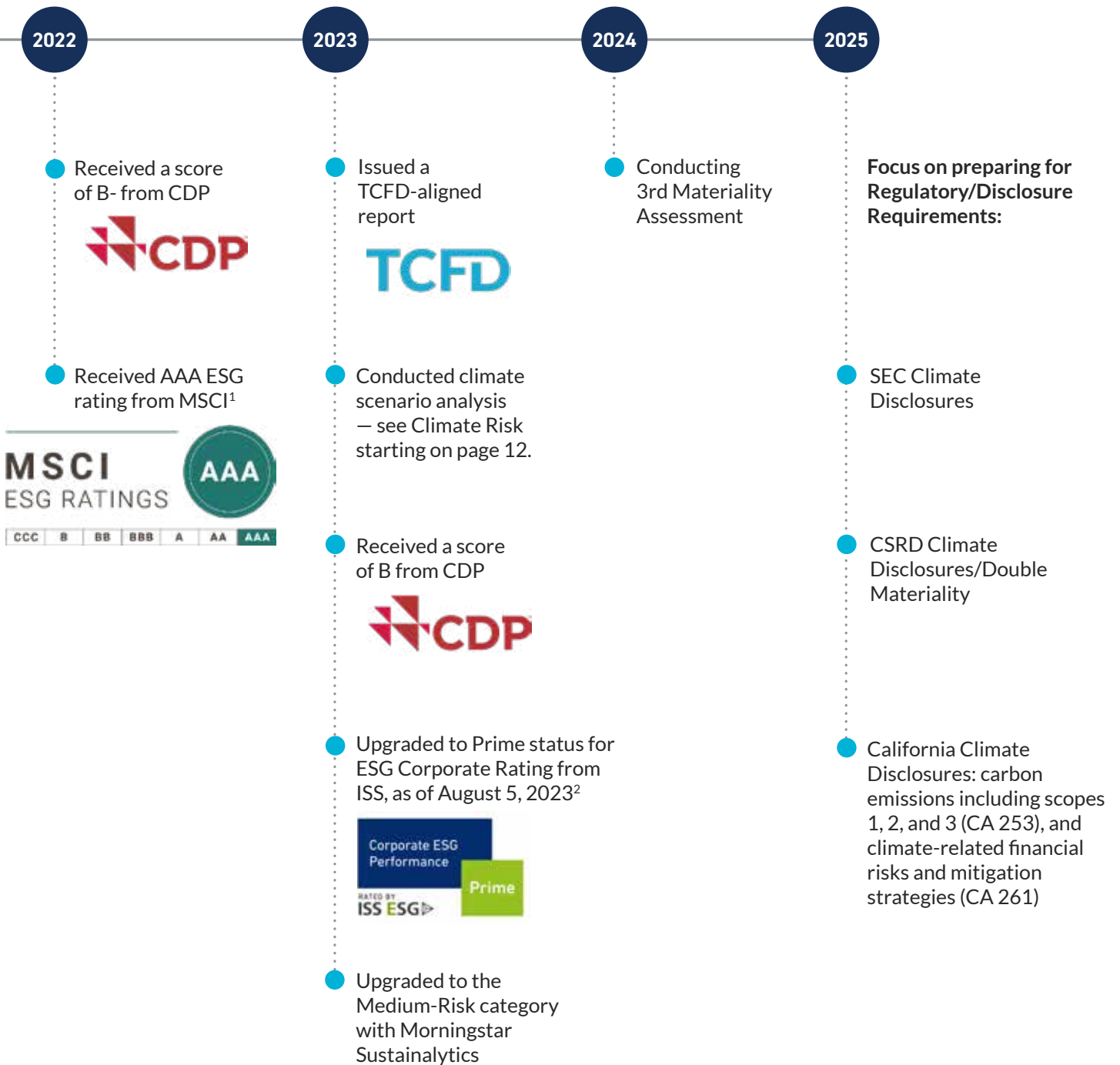
- Received AA ESG rating from MSCI¹

- Alignment with SDGs



- Scope 3 emissions reported

¹ The use by UGI Corporation of any MSCI ESG Research LLC or its affiliates (MSCI) data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of UGI Corporation by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.



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² ISS and/or its affiliated entities continue to own all intellectual property rights in and to its name, logos and other marks. Permitted users of the name, logos or marks acquire no rights therein. The usage rights can be revoked at the discretion of ISS ESG and/or its affiliated entities. Additional general information about the Quality Score or ESG Corporate Rating is available on the ISS webpage at <https://www.issgovernance.com/esg/ratings>.

Environmental

Climate Risk

UGI is committed to identifying, assessing, and managing climate-related risks and opportunities. We are aligning with the recommendations of the TCFD to strengthen our processes and more clearly communicate both our risks and opportunities. As a reminder, we selected the theme for this report to be The Journey – Managing Climate Risks and Opportunities. In this section, we address governance, scenario analysis, financial consequence, and responses to the various climate-related risks and opportunities identified as the most material and/or likely to affect UGI because a thorough assessment of this emerging area of focus will evolve over time.

Climate Risk Governance

Climate risk is overseen at the Board of Directors level by UGI’s Safety, Environmental, and Regulatory Compliance (SERC) Committee. The SERC Committee oversees the Company’s strategy, policies, practices, programs, procedures, initiatives, and training as they relate to safety, environmental (including climate risk and sustainability), and regulatory compliance. Their responsibility also includes reviewing and advising the Board on climate impact and other environmental targets, reviewing the Company’s policies and programs to promote cyber security and data privacy. The SERC Committee reports to the Board on its areas of oversight, as necessary.

As part of UGI’s commitment to being a good steward to the environment in which we operate and to share that endeavor with our stakeholders, we have completed the Climate Disclosure Project (CDP) for several years. This disclosure provides broader information pertaining specifically to climate-related risks and opportunities to our business. We earned a score of “C” in our first disclosure in Fiscal 2021, indicating that we were aligned with other CDP-scored companies in having an “awareness-level of engagement” for environmental stewardship. We have since advanced to earning a score of “B” in our most recent Fiscal 2023 disclosure, indicating we have addressed the environmental impacts of UGI and ensure good environmental management. For our CDP disclosure, please click the Climate Change Report tile at www.ugiesg.com/disclosures-documents.

Climate Scenario Analysis

UGI evaluated climate-related risks, identified as either physical or transitional, by conducting a TCFD framework-aligned scenario analysis for all our business units in Fiscal 2023. It was focused on the quantifiable financial impacts related to the assets included in the scenario analysis. Below is an enterprise-level view of our risks and opportunities that were assessed.

Identified Physical Risks - Increasing Average Temperatures, Heat Wave, Heavy Precipitation & Inland Flooding, and Sea Level Rise

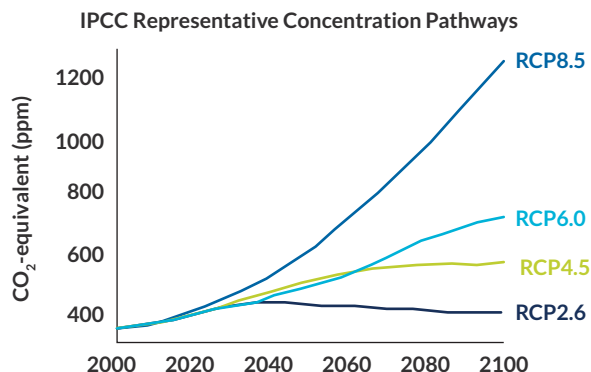
These climate hazards were separated into two (2) categories: Acute and Chronic. Acute hazards were defined as event-driven hazards that require immediate actions to mitigate both present and future threats. Examples of acute hazards include severe weather events such as floods, wildfires, hurricanes, and heat waves, among others. Chronic hazards were defined as longer-term hazards that include shifts in climate conditions, such as sustained higher temperatures, which could lead to long-term risks including rising sea levels.

Each of the risks were assessed across two (2) climate-related scenarios that have been formally adopted by the Intergovernmental Panel on Climate Change (IPCC), an intergovernmental body of the United Nations. These scenarios are referred to as Representative Concentration Pathway (RCP) 4.5 and RCP 8.5, and they were assessed across the time horizons of 2030, 2050, and 2070.

Physical Scenarios: Representative Concentration Pathways (RCPs)

RCP 4.5: Represents a moderately optimistic global greenhouse gas concentrations scenario, equating to an approximate 2-3°C temperature rise through 2100.

RCP 8.5: Represents a worst-case global greenhouse gas concentrations scenario, equating to an approximate 4.3°C temperature rise through 2100.



Identified Transition Risks - Policy & Legal, Market, Technology, and Reputational

These transition risks were assessed across three climate-related scenarios, International Energy Agency (IEA) Net Zero Emissions by 2050 (IEA NZE), American Gas Association (AGA) Net Zero Report, and France’s National Low-Carbon Strategy (French SNBC), UK Climate Committee, & Liquid Gas Europe (S3). The transition risks were assessed across time horizons of 2030 and 2050. See below for the definitions of these transition scenarios.

Transition Scenarios: IEA NZE, AGA, and S3

IEA NZE: Represents an attempt to reduce emissions on a trajectory that would limit global temperature increases to 1.5°C by 2100. This would demand net zero emissions by 2050 and require aggressive decarbonization. More information can be found [here](#).

AGA: Represents the industry association’s attempt to demonstrate a net zero trajectory that retains a role for natural gas, gas utilities, and delivery infrastructure. This scenario prominently features investment in the natural gas distribution network, renewable natural gas (RNG), and other low carbon alternatives like hydrogen. More information can be found [here](#).

French SNBC and S3: A combination of projections for France and the United Kingdom were used to represent the majority of UGI International’s business. These projections are compatible with a 1.5°C trajectory. More information can be found [here](#), [here](#) and [here](#).



Climate Risk Financial Consequences and Opportunities

The financial consequences of each risk across the multiple time horizons and scenarios noted above were assessed using UGI's Enterprise Risk Management (ERM) Impact Scale. The impact percentages of this scale used for the analysis were based on percentages of 2022 Earnings Before Interest and Taxes (EBIT). This scale will be evaluated on a regular basis to ensure its relevance to changes in our businesses and the environment in which we conduct our businesses.

13 CLIMATE ACTION



Under a moderately optimistic scenario, the **physical** risk of increasing average temperatures has the most significant financial impact across UGI's business units. The reduction in annual heating degree days poses a limited to moderate risk (according to our ERM scale) to domestic natural gas and propane operations. In contrast, the reduction in annual heating degree days and increase in cooling degree days may present an opportunity for UGI's electric utility.

Heavy precipitation and inland flooding and sea level rise do not pose risks that exceed UGI's limited risk threshold for natural gas and propane operations. UGI's electric utility may experience a limited risk from heavy precipitation and inland flooding; however, the risk rating when factoring in likelihood is low.

The **transitional** risks consider difficult-to-predict challenges that UGI will face in the future such as policy changes, changing demand for our products and services, technological improvements that disrupt or replace carbon-based products, and reputational risk. For the purposes of this analysis, we focused on the AGA scenarios for UGI's domestic businesses. For the UK and France, we used a combination of the French SNBC, UK Climate Committee, and Liquid Gas Europe scenarios. The potential impact from transitional risks, under any scenario, is a potential material enterprise risk over time.

The climate scenario analysis provides a unique and helpful lens for us to evaluate both the risks and opportunities that arise from climate impacts. The ESG Leadership Council will use this analysis to construct a marginal abatement cost curve to understand the opportunities to reduce emissions over time. The analysis will also help to inform the Company's overall climate strategy. The results of this assessment, and all subsequent work, will be overseen by UGI's Board of Directors.

ERM Impact Scale (EBIT)

Value	1	2	3	4	5
Rating	Low	Limited	Moderate	High	Catastrophic
% of EBIT	0%-5%	5%-10%	10%-15%	15%-30%	>30%
Utilities*	-	\$16,810,000	\$33,620,000	\$50,430,000	\$100,860,000
	\$16,810,000	\$33,620,000	\$50,430,000	\$100,860,000	\$336,200,000
Energy Services	-	\$13,450,000	\$26,900,000	\$40,350,000	\$80,700,000
	\$13,450,000	\$26,900,000	\$40,350,000	\$80,700,000	\$269,000,000
AmeriGas	-	\$15,350,000	\$30,700,000	\$46,050,000	\$92,100,000
	\$15,350,000	\$30,700,000	\$46,050,000	\$92,100,000	\$307,000,000
UGI International	-	\$12,700,000	\$25,400,000	\$38,100,000	\$76,200,000
	\$12,700,000	\$25,400,000	\$38,100,000	\$76,200,000	\$254,000,000

*Utilities includes PA Gas Utility, Electric Utility, and Mountaineer. This impact scale was further broken down to evaluate risks compared to each segment's EBIT.

Climate Risk Response

Prior to the climate scenario analysis discussed here, UGI recognized climate risk and took steps to prepare for adverse impacts as well as opportunities. We have committed to investments in the low carbon and renewable energy space to better support a shift to a low carbon economy and set targets to reduce Scope 1 and fugitive methane emissions.

UGI shortened the time-period used to define normal weather over the past few years from 30 years to 15 years, and now 10 years, to align with recent weather patterns and allow for more accurate budget and planning.

In the renewable use space, the AmeriGas propane business plays a key part in helping to reduce emissions by purchasing bio-diesel. AmeriGas purchased 2.3 million gallons of the cleaner fuel source in Fiscal 2023.

Also in the renewable space, we continue to evaluate our facilities in UGI International to identify locations for roof-mounted solar installation projects. Meanwhile in Fiscal 2023, the existing solar array on the carport at the UGI Utilities' headquarters in Denver, Pennsylvania generated 514 MWh for self-consumption. There are plans to install solar generation at the UGI Utilities training facility as well.



Kosan Gas Composite Cylinders

Kosan Gas (UGI International's brand name in the Nordics) first introduced composite cylinders in 2001. These lightweight, easy to handle cylinders improved the customer experience and lowered the carbon emissions during transportation. The cylinders can be reused many times; however, we faced a question of how to avoid landfill disposal for end-of-life materials. We have recently found a partner with a process to recycle wind power turbine blades and that process can be used for these cylinders, which significantly reduces the lifecycle emissions of these products. We anticipate piloting with a third-party in the coming months to 2025.



More information on UGI's climate-related risks can be found in Item 1A. Risk Factors in [UGI's 2023 Annual Report](#).

Environmental – A Focus on Reducing our Impact

At UGI, we practice responsibility throughout our business. We emphasize the necessity to reduce our environmental impact and encourage conservation and energy efficiency. As a distributor of our nation's most affordable, efficient, and cleanest fossil fuels, we provide the foundation to power businesses and enrich the lives of our customers. Climate change creates a challenge that UGI must address to continue to serve our customers' energy needs. UGI believes that safe, reliable, affordable, innovative, and efficient operations will create sustainable investment opportunities and long-term value for our stakeholders.

UGI maintains that the most effective way to minimize our impact on the environment and reliably serve our customers is to reduce our emissions, better enable customers to reduce their emissions, and invest in technology.

UGI focuses on acting responsibly throughout all areas of the environment, including emissions, water use and management, biodiversity, and waste management, among others. We have outlined these efforts in previous reports and have included updates in this report.

UGI remains committed to a three-step approach to reducing its overall greenhouse gas (GHG) emissions:

- Reduce our own emissions through investments in infrastructure and more efficient operations.
- Reduce our customers' emissions through conversions, energy-efficiency programs, and fleet conversions.
- Invest in alternatives to reduce our GHG emissions and provide innovative solutions to our customers.

Scope 1 Emissions Reductions

UGI is still committed to reducing its Scope 1 (direct) GHG emissions by 55% by 2025. As evolving technologies and customer preference drive the future of our industry, we remain focused on delivering clean energy to customers and helping make impactful change. UGI supports the Paris Climate Accord and will work towards carbon neutrality in our operations by 2050. While UGI's strategy for reducing emissions is influenced by and operating under many of the assumptions of the 1.5°C world, we have not yet developed a full transition plan across all businesses since many of the factors that would lead to full alignment rely heavily on nascent technologies, solutions, and regulation. As it specifically relates to Scope 1, we are proud to report a 6% reduction in our total Scope 1 emissions since our last report and are on track to meet our enterprise-wide goal to reduce Scope 1 emissions by 55% by 2025. Managing our own emissions plays a key role in the long-term sustainability of the Company, and it also promotes safety and efficiency.

Scope 1 Direct Emissions¹

Indicator: Greenhouse Gas Emissions	2021 Results in Metric tons of CO ₂ equivalent	2022 Results in Metric tons of CO ₂ equivalent	2023 Results in Metric tons of CO ₂ equivalent
UGI Utilities	162,715	278,217 ²	280,908
UGI Energy Services	409,660	613,686 ³	568,478 ⁴
AmeriGas Propane	174,740	160,280	161,471
UGI International	73,442	91,064	59,459 ⁵
Total Scope 1 Direct Emissions	820,557	1,143,247	1,070,316

¹ Scope 1: Per US EPA, Scope 1 emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles).

² Scope emissions include Mountaineer acquisition, which closed in September 2021. Mountaineer Scope 1 emissions in 2023 were 133,812 metric tons of CO₂ equivalent.

³ Increase in Scope 1 emissions largely reflects increased utilization of Hunlock power generation facility and the Marshland System. Unlike adjustments made for UGI's Scope 1 Emissions Reduction Commitment, this figure does not take a 5-year emissions average from the Hunlock power generation facility to account for year-over-year differences in run time. Emissions from Moraine East and Pennant are included in this figure, and they were 41,077 and 15,752 metric tons of CO₂ equivalent, respectively.

⁴ Decrease in UGI Energy Services Scope 1 emissions driven mainly by decreased operation of Hunlock's turbines, as well as the transfer of ownership of the Broad Mountain Facility.

⁵ Decrease in UGI International Scope 1 emissions driven mainly by purchases of HVO in France and better reporting, specifically around diesel purchases in Italy.

Scope 2 Indirect Emissions¹

UGI's inventory was compiled in accordance with the World Resources Institute ([WRI](#)) and World Business Council for Sustainable Development ([WBCSD](#)), Greenhouse Gas ([GHG](#)) Protocol – A Corporate Accounting and Reporting Standard (Revised Edition 2013) including the amendment to this protocol, [GHG Protocol Scope 2 Guidance \(2015\)](#).

Volume (MWh)

Division	Source ²	FY22	FY23
AmeriGas Propane	Electric Power	29,521	30,655
UGI Energy Services	Electric Power	53,692	57,124
	Renewable Energy Credit (REC)	50,000	47,750
UGI Utilities	Electric Power	11,649	11,686
	Renewable Energy-Solar	442	523
UGI International	Electric Power	5,927	5,689
	Electric Power - Renewable	15,149	16,317
	Renewable Energy - Solar	35	50
UGI Corp. Headquarters	Electric Power	3,378	3,870
UGI Total		119,793	125,914

¹ Per US EPA, Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. Although Scope 2 emissions physically occur at the facility where they are generated, they are accounted for in an organization's GHG inventory because they are a result of the organization's energy use.

² UGI began segmenting MWh by source beginning in Fiscal 2022.

Market-Based Emissions (metric tons CO₂ equivalent)³

Division	Source	FY22	FY23
AmeriGas Propane	Electric Power	11,065	11,836
UGI Energy Services	Electric Power	22,530	20,865
	Renewable Energy Credit (REC)	(21,428)	(17,801)
UGI Utilities	Electric Power	4,338	3,977
	Renewable Energy-Solar	—	—
UGI International	Electric Power	2,258	2,751
	Electric Power - Renewable	—	—
	Renewable Energy - Solar	—	—
UGI Corp. Headquarters	Electric Power	1,371	1,524
UGI Total		20,134	23,152

³ Market-Based Emissions are accounted for by allocation and reflect emissions from electricity that companies have purposefully chosen (or their lack of choice).

Location-Based Emissions (metric tons CO₂ equivalent)¹

Division	Source	FY22	FY22
AmeriGas Propane	Electric Power	11,469	11,536
UGI Energy Services	Electric Power	22,635	22,715
	Renewable Energy Credit (REC)	—	—
UGI Utilities	Electric Power	3,575	3,504
	Renewable Energy-Solar	—	—
UGI International	Electric Power	3,452	3,552
	Electric Power - Renewable	—	—
	Renewable Energy - Solar	—	—
UGI Corp. Headquarters	Electric Power	1,036	1,159
UGI Total		42,167	42,466

¹ Location-Based Emissions are accounted for by allocation and reflect the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

Scope 3 Emissions

Scope 3 emissions in our businesses come primarily from the extraction (upstream) and combustion (downstream) of the molecules we distribute. The third material aspect of our Scope 3 emissions stems from our supply chain.

To calculate supply chain emissions, we gathered the total spend of procurement vendors for non-fuel purchases. We then applied industry-based carbon emissions factors per dollar of spend to arrive at supply chain emissions. While we are committed to refining this process in the future, this approach allowed us to focus on material sources of emissions while setting the framework for the future. Typical indirect emissions, such as business travel and employee commuting, are not material to UGI's Scope 3 emissions and are, therefore, not included.

Indicator: Greenhouse Gas Emissions	2023 Results in Metric tons of CO ₂ equivalent
Combustion	31,133,631
Extraction	6,519,209
Supply Chain	396,167
Total Scope 3 Emissions	38,049,007

Methane

We take reducing methane emissions seriously and continue to work towards efficient methane management. Our PA Gas Utility is a partner in the Environmental Protection Agency's (EPA) Methane Challenge Program. Participation in this program demonstrates our commitment to reduce methane emissions and furthers our goal to be a more efficient natural gas distribution company. Among the largest operators in the Commonwealth of Pennsylvania, PA Gas Utility has the highest proportion of contemporary mains – nearly 90%. Through our pipeline replacement and betterment activities, investment in efficient assets, continuous improvement of our leak detection and repair programs, and other efforts, UGI Utilities'

operational fugitive methane emissions decreased by more than 90% since 1999. During this time, the scope of our operations more than doubled. Our commitment to reduce methane emissions remains critically important to both the environment and the safety of the communities we serve. UGI Utilities will need to reduce emissions by 12% by 2030 and 37% by 2040 from current levels to achieve targets, and we are proud to report that we are on track to fulfill that commitment.

In addition to methane reduction, there are several key areas UGI focuses on to lower our carbon footprint and conserve energy.

Fleet Conversions

Renewable Natural Gas (RNG) can be used as a transportation fuel in the form of the Compressed Natural Gas (CNG). It qualifies as an advanced biofuel under the US Environmental Protection Agency's (EPA) Renewable Fuel Standard of 2005. The demand for propane and CNG vehicle fleets continues to increase as an attractive alternative to traditional diesel vehicles. This is not only because propane and CNG burn more cleanly than diesel and can reduce GHG emissions, but also the cost of conversion and lack of required additional infrastructure are attractive when compared to the costs associated with electrifying fleets. UGI Utilities has over 1,050 vehicles in its fleet, with 16% now operating on CNG, and almost 50 more vehicles to be converted, continuing the efforts towards a cleaner fleet.

Looking Ahead: RNG Project in 2024 – UGI Energy Services & LANTA

In early calendar year 2024, the Pennsylvania Lehigh and Northampton Transportation Authority (LANTA) and UGI Energy Services announced a partnership to use RNG to power LANTA's buses. Over 60 buses have been converted to CNG.



Fuel Sources

AmeriGas Propane purchased 12.1 million gallons of diesel fuel and drove 108.3 million miles in Fiscal 2023. The combustion of fuel in our fleet makes up approximately 80% of our Scope 1 emissions at AmeriGas Propane. Along with route optimization technology and the increased use of LPG-powered engines, increasing the use of biodiesel is another way for the AmeriGas team to reduce Scope 1 emissions over time. AmeriGas Propane purchased approximately 2.3 million gallons of biodiesel in Fiscal 2023. While total biodiesel purchases remain low as an overall percentage of fleet fuel purchased, the team continues to make solid progress to ensure it operates efficiently and sustainably. To do so, AmeriGas continues its partnership with Booster Fuels to help lower its carbon footprint. The partnership is also expected to result in lower vehicle operations and maintenance costs, and increased productivity due to less frequent fueling stops.



Facilities Management

Facilities represent a terrific opportunity to decrease our carbon footprint. Investments in efficient buildings that incorporate renewable energy reduce reliance on the grid. As previously reported, some of UGI's facilities have solar panels to facilitate renewable energy consumption. For example, in our UGI International East Region, we have installed solar photovoltaic (PV) farms for our use. These installations help us to reduce our total carbon footprint by 4% per annum. We are exploring more opportunities for solar PV farms in other regions as a promising renewable alternative for our energy consumption.

Waste Management

UGI manages many types of waste resulting from our various lines of business. Effective waste management is important to UGI's overall sustainability efforts. While UGI's businesses do not regularly generate hazardous waste, UGI adheres to the EPA's rules and regulations for hazardous waste reporting in the United States as well as local requirements at UGI International. We continue to make progress in our efforts to streamline the collection of waste data to ensure it is consistent and comparable. We are committed to minimizing the creation of hazardous waste as well as being mindful of opportunities to reduce and recycle overall waste from non-operations. We refer you to [UGI's 2022 ESG Report](#) for more information on our waste management programs.

2023 Waste Results

Type of Waste	AmeriGas	UGI International	Utilities	Mountaineer	Energy Services	Total
Non-hazardous waste (tons)	992	1,047	1,389	N/A ²	242	3,670
Non-hazardous waste recycled (tons)	327	346	456	N/A ²	36	1,165
Hazardous waste (tons) ¹	< 1	176	4.5	1.8	< 1	183

¹ Hazardous waste disposed of in accordance with applicable laws and regulations.

² Mountaineer does not have a vendor that compiles waste data. The company will explore methods of collecting the data going forward.

Biodiversity

UGI's business units have adopted its [Biodiversity Policy](#), which can be found on our website at www.ugiesg.com/corporate-policies. We adhere to this Policy when conducting our operations as well as when initiating new projects and acquisitions.

EMS

UGI's Environmental Management Systems (EMS) helps us comply with applicable regulations, minimize our impact on the environment, and continually improve our processes. UGI's Environmental, Sustainability, and Health, Safety, Security, and the Environment (HSSE) Policy is the core of our EMS. It is available [here](#). The policy aids to:

- Support UGI's environmental goals;
- Support UGI's disclosure practices;
- Provide greater insight into UGI's operational environment footprint, which helps inform ways in which we can improve the efficiency of our operations and reduce our overall carbon footprint by focusing on things such as:

Antargaz CSR - EcoVadis Evaluation



- Switching from diesel engines to CNG, biodiesel, and renewable liquid gas (rLG)-fueled vehicles;
- Implementing carbon capture technology at compressor stations;
- Continuing to replace cast iron and bare steel pipe with contemporary materials;
- Fostering ongoing improvements in efficiency;
- Maximizing “Green Power”;
- Monitoring new technology that can support UGI’s GHG reduction targets;
- Establish programs, data collection, and emissions factors across our businesses to meet objectives and targets and ensure data accuracy; and
- Monitor and measure progress toward environmental goals.

In conducting our business, we are mindful of sound environmental practices and we:

- Govern and hold ourselves responsible for doing business the right way as we meet our compliance obligations and interact with regulatory agencies;
- Understand and reduce, where practical, the environmental impact of our activities in order to protect the natural environment from potential harm and degradation;
- Encourage social responsibility as our employees serve and participate in our communities;
- Implement and maintain management systems with the focus on continual improvement to enhance environmental performance;
- Establish environmental objectives compatible with the strategic direction of our Company; and
- Communicate and share our values and policy with our employees and other interested stakeholders.

Customer Conversions

UGI predominantly markets and distributes natural gas and LPG. These two energy sources are cleaner than alternatives such as coal and heating oil. In terms of power generation, natural gas emits 50% - 60% less CO₂ when compared to a typical coal plant. Converting customers from heavier hydrocarbons like coal and oil remains a driving factor behind our commitments to our stakeholders. Over the past 10 years, UGI Utilities has converted over 85,000 households to natural gas. The reduction in GHG emissions from these conversions is equivalent to removing more than 55,000 gasoline-powered passenger cars from the road for one year.



Energy Efficiency and Conservation (EE&C) Programs

UGI Utilities offers a variety of EE&C programs to residential and commercial electric and gas customers, which encourage customers to install high energy efficiency appliances by providing incentives to offset the incremental equipment cost. UGI Utilities has 745,000 electric and gas customers that qualify for the EE&C programs. The residential customers enrolled in our programs had energy cost savings of \$2.3 million in Fiscal 2023. Since inception, Utilities has invested over \$71.3 million in EE&C programs, which has led to lower gas consumption of 1.2 MMCF and approximately 91,000 fewer MWh.

UGI Save Smart Efficiency Rebate Program

Over the past three years, the UGI Save Smart Efficiency Rebate Program is responsible for saving nearly 743,000 MCF of natural gas, resulting in approximately 41,000 metric tons of carbon not entering the atmosphere. In Fiscal 2023, the program issued over \$9.1 million in rebates to customers that have chosen to pursue energy efficiency upgrades. UGI International also offers a range of financial incentives for individuals and businesses that are interested in energy savings projects, such as condensating boilers, insulation, and more efficient appliances.

Social

Safety

8 DECENT WORK AND ECONOMIC GROWTH



Safety is not only our top priority, but also one of our core values. At UGI, we are committed to providing a safe and healthy workplace for our employees and making safety a priority in all our interactions with colleagues, customers, and the communities we serve.

UGI Corporation¹

Indicator	2021	2022	2023
Lost Time Injury Rate (LTIR) per 200,000 work hours – employees	1.6	1.6	1.7
Total recordable incident rate (TRIR) per 200,000 work hours – employees	3.1	3.7	3.6
Near Miss Frequency Rate (NMFR) – per 200,000 work hours	4.7	5.4	1.4 ²
Number of fatalities – employees	0	0	0
Employee fatality rate per 200,000 work hours	0	0	0
Number of fatalities – contractors	0	0	0
Contractor Fatality Rate per 200,000 work hours	0	0	0

Mountaineer

Indicator	2021	2022	2023
Lost Time Injury Rate (LTIR) per 200,000 work hours – employees	1.1	1.9	0.7
Total recordable incident rate (TRIR) per 200,000 work hours – employees	2.7	2.4	1.3
Near Miss Frequency Rate (NMFR) – per 200,000 work hours	NA	NA	NA ³
Number of fatalities – employees	0	0	0
Employee fatality rate per 200,000 work hours	0	0	0
Number of fatalities – contractors	0	0	0
Contractor Fatality Rate per 200,000 work hours	0	0	0

¹ Figures presented are consolidated across the following business units: AmeriGas Propane, UGI Utilities, UGI Energy Services, and UGI International.

² As this is a newer program, Near Miss activity decreased in 2023 mainly due to harmonized reporting across all business units; for example, traffic near misses had been included in some counts in previous reporting years.

³ Mountaineer has implemented a Near Miss program in 2024.



Safety & Emergency Response

Public safety is a top priority for UGI. Education and engagement with stakeholders help us prevent safety incidents and keeps our employees and communities safe. We provide training to enable our people to safely deliver our products and services, and also train the communities where we operate.

Our dedication to safety extends to contractors too. At UGI Utilities, our standard contract language includes expectations that contractors maintain current operator qualifications needed for job requirements. UGI also provides training to satisfy these qualifications. Contractors are required to comply with all applicable laws, regulations, and industry standards. UGI Utilities trains and qualifies Company employees and contractors through testing and “hands-on” simulation as required by the Pipeline and Hazardous Materials Safety Administration (PHMSA) Operator Qualification rules. UGI employees undergo a multi-phase progressive training curriculum beginning with New Employee Orientation training and continuing through advanced training.

Each UGI business unit has robust Emergency Response Plans (ERP) to account for products, assets, applicable legal requirements, and geography of operations.

The key elements of our business units’ ERPs are consistent across UGI. As a

component of safety, the Board has risk oversight responsibility.

Protocols for communications with external stakeholders, including our customers and the communities we serve, varies by business unit but includes instructions to report emergencies. For example, each year, UGI Utilities issues a public awareness mailer in our service territories detailing what to do if you smell gas.

Emergency training for employees and communities, including regular testing of the existing ERPs, vary by business unit, but ERPs are typically reviewed annually while training of first responders, where appropriate, usually occurs at least every two years. UGI employs several mechanisms to allow our communities to report emergencies. These include emergency phone numbers that can be called to report an emergency, which are dispatched to a First Responder. There is a process in place for follow-up and review of response activities.

UGI International Region East, which includes the Company’s Flaga and AmeriGas Polska brands, announced in August 2023 their outstanding safety results of 500,000 working hours without any RIs.

This is equivalent to more than 7 months of accident-free work.



Refer to [UGI’s 2022 ESG Report](#) for more information about safety.

Asset Integrity

In addition to the safety training and emergency preparedness previously mentioned, UGI also implemented policies and procedures relating to asset integrity to ensure the safety of our employees, customers, and the communities we serve. Not only do such policies and procedures enable safe operations, but also service reliability across UGI.

Refer to [UGI's 2022 ESG Report](#) for more information on UGI's asset integrity programs.

Leak Detection and Repair

A Leak	An underground leak that is non-hazardous at the time of detection and can be reasonably expected to remain non-hazardous.	
	Repair – No required repair timeline, but must be resurveyed within 15 months of the original finding	
	UGI Utilities occurrences decreased 41% (2017-2023).	Mountaineer occurrences decreased 73% (2017-2023).
B Leak	An underground leak that is recognized as being non-hazardous at the time of detection, but justifies a scheduled repair based on probable future hazard.	
	Repair – Must be resurveyed within 7.5 months of the original finding, and must be repaired within 15 months of original finding	
	UGI Utilities occurrences decreased 61% (2017-2023).	Mountaineer occurrences decreased 39% (2017-2023).
C Leak	An underground leak that represents an existing or probable hazard to persons or property, and requires immediate repair or continuous action until the conditions are no longer hazardous.	
	Repair – Must be repaired immediately	
	UGI Utilities occurrences decreased 39% (2017-2023).	Mountaineer occurrences decreased 14% (2017-2023).

Customer Experience

UGI prides itself on being a customer-focused company. UGI evaluates the customer experience through various channels, including interactions with customer service representatives through the call center, direct mail, telephone, email, and online surveys. UGI believes customer feedback provides great insight into our operations and helps identify opportunities for improvement. We measure customer experience by the following metrics:

- reliability of customer deliveries;
- responsiveness of phone calls;
- customer retention and loyalty;
- availability; and
- variety of products and services to meet customer needs.

You can read more about UGI's customer-centric programs such as assistance to help customers in time of need in our [2022 ESG Report](#).

Employees

Our employees are the heart of our organization. We had approximately 10,000 employees worldwide on September 30, 2023. UGI and its subsidiaries' human resources teams are responsible for attracting and retaining quality talent by supporting management in fostering an environment where employees feel supported and encouraged in their professional and personal development.

Employee Development – Fiscal 2023



103,922

Number of training hours completed in Learning Management System



10

Average number of training hours per employee in LMS



1,588

Number of LinkedIn Learning courses completed



1,472

Number of LinkedIn Learning hours of content viewed



~70

Number of employees supported through UGI's tuition assistance program



2,825

Number of training hours in UGI's Leadership Development courses (UGI University, UGI People Leaders Training, and UGI Experienced Managers Training)



Diversity

UGI strives for diversity (diverse representation) at all levels of its business. To demonstrate our commitment to diverse representation, all executives have a diversity and inclusion component of their annual bonus. The Company's commitment to diversity and inclusion is supported by its Belonging, Inclusion, Diversity, and Equity (BIDE) initiative. UGI has launched several employee resource groups (ERGs) to foster diversity and inclusion, and to support diverse segments of our workforce. These groups are open to participation for all employees to learn different perspectives brought by participants. UGI's ERGs include Women's Impact Network (WIN), Veteran Employee Team (VET), and Black Organizational Leadership and Development (BOLD).

Workforce Demographics

2023 Employee Age Distribution ¹	AMG	CORP	UGIU	MGC	UGIES
Baby Boomers (59 and Over)	19%	20%	14%	19%	17%
Gen X (43-58)	44%	37%	37%	53%	41%
Millennials (27-42)	32%	42%	42%	25%	39%
Gen Z (18-26)	5%	1%	7%	3%	3%

¹ Employee Age Distribution, Employee Race/Ethnicity, and Military Veteran data are for UGI's domestic business units.

2023 Employee Race/Ethnicity ^{1,2}	AMG	CORP	UGIU	MGC	UGIES
White	66%	77%	89%	96%	89%
Black or African American	15%	9%	3%	4%	3%
Hispanic or Latino	15%	5%	5%	0%	5%
Asian	2%	8%	2%	0%	2%
Two or More Races	1%	1%	1%	0%	1%
American Indian/Alaskan Native	1%	0%	0%	0%	0%

² UGI Corp, AmeriGas, and Utilities reported < 1% of employees to be of Native Hawaiian or Other Pacific Island race or ethnicity.

2023 Employee Gender Break-down	AMG	CORP	UGIU	MGC	UGIES	UGII
Female	19%	62%	28%	12%	28%	35%
Male	81%	38%	72%	88%	72%	65%

2023 Military Veteran ¹	AMG	CORP	UGIU	MGC	UGIES
Employees self-identified as military veteran	9%	1%	7%	6%	6%

Diversity in Supply Chain

We have a responsibility to manage our activities and business relationships within our supply chain in a way that positively impacts our communities and supports diverse businesses. UGI increased its spend with diverse businesses and began recognizing the benefit of a focused Tier II program for diverse subcontractors. UGI's stated commitment was to increase spend at least 25% with diverse suppliers by 2025. We are proud to say that we met and exceeded our goal in 2023. UGI continues to focus on compliance with its internal governance and policies of its supplier diversity program.

10 REDUCED INEQUALITIES



Partners in our Communities

UGI has a long history of strengthening the communities we serve by providing financial assistance and supporting employee volunteer efforts. Our employees actively participate in their communities by serving on non-profit boards, acting as mentors and coaches, and volunteering, among other activities. In addition, UGI offers paid volunteer leave for full-time eligible employees. See more about the programs that UGI supports in our [2022 ESG Report](#).

Human Rights

UGI recognizes our responsibility to respect human rights and avoid causing or contributing to human rights infringements through our business activities and putting policies in place to show our commitment to being a part of protecting human rights. We support principles aimed at protecting internationally recognized human rights. We expect our employees to be strong ethical community partners by fostering positive relationships wherever we do business. Our [Human Rights Policy](#) under Corporate Policies on our ESG webpage, www.ugiesg.com, outlines UGI's commitment to respect human rights and includes expectations related to workplace discrimination, diversity and inclusion, workplace conditions, and freedom of association. We train our employees on the policy as well as [UGI's Code of Business Conduct and Ethics](#), which can also be found under the Corporate Policies on our ESG webpage. Our commitment applies to all employees and others working on UGI's behalf. UGI strives to respect human rights through our supply chain by partnering "with suppliers that share our corporate values in the areas of human rights and labor, respectful treatment, equal opportunity, anticorruption, and environmental sustainability."

8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



UGI Honored by the Civic 50

UGI Corporation is thrilled to once again be recognized as one of the 50 most community-minded companies in Pennsylvania, New Jersey, and Delaware in 2023 by Philadelphia Foundation and the Civic 50 Greater Philadelphia Partners. UGI has a long history of strengthening the communities we serve both by providing financial assistance and supporting employee volunteer efforts.

Modeled after Points of Light's national program, the Civic 50 Greater Philadelphia provides a standard for corporate citizenship and showcases how employers use their time, skills, and resources to drive social impact both internally and in their communities.

"We are honored that UGI's continued efforts to support and help strengthen our communities has been recognized for a third year in a row by Civic 50."

— Brendan Heck, Vice President of ESG and Chief of Staff to the CEO, UGI Corporation

Governance

Strong corporate governance is essential to creating long-term value and safeguarding UGI's commitments to its stakeholders. Our Board is responsible for overseeing overall Company performance, and individual Board members are kept informed about the business through regular communications with management, Board and Committee meetings, and discussions with outside advisors, as necessary. The Board ensures that our Company has a clear purpose, strategic and operational direction, and effective management, taking into consideration economic circumstances along with regulatory and legal requirements. In Fiscal 2023, UGI's Board met 14 times. All directors attended at least 75% of the meetings of the Board and Committees of the Board of which they were members. We believe that a diverse Board is critical to achieving our long-term strategy as well as to maintaining strong governance practices.

UGI also believes that Board diversity is critical to effective governance. In assessing Board composition, the Board and its Corporate Governance Committee ensure that our Board and its standing committees have the appropriate qualifications, skills, experience, and characteristics, including diversity of perspectives, to support our business.

ESG Governance

The Board, either directly or through its Committees, takes an active role in overseeing the Company's ESG efforts, including those related to safety, environmental (including climate), human capital, and cybersecurity, among others, as further described within. UGI's Committees play a key role in overseeing ESG strategy, risk, and progress:

- **The Corporate Governance Committee** oversees the corporate governance aspects of the Company's ESG program, including promoting Board diversity and inclusion through the identification and recommendation of diverse director nominees to the Board, evaluating and addressing emergent governance-related risks, and reviewing the Company's annual ESG report as it relates to governance disclosures.
- **The Safety, Environmental, and Regulatory Compliance (SERC) Committee** oversees the Company's safety, environmental (including climate change and sustainability), and regulatory compliance strategy, policies, programs, procedures, initiatives, and training. The SERC Committee also oversees the Company's ESG program, such as reviewing and advising the Board on climate impact, and other environmental targets and reviews the Company's policies and programs to promote cyber security and data privacy. Regarding regular internal security audits, vulnerability assessments, or penetration testing of the company's systems, products, and practices affecting user data, UGI's Internal Audit Department applies a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and internal control processes. The Cybersecurity team uses industry standard scanning software to conduct vulnerability assessments and UGI has external independent assessments conducted on a regular basis to comply with regulatory requirements or industry standards.
- **The Compensation and Management Development Committee** oversees the Company's development and implementation of belonging, inclusion, diversity, and equity initiatives, programs, and policies, including those related to human capital management. This Committee also oversees the Company's policies and practices relating to the social responsibility aspects of its ESG program, including review of the Company's annual ESG report as it relates to social responsibility disclosures.
- **The Audit Committee** provides oversight of the Company's enterprise risk management activities, policies, and processes, including major risk exposures (such as emerging and ESG risks), risk mitigation, and the design and effectiveness of the Company's processes and controls to prevent and detect fraudulent activity.

Board Composition

Board Diversity

57% Diverse

Female: 2
Race/Ethnicity: 2

Board Independence

86% Independent

Board Tenure

~6 Years

10+ years: 1
4-9 years: 5
0-3 years: 1

As of May 30, 2024

UGI'S Board of Directors

The Board and its Committee oversee ESG-related risks, including the effectiveness of the Company's ESG-related risk management and the manner in which management allocates appropriate resources to ESG matters that are material to UGI.

SERC
Safety,
Climate Risk

Compensation
DE&I
Initiatives

Audit
Disclosure,
Enterprise Risks

Corporate Governance
Corporate governance
aspects of ESG program

UGI's Executive Management Committee

Forum for engagement, input, and alignment with the UGI business units on key enterprise topics.

VP, ESG

The VP, ESG leads the ESG Leadership Council and acts as a liaison between the ESG Leadership Council and Management, and regularly reports to the Board Committees, and the Board, as necessary.

ESG Leadership Council

Consists of leaders from the business units, Enterprise Risk Management, Compliance, Procurement, and Legal

ESG Leadership Council coordinates with the business to obtain information related to ESG risks and opportunities.

The need for strong governance is more important than ever due to the increasing requirements of climate and sustainability-related disclosures. UGI's ESG team, along with the Legal and Compliance teams, stay informed and work together to assure compliance with required disclosures. These disclosures include those mentioned earlier in this report ranging from the Sustainability Accounting Standard Board (SASB), the Task Force on Climate-related Financial Disclosures (TCFD), the United Nation's Sustainable Development Goals (SDGs), and the Global Reporting Initiative (GRI), as well as the European Sustainability Reporting Standards (ESRS), the framework to help companies comply with the EU Corporate Sustainability Reporting Directive (CSRD). Moreover, we will also comply with the final requirements of the SEC Climate Rule in the United States, and California SB 253 and SB 261. We are prepared with the rigor and robustness required to provide stakeholders with meaningful and material climate and sustainability-related disclosures.

Read more about UGI's other Governance topics including Stakeholder Engagement, Cybersecurity, and Data Privacy in the [2022 ESG Report](#).

Appendix

Air Quality

UGI actively works to reduce air emissions by maximizing operational efficiency and ensuring compliance with federal and state requirements. We do this because not only is air quality an important contributor to climate change, but it also impacts our relationship with the communities in which we operate. We recognize our responsibility to control air emissions, including nitrogen oxides, sulfur dioxide, volatile organic compounds, hazardous air pollutants, and particulate matter from our operations to minimize environmental risks and impacts to human health. 90% of Energy Services facilities operate near areas of dense populations, however, all our facilities with an air permit are operating below our permit limits.¹

UGI Energy Services Air Quality Data

Indicator	2021 in tons	2022 in tons ²	2023 in tons ³
NOx (nitrogen oxides)	235	295	299
SOx (sulfur oxides)	37	38	31
Persistent organic pollutants (POP)	de minimis	de minimis	de minimis
Volatile organic compounds (VOC)	55	54	80
Hazardous air pollutants (HAP)	33	47	51
Particulate matter (PM)	17	17	19

¹ "Dense population" refers to urbanized areas with populations greater than 50,000. Facilities or locations are considered to be in an urbanized area if they are in a census tract or block within 49 kilometers (30 miles) of an urbanized area. This aligns with the U.S. Census Bureau's definition contained in Federal Register, Vol. 76, No. 164.

² Air quality figures that increased in 2022 are largely attributable to increased operation of combustion equipment, particularly compressor engine hours.

³ Air quality figures that increased in 2023 are largely attributable to increased operation of combustion equipment, particularly compressor engine hours, while the SOx decreased primarily due to UGI Energy Services' transfer of ownership of the Broad Mountain Facility.

Water Management

While UGI does not use a significant amount of water resources in its regular business activities, we recognize the importance of maintaining water quality. Access to clean water is a universal human right. UGI acknowledges the Human Right to Water which, as defined by the United Nations, means access for everyone to sufficient, safe, acceptable, physically accessible, and affordable water.

UGI recognizes that climate change and increased periods of dry weather may lead to falling reservoir and ground-water levels, which could impact water availability and quality.

UGI Energy Services uses water as a part of regular business activities and attempts to minimize its use of fresh water under normal operations at the majority of its facilities and/or pipeline infrastructure. There is occasional freshwater usage for midstream operations, and the business follows the conditions outlined by relevant regulatory agencies (e.g., Pennsylvania Department of Environmental Protection (PADEP) Bureau of Clean Water).

See our [ESG 2022 Report](#) for more information on our water management and recycling programs.

Water Use at Energy Services' Operations

Hunlock Facilities Water Use (Thousands of Cubic Meters)	2021		2022		2023	
	Hunlock Combined Cycle	Hunlock 4	Hunlock Combined Cycle	Hunlock 4	Hunlock Combined Cycle	Hunlock 4
Total Water withdrawn from Susquehanna River ¹	30,899	NA	54,694	NA	54,801	NA
Total City Water Used ¹	129	11	247	16	222	15
Total Water Discharged back to River (Outfalls 001, 003 & 004) ²	30,758	NA	54,351	NA	54,474	NA
Total Water Removed from Site for Recycling	0.01	0.55	0.05	0.42	.03	.36
Total Stormwater collected and reused for Once-Through Cooling Process	12	NA	10	NA	12	NA
Percentage (%) of Water Recycled and Reused	4%	5%	2%	3%	2%	2%
Percentage (%) of water consumed/withdrawn from locations with High or Extremely High Water Risk	0%	0%	0%	0%	0%	0%

¹ All water intake is regulated by the SRBC.

² All water discharges are covered by PADEP NPDES Permit PA0008664.

Bethlehem LPG Facilities Water Use (Thousands of Cubic Meters)	2021	2022	2023
Total City Water Used	1.15	0.79	0.04
Percentage of water reused	0%	0%	0%
Percentage of water recycled	100%	100%	34% ¹
Percentage (%) of water consumed/withdrawn from locations with High or Extremely High Water Risk	0%	0%	0%

¹ Decrease in water usage from Fiscal 2022 to 2023 is due to UGI Energy Services performing only a test run at the Bethlehem facility in Fiscal 2023. Additionally, the business changed the water supply to the office, and the water for that process is what is calculated for recycling.

As shared in previous reports, UGI continues to build data collection protocols, including collecting water use data for typical daily use, e.g., handwashing. This water use for UGI and its domestic business units is noted in the table below. We estimated water use for some months when actual use data was not available. Note that UGI and its subsidiaries' operations do not use significant amounts of water in areas that are considered High or Extremely High Water Risk as defined by the World Resources Institutes Aqueduct online mapper tool, accessible online via www.wri.org/aqueduct.

Water Use (Cubic Meters):

Division	2022	2023
UGI Energy Services ²	249,705	236,760
AmeriGas	138,182	156,154
Utilities	17,708	19,747
UGI Corp.	2,688	5,196
Total	408,283	417,857

² A portion of UGI Energy Services water is used for turbines' NOx and Emission Control for state operating permitting purposes.



2023 Environmental, Social, and Governance Report

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