

Title: **Environmental Policy**
Functional Area: **Operations – Service Delivery – General**
Policy Number: **ops_svd_gen_po_01_environmental_2008_05_30.doc**

SCOPE

This policy applies to all personnel and all functional areas within American Water Works Company, Inc. and its controlled subsidiaries (together “American Water” or the “Company”) including all regulated and non-regulated business.

POLICY STATEMENT

Business Objective:

As a company that provides water and wastewater utility services to customers in the United States and Canada, American Water contributes to, and relies on, the quality of the physical environment, making environmental management a fundamental part of our business. As such, it is imperative that each operating unit within American Water carry out its operations in a manner that limits the impact that American Water has on the environment. The objective of this policy is to clearly outline the roles and responsibilities of the different operating units to support this effort. American Water commits to:

1. *Ensuring compliance with all relevant environmental laws, regulations, and standards.*
 - 1.1. The requirements of all environmental laws, regulations, and standards pertaining to each operation or activity must be clearly understood and implemented. In addition, compliance with these requirements must be monitored and reported on a regular basis. Compliance with all new standards will be met by the required date as set by applicable regulations and regulatory agencies.
2. *Sustaining the environment through responsible business practices which promote environmental stewardship with a holistic approach to the prevention of pollution.*
 - 2.1. American Water operations and investments strive to promote environmental stewardship on American Water’s owned land, where our operations, activities, or practices could impact the environment, and in our business offerings.
 - 2.2. American Water will expect and encourage similar standards to our own from our partners, suppliers, agents, and contractors.
 - 2.3. We will discuss our environmental performance and the implementation of this policy with our stakeholders.
3. *Ensuring effective and efficient use of natural resources, including energy.*
 - 3.1. Natural resources include water, energy, and land. Use of energy can contribute to climate change through the emission of greenhouse gases which could have serious implications for us and our customers, as it could affect the availability and quality of water resources. By working to achieve a high level of energy efficiency, promoting renewable energy generation, and utilizing transport in a sustainable manner, American Water can help to ensure that our contribution to climate change is minimized.
 - 3.2. Projects for capital investments strive to minimize the impact on resource consumption including water use, selection of environmentally compatible materials, waste



production, and energy efficiency for both the construction of the facilities and within the facility itself.

- 3.3. Sustainable water resource management is a central element of our business as well as our environmental strategy. This management includes watershed protection and partnering with communities in protection activities, development of sustainable water resources, and demand management programs including reducing leakage and promoting water conservation and use efficiency with our customers.
- 3.4. Land resources are used both for the development of our operations and for the management of the wastes produced during our activities. Effective waste management is therefore essential. Recycling, reuse, incineration, or biodegradation with energy recovery are encouraged in our operating strategies.

Statement:

Given the above commitments, each operating unit is responsible for identifying and managing its environmental impacts in a systematic way through the implementation of an Environmental Management Plan that includes:

1. Establishing responsibility for environmental management within the business unit;
2. Establishing a register of applicable Federal, state, and local environmental requirements;
3. Establishing environmental objectives and training to meet regulatory requirements and enhance environmental stewardship;
4. Monitoring and reporting on performance and taking corrective action where necessary;
5. Establishing an internal audit mechanism; and
6. Undertaking an annual management review to ensure performance is continually improved.

For drinking water and wastewater systems, Environmental Management Plans are developed at the system level, but include specific facility level information regarding sampling requirements and the person(s) who will be responsible for ensuring required sampling occurs. Environmental Management Plans are also developed at other operating centers as needed. [Environmental Management Plan Templates](#) are posted on the American Water Intranet.

MONITORING

The State / American Water Enterprises Group Presidents or their designee are accountable for ensuring that the environmental management plans have been developed and are being implemented at all drinking water systems, wastewater systems, and, as needed, operating centers, and that the plans have been reviewed and updated at a minimum of once per year.

The Environmental Program Leads will be responsible for maintaining the Environmental Management Plans and reporting that each plan has been reviewed and updated at a minimum of once per year. However, each functional area is responsible for providing updates to the Environmental Management Plan highlighting new requirements / responsibilities, reporting progress against goals and indicating any changes in responsible parties.

REPORTING/METRICS

The Environmental Program Leads will certify annually that the operating unit has developed and is implementing appropriate Environmental Management Plans and that the plans have been reviewed within the past year.



Every American Water employee is responsible to immediately report incidents of non-compliance with the Environmental Management Plan through the Ethics Hotline (877 207-4888). This includes, but is not limited to, failure to perform required sampling, notification of non-compliance from a regulatory agency, or an event that could have a substantial impact on public health or the environment. These issues must be elevated to appropriate management at the utility subsidiary and Corporate levels.

CONSEQUENCE OF NON-COMPLIANCE

Any employee who violates or circumvents this policy may be subject to disciplinary action up to and including termination.

WAIVER

No waivers will be granted under this policy.

REFERENCES

[US Environmental Protection Agency](#)
[Canada Environmental Assessment Agency](#)

DEFINITIONS

None

REVIEW/UPDATE

Review no later than three (3) years from approval / last review.

Approved by: Service Company Board

Original Adopted: May 30, 2008

Revised Adopted: Not applicable

Date of Last Review: Not applicable

Effective Date: May 30, 2008

Prepared By: Innovation & Environmental Stewardship

Disclaimer

American Water reserves the right to change, revise or discontinue this Policy for any reason whatsoever. No employee, manager or other agent of American Water, other than the Service Company Board (and, if applicable, the executive having authority to approve this policy) has the authority to enter into any agreement contrary to this Policy.

This Policy supersedes and voids all previous policies and practices, which may be inconsistent in any way with that stated herein.