

TODAY'S ENERGY TOMORROW'S WORLD



UGI
CORPORATION

Environmental,
Social and Governance
Report 2019

INTRODUCTION

This is UGI Corporation's (UGI) second Environmental, Social and Governance (ESG) Report. The report covers ESG Information from our four business segments. It provides information at the business level and, where appropriate, on a fully consolidated basis.

The theme for this report is "Today's Energy, Tomorrow's World." UGI remains committed to delivering affordable, efficient and socially responsible energy products and services to our customers in a safe and reliable manner. To meet these commitments, UGI is focused on acting in a sustainable and socially responsible way to minimize our impact on the environment and be a good steward to the planet.

In this report, UGI provides performance data related to these commitments. This report is designed to provide an update to all of our stakeholders. Our goal is to supplement our financial reporting materials to meet our constituents' broader need for information. To help with this process, UGI is working toward disclosure of financially-material ESG factors to investors using standards promulgated by the Sustainability Accounting Standards Board (SASB). That disclosure will be completed later this summer and posted to our website.

UGI's businesses share common values and culture but we recognize the need for individualized business unit focus on our products, services, markets and stakeholders. We have also grown through acquisition – domestically and particularly internationally. For these reasons, we encountered some challenges in collecting consistent ESG data across our business portfolio. We will continue to improve in this area and supplement our disclosures over time.

Information in this report covers UGI's 2019 Fiscal Year, unless otherwise indicated. The 2019 fiscal year ran from October 1, 2018 through September 30, 2019. We will provide updates on our ESG performance periodically through our website.



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LETTER FROM THE CEO

UGI has a rich history that spans almost 140 years. During this time, the composition of our business has changed, but our dedication to sustainable operations has never wavered. We are guided by our core vision and values and believe that we play an important role in enriching the lives of our customers and communities by providing safe, reliable, efficient, and affordable energy. Our nearly 13,000 employees provide the energy to push UGI forward as we strive to deliver on our commitment to be the **best in class energy provider and services company in the communities we serve.**

The theme for this year's report is "Today's Energy, Tomorrow's World." The demand for sustainable energy solutions is driving consumer preferences, and UGI continues to implement innovative strategies to remain a good steward of both capital and the environment. We continue to invest in infrastructure that lowers methane and greenhouse gas emissions, eliminate carbon from our operations and offer energy-efficient solutions to our customers. In this report, we will demonstrate that UGI is making progress on key sustainability initiatives and introduce new commitments so our stakeholders can chart our progress and accomplishments along the way.

In addition to meeting the energy needs of our customers and stakeholders, we remain dedicated to safe operations. In 2019, UGI invested \$55 million in safety programs across our organizations to protect our customers and employees. At UGI Utilities, the following quote is in every conference room as a reminder to stress safety and reliability in all that we do:

"I take the time to perform my work safely, every day. My family, my co-workers, and my customers are depending on me. I stand vigilant and when called upon...I'll be there."

This mindset is shared across all of our business units.

As we focus on building a company for the next 140 years, UGI is focused on supporting the key contributors who make UGI a sustainable company – our employees. We will always seek to provide a work environment that values the diversity – in background, experiences and skill sets – of our employees. This will always be a work in progress, but one that we take seriously. Our teams

continue to deliver innovation, reliability and customer service excellence to support the UGI of tomorrow. As a leadership team, we consider it our duty to provide a safe and supportive work environment, and we do so by investing in diversity and inclusion, training and development and continuously evaluating benefit packages to remain competitive to attract talent.

In 2019, UGI and its employees donated more than \$2 million and 60,000 hours of volunteer time to support causes in our communities. We are proud of these contributions and consider the commitment of these resources to be a crucial element of UGI's culture. We strive to enhance our collaboration within the communities we serve every year as we explore new areas that align with our mission and heighten our positive impact in our communities. We continue to evaluate our ESG reporting framework to ensure that we provide relevant – and useful – data to our stakeholders. We will continue to enhance our ESG program and welcome dialogue around these topics.

On behalf of everyone at UGI Corporation, thank you for your interest in our company.



A handwritten signature in black ink, appearing to read "John Walsh".

John L. Walsh
President and CEO



UGI STANDS AGAINST RACIAL INEQUALITY

A message from our President and CEO John Walsh

As an organization, we stand in solidarity with the black community and in the fight to end systematic racism. Change does not happen overnight, but with committed leadership, listening and learning from those who have been disadvantaged, and a sincere belief to do what's right, we can succeed and make a difference for future generations.

The senseless deaths of Breonna Taylor, Ahmaud Arbery, George Floyd, and Rayshard Brooks have highlighted the extreme injustices in our society. All of us have felt a range of emotions as we have dealt with this news. We recognize the immense responsibility we have to do more.

As I process my own thoughts and feelings in these challenging times, I have found myself drawn to several of our Company's core values, particularly, our values focused on Respect and Integrity. While all six of our values are intertwined, these particular values speak directly to relationships and how we respect and care for each other, our customers and for the residents in the multitude of communities we serve in the U.S. and in Europe. It is the bond of unity that supports us and holds us together.

The diversity in the communities where we live and work provides us with an important source of strength and is something that we value about the communities we serve. Respecting our differences, embracing our diversity and engaging others with integrity and inclusion are critically important behaviors, particularly as we work together to address the economic and social divisions in our country.

UGI continues to seek out opportunities to have deeper, more impactful engagements with the communities we serve. As described in this report, we have a strong tradition of working to deliver support in areas such as childhood literacy, health and wellness, and safety, among others. As recent events have unfolded, it has become clear that UGI also has an opportunity to align itself with organizations that strive to eliminate racial injustice. Additionally, we understand that we have work to do at UGI. We will intensify our focus on the representation and inclusion of minorities across our businesses, with a goal that our workforce accurately represents the communities in which we operate. As a company and as leaders, we will do better in these critical areas.

At UGI, we are committed to rededicating ourselves to being kind and to expressing our care and concern in our actions toward each other, and to those around us. We strive to demonstrate our values of Respect and Integrity in our daily actions and activities. Real change begins when people join together and care for one another. UGI remains committed to doing our part, and working towards being a positive presence for all of our stakeholders as we deal with the major challenges facing our society. I ask all UGI employees to join me in living all of our core values each and every day.





UGI's actions are guided by our core values, and we believe that **actions always speak louder than words**. In addition to our current community support in critical areas such as early childhood literacy, health and wellness for families, food insecurity and emergency services, UGI will commit an additional \$500,000 in 2020 to partner organizations in our communities to combat racial inequality and systemic racism. Let us come together, be part of the solution and drive change.

COVID-19 AND UGI'S RESPONSE

Employees

- Implemented work-from-home procedures across the organization for over 4,000 employees
- Revised critical work practices to protect the safety of over 7,400 field-based employees
- Expanded existing paid leave policies for domestic employees

Customers

- Provided uninterrupted essential service to our 3 million customers
- Maintained a high level of safety and customer service performance
- Temporarily suspended disconnections due to non-payment
- Available 24/7 to respond to emergency calls

Communities

- Provided critical services to hundreds of healthcare centers and testing facilities
- Donated over \$600,000 of financial support to organizations in many of the communities in which we operate to assist residents in need
- Partnered with the American Red Cross blood drive

Our Company, our industry and the world have been challenged over the past few months by the onset of the COVID-19 pandemic. This report covers our activities during our 2019 operating period, but the world has fundamentally changed and UGI has adapted quickly. We want you to know that the health, well-being and safety of our employees, customers and communities is our top priority. We began to focus on COVID-19 as a potentially significant issue in February, as we followed global developments and began to see the impact in several European markets where we operate. Our senior team initiated regular COVID-19 planning sessions to address the critical safety, operational and business risks associated with the pandemic across all geographies.

Our primary focus areas from the outset have been the safety of our teams and our 3 million customers and continuity of the essential services we provide to those 3 million customers. By the conclusion of the second week in March 2020, on a global basis, we had launched our work-from-home plan for over 4,000 office-based team members and revised critical work practices to drive safe operations for over 7,400 field based employees and our customers.

As a provider of essential services, we recognize the urgent need for a broad range of key services to those impacted by the pandemic. We see particular needs in the areas of food security, educational continuity and temporary housing. For that reason, we announced a series of donations in the past months to food banks, educational programs and emergency services agencies who are seeing a surge in demand as our neighbors struggle with the economic impact of rising unemployment, school closures and a strain on available social services. **Together, the company, our employees and our directors have contributed more than \$600,000 to local food banks and other support agencies in our local communities during COVID-19.**

While the challenges have been significant, our teams have done an outstanding job operating in this “new normal” work environment. Our safety and customer service performance have been outstanding. UGI will continue to adapt to ensure we do our part to keep our stakeholders safe and limit the spread of the virus.

“We want you to know that the health,
well-being and safety of our employees, customers
and communities is our top priority.”



OUR BUSINESS

UGI Corporation is a publicly traded company listed on the New York Stock Exchange. UGI, through subsidiaries and affiliates, distributes, stores, transports and markets energy products and related services.

Our subsidiaries and affiliates operate principally in the following four business segments: AmeriGas Propane, UGI International, Midstream & Marketing and UGI Utilities. Our business strategy is to grow our business responsibly by focusing on our core competencies. Our corporate headquarters is in King of Prussia, Pennsylvania. Please see our Annual Report on Form 10-K for Fiscal 2019 for a more detailed description of our business.



AmeriGas Propane

The nation's largest retail propane distributor, with delivery of over 1.1 billion gallons (2.1 million tons) of propane to over 1.6 million customers from all 50 states from approximately 1,800 propane distribution locations in Fiscal 2019. Approximately 7,550 employees as of September 30, 2019.



UGI International

Distributed approximately 1 billion gallons (1.8 million tons) of liquefied petroleum gases (LPG) in 17 countries in Europe in Fiscal 2019 and operates an energy marketing business in four of those countries. Approximately 2,700 employees as of September 30, 2019.



UGI Utilities

Operates a regulated natural gas distribution business that serves over 655,000 customers in portions of 44 eastern and central Pennsylvania counties and more than 500 customers in portions of one Maryland county through its distribution system of approximately 12,300 miles of gas mains. Also provides regulated electric utility service to approximately 62,000 customers in portions of Luzerne and Wyoming counties in northeastern Pennsylvania. Approximately 1,600 employees as of September 30, 2019.



Midstream & Marketing

Markets natural gas, electricity and liquid fuels to over 12,500 residential, commercial and industrial customers in the eastern United States and the District of Columbia and conducts midstream natural gas business through its ownership of underground natural gas storage, gas peaking plants, and pipeline assets in Pennsylvania, Ohio, and West Virginia. UGI Energy Services also owns all or a portion of electric generation assets, principally in Pennsylvania. Approximately 700 employees as of September 30, 2019.

AT A GLANCE

~3

million total
customers

136

consecutive
years paying dividends

~200

miles of
midstream pipeline

~12,000

miles of utility
system gas mains

33

consecutive years
of increasing dividends

~2

billion retail LPG gallons
delivered in Fiscal 2019

15

languages

12,550

employees worldwide

18

countries



OUR BUSINESS

OUR VALUES AND OUR PURPOSE

Purpose – Working together to safely and sustainably deliver fundamental and reliable energy needs for our customers while positively impacting the lives of our employees and the communities we serve.

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.

Integrity

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

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.



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.

Responsibility

We are committed to sustainable 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 pursue innovative and efficient energy solutions to benefit our customers and our 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.



OUR HISTORY

UGI Corporation boasts a rich history dating back to 1882. Our businesses have continued to adapt and thrive through major obstacles like the Great Depression, two World Wars and the major divestment of assets following the Public Utility Holding Company Act of 1935. Through that time, UGI has focused on safe and sustainable business practices, prudent balance sheet and capital management, and service to our customers and the communities in which we operate.

1882 Incorporated in Philadelphia, Pennsylvania as United Gas Improvement Company, becoming the first public utility holding company in the United States

1885 UGI pays first dividend, marking the first year of a tradition that has continued, unbroken, to today

1929 UGI stock is listed on the New York Stock Exchange



1975 UGI builds a 0.25BCF LNG storage tank near Reading, PA

1959 Ugite Gas, a majority owned subsidiary of UGI, enters the propane distribution business with the acquisition of three companies servicing 21,000 customers in southeastern Pennsylvania and Maryland

1978 UGI forms AmeriGas. Ugite Gas becomes the LP Gas Division of AmeriGas



1985 UGI marks its 100th consecutive year of dividend payments; establishes the tradename "GASMARK" as one of the first marketers to sell natural gas to business users in the deregulated marketplace

1992 UGI forms holding company



1999

UGI enters the international propane business with its acquisition of Flaga GmbH in Austria

2001 UGI

completes the acquisition of a 20% interest in Antargaz, one of the largest LPG distributors in France; AmeriGas completes the acquisition of Columbia Propane

2004 UGI

completes full buy-in of Antargaz

2012 AmeriGas acquires

Heritage Propane for \$2.6 billion; UGI marks its 128th consecutive year of dividend payments and its 25th consecutive year of dividend increases

2006 UGI reports over \$5

billion in revenues for the first time; UGI Utilities acquires the gas utility operations of PG Energy Inc. from Southern Union

2015 UGI

completes Totalgaz acquisition in France



2019 UGI completes AmeriGas

Merger Transaction, CMG Acquisition, and celebrates its 90th anniversary as a listed security on the New York Stock Exchange

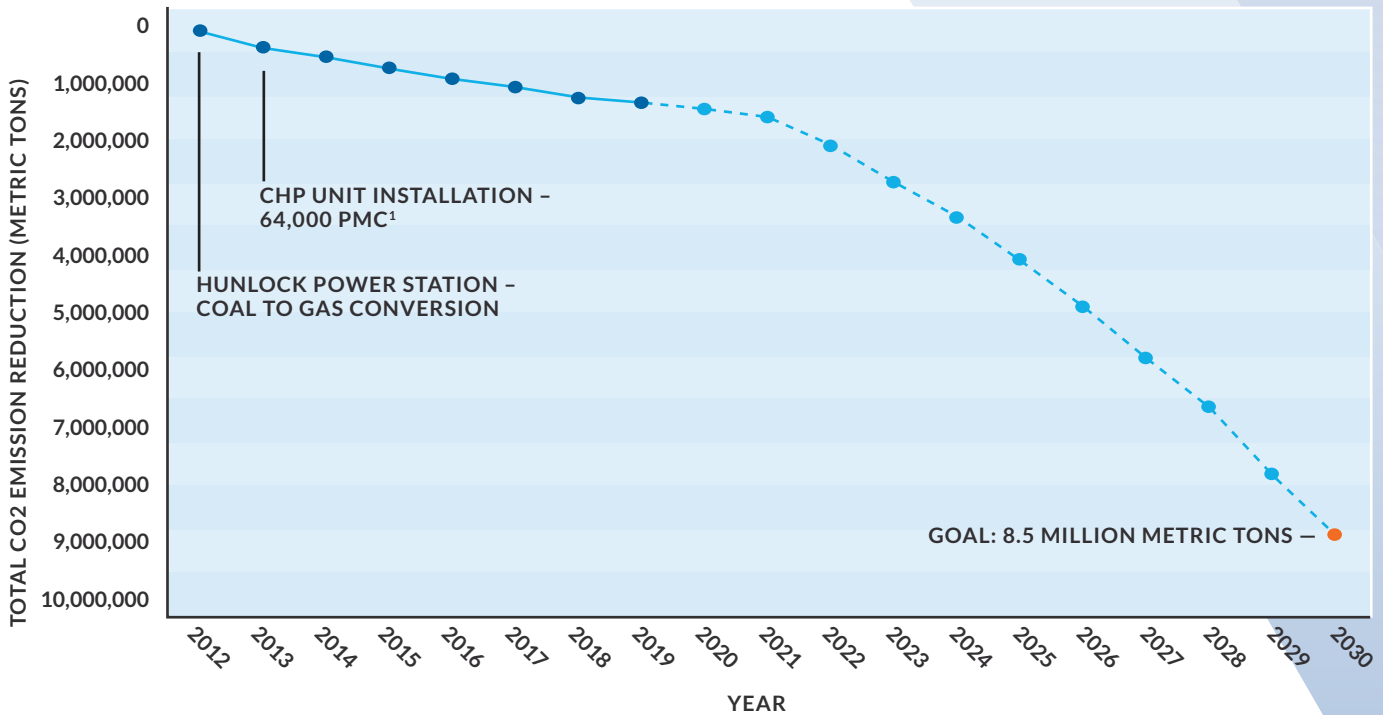
OUR BUSINESS

TODAY'S ENERGY TOMORROW'S WORLD

Environmental, Social and Governance (ESG) or Corporate Social Responsibility (CSR) reports offer organizations an opportunity to provide non-financial insight to their stakeholders. At UGI, we believe a successful report is the outcome of having appropriate processes and procedures in place to support sustainable business development and create long-term value. The process starts with our purpose and is supported by sound corporate governance and a dedication to our people.

Our purpose supports everything we do – working together to safely and sustainably deliver a fundamental need that enables comfortable and secure lives for our customers while positively impacting the lives of our employees and the communities we serve. Our teams provide energy products that heat homes and power businesses among other things. We distribute abundant and affordable low-carbon energy products and services that have effectively reduced greenhouse gas (GHG) emissions over the past 8 years. The chart below illustrates this impact for our natural gas service territory. UGI Utilities 2019 GHG emissions were approximately 17 million metric tons.

Total GHG Emissions Reduction (2012-2030)



¹ A CHP unit is a cogeneration system that produces heat and electrical power from gas simultaneously. A CHP unit is used for supplying power to buildings and hot water for heating or cooling through high efficiency heat and power generation.

2012-2019 GHG reduction contributing factors include

- UGI and customer fleet emission using Compressed Natural Gas (CNG)
- Reductions through our Energy Efficiency & Conservation (EE&C) programs
- Combined Heating and Power (CHP) customer installations
- Pipeline replacement program
- Conversion and upgrades
- Service replacements
- Environmental Protection Agency (EPA) Subpart W leak surveys
- UGI emissions as the result of operations

2020-2030 GHG reduction initiatives

- Introduce renewable natural gas (RNG) into our supply portfolio
- Add additional CNG customers
- Continue to enhance GHG reduction activities referenced above

Since 2012 UGI Utilities has displaced over 1.2 million metric tons of GHG emissions by offering affordable natural gas to our customers while continuing to develop innovative solutions to increase efficiency, enhance the safety of our pipeline infrastructure, and reduce UGI's and UGI's customers emissions. In the chart above, we evaluated our service territory in 2012 and incorporated all of the efforts our natural gas businesses have made since 2012 to reduce emissions and improve efficiency.

Like natural gas, LPG typically displaces fuel oil, which has a much heavier carbon footprint. The chart below illustrates the CO₂ savings resulting from our customers using LPG versus the most comparable carbon-based alternative.

UGI International's Annual Impact on Carbon



**One tree sequesters
48 lbs of CO₂
annually**

UGI equates to over
115 million more trees annually



**The average car
creates 13,440 lbs
annually**

UGI equates to 412k car
removals from the road each year



**In US, average individual
produces 42,500 lbs
CO₂ annually**

UGI offsets the CO₂
footprint of 58k people

All the activities depicted above underlie one of UGI's values – responsibility. Our operations have a history of reducing GHG emissions for our customers and the communities we serve.

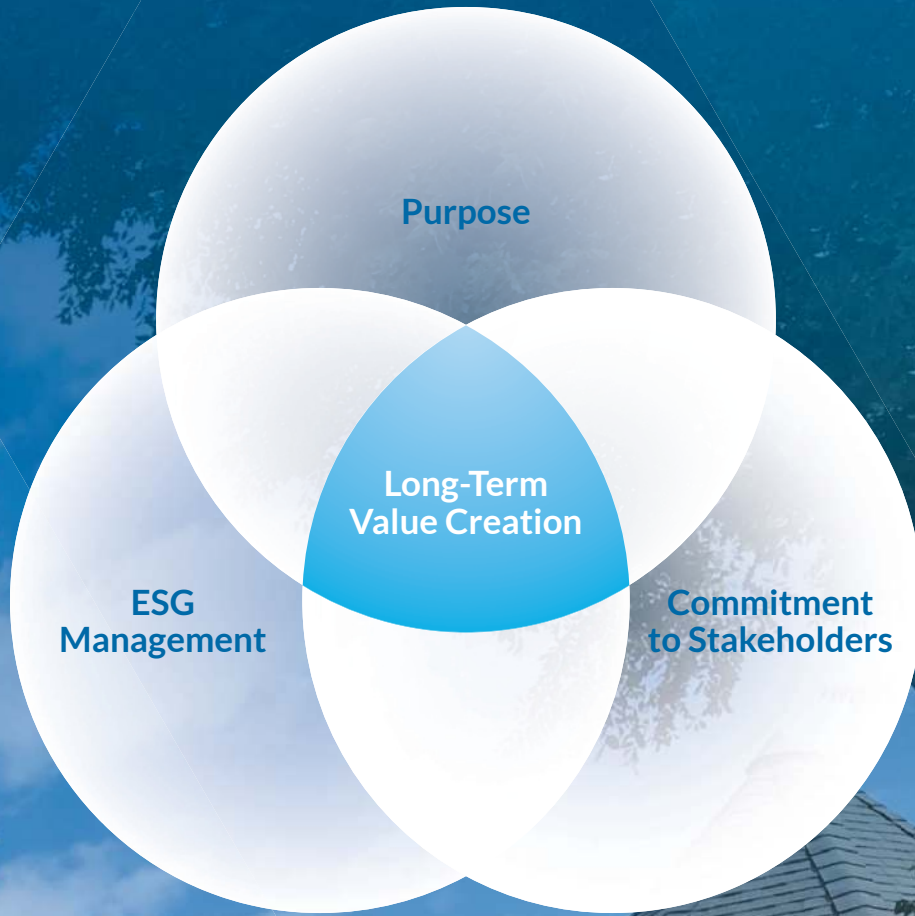
Natural gas and LPG are today's energy sources. While these energy sources offer an alternative to heavier carbon products like coal and fuel oil, there is more to do to support tomorrow's world. UGI is exploring innovative solutions across our businesses that promote efficiency while exploring the efficacy of alternative sources like renewable natural gas and bio-LPG. UGI believes in leading by example. We use alternative energy sources like solar and highly efficient systems like combined heating and power to fuel some of our buildings. Similarly, we incorporate compressed natural gas and LPG as fuel sources for our fleets. Our business continues to evolve and innovate to ensure that we are equipped to fulfill our purpose and reliably serve our customers.

OUR BUSINESS

Our purpose and our commitments to stakeholders require a holistic, sustainable approach to our business. Said differently, our purpose, our commitments, and our approach to ESG intersects with long-term value creation. During Fiscal 2019, we announced our LPG business transformation initiatives. We expect that these strategic and sustainable measures will increase profitability and deliver a better customer experience. We expect to deliver operational efficiencies through accelerated investment in the customer digital experience, customer relationship management, operations design and specialization, distribution and routing optimization, sales effectiveness, procurement and supply and logistics. Our focus on customer welfare and efficiency is driving these changes, but to accomplish this transformation, AmeriGas and UGI International must have a sound foundation in areas like talent management, employee health and safety, supply chain management, customer privacy and data security. A greater emphasis on the digital experience, efficient tank fills and route optimization will sharply reduce the amount of paper needed and miles driven. These initiatives create long-term value for UGI, align with our purpose and support each aspect of effective ESG management. Similar strategies drive our investments and initiatives across all four of our businesses.

We will continue to focus on driving long-term value by focusing on innovative ways to utilize today's energy to support tomorrow's world.





OUR COMMITMENTS

UGI has a long history of meeting and exceeding its commitments to shareholders to grow long-term adjusted earnings per share by 6% - 10% annually and increase its dividend by 4% annually. As part of our ESG reporting efforts, we will enhance our disclosure and provide new commitments to all of our stakeholders, not just investors.

Supported by our purpose and values, UGI's commitments reflect clear vision and direction from Company leadership. Our commitments will set expectations for all of our employees, customers, suppliers, regulators, trade associations and the communities we serve for UGI's next 140 years.

Materiality

Last year, UGI worked with a sustainability expert to develop our first Materiality Assessment. We wanted our first report to reflect the topics that are most relevant to our stakeholders. We have expanded our disclosure to match the changing needs of our stakeholders, including the introduction of SASB reporting for our investors. We are committed to evaluating our disclosure on an ongoing basis to ensure we are addressing the topics that are most relevant to our stakeholders.

Environment

UGI is committed to environmental responsibility and continues to challenge itself to deliver, and use, energy sustainably and pursue innovative solutions that benefit our customers and our shared resource: the environment. In order to reinforce this commitment, UGI plans to adopt both environmental and sustainability policies. These policies will be completed later this summer and posted to our website.

Methane Reduction Targets

UGI is committed to reducing its operational fugitive methane emission rate from its Utility business by 92% by 2030 and 95% by 2040 compared to 1999 levels.

This will be accomplished through our pipeline replacement and betterment program and continuous improvement to our leak detection and repair (LDAR) processes.

Greenhouse Gas Emissions Reductions Targets

UGI Utilities¹ is targeting a reduction in GHG emissions of over 8 million metric tons by 2030 from 2012 levels.

This will be accomplished by our pipeline replacement and betterment program, converting our fleets to cleaner-burning CNG, use of alternatives, and greater efficiency throughout our operations.

¹ UGI plans to establish GHG emission reduction targets for the remainder of the businesses in the future.

Health and Safety

The health and safety of our employees, customers, and the communities we serve are of the utmost importance. UGI is committed to becoming best-in-class in terms of safety performance and culture through continuous improvement in our safety metrics. For additional information on our Health and Safety programs please see the “Our People” section of this report.

Community Outreach

UGI believes that the vitality of the communities we serve has been critical to our rich history and is essential to our continued success. Our employees embrace a wide variety of causes aimed at enhancing the quality of life for the communities we serve, including literacy programs, first responders, STEM

programs, cancer awareness events, food banks, opioid abuse, veteran affairs and hunger. We commit to enhance our collaboration within the communities we serve every year as we explore new areas that align with our mission and have an even greater impact in our communities.

Human Exploitation

As two of our core values dictate, UGI is committed to the protection of basic human rights and treating all individuals with respect and integrity. UGI will build on our commitment to sound corporate governance and adopt an organization-wide Human Rights Policy. Once available, the Policy will be communicated broadly to our employees and disclosed on our website.

Employees

Employees are at the core of strengthening our business for tomorrow’s world. UGI is committed to attracting and retaining people who embrace our culture of safety, service, and integrity. We will continue to train our employees and provide opportunities for career development.

ENVIRONMENT

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 supply today's energy to power businesses and enrich the lives of our customers. Climate change creates a challenge that UGI must address to serve our customers' energy needs for the next 140 years. UGI believes that safe, reliable, affordable, innovative and efficient operations will create sustainable investment opportunities and long-term value for our stakeholders.



Emissions and Climate Change

In our first materiality assessment, along with an internal assessment of risks and opportunities impacting our business, climate-related issues and GHG emissions proved to be material areas of focus. We believe UGI has an opportunity to continue to reduce emissions through investments in efficiencies and by offering innovative solutions to our customers.

In addition to adhering to applicable laws and regulations, UGI remains committed to a three-step approach to combat climate change and 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

UGI is currently working to incorporate energy-management systems into the business that will create more robust and consistent datasets across all four of our business segments. Once fully implemented, we believe the systems will provide UGI with further opportunities to improve on our track record of environmental stewardship, including establishing GHG emission reduction targets on a fully-consolidated basis.

Financial and Physical Risk¹

Many of our customers rely on UGI's energy products and services to heat their homes and businesses, and for agricultural purposes such as crop drying. Therefore, to the extent that weather conditions may be affected by climate change, our results of operations are adversely affected by warmer-than-normal heating season weather or lack of precipitation. Weather conditions have a significant impact on the demand for our energy products and services for both heating and agricultural purposes.

Harsh weather conditions in other geographies may at times impede the transportation and delivery of LPG, or restrict our ability to obtain LPG from suppliers. Spikes in demand caused by weather or other factors can stress the supply chain and limit our ability to obtain additional quantities of LPG.

The adoption and implementation of any U.S. federal, state or local laws or regulations or foreign laws or regulations imposing obligations on, or limiting emissions of GHGs could increase our cost of providing service and we may not be able to pass these increased costs on to customers.

To the extent financial markets view the impact of climate change and emissions of GHGs as a financial risk, these factors could adversely affect our ability to access capital markets or cause us to receive less favorable terms in future financings.

¹ For a full list of risks relating to UGI and its subsidiaries, please see "Item 1A: Risk Factors" in UGI's Annual Report on Form 10-K for the fiscal year ended September 30, 2019 and its Quarterly Report on Form 10-Q for the 6 months ended March 31, 2020.

ENVIRONMENT

Reducing Our Emissions – Smart Investments Lay the Foundation for Tomorrow’s World

Managing our own emissions not only plays a key role in the long-term sustainability of the Company, but it also promotes safety and efficiency.

Scope 1 Emissions

UGI Utilities

Indicator: Greenhouse Gas Emissions	2017 Results ¹ in Metric tons of CO2 equivalent	2018 Results ¹ in Metric tons of CO2 equivalent	2019 Results in Metric tons of CO2 equivalent
Scope 1 Direct Emissions	196,302	187,043	183,856
Subpart W Leaks and Population Counts	173,125	162,193	160,624
Fleet Vehicle Sources	8,694	8,086	8,495
Operational Combustion Sources – Boilers, Heaters, and Emergency Generators	14,483	16,764	14,737

¹UGI Utilities Scope 1 emissions restated due to a misclassification in the 2018 report, The Energy to Do More.

Midstream & Marketing

Indicator Greenhouse Gas Emissions	2017 Results ² in Metric tons of CO2 equivalent	2018 Results ² in Metric tons of CO2 equivalent	2019 Results in Metric tons of CO2 equivalent
Scope 1 Direct Emissions	1,076,762	1,074,438	1,676,734

²Results in the 2018 ESG Report, The Energy to Do More, did not include emissions from UGI Energy Services’ Conemaugh and Hunlock facilities.

AmeriGas

Indicator Greenhouse Gas Emissions	2017 Results in Metric tons of CO2 equivalent	2018 Results in Metric tons of CO2 equivalent	2019 Results in Metric tons of CO2 equivalent
Scope 1 Direct Emissions	N/A	N/A	164,197

UGI International

Indicator	2017 Results in Metric tons of CO2 equivalent	2018 Results in Metric tons of CO2 equivalent	2019 Results ¹ in Metric tons of CO2 equivalent
Greenhouse Gas Emissions			
Scope 1 Direct Emissions	N/A	N/A	16,046

¹UGI International LPG footprint includes the West & North Regions, which makes up ~85% of UGI International's Net Income.

Scope 2 Emissions

UGI Utilities

Indicator	Reporting Unit	2017 Results ²	2018 Results ²	2019 Results
Scope 2 (indirect) greenhouse gas emissions	Metric tons of CO2 equivalent	689	684	687
	Electricity usage only (kWh/year)	974,759	967,435	971,097

²UGI Utilities Scope 2 emissions restated due to a misclassification in the 2018 report, The Energy to Do More.

AmeriGas

Indicator	2017 Results in Metric tons of CO2 equivalent	2018 Results in Metric tons of CO2 equivalent	2019 Results in Metric tons of CO2 equivalent
Scope 2 (indirect) greenhouse gas emissions	N/A	N/A	29,802

UGI International

Indicator	2017 Results in Metric tons of CO2 equivalent	2018 Results in Metric tons of CO2 equivalent	2019 Results ¹ in Metric tons of CO2 equivalent
Scope 2 (indirect) greenhouse gas emissions	N/A	N/A	1,590

¹UGI International LPG footprint includes the West & North Regions, which makes up ~85% of UGI International's Net Income.

TOMORROW'S ENGINEERING

The engineering team at Energy Services works to ensure that our assets incorporate new technology aimed at improving efficiency and reducing emissions. Our compressor stations utilize gas recovery systems to reduce emissions. Common, and widely-criticized practice, is to isolate compressors under full pipeline pressure and then “blow them down” to no pressure for maintenance. Our gas recovery system recycles the trapped gas so that other compressors operating at the station consume the gas as engine fuel. This new system reduces the vented gas from blowdowns by approximately 75%, which equates to a 15% - 20% reduction in total methane emissions associated directly with compressors.

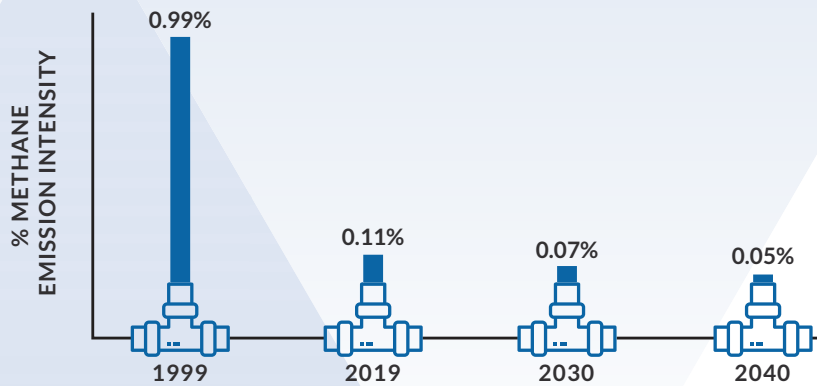
Our Manning Liquefied Natural Gas Plant utilizes similar enhancements, including managing boil-off and incorporating a nitrogen recovery system to increase the efficiency of certain functions by as much as 20%. Additionally, the Manning system recovers vapor generated from trucking operations and injects it into the subcooled LNG produced by the liquefier. This enhancement helps to better manage boiloff production and avoids unnecessary venting.



Committed to Methane Reductions

Increasingly, methane emissions have been a focus of both UGI and our stakeholders. We take methane emissions seriously and continue to work towards more efficient methane management. As such, UGI Utilities is a partner in the EPA's Natural Gas STAR and Methane Challenge programs. Participation in these programs signals a commitment to reduce methane emissions and furthers our goal to be a more efficient natural gas distribution company. Currently, we have the highest proportion of contemporary mains in the Commonwealth of Pennsylvania – 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 90% over the last 20 years. During this time, the scope of our operations doubled. Therefore, our commitment to reduce methane emissions remains critically important to both the environment and the safety of the communities we serve. To achieve 2030 and 2040 target emission reductions, UGI Utilities will need to reduce emissions by 35% by 2030 and 55% by 2040 from current levels.

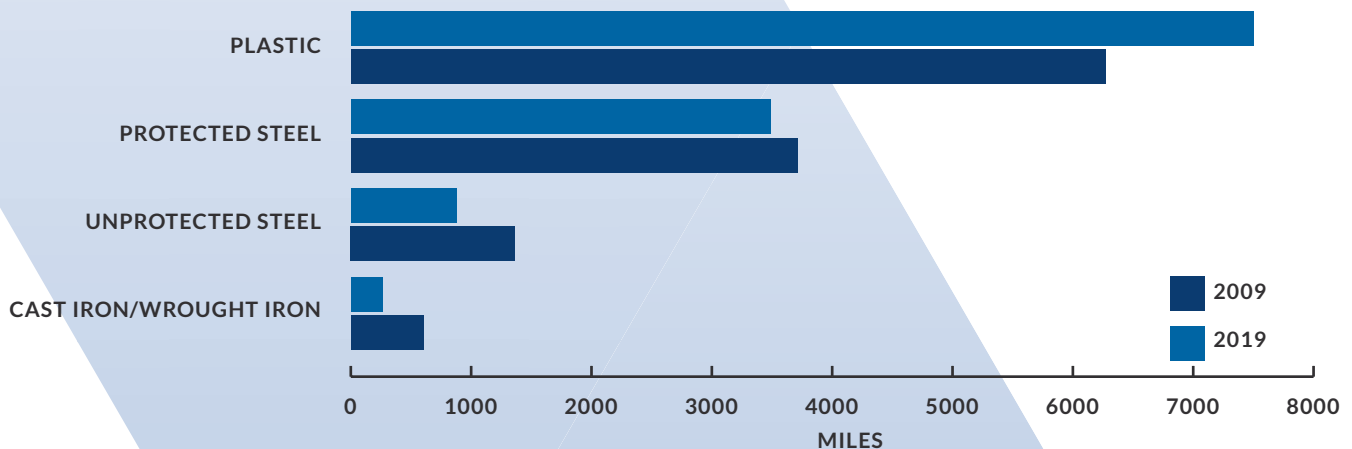
Committed to Methane Reductions



Pipeline Replacement and Betterment

Commitments

- Replace all cast iron pipes by 2027
- Replace all bare steel pipes by 2041
- Our replacement rate is roughly 65 miles per year



ENVIRONMENT

Leak Detection and Repair

Our UGI Utilities team has procedures in place directed at minimizing risks through proactive detection of leaks across our 12,300 miles of gas mains. Our procedures comply with and, in many cases, exceed federal and state requirements. Primarily, we utilize flame ionization, optical methane detection, infrared detection, and laser detection for leak surveys, but we regularly evaluate new technology to better support the safety and efficiency of our system.

The frequency of surveys on our system varies and depends on a number of factors. These factors include the facility and the material of the pipe.

Leak repair timelines vary and depend largely on the classification of the leak. The classifications are based on safety, not GHG impact. Leaks, and repair timelines, are classified as follows:

A Leak	<p>An underground leak that is non-hazardous at the time of detection and can be reasonably expected to remain non-hazardous.</p> <p>Repair – No required repair time line, but must be resurveyed within 15 months of the original finding</p> <p>“A” leaks have decreased nearly 26% over the last six years (2013-2019)</p>
B Leak	<p>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.</p> <p>Repair – Must be resurveyed within 7.5 months of the original finding, and must be repaired within 15 months of original finding</p> <p>“B” leaks decreased over 83% over the last six years (2013-2019)</p>
C Leak	<p>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.</p> <p>Repair – Must be repaired immediately</p> <p>“C” leaks decreased over 26% over the last six years (2013-2019)</p>

The method of repair depends on the material, pressure, and the nature of the leak. Our repair methods include cut-out and replacement, leak clamp installations, and repair sleeve installations.

Small Product, Big Impact

Across our LPG businesses each year, we sell propane cylinders containing approximately 225 million gallons of propane. These cylinders can be used for indoor cooking, outdoor heating, and leisure activities, among other things. AmeriGas and UGI International have made investments into cylinder distribution to streamline our processes and improve the customer experience, but the small cylinders can have a large impact on our carbon footprint.

Of the 225 million gallons, roughly 50 million gallons can be attributed to leisure barbeque activity. These gallons displace charcoal which emits roughly 60% more CO₂ than propane for a total CO₂ reduction of approximately 370 million pounds! This is equivalent to taking 25,000 cars off the road.



Fleet Conversions

The AmeriGas team has been working with customers to deploy more propane fleets as an alternative to diesel. One area of considerable growth is school bus fleets, but AmeriGas has also experienced growth in nationwide fleets, forklifts, and lawnmowers. Autogas gallons increased 13% in Fiscal 2019 versus Fiscal 2018.

In Fiscal 2019, AmeriGas worked with the North Penn School District to convert its school bus fleet from diesel to LPG. To view the North Penn School District Propane Bus Ribbon Cutting, visit https://www.youtube.com/watch?v=TNnxpm2_rlg&feature=youtu.be.

The demand for CNG has also been increasing. Like propane, CNG burns more cleanly than diesel and can reduce emissions by as much as 90%. Our Energy Services and Utilities teams have been working with customers to convert truck fleets to cleaner burning and abundant CNG.

UGI Utilities fuels the Lehigh and Northampton Transportation Authority (LANta) natural gas bus fleet, which had 44 CNG buses in 2019 and is expected to have an additional 10 CNG buses by the end of 2020.

Leading by Example – Sustainable Facilities

The UGI and AmeriGas headquarters is in Valley Forge, Pennsylvania. The building is LEED certified Silver and is served with 50 kW of power from a roof-mounted solar PV energy system. Many of our facilities have been upgraded to LED fixtures and occupancy sensors have been added to help reduce electric usage.

April 2020 marked the one-year anniversary of the opening of UGI Utilities' Lancaster County headquarters, powered by a combined heat and power (CHP) system.

ENVIRONMENT

Air Quality

Not only is air quality an important contributor to climate change, it impacts our relationship with the communities in which we operate. All of our facilities with air permits are operating below our permit limits. The increase in 2019 air quality figures is attributable to the addition of compressor stations, expansion of gathering systems, and includes five months of the newly acquired CMG systems.

Indicator	2017 in tons ¹	2018 in tons ¹	2019 in tons
NOX (nitrogen oxides)	535.12	514.88	714.03
SOX (sulfur oxides)	283.12	299.67	281.40
Persistent organic pollutants (POP)	de minimis	de minimis	de minimis
Volatile organic compounds (VOC)	25.86	34.43	88.83
Hazardous air pollutants (HAP)	14.64	23.92	47.60
Particulate matter (PM)	19.44	19.95	38.17

¹ Air quality figures restated due to a misclassification in the 2018 report, The Energy To Do More.

Water Management

While UGI does not use a significant amount of water resources in our regular business activities, we recognize the importance of maintaining water quality. Water analysis is an important aspect of UGI Utilities' gas main construction. We conduct engineering analyses as part of our pipeline design to assess potential discharges to waterways. Through those efforts, we identify best practice management strategies for mitigating potential discharges. We include these practices in our plans and permits so that they are employed during the construction phase. This includes engineering analysis of horizontal drills below waterways to assess potential inadvertent returns to those waters, and implementation of engineering controls during the drilling operations to prevent and contain any that may occur. Additionally, we comply with all applicable regulations, including the Clean Water Act.

Recently, our Energy Services business completed pipeline construction in the Susquehanna River Basin. The activities associated with that construction were deemed water use neutral from a consumption perspective under the Susquehanna River Basin Commission regulations.



Milton S. Hershey Medical Center Campus Energy Engineer Kevin Kanoff (left) and UGI's Steve Bareuther (right) tour the Center's new CHP plant.

TOMORROW'S EFFICIENCY

Penn State Health Milton S. Hershey Medical Center and Penn State College of Medicine is installing a Combined Heat and Power (CHP) system at its facility. The plant is expected to be fully operational later this year.

The natural gas-fired plant will generate 60% of Milton S. Hershey Medical Center's electricity and the majority of steam demand for climate control, cooking, hot water generation and sterilization of medical equipment.

Installation of the CHP plant was aided by an Alternative and Clean Energy grant and by Act 129, Pennsylvania's energy efficiency resource program. In addition, the plant provides Milton S. Hershey Medical Center with significant economic and environmental benefits.

"The CHP plant has a tremendous economic benefit to us," said Kevin Kanoff, campus energy engineer. "We will reduce our utility purchases in the neighborhood of \$2.5 million per year. The dollars can be invested to provide high levels of care for our patients in Central Pennsylvania."

"The cogeneration plant will serve as a backup for us in case of an emergency or a power outage. It gives us resiliency."

- Kevin Kanoff, Campus Energy Engineer

ENVIRONMENT

Biodiversity

UGI's natural gas businesses often have projects that require a thorough evaluation of the surrounding ecosystem. We recognize the importance of a healthy ecosystem and strive to conserve biodiversity in the communities we serve.

During the planning stages of our capital projects, UGI conducts thorough environmental evaluations of proposed pipeline routes and project locations. The evaluations identify sensitive waterways and wetlands as well as projected encounters with endangered species. Site locations are chosen to avoid these areas. For UGI Utilities gas main designs, sensitive areas are avoided if practical. If not, we implement construction plans that minimize disturbance to sensitive areas and species.

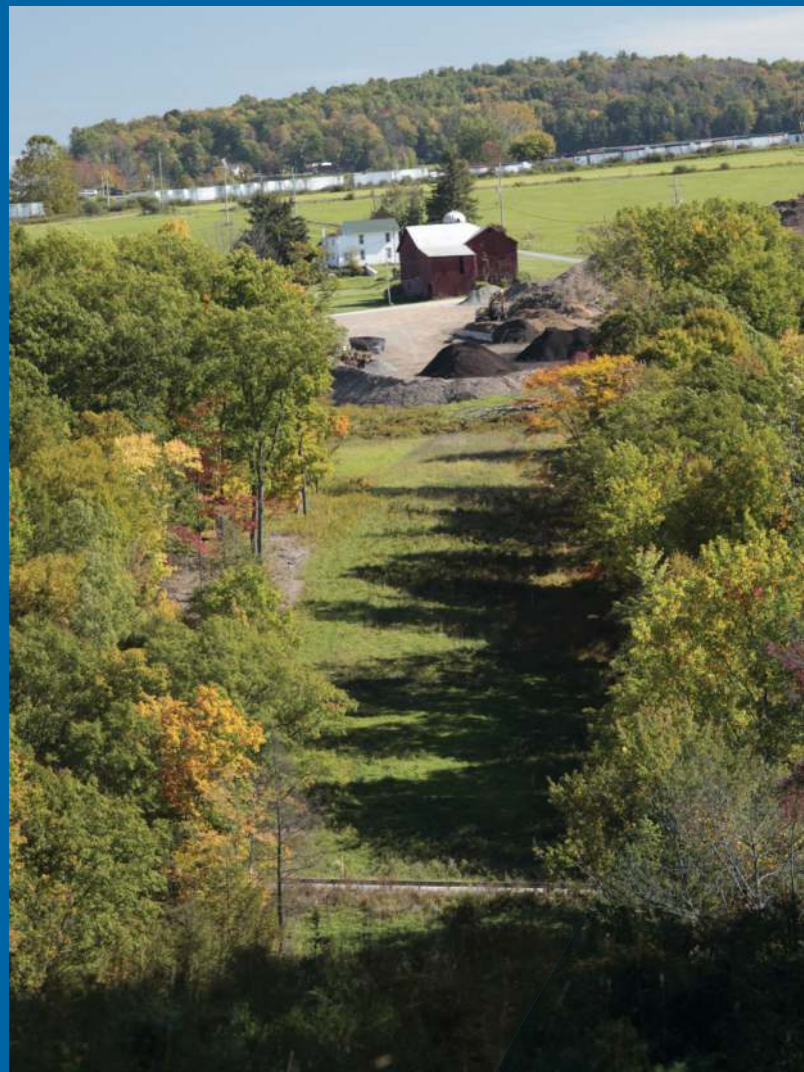
A HISTORY OF CONSERVING BIODIVERSITY

2013:

In 2013 UGI Energy Services started construction for the expansion of its Auburn Line to deliver Marcellus Gas to the major interstate pipelines for distribution throughout the Northeastern United States.

2016:

Three years later, the area has been restored, demonstrating UGI's commitment to biodiversity.



When possible, UGI Utilities utilizes public and private rights-of-way to avoid creating additional disturbances to an ecosystem. This planning is an important aspect of our gas main corridor selection process as the existing rights-of-way tend to be fairly narrow to minimize land disturbance and tree clearing.

Our Utilities and Energy Services businesses have a history of returning disturbed areas to their original state. The restoration has important aesthetic value for our stakeholders but, more importantly, a profound impact on the surrounding ecosystem. One of the benefits of restoration includes minimizing the conversion of lands to non-permeable surfaces that can increase surface water run off which can harm the surrounding ecosystem.

Reducing our Customers' Emissions – Affordability, Reliability and Responsibility

Customer Conversions

UGI predominantly markets and distributes natural gas and LPG. These two sources are much cleaner than alternatives like 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 remains a driving factor behind our commitments to our stakeholders.

Over the past 10 years, UGI Utilities has converted 98,620 households to natural gas. The reduction in GHG emissions of these conversions is equivalent to removing 58,245 cars from the road, resulting in nearly \$100 million in annual energy cost savings for these households.

Energy Efficiency Programs

Energy Efficiency Programs

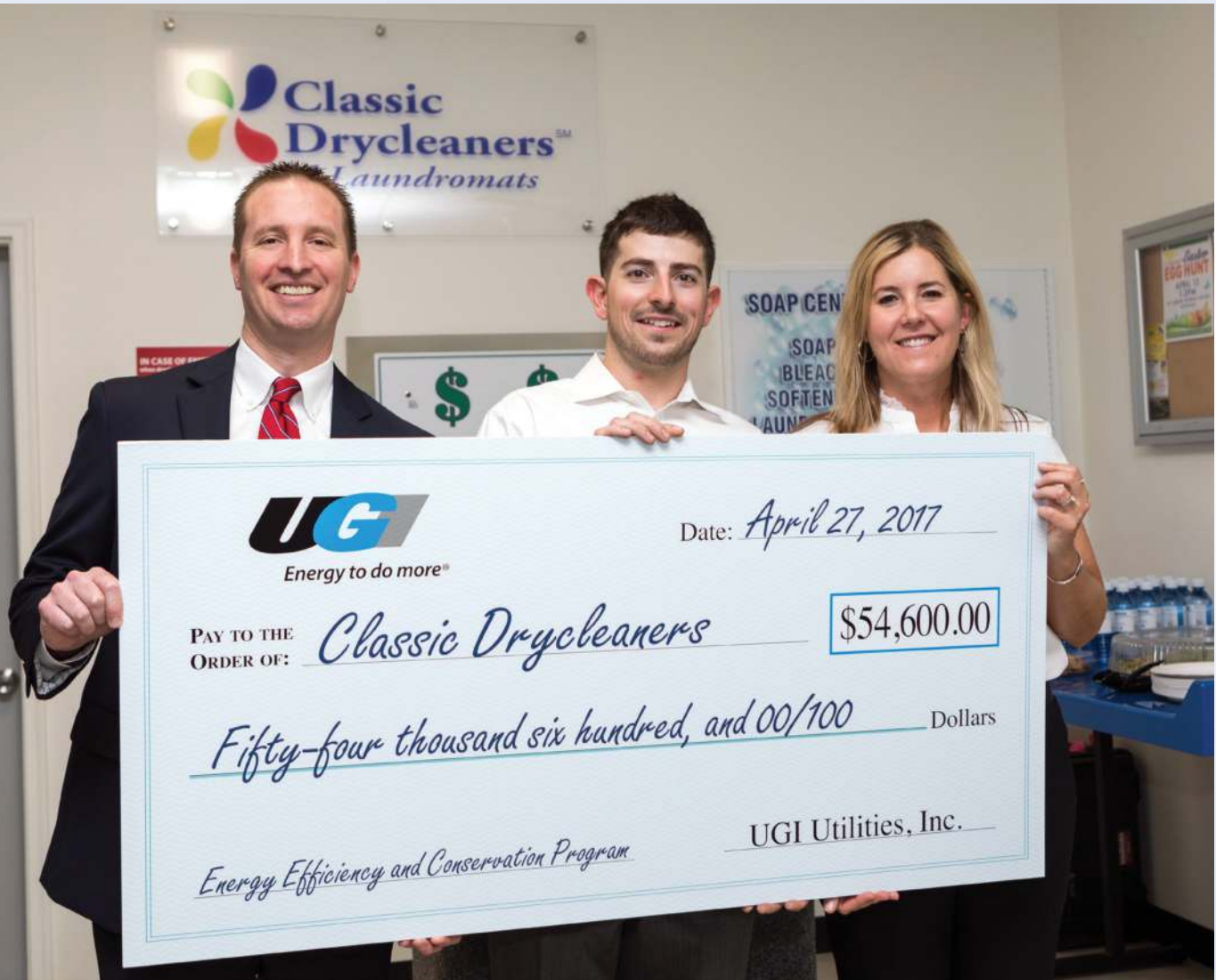
UGI Utilities offers a variety of energy efficiency programs to residential and commercial electric and gas customers. The EE&C Programs were designed to encourage customers to install high efficiency appliances (Energy Star Rated) over less expensive, standard efficiency appliances by providing incentives to offset the incremental equipment cost.

By participating in these programs, customers receive the benefits of saving energy and money, both in terms of receiving a rebate for the equipment installation, and lower utility bills. In total, over 700,000 electric and gas customers are eligible for the Company's EE&C Programs. Residential customers are eligible for rebates up to \$1,700 and a few commercial customers have received rebates in excess of \$100,000, which enabled them to further invest in their facilities.

Over the past three years, the UGI Save Smart Energy Efficiency Rebate Program is responsible for saving 346,400 MCF of natural gas, which resulted in 19,017 metric tons of carbon not entering the atmosphere. The program has issued over \$12 million in rebates to customers that have chosen to pursue energy efficiency upgrades. One particular project for a small business customer resulted in a \$54,600 rebate, substantial energy savings, and the receipt of the National Green Building Council Small Business Project of the Year award in 2017.

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.

ENVIRONMENT



UGI's EE&C Manager (left) Brian Meilinger with Classic Drycleaners owners John and Paula Gribble (right).

FUELING "CLEANER" BUSINESS

UGI Utilities worked with Classic Drycleaners and Laundromats, a small family-owned business, on the first commercial EE&C program. Headquartered in Carlisle, PA, Classic worked with UGI on energy efficiency improvements that included new dry cleaning machines, replacing coin operated washers and dryers, replacing three shirt laundry units and more.

Classic's upgrades resulted in a \$54,600 rebate, a significant reduction in energy consumption, annual savings of more than \$26,000 in natural gas costs, and recognition as National Green Building Council Small Business Project of the Year.

Invest in Alternatives



Solar

81,900 MWh generated in Fiscal 2019; plans to install approximately 1,000 solar panels on behalf of our customers. UGI and AmeriGas headquarters is served with 50 kW of power from a roof mounted solar PV energy system



Landfill Gas Recovery

Methane and landfill gas consumption at Broad Mountain generation facility is approximately 1.4 million Dth per year, enough Dth to heat 177,824 homes



Combined Heating and Power (CHP)

In Fiscal 2019, 27 Combined Heating and Power customers totaling 114 MW; two new projects underway



Compressed Natural Gas (CNG)

Currently operate 13 public CNG facilities and supply natural gas to an additional 10 customer-owned CNG facilities



Bio-LPG and Renewable Natural Gas

UGI International (North region) is supplementing supply portfolio with Bio-LPG; proportion of Bio-LPG is expected to grow over the next 10 years



Energy Marketing in Europe

In 2017, we acquired DVEP, a Netherlands based gas and electricity marketer, which marketed 1 Twh from renewable energy sources in Fiscal 2019

UGI continues to evaluate the efficacy of incorporating RNG into our supply portfolio.

OUR PEOPLE

SAFETY

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

We maintain a strong safety culture and emphasize the importance of everyone's role in identifying, mitigating and communicating safety risks across the Company. UGI believes the achievement of superior safety performance is an important short-term and long-term strategic initiative. Safety is included as a component of the annual bonus calculation for executives and non-executives, reinforcing our commitment to safety across our organization.

UGI's safety efforts begin with its Board of Directors'. The Board's Safety, Environmental, and Regulatory Compliance (SERC) Committee is responsible for the governance and oversight of environmental, health and safety matters, including compliance with applicable laws and regulations. The Committee works to ensure that the Company maintains a culture focused on protecting the health and safety of our employees, contractors, customers, the public, and the environment. In addition, each of our businesses has a safety team that is responsible for overseeing the safety of our operations, reinforcing our values, and enhancing our safety culture.

Our safety programs are required to comply with both OSHA and industry-specific regulations. UGI is committed to continuously improving our safety performance. As part of that commitment, we have robust training programs that ensure that field employees can safely execute their job responsibilities. In 2019, UGI Utilities developed The UGI Safety Culture Program and established the “i’llbethere” Feedback Team. The i’llbethere safety brand is our new philosophy, created internally at UGI Utilities, and is now the anchor of all things related to safety. The brand embodies our commitment to safety, and our promise to be there for our family, our co-workers, and our customers. I’llbethere is how we get our work done safely and return home to our families and friends.



UGI Utilities Safety Highlights from 2019:

- Over 140 UGI executives, managers, and supervisors completed Safety Leadership Workshops and safety coaching events
- Developed 6 safety-related videos with UGI employees participating in the videos
- Created a monthly safety newsletter titled “i’llbethere TODAY” distributed companywide
- Began quarterly Union Leadership Meetings between the executive team, safety manager, and union leaders
- Approximately 60 employees from various levels and departments participated on Process Improvement Teams (PIT) or Kaizen Teams



OUR PEOPLE

AmeriGas Safety Training

AmeriGas recently developed six Centers of Excellence throughout the country to provide a new centralized, consistent training approach for field employees, such as entry-level drivers and service technicians. All on-boarding now includes an in-person training element led by skilled facilitators in both a classroom and hands-on laboratory setting. The lab allows us to simulate real-life experiences, such as performing a leak check, in a safe, controlled environment. AmeriGas continues to expand access to personal, hands-on training experiences for all employees to refresh their knowledge. The provision of the same level of high-quality, vetted training throughout AmeriGas supports our goal of continued reduction in safety incidents.

UGI will spend a total of approximately \$38 million to construct new, state of the art training facilities at our UGI Utilities and AmeriGas businesses.

Natural Gas

UGI Utilities and Midstream & Marketing

Indicator	2017	2018	2019 ¹
Total Recordable Injury Rate	2.85	2.39	1.75
Lost time injury rate	0.89	0.96	0.47
Number of Fatalities	1	0	0

¹2019 Numbers include UGI Utilities, UGI Energy Services, HVAC and UGI Appalachia

Global LPG

AmeriGas and UGI International

Indicator	2017	2018	2019
Total Recordable Injury Rate	4.38	3.73	2.95
Lost time injury rate	1.72	1.64	1.42
Number of Fatalities	1	1	0

Fleet Safety

UGI's businesses drove approximately 138 million miles in Fiscal 2019, as compared to 205 million miles driven in Fiscal 2018. Part of the decrease is due to investments in efficiency through route optimization. While the total numbers of miles driven remains high, we demonstrated continuous improvement in our safety metrics through a combination of technology enhancements, employee awareness, and training. As part of this effort, we installed Fleetmatics on 100% of UGI Utilities fleet and DriveCam on 6% of Utilities fleet. Fleetmatics tracks vehicle location, speed, speed limit, acceleration, braking, cornering, and idle time. In addition to Fleetmatics and DriveCams, fleet vehicles are equipped with back-up cameras and alarms.

AmeriGas requires DriveCams in all delivery vehicles, such as bobtails, ACE beverage trucks, cylinder trucks, and Over The Road (OTR) tractors. Approximately 68% of AmeriGas' delivery trucks have back-up cameras installed. AmeriGas implemented Airswab as its incident tracking system to provide better visibility into trends, which allows its safety teams to take action and build safer practices and working environments. This data drives stronger engagement of the front lines through regional safety directors and field safety managers, who partner with the local district and operations managers to proactively respond to potential areas of concern. Safety training materials and topics presented at monthly meetings are driven by field data and designed to be more interactive and engaging for our employees, incorporating positive stories that promote the safety behaviors our team members take on a daily basis.

Safety metrics are presented quarterly to the SERC committee. As a result of the efforts described above, UGI Utilities reduced its preventable motor vehicle accident rate from 4.36 per million miles driven in 2018 to 2.34 in 2019. AmeriGas' accountable vehicle incident (AVI) rate in 2019 was 4.5 per million miles driven.

OUR PEOPLE



Ergonomics

The health, well-being, and safety of our drivers is our top priority. At AmeriGas, we proactively identify ways to improve the ergonomics of our vehicles. Based on end user feedback, one recent ergonomic upgrade was performed on the AmeriGas cylinder exchange delivery vehicles. We were able to lower our grill cylinders in the truck bays by 9 inches. This virtually eliminated the need for a pull out step to unload product. At this lower level, our drivers pull product from the ground with sure footing and lower risk of personal injury, such as a slip or fall. This new design allowed us to maximize cargo capacity with an additional layer of available product for delivery to maximize routing efficiency.

Another great example of innovative/ergonomic advancements resulted from a study performed on our bobtail vehicles. Previously, drivers pulled the delivery hose out and looped it back for each delivery, sometimes for long distances and with a possibility of personal injury of a slip, trip or fall. Our ergonomic team developed an “in/out” automated feature on the hose reel that works with the touch of a button. When the “out” button is depressed the motor engages and deploys 10 feet of hose and stops. This assisted the outward pull resistance greatly for the driver. When retracting the hose, the driver grasps onto the delivery nozzle, depresses the “in” button and effectively leashes/walks the hose back onto the hose reel with minimal effort. The risk of personal injury has been greatly reduced as the driver is not overly focusing on pulling the hose, but more so on safely walking back and securing the hose, thus avoiding the possibility of personal injury due to a potential slip, trip or fall.

These are just two examples of our development of innovative solutions to continuously enhance the safety and well-being of our drivers.

Contractor Safety

UGI's dedication to safety also extends to our contractors. At UGI Utilities, our standard contract language includes expectations for contractors to maintain current operator qualifications (OQ) needed for job requirements. UGI also provides training to satisfy these qualifications. Contractors are held accountable for complying with all applicable laws, regulations and industry standards.

Community Safety

Public safety is always a top priority. Education and engagement with local stakeholders help us prevent safety incidents and reduce third-party damage to pipelines. Each year, UGI Utilities sends a public awareness mailer in our service territories detailing the importance of calling "811" at least three days before the start of any digging project. In addition, the UGI Pipeline and Public Safety team provides safety training to excavators, plumbers, emergency responders, and other utility partners to help them stay safe when working near our systems. We also offer training programs such as safe digging training for excavators, cross bore awareness training for plumbers, and natural gas & electric training for emergency responders.

UGI Utilities was recently recognized by the American Gas Association for leading practices related to emergency response. During Fiscal 2019, UGI Utilities' emergency response rate was 99.7% within 60 minutes, putting us in the top quartile compared to our peers. In addition, we had a record year and responded to 98.5 % of emergencies within 45 minutes.



**Know what's below.
Call before you dig.**

OUR CUSTOMERS

UGI prides itself on being a customer-focused company. We continue to invest in technology that ensures our customers have safe, reliable, modern and affordable energy solutions delivered to them every day. Our LPG businesses are investing over \$200 million over the next two years to optimize our operations and build on our self-service tools and digital capabilities to promote a stress-free engagement.

Customer Experience

Our Company 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 can focus our attention on areas that need improvement. We measure customer experience by the following metrics:

- Reliability of customer deliveries
- Responsiveness to phone calls
- Customer retention and loyalty
- Availability
- Ease for our customers to conduct business



UGI Utilities

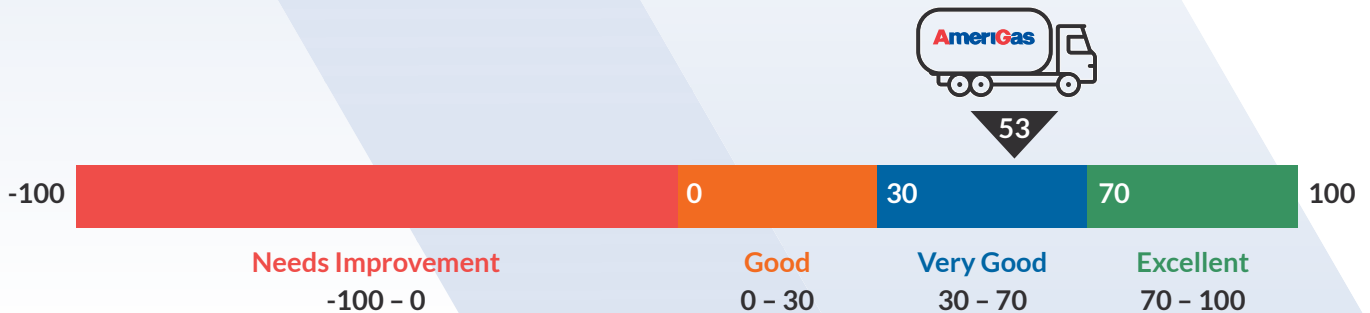
UGI Utilities gauges customer satisfaction through the JD Power survey. JD Power measures customer sentiment on six drivers of utility satisfaction and benchmarks that performance against other utilities of similar size and geographic location. The data is reviewed on a quarterly basis and actionable items are created to address any concerns in the customer experience.

During 2019, UGI Utilities achieved “Most Trusted Brand” status for the second consecutive year in the Cogent Syndicated Utility Trusted Brand & Customer Engagement™: Residential report from Escalent, a leading human behavior and analytics firm. UGI received the highest score among natural gas companies in the East Region Utilities Brand Trust Performance. In addition, UGI Utilities was named a 2019 “Environmental Champion” in a study by Cogent Reports™, a division of Market Strategies International – Morpace for the second consecutive year.

AmeriGas

AmeriGas monitors customer experience through a Net Promoter Score (NPS). Our 2019 NPS score of 53 positions us with some of the top-ranking service providers in a variety of industries. We are committed to improving the customer experience and are proud of our improved results.

AmeriGas’ local managers and customer service representatives review customer feedback daily and proactively contact customers regularly to ensure customers are receiving their expected level of service. NPS is a focus at all levels of the AmeriGas organization, from the front lines to the CEO.



UGI International

In Fiscal 2019, our business in France received a 92% global satisfaction rating by their customers.

Customer Assistance

We understand that there are times when our customers need additional assistance. UGI Utilities is committed to helping customers who make a sincere effort to pay their bills. That's why we offer a variety of energy assistance programs, referrals to local agencies, participation in fuel funds, or payment arrangements. These comprehensive assistance programs ensure that we are there when our customers need us the most. UGI's Customer Outreach Team held a series of Winter Assistance Relief Mobilization (WARM) events beginning in 2019 in cities and towns throughout the Company's service area to make it easier and more accessible for eligible customers to apply for assistance programs.

Customer Assistance Program (CAP)

Offers special reduced payment plans and debt forgiveness based on a customer's income and usage. UGI works with 26 community agencies on behalf of more than 26,665 customers.

Low-Income Usage Reduction Program (LIURP)

A weatherization program that provides home energy-saving measures to limit heat loss and help lower utility bills. The program is available to low-income customers with higher-than-average energy usage. UGI partners with 10 customer agencies and, in 2019, provided home improvement energy-savings initiatives to 455 natural gas and electric customers.

Operation Share

Provides financial assistance to families unable to pay their natural gas or electric bill due to unemployment, disability, significant medical expenses or other hardships. Donations from employees, customers and UGI fund Operation Share. In 2019, Operation Share donations totaled \$370,802 and helped 1,405 households.

Low-Income Home Energy Assistance Program (LIHEAP)

A federal program that offers financial assistance to qualified income-eligible customers. In 2019, 30,531 customers received \$8,487,367 in LIHEAP grants with the assistance of UGI's Customer Outreach team.

Customer Assistance and Referral Evaluation Services (CARES)

Provides referrals to community-based agencies and programs for those in need during a temporary crisis. CARES operates through a series of local social agencies.

Additional information can be accessed at: <https://www.ugi.com/assistance-programs>.

Affordability

Natural gas plays a significant role and has a positive economic benefit to the communities in which we operate. Over 90% of our natural gas supply is sourced in Pennsylvania and within 100 miles of our customer base, which was not the case a decade ago. This advantage has benefited our customers who see lower energy costs. Our average customer today versus ten years ago spends approximately \$1,000 less per year.

Driving operational efficiencies across our LPG businesses is an important component of our Global LPG strategy. At AmeriGas, we have identified over \$120 million of permanent operational efficiencies that will be delivered through accelerated investments in:

- Customer Digital Experience
- Customer Relationship Management
- Operations process redesign and specialization
- Distribution and Routing Automation
- Sales Effectiveness
- Procurement and G&A
- Supply & Logistics

We are earmarking a portion of the benefits achieved from these initiatives to be reinvested in the business to take a proactive approach to customer retention and growth, including reducing certain base business unit margins as a result of our lower cost structure. We are confident that these investments will position AmeriGas to be the best-in-class propane distribution company in terms of efficient and safe operations, competitiveness and customer focus.

Similar initiatives are underway at UGI International to identify synergies across all 17 countries in which we operate across Europe with the goal of centralizing certain enabling functions and directing our operating teams to focus their attention on customer service and safe operations through the establishment of two centers of excellence. One will be focused on commercial excellence to identify and execute projects to continuously improve our customer experience and the other will be focused on operational excellence across our distribution network and filling plants.

Through these important transformational initiatives at AmeriGas and UGI International, we will position our Global LPG companies to be leaders at serving our customers with digital tools to provide a superior customer experience. We will drive efficiencies and cost control to enable continued solid margins and cost competitiveness in the markets in which we operate.

Data Privacy

UGI understands the importance of protecting our customers' personal information and privacy. We are committed to safeguarding our customers, employees, and business partners from data risk. Effective security is a team effort involving participation and support of every UGI user who interacts with data and information systems. UGI has a global data protection officer and safeguards used to protect customer data include:

- Maintaining comprehensive information security policies and procedures
- Performing risk assessments to identify and address new and changing risks to protect systems and sensitive data
- Training employees in the proper handling of personal data

OUR EMPLOYEES

Diversity

UGI believes that diversity and inclusion are essential to business success. We want all employees to be respected and valued while offering everyone the opportunity to enhance their careers. By fostering an environment that values diversity we can leverage talent, unique perspectives, and varying employee experiences to ensure continued long-term success. Our [Code of Business Conduct and Ethics](#) (our Code) includes expectations related to our work environment, including guidelines to prevent workplace harassment. We provide ongoing diversity and inclusion training for all employees. UGI continues to increase its focus on representation of women and minorities across our businesses with a goal that our workforce represent the communities in which we operate.

UGI is an equal employment opportunity employer. We comply with applicable employment related laws and regulations and do not tolerate discrimination against anyone based on characteristics protected by law, which may include, age; race; religion; gender; marital status; national origin; veteran status; disability; and sexual orientation. All new hires must complete a mandatory training on Anti-Discrimination/Anti-Harassment and existing employees are required to complete training once every two years.



Our **Anti-Discrimination/Anti-Harassment Policy** supports UGI values by:

- Enabling employees to work in a culture that emphasizes and promotes the spirit of mutual respect within the UGI community
- Encouraging integrity by being respectful and trustworthy in our working relationships
- Embracing the diversity and uniqueness of individuals

UGI strives for diverse representation at all levels. In Fiscal 2019, women and ethnically diverse employees in VP and above positions represented 32% of UGI’s senior leadership. In addition, approximately 40% of UGI Corporation’s officers are female. Women and ethnically diverse members represented 40% of UGI’s Board of Directors in 2019.

Fiscal 2019 Women and Ethnically Diverse New Hires

Business Unit	Percentage
AmeriGas	33%
UGI Corporation	24%
Midstream and Marketing	20%
HVAC	28%
UGI Utilities	41%

UGI also believes that veterans play a vital role in building a diverse and collaborative workplace. The Veteran Employee Team (“VET”) works to provide career opportunities to military men and women. Military veterans and Reserve and National Guard members are valued members of UGI’s workforce.

During Fiscal 2019, VET team members and AmeriGas leadership updated our Military Leave Policy to better support our colleagues who take time from work for military duty. The improvements to our Military Leave Policy are a small way for us to show our gratitude for the sacrifices made by our servicemen and servicewomen.

We are committed to helping all employees advance into leadership positions in our Company by creating more equitable playing fields. UGI has strategic partnerships with organizations such as POWER of Professional Women, Leaders Edge EXCEL, and the Women’s Impact Network (“WIN”). These programs and resources support women in their leadership development.

Our teams also work with organizations such as:

- Pennsylvania Economic Development Council’s Hire One Initiative
- Main Line Chamber of Commerce’s Society of Professional Women
- Franklin Institute’s STEM Project

OUR PEOPLE

Talent Management

UGI employs approximately 12,550 employees world-wide, of which approximately 2,500 are located in eastern and central Pennsylvania. Our Human Resources team works hard to attract and retain top talent by providing an environment where employees feel supported and encouraged in their professional and personal development.

Maintaining a robust pipeline of talent is crucial to UGI's ongoing success and is a key aspect of succession planning efforts across the organization. The competition for attracting and retaining talent has increased in recent years. UGI understands this challenge and the importance of maintaining competitive benefits and appropriate training that provides growth, developmental opportunities and multiple career paths that enable professional development without leaving the Company. UGI provides tuition reimbursement for the continued professional development of our employees and opportunities for advanced certifications to promote employees' development.

Annually, strategic positions are reviewed, potential candidates are identified, required job skillsets are evaluated, competency gaps are identified, and development plans are created to assist in employee growth.

UGI is committed to investing in its employees and offers the following training and development programs:

UGI University

UGI University is a leadership development program for emerging leaders across all domestic and international business units. In addition to completing personal assessments and leadership and team effectiveness training, participants engage directly with executive leaders of each business, gaining a broader understanding of UGI and the stakeholders it serves.

UGI Academy

UGI Academy is a leadership development program that provides UGI International's emerging leaders an opportunity to learn more about UGI Corporation, including our culture, values and strategic direction. Participants engage in self-assessments, meet colleagues from across the business, engage with the UGI executive management team and sharpen skills that will equip them for future success.

AmeriGas Accelerated Leadership Program (ALP)

The ALP establishes key leadership competencies, behavioral traits, and skills required to be an effective field Area Director. This competitive program runs for a full year, with participants completing a series of training experiences, job shadowing, and completion of a detailed development plan to ensure their readiness for the next District Manager opportunity.

MBA Leadership Development Program

The MBA LDP recruits graduates of top-ranked business schools to develop into future senior leaders through challenging assignments across all business units and a variety of functional areas. These individuals work with the most senior leaders of UGI, driving business results as they grow their expertise and understanding of the broader objectives of UGI.

Learning Management System (LMS)

All employees have access to functional skills training, technical and interpersonal effectiveness resources, webinars and other targeted resources to support their growth areas. During Fiscal 2019, our domestic employees completed over 212,000 trainings in LMS comprised of 954 individual courses.

Benefits

UGI believes that offering competitive benefits supports overall employee satisfaction and retention. We provide our employees with a comprehensive benefits program that includes base salary, annual bonus plan (ABP) incentive for eligible non-executive employees, competitive retirement benefits and a health and wellness program.

We are committed to recognizing and rewarding our employees who play a valuable role in our Company's success. Our ABP is based on financial performance and safety goals. Incorporating a safety goal into our ABP reinforces our commitment to our employees, and holds all of us accountable to create and operate in safe work environments. UGI and AmeriGas matches employees' 401(k) contributions up to 6% and 5%, respectively. We believe that by having a stake in the success of our Company, employees will find more opportunities to contribute to our long-term success.

At UGI, we are committed to the health and well-being of our employees. We believe that the most effective means of achieving both is through individual empowerment, acknowledging that each of our employees has the power to live his/her healthiest life. UGI incentivizes domestic employees (excluding HVAC) to participate in our wellness programs, including the Vitality platform through which employees may accumulate points/Vitality bucks to redeem for gift cards and fitness-related items.



In addition, UGI has partnered with Carebridge Corporation to provide all domestic employees and those in their household the following:

- Support for emotional well-being (assessments for depression, anxiety, mania, drug abuse and more)
- Tools to improve financial literacy
- Tips to improve work/life balance
- Resources and education about domestic violence
- Tips to manage resilience

UGI benefits for domestic employees include:

- Medical and Prescription Drug Plans
- Dental Plans
- Vision Plans
- Flexible Spending Accounts
- Employee assistance programs
- Basic Group Term Life Insurance
- Voluntary Employee Life and Accidental Death Dismemberment (AD&D)
- Voluntary Dependent Life and AD&D Insurance
- Pet Insurance
- Disability Insurance (short and long-term)
- Long-term Care Insurance
- Paid Time Off (Vacation, Personal days and Holidays)
- Parental Leave (gender neutral)

You Asked...We Listened...

UGI continues to experience positive growth and change in many areas. We recently conducted an employee engagement survey to solicit feedback on our strengths and opportunities for improvement to ensure we continue to be a great place to work. The survey helped us to identify opportunities for improvement. One of those initiatives related to Flexible Work Options. In 2019, UGI implemented Flexible Work Options for employees to provide them personalized control over their schedule and work environment. Additional outcomes of our employee engagement survey resulted in increased employee vacation time and paid Parental Leave.

OUR COMMUNITIES

UGI has a long history of strengthening the communities we serve by providing both financial assistance and support for employee volunteer efforts. Our employees are actively involved in the community by serving on non-profit boards, acting as mentors and coaches and volunteering as firefighters, among other activities. UGI offers paid volunteer leave for full-time eligible employees.

In 2019, UGI employees continued this tradition of community support by donating over 56,000 hours to community-based organizations. More than 700 employees volunteered these hours and participated in activities ranging from helping students in a variety of school-related initiatives, delivering meals to the home-bound, cleaning and repairing community parks and facilities, coaching youth sport programs, and serving as volunteer firefighters and emergency responders. In addition to donating their time and expertise, UGI employees continued to generously donate to the annual United Way campaign that provides critical financial assistance to human service agencies across our service territory.

Education – A Rising Tide Lifts All Ships

A core component of UGI's commitment to impact communities close to home is its longstanding support of education. Robust and successful education programs empower our communities and ensure their ongoing success. UGI employees have consistently volunteered for educational programs designed to enhance academic achievement, and UGI provides more than \$1 million in financial support each year to support innovative school programs.

UGI's educational support encompasses a number of areas of focus that includes:

Early Childhood Literacy

Since 1991, the UGI-Reading Is Fundamental (RIF) partnership has provided over 1.4 million books to more than 450,000 first-grade students. UGI volunteers have donated over 20,000 hours helping children read and building a foundation for success throughout both their education and their careers. UGI has complemented its partnership with RIF by supporting a variety of in-school and summer reading programs.

STEM (Science, Technology, Engineering, Mathematics)

Recognizing the continuing need for skilled, technical workers across the economy, UGI has supported initiatives such as S.P.A.R.K.S. (Science Projects Are Really Kids' Stuff), Pennsylvania College of Technology's SMART (Science and Math Applications in Real-World Technologies) Girls, and Wilkes University's W.E.B.S. (Women Empowered by Science) summer camp, and many other programs designed to spur student interest in technical careers.

Career Awareness and Exploration

Studies indicate students with a strong career focus are more academically engaged and less likely to drop out of school. UGI employees participate in programs such as Berks County's Students Interacting with Business, as well as various programs focused on specific careers, mentoring, and other activities designed to help students identify educational and work options.



American Red Cross Home Fire Campaign

UGI has been a regional partner of the American Red Cross' "Sound the Alarm" home fire prevention campaign since its inception. In that time, UGI has donated \$500,000 to the American Red Cross to help make homes and residents safer across our service area. In addition to the Company's annual \$100,000 contribution, UGI employee volunteers have installed smoke alarms and helped families develop home fire preparedness plans in cities and towns across Pennsylvania during "Sound the Alarm" events.



Since the start of the program in 2014, the "Sound the Alarm" initiative has saved more than 700 lives and installed more than two million smoke alarms nationwide. More than 850,000 homes have been made safer. In recognition of UGI's continued support, the American Red Cross Central Pennsylvania Chapter named UGI its 2019 "Partner of the Year" during its Hero Award Ceremony in March.

United Way

The longstanding partnership between UGI and United Way stands as an enduring tribute to both organizations. UGI employees set a record for total dollars pledged to the local United Way. In 2019, UGI employees contributed over \$1 million to the United Way annual campaign.

UGI's commitment to United Way and its mission of addressing community needs does not end with the conclusion of the annual campaign. Throughout the year, UGI employees dedicate their time and talents to participate in United Way Days of Caring events throughout the Company's service area. Volunteers perform a variety of tasks – from painting and repair work to outdoor clean-up and landscaping – that provide local non-profit organizations with hands-on assistance.



GOVERNANCE

Strong corporate governance is essential to creating long-term value and safeguarding UGI's commitments to all of its stakeholders.

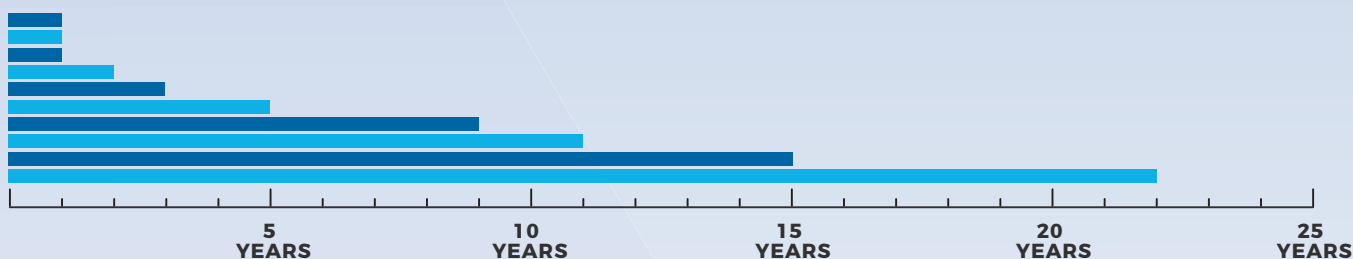
Recognizing the importance of good corporate governance in executing its responsibilities, the Company's Board of Directors has adopted the UGI Corporation Principles of Corporate Governance (Principles). The Principles provide a framework for the effective governance of the Board and UGI by outlining the responsibilities of the Board and the Board Committees. The Board regularly reviews the Principles and, as appropriate, updates them in response to changing regulatory requirements. The Principles require the Board to:

- Approve Strategies and Objectives
- Evaluate the Chief Executive Officer
- Evaluate Senior Management
- Review Succession Planning
- Advise and Counsel Management
- Monitor Policies on Corporate Governance and Conduct
- Establish Composition, Structure and Operations of the Board

Our Board is representative of a diverse range of experiences, perspectives, skills and qualifications that align with UGI's long-term strategy. 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.



Board Member Tenure



During Fiscal 2019, our Board of Directors was comprised of 10 members, nine of whom were independent as defined under the rules of the New York Stock Exchange, and our President and Chief Executive Officer. Three of our ten Board members were female and one was an African American male. We are proud of this 40% female and minority representation and the positive and significant role diversity plays in our organization.

Our Board members have relevant experience in the following areas:



The Corporate Governance section of our website contains various policies, principles, charters, and information related to our Board of Directors, including the Principles, the Charters of Committees of the Board of Directors, and biographical information on our Directors. These documents serve as the framework for the strong corporate governance of our Company, with the goal of enhancing long-term value for our shareholders.

During Fiscal 2019, UGI had five standing committees, as follows: Executive, Audit, Compensation and Management Development, Corporate Governance, and SERC. Other than the Executive Committee, all committees are comprised of only independent directors. For detailed information on each board committee, please see the Committees and Charters page of our website at <https://www.ugicorp.com/company/leadership-and-governance/committees-and-charters/default.aspx>.

GOVERNANCE

Board Role in Risk Management and ESG Efforts

The Corporate Governance Committee is responsible for overseeing the Company's strategy regarding sustainability policies, disclosures, and practices, including corporate social responsibility. The SERC Committee is responsible for overseeing the Company's safety, environmental and regulatory compliance policies, programs, procedures, initiatives and training.

ESG Governance

In April of 2020, the Corporate Governance Committee updated its charter to include responsibility for oversight of the Company's strategy regarding sustainability policies, disclosures, and practices, including corporate responsibility. Going forward, the Corporate Governance Committee will receive regular reports from management pertaining to these ESG-related matters.

The SERC Committee of UGI's Board of Directors is responsible for the following responsibilities, which are outlined in the Committee's Charter:

- review the adequacy of, and provides oversight with respect to, the Company's safety, environmental and regulatory compliance policies, programs, procedures, initiatives and training
- review operational risks associated with the Company's businesses
- review the Company's policies and programs to promote cyber security and to mitigate cyber security risks
- review reports regarding the Company's code of ethical conduct for employees to the extent relating to safety, environmental and regulatory compliance matters
- keep abreast of the regulatory environment within which the Company operates.

Enterprise Risk Management

Our Enterprise Risk Management (ERM) program applies a well-defined enterprise-wide methodology aligned with each business unit's objectives to allow our Risk Management Committee to identify, categorize, prioritize, and mitigate the principal risks to the Company. In addition to known risks, ERM identifies ESG-related focus areas and emerging risks to the Company through participation in industry groups, discussions with management and outside consultants. Our management team analyzes these risks to determine materiality, likelihood and impact, and develops mitigation strategies. Sustainability factors continue to be integrated into UGI's ERM program and initiatives.

As part of the ERM process, the Company has developed certain mitigation plans that are monitored and reported to the Risk Management Committee. The ERM process informs the Risk Factors included in our public filings.

ESG Leadership Committee

In 2019, UGI's Senior Management created two ESG Leadership Committees – Global LPG and Natural Gas. This was an important step to ensure that UGI is promoting and advocating a clear path to achieve ESG excellence across the organization. Oversight of the Committees is performed by the CEO, the Executive Vice Presidents of Global LPG and Natural Gas and UGI's Investor Relations team. Each of the committees has representatives from operations, legal, safety, regulatory, and other subject matter experts. The committees are responsible for identifying and sharing of ESG-related best practices, promoting consistency and reliability of data across UGI's businesses, considering ESG risks and opportunities, and enhancing ESG disclosure among other things.



On July 1, 2019, UGI Corporation rang the opening bell at the New York Stock Exchange to commemorate its 90th anniversary as a listed security. UGI is one of the longest tenured securities on the NYSE.

Anne Pol, who recently retired from the Board after serving as a director of UGI from 1993 - 1997 & 1999 - 2020, attended the ceremony at the NYSE. We thank Anne for her commitment and valuable guidance.



GOVERNANCE

Code of Conduct

UGI's Code expresses our commitment to integrity. It summarizes our expectations and standards for ethical behavior and helps us navigate an increasingly complex world. Our Code applies to all employees of UGI Corporation, its business units and functions, including consolidated subsidiaries. This includes members of our Board of Directors, officers, and part-time, seasonal, flex, and temporary employees. We also expect our third-party consultants, contractors, vendors, and service providers to live up to the expectations outlined in our Code.

The Code serves as a practical guide for complying with laws, avoiding conflicts of interest, maintaining a safe and inclusive workforce and for reporting ethical concerns. Various training opportunities are available to our employees throughout their career to ensure ongoing awareness and understanding of the Code and applicable Company policies and procedures. UGI also maintains an Integrity Helpline as a mechanism for reporting concerns, which may be made anonymously.

The UGI/AmeriGas Integrity Helpline

24 Hours A Day / 7 Days A Week

Share Your Concern Online:

<https://ugiamerigasethicshelpline.tnwreports.com>

Share Your Concern Via Phone:

In the United States, call toll-free: 866-384-4272

For all other countries, access dialing instructions here:

<https://ugiamerigasethicshelpline.tnwreports.com/Phone>

The Integrity Helpline is operated and administered by a third party, and may be accessed by phone or via a secure website 24/7; translation services are also available.

Additional information on UGI's Code of Business Conduct and Ethics may be found at: <https://www.UGICorp.com/CodeOfConduct>

Human Rights

UGI recognizes our responsibility to respect human rights and avoid causing or contributing to human rights infringements through our business activities. We support principles aimed at protecting internationally recognized human rights. All employees are expected to be strong ethical community partners by fostering positive relationships wherever we do business.

Cybersecurity

As the frequency of cyberattacks continues to rise, effective management of cybersecurity is crucial to protect our operations, business-critical data, and technology. UGI has adopted preventative measures to combat attacks on our information systems. UGI conducts regular internal audits and risk strategy sessions to assess cybersecurity threats and respond accordingly. In addition, UGI has utilized a third party to support penetration testing of our networks.

UGI has developed cybersecurity training and awareness materials to ensure that employees, contractors and vendors are aware of cybersecurity risks. Everyone with a UGI network identification is required to complete an annual cybersecurity training to reduce risk exposure. Our IT department also deploys simulated phishing emails on a periodic basis to practice identifying and responding to email attacks.



CONCLUSION

Thank you for your support and interest in UGI Corporation's second ESG report. We continue to enhance our disclosures and look forward to sharing our company performance and the impact we have on our communities and the environment in the years to come. UGI remains committed to delivering "Today's Energy for Tomorrow's World."

Investor Relations

Brendan Heck, Director, Investor Relations

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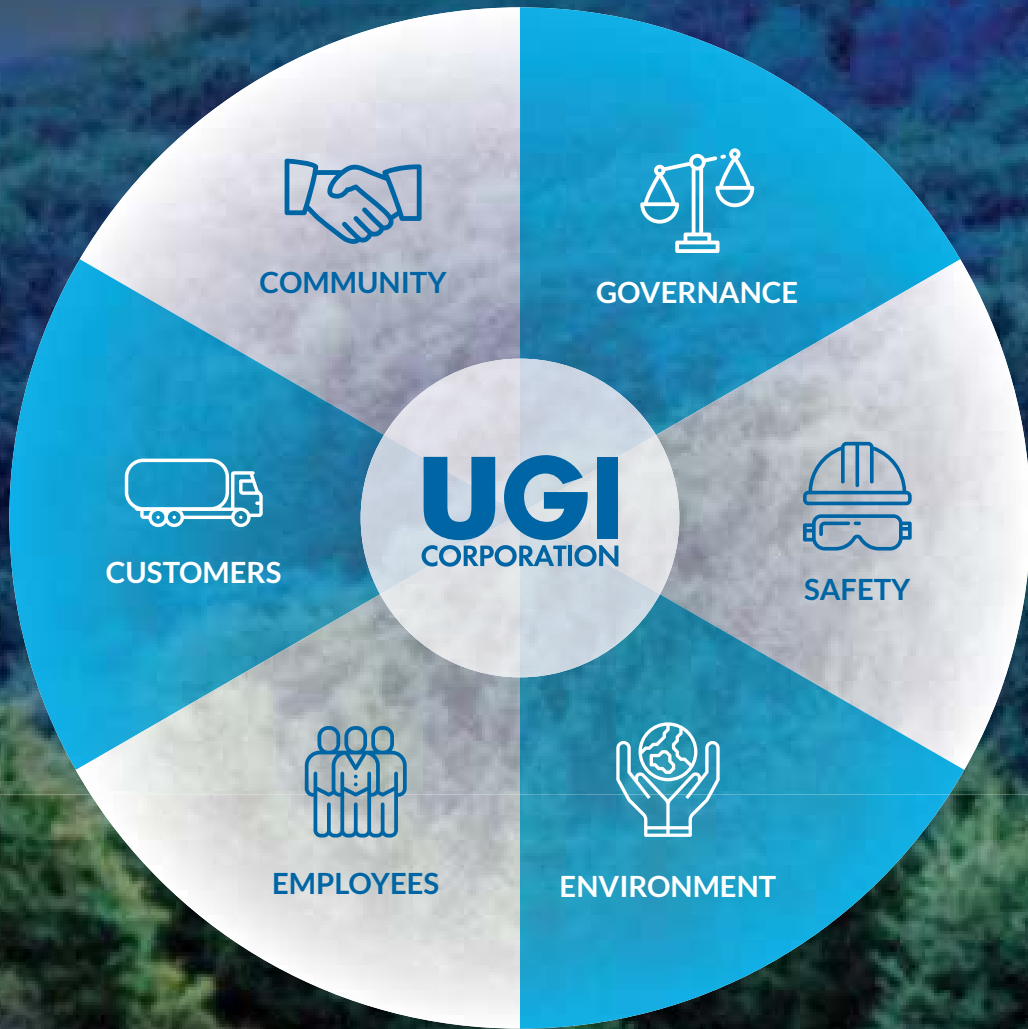
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Environmental,
Social and Governance
Report 2019