

The Foundation of a Renewable Energy Future

2020 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



Introduction

UGI Corporation (“UGI” or the “Company”) pledges to reduce corporate-wide Scope I greenhouse gas (“GHG”) emissions by 55% over the next five years¹ supported by a capital allocation strategy that focuses heavily on lowering its overall carbon footprint. Both of these factors will propel UGI forward on its long-term mission to align with the Paris Climate Accord of net zero carbon emissions by 2050.

This is UGI’s third 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 “The Foundation of a Renewable Energy Future.” UGI is well positioned to become a leader in the future of renewable energy and continues to focus on reducing our emissions, reducing our customers’ emissions, and investing in alternative energy solutions.

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 our ESG commitments. Our goal is to use ESG data to supplement our financial reporting materials in order to meet our constituents’ broader need for information. To help with this process, UGI is working toward disclosure of material ESG factors from the Carbon Disclosure Project (“CDP”).

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. We are building data collection protocols and reporting platforms across our business portfolio to supplement our disclosures over time.

Information in this report covers UGI’s 2020 Fiscal Year (October 1, 2019 to September 30, 2020) unless otherwise indicated. We will provide periodic updates on our ESG performance through our website.

¹ Goal uses 2020 as the baseline year.

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Letter from the CEO

The past fifteen months have been a challenge for businesses to navigate, but those challenges pale in comparison to those faced by some of our stakeholders and the communities we serve. The COVID-19 pandemic laid bare critical issues, such as food insecurity and homelessness, while a long overdue awareness of racial injustice prompted necessary introspection and action across the nation and world. We experienced a number of tragic and avoidable events that touched each one of us. I am proud to report that our leadership team, Board of Directors, and employees responded quickly and decisively to these challenges to make our organization and communities stronger. UGI provided financial and volunteer support to food banks, emergency services organizations, and critical educational teams. We also achieved record levels of support for our long-term partner, the United Way, raising over \$1.2 million during our annual campaign. UGI committed to fostering an environment that promotes diversity and inclusion through our belonging, inclusion, diversity and equity (“BIDE”) initiative and our robust supplier diversity strategy. Progress in these critical areas ensures that our entire team knows that they truly “belong” at UGI and that their diversity of thought, perspective, and experience is vitally important to UGI becoming an even more innovative and successful company.

Our theme for this year’s report is “The Foundation of a Renewable Energy Future,” and we are proud to inform you that we have made great strides to position UGI as a leader in this space. Specifically, we created an ambitious target to lower our direct carbon emissions by 55% over the next five years and provide insight into our evolving capital expenditure program that features increasing investments in renewable solutions. Our strategic asset network and proven competencies allow us to rapidly address growing customer demand while remaining conscious of the important “trilemma” facing the world today – providing energy solutions that are sustainable, reliable, and affordable.

We are focusing our efforts on a number of key areas, including renewable natural gas (“RNG”), bio-LPG, renewable dimethyl ether, and hydrogen, among others. Our natural gas businesses are actively exploring RNG opportunities involving both distribution and RNG feedstock infrastructure. We believe that UGI is particularly well positioned to develop investment opportunities in this rapidly emerging market. Our competencies in project development, project execution, gas transportation and storage, and energy marketing are directly applicable to RNG feedstock management. From an environmental standpoint, RNG is an outstanding solution, since it is a zero carbon or negative carbon solution, depending on the feedstock. Our LPG businesses are making similar strides in developing bio-LPG sources to augment our existing bio-LPG source in Sweden. Similar to RNG, the range of growth opportunities in bio-LPG includes potential investments in feedstock infrastructure.

The addition of RNG and bio-LPG to our supply portfolio is particularly attractive for our customers and communities as we aim to provide economical solutions to reduce our collective carbon footprint. We can utilize our existing natural gas and LPG distribution infrastructure to deliver RNG and bio-LPG to the 3 million customers directly served by UGI.

These renewable solutions can be brought to our customers with no additional local infrastructure, no incremental investments by our customers, and no community disruption related to infrastructure buildout.

We are excited about the significant growth potential of these renewable solutions as we address the fundamental needs of our communities for sustainable, reliable, and affordable energy solutions.

We see RNG and bio-LPG as the areas of most significant potential in the short term, but we are also exploring opportunities around renewable hydrogen, carbon capture, battery storage and other promising technologies. We have found many of the companies developing new solutions are eager to work with us. They recognize that our physical connection to over 3 million customers, and our large team of field service personnel serving those customers, can provide crucial support when commercializing new solutions.

Lastly, but always of utmost importance for UGI, is safety. We are proud of how quickly our teams adapted to the challenges of safely delivering an essential service to customers during the COVID-19 pandemic. Our team's response has been outstanding, as we successfully adapted the way we do business to ensure the safety of our employees and customers. UGI established new protocols for our frontline workers, who were equipped with personal protective equipment ("PPE"), while we practiced strict adherence to all guidelines from the Centers for Disease Control ("CDC"), the Department of Homeland Security ("DHS"), and the World Health Organization ("WHO") in all field and office settings. We continue to make progress towards our goal to be a leader in safe operations and have made significant investments to support this ongoing initiative.

We continue to evaluate and enhance our ESG reporting framework to ensure that we provide relevant – and useful – data to our stakeholders, and we 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



A handwritten signature in black ink, appearing to read 'R Perreault'.

Roger Perreault
CEO-Elect



Our Business

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

Our subsidiaries and affiliates operate principally in the following four business segments: AmeriGas Propane, UGI Utilities, UGI International, and Midstream & Marketing. 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 the Fiscal Year ended September 30, 2020 (“Fiscal 2020”) for a more detailed description of our business.



AmeriGas Propane

AmeriGas Propane is the nation’s largest retail propane distributor. In Fiscal 2020, AmeriGas Propane delivered 1.1 billion gallons of propane to over 1.5 million customers from all 50 states from approximately 1,800 propane distribution locations. As of September 30, 2020, AmeriGas Propane had approximately 6,500 employees.



UGI Utilities

UGI Utilities, Inc. (“UGI Utilities”) operates a regulated natural gas distribution business that serves approximately 670,000 customers in portions of 46 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. UGI Utilities also provides regulated electric utility service to more than 62,500 customers in portions of Luzerne and Wyoming counties in northeastern Pennsylvania. As of September 30, 2020, UGI Utilities had approximately 1,700 employees.



UGI International

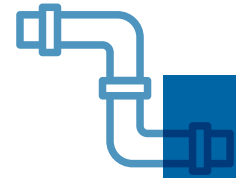
UGI International distributes liquefied petroleum gas (“LPG”) in 17 countries throughout Europe and conducts an energy marketing business in France, Belgium, the Netherlands and the United Kingdom. In Fiscal 2020, UGI International distributed approximately 870 million gallons of LPG and sold 29 Bcf of natural gas and over 3,400 Gwh of electricity. As of September 30, 2020, UGI International had over 2,600 employees.



Midstream & Marketing

Our retail energy marketing business is conducted through UGI Energy Services, LLC (“Energy Services”), which sells natural gas, renewable natural gas, liquid fuels and electricity to nearly 14,000 residential, commercial and industrial customers in 12 eastern states and the District of Columbia. UGI Energy Services also conducts midstream natural gas operations through its ownership of underground natural gas storage, gas peaking plants, and pipeline assets in Pennsylvania, Ohio, and West Virginia. Energy Services also has ownership interest in electric generation assets, principally in Pennsylvania. As of September 30, 2020, Energy Services had over 400 employees.

At a Glance



<p>34 consecutive years of increasing dividends</p>	<p>137 consecutive years paying dividends</p>	<p>~427 miles of midstream pipeline</p>	<p>~12,300 miles of utility system gas mains</p>
<p>15 languages</p>	<p>~11,200 employees worldwide</p>	<p>~3 million customers¹</p>	<p>~2 billion retail LPG gallons delivered in Fiscal 2020</p>



18
countries



¹ Represents physically connected customers across all UGI subsidiaries

Mission, Vision & Values

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

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

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



Responsibility

We are committed to sustainable business practices and growing our company in an environmentally responsible way. We offer innovative and efficient energy solutions, such as natural gas and LPG, which are clean-burning, efficient and cost-effective, to benefit our customers and communities.



Reliability

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



Safety

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



Excellence

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



Respect

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



Integrity

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

Our Core Values provide the building blocks for our business.

The Foundation of a Renewable Energy Future

UGI has a long history of meeting its financial commitments to shareholders. For the last 140 years, the Company has grown its base business by offering differentiated and innovative solutions to match evolving consumer preferences. As the business grew, new business lines were added to enhance and strengthen our core competencies. Over the past 20 years, UGI has launched and expanded both its Midstream and Marketing and International businesses to scale. The Midstream and Marketing business has expanded and now offers a full suite of both midstream and marketing services in the Appalachian Basin and the eastern United States. UGI International has expanded into 17 countries and now delivers nearly 1 billion gallons of LPG. In Fiscal 2020, the two businesses combined to account for 48% of UGI's total EPS.

During this time, UGI has never lost sight of its commitment to deliver sustainable, reliable, and affordable energy solutions to its customers. Throughout our history, UGI has converted customers to natural gas and LPG, which are cleaner alternatives to competing fuel sources such as heating oil, coal, and diesel fuel. We will build on this history and continue to lower emissions by providing our customers with low carbon energy solutions in the future.

UGI's three-pronged approach to combat climate change is to:

- reduce our emissions through investment in infrastructure and more efficient operations;
- reduce our customers' emissions through conversions, energy efficiency programs and fleet conversions; and
- invest in alternatives to reduce GHG emissions and provide low or zero carbon solutions to our customers.

UGI has recently committed to reducing its Scope I (direct) emissions by 55% over the next 5 years on its path to align with international efforts to reduce carbon emissions as outlined in the Paris Climate Accord. UGI also continues to work with customers to reduce their carbon footprints. We offer solutions such as combined heat and power projects, energy efficiency and conservation programs as well as fleet conversion opportunities to our clients.

At the same time, we invest in low or zero carbon alternatives. UGI is well positioned to expand on its core competencies, deliver innovative solutions, and become a leader in this space. **Over the next five years, UGI has the opportunity to invest up to \$1 billion in innovative renewable solutions with minimal disruption to our customers. We are investing in key areas such as Compressed Natural Gas ("CNG"), RNG, bio-Gas (such as bio-LPG and renewable dimethyl ether ("rDME")) and hydrogen, without losing focus on our commitment to provide affordable, reliable, and sustainable solutions to our customers.**

Why Renewables?

- Low or zero carbon attributes to tackle climate change
- Rapidly growing customer demand
- Synergistic opportunities as a producer and distributor of RNG and bio-LPG
- Strategic assets and proven competencies
- Progressing supply chain partnerships providing long-term competitive advantages



Over the last 140 years, UGI has built core competencies, core infrastructure, and a customer base that sets the foundation for the renewable energy future.

Our Core Competencies

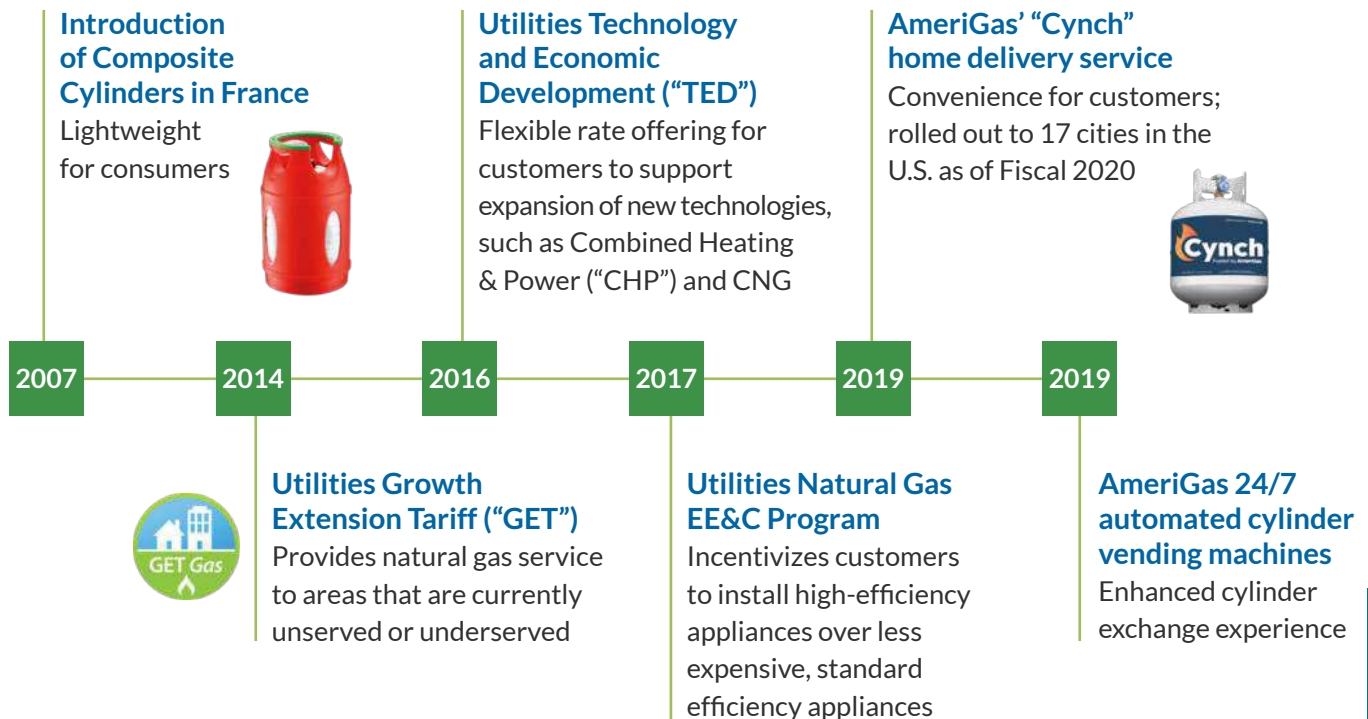
We have established core competencies that span a number of critical areas to promote growth in the renewables space, including:

- proven supply capabilities and vast energy marketing experience;
- a history of safe pipeline management, project management, and processing engineering;
- experience in renewable gas credit markets (Renewable Identification Number (“RIN”) and Low Carbon Fuel Standards (“LCFS”));
- experience in solar credit markets (Renewable Energy Credits (“RECs”)); and
- experience navigating the legislative and regulatory landscapes.

These proven competencies provide a key differentiator as we invest in strategic RNG businesses, including GHI Energy, LLC (“GHI”). In July 2020, UGI acquired GHI, a leading RNG marketer in California, a state with one of the most robust carbon credit trading programs in the nation. GHI is primarily focused on providing vehicle fleets with RNG by coordinating supply from a portfolio of sources across the country. The investment facilitates environmentally responsible growth for years to come.



A History of Innovative Solutions for Our Customers



Our Core Infrastructure

UGI has core infrastructure that allows the business to deliver low carbon energy solutions to our customers with minimal disruption, including:

- 12,300 miles of gas pipeline;
- 2,400+ bobtail trucks;
- 1,800+ LPG distribution locations; and
- 0.5 TCF of natural gas throughput.

The expansion of UGI's renewable offering may require additional infrastructure, but our current infrastructure and proven ability to construct new assets provides the necessary foundation to expand further into renewables.

The following are two recent examples of how UGI is investing in renewable infrastructure:

Energy Services:

In November 2020, UGI invested in a renewable natural gas project in Idaho. The project consists of an upgrade to an existing dairy digester facility commissioned in 2012 that is currently generating renewable electricity and is expected to produce several hundred million cubic feet of RNG annually from on-site dairy waste feedstock once it is expanded to reach full production in 2022; initial production is expected to commence in late 2021.

UGI Utilities:

In February 2021, UGI Utilities announced an agreement with Archaea Energy, LLC ("Archaea") of Canonsburg, PA to accept delivery of RNG from the Keystone Landfill located in Dunmore, PA into its distribution system. This is the first RNG supply interconnect agreement UGI Utilities has signed to date. The RNG supply will be injected into UGI Utilities' high-pressure natural gas pipeline serving its distribution system located in Lackawanna County, PA. The landfill gas, a byproduct of naturally decomposing materials in the landfill, will be processed and conditioned to meet UGI Utilities' gas quality requirements. The project is scheduled to become operational in September 2021. When fully operational, the UGI Utilities system will be designed to take up to 16,000 mcf (thousand cubic feet) per day of RNG supply at a rate of up to 780 mcf per hour, making this the largest RNG supply point in the United States to date. This supply point will be available for the Company, as well as for natural gas suppliers operating on its system, for the purpose of supplying UGI Utilities customers.

The incorporation of the RNG supply into UGI Utilities' distribution system provides benefits to the Company and to the many communities it serves. In addition to securing a local source of gas for UGI Utilities customers, accepting the delivery of RNG for customer use reduces the release of naturally occurring methane from the Keystone Landfill into the atmosphere. From an environmental perspective, accepting delivery of the RNG will reduce CO₂ emissions that would otherwise occur by up to approximately 314,000 metric tons per year. This CO₂ reduction equates to removing the emissions from more than 67,000 passenger vehicles over the course of a calendar year.

Historical Renewable Energy Solutions Timeline

2009: Commenced methane and landfill gas consumption at Broad Mountain generation facility

2015: Began marketing bio-LPG in parts of Northern Europe

2017: Acquired DVEP, a marketer of wind and solar energy

2017: Began sourcing bio-molecules from Preem's refinery in Sweden to augment existing bio-LPG sources



Our Customer Base

UGI is aligned with our customers to be a partner for both renewable and low-carbon solutions, and our physical connection to more than 3 million customers provides a solid foundation to meet customer demand for renewable solutions.

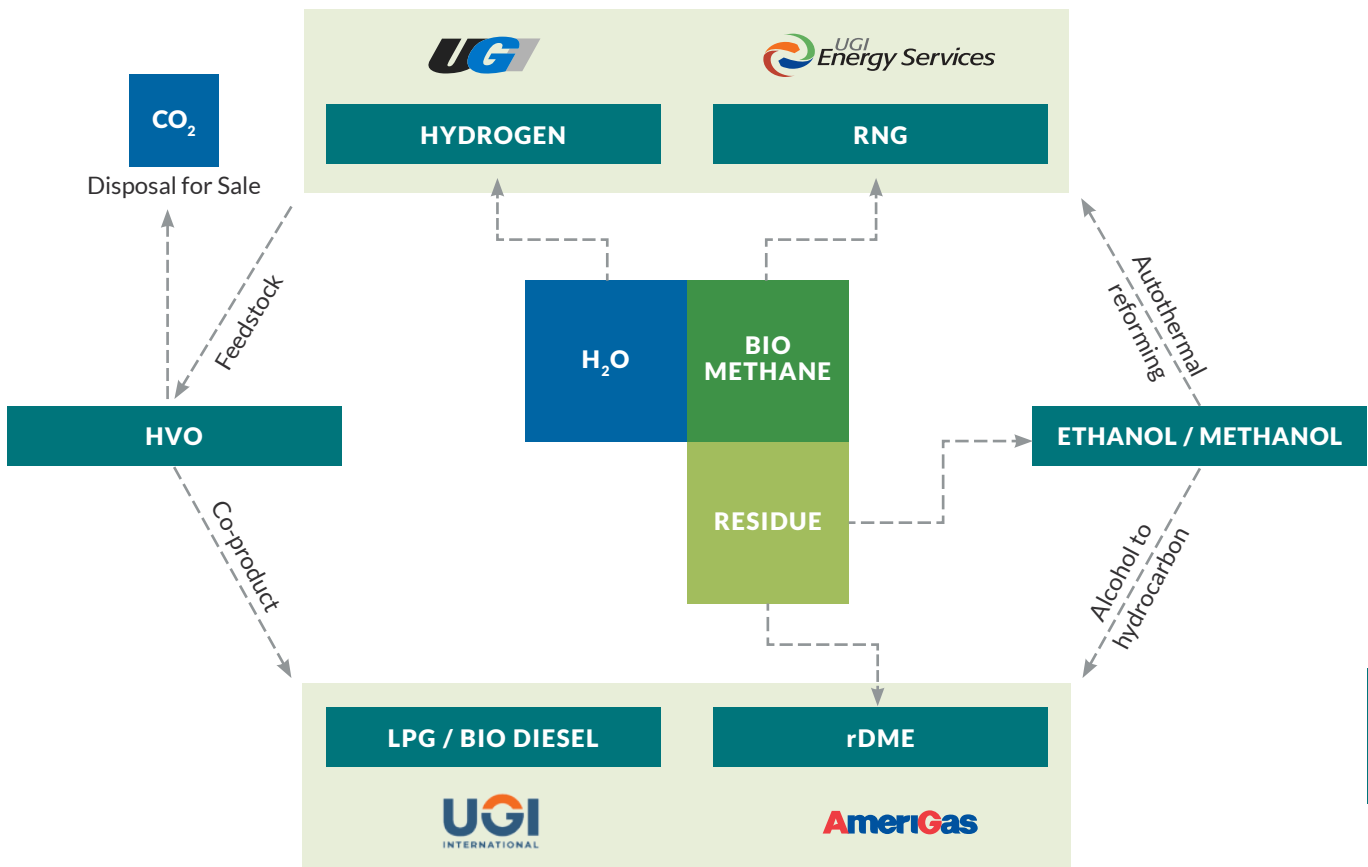
In early 2021, UGI Utilities partnered with UPS to deliver natural gas for its large regional fleet of CNG vehicles. This CNG facility is expected to be among the largest of its kind in North America. The use of natural gas will help UPS achieve significant emissions reductions.



In February 2021, UGI International announced its partnership with Ekobenz (a Polish company with a proprietary process to convert bioethanol to bio-LPG, a renewable form of propane-butane) for the exclusive supply and development of renewable bio-LPG in Europe. Our partnership with Ekobenz is an exciting opportunity and will be instrumental in leveraging our existing assets and capabilities as we continue to de-fossilize our supply infrastructure.

As we look to the future, our core competencies, core infrastructure, and physical connection to over 3 million customers provides the foundation of a renewable energy future. Our customers and suppliers have been eager to work with us to enhance our renewables offering and we have a clear line of sight on the potential for \$1 billion of renewable investments over the next 5 years. As highlighted above, the Company has made a series of investments that strengthen our three-pronged strategy to combat climate change without losing focus of our commitment to provide our customers with affordable, reliable, and sustainable solutions.

Well Positioned to Deliver Low or Zero Carbon Energy Solutions



Our Commitments

In last year's report, we introduced a number of commitments focused on our people and the planet. This year, we are proud to introduce additional commitments that will help to establish UGI as the foundation of a renewable energy future.

Our Commitments to the Environment

UGI is committed to reducing its Scope I emissions by 55% by 2025 using 2020 as the base year¹. We plan to invest approximately \$2.5 billion to reduce UGI and customer emissions over this five-year period.

UGI supports the Paris Climate Accord and will work towards carbon neutrality in our operations by 2050. As evolving technology and customer preference drive the future of our industry, we remain focused on delivering impactful change that our stakeholders can monitor in five-year goal sets.

As a distributor of energy products and services, UGI's activities represent only a small portion of emissions from the natural gas and LPG value chains. In future years, UGI will report on extended scope emissions (upstream and downstream activity) as we convert customers to efficient, renewable, and other low carbon energy solutions. We expect that emissions across the total value chain will decrease, better aligning UGI with the Paris Climate Accord.

Actions to Reduce Scope I Emissions

- Robust Pipeline Replacement & Betterment program
- Sale of non-core assets like Conemaugh
- Converting diesel fuel to renewable or bio-diesel, CNG or LPG
- Investments in leak detection technology
- Capital investment on equipment at compressor stations to decrease emissions
- Ongoing reductions from efficiencies such as route optimization technology



UGI will provide broader disclosure on the climate-related risks and opportunities to our business by completing the CDP questionnaire in Fiscal 2021.

¹ Scope 1 emissions reduction target does not include emissions from the Mountaineer acquisition, which is expected to close in 2021. The emissions from the Pine Run acquisition, announced in February 2021, will be included in the baseline 2020 number as this investment will contribute to our five year goal. The 2020 base number also takes a 5-year emissions average from the Hunlock generation facility to account for year-over-year differences in run time.



Our Commitments to Our People

In alignment with UGI's values to promote diversity, the Company recently created the Belonging, Inclusion, Diversity, & Equity ("BIDE") Initiative. The BIDE Initiative provides the blueprint for achieving greater diversity of gender, race, culture, experience and thought throughout the organization. As part of this initiative, UGI established new partnerships with the Urban Affairs Coalition and Big Brothers Big Sisters, further demonstrating UGI's commitment to the communities it serves. UGI is also proactively expanding its reach to ensure active consideration of diverse candidates for all leadership positions. In addition, beginning in Fiscal 2021, UGI will include a diversity and inclusion ("D&I") goal as a component of its executives' target annual bonus award opportunity.

Health and Safety

Safety is included as a component of the Company's annual bonus calculation for executives and non-executives, reinforcing our commitment to safety across our organization. In Fiscal 2020, the Company implemented a stand-alone safety performance goal as part of the Company's and each of its business units' annual bonus plans. Safety performance objectives are tied to Occupational Safety and Health Administration ("OSHA") recordables and comprise ten percent of the annual bonus opportunity.

UGI continues to build on an already strong safety culture. For additional information on our safety performance, please see the "Our People" section of this report. Due to the rapid change that the COVID-19 pandemic had on our work environment and communities, our primary focus in Fiscal 2020 was providing essential services while ensuring the safety of our teams and our 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 our office-based team members and revised critical work practices to drive safe operations for our field based employees and customers.

For ESG purposes, UGI will report on the following two safety goals:

- 35% Reduction in Total Recordable Injuries by 2025^{1,2} (Per 200,000 hours; 2017 baseline)
- 50% Reduction in Accountable Vehicle Incidents ("AVI") by 2025^{3,4,5} (Per 1,000,000 miles; 2017 baseline)

¹ All domestic UGI companies use the OSHA definition for Total Recordable Injuries ("TRIR"). TRIR represents the number of work-related injuries or illness's requiring medical treatment beyond first aid, per 200,000 hours.

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

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

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

⁵ AmeriGas defines an AVI as any incident that could have been preventable.





Community Outreach

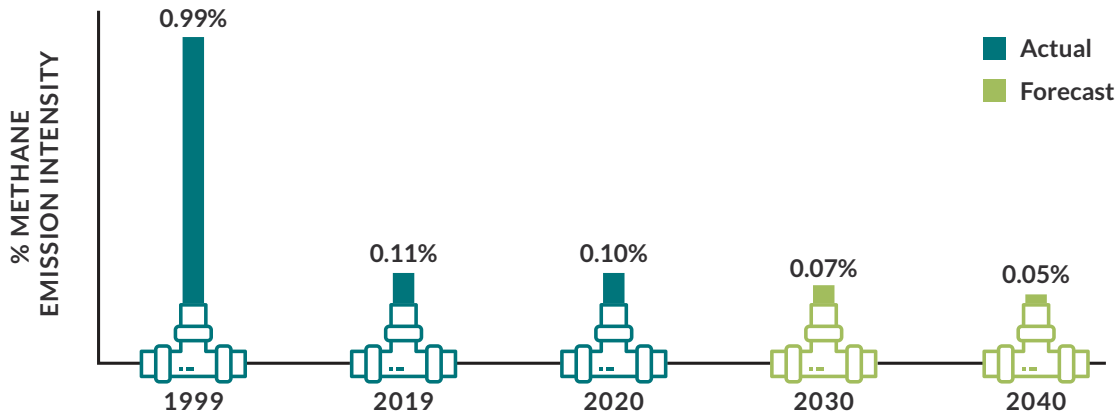
In addition to ongoing community engagements, the onset of COVID-19 caused UGI to think more creatively to ensure we were properly supporting the communities we serve. In April 2020, UGI and its affiliates, UGI Utilities, Inc. and UGI Energy Services, LLC, donated \$200,000 to food banks and community funds to assist individuals and families needing food support and other assistance. In May 2020, UGI and its Board of Directors committed to donate more than \$350,000 to food banks serving communities across Pennsylvania. UGI's senior leadership donated the equivalent of 30% of 90 days' base compensation for the chief executive officer and directors and 20% of base compensation for other senior executives, together with contributions from other officers. The donations were distributed among three food banks including:

- the Central Pennsylvania Food Bank, which serves 27 counties across central Pennsylvania;
- Helping Harvest, which distributes food to more than 300 charitable food program partners in Berks and Schuylkill Counties; and
- Philabundance, which serves the City of Philadelphia and Philadelphia County, as well as the counties of Bucks, Chester, Delaware and Montgomery.

Materiality

UGI will conduct its second Materiality Assessment in Fiscal 2022 to ensure that we are focusing our disclosure on topics that are most significant to the business.

Progress on Goals Set in 2019 Report



9% reduction in methane intensity at UGI Utilities compared to 2019, and we remain on track to meet 2030 and 2040 goals.

Goal	Status	Notes
Establish Methane Reduction Targets	Complete	Established Methane Reduction Targets at our Utilities business in 2019 ESG Report.
Establish Scope 1 GHG Emission Reduction Target	Complete	Established new enterprise-wide reduction target of 55% for Scope 1 (direct) GHG emissions over the next five years in the 2020 ESG Report.
Enhance Reporting Disclosure Frameworks	In Progress	Introduced Sustainability Accounting Standards Board (“SASB”) reporting for our investors in Fiscal 2020. Plan to complete CDP disclosure.
Develop a Human Rights Policy	Complete	Issued an organization-wide Human Rights Policy in Fiscal 2020. Plan to conduct a Human Rights training for all employees in Fiscal 2021.
Develop a Supplier Code of Conduct Policy	Complete	Issued an organization-wide Supplier Code of Conduct Policy in Fiscal 2020.

The Planet

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 are the foundation to power businesses and enrich the lives of our customers. Climate change creates a challenge that UGI must address in order to continue 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.

As part of our commitment to growing our business responsibly, UGI's Natural Gas businesses, comprised of UGI Utilities and Energy Services, joined two coalitions focused on reducing methane emissions across the natural gas value chain.

- Our Nation's Energy Future ("ONE Future") coalition was formed in 2014 by natural gas production, transmission and distribution companies with a focus to collectively achieve reductions in the average rate of methane emissions across member facilities equivalent to a level of one percent (or less) of total natural gas production.
- Natural Gas Supply Collaborative ("NGSC") is a voluntary organization of natural gas purchasers, including utilities and power generators, whose members are committed to promoting safe and responsible practices for natural gas supply. Collectively, NGSC members deliver enough natural gas to meet the needs of more than 60 million households.

Environmental Management System

In Fiscal 2020, UGI launched its Environmental Management System ("EMS") that aligns with the basic elements of the International Organization of Standardization's ("ISO") 14001 Standard. The ISO 14000 series consists of environmental standards that help organizations comply with applicable regulations, minimize impact on the environment and continually improve their processes to achieve compliance and reduce impacts on the environment. UGI's Environmental, Sustainability and HSSE Policies are the core of our EMS and:

- support UGI's environmental goals;
- support UGI's legal and regulatory disclosure practices;
- provide greater insight into UGI's operational environmental footprint which helps inform ways in which we can improve the efficiency of our operations and reduce our overall carbon footprint by focusing on, among other things:
 - switching from diesel engines to CNG, biodiesel, and LPG-fueled vehicles;
 - implementing carbon capture technology at compressor stations;
 - continuing to replace cast iron and bare steel pipe with contemporary materials;
 - fostering ongoing improvements in efficiency;
 - maximizing "Green Power"; and
 - monitoring new technology that can support UGI's GHG reduction targets;
- establish programs, data collection, and streamlined assumptions to meet objectives and targets and ensure data accuracy; and
- monitor and measure progress towards environmental goals.

Wherever we do business, our activities will be consistent with sound environmental practices and we will do the following:

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

2020 is the first year that UGI has streamlined its carbon reporting using the same methods and assumptions across its businesses. UGI has a number of goals that will be monitored using the EMS, but its new enterprise-wide goal is a 55% reduction of Scope 1 (direct) GHG emissions over the next five years¹. UGI plans to evaluate and align itself with the science based targets initiative (SBTi) that aims to limit global warming to 1.5°C.

The adoption of this EMS, along with emissions goals, will allow the Company to budget and plan, monitor performance, and assess key risks, such as climate change, much more effectively. UGI will continue to disclose its performance on these environmental metrics annually.

UGI's ESG team works with members of the finance and environmental teams across the four businesses to capture and monitor environmental data. After the data is compiled by UGI's ESG team, it is reported to the leaders of all the businesses, senior management, and the Safety, Environmental, and Regulatory Compliance ("SERC") and Corporate Governance Committees of UGI's Board of Directors.

The 2018 - 2020 figures presented herein have been reviewed and verified by UGI's Internal Audit department. The Company plans to have independent, external assurance of its environmental data in future reports.



¹ Goal uses 2020 as the baseline year.

Reducing Our Emissions – Environmental Transparency and Accountability Are Vital to Tracking Progress Towards a Sustainable Future

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 Emissions¹

Indicator: Greenhouse Gas Emissions	2018 Results in Metric tons of CO ₂ equivalent	2019 Results in Metric tons of CO ₂ equivalent	2020 Results in Metric tons of CO ₂ equivalent
Total Scope 1 Direct Emissions	1,261,481	1,389,597	1,239,139

Scope 2 Emissions

Indicator	Reporting Unit	2018 Results	2019 Results	2020 Results
Scope 2 Indirect GHG Emissions	Metric tons of CO ₂ equivalent	684 ²	31,709 ³	31,149 ⁴
	Electricity usage only (kWh/year)	967,435	971,097	728,323

Scope 3 Emissions

UGI continues to enhance its disclosures and reporting metrics for our shareholders. Beginning in Fiscal 2020, we are now reporting on Scope 3 emissions for our International business unit. UGI International outsources approximately 80% of its distribution to third parties. These emissions are categorized as Scope 3 emissions and reported below.

UGI plans to enhance its data collection and reporting capabilities to enable future reporting of Scope 3 emissions across its Natural Gas businesses and AmeriGas. Scope 3 emissions for these businesses would include indirect emissions that result from our operations, such as business travel, employee commuting and customer usage, among others. Strategies to reduce emissions in these areas will be evaluated to enhance our efforts to reduce customers' emissions through energy-efficiency programs.

UGI International

Indicator: Greenhouse Gas Emissions	2018 Results in Metric tons of CO ₂ equivalent	2019 Results in Metric tons of CO ₂ equivalent	2020 ⁵ Results in Metric tons of CO ₂ equivalent
Scope 3 Emissions	N/A	N/A	60,528

¹ Scope 1 emissions do not include emissions from the Mountaineer acquisition, which is expected to close in 2021.

² Fiscal 2018 Scope 2 emissions comprised of only UGI Utilities.

³ Fiscal 2019 Scope 2 emissions comprised of UGI Utilities, AmeriGas, and the North and West regions of UGI International.

⁴ Fiscal 2020 Scope 2 emissions comprised of UGI Utilities, Midstream & Marketing, AmeriGas, and all regions (West, North, East and Central) of UGI International.

⁵ Beginning in Fiscal 2020, UGI International included all regions (West, North, East and Central) in its LPG footprint analysis.



Modernizing Facilities

The UGI and AmeriGas headquarters is LEED certified Silver, is served by a 60 kWp roofmounted solar photovoltaic energy system and features an electric car charging station.

In Fall 2020, UGI Utilities completed a new state-of-the-art solar carport at the Company's Denver, PA, headquarters. The array consists of 1,078 solar panels and works in tandem with the building's efficient CHP system. By generating an estimated 520 megawatt-hours of power annually, the array provides GHG emissions savings equivalent to removing 77 cars from the road each year, or planting 462 acres of trees.



When the sun is shining, UGI Utilities draws power from the solar array, and throttles down its CHP system to ensure maximum use of renewable energy. This is another step forward in UGI's commitment to reduce its carbon footprint.



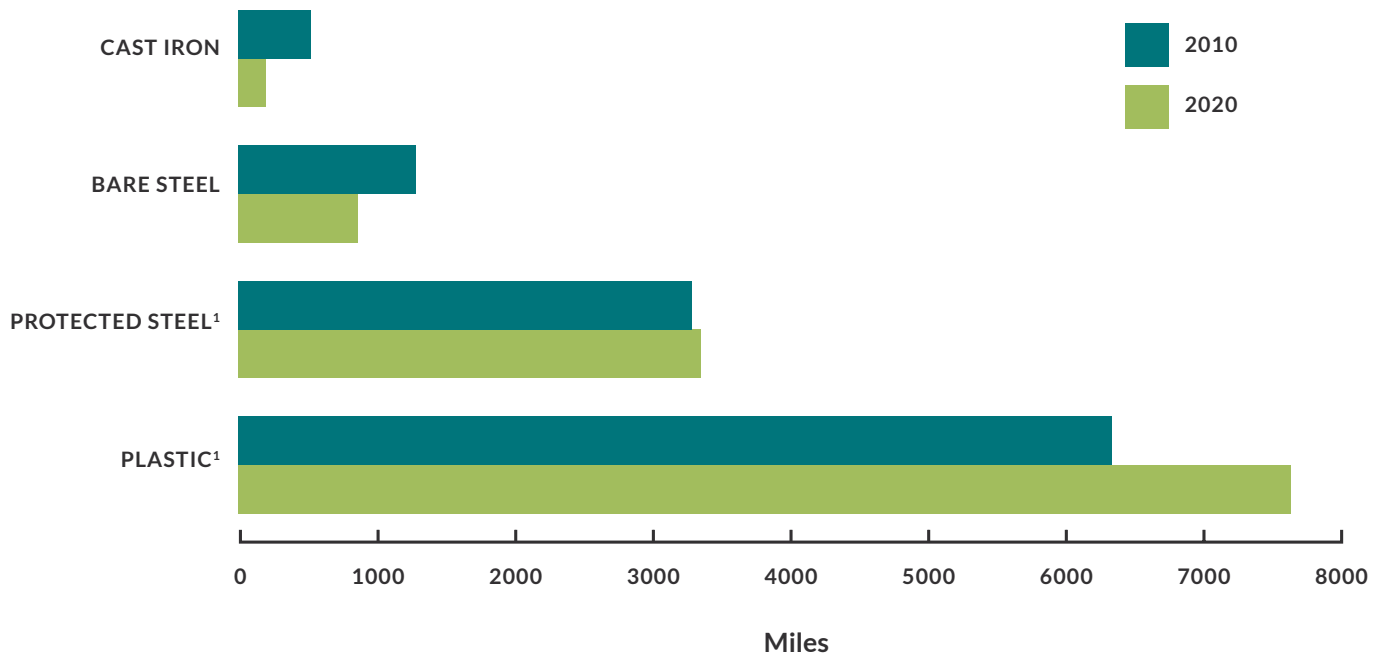
Committed to Methane Reductions

Increasingly, methane emissions have been a focus of both UGI and our stakeholders. We take methane emissions seriously and continue to work towards highly 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. Among the largest operators in the Commonwealth of Pennsylvania, UGI Utilities has the highest proportion of contemporary mains – nearly 90%. Through our pipeline replacement and betterment activities, investment in efficient assets, continuous improvement of our leak detection and repair programs, and other efforts, UGI Utilities' operational fugitive methane emissions decreased by 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.

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

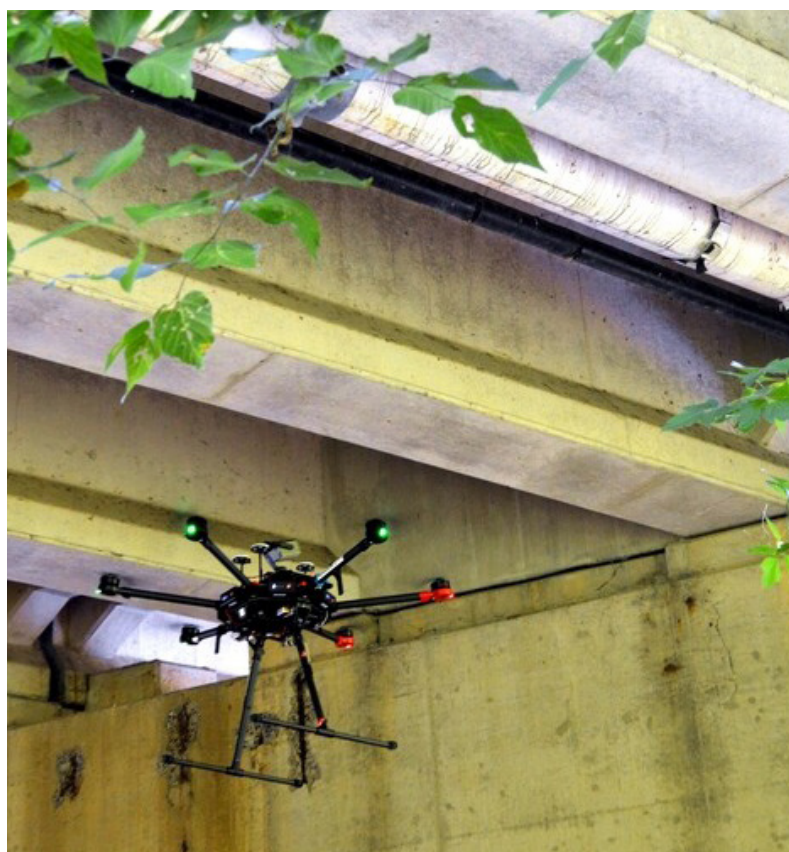


¹ This also includes pipes installed as part of new construction activities.



Leak Detection and Repair

<p>A Leak</p>	<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>Decreased nearly 17% over the last six years (2014-2020)</p>
<p>B Leak</p>	<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>Decreased over 85% over the last six years (2014-2020)</p>
<p>C Leak</p>	<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>Decreased over 46% over the last six years (2014-2020)</p>



Innovative Inspection Program Technology

UGI is utilizing drone technology to bolster inspection of its natural gas pipelines under bridges and rights-of-way, and for other environmental purposes. Drones can also be equipped with leak detection equipment. In addition to the reduced inspection costs, drones are safer, more convenient, and have virtually no carbon footprint compared to traditional inspections.



Air Quality

Not only is air quality an important contributor to climate change, it impacts our relationship with the communities in which we operate, especially as we continue to combat the effects of COVID-19. We recognize our responsibility to control air emissions, including nitrogen oxides, sulfur dioxide, volatile organic compounds, hazardous air pollutants, and particulate matter from our operations to minimize environmental risks and impacts to human health. UGI actively works to reduce air emissions by maximizing operational efficiency and ensuring compliance with federal and state requirements. All but Energy Services' Marshlands facilities operate near areas of dense population,¹ however, all of our facilities with an air permit are operating below our permit limits.



Indicator	2018 in tons	2019 in tons ²	2020 ³ in tons
NOX (nitrogen oxides)	515	714	674
SOX (sulfur oxides)	300	281	206
Persistent organic pollutants (POP)	de minimis	de minimis	de minimis
Volatile organic compounds (VOC)	34	89	81
Hazardous air pollutants (HAP)	24	48	46
Particulate matter (PM)	20	38	36

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

² Deterioration of 2019 air quality figures is attributable to the addition of compressor stations, expansion of gathering systems, and includes five months of UGI Appalachia system.

³ 2020 figures include the full year of UGI Appalachia system.

Water Management

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

UGI recognizes that climate change and increased periods of dry weather may lead to falling reservoir and ground-water levels, which could impact water availability and quality. Energy Services is the only business that uses water as a part of regular business activities, and that business attempts to minimize its use of fresh water. Our Bethlehem Propane Air and Hunlock 4 facilities use fresh water that comes directly from the municipal water authority and is then disposed of in an approved method (i.e. Bethlehem disposes of water in a storm drain and the Hunlock 4 facility water is expelled in the turbine exhaust as vapor). Our Hunlock Combined Cycle facility uses fresh water from the Susquehanna River for cooling and the water is then placed back into the river. UGI does not source fresh water from locations with high water risk due to the abundance of groundwater.

Water analysis is an important aspect of UGI Utilities' gas main construction. UGI takes into account water resources when developing an asset or planning a new pipeline right of way. As part of our detailed routing and construction process, we review routing options to minimize impacts to the environment, including water resources. In addition, 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 runoff that may occur. Additionally, we comply with all applicable regulations, including the Clean Water Act.

2020 Freshwater Withdrawn and Freshwater Consumed at Energy Services' Operations

(Thousands of Cubic Meters)

Facility	Bethlehem Propane Air	Hunlock Combined Cycle	Hunlock 4	Total
Total Freshwater Withdrawn ¹	0	15,107.36	0	15,107.36
% of Water Withdrawn from Locations with High or Extremely High Water Risk	0%	0%	0%	0%
Total Freshwater Consumed	0.78	86.33	7.46	94.57
% of Water Consumed from Locations with High or Extremely High Water Risk	0%	0%	0%	0%

¹ Freshwater withdrawn from river, but not consumed.

Reducing our Customers' Emissions – Affordability, Reliability and Responsibility

Customer Conversions

UGI predominantly markets and distributes natural gas and LPG. These two energy sources are cleaner than alternatives, such as coal and heating oil. In terms of power generation, natural gas emits 50% - 60% less CO₂ when compared to a typical coal plant. Converting customers from heavier hydrocarbons remains a driving factor behind our commitments to our stakeholders.

Over the past ten years, UGI Utilities has converted nearly 100,000 households to natural gas. The reduction in GHG emissions from these conversions is equivalent to removing more than 54,000 cars from the road for one year, resulting in nearly \$84 million in annual energy cost savings.

Energy Efficiency and Conservation (“EE&C”) Programs

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

Over the past three years, the UGI Save Smart Efficiency Rebate Program is responsible for saving 491,821 MCF of natural gas, resulting in 26,985 metric tons of carbon not entering the atmosphere. The program has issued over \$17.8 million in rebates to customers that have chosen to pursue energy efficiency upgrades.

UGI International also offers a range of financial incentives for individuals and businesses that are interested in energy savings projects, such as condensating boilers, insulation, and more efficient appliances.



Addressing School Energy Costs

UGI has assisted schools across its service territory with energy technology improvements. Misericordia University is a notable example as UGI has partnered with the school on a series of upgrades in recent years. This fall, UGI presented an additional \$100,000 EE&C rebate check to Misericordia for energy efficiency improvements made during the renovation and expansion of the University's Frank M. and Dorothea Henry Science Center (pictured).

Misericordia received the rebate through UGI's Gas EE&C Program. As part of the Henry Science Center construction project, which is being built to LEED Silver efficiency standards, the University installed high efficiency natural gas boilers and water heaters, as well as upgraded the facility's insulation. As a result of these measures, Misericordia will save more than 2.8 million cubic feet of natural gas each year.



Natural Gas Helps Fuel a “Greener” Greenhouse

UGI Utilities is supplying natural gas to BrightFarms’ 280,000 square-foot sustainable greenhouse in Selinsgrove, Pennsylvania. UGI constructed a natural gas main extension to help fuel the facility’s energy needs.

BrightFarms primarily relies on the power of sunshine to grow its greens, allowing light in and to heat passively. A top-of-the-line automated greenhouse management system then manages the facility’s state-of-the-art natural gas-fueled boilers.

In support of the project, UGI provided BrightFarms with a **\$29,500 EE&C rebate** for its installation of two high-efficiency boilers (pictured). The boilers, paired with the greenhouse management system, produce only as much heat as is required to supplement what the sun delivers.

BrightFarms uses hydroponic systems to grow fresh, local produce year-round. The Selinsgrove facility supplies over two million pounds of pesticide-free produce annually. By using water instead of soil, BrightFarms uses 80 percent less water, 90 percent less land, and 95 percent less shipping fuel than long-distance grown produce.

Combined Heating and Power

CHP systems, also known as cogeneration systems, generate electricity and useful thermal energy in a single, integrated system. Heat that is usually wasted in conventional power generation is recovered as useful energy, eliminating losses that occur when heat and power are generated separately. Cogeneration systems can operate at levels as high as 80 percent efficiency, compared to 45 percent with conventional methods. Most CHP projects have a natural gas engine or turbine radiating heat that is captured and used in a heating application. The heat is then used to drive an absorption cooling machine that produces cooling. The natural gas engine or turbine is coupled with an electric generator to produce electric power.

26
CHP
customers in
Fiscal 2020





Fleet Conversions

The demand for propane and CNG vehicle fleets continues to increase as an attractive alternative to traditional diesel vehicles. Propane fueled vehicles emit less carbon dioxide than diesel vehicles. Similar to propane, CNG burns more cleanly than diesel and can reduce emissions by as much as 90%. Reducing our fleet’s carbon footprint is an important aspect of our commitment to reduce GHG emissions. In Fiscal 2020, AmeriGas’ fleet was comprised of 278 LPG vehicles and is expected to add an additional 21 LPG vehicles in Fiscal 2021. UGI Utilities’ fleet was comprised of 114 CNG vehicles and is expected to add an additional 47 CNG vehicles in Fiscal 2021.

LPG & CNG Vehicle Summary

Business Unit	2018	2019	2020 ¹	2021 Estimate
AmeriGas	281	312	278	299
UGI Utilities	71	96	114	161

¹ The decline in LPG units from Fiscal 2019 to Fiscal 2020 is due to efforts aimed at sizing the fleet properly based on certain utilization standards. As a result, many older vehicles were disposed.

In addition, our Energy Services and Utilities teams have been working with customers to convert truck fleets to cleaner burning, affordable, and abundant CNG.

UGI Utilities also fuels the Lehigh and Northampton Transportation Authority (LANta) natural gas bus fleet, which had 54 CNG buses in 2020.

Investing in Alternatives

We see the potential to invest up to \$1 billion in renewable energy solutions over the next 5 years.

In Fiscal 2019, UGI communicated its commitment to incorporate renewable energy solutions, such as RNG and bio-LPG, into its supply portfolio. During Fiscal 2020, UGI made several investments demonstrating that commitment.



Landfill Gas Recovery

Methane and landfill gas consumption at Broad Mountain generation facility is approximately 1.7 million Dth per year, enough Dth to heat 22,484 homes

Compressed Natural Gas

Currently operate 12 public CNG facilities and supply natural gas to an additional 13 customer-owned CNG facilities



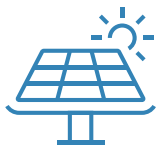
Renewable Natural Gas

Incorporated RNG into supply portfolio; acquired GHI Energy; invested in an RNG project in Idaho; signed an agreement with Archaea Energy, LLC, which will be the largest RNG supply point in the United States to date



bio-LPG

UGI International is supplementing its supply portfolio with bio-LPG. UGI International established a partnership with Ekobenz for the supply and development of renewable bio-LPG in Europe



Solar

80,503 MWh generated in Fiscal 2020. UGI and AmeriGas headquarters is served with 50 kW of power from a roof mounted solar PV energy system

Energy Marketing in Europe

In 2017, we acquired DVEP, a Netherlands based gas and electricity marketer, which marketed ~1Twh from renewable energy sources in Fiscal 2020



Our People

The Foundation of our Future

Safety

Safety is not only our top priority, it is one of our core values and 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. As of Fiscal 2018, safety is included as a component of the annual bonus calculation for executives and non-executives, reinforcing our commitment to safety across our organization.



Our Health, Safety, Security, and the Environment

(“HSE”) Policy provides the framework for integrating safety performance into our core business activities. UGI’s safety efforts begin with UGI’s Board of Directors, where the SERC Committee is responsible for the governance and oversight of environmental, health and safety matters, including compliance with applicable laws and regulations. The SERC 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.

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. Our safety programs are required to comply with both OSHA and industry-specific regulations.

Beginning in Fiscal 2021, UGI businesses began tracking Near Misses, which are defined as unplanned events that did not result in injury, illness, or damage, but had the potential to do so. UGI will report Near Misses in future ESG reports.



UGI Corporation¹

Indicator	2017	2018	2019 ²	2020 ²
Lost Time Injury Rate (LTIR) per 200,000 work hours – employees	1.59	1.52	1.31	1.28
Total recordable incident rate (TRIR) per 200,000 work hours – employees	4.12	3.49	3.52	3.08
Number of Fatalities – employees	1	0	0	0
Employee fatality rate per 200,000 work hours	0.0079	0	0	0
Number of fatalities – contractors	0	0	0	0

¹ Figures presented are consolidated across all businesses: UGI Utilities, Energy Services, AmeriGas, and UGI International

² 2019 and 2020 figures include UGI Appalachia



Fleet Safety

Employees of UGI’s businesses drove approximately 153 million miles in Fiscal 2020, which is less than the 167 million miles driven in Fiscal 2019. Part of the decrease is due to investments in efficiency through route optimization. While the total numbers of miles driven remains high, UGI is committed to lowering its year-over-year AVIs through a combination of technology enhancements, employee awareness, and training.

UGI Corporation¹

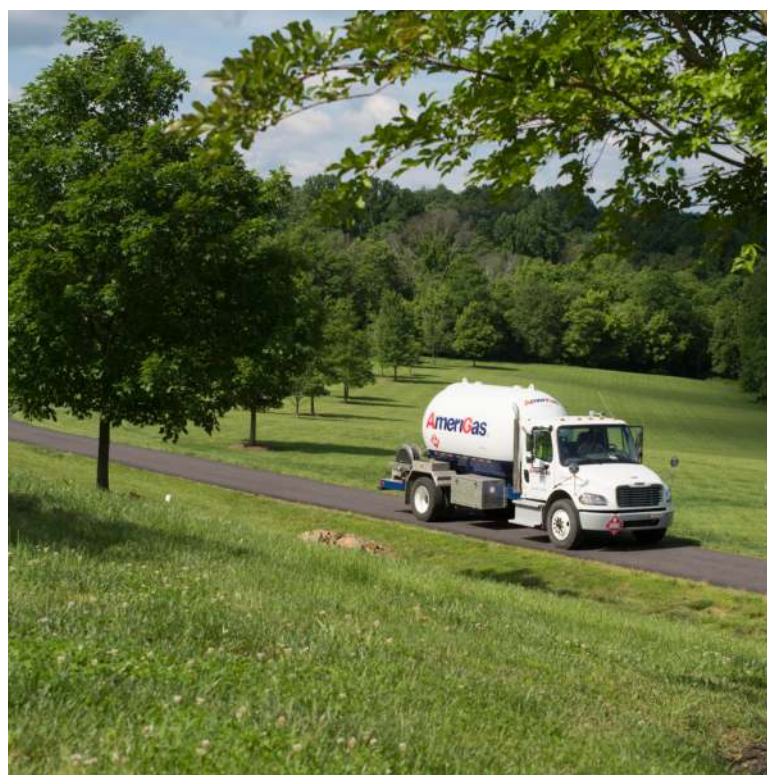
Indicator	2017	2018	2019	2020
Accountable Vehicle Incident Rate	5.2	4.26	4.16	2.96

¹ Figures presented are consolidated across all businesses: UGI Utilities, Energy Services, AmeriGas, and UGI International

Our Fiscal 2020 AVI rate decreased sharply when compared to Fiscal 2019 across our Natural Gas and Global LPG businesses, which drove a combined 153 million miles.

As part of our effort to continually improve fleet safety, we installed Fleetmatics on 100% of UGI Utilities’ fleet and 32% of UGI Energy Services’ fleet. Fleetmatics tracks vehicle location, speed, speed limit, acceleration, braking, cornering, and idle time.

AmeriGas requires DriveCams in all delivery vehicles, such as bobtails, ACE beverage trucks, cylinder trucks, and over the road tractors. 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 safe actions our team members take on a daily basis.



Contractor Safety

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

The UGI Utilities Contractor Safety Improvement team is in the process of implementing a Contractor Management System ("CMS"). The industry leading platform, ISNetworld, the same system utilized at UGI Energy Services, will be implemented to manage and track vendor performance in health, safety, environment, quality, and contract performance. The platform will facilitate improvements in leveraging this information across the Natural Gas line of business.



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 issues 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 Utilities 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.



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

UGI Utilities was recognized by the American Gas Association for leading practices related to emergency response. During Fiscal 2020, UGI Utilities' emergency response rate was 99.9% within 60 minutes, putting us in the top quartile compared to our peers. In addition, we had a record year and responded to 98.9% of emergencies within 45 minutes.



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. To further that objective, our LPG businesses are investing over \$200 million by the end of Fiscal 2022 to optimize our operations and build on our self-service tools and digital capabilities to promote a stress-free customer engagement.

Customer Experience

During 2020, the COVID-19 pandemic forced us to change the way we do business, but our commitment to meeting the needs of our customers did not change. As an essential service provider, our teams focused on providing the same level of safe, reliable, and dependable service to families and businesses who depend on us. UGI proactively communicated with our customers to share COVID-19 updates about our response, protocols, and resources through a variety of mediums, including our website, newsletters, emails, and social media. In addition, we promoted self-service features so that customers could easily conduct business with us from the security of their homes or businesses.

UGI evaluates the customer experience through various channels, including interactions with customer service representatives through the call center, direct mail, telephone, email, and online surveys. UGI believes customer feedback provides great insight into our operations and can focus our attention on areas that need improvement. We measure customer experience by the following metrics:

- reliability of customer deliveries;
- responsiveness of phone calls;
- customer retention and loyalty;
- availability; and
- variety and 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 the same 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.

UGI Utilities achieved “Most Trusted Brand” status for the third consecutive year in the 2020 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.

UGI International

Our teams are dedicated to providing excellent customer service. We review customer feedback daily and proactively contact customers regularly to ensure customers are receiving their expected level of service. We monitor our performance through a Net Promoter Score (“NPS”). NPS is a focus at all levels of our organization, from the front lines to the CEO.

Customer Assistance

The COVID-19 pandemic has had a significant impact on the economy and the families and businesses we serve. UGI Utilities continued to assist customers experiencing difficulty in paying bills with its flexible payment programs, Customer Assistance Program (CAP), as well as providing donations to qualifying customers from its Operation Share Fuel Fund. In addition, on March 13, 2020, UGI suspended the disconnection of natural gas or electric service due to non-payment of bills in line with guidance and direction received from Pennsylvania government authorities. Beginning March 25, 2020, and continuing in force as of the date of this publication, UGI Utilities continues to waive Late Payment Charges for accounts identified as having a household income at or below 300% of the Federal Poverty Level.

We understand that there are times when our customers need additional assistance. UGI is committed to helping customers who make a sincere effort to pay their bills, which is 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 support our customers when they need us the most.

- **CAP** – offers special reduced payment plans and debt forgiveness based on a customer’s income and usage.
- **Low-Income Usage Reduction Program (LIURP)** – is 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.
- **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.
- **Low-Income Home Energy Assistance Program (LIHEAP)** – is a federal program that offers financial assistance to qualified income-eligible customers.
- **Customer Assistance and Referral Evaluation Services (CARES)** – provides referrals to community-based agencies and programs for those in need during a temporary crisis.

Additional information can be accessed at 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 \$140 million of permanent annual savings that will be realized by the end of Fiscal 2022 and delivered through accelerated investments in:

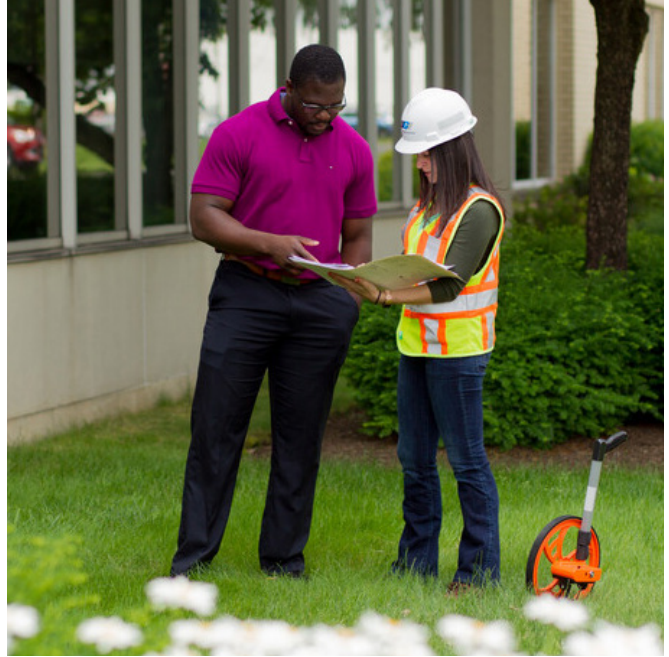
- customer digital experience;
- customer relationship management;
- operations process redesign and specialization;
- distribution and routing automation;
- sales effectiveness;
- procurement and general and administrative; and
- supply and logistics.

Similar initiatives are underway at UGI International to identify synergies across all 17 European countries in which we operate 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 center will be focused on commercial excellence to identify and execute projects to continuously improve our customer experience and the other center will be focused on operational excellence across our distribution network and filling plants. UGI International has identified over €30 million of permanent benefits by Fiscal 2022.

Data Privacy

UGI understands the importance of protecting our stakeholders' personal information and privacy, and 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. 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; and
- training employees in the proper handling of personal data.





Our Employees

Diversity Governance

At UGI, 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 a diverse and inclusive workforce to create greater value for all. 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. UGI has several policies that reinforce our commitment to an inclusive workplace.

Our Code of Business Conduct and Ethics (the “Code of Conduct”) includes expectations related to our work environment, including guidelines to prevent workplace harassment. We recently launched enhanced Code of Conduct training, as well as Diversity & Inclusion training for all employees. UGI continues to increase its focus on representation of women and people of color across our businesses with a goal that our workforce represents the communities in which we operate.

UGI is an equal employment opportunity employer. We comply with all applicable employment-related laws and regulations and do not tolerate discrimination against anyone based on characteristics protected by law, such as; age, race, religion, gender, color, national origin, veteran status, disability, and sexual orientation.

We are proud to report that in 2020, UGI proactively increased domestic hourly employees pay rate to a minimum of \$15/hour.

In addition to the Code, 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 in our working relationships and the reporting of improper conduct; and ensuring that employees are treated fairly with respect to all aspects of their employment. In support of these efforts, UGI provides Anti-Discrimination/Anti-Harassment training.

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 in our working relationships and the reporting of improper conduct; and
- ensuring that employees are treated fairly with respect to all aspects of their employment.



Diversity in the Workforce

In Fiscal 2020, UGI's leadership team recommitted to creating a culture of belonging, inclusion, diversity, and equity to further promote and maintain a diverse workplace through recruitment, training, education, and leadership development.

UGI has launched several initiatives to foster diversity and inclusion and to support diverse segments of our workforce.

BIDE

In Fiscal 2020, UGI introduced the BIDE Initiative, which is designed to enhance and expand UGI's efforts to be "part of the solution" in creating a workplace culture where differences in cultural perspectives, life experiences, and differences in viewpoints are nurtured. We believe UGI's BIDE Initiative helps align our core values (safety, integrity, respect, sustainability, reliability, and excellence) with leadership's actions and our employees' work environment.

UGI's Core Four – Belonging, Inclusion, Diversity and Equity (BIDE)



UGI continues to support the activities of Employee Resource Groups:

BOLD

Black Organizational Leadership & Development ("BOLD") is focused on inclusion, equity, education, and empowerment for black employees and their allies, and will assist leadership with communication, talent recruitment and retention, and development opportunities for black employees. BOLD will focus on professional development by creating mentoring opportunities, increasing exposure through networking and career development events, broadening our outreach to black talent, and sponsoring activities such as lectures featuring distinguished speakers. The group aims to support and promote UGI's BIDE Initiative by providing cultural insight from an employee, customer and community partner perspective.

WIN

Women's Impact Network ("WIN") is an organization that aims to foster an environment for women and their allies to be recruited, retained, developed, and advanced as leaders within the UGI Family of Companies. Membership in WIN offers exposure to various professional development opportunities, including speaker series events, group engagement activities, virtual group discussions, and partnerships with local organizations. WIN was first established at AmeriGas and introduced to UGI employees in 2020.

VET

UGI believes that veterans play a vital role in building a diverse and collaborative workplace. The **Veteran Employee Team ("VET")** focuses on recruiting and retaining veterans, as well as creating growth for and goodwill towards military veterans. VET members include Active Duty, Reserve, and National Guard veterans of the Army, Navy, Marines, Coast Guard, and Air Force, their families, and partners committed to supporting military veteran employees. Similar to WIN, VET was first introduced at AmeriGas and was expanded in 2020 to UGI. UGI's focus in 2021 is to implement existing, and potentially new, VET initiatives that align with UGI's culture and priorities.

Diversity Strategy

UGI strives for diverse representation at all levels of its business.

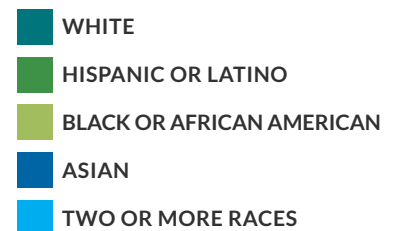
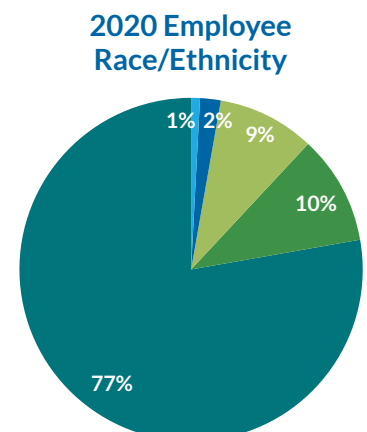
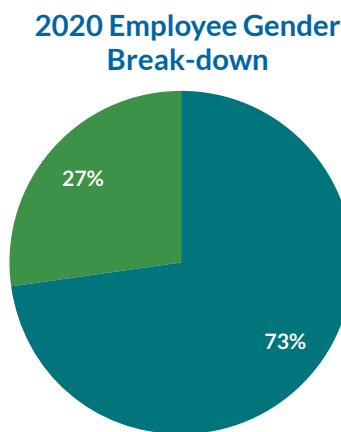
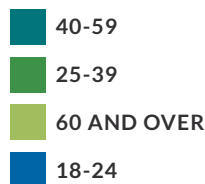
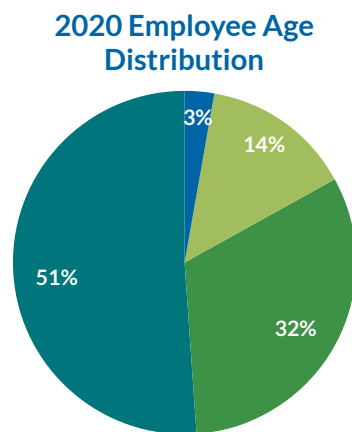
We believe that Board diversity is critical to effective governance. In assessing Board composition, UGI ensures that our Board has the right mix of background, experience, and diversity of perspectives to support our business. In assessing director candidates, UGI considers a number of qualifications, including independence, knowledge, judgment, character, leadership skills, education, experience, financial literacy, standing in the community and the ability to foster a diversity of backgrounds and views. We look to complement the Board's existing strengths, recognizing that diversity is a critical element to enhancing board effectiveness.

Similarly, **we believe diversity of management is crucial to position our business for continued success.** UGI is proactively expanding its reach to ensure active consideration of diverse candidates for all leadership positions and continues to be committed to ensuring that we are considering all qualified applicants in our hiring process.

Women currently represent 35% of UGI's corporate officers.

As part of our continued commitment to enhancing opportunities for diversity in our workforce, all executives have a D&I component in their annual bonus plan effective Fiscal 2021. The executive team will be evaluated on the effectiveness of the Company's development of a multi-dimensional strategy to deepen and improve the organization's commitment to D&I, supporting the Company's BIDE initiative, and establishing a roadmap to achieve excellence in D&I and brand UGI as an employer of choice for diverse candidates.

Workforce Demographics¹



¹ Workforce Demographic data is only for UGI's domestic business units.

Talent Management

As of September 30, 2020, UGI and its subsidiaries had more than 11,200 employees worldwide. Our Human Resources team is responsible for enabling the attraction and retention of high quality talent and supporting management in fostering 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 providing appropriate training that provides growth, developmental opportunities and multiple career paths. In addition to technical training, UGI provides tuition reimbursement, online learning through LinkedIn learning, and leadership development through UGI University and UGI Academy to promote professional development for our employees.

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.



Human Library Organization

UGI recently established a partnership with the Human Library Organization, a global not-for-profit learning platform that hosts personal conversations designed to challenge stigma and stereotypes and create a safe space for dialogue where topics are discussed openly between "human books" and their readers. The Human Library is a thought leader when it comes to Diversity & Inclusion in the workplace, partnering with companies that are committed to incorporating social understanding and cultural awareness as a part of their business model in relation to their workforce, partnerships, clients and customers. UGI has also committed to a sponsorship role with the Human Library for the creation of a digital learning platform that will expand access to the Human Library's offering across the globe.

Our Communities

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

In 2020, UGI employees continued this tradition of community support by donating over 37,000 hours to community-based organizations. More than 550 employees volunteered these hours and participated in a variety of activities such as helping students with 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.



Philanthropy Award

UGI was recognized by the Philadelphia Business Journal as a winner of the 2020 Faces of Philanthropy Awards Program for its sponsorship with the Museum of the American Revolution. UGI has sponsored the Museum of the American Revolution's citizenship program since its inception three years ago. The program aligns with our BIDE Initiative by providing educational support for individuals applying and studying for their citizenship exam with the ultimate goal of enabling their full participation in our democracy.



Helping from Home

UGI began its Helping from Home initiative in April 2020 as employees found innovative ways to make a difference in their communities during the COVID-19 pandemic. These efforts include donations to community response funds and food banks, giving blood, supporting Customer Assistance Programs, providing educational resources for children, recognizing military service, making masks with home sewing machines, creating face shields from personal 3D printers, and donating to medical professionals.



Rooted in Education

UGI has a long history of supporting education in its communities. We believe that 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 include:

- **Early Childhood Literacy** – UGI has partnered with Reading is Fundamental (“RIF”) for 30 years. The program provides more than 50,000 books to more than 18,000 first-grade students each year. UGI has distributed more than 1 million books to first graders throughout our service area, which spans the Commonwealth of Pennsylvania and parts of Maryland.
- **STEM (Science, Technology, Engineering, Mathematics)** – Recognizing the continuing need for skilled, technical workers across the economy, UGI supports 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 that students with a strong career focus are more academically engaged and less likely to drop out of school. UGI employees participate in programs focused on specific careers, mentoring, and other activities designed to help students identify educational and work options, such as Berks County’s Students Interacting with Business.

United Way

UGI has partnered with its local United Way for nearly 100 years, beginning in 1922 when the United Way of Greater Philadelphia ran its first workplace campaign in our region. The longstanding partnership between UGI and the United Way stands as an enduring tribute to both organizations. Each year, UGI employees coordinate a campaign designed to raise funding for the United Way and its mission of addressing community needs. Since 1995, annual employee giving has increased 500% and the average employee participation rate is approximately 90%.

In 2020, UGI employees set a record for total dollars pledged to the local United Way, with contributions in excess of \$1.2 million.

UGI's commitment to the United Way and its mission 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.



Diversity in our Supply Chain

We have a responsibility to manage our activities and business relationships within our supply chain in a way that positively impacts our communities and supports diverse businesses. The first step in this process is to offer all suppliers a fair opportunity to participate.

Diverse suppliers increase competition in the marketplace, improve savings, enable innovation, and benefit our customers, communities, and employees. UGI is committed to increasing our work with qualified and certified diverse suppliers, which are measured by majority of ownership and control and include one or more of the following classifications:

- Minority-owned Business Enterprise (MBE)
- Women-owned Business Enterprise (WBE)
- Veteran-owned Business Enterprise (VBE)
- Person with Disabilities-owned Business Enterprise (PDBE or DISABLED)
- Lesbian, Gay, Bisexual, Transgender-owned Business Enterprise (LGBT)

In order to provide the appropriate leadership and focus in this area, UGI created a new position, the Global Head of Supplier Diversity & Responsible Sourcing, within UGI's Procurement Organization to improve UGI's overall spending with diverse suppliers. In January 2021, UGI appointed Alisa E. Harris to this position.



To further reinforce UGI's commitment to supplier diversity, UGI established an objective to improve spend with diverse Tier I and Tier II suppliers by 25% by 2025.

Diversity in Our Communities

As part of the BIDE Initiative, UGI established new partnerships with the Urban Affairs Coalition and Big Brothers Big Sisters, and committed \$500,000 to partner organizations in our communities to combat racial inequality and systemic racism.

Additionally, UGI recently made a gift of \$300,000 to Penn State Harrisburg to support educational equity and diversity in science, technology, engineering, and math ("STEM") education programs. A \$250,000 donation, which was matched by the University, created the UGI Diversity, Equity and Inclusion Scholarship. To enhance UGI's endowed scholarship, UGI contributed an additional \$50,000 to create the Diversity and STEM Advancement Program Fund. This non-endowed fund will provide annual support for five years to enrich both diversity and STEM initiatives at the college.





Governance

Strong corporate governance is essential to creating long-term value and safeguarding UGI's commitments to its stakeholders. Our Board of Directors (the "Board") is responsible for overseeing overall Company performance, and Individual board members are kept informed about the business through discussions with the chief executive officer and other senior officers, Board and Committee meetings, and quarterly reporting. The Board ensures that our Company has a clear purpose, strategic and operational direction, and effective management, taking into consideration economic circumstances along with regulatory and legal requirements. In Fiscal 2020, UGI's Board met 7 times. All directors attended at least 75 percent of the meetings of the Board of Directors and Committees of the Board of which they were members.

We believe that a diverse Board is critical to achieving our mission of being the preeminent energy distribution company in our targeted markets as well as to maintaining strong governance practices. We evaluate Board diversity by considering a broad range of attributes, including, without limitation, independence, knowledge, judgment, character, leadership skills, education, experience, financial literacy, standing in the community and the ability to foster a diversity of backgrounds and views and to complement the Board's existing strengths.

Our Board is representative of a diverse range of experiences, perspectives, skills and qualifications that align with UGI's long-term strategy. As of January 29, 2021 (our most recent annual meeting of shareholders), our Board was comprised of 10 members, nine of whom are independent as defined under the rules of the New York Stock Exchange.

Our Board members have relevant experience in the following areas:





Key Statistics About Our Board’s Composition



¹ Average tenure is calculated as of January 29, 2021. For directors who were appointed in 2020, their average tenure was calculated as a proration based on their month of appointment.



Retirement Announcement

Marvin O. Schlanger recently retired from the UGI Corporation Board of Directors after 23 years of service. Throughout his tenure, Marv’s dedication and valuable guidance have had a profound influence and impact on our company’s direction and success. We would like to thank Marv for his many years of service and his contributions, vision, and dedication to UGI. We wish him all the best in his retirement.

ESG Governance

Our Board is responsible for ESG issues and oversight as they overlap with issues considered by the Board or the respective Board Committees. However, ESG-specific oversight lies with our Corporate Governance and SERC Committees. The Corporate Governance Committee is responsible for overseeing the Company’s strategy regarding sustainability policies, disclosures, and practices, including corporate social responsibility and receives updates on ESG-related matters at least quarterly. The SERC Committee is responsible for reviewing and monitoring compliance of the Company’s environmental, health and safety performance, including reviewing key metrics and compliance with applicable regulations.

In Fiscal 2020, the Board considered sustainability topics relating to safety, environmental issues, human capital and cybersecurity, among others.





Shareholder Relations

UGI actively engages with its shareholders across a variety of platforms and mediums to communicate our viewpoints and performance on topics that influence our business results, including the ways in which we plan to achieve our commitment to grow our EPS by 6-10% and increase our dividend by 4% per annum over the long-term. We believe our disclosure practices and communications are designed to provide our shareholders with Company information that is accurate, timely and meaningful.

The following examples highlight some of the many ways we engaged investors during Fiscal 2020:

- Members of our executive management team attended 6 investor conferences and 12 non-deal roadshows.
- Executive management participated in over 40 individual investor meetings.
- UGI hosted its Bi-Annual Investor Day (“The Foundation of a Renewable Energy Future”), which highlighted the Company’s focus on being a differentiated renewable energy solutions provider, our Global LPG and Natural Gas strategies, and an overview of our financial performance.
- UGI completed two investor perception studies through a third party that included in-depth interviews with nearly 50 investors and analysts. The results of the study will influence how we manage shareholder relations in 2021. Beginning in Fiscal 2021, UGI will be hosting semiannual Investor Days, slated for June 2021 and December of 2021.

In addition to the foregoing, UGI provides various other forums that encourage shareholder dialogue. We host quarterly earnings webcasts and conference calls that enable our executive management team to highlight key quarterly performance drivers, provide forward-looking information relating to our business and allow shareholder questions and comments. Shareholders are also able to contact our Investor Relations team by phone or email and may communicate directly with our Board by contacting our Corporate Secretary or Board Chair.

Finally, UGI recognizes the importance of sustainability topics to our stakeholders and, accordingly, has increased our focus on ESG-related topics over the last several years. In 2019, UGI began publishing annual ESG reports that provide investors and other stakeholders with information relating to our ESG performance. We recognize that ESG matters can significantly affect a company’s long-term financial value, and we believe transparent communication regarding our performance in these areas is vital. Accordingly, during Fiscal 2020, UGI engaged several of our largest active and passive shareholders, representing approximately 20% of our outstanding common stock, to request feedback on our ESG reporting. We used this feedback to enhance our overall disclosure in this report, particularly around issues relating to diversity and inclusion, Board composition, and climate-related risks and opportunities. In Fiscal 2021, UGI will provide disclosure pursuant to the CDP questionnaire, which includes additional information relating to climate change impacts to our business and strategy.

Government Relations

The UGI Family of Companies supports public policy that furthers our ability to provide reliable, affordable and sustainable energy to our customers and that allows us to operate responsibly, efficiently, safely and economically. UGI also believes in operating transparently, including in its public policy engagement and lobbying activities, and commits to conducting our operating activities in accordance with applicable laws and regulations.

UGI engages in lobbying activities and participates in trade associations that educate and address issues that impact our Company. Additionally, through our political action committees (“PAC”) – the UGI Corporation PAC and the UGI Utilities, Inc. and UGI Energy Services, LLC PAC – the Company makes political contributions. Membership in both PACs is open to all employees.

All PAC and lobbying expenditures are reported in compliance with federal and state laws and regulations. Pennsylvania lobbying reports are publicly available and can be accessed at any time through the Pennsylvania State Department website. Likewise, all activity related to UGI’s federal PAC (the UGI Corporation PAC) and, our state PAC (the UGI Utilities, Inc. & UGI Energy Services, LLC PAC), are available to the public through the Federal Election Commission and the Pennsylvania State Department Campaign website, respectively.

Enterprise Risk Management and ESG

UGI’s Enterprise Risk Management (ERM) program pursues risk management objectives that are guided by a framework comprised of three main components: Governance, Tactical and Strategic.





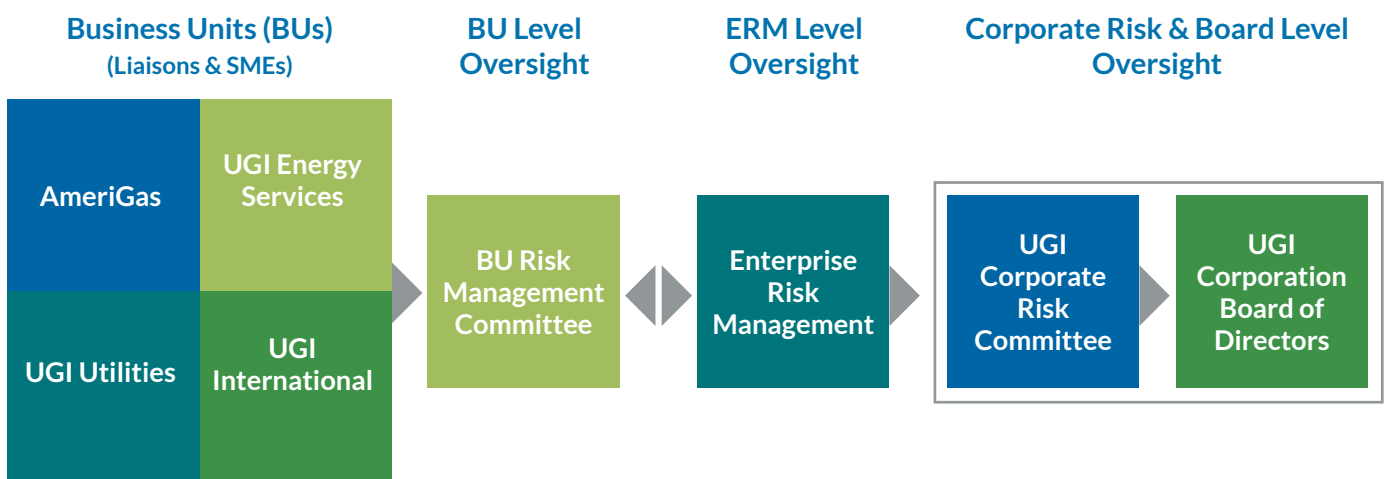
Each of these framework components has specific goals that have guided focus areas and led to the creation of risk policies, oversight, assessments, monitoring and reporting as well as risk analytics and benchmarking. This framework has allowed UGI to create a clear line of sight for our oversight committees at the business unit, corporate, and Board levels. A consistent cadence of risk committee meetings, typically quarterly at the business unit and corporate levels, helps to highlight risk mitigation strategies and prioritize risk topics that may need to be addressed in a timely manner.

By consistently applying a well-defined enterprise-wide methodology, our ERM program actively engages with the business units and facilitates discussions to accomplish specific risk assessments and mitigation goals that are

aligned with each business unit's strategic objectives. In addition to known risks in the strategic, operational, technological and regulatory categories, the ERM group 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 then develops mitigation strategies accordingly. 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 various risk management committees. The ERM process informs the risk factors included in our public filings.

The flow chart below describes the various oversight levels identifying and monitoring ESG risks throughout the organization. The cadence of risk management committee meetings provides a good forum for ESG risk discussions and prioritization of action plans.





Climate-Related Risk

UGI distributes energy products and solutions, primarily fossil fuels. As such, the move to a lower carbon economy presents both opportunities and risks to the Company. Employing our existing risk assessment methodology and framework, the Enterprise Risk Management group has identified a number of potential enterprise level risks that are influenced by climate change.

We bucket our enterprise level climate risk into the following three areas:


- **Supply Chain Risk** – disruption to supply chain infrastructure due to increased severity of extreme weather events can hamper our ability to deliver energy products to our customers in a timely manner as well as impact our procurement of energy supply.
- **Physical Asset Safety & Security Risk** – extreme weather events such as hurricanes and flooding can impact our physical assets such as LPG terminals, LNG facilities and gas pipeline infrastructure, which could negatively affect our reliability.
- **Weather Risk** – uncertainty and extreme variability in weather patterns and rising temperatures induced by climate change affects demand volumes for our energy products, particularly in the winter months.


We have identified key risk drivers, controls, gaps and action plans for each of the three climate change risk areas mentioned above. The proposed action plans and business initiatives have also been discussed with the business units and communicated to the risk oversight committees.

In Fiscal 2021, UGI's ERM program is extending the risk management framework to specifically address climate risk, particularly in identifying key drivers and action plans to address short- and long-term impacts to the Company. UGI will prioritize the climate-related risks and establish pathways to design and align mitigation actions for each risk. In any de-carbonization effort, transition risks are likely to gain prominence as UGI moves to address opportunities and risks resulting from climate change. A transition risk framework approach will need to be considered to formally implement the de-carbonization strategies and to better understand both the benefits and impacts of climate change. We think this formal approach will position UGI to identify and address emerging risks and position the Company to capture any emerging opportunities. The types of climate-related risks within the transition risk framework will generally fall into such categories as Market & Technology risks, Policy & Legal risks and Reputation risk. The identified risks within our current ERM assessment that reflect potential transition risks with climate change as a potential driver are:

- **Market Decline** – the risk of a secular decline in the size of our addressable market due to newer and cleaner emitting energy technologies that may be available to our customers as well as their increased preference to align in support of climate related initiatives in their respective regions.
- **Regulatory and Legislative Environment** – risk of changes to our energy delivery processes and energy supply mix to comply with emerging climate-related regulations and rules in the geographic regions and countries in which we operate that may potentially impact compliance and operating costs.
- **Competition** – risk of increasing competition in our business landscape where our competitors may have adopted promotion of cleaner and economical energy technologies and capture a portion of our market share.

A formal assessment of the materiality of climate-related risks, identification of a range of relevant scenarios, evaluation of business impacts, and identification of potential responses will constitute our focus within the development of the transition risk framework.





We have identified important demand and safety concerns that could impact our business in the event of ongoing climate change:

- decreased demand for our products and services driven by 10% to 20% warmer winters relative to a baseline scenario of normal winters; and
- safety concerns and additional costs to create a safer working environment related to 10% to 20% increases in summer extreme heat days (95 Deg F or higher) on our productive working hours.

Specifically, climate-related risks include an increased focus on emissions, compliance with applicable and proposed environmental legislation (such as the Regional Greenhouse Gas Initiative), regulations, asset integrity, and changing consumer preferences. These risks are considered as part of UGI's overall business strategy and financial planning.

Board Role in Risk Management and ESG Efforts

UGI's Board oversees ESG-related risks, including the effectiveness of the Company's ESG-related risk management and the manner in which management allocates appropriate resources to ESG matters that are material to UGI. To promote management accountability in these areas, the Board recently initiated compensation-related goals that align with critical ESG initiatives, including safety and diversity and inclusion.

UGI's Board Committees also play a key role in evaluating ESG strategy, risk, and progress. The Corporate Governance Committee is responsible for overseeing the Company's strategy regarding sustainability policies, disclosures, and practices, including social responsibility. The SERC Committee is responsible for overseeing the Company's safety, environmental and regulatory compliance policies, programs, procedures, initiatives, and training.

In addition, the Audit Committee of UGI Corporation's Board of Directors (the "Audit Committee") oversees the activities and processes within the ERM program. Accordingly, the ERM group periodically updates the Audit Committee on risk assessments and risk profiles of the business units, metrics on key risks, ERM benchmarking information, as well as maturity and progress of the ERM program. The Audit Committee also provides guidance on prioritizing specific items with the ERM maturity model, within which the ESG/ERM integration forms an important priority for UGI.

ESG Leadership

In January 2021, UGI created an ESG team with a dedicated officer-level position to lead its ESG initiatives. The newly-formed ESG team led by Brendan M. Heck will help drive sustainability efforts across the Company and enhance the quality of disclosure and reporting.

Code of Conduct

UGI's [Code of Business Conduct and Ethics](#) expresses our commitment to integrity. It summarizes our expectations and standards for ethical behavior and helps us navigate an increasingly complex world. Our Code of Conduct applies to all employees of UGI Corporation and its subsidiaries, as well as our Board of Directors and Company officers. We also expect our third-party consultants, contractors, vendors, and service providers to live up to the expectations outlined in our Code of Conduct.

UGI also maintains an Integrity Helpline as a vehicle for reporting, which may be anonymous, of known or suspected compliance and/or ethics violations. The hotline, which can be accessed by phone or via a secure website, is operated and administered by a third party and available 24 hours a day, seven days a week.

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, and we expect our employees to be strong ethical community partners by fostering positive relationships wherever we do business.

Our [Human Rights Policy](#) outlines UGI's commitment to respect human rights and includes expectations related to workplace discrimination, diversity and inclusion, workplace conditions and freedom of association. Our commitment applies to all employees and others working on UGI's behalf.

UGI strives to respect human rights through our supply chain by partnering with suppliers that share our corporate values in the areas of human rights and labor, respectful treatment and equal opportunity, anticorruption, and environmental sustainability.



Supplier Code of Conduct

Recognizing our responsibility for greater accountability of our suppliers, UGI developed its [Supplier Code of Business Conduct and Ethics](#) (the "Supplier Code") in Fiscal 2020. The Supplier Code outlines our expectations and requirements for all suppliers of UGI and/or UGI affiliates.

Cybersecurity

UGI's cybersecurity programs have been developed to protect and preserve the confidentiality, integrity and availability of all information owned by, or in the care of, the Company. The cybersecurity teams work diligently to safeguard company and customer data by applying layered and defensive mechanisms to proactively provide the security needed to detect and defend against attacks and to withstand potential impacts.

As cybersecurity risks continue to evolve, it is imperative that UGI frequently assesses our capabilities and embraces a mindset to continuously improve our security programs. Cybersecurity assessments are conducted against industry cybersecurity frameworks to assist with prioritizing actions and investments to enhance our cybersecurity capabilities. UGI partners with other companies, industries, and law enforcement to communicate information about the latest cyber threats and to leverage threat modeling insights.

UGI maintains a robust response and recovery program to ensure our Company's cyber incident response plan provides controls and procedures for timely and accurate reporting of any material cybersecurity incident. Cybersecurity training is monitored and tracked for all employees on an annual basis. In addition, special training is offered monthly to educate users on social engineering techniques.

UGI continues to remain focused on increasing cybersecurity awareness through key risk indicators, targeted awareness exercises, and the implementation of additional technologies to enhance our cybersecurity capabilities.

Appendix

Scope 1 Direct Emissions

Indicator: Greenhouse Gas Emissions	2018 Results in Metric tons of CO ₂ equivalent	2019 Results in Metric tons of CO ₂ equivalent	2020 Results in Metric tons of CO ₂ equivalent
Utilities	187,043	183,856	164,981 ¹
Midstream & Marketing	1,074,438	990,393	863,111
AmeriGas	N/A	199,302 ²	196,928
UGI International	N/A	16,046 ³	14,119 ⁴
Total Scope 1 Direct Emissions	1,261,481	1,389,597	1,239,139

¹ Scope 1 emissions do not include emissions from the Mountaineer acquisition, which is expected to close in 2021.

² AmeriGas' 2019 Scope 1 emissions differ from what was reported in UGI's 2019 ESG report titled, Today's Energy Tomorrow's World, to better align with UGI International's emissions factors.

³ UGI International LPG footprint includes the West and North regions which make up ~85% of UGI International's Net Income.

⁴ Beginning in Fiscal 2020, UGI International included all regions (West, North, East and Central) in its LPG footprint analysis.

Scope 2 Indirect Emissions

Indicator	2018 Results in Metric tons of CO ₂ equivalent	2019 Results in Metric tons of CO ₂ equivalent	2020 Results in Metric tons of CO ₂ equivalent
Utilities	684	317 ¹	368 ¹
Midstream & Marketing	N/A	N/A	3,542
AmeriGas	N/A	29,802	21,925
UGI International	N/A	1,590 ²	5,314 ³
Total Scope 2 Indirect Emissions	684	31,709	31,149

¹ Updated Utilities emissions factors to align with Global LPG businesses.

² UGI International LPG footprint includes the West and North regions which make up ~85% of UGI International's Net Income.

³ Beginning in Fiscal 2020, UGI International included all regions (West, North, East and Central) in its LPG footprint analysis.

Indicator	2018 Electricity usage only (kWh/year)	2019 Electricity usage only (kWh/year)	2020 Electricity usage only (kWh/year)
UGI Utilities	967,435	971,097	728,323

Report Assurance

The UGI Internal Audit Department performed a review of the 2020 UGI Environmental, Social and Governance Report and submitted the following statement:

UGI Corporation Management engaged Internal Audit to provide limited assurance over the accuracy of selected information presented in this year's ESG report. The preparation and presentation of the information are the sole responsibility of Management. Internal Audit was not involved in defining the reporting criteria or drafting the report. Internal Audit's responsibilities were to:

- Provide limited assurance over the accuracy of the source information used to disclose metrics within this report;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions to UGI Corporation Management.

Internal Audit reviewed the ESG topics identified as most relevant to UGI's investors, including environmental and diversity & inclusion. Based on the inquiries and procedures performed, nothing came to our attention to indicate that the environmental and diversity & inclusion information presented in the 2020 UGI Environmental, Social and Governance Report is materially misstated.

Conclusion

Thank you for your support and interest in UGI Corporation's third 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.

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**2020 Environmental, Social
and Governance Report**

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