

TRANSPARENCY, ACTION, AND PROGRESS

2021 ENVIRONMENTAL, SOCIAL,
AND GOVERNANCE REPORT



UGI CORPORATE
SUSTAINABILITY





INTRODUCTION

This is UGI Corporation's ("UGI") fourth 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 "Transparency, Action, and Progress."

In this report, UGI will build upon prior reports and highlight progress across a number of key environmental, social, and governance issues. We remain committed to openly communicating our goals and progress as we continue to evolve and enhance our ESG reporting and strengthen our position as a sustainable organization.

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 manner 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 statements and other public disclosures in order to meet our constituents' broader need for information. To help with this process, UGI is working toward disclosure of material ESG factors. Last year we completed our first Carbon Disclosure Project ("CDP") questionnaire and intend to release our first Task Force on Climate-Related Financial Disclosures ("TCFD") aligned climate report in Fiscal 2023. We also completed our second materiality assessment to ensure we are focusing our attention on the most relevant issues to both our business and stakeholders.

We continue to build data collection protocols and reporting platforms across our business portfolio to supplement our disclosures over time. Information in this report covers UGI's 2021 Fiscal Year (October 1, 2020 to September 30, 2021) unless otherwise indicated. In addition, we will provide periodic updates on our ESG performance through our website.



CONTENTS

Introduction	2
Letter From the CEO	4
Our Business	6
Mission, Vision & Values	8
Our Commitments	10
Materiality	14
A Year of Innovation & Progress	16
Environmental	26
Social	42
Governance	58
Appendix	68
GRI Index	69
Report Assurance	76

FROM THE CEO

I am excited to introduce our fourth ESG report titled “Transparency, Action, and Progress,” or as we are calling it, the TAP Model. We have spent the past few years navigating the evolving expectations of our stakeholders and determined that an ESG program rooted in transparent dialogue, action on material focus areas, and clearly communicated progress is a quality approach.

I am proud to report that our leadership team, Board of Directors, and employees are aligned and committed to delivering on the TAP Model and continuing to strengthen our foundation as a sustainable enterprise. Throughout this report we provide numerous examples of the progress we have made during our ESG journey.

As reflected in our prior report, our business and the communities we serve faced challenging economic and social obstacles in 2021. We are still dealing with the lingering effects of the COVID-19 pandemic, racial injustice, food insecurity, data security, the impact of carbon emissions on our planet, and most recently, the military conflict in Ukraine. The military conflict has impacted the lives of many of UGI International’s employees in profound ways. Refugees have poured into cities where UGI operates, but I am proud to report that our people are stepping up to address the humanitarian crisis while still ensuring that our customers have safe and reliable service. The past few years have been a stark reminder that our core values set a cultural foundation that extends far beyond the workplace, and I am proud that UGI’s employees have performed admirably in the workplace and in the communities we serve.

Fiscal 2021 was an exciting year for UGI. We progressed on our commitments to stakeholders and, notably, received recognition for enhancing our ESG program. MSCI upgraded UGI’s ESG Rating Assessment to AA, which places UGI among the leading companies worldwide for action across ESG matters. We are pleased with this result and look forward to continued improvement as we strengthen our foundation.



3-R Strategy Progress

In my first year as CEO, I introduced our 3-R strategy, which encapsulates our vision for the future. UGI is pushing forward to deliver Reliable earnings growth, Rebalancing our portfolio towards natural gas, and increasing our focus on Renewable solutions. Our team delivered significant progress on all three fronts.

Rebalancing and Reliable Progress

In Fiscal 2021, UGI acquired Mountaineer Gas, a local distribution company in West Virginia. This acquisition is a great strategic fit for UGI as it expands our utilities business and enables us to deliver regulated, reliable earnings. Over the past 20 years, UGI Utilities operational fugitive methane emissions have decreased by 90%. We expect to duplicate the template laid out by UGI Utilities to reduce operational fugitive methane emissions by investing in the safety and reliability of the distribution system for our new customers in West Virginia, while delivering excellent customer service. This is an area that we continue to focus on, and I am proud to report that UGI Utilities has been a top performer in a residential customer satisfaction survey for the past 5 years within its utility peer group. We also strengthened our footprint in the Marcellus Shale by acquiring Stonehenge Appalachia, LLC and an equity interest in the Pine Run Midstream system. The expansion of our midstream network is an important part of our strategy as it provides our business with stable, growing cash flows that are underpinned by long term contracts and minimum volume commitments.

Renewables

Turning to renewables, I am pleased to report not only our exceptional progress, but also our advancement of innovative solutions that fit perfectly with our base business. Our 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. This is an opportunity for our industry, and our strategic asset network and proven competencies allow us to rapidly address growing customer demand while remaining conscious of the important concerns facing the world – providing energy solutions that are sustainable, reliable, and affordable. Our physical connection to over 3 million customers and large field of dedicated service personnel remain key strategic advantages as we continue to invest in renewable solutions.

Over the past 22 months our team invested approximately \$130 million in renewable natural gas assets that will lead to the production of 1.3 billion cubic feet of renewable natural gas (“RNG”) annually. Our joint venture with SHV and partnership agreement with Vertimass will accelerate renewable solutions for the LPG industry and will produce over 1 billion gallons of low carbon renewable fuels annually. This rapid growth of our renewable portfolio is a testament to the hard work and dedication of our most important stakeholder – our people.

Lastly, when we think about our people, both the communities we serve and our employees, safety is always of utmost importance to UGI. Every day we strive to improve on this critical aspect of our operations. UGI has invested approximately \$70 million over the past 3 years to support this ongoing initiative. Last year we set a goal to sharply reduce our Total Recordable Injury and Accountable Vehicle Incident rates significantly by 2025. In Fiscal 2021, I am proud to report that we have surpassed our goal to reduce AVIs and remain on track to meet our TRI goal.

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.



Roger Perreault, CEO





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 Valley Forge, Pennsylvania. Please see our Annual Report on Form 10-K for the Fiscal Year ended September 30, 2021 (“Fiscal 2021”) for a more detailed description of our business.

AmeriGas Propane



AmeriGas Propane is the nation’s largest retail propane distributor. In Fiscal 2021, AmeriGas Propane delivered 1.1 billion gallons of propane to nearly 1.4 million customers from all 50 states from approximately 1,600 propane distribution locations. As of September 30, 2021, AmeriGas Propane had approximately 5,800 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 2021, UGI International distributed approximately 975 million gallons of LPG and sold 36 Bcf of natural gas and over 3,300 Gwh of electricity. As of September 30, 2021, UGI International had over 2,600 employees.

UGI Utilities



UGI Utilities, Inc. (“UGI Utilities”) operates a regulated natural gas distribution business that serves approximately 672,000 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 12,400 miles of gas mains.

In September 2021, Utilities acquired Mountaineer Gas Company (“Mountaineer”), whereby Mountaineer became an indirect, wholly owned subsidiary of UGI Corporation. Mountaineer provides regulated natural gas distribution to nearly 214,000 customers in West Virginia. Mountaineer’s system is comprised of approximately 6,200 miles of distribution, transmission and gathering pipelines. As of September 30, 2021, Mountaineer had more than 460 employees.

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, 2021, UGI Utilities had over 1,700 employees.



Midstream & Marketing

Our domestic 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 12,600 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 interests in electric generation assets, principally in Pennsylvania. As of September 30, 2021, Energy Services had over 400 employees.



3+ million customers¹

18,000 miles of utility system gas mains

138 consecutive years paying dividends

35 consecutive years of increasing dividends

423 miles of midstream pipeline

18 countries

2.1 billion retail LPG gallons delivered in Fiscal 2021

11,000+ employees worldwide



¹ Represents physically connected customers across all UGI subsidiaries

CORE VALUES

Sustainability

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

Reliability

We are a reliable service provider with a long-standing history in our 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.

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.



**Our Core Values
provide the building
blocks for our business.**



UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (“SDGs”) are a collection of 17 interlinked global goals. Taken together, the SDGs set a blueprint for achieving a better, more sustainable future. UGI is committed to supporting the achievement of the SDGs, which aim to address global challenges and achieve peace and prosperity for all.

UGI’s mission aligns strongly with the SDG agenda, but we are focused on making the greatest impact in goals 7, 8, 10, and 13. These four goals are most closely linked to our mission, vision, values, strategy and recent investments. Throughout the report, you will see the images of these 4 SDGs where UGI is making the greatest impact.

7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



10 REDUCED
INEQUALITIES



13 CLIMATE
ACTION





PROGRESS ON KEY COMMITMENTS

At UGI, corporate sustainability is critical to our overall business success and we have introduced a number of commitments in our past reports to demonstrate our focus on progress towards key ESG metrics.

ENVIRONMENTAL COMMITMENTS

▶ **Scope 1 Emissions Reduction Commitment**
55% Reduction by 2025¹



▶ **Methane Emissions Reduction Commitment**
92% Reduction by 2030, 95% Reduction by 2040



▶ **Pipeline Replacement and Betterment Commitments**

Replace all cast iron by 2027

Replace all bare steel by 2041



▶ **Renewable Investment**
Invest \$1-1.25 billion dollars by 2025



¹ Scope 1 emissions reduction target does not include emissions from the Mountaineer acquisition, which closed in September 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.



SOCIAL COMMITMENTS

- Supplier Diversity Goal**
 Improve spend with diverse Tier I and Tier II suppliers by 25% by 2025



SAFETY COMMITMENTS

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



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



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

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

DISCLOSURE COMMITMENTS

➤ Better align disclosure with stakeholder expectations



Why Report Scope 3?



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. UGI supports the Paris Climate Accord and continues working towards carbon neutrality in our operations by 2050.



When we started our ESG journey back in 2018, we wanted to build a foundation based on transparency and dedicated to improvement. We have made tremendous strides over the last 4 years, and our intentions, which range from utilization of new reporting frameworks to establishing safety, carbon emissions, and supplier diversity goals, remain transparent. Our leadership team has adapted quickly to the evolving expectations of our stakeholders, and we remain committed to meeting these expectations so you can adequately assess our company. I'm proud of the progress we have made on our ESG journey and know we will continue to build upon our momentum for years to come.

— BRENDAN HECK, VP, ESG



MATERIALITY

In Fiscal 2022, UGI conducted its second ESG materiality assessment. This process ensures that we remain focused on addressing areas that are most significant to the business and our stakeholders. Additionally, the updated assessment enables our leadership team to evaluate our progress on material topics over time and communicate them effectively to our stakeholders.



What is a Materiality Assessment?

An ESG materiality assessment is the process of identifying, refining, and assessing the numerous potential ESG topics that could affect a business and/or its stakeholders, and consolidating them into a short-list of topics that inform company strategy, targets, risk management, and reporting.

Our Methodology

1. Topic Identification

Benchmark, analyze, and identify relevant material topics reported by peer companies and industry and reporting guidance

2. Stakeholder Engagement

Conduct interviews with internal leaders from across our business units and external customers to identify the most material issues

3. Material Topic Prioritization

Collate results from each topic prioritization activity and develop an ESG materiality matrix

TRANSPARENCY

In 2018, UGI conducted a materiality assessment to inform and align company strategy in collaboration with various stakeholders.

ACTION

Material topics were prioritized and new commitments, goals, and metrics were established.

PROGRESS

UGI's safety performance has significantly improved over the last 3 years attributable to our strong safety culture, robust training programs, and commitment to continuous improvement.



Environmental

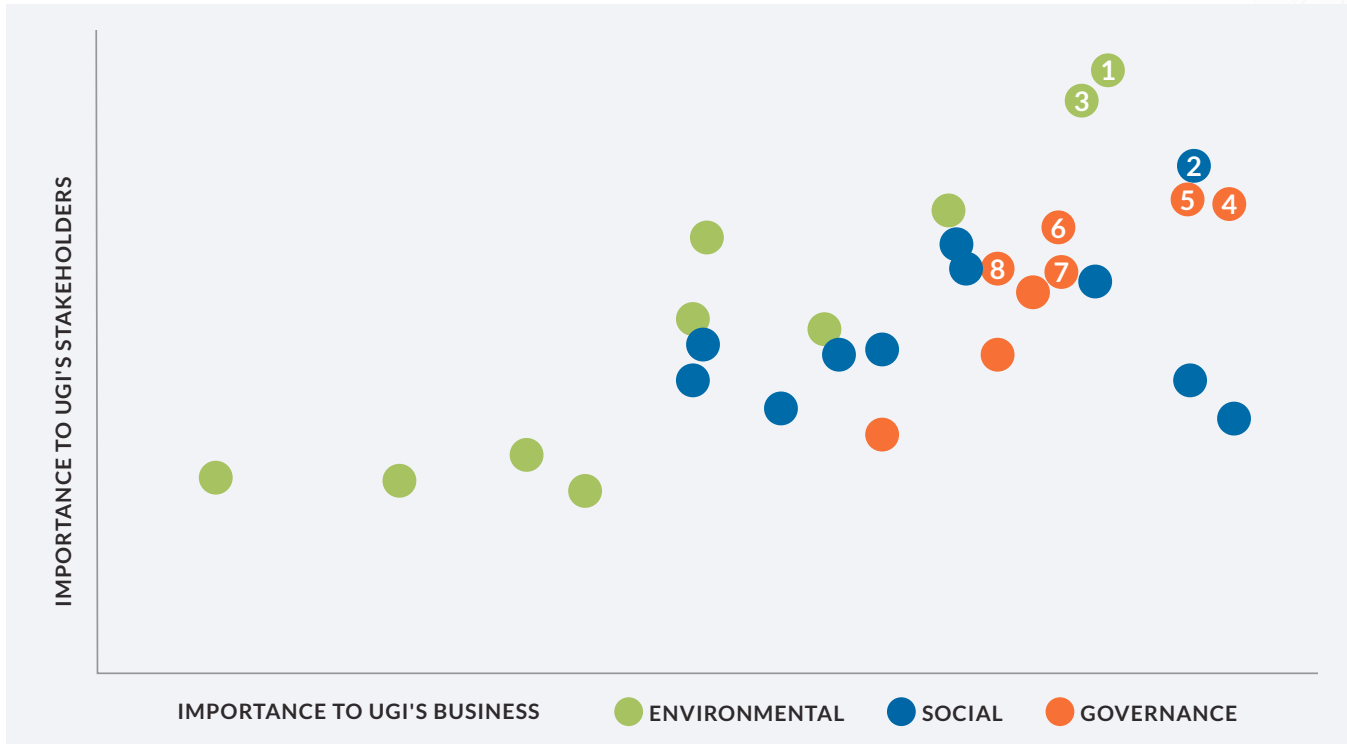
Topics relating to climate change, including increased prioritization of decarbonization and GHG emission reduction (including methane), reflect the growing need to address climate change and the global objective to limit the planet's warming by 1.5°C.

Social

While environmental and governance topics are top priorities for UGI, social topics such as health, safety, wellness, talent attraction, talent development, and talent retention remain core components to UGI's strategy and operations.

Governance

As a category, governance topics are still considered the most material to UGI. UGI's strong governance structure is critical to driving the organization's initiatives and maintaining a strong reputation.



2021 Material Topics

High priority ESG topics, which informed the content of this report, include some of the issues below that were identified as the most material to both UGI and its stakeholders in 2021.

- 1 Decarbonization
- 2 Pipeline safety and control
- 3 GHG emissions (including methane)
- 4 Cybersecurity and data privacy
- 5 Regulatory compliance
- 6 Stakeholder engagement
- 7 Corporate governance
- 8 Adaptation and resiliency

2018 Material Topics

The following issues were identified as the most important material topics to both UGI and its stakeholders in 2018.

- Employee and contractor safety
- Service reliability
- Legal and regulatory compliance
- Ethical business conduct
- Customer service
- Process safety
- Data privacy and protection
- Cybersecurity

A YEAR OF INNOVATION & PROGRESS

Leveraging our Infrastructure and Core Competencies to Lower Emissions for both UGI and our Customers

▶ GLOBAL LPG¹

A strategic focus on decarbonizing our industry and investing in adjacencies

Joint Venture with SHV

- Collaboration to advance the production of renewable dimethyl ether (“rDME”) to accelerate renewable solutions for the LPG industry.
- Will bring scale and critical mass to the rDME market by developing opportunities for investment in production capacity.

UGI’s Core Competencies

UGI’s core competencies 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 process 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.

¹ Global LPG is comprised of AmeriGas and UGI International businesses.



rDME Explained

rDME is a complementary liquid gas that can be produced from multiple renewable feedstocks. A safe, cost-effective and clean-burning fuel, rDME is a viable sustainable addition to the energy mix. It has a low carbon footprint and can reduce emissions by up to 85% compared to fossil fuel alternatives. In both pure or blended form, rDME can help the de-fossilization of LPG by becoming a sustainable alternative for off-grid energy uses including heating, cooking and transport.



rDME is highly compatible with existing infrastructure and equipment. Therefore, with limited incremental investment, rDME can help to quickly transition the LPG industry to a more sustainable future.

rDME Usage



TRANSPORT



HEATING



COOKING

Expansion of Renewable Liquefied Gas (“rLG”)¹ Offering

- UGI International has agreement with Ekobenz for rLG supply.
- Enables UGI’s customers to decarbonize their operations to support the goals of the Paris climate accord to achieve net zero carbon emissions by 2050.
- Supports UGI International’s ambition of aligning and, where possible, surpassing those sustainable targets as set in the EU’s Renewable Energy Directive II (“RED II”) guidance protocol.



rLG Explained

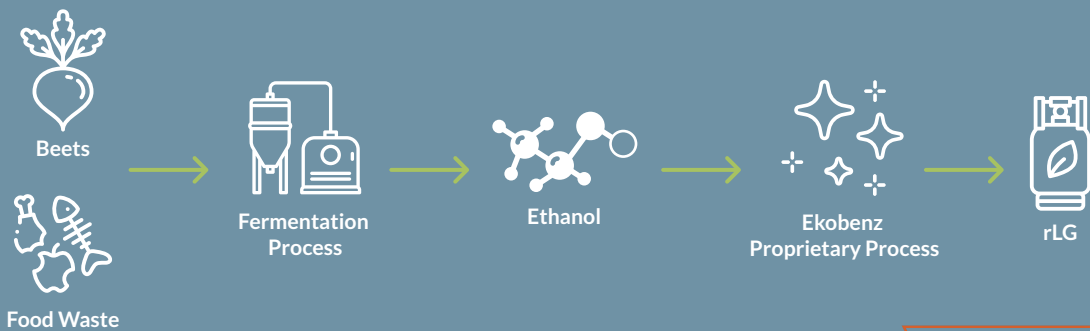
rLG and conventional LPG are chemically identical, but they are produced from different feedstocks.

Drop-in: can be blended at any rate and still be used in existing infrastructure and appliances so distributors and consumers do not need to change or upgrade their equipment or appliances

Renewable: made from a diverse mix of sustainable feedstocks and processes

Low Carbon: the carbon footprint of rLG is up to 80% lower than that of conventional LPG, depending on the feedstock, and carries the same low nitrogen oxides (“NOx”), sulfur oxides (“SOx”), and particulate matter (“PM”) as conventional LPG

Instant heat: provides on-demand heat and hot water compared to alternatives such as heat pumps



¹ There is not a fully agreed upon naming convention for low carbon or renewable LPG. We are referring to these molecules as “renewable liquefied gas” or “rLG” throughout the document, but will align our naming convention in the future with industry standards. Chemically speaking, renewable propane and bio-LPG have slightly different molecular compositions but as a fuel, they are the same.

Investing in Adjacencies – Vertimass Agreement

- Utilizes Vertimass' catalytic technology to produce renewable fuels from renewable-ethanol in the U.S. and Europe.
- Converts renewable ethanol into rLG and sustainable aviation fuel ("SAF").
- This technology can be bolted on to existing ethanol production facilities, optimizing GHG emissions reduction, and bringing further end product diversification to the existing ethanol producer.
- Up to 50% of the total production capacity from the facilities can be rLG that will support UGI's ongoing efforts to provide innovative, low-carbon, sustainable energy solutions to its customers.

Significance of SAF

SAF is a clean substitute for fossil jet fuels. Since SAF is drop-in fuel, it can be blended with fossil jet fuel and the blended fuel requires no special infrastructure or equipment changes.



Low-Carbon and Strategic Supply & Logistics Initiative

In February 2022, AmeriGas entered into an agreement with Global Clean Energy Holdings, Inc. ("GCEH") to purchase and distribute renewable liquefied gas. AmeriGas will leverage its supply and logistics infrastructure and sales and marketing teams to market and distribute rLG to new and existing customers primarily in the state of California. rLG is chemically identical to today's fossil LPG (C_3H_8) and, therefore, can be used with existing infrastructure. It has up to an 80% lower carbon footprint than that of conventional LPG and a much lower carbon intensity than conventional diesel or gasoline fuels.

As part of a multi-year agreement, GCEH's Bakersfield bio-refinery will process up to 15,000 barrels of renewable feedstock per day, including their proprietary energy crop camelina, to produce renewable fuels including rLG. This bio-refinery is expected to begin operations in the Fall of 2022, and is projected to produce approximately 13 million gallons of rLG in its first year, making it the largest commercially available rLG production facility to date in the United States.

GCEH is a vertically-integrated renewable fuels company specializing in nonfood-based feedstocks used for the production of advanced biofuels and biomaterials. With a footprint that stretches from the laboratory to the farm gate to bio-refinery production, GCEH's farm-to-fuels value chain integration provides access to reliable, ultra-low carbon feedstocks.



What is Camelina

Camelina is a crop that can be planted on less productive land and in areas without sufficient rainfall to support other crops. By planting camelina, farmers are able to maximize the utility of this land without displacing acreage used for food production. Plants naturally absorb carbon dioxide as they grow. An additional benefit is that when camelina is used as a feedstock to produce renewable diesel it can significantly reduce greenhouse gas emissions.

When online, the Bakersfield Biorefinery will be the only facility of its type, processing both traditional bio feedstocks as well as domestically grown camelina oil into sustainable, ultra-low carbon fuels in California.

NATURAL GAS

A full business approach leveraging strategic partnerships, energy marketing experience, and regulatory progress

Renewable Natural Gas

RNG is pipeline-quality gas that is fully interchangeable with conventional natural gas and can be converted to compressed natural gas (“CNG”) or liquefied natural gas (“LNG”).

RNG is a biogas, meaning that it is produced from organic matter, such as manure and food waste, that has been processed to purity standards. The production of RNG requires the removal of impurities, such as carbon dioxide, hydrogen sulfide, oxygen, nitrogen and other gases to meet strict pipeline and utility quality standards.

Demand for RNG is growing worldwide due to increased awareness of environmental concerns and an interest in clean energy alternatives. RNG is a low-carbon alternative to its fossil fuel counterpart.

Strategic Partnerships

In Fiscal 2021, UGI entered into a number of strategic RNG partnerships in Idaho, New York, Ohio, Kentucky, and South Dakota. These dairy farm, landfill, and food waste partnerships capture fugitive methane, which is the byproduct of waste decomposition, and prevent it from being released into the atmosphere.

Dairy Waste Feedstock Projects

RNG is produced by collecting manure at dairy farms and loading it into an anaerobic digester, which enables a biological process to release biogas. The biogas is then cleaned and converted into pipeline quality gas and injected into a local or regional distribution system.

Idaho project

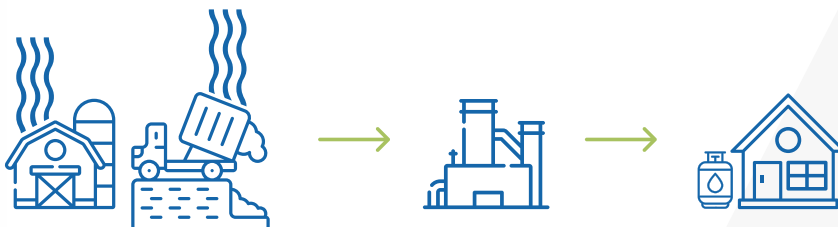
- RNG production of ~250 million cu. ft./year from on-site dairy waste feedstock

Cayuga (New York)

- RNG production of ~50 million cu. ft./year from on-site dairy waste feedstock

MBL Bioenergy (South Dakota)

- RNG production of ~650 million cu. ft./year from on-site dairy waste feedstock





Food Waste Projects

Hamilton (Ohio and Kentucky)

- Anaerobic digester project to produce RNG from food waste
- RNG production of ~250,000 MMBTUs (million BTUs)

Landfill Projects

UGI Utilities entered into the largest RNG supply interconnect agreement in the United States to date with Archaea Energy to accept delivery of RNG from the Keystone Landfill located in Dunmore, PA into its distribution system. 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.





Energy Marketing Experience

In Fiscal 2020, UGI acquired GHI, a leading marketer in renewable natural gas. Adding GHI to UGI's portfolio has provided UGI with a platform for growth in RNG projects and has created synergistic opportunities with GHI as the exclusive offtaker and marketer of the RNG for the Cayuga, Hamilton, and MBL Bioenergy RNG projects.

▶ In Fiscal 2021, GHI marketed over 1.1 BCF of RNG.

Regulatory Progress

UGI Receives Regulatory Approval for Renewable Natural Gas Pilot Project

On October 21, 2021, UGI Utilities received regulatory approval from the Pennsylvania Public Utility Commission ("PA PUC") to purchase renewable natural gas as part of a five-year pilot program. The pilot program is the first of its kind in Pennsylvania and is intended to explore how UGI Utilities can integrate RNG into its supply portfolio to produce economic and environmental benefits for its Purchased Gas Cost ("PGC") customers. The pilot allows UGI Utilities to test adding RNG to its supply portfolio while leveraging certain available economic incentives for renewables to lessen the cost impact of purchasing RNG for customers. UGI Utilities, a subsidiary of UGI Corporation, is the second largest regulated gas utility in Pennsylvania.



UGI remains committed to developing renewable energy sources for the communities we serve. The approval of this pilot program is a significant step forward as we continue to develop sustainable, environmentally responsible energy solutions for our customers.

— ROBERT F. BEARD, EXECUTIVE VICE PRESIDENT -
NATURAL GAS, GLOBAL ENGINEERING & CONSTRUCTION AND PROCUREMENT

Environmental Energy Impact – Reducing Emissions

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 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.




UGI's RNG agreement
with Archea Energy
equates to removing the
emissions of more than

67,000

Cars over the course
of a calendar year

A CULTURE OF SUSTAINABILITY



UGI International operates in 17 different European countries, our customers have various expectations, we have different brands, but fundamentally, we recognize the power of operating as One Business. ESG is one of the threads that helps to tie our International operations together, and ensures we are aligned with UGI Corporation's values and objectives.

As I reflect on the theme of this year's report, I am proud to report an exceptional year of progress at UGI International. Our culture has embraced sustainability and we continue to identify areas where sustainability and overall efficiency can give our business an advantage.

I would like to start with environmental sustainability. For decades, UGI International has been supplying energy to our customers, supporting the development of our society, as we know it today. Now we are ready to take the next step towards a carbon-neutral future. We are focused on measurable, actionable, and impactful goals. We created a "Roadmap to 2030" to guide our efforts as we embark on a new chapter with renewable energy solutions. Beyond that, we will continue to position our business to align with the Paris Climate Accord and leave no one behind in the race to green. That is why we are now focusing our investment efforts towards replacing our fossil fuel products with sustainable alternatives.

We have identified three economically viable, climate-friendly solutions that can help lower our customer emissions significantly: rDME, Renewable alcohol to hydrocarbon, and Power-to-x-technology. All of these technologies produce renewable solutions that do not require our customers to buy or modify infrastructure. They are true "drop-in" solutions that will initially be blended with LPG and later replace it. Using these building blocks, we are setting a goal to lower our customers' carbon emissions by 50% before 2030 – a critical component in our "Roadmap to 2030." We are addressing the challenge of decarbonizing households and businesses that are not connected to the natural gas grid by providing rapid and affordable low carbon heating solutions, exemplifying our commitment to leave no one behind in the race to green.



Next, I want to turn to efficient operations. In 2021, our team in the UK implemented new technology and enhanced training to lower the emissions from our fleet by over 6%. Efficiency measures like this can provide a roadmap for further reduction of our Scope I emissions. Similarly, we have identified opportunities for more efficient energy management. Two of our facilities in France are ISO 500001 certified and we are taking the learnings from that process and applying them to other facilities. This has led to a shift in the way we think about office space. Our new offices and production sites now have much higher environmental and efficiency standards. This focus on efficiency has captured the interest of our employees. In 2021 we launched the EcoChallenge where our employees could propose projects that increase efficiency and lower emissions. Lastly, over the past few years we have taken the opportunity to cost effectively drive our Scope II emissions in France to nearly zero. We focused our initial Scope II reduction efforts in France as our French operations represent the majority of UGI International's activity.

Although not in Fiscal 2021, I would like to point out my pride in how quickly our local Eastern European operations in Hungary, Romania, the Czech Republic, Slovakia, and Poland responded to help thousands of people fleeing the terrible events in Ukraine. One example of how this concrete support took place can be found in Poland, where our employees work closely with World Central Kitchen to provide guidance on safety and supply the gas cylinders necessary to power WCK's kitchens and feed thousands of displaced Ukrainians.

At a more internal level, we have engaged in the twin-challenge of reducing the carbon footprint of our in-house processes, as well as the carbon emissions from the products used by our customers, which is the source of 90% of UGI International's total emissions.

All in all, to wrap up this year's statement on our ESG efforts, I want to thank everyone for their efforts in fostering a culture of sustainability at UGI International during these challenging times, with wishes for a more peaceful year ahead.

— LAURENCE BROSETA
PRESIDENT, UGI INTERNATIONAL





ENVIRONMENTAL

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

Reducing Our Emissions – Environmental Transparency, Action, & Progress Towards a Sustainable Future

2020 was the first year that UGI streamlined its carbon reporting methods and assumptions across its businesses. UGI has a number of goals that will be monitored using the Environmental Management System (“EMS”) and we demonstrated progress on these goals in the “Our Commitments” section.

We are proud to report a 34% reduction in our Scope 1 emissions year over year and are on track to meet our enterprise-wide goal to reduce Scope 1 (direct) GHG emissions by 55% over the remaining four years.¹

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.

UGI’s ESG team works with members of the finance and environmental teams across our 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 the businesses, senior management, and the Safety, Environmental, and Regulatory Compliance (“SERC”) and Corporate Governance Committees of UGI’s Board of Directors.

The 2019–2021 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.

Scope 1 Emissions²

Indicator: Greenhouse Gas Emissions	2019 Results in Metric tons of CO ₂ equivalent	2020 Results in Metric tons of CO ₂ equivalent	2021 Results in Metric tons of CO ₂ equivalent
Scope 1 Direct Emissions	1,389,597	1,239,139	820,557

¹ Goal uses 2020 as the baseline year.

² Scope 1 emissions do not include emissions from the Mountaineer acquisition, which closed in 2021 and was not considered as part of Scope 1 reduction goal. Emissions from Mountaineer can be found in the Appendix.



Scope 2 Emissions

Indicator	Reporting Unit	2019 Results	2020 Results	2021 Results
Scope 2 Indirect Emissions	Metric tons of CO ₂ equivalent	31,709 ¹	31,149 ²	31,031
	Electricity usage only (kWh/year)	971,097	728,323	910,403

TRANSPARENCY

UGI remains committed to enhancing its disclosures and reporting metrics for stakeholders.

ACTION

UGI began the process of evaluating upstream, downstream, and supply chain emissions across our businesses in Fiscal 2021.

PROGRESS

UGI disclosed Scope 3 emissions for Fiscal 2021 results.

TAPMODEL
TRANSPARENCY • ACTION • PROGRESS

Scope 3 Emissions³

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

To calculate supply chain emissions, we gathered the top 25 procurement vendors by total spend. We then applied industry-based carbon emission factors per dollar of spend to arrive at supply chain emissions. While we are committed to refining this process in the future, this approach allowed us to focus on material sources of emissions while setting the framework for the future. Typical indirect emissions, such as business travel and employee commuting, are not material to UGI's Scope 3 emissions and are therefore not included.

Indicator: Greenhouse Gas Emissions	2021 Results in Metric tons of CO ₂ equivalent
Combustion	34,347,901
Extraction	7,861,992
Supply Chain	491,214
Total Scope 3 Emissions	42,701,107

Methane

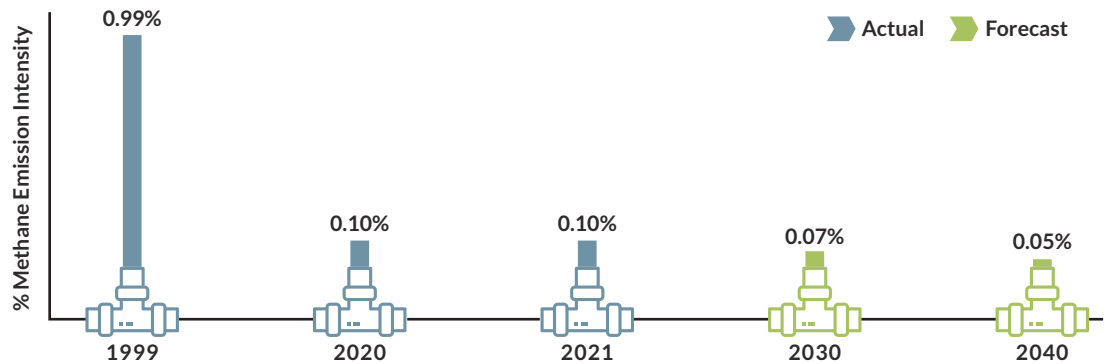
¹ Fiscal 2019 Scope 2 emissions comprised of UGI Utilities, AmeriGas, and the North and West regions of UGI International.

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

³ Historically, we reported Scope 3 figures for UGI International related to outsourced fleet activities. That business outsources approximately 80% of its fleet operations and we considered this as indirect Scope 3 emissions. After further consideration, UGI decided to include those figures in our Scope 1 calculation. Although not technically direct operations, the outsourced fleet operates on our behalf and we think it is appropriate to classify these as Scope 1 emissions.



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 Environmental Protection Agency's ("EPA") 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.**



Leak Detection and Repair

A Leak	An underground leak that is non-hazardous at the time of detection and can be reasonably expected to remain non-hazardous. Repair – No required repair timeline, but must be resurveyed within 15 months of the original finding Occurrences decreased nearly 20% over the last six years (2015-2021)
B Leak	An underground leak that is recognized as being non-hazardous at the time of detection, but justifies a scheduled repair based on probable future hazard. Repair – Must be resurveyed within 7.5 months of the original finding, and must be repaired within 15 months of original finding Occurrences decreased over 68% over the last six years (2015-2021)
C Leak	An underground leak that represents an existing or probable hazard to persons or property, and requires immediate repair or continuous action until the conditions are no longer hazardous. Repair – Must be repaired immediately Occurrences decreased over 44% over the last six years (2015-2021)



Air Quality

Not only is air quality an important contributor to climate change, it impacts our relationship with the communities in which we operate. We recognize our responsibility to control air emissions, including nitrogen oxides, sulfur dioxide, volatile organic compounds, hazardous air pollutants, and particulate matter from our operations to minimize environmental risks and impacts to human health. UGI actively works to reduce air emissions by maximizing operational efficiency and ensuring compliance with federal and state requirements. 88% of Energy Services facilities operate near areas of dense populations, however, all of our facilities with an air permit are operating below our permit limits¹.

Indicator	2019 in tons ²	2020 in tons ³	2021 in tons ⁴
NOx (nitrogen oxides)	714	674	235
SOx (sulfur oxides)	284	206	37
Persistent organic pollutants (POP)	de minimis	de minimis	de minimis
Volatile organic compounds (VOC)	89	81	55
Hazardous air pollutants (HAP)	48	46	33
Particulate matter (PM)	38	36	17

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

² 2019 air quality figures are 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.

⁴ 2021 reduction in air quality figures are largely attributable to the sale of UGI's ownership stake in Conemaugh coal fire generation facility.

Water Management

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

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

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

Water Recycling Program

Energy Services Hunlock Unit 4 facility (located in Hunlock, Pennsylvania) utilizes a water injection system to reduce nitrogen oxide (NOx) emissions. Water used in this process is responsibly sourced from the municipal water authority and, after use, the water is transported to a recycling facility. Similarly, the Hunlock Combined Cycle facility sources water from the municipal water authority and utilizes it in its water injection system to reduce NOx emissions. The Hunlock facility also sources water directly from the Susquehanna River to be used in its once-through cooling process. Wastewater generated at the facility through various cleaning processes represents a significantly smaller amount, is transported to a wastewater recycling facility or discharged back to the Susquehanna River via Hunlock’s permitted National Pollutant Discharge Elimination System (“NPDES”) effluent outfalls. In efforts to offset the amount of water needed to be withdrawn from the Susquehanna River, stormwater captured in the facilities’ 90,000 gallon underground stormwater vault is beneficially reused in the facilities’ cooling process. All water intake and use at these facilities is authorized and closely monitored by PADEP and the Susquehanna River Basin Commission (“SRBC”).

The peak shaving process at the Bethlehem LPG facility located in Bethlehem, Pennsylvania, includes the use of a single, 4-stage compressor that utilizes municipal water for cooling. The water is supplied to a system of aftercoolers by a 4-inch diameter line branching from the facility’s main water supply line, and then is discharged into the storm drain on site. The water does not come into contact with any other substances during the cooling process, so there is minimal possibility of the water being contaminated before being returned to the water authority.



The EPA Clean Water Act NPDES¹ permit establishes effluent limitations through the implementation of best management practices in order to reduce the discharge of pollutants into waters of the United States. In the Commonwealth of Pennsylvania, all discharges must comply with the applicable regulations found in 25 PA. Code Chapters 91-96, 102, and 105. Discharges authorized under a NPDES permit require the permittee to incorporate routine representative sampling, as well as follow strict recordkeeping, analytical testing procedures, and quality assurance and control requirements. Reporting is done through the use of Discharge Monitoring Reports ("DMRs"), which are provided to the PADEP electronically on a monthly, quarterly, and annual basis.

The SRBC is an interstate agency with a mission to protect the water resources within the Susquehanna River Basin. Water allocation and management are closely regulated by the SRBC through consumptive use agreements. Water intake and outfalls quantities that make up Energy Services' daily water usage are tracked and reported to the SRBC. Likewise, water quality standards are upheld through stringent sampling protocols. The SRBC recently completed facility audits at both the Hunlock Creek Combined Cycle and Unit 4 facilities with favorable results and no compliance issues.

Streams and Wetland Resources

Energy Services thoroughly considers water resources during the pipeline rights-of-way routing process, as well as the siting of facility locations. As part of this process, a desktop review is completed to minimize impacts to watercourses, wetlands, and floodways, which includes research of agency-managed databases (e.g. United States Fish & Wildlife Service's National Wetland Inventory). Energy Services will engage with certified ecologists to identify and delineate streams, wetlands, and floodways to further promote water resource avoidance and impact minimization. If water resource impacts are deemed unavoidable, Energy Services will obtain state and/or federal water obstruction and encroachment permits prior to construction, and follow all environmental laws and permit conditions during construction and restoration.

Storm Water

To prepare for precipitation events experienced during project construction, Energy Services will deploy numerous stormwater best management practices designed to contain stormwater and filter out sediment as the water leaves the construction site, allowing clean water to continue through the hydrological cycle. At locations where permanent impervious surfaces are created, Energy Services follows all applicable regulations to create long-term solutions to capture and clean stormwater at its facilities.



¹ US Environmental Protection Agency. NPDES Permit Basics. Sept 28, 2021. Accessible online at <https://www.epa.gov/npdes/npdes-permit-basics>.

2021 Water Use at Energy Services' Operations

Hunlock Facilities Water Use (Thousands of Cubic Meters)	2019	2019	2020	2020	2021	2021
	Hunlock Combined Cycle	Hunlock 4	Hunlock Combined Cycle	Hunlock 4	Hunlock Combined Cycle	Hunlock 4
Total Water withdrawn from Susquehanna River ¹	12,501	NA	21,499	NA	30,899	NA
Total City Water Used ¹	75	7	121	15	129	11
Total Water Discharged back to River (Outfalls 001, 003 & 004) ²	12,466	NA	21,366	NA	30,758	NA
Total Water Removed from Site for Recycling	0.02	0.20	0.01	0.26	0.01	0.55
Total Stormwater collected and reused for Once-Through Cooling Process	13	NA	10	NA	12	NA
Percentage (%) of Water Recycled and Reused	11%	3%	5%	2%	4%	5%
Percentage (%) of water consumed/ withdrawn from locations with High or Extremely High Water Risk ³	0%	0%	0%	0%	0%	0%

¹ All water intake is regulated by the SRBC.

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

³ High/Extremely High Water Risk as defined by the World Resources Institutes Aqueduct online mapper tool, accessible online via <https://www.wri.org/aqueduct>



Bethlehem LPG Facilities Water Use (Thousands of Cubic Meters)	2019	2020	2021
	Bethlehem LPG	Bethlehem LPG	Bethlehem LPG
Total City Water Used	0.74	0.78	1.15
Percentage of water reused	0%	0%	0%
Percentage of water recycled	100%	100%	100%
Percentage (%) of water consumed/withdrawn from locations with High or Extremely High Water Risk⁴	0%	0%	0%



⁴ High/Extremely High Water Risk as defined by the World Resources Institutes Aqueduct online mapper tool, accessible online via <https://www.wri.org/aqueduct>

Waste Management

Although waste represents a small portion of UGI's overall environmental impact, effective waste management is important to UGI's overall sustainability efforts. UGI is committed to proactively reducing waste from our operations and effectively managing the waste that is generated. Proper management of hazardous and non-hazardous waste promotes safe operations and the health and well-being of our employees, communities, and the environment. While UGI's businesses do not regularly generate hazardous waste, UGI adheres to EPA's rules and regulations for hazardous waste reporting.

UGI Utilities Universal Waste Management policy establishes a standardized process for managing hazardous and nonhazardous waste generated by UGI Utilities or contractors conducting work on behalf of UGI. The policy provides guidance on the proper handling, storage, transportation, and disposal of Universal Waste as designated by the EPA. This policy, combined with training and compliance audits, forms the basis of our waste management approach.

In Fiscal 2021, AmeriGas generated 9,850 pounds of hazardous waste. Energy Services had a one-off event at its Bethlehem LNG facility that generated 14,341 gallons of hazardous waste, of which 8,953 gallons were solidified and disposed of at the landfill and 5,388 gallons were treated at a wastewater treatment facility. UGI Utilities generated approximately 12,500 pounds of hazardous waste in 2021.

Universal Waste Recycling and Conservation Efforts

Throughout Fiscal 2021, UGI continued its waste recycling and conservation efforts across its offices, facilities, and site locations, which include having labeled recycling bins (glass, paper, plastics, etc.) throughout offices and facilities and replacing existing lighting with more efficient LED light bulbs.

In addition, UGI has a well-established information technology ("IT") recycling program across its businesses and works with local companies to recycle old electronics.

Spotlight on Energy Services' conservation and recycling efforts

At the Wyomissing headquarters office location, engineers and architects were instrumental in incorporating energy-efficiency and conservation measures during construction to ensure that multiple waste mediums (light, energy, refuse, etc.) would be appropriately handled and recycled. In particular, UGIES' headquarters has been equipped with an energy-efficient Lutron lighting system¹, which includes energy conservation measures such as daylight harvesting and bulb timers, among others. These purposeful and innovative design and construction applications result in less frequent bulb replacements and ultimately less waste. Additional Leadership in Energy and Environmental Design (LEED) aspects were incorporated into the design, and include elements such as mechanical-electric-plumbing (MEP) low flow fixtures with water sense flushometers and Cradle to Cradle Certified carpeting. These carpets are assessed for impacts on human health and the environment², and can be recycled through an Environmental Guarantee program³.

¹ Lutron. *Whole Building Systems*. 2022. Accessible online via <https://commercial.lutron.com/us/en/whole-building-systems/vive>.

² The Carpet and Rug Institute. *Green Label Plus*. Accessed April 18, 2022 online at https://interfaceinc.scene7.com/is/content/InterfaceInc/InterfaceAmericas/WebsiteContentAssets/Documents/Certificates/GLP0820-2020/wc_am_glp0820.pdf.

³ ShawContract. *Environmental Product Declaration*. Accessed April 18, 2022 online at <https://qmsview.shawinc.com/viewer/doc/4609>.

Environmental Management System

UGI's EMS helps us comply with applicable regulations, minimize our impact on the environment and continually improve our processes. 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 things such as:
 - switching from diesel engines to CNG, bio-diesel, and LG-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:

- 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.

Biodiversity

At UGI, we believe biodiversity is an essential component of a healthy environment. In 2021, Energy Services implemented a biodiversity policy to address key responsibilities surrounding the identification, avoidance, minimization, and mitigation of habitats and ecosystems in the communities we serve. Objectives within the biodiversity policy are aligned with [UGI's Code of Business Conduct and Ethics](#) and establish a basis for our commitment to recognizing, addressing, maintaining, and enhancing biodiversity.

UGI is committed to environmental responsibility, and continues to challenge itself to site, authorize, construct, operate, and maintain its assets and facilities in a manner that allows for minimal to no adverse impacts to the biodiversity in which we are located and operate. The Company seeks to preserve and promote existing flora and fauna species, their habitats, and ecosystems whenever practicable, with a heightened focus on rare, threatened, or endangered species and habitats as per the Endangered Species Act of 1973.

The Intersection of Operational Excellence and Biodiversity- UGI Wins National Recognition & Diamond Awards

UGI won the American Council of Engineering Companies Pennsylvania (“ACEC/PA”) 2022 National Recognition Award for the Bethlehem LNG project. This award is a prestigious distinction honoring projects that achieved exceptional engineering excellence. The Bethlehem LNG facility is a two million gallon LNG storage, trucking, and peak shaving asset in Pennsylvania. The LNG facility provides natural gas to the territory during periods of extreme cold weather when other traditional supply sources become more constrained.

The Bethlehem LNG project also received the ACEC/PA 2022 **Diamond Award**, which celebrates organizations that develop innovative projects that positively impact communities in the Commonwealth of Pennsylvania. These awards honor innovative and accomplished projects that have demonstrated immense creativity, dedication and resourcefulness.

During construction of the Bethlehem LNG facility, Energy Services committed to restoring and stabilizing a nearby ravine that had eroding embankments that were becoming highly unstable. The project team experienced numerous hurdles and washouts due to multiple storm events in 2021. Despite those challenges, and as an example of UGI’s operational excellence and commitment towards protecting and improving biodiversity in the communities we serve, the team converted the chasm into a successfully functioning stream located within a Pennsylvania state-designated watershed for migratory fishes. This not only serves as an example of UGI’s operational excellence, but also as an example of commitment towards protecting and improving biodiversity in the communities we serve.



”

The Bethlehem LNG project highlights the capabilities and resilience of our strongest asset, our people. Our project team successfully completed this state-of-the-art LNG peaking and trucking facility, despite the challenges of weather and COVID-19. From the creative use of a brownfield site to the careful restoration of a severely eroded stream, Energy Services remains focused on the commitments to our customers while supporting our communities and protecting the environment.

— DANTE D’ALESSANDRO,
VP OF ENGINEERING AND OPERATIONS, UGI ENERGY SERVICES

Modernizing Facilities – Greater Efficiency, Lower Emissions, Lower Expenses

AmeriGas

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

UGI Utilities

UGI Utilities recently completed a new state-of-the-art solar carport at its Denver, PA, headquarters. The array consists of 1,078 solar panels and works in tandem with the building’s efficient Combined Heat and Power (“CHP”) system. 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. In Fiscal 2021, operating for only part of the year, the solar panels at Denver generated approximately 65 megawatt-hours of electricity and reduced emissions by 46 metric tons of CO₂. In 2022, we expect the solar panel array to generate an estimated 400 megawatt-hours of power. UGI Utilities also features an electric car charging station.

What is CHP?

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% efficiency, compared to 45% 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.



UGI International

In 2021, UGI International leased a new office in Vienna that is supplied exclusively by renewable electricity. This new, modern office has enabled a variety of energy savings and also offers electric car charging stations in Vienna.

UGI International’s office in Warsaw, Poland was recently relocated to Warsaw FOREST¹, a Building Research Establishment Environmental Assessment Methodology (“BREEAM”) certified development. BREEAM provides independent third-party certification of the assessment of the sustainability performance of individual buildings and infrastructure projects. Certified facilities enhance the well-being of the occupants and help protect natural resources. We expect the move to this new facility to provide a number of environmental benefits to plant operations, including energy savings, risk minimization, and higher efficiency.

TRANSPARENCY

UGI International supports the enterprise-wide commitment to reduce emissions and is actively making operational investments to reduce our overall carbon footprint.

ACTION

UGI International invested over \$50,000 to install new and efficient LED lighting systems in place of older/outdated flood lighting systems at terminals and depots.

PROGRESS

As a result, our total CO₂ energy savings from this investment has reached 0.212 kg/KwH, which is the equivalent of nearly 19 tons of reduced Scope 2 emissions.

¹ Warsaw FOREST is a green office campus between Wola, Śródmieście and Żoliborz



Energy Services

GREATER EFFICIENCY – COMPRESSOR STATION UPGRADES

In 2021, UGI re-assessed the Gibraltar compressor station in an effort to replace high-bleed pneumatic controllers. Replacing these controllers will lower air emissions at this particular facility. These compressor station upgrades include plans to install and change current relays to low bleed relays and operate them at 35-40 pounds per square inch in gauge max. The upgrades are expected to improve bleed rates well beyond industry standards, without impacting valve function.

Solar-powered Generation

Energy Services has a track record of success with solar projects, both at our own facilities and at our customers' sites. Energy Services owns and operates facilities with 13.5 megawatt-hours of solar-powered generation capacity. These facilities include solar farms at our Temple LNG site and at our Steelton Propane Air & LNG facility.



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 55,806 cars from the road for one year.

7 AFFORDABLE AND
CLEAN ENERGY



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. UGI Utilities has 733,000 electric and gas customers that qualify for the EE&C program. The residential customers enrolled in our program had energy cost savings of \$2.2 million in Fiscal 2021.

Since inception,¹ UGI Utilities has invested over \$47 million in energy conservation programs which has led to lower gas consumption of 747,000 MCF and approximately 58,000 fewer Mwh.

UGI Save Smart Efficiency Rebate Program

Over the past three years, the UGI Save Smart Efficiency Rebate Program is responsible for saving 584,360 MCF of natural gas, resulting in 32,032 metric tons of carbon not entering the atmosphere. In Fiscal 2021, the program has issued over \$8.6 million in rebates to customers that have chosen to pursue energy efficiency upgrades.

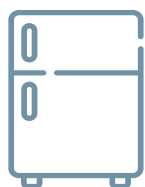
UGI International also offers a range of financial incentives for individuals and businesses that are interested in energy savings projects, such as condensating boilers, insulation, and more efficient appliances.

Recycling Programs

The UGI Electric Energy Efficiency & Conservation Appliance Recycling Program offers rebates to customers who turn in eligible appliances. The program provides free pick-up and disposal of old, inefficient refrigerators, freezers, dehumidifiers and window air conditioning units. All units are disposed of in an environmentally responsible manner.

UGI Utilities received the 2021 RAD Champion award. The RAD Champion award recognizes the top 10 partners with the highest number of units processed with foam recovery.

Since becoming a RAD Partner in 2013, UGI Utilities has responsibly disposed



1,729

refrigerators



286

freezers



164

air conditioning
units



17

dehumidifiers

¹ 2012 for electric customers and 2017 for gas customers



Modernizing the Fleet

UGI International’s central region outsources its fleet, but our team worked closely with our fleet management company to ensure modernization of their fleet. This cooperative relationship aligns with our commitment to reduce emissions. All trucks are now equipped with modern EURO 6 engines and AdBlue is used as an additive to reduce pollutant emissions. AdBlue reacts with nitrogen oxide gas (NOx gas) created by engines and breaks it down into harmless nitrogen and water vapor.

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 fuels the Lehigh and Northampton Transportation Authority (LANta) natural gas bus fleet, which had 57 CNG buses in 2021. AmeriGas now delivers to over 500 customers nationwide who use propane for their delivery trucks and school buses.

13 CLIMATE ACTION



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.

LPG & CNG Vehicle Summary

Business Unit	2019	2020 ¹	2021
AmeriGas	312	278	320
UGI Utilities	96	114	129

¹ The decline in LG 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.

Fuel Sources

AmeriGas purchased 12.5 million gallons of diesel fuel and drove 113 million miles in Fiscal 2021. The combustion of fuel in our fleet makes up approximately 80% of our Scope 1 emissions at AmeriGas. Along with route optimization technology and the increased use of LPG-powered engines, increasing the use of bio-diesel is another way for the AmeriGas team to reduce Scope 1 emissions over time. In 2021 alone, AmeriGas' use of bio-diesel increased nearly 40% when compared to Fiscal 2020. While total bio-diesel purchases remain low as an overall percentage, the team continues to make solid progress to ensure it operates efficiently and sustainably.

Expanding Our Reach – UGI's Businesses Increase Membership in Organizations Focused On Sustainable Operations

- Our Nation's Energy Future ("ONE Future"): The 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 1% (or less) of total natural gas production.
- Natural Gas Supply Collaborative ("NGSC"): 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.
- The American Biogas Council ("ABC"): Biogas systems protect the air, water, and soil by recycling organic material, like food waste and manure, into renewable energy and soil products. Members receive regular updates on legislative activities, funding opportunities, and opportunities to engage stakeholders that have interests in biogas. The ABC represents over 250 companies and 2,800 individuals throughout the biogas supply chain that are dedicated to maximizing the production and use of biogas from organic waste.
- The Renewable Fuels Association ("RFA"): UGI has recently joined the RFA as an Associate Member. RFA is a leading trade association working to drive expanded demand for American-made renewable fuels and bio-products worldwide. Their vision is to help the world breathe easier with the power of renewable fuels.

UGI is pleased to join the Renewable Fuels Association and its members to become actively engaged in the advancement of ethanol as part of our energy transition pathway. We believe that a range of environmentally responsible energy solutions is required to meet the demands of our global economy.

– WARREN PATTERSON,
VICE PRESIDENT – COMMERCIAL BUSINESS DEVELOPMENT – GLOBAL LPG





SOCIAL

Safety

8 DECENT WORK AND ECONOMIC GROWTH



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 making safety a priority in all of our interactions with colleagues, customers and the communities we serve.

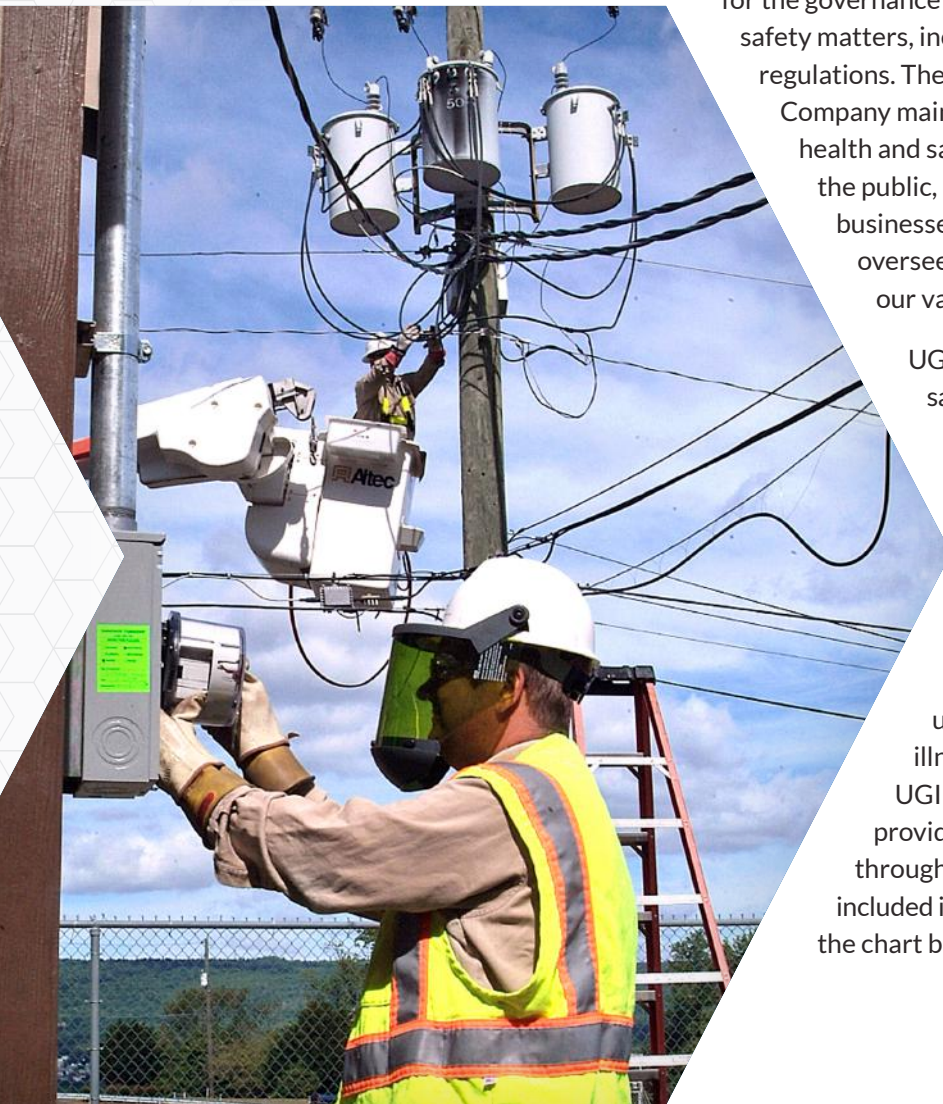
We maintain a strong safety culture and emphasize the importance of everyone's role in identifying, mitigating, and communicating safety risks across the Company. UGI believes the achievement of superior safety performance is an important short-term and long-term strategic initiative. As of Fiscal 2018, 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 ("HSSE") 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.

In Fiscal 2021, UGI businesses began tracking Near Misses, which can be defined as unplanned events that did not result in injury, illness, or damage, but had the potential to do so. UGI tracks these events because they often provide teachable moments that can be addressed through additional training. UGI's total Near Misses are included in this year's safety metrics, and outlined within the chart below.



UGI Corporation¹

Indicator	2019 ²	2020 ²	2021
Lost Time Injury Rate (LTIR) per 200,000 work hours – employees	1.31	1.28	1.57
Total recordable incident rate (TRIR) per 200,000 work hours – employees	3.52	3.08	3.07
Near Miss Frequency Rate (NMFR) – per 200,000 work hours ³	NA	NA	4.66
Number of fatalities – employees	0	0	0
Employee fatality rate per 200,000 work hours	0	0	0
Number of fatalities – contractors	0	0	0
Contractor Fatality Rate per 200,000 work hours	0	0	0

Mountaineer

Indicator	2019	2020	2021
Lost Time Injury Rate (LTIR) per 200,000 work hours – employees	0.88	0.66	1.14
Total recordable incident rate (TRIR) per 200,000 work hours – employees	2.63	1.54	2.72
Near Miss Frequency Rate (NMFR) – per 200,000 work hours ⁴	NA	NA	NA
Number of fatalities – employees	0	0	0
Employee fatality rate per 200,000 work hours	0	0	0
Number of fatalities – contractors	0	0	0
Contractor Fatality Rate per 200,000 work hours	0	0	0

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

² 2019 and 2020 figures include UGI Appalachia.

³ AmeriGas figures are vehicular near misses tracked by DriveCam in-cab monitoring systems; UGI does not include vehicular near misses, rather focuses on activities related to cylinder filling and bulk filling and distribution.

⁴ Mountaineer currently does not have a formal near miss program in place. Mountaineer is in the process of reviewing UGI's program and plan to begin tracking near misses in future reporting years.



Fleet Safety

Employees of UGI’s businesses drove approximately 145 million miles in Fiscal 2021, about 8 million less than Fiscal 2020. 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	2019	2020	2021
Accountable Vehicle Incident Rate (“AVIR”)	4.16	2.96	2.55

Mountaineer²

Indicator	2019	2020	2021
Accountable Vehicle Incident Rate (“AVIR”)	2.94	1.86	1.74

Our Fiscal 2021 AVIR decreased by 13.9% when compared to Fiscal 2020 across our Natural Gas and Global LPG businesses.

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

AmeriGas requires DriveCams in all delivery vehicles, such as bobtails, ACE beverage trucks, cylinder trucks, and over the road tractors. AmeriGas implemented an 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.

In Fiscal 2021, UGI Utilities implemented a new Contractor Management System (“CMS”), ISNetworld, the industry leading platform. The ISNetworld system is used to evaluate safety performance for our pipeline construction contractors and our main electric contractor. The platform provides UGI Utilities with the ability to manage and track contractor performance in health, safety, and environmental impact, and communicate updates to contractors concerning policy, procedures or technical advisories on a daily basis. This is the same platform utilized at Energy Services and will facilitate improvements in leveraging this information across the Natural Gas line of business.

¹ Figures presented are consolidated across all businesses: UGI Utilities, Energy Services, AmeriGas, and UGI International. AVI rates are calculated based on incidents per 1,000,000 miles.

² Mountaineer figures are presented separately.

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.

UGI Utilities was recognized by the American Gas Association (“AGA”) for leading practices related to emergency response. During Fiscal 2021, the Emergency Response Arrival Rate for 60 minutes was 99.77%, for 45 minutes was 98.44%, and for 30 minutes was 79.59%. The AGA 2021 System Reliability Report showed UGI in the top quartile for each of the reported response windows.

Emergency Response

UGI Utilities follows detailed procedures when responding to and classifying emergencies. The Central Dispatch group is responsible for communicating with field personnel as well as acting as the liaison to other utilities and public response personnel (i.e. 911). Per Federal regulations, UGI Utilities employees must hold OQs for responding to emergencies, which are gained through extensive training, qualification, and experience. UGI Utilities engaged a third-party expert to develop an emergency response matrix defining dispatch and response scenarios which prompt the calling of 911. UGI Utilities utilizes an extensive tracking system for emergencies, that captures dispatch time, response time, and make-safe time, among other items. This data is reviewed with a continuous improvement mindset to drive improvement company wide.

UGI Utilities was recognized by AGA as a top performer in the AGA best practices program for emergency response and preparedness. UGI Utilities was invited to and subsequently presented its current practices at an AGA roundtable on emergency response in October 2020. The presentation included the following unique processes:

- dispatchers utilize various technology solutions to determine the correct resource to send;
- utilization of an emergency script to ensure the information is consistent and concise when talking with a first responder;
- larger operating areas have a dedicated dispatcher assigned;
- daily communications with area operations on how to improve emergency response by positioning resources strategically;
- if an emergency response call is missed based on the 45 minute criteria, we have a supervisor review the miss. This includes looking at the information about the emergency, the address, and the work volume at the time of the emergency. All facets of the response are reviewed; and
- review findings are shared with the dispatcher and operating area to help promote continuous improvement.



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.

Customer Experience

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 assesses customer satisfaction through the J.D. Power survey. J.D. 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.

For the fourth consecutive year, UGI Utilities achieved “Most Trusted Brand” status in the 2021 Cogent Syndicated Utility Trusted Brand & Customer Engagement™: Residential report from Escalent, a leading human behavior and analytics firm.



”

UGI strives to be the energy provider of choice to our customers and to the many communities we serve. During the pandemic, UGI made significant efforts to support customers facing unexpected challenges.

— HANS BELL, PRESIDENT OF UGI UTILITIES, INC.

CUSTOMER ASSISTANCE

We understand that there are times when our customers need additional assistance, and we are committed to helping customers who make a sincere effort to pay their bills. In support, UGI Utilities offers a variety of energy assistance programs, referrals to local agencies, participation in fuel funds, and payment arrangements. These comprehensive assistance programs ensure that we help our customers when they need us the most. Our assistance programs include:

- **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.
- **CAP** – offers special reduced payment plans and debt forgiveness based on customer income and 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. Nearly all 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. In total, our residential and commercial customers have had collective savings of over \$136 and \$101 million, respectively, over the past ten years.



2021 Utility Customer Champion

In addition to achieving “Most Trusted Brand” status, UGI Utilities, Inc. was also among select utility companies nationwide that were named a 2021 “Customer Champion.” Customer engagement improved as a result of Utilities’ increasing support for ESG efforts.



**2021 UTILITY
CUSTOMER
CHAMPION**
RESIDENTIAL

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

Talent Management

As of September 30, 2021, UGI and its subsidiaries had more than 11,000 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.



People are our ultimate differentiator at UGI. We are committed to a performance culture that delivers value to our customers, communities, shareholders, and employees every day. Our UGI Values and People Strategy serve as a guide to energizing our workforce, cultivating a culture of growth that empowers employees, and fueling an extraordinary experience across the Company. We are committed to developing our people and emphasizing belonging, inclusion, diversity, and equity for all employees. Diversity of thought, differing perspectives and bold new ideas are pervasive at UGI; helping us to constantly evolve our thinking, attract and retain top talent, consistently grow our business, and deliver results that matter.

— JUDY ZAGORSKI, CHIEF HUMAN RESOURCES OFFICER, UGI CORPORATION

Investing In Our Employees

IN FISCAL 2021, UGI INVESTED OVER \$1.4 MILLION TO TRAIN AND DEVELOP EMPLOYEES

UGI provides a number of training and development opportunities to its employees. These opportunities include: mentorships, manager trainings, leadership development programs through the Institute for Management Studies, the Mid-Atlantic Employers Association, and other professional organizations.

Fiscal 2021 Learning Management System (“LMS”) Training:

- Total trainings completed in our LMS: 229,692
- Average training hours per employee: 6.6
- Excluding Contractors, average hours of training and development per employee: 7.5 hours

Fiscal 2021 LinkedIn Learning Training:

- Courses completed: 1,862
- Total hours of content viewed: 2,309

HUMAN LIBRARY ORGANIZATION (“HLO”)

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.

TRANSPARENCY

In 2020, UGI committed to a sponsorship role with the Human Library for the creation of a digital learning platform that will expand the reach of the Human Library’s diversity experiences across the globe.

ACTION

UGI began working with the Human Library in 2020 for diversity and inclusion education for its leadership development, supervisor training and new hire onboarding programs.

PROGRESS

Over the past year, nearly 500 employees participated in the Human Library “reader sessions” and UGI expects that more than 500 additional employees will participate in the coming year.

TAPMODEL
TRANSPARENCY • ACTION • PROGRESS



Diversity Strategy

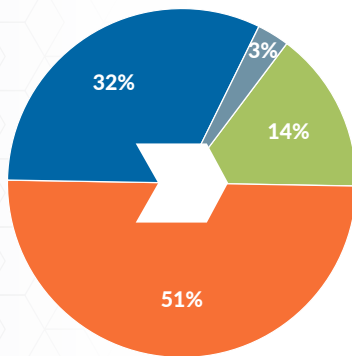
UGI strives for diversity (diverse representation) at all levels of its business.

In Fiscal 2021, as part of our continued commitment to enhancing opportunities for diversity in our workforce, all executives had a D&I component in their annual bonus plan. The executive team is evaluated on the effectiveness of the Company’s development and implementation of a multi-dimensional strategy to deepen and improve the organization’s commitment to D&I, supporting the Company’s Belonging, Inclusion, Diversity, and Equity (“BIDE”) imperative (initiative), and establishing a roadmap to achieve excellence in D&I and branding UGI as an employer of choice for diverse candidates.

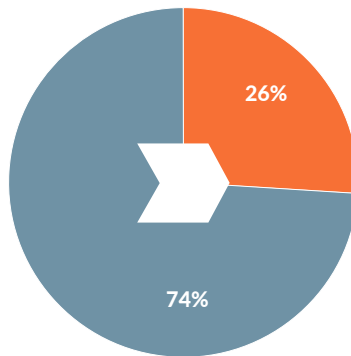
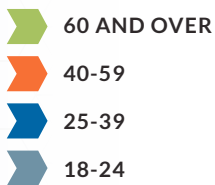
We believe that Board diversity is critical to effective governance. In assessing Board composition, UGI ensures that our Board has the right mix of background, experience, and diversity of perspectives to support our business. In assessing director candidates, UGI considers a number of qualifications, including independence, knowledge, judgment, character, leadership skills, education, experience, financial literacy, standing in the community and diversity of backgrounds and views, including, but not limited to, gender, race, ethnicity and national origin. 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. In Fiscal 2021, women represented 38% of UGI corporate officers, an increase of 8.5% compared to Fiscal 2020.

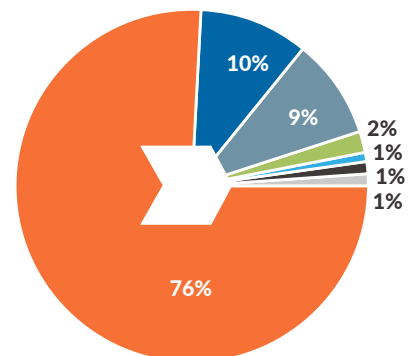
WORKFORCE DEMOGRAPHIC¹



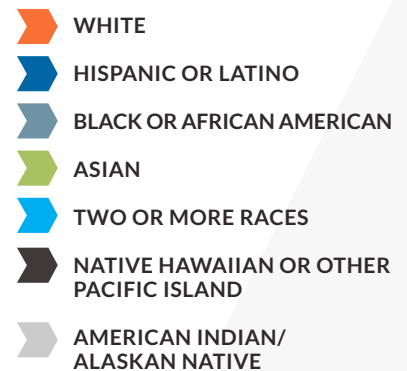
2021 Employee Age Distribution



2021 Employee Gender Break-down



2021 Employee Race/Ethnicity



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

Diversity in Action

UGI JOINS CEO ACTION FOR DIVERSITY AND INCLUSION

Roger Perreault joined over 2,000 other chief executive officers in signing the CEO Action for Diversity & Inclusion™ pledge, the largest CEO-driven business commitment to advance diversity and inclusion in the workplace.

The CEO Action for Diversity and Inclusion™ commitment is driven by a realization that addressing diversity and inclusion is a collaborative societal effort and CEOs can play a critical role. Companies from 85 industries have signed on, giving the signatory group unique perspectives on how to develop comfortable environments for employees to thrive and feel empowered to discuss critical diversity and inclusion topics.

CEO **ACT!ON FOR
DIVERSITY & INCLUSION**

BIDE

UGI introduced the BIDE imperative (initiative) 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 BIDE 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



UGI has launched several initiatives to foster diversity and inclusion and to support diverse segments of our workforce through employee resource groups ("ERGs"). ERGs are a key component of the BIDE strategy. These groups are open to participation for all employees to learn from a cultural perspective and support each other through allyship. UGI's ERGs include Black Organizational Leadership and Development ("BOLD"), Women's Impact Network ("WIN"), and Veteran Employee Team ("VET").

BOLD

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 focuses 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 employee, customer and community partner perspectives.





More Growth, More Awareness

In Fiscal 2021, BOLD continued to cultivate and provide forums for employees to connect and feel supported. With sharp membership growth, BOLD provides its members with quarterly professional development, membership mixers, and coffee conversations with UGI leadership. BOLD was essential in helping to shape the dialogue and learning regarding Juneteenth and the importance of the commemoration of a critical Black history moment. UGI employees now have the opportunity for paid time off to honor Juneteenth or to remember the life and legacy of Dr. Martin Luther King, Jr.¹.



WIN

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.

International Women's Day: UGI Employees Help #BreakTheBias!

In March 2022, WIN joined with employees across UGI to honor Women's History Month and International Women's Day ("IWD"). Colleagues participated in IWD to celebrate the social, economic, cultural, and political achievements of women around the globe.



Jackie Nawa,
UGI Energy Services



Tracey Ciesnolevicz,
UGI Utilities



Kim Bankston,
UGI Corporation



Brad Steadman,
UGI International



Tara Frey,
UGI Utilities

¹ Choice of holidays applies only to domestic employees.

VET

UGI believes that veterans play a vital role in building a diverse and collaborative workplace. 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. In 2021, UGI focused on implementing new and existing VET initiatives that align with the Company's culture and priorities.



UGI VET Team Honors Local Veterans

Representatives from VET had the opportunity to attend the annual Benefit for Berks County Veterans Presented by Customer's Bank in Reading, PA. As a gold sponsor, proceeds from the event went directly to support veterans in the Berks County community through the Military Assistance Fund of Berks County Community Foundation. VET is committed to strengthening UGI as a whole through veteran recruitment, outreach, recognition and volunteering in the community.





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 (LGBTBE)



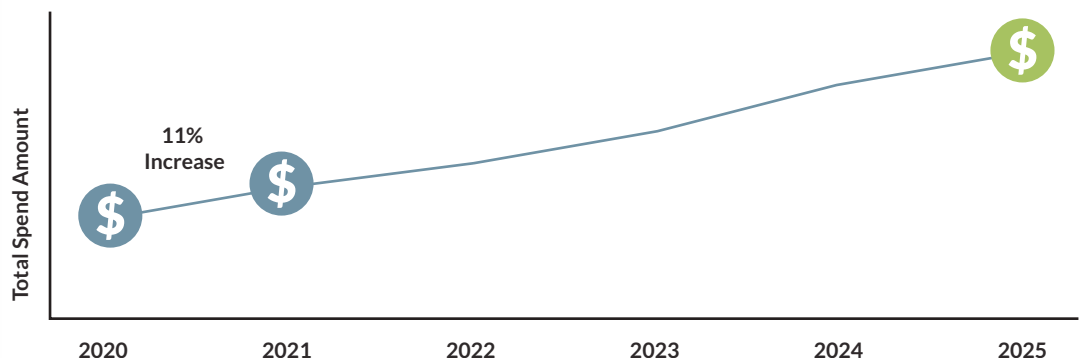
To be certified as diverse, the supplier must have a valid and current certification from one of the following:

- State or local government certifying agencies
- National Minority Supplier Development Council (NMSDC)
- Women's Business Enterprise National Council (WBENC)
- National Veteran Business Development Certification (NVBDC)
- National Veteran Owned Business Association (NaVOBA)
- The National Gay, Lesbian, Bisexual, Transgender Chamber of Commerce (NGLCC)

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.

UGI's spend with diverse Tier I and Tier II suppliers increased 11% in 2021.



Action In 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 2021, UGI employees continued this tradition of community support by donating over 50,000 hours to community-based organizations. Financially, UGI supported its communities with donations of \$2.8 million.

Spirit of Giving

During the holiday season, UGI Utilities employees across Pennsylvania supported community organizations by providing food, clothing, and gifts to children and others in need. Some of the organizations supported during the holiday season included:

- **COATS FOR KIDS** - UGI sponsored WGAL (Lancaster) Channel 8's Annual Coats for Kids telethon to benefit the Salvation Army. The telethon raised over \$125,000, providing more than 1,100 children with new coats.
- **TOYS FOR TOTS** - UGI employees participated in a number of local Toys for Tots campaigns across their communities.
- **THE GREATER PITTSSTON SANTA SQUAD** - UGI employees donated toys to the Santa Squad to benefit children in need.
- **OLIVET BOYS AND GIRLS CENTER FOR THE ARTS CLUB HOLIDAY TREAT BAGS** - Employees donated items for treat bags delivered by Santa and employees.
- **HOLIDAY HOPE CHESTS** - UGI employees filled shoe boxes with new toys and gifts for Lehigh Valley children.
- **WREATHS ACROSS AMERICA** - UGI employees participated in wreath laying ceremonies to honor and remember fallen veterans at Cedar Hill Memorial Park, Allentown; Fort Indiantown Gap, Annville; Forest Hills Memorial Park, Reading; and Wellsboro Cemetery.
- **NEIGHBORHOOD SANTA PROGRAM THROUGH REAL LIFE COMMUNITY SERVICES** - More than 150 children from the Cocalico School District and the Ephrata Area School District were served through this program. UGI employees donated stocking stuffer items to supplement the gifts given to the children in their Santa gift bags.
- **SALVATION ARMY ANGEL TREE** - Throughout UGI's service area, employees bought and wrapped gifts for children in need.

Spreading the Love!:

In 2021, UGI held its Love and Kindness Campaign. Employees delivered 190 bags filled with chocolates, lip balm, lotions, valentines, puzzle books, stationery items, games, and stuffed animals to the Medical Intensive Care Unit at the Reading Hospital.



UNITED WAY

UGI is proud to celebrate its 100th year of partnering with its local United Way!

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 funds 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 2021, UGI employees pledged over \$1.2 million dollars to the United Way.

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.

Annual Day of Caring

In September 2021, UGI employees volunteered to support the United Way's Annual Day of Caring community events and assisted community organizations with a range of projects, from general maintenance to landscaping. Here is a picture of the UGI Utilities team at Glenside Elementary in Reading, PA during the United Way of Berks County's Day of Caring.



Front row (left to right): Cole Ciesnolevicz, Jessica Cintron, Meghan Pickup, Jennifer Gernert, Angela Gonzalez, Lori Hoffman. Middle row (left to right): Elizabeth Thomas, Meghan Sebio, Sandi Schlegel (UGI Utilities retiree), Jose Vega, Fonya Brown. Back row (behind the sign): Kelly Evans.



The Reading Wizard in Action!:

The UGI Reading is Fundamental (“RIF”) program has grown to operate in 87 schools and UGI employees have provided over 20,000 hours of volunteer service reading to children and helping with book distributions. Employees also volunteer to portray “The Reading Wizard,” a life-size, UGI-created character that visits schools during book distributions to motivate children to be excited about reading.

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 Utilities’ educational support encompasses a number of areas of focus that include:

- **EARLY CHILDHOOD LITERACY** - UGI has partnered with RIF for 30 years. The program provides more than 50,000 books to more than 18,000 first-grade students each year. Since 1991, UGI has distributed over 1.5 million books to more than 500,000 students 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.

Our commitment to the communities we serve

UGI was recognized by the Philadelphia Foundation and the Civic 50 Greater Philadelphia Partners as one of the 50 most community-minded companies in Pennsylvania, New Jersey, and Delaware for 2021.

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



Left to Right: Michael Nutter, Former Mayor of Philadelphia, Points of Light Foundation Board Member; Natalye Paquin, President & CEO, Points of Light Foundation; Alanna Zahora, Manager ESG, UGI Corporation; Diane Melley, Points of Light Board Member & Executive Director, Philadelphia Foundation; Pedro Ramos, President & CEO, Philadelphia Foundation

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 2021, UGI's Board met 9 times. All directors attended at least 75% 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, but not limited to, independence, knowledge, judgment, character, leadership skills, education, experience, financial literacy, community standing, and the ability to foster diverse backgrounds and views.

As part of UGI's commitment to Board diversity, in Fiscal 2021, UGI updated its Corporate Governance Committee charter to include promotion of board diversity and inclusion through the identification and recommendation of diverse director candidates.

Our Board members have relevant experience in the following areas:



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 28, 2022 (our most recent annual meeting of shareholders), our Board was comprised of 11 members, nine of whom are independent as defined under the rules of the New York Stock Exchange.

Key Statistics About Our Board's Composition

5 Years
Average Tenure¹

36%
Diverse²

82%
Independence

ESG Governance

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 has adopted compensation-related goals that align with critical ESG initiatives, including safety, diversity and inclusion. Additionally in Fiscal 2021, the Board considered sustainability topics related to safety, environmental issues, human capital and cybersecurity, among others.

UGI's Board Committees also play a key role in evaluating ESG strategy, risk, and progress:

- The Corporate Governance Committee oversees the corporate governance aspects of the Company's ESG program and reviews the Company's annual ESG report as it relates to governance disclosures.
- The SERC Committee oversees the Company's safety, environmental and regulatory compliance policies, programs, procedures, initiatives, and training. In Fiscal 2021, the SERC Committee updated its charter to include responsibility and oversight of climate change and sustainability.
- The Compensation and Management Development Committee oversees the Company's policies and practices relating to the social responsibility aspects of its ESG program, including review of the Company's annual ESG report as it relates to social responsibility disclosures.

Retirement of CEO John Walsh

John Walsh retired on June 25, 2021 after serving as Chief Executive Officer of UGI since 2013 and as President and a Director since 2005. During John's time as President and CEO, the Company experienced significant growth and value creation for UGI shareholders and executed on key strategic investments, including the Totalgaz France acquisition, the AmeriGas merger, the Columbia Midstream acquisition, and the Mountaineer acquisition. In addition to his impressive track record of financial and operational success, John made significant progress on the Company's critical ESG initiatives, including investment in renewable and sustainable energy solutions, commitment to greenhouse gas emission reduction targets and promotion of diversity and inclusion through the Company's BIDE initiative. John continues to serve as a member of UGI's Board of Directors. We would like to thank John for all his years of service and wish him a long, happy and healthy retirement.



¹ Average tenure is calculated as of January 28, 2022. For directors who were appointed in 2021, their average tenure was calculated as a proration based on their month of appointment.

² Diverse represents ethnic, gender and other minorities.

10 REDUCED INEQUALITIES



Diversity Governance – A Closer Look

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, valued and offered opportunities 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.



UGI's **Code of Business Conduct and Ethics** (the "Code of Conduct") establishes our expectations for employees on how to comply with UGI's policies and the law, including guidelines to prevent workplace harassment and discrimination. It also provides unethical situations that employees might face on the job, and explains the many resources available to answer questions they may have.

Enhanced Code of Conduct training, as well as Diversity & Inclusion training, is provided to all employees. In addition, our **Anti-Discrimination/Anti-Harassment Policy** supports UGI's 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.

10 REDUCED INEQUALITIES



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.

8 DECENT WORK AND ECONOMIC GROWTH



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, 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 third parties.

Shareholder and Stakeholder Engagement

Investor Outreach

UGI seeks regular engagement with investors to communicate our strategy and solicit feedback from the investment community. In Fiscal 2021, our independent Board Chair participated in a number of investor meetings. Additionally, management periodically engages a third-party consultant to obtain independent feedback from our investors. In Fiscal 2021, management participated in a number of investor conferences, roadshows, and meetings, both virtual and in-person. These meetings were attended by various members of the Company’s senior management, including our Chief Executive Officer, Chief Financial Officer, Executive Vice Presidents, and/or senior members of our business unit management teams. Management periodically discusses feedback, including key themes and other insights gained from the investor outreach meetings, at the Company’s Board and Committee meetings, as appropriate. The Board of Directors, as well as the management team, values the perspectives of our investors as it helps us to understand and evaluate the effectiveness of our investor communications. Additionally, the Compensation and Management Development Committee takes into consideration the results of the annual advisory vote on the Company’s executive compensation program. At the 2021 Annual Meeting, nearly 95% of the Company’s voting shareholders showed their strong support by voting to approve the compensation of the Company’s named executive officers.

Stakeholder Engagement

UGI actively engages with its stakeholders across a variety of mediums to understand their needs, priorities, and expectations so that we can provide relevant and meaningful information on those topics. These engagements help strengthen our relationships with our stakeholders as we remain committed to delivering affordable, reliable, and sustainable energy solutions to our customers. UGI’s stakeholders include employees, customers, communities, government (federal, state, and local), industry associations, and shareholders. As outlined below, our engagement approach varies based on stakeholder group.

EMPLOYEES:

In Fiscal 2021, the Company launched its first global employee engagement survey. The survey was completed by more than 7,000 employees across our organization. While the survey offered employees an anonymous forum to provide candid and thoughtful feedback about the Company and engage with management, it also informed the Company of potential opportunities for change.

Employee Engagement Surveys	Employee Resource Groups	Company Newsletters
Corporate & ESG Website	Company Intranet Sites	LinkedIn
Performance Evaluations	Training Events	Townhall Events

CUSTOMERS:

UGI prides itself on being a customer-focused company. We continue to invest in technology that ensures our customers have safe, reliable, modern, and affordable energy solutions delivered to them every day. Our businesses remain focused on using numerous tools, such as feedback surveys, market research, and J.D. Power surveys, among others, to ensure we continue to meet the evolving needs of our customers and remain in position to promote a stress-free customer engagement.

Billing Statements and Messaging	Customer Feedback Surveys	Customer Website Portals
Email Newsletters	J.D. Power Survey	LinkedIn
Market Research	News Releases to Local Media	

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.

Economic Development Groups	Local Nonprofits, Chambers, and Associations	Volunteerism
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GOVERNMENT:

UGI 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.

<p>UGI actively participates in matters important to the energy industry before government legislative and regulatory bodies at federal, state, and municipal levels.</p>	<p>UGI maintains continuous dialogue with various regulatory bodies, including:</p> <ul style="list-style-type: none"> • Federal Energy Regulatory Commission; • PA Public Utility Commission; • West Virginia Public Service Commission; and • State and municipal governments.
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UGI engages in lobbying activities and participates in trade associations that educate and address issues that impact our Company. Additionally, the Company makes political contributions through our political action committees (“PAC”) which include the UGI Corporation PAC, and the UGI Utilities, Inc. and UGI Energy Services, LLC PAC. 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. and UGI Energy Services, LLC PAC), is available to the public through the Federal Election Commission and the Pennsylvania State Department Campaign websites, respectively.

INDUSTRY ASSOCIATIONS:

UGI actively participates in the following trade associations that educate and address issues that impact our company:

- American Biogas Council
- American Gas Association
- Energy Association of PA – Gas & Electric
- Edison Electric Institute
- Gas & Oil Association of West Virginia
- Interstate Natural Gas Association of America
- Marcellus Shale Coalition
- National Propane Gas Association
- North American Energy Standards Board
- PA Chamber of Business & Industry
- RNG Coalition
- Southern Gas Association
- The World LPG Association
- Utilities, Telecommunications & Energy Coalition of West Virginia
- West Virginia Chamber of Commerce

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.

Governance 	Oversight Structures & Committees	Risk Policies	Risk Benchmarking
Tactical 	Risk Assessments	Risk Monitoring & Reporting	Risk & GRC Systems
Strategic 	Risk Analysis Methodology	Scenarios Analysis	Risk Integration Into Decision Making

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.



MSCI
ESG RATINGS



CCC B BB BBB A AA AAA

MSCI Upgrades UGI Corporation's ESG Rating to "AA"

In December 2021, UGI received a rating of AA in the MSCI ESG Ratings Assessment. The upgrade to an AA rating positions UGI among the leading companies worldwide for action across ESG matters and reflects UGI's robust governance practices and improved GHG mitigation strategies. MSCI ESG Research provides in-depth research, ratings and analysis of the ESG-related business practices of thousands of companies worldwide.

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 ERM group has identified a number of potential enterprise level risks that are influenced by climate change.

We classify 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 affect demand volumes for our energy products, particularly in the winter months.

We have been working diligently to enhance and expand our ESG programs and activities over the past several years and are pleased that this is recognized in the MSCI rating upgrade. UGI is focused on providing its stakeholders with enhanced disclosure to better evaluate our progress on key ESG initiatives and to executing a broad spectrum of ESG actions that will have a positive impact on the families, businesses and communities we serve.

— ROGER PERREAULT, PRESIDENT AND CHIEF EXECUTIVE OFFICER OF UGI



”

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, the UGI ERM team coordinated an effort to complete a company-wide survey for ESG-specific risks. The goal was to identify and prioritize the most relevant ESG risks for UGI, including climate-related risks. For the identified ESG risks, the ERM team, in collaboration with the ESG group and individual business units, plans to align existing controls and develop necessary action plans to address the short- and long-term impacts of these risks. This development of action plans will include the identification of key sources of ESG risk drivers by leveraging UGI's existing ERM framework.

In any decarbonization 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 decarbonization 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 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 Degrees Fahrenheit or higher) on our productive working hour.

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

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.

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 cyber attacks and to withstand potential impacts.

As cybersecurity risks continue to evolve, it is imperative that UGI frequently assess our capabilities and embrace 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	2019 Results in Metric tons of CO ₂ equivalent	2020 Results in Metric tons of CO ₂ equivalent	2021 Results in Metric tons of CO ₂ equivalent
Utilities	183,856	164,981 ¹	162,715
Midstream & Marketing	990,393	863,111	409,660 ²
AmeriGas	199,302 ³	196,928	174,740
UGI International	16,046 ⁴	14,119 ⁵	73,442 ⁶
Total Scope 1 Direct Emissions	1,389,597	1,239,139	820,557

¹ Scope 1 emissions do not include emissions from the Mountaineer acquisition, which closed in September 2021.

² Decrease in Scope 1 emissions largely reflect UGI's sale of its ownership stake in Conemaugh coal-fire generation facility.

³ 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.

⁴ UGI International LPG footprint includes the West and North regions which make up ~85% of UGI International's Net Income.

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

⁶ UGI International reclassified its Scope 1 emissions to include its outsourced fleet, which was previously captured in Scope 3 emissions.

Scope 2 Indirect Emissions

Indicator	2019 Results in Metric tons of CO ₂ equivalent	2020 Results in Metric tons of CO ₂ equivalent	2021 Results in Metric tons of CO ₂ equivalent
Utilities	317 ¹	368 ¹	429
Midstream & Marketing	N/A	3,542	3,290
AmeriGas	29,802	21,925	22,819
UGI International	1,590 ²	5,314 ³	4,493
Total Scope 2 Indirect Emissions	31,709	31,149	31,031

¹ Updated Utilities emissions factors to align with Global LG 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	2019 Electricity usage only (kWh/year)	2020 Electricity usage only (kWh/year)	2021 Electricity usage only (kWh/year)
UGI Utilities	971,097	728,323	910,403

GRI INDEX

GRI Content Index: General Disclosures

Disclosure Number/Title	Report Section and/or Direct Response	Page(s)
Organizational Profile		
102-1: Name of the organization	UGI Corporation	N/A
102-2: Activities, brands, products, and services	Our Business; See 2021 Form 10-K, page 9, Items 1 and 2: Business and Properties	6 - 7
102-3: Location of headquarters	460 North Gulph Road, King of Prussia, PA 19406; See Contact Information .	N/A
102-4: Location of operations	UGI operates in 18 countries. See 2021 Form 10-K, page 10, Items 1 and 2: Business and Properties	N/A
102-5: Ownership and legal form	Our Business; UGI is a publicly traded company listed on the New York Stock Exchange.	6 - 7
102-6: Markets served	Our Business; See 2021 Form 10-K, page 10, Items 1 and 2: Business and Properties	6 - 7
102-7: Scale of the organization	Our Business; See FY21 results .	6 - 7
102-8: Information on employees and other workers	Workforce Demographics	50
102-9: Supply chain	Nearly all (almost 100%) of UGI's natural gas is sourced from the Marcellus Shale. See our Marcellus Advantage here, slide 24 .	N/A
102-10: Significant changes to the organization and its supply chain	Diversity in our Supply Chain; Supplier Code of Conduct	54, 60
102-11: Precautionary Principle or approach	Materiality; See policy documents (HSSE, Environmental, Sustainability, and Human Rights) .	14 - 15
102-12: External initiatives	Expanding Our Reach; Industry Associations	41; 63
Strategy		
102-14: Statement from senior decision-maker	Letter from the CEO	4 - 5
102-15: Key impacts, risks, and opportunities	Climate-Related Risk	65 - 67

Disclosure Number/Title	Report Section and/or Direct Response	Page(s)
Ethics and integrity		
102-16: Values, principles, standards, and norms of behavior	Mission, Vision, & Values	8
102-17: Mechanisms for advice and concerns about ethics	Mission, Vision, & Values; Code of Business Conduct & Ethics ; Supplier Code of Conduct	8; 60
Governance		
102-18: Governance structure	Governance; See UGI Committees & Charters .	58 - 59
102-19: Delegating authority	ESG Governance; Board Role in Risk Management	59; 67
102-20: Executive-level responsibility for economic, environmental, & social topics	Governance; See UGI Board of Directors , SERC charter , Compensation and Management Development Charter and Corporate Governance Charter .	58 - 59
102-22: Composition of the highest governance body and its committees	Governance; Workforce Demographics; See UGI Board of Directors	58 - 59; 50
102-23: Chair of the highest governance body	See UGI Board of Directors	N/A
102-24: Nominating and selecting the highest governance body	See 2022 Proxy Statement , page 20, Board Evaluation Process and Corporate Governance Committee Charter .	N/A
102-26: Role of highest governance body in setting purpose, values, and strategy	Governance; See UGI Committees & Charters .	58 - 59
102-27: Collective knowledge of highest governance body	Governance; see 2022 Proxy Statement , page 10.	58
102-28: Evaluating the highest governance body's performance	See 2022 Proxy Statement , page 20, Board Evaluation Process and Corporate Governance Committee Charter .	N/A
102-29: Identifying and managing economic, environmental, and social	ESG Governance; See SERC charter , Compensation and Management Development Charter and Corporate Governance Charter .	59
102-30: Effectiveness of risk management processes	ESG Governance; Enterprise Risk Management and ESG; See SERC charter .	59; 63 - 67

Disclosure Number/Title	Report Section and/or Direct Response	Page(s)
Stakeholder Engagement		
102-40: List of stakeholder groups	Shareholder & Stakeholder Engagement	61- 63
102-42: Identifying and selecting stakeholders		
Reporting Practice		
102-45: Entities included in the consolidated financial statements	See 2021 Form 10-K, Exhibit-21	N/A
102-46: Defining report content and topic Boundaries	Introduction & Table of Contents; Materiality	2; 14 - 15
102-47: List of material topics	Materiality	14 - 15
102-48: Restatements of information	We have adjusted our calculation method for Scope 1 emissions for UGI International to include outsourced fleet in UGI's direct emissions. In previous reports we included those emissions as part of Scope 3	N/A
102-49: Changes in reporting	None during the reporting period	N/A
102-50: Reporting period	Introduction (Oct. 1, 2020 - Sept. 30, 2021 & calendar year 2020).	2
102-51: Date of most recent report	2021, See Sustainability Reports.	N/A
102-52: Reporting cycle	Annual	N/A
102-53: Contact point for questions regarding the report	Contact Information	71
102-56: External assurance	Report Assurance	70

GRI Content Index: Topic-Specific Disclosures

Disclosure Number/Title	Report Section and/or Direct Response	Page(s)
Economic Performance		
201-1: Direct economic value generated and distributed	Action in Our Communities	55 - 57
201-2: Financial implications and other risks and opportunities due to climate change	Enterprise Risk Management and ESG	63 - 65
Anti-Corruption		
205-2 Communication and training about anti-corruption policies and procedures	See UGI's Anti-Bribery and Anti-Corruption Policy	N/A
Energy		
302-1 Energy consumption within the organization	Environmental (Scope 2 Emissions); Appendix (Scope 2 Emissions)	27 ; 69
Water and Effluents		
303-2 Management of water discharge-related impacts	Water Management	30 - 31
303-3 Water withdrawal	Water Management (2021 Water Use)	32 - 33
303-4 Water discharge		32 - 33
303-5 Water consumption		32 - 33
Biodiversity		
304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity	35-36
304-3 Habitats protected or restored	Biodiversity	35-36
Emissions		
305-1: Direct (Scope 1) GHG emissions	Environmental (Scope 1 Emissions); Appendix (Scope 1 Emissions)	26; 68
305-2: Energy indirect (Scope 2) GHG emissions	Environmental (Scope 2 Emissions); Appendix (Scope 2 Emissions)	27; 68 - 69
305-2: Other indirect (Scope 3) GHG emissions	Environmental (Scope 3 Emissions); Appendix (Scope 3 Emissions)	27; 69

Disclosure Number/Title	Report Section and/or Direct Response	Page(s)
305-5: Reduction of GHG emissions	Progress On Key Commitments (Environmental Commitments); Environmental	10; 26
305-7: Nitrogen oxides (NOX), sulfur oxides (SOX), & other significant air emissions	Air Quality	29
Waste		
306-1 Waste generation and significant waste-related impacts	Waste Management	34
306-2 Management of significant waste-related impacts	Waste Management	34
Environmental Compliance		
307-1: Non-compliance with environmental laws and regulations	No significant fines were paid for noncompliance with laws and regulations in 2021.	N/A
Employment		
401-1: New employee hires and employee turnover	Workforce Demographics	50
401-2: Benefits provided to full-time employees that are not provided to temporary or part-time employees	See UGI's 2019 ESG Report, Benefits, page 49.	N/A
Occupational Health and Safety		
403-5 Worker training on occupational health and safety	Safety	42 - 44
403-6 Promotion of worker health	Safety	42 - 44
403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety	42 - 44
403-9: Work-related injuries	Safety	43 - 44
Training and Education		
404-1 Average hours of training per year per employee	Investing in Our Employees	49
404-2: Programs for upgrading employee skills and transition assistance programs	Our Employees	48 - 49

Disclosure Number/Title	Report Section and/or Direct Response	Page(s)
Diversity and Equal Opportunity		
405-1: Diversity of governance bodies and employees	Governance; Workforce Demographics; See UGI Board of Directors	58; 50
Human Rights Assessment		
412-2: Employee training on human rights policies or procedures	Diversity Governance (Human Rights, Supplier Code of Conduct)	60
Local Communities		
413-1: Operations with local community engagement, impact assessments, and development programs	Our Customers; Action in Our Communities	46 - 48; 55 - 57
Supplier Social Assessment		
414-1: New suppliers that were screened using labor practices criteria	Supplier Code of Conduct; See Supplier Code of Business Conduct & Ethics, Sourcing Ethically & Sustainability, page 9.	60
Public Policy		
415-1 Political contributions	Government; See UGI's Political Spend Disclosure	62 - 63
Customer Privacy		
418-1: Substantiated complaints regarding breaches of customer privacy and losses of customer data	None during the reporting period: Data Privacy; See Information Security Program Policy.	48

Report Assurance

The UGI Internal Audit Department (“Internal Audit”) performed an independent review of the 2021 UGI ESG Report and submitted the following statement:

UGI Corporation Management (“Management”) engaged Internal Audit to provide limited reasonable assurance over the accuracy of selected subject matter presented in this year’s ESG report. The preparation and presentation of the information contained in the report are the sole responsibility of Management. Internal Audit was not involved in defining the reporting criteria or drafting the ESG report. Internal Audit’s responsibilities were as follows:

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

Internal Audit reviewed selected ESG subject matter at the direction of UGI ESG Management, including:

ESG Topic	Issue
Environmental	Scope 1 Emissions
	Workforce Demographic
Social	Supplier Diversity Goal
	Lost Time Injury Rate (LTIR)
	Total Recordable Incident Rate (TRIR)
	Near Miss Frequency Rate (NMFR)
	Accountable Vehicle Incident Rate (AVIR)

Based on the inquiries and procedures performed, no matters came to our attention to indicate that the selected subject matter stated above presented in the 2021 UGI ESG Report is materially misstated due to error or fraud.

UGI Internal Audit applies a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and internal control processes. The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit Committee of the UGI Corporation Board of Directors (the “Audit Committee”), management, and select outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the Company. Internal audit assessments include evaluating whether information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.

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