



WHEREAS: The long-term interests of shareholders are best served by companies that operate their businesses in a sustainable manner, focused on long-term value creation. This is particularly important in the context of climate change.

Methane is the main chemical component of natural gas. Methane emissions are a significant contributor to climate change, with a global warming impact roughly 86 times that of CO₂ over a 20 year period according to the IPCC. Methane leaks from UGI's aging infrastructure create significant climate risk. Importantly, research indicates that across the global economy methane leaks of only 3.2% across the natural gas supply chain -- from production through distribution -- could fully erase the climate benefits of replacing coal with gas. Leaked methane is also a loss of product; across the US economy it is enough to fuel 10 million homes per year according to EDF's 2018 report in Science.

UGI's methane leaks expose the company to climate change related regulatory risk. In recent years state-level regulations on greenhouse gas emissions have become increasingly stringent. States in which UGI operates are pressing forward with methane reduction policies, including for instance, the Pennsylvania Governor's Methane Reduction Strategy.

Methane leaks also present a safety hazard. UGI's leaking pipeline infrastructure puts its 600,000 gas customers at risk of becoming victims of a catastrophic explosion. Avoidable pipeline corrosion has been found to be the cause of multiple gas explosions across UGI's service territories over its history. Between 2005 and 2018, the Pipeline and Hazardous Materials Safety Administration reports that the nation's natural gas distribution system was responsible for incidents resulting in 122 fatalities, 602 injuries, and costs of almost \$900 million.

Key strategies to address methane leakage include pipeline replacement and leak detection and mitigation. However, UGI has not disclosed sufficient information about its pipeline replacement plans nor disclosed the degree to which it is making any improvements in its leak detection and monitoring program.

The Proponent believes that the Company's poor disclosure and limited action on this issue may expose shareholders to material risks due to climate and regulatory developments, as well as catastrophic incidents.

RESOLVED: As You Sow requests the company report to shareholders (at reasonable cost, omitting proprietary information), the company's actions beyond regulatory requirements to reduce its greenhouse gas emissions and associated climate risk by monitoring and minimizing its methane emissions.

SUPPORTING STATEMENT: Investors suggest that the report specifically include a description of its methane reduction program and quantitative indicators, such as:



AS YOU SOW

2018 Shareholder Resolution

UGI Corporation

Request: Report on Methane Leaks & Management Actions

- Any company plans to replace leak prone pipeline or implement other emission reduction practices;
- Any deployment of leak detection and repair technologies, including timelines;
- Amount of methane emissions reduced annually (and how emissions are calculated), including any goals or targets for methane reduction.