



Creating a Sustainable Energy Future for Everyone

2023 SUSTAINABILITY REPORT

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About This Report

Southwest Gas Corporation (“Southwest Gas”) has annually published its corporate responsibility and sustainability approach for more than a decade. Beginning in 2019, Southwest Gas Holdings, Inc. expanded our reporting to detail our sustainability approach and performance, and that of our wholly owned subsidiaries. This 2023 Sustainability Report (“Sustainability Report” or “Report”) provides information on the sustainability objectives, programs and performance of Southwest Gas Holdings and its subsidiaries¹ for the 2022 calendar year, along with important developments in 2023. Centuri Group, Inc. (“Centuri”) also publishes an [annual report](#) on its sustainability programs and performance and has done so since 2021.

Southwest Gas Holdings closed the sale of MountainWest Pipelines Holding Company to Williams on February 14, 2023; therefore, MountainWest data and commentary are not included in this Report.

We prepared this Report in accordance with the following reporting guidelines and indicators:

- The American Gas Association (“AGA”) Sustainability Template
- The Sustainability Accounting Standards Board (“SASB”) Gas Utilities & Distributors and Engineering & Construction Services standards

Our disclosures also reference the UN Sustainable Development Goals and the GRI (“Global Reporting Initiative”) Universal Standards, including GRI 11: Oil and Gas Sector Standards, and have been guided by the Task Force on Climate-related Financial Disclosures (“TCFD”) framework. We have moved toward aligning with the TCFD recommendations. More information on these disclosures is available in the Appendices on [page 59](#).

In developing this Report, we focused on the environmental, social and governance (“ESG”) issues of most significance to our Company and stakeholders. Details on our ESG priorities and materiality assessment are discussed on [page 14](#).

References to “Company,” “the Company,” “we,” and “our” refer to Southwest Gas Holdings, Inc. and its subsidiaries. All financial figures are in U.S. dollars unless otherwise noted.

Restatement of Information

Continual enhancements to our data collection processes and systems, or discovered errors, might lead to revisions of previously reported data. If there is a change in measurement methods or an error in the initial information, restatements may be provided and included as footnotes, where applicable.

Risks

Note that many of the standards and metrics used in preparing this Report continue to evolve and are based on management assumptions believed to be reasonable at the time of preparation and should not be considered guarantees. Outlooks, projections, estimates, goals, descriptions of business and community plans, research efforts and other statements of future events or conditions in this Report are forward-looking statements. Actual future results, including future earnings, returns to investors and other areas of financial and operating performance, the future effectiveness of safety, health, environmental and other sustainability risk and impact management processes, efficiency gains, and the timing and impact of future technologies are subject to a variety of risks inherent in the energy and strategic infrastructure service businesses. These factors are outlined in detail in the Risk Factors section of the 10-K, Item 1A. Risk Factors and Item 7A. Quantitative and Qualitative Disclosures About Market Risk in the Company’s Annual Report for the year ended December 31, 2022.

¹ Our 2022 Sustainability Report covered three wholly owned subsidiaries – Southwest Gas, Centuri and MountainWest Pipelines Holding Company.



About Southwest Gas Holdings

We are an energy and energy infrastructure holding company that conducts operations in both regulated and unregulated businesses. We provide safe, sustainable and affordable natural gas service, build the energy networks that power millions of homes and businesses, and provide other energy services.

Our operations include:

REGULATED		UNREGULATED
UTILITY		UTILITY INFRASTRUCTURE SERVICES
 <p>SOUTHWEST GAS</p> <p><u>Southwest Gas Corporation</u> purchases, distributes and transports natural gas and offers energy-efficiency and conservation programs to more than two million customers in Arizona, California and Nevada. Southwest Gas is the largest distributor of natural gas in Arizona and Nevada, serving large metropolitan areas including Phoenix, Tucson and Las Vegas. It also serves customers in portions of California, including the Lake Tahoe region and the high desert and mountain areas in San Bernardino County.</p> <p>Southwest Gas also makes investments that support energy innovations on behalf of our customers under approved regulatory frameworks.</p>	 <p>Great Basin GAS TRANSMISSION COMPANY</p> <p><u>Great Basin Gas Transmission Company</u> ("Great Basin"), a subsidiary of Southwest Gas, owns and operates an interstate pipeline system that extends from the Idaho-Nevada border to the California-Nevada state line near Lake Tahoe. Great Basin also operates a peak-shaving liquefied natural gas ("LNG") storage facility near Lovelock, Nevada.</p>	 <p>Centuri</p> <p><u>Centuri Group, Inc.</u> is a comprehensive utility infrastructure services enterprise that operates in two key segments across the U.S. and Canada:</p> <p>Gas utility – Provides installation, replacement and maintenance of gas distribution, local transmission, station and storage facilities.</p> <p>Electric utility – Provides transmission line, distribution line, substation and storm restoration electric services.</p> <p>In March of 2022, it was announced that Centuri would separate from the Company. In the first quarter of 2023, initial filings were made to separate Centuri to form an independent publicly traded company. As a standalone, independent company, Centuri will be an industry leader at the forefront of infrastructure modernization. Centuri is positioned to support the evolution and enhancement of the energy system given its extensive infrastructure capabilities and attractive blue-chip customer base composed of a diverse range of utilities.</p>

Southwest Gas founded in 1931

2,351
employees

1,416 miles
of transmission main

56,924 miles
of main and service lines

1 billion cubic feet
capacity LNG storage facility

2,197,000
customers

114-year
operating history

12,000+
employees

11
business entities

Operations in 45 states and provinces
in the U.S. and Canada

Average customer relationship of **23+ years**

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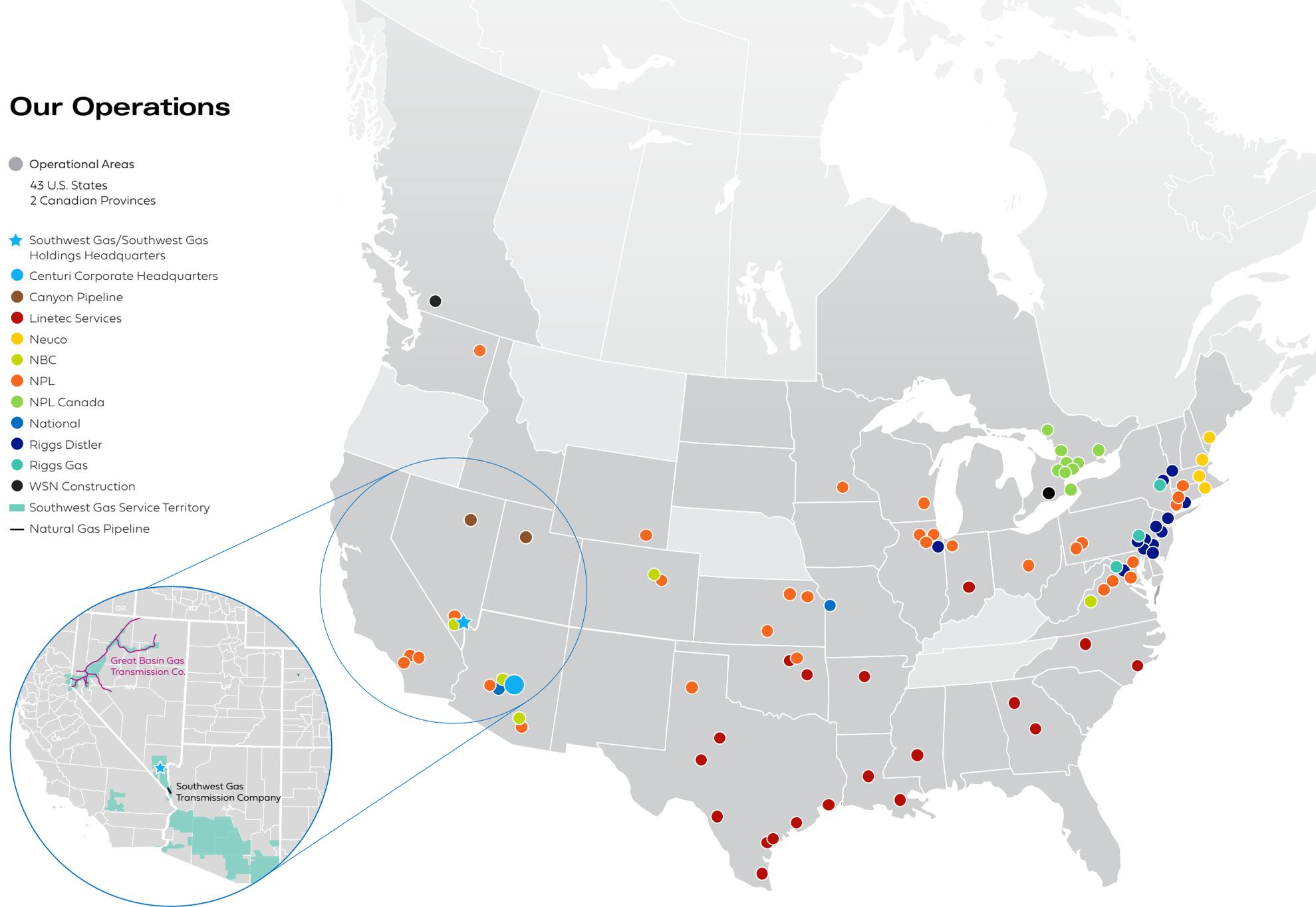
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- Operational Areas
43 U.S. States
2 Canadian Provinces
- ★ Southwest Gas/Southwest Gas Holdings Headquarters
- Centuri Corporate Headquarters
- Canyon Pipeline
- Linetec Services
- Neuco
- NBC
- NPL
- NPL Canada
- National
- Riggs Distler
- Riggs Gas
- WSN Construction
- Southwest Gas Service Territory
- Natural Gas Pipeline



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Performance Highlights and Awards



Piloted three advanced mobile leak detection (“AMLD”) technology units **to detect pipeline leaks more efficiently**



Facilitated the offset of combustion-related emissions associated with **11,980 therms through customer participation in Southwest Gas’ Move2ZeroSM Program¹**



Achieved record emergency response times, responding to **76.8% of emergencies within 30 minutes**, improving upon previous years



Reduced excavation damages by 17% since 2019 at the utility



Eliminated the equivalent of 79,012 MTCO_{2e} by delivering more than 37 million therms of natural gas in place of diesel



Spent \$257 million with **diverse suppliers** at Centuri and \$168 million at Southwest Gas

50% and 76% below the U.S. Bureau of Labor Statistics (“BLS”) classification specific to Total Recordable Incident Rate (“TRIR”) and Days Away, Restricted or Transferred (“DART”), respectively, at Centuri



Distributed \$1.5 million to nearly 400 nonprofits and charitable organizations through the Southwest Gas Foundation



Delivered gas bill assistance to more than 3,100 customers through Southwest Gas’ Energy Share Program

Established partnerships to advance investments of \$1.7 million at Southwest Gas in research, design and development efforts largely focused on lower-carbon energy technologies

Helped customers avoid emitting more than 98,200 metric tons of carbon dioxide equivalent (“MTCO_{2e}”) over the past six years through energy-efficiency programs; enough to power nearly 12,377 homes for one year

Continued the expansion of natural gas service to **Mesquite and Spring Creek, Nevada** to meet growing demand for affordable, reliable and sustainable energy options

¹ The first blocks were purchased in December 2022. This information is through August 2023.

Awards and Recognition

Southwest Gas

- For the third consecutive year, awarded the Climate Registered™ Gold status by The Climate Registry
- Ranked No. 1 for Customer Satisfaction among Business and Large Residential Gas Utilities in the West in the J.D. Power 2023 U.S. Gas Utility Residential and Business Customer Satisfaction studies for the fourth year in a row²
- Awarded the Arizona Hispanic Chamber of Commerce and U.S. Department of Commerce Minority Business Development Center’s Million Dollar Circle of Excellence
- Received the State Bar of Nevada’s 2023 Partner in Diversity, Equity and Inclusion designation for its commitment to incorporating DE&I initiatives within the in-house legal team and throughout the organization

Centuri

- Moved up to No. 2 on the 2023 *Engineering News-Record’s* (“ENR”) annual Top 600 Specialty Contractors list in the Utility category
- Riggs Distler, a Centuri company, certified as a Great Place to Work® for the fourth consecutive year
- Awarded two Bronze Star Awards for projects completed at Riggs Distler with no injuries over 200,000 person-hours from the National Maintenance Agreements Policy Committee
- Named to *Fortune’s* list of Best Workplaces in Construction 2022 (Riggs Distler)
- Earned Ventus Award for HSE Program of the Year, honoring excellence in offshore wind
- Received the 2023 Platinum Safety Award at Riggs Distler from Highwire, an award presented to companies who register a safety score between 95% and 100% in Highwire’s Safety Assessment Program

² For J.D. Power 2023 award information, visit jdpower.com/awards.



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Sustainability Mission

At Southwest Gas Holdings, Inc., our sustainability mission is to provide access to safe, affordable, reliable and sustainable energy to meet the goals of all stakeholders.

Vision

Our vision is to achieve a reliable and sustainable energy future for everyone.

Our mission and vision are supported by several principles that guide us in our efforts.

Both Southwest Gas and Centuri support our mission and vision through a set of core values that strengthen our culture and position the Company, our partners and communities for long-term success.





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A Message from Our CEO

Energy transforms our society, and its availability is essential for the continued progress and well-being of individuals and communities around the world.

Southwest Gas is dedicated to its mission to deliver safe, sustainable energy solutions. While new energy sources, like wind and solar, are an important part of the energy portfolio, natural gas, natural gas services, and infrastructure are critical to continuing to meet our energy and sustainability goals economywide.

Recent geopolitical events and inflation have highlighted the importance of having a diverse energy system to provide lower-carbon solutions that can ensure an affordable, accessible, secure and safe energy future for everyone. Our country's energy system continues to evolve, and natural gas provides a reliable energy source that supports enhanced renewable energy integration, cleaner transportation solutions, and access to innovative and measurable results for our environment and climate.

Over the past year, we progressed our strategy to return Southwest Gas Holdings, Inc. to its core foundation as a premier natural gas utility business and advance the separation of Centuri into a standalone modern energy infrastructure leader. This work includes making several leadership and organizational changes, including the formation of an Office of Continuous

Improvement and Optimization and a new Customer Experience Office within the utility. We believe these changes help us advance our mission – to enrich the lives of our employees and customers by providing safe and reliable natural gas service and other energy services.

Our ESG commitments are a cornerstone of this mission, and I'm pleased to provide an update on our efforts to ensure the safety of our employees and communities, advance innovative low-carbon energy solutions, provide an inclusive and engaging workplace, and help the communities we serve grow and thrive. This is particularly important as we navigate a dynamic compliance environment related to sustainability and climate disclosures.

Investing in Safety, Economic Development and Clean Energy

We recognize the intrinsic link between safety and sustainability, understanding that our performance in these two areas profoundly impacts our business and long-term success. In 2022, we directed \$292 million of our capital expenditures toward

“Over the past year, we progressed our strategy to return Southwest Gas Holdings, Inc. to its core foundation as a premier natural gas utility business and advance the separation of Centuri into a standalone modern energy infrastructure leader.”





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“We are further demonstrating sustainability in action through our goal to reduce greenhouse gas emissions from our building facilities and fleets, achieving industry-leading safety performance, and funding the Southwest Gas Foundation with 1% of net utility income.”

ensuring the operation of a top-tier natural gas distribution system. As part of our deployment of advanced mobile leak detection (“AMLD”) technology and by conducting more frequent leak surveys, we are detecting and repairing leaks more efficiently. Additionally, we proactively replace pipes to meet the highest integrity and performance standards. These investments are invaluable, ensuring the safety of the communities we serve and protecting the environment by reducing fugitive methane emissions.

Over the past year, demand for safe, reliable and affordable natural gas remained high. The continued expansion of natural gas services into Mesquite and Spring Creek, Nevada, has delivered new, long-term economic development opportunities to these previously unserved communities. Several manufacturing companies and federal agencies have also turned to Southwest Gas for energy solutions that help them reduce their emissions, lower costs and enhance resiliency.

As a natural gas service provider and builder of essential energy infrastructure, we are investing in innovative low-carbon energy solutions – including compressed natural gas, renewable natural gas (“RNG”) and hydrogen – that can help our customers and key stakeholders achieve their energy and environmental goals. At Centuri, we are contributing to exciting renewable energy projects, including components for the first utility-scale offshore wind project in New York (South Fork

Wind). Meanwhile, Centuri’s core infrastructure work for utility clients is strengthening North American energy systems and driving sustainability on a daily basis, including replacing aging natural gas and electric infrastructure.

Collaborating on Future Energy Solutions

Several projects require constructive and collaborative engagement with regulators and legislatures. The Company supported the Public Utilities Commission of Nevada’s (“PUCN”) initiative to transition to annual leak surveys for all distribution facilities, and in early 2023, a new law went into effect in Nevada that establishes a forward-looking planning process for gas distribution utilities.

Building Stronger Communities

As an employer and member of the community, we recognize our responsibility to offer support and resources that build stronger communities. We have a focus on charitable giving programs, including our Southwest Gas Foundation and diverse employee-giving initiatives, along with building partnerships for educational and workforce development initiatives. By investing in education and employment prospects, we aim to inspire brighter futures and create pathways

to success for people of all backgrounds and experiences. Through our philanthropic and dedicated volunteer efforts, our team strives to leave a lasting and positive impact on the communities we are privileged to serve.

We are further demonstrating sustainability in action through our goal to reduce greenhouse gas (“GHG”) emissions from our building facilities and fleets, achieving industry-leading safety performance, and funding the Southwest Gas Foundation with 1% of net utility income. We are proud of our current achievements, and we are committed to the journey of continuous improvement to meet and exceed stakeholder expectations.

I am pleased to introduce this year’s Sustainability Report to update you on our efforts to deliver the energy solutions needed today, while ensuring a bright energy future for everyone.

Karen S. Haller
President and Chief Executive Officer

Stakeholder Engagement

Stakeholders include anyone who may be impacted by or interested in our activities and business decisions. We are committed to meeting and exceeding the expectations of customers, regulators, employees, stockholders and other key stakeholders.

The methods and frequency of communications differ to suit specific stakeholder preferences and topics. Our key stakeholder groups, as well as examples of how we engage, are outlined in the table below. Detailed stakeholder engagement efforts are discussed throughout this report.

STAKEHOLDER GROUPS	TYPES OF ENGAGEMENT	KEY TOPICS
<p>Customers</p> 	<p>We measure our performance and gather feedback on our ability to provide safe, affordable, reliable and sustainable energy service by conducting and offering the following:</p> <ul style="list-style-type: none"> • Extensive public awareness safety communications in line with the American Petroleum Institute’s Recommended Practice 1162 • Customer satisfaction surveys • Service calls to homes and businesses • Engagement through a toll-free customer service line • “Call 811” one-call locate service and construction awareness website • Dedicated Customer Care Teams during outages and other events • Designated points of contact for large business customers • Information in bill inserts and newsletters • Meetings related to pipeline updates and projects • Business customer meetings • Information via local media, press releases, website and social media channels • Communications for winter preparedness safety and energy efficiency 	<ul style="list-style-type: none"> • Natural gas safety • Responsiveness to concerns and/or questions about Southwest Gas service • Supporting energy-efficiency and conservation goals • Seasonal and winter safety preparation, guidance, and support programs • Preventing excavation damages
<p>Employees</p> 	<p>Providing a safe and inclusive workplace where everyone has the opportunity to grow and meaningfully contribute includes:</p> <ul style="list-style-type: none"> • Leadership updates and outreach, including bi-weekly companywide and executive-led safety calls • Townhalls and webcasts • Dedicated centralized employee communications hub • Diversity, equity and inclusion programs and resources • Employee-led, executive-sponsored Employee Resource Groups and ERG-sponsored events • Safety recognition program • Social media channels • Training and career development programs • Recognition programs • Benefit plans • Tuition reimbursement programs • Engagement surveys • Code of Business Conduct and Ethics • Community engagement programs and opportunities 	<ul style="list-style-type: none"> • Employee safety and health • Company changes in leadership, organization, financials and structure (e.g., separation of Centuri) • Long-term role of the Company and natural gas services within a changing energy system • Internal communications and training • Highlighting diversity among our employees and elevating inclusiveness • Employee education and growth opportunities • Community impact

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STAKEHOLDER GROUPS	TYPES OF ENGAGEMENT	KEY TOPICS
<p>Regulators and Policymakers</p> 	<p>We discuss our efforts operating in accordance with our certificated authority, conduct business in a manner that protects people and the environment, and manage the business responsibly to keep our services affordable via:</p> <ul style="list-style-type: none"> • Frequent meetings, face-to-face and via phone and video conferencing, with Public Utility Commissions and stakeholders in our service areas • Engagement with and/or participation in advisory committees • Attendance and participation at meetings and hearings <p>We keep those considering policies that impact our Company informed about our activities and efforts to conduct business in a sustainable and responsible manner via:</p> <ul style="list-style-type: none"> • Frequent meetings • Public policy advocacy through trade associations and industry coalitions • Engagement with and/or participation in government-led climate plan advisory committees and task forces • Attendance and participation at hearings 	<ul style="list-style-type: none"> • Safety and pipeline system integrity management • Energy costs for customers • Energy access • Commission-authorized return on equity (“ROE”) • Natural gas resource planning • Effective climate solutions and the role of natural gas in lowering carbon emissions • Energy efficiency and energy innovation, including RNG, compressed natural gas and other energy solutions
<p>Communities</p> 	<p>Our commitment to being a trusted community partner by giving back, being reliable, providing value and supporting economic development includes:</p> <ul style="list-style-type: none"> • Community giving campaigns • Community open houses and events • Employee volunteer events • Participation in community nonprofits and charitable organizations through memberships and board representation • Employment and business opportunities • Extensive public awareness safety campaigns 	<ul style="list-style-type: none"> • Access to low-income and energy-efficiency programs • Training and capacity building to increase procurement opportunities with local businesses • Energy equity (i.e., ensuring we are just and equitable in providing access to our services and maintaining the safety of our systems) • Support and resources that contribute to economic development • Meaningful job opportunities • Safe and environmentally protective systems • Partnering on environmental initiatives
<p>Contractors</p> 	<p>We value the contractors and suppliers who work on our behalf and endeavor to build and maintain strong partnerships through:</p> <ul style="list-style-type: none"> • Supplier contractor process • Supplier diversity programs • Monthly safety meetings • Annual supplier summit • Annual contractor safety and quality summit • Face-to-face meetings • Safety programs • Contractor Referral Program 	<ul style="list-style-type: none"> • Safe and healthy work environment • Training programs • Safety and quality best practices • Open and frequent communications with the Company

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<p>Stockholders, Investors and Analysts</p> 	<p>Investors, who are concerned about returns on their investments, and financial analysts reporting on our operational and financial performance are informed about our activities through:</p> <ul style="list-style-type: none"> • Quarterly earnings calls and other calls on special matters such as mergers, acquisitions and divestments • Investor conferences • Annual meeting of stockholders • Roadshows and investor meetings • Financial and regulatory filings • Strategic alternatives review of business • Ongoing engagement with our Investor Relations team members 	<ul style="list-style-type: none"> • Return on investment • Trends tracking and analysis • Management and planning of financial and regulatory risks • Timely updates on strategic initiatives
<p>Peers and Industry Associations</p> 	<p>Collaborating, sharing lessons learned and best practices, and partnering with peers either directly or through industry associations helps raise the overall performance of the industry, and these activities include:</p> <ul style="list-style-type: none"> • Active participation through membership, committee assignments and Board positions • Partnerships in research and development and innovation • Public policy advocacy on behalf of the industry 	<ul style="list-style-type: none"> • Industry best practices • Developments and trends related to policies impacting the energy industry

New Nevada Law Establishes Planning Process for Natural Gas Utilities

Nevada’s new law, Senate Bill 281 from the 2023 legislative session, updates gas utility regulations in anticipation of evolving energy needs. The bill, signed by Governor Joe Lombardo in June 2023, reflects significant input from stakeholders, including gas utilities, labor unions, homebuilders and developers, environmental organizations, chambers of commerce, and the clean energy industry.

The legislation establishes a forward-looking planning process for gas distribution utilities, generally aligning their statutory framework with electric utilities by providing for the pre-approval of certain investment activities. Southwest Gas will present future-oriented plans every three years, projecting gas demand and proposing cost-effective solutions necessary to ensure safe and reliable service, including energy-efficiency measures.

This change gives the Public Utilities Commission of Nevada and stakeholders more transparency and involvement in infrastructure investments.

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SPOTLIGHT

Dedicated to Surpassing Customer Expectations

As part of the Company’s focus on returning to its core foundation as a premier, regulated natural gas utility, in 2023, Southwest Gas created the Customer Experience Office.

Southwest Gas has always prioritized customer needs and safety, as demonstrated by overall customer ratings and being ranked No. 1 for Customer Satisfaction among Business and Large Residential Gas Utilities in the West by J.D. Power for four years in a row.¹ A key focus of this new department is to build on existing customer programs and identify and deploy initiatives that further enhance customer interactions to ensure that their experiences with Southwest Gas are the best they can be.

Supporting the new department is an effort that began in 2021 to transition a 31-year-old

legacy COBOL-based Customer Information System (“CIS”) to one supported by modern technology. Since implementing the new CIS, key customer service metrics have significantly improved, including improved billing accuracy, reduced call wait and handling times, and increased customer data and personal information security.

This upgrade also supports enhancements to the customer self-service online portal. Currently, residential customers can make online payments, schedule services, enroll in payment programs and make other requests. With the new technology, Southwest Gas plans to add capabilities that allow small and medium-sized business customers with multiple accounts to aggregate them and view consumption history reports for comparison. For example, property

managers will be able to aggregate their units and view summaries of each unit’s energy use and emissions. This functionality also aims to create a more seamless experience for home builders and contractors who engage Southwest Gas on the installation of natural gas lines and appliances for homeowners.

Meeting the growing demand for natural gas service within our service territories is another focus for the department. The two largest cities in the utility’s service area are among the fastest growing in the country, and demand remains high in several other areas. The Customer Experience team has processes to meet customer expectations for meter turn-ons and service options that deliver safe, affordable and sustainable energy service for customers of all sizes.



¹ For J.D. Power 2023 award information, visit [jdpower.com/awards](https://www.jdpower.com/awards).

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Materiality Assessment¹

As part of its sustainability strategy, Southwest Gas worked with an external consultant to conduct a materiality assessment in 2023 to identify the ESG topics of highest importance to both internal and external stakeholders. The results of the assessment will be used to inform Southwest Gas' approach to risks and opportunities in a rapidly changing industry as well as our work to support customers and stakeholders in achieving their sustainability goals. The assessment consisted of the following steps:

1. Drafted a robust list of potentially material ESG topics from widely recognized ESG standards and frameworks, including SASB, GRI and AGA, as well as peer ESG reports. The long list of nearly 40 potential topics of interest was then screened and refined into a short list of 12 topics.
2. Distributed surveys to internal and external Southwest Gas stakeholders – including all employees, residential customers and commercial/ industrial customers – to determine a priority ranking of the shortlisted topics and assess any blind spots.
3. Conducted focus group sessions with key internal stakeholders in executive leadership roles to discuss and prioritize the issues and collect additional context.
4. Finally, we analyzed both quantitative and qualitative results of our stakeholder engagement efforts to arrive at a prioritized final set of material issues.

The 12 topics listed in the table below are those of the highest importance to our internal and external stakeholders.²

Environmental	Social	Governance
<ul style="list-style-type: none"> • Integrity of Gas Infrastructure • Greenhouse Gas ("GHG") Emissions Management • Energy Management • Environmental Resource Management 	<ul style="list-style-type: none"> • Customer Affordability, Reliability and Access • Workforce Health and Safety • Community Relations and Impact • Diversity, Equity and Inclusion 	<ul style="list-style-type: none"> • Cybersecurity and Risk Management • Business Ethics and Competitive Behavior • Business Model Innovation and Resilience • Corporate Governance

From the results of the assessment, internal and external stakeholders are broadly aligned on the ranking of the two most important issues:

- Integrity of Gas Infrastructure ([page 26](#))
- Customer Affordability, Reliability and Access ([page 40](#))

Other high-priority issues include:

- Cybersecurity and Risk Management ([page 22](#))
- Workforce Health and Safety ([page 45](#))

This Report discusses how we are currently addressing these key issues and how we plan to continue improving into the future on the pages referenced above.

While the top four issues have been identified, all of the ESG matters included in the table are important for us in defining and realizing comprehensive sustainability initiatives. For example, we are calculating our Scope 1 and 2 GHG footprint and actively promoting energy-efficiency efforts to help abate GHG emissions. We also take steps to preserve biodiversity through environmental resource management. We have made significant strides in our Diversity, Equity and Inclusion ("DE&I") performance, which is tracked by our DE&I dashboard. Other examples of how Southwest Gas is progressing its ESG commitments are discussed throughout this report.

Southwest Gas will reassess our material issues at least every five years, and more frequently, if needed, to ensure alignment with the needs and concerns of our stakeholders.

¹ References to the terms "material," "materiality assessments" and similar terms throughout this Report are used to identify the sustainability topics of greatest importance to our stakeholders and do not correspond to the concept of materiality under U.S. securities laws.

² High-priority topics indicated in bold.

Alignment with Sustainable Development Goals

Broader efforts – such as the UN Sustainable Development Goals (“SDGs”) and their associated targets – establish a blueprint for achieving a better and more sustainable future for all.

The Company recognizes our role in contributing to and advancing these goals through our business activities. The following seven SDGs are those where the Company’s sustainability activities align best with the associated goals and targets.



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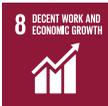
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SDG	CONTRIBUTION TO THE SDGs	SDG	CONTRIBUTION TO THE SDGs
 GOAL 4: Quality Education	<ul style="list-style-type: none"> Contributing to educational nonprofits Providing school supplies to several schools in our service territories Employee tuition reimbursement Scholarships to children of employees Expert-led courses available online Apprenticeship programs 	 GOAL 9: Industry, Innovation and Infrastructure	<ul style="list-style-type: none"> Collaborating with other utilities, universities and research organizations to assess the safety and performance of piping materials and appliances when delivering or using hydrogen blended with natural gas Deployed advanced leak and methane capture technologies to reduce emissions and enhance safety Supporting Nevada Senate Bill 281, a forward-looking planning process with the PUCN that considers natural gas as part of the solution for a balanced energy future Supported the establishment of first-in-the-nation annual leak survey requirements from the utility commission in Nevada
 GOAL 5: Gender Equality	<ul style="list-style-type: none"> Enhancing data transparency with an internal dashboard that tracks progress in attracting and retaining diverse talent Women-focused Employee Resource Group 	 GOAL 10: Reduced Inequalities	<ul style="list-style-type: none"> Providing cultural training to employees across all levels of the organization Expanding summer internship opportunities to further develop a pipeline of diverse talent Partnering with Cristo Rey St. Viator High School in Las Vegas, Nevada, where students are provided work experiences and opportunities during the school year Providing opportunities for supplier diversity Employee Resource Groups to support breaking down generational barriers, and to support African Americans and allies, and veterans
 GOAL 7: Affordable and Clean Energy	<ul style="list-style-type: none"> Promotion of energy-efficiency programs Investment in hydrogen, renewable natural gas and other low-carbon solutions Investments in infrastructure Large-scale wind and solar projects from Centuri customers 	 GOAL 13: Climate Action	<ul style="list-style-type: none"> Continuing to work toward a 20% emissions reduction in building facilities and fleet by 2025 (using a 2015 base year) Offering eligible Nevada residential and business customers the opportunity to offset their GHG emissions generated from natural gas use through the voluntary Move2ZeroSM Program Formed executive-level Implementation Steering Committee to prepare for anticipated GHG emissions reporting requirements Donated to tree canopy project through Trees Matter in Phoenix, Arizona
 GOAL 8: Decent Work and Economic Growth	<ul style="list-style-type: none"> Expanding natural gas service to previously unserved areas (e.g., Mesquite and Spring Creek, Nevada) to drive economic growth, employment opportunities, and emissions reduction Investing in training and development, internship programs/partnerships and tuition reimbursement to provide employees meaningful career opportunities The utility introduced a “dual response” program into our larger divisions for emergency calls, ensuring the safety of personnel and the public and helping to resolve issues faster Expanded bi-weekly safety calls, led by Southwest Gas officers, to include all employees Developed action plans and new programs, informed by the insights from the employee engagement survey, to drive higher engagement 		

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Effectively mitigating risks, addressing stakeholder interests and building long-term, sustainable value requires transparency, management accountability and active oversight from our Board of Directors. Key governance documents – including our Corporate Governance Guidelines, Bylaws, and Code of Business Conduct and Ethics – provide direction and ensure we uphold the highest ethical standards throughout the Company.

Steering Committee

Formed an executive-level Implementation Steering Committee to prepare for anticipated GHG emissions reporting requirements.

Risk Management

Enhancing our enterprise risk management program to further develop a culture of risk awareness and promote risk-informed decision-making.

RELEVANT SDGs



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Board Leadership

Southwest Gas Holdings, Inc.'s Board of Directors ("Board") oversees the Company's strategic initiatives, decision-making processes and risk management approach to enhance long-term stockholder value.

Except for the Company's Chief Executive Officer, Karen Haller, all Board members meet the New York Stock Exchange's criteria for director independence. Our Board Chair and all Board committee members are independent, which helps to avoid conflicts of interest and reflects best practices.

Board Skills and Diversity

Each Board member has the expertise, skills and dedication to ethical business practices that are vital for serving the best interests of the business, our stockholders, and our broader stakeholders such as employees and the communities we serve. Understanding the significance and value of having directors with varied viewpoints and unique backgrounds, our approach to recruiting new Board members emphasizes diversity in all forms. During our candidate search process, we seek to identify a diverse slate of talented individuals, ensuring a wide spectrum of perspectives and knowledge – including ESG expertise – for careful consideration.

The Board carries out its duties both directly and through three committees – Audit, Compensation, and Nominating and Corporate Governance. The Board and its committees meet regularly to discuss business matters and risks with the management team. In 2022, the Board Chair presided over all Board meetings and Executive Sessions of independent directors.

Our Board Composition

(as of December 31, 2023)

55%

of directors are women.
The Board Chair is a woman.

91%

of directors are independent.

66%

of the committee Chairs are women.

64%

of directors have less than three years' tenure on our Board, and the average tenure is 4.8 years.

27%

of directors are members of a minority group.

55%

of directors are age 60 or younger.



Board Skills and Diversity Matrix¹


	CONLEY	EVANS	HALLER	LEWIS-RAYMOND	LINGINFELTER	MARIUCCI	RUISANCHEZ	SHARMA	TENO	THOMAN	THORNTON
--	--------	-------	--------	---------------	--------------	----------	------------	--------	------	--------	----------

Experience, Skills, Expertise											
Public Company Board Service	◆					◆	◆	◆	◆	◆	◆
Public Company Executive Officer	◆	◆	◆	◆	◆	◆	◆				◆
Legal/Regulatory	◆	◆	◆	◆	◆	◆	◆				◆
Finance/Accounting	◆	◆	◆		◆	◆	◆	◆	◆	◆	
Energy Utility	◆	◆	◆	◆	◆				◆		◆
Technology/Cybersecurity				◆							◆
ESG	◆	◆	◆	◆	◆	◆		◆	◆		◆
Operations Responsibility	◆	◆	◆	◆	◆	◆	◆			◆	
Demographic Background											
Board Tenure (Years)	2	2	2	5	2	18	2	1	2	14	5
Age	66	57	60	57	62	66	52	57	38	72	65
Male		◆			◆		◆		◆	◆	
Female	◆		◆	◆		◆		◆			◆
Ethnic Diversity							◆	◆			◆

¹ As of December 31, 2023

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Our Board of Directors and Committees of the Board¹

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E. Renae Conley²
Chair of the Board
Audit
Compensation



Andrew W. Evans²
Audit



Karen S. Haller



Jane Lewis-Raymond²
Audit
Compensation – *Chair*



Henry P. Linginfelter²
Nominating and
Corporate Governance



Anne L. Mariucci²
Compensation
Nominating and
Corporate Governance



Carlos A. Ruisanchez²
Audit
Nominating and
Corporate Governance



Ruby Sharma²
Compensation
Nominating and
Corporate Governance



Andrew J. Teno²
Compensation



A. Randall Thoman²
Audit – *Chair*
Compensation



Leslie T. Thornton²
Audit
Nominating and Corporate
Governance – *Chair*

¹ As of December 31, 2023

² Independent

ESG Governance

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The Board’s Nominating and Corporate Governance Committee provides oversight of the Company’s ESG activities and performance. The Committee receives formal updates from management on ESG-related risks, business practices and operational issues at least twice per year. These updates are summarized and presented to the full Board.

One of the key ESG topics management discussed with the Committee in 2022 and 2023 involved the changing compliance environment as it relates to climate-related disclosures. In 2023, California passed a set of laws known as the Climate Accountability Package. Included in this package was a new law requiring businesses operating in the state to publicly report their direct and indirect greenhouse gas emissions. This law is similar to the proposed SEC climate disclosure regulation, which would require public companies to disclose detailed information about their energy usage, emission reduction goals and the financial

impact of climate change. In 2023, we formed an internal, executive-level Implementation Steering Committee to ensure we are prepared to comply with the SEC disclosure requirements once they are finalized and implemented. This year’s report adheres to the AGA Sustainability Template and SASB standards for our industry. Furthermore, it references the UN Sustainable Development Goals, the GRI Universal Standards and the TCFD framework. We are assessing the new International Financial Reporting Standards (“IFRS”) S1 and S2 sustainability disclosures that go into effect in 2024.

The Company’s management teams are responsible for the day-to-day implementation and management of sustainability and ESG matters.

Southwest Gas’ Vice President of Sustainability and External Affairs is responsible for the utility’s overall sustainability approach and strategy. This role reports to the President of Southwest Gas, who reports to the Company’s Chief Executive Officer. The utility’s Office of Sustainability and External Affairs brings key personnel – such as those responsible for energy efficiency, corporate communications, government and community affairs, emerging technology and sustainable growth teams – together to collaborate on sustainability efforts.

At Centuri, there is executive-level oversight of ESG strategy. Centuri’s cross-functional ESG Enterprise Excellence team is responsible for prioritizing ESG initiatives. The business also has working groups that develop tactical recommendations and drive performance on ESG matters.

ESG Oversight Structure



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Public Sustainability Commitments

We recognize that as a provider, transporter and infrastructure builder for energy and renewable energy-related services, our business activities have the potential to impact people and the environment. In addition to ensuring compliance with all laws and regulations, the following three public commitments ensure we continually strive to exceed stakeholder expectations:

An ESG Working Group brings together representatives from Southwest Gas and Centuri who identify and recommend goals to the officer-led ESG Committee, which is responsible for executing companywide strategies and goals.

In recent years, the Company has notably enhanced its sustainability approach, focusing on key areas. This progress includes improved integration of sustainability considerations into decision-making and greater support across all organizational levels. There is now an enhanced organizational structure around initiatives and outcomes (e.g., community-related events and programs). Moreover, there is a heightened awareness throughout the organization regarding how sustainability impacts every facet of the business.



Sustainability

States our commitment to safety, caring for the environment, providing affordable energy options for customers, supporting local communities, being an employer of choice and creating economic value through sustainable and responsible business practices.



Environmental

Details our commitment to providing services to customers in a safe and environmentally responsible manner by promoting the protection and preservation of natural resources, and meeting federal, state and local environmental laws and regulations.



Human Rights

States our commitment to employee safety, to human rights, and to fostering a diverse, equitable and inclusive workplace, and details how violations of this commitment or the Company's Code of Business Conduct and Ethics can be reported through the confidential Ethics and Compliance Hotline or to the Compliance Officer.

Southwest Gas' three-year operational improvement plan ("OIP") focuses on three areas – safety, continuous operational improvement, and environmental stewardship and sustainability – to drive operational excellence through continuous improvement. Employees are encouraged to develop personal performance objectives that are connected to the OIP. This includes metrics that can be used to measure performance related to ESG strategies.

In 2023, Southwest Gas formed the Office of Continuous Improvement and Optimization ("OCIO") to establish a dedicated focus on driving long-term positive development throughout the entire organization and accelerating our pursuit of excellence. In August, the OCIO embarked on a bottom-up planning process, hosting more than 30 ideation sessions involving approximately 435 employees to gather ideas from all areas of the utility, generating a list of initiatives that we will

collaboratively assess, prioritize and roadmap for implementation over the coming years. We anticipate that some recommendations and measures stemming from this process will help Southwest Gas to continue integrating sustainability practices throughout the utility and to improve visibility to key performance indicators around those efforts. Implementation of the plan began in 2024.

435 employees

In August, the OCIO embarked on a bottom-up planning process, hosting more than 30 ideation sessions involving approximately 435 employees to gather ideas from all areas of the utility.

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Risk Management

Fundamental to the long-term success of our business is our ability to identify, assess and effectively manage risks. This includes operational, health and safety, human capital, cybersecurity, financial, regulatory, climate and other sustainability-related risks.

The Company's Enterprise Risk Management ("ERM") process applies a consistent, systematic approach to identifying and assessing the Company's risks, ranking them and entering the top risks (in terms of impact and likelihood) into a risk register. Mitigation strategies and action plans are then developed to minimize the impact and likelihood of these enterprise risks.

In 2022, we began the process of enhancing our risk management approach to expand the information available to management and to further develop a risk-informed culture and utilize risk-informed decision-making throughout the organization. This began with the establishment of an officer-led Steering Committee that champions the overall ERM program and ensures

the Company's risks are assessed and scored in a manner that accurately reflects potential exposure and aligns with our mission, vision and core values. As risks are identified, they are assigned an executive-level risk owner to ensure proper oversight and management of the risk.

Consistent with the Committee of Sponsoring Organizations ("COSO") framework – a widely accepted risk management model – our ERM includes continuous monitoring, which allows for the prioritization of existing risks, the identification of new and emerging risks, and the removal of risks that no longer impact the Company.

The Board receives ERM updates at least twice each year.

Risk Management

Creates Value

Preserves Value

Realizes Value



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Ethics and Compliance

We maintain strong risk management practices by fostering a culture of compliance, which is clearly outlined in our Code of Business Conduct and Ethics (the "Code"). Our Code demonstrates our steadfast commitment to embracing our core values and dedication to the highest legal and ethical standards.

Southwest Gas publishes a quarterly compliance newsletter to keep employees informed and engaged on compliance matters and ethical guidelines. Compliance training is required for all new hires within 30 days of their hiring date and every other year.

Centuri conducts annual training on its Employee Code of Business Conduct and Ethics, as well as on its Discrimination and Harassment Policy. Centuri also requires suppliers and partners to sign and adhere to its Vendor Code of Conduct.

Both Southwest Gas and Centuri have dedicated ethics and compliance hotlines that allow employees and external individuals to report potential violations confidentially. Reporters can remain anonymous, and every report is investigated.

Our Nominating and Corporate Governance Committee and Board receive regular updates on the Company's compliance program, including reports made through the hotlines. The Board also reviews the Code of Business Conduct and Ethics annually to determine if any updates are needed.

Cybersecurity Threats

Our Company's infrastructure and operations depend on secure information technology ("IT") systems. These complex IT systems are critical for achieving our business objectives and operational efficiencies. However, recent cyberattacks across multiple industries have demonstrated that cybersecurity threats pose a significant risk to nearly all companies. To mitigate risks, including those from third parties, we have implemented robust security programs for both our transmission and local distribution networks. Additionally, state-of-the-art safeguards work to protect the confidentiality, integrity and availability of customer and Company information. We continually explore ways to optimize our computing environment's security and resilience against threats.

The Board receives regular updates from management on cybersecurity matters from Southwest Gas' Chief Information Officer ("CIO") and Director/Information Security. The utility's CIO is responsible for managing its IT systems and cybersecurity risks.

Southwest Gas' information security strategy uses a defense-in-depth approach to ensure security measures are in place at every layer. A dedicated cybersecurity team employs several technologies to avoid, detect and respond to advanced cyberattacks.

Southwest Gas' public Privacy Policy discusses its commitment to preventing the unauthorized use of, or access to, personally identifiable information ("PII"). The utility no longer requests PII from customers and no longer stores customer PII in its information systems. In 2021, Southwest Gas initiated an upgrade to its CIS, significantly improving its ability to protect the confidentiality, integrity and accessibility of other customer data from cyber threats.

While all Southwest Gas employees receive training and communications to raise awareness of potential threats and prevent incidents, those in security roles undergo specialized cybersecurity training.

In 2022, Southwest Gas experienced no major cybersecurity breaches of its pipelines, local distribution networks, company information, customer information or other significant assets or systems.

At Centuri, a dedicated cybersecurity team aims to enhance the company's capabilities to address the growing threats to organizational data and systems. The National Institute of Standards and Technology's Cybersecurity Framework – a set of guidelines, standards and best practices – guide Centuri's efforts to secure data. Along with conducting an exercise with company executives and external experts to improve security response processes and capabilities, Centuri will be implementing a Cloud Access Security Broker to better secure and control access to cloud-based assets.

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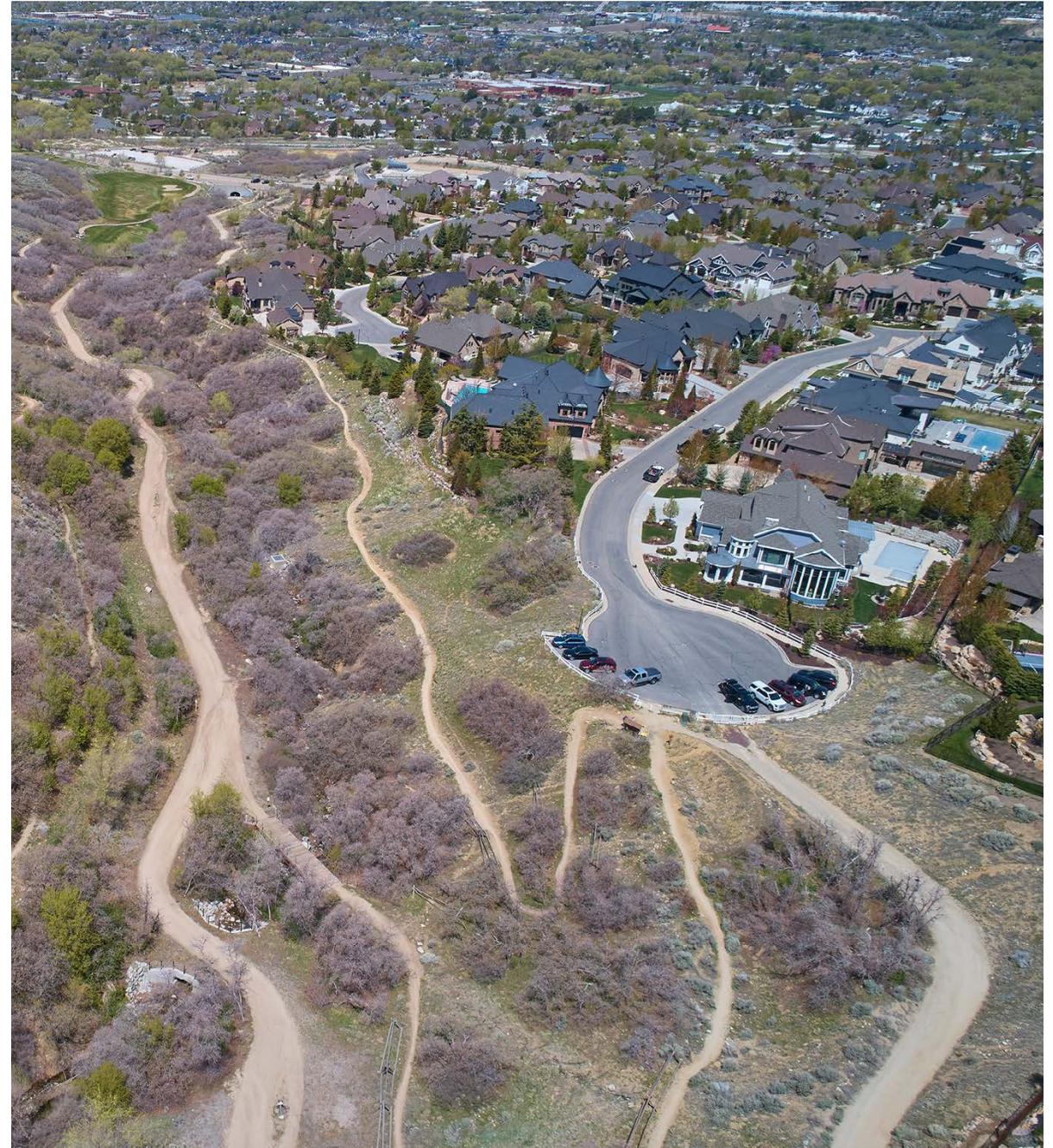
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Climate-Related Risks

The Task Force on Climate-related Financial Disclosures ("TCFD") are voluntary guidelines focused on assessing climate-related risks and opportunities for businesses. We initiated our alignment with TCFD in 2022 by conducting a comprehensive analysis across TCFD's core elements – governance, strategy, risk management, and metrics and targets. This assessment measured our alignment with the 11 TCFD recommendations in these areas.

In 2023, Southwest Gas initiated its first formal materiality assessment to better understand the ESG matters that most impact its business and stakeholders (we discuss this assessment in more detail on [page 14](#)). The review included discussion of the physical, transition and reputational risks that may impact operations. These insights will be applied to a climate-related risk management analysis planned for 2024. Findings from this assessment will further inform our approach going forward and will help us prepare to address climate-related risks and future disclosure requirements. Updates to the climate risk assessments will be carried out to meet jurisdictional disclosure requirements.

Our TCFD disclosures are available on [page 74](#) of this report.



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We are committed to responsible practices that provide services in a safe and sustainable manner and protect and preserve natural resources. Natural gas service in homes and businesses promotes customer choice, enhances reliability, offers affordability and lowers emissions within the energy system. We are committed to continuing to deliver solutions to meet the environmental goals of our customers and communities by providing critical energy infrastructure to power our economy today and into the future. Included in our approach are measures to preserve biodiversity, reduce ambient emissions, and support environmental justice and other environmental matters in the areas and communities where we operate and build our infrastructure.

Emissions Reduction

Deployed advanced leak and methane capture technologies to reduce emissions and enhance safety.

Damage Prevention

Our damage prevention efforts focus on safeguarding the community, preventing interruptions to essential services and avoiding methane emissions.

RELEVANT SDGs



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Pipeline Integrity and Reliability

The integrity and reliability of our assets are integrally linked with the safety of our workers and the communities we serve, as well as our ability to protect and preserve the environment.

Southwest Gas is committed to the safe and reliable operation of its 1,416 miles of natural gas transmission pipelines and over 56,000 miles of distribution pipelines. When responsibly operated and maintained, pipelines are the safest and most efficient way to transport natural gas from the point of production to the customer.

To demonstrate our commitment to building and operating a top-tier system, the utility dedicated \$292 million in 2022 capital expenditures toward infrastructure modernization, integrity management-related pipeline replacement programs, and more. An additional \$65 million from O&M in 2022 went toward investments related to maintenance, monitoring, leak detection and damage prevention.

Centuri partners with regulated utilities, including Southwest Gas, to help build, modernize and maintain the safety, reliability and environmental sustainability of the electric and natural gas networks that power millions of homes and businesses across the U.S. and Canada.

\$292M

\$292 million, or 41% of total utility capital expenditures in 2022, went toward infrastructure modernization, integrity management-related pipeline replacement programs, and more.



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Pipeline Safety Governance

Governing the systematic approach to identifying, preventing and remediating the inherent safety and environmental risks related to our natural gas transmission and distribution systems is our Pipeline Safety Management System ("PSMS"). The PSMS standardizes how Southwest Gas addresses pipeline safety across the business, providing a framework to house all activities under the 10 elements listed to the right (and which align with our ESG objectives).

Integrated into the PSMS are the Transmission Integrity Management Program and Distribution Integrity Management Program ("TRIMP" and "DIMP," respectively).

TRIMP focuses on proactively preventing transmission pipeline failures, especially in High Consequence Areas (i.e., areas of high population density and public gathering places such as schools, hospitals, parks and churches). DIMP addresses the integrity of distribution facilities, including service lines to homes and businesses, by identifying risks and threats. Both programs comply with the requirements of the U.S. Department of Transportation ("USDOT") Pipeline and Hazardous Materials Safety Administration ("PHMSA").

An executive-level Pipeline Safety Committee oversees the effectiveness of the PSMS. The committee brings senior leaders together and keeps them informed about the measures to mitigate pipeline risks. For each of the 10 PSMS elements, an executive champion helps drive results. Continuous improvement is a critical element of the PSMS. In 2023, we submitted a request to the PHMSA to evaluate the effectiveness and maturity of our PSMS and identify opportunities to drive improvements in our safety and pipeline performance.

Pipeline Safety Governance Elements



Reducing Methane Emissions

An important focus of Southwest Gas' pipeline integrity efforts is reducing methane emissions.

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Damage from Third Parties

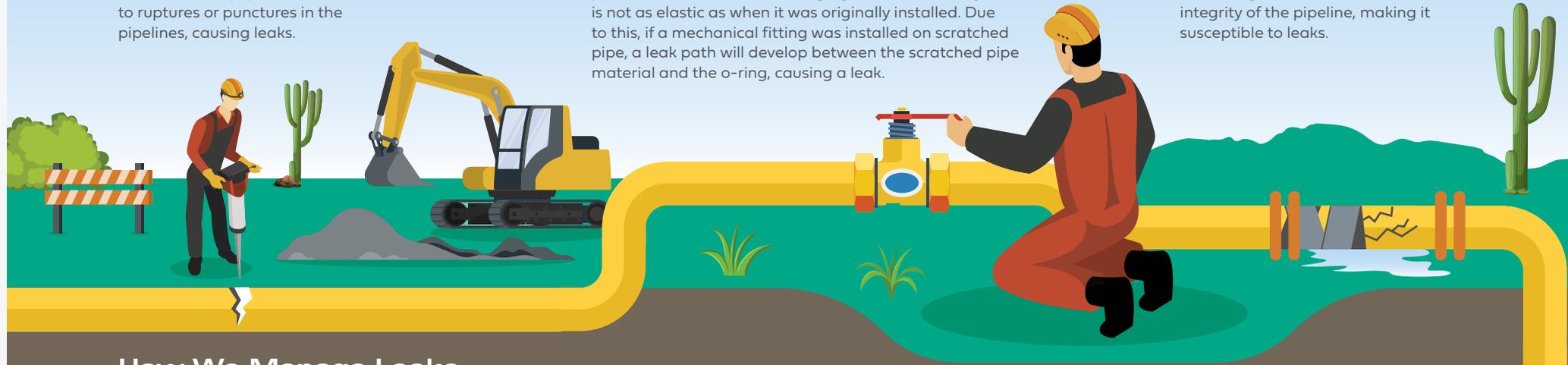
Digging, drilling or impacts from construction equipment can lead to ruptures or punctures in the pipelines, causing leaks.

Mechanical Fitting Failure

Over time as the o-ring that creates the seal between the pipe and the mechanical fitting ages, it becomes dry and is not as elastic as when it was originally installed. Due to this, if a mechanical fitting was installed on scratched pipe, a leak path will develop between the scratched pipe material and the o-ring, causing a leak.

Pipe, Weld or Joint Failures

Aging pipeline infrastructure, material or welding defects can weaken the integrity of the pipeline, making it susceptible to leaks.



How We Manage Leaks



Leak Surveys

We regularly inspect pipelines and infrastructure using specialized mobile leak detection technology. Although federal regulations require a leak survey of the entire distribution system at least every five years, we perform these surveys at least every three years (and annually in Nevada). By identifying and repairing leaks promptly, we ensure a safer and more efficient natural gas distribution system.



Methane Capture

Equipment, such as the GoVAC and ZEVAC units we recently began deploying, captures and recovers methane emissions during maintenance and decommissioning activities. By capturing methane that would otherwise escape into the atmosphere, these technologies help reduce greenhouse gas emissions.



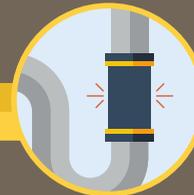
Pipeline Replacement

Upgrading pipelines, especially those made of materials prone to corrosion and leaks, to modern standards, reduces the likelihood of leaks, ensuring a more reliable and environmentally friendly system.



Damage Prevention

We conduct meaningful engagement and training with contractors on safe excavation practices, promote the national "call 811 before you dig" program, conduct public awareness outreach campaigns, and participate in industry programs to improve damage prevention across the industry.



Materials Program

We continuously enhance our materials program to incorporate new technology to mitigate leak causes. One such enhancement is electrofusion fittings. These fittings are installed by heat fusing to pipe systems to reduce any potential leaks.

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Integrity Management

The top three reasons for distribution pipeline leaks are damage from third-party excavations, mechanical fitting failures, and pipe, weld or joint failures. Southwest Gas' pipeline integrity management efforts focus on maintaining and operating a system that delivers safe and reliable energy service to customers.

The utility's comprehensive leak mitigation strategy involves detecting leaks, effectively replacing older pipelines, improving the accuracy of our records and responding to leaks as quickly as possible.

As a utility infrastructure services company, Centuri enhances the efficiency of energy distribution systems, like those operated by Southwest Gas, and reduces environmental risks by replacing hundreds of miles of aging gas pipelines.

Leak Detection

The most effective way to determine how our systems are performing and prevent incidents is to conduct leak surveys. Southwest Gas uses several tools to survey and inspect its gas systems, with a goal of eliminating leaks and reducing overall emissions.

In 2022, Southwest Gas acquired AMLD units, which use the most effective and advanced technology in the industry. Other technologies – such as drones, airborne light detection and ranging ("LiDAR"), and satellite for remote sensing – are being evaluated to further improve our ability to detect leaks quickly.

The U.S. federal government requires a leak survey of the entire distribution system at least every five years. Recognizing that detecting leaks more

frequently helps mitigate risk and reduce methane emissions, Southwest Gas performs these surveys on our distribution system at least every three years.

Following a collaborative process with the PUCN, on January 1, 2023, Southwest Gas commenced annual leak surveys in our Nevada service territories consistent with new regulations. We added a variety of resources to the existing leak survey personnel and streamlined processes to achieve the new accelerated survey schedule. Initial outcomes from the annual leak survey program indicate it is effective in identifying leaks much earlier and supports our leak management strategy.

In locations where there is a higher risk of having pipes that may not be performing as intended, mobile and walking leak patrols occur as frequently as six times per year.



Southwest Gas Deploys Advanced Technologies to Enhance Safety and Reduce Methane Emissions

Methane is the main component in natural gas, and although natural gas is inherently cleaner than other energy sources, such as coal, methane is a GHG, and it is vital we work to mitigate related emissions.

Most of the methane emissions from our system stem from leaks in the transmission and distribution lines and during equipment maintenance required to maintain a safe, reliable system. To tackle these key sources of fugitive methane emissions, Southwest Gas recently deployed advanced technologies.

Quickly Detecting Leaks

In 2022, Southwest Gas partnered with Picarro, the industry leader in analytics-driven leak detection solutions, to pilot Picarro's advanced mobile leak detection technology by acquiring three units to pilot in all three states Southwest Gas serves.

Conventional walking inspections, which involve a field operator walking over a pipeline with a handheld methane gas sensor, are time-intensive and limited in the area they can cover. The Picarro

solution uses a methane sensor technology that is 1,000 times more sensitive than traditional leak detection equipment. The sensor is mounted to a vehicle that measures methane plumes in the air and provides enhanced prioritization of leak repair activities to help achieve safety, risk management and sustainability goals.

Additional benefits of the technology lie in the analytics and reporting capabilities. The Picarro solution can collect and analyze survey data that can then be used to identify and prioritize areas in the gas distribution network with the highest emissions and quantify the results of remediating those leaks.

In October 2023, Southwest Gas officially launched the technology, establishing formal procedures and resources for these new mobile units. The initial deployment will focus on areas more prone to leaks in Arizona and special patrols in Nevada.

Capturing Methane Emissions

When Southwest Gas decommissions a line or conducts maintenance on its system, it must remove all gas in the pipeline. To reduce the release of methane emissions during these activities, we recently deployed two types of methane mitigation equipment – ZEVAC, a zero-emission vacuum and compressor, and GoVAC, a self-contained natural gas capture and recovery solution. This equipment allows us to recover and transfer the gas to an adjoining pipeline or reinject it downstream rather than venting or purging methane into the atmosphere. Using this equipment also reduces the risk of ignition in the area where crew members are working on the pipeline.

Southwest Gas currently has seven ZEVAC units and four GoVAC units deployed throughout our service territory. Given the success of the initial rollout, the utility is working to expand the use of ZEVAC and GoVAC across each division, and also plans to begin calculating how much gas is being captured and reused.

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Pipeline Replacement

An important part of our PSMS is knowing our systems and identifying risks. Although Southwest Gas has some of the newest pipelines in service, especially compared to networks in other parts of the country, we continuously test the materials and components in our interstate pipelines and local distribution networks.

The utility's in-house laboratory in Henderson, Nevada, is dedicated to investigating and testing our pipeline materials, welds, components and other assets to ensure the best materials go into our pipeline systems.

For more than two decades, the lab has examined how the materials used in our system handle different temperatures and installation environments and how they hold up over time. This includes identifying the materials at the chemical composition level and analyzing their atomic structure. These insights have been invaluable in mitigating risks, namely identifying certain higher-risk pipe materials currently in our local distribution networks and avoiding further use of materials with a similar composition.

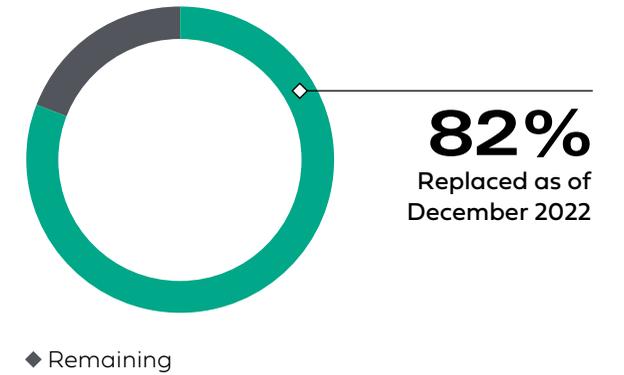
The lab recently purchased equipment to assess transmission and high-pressure (i.e., above 60 pounds of pressure) steel pipelines. It will begin testing these materials in 2024 to ensure their composition, strength and durability remain suitable for continued service.

The lab, along with our research, development and demonstration ("RD&D") team, also research and analyze new energy solutions, such as hydrogen blending, to understand the effect of these energy sources on existing pipelines and establish limitations, if needed, to maintain the integrity of our system.

In 2022, Southwest Gas dedicated over a third of total annual capital expenditures toward pipeline replacement activities, which were largely focused on the following:

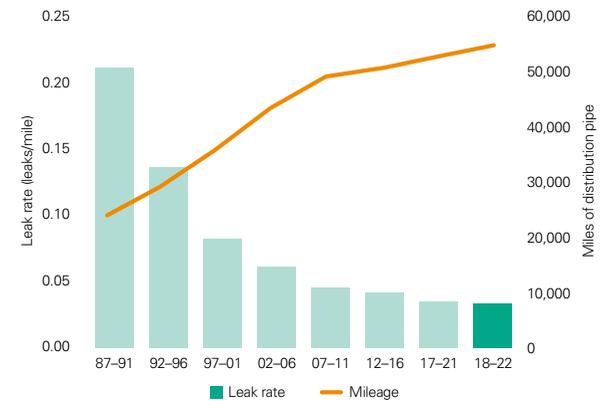
- **Early Vintage Plastic Pipe ("EVPP")** – Replacing EVPP (e.g., ABS, Aldyl-A, Aldyl-HD and PVC) is an important part of our effort to reduce unintentional releases from infrastructure that may be prone to degradation. At the end of 2022, 622 miles of EVPP remained, down from 672 miles at the end of 2021. In Nevada, Southwest Gas is working toward replacing all the PVC and Aldyl-A pipes by 2024, and significant progress toward this goal was made in 2022 and 2023.
- **Vintage steel pipe** – Older vintage steel pipes installed prior to 1970 and designed for pressures above 60 pounds, initially used in rural areas, are being replaced with newer materials better able to handle the demands of the expanding commercial and industrial developments. In 2022, we replaced approximately 52 miles of high-pressure vintage steel pipe.
- **Customer-Owned Yard Line ("COYL")** – A COYL is the gas service line between the customer's meter and the home or business. Unlike the lines running from the street up to and including the meter (which Southwest Gas owns and maintains), the property owner is responsible for maintaining the COYL. In collaboration with state regulators, Southwest Gas developed COYL programs in Arizona, California and Nevada. If needed, Southwest Gas will relocate the meter and replace the COYL with facilities owned and maintained by Southwest Gas. This removes the burden of maintaining the line from the customer, mitigates the risk of unintentional methane emissions from a leaking COYL, and enhances public safety. In 2022, we replaced 1,265 COYLs, bringing the total number of COYLs in Arizona, California and Nevada replaced since the inception of the first COYL program in 2012 to 32,547.

MILES OF EARLY VINTAGE PLASTIC PIPE



COMPANYWIDE DISTRIBUTION SYSTEM LEAK RATE (1987–2022)

As a result of our mitigation efforts, Southwest Gas has reduced total system leaks to nearly 1/10th of what they were in 1987, while more than doubling the size of its distribution infrastructure over the past 30 years.





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Damage Prevention

The leading threat to our pipelines is from third parties conducting unauthorized excavations, encroachments and other activities within the pipeline right-of-way. Our damage prevention efforts focus on safeguarding the community, preventing interruptions to essential services and avoiding methane emissions.

One of the most successful efforts to reduce damages over the years is through meaningful engagement with contractors on safe excavation practices. Southwest Gas offers damage prevention training for contractors, plumbers, landscapers, homeowners and anyone planning to conduct work that includes excavation. Southwest Gas’ website has extensive educational materials, tool kits and contact information to raise awareness about how to prevent damage to pipelines and other buried utilities. Insufficient excavation practices are now the leading cause of excavation damages to Southwest Gas pipelines, equating to 46% of damages in 2022. In 2023, Southwest Gas released a [Safe Digging Guidelines video](#) to the public in both English and Spanish. The video focuses on proper tools and techniques to safely excavate around marked utility lines.

Another critical tool is the national “call 811 before you dig” program. Around 30% of the damages to our pipeline in 2022 were caused by projects where 811 was not called. Southwest Gas conducts several public awareness programs throughout the year that stress the importance of using the free underground utility line locate service before any project that involves digging.

The Southwest Gas Damage Prevention Alert (“DPA”) app allows employees to report excavation activity that might not follow safe practices. The app allows users to submit a report to a damage prevention expert, who will dispatch a qualified Southwest Gas representative to assess the situation. If necessary, they will provide training and work with the excavator on a safe digging plan.

Because preventing pipeline damage is an industry-wide goal, we participate in several organizations to improve damage prevention across the industry. Southwest Gas is a member of the Common Ground Alliance (“CGA”) – a forum to discuss best practices and find solutions to damage prevention challenges. In 2023, CGA issued its “50 in 5” industry challenge to reduce damages to critical underground utilities by 50% in five years. This call-to-action focuses on three areas – effective and consistent use of 811, targeted and consistent outreach to excavators to improve safe practices, and accurate and timely utility locating. One of the best practices CGA highlights, and Southwest Gas has adopted, is the use of [best value contracts](#). These contracts include safety standards and damage prevention practices contractors must meet and commit to frequent engagement to troubleshoot issues and ensure high safety standards.

Southwest Gas is also a Damage Prevention Institute (“DPI”) accredited member (previously known as the Gold Shovel Association). This means we have a “dig-in prevention” program that adheres to specific requirements, including:

- Providing annual basic awareness training for all workers involved in excavation projects.
- Empowering workers with whistleblower protections and stop-work authority.
- Enforcing policies to stop excavation work and request a re-mark if a utility cannot be found as marked or if an unmarked or mismarked utility is found.
- Committing to hiring DPI-certified subcontractors with few exceptions.
- Conducting thorough investigations in the event of an incident.
- Implementing corrective action procedures with root cause analysis.

As a DPI member, Southwest Gas and its pipeline contractors are committed to maintaining DPI certification and protecting critical underground utility infrastructure in the communities we serve. Two Southwest Gas employees are on the DPI Metrics Sub-Committee. Southwest Gas plans to participate in the DPI’s peer-review accreditation process when it launches in early 2024.

Since 2019, Southwest Gas has reduced excavation damages by 17%.

DAMAGES PER 1,000 TICKETS



↓ 17% reduction (2019–2022)

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Managing and Mitigating Our Emissions

At Southwest Gas and Centuri, we have goals to reduce portions of our Scope 1 and 2 GHG emissions by primarily focusing on our fleet and building facilities. Southwest Gas aims to reduce emissions from its buildings and fleet by 20% by 2025 (using a 2015 base year), and Centuri aims to achieve a 25% reduction in emissions by 2030 (using a 2019 base year).

Based on pre-established lifecycle schedules, Southwest Gas manages a fleet of around 1,600 vehicles and replaces approximately 10-15% of this fleet every year. When feasible, the utility adds vehicles that run on CNG – a safer and more eco-friendly alternative to gasoline and diesel (according to the [U.S. Department of Energy](#)) – and has also added hybrid vehicles to the fleet.

At the end of 2022, approximately 17% of Southwest Gas’ fleet was fueled by CNG, with another 10% of CNG-capable vehicles on order. The utility also has four CNG fueling stations to serve its growing fleet and another expected to come online in early 2024.

Southwest Gas continuously evaluates opportunities to decrease energy use and reduce the carbon footprint of our building facilities by adopting emerging renewable energy solutions and installing energy-efficient materials and systems.

Our Las Vegas headquarters is a LEED Silver® certified facility, and we continue to pursue additional LEED facility certifications.

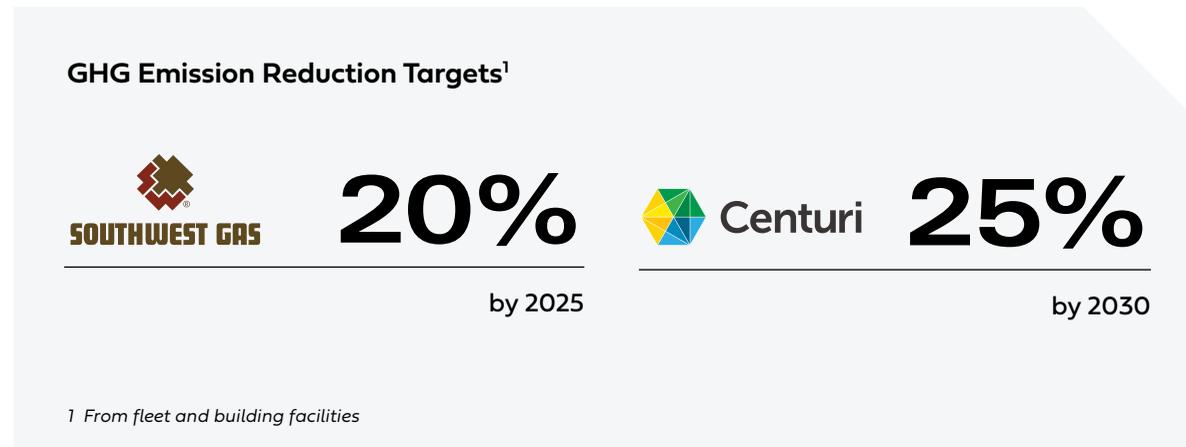
Centuri reported its Scope 1 and Scope 2 emissions data for the first time in 2022, and plans to continue these disclosures as it works toward a 25% reduction goal by 2030. Centuri recently installed a telematics system on its fleet, which has enhanced its ability to accurately track and report emissions data.

Measuring and Verifying Our Performance

To ensure data accuracy in its GHG emissions reporting and disclosures, Southwest Gas engages a third party to verify that its processes for determining its Scope 1 and Scope 2 emissions inventory follow industry-accepted protocols (e.g., The Climate Registry’s protocols and ISO 14064-3:2019 guidance). The third party also provides assurance that the data, collection process and reporting meet reasonable assurance.

Climate Registry

Southwest Gas voluntarily discloses its verified Scope 1 and 2 emissions to The Climate Registry, a nonprofit that helps organizations measure, report and verify their carbon footprints. In 2022, The Climate Registry awarded Southwest Gas its Climate Registered™ Gold status for the 2021 reporting year. This was the third consecutive year receiving this designation for following established and widely accepted practices.



SCOPE 1 EMISSIONS (MTCO₂e)*

375,223.73	2022
366,516.00	2021
376,348.14	2020

SCOPE 2 EMISSIONS (MTCO₂e)*

6,144.73	2022
7,643.54	2021
9,597.02	2020

* For Southwest Gas; subject to additional verification or updates to methodology

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Along with reducing the emissions associated with our activities, we are investing in innovative and technologically advanced low-carbon energy options.

As a natural gas service provider and a builder of essential energy infrastructure, our Company plays a vital role in further evolving to a low-carbon energy system.

At Southwest Gas, our Emerging Technology and Innovation group is focused on supporting our customers' energy needs today and tomorrow and delivering the energy service options to drive economy-wide emissions reductions. At Centuri, we

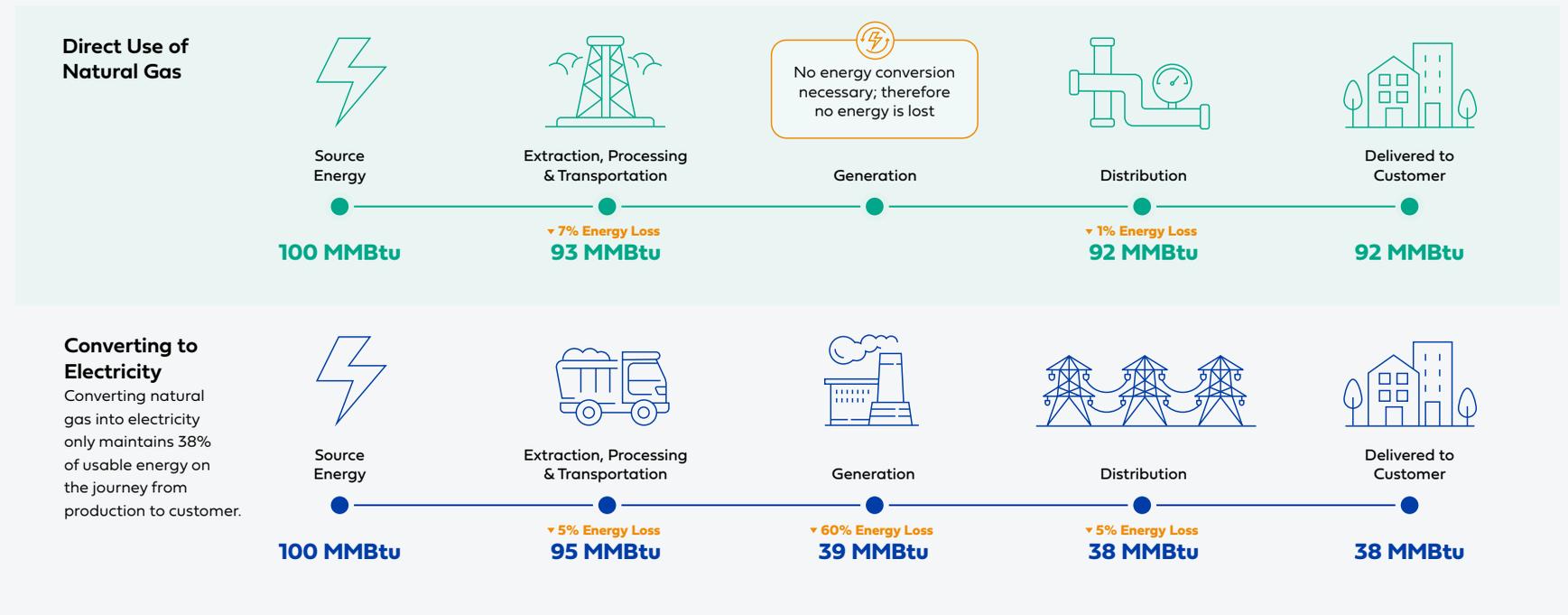
help our customers prepare and modernize their infrastructure to deliver cleaner energy tomorrow.

Another example of the role of natural gas in delivering cleaner energy for the future is Centuri's work to build and install 18 miles of natural gas pipeline to fuel an electric vehicle battery plant in Kokomo, Indiana. Once complete, the plant will produce batteries for a variety of electric vehicles and create 1,400 local jobs.

THE ROLE OF NATURAL GAS IN INCREASING ENERGY EFFICIENCY

Natural gas plays an important role in mitigating GHG emissions within the power generation sector. It offers an affordable, low-carbon alternative for reliable capacity and the integration of renewable energy sources.

The chart below illustrates that transporting natural gas through existing infrastructure is more efficient and emits far fewer GHGs compared to transportation by rail, truck, or electric grid infrastructure.



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Compressed Natural Gas

CNG is a fuel that is produced by compressing natural gas to 3,600 pounds per square inch gauge (“PSIG”) and can be used to power specially equipped internal combustion engines in vehicles. Using CNG as a transportation fuel extends the vehicles’ travel range and burns more cleanly. Compared to traditional transportation fuels, such as diesel or gasoline, CNG emits about 20% fewer GHG emissions when used to power a vehicle according to the most recent EPA figures. CNG is also more affordable, more price stable and produced domestically, making it a valuable option in the transition to low-carbon energy sources.

Southwest Gas has several fleets that have begun to convert their existing diesel and gasoline fleets to CNG. We also have tariffs in place to allow the utility to provide CNG services to customers throughout the service territory and build, own and operate a facility that can provide that service.

In 2022, Southwest Gas delivered 37,061,996 therms of natural gas to be used as CNG to Arizona, California and Nevada fleet customers. By using CNG over traditional fuels, Southwest Gas’ CNG customers emitted 79,012 fewer metric tons of carbon dioxide equivalent (“MTCO₂e”) in 2022 – the equivalent of 17,022 fewer gasoline-powered passenger vehicles operating on the roadway per year (according to the U.S. Environmental Protection Agency Greenhouse Gas Equivalencies Calculator, which estimates that a typical passenger vehicle emits 4.6 MTCO₂e per year).

In 2022, Southwest Gas delivered

37,061,996 therms

of natural gas for vehicles in place of diesel

Equal to eliminating

79,012 MTCO₂e¹

or removing

17,022

gasoline-powered passenger
vehicles from the road for a year¹

¹ Per the [EPA Calculator](#)



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Innovation and Technology

Investing in technology developments, supporting internal and external research, forming partnerships, and collaborating with industry associations, peers, academia and governments helps us continually improve the safety, efficiency and reliability of our operations.

Southwest Gas directs the majority of its RD&D investments toward studies on energy and utility solutions, supporting two key research institutions:

- NYSEARCH, a consortium of natural gas companies that focuses on innovative products that improve gas safety, reduce costs, and improve worker health, productivity, and the environment.
- GTI Energy, a nonprofit RD&D organization that is divided into two segments:
 - Operations Technology Development, which researches, develops, tests and deploys energy transition solutions on behalf of its members.
 - Utilization Technology Development, comprised of 20 natural gas distribution company members that direct a program of near-term applied research to develop, test and demonstrate safe, energy-efficient, environmentally friendly, and cost-effective end-use technologies to benefit their more than 37 million gas customers in North America.



These collaborations provide partnerships with industry leaders, scientists, universities, manufacturers, and other key stakeholders to address integrity issues and other concerns by identifying industry needs and providing focused RD&D responses that benefit the natural gas industry and its customers. Southwest Gas’ RD&D spending in 2022 totaled \$1.71 million.¹

In 2023, Centuri successfully piloted an in-cab camera system through its telematics vendor. The system aims to improve overall driver safety and reduce vehicle incidents. We highlight this technology on [page 47](#).

Infrastructure for a Sustainable Energy Future

Centuri is a world-class utility infrastructure services company with strong leadership in infrastructure modernization and energy transition.

Along with building the pipelines and facilities needed to transport RNG, Centuri – through its Riggs Distler business – is building several new offshore wind projects in the Northeast U.S. In 2023, Riggs Distler became the first company in the U.S. to build advanced foundation components of the size needed for the Revolution Wind and South Fork Wind offshore wind projects in Rhode Island. Riggs Distler created new fabrication equipment and enhanced its workforce training to support the project. Riggs Distler is also a tier 1 contractor on the Sunrise Wind project in New York.

¹ Our 2022 Sustainability Report stated that Southwest Gas’ 2021 RD&D spend totaled \$1.21 million. The correct amount was \$1.12 million.

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Renewable Natural Gas

We support the development of use of RNG as an opportunity for customers to achieve their economic and environmental goals. RNG is a lower-carbon sustainable fuel source that is produced by safely capturing, cleaning and upgrading biogas from various sources such as animal waste, wastewater treatment plants and landfills.

Biogas is produced when organic matter decomposes. Typically, a facility uses biogas on-site to supplement heat and power, and any excess biogas is flared. With an RNG production facility, the excess biogas is captured, cleaned and upgraded to meet pipeline quality standards, thereby mitigating environmental impact. A utility can then deliver it to businesses and homes through existing natural gas pipelines. Customers can use RNG just as they do traditional natural gas.

Through collaboration with regulators and producers, we are working to make RNG part of a balanced energy future. Southwest Gas has six RNG interconnect projects, all now online. These include:

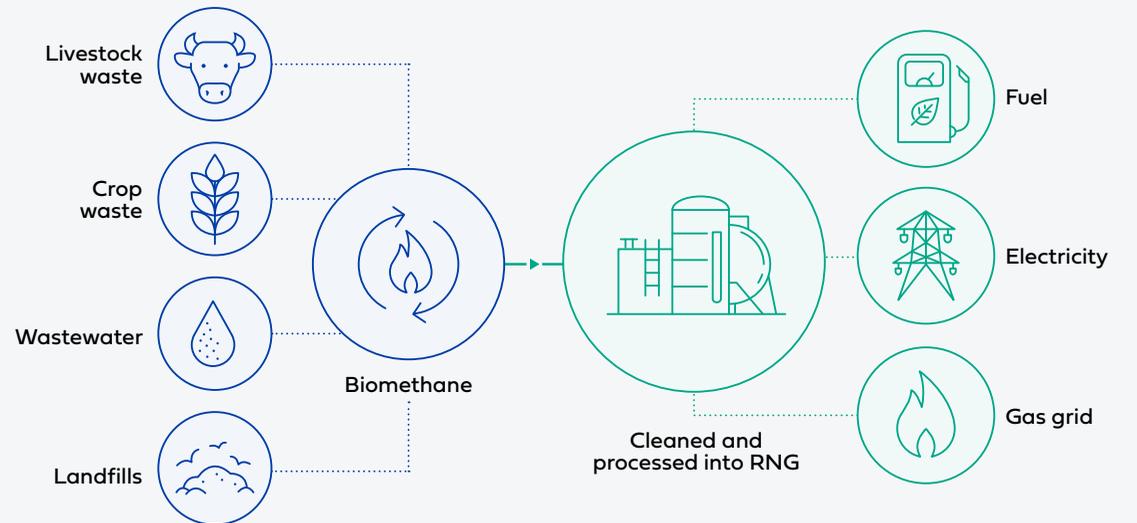
- Tres Rios Wastewater Project in Tucson, Arizona.
- SoCal Biomethane Victor Valley Wastewater Reclamation Authority Project in Victorville, California.
- Sunoma Renewable Biofuel Project at Paloma Dairy in Gila Bend, Arizona.
- Butterfield RNG interconnection at the Butterfield Dairy in Buckeye, Arizona.
- Maricopa RNG at the Milky Way Dairy Project in Maricopa, Arizona.
- Great Basin Gas Transmission Company's Cheyenne Trails interconnection near Stagecoach, Nevada.

Southwest Gas can purchase up to 5.8 million therms of pipeline quality natural gas produced from these interconnected wastewater projects and up to 11.8 million therms yearly from the interconnected dairy projects. The customer is allowed to retain the renewable credits, supporting the customers' objectives to reduce methane emissions, lower their carbon footprint and reduce the project costs.

We also support public transportation agencies that use RNG for their vehicles. In Nevada, we partnered with U.S. Gain to provide the Regional Transportation Commission of Southern Nevada ("RTC") with RNG to fuel its bus fleet. Southwest Gas delivers up to 50,000 therms of RNG per day on RTC's behalf.

Centuri's NPL business builds complex infrastructure projects, including RNG facilities. Centuri has five RNG projects in various stages of completion, ranging from running gas piping to supporting infrastructure for the digesters. One notable project is in South Dakota where NPL has installed 35 miles of pipe systems, connecting dairy farms that transport the RNG to a gas utility interconnect. The methane gas generated by three dairies of nearly 40,000 cows is captured, cleaned, converted into RNG, and injected into the interstate pipeline that can be used for transportation, cooking or electricity. In August 2022, the project delivered its first RNG gas. The project expects to produce over two million therms of RNG annually.

CONVERTING WASTE INTO CLEAN ENERGY



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Hydrogen

Production of low-carbon hydrogen stands as a highly promising technology in the journey toward a more sustainable future. Along with being the most abundant element in the universe, hydrogen is a clean energy option and very versatile – able to be harnessed for electricity generation, transportation fuel and industrial processes.

Currently, the production, storage and transportation of hydrogen-based energy is costly compared to other energy options. However, technological advances and new federal programs advancing clean energy – including a \$7 billion investment in seven regional clean hydrogen hubs – are expected to bring costs down. Existing natural gas infrastructure may also help drive the hydrogen economy by being well-suited for storing renewable hydrogen and enabling energy systems to work together effectively and affordably.

We are collaborating with other utilities, universities and research organizations to assess the safety and performance of piping materials and appliances when delivering or using hydrogen blended with natural gas. The objective is to determine the optimum blend percentage of hydrogen and natural gas to ensure the safe operation of pipelines and appliances.

To study and advance hydrogen technology, Southwest Gas is engaged in the following partnerships:

- **Low-Carbon Resources Initiative (“LCRI”)** – In 2022, GTI Energy and the Electric Power Research Institute launched the LCRI to accelerate the development, demonstration and deployment of hydrogen and other low-carbon energy technologies and fuels at scale. LCRI studies include reviewing and assessing the use of hydrogen in a power plant, testing gas metering technologies at specific hydrogen blends, and understanding the

operational and maintenance requirements of grid-scale electrolysis systems.

- **GTI Energy Utilization Technology Development** – As a member of the GTI Energy Utilization Technology Development group, Southwest Gas, along with GTI Energy and 19 other utility members, will demonstrate the safety and performance of hydrogen production, blending, distribution and end-use of the hydrogen blends. The study will take place at Southwest Gas’ Emergency Response Training Facility (“EMRF”) in Southern Nevada. The facility has systems that replicate the natural gas distribution system and real-world natural gas appliances in a controlled environment. The hydrogen-blended gas will be tested on more than 30 natural gas appliances. Initial testing is expected to begin in early 2024 and will involve more than 30 appliances and a 5% hydrogen blend. As part of this hydrogen safety and performance demonstration, Southwest Gas purchased an electrolyzer from the University of Nevada, Las Vegas. The electrolyzer produces hydrogen by separating water molecules to release the hydrogen. The process does not produce carbon dioxide emissions and has the ability to use renewable energy to power the electrolyzer to produce the hydrogen.
- **Southwest Clean Hydrogen Innovation Network (“SHINe”)** – In 2022, Southwest Gas became a founding member of The Center for an Arizona Carbon-Neutral Economy (“AzCaNE”). AzCaNE consists of Arizona’s three major state universities and four major energy providers in Arizona. AzCaNE was established to lead the effort of a carbon-neutral Arizona and desert southwest by 2050. AzCaNE collaborated with over 40 industry organizations to launch SHINe. SHINe members include hydrogen producers, storage developers, consumers and a connected infrastructure that provides reliable, resilient and clean energy and fosters economic development opportunities. An essential aspect of SHINe’s

efforts is engaging stakeholders, including tribes, businesses, government agencies, and other interested parties, throughout the entire process to accelerate the hydrogen economy. After receiving encouragement from the U.S. Department of Energy (“DOE”), SHINe submitted a proposal to the DOE in April 2023 for a share of the \$7 billion to develop regional clean hydrogen hubs (“H2Hubs”) under the Infrastructure Investment and Jobs Act. SHINe was notified in October 2023 that it was not one of the seven H2Hubs that were selected for funding awards across the United States. These H2Hubs will catalyze more than \$40 billion in private investment and create jobs. The SHINe proposal included several projects that still plan to move forward, with Southwest Gas providing guidance and advice on how best to utilize Southwest Gas infrastructure as a potential medium for the safe, reliable and lower cost of delivery of hydrogen to those customers wanting to use hydrogen as part of their overall GHG reduction energy strategy.

- **Truckee demonstration project¹** – Southwest Gas, Southern California Gas Company and San Diego Gas and Electric filed a joint application with the California Public Utilities Commission (“CPUC”) to implement hydrogen blending demonstration projects that will inform the development of a hydrogen injection standard for the State of California. The joint utilities are addressing various CPUC directives and anticipate filing an amended application in first quarter of 2024. When approved by the commission, Southwest Gas plans to commence an 18-month project that blends varying concentrations (ranging from 5% up to 20% hydrogen by volume) of locally produced hydrogen in Truckee, California. The project will assess the performance and safety of different hydrogen blend concentrations in extreme cold weather and high-elevation conditions.

¹ In 2023, the application of the joint utilities was updated to include Pacific Gas and Electric (“PG&E”) with a target to resubmit the application in early 2024.

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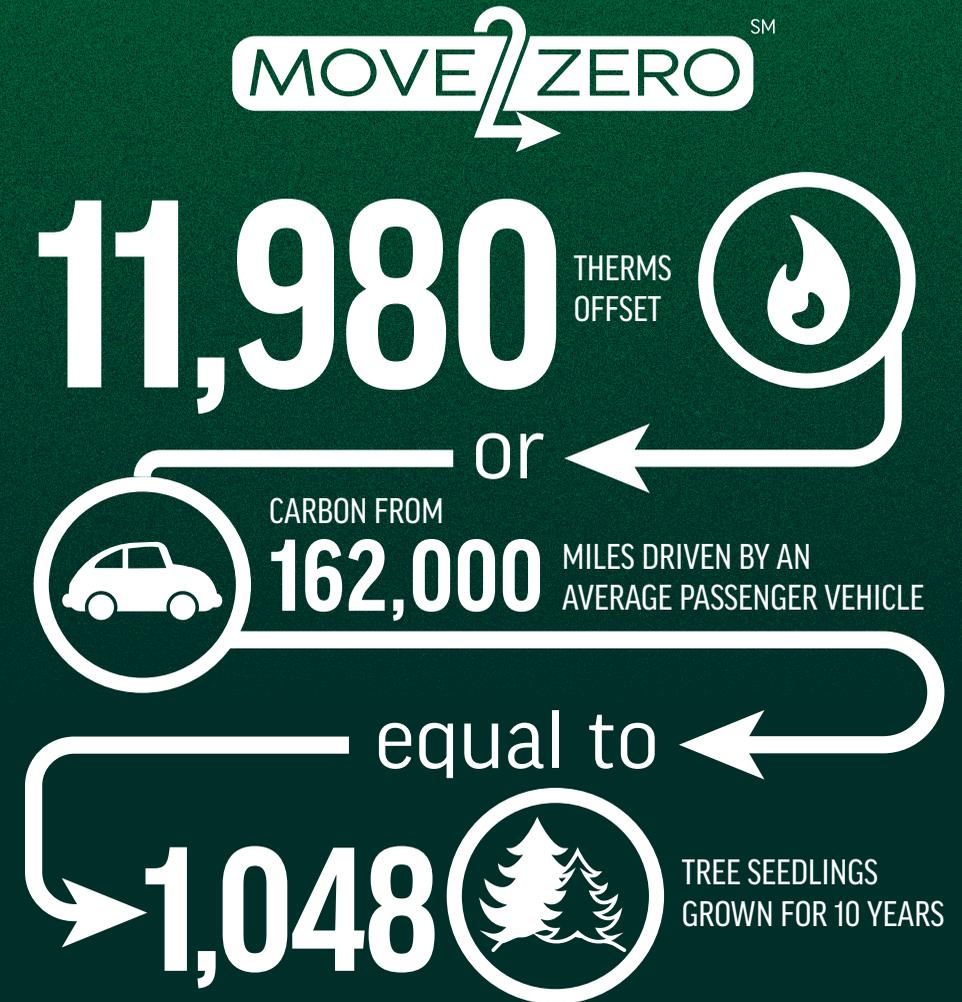
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Move2ZeroSM Offset Program

Following approval from the PUCN, in 2022, Southwest Gas introduced the Move2ZeroSM Offset Program. This voluntary program allows eligible Nevada residential and business customers to actively engage in reducing their carbon footprint.

Southwest Gas created the Move2ZeroSM Offset Program to make it easy for customers to offset their GHG emissions generated from their natural gas use. Through this program, Southwest Gas purchases and retires carbon offsets on behalf of its customers to offset combustion-related emissions based on the level selected by enrolled customers. To ensure that the Move2ZeroSM Offset Program provides a meaningful impact, Southwest Gas only uses credits that are generated by third-party verified carbon offset projects and registered with established carbon registries, such as the American Carbon Registry and the Climate Action Reserve.

Carbon offsets are a key element supporting Southwest Gas' drive to help Nevada customers meet their own climate goals. As of August 2023, customers participating in the Move2ZeroSM Program offset 11,980 therms' worth of combustion-related emissions, which equates to driving about 14 gasoline-powered passenger vehicles for a year, the electricity used by eight homes for one year, or growing 1,048 tree seedlings for 10 years.



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Resiliency

A reliable and resilient energy system that can withstand and quickly recover from disruptions is essential for economic stability, public safety and national security.

Southwest Gas' infrastructure supports resilience through its inherent physical and operational capabilities. Severe climate events – such as wildfires, winter storms and heat waves – have shown that natural gas assets support the broader energy system during periods of high stress.

Southwest Gas' liquefied natural gas ("LNG") storage facility near Tucson, Arizona – which has been in service since December 2019 – provides a safe and dependable backup system in Southern Arizona. The facility holds approximately 2.7 million gallons of LNG, and has demonstrated its resiliency and ability to serve as a critical backup energy source during climate events and other service interruptions, saving Southwest Gas customers millions of dollars.

For federal agencies, Southwest Gas offers Utility Energy Services Contracts ("UESC"). Under a UESC, Southwest Gas provides the federal agency with a comprehensive energy use and water-use audit and review, commonly known as a preliminary assessment ("PA"). These PAs help Southwest Gas and its energy services partner identify energy conservation measures ("ECM") that could be performed to help the agency improve its overall energy and water use efficiency. The constructed ECMs help the agencies achieve energy resilience and security objectives while avoiding energy delivery failures. Over time, the savings from energy and water efficiency improvements are designed to more than offset the ECM project costs.

In September 2022, we were awarded a UESC for the Fort Irwin National Training Center in California. Under the multi-phase contract, Southwest Gas will provide a dedicated natural gas pipeline to Fort Irwin, allowing the military base to transition away from its use of propane and improve its energy resiliency. The project includes the installation of a large Combined Heat-Power plant (described on [page 43](#)). We filed an application in November 2022 with the CPUC to expand our service territory in Southern California to accommodate the proposed expansion project to the Fort Irwin National Training Center. We anticipate the CPUC will issue a decision in the first half of 2024.

In 2023, Southwest Gas was awarded a Notice to Proceed with a PA for the Carl T. Hayden Veterans Administration Medical Center in Phoenix. Under the contract, we will conduct a comprehensive energy audit to identify ECMs that will translate to savings.

Energy Restoration

When energy disruptions and outages occur, Centuri crews are often on the scene, working to reconnect people to essential power. Leveraging its expertise in electric and natural gas line construction, distribution and transmission, Centuri has recently broadened its services to include restoration services. Throughout 2022 and 2023, several Centuri businesses collaborated with first responders, government agencies and local organizations, deploying specialized teams to aid in the restoration of power following incidents like thunderstorms, tornadoes, winter storms, and hurricanes.

For example, in September 2022, two hurricanes struck Eastern Canada and the Southeastern U.S., leaving over two million people without power. Over 170 crews from Centuri's operating companies responded to restore power. More than 800 employees gave 140,000 working hours with zero safety incidents. In the last three years, Centuri companies have provided emergency response and restoration support for more than 10 major storms.

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Southwest Gas Delivers Critical Energy Infrastructure to Drive Growth and Employment Opportunities

In 2015, the Nevada legislature passed Senate Bill 151, which was aimed at spurring economic development and growth in the state by providing for the expansion of natural gas service to unserved and underserved communities as part of a plan for economic development.

Once authorized by the PUCN, Southwest Gas commenced the expansion of natural gas service to the unserved areas of Mesquite (in 2018) and Spring Creek (in 2020). The multi-year expansions involve installing a high-pressure gas main line to the area and then constructing distribution mains along the towns' streets.

Providing these communities access to natural gas not only increases their ability to attract new businesses, grow their economies, and improve

housing affordability by offering dual fuel options, but it also helps companies and municipalities achieve their climate goals.

Prior to the expansion of natural gas service, the communities were served by other energy sources that tend to have higher costs, limiting economic development. Additionally, the service expansion gave the communities lower-emission energy options that are expected to lower energy costs and reduce GHG emissions.

In 2022, we celebrated natural gas being turned on at all the schools in the Spring Creek area, providing the students, teachers and administrators with a safe, reliable and affordable energy source, especially during the cold winter months. The conversion to natural gas is expected to save the school district over \$550,000 per year.

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Economic Development

Because natural gas is one of the most affordable, reliable and sustainable energy options available today, we work closely with regulators and elected officials to establish frameworks and policies that spur economic development, particularly in the manufacturing industry, expand our systems into unserved and underserved communities, and meet the growing demand for natural gas energy options. An example of a successful outcome of this collaboration is the expansion of natural gas service into Mesquite and Spring Creek, Nevada. We highlight this work on [page 41](#).

Along with supporting several housing developments and working closely with homebuilders to ensure natural gas infrastructure exists to support optionality, Southwest Gas delivered, or is in the process of delivering, the following notable projects:

- As part of the expansion of natural gas service into Mesquite, Nevada, Southwest Gas turned on the gas meter at Crown Holdings, Inc.'s new aluminum beverage can manufacturing plant in August 2023. The state-of-the-art plant, which brings 126 well-paying jobs to the Mesquite community, would not have been possible without access to natural gas.
- We are working with several other businesses in Mesquite to connect them to our services. These include the Rising Star and Eureka hotels.

In 2022 and continuing into 2023, we experienced significant population growth and strong demand across the Southwest Gas service territory with more than 41,000 first-time meter sets in 2022, an 11% increase over 2021.

SPOTLIGHT

Protecting Biodiversity While Expanding Energy Access and Creating Resiliency

After extending natural gas service to the city of Mesquite, Nevada, through the construction of a 17-mile-long high-pressure pipeline, Southwest Gas successfully relocated and transplanted more than 2,300 protected cacti and yucca along the right-of-way. Additionally, Southwest Gas hydroseeded all previously disturbed soils using a native seed mixture developed in coordination with Bureau of Land Management biologists. The composition of this seed mixture was based on plant species observed in the community and an assessment of each species' potential to assist with successful revegetation. Southwest Gas continues to conduct qualitative monitoring of the subsequent revegetation growth, with the goal of eventually being nearly indistinguishable from native vegetation located outside of the right-of-way. All these efforts combined have contributed to Southwest Gas restoring nearly 100 acres of habitat for multiple Mojave Desert fauna species, including the critically endangered Mojave Desert tortoise (*Gopherus agassizii*).

Our Centuri business operated as a subcontractor on a project to rebuild 16 miles of transmission line between Estes Park and the Flatiron substation outside of Loveland in Colorado. In addition to replacing deteriorating wood structures with more resilient steel transmission lines, the project reduces the environmental footprint in this unique Rocky Mountain terrain by co-locating two transmission lines onto a single right-of-way.

“We are delighted that Southwest Gas has extended its essential infrastructure into Mesquite. Not having natural gas services limited our community’s capacity to diversify the economy, especially in light manufacturing, where natural gas is often essential. As our community grows, this natural gas framework will support future development.”

Andre Carrier, COO of Eureka Casino Resort



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Energy-Efficiency Programs

In addition to providing customers with conservation tips they can use to reduce their energy use, Southwest Gas offers several commission-approved programs to help customers of all sizes become more energy efficient, reduce costs and achieve their emissions reduction goals.

Approved Southwest Gas Rebates and Programs¹

CALIFORNIA	NEVADA	ARIZONA
Residential equipment rebates	Residential equipment rebates	Residential equipment rebates
Commercial equipment rebates	Commercial equipment rebates	Commercial equipment rebates
New home construction rebates	Food service instant rebates	New home construction rebates
Food service instant rebates	Home energy savings kits	CHP rebates
Solar water heating rebates		Solar water heating rebates
Residential direct install program		Commercial custom rebates

Customers who have taken advantage of these programs have reduced GHG emissions by over 98,200 MTCO₂e over the past six years. The importance of partnering with state public utilities commissions ("PUCs") is to develop and offer programs to help customers be more energy efficient, save money and reduce GHG emissions.

Cogeneration – a clean and efficient power production choice for large customers – generates two types of energy from one fuel when compared to using multiple fuels and sources for their operations. Often referred to as Combined Heat and Power ("CHP"), these highly energy-efficient systems can vary in size, from several kilowatts to several megawatts of produced electric power, and can be used in various commercial, industrial and institutional applications. Southwest Gas offers CHP rebates for systems that run on natural gas and generate electricity or mechanical power while repurposing the heat produced from electrical generation for other needs, such as air conditioning or water heating.

¹ As of January 2024

Self-Service Portal

For residential customers, Southwest Gas offers an Energy Savings Portal that allows customers to compare their monthly bills, benchmark with similar homes and conduct a home energy analysis. The portal also includes information about the rebates that are available in their service area. Beginning in January 2024, Southwest Gas plans to expand its online portal capabilities to more than 30,000 small and medium-sized businesses in Nevada, offering them valuable insights into their energy use and helping them save.

Builder Rebates

Southwest Gas' SMARTER GREENER BETTER® Homes program offers rebates to homebuilders who construct homes and/or install systems that either exceed current building code requirements or achieve the highest ENERGY STAR® standards. This program is available in Arizona and California.

Energy-efficiency programs have saved enough energy to power nearly

12,377 homes for one year²

² Between 2017 and 2022; using U.S. Environmental Protection Agency Greenhouse Gas Equivalencies Calculator

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We are dedicated to delivering safe, reliable and affordable energy service to homes and businesses across our service territory. Our public [Sustainability Commitment](#) states our goal to create a workplace that is safe, sustainable and inclusive while making a positive, lasting impact on every customer and community we serve.

Safety Calls

Expanded bi-weekly safety calls, led by Southwest Gas officers, to include all employees.

Dual Response

Introduced a “dual response” program into our larger divisions for emergency calls, ensuring the safety of personnel and the public and helping to resolve issues faster.

RELEVANT SDGs



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Safety

Our dedication to ensuring the safety and well-being of our employees and contractors, customers, and communities is reflected in the decisions we make. By further strengthening our safety culture, we unite behind a shared goal to foster a sense of community where everyone looks out for one another.

As part of fostering a strong safety culture where people feel empowered to speak up, Company leaders set the tone, advocating and providing the resources needed for a safe workplace, while every employee is expected to take personal responsibility for their actions and look out for their colleagues.

Employee and Contractor Safety

We recognize that safety is a journey and not a destination.

Southwest Gas’ executive-level Safety Committee provides oversight and guidance on occupational health and safety programs, and each of the utility’s operating divisions, as well as its corporate office, has an employee-driven Accident Prevention Committee where members meet monthly to discuss safety matters.

Integral to our safety culture is maintaining ongoing conversations across the organization. When a serious or near-miss incident occurs, we conduct a thorough investigation and share lessons learned. Southwest Gas holds bi-weekly safety calls, which were expanded in 2022 to include all Southwest Gas employees and again in 2023 to be led by executives. The safety calls provide a forum for employees to learn from and engage with their colleagues and executive

leadership on important safety topics, and to hear from external guest speakers for special events such as National Safety Month. Southwest Gas promotes the use of “safety moments” at the beginning of internal meetings to discuss a safety-related topic and remind attendees about the importance of being safe in all aspects of their lives. In 2022, our Board of Directors adopted the same practice and now invites an employee to begin meetings with a safety moment. To positively reinforce safe behaviors and foster a sense of pride, our safety recognition programs acknowledge the contributions of those who create and uphold a healthy and safe work

environment. Southwest Gas has experienced year-over-year improvement in its workplace safety metrics, with its Days Away, Restricted or Transferred (“DART”) score falling below the AGA median and reaching an all-time low in 2023.

We are committed to providing tools and training to help our employees safely return home to their families, friends and communities at the end of each day and remain safe outside of work. One key area of our safety focus is to educate, reinforce and encourage safe driving techniques. Southwest Gas requires all employees to undergo behind-the-wheel driver training when hired and to complete an annual refresher course. The utility’s divisions also hold events – such as “backup rodeos” with obstacle courses – that improve skills, engage employees and increase awareness of specific safety conditions and risks that can be encountered when employees are behind the wheel.



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In April 2023, Southwest Gas recognized “Distracted Driver Awareness” month with each executive providing distracted driver awareness tips, and more than 1,100 employees, including every executive, committing to a distraction-free driving pledge. Both Southwest Gas and Centuri are testing technologies that aim to improve safety with proactive, preventative technologies that address the risks posed by distracted drivers.

With a significant percentage of the workforce in the field represented by contractors, Southwest Gas frequently engages with contractor partners. In addition to monthly roundtable discussions, the utility holds an Annual Safety and Quality Executive Leadership Summit with its largest strategic contract partners. The summit provides an opportunity to share best practices and ideas to further strengthen the safety culture.

For example, the E-flagger technology discussed on [page 47](#) was first used by one of the utility’s contract partners. Its success led to an evaluation of a broader deployment across the utility’s service territory.

At Centuri, the Safety and Quality Management System formalizes the safety policies, processes and program standards that apply to employees, partners and contractors. An important part of the system is measuring safety perceptions, and since 2018, Centuri has been surveying employees at all levels to evaluate the maturity of the organization’s safety culture.

Insights from these studies have resulted in new programs and systems to further improve Centuri’s safety performance. This includes a new hire safety orientation program that was implemented in 2022. In 2023, we updated the safety manual for Centuri’s U.S. gas operations and commenced work to enhance the safety programs and management systems in Canada.

Another outcome from the survey insights was Centuri’s ThinkSAFE (Stop, Ask, Fix, Educate) safety observation initiative, which engages everyone from executive leaders to the frontline team. As part of the initiative, leaders at all levels encourage safety-focused dialogue with crew members. Crew members also take turns serving as the lead safety observer, recording safety behaviors to reinforce positive actions and identify corrective actions in a peer-to-peer setting.

For the latest safety perception survey in 2022, 89% of the more than 5,000 Centuri employees surveyed participated – a record high – and positive perceptions increased by 9% from 2018. Scores in the areas on which we focus (i.e., communications, training and ThinkSAFE) increased, so we held more than 20 focus groups to delve further into opportunities for additional improvements. This includes gathering feedback on employee expectations regarding a rewards and recognition program and identifying safety champions.

Centuri tracks key safety incident metrics and sets objectives to continuously improve safety performance. Centuri’s safety metrics continue to improve, with the rate of safety incidents trending well below the industry average. These positive results speak to Centuri’s culture of continuous improvement across all areas of safety.

In October 2022, Centuri’s Riggs Distler business was awarded two Bronze Star Awards for projects completed with no injuries over 200,000 person-hours from the National Maintenance Agreements Policy Committee.

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Protecting People with Technologies That Address Distracted Driving Risks

Distracted driving is not only a risk to people while undertaking a task involving a vehicle or heavy equipment, but it can also be a risk to those working in construction zones.

Piloting Vehicle Event Recording

To reduce the risk of accidents and provide real-time alerts, in 2023 Centuri began deploying Samsara's award-winning fleet dash cam event recorders. The Samsara system helps improve driving behaviors and allows us to coach drivers if the system detects distracted driving and harsh events (i.e., braking, accelerating, turning). It also allows us to reward good driving behaviors.

Following the successful conclusion of the pilot phase, we observed a 59% decrease in the safety event rate within just two months of activating in-cab audio alerts. Additionally, distracted driving incidents and collision risk events declined by 68% and 50%, respectively. Centuri is evaluating the expansion of the program in 2024.

Addressing Traffic Risks in Construction Zones

Southwest Gas is part of a broader industry effort through the Gas Technology Institute to improve roadway safety and protect workers in construction zones. We also have an internal field and traffic safety coalition that explores methods to minimize the risks to workers in these areas. In 2023, the coalition began trials for two technologies designed to proactively protect individuals from passing vehicle traffic.

The E-flagger technology replaces traditional flagger operations – which involve two workers with “stop/slow” signs and mobile devices who are exposed to passing drivers – with a system that is operated by someone onsite but out of harm's way. Sensors and cameras allow the operator to view

both entrances to the work zone and determine when to raise and lower the arm bars that control traffic flows. Another benefit of the E-flagger technology is greater efficiency in managing traffic, which helps reduce the time vehicles idle in construction zones, thereby reducing emissions.

The other technology involves a trip-wire work-zone intrusion alarm, which alerts those working in the construction zone when an unauthorized vehicle may have breached a barricade and potentially threatens their safety. Along with evaluating the decibel level of the alarm to ensure it can be heard in a construction zone, the coalition is testing other options, such as a vibrating wristband that alerts workers if the intrusion alarm is triggered.

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Emergency Response

Having a thorough and consistent emergency preparedness strategy enables Southwest Gas to swiftly and effectively respond when the situation demands.

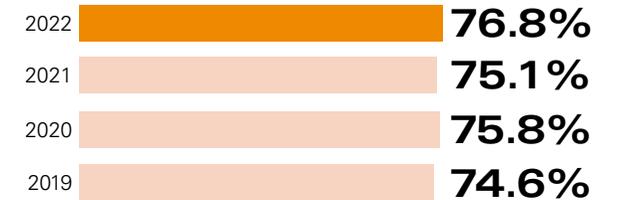
Crucial to this goal is working seamlessly with first responders. We meet regularly and conduct frequent training with firefighters, police officers and emergency medical personnel in all our service territories. This ensures the appropriate safety measures and processes are in place during a natural gas incident or emergency.

Because we continually look for ways to improve our response times, in late 2022, Southwest Gas introduced a “dual response” program into our larger divisions for emergency calls. We immediately dispatch the closest qualified team member to make the area safe and assess the incident to ensure we have the proper resources en route in the shortest amount of time. This approach ensures the safety of Southwest Gas employees and the public and helps resolve the issue faster.

The utility also focused on maintaining a full roster of qualified emergency response personnel, adjusting shifts to meet demand during peak hours (i.e., evenings and weekends when people are home) and establishing a dedicated group of strategic emergency responders. These responders are stationed and prepared to act swiftly in emergencies.

As a result of these efforts, the utility achieved record emergency response times in 2022.

PERCENTAGE OF ARRIVAL WITHIN 30 MINUTES (SOUTHWEST GAS)



+3% increase (2019–2022)

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Workplace Culture

Employees are our most valued asset. We understand that being an employer of choice means more than providing a paycheck; it's about creating a safe environment, meaningful work and opportunities to grow and thrive. As technological advancements, cultural dynamics and economic shifts profoundly change the nature of work, we are dedicated to balancing employees' needs and expectations with meeting business objectives.

Employee Experience

Recognizing that employee satisfaction goes beyond competitive compensation packages and benefits, we routinely gather employee feedback on how to enhance their overall work experience.

Engagement Survey

Since 2018, Southwest Gas has asked employees to identify areas of strength and opportunities for improvement through engagement surveys.

In the latest survey, which was conducted in November 2022, 84% of the utility's employees participated. The five highest-rated categories were related to Safety, Work Flexibility, Psychological Safety, Customer Focus and DE&I. Although the ratings in the latest survey remained high, scores dipped slightly in several categories, with employees identifying internal communications as an area where they would like to see improvements. The insights from the survey informed action plans and new programs, such as skip-level meetings and small-group roundtables, to drive higher engagement. We plan to conduct the next survey in 2024 to measure our progress.

Training and Development

Southwest Gas supports career development through several online and in-person education and skills opportunities.

The utility offers employees \$5,250 in tuition reimbursement annually and a full tuition grant through the University of Arizona Global Campus. In 2022, 88 employees participated in the program, resulting in 18 bachelor's and eight master's degrees awarded to full tuition grant participants. Enhancements to the program include improved access and increased participation from women and underrepresented employees. The utility also expanded its talent management and succession planning process by creating succession plans for employees at the director level and above. These plans evaluate the readiness for new roles and development opportunities and provide insights to leaders on the state of the organization's talent.

To develop the next generation of workers who are interested in a career in our industry, Southwest Gas offers a Work Experience Program for students to gain hands-on experience and training working with a Southwest Gas crew. We highlight this program on [page 50](#).

Centuri's leadership training programs, apprenticeships and mentoring opportunities support its goal to promote from within. In 2022, Centuri's Linetec Services business launched an apprenticeship program that has been certified by the U.S. Department of Labor. The four-year structured training program is designed to enhance the skillsets of employees in the industry and help them attain the esteemed Journeyman certification. The program aims to ensure Linetec apprentices can effectively handle daily operational challenges. Apprentices undergo 8,000 hours of blended-format training, including classroom, field and online instruction, led by highly qualified instructors. Upon successful completion, apprentices receive a DOL Journeyman Certification and Linetec Journeyman certificate. Since its inception, 22 apprentices have successfully graduated from the program.

Employees at both Southwest Gas and Centuri have access to expert-led courses available on the LinkedIn Learning online platform. In 2022, 41% of Southwest Gas employees enrolled in at least one LinkedIn Learning offering, completing more than 17,730 courses and/or video learning sessions.

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2022 Southwest Gas Employee Engagement Highlights

Work Flexibility

86%

are loving flexible work arrangements.

Employee Safety

96%

agreed that we are committed to employee safety.

DE&I

79%

rated Diversity, Equity and Inclusion favorably.

Customer Focus

80%

agree that customer satisfaction is essential.

Psychological Safety

80%

feel safe in taking social risks like voicing unpopular opinions.

SPOTLIGHT

Building a Pipeline of Skilled Talent through Real-World Work Experience

The Southwest Gas Work Experience Program offers students the opportunity to gain hands-on experience and training working as a member of a Southwest Gas team.

As part of the program, Southwest Gas collaborated with three community colleges – College of Southern Nevada, Estrella Mountain Community College of Central Arizona and Pima Community College – to develop a curriculum for students who are interested in a career in the natural gas industry. Students who have completed the courses and are continuing to pursue a certificate or associate degree can then apply for positions with Southwest Gas or one of its contractors.

One participant in the program is Christopher Caponigro. While working as a leak survey technician for a Southwest Gas contractor, Christopher attended the Natural Gas Introduction class at the College of Southern Nevada. The class was taught by two Southwest Gas Construction Supervisors, who

provided knowledge of the industry and mentorship to the students. Through the Work Experience Program, he applied to become a Construction Technician with Southwest Gas, and today, Christopher has moved up the ranks to become a Lead Construction Specialist for Southwest Gas' leak survey group in Southern Nevada. In his role, he helps support the Company on the transition to perform leak surveys in Nevada every year (previously, every three years). Christopher also is an advocate for advancing the Company's safety culture by participating in his division's Accident Prevention Committee, and his learning and development continues.

"Southwest Gas has helped me complete my degree in Emergency Management through the tuition assistance program," said Christopher. "Our company has prided itself on giving its employees the tools they need to go anywhere they want, and I am grateful for this. Our culture of safety and success motivates me to continue to grow."



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Diversity, Equity and Inclusion

Fostering a workplace culture where everyone feels a sense of belonging benefits employees and enhances our performance, reputation and social impact. As outlined in our public Human Rights Commitment, our goal is to nurture a workplace that is diverse, equitable and inclusive, and one that does not tolerate any forms of harassment or discrimination.

Southwest Gas' DE&I strategy aims to fuel opportunities for all employees, encouraging them to be their true and unique selves. A DE&I Council, composed of individuals nominated by each officer to ensure senior leadership engagement, is responsible for the implementation and execution of the strategy's four commitments, which include:

- **Enhancing data transparency with internal and external stakeholders** – An internal dashboard allows senior leaders to track progress in attracting and retaining diverse talent.
- **Evolving the talent pipeline** – Through our engagement with Creative Talent Endeavors (a certified diverse company), we are refreshing our talent acquisition strategy and approach. In 2023, we launched an enhanced behavior-based interviewing course for all leaders. We also worked to increase the pipeline for underrepresented talent via the internship program highlighted on [page 53](#).
- **Providing cultural training** – In 2023, all employees at the director level and above submitted DE&I statements that demonstrate leadership support for the utility's DE&I commitment. These statements were shared with all employees via various

internal communications channels. Since 2019, employees have completed more than 17,000 hours of dedicated DE&I training.

- **Investing further in partnerships** – Southwest Gas supports and partners with dozens of organizations to support inclusion in communities throughout the service territory and help create a pipeline of diverse talent. Along with the summer internship program, Southwest Gas continued collaborating with Cristo Rey St. Viator, a College Preparatory School in Las Vegas, on a mentorship program that gives students valuable work experience and prepares them to enter the workforce as future leaders. Since the partnership began in 2019, 16 students have interned at Southwest Gas, and eight were placed with nonprofits and sponsored by Southwest Gas.

Centuri has a publicly stated DE&I commitment to build a companywide culture where diversity, equity and inclusion are fundamental values in everyday business practices throughout the workplace environment. Supporting the efforts is a framework that demonstrates our commitment to these values through words and actions. In 2021, a Centuri DE&I Council was formed with a focus on talent acquisition, training and development, and employee engagement.

Workforce Diversity Metrics

(as of December 31, 2022)

Southwest Gas

44%

of total workforce and 24% of all leaders are employees with racially diverse backgrounds.

29%

Women represent 29% of total workforce and 29% of all leaders.

Centuri

154

veterans hired.

6%

Women – 6% of total workforce; 9% of all leaders.¹

22%

Ethnic/racial minorities – 22% of total workforce; 17% of all leaders.

38%

of promotions were to women or individuals from racially/ethnically diverse backgrounds.

¹ Leaders include those in roles under the Equal Employment Opportunity ("EEO") categories for 1.1 (Executive/Senior-Level Officials and Managers) and 1.2 (First/Mid-Level Officials and Managers).

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Employee Resource Groups

Employee Resource Groups (“ERGs”) are vital in promoting inclusion by uniting employees who share similar life experiences and enhancing understanding of diverse cultures and groups within the organization. Each ERG is led by employees, who demonstrate a passion and commitment to the group’s success and are supported by senior leadership through a dedicated executive sponsor.

At the end of 2023, Southwest Gas had three ERGs and Centuri had five. Southwest Gas plans to launch two more ERGs in 2024 – one to support Latino employees and the other to support employees who currently serve or previously served in the military.

Throughout 2022 and 2023, the ERGs held several events to engage the entire employee population in important conversations. At Southwest Gas, the Rise ERG promoted Women’s History Month, convening a panel of female senior leaders and allies that was streamed live across the organization. The Elevate ERG created an “Elevated Conversations” program, which features interactive sessions with senior leaders, and the Spectrum ERG hosted conversations about the impact of emotional intelligence on team building and leadership. At Centuri, the WELD ERG piloted a mentorship program, where participants are paired with company mentees who give career advice and insights. Feedback on the pilot has been very positive, with mentors commenting on the opportunities to collaborate and step out of their comfort zone. In 2023, the Mental Health ERG launched a companywide campaign recognizing World Mental Health Day and Suicide Prevention Awareness Month.

Employee Resource Groups

Southwest Gas



Rise

Creating a network for women and allies, through targeted initiatives, that fosters the advancement of women, establishes work-life balance and creates a fully inclusive culture at Southwest Gas



Spectrum

Breaking down generational barriers by creating a safe space to collaborate, communicate and innovate with employees throughout the Company



Elevate

Building an initiative-driven inclusive community that supports the advancement and development of African Americans and allies

Centuri



Be Well Mind & Body

Information and resources focused on mental health and suicide prevention



CommUNITY

Enhancing social, cultural and civic engagement activities within the communities where we work



Canadian Diversity Network

Strengthening the connection between Canada- and U.S.-based workforces while advancing outreach to diverse communities



WE-VETS

Supporting current and former military service members



WELD

Inspiring and supporting women to achieve professional success

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Developing a Diverse Talent Pipeline through Summer Internship Partnership

To foster diversity and empower young talent, Southwest Gas has partnered with the University of Nevada, Las Vegas (“UNLV”) Diversity Initiatives Office on a summer internship program.

Although the program has been in place for over a decade, in 2023 Southwest Gas expanded it beyond engineering roles. For the latest intern class, more than 200 students expressed interest in enrolling, and among those, nearly half were women and 60% were diverse. From this pool of applicants, 16 interns were selected for the 10-week program, providing them with real-world experience in one of several departments, including Legal, Internal Audit, Human Resources, IT, Engineering, and Engineering Support.

In addition to the hands-on experience, the program offered professional development opportunities such as personality assessments, emotional intelligence insights, and skills building in resume writing and interview techniques.

Toward the end of the 10 weeks, the interns presented as a group, highlighting their accomplishments and providing insightful recommendations for shaping future program improvements.

For 10 interns (three women and seven minorities), the program’s impact extended beyond summer with an offer to continue their internships into the 2023 fall semester.

The summer internship program is just one of the ways Southwest Gas aims to be a catalyst for change and to have a workforce that reflects the communities it serves.

Supplier Diversity

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Embracing supplier diversity isn't just a savvy business move; it's an integral part of our core business strategy, demonstrating our commitment to inclusive and sustainable practices and building stronger communities where we operate.

For more than three decades, Southwest Gas has championed diverse businesses through its supplier diversity program, proudly partnering with women-, minority-, disabled-veteran-, persons with disabilities- and LGBTQ-owned enterprises. Through these mutually beneficial relationships, Southwest Gas supports the economies of the communities we serve, while our suppliers become integral contributors to our success.

Southwest Gas' supplier diversity program continues to be recognized by organizations such as the Arizona Hispanic Chamber of Commerce's Million Dollar Circle of Excellence.

Each year, Southwest Gas publishes a [Supplier Diversity Report](#), which details the ways Southwest Gas works to grow our diverse supply chain and contribute to the economic growth of the communities we serve. In 2022 and 2023, key program activities included the following:

- Southwest Gas worked with Certify My Company to facilitate the certification process for diverse suppliers. This collaboration allows us to help diverse supplier partners obtain their certification. We also contacted several chambers of commerce throughout our service territory to help identify diverse businesses we could support in the certification process.



- Southwest Gas partnered with Cox Communications and the Lee Business School at UNLV on the Small Business Leadership Academy ("SBLA"), which is designed to benefit small and diverse businesses. SBLA is an eight-week seminar that teaches small and diverse businesses the skills needed to tackle the business challenges of today and tomorrow.
- The Southwest Gas Foundation partnered with the Las Vegas Super Bowl LVIII Host Committee to advance diverse supplier initiatives. The Foundation will support up to 50 local, diverse businesses by underwriting their certification costs, allowing them to be eligible to participate in Host Committee programs and positioning them to be more competitive as they pursue longer-term opportunities post-Super Bowl.
- To further advance our initiatives, the utility hired a dedicated manager of supplier diversity.

In 2022, Southwest Gas spent \$168 million with diverse suppliers.

Centuri's DE&I commitment includes investing in programs to expand its diverse supplier network. Its NPL business has a Partner Alliance in the Great Lakes region that brings together NPL team members and suppliers – ranging from family-owned small businesses to industry conglomerates – each quarter to advance diverse supplier initiatives. The alliance has been instrumental in generating more than \$90 million of economic impact for Minority, Women and Veteran Business Enterprises. NPL also demonstrates its commitment to DE&I by hiring local talent to support its projects. These efforts are highlighted on [page 55](#).

Centuri's spend with diverse suppliers totaled \$257 million and represented 22% of its U.S. spend in 2022.

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SPOTLIGHT

Fueling Jobs and Economic Growth through Energy Infrastructure Projects

The Kokomo Fusion Project involved the construction of an 18-mile natural gas pipeline to a \$2.5 billion electric-vehicle battery plant in Kokomo, Indiana.

As a major contractor on the project, NPL, a Centuri company, showcased its commitment to local employment and procurement, spending more than \$28 million with 27 diverse local suppliers and employing 285 people and crews. From trucking and equipment to paving and traffic control, the Kokomo Fusion Project engaged local businesses at nearly every project touchpoint, making it an economic engine for the region.

Around 100 miles away from Kokomo is Pembroke Township, one of Illinois' most underserved areas. Enhancing Pembroke Township's infrastructure is crucial for improving the residents' quality of life. NPL is constructing a

multi-million-dollar, 30-mile gas line that will soon connect the area to safe natural gas energy options, providing an important upgrade to the wood-burning fires and propane tanks residents use to heat their homes during the harsh Midwest winters.

Since breaking ground on the project in October 2022, NPL has engaged with local stakeholders, including elected officials, community leaders and businesses to maximize the project impact. Highlights of these efforts include having 75% of the project's workforce represented by minorities, the launch of a tailored apprentice program for local residents and a customer gas academy for Pembroke Township, and active participation in community events, including Pembroke's end of school celebration and annual Pembroke Days.





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Community Giving

Strengthening the communities where we work and live is part of our culture, and we recognize the important role we play in helping foster a sustainable future for all.

We aim to make a meaningful impact through charitable donations and through volunteer efforts and partnerships that amplify our efforts.

Southwest Gas Foundation

Through the Southwest Gas Foundation, we support charitable 501(c)(3) organizations that positively impact the areas we serve. In 2023, the Foundation supported volunteer efforts around the theme of "sustainability, environment and beautification," and focused on opportunities to improve the tree canopy in underserved neighborhoods.

In 2022, we adopted a public commitment to fund the Southwest Gas Foundation with 1% of net utility income to improve the quality of life in the communities we serve, addressing issues ranging from environmental access and education to community health and well-being. The Foundation contributed over \$1.5 million to 397 charitable organizations that support our tristate service territory. Notable donations included:

- \$20,000 in 2022 to Trees Matter, an environmental education nonprofit whose mission is to inspire and promote an increased tree canopy in the Phoenix area.



- \$20,000 to HELP of Southern Nevada's social services office to assist in the effort to rebuild the office after it was damaged in a fire in 2021 (part of a two-year, \$40,000 commitment).
- \$50,000 to the Central Arizona Shelter Services to help build a new shelter for the vulnerable senior population (part of a three-year, \$150,000 commitment).
- \$50,000 to UNLV in support of the development and construction of the College of Engineering's Advanced Engineering and Studies Building (part of a five-year, \$250,000 commitment).
- \$15,000 to Family Assistance Program's emergency youth shelter to support the construction of seven duplex buildings, totaling 14 residences, that will connect homeless youth with emergency services, shelter and transitional programs in Victorville, California (part of a two-year, \$30,000 commitment).
- \$25,000 to eight educational nonprofits throughout our service territories.

Southwest Gas Donations

\$2.3M

Employee donations

\$1.5M

Foundation donations

\$781,422

Customer donations

\$4.6M

Total donations

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FUEL for LIFE

Southwest Gas’ FUEL for LIFE program allows employees to contribute to local nonprofit organizations either through a one-time gift or an ongoing payroll deduction. Since the launch of this employee-giving program in 2012, employees have given over \$19.7 million, supporting more than 2,000 nonprofits in the communities where they live and work.

In 2022, 80% of the utility’s workforce participated in the program. The average contribution was \$1,250, generating more than \$2.3 million and benefiting 190 local nonprofits. This includes giving \$43,000 to St. Mary’s Food Bank in Phoenix to help vulnerable individuals during record-breaking heat; \$93,000 to Nevada Partnership for Homeless Youth, which provides housing, support and stability for youth in crisis to help them realize a brighter future; and \$12,000 to the Family Assistance Program in Victorville, California, which offers housing and support to individuals and families in vulnerable situations.

Over the years, our FUEL for LIFE program has assisted thousands of nonprofits dedicated to helping our communities and vulnerable individuals, including those who are veterans, elderly, unhoused, disabled, victims of domestic violence and more. Through these efforts, we aim to make a meaningful impact and enhance the communities where we live and work.

Scholarships and Care Fund

Centuri’s scholarship program supports employees who have eligible dependents attending colleges, universities, vocational schools and other post-secondary institutions. Each year, 10 scholarships are awarded annually, each valued at \$5,000. Since Centuri launched the scholarship in 2020, \$175,000 has been awarded, with more than 50% going toward racially and ethnically diverse applicants.



The utility’s Harold G. Laub scholarship program was created more than 40 years ago to honor the academic and personal achievements of the dependents of Southwest Gas employees. Hundreds of eligible dependents have been awarded renewable scholarships to help pay the costs associated with their undergraduate studies. Each year, 24 scholarships are awarded, totaling \$360,000 over the last 10 years.

Centuri also has an Employee Care Fund, which was created to help employees experiencing financial hardship due to unexpected circumstances such as a natural disaster, life-threatening illness or other catastrophic incident. Centuri employees support the fund through one-time donations or weekly payroll deductions. Since the program inception, Centuri’s Care Fund has awarded more than \$507,000 to employees in support of more than 175 employees and their families.

Energy Share

Southwest Gas’ Energy Share Program helps customers who face unexpected financial difficulties and need assistance with their natural gas bills. The program is funded through voluntary donations from customers, and Southwest Gas administers the program through local nonprofit organizations. In 2022, customer contributions to the program totaled \$781,422, and 3,132 qualified households received Energy Share assistance.

Volunteering

Our employees also give back to their communities by dedicating their time to charitable causes.

At Southwest Gas, the Building Lives Up Everywhere (“BLUE”) employee volunteer group sponsors and participates in several charitable events throughout the year and often in conjunction with contributions from the Southwest Gas Foundation and FUEL for LIFE program. In 2022, employees volunteered 2,303 hours, supporting dozens of organizations and groups, including educators and students, food banks, rescue missions, foster families and unhoused youths.

Southwest Gas’ philanthropic efforts in 2022 focused on educators and helping address the challenge of the rising cost of school supplies. BLUE volunteers packed and donated backpacks, school supplies, STEM projects, snack bags and care packages to five Title I schools in our service territories. Volunteers also hosted teacher appreciation events to express gratitude for the tireless efforts of educators in shaping young minds and fostering hope and encouragement for their future success.

Centuri’s vast footprint across the U.S. and Canada provides many opportunities for engagement in the local communities where our employees live and work. Centuri regularly partners with customers and its communities to build better opportunities in the areas where it operates. This includes participating in blood drives with the American Red Cross, organizing toy drives and supporting organizations such as the Boys and Girls Club, St. Jude Children’s Research Hospital, the Princess Margaret Cancer Center, family crisis centers, schools and several food banks.



Southwest Gas Joins Forces with Trees Matter on Beautification Projects in Underserved Areas

In April 2023, Southwest Gas kicked off National Safe Digging Month by partnering with [Trees Matter](#) – a Phoenix environmental education nonprofit dedicated to increasing the tree canopy in underserved areas across the city.

As part of the beautification project, the Southwest Gas Foundation donated a combined \$30,000 to Trees Matter. More than 90 employees, their family members and friends joined volunteers from Trees Matter to plant 20 trees, paint a 100 ft. mural, plant vegetable gardens, prune existing trees and perform a general cleanup at the [Glenn L. Downs Social Sciences Academy](#), a Title I school (defined as having at least 40% of the student population from low-income families).

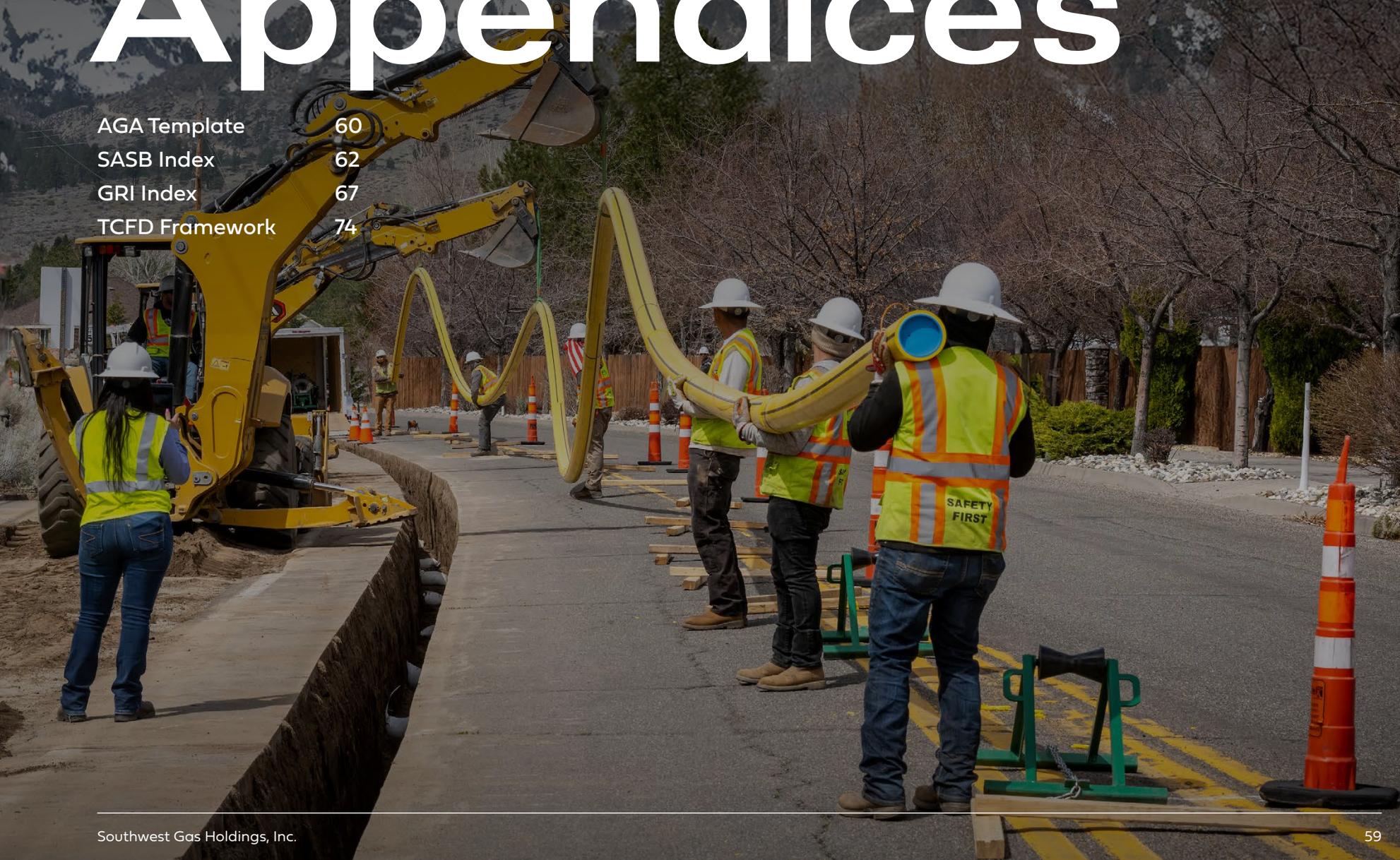
In Phoenix, where the urban heat island effect is particularly felt due to the city's hot desert climate, trees play an essential role in mitigating this issue by blocking direct sunlight, reducing surface temperatures, absorbing carbon dioxide and improving air quality.

Expanding the tree canopy at Glenn L. Downs Social Sciences Academy will benefit not only the students but also the entire Maryvale community for generations to come.

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Gas Company ESG/Sustainability Quantitative Information

Parent Company: Southwest Gas Holdings, Inc.
 Operating Company(s): Southwest Gas Corporation
 Business Type(s): LDC

State(s) of Operation: Arizona, California and Nevada
 Regulatory Environment: Regulated
 Report Date: 2022

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REF. NO.	REFER TO THE "DEFINITIONS" COLUMN FOR MORE INFORMATION ON EACH METRIC.	BASELINE 2015	2019	2020	2021	2022	DEFINITIONS
Natural Gas Distribution							
							All methane leak sources per 98.232 (j) (1-6) are included for distribution. Combustion sources are excluded. CO ₂ is excluded.
1	Methane emissions and mitigation from distribution mains						
1.1	Number of gas distribution customers	1,927,107	2,051,492	2,093,590	2,157,492	2,195,856	
1.2	Distribution mains in service						These metrics should include all local distribution companies (LDCs) held by the Parent Company that are above the LDC Facility reporting threshold for EPA's 40 C.F.R. 98, Subpart W reporting rule.
1.2.1	Plastic (miles)	23,973	25,473.42	25,974.9	26,423.1	27,315.4	
1.2.2	Cathodically protected steel – bare and coated (miles)	6,699	6,371.3	6,312.1	6,272.1	6,364.1	
1.2.3	Unprotected steel – bare and coated (miles)	0	0	0	0	0	
1.2.4	Cast iron/wrought iron – without upgrades (miles)	0	0	0	0	0	
1.3	Plan/commitment to replace/upgrade remaining miles of distribution mains (# of years to complete)						These metrics should provide the number of years remaining to take out of service, replace or upgrade cathodically unprotected steel mains, and cast iron/wrought iron mains, consistent with applicable state utility commission authorizations.
1.3.1	Unprotected steel – bare and coated (# of years to complete)	0	0	0	0	0	Optional: # of years by pipe type
1.3.2	Cast iron/wrought iron (# of years to complete)	0	0	0	0	0	Optional: # of years by pipe type



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REF. NO.	REFER TO THE "DEFINITIONS" COLUMN FOR MORE INFORMATION ON EACH METRIC.	BASELINE 2015	2019	2020	2021	2022	DEFINITIONS
Natural Gas Distribution							
2	Distribution CO₂e fugitive emissions						
2.1	CO ₂ e fugitive methane emissions from gas distribution operations (metric tons)	142,959	149,332.5	151,451.5	153,392.5	158,107.5	Fugitive methane emissions (not CO ₂ combustion emissions) stated as CO ₂ e, as reported to EPA under 40 CFR 98, Subpart W, sections 98.236(q)(3)(ix) (D), 98.236(r)(1)(v), and 98.236(r)(2)(v)(B) – i.e., this is Subpart W methane emissions as input in row 2.2 below and converted to CO ₂ e here. This metric should include fugitive methane emissions above the reporting threshold for all natural gas local distribution companies (LDCs) held by the Parent Company that are above the LDC Facility reporting threshold for EPA's 40 C.F.R. 98, Subpart W reporting rule. Calculated value based on MT CH ₄ input in row 2.2 (below).
2.2	CH ₄ fugitive methane emissions from gas distribution operations (metric tons)	5,718	5,973.5	6,058.06	6,135.7	6,324.3	INPUT VALUE (total MT CH ₄) as explained in definition above. Subpart W input is CH ₄ (MT).
2.2.1	CH ₄ fugitive methane emissions from gas distribution operations (MMscf/year)	297.8125	311.1094	315.524	319.5677	329.3906	
2.3	Annual natural gas throughput from gas distribution operations in thousands of standard cubic feet (Mscf/year)	205,402,775	230,916,156	219,121,714	216,913,433	229,215,433	This metric provides gas throughput from distribution (quantity of natural gas delivered to end users) reported under Subpart W, 40 C.F.R. 98.236(aa)(9)(iv), as reported on the Subpart W e-GRRR integrated reporting form in the "Facility Overview" worksheet Excel form, Quantity of natural gas delivered to end users (column 4).
2.3.1	Annual methane gas throughput from gas distribution operations in millions of standard cubic feet (MMscf/year)	195,132.6	219,370.3	208,165.6	206,067.8	217,754.7	
2.4	Fugitive methane emissions rate (percent MMscf of methane emissions per MMscf of methane throughput)	0.15%	0.14%	0.15%	0.16%	0.15%	Calculated annual metric (MMscf methane emissions/ MMscf methane throughput)

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The information reported in the SASB index is for the calendar year 2022.

Gas Utilities & Distributors Sustainability Accounting Standard (Version 2023-12)

TOPIC	ACCOUNTING METRIC		CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Energy Affordability	Average rates	(1) Residential gas rate (2) Commercial gas rate (3) Industrial gas rate (4) Transportation gas rate	Quantitative	Rate	IF-GU-240a.1	(1) \$1.60196 per therm (2) \$1.10211 per therm (3) \$1.23351 per therm (4) \$0.07676 per therm
	Disconnections for non-payment	Number of residential customer gas disconnections for non-payment	Quantitative	Number	IF-GU-240a.3	21,200
		Percentage reconnected within 30 days	Quantitative	Percentage (%)	IF-GU-240a.3	85.81%, which translates to 8,783 out of 10,236 total reconnection orders that were reconnected in 30 days.
	External factors on customer affordability	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	Discussion and analysis	n/a	IF-GU-240a.4	Please see 2022 Annual Report – General Rate Relief and Rate Design, pp. 38–42
End-Use Efficiency	Gas savings	Customer gas savings from efficiency measures by market	Quantitative	Million British thermal units (MMBtu)	IF-GU-420a.2	Residential = 369,283 MMBtu Low-income = 6,986 MMBtu Commercial = 6,391 MMBtu

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TOPIC	ACCOUNTING METRIC		CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Integrity of Gas Delivery Infrastructure	Incidents	(1) Reportable Pipeline Incidents (2) Corrective actions received (3) Violations of pipeline safety statutes	Quantitative	Number	IF-GU-540a.1	(1) 1 (2) 0 (3) 14
	Percentage of distribution pipeline	(1) Cast and/or wrought iron (2) Unprotected steel	Quantitative	Percentage (%) by length	IF-GU-540a.2	(1) 0% (2) 0%
	Percentage of gas	(1) Transmission pipelines inspected (2) Distribution pipelines inspected	Quantitative	Percentage (%) by length	IF-GU-540a.3	(1) 13.50% (2) 143.00%
	Efforts	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	Discussion and analysis	n/a	IF-GU-540a.4	Please see Pipeline Integrity and Reliability on pp. 26-32 .
Activity Metrics	Number of customers	(1) Residential (2) Commercial (3) Industrial	Quantitative	Number	IF-GU-000a.A	(1) 2,109,902 (2) 84,983 (3) 352
	Natural gas delivered to:	(1) Residential customers (2) Commercial customers (3) Industrial customers (4) Transferred to a third party	Quantitative	Million British thermal units (MMBtu)	IF-GU-000a.B	(1) 81,391,894.0 MMBtu (2) 43,503,264.0 MMBtu (3) 5,004,722.0 MMBtu (4) 70,978,911.0 MMBtu
	Length of gas	(1) Transmission pipelines (2) Distribution pipelines	Quantitative	Kilometers (km)	IF-GU-000a.C	(1) 2,278.8 km (2) 91,610.4 km

Centuri Group, Inc.
Engineering & Construction Services Sustainability Accounting Standard (Version 2023-12)

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Environmental Impacts of Project Development	Number of incidents of non-compliance with environmental permits, standards and regulations	Quantitative	Number	IF-EN-160a.1	0
	Discussion of processes to assess and manage environmental risks associated with project design, siting and construction	Discussion and analysis	n/a	IF-EN-160a.2	See addendum
Structural Integrity and Safety	Amount of defect- and safety-related rework costs	Quantitative	Reporting currency	IF-EN-250a.1	\$0
	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	Quantitative	Reporting currency	IF-EN-250a.2	\$0
Workforce Health and Safety	(1) Total recordable incident rate ("TRIR") and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	IF-EN-320a.1	(1) Direct employees: (a) TRIR: 1.05 (b) Fatality: 0.00 (2) Contract employees: (a) TRIR: 0.00 (b) Fatality: 0.00
Lifecycle Impacts of Buildings and Infrastructure	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	Quantitative	Number	IF-EN-410a.1	(1) 0 (2) 0
	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	Discussion and analysis	n/a	IF-EN-410a.2	See addendum
Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects	Quantitative	Reporting currency	IF-EN-410b.1	(1) Hydrocarbon-related projects: \$21,813,783 (2) Renewable energy projects: \$364,456,113
	Amount of backlog cancellations associated with hydrocarbon-related projects	Quantitative	Reporting currency	IF-EN-410b.2	\$0
	Amount of backlog for non-energy projects associated with climate change mitigation	Quantitative	Reporting currency	IF-EN-410b.3	\$0

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TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Business Ethics	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Number, reporting currency	IF-EN-510a.1	(1) 0 (2) \$0
	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive practices	Quantitative	Reporting currency	IF-EN-510a.2	(1) \$0 (2) \$0
	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes	Discussion and analysis	n/a	IF-EN-510a.3	See addendum
Activity Metrics	Number of active projects	Quantitative	Number	IF-EN-000.A	Do not track
	Number of commissioned projects	Quantitative	Number	IF-EN-000.B	Do not track
	Total backlog	Quantitative	Reporting currency	IF-EN-000.C	\$530,206,928

ADDENDUM TO THE ENGINEERING & CONSTRUCTION SERVICES SUSTAINABILITY ACCOUNTING STANDARD

IF-EN-160a.2: Discussion of processes to assess and manage environmental risks associated with project design, siting and construction

1. The entity shall discuss the processes it employs to assess and manage the environmental risks associated with project siting, design and construction.

The bulk of Centuri's work is project-based in a competitive bidding environment. During the RFP process, we evaluate the scope of the project and the relevant safety and environmental laws and requirements, along with necessary equipment, personal protective equipment ("PPE") and processes required to follow. Once the project starts, our Operations Safety function conducts field audits to ensure compliance, including environmental regulations as specified by the customer.

2. The entity shall discuss the due diligence practices it employs to assess the environmental risks of projects, where relevant due diligence practices include environmental impact assessments and stakeholder engagement practices.

As an extension of our utility customers, we operate under the environmental procedure manual provided by the utility owner. Most environmental due diligence and any necessary permits required are obtained prior to our engagement with the project. All environmental practices are regularly audited by Centuri's Operations Safety function and the utility owner.

3. The entity shall discuss the operational practices it employs to minimize environmental impacts during project siting, design and construction, which may include, but are not limited to: waste management, reducing biodiversity impacts, emissions to air, discharges to water, natural resource consumption, and hazardous chemical usage.

From the Centuri Code of Business Conduct and Ethics: "The Company is committed to protecting and conserving the environment. Employees are required to fully comply with all state and federal laws relating to the environment in the conduct of its business. All hazardous materials must be used, stored and disposed of properly and in accordance with applicable regulations. Employees must report, in accordance with company policies, all circumstances under which hazardous materials or wastes come in contact with the environment, are improperly handled or disposed of, or when a potential violation of law may exist."

4. The entity shall describe its approach to operating in compliance with all applicable environmental regulations and permits.

Centuri's Operations Safety and Quality function regularly conducts jobsite audits, which include a review of environmental compliance. This process is formalized in Centuri's Safety & Quality Audit Assurance Program. Centuri's Operations Safety and Quality provides employee training, which includes relevant environmental procedures via a Learning Management System. Examples of environmental trainings include: storm water prevention; sandblasting training; the proper use of PPE, etc.

5. The entity shall describe its approach to managing projects that have heightened environmental and/or social due diligence requirements or are expected to have significant adverse environmental and/or social impacts, including additional measures or policies it employs.

In most cases of heightened environmental requirements, Centuri assigns a full-time safety representative to the jobsite. For these projects, the accountable Centuri Business Unit works closely with the utility customer to communicate any anticipated disruption or impact to the surrounding community or site, and coordinate with any other contractors on-site – for example, archeological experts, asbestos removal experts, etc. When necessary, Centuri would also establish a unique set of construction plans to preserve the environment or surrounding native wildlife.

6. Where applicable and relevant, the entity shall describe differences between policies and practices for its different operating regions, project types and business segments.

The major differences in policy for Centuri companies are between U.S. and Canadian governmental requirements.

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IF-EN-410a.2: Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design

Assessing environmental risk mitigation in our field operations is a component of each project we undertake. Similarly, we consider energy and water efficiency considerations in our company facilities strategy. Detailed information on our approach can be found on page 30 of our most recent [Corporate Sustainability Report](#).

IF-EN-510a.3: Description of policies and practices for prevention of (1) bribery and corruption, and (2) anti-competitive behavior in the project bidding processes

Centuri policies and practices for prevention of bribery, corruption and anti-competitive behavior are outlined in our Code of Business Conduct and Ethics in the sections listed below. The Code of Business Conduct and Ethics is updated and distributed on an annual basis to all employees and made available electronically and by hard copy upon request.

Anti-Corruption – Working with the Government: Company policy prohibits corrupt payments or promises to pay (a bribe) anything of value in order to influence, induce or secure an improper advantage in obtaining or retaining business. The use of company funds, facilities or property for any illegal purpose is strictly prohibited.

More specifically, the Company prohibits its employees or agents from bribing or attempting to bribe any local, state, federal or foreign government official, as we seek to strictly adhere to the United States Foreign Corrupt Practices Act and Canada's Corruption of Foreign Officials Act.

Accordingly, no company employee or agent is permitted to offer, give or cause others to give any payments or anything of value in conducting their job duties or company business for the purpose of influencing the recipient's decision or conduct.

"Anything of value" includes, but is not limited to: cash or cash equivalents; drinks or meals; entertainment; gifts; lodging; promise of future employment; transportation; and use of materials, facilities or equipment.

Business Relationships: The Company seeks to outperform its competition fairly and honestly and to gain competitive advantages through superior performance and customer service. Each employee should deal fairly with the Company's customers, suppliers, contractors, vendors, competitors and other employees when conducting company business. No employee should take unfair advantage of anyone through concealment, abuse of privileged information, misrepresentation of material facts or any unfair-dealing practice when conducting company business.

Fair Competition: Fair competition laws, including antitrust rules in the U.S. and Canada, limit what the Company can do with another company and what the Company can do on its own. Generally, the laws are designed to prevent agreements or actions that reduce competition and harm consumers. Employees may not enter into agreements or discussions with competitors that violate fair competition laws, such as having the effect of fixing or controlling prices, dividing and allocating markets or territories, or boycotting suppliers, contractors, vendors or customers.

Confidential Information: Employees have a duty to protect the confidentiality of financial and other proprietary business information entrusted to them by the Company, its customers or third parties, unless release of the information is authorized or legally required. Confidential information includes all non-public, proprietary business or financial information, including any material that might be of use to competitors, or competitively harmful to the Company, its customers or third parties if revealed.

Some examples of confidential information that may be labeled "Restricted" or "Confidential" include: customer personal data (such as name, address or government-issued identification; bank account information, debit card or credit card numbers, social security numbers, dates of birth and any other information protected by law from unauthorized disclosure; technical business information, customer lists, terms, conditions or pricing offered to customers; pricing policies; budgets; marketing and strategic plans; and intellectual property.

GRI Index

Statement of use: Southwest Gas has reported the information cited in this GRI content index for the period January 1 to December 31, 2022 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standard: GRI 11: Oil and Gas Sector 2021

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DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE
GRI 2: General Disclosures		
1. The Organization and Its Reporting Practices		
2-1	Organizational details	Southwest Gas Holdings, Inc. P.O. Box 98510 Las Vegas, NV 89193-8510 Overview – About This Report, p. 3 Overview – About Southwest Gas Holdings, pp. 4–5
2-2	Entities included in the organization’s sustainability reporting	Overview – About Southwest Gas Holdings, p. 4
2-3	Reporting period, frequency and contact point	Overview – About This Report, p. 3 For questions about this report, please contact the Office of Sustainability by emailing sustainability@swgas.com .
2-4	Restatements of information	Overview - About This Report, p. 3 See footnote 1 on p. 36 .
2-5	External assurance	Environmental – Climate Registry, p. 33
2. Activities and Workers		
2-6	Activities, value chain and other business relationships	Overview – About This Report, p. 3 Overview – About Southwest Gas Holdings, pp. 4–5

DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE
2-7	Employees	Overview – About Southwest Gas Holdings, p. 4 Social – Workforce Diversity Metrics, p. 51
3. Governance		
2-9	Governance structure and composition	Governance – Board Leadership, pp. 17–19
2-10	Nomination and selection of the highest governance body	2023 Proxy Statement – Selection of Directors, pp. 11–12
2-11	Chair of the highest governance body	Governance – Board Leadership, p. 17
2-12	Role of the highest governance body in overseeing the management of impacts	Governance – Board Leadership, p. 17 Governance – ESG Governance, pp. 20–21
2-13	Delegation of responsibility for managing impacts	Governance – ESG Governance, pp. 20–21
2-14	Role of the highest governance body in sustainability reporting	Governance – ESG Governance, pp. 20–21 2023 Proxy Statement – ESG Practices and Oversight, pp. 8–9
2-15	Conflicts of interest	Code of Business Conduct and Ethics , pp. 19–23
2-16	Communication of critical concerns	Code of Business Conduct and Ethics , p. 10

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DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE
2-17	Collective knowledge of the highest governance body	Governance – Board Skills and Diversity Matrix, p. 18
2-18	Evaluation of the performance of the highest governance body	2023 Proxy Statement – Board Evaluation and Director Succession Planning, pp. 12–13
2-19	Remuneration policies	Clawback Policy 2023 Proxy Statement – Executive Compensation, pp. 27–44
2-20	Process to determine remuneration	2023 Proxy Statement – Executive Compensation, pp. 27–44
2-21	Annual total compensation ratio	2023 Proxy Statement – Pay Ratio Disclosure, p. 56
4. Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	Our Approach and Vision – A Message from Our CEO, pp. 8–9
2-23	Policy commitments	Policies and Commitments Governance – ESG Governance, pp. 20–21
2-24	Embedding policy commitments	Policies and Commitments Governance – ESG Governance, pp. 20–21
2-25	Processes to remediate negative impacts	Policies and Commitments Governance – Public Sustainability Commitments, p. 21 Governance – Ethics and Compliance, p. 23

DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE
2-26	Mechanisms for seeking advice and raising concerns	Code of Business Conduct and Ethics , p. 10 Governance – Ethics and Compliance, p. 23
2-27	Compliance with laws and regulations	No incidents of non-compliance with environmental permits, standards and regulations or with laws and regulations in the social and economic area.
2-28	Membership associations	We are members of Chambers of Commerce throughout our service territories, and Southwest Gas is a member of the American Gas Association (AGA).
5. Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Our Approach and Vision – Stakeholder Engagement, pp. 10–12
2-30	Collective bargaining agreements	2022 Annual Report , p. 92. The Annual Report reference provided for this disclosure pertains to Centuri.
GRI 3: Material Topics		
3-1	Process to determine material topics	Our Approach and Vision – Our Priorities, p. 14
3-2	List of material topics	Our Approach and Vision – Our Priorities, p. 14



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DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE	GRI 11 SECTOR STANDARD REFERENCE NUMBER
GRI 200: Economic			
GRI 201: Economic Performance			
3-3	Management of material topics	Sustainability Commitment 2022 Annual Report , Uplifting Our Communities pp. 28–29	11.14.1; 11.21.1
201-1	Direct economic value generated and distributed (EVG&D)	2022 Annual Report , pp. 5, 52–63 Social – Supplier Diversity, pp. 54–55 Social – Community Giving, pp. 56–58	11.14.2; 11.21.2
201-2	Financial implications and other risks and opportunities due to climate change	Appendices – TCFD Framework, pp. 74–76	11.2.2
201-3	Defined benefit plan obligations and other retirement plans	2022 Annual Report , pp. 48, 55, 61, 87–88, 92	
201-4	Financial assistance received from government	We did not receive any financial assistance from governments in 2022. We do not have any government present in our shareholding structure. 2022 Annual Report – Management’s Discussion and Analysis of Financial Condition and Results of Operations, pp. 34–37	11.21.3
GRI 203: Indirect Economic Impacts			
3-3	Management of material topics	Sustainability Commitment Environmental – Catalyzing Resiliency and Economic Development, pp. 40–43 Social – Supplier Diversity, pp. 54–55 Social – Community Giving, pp. 56–58	11.14.1
203-1	Infrastructure investments and services supported	Overview – About Southwest Gas Holdings, pp. 4–5 Our Approach and Vision – A Message from Our CEO, pp. 8–9 Environmental – Catalyzing Resiliency and Economic Development, pp. 40–43 Social – Community Giving, pp. 56–58	11.14.4
203-2	Significant indirect economic impacts	Environmental – Move2Zero SM Offset Program, p. 39 Environmental – Catalyzing Resiliency and Economic Development, pp. 40–43 Social – Community Giving, pp. 56–58	11.14.5



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DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE	GRI 11 SECTOR STANDARD REFERENCE NUMBER
GRI 205: Anti-Corruption			
3-3	Management of material topics	Code of Business Conduct and Ethics , pp. 37–39 For more information, see SASB IF-EN-510a.3 on p. 66 .	11.20.1
205-1	Operations assessed for risks related to corruption	All our operations are regularly assessed for risks related to corruption. For more information, see the 2022 Annual Report , pp. 102–105.	11.20.2
205-2	Communication and training about anti-corruption policies and procedures	We expect to communicate this information in future disclosures.	11.20.3
205-3	Confirmed incidents of corruption and actions taken	No confirmed incidents of corruption in 2022.	11.20.4
GRI 206: Anti-Competitive Behavior			
3-3	Management of material topics	Code of Business Conduct and Ethics , p. 37	11.19.1
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No legal actions for anti-competitive behavior, anti-trust, and monopoly practices in 2022.	11.19.2
GRI 300: Environmental			
GRI 302: Energy			
3-3	Management of material topics	Environmental Commitment Sustainability Commitment Environmental – Managing and Mitigating Our Emissions, p. 33 Environmental – Supporting Energy Innovation, pp. 34–38 Environmental – Catalyzing Resiliency and Economic Development, p. 40	11.1.1
302-1	Energy consumption within the organization	We track, record and report energy consumption data to the United States Environmental Protection Agency (EPA).	11.1.2
302-4	Reduction of energy consumption	Further to our GHG reduction commitments, we have deployed several initiatives to reduce our energy consumption. For more information, see Managing and Mitigating Our Emissions on p. 33 , Supporting Energy Innovation on pp. 34–38 , and SASB IF-EN-410a.2 on p. 66 . We expect to communicate in greater detail on the reduction of our energy consumption in future disclosures.	



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DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE	GRI 11 SECTOR STANDARD REFERENCE NUMBER
GRI 303: Water and Effluents			
3-3	Management of material topics	Environmental Commitment Sustainability Commitment Environmental – Catalyzing Resiliency and Economic Development, p. 40 We take water efficiency measures into consideration during project planning and design. For more information, see SASB IF-EN-410a.2 on p. 66 .	11.6.1
GRI 305: Emissions			
3-3	Management of material topics	Environmental Commitment Sustainability Commitment Environmental – Managing and Mitigating Our Emissions, p. 33 Environmental – Supporting Energy Innovation, pp. 34–39 Environmental – Catalyzing Resiliency and Economic Development, p. 40	11.1.1; 11.2.1
305-1	Direct (Scope 1) GHG emissions	375,223.73 MTCO ₂ e	11.1.5
305-2	Energy indirect (Scope 2) GHG emissions	6,144.73 MTCO ₂ e	11.1.6
305-5	Reduction of GHG emissions	Environmental – Managing and Mitigating Our Emissions, p. 33 Environmental – Supporting Energy Innovation, pp. 34–39 Environmental – Catalyzing Resiliency and Economic Development, p. 40	11.2.3



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DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE	GRI 11 SECTOR STANDARD REFERENCE NUMBER
GRI 400: Social			
GRI 403: Occupational Health and Safety			
3-3	Management of material topics	Human Rights Commitment Sustainability Commitment Code of Business Conduct and Ethics , pp. 16–18 Environmental – Pipeline Integrity and Reliability, pp. 26–32 Social – Safety, pp. 45–48	11.9.1
403-1	Occupational health and safety management system	Environmental – Pipeline Integrity and Reliability, pp. 26–27 Social – Safety, pp. 45–46	11.9.2
403-2	Hazard identification, risk assessment and incident investigation	Code of Business Conduct and Ethics , pp. 16–18 Environmental – Pipeline Integrity and Reliability, pp. 26–32 Social – Safety, pp. 45–48	11.9.3
403-4	Worker participation, consultation and communication on occupational health and safety	Social – Safety, pp. 45–48	11.9.5
403-5	Worker training on occupational health and safety	Social – Safety, pp. 45–48	11.9.6
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Environmental – Pipeline Integrity and Reliability, pp. 26–32 Social – Safety, pp. 45–48	11.9.8
403-9	Work-related injuries	Social – Safety, p. 46	11.9.10
GRI 405: Diversity and Equal Opportunity			
3-3	Management of material topics	Human Rights Commitment Sustainability Commitment Social – Diversity, Equity and Inclusion, pp. 51–53	11.11.1
405-1	Diversity of governance bodies and employees	Governance – Board Leadership, pp. 17–18 Social – Diversity, Equity and Inclusion, p. 51	11.11.5

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DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE	GRI 11 SECTOR STANDARD REFERENCE NUMBER
GRI 413: Local Communities			
3-3	Management of material topics	Sustainability Commitment Social – Safety, p. 48 Social – Community Giving, pp. 56–58	11.15.1
413-1	Operations with local community engagement, impact assessments and development programs	When conducting construction projects or operations, and when required by guidelines from the National Environmental Policy Act, the Company conducts environmental impact assessments. This is applicable across all of our service territory and may require filings with the Bureau of Land Management, Fish and Wildlife Service, National Forestry Service or other affected agencies. Such documents are public record at the lead agency. For all projects, the Company assesses the types of permits required, which are publicly available. Formal grievances can be filed through each state’s respective utility governing agency: Arizona Corporation Commission, California Public Utilities Commission (CPUC) or Public Utilities Commission of Nevada (PUCN). Our Approach and Vision – Stakeholder Engagement, pp. 11–12 Social – Safety, p. 48 Social – Community Giving, pp. 56–58	11.15.2
413-2	Operations with significant actual and potential negative impacts on local communities	When conducting construction projects or operations, and when required by guidelines from the National Environmental Policy Act, the Company conducts environmental impact assessments. This is applicable across all of our service territory and may require filings with the Bureau of Land Management, Fish and Wildlife Service, National Forestry Service or other affected agencies. Such documents are public record at the lead agency. For all projects, the Company assesses the types of permits required, which are publicly available.	11.15.3

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In 2017, the [Task Force on Climate-related Financial Disclosures](#) (“TCFD”) was created by the Financial Stability Board in recognition of climate change impacts on the global financial sector. The TCFD recommendations aim to improve and increase the reporting of climate-related risks and opportunities by helping companies more effectively evaluate these risks and opportunities and give investors insights into how companies are addressing them.

TCFD’s 11 disclosure recommendations are structured around four key areas – governance, strategy, risk management, and metrics and targets.

The Company continues to assess ways to enhance its disclosures of its climate-related risks and opportunities.

In 2022, we worked with a third-party consultant to identify gaps and evaluate how we can better integrate processes to identify, measure, manage and report on climate-related risks and opportunities throughout the business. In 2023, we conducted our first formal materiality assessment at Southwest Gas, which will help us further enhance our sustainability programs and expand our disclosures in future reports. This includes assessing the new International Financial Reporting Standards (“IFRS”) S1 and S2 sustainability disclosures, which go into effect in 2024.

This section reflects where we stand today as well as our next steps.



Governance

The organization’s governance around climate-related risks and opportunities.

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning where such information is material.

Risk Management

How the organization identifies, assesses and manages climate-related risks.

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

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Governance

Southwest Gas Holdings’ Board of Directors (the “Board”) is responsible for reviewing and overseeing the Company’s internal risk management processes and policies to ensure the Company is effectively managing risks throughout our two business segments. The Board also oversees the integration of material ESG matters within the broader business strategy.

Board Oversight

The Board delegates certain oversight responsibilities to its standing committees, and these committees provide reports to the full Board on key matters.

The Board’s Nominating and Corporate Governance Committee oversees the Company’s policies and performance on ESG matters, including GHG emissions and broader efforts to support the energy transition. The Audit Committee regularly reviews material risks to the Company, with the full Board responsible for review of enterprise risk exposure and management. These include climate events that may threaten infrastructure or our ability to deliver critical energy services to our customers. The Compensation Committee reviews and approves executive compensation, including performance targets that align with our ESG goals and public commitments.

Details about our Board’s role in decision-making and management of risks and controls can be found on [page 17](#).

Management Responsibilities

The Company’s management team is responsible for managing day-to-day climate-related risks and opportunities. An ESG Working Group brings together representatives from Centuri and Southwest Gas to identify ESG-related goals and activities and presents them to our ESG Committee (composed of Centuri and Southwest Gas officers) for evaluation and inclusion into companywide strategies. The Company continually assesses its role and opportunities in the energy transition as well as other strategic, value-creating directives.

More details about management’s role in ESG governance are included in the ESG Governance section, beginning on [page 20](#).

Strategy

We recognize the importance of integrating climate change considerations across the business. Our current climate action efforts include reducing our GHG emissions, advancing clean energy technologies, making low- to zero-carbon energy options available to all, investing in pipeline integrity and reliability, and helping build more resilient communities.

In 2022, we invested \$292 million in programs to reduce GHG emissions from our operations. We also helped customers meet their climate goals through renewable natural gas, hydrogen or other sustainable sources of energy. We discuss these efforts in the Supporting Energy Innovation section, beginning on [page 34](#).

Risks and Opportunities

Our efforts to align with the TCFD recommendations include the evaluation of two primary categories to assess climate-related risks and opportunities.

- **Transition risks:** include types of risks involved in the transition to a lower-carbon economy (e.g., policy, legal, technology and market changes).

- **Physical risks:** include risks that are event-driven (acute), such as increased severity of extreme weather events, or longer-term shifts (chronic) in climate patterns.

In 2023, we conducted our first formal materiality assessment at Southwest Gas to better understand the ESG matters that most impact its business and stakeholders. (We discuss this assessment in more detail on [page 14](#).) The review included discussion of the physical, transition and reputational risks that may impact our operations. These insights will be applied to a climate-related risk management analysis planned for 2024. Findings from this assessment will further inform our approach going forward and will help us prepare to address climate-related risks and future disclosure requirements. Updates to the climate risk assessments will be carried out to meet jurisdictional disclosure requirements. For more information on climate-related risks, please see Item 1A. Risk Factors (pages 10–16) in our [10-K](#) for the Financial Year 2022.

Impact on Strategy Planning

We will carefully consider the short-, medium- and long-term time horizons for climate-related matters and identify the associated risks and opportunities for achieving strategic objectives.

This work will complement the action we are currently taking on reducing GHG emissions.

Resilience under Climate Scenarios

Incorporating climate change considerations into our business planning processes will help our business and the communities we serve build climate resilience. We plan to work with external consultants to initiate an analysis that describes how our resilient strategies perform under different climate-related scenarios.

Our current efforts to build a more resilient energy future are discussed on [page 40](#).

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Risk Management

We are committed to better understanding and mitigating the short-, medium- and long-term risks that climate change poses to both our business and the communities where we operate.

Identification

The Enterprise Risk Management (“ERM”) process identifies, evaluates and monitors risks across the organization and provides management with information that supports risk-informed decision-making.

We continue to monitor regulatory developments, including potential emissions accounting, and to identify opportunities such as emissions reduction incentive programs.

We will continue to evaluate how best to align climate-related risk identification with our broader ERM process.

Management

Once risks are identified, our ERM process assigns the responsibility for managing each risk to an executive-level risk owner. After we determine the most appropriate way to categorize our climate-related risks, we will manage the risks and opportunities in a way that maximizes value for our stakeholders.

We will continue our efforts to enhance our disclosures around risk management and assess appropriate reporting, including any relevant measures and targets that support the overall risk management framework and other key business planning processes. For more information on how we mitigate climate-related risk, see Rate Design Risk (page 20) in our [10-K](#) for the Financial Year 2022.

Metrics and Targets

Greenhouse Gas Measurements

Southwest Gas discloses Scope 1 and 2 GHG emissions and fugitive methane emissions related to its fleet and facilities to measure and monitor our emissions performance.

To ensure data accuracy in its GHG emissions reporting and disclosures, Southwest Gas engages a third party to verify that its processes for determining its Scope 1 and Scope 2 emissions inventory follow industry-accepted protocols (e.g., The Climate Registry’s protocols and ISO 14064-3:2019 guidance). The third party also ensures that the data, collection process and reporting meet reasonable assurance.

Southwest Gas also participates in voluntary disclosures with The Climate Registry. More information is included on [page 33](#).

Climate-Related Targets

Both Southwest Gas and Centuri have announced commitments to reduce portions of Scope 1 and 2 GHG emissions, primarily focusing on emissions from our fleet and facilities. Southwest Gas’ goal is a 20% reduction by 2025 (using a 2015 base year), and Centuri’s goal is a 25% reduction by 2030 (using a 2019 base year).

We discuss these commitments in more detail in the Supporting Energy Innovation section, beginning on [page 34](#).



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