

GAS UTILITIES & DISTRIBUTORS SUSTAINABILITY ACCOUNTING STANDARD

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) \$1.31802 per therm (2) \$0.85046 per therm (3) \$0.78061 per therm (4) \$0.10161 per therm
	Typical monthly gas bill for residential customers for MMBtu delivered per year	(1) 50 MMBtu (2) 100 MMBtu	Quantitative	USD	IF-GU-240a.2	(1) \$659 (2) \$1,318
	Disconnections for non-payment	Number of residential customer gas disconnections for non-payment	Quantitative	Number	IF-GU-240a.3	4,894
		Percentage reconnected within 30 days	Quantitative	Percentage (%)	IF-GU-240a.3	93.15%, which translates to 1,849 out of 1,985 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 2021 Annual Report – General Rate Relief and Rate Design, p. 19.
End-Use Efficiency	Utility revenues	(1) Percentage of gas utility revenues from rate structures that are decoupled	Quantitative	Percentage	IF-GU-420a.1	100%
		(2) Percentage of gas utility revenues from rate structures that contain a lost revenue adjustment mechanism (“LRAM”)	Quantitative	Percentage	IF-GU-420a.1	100%. Southwest Gas has full decoupling mechanisms and does not have lost revenue adjustment mechanisms.
	Gas savings	Customer gas savings from efficiency measures by market	Quantitative	Million British thermal units (MMBtu)	IF-GU-420a.2	Residential = 238,197.6 MMBtu Low-income = 6,335.8 MMBtu Commercial = 8,616.7 MMBtu Total = 253,150.1 MMBtu

TOPIC	ACCOUNTING METRIC		CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Integrity of Gas Delivery Infrastructure	Incidents	(1) Reportable Pipeline Incidents (2) Corrective Action Orders ("CAO") (3) Notices of Probable Violation ("NOPV")	Quantitative	Number	IF-GU-540a.1	(1) 2 (2) 0 (3) 10
	Percentage distribution of 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) 6.18% (2) 130.00%
	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 pp. 23–27 of the 2022 Sustainability Report .
Activity Metrics	Number of customers	(1) Residential	Quantitative	Number	IF-GU-000a.A	2,071,933
		(2) Commercial	Quantitative	Number	IF-GU-000a.A	83,716
		(3) Industrial	Quantitative	Number	IF-GU-000a.A	330
	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) 76,697,938.0 MMBtu (2) 40,577,692.0 MMBtu (3) 5,180,357.0 MMBtu (4) 74,590,085.0 MMBtu
	Length of gas	(1) Transmission pipelines (2) Distribution pipelines	Quantitative	Kilometers (km)	IF-GU-000a.C	(1) 2,251.1 km (2) 90,557.9 km

ENGINEERING & CONSTRUCTION SERVICES SUSTAINABILITY ACCOUNTING STANDARD

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: 1.15 (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: \$30,494,420 (2) Renewable energy projects: \$0
	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

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 Metric	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	\$170,483,520

ADDENDUM TO THE ENGINEERING AND 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

- 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.

- 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.

- 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."

- 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 function 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.

- 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.

- 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.

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 pages 21–23 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.