



Southwest Gas
HOLDINGS

Creating a Sustainable Energy Future for Everyone

2022 SUSTAINABILITY REPORT





Table of Contents

Introduction

About This Report	3
A Message from Our CEO	4
A Message from Our Sustainability Officer	5
About Southwest Gas Holdings	6
Performance Highlights	9
Stakeholder Engagement	10
Our Priorities	12
Alignment with Sustainable Development Goals	13

Governance

Board Leadership	15
ESG Governance	18
Risk Management	20

Environmental

Pipeline Integrity and Reliability	23
Supporting the Energy Transition	28

Social


Safety	39
Workplace Culture	41
Supplier Diversity	44
Community Giving	46


Appendices


AGA Template	48
SASB Index	50
GRI Index	55
TCFD Framework	59

HOW TO USE THIS REPORT

This report uses interactive features to link to various parts of the report.

 [Access Table of Contents](#)

 [Hyperlink to Appendices](#)

 [Back to previous page](#)



Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

About This Report

Southwest Gas Holdings, Inc. (“Company”) has published reports annually covering its corporate responsibility and sustainability for over a decade. Three years ago, we launched a new sustainability report to better describe our sustainability approach and performance and that of our wholly owned subsidiaries – Southwest Gas Corporation (“Southwest Gas”), MountainWest Pipelines Holding Company (“MountainWest”) and Centuri Group, Inc. (“Centuri”). Centuri also [publishes a report](#) on its sustainability programs and performance.

Although Southwest Gas Holdings acquired MountainWest on December 31, 2021, and did not have operating control during 2021, we included MountainWest data and commentary where relevant.

We prepared this report in accordance with both the reporting guidelines and indicators developed by the American Gas Association (“AGA”) Sustainability Template, and the Sustainability Accounting Standards Board (“SASB”) Gas Utilities & Distributors and Engineering & Construction Services standards. For the first time, our disclosures reference the UN Sustainable Development Goals and the new GRI (“Global Reporting Initiative”) Universal Standards. Our disclosures have also been guided by the Task Force on Climate-related Financial Disclosures (“TCFD”) framework. We are moving toward more fully aligning with the TCFD recommendations in future reporting years. More information on these disclosures is available in the Appendices, which begin on [page 47](#) of this report.

In developing this report, we identified our priorities, focusing on the environmental, social and governance (“ESG”) issues of most significance to our Company and stakeholders. This process of determining priorities is different from the process we use to determine financial materiality. Our financial materiality process guides our financial disclosures. This report details the priorities and performance of Southwest Gas Holdings and its subsidiaries for calendar year 2021 and includes important developments in 2022.

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.

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 Company’s Annual Report.

Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

A Message from Our CEO

For decades, our Company has been a proven leader in providing safe, reliable and affordable natural gas and energy services to our customers and communities. Building on our legacy, we continue to expand the application of our knowledge and experience to help further build the path to a better future for our employees, communities, and everyone we serve. Our efforts include advancing clean energy technologies, making low- to zero-carbon energy solutions accessible to all, and building more resilient communities to better manage the impacts of climate change.

Achieving a reliable, affordable and sustainable energy future begins with our broader ESG commitments. I am pleased to share with you our progress and where we continue to have opportunities available. Although this report largely focuses on our ESG performance for 2021, several notable developments in 2022, both within Southwest Gas and across the industry, have influenced our approach to operating sustainably and responsibly.

Good ESG practices begin with strong governance and being responsive to stakeholder concerns. Throughout 2022, both our Board of Directors ("Board") and senior management teams experienced significant changes in personnel, including my election to serve as the President and Chief Executive Officer of Southwest Gas Holdings. Our new Board members are talented and highly qualified professionals with diverse backgrounds, experiences and viewpoints who will serve our Company well into the future. We also commenced a review of strategic alternatives for all three business units in order to maximize stockholder value.

In 2022, we updated our reporting structure in several functions and strengthened our ESG governance through the hiring of a dedicated sustainability officer at Southwest Gas. A new ESG Working Group brings together representatives from our three business segments to execute companywide strategies and goals more efficiently and effectively.

One area of focus – ensuring the safety of people through our strong safety culture – demonstrates our never-ending commitment to protecting the people who work on our behalf and whom we serve. Across the board, our public safety metrics for 2021 improved in comparison to the previous year, and our Company programs ensure we remain focused on continuous improvement.

A growing challenge for all companies since the COVID-19 pandemic began has been attracting and retaining top talent. To foster a welcoming and inclusive environment for all employees, we are advancing several diversity, equity and inclusion ("DE&I") programs. The launch and expansion of Employee Resource Groups at Southwest Gas and Centuri have helped cultivate meaningful conversations and provide additional support and resources in the workplace, which are reinforced through training programs offered across the business. Our supplier diversity program continues to be recognized by reputable community organizations throughout our service territory.

Although the impacts of the pandemic have lessened, community needs are still great. Through the Southwest Gas Foundation, employee contributions and volunteering, our team continues to give back and make a positive impact in the communities we serve.

Our commitment to care for the environment is demonstrated through the targets we set to reduce the greenhouse gas ("GHG") emissions at our facilities and through our fleets as well as our efforts to lead

the transition to a low-carbon economy. We are implementing innovative energy solutions, like renewable natural gas ("RNG") and compressed natural gas ("CNG"), and testing hydrogen blending and production to establish the standards and guidelines needed to bring hydrogen to market. We believe these efforts to deliver clean energy options to customers and communities will help drive economy-wide emissions reductions.

We recognize the important role we have in creating solutions that accelerate a sustainable future for those we serve while delivering long-term value to our stockholders. I look forward to keeping you updated on our progress in achieving these objectives.

Karen S. Haller
President and Chief Executive Officer



Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

A Message from Our Sustainability Officer

When I joined Southwest Gas as its Vice President of Sustainability and Public Policy in the spring of 2022, I was struck by the positive company culture and the committed team across the organization who embrace and are excited about their role in delivering a sustainable energy future for everyone.

Southwest Gas has been a leader in the transition to lower-carbon energy sources through the delivery of safe, reliable and affordable natural gas, and its pursuit of innovative solutions – such as renewable natural gas, compressed natural gas and hydrogen – is a natural evolution for the Company. To support these goals, we are building a sustainability program that continuously pushes us to improve so that we exceed the expectations of customers and other stakeholders.

Last year, Centuri announced that it had made several changes in order to integrate ESG and sustainability into its various subsidiary companies. In the last few months, Southwest Gas has taken similar steps by reorganizing some of its departments to reflect our priority of advancing innovative, long-term solutions. One of those organizational changes is the development of the Office of Sustainability and Public Policy, bringing together various segments of the utility to help us communicate and learn from residential and commercial customers, build our sustainability best practices, study emerging technologies and keep an open dialogue with policymakers and regulators.

In 2020, the Company announced three public commitments – sustainability, environmental and human rights – that guide our efforts to achieve our sustainability mission of providing access to safe, affordable, reliable and sustainable energy to meet the goals of all stakeholders. We have taken several significant steps in 2021 and 2022 to put these commitments into action, and we discuss these in detail throughout this report.

“We are building a sustainability program that continuously pushes us to improve so that we exceed the expectations of customers and other stakeholders.”

The Company has existing performance targets that align with our ESG goals and public commitments. These are:

Sustainability – To support our goal of being first-in-class in safety, stewardship and performance, we established targets to achieve above-industry average safety performance. For each business segment, these include the following goals:

- Centuri – Days Away, Restricted or Transferred (“DART”) rate of less than 0.9 per 1 million hours worked
- Southwest Gas – Less than 1.0 pipeline damages per 1,000 dig request tickets submitted
- MountainWest – DART rate of less than 1.38 per 1 million hours worked

Environmental – We expanded our commitment to reducing companywide GHG emissions by considering additional measures, including the use of carbon offsets to meet our goals.

Human Rights – We commit to funding the Southwest Gas Foundation with 1% of net utility income to improve the quality of life in the communities we serve and to address environmental justice.

The Company is also working to improve the transparency of our sustainability performance. In our efforts to do so, we have assessed additional frameworks and are reporting consistent with requirements where information is available. These frameworks consist of the GRI Standards and the UN Sustainable Development Goals, and we are taking steps to align with the TCFD recommendations.

I look forward to continuing the work with our team to lead these efforts and sharing with you our achievements in operational safety, our progress on solutions to further economy-wide decarbonization, and our advancements in providing an inclusive work environment and creating a positive impact for people and our planet – and doing so with integrity. Thank you for your interest in our efforts to support the ongoing energy transition.

Laura S. Nelson, Ph.D.
Vice President of Sustainability and Public Policy



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social





- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

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 and build energy infrastructure.

OUR OPERATIONS INCLUDE:

REGULATED		UNREGULATED
UTILITY	INTERSTATE PIPELINES	UTILITY INFRASTRUCTURE SERVICES
 <p>SOUTHWEST GAS</p> <p>Southwest Gas Corporation purchases, distributes and transports natural gas; provides energy-efficiency and conservation programs to customers; and invests in molecular innovations to support the energy needs of 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>Great Basin Gas Transmission Company ("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>MountainWest Pipelines Holding Company is an interstate natural gas pipeline company that provides transportation and underground storage services in the Rocky Mountain region. MountainWest operates more than 2,000 miles of highly contracted, federally regulated pipeline near many of the largest natural gas producing areas in the U.S. MountainWest transports gas from these areas to other major pipeline operators for distribution to customers throughout the West and Midwest. Providing energy resiliency, the company also operates more than 56 billion cubic feet of highly contracted storage assets, including the region's largest natural gas underground storage reservoir.</p> <p>In December 2022, it was announced that MountainWest would be sold to The Williams Companies, Inc. The transaction is expected to close in 2023, following regulatory approvals and the expiration or termination of any applicable waiting period.</p>	 <p>Centuri Group, Inc. 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, necessary filings will be made to pursue a spin-off of Centuri as 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 energy transition given its extensive infrastructure capabilities and attractive blue-chip customer base composed of a diverse range of utilities.</p>

- Introduction
 - About This Report
 - A Message from Our CEO
 - A Message from Our Sustainability Officer
 - About Southwest Gas Holdings
 - Performance Highlights
 - Stakeholder Engagement
 - Our Priorities
 - Alignment with Sustainable Development Goals



- Governance
 - Board Leadership
 - ESG Governance
 - Risk Management


- Environmental
 - Pipeline Integrity and Reliability
 - Supporting the Energy Transition

- Social
 - Safety
 - Workplace Culture
 - Supplier Diversity
 - Community Giving


- Appendices

At-a-Glance



Southwest Gas founded in 1931




1,417 miles

of transmission main

2.18 million customers

55,700 miles

of main and service



2,227 employees

1 billion cubic feet capacity LNG storage facility





Founded in 1928

235

employees

17

utility energy industrial marketing customers

1.9 MMDth


aquifers for short-term peaking needs


57.5 MMDth

storage reservoir for utility end-user needs and marketing seasonal spread capture

More than 2,000

miles of interstate natural gas pipeline






113-year operating history

45

states and provinces in the U.S. and Canada

Average customer relationship of over 23 years



More than 11,500 employees

11

business entities

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Our Operations



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. Southwest Gas remains committed to safety, to being the best employer where we operate, and to meeting or exceeding the expectations of our valued customers. Southwest Gas is also committed to acting with integrity in all that we do and in providing a positive and sustainable impact for our communities.

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Performance Highlights



Reduced over 78,000 MTCO₂e
Saved enough energy
 over the past five years to power nearly 10,000 homes for one year through energy-efficiency programs

Formed six relationships
 to make renewable natural gas part of a balanced energy future



Generated nearly \$18 million
 in employee donations since launching FUEL for LIFE employee-giving program 10 years ago

Distributed \$1.17 million
 to 360 nonprofits and charitable organizations via the Southwest Gas Foundation

Invested \$1.2 million
 in research, design and development (“RD&D”) focused on future clean energy technologies

Launched six Employee Resource Groups (“ERGs”) at Centuri and three at Southwest Gas



Reduced excavation damages by 18% since 2019



Continuing to pursue LEED facility certifications

Delivered 28 million
 therms of natural gas for vehicles in place of diesel – the equivalent of avoiding more than 59,000 metric tons of GHG emissions

Spent \$184 million with diverse suppliers at Centuri and \$163 million at Southwest Gas

Increased female representation on Board to 55%



Delivered gas bill assistance to nearly 2,000 customers



Responded to 75.5% of emergency calls within 30 minutes

Decreased Days Away, Restricted or Transferred (“DART”) rate by 24% at Centuri

Achieved an average overall customer satisfaction rating of 95% over the past five years as reported by MDC Research

Awards and Recognition

- Southwest Gas ranked highest in Customer Satisfaction with both Business and Large Residential Natural Gas Utilities in the West in the J.D. Power 2022 U.S. Gas Utility Residential and Business Customer Satisfaction Studies
- Centuri moved up to No. 4 on the 2021 Engineering News-Record’s (“ENR”) annual Top 600 Specialty Contractors list in the Utility category. Riggs Distler, the newest member of the Centuri family, ranked No. 11 in the same category
- Recognized by the American Gas Association for de-escalation training conducted by Southwest Gas
- Southwest Gas named to *Forbes*’ list of Best-in-State Employers for 2022
- Centuri’s NPL business awarded “Outstanding Corporate Partner of the Year” by the Federation of Women Contractors
- Received the Western Regional Minority Supplier Development’s “Warrior” and “Impact” awards and the Arizona Hispanic Chamber of Commerce’s Million Dollar Circle of Excellence for Southwest Gas’ supplier diversity program

Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity





Community Giving

Appendices

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 communication channels and frequency of engagement vary depending on the stakeholder and topic of interest. Our key stakeholder groups are summarized in the table below along with examples of how we engage. Specific stakeholder engagement efforts are discussed throughout this report.

STAKEHOLDER GROUPS	TYPES OF ENGAGEMENT
Customers 	<p>We measure our performance and gather feedback on our ability to provide affordable, safe, reliable and sustainable energy by conducting and offering the following:</p> <ul style="list-style-type: none"> • 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 • 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 • Extensive public awareness safety communications in line with the American Petroleum Institute's Recommended Practice 1162
Employees 	<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"> • Townhalls and webcasts • Leadership updates and outreach • Intranet communications channels • 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, including performance reviews • Recognition programs • Benefits plans • Tuition reimbursement programs • Engagement surveys • Code of Business Conduct and Ethics
Regulators and Policymakers 	<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 in our service area • 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 face-to-face and via phone and video conferencing • 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 meetings and hearings
Communities 	<p>Our commitment to being good community partners 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 communications



Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

STAKEHOLDER GROUPS	TYPES OF ENGAGEMENT
 <p>Contractors</p>	<p>We value the contractors and suppliers who work on our behalf, and we work to build and maintain strong relationships through:</p> <ul style="list-style-type: none"> • Supplier contractor process • Supplier diversity program • Monthly safety meetings • Face-to-face meetings • Safety programs • Contractor Referral Program • Extensive public awareness safety communications in line with the American Petroleum Institute's Recommended Practice 1162
 <p>Stockholders, investors and analysts</p>	<p>Investors, who are interested in 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
 <p>Peers and industry associations</p>	<p>Collaborating, sharing lessons learned and best practices, and partnering with peers either directly or through industry associations help 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

SPOTLIGHT

Exceeding Customer Expectations

We value our customers and are committed to exceeding their expectations.

At Southwest Gas, we have achieved an average overall customer satisfaction rating of 95% over the past five years as reported by MDC Research, an independent third-party research company.

J.D. Power ranked Southwest Gas #1 in Customer Satisfaction with Residential Natural Gas Service in the West among large utilities¹ for three years in a row. This year, we ranked highest in all six study factors, including safety and reliability, corporate citizenship (tie), communications, customer care, billing and payment, and price.

Also, J.D. Power ranked Southwest Gas #1 in Customer Satisfaction with Business Natural Gas Service in the West¹ for the third consecutive year. This year, we ranked #1 in five of six study factors, including safety and reliability, corporate citizenship, billing and payment, communications and price.

We continue to explore technologies and systems that deliver an even higher level of service. Solutions under evaluation include predictive modeling to anticipate service calls and a system that would help reduce, and improve the accuracy of, service window times.

Centuri has an operating legacy of more than a century, and its relationships with top clients average over 23 years. Centuri serves nearly all the top 20 investor-owned utilities and more than 100 million customers across the U.S. and Canada.

Throughout the years, Centuri has been consistently ranked as a Top Specialty Contractor by ENR. In 2021, Centuri moved up to No. 4 on ENR's annual Top 600 Specialty Contractors list in the Utility category. Riggs Distler, the newest member of the Centuri family, ranked No. 11 in the same category.

¹ Southwest Gas received the highest score in the West Region of the J.D. Power 2020–2022 U.S. Gas Utility Business Customer Satisfaction Studies and the West Large Segment of the J.D. Power 2020–2022 U.S. Gas Utility Residential Customer Satisfaction Studies of customers' satisfaction nationally among gas business and residential customers. Visit [jdpower.com/awards](https://www.jdpower.com/awards) for more details.

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social









- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Our Priorities

To determine our priorities on sustainability issues, we consult the SASB framework as well as reviewing and evaluating industry-relevant topics and external circumstances – including the regulatory, political and financial environments.

Our priorities include:

 <p>Climate change</p>	 <p>Emissions</p>	 <p>Energy management</p>	 <p>Water management</p>
 <p>Economic impact</p>	 <p>Health and safety</p>	 <p>Business ethics</p>	 <p>Compliance</p>



Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

Alignment with Sustainable Development Goals

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

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



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Governance

Clear management accountability and active oversight from our Board of Directors are essential for effectively mitigating risk, serving the interests of stakeholders and creating long-term, sustainable value. Our primary governance documents – including Corporate Governance Guidelines, Bylaws, and Code of Business Conduct and Ethics – help guide and inform our directors and employees.

RELEVANT SDGs



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Board Leadership

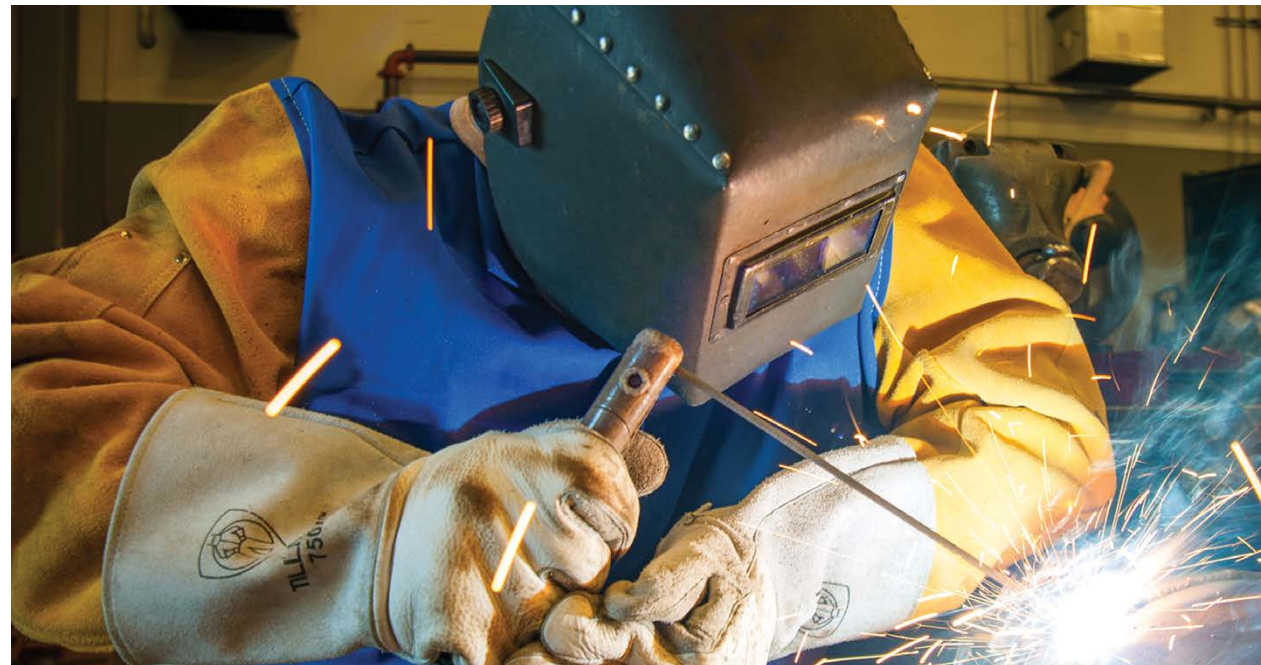
Southwest Gas Holdings, Inc.'s Board of Directors provides effective oversight of the Company's strategy, decision-making, and management of risks and controls with overall responsibility to enhance long-term stockholder value.

Ten of the 11 Board members – the exception being the Chief Executive Officer – meet the New York Stock Exchange's standard for director independence. Our Board Chair is independent as are all members of the Board's committees.

All Board members are exceptionally skilled individuals with the knowledge and specific core competencies necessary to serve the long-term interests of the business and stockholders. We recognize the importance of Board diversity and the value of having members with diverse perspectives, different backgrounds and a broad range of experiences. In

2022, four well-qualified, independent directors were appointed to replace retiring veteran directors. In addition, Karen S. Haller was appointed to be the Company's first female CEO and serves as a director.

The Board fulfills its responsibilities directly and through three committees – Audit, Compensation, and Nominating and Corporate Governance. The Board meets regularly and discusses business matters and risks with the management team. In 2021, the Board Chair presided over all Board meetings and Executive Sessions. Each incumbent director attended at least 94% of the Board and committee meetings during 2021.



Our Board composition as of the publication date of this report included the following:

55%

of directors are women.

The Board Chair is a woman.

Two of the three committee Chairs are women.

27%

of directors are minority group members.

64%

of directors have less than three years' tenure on our Board, and the average tenure is 3.5 years.

55%

of directors are under the age of 60.



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

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 Experience	◆	◆	◆	◆	◆	◆	◆				◆
Finance/Accounting	◆	◆	◆		◆	◆	◆	◆	◆	◆	
Energy Utility Experience	◆	◆	◆	◆	◆				◆		◆
Technology/Cybersecurity				◆	◆						◆
ESG Experience	◆	◆	◆	◆	◆	◆		◆	◆		◆
Operations Responsibility	◆		◆	◆	◆	◆	◆			◆	
Demographic Background											
Board Tenure (Years)	1	<1	<1	4	<1	17	1	<1	<1	13	4
Age	65	56	59	56	62	65	52	56	37	71	64
Male		M			M		M		M	M	
Female	F		F	F		F		F			F
Ethnic Diversity							◆	◆			◆

¹ As of report publication date

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

OUR BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD¹



E. Renae Conley²
Chair

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 report publication date
² Independent

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social


- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

ESG Governance

The Nominating and Corporate Governance Committee represents the Board in providing advice and oversight on the Company’s ESG activities and performance. The Committee receives updates from management at least twice per year on ESG-related risks, business practices and operational issues, and then provides a summary of these matters to the full Board. Day-to-day implementation and management of sustainability and ESG matters reside with the Company’s management teams.

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, regulations and commitments, the following three public commitments ensure we continually strive to exceed stakeholder expectations:




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.



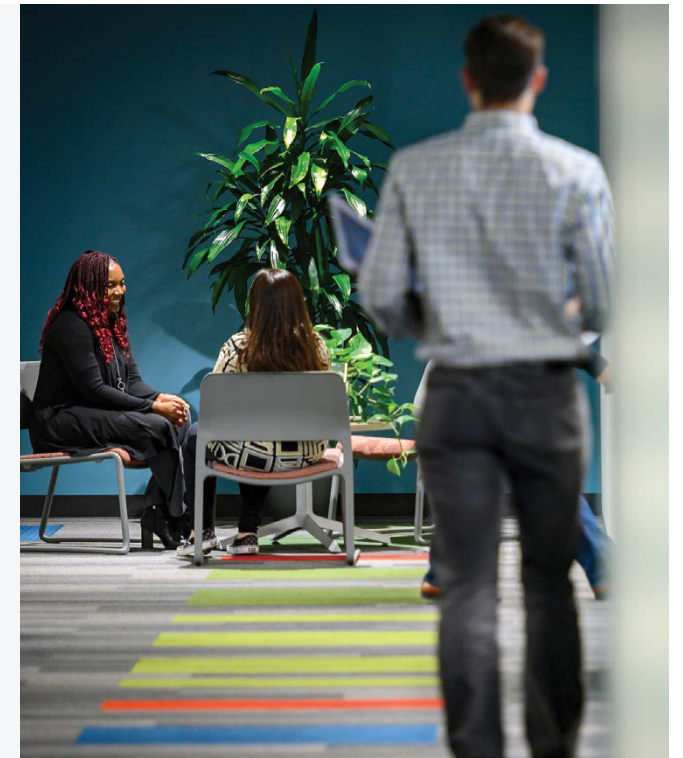
ENVIRONMENTAL

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 equal employment opportunities and affirmative action, 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 a compliance officer.



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

ESG Oversight Structure



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 across the organization 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 2022, Southwest Gas hired a dedicated Vice President of Sustainability and Public Policy, who 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.

An Office of Sustainability and Public Policy was established at Southwest Gas to bring key personnel – such as those responsible for energy efficiency, customer engagement, government and community affairs, emerging technology, sustainable growth, and energy solutions teams – together to collaborate on sustainability efforts.

At Centuri, the Executive Vice President, Chief Strategy & Corporate Affairs Officer and the Vice President of Communications and Sustainability are responsible for prioritizing and managing ESG initiatives. In 2021, Centuri established a cross-functional ESG Enterprise Excellence team to execute initiatives and working groups dedicated to ESG matters in order to develop tactical recommendations and help drive performance.

Bringing together representatives from Centuri, MountainWest and Southwest Gas, the ESG Working Group helps identify and recommend goals to the ESG Committee to execute companywide strategies and goals.

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Risk Management

Our ability to identify, assess and effectively manage potential risks is central to the long-term success of our business.

Risks inherent to our business include operational risks, health and safety risks, human capital risks, cybersecurity risks, financial and regulatory risks, and climate and other sustainability-related risks. The Company utilizes an Enterprise Risk Management ("ERM") process to identify, assess and respond to risk, followed by monitoring and communication of the risks to employees and the Board. An effective ERM program provides management with information that supports risk-informed decision-making, and helps achieve strategic objectives. The Board receives ERM updates at least twice each year.

One of the ways we manage risk is through our strong compliance culture. Our [Code of Business Conduct and Ethics](#) reflects our steadfast commitment to taking the time to make things right. It embraces our core values and is our guide for maintaining compliance with legal

and ethical standards. Centuri also has a [Vendor Code of Conduct](#). Each company also maintains an ethics and compliance hotline through which employees and third parties can report suspected violations. Reporters can remain anonymous, and every report is investigated.

CYBERSECURITY THREATS

Our infrastructure and other systems throughout Southwest Gas depend on information technology ("IT"). Several complex IT systems are critical for achieving business objectives and operational efficiencies, but increasingly other utility systems have been shown to be susceptible to cybersecurity threats. To mitigate these risks, including third-party risks, the Company has developed robust security programs for our advanced transmission and local distribution

networks, and we employ state-of-the-art safeguards to protect the confidentiality, integrity and availability of customer and company information.

Southwest Gas Holdings' Board receives regular updates from management on cybersecurity matters from the Company's Chief Information Officer and Director/Information Security. The Company's Chief Information Officer has overall responsibility for managing our IT systems and cybersecurity risks.

Southwest Gas has a holistic information security strategy that uses a defense-in-depth approach to ensure security measures are in place at every layer. A suite of technologies, along with a specialized cybersecurity team, helps the utility avoid, detect and respond to advanced cyberattacks 24x7x365. The utility has taken a proactive approach when it comes to the sensitive personally identifiable information and financial (e.g., banking, credit card) information of its customers and does not require or maintain the information within the utility's information systems. In addition, the utility has a public [Privacy Policy](#) that states our commitment to preventing unauthorized use of, or access to, personally identifiable information that may be collected when customers use, visit or sign up for our online services.

We provide ongoing specialized cybersecurity training for those in security roles, and all Southwest Gas employees receive communications to raise awareness of threats and help prevent incidents through computer-based training, newsletters and other channels.

In 2021, Southwest Gas did not experience any material cybersecurity breaches of its pipelines, local distribution networks, company information, customer information or other significant assets or systems. We continually explore ways to optimize our computing environment's security and resilience against internal and external threats.





Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

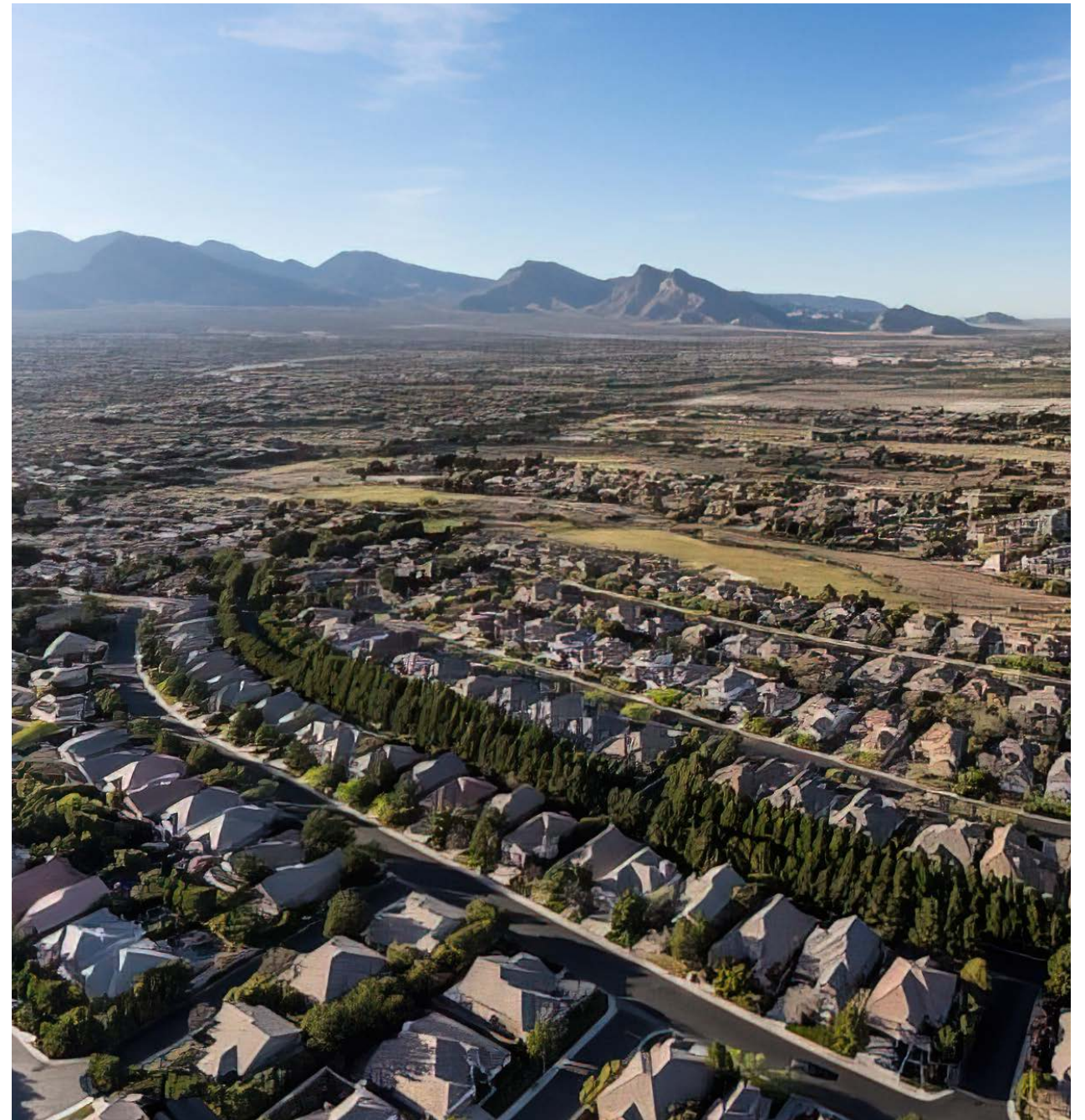
Supplier Diversity

Community Giving

Appendices

CLIMATE-RELATED RISKS

The TCFD is a set of voluntary recommendations that are focused on evaluating climate-related risks and opportunities for businesses. In 2022, we began our journey to align with the TCFD, beginning with conducting a gap analysis across the TCFD's four core elements of how companies operate – governance, strategy, risk management, and metrics and targets – and assessing how the Company aligned with the 11 TCFD recommendations across these core elements. The next step in our journey is to evaluate how to address these gaps in the future and improve our alignment with the recommendations. Our TCFD disclosures can be found on [page 59](#) in this report.



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

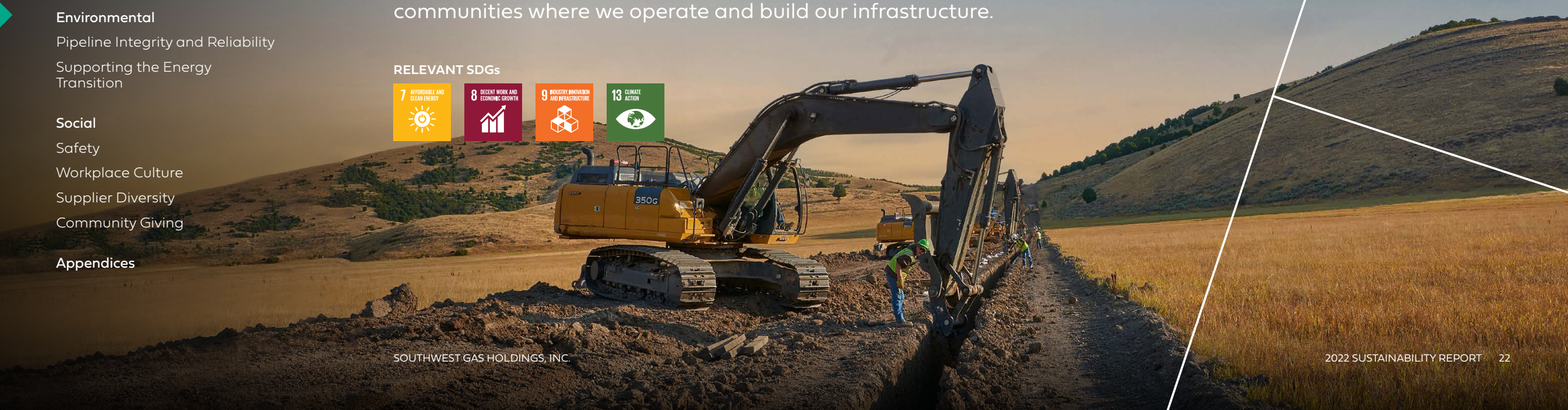
- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Environmental

Southwest Gas provides customers with one of the cleanest, most reliable and affordable sources of energy available today. As stated in our public [Environmental Commitment](#), we will continually strive to provide services in a safe and environmentally responsible manner and protect and preserve natural resources. This includes reducing emissions and supporting customers' and local communities' efforts to meet their decarbonization goals. We also have measures in place 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.

RELEVANT SDGs



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Pipeline Integrity and Reliability

Safety is at the core of all we do. We ensure the safe operation of 3,568 miles of natural gas transmission pipelines and 32,695 miles of local distribution pipelines that we own and operate. These pipelines are the safest and most efficient way to move natural gas from the point of production to the customer. Our effective maintenance, monitoring, leak-detection, damage prevention and public awareness programs are among the many management tools we use to maintain a tight system and protect people and the environment.

Pipeline Safety Governance

Our Pipeline Safety Management System (“PSMS”) governs the processes used to manage the safety and environmental risks related to our natural gas transmission and distribution systems. The PSMS and the following 10 elements provide a mechanism for continuous improvement that aligns with our ESG objectives:





Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices



Integrated into the PSMS are the Transmission and Distribution Integrity Management Programs (“TRIMP” and “DIMP,” respectively) at Southwest Gas.

TRIMP includes proactive prevention of transmission pipeline failures, with a focus on High Consequence Areas (i.e., locations along the pipeline with high population density and places where people congregate, 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”) requirements.

Overseeing the effectiveness of the PSMS is an executive-level Pipeline Safety Committee. The committee brings together senior leaders and informs them of the actions being taken to mitigate pipeline risks. For each of the 10 PSMS elements, there is an executive champion who helps drive results.

INTEGRITY MANAGEMENT

The top three causes of distribution pipeline leaks are damage from third parties conducting excavations, incorrect operation and equipment failures. Our pipeline integrity management efforts focus on maintaining and operating a tight system that delivers reliable and safe energy sources to the customers we serve. As a utility infrastructure services company, Centuri helps improve the efficiency of energy distribution systems, like those operated by Southwest Gas and MountainWest, and reduce the environmental risks of aging systems by replacing hundreds of miles of gas pipelines.

To continuously improve the safety and reliability of our transmission and local distribution networks, we have a robust leak mitigation strategy to detect leaks, effectively replace pipelines, improve the accuracy of our records and respond to leaks as quickly as possible.

Leak Surveys

The most effective way to determine how our systems are performing and prevent serious incidents is to conduct leak surveys. We use several tools to survey and inspect our gas systems, and we are evaluating promising new technologies – such as advanced mobile leak detection and satellite remote sensing – to further improve our ability to detect leaks and minimize emissions.

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, we perform these surveys on our distribution system every three years and will be moving to an annual survey in Nevada starting in 2023.

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.



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Pipeline Replacement

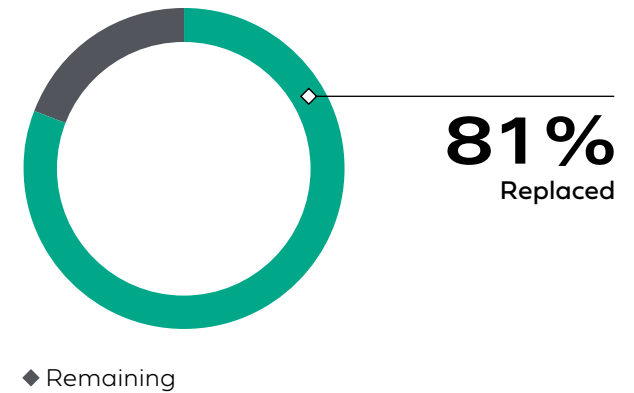
Southwest Gas and MountainWest have some of the newest pipelines in service, especially compared to networks in other parts of the country. The Company's long-standing focus on safety through its integrity management programs also drives its emissions reduction focus through effective leak management and pipeline replacement.

We continuously evaluate our systems to ensure they are operating as intended, and we mitigate risks as appropriate. Southwest Gas' in-house lab, which we highlight on [page 26](#) of this report, has been an important tool in helping the utility understand the materials it uses throughout its system.

- **Early Vintage Plastic Pipe ("EVPP")** – Southwest Gas continues to replace EVPP (e.g., ABS, Aldyl-A, Aldyl-HD and PVC) as part of its overall leak mitigation strategy, which reduces unintentional releases from infrastructure that may be prone to degradation. At the end of 2021, there remained 672 miles of EVPP, down from 722 miles at the end of 2020.
- **Customer-Owned Yard Line ("COYL")** – A COYL is the primary underground gas line that extends from the customer's meter to the home or business. Unlike the lines running from the street up to and including the meter (which are owned and maintained by Southwest Gas), the property owner is responsible for maintaining the COYL. Southwest Gas worked collaboratively with its state regulators to

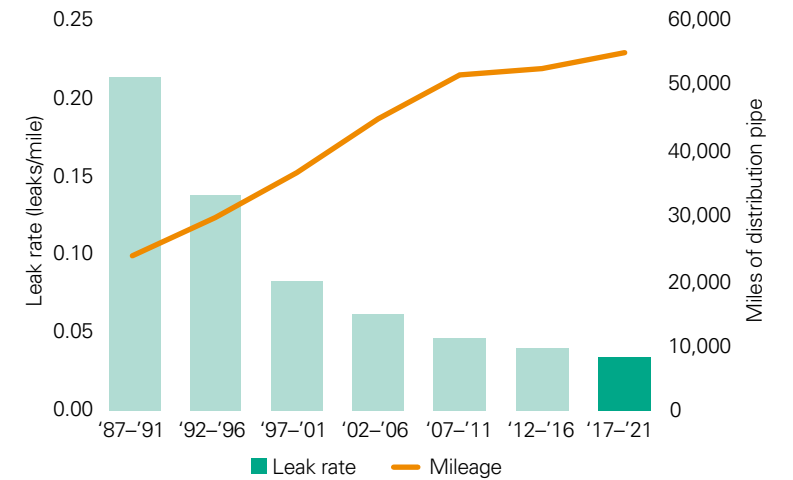
develop COYL programs in Arizona, California and Nevada. These programs offer customers COYL leak inspections, and (if needed) Southwest Gas will relocate the meter and replace the COYL with facilities owned and maintained by Southwest Gas. This removes the burden of maintaining the line from the customer, mitigates the risk of unintentional methane emissions from a leaking COYL, and enhances public safety. Since the inception of the first COYL program in 2012 through 2021, Southwest Gas has replaced 15,048 COYLs in Arizona, California and Nevada. We will continue to offer these programs where approved to improve our customers' experience and meet or exceed their expectations.

MILES OF EARLY VINTAGE PLASTIC PIPE



COMPANYWIDE DISTRIBUTION SYSTEM LEAK RATE (1987–2021)

As a result of our mitigation efforts, Southwest Gas has been able to reduce total system leaks by nearly 1/10th while more than doubling the size of its distribution infrastructure over the past 30 years.



Southwest Gas Lab Instrumental in Understanding Pipeline Integrity

Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

An important part of our Pipeline Safety Management System is knowing our systems and identifying risks. Key to developing that knowledge is continuously testing the materials and components that make up both our interstate pipelines and our local distribution networks.

At Southwest Gas, we have an in-house laboratory dedicated to investigating and testing our pipeline materials, welds, components and other assets that may impact infrastructure integrity.

Before the lab was established around four decades ago, we would engage outside labs to determine why certain materials were performing well, while others were not. When it became clear that we needed to improve our understanding of our systems, we decided to build a lab that met or exceeded the expertise of any outside lab.

Over the past two decades, our lab has added and programmed the newest high-tech appliances in areas of materials characterization that include microscopy, materials identification, robustness and material soundness, through the analysis of a material's atomic structure. In addition, we can use these appliances to perform testing scenarios representative of our system's wide-ranging temperatures and installation environments, along with accelerating the lifecycles of a material or a component.

The most important capability in our laboratory is visual enhancement, which is the fundamental tool for assessing and characterizing any material. We can also identify the composition of both plastic and steel materials at the chemical composition level, through various types of spectral analysis and at the microscopic level, where needed. In addition, we can characterize materials for stability, strength and resistance to even the most aggressive in-service conditions using appliances that address all material types. Additionally, we have flow testing equipment for analyzing gas flow through pipe and components that include excess flow valves for customer service lines of all sizes.

Our capabilities and expertise have become invaluable as we study certain higher-risk, non-conforming pipe material used in our local distribution networks. By using high-power microscopy, spectral analysis, heat stability testing and techniques developed at the Southwest Gas laboratory, we have been able to identify, characterize and mitigate risks from non-conforming pipe and avoid future threats.

We have testing equipment to conduct the engineering critical assessments of transmission and high-pressure steel pipelines in order to verify the composition, strength and toughness of vintage materials, ensuring suitability for continued service, in conformance with current regulations.

Our lab is currently setting up new appliances to further characterize the newest plastic materials where toughness to withstand operating conditions needs more definitive analysis. We will be using equipment and techniques tested and validated by international standards, and Southwest Gas will be the first in the United States to perform this cutting-edge materials characterization.

With new energy sources being developed to promote sustainability and reduce environmental impacts, our lab has been researching and analyzing new energy solutions, such as hydrogen blending, and providing input and testing techniques to characterize the effects of these energy sources on existing pipelines in order to establish opportunities and limitations and thereby maintain the integrity of our system.



Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

Damage Prevention

Third parties conducting unauthorized excavations, encroachments and other activities within a pipeline right-of-way are the leading threat to our pipelines. Our damage prevention efforts aim to protect the community, avoid interruptions to essential services and reduce methane emissions.

Throughout the year, we conduct several public awareness programs – such as the “Call 811” one-call program and damage prevention education service – that emphasize the importance of using free services to locate underground utility lines.

Southwest Gas offers free damage prevention training for excavators, plumbers, landscapers, homeowners and anyone planning to conduct underground work. Both [Southwest Gas](#) and [MountainWest](#) include safety pages on their websites that include educational materials, tool kits and contact information to raise awareness about how to prevent damage to pipelines and other buried utilities.

In 2022, Southwest Gas launched the Damage Prevention Alert (“DPA”) app, which gives employees a tool to report excavation activity that may not be in accordance with safe practices. The app allows the user to submit a report to a damage prevention expert, who will dispatch a qualified Southwest Gas representative to assess the situation and, if needed, mark the area for underground utilities and work with the excavator on a safe digging plan.

Because preventing pipeline damage is an industry-wide goal, we participate in several programs that seek to improve performance across the industry. We are members of the Common Ground Alliance (“CGA”), which provides a forum to discuss best practices and find solutions to damage prevention challenges. One of the CGA’s programs – the Next Practices Initiative – aims to look beyond current best practices and develop damage prevention solutions for the future. These include investments in accurate, accessible real-time Geographic Information System (“GIS”) mapping and other technologies that make the locate request process more efficient.

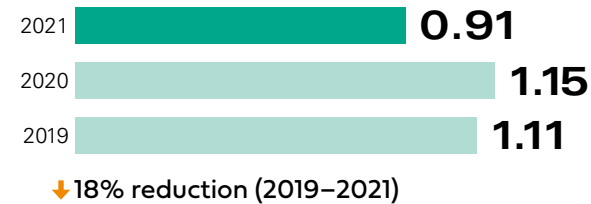
We are also a member of the Gold Shovel Association (“GSA”) and participate in its signature [Gold Shovel Standard](#) (“GSS”) certification program, which means we have a “dig-in prevention” program that meets certain requirements, including:

- Annual basic awareness training for all workers on jobs involving excavation
- Whistleblower and stop-work authority for workers
- Policy to stop excavation in the area and request a re-mark if a utility cannot be found as marked or if an unmarked or mismarked utility is found
- Policy to hire GSS-certified subcontractors with few exceptions
- Thorough investigation procedure to be used in the event of an incident
- Corrective action procedure with root cause analysis

As a GSA member, Southwest Gas and our pipeline contractors are committed to maintaining the GSS certification and protecting the underground infrastructure in the communities we serve. In 2022, the CGA announced the creation of the Damage Prevention Institute (“DPI”), which integrates the GSA and its GSS program into the organization. Southwest Gas plans to participate in the DPI’s peer-review accreditation process when it launches in early 2023.

Since 2019, Southwest Gas has reduced excavation damages by 18%.

DAMAGES PER 1,000 TICKETS

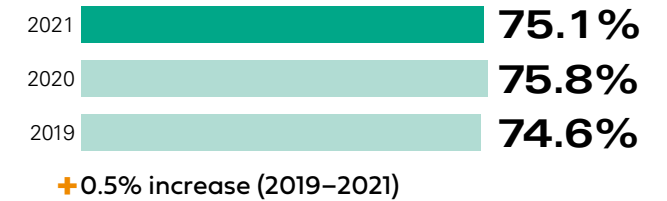


Emergency Response

A consistent and comprehensive approach to emergency preparedness allows us to activate a quick and appropriate response when needed.

Important elements of our emergency preparedness are training and collaboration. We engage with local first responders, officials and community agencies through public liaison meetings, exercises, drills and simulations to ensure the appropriate safety measures and collaboration processes are in place in the event of a natural gas incident or emergency.

PERCENTAGE OF ARRIVAL WITHIN 30 MINUTES (SOUTHWEST GAS)



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Supporting the Energy Transition

Although the number of renewable energy sources is growing, it will take time to transition to a lower-carbon economy and will require innovation and technological advancements that result in new low- and no-carbon energy options.

As a builder of both energy and renewable energy infrastructure, and as a natural gas service provider, our Company plays a vital role in this transition. Through the development of innovative energy solutions – like RNG, CNG and hydrogen – we are committed to offering customers and the communities we serve the energy solutions that will drive economy-wide emissions reductions.

Our approach is focused on several key areas:

- Reducing GHG emissions from our operations
- Supporting the transition to low- and no-carbon energy by helping customers meet their climate goals through investments in RNG, hydrogen and other sustainable sources of energy
- Setting goals to increase participation in energy-efficiency programs
- Displacing higher carbon intensive fuels with natural gas and reducing carbon intensity of fuels we deliver
- Working with upstream suppliers on certified or responsibly sourced gas
- Taking additional measures by offering and using carbon offset purchases

COMPANY GHG REDUCTION COMMITMENTS

In 2021, Centuri set targets to reduce Scope 1 and 2 GHG emissions, which are primarily targeted at its fleet and building facilities. These goals complement Southwest Gas’ previously announced commitment to reduce its emissions by 20% by 2025 (using a 2015 base year) and Centuri’s commitment to achieve a 25% reduction in emissions by 2030 (using a 2019 base year).

In 2022, we expanded our commitment to reducing companywide GHG emissions by considering additional measures. To meet this commitment, we will consider purchasing carbon offsets for emissions that are hard to abate.

Southwest Gas has also identified opportunities to achieve its emissions reduction goals through the following opportunities:

- Introducing alternative-fueled vehicles to the fleet and reducing unnecessary driving and idling times
- Improving the energy efficiency of its facilities and buildings
- Enhancing leak detection to reduce methane emissions

Southwest Gas manages a service fleet of nearly 1,600 vehicles and replaces approximately 15% of its fleet every year, based on pre-established lifecycle schedules. The fleet has also introduced hybrid vehicles, and when feasible, the utility adds vehicles that run on compressed natural gas (“CNG”) – a safer and more eco-friendly alternative to gasoline and diesel.

At the end of 2021, approximately 17% of Southwest Gas’ fleet was fueled by CNG, with another 8% of CNG-capable vehicles on order. The utility also installed three CNG fueling stations to serve its growing fleet, with another CNG fueling station scheduled to come online in late 2022. This is in addition to the broad CNG network we have supported for customers.

To decrease energy use and reduce the carbon footprint of our building facilities, we continuously evaluate opportunities to install LED lighting, energy monitoring systems and solar panels, and adopt emerging renewable energy solutions. In 2020, one building at our new Las Vegas headquarters acquired a LEED Silver® facility certification, and we are continuing to pursue additional LEED facility certifications.





Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

At Centuri, we installed advanced telematics in fleet vehicles to improve efficiencies and reduce emissions. In 2021, the business evaluated 60 primary facilities. For the four facilities with the highest energy use, third-party energy audits were conducted to identify energy and water reduction opportunities. As a result of the evaluation, Centuri updated its real estate strategy to require energy-efficiency measures in future buildings and to partner with developers that share a commitment to high environmental standards.

Although our GHG reduction targets measure emissions from our fleet and building facilities, our leak mitigation efforts (which we discuss in detail in the [Pipeline Integrity and Reliability](#) section of this report) not only help mitigate safety risks, but are also instrumental in reducing methane emissions from our gas transmission and distribution systems.

We are also testing new methane emissions-capture technologies to prevent emissions from being released into the atmosphere. Southwest Gas is conducting methane capture pilots in Northern Nevada and Central Arizona. The pilots involve testing equipment that provides zero-emissions gas transfer solutions between in-service gas lines or external containers.

At MountainWest, we use pipe pressure reduction for maintenance, testing and other activities. MountainWest's efforts have resulted in reducing over 90% of methane emissions by implementing this process.



GHG Reduction Targets*



20%

by 2025



25%

by 2030

* From fleet and building facilities



Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

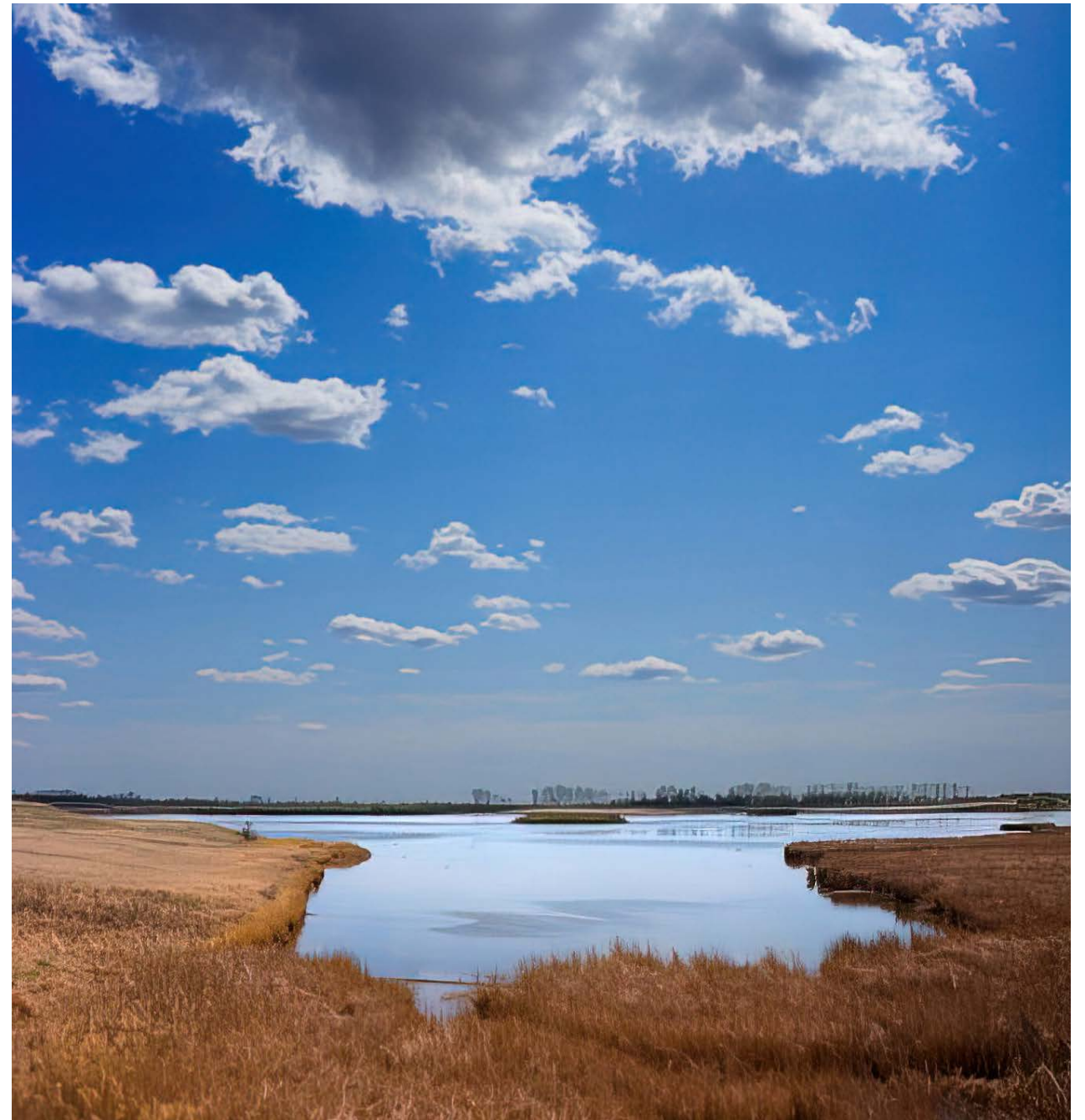
Supplier Diversity

Community Giving

Appendices

MOVE2ZEROSM OFFSET PROGRAM

Southwest Gas introduced a new opportunity in 2022 to help our Nevada customers manage their carbon footprint by participating in our [Move2Zero Offset Program](#). Eligible Nevada residential and business customers can enroll in the voluntary program to offset their GHG emissions generated from natural gas usage with verified carbon offset credits starting at \$5 per month. Southwest Gas purchases credits from third-party verified carbon offset projects registered with established carbon registries and retires offset credits on participating customers' behalf. By participating in the Move2Zero Program, customers can help support projects that make a positive impact on the environment by reducing and removing GHG emissions from the atmosphere.



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

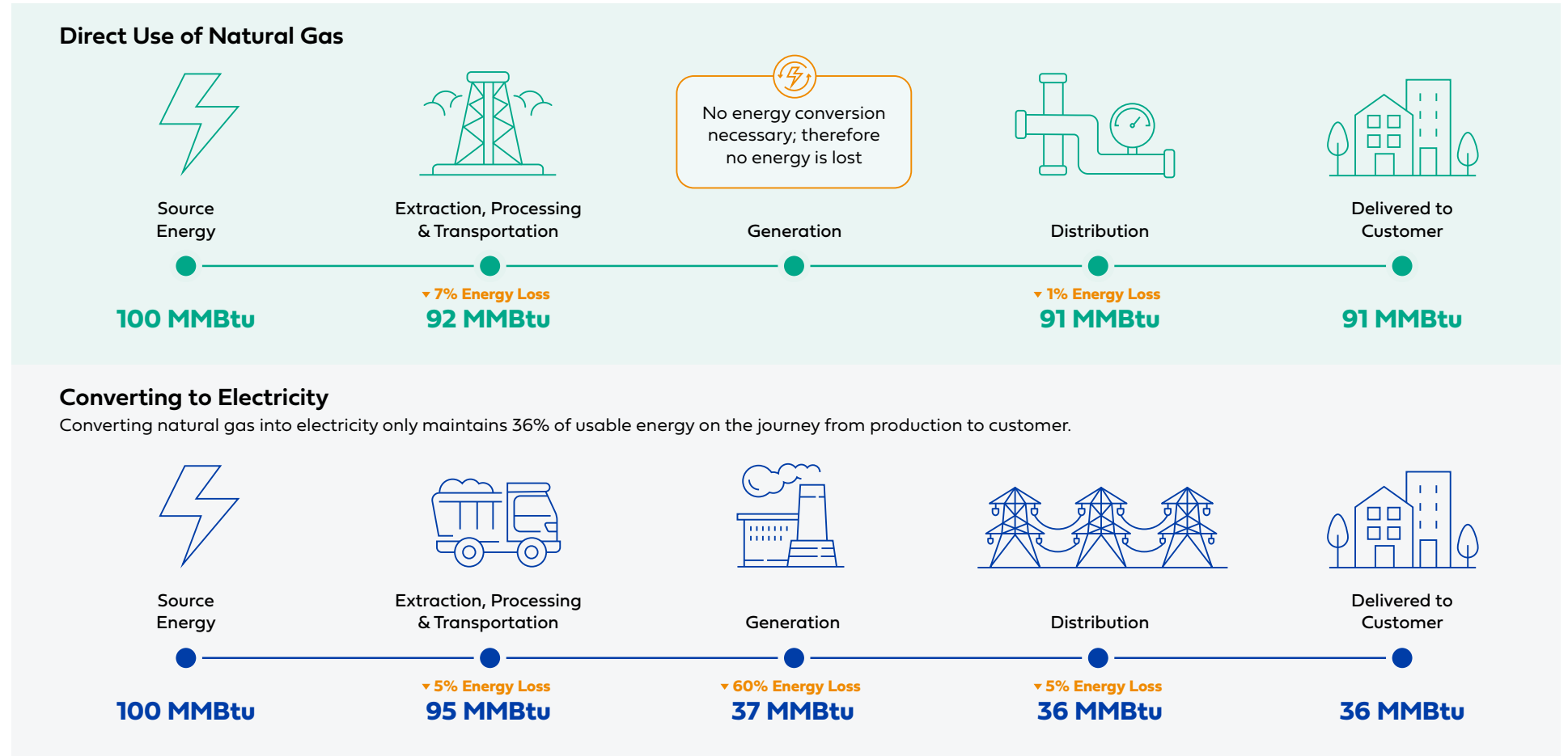
Appendices

DIRECT USE IS BEST USE

Natural gas has played an important role in reducing GHG emissions in the power generation sector, as it provides an affordable low-carbon option for reliable capacity and renewable energy integration.

As the chart below illustrates, the transportation of natural gas through existing infrastructure prevents loss of efficiency and emits far fewer GHGs than by rail or by truck.

THE ROLE OF NATURAL GAS IN INCREASING ENERGY EFFICIENCY





Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

COMPRESSED NATURAL GAS

Compressed natural gas (“CNG”) is natural gas that has been compressed to 3,600 pounds per square inch gauge (“PSIG”) and may be used to power specially equipped internal combustion engines in vehicles. It is compressed to increase the distance traveled while using CNG as a transportation fuel. CNG burns more cleanly than traditional transportation fuels such as diesel or gasoline – emitting, on average, as much as 28% fewer GHG emissions than those traditional fuels when used to power a vehicle.

CNG is a valuable resource in the energy transition because, in comparison to imported petroleum fuels, it is cleaner burning, more affordable, more price stable, and domestically produced.

Several fleets located in Southwest Gas service territories have begun to convert their existing diesel and gasoline fleets to CNG with the knowledge and assistance of Southwest Gas representatives. Southwest Gas has tariffs in place to allow the utility to provide compression natural gas service as well as build, own and operate a facility that can provide that service.

In 2021, Southwest Gas delivered 27.5 million therms of natural gas to be used as CNG to Arizona, California and Nevada fleet customers. By using CNG over other fuels, like diesel, Southwest Gas’ CNG customers emitted 58,641 fewer metric tons of carbon dioxide equivalent (“MTCO₂e”) in 2021 – the equivalent of 12,635 fewer gasoline-powered passenger vehicles operating on the roadway per year (4.6 metric tons per passenger vehicle) – this, according to the most recent U.S. Environmental Protection Agency Greenhouse Gas Equivalencies Calculator.

IN 2021, SOUTHWEST GAS DELIVERED

27,506,830 therms

of natural gas for vehicles in place of diesel

EQUAL TO ELIMINATING

58,641 metric tons

of GHG emissions

OR REMOVING

12,635

gasoline-powered passenger vehicles from the road for a year

* Using U.S. Environmental Protection Agency Greenhouse Gas Equivalencies Calculator





Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

RENEWABLE NATURAL GAS

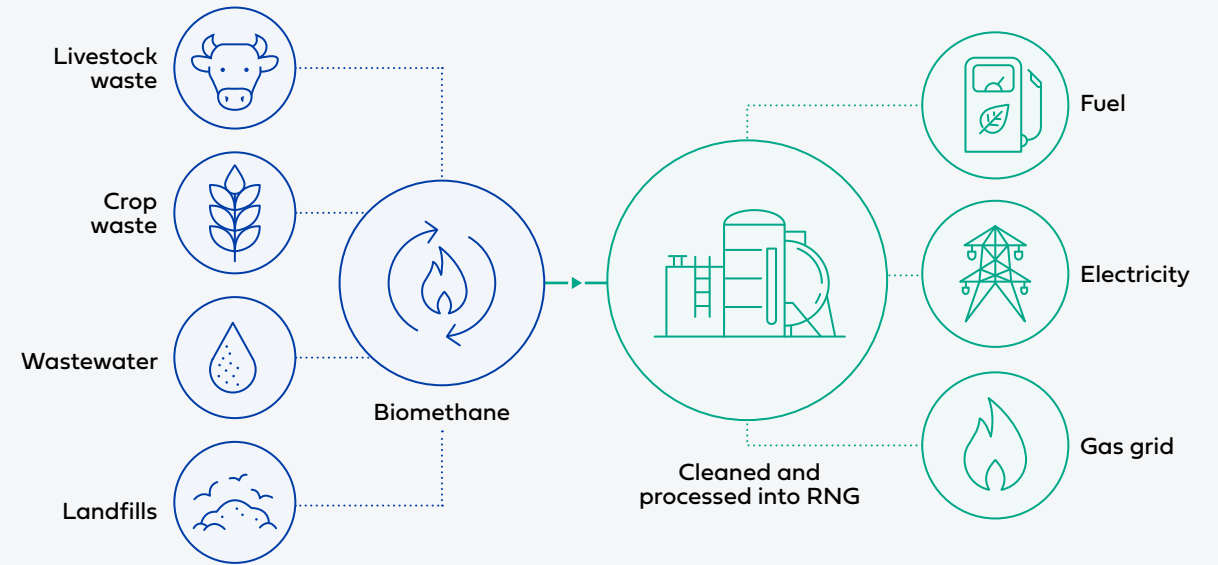
One of the most promising new energy supplies we are investing in is utility-owned infrastructure for renewable natural gas ("RNG") – a clean energy, low-carbon natural gas alternative produced by safely capturing, cleaning and upgrading biogas produced from various biogas sources, including animal waste, wastewater treatment facilities and landfills.

Biogas is produced when organic matter decomposes. Typically, the biogas created will be used on-site by a facility to supplement heat and power, and excess biogas is flared. Instead of flaring the excess biogas, an RNG production facility cleans and upgrades the excess biogas to meet pipeline quality standards. Once it has been cleaned and upgraded, utilities can transport this energy to businesses and homes through existing natural gas pipelines, and customers can use RNG just as they do traditional natural gas.

Through collaboration with regulators and relationships with producers and off-takers, we are working to make RNG part of a balanced energy future. To date, Southwest Gas has constructed interconnections with five RNG projects to transport upgraded biogas on its distribution system. We highlight these relationships on [page 34](#) of this report.

NPL, a subsidiary of Centuri that builds pipeline infrastructure, is supporting the development of RNG facilities. For example, NPL is building an anaerobic digester system in South Dakota that captures the biogas from the manure of 13,000 cows and cleans and upgrades it into pipeline-quality gas. The system includes 60 miles of pipeline that connect the farms and transport the RNG to the gas utility's interconnect. The project is anticipated to produce over two million therms of RNG each year.

Converting Waste into Clean Energy



RNG: A Promising Solution to the Energy Transition

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

RNG can help businesses, communities and the transportation industry meet their emissions reduction goals.

RNG provides a cost-effective way to reduce carbon emissions, and we have begun to partner with public fleets to use RNG for their vehicles. For example, Southwest Gas has partnered with [U.S. Gain](#) to provide the Regional Transportation Commission of Southern Nevada ("RTC") with RNG to fuel its bus fleet. Southwest Gas will purchase and deliver up to 50,000 therms per day on RTC's behalf.

We have also partnered with the agriculture industry and municipalities to establish interconnects between farms and wastewater treatment plants and our natural gas distribution systems. Through commercial agreements, the raw biogas is upgraded to create pipeline-quality gas that can be injected into the Southwest Gas system.

Current projects that help connect sources of RNG with end-users via the Company's natural gas distribution systems include:

WASTEWATER TREATMENT PLANTS	DAIRIES
<ul style="list-style-type: none"> The Tres Rios Wastewater Project in Tucson, Ariz., began service in September 2021. The SoCal Biomethane Victor Valley Wastewater Reclamation Authority Project in Victorville, Calif., began service in February 2022. 	<ul style="list-style-type: none"> The Sunoma Renewable Biofuel Project at Paloma Dairy in Gila Bend, Ariz., began production in November 2021. A project at the Butterfield Dairy in Buckeye, Ariz., is expected to be in service by early 2023. The Milky Way Dairy Project in Maricopa, Ariz., is expected to be in service by early 2023.
ESTIMATED ANNUAL RNG PRODUCTION	
5.8 million therms (enough to fulfill the energy requirements of over 3,600 homes for one year)	11.8 million therms (enough to fulfill the energy requirements of over 7,300 homes for one year)

Southwest Gas continues to identify opportunities to introduce RNG to more consumers, with additional projects being evaluated in Arizona, California and Nevada.





Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

HYDROGEN

Production of low- and no-carbon hydrogen is another very promising technology to help in the shift to a lower-carbon economy. As the most abundant element in the universe, hydrogen has the potential to lower emissions while generating electricity, fueling transportation and storing excess renewable energy.

Although the current cost of hydrogen-based energy presents a challenge today, costs are coming down. Studies also show that existing natural gas infrastructure may help drive the hydrogen economy by being well-suited for storing renewable hydrogen and enabling energy systems to effectively and affordably work together.

We are collaborating with other utilities, universities and research organizations to evaluate the safety and performance of piping materials and appliances when delivering or using hydrogen blended with natural gas. The goal of these collaborations will be to determine the maximum percentage blend of hydrogen to natural gas for the safe operation of the pipelines as well as customers' appliances. Southwest Gas, Southern California Gas Company and San Diego Gas & Electric are part of a joint filing to develop a hydrogen injection standard for the State of California. This will accelerate the use of hydrogen delivered via an already safe and reliable energy delivery system.

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

- **University of Nevada, Las Vegas ("UNLV")** – At the end of 2021, Southwest Gas and UNLV announced a partnership to study how hydrogen-blended natural gas can further reduce carbon emissions while still providing clean and reliable energy. Southwest Gas will use the electrolyzer it purchased from the university, which splits water into hydrogen and oxygen molecules with an electric current to test the production, blending, distribution and end-use of the hydrogen blend. The study will take place at the utility's Emergency Response Training Facility ("EMRF") near Las Vegas, which can replicate the natural gas distribution system and real-world

natural gas appliances in a controlled environment. Electrolysis creates hydrogen, which will then be blended with natural gas at various levels – 5%, 10% and 20% – and then injected into the existing natural gas infrastructure at the EMRF. The hydrogen-blended gas will be tested on natural gas appliances as well as being monitored for leak detection to determine any differences needed in procedures to ensure the continued safety of the local communities.

- **Arizona State University ("ASU")** – Similar to the studies with UNLV, Southwest Gas and ASU will perform studies at the EMRF in Tempe using pre-purchased hydrogen bottles and will blend up to 20% hydrogen with 80% natural gas.
- **Southwest Clean Hydrogen Innovation Network ("SHINE")** – In 2022, Southwest Gas took an active role in a coalition focused on developing low-carbon economies, composed of more than 40 organizations, including the State of Nevada, three other Arizona energy providers and the state's three public universities – ASU, the University of Arizona and Northern Arizona University – to study carbon-neutral solutions. The coalition established the Center for an Arizona Carbon-Neutral Economy on the ASU Tempe campus and launched a statewide hub to advance hydrogen as a clean energy solution. The hub will include hydrogen producers, consumers and a connected infrastructure that provides reliable, resilient and clean energy and creates economic development opportunities. Stakeholder engagement is a key component of the coalition's work, and tribes, businesses, government agencies and other interested parties will be actively engaged throughout the process.

“Proactively pursuing and incorporating innovative gas resources into the fuel supply reduces the carbon intensity of the fuels that our customers rely upon while still enjoying the benefits of the gas infrastructure.”¹

Kevin Lang, Director, Engineering Services

The insights from these studies are being applied to our first demonstration project in Truckee, Calif., spotlighted below.

SPOTLIGHT

Truckee Demonstration Project Seeks to Test Hydrogen Blending at High Altitude

On September 8, 2022, Southwest Gas – along with two other California utility companies – submitted a joint application to the California Public Utilities Commission ("CPUC") seeking authorization to establish live hydrogen blending projects. Southwest Gas proposes a demonstration project in Truckee, Calif., to test the use of blended hydrogen in a portion of our distribution system. If approved, Southwest Gas will blend concentrations of locally produced hydrogen, rising from 5% to 20% hydrogen by volume, to assess the performance and safety of different hydrogen blend concentrations in extreme cold weather and high-elevation conditions, such as those experienced in Truckee. The testing and demonstration phase will be 18 months long.

If proven viable, this project will help position the Company as a leader in the emerging hydrogen market.

¹ ["Real-World Hydrogen," American Gas Magazine, August 2022](#)



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

COGENERATION AND INFRASTRUCTURE

Southwest Gas offers eligible commercial and industrial customers cogeneration options. Often referred to as Combined Heat and Power (“CHP”) – cogeneration produces localized, on-site power and heat from a single fuel source, such as natural gas. These highly energy-efficient systems can vary in size, from several kilowatts to several megawatts of produced electric power, and can be used in a variety of commercial, industrial and institutional applications. CHP systems generate electricity or mechanical power while repurposing the heat produced from electrical generation for other needs such as air conditioning or water heating.

Centuri is instrumental in building the infrastructure needed to power the low-carbon economy. In addition to building the pipelines and facilities needed to transport RNG, Centuri company Riggs Distler is the contractor for several new offshore wind projects in the Northeast U.S. In Maryland, Centuri is working with the local utility to build electric vehicle charging stations as part of the state’s EVsmart Program to improve air quality, and in New Jersey, Riggs Distler is constructing a battery energy storage system.

RESILIENCE

As stated in the American Gas Foundation’s 2021 study titled, “Building a Resilient Energy Future,” the U.S. natural gas infrastructure supports resilience through its inherent, physical and operational capabilities. The study highlights the importance for stakeholders – particularly policymakers – to understand the increasing interdependence of gas and electric systems and their role in creating a more resilient future as we transition toward a lower-carbon economy.

Recent severe climate events – including fires in California and winter storms in Arizona – have shown that natural gas assets support the broader energy system during periods of high stress.

For example, Southwest Gas’ liquefied natural gas (“LNG”) storage facility near Tucson, Ariz. – which has been in service since December 2019 – provides a safe and dependable backup system for nearly

300,000 customers in Southern Arizona. The facility holds approximately 2.7 million gallons of LNG, which is around three to four days’ worth of storage. The facility has demonstrated its resiliency and ability to serve as a critical backup energy source during climate events and other interruptions of service, saving Southwest Gas customers millions of dollars.

We continue to engage with regulators and officials to ensure that the resilience of our energy systems is an important consideration when developing sound energy policies.

INNOVATION AND TECHNOLOGY

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

Southwest Gas’ research, design and development (“RD&D”) investments are largely directed toward studies on hydrogen energy solutions and supporting two key research institutions – [NYSEARCH](#), a consortium of natural gas companies that focuses on developing innovative technologies for transmission pipelines, and the [Gas Technology Institute](#), a nonprofit RD&D organization that develops, scales and deploys energy transition solutions on behalf of its members. Southwest Gas’ RD&D spending in 2021 totaled \$1.21 million.

At Centuri, we have partnered with equipment manufacturer Vermeer to field test a state-of-the-art construction technology called hydrovac. The technology removes water out of dirt that has been impacted by construction activities, significantly reducing landfill waste and disposal costs.





Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

SUPPORTING POLICIES AND PROGRAMS

Because natural gas is one of the most affordable, resilient, reliable and sustainable energy options available today, we support efforts in state legislatures to spur economic development, particularly in the manufacturing industry, and expand our systems into unserved and underserved communities. Following approval from the Public Utilities Commission of Nevada ("PUCN"), Southwest Gas began expanding service into Mesquite and Spring Creek in 2019 and 2020, respectively. More information about these expansions is available on the Southwest Gas [website](#).

For federal agencies, Southwest Gas offers Utility Energy Services Contracts ("UESC"). Under a UESC, Southwest Gas provides the agency with comprehensive energy efficiency, water conservation and demand-reduction services. These measures help agencies achieve energy resilience and security objectives, while avoiding grid failures and ensuring demand reliability when there is no sun, wind or battery storage. Over time, the energy savings more than offset the project costs.

ENERGY-EFFICIENCY PROGRAMS

In addition to providing customers with conservation tips they can use to reduce their energy use, we offer several programs to help residential, business and government customers become more energy efficient and achieve their emissions reduction goals.

Southwest Gas' Energy Savings Portal allows residential 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.

Many of the rebates and energy-efficiency programs Southwest Gas offers customers need to be approved by regulators. For California customers, the CPUC approved our 2021–2025 Gas Conservation and Energy Efficiency Programs, which include rebates for certain commercial & residential appliances and equipment.

Additionally, the utility offers incentives for homebuilders to construct energy-efficient new homes as part of the Homes Program.

In October 2021, the PUCN approved the continuation of Southwest Gas' conservation and energy-efficiency programs in Nevada. In Arizona, we offer customers several residential, commercial and low-income energy-efficiency programs.

Customers who have taken advantage of these programs have reduced GHG emissions by over 78,000 MTCO₂e over the past five years. These savings demonstrate the importance of PUCs approving energy-efficiency programs that help reduce GHG emissions nationwide.

10,000

Energy-efficiency programs have saved enough energy to power nearly 10,000 homes for one year¹.

GHG REPORTING

To ensure data accuracy on our GHG emissions reporting and disclosures, we begin each year by conducting an internal review and verification process for the prior year. Since 2020, we have engaged a third party to verify that these processes follow industry-accepted protocols and that the data, collection process and reporting meet its standards.

CLIMATE REGISTRY

Southwest Gas has participated in voluntary disclosures of its Scope 1 and 2 emissions with The Climate Registry for several years, which requires third-party verification. This nonprofit organization works to help reduce emissions by providing services and tools in the fight against climate change. Southwest Gas has been recognized as a Gold Climate Registered status member, which ensures that our carbon data is of the highest quality and demonstrates our commitment to sustainability and transparency.

SCOPE 1 EMISSIONS (MTCO₂e)

2020  **360,785.40**

SCOPE 2 EMISSIONS (MTCO₂e)

2020  **9,597.02**

Subject to additional verification or updates to methodology

¹ Between 2017 and 2021, using U.S. Environmental Protection Agency Greenhouse Gas Equivalencies Calculator



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Social

Our most important commitment to society is to safely deliver the energy essential to our economy and livelihoods. Our public Sustainability Commitment outlines our priorities on safety, inclusive working environments, making a positive impact in our local communities, and operating our business in a sustainable and responsible manner.

RELEVANT SDGs





Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Safety

The safety of our customers and those who work on the Company’s behalf and live in the communities we serve is our number one priority. As a core value, safety is built into our overall culture and integrated into everything we do. We take pride in having a workplace culture with a strong sense of community, where everyone is committed to looking out for each other.

EMPLOYEE AND CONTRACTOR SAFETY

Because worker safety is closely connected with pipeline safety and integrity, Southwest Gas’ employee and contractor safety programs are integrated into our Pipeline Safety Management System (“PSMS”), which we discuss in detail in the [Pipeline Integrity and Reliability](#) section of this report.

A strong safety culture begins with leadership and a commitment across all levels of the Company. Along with its executive-level Pipeline Safety Committee, Southwest Gas has an executive-level Safety Committee that provides oversight and guidance on occupational health and safety programs, and every division of the utility, as well as the corporate entity, has an employee-driven Accident Prevention Committee, where committee members come together on a regular basis to discuss safety matters.

We track key safety incident metrics – including Total Recordable Incident Rate (“TRIR”), Lost Time Injury Frequency Rate (“LTIFR”) and Days Away, Restricted or Transferred (“DART”) – and set objectives to continuously improve our safety performance.

One safety area where we have increased our focus is preventable motor vehicle collisions. Through our membership in the American Gas Association, we share lessons learned and best practices to prevent vehicle-related incidents. Both Southwest Gas and MountainWest require driver training for all new hires and frequent training for existing employees. The training is conducted by company employees who have been trained and certified by [Smith System](#) – the leading crash-avoidance training company, which uses a proven program to help drivers gain the knowledge and skills needed to avoid collisions with vehicles and objects.

Driver training is just one of more than 50 safety training programs offered at Southwest. These programs can be one-time offerings that focus on a specific subject matter, such as the de-escalation training Southwest Gas held in 2021 that received recognition from the American Gas Association. New hires in certain technical positions go through several weeks of training prior to beginning work in the field, and Southwest Gas’ mentorship program ensures employees receive ongoing support.

Several channels are used to communicate safety messages throughout the organization. When a serious or near-miss incident occurs, our risk management/safety groups investigate and collaborate with our operations teams to share lessons learned. All-hands safety meetings are held weekly at MountainWest. Southwest Gas holds bi-weekly safety calls that are open to all employees, each hosted and moderated by a company executive. Executives also communicate important safety matters with employees through memos and internal communications channels. We also have robust safety recognition programs to acknowledge employees who exemplify our strong safety culture.

Southwest Gas contractors represent a significant percentage of the workforce in the field, so we have monthly roundtable discussions with our contractor partners. Because safety risks are inherent in excavation work, every year we hold a trench safety “stand down,” which is an organized, coordinated break in work to talk directly to employees and contractors about the hazards of trench and excavation work.



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Southwest Gas has a corrective and preventative action program called Achieving Continuous Excellence (“ACE”). The program allows employees to use an application on their mobile device to report near misses or safety concerns and/or submit ideas for improvement. Given the success of the program, Southwest Gas plans to expand it to contractors.

Centuri’s ThinkSAFE safety observation initiative engages everyone from executive leaders to our frontline team. Safety observations reinforce positive actions, identify corrective actions and encourage open and honest communications to promote

safety awareness. More than 1.35 million ThinkSAFE observations were recorded in 2021, up 45% from 2020. These observations help identify leading indicators and opportunities for improvement. Centuri is also increasing its focus on mental health. One of Centuri’s new Employee Resource Groups is focused on mental health and well-being, and its Employee Assistance Program includes assistance for mental health issues.

Centuri’s key safety metrics continue to improve, with the DART rate declining by 24% and TRIR holding steady compared to 2020.

SPOTLIGHT

Flame-Resistant Uniforms Help Protect Workers

Although Southwest Gas does not experience a high incident rate of events involving ignitions and burns, an ignition incident has the potential to result in a serious injury or fatality.

Following an ignition incident in 2016, a cross-functional group within Southwest Gas collaborated on an initiative to evaluate new gas extraction coveralls/flash suits that would provide workers in the field with better protection.

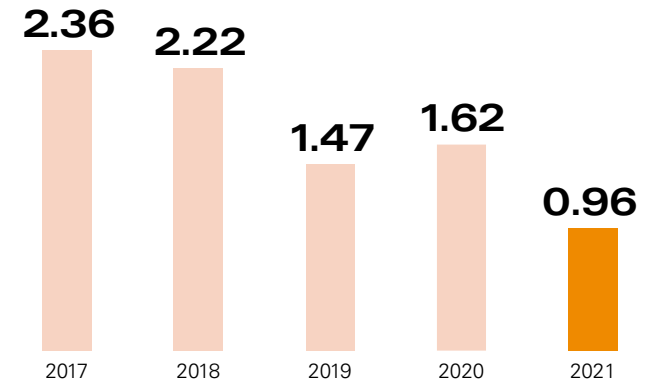
Southwest Gas also implemented a flame-resistant (“FR”) uniform program that provides the greatest amount of protection to workers performing routine non-emergency work on natural gas facilities.

One of the few locations around the country capable of conducting burn testing to the NFPA standard is the Textile Protection and Comfort Center at North Carolina State University (“NCSU”). Southwest Gas partnered with NCSU to conduct an industry-first heat stress study to evaluate the effects of hot and hot/humid weather on workers who wear gas extraction coveralls/flash suits during emergencies and to conduct testing on a variety of FR uniform combinations.

The heat stress study, which was funded through a \$250,000 grant from the Gas Technology Institute, resulted in the implementation of work/rest cycles for workers who respond to natural gas emergencies and don gas extraction coveralls/flash suits. The burn testing completed by NCSU resulted in the development of Southwest Gas’ FR uniform program, an industry leader.

CENTURI’S UTILITY INFRASTRUCTURE SERVICES SAFETY IMPROVEMENTS

Lost Time Injury Frequency Rate per 1M Work Hours



59% LTIFR Improvement Over Five Years

Compared to Prior Year¹



¹ Safety figures do not include Riggs Distler.

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Workplace Culture

Employees are our most valued asset. We recognize that to be an employer of choice, we must offer a safe, meaningful work environment where people can grow and thrive. Employee needs and the nature of work are evolving, and we are committed to finding the right balance that maintains high levels of engagement, exceeds stakeholder expectations and achieves our business objectives.

EMPLOYEE EXPERIENCE

Along with offering competitive, market-driven pay with generous benefits, we seek feedback from employees to identify opportunities to improve the employee experience.

Since 2018, Southwest Gas has routinely polled its employees through its employee engagement survey to identify areas of strength and opportunities in various aspects of the workforce and workplace experience. In 2020, the five highest rated categories identified included Safety Reporting, Engagement, Work Flexibility, Commitment to Employee Safety, and DE&I.

In 2021, Centuri surveyed employees in NPL’s East Region on their perceptions of safety at the company, and 94% of the employees participated. The results

will be used to develop action plans for those areas where improvement is needed and to build on the areas of strength.

To help employees at Southwest Gas reach their full potential, we offer a range of training and career development opportunities.

At Southwest Gas, all employees have access to the expert-led courses available on the LinkedIn Learning online platform. Over 25% of employees enrolled in at least one LinkedIn Learning offering in 2021, completing more than 10,000 courses and/or video learning sessions. To develop talent and increase leadership bench strength, the utility offers various leadership development programs. Participants in those programs gained useful skills as they advanced their careers.

Southwest Gas also supports career development by offering employees \$5,250 in tuition reimbursement annually and a full tuition grant through the University of Arizona Global Campus. In 2021, 206 employees participated in the program, resulting in 37 bachelor’s and master’s degrees being awarded to full tuition grant participants, with some of the participants receiving promotions. The utility also introduced [Wiley Beyond](#), which offers employees personalized education coaching as well as a learning network with over 1,000 low-cost and no-cost degree and non-degree educational opportunities.

Centuri’s objective to promote from within is supported by leadership training programs, apprenticeships and mentoring opportunities. Centuri employees also have access to LinkedIn Learning and other training modules in its Learning Management System.

In 2022, Southwest Gas was included on *Forbes’* “2022 Best-In-State Employer” list. This prestigious recognition is presented by *Forbes* and Statista Inc., the world’s leading statistics portal and industry ranking provider.

2020 Employee Engagement Highlights

Safety Reporting

93%

feel safe in escalating safety concerns.

Engagement

86%

are proud of where they work.

Work Flexibility

86%

are loving flexible work arrangements.

Employee Safety

96%

agreed that we are committed to employee safety.

DE&I

81%

rated Diversity, Equity & Inclusion favorably.



Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

DIVERSITY, EQUITY AND INCLUSION

We strive for a workplace culture that gives everyone a sense of belonging, celebrates differences and demonstrates our commitment to DE&I through actions. As stated in our public [Human Rights Commitment](#), we aim to foster diverse, equitable and inclusive workplaces that are free from harassment and discrimination.

Southwest Gas' efforts to recruit and retain top diverse talent and foster an inclusive workplace culture are supported by a DE&I strategy which is overseen by the director of DE&I and comprehensively supported by senior leadership, including the Company's Board of Directors. An internal diversity council focuses on strategic management, operational implementation and execution.

In 2021 and 2022, the utility made notable progress on the following four commitments in the strategy:

- **Enhancing data transparency with internal and external stakeholders** – In 2021, an internal DE&I dashboard was launched at Southwest Gas to share how the business is performing against key performance indicators (“KPIs”) related to DE&I. The dashboard is currently shared at the senior management level, with a plan to expand the distribution of the dashboard to additional company leaders and of certain data with all employees and other key stakeholders.
- **Evolving the talent pipeline** – The DE&I dashboard KPIs will be used to develop a comprehensive talent strategy that a newly hired director will oversee. One demographic where Southwest Gas has made notable progress is in increasing female representation among senior leadership. In addition to Karen S. Haller being selected in 2022 to serve as the Company's CEO, five of six direct reports to the President of Southwest Gas are women. Colleen Larkin Bell led the MountainWest team as President in 2022, until her retirement in January 2023.
- **Providing cultural training** – The first phase of DE&I training concluded in June 2022, with employees at every level completing the course. Phase two includes incorporating DE&I into new-hire orientation and developing an ongoing training program. Phase three will add a secondary training element for those who directly manage employees that focuses on inclusive leadership.
- **Investing further in partnerships** – Southwest Gas supports dozens of community organizations through partnerships, active participation on nonprofit boards and contributions. In 2022, we analyzed our existing relationships and began to address gaps in representation. For example, we identified a gap in our support for people with disabilities, so we recently partnered with [Disability:IN](#), a nonprofit that connects companies with disability-owned enterprises. We also partnered with [Hiring Our Heroes](#) – which focuses on job opportunities for active duty military members transitioning to civilian careers and ongoing job opportunities for military spouses – and several organizations that represent the Asian American Pacific Islander (“AAPI”) community.



Employee Resource Groups (“ERGs”) help foster inclusion by bringing together employees with shared life experiences and increasing awareness and acceptance of diverse cultures and groups. In 2021, Southwest Gas employees launched three ERGs and Centuri launched six. MountainWest is looking into introducing ERGs or an alternate internal organization that collectively supports diverse populations.

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Employee Resource Groups

Both Centuri and MountainWest held diversity and cultural competency training courses for employees. At MountainWest, 99% of employees had completed the training by mid-2022.



Mental Health
Information and resources focused on mental health and suicide prevention



WE-VETS
Supporting current and former military service members



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



WELD
Inspiring and supporting women to achieve professional success



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



Pride
Providing opportunities for the LGBTQ+ community and their allies to be successful in the infrastructure services industry



RISE

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



ELEVATE

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



SPECTRUM

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

Workforce Diversity Metrics (as of December 31, 2021)

Southwest Gas

42%

of overall workforce and 31% of managers and above are filled by employees from racially diverse backgrounds.

28%

Women represent 28% of our overall workforce and 25% of managers and above.

Centuri

8%

Veterans – 239 hired; 8% of all hires

7%

Women – 7% of total workforce; 9% of all leaders¹

24%

Ethnic/racial minorities – 24% of total workforce; 17% of all leaders

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).

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Supplier Diversity

We are committed to cultivating procurement and business opportunities for diverse-owned businesses in the communities we serve through our supplier diversity program.

Southwest Gas supports the development of diverse businesses through the utility's supplier diversity program. For more than 30 years, Southwest Gas has been proud to partner with women-, minority-, disabled-veteran-, and LGBTQ-owned businesses. By building relationships with our diverse business partners, Southwest Gas is contributing to our local economies and enriching the communities we serve. Supplier diversity is not just simply smart business, but also a core business strategy.

In 2021, Southwest Gas' supplier diversity program was recognized by several organizations including the Western Regional Minority Supplier Development's "Warrior" and "Impact" awards and the Arizona Hispanic Chamber of Commerce's Million Dollar Circle of Excellence.

Details about the ways Southwest Gas aims to grow our diverse supply chain and contribute to the economic growth of the communities we serve are disclosed in our public [2021 Supplier Diversity Report](#). In 2021, Southwest Gas procured \$163 million with diverse suppliers.

One of Centuri's programs to grow its network of diverse suppliers is NPL's Partner Alliance in the Great Lakes region. Each quarter, this alliance brings together NPL team members and suppliers – ranging from family-owned small businesses to industry conglomerates – to advance diverse supplier initiatives. In early 2022, the Federation of Women Contractors awarded NPL with its "Outstanding Corporate Partner of the Year." Centuri's spend with diverse suppliers totaled \$184 million and represented 21% of its U.S. spend in 2021.

\$184 million

Centuri's spend with diverse suppliers totaled \$184 million and represented 21% of its U.S. spend in 2021.



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Partnering with Local Educational Institutions to Develop Next Generation of Business Leaders

Cristo Rey St. Viator (“CRSV”) College Preparatory in Las Vegas is a Catholic learning community that educates young people of limited economic means to become men and women of faith, purpose and service. CRSV combines a rigorous college preparatory curriculum with relevant work-study experiences to help its students succeed in college and life.

When the school opened in 2019, Southwest Gas and CRSV partnered on a mentorship program that gives students valuable work experience. Since then, 12 students have interned at the Company and an additional 15 students were mentored virtually during the COVID-19 pandemic. The students have interned within the Company’s DE&I, Construction, Public Affairs, Purchasing, Engineering and Cybersecurity functions, engaging with employees, attending meetings and applying their newly developed skills. Southwest Gas also sponsored the placement of students with local nonprofit agencies such as the Latin Chamber of Commerce, Heaven Can Wait Animal Society, Children’s Heart Foundation and Nevada Legal Services.

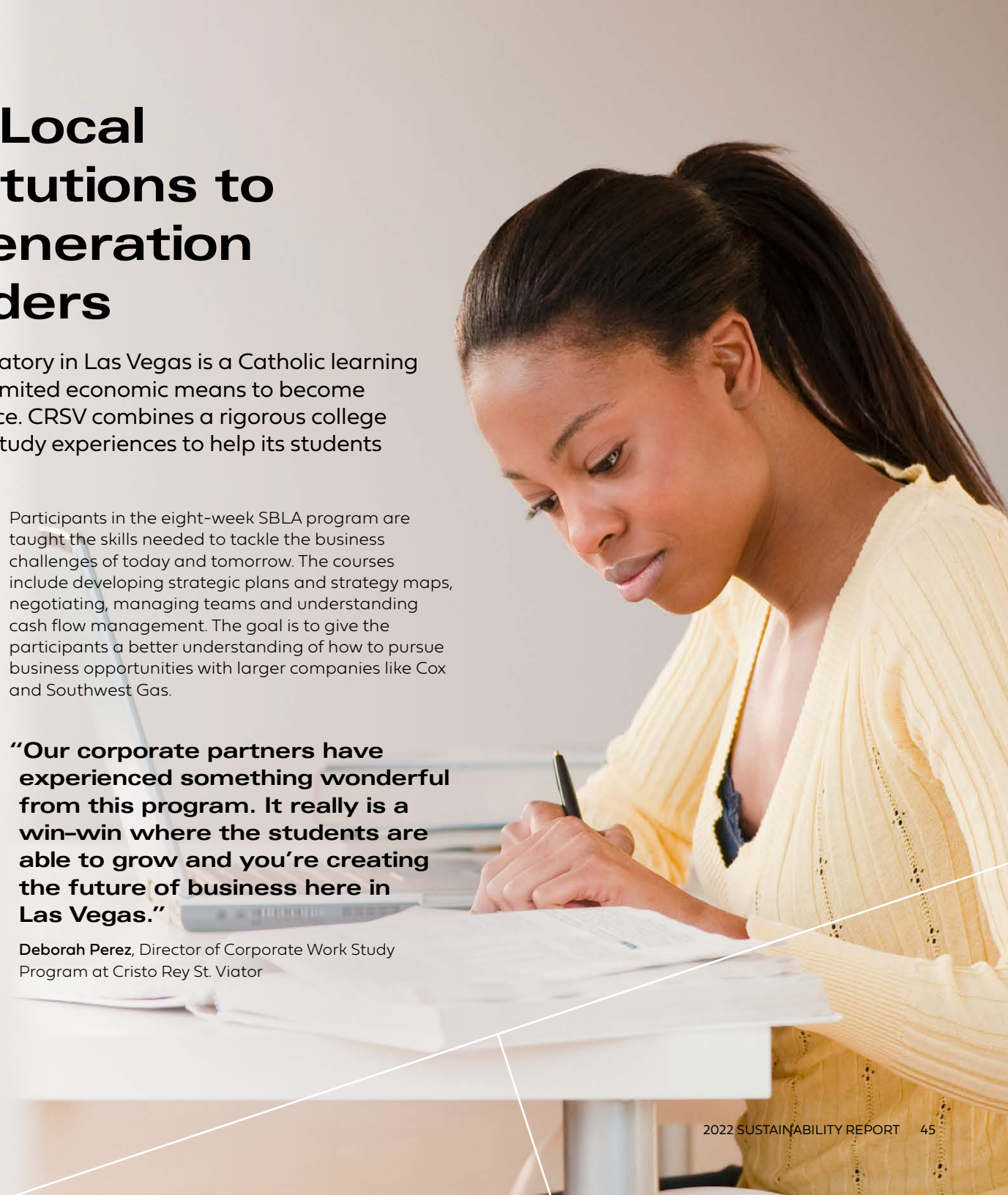
The goal is for the students to gain experience in, and an understanding of, the energy industry, learn about career paths that are available at Southwest Gas and be prepared to enter the workforce as future leaders.

Southwest Gas also partners 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.

Participants in the eight-week SBLA program are taught the skills needed to tackle the business challenges of today and tomorrow. The courses include developing strategic plans and strategy maps, negotiating, managing teams and understanding cash flow management. The goal is to give the participants a better understanding of how to pursue business opportunities with larger companies like Cox and Southwest Gas.

“Our corporate partners have experienced something wonderful from this program. It really is a win-win where the students are able to grow and you’re creating the future of business here in Las Vegas.”

Deborah Perez, Director of Corporate Work Study Program at Cristo Rey St. Viator



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Community Giving

Giving back to the communities we serve is ingrained in our Company culture and a source of pride for our employees. We demonstrate our commitment to the communities we serve through community investments, charitable contributions and volunteer activities.

SOUTHWEST GAS FOUNDATION

The Southwest Gas Foundation supports charitable 501(c)(3) organizations and aims to improve the quality of life of those who live in the areas we serve. The Foundation’s principles for giving focus on people, place and planet through meaningful contributions and partnerships that center around improving the well-being of our community, protecting our environment and giving back to worthy causes that strengthen the communities in which we live and work and play.

In 2021, the Foundation distributed \$1.17 million to 360 nonprofits and charitable organizations. Notable donations included \$25,000 to 12 nonprofits in support of hospitals, firefighters’ foundations, police foundations and health centers. Our employees also donated over 4,000 care packages to nurses, first responders and frontline healthcare personnel.

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 and to address environmental justice.

FUEL FOR LIFE

Southwest Gas’ FUEL for LIFE program allows employees to contribute to local nonprofit organizations either by making a one-time gift or through ongoing payroll deduction. Since the launch of this employee-giving program 10 years ago, employees have given over \$17 million, helping over 1,800 nonprofits in the communities where they live and work.

In 2021, 82% of the utility’s workforce participated in the program. The average contribution was \$1,189, generating \$2.19 million and benefiting 238 local charitable organizations and nonprofit agencies.

SCHOLARSHIPS

Centuri’s scholarship program supports employees who have eligible dependents attending colleges, universities, vocational schools and other post-secondary institutions. Since Centuri launched the scholarship in 2020, 30 scholarships (totaling \$125,000) have been awarded, with 50% going toward racially and ethnically diverse applicants. Centuri’s Employee Care Fund helps employees and their families in times of need, and in 2021 employees received \$85,000 from the fund.

ENERGY SHARE

Southwest Gas’ Energy Share program helps those customers facing unexpected financial difficulties who may need assistance with their natural gas bills. The program is largely funded through voluntary donations from customers, and Southwest Gas administers the program through local nonprofit organizations. In 2021, 1,981 qualified households received Energy Share assistance, and customer contributions to the program totaled \$870,628.

VOLUNTEERING

Southwest Gas employees are also generous with their time. The utility’s Building Lives Up Everywhere (“BLUE”) employee volunteer group sponsors and participates in numerous charitable events throughout the year. In 2021, employees gave 1,412 hours, supporting organizations including food banks, rescue missions, teachers and students, first responders and veterans.

At Centuri, employees gave 1,063 volunteer hours supporting organizations such as Habitat for Humanity, the Ronald McDonald House, the American Red Cross and several food banks. MountainWest employees generously volunteered their time with the Boys and Girls Club.

COMPANYWIDE DONATIONS

\$2.2 million

Employee donations

\$1.17 million

Foundation donations

\$870,628

Customer donations

\$4.24 million

Total donations

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities

Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

Appendices

AGA Template	48
SASB Index	50
GRI Index	55
TCFD Framework	59

AGA Template



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

GAS COMPANY ESG/SUSTAINABILITY QUANTITATIVE INFORMATION

Parent Company: Southwest Gas Holdings, Inc. State(s) of Operation: Arizona, California and Nevada
 Operating Company(s): Southwest Gas Corporation Regulatory Environment: Regulated
 Business Type(s): LDC Report Date: 2021

REF. NO.	REFER TO THE "DEFINITIONS" COLUMN FOR MORE INFORMATION ON EACH METRIC	BASELINE 2015	2019	2020	2021	DEFINITIONS
1	Methane emissions and mitigation from distribution mains					
						All methane leak sources per 98.232 (i) (1-6) are included for distribution. Combustion sources are excluded. CO₂ is excluded.
1.1	Number of gas distribution customers	1,927,107	2,051,492	2,093,590	2,157,492	
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 CFR 98, Subpart W reporting rule.
1.2.1	Plastic (miles)	23,973	25,473.42	25,974.9	26,423.1	
1.2.2	Cathodically protected steel – bare and coated (miles)	6,699	6,371.3	6,312.1	6,272.1	
1.2.3	Unprotected steel – bare and coated (miles)	0	0	0	0	
1.2.4	Cast iron/wrought iron – without upgrades (miles)	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	Optional: # of years by pipe type
1.3.2	Cast iron/wrought Iron (# of years to complete)	0	0	0	0	Optional: # of years by pipe type



Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

REF. NO.	REFER TO THE "DEFINITIONS" COLUMN FOR MORE INFORMATION ON EACH METRIC	BASELINE 2015	2019	2020	2021	DEFINITIONS
2	Distribution CO₂e fugitive emissions					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(a)(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 CFR 98, Subpart W reporting rule. Calculated value based on MT CH ₄ input in row 2.2 (below).
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	
2.2	CH ₄ fugitive methane emissions from gas distribution operations (metric tons)	5,718	5,973.3	6,058.06	6,135.7	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)	297.81	311.11	315.52	319.57	
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	This metric provides gas throughput from distribution (quantity of natural gas delivered to end users) reported under Subpart W, 40 CFR 98.236(aa)(9)(iv), as reported on the Subpart W e-GRRT 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)	195,132.64	219,370.35	208,165.63	206,067.76	
2.4	Fugitive methane emissions rate (percent MMscf of methane emissions per MMscf of methane throughput)	0%	0%	0%	0%	Calculated annual metric: (MMscf methane emissions/MMscf methane throughput)

© 2021 American Gas Association. All rights reserved.

SASB Index

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

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



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

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	



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

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



Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

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.



Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

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.

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

GRI Index



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 About This Report, p. 3 Our Operations, p. 8
2-2	Entities included in the organization's sustainability reporting	About Southwest Gas Holdings, p. 6
2-3	Reporting period, frequency and contact point	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	There are no restatements of information.
2-5	External assurance	Environmental – Climate Registry, p. 37
2. Activities and Workers		
2-6	Activities, value chain and other business relationships	About This Report, p. 3 About Southwest Gas Holdings, p. 6 At-a-Glance, p. 7 Our Operations, p. 8
2-7	Employees	About Southwest Gas Holdings, p. 6 At-a-Glance, p. 7 Social – Workforce Diversity Metrics, p. 43

DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE
3. Governance		
2-9	Governance structure and composition	Governance – Board Leadership, pp. 15–17
2-10	Nomination and selection of the highest governance body	Governance – Board Leadership, pp. 15–17 2022 Proxy Statement – Selection of Directors, pp. 19–20
2-11	Chair of the highest governance body	Governance – Board Leadership, p. 15
2-12	Role of the highest governance body in overseeing the management of impacts	Governance – Board Leadership, p. 15 Governance – ESG Governance, pp. 18–19 Governance – Risk Management, pp. 20–21
2-13	Delegation of responsibility for managing impacts	Governance – ESG Governance, pp. 18–19
2-14	Role of the highest governance body in sustainability reporting	Governance – ESG Governance, pp. 18–19
2-15	Conflicts of interest	Code of Business Conduct and Ethics , pp. 19–22
2-16	Communication of critical concerns	Code of Business Conduct and Ethics , p. 10
2-17	Collective knowledge of the highest governance body	Governance – Board Skills and Diversity Matrix, p. 16
2-18	Evaluation of the performance of the highest governance body	2022 Proxy Statement – Board Evaluation and Director Succession Planning, p. 20



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE
2-19	Remuneration policies	Clawback Policy 2022 Proxy Statement – Executive Compensation, pp. 34–49
2-20	Process to determine remuneration	2022 Proxy Statement – Executive Compensation, pp. 36–49
2-21	Annual total compensation ratio	2022 Proxy Statement – Executive Compensation, p. 60
4. Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	A Message from Our CEO, p. 4
2-23	Policy commitments	A Message from Our Sustainability Officer, p. 5 Governance – ESG Governance, pp. 18–19 Governance – Risk Management, pp. 20–21
2-24	Embedding policy commitments	A Message from Our Sustainability Officer, p. 5 Governance – ESG Governance, pp. 18–19 Governance – Risk Management, pp. 20–21
2-25	Processes to remediate negative impacts	Environmental – Pipeline Integrity and Reliability, pp. 23–27 Social – Safety, pp. 39–40
2-26	Mechanisms for seeking advice and raising concerns	Code of Business Conduct and Ethics , p. 10 Governance – ESG Governance, pp. 18–19 Social – Safety, pp. 39–40
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

DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE
2-28	Membership associations	We are a member of the American Gas Association (AGA) and Chambers of Commerce in our service territories, among other organizations.
5. Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Stakeholder Engagement, pp. 10–11
2-30	Collective bargaining agreements	2021 Annual Report – Multiemployer Pension Plans, p. 99
GRI 3: Material Topics		
3-1	Process to determine material topics	Our Priorities, p. 12
3-2	List of material topics	Our Priorities, p. 12
GRI 200: Economic		
GRI 201: Economic Performance		
3-3	Management of material topics	At-a-Glance, p. 7 Social – Break page, p. 38 Social – Supplier Diversity, p. 44
201-1	Direct economic value generated and distributed (EVG&D)	2021 Annual Report , pp. 8, 40–46
201-2	Financial implications and other risks and opportunities due to climate change	Governance – Risk Management, p. 21 TCFD Framework, pp. 59–61
201-3	Defined benefit plan obligations and other retirement plans	2021 Annual Report , pp. 35, 43, 51, 79, 92–93
201-4	Financial assistance received from government	2021 Annual Report , pp. 15–25 We do not have any government present in our shareholding structure.



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE
GRI 203: Indirect Economic Impacts		
3-3	Management of material topics	Social – Break page, p. 38 Social – Supplier Diversity, p. 44 Social – Partnering with Local Educational Institutions to Develop Next Generation of Business Leaders, p. 45 Social – Community Giving, p. 46
203-1	Infrastructure investments and services supported	At-a-Glance, p. 7 Performance Highlights, p. 9
203-2	Significant indirect economic impacts	Environmental – Move2Zero Offset Program, p. 30 Environmental – Resilience, p. 36 Environmental – Energy-Efficiency Programs, p. 37 Social – Community Giving, p. 46
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. 53 .
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 2021 Annual Report , pp. 116–120.
205-2	Communication and training about anti-corruption policies and procedures	We expect to communicate this information in future disclosures.
205-3	Confirmed incidents of corruption and actions taken	We expect to communicate this information in future disclosures.

DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE
GRI 206: Anti-Competitive Behavior		
3-3	Management of material topics	Code of Business Conduct and Ethics , p. 37
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	We expect to communicate this information in future disclosures.
GRI 300: Environmental		
GRI 302: Energy		
3-3	Management of material topics	Environmental – Supporting the Energy Transition, pp. 28–37 Environmental Commitment
302-1	Energy consumption within the organization	We track, record and report energy consumption data to the United States Environmental Protection Agency (EPA).
302-4	Reduction of energy consumption	Further to our GHG reduction commitments on p. 28 , we have deployed several initiatives to reduce our energy consumption. For more information, see Supporting the Energy Transition, pp. 28–37 , and SASB IF-EN-410a.2 on p. 52 . We expect to communicate in greater detail on the reduction of our energy consumption in future disclosures.
GRI 303: Water and Effluents		
3-3	Management of material topics	We take water efficiency measures into consideration during project planning and design. For more information, see SASB IF-EN-410a on p. 52 .



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE
GRI 305: Emissions		
3-3	Management of material topics	Environmental – Break page, p. 22 Environmental – Supporting the Energy Transition, pp. 28–37 Environmental Commitment
305-1	Direct (Scope 1) GHG emissions	Environmental – Climate Registry, p. 37 Stationary Combustion = 24,398.8 MTCO ₂ e Mobile Combustion = 14,427.5 MTCO ₂ e Fugitive = 321,959 MTCO ₂ e Scope 1 Total = 360,785.4 MTCO ₂ e
305-2	Energy indirect (Scope 2) GHG emissions	Environmental – Climate Registry, p. 37 Purchased Electricity = 9,597 MTCO ₂ e Scope 2 Total ¹ = 9,597.02 MTCO ₂ e
305-5	Reduction of GHG emissions	Environmental – Climate Registry, p. 37 Further to our GHG reduction commitments on p. 28 , we have deployed several initiatives to reduce our GHG emissions. For more information, see Supporting the Energy Transition, pp. 28–37 .
GRI 307: Environmental Compliance		
3-3	Management of material topics	Sustainability Commitment Environmental Commitment
307-1	Non-compliance with environmental laws and regulations	No incidents of non-compliance with environmental permits, standards and regulations

¹ Location- and market-based values for Scope 2 emissions are the same.

DISCLOSURE NUMBER	DESCRIPTION	DISCLOSURE RESPONSE
GRI 400: Social		
GRI 403: Occupational Health and Safety		
3-3	Management of material topics	Environmental – Pipeline Integrity and Reliability, pp. 23–27 Social – Break page, p. 38 Social – Safety, pp. 39–40 Code of Business Conduct and Ethics , pp. 16–18 Sustainability Commitment
403-1	Occupational health and safety management system	Environmental – Pipeline Integrity and Reliability, pp. 23–27 Social – Safety, pp. 39–40
403-2	Hazard identification, risk assessment and incident investigation	Environmental – Pipeline Integrity and Reliability, pp. 23–27 Social – Safety, pp. 39–40 Code of Business Conduct and Ethics , pp. 16–18
403-4	Worker participation, consultation and communication on occupational health and safety	Social – Safety, pp. 39–40
403-5	Worker training on occupational health and safety	Social – Safety, pp. 39–40
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Environmental – Pipeline Integrity and Reliability, pp. 23–27 Social – Safety, pp. 39–40
403-9	Work-related injuries	Social – Safety, pp. 39–40
GRI 419: Socio-Economic Compliance		
3-3	Management of material topics	Human Rights Commitment
419-1	Non-compliance with laws and regulations in the social and economic area	No incidents of non-compliance with laws and regulations in the social and economic area

TCFD Framework

Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

OVERVIEW

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 recommendations aim to improve and increase the reporting of climate-related risks and opportunities by helping companies more effectively evaluate these risks and give investors insights into how companies are addressing such risks.

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

The Company has begun to assess ways to enhance its voluntary disclosures of its climate-related risks and align reporting to the TCFD recommendations.

In 2022, we took the first step in this process, working 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.

This section reflects where we stand today and 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.



Introduction

About This Report

A Message from Our CEO

A Message from Our Sustainability Officer

About Southwest Gas Holdings

Performance Highlights

Stakeholder Engagement

Our Priorities

Alignment with Sustainable Development Goals

Governance

Board Leadership

ESG Governance

Risk Management

Environmental

Pipeline Integrity and Reliability

Supporting the Energy Transition

Social

Safety

Workplace Culture

Supplier Diversity

Community Giving

Appendices

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 three 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 15](#).

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, MountainWest and Southwest Gas to identify ESG-related goals and activities and presents them to our ESG Committee (composed of Centuri, MountainWest 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 on [pages 18–19](#).

The Company will continue to assess alignment with TCFD recommendations in this area.

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 2021, we invested nearly \$10 million in programs to reduce GHG emissions from our operations and help customers meet their climate goals through renewable natural gas, hydrogen and other sustainable sources of energy. We discuss these efforts in the Supporting the Energy Transition section on [pages 28–37](#).

Risks and Opportunities

The next step in our efforts to align with TCFD recommendations includes 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.

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 36](#).



Introduction

- About This Report
- A Message from Our CEO
- A Message from Our Sustainability Officer
- About Southwest Gas Holdings
- Performance Highlights
- Stakeholder Engagement
- Our Priorities
- Alignment with Sustainable Development Goals

Governance

- Board Leadership
- ESG Governance
- Risk Management

Environmental

- Pipeline Integrity and Reliability
- Supporting the Energy Transition

Social

- Safety
- Workplace Culture
- Supplier Diversity
- Community Giving

Appendices

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 a 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 align with the TCFD recommendations for 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.

Greenhouse Gas Measurements

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

In 2020, we worked with a third party to evaluate and verify our GHG inventory protocols. Through this process, Southwest Gas’ emissions reporting was verified to be correct with reasonable assurance and in conformance with standard and widely accepted reporting regulations. Our 2021 data is undergoing the same process, with an expected report to be returned by the end of the year. Southwest Gas also participates in voluntary disclosures with The Climate Registry. More information is included on [page 37](#).

Climate-Related Targets

Both Southwest Gas and Centuri have announced commitments to reduce Scope 1 and 2 GHG emissions from 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). In 2022, we expanded our commitment to reducing companywide GHG emissions by considering additional measures to support our goals, such as purchasing carbon offsets for emissions that are hard to abate.

We discuss these commitments in more detail in the Supporting the Energy Transition section on [page 28](#).



swgasholdings.com
swgas.com
nextcenturi.com
mwpipe.com