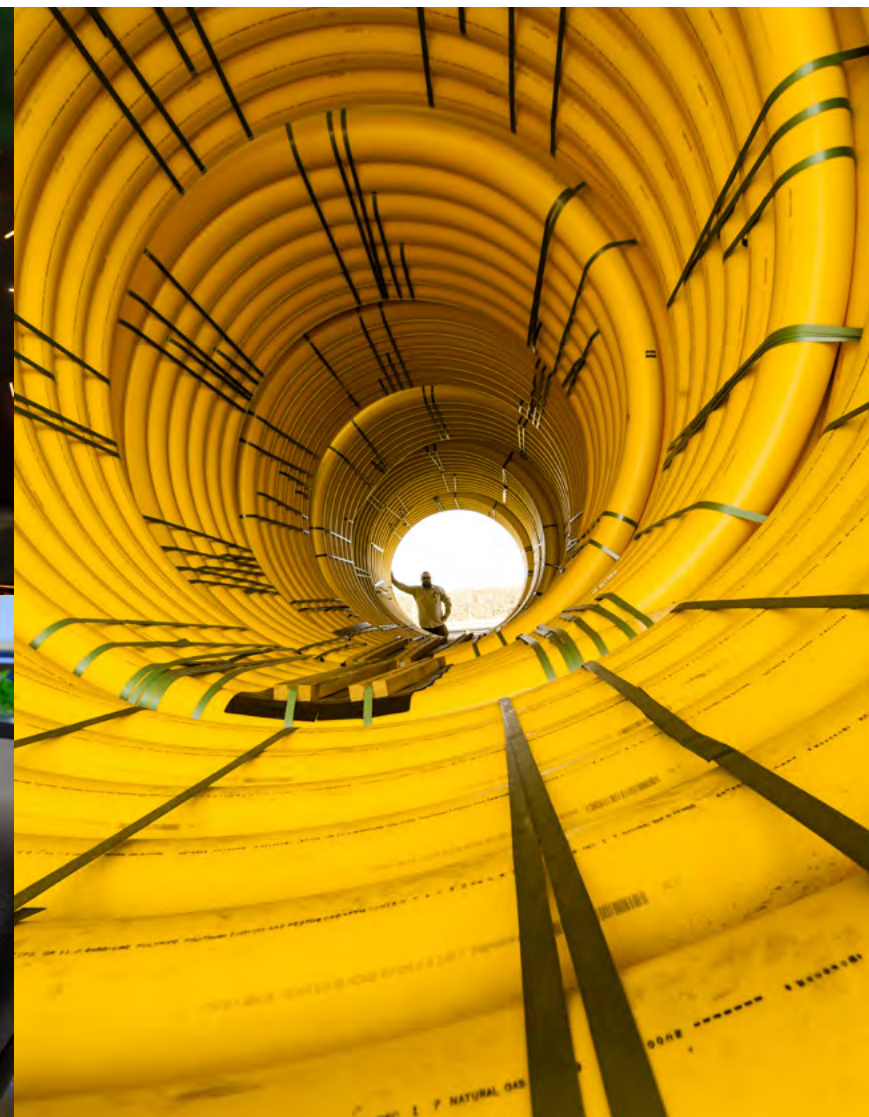


# A SUSTAINABLE FUTURE

SUSTAINABILITY REPORT 2020





## Our Response to COVID-19

The global pandemic of 2020 has presented innumerable challenges, leaving no industry unaffected and requiring a full-scale reassessment of nearly every facet of life. There is nothing which remains untouched by COVID-19 — from how we conduct common daily tasks to adapting advanced corporate strategies to meet changing business and customer needs — and still the situation remains fluid. This is why we feel it important to address these issues in our current sustainability reporting efforts.

We understood, at the very onset of COVID-19 reaching North America, that enhanced sustainability strategies would need to be implemented. Likewise, the importance of assuring customers that the safe, reliable and essential services they depend on remaining intact was paramount. One of our first measures was to immediately suspend service disconnections, allowing customers to focus on the well-being of their families without having to worry about a disruption of service.

While a timeline for returning to normalcy and understanding what a new normal might look like both remain uncertain, managing the virus' impacts on the communities we serve remains a top priority. The resilience our Company has demonstrated through these trying times is reflected in maintaining high levels of customer confidence and continuing timely environmental, social and governance reporting.

In the face of great upheaval in our customers' lives, our employees have done nothing short of meeting the challenge head-on by adhering to numerous safety protocols that protect both customers and themselves alike. Their dedication to providing top-quality support during a time of crisis is unparalleled and has shown they are willing to do whatever it takes to earn our customers' trust.



### Customer Response

- Provided consistent and clear communication to our customers about the ongoing situation
- Implemented moratorium on disconnections for nonpayment from customers
- Communicated on financial assistance programs by partnering with local nonprofits to distribute funds from our Energy Share program
- Worked with customers on flexible payment arrangements



### Employee Assurance

- Introduced new policies and procedures at our offices and in the field
- Transitioned employees to work from home
- Provided employees with personal protective equipment (PPE) and technological tools to enable them to continue performing their jobs
- Organized Company task force to help monitor and evaluate the ongoing situation
- Established employee portals to ensure constant communication between the Company and employees



### For Our Community

As part of our ongoing efforts through employee and Company contributions, funds collected were used by community members to help with:

- COVID-19 response funds in our service territories
- Local community food banks
- Child care programs
- Animal shelters

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*Our Company is proud of the ingrained culture of giving embraced by all employees. Efforts listed here are only a limited view of contributions to our community during this time of need and are in addition to other Company efforts already in place.*





## Our Customers Can Depend on Us

As lockdowns were announced across the country, our essential employees continued working to provide our customers with the energy they depend on. In April of this year, Customer Service Supervisor Ralph Low and Service Technician Anthony Perrucci received a request to establish service in a home where an individual was quarantined due to recent travel to a COVID-19 hotspot overseas. The family had rented this home for their family member to stay isolated from others.

Ralph spoke with the family in advance to help them understand what to expect during the turn-on process. Since this would require access to the customer's home to safely start service, Ralph asked that they isolate the quarantined family member in a back room, as well as open doors and windows while they performed their job. In preparation, both Ralph and Anthony used gloves and safety goggles as part of their PPE, practiced social distancing of at least 6 feet, and frequently disinfected as they went along.

***"We had one thing on our minds — that was to make sure that we took care of our customers because we have a job to do,"***

said Perrucci. "If I knew one person who needed hot water, it was her and that was the only thing really going through my mind."

"Ultimately, our goal is to provide safe and reliable service to our customers, especially now, when they're home and they need comfort. They need natural gas to cook their food, clean their clothes, provide heat when it's cool, and sanitize their clothes through washing and drying," said Low.

Thanks to the dedication of our employees and the safety precautions implemented throughout the Company, Ralph and Anthony were able to complete this service order while staying safe from possible exposure. Every day there are stories like this across our Company. We are grateful to our workforce and salute all the unsung essential employees out there who help ensure you can always count on our service and have one less thing to worry about.



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COMPANY PROFILE — Southwest Gas Holdings, Inc. (“Company”), through its subsidiaries, engages in the business of purchasing, distributing and transporting natural gas, and providing comprehensive utility infrastructure services across North America. Southwest Gas Corporation (“Southwest”), a wholly owned subsidiary, safely and reliably delivers natural gas to over two million customers in Arizona, California and Nevada. Centuri Group, Inc. (“Centuri”), a wholly owned subsidiary, is dedicated to delivering a diverse array of infrastructure service solutions to North America’s gas and electric providers.

MATERIALITY & RISKS — This sustainability report was developed in accordance with the reporting guidelines and indicators developed by the American Gas Association (AGA) and the Edison Electric Institute (EEI) Sustainability Template, as well as those applicable primarily to the Gas Utilities & Distributors and secondarily, the Engineering & Construction Services industry under the Infrastructure classification developed by the Sustainability Accounting Standards Board (SASB). This report considers only those issues that have been determined to be material to the Company, as determined by the board of directors in reference to SASB and AGA/EEI standards. This report focuses on Southwest Gas Holdings, Inc.’s operations from January 1, 2019 through December 31, 2019, unless otherwise indicated. 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, but 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 utility infrastructure services businesses. These factors are outlined in detail in the Company’s annual report.

# A MESSAGE FROM JOHN HESTER

Building a bright and sustainable future for the communities, customers and employees that we are so proud to serve.

Our Company always strives to meet the highest standards through responsible and ethical business practices, embracing diversity, equity and inclusion, and promoting environmental sustainability. In recent years, investors and stakeholders have called for companies to be more transparent and conscious of their overall impact regarding these topics.

These calls have led us to reflect on our sustainability efforts while growing our business, resulting in a concentrated focus on environmental, social and governance (ESG) matters. This emphasis is overseen by our board and management team to help implement processes throughout the Company.

In support of our ESG efforts, Southwest continues to make progress toward achieving a 20% reduction in greenhouse gas emissions from fleet and building facilities by 2025. Part of these reductions is attributed to the adoption of compressed natural gas in Southwest's fleet, while Facilities updated and implemented energy-efficient technology in buildings across our service territory. In 2019, WSN Construction — a subsidiary of our Company — neared completion of construction on a renewable natural gas (RNG) biodigester project for a major city, which will help produce enough RNG to fuel 90% of their waste collection fleet.

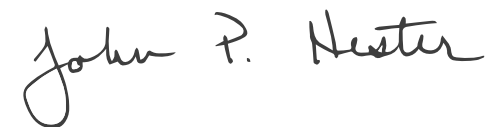
During 2019, our employees bolstered the Company legacy of giving back to the community through their generous contributions. We are pleased that Companywide financial contributions from employees exceeded \$2.37 million distributed to over 180 nonprofits.

In operating an essential utility and supporting other essential businesses, we have always been prepared for crises that may arise by continuously improving our risk mitigation and business continuity plans. In 2020 the need to activate these plans came about quickly.

**We are committed to an ongoing evaluation of the priorities of today and tomorrow while finding solutions for a sustainable future.**

Despite the rapidly evolving situation, one thing has not changed: our employees' dedication to providing the safe, reliable and affordable natural gas services customers depend on, and building the infrastructure that delivers it.

We are committed to an ongoing evaluation of the priorities of today and tomorrow while aggressively implementing strategies to achieve our goals.



John P. Hester, President and CEO





## Our Board of Directors



MICHAEL J. MELARKEY  
CHAIRMAN



ROBERT L. BOUGHNER



JOSÉ A. CÁRDENAS



STEPHEN C. COMER



JOHN P. HESTER  
PRESIDENT AND CEO



JANE LEWIS-RAYMOND



ANNE L. MARIUCCI



A. RANDALL THOMAN



THOMAS A. THOMAS



LESLIE T. THORNTON

Our Company has long held a belief that our purpose is to address the collective interests of customers, employees, communities and stockholders.

# GOVERNANCE

As a Company, we have always operated our business responsibly and made a concerted effort to reflect this in our leadership.

As companies begin to embrace broadened definitions of corporate responsibility that are particularly important to investors, it is vital that our Company maintain a strong leadership team to guide these efforts. Our board — made up of nine independent directors and our CEO — brings deep and diverse management, financial and operational experience. These members have significant expertise in the industries that matter most to our business. Board diversity is an essential element of consideration alongside other factors in the director selection process. The current composition of our board is 70% male, 30% Female, with a 20% representation of those from racial or ethnic minority groups. Currently, the average tenure of our directors is nine years.

## COMMITTEE COMPOSITION

	AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING AND CORP GOVERNANCE COMMITTEE
Michael J. Melarkey - Chairman			
Robert L. Boughner			
José A. Cárdenas			
Stephen C. Comer ★			
Jane Lewis-Raymond			
Anne L. Mariucci ★			
A. Randall Thoman ★			
Thomas A. Thomas			
Leslie T. Thornton			
CHAIRPERSON			
MEMBER			
★ FINANCIAL EXPERT			

## BOARD DIVERSITY

TOTAL PERCENTAGE	MALE	FEMALE	MINORITY
	70%	30%	20%

## Oversight & Frameworks

In 2019, the Nominating and Corporate Governance Committee, chaired by an independent director, assumed specific oversight responsibility of environmental, social and governance (ESG) matters of the Company. The committee receives regular reports from management concerning ESG policies and practices. They are assisted in these efforts by the ESG Committee, a leadership team of experts from several Company functions, and by other working committees to carry out the directives of management. This structure has been instrumental in the development of Companywide sustainability, environmental and human rights commitments, and in leading the measurement and disclosure efforts of the Company.



**As part of our Companywide sustainability commitment, and in evaluating key topics to our business segments, the Company adopted the use of templates, frameworks and questionnaires that align with our sustainability disclosure goals.**

Through a joint undertaking of the American Gas Association and Edison Electric Institute, members of our ESG Committee and environmental working groups participated with industry peers in the development of a standardized template for disclosure of ESG information. This information can be found on the Company website.

The Sustainability Accounting Standards Board was created as an independent organization that establishes industry-specific and financially material topics across industries with the goal of helping inform investors on sustainability measures companies are undertaking. In 2020 the Company published disclosures using this framework for the first time.

International Shareholder Services, known as ISS, is a proxy advisory firm that also has a dedicated sustainability rating component that evaluates company performance on ESG matters. The Company continually evaluates changes in ISS methodology and, as necessary, submits data to support requests for scoring updates.

**S&P Global ESG Scores** – Formerly known as the SAM Corporate Sustainability Assessment, this rating system covers over 7,300 companies across the globe, evaluates sustainability practices and provides indexing and benchmarking, where top performers may be added to the Dow Jones Sustainability Index (DSJI). For the last two years, the Company has participated in the process.

**Moody's** – In 2019, Moody's Investors Services announced a new scoring framework, focusing particularly on corporate governance characteristics through its governance assessments tool. The Company participated in the initial round of analysis of North American utilities and power companies.





# ENVIRONMENTAL

Our dedication to protecting and improving the environment and fostering a sustainable energy future is one that is shared by both our customers and employees alike.



## 20% By 2025

In the 2019 Sustainability Report, the Company highlighted a priority to reduce our carbon footprint. Using baselines established in 2015, Southwest committed to achieving a goal of a 20% overall reduction in greenhouse gas (GHG) emissions from fleet, building facilities and other initiatives by 2025. Southwest continues to implement sustainable practices in our fleet and building facilities management to help curtail our environmental impact. We are happy to report that these efforts have helped us reach a milestone in this journey as we pass the halfway mark toward this overall reduction.

In managing nearly 1,600 vehicles, Southwest is continuously introducing clean-burning compressed natural gas (CNG) wherever feasible throughout our fleet. These efforts have resulted in replacing 220 diesel- or gasoline-powered vehicles with those fueled by CNG.

Recently, Southwest took delivery of its first lightweight aluminum-bodied CNG service vehicles. This serves as a pilot program to explore the feasibility of further replacing other service-bodied vehicles throughout the fleet, which have similar space and weight limitations.

### Southwest continues to undertake energy-efficient renovations through:

- Replacing aging fluorescent light bulbs with energy-saving LEDs
- Computerizing HVAC and exterior lighting systems
- Implementing ENERGY STAR®-recognized bill management software

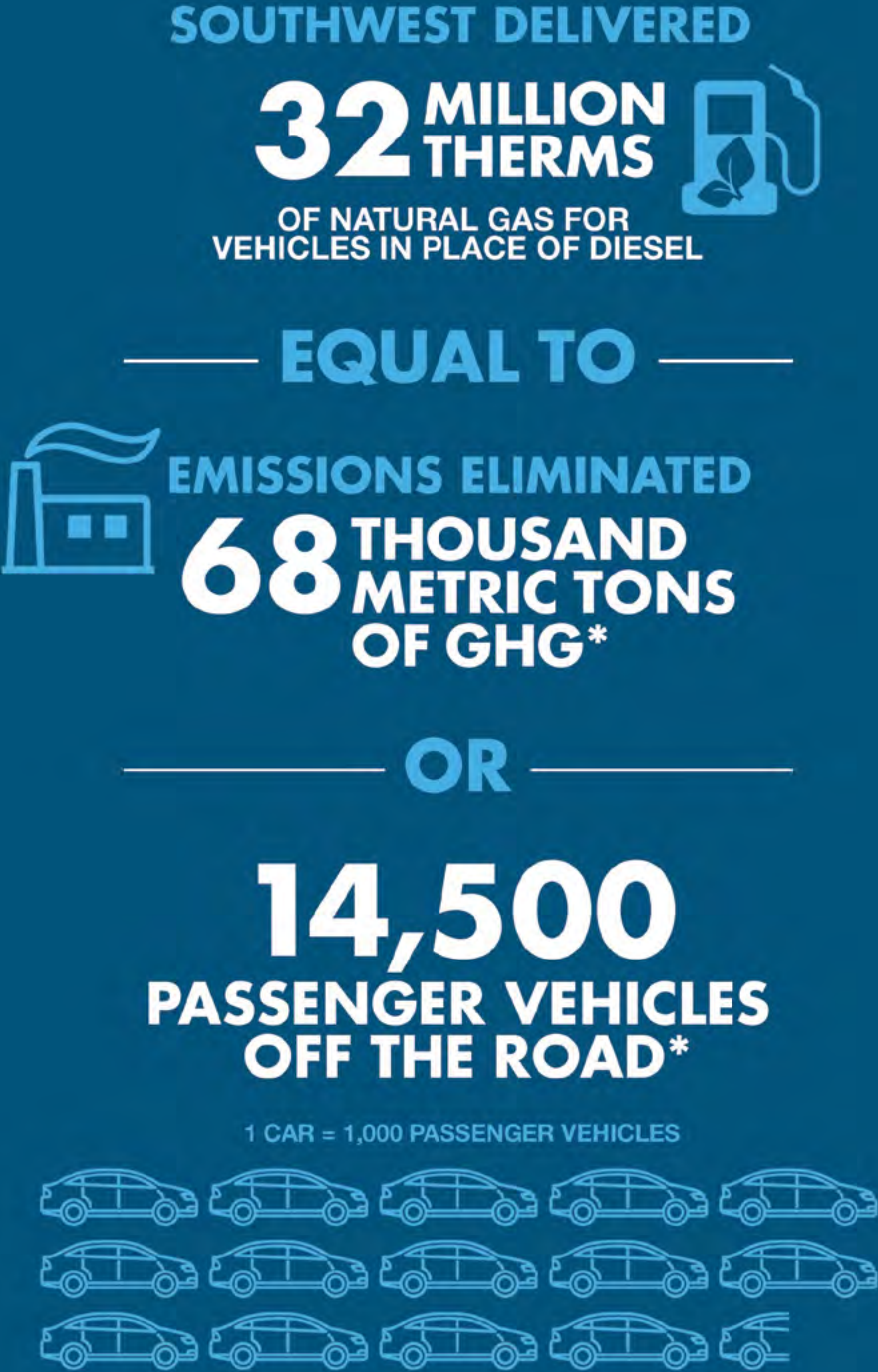
REDUCTION OF  
**GHG EMISSIONS**  
FROM FLEET AND  
BUILDING FACILITIES  
**20%**  
↓  
**BY 2025**



# Compressed Natural Gas (CNG)

While efforts within our Company continue to reduce emissions, it is just as important for our team to work with customers to help them achieve their own reduction goals. Recent studies indicate that vehicle emissions rank as the primary contributor to higher emissions in the atmosphere. Because CNG is a clean and affordable alternative to diesel, we continue to encourage customers to convert their fleets to CNG. Southwest recently revised its natural gas vehicle website to help current and future customers realize these and other benefits, including the stable pricing of CNG and the potential for reduced vehicle maintenance costs.

Southwest continues to mindfully reduce our environmental impact.



\*Using Environmental Protection Agency Greenhouse Gas Equivalencies Calculator



# Renewable Natural Gas (RNG)

Among the many new initiatives the Company is pursuing is our effort to add renewable natural gas (RNG) to our supply portfolio. Like renewable energy derived from solar and wind, RNG is created by taking emissions from waste materials and converting it into clean energy. When trash, animal waste or sewage decompose, a gas called methane is naturally created as a byproduct. This gas is lighter than air and rises into the atmosphere. It is also the main component of the natural gas used in homes and businesses.

In some instances, the waste can be collected into a container known as a biodigester. Here, methane is captured, preventing its release into the atmosphere. The gas is then cleaned and conditioned to pipeline-quality standards and is delivered for direct use by customers to heat their homes, enjoy a warm shower or cook a nice homemade meal.



## CREATING RNG TO FUEL 90% OF THEIR REFUSE FLEET\*



**\*WSN Construction is building a biodigester for a major city  
that will reduce organic landfill waste while creating RNG**

RNG can be used in everything that already uses natural gas. Because this renewable energy is sourced from a variety of organic byproducts, it is generally considered carbon-neutral or even carbon-negative. Its use creates no additional carbon dioxide emissions, which would otherwise be flared at the source or, even worse, vented into the atmosphere.

Our Company has been working with several customers in our service territory that either create or want to use renewable natural gas supplies. In late 2019, WSN Construction — a subsidiary of our Company — neared completion of construction on a biodigester for a major city in Canada. This project will reduce organic landfill waste while simultaneously creating RNG which is expected to fuel 90% of the city’s refuse fleet.

Partners like these appreciate the significant environmental benefits that RNG provides. For the past several years, Southwest has been working closely with

the Regional Transportation Commission of Southern Nevada to incorporate RNG into their fleet. In 2020, an application was submitted to the Public Utilities Commission of Nevada for approval to proceed.

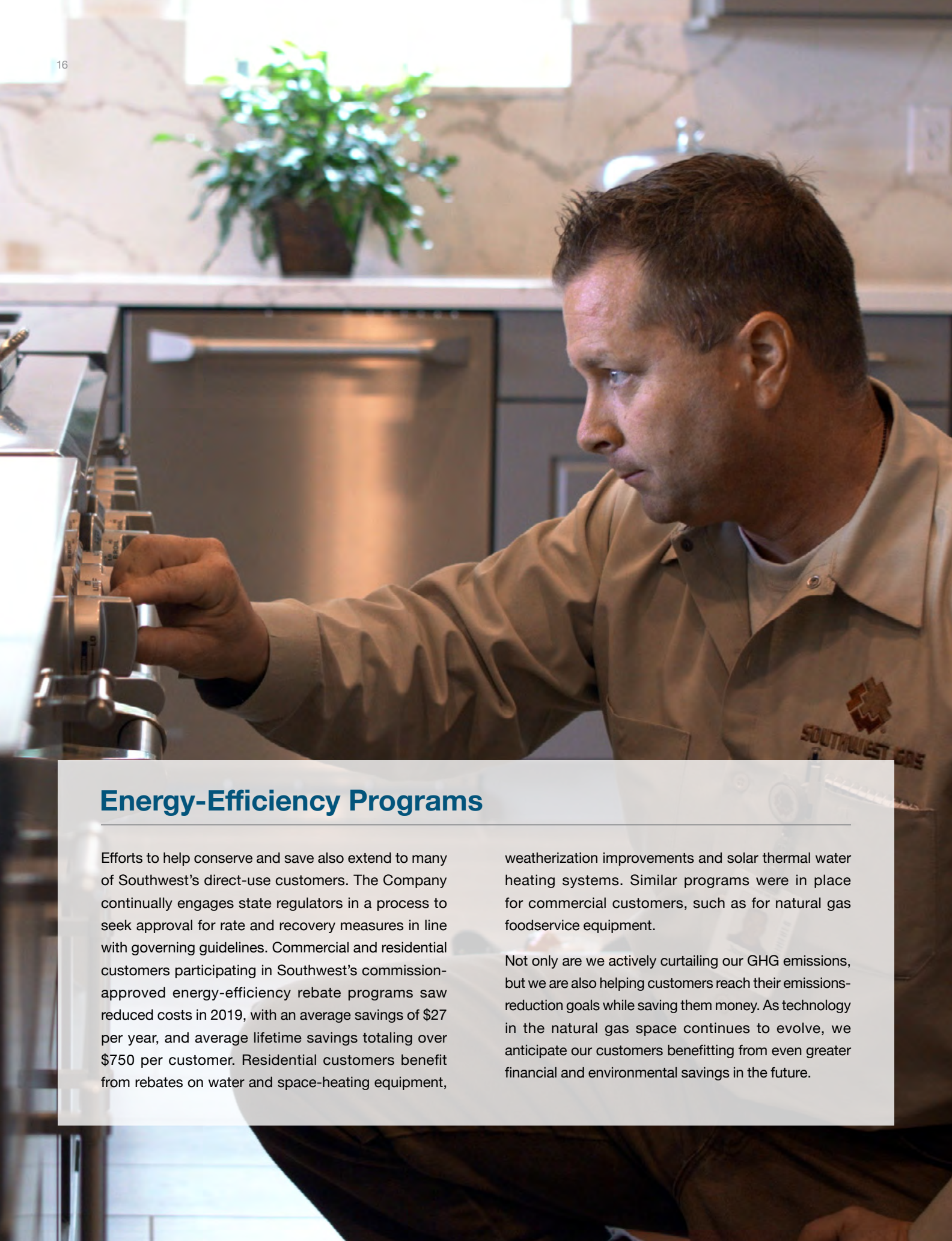
Several studies completed by peer utilities indicate that inclusion of RNG in gas supply portfolios can achieve aggressive greenhouse gas reduction goals at a fraction of the cost of converting end-use appliances to renewable electricity. Moreover, the AGA completed a study last year that concluded moving away from natural gas appliances toward electricity could cost upwards of \$1.2 trillion nationally, raising average household utility costs by up to \$910 per year. Our pursuit of exciting new RNG supplies will help ensure natural gas service continues to play a key role in achieving aggressive carbon emission reduction goals for decades to come.



**The biodigester  
reduces organic  
landfill waste while  
simultaneously  
creating RNG to  
fuel refuse fleets.**







## Energy-Efficiency Programs

Efforts to help conserve and save also extend to many of Southwest's direct-use customers. The Company continually engages state regulators in a process to seek approval for rate and recovery measures in line with governing guidelines. Commercial and residential customers participating in Southwest's commission-approved energy-efficiency rebate programs saw reduced costs in 2019, with an average savings of \$27 per year, and average lifetime savings totaling over \$750 per customer. Residential customers benefit from rebates on water and space-heating equipment,

weatherization improvements and solar thermal water heating systems. Similar programs were in place for commercial customers, such as for natural gas foodservice equipment.

Not only are we actively curtailing our GHG emissions, but we are also helping customers reach their emissions-reduction goals while saving them money. As technology in the natural gas space continues to evolve, we anticipate our customers benefitting from even greater financial and environmental savings in the future.

## Operational Efficiency

As part of our management philosophy, the Company consistently evaluates ways to improve operational efficiencies. As Southwest transitions toward the use of more digital environments, it has also sought a way to reduce paper and transportation costs. In 2019, after a thorough analysis, Southwest determined that such an opportunity existed by adjusting our internal mail systems. By moving daily interoffice mail delivery to a weekly schedule, Southwest will save approximately \$228,000 annually. Implementing this new delivery schedule led to more efficient routes driven by our fleet, improved accuracy and fewer miles driven overall. The savings also translated into a greenhouse gas reduction equivalent of planting 1,500 trees a year.

The introduction of greater technology and changes in our overall processes allow us to serve our customers better today than ever before. With the rollout of our call-ahead program — which notifies customers when a technician is on their way to

perform service — we have reduced the number of multiple service requests or callbacks. These reductions allow us to serve more customers in a shorter time frame and reduce emissions produced from multiple visits to the same location.

Southwest saw additional improved operational efficiency through the introduction of an electronic signature management system, which allows for digital signatures on agreements with customers, vendors and for internal purposes. By the end of 2019, our system reported a 300% increase in efficiency from the beginning of the year by reducing the amount of time that it takes to complete an agreement from nearly 3,000 minutes to just over 800. This system also added security to ensure the validity of signers and encryption of the documents. We continue to evaluate what other benefits have been realized through this improvement, including reduced costs and GHG savings due to diminished demand for physical delivery.





# Gas Integrity & Mitigation Efforts

Part of an overall approach to emissions reductions includes ongoing mitigation efforts. In fact, Southwest has been a partner of the EPA’s Natural Gas STAR Program since 1997. In 2016, Southwest became an inaugural member of the EPA’s new Methane Challenge Program. Both programs are designed to promote the implementation of cost-effective technologies and practices to reduce methane emissions from natural gas distribution and transmission systems.

Southwest follows operational procedures that specify all aspects of scheduled maintenance and operation of its natural gas system. This includes leak-detection surveys as well as the company’s distribution and transmission integrity management programs. These procedures meet or exceed the minimum requirements established by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration requirements for operators of gas distribution and transmission pipelines.

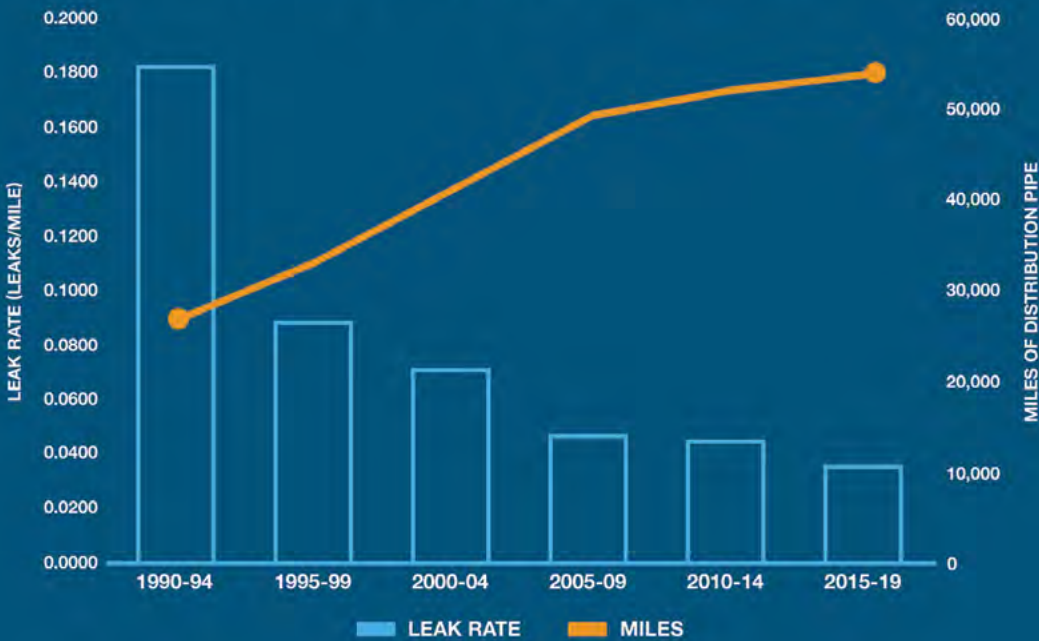
At Southwest, we make concerted efforts to minimize emissions resulting from intentional releases of natural gas through reductions in purging and other processes in compliance with regulatory requirements. In California, our natural gas operations segment participates in a specific leakage abatement program and reports annual emissions to the California Public Utilities Commission.

Efforts continue on our initial strategic replacement of approximately 3,500 miles of early vintage plastic pipe consisting of ABS, Aldyl-A, Aldyl-HD and PVC. At the end of 2019, Southwest had completed 2,755 miles of pipe with approximately 745 miles (21%) remaining. These replacement projects help reduce leaks in aging infrastructure and increase safety. Promptly detecting and repairing leaks in our pipeline system is part of our Company’s ongoing sustainability efforts and we have invested over \$2 million in leak detection technology and other research and development.

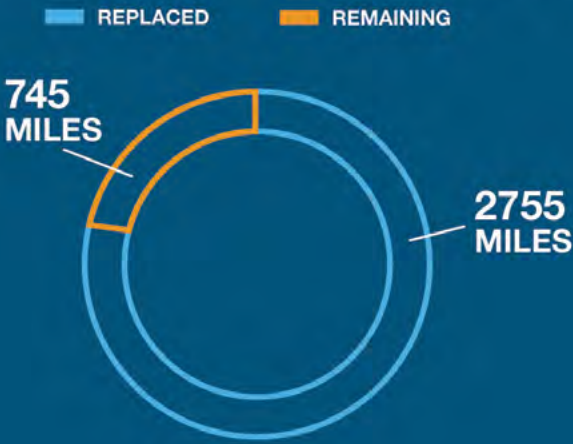


Over the last 30 years, Southwest grew its system by approximately 30,000 miles of pipe — more than doubling the infrastructure system — while also reducing the leak rate by more than 500%.

COMPANYWIDE DISTRIBUTION SYSTEM LEAK RATE 1990-2019



MILES OF EARLY VINTAGE PLASTIC PIPE\*



\* Early Vintage Plastic Pipe includes ABS, Aldyl-A, Aldyl-HD and PVC.



## Damage Prevention

Accidental releases of natural gas into the atmosphere can be harmful to the environment. That is why our mitigation efforts extend beyond the responsibility of the Company to include anyone who may damage natural gas infrastructure. For this reason, the Company actively participates in state One Call (811) programs, Common Ground Alliance (CGA), Gold Shovel Standard and other local and regional excavation damage prevention agencies with the common goal of minimizing damage to buried utility lines.

We strongly promote the principles endorsed by the CGA by developing and offering damage prevention training targeted to appropriate audiences.

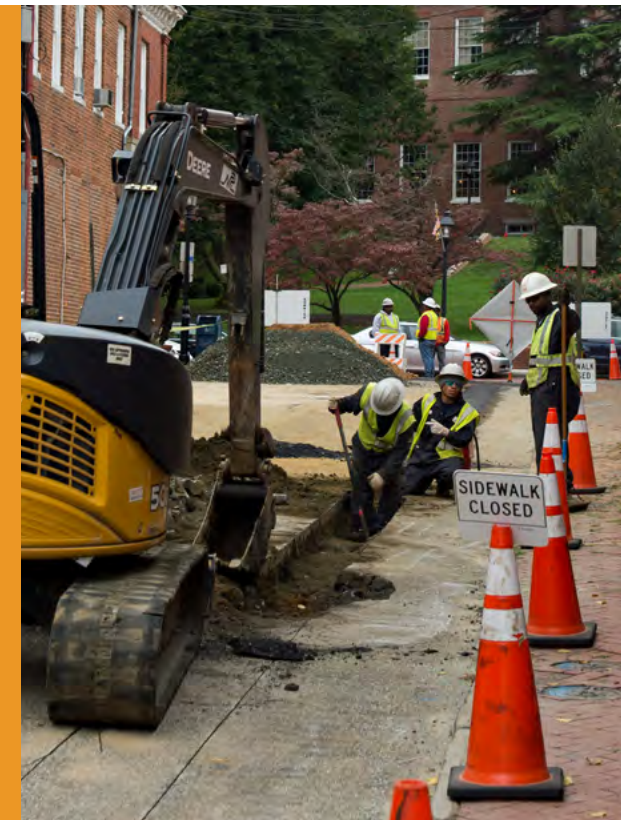
In order to assist in damage prevention educational efforts, the Company produces a number of materials for distribution. From bill inserts to public service announcements, videos and more, Southwest works hard to ensure both excavators and homeowners alike understand the importance of safe digging.



In March 2019, Southwest Gas received the CGA 811 Video Challenge Award for best Homeowner Video. The animated “Dude” video illustrates the importance of calling 811 before you dig. With over 2.5 million views since launching, it is currently the top 811 video on YouTube.



NPL was recognized as a steadfast partner and leader in both safety and damage prevention as part of the Miss Utility initiatives in Maryland. As a result, NPL received the coveted Dig Smart Excellence Award, which is bestowed upon companies that have previously been awarded the Dig Smart Award on at least three different occasions in the past and are maintaining the highest level of safety standards.





# SOCIAL

We make a significant impact by creating a culture rooted in community engagement, giving and inclusivity.

## Customers

Our Company prides itself on delivering natural gas service in a safe and reliable manner and on being an industry leader in energy construction. There is no greater compliment than the trust given to us through our customer satisfaction rating. Customers served by our natural gas utility service rated their overall satisfaction at 96% in 2019.

Efforts also continue to enhance the customer experience through technology and processes. At Southwest, we are forging ahead on building an intuitive, state-of-the-art customer information system to continue providing an exceptional level of service well into the future. We look forward to the anticipated completion of this project in 2021.

Centuri has always known the value of listening to its customers to continuously improve as a trusted and reputable company. Evidence of this commitment involves maintaining long-term client relationships. We are proud to say that today, we continue to serve our very first customer from over 50 years ago in 1967.

Additionally, the Centuri Advisory Board, formed in 2018 aims to provide broad perspectives and advice to help promote the strategic plan and better serve customers.

Centuri was ranked as a Top Specialty Contractor by the Engineering News-Record (ENR) in 2019 and increased its overall rank to #11 amongst 600 peer companies across the United States.

**AVERAGE  
CUSTOMER  
RELATIONSHIP  
OF OVER  
20 YEARS**

**96% CUSTOMER  
SATISFACTION**

NPL's FIRST JOB was rebuilding three border stations in the Minnesota towns of Wadena, Bertha and Staples for North Star Natural Gas, now known as Minnesota Energy Resources, or MERC. Pictured is founder Noel Coon and his crew at the Wadena site in 1967.





## Giving

Our Company is dedicated to supporting the communities in which we live and work. Through philanthropic giving and volunteering, we are building a better quality of life for those in need. Our employees, too, live this through their generous donations to local charitable organizations as they participate in employee giving programs like Southwest's FUEL for LIFE. In 2019, we are proud to have achieved an 84% participation rate in this program at an average contribution of \$1,180, distributed among 182 nonprofit agencies. Beneficiaries include nonprofits that support essential human services such as health, welfare, poverty, hunger and research. Through participation in the Companies for Cures program, Neuco — a subsidiary of Centuri Group — donated over \$69,000 to The Jimmy Fund at the Dana-Farber Cancer Institute & Boston Children's Hospital.

## Employee Care Fund

This generosity extends throughout the Centuri family of companies and also includes the Centuri Employee Care Fund, where each employee has the opportunity to provide monetary contributions that help their fellow employees and loved ones meet basic living needs when extreme circumstances occur. Last year, Centuri provided over \$83,000 to employees who found themselves in need of these funds. We are grateful to the community of employees and their giving hearts.

*In total, Companywide employee contributions exceeded \$2.37 million in 2019. This level of selfless generosity was further supported through the Southwest Gas Foundation, which pledged more than \$1 million in 2019. We are proud of our collaborative programs that meet community needs.*

## Energy Share

Energy Share is an emergency utility assistance program funded through the generous contributions of Southwest customers. This program enables customers to contribute through their monthly gas bills to those experiencing unexpected financial difficulties. Funds are administered through partnerships with local nonprofit organizations, and in 2019, contributions exceeded \$973,000.

**Giving back to our communities is one of the core pillars of our Company.**

## Volunteer Efforts

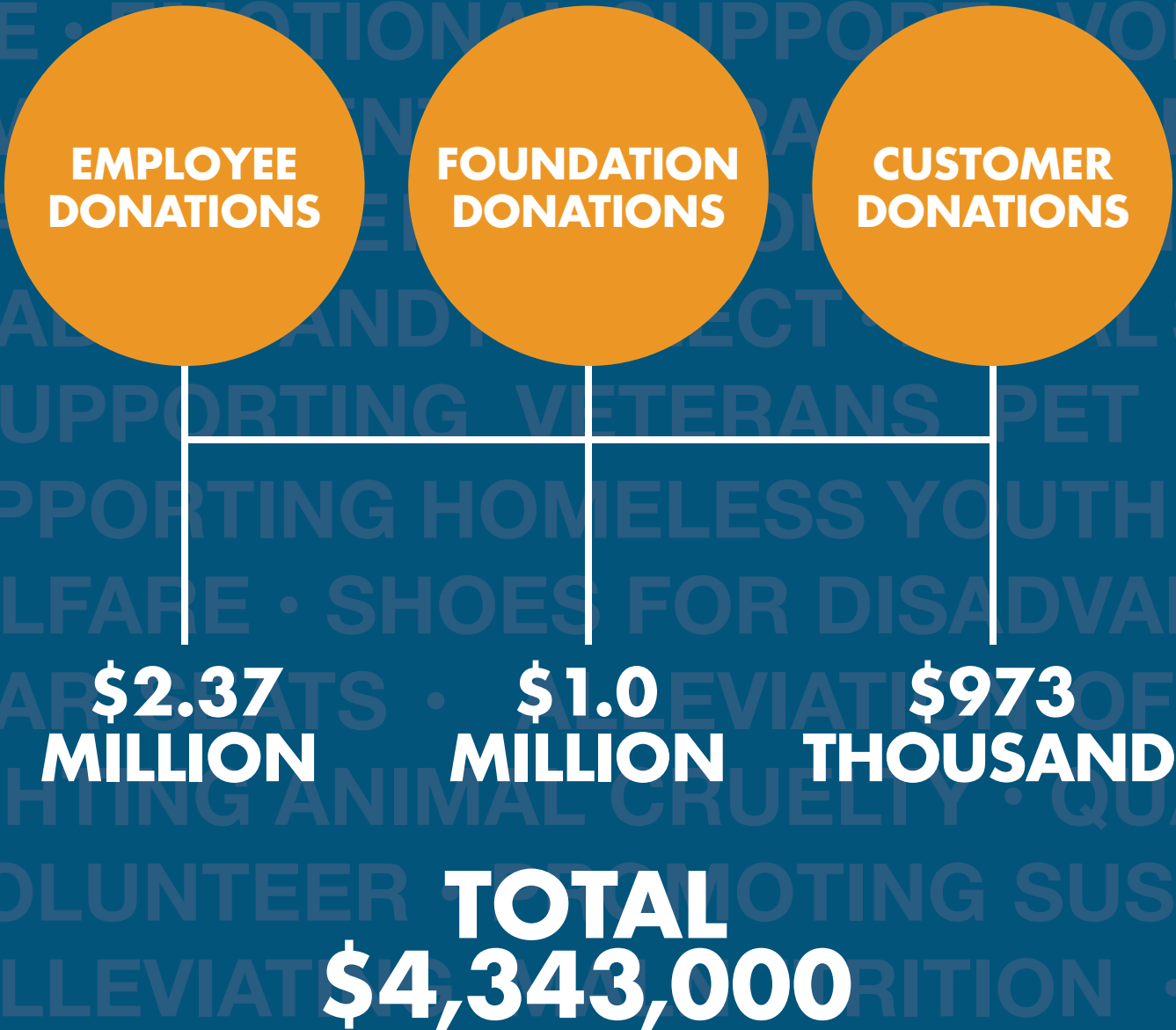
Throughout the year, Southwest and Centuri employees also give back to their communities through various volunteer projects. At Southwest, employees participated in numerous events impacting those most vulnerable: from packing and distributing care packages for the homeless and collecting and distributing coats for underprivileged families, to supporting disadvantaged moms with much-needed items for their newborns.

As part of every NPL Partner Alliance gathering — a meeting between NPL, suppliers and vendors — employees participate in a community service activity. During their winter meeting, the Alliance collected toys on behalf of Toys for Tots, as well as coats and many household goods to donate to the Midwest Veterans Homeless Shelter, where they also assisted with various projects.





# EMPLOYEE, FOUNDATION AND CUSTOMER DONATIONS



We are honored to be part of a large family that delivers on its promise of improving the quality of lives in the communities we serve.

## HUNGER INITIATIVE



Provided more than 72,000 meals to 47 nonprofit organizations  
Collected over 31,000 lbs. of food for distribution to 18 nonprofits  
Created over 1,300 emergency food bags for donation to 5 nonprofits

## COMMUNITY IMPACT



Facilitated Energy Share assistance to over 5,700 individuals in nearly 2,300 households



Volunteered over 3,300 hours in U.S. and Canada



Donated 550 backpacks to students in need



Adopted over 500 children for the holidays to receive presents



Planted or delivered over 300 trees and plants



## Career Development

With over 10,000 employees, we are dedicated to making our Company an employer of choice. Employees are our most valued asset, and we are happy to have had Southwest named one of 2019's "Best Companies to Work for in Nevada" by the career-building site, Zippia. Part of our success as a Company is the result of encouraging the career development of employees by aligning their goals with the strategic goals of the Company.

Programs like "Foreman In Training" (FIT) at Centuri are intended to support growth by focusing on five key areas — safety, leadership, deliverability, financial acumen and technical management. At Southwest, the Gas Operations Support Staff Mentor Program is designed to provide guidance for newly hired employees in both construction and service technician positions. Each of these programs is designed to offer each mentee the knowledge and skills to ensure success in their position.



## Benefits

Our people work hard, and we strive to show appreciation through the benefits they receive. Employees are encouraged to take care of themselves and maintain a healthy lifestyle with the support of resources provided by the Company to achieve overall wellness. Retirement programs through employee 401k contributions matched by the Company at certain percentages are also a part of helping our team look forward to enjoying the benefits they have worked for. During 2019, Southwest added Flexible Work Arrangements for our employees to help create a balance between work and personal life, enabling them to enjoy more time doing the things they love most.

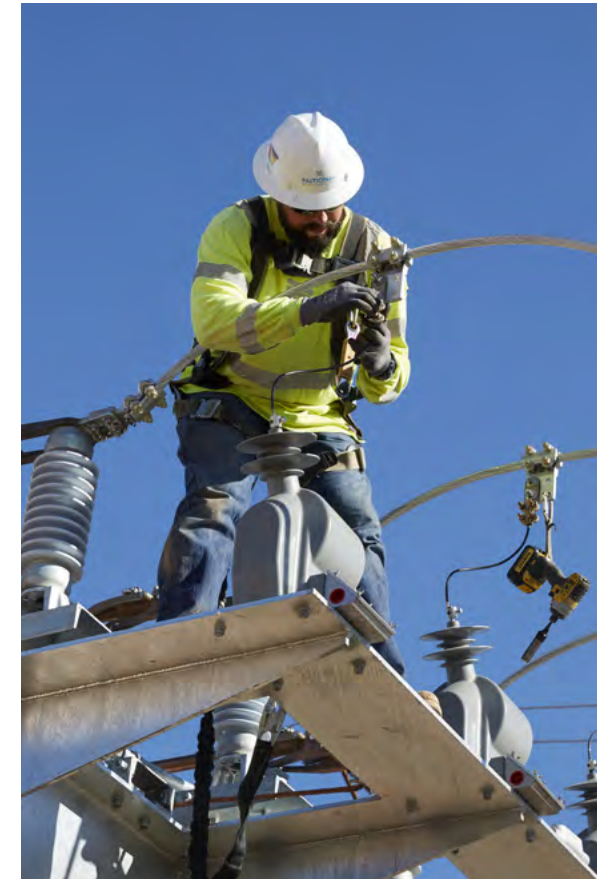


## Employee Safety & Training

When you join our Company, you become part of our family. That is why our goal is simple — whether in the executive offices, climbing a pole or standing in a ditch, we expect every one of our employees to have a passion and commitment to operating incident free, every day, everywhere. Each employee has ownership of safety at the Company. That shared commitment is at the core of our culture.

Company subsidiaries have developed a frontline safety strategy with executive leadership that contributes to the continuous improvement of our safety management system. In addition, employees throughout the organization have responsibilities to identify, assess and control safety hazards throughout our daily operations.

All employees and contract workers receive initial safety orientation training to learn practices, procedures and policies established by the Company. Recurring safety training occurs at regular intervals thereafter. Living this core value has led National Powerline — a Centuri subsidiary — to achieve safety excellence for over two years.



## Think SAFE



**At Centuri, the Think SAFE program arose out of a desire to continue to foster ongoing connections between management commitment and employee engagement. Focusing management interactions with our front line crews on the jobsite and connecting with employees through town halls and roundtable discussions are a few examples of how we achieve this.**



## Diversity, Equity & Inclusion (DE&I)

We are committed to providing all employees equal opportunity in all aspects of employment as well as empowerment to all employees to achieve their maximum potential. The Company recognizes that learning about cultural diversity is important because it helps us dispel negative stereotypes and personal biases. We can recognize and respect other ways that are not necessarily our own. We are proud to champion an environment of belonging in which all people are welcome and encouraged to achieve their career goals with us.

Diverse teams bring different perspectives, which lead to better solutions. By creating an inclusive and engaging culture, the Company allows everyone to bring their innovation and creativity to work every day. That is why our diversity, equity and inclusion initiative goes beyond counting our people: we make our people count.

In 2019, Southwest launched the “Uniquely Southwest Gas” employee resource group and formed a diversity council and champion network. Through these teams, we foster an inclusive workplace that fuels opportunities for all employees, encourages

them to be their true and unique selves, and makes every Southwester feel seen and heard. This allows Southwest to create safe spaces for employees to share feelings and have more meaningful conversations about current events and DE&I topics.

Our Company is focused on recruiting, developing and retaining the best and brightest from all walks of life. Employees at the Company are distributed among two segments — natural gas operations and utility infrastructure services.

As reported in the 2018 Annual Report, Centuri recently grew its family through the acquisition of other utility infrastructure companies. Efforts continue to align the data systems of all subsidiaries and encourage employees to self-identify their gender, race and ethnicity for an accurate depiction of the organization today. The diversity information contained in this report is based on self-reported information submitted at the time of hire or after.



## NATURAL GAS OPERATIONS

### SOUTHWEST GAS CORPORATION

#### GENDER DIVERSITY



**OVERALL  
FEMALE 30%**

**LEADERSHIP  
FEMALE 28%**

#### RACIAL & ETHNIC DIVERSITY



**OVERALL  
MINORITY 39%**

**LEADERSHIP  
MINORITY 27%**

## UTILITY INFRASTRUCTURE SERVICES

### CENTURI GROUP, INC.

#### GENDER DIVERSITY



**OVERALL  
FEMALE 8%**

**LEADERSHIP  
FEMALE 12%**

#### RACIAL & ETHNIC DIVERSITY



**OVERALL  
MINORITY 47%**

**LEADERSHIP  
MINORITY 22%**



## Supplier Diversity

Our Company remains steadfast in our commitment to advancing and supporting supplier diversity and offering opportunities for women, minority, LGBTQ, and disabled veteran-owned business enterprises. As part of our work in the community, we hire locally and contribute to a sustained local economy by creating jobs, growing local businesses and contributing to the local tax base.

As a member of the National Minority Supplier Development Council through Centuri, we actively

participate in diversity outreach and seek opportunities to partner with Minority Business Enterprises (MBEs) to enable communities we serve to grow along with us. Through procurement training, mentoring and certification assistance, we focus on the growth of our supplier partners. With its broad market reach, Centuri companies have opportunities to engage with diverse suppliers around the United States and Canada.

**\$372 MILLION**  
SPENT WITH DIVERSE SUPPLIERS IN 2019

Last year, Centuri hosted its annual Supply Chain and Diversity Summit to discuss strategies and opportunities to increase the number of local Women and Minority-Owned Business Enterprise (WMBE) organizations in our network of suppliers. The meeting covered topics to keep attendees informed about common challenges and emerging trends while building relationships.

Southwest is fortunate to operate in one of the fastest-growing and diverse regions of the country. We must take advantage of opportunities to connect with local organizations that will help expose local, diverse

suppliers to larger organizations like ours. Through diverse supplier certification, our primary consideration is to ensure that companies owned by minorities, women and veterans in our communities are the ones benefitting from this focus.

In 2019 Companywide spending with diverse suppliers totaled more than \$372 million across all our subsidiaries. Our hope is that through these programs we continue to build our spend amounts to make a greater impact with diverse suppliers.





# 2020 SUPPLIER DIVERSITY SPONSORSHIPS



## ARIZONA

- Arizona Hispanic Chamber of Commerce
- Associated Minority Contractors of Arizona
- Black Chamber of Arizona
- Minority and Small Business Alliance of Southern Arizona



## CALIFORNIA

- American Indian Chamber of Commerce
- California Black Chamber of Commerce
- California Hispanic Chamber of Commerce
- Long Beach Gay & Lesbian Chamber of Commerce
- Los Angeles LGBTQ Chamber of Commerce



## NEVADA

- Las Vegas Asian Chamber of Commerce
- Las Vegas Latin Chamber of Commerce
- Urban Chamber of Commerce Las Vegas



## REGIONAL ORGANIZATIONS

- Veterans in Business
- Western Regional Minority Supplier Development Council
- Women’s Business Enterprise Council



## NATIONAL ORGANIZATIONS

- National Minority Supplier Development Council

## Educational Outreach

We believe that introducing the next generation of energy sector employees to career opportunities early in their academic studies is an important step in building our talent pipeline for the future. The Company participates in a variety of events and programs that facilitate connecting young adults with potential career paths that may interest them.

### CAREER ACADEMY

NPL is a partner in a career academy hosted by the Quad County Urban League in conjunction with other local industry leaders. The academy is a six-week job-readiness program in Illinois designed to prepare participants for entry level work in the utility industry, with a focus on natural gas.

### LOCAL COMMUNITY COLLEGES

To meet the growing demand for technically trained employees, Southwest created a natural gas curriculum in partnership with local community colleges. This coursework helps provide students with the necessary tools and training to pursue a career in natural gas operations, engineering or other facets of the company. Some of these programs offer opportunities to go on-site with current employees for a real-world view alongside our construction crews.

### ARIZONA CONSTRUCTION CAREER DAYS

Construction Career Day allows high school and vocational students a chance to witness heavy equipment and pipe fusing demonstrations at this event. Last year’s event attracted over 3,000 attendees who gained insight into industry-related career opportunities in Arizona.

### CENTER FOR ENERGY WORKFORCE DEVELOPMENT

Through Southwest’s partnership with the Center for Energy Workforce Development — a nonprofit consortium of utilities — we are working to help develop solutions to the coming workforce shortage in the utility industry. This is the first partnership between utilities, their associations, contractors and unions to focus on the need to build a skilled workforce that will meet future industry needs.

### JOB CORPS PARTNERSHIP

One way that Centuri is working to develop strategic relationships with industry, community, and government stakeholders is by partnering with Job Corps to develop an exceptional and efficient talent development and recruiting pipeline to attract the next generation of leaders.





A wide-angle photograph of a desert landscape at sunset. In the foreground, a large, gnarled Joshua tree stands prominently on the left. The ground is covered with dry grass and small shrubs. In the background, a range of mountains is visible under a sky with soft, orange and blue clouds. The sun is low on the horizon, creating a warm glow. The text "We are devoted to stewarding our natural resources for generations to come." is overlaid in white on the right side of the image.

**We are devoted  
to stewarding our  
natural resources for  
generations to come.**



# APPENDIX





# SUSTAINABILITY COMMITMENT

**Southwest Gas Holdings, Inc. (“Company”) is committed to safety, caring for the environment, providing affordable energy options for customers, supporting our local communities, being an employer of choice and creating economic value through sustainable and responsible business practices.**

## SAFETY

Our top priority is the safety of employees, customers and the general public. We foster a strong culture of safety where employees are empowered to embrace personal responsibility for the safety of themselves, their colleagues and the communities they serve. The Company requires strict occupational health and safety practices in accordance with regulatory and industry standards. Employee knowledge of and engagement in health and safety practices is achieved through ongoing training and communication.

## ENVIRONMENT

We are dedicated to our environment through practices that provide our customers and communities with energy solutions and technologies that are balanced and environmentally friendly. We are devoted to stewarding our natural resources for generations to come, through programs such as methane emissions abatement best practices, vehicle emissions reduction, pipeline integrity management and energy-efficiency initiatives.

## CUSTOMERS

Earning and maintaining our customers’ trust is key to sustaining a strong future. Our goal is to ensure positive experiences at every customer touchpoint. We are dedicated to continuously providing reliable and affordable energy solutions today and into the future.

## COMMUNITY

We are dedicated to supporting the communities in which we live and work. Through our philanthropic giving and volunteering, we are committed to creating a better quality of life for those in need. We seek to enhance trusted relationships with community stakeholders.

## EMPLOYEES

We are dedicated to making our Company an employer of choice. Employees are our most valued asset. We encourage the career development of our employees and offer tools and resources to help them achieve their professional goals. Employees may take advantage of skills-based training, continuing education, leadership development and other programs for their benefit. We are committed to promoting a safe, positive workplace and embrace a culture of diversity, equity and inclusivity that protects all employees regardless of race, color, religion, sex, sexual orientation, national origin, age, disability, pregnancy, veteran status or any other non-job-related characteristic.

## SUPPLIERS

We encourage all suppliers and contractors to foster a commitment to a more sustainable supply chain. We require all suppliers and contractors doing business with our Company, to the extent applicable, to comply with the Company’s Code of Business Conduct and Ethics or subsidiary Vendor Code of Conduct.

## ECONOMIC VALUE

As a core component of our strategy, we are committed to driving long-term value creation for customers, employees and our stockholders. We seek to sustain and grow the economies where we operate by creating jobs, providing energy infrastructure, helping local businesses and contributing to the tax base.





**Southwest Gas**  
HOLDINGS

## HUMAN RIGHTS COMMITMENT

### NONDISCRIMINATION

Southwest Gas Holdings, Inc., and each of our subsidiaries are committed to Equal Employment Opportunity and Affirmative Action. We have implemented policies and programs which emphasize the importance of recruiting, hiring, training and promoting persons without regard to race, color, religion, sex, sexual orientation, national origin, age, disability, pregnancy, veteran status or any other non-job-related characteristic protected by local, state or federal law. The Company fosters diverse, equitable and inclusive workplaces that are free from harassment and discrimination.

### EMPLOYEE SAFETY

Safety is our number one priority. We will continually foster a culture where employees are empowered to embrace personal responsibility for the safety of themselves, their colleagues and the community they serve. We comply with local, state, federal and regulatory agency laws and guidelines, and provide regular training to our employees on best practices for a safe and healthy work environment. Acting with the authority and partnership of senior management, our subsidiary companies have safety committees charged with monitoring and continually enhancing accident prevention activities, safety awareness, hazard identification processes, mitigation plans and other safety initiatives. Through innovative and robust safety improvement programs and practices, we strive to create the safest possible workplaces.

### HUMAN RIGHTS

We oppose human trafficking, child labor and forced labor practices anywhere in the world, and we are committed to the protection of men, women, children and all vulnerable populations within our operating territories. We are committed to and encourage others in the fair treatment of workers and to strictly observe standard labor practices in accordance with federal, state and local laws. As outlined in the United Nations Guiding Principles on Business and Human Rights, we recognize the responsibility to respect human rights throughout our operations. These commitments are made with input and approval from stakeholders throughout the Company and its subsidiaries, including without limitation, risk management and supply chain.

### REPORTING

The Company and its subsidiaries provide a formal structure for escalating and reporting violations through appropriate channels and provide for the expeditious and confidential investigation of such reports. Employees, vendors or contractors who are or become aware of violations or situations that may lead to a violation of our Human Rights Commitment, must report promptly to supervisors, managers, Human Resources, the Ethics and Compliance Hotline or the Compliance Officer of the applicable subsidiary or affiliate. Anyone reporting such violations in good faith will not be subject to retaliation. See “Code Compliance Reporting Procedures” located in the Code of Business Conduct and Ethics.

#### Natural Gas Operations and subsidiaries

Compliance Officer

Phone: (702) 364-3725

Email: [complianceofficer@swgas.com](mailto:complianceofficer@swgas.com)

#### Utility Infrastructure Services and subsidiaries

Compliance Officer

Phone: (623) 879-3913

Email: [complianceofficer@nextcenturi.com](mailto:complianceofficer@nextcenturi.com)

### THIRD-PARTY COMPLIANCE

As with all aspects of our Code of Business Conduct and Ethics, the Company’s suppliers, contractors, agents, business partners, consultants and others who work with us, must embrace the Code’s spirit and commitments. Vendors or contractors who are found to be in violation of our Human Rights Commitment will risk termination or cancelation of previously agreed-upon projects or contracts.

In many of our supplier agreements, the Company reserves the right to perform inspections, verifications and other quality evaluations to ascertain compliance with the Company’s requirements and the adequacy of a contractor’s implementation of its procedures and processes. We will continue to review the potential inclusion of similar language in agreements more broadly and auditing processes including, but not limited to, attestations or third-party verification.

### EVALUATION AND UPDATES

Our management team will periodically evaluate the effectiveness of our Human Rights Commitment and will make changes deemed appropriate to further the intent of this policy.





**Southwest Gas**  
HOLDINGS

# ENVIRONMENTAL COMMITMENT

Southwest Gas Holdings, Inc. (“Company”) continually strives to provide services to our customers in a safe and environmentally responsible manner by promoting the protection and preservation of natural resources. The Company’s management is committed to meeting federal, state and local environmental laws and regulations.

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 applicable Company policies, all circumstances under which hazardous materials or waste come in contact with the environment, are improperly handled or disposed of, or when a potential violation of law may exist. We also participate in the legislative and regulatory process to ensure that rigorous, scientifically balanced environmental input is considered.

The Company recognizes that protecting the environment is important to the quality of life for the betterment of communities we serve. We communicate relevant environmental policies and activities to stakeholders, employees, customers, stockholders and the community, including the disclosure of greenhouse gas emissions on the Company website in accordance with industry standards such as the American Gas Association Sustainability Template. Additionally, the natural gas segment continually identifies and proposes energy-efficiency programs for customers to regulatory agencies for approval.

Through prudent business practices, the Company is committed to ongoing evaluation and deployment of the most effective energy-efficient technologies and conservation practices in our facilities, and to pursuing air emissions reduction programs from our fleet of vehicles, with efforts recorded in our sustainability report. The Company continues to develop opportunities for investment into renewable natural gas and other low-carbon and sustainable technology.

Efforts at the Company to minimize our environmental footprint and help customers meet their environmental goals are managed by two internal committees composed of senior executive management who meet regularly and oversee the policy-making process. Management provides regular reports to the Nominating and Corporate Governance Committee. The committee is comprised of independent directors elected by the board who oversee all environmental, social and governance matters.

2019 SASB Disclosure Report | Gas Utilities & Distributors  
Table 1. Sustainability Disclosure Topics & Accounting Metrics  
Reporting Year 2019



TOPIC	ACCOUNTING METRIC		CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Energy Affordability	Average Rates	1) Residential Gas Rate	Quantitative	Rate	IF-GU-240a.1	\$1.24733 per Therm
		2) Commercial Gas Rate				\$0.77944 per Therm
		3) Industrial Gas Rate				\$0.67597 per Therm
		4) Transportation Gas Rate				\$0.09980 per Therm
	Typical monthly gas bill for Residential customers for MMBtu delivered per year	1) 50 MMBtu	Quantitative	USD	IF-GU-240a.2	The average usage for Southwest Gas Residential customers is only 3.2 MMBtu resulting in an average bill of \$41.67
		2) 100 MMBtu				See above
	Disconnections for non-payment	Number of Residential customers gas disconnections for non-payment	Quantitative	Number	IF-GU-240a.3	52,377
		Percentage reconnected within 30 days		Percentage (%)		Data currently not available through our system
	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	See Annual Report
End-Use Efficiency	Utility Revenues	1) Percentage of gas utility revenues from rate structures that are decoupled	Quantitative	Percentage	IF-GU-420a.1	91 %
		2) Percentage of gas utility revenues from rate structures that contain a lost revenue adjustment mechanism (LRAM)				Southwest Gas has full decoupling mechanisms and does not have lost revenue adjustment mechanisms. See above.
	Gas Savings	Customer gas savings from efficiency measures by market		Million British Therman Units (MMBtu)	IF-GU-420a.2	Residential - 272,381.10 Low Income - 11,125.90 Commercial - 5,496.20
Integrity of Gas Delivery Infrastructure	Incidents	1) Reportable Pipeline Incidents	Quantitative	Number	IF-GU-540a.1	8
		2) Corrective Action Orders (CAO)				0
		3) Notices of Probable Violation (NOPV)				26
	Percentage Distribution of Pipeline	1) Cast and/or wrought iron	Quantitative	Percentage (%) by length	IF-GU-540a.2	0%
		2) Unprotected Steel				0%
	Percentage of Gas	1) Transmission pipelines inspected	Quantitative	Percentage (%) by length	IF-GU-540a.3	21.4%
		2) Distribution pipelines inspected				44.3%
	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	See 2020 Sustainability Report p.18 & Addendum

Table 2. Activity Metrics

ACCOUNTING METRIC	CATERGORY	UNIT OF MEASURE	CODE	RESPONSE
Number of Customers	Quantitative	Number	IF-GU-000.A	1,997,418
				82,184
				320
Natural Gas Delivered to:	Quantitative	Million British Therman Units (MMBtu)	IF-GU-000.B	81,839,000
				43,254,700
				4,255,100
				100,798,900
Length of gas	Quantitative	Kilometers (km)	IF-GU-000.C	2,305.2
				88,342.3



**IF-GU-540a.4. Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions**

**1. The entity shall describe its efforts to manage the integrity of gas delivery infrastructure.**

**1.1. Gas delivery infrastructure includes, but is not limited to, transmission pipelines, distribution pipelines, storage facilities, compressor stations, metering and regulation stations, and liquid natural gas facilities.**

Southwest Gas created and abides by an Operations Manual (OM) that specifies all aspects of scheduled maintenance and operation of its natural gas system, including leak survey and natural gas facility maintenance. The company has both a Distribution Integrity Management Program (DIMP) and Transmission Integrity Management Program (TRIMP). DIMP and TRIMP are written integrity management plans that comply with the U.S. Department of Transportation (USDOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) requirements for operators of gas distribution and transmission pipelines.

**1.2. Efforts may include, but are not limited to, those related to employee training, emergency preparedness, process safety, and asset integrity management.**

Southwest Gas administers an Operator Qualification (OQ) plan for all approved contractors and company employees who perform work for the company on its pipeline facilities. Employees of Southwest Gas and contractor personnel must be qualified in each covered task they perform, including emergency preparedness.

Examples of efforts related to employee training and emergency preparedness include a robust mentorship program and scenario-based emergency response training including large-scale incident training.

The company created and follows a Pipeline Safety Management System (PSMS) to capture the PSMS development history at Southwest Gas, ensure the company’s PSMS perpetuates beyond existing personnel for continual improvement, track enhancements identified through the “gap” analysis, capture roadmaps and key performance indicators (KPIs) to gauge improvement, and memorialize company efforts in meeting specific recommendations within the Ten Essential Elements of the American Petroleum Institute (API) Recommended Practice (RP) 1173 with the stated goal of zero incidents achieved through the support and enhancement of a strong safety culture.

**1.3. Relevant information to provide includes, but is not limited to, the use of standards, industry best practices, benchmarking, and participation in third-party initiatives, which may include, but are not limited to:**

**1.3.1. The American Gas Association’s (AGA) Peer Review Program**

Southwest Gas is an active participant in the AGA Peer Review. As part of the AGA Peer Review Program, the company has sent over 20 management representatives to various AGA Peer Reviews of other utility companies.

**1.3.2. American Petroleum Institute (API) Recommended Practices 1170 and 1171**

Not applicable to Southwest Gas as the company does not currently own or operate any underground natural gas storage assets.

**1.3.3. Natural Gas Industry Safety Programs, as outlined by the American Gas Association**

Southwest Gas actively participates in state One Call (811) programs, Common Ground Alliance (CGA), and other local and regional excavation damage prevention agencies with the common goal of minimizing or eliminating damages to buried company facilities. Southwest Gas strongly promotes the principles endorsed by the CGA by developing and offering damage prevention training targeted to the appropriate audience.

**1.3.4. The U.S. Environmental Protection Agency’s (EPA) Natural Gas STAR Program**

Southwest Gas has been a partner of EPA’s Natural Gas STAR Program since 1997. In 2016, the company became an inaugural member of the EPA’s new Methane Challenge Program. Both voluntary programs are designed to promote the implementation of cost-effective technologies and practices to reduce methane emissions from natural gas distribution and transmission systems.

**2. The entity shall describe how it integrates a culture of safety and emergency preparedness throughout its project lifecycles, such as through training, oversight of workforce, rules and guidelines for communicating risks, and use of technology.**

Safety is our number one priority at Southwest Gas. Our Pipeline Safety Management System and resultant safety culture encompass our core values of Safety, Quality and Excellence. Southwest Gas’s safety culture has been integrated into daily operations through direct leadership support by establishing a strong tone from the top. Southwest Gas integrates a culture of safety and emergency preparedness throughout its project life cycle.

The company defines its project life cycle by key categories including design, construction, commissions/ decommissioning, and on-going operations and maintenance work. The company life cycle processes integrate the use of the Plan, Do, Check, Act continuous improvement cycle. The company utilizes the development and integration of strong personnel and pipeline safety program that focuses on safety through the use of training programs; robust internal and external quality assurance and quality control programs that serve to provide oversight on these activities; robust policies, procedures and practices including a “work stop” program which empowers all employees to stop work if a safety concern is identified; as well as the integration of technology throughout the project life cycle to enhance consistent and accurate field reporting and tracking of organizational metrics and trends.

**3. The entity shall describe its approach to ensuring pipeline operators are qualified or supervised when performing a covered task, including ongoing reviews of operator qualifications, assurance that unqualified workers are properly supervised, and efforts to maintain a sufficient number of qualified pipeline operators, where:**

**3.1. Pipeline operators are defined as those people who engage in the transportation of gas, consistent with U.S. 49 CFR 192.3.**

The Southwest Gas Operations Manual defines an operator as a person or company that engages in the transportation or distribution of gas. This definition, consistent with 49 CFR 192.3, is also carried out through the company’s Operator Qualification manual and program.

Southwest Gas also has an established Operator Qualification program that meets or exceeds the requirements of 49 CFR 192.800. The established program requires all company and contractor personnel to be trained and qualified on the covered tasks that they perform. The company also includes new pipeline construction into its OQ program. This requires all employees and contractors to be trained and qualified to the company’s program and operating procedures. The plan also requires that employees and contractors are frequently validated in the field to ensure the covered task is performed in accordance with the OM requirements. All new installations of pipelines are performed by company-approved construction contractors.



**3.2. A pipeline operator is considered qualified to perform covered tasks when the individual has been evaluated, can perform the assigned covered task, and can recognize and react to abnormal operating conditions, consistent with the definition provided by U.S. 49 CFR 192.803.**

The Southwest Gas Operator Qualification Plan details the requirements of all company and contractor qualifications. The plan covers the requirements of the initial and subsequent qualifications, the suspension process and the revoke process. The plan details the requirements of training and the evaluation of the person’s knowledge, skills and abilities to perform the task. Southwest Gas developed and has implemented a general training module for all employees, both company and contractor, detailing the requirements of the 49 CFR Part 192.803 as a general knowledge training module. Recognition of Abnormal Operating Conditions (AOCs) are included in all covered task training modules and evaluations.

**3.2.1. A covered task is defined, consistent with U.S. 49 CFR 192.801, as an activity, identified by the operator, that is performed on a pipeline facility, is an operations or maintenance task, is performed as a requirement of maintaining regulatory compliance, and affects the operation or integrity of a pipeline.**

The Southwest Gas Operator Qualification Plan defines a covered task as an activity performed on a pipeline facility by company/contract personnel that is required under 49 CFR 192 and will affect the operation or integrity of the pipeline. This definition, consistent with 49 CFR 192.801, is also carried out through the company’s Operator Qualification program.

**4. The entity shall describe efforts to mitigate risks and promote emergency preparedness, such as coordinating with third parties (e.g., sewer line and buried power line developers), performing timely pipeline inspections, repairing aging infrastructure, and maintaining current pipeline operator certifications.**

In an effort to promote emergency preparedness, Southwest Gas acts as a liaison and conducts emergency exercises with local emergency responders in each of its operating areas. This allows first responders to stay informed of company facilities and ensures proper procedures are carried out during emergencies. In addition, the company participates in the various pipeline safety programs such as One Call (811) Program, Common Ground Alliance (CGA), and other local and regional excavation damage prevention agencies with the common goal of minimizing damages to underground company facilities.

Southwest Gas implemented a Distribution Integrity Management Program (DIMP) consistent with the requirements of U.S. 49 CFR 192 Subpart P. The company’s DIMP consists of accelerated leak survey programs, proactive pipe replacement programs, and infrastructure replacement mechanisms to monitor and manage aging infrastructure.

The company has also implemented a Transmission Integrity Management Program (TRIMP) consistent with the requirements of U.S. 49 CFR 192 Subpart O to identify and mitigate risks on the transmission pipeline system within high-consequence areas. The company’s pipelines are subject to a rigorous pipeline safety inspection and enforcement program to ensure the safe operation of pipeline facilities.

Southwest Gas requires all company and contractor personnel to be trained and qualified on the covered tasks that they perform. When a company inspector is on the job site of a contractor, the inspector is required to check the qualifications of all contractor employees on the job site. If the required qualifications cannot be confirmed, the contractor employees are released from the job site. Internal pipeline operator certifications are monitored using a learning management system.

**5. The entity shall describe its efforts to manage risks related to human health and safety, and emissions, including fugitive emissions and process emissions, that arise out of the integrity of gas delivery infrastructure.**

**5.1. Fugitive emissions are defined as natural gas (primarily methane) emissions resulting from leaks or other types of unintended or irregular releases.**

Through the company’s DIMP, Southwest Gas conducts accelerated leak surveys and other actions such as repairing leaks on certain pipe types on an accelerated basis. The company also employs its TRIMP consistent with the requirements of U.S. 49 CFR 192 Subpart O to identify and mitigate risks on the transmission pipeline system within high-consequence areas. Patrolling and leak surveys meet or exceed state and federal code requirements. Furthermore, the company has no pipe larger than 24-inches in its system.

**5.2. Process emissions are defined as natural gas emissions resulting from intentional releases.**

Southwest Gas strives to minimize emissions resulting from intentional releases of natural gas through reductions in purging and other related processes. The company also participates in a specific leakage abatement program in its California territories and reports its annual emissions to the California Public Utilities Commission.

**5.3. Disclosure shall include relevant strategies, plans, and/or targets related to reductions in fugitive emissions and process emissions, the entity’s ability to measure such emissions, the activities and investments required to achieve the plans, and any risks or limiting factors that might affect achievement of the plans and/or targets.**

The company has not identified targets related to fugitive and process emission reductions.

**6. Disclosure may focus broadly on safety and emergency management systems, but shall specifically address operations in high consequence areas and the systems to avoid and manage emergencies, accidents, and incidents that could have catastrophic impacts on human health, the local community, and the environment.**

Southwest Gas has implemented a transmission integrity management program consistent with the requirements of U.S. 49 CFR 192 Subpart O to identify and mitigate risks on the transmission pipeline system within high-consequence areas.



2019 SASB Disclosure Report | Engineering & Construction Services  
Table 1. Sustainability Disclosure Topics & Accounting Metrics  
Reporting Year 2019



TOPIC	ACCOUNTING METRIC	CATERGORY	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 & Safety	Amount of defect- and safety-related rework costs	Quantitative	Reporting currency	IF-EN-250a.1	Not aware of any material amounts in 2019
	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	Settled one alleged negligence claim. Unable to disclose amount due to confidential settlement agreement.
Workforce Health & 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	Direct Employees – TRIR: 1.50 Fatality: 0.00  Contract Employees – TRIR: 0.00 Fatality: 0.00
Lifecycle Impacts of Buildings & 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	0
Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbonrelated projects and (2) renewable energy projects	Quantitative	Reporting currency	IF-EN-410b.1	(1) Hydrocarbon related projects: \$49,614,000 (2) Renewable energy projects: \$0
	Amount of backlog cancellations associated with hydrocarbon-related projects	Quantitative	Reporting currency	IF-EN-410b.2	\$0 USD
	Amount of backlog for non-energy projects associated with climate change mitigation	Quantitative	Reporting currency	IF-EN-410b.3	\$0 USD
Business Ethics	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index3	Quantitative	Number, Reporting currency	IF-EN-510a.1	\$0 USD
	Total amount of monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anticompetitive practices	Quantitative	Reporting currency	IF-EN-510a.2	\$0 USD
	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 Southwest Gas Holdings, Inc. Code of Business Conduct and Ethics

Table 2. Activity Metrics

ACCOUNTING METRIC	CATERGORY	UNIT OF MEASURE	CODE	RESPONSE
Number of active projects	Quantitative	Number	IF-GU-000.A	Do Not Track
Number of commissioned projects	Quantitative	Number	IF-GU-000.B	Do Not Track
Total Backlog	Quantitative	Reporting Currency	IF-GU-000.C	\$173,042,464 USD

Addendum to Sustainability Disclosure Topics & Accounting Metrics

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

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

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

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

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

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

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

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

Centuri’s Operations Safety 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; proper personal protective equipment (PPE); etc.



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

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

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

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

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**IF-EN-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.





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