Southwest Gas™
HOLDINGS

CLEAN ESSENTIAL RESPONSIBLE

SUSTAINABILITY REPORT 2021

ACCELERATING A SUSTAINABLE FUTURE

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, 2020 through December 31, 2020, 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 construction businesses. These factors are outlined in detail in the Company’s annual report.

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COMMITTED TO TODAY & TOMORROW

A Message from John P. Hester

Delivering on a profound responsibility to create solutions that accelerate a sustainable future for those we serve.

Deep in our Company's heart is a desire to lead positive change in all that we do. Whether providing essential natural gas services or supporting the critical infrastructure of other utilities, our commitment to responsibly advancing environmental, social and corporate governance (ESG) efforts further drives our success. Here, our board and management team provide the oversight needed to help ensure these directives are met and that we uphold the greatest integrity in doing so.

In 2020, we expanded our Companywide ESG reporting framework to include Sustainability Accounting Standards Board (SASB) metrics, which enhance the standardization of our reporting and ultimately aid in the external assessment of our business. In support of this comprehensive undertaking, Centuri founded several cross-functional enterprise excellence teams, furthering our strategic sustainability goals across a growing family of companies.

As our business expands, we continue building upon our sustainable environmental practices. In 2021, Centuri announced its plan to reduce greenhouse gas (GHG) emissions by 25% by 2030. At the same time, Southwest embarked on a critical evaluation of the pathways to attaining shared emissions-reduction goals in its service territory. Demonstrating progress in this area, Southwest continues to actively reduce its carbon footprint through improvements to its fleet and building facilities. Southwest has also made significant progress in delivering low-carbon fuels to the marketplace through renewable natural gas (RNG) projects and hydrogen blending pilot programs.

All this comes while maintaining critical reliability and an inherent ability to withstand the tests of outside forces. When severe winter weather curtailed interstate natural gas deliveries in early 2021, Southwest's liquified natural gas (LNG) plant in Tucson, Arizona, proved its resilience as a reliable energy source in unlikely high-impact events. Similarly, with the importance of cybersecurity broadening in the utility space, we are elated to see our proactive enhancements in digital safety credited by CSO for combining resilience and innovation while protecting confidential data.

Our commitment to responsibly advancing sustainable environmental practices drives our success.

As a Company, we continue to prioritize our efforts to mitigate the pandemic's impact on the communities where we live and work. In early 2021, Southwest and Centuri put forth a collaborative effort toward the COVID-19 vaccine rollout, partnering with a local nonprofit in Arizona to administer over 18,500 doses in five days. Combined with the myriad of volunteer efforts we participate in throughout the year, we are heartened by how our employees' dedication continues to evolve, invariably reaching new and meaningful heights. Companywide, employees selflessly gave a remarkable $2.3 million to over 220 local nonprofits in 2020, assisting when and where our communities needed them most.

Together, our strong focus on social responsibility has empowered us to take significant steps forward. Centuri's appointment of a diversity leader and launch of an internal diversity council are two advancements we are incredibly proud of. In turn, Southwest continues to build upon its diversity, equity and inclusion (DE&I) efforts by continuing to announce new commitments that will advance our Company's collective strategy.

By including the many diverse views that comprise our Company, we can forge a bright future that we all take pride in sharing. To build a better tomorrow, we remain committed to acting with diligence today.

John P. Hester

JOHN P. HESTER, PRESIDENT AND CEO

GOVERNANCE

Our commitment is to ensure our leadership meets the expectations of stockholders, employees and customers by prudently steering the Company toward a sustainable future in all our business segments.

Board Leadership

All members of the Southwest Gas Holdings, Inc. Board of Directors (Board) are independent, with the exception of the Chief Executive Officer. All of the Board committees are comprised entirely of independent directors, each with a different independent director serving as Chair of the Committee. The Board meets regularly to receive updates and discuss business matters and risks, which are overseen with the management team. The policy of the Board is that the role of its Chair should be separate from that of the CEO. The Chair of the Board is an independent director and presides over all Board meetings and Executive Sessions of the independent directors. In 2020, each director attended at least 80% of their assigned Board and Committee meetings.

Our aim is for directors to have varied and complementary backgrounds with specific core competencies identified by the Board as key director experience and attributes. One key attribute of our Board is member diversity. We define diversity in a broad sense, covering a range of professional and personal attributes and experiences to foster Board effectiveness. Moreover, the Company recently announced the appointment of two new well-qualified directors in anticipation of two veteran directors retiring in May 2022. As of our upcoming 2022 Annual Meeting of Stockholders, 40% of our directors will be female and 30% will be minority group members. The average director tenure is 10 years, and they possess a wide variety of professional skills.

Board Skills and Composition Matrix

	BOUGHNER	CÁRDENAS	COMER	CONLEY	HESTER	LEWIS-RAYMOND	MARIUCCI	MELARKEY	RUISANCHEZ	THOMAN	THOMAS	THORNTON
EXPERIENCE / SKILLS / EXPERTISE												
Energy Utility Experience				●	●	●						●
Public Company Board Service	●	●	●	●			●	●	●	●	●	●
Public Company Executive Officer	●			●	●	●	●		●			●
Legal/Regulatory Experience	●	●	●	●	●	●		●			●	●
Finance/Accounting	●		●	●	●		●	●	●	●		
Technology/Cybersecurity	●					●					●	●
Sustainability/Environmental Exp		●		●	●	●						●
Operations Responsibility	●			●	●	●	●			●	●	
DEMOGRAPHIC BACKGROUND												
Board Tenure (Years)	13	10	14	–	6	2	15	17	–	11	13	2
Age	68	68	71	63	58	54	63	71	49	69	63	62
Male	●	●	●		●			●	●	●	●	
Female				●		●	●					●
African American												●
Caucasian	●		●	●	●	●	●	●		●	●	
Hispanic/Latino		●							●			

Our Board of Directors


ROBERT L. BOUGHNER


JOSÉ A. CÁRDENAS


STEPHEN C. COMER**


E. RENAE CONLEY*


JOHN P. HESTER
PRESIDENT AND CEO


JANE LEWIS-RAYMOND


ANNE L. MARIUCCI


MICHAEL J. MELARKEY**
CHAIR


CARLOS A. RUISANCHEZ*


A. RANDALL THOMAN


THOMAS A. THOMAS


LESLIE T. THORNTON

Committees of the Board

	AUDIT COMMITTEE	COMPENSATION COMMITTEE	NOMINATING AND CORP GOVERNANCE COMMITTEE
Robert L. Boughner	●		●
José A. Cárdenas		●	CHAIR
Stephen C. Comer**	●	●	
E. Renae Conley*	●	●	
John P. Hester			
Jane Lewis-Raymond	●	CHAIR	
Anne L. Mariucci		●	●
Michael J. Melarkey**		●	●
Carlos A. Ruisanchez*	●		●
A Randall Thoman	CHAIR	●	
Thomas A. Thomas	●		●
Leslie T. Thornton	●		●

**As of January 2022*

***Retiring as of May 2022*

Oversight & Frameworks

The Nominating and Corporate Governance Committee of the Board of Directors has oversight responsibility for sustainability and ESG topics. The Committee and Board receive regular updates on ESG business practices, policies and operational issues.

In 2021, Centuri — a wholly-owned subsidiary of the Company — founded an ESG team as one of three cross-functional enterprise excellence teams collaboratively tackling sustainability initiatives that span the enterprise. With representation across its operating companies and professional functions, and led by members of senior leadership, the team identifies and executes companywide ESG goals.

Stakeholders and investors have long called for uniformity or shared alignment in a company's approach to ESG topics and disclosures. In 2020, the Company adopted the Sustainability Accounting Standards Board (SASB) reporting framework and continued reporting under the AGA Template metrics. We use these and other reporting tools to help evaluate our progress on sustainability topics, and we participate with several rating agency data gathering and disclosure platforms that measure sustainable business practices.

ESG Oversight Structure

Cybersecurity

With recent events highlighting its growing importance for boards across all industries, cybersecurity is a top priority. We are committed to protecting the confidentiality, integrity and availability of customer and Company information. In support of our continuous efforts to enhance digital safety, our Board regularly addresses cybersecurity topics with Company leadership, including Southwest's Chief Information Officer. As part of its holistic information security strategy, the utility employs a defense-in-depth approach throughout its systems, intently focusing on people, processes and technology.

Individuals responsible for Southwest's security systems receive ongoing training in all aspects of cybersecurity — from implementing secure configurations to detecting and responding to potential incidents. Regardless of job function, all Southwest employees receive continuous training to help detect suspicious activity and prevent incidents through computer-based training, newsletters, phishing campaigns, virtual fairs and email alerts. Moreover, the utility has deployed technologies to avoid, detect and respond to advanced cyberattacks. We continually explore ways to optimize our computing environment's security and resilience against internal and external threats.

In 2021, CSO — the principal information source to help security leaders make critical decisions about risk and security practices — acknowledged Southwest's proactive cybersecurity efforts with the CSO50 award. The award is presented annually to the world's top 50 organizations driving exceptional security projects and initiatives. It recognizes industry-leading vision and investments in cybersecurity that result in resilience and innovation.

ENVIRONMENTAL

We take pride in our dedication to reducing greenhouse gas (GHG) emissions for current and future generations through deliberate efforts with enduring impacts. As we continue implementing effective GHG-reduction strategies throughout our Company, we are also introducing new technologies to help achieve a lower carbon footprint.

Supporting the Energy Transition

Southwest supplies customers with affordable, reliable and cleaner-burning energy from natural gas. In the United States, natural gas has played an important role in reducing greenhouse gas emissions by displacing coal used to generate electricity. According to IEA data, natural gas emits considerably less greenhouse gas emissions than coal when used to generate electricity.*

Further, natural gas plays an essential role in supporting renewable energy development by offering an energy source that quickly compensates for power supply and demand variability.

With the oversight of and guidance from our Board and management, Southwest is taking additional, proactive measures to help communities achieve their emissions reduction goals and to manage relevant climate change risks in its operations. These measures include:

- Delivering lower-carbon fuels to our communities, including compressed natural gas (CNG) and renewable natural gas (RNG).
- Partnering with Arizona State University and the University of Nevada, Las Vegas on hydrogen blending and creation projects.
- Investing in methane emissions-capture systems.
- Investing in the integrity of and preventing excavation damages to our infrastructure.
- Switching our fleet to CNG.
- Investing in energy-efficient technologies and renewable energies to power our buildings.
- Developing and promoting customer energy-efficiency programs.

More information about each of these strategic climate change initiatives is provided in the following section of this report.

The Role of Gas in Today's Energy Transition, IEA 2019

Reducing GHG Emissions

CENTURI
25% BY 2030*

SOUTHWEST GAS
20% BY 2025*

From fleet and building facilities

As part of our Company's unwavering efforts to build meaningful environmental practices, we are executing a plan to help sustain our business — and the planet — for generations into the future. In 2021, Centuri introduced a plan to reduce GHG emissions 25% by 2030, using 2019 as a baseline. These efforts will include continually monitoring energy consumption and emissions, and implementing strategies to reduce overall output. We expect primary reductions from fleet and building facilities while pursuing additional opportunities to reduce our environmental impact within field operations.

In early 2021, Southwest expanded its efforts by beginning a critical evaluation of the pathways to attaining shared emissions-reduction goals in the communities it serves. To reach these goals, reliable and complementary low-carbon fuels like compressed natural gas (CNG), renewable natural gas (RNG) and hydrogen are integral in meeting the area's growing energy needs.

Since its inception, Southwest's pilot program for aluminum-bodied CNG service vehicles has received positive operator feedback, proving reliable across its three-state service territory. The success of this program has led the utility to order additional aluminum-bodied CNG service vehicles for use throughout its service territory. By the end of 2021, Southwest expects CNG vehicles to total approximately 20% of its fleet. In Central and Southern Arizona, Southwest has equipped local operations centers with CNG fueling stations to serve its growing fleet. In 2021, we are delighted to have added a new CNG fueling station for Southwest vehicles in Victorville, California. We will be adding another in Southern Nevada, with expected completion in early 2022.

Southwest continues to apply high-efficiency best practices by installing LED lighting and energy monitoring systems in an ongoing effort to reduce the carbon footprint of its building facilities. These measures also include installing solar panels and adopting emerging renewable energy technologies where feasible. In 2020, Southwest acquired a LEED Silver® facility as part of its new Las Vegas headquarters with the planned pursuit of similar certification for other buildings.

Compressed Natural Gas (CNG)

The benefits of CNG extend beyond its use for our Company fleets. Because CNG is a cleaner and often more affordable fuel source, large fleet customers look to it as a sustainable solution for reducing their organization's impact while maintaining equipment integrity. In 2020, Southwest delivered 31.8 million therms to Arizona, California and Nevada customers, an impressive number considering the pandemic. By using CNG over other fuels, Southwest's CNG customers saved more than 67,000 MTCO2e in 2020, the equivalent of removing over 14,700 passenger vehicles from the road for a year.

Cogeneration

One of today's most practical applications for increasing resiliency with natural gas is generating energy on-site for high-energy use buildings with microgrids. Using natural gas as part of a building's critical energy mix allows customers to reuse otherwise wasted energy and return it to the facility's energy supply. This mindful reuse of energy through cogeneration reduces greenhouse gas (GHG) emissions while keeping energy costs affordable.

The newly opened Resorts World Las Vegas is one example of how Southwest's commercial customers can lower emissions while increasing resiliency. Here, the luxury hotel added four 1 MW natural gas turbines for their facility. Its cogeneration system provides affordable heat to the site's hot water loop, efficiently heating the building, pools and domestic water. Southwest recently installed a new meter set to serve the facility with over 2 million therms of natural gas per year.

In 2020 Southwest Delivered

Nearly 32 Million Therms
of natural gas for vehicles in place of diesel

EQUAL TO ELIMINATING

Over 67 Thousand Metric Tons
of GHG emissions

OR REMOVING

14,700
passenger vehicles from the road for a year*

*Using Environmental Protection Agency Greenhouse Gas Equivalencies Calculator

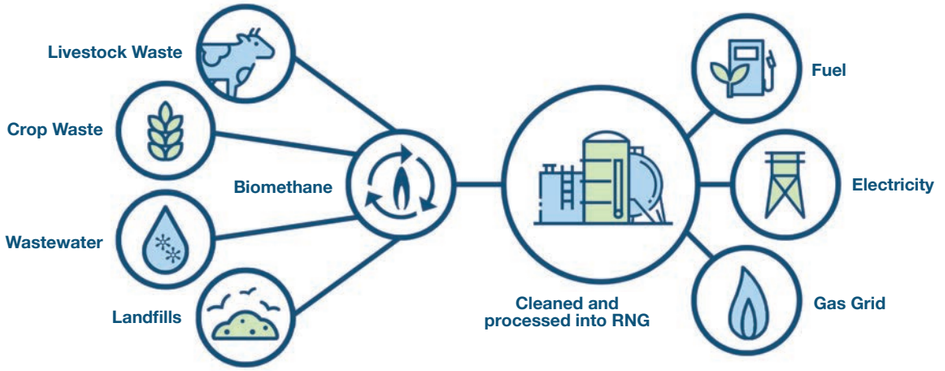
THE ENVIRONMENTAL BENEFITS OF RNG

Renewable Natural Gas (RNG)

Like power obtained from wind and solar, RNG is an energy source harvested from landfills, dairy farms and wastewater treatment facilities. When organic products break down at these facilities, they naturally emit methane, which either rises into the atmosphere or is flared off on-site. Instead of allowing the methane to escape or flaring it off, facilities can produce RNG by capturing and processing it to meet pipeline-quality standards. Utilities can then deliver this energy through existing natural gas pipelines to fuel businesses and homes. One main advantage of RNG is that natural gas customers can continue using their existing appliances to reap further environmental benefits. The innovative use of this energy can help businesses, communities and the transportation industry meet their emissions-reduction goals with carbon-neutral solutions.

In 2021, Southwest received approval to supply the Regional Transportation Commission (RTC) of Southern Nevada with RNG to fuel their fleet of busses. This partnership will allow the RTC to continue meeting their carbon footprint reduction efforts without sacrificing the range or performance their customers depend on. It will also enable the RTC to keep more busses in operation while minimizing downtime for refueling.

Converting Waste Into Clean Energy



2021 marked a monumental year for Southwest by announcing four interconnect projects in Arizona, including three dairies and the Tres Ríos Water Reclamation Facility in Tucson. Along with the Victor Valley Wastewater Reclamation Authority in California, these five projects will produce over 10 million therms of RNG that can be delivered to homes and businesses. We project all five facilities to be fully operational by the end of 2022, with the earliest — Tres Ríos — already in operation as of September 2021. In addition to this progress, Southwest also received approval to purchase RNG as part of its gas portfolio in 2021.

For Centuri, NPL is supporting the Athena Project in South Dakota, which will include the construction of new anaerobic digesters on three dairy farms. The methane gas generated by nearly 13,000 cows on these farms will be captured, cleaned and converted to RNG, which will then be injected into the local interstate pipeline and used for transportation, cooking or electricity. NPL is also constructing 60 miles of pipeline that will connect these 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.

As part of our continuing efforts to deepen the environmental benefits of RNG projects, we proceed to identify new opportunities to introduce low-carbon fuels to customers.

BUILDING A CLEAN FUTURE

Hydrogen

Over the last decade, innovation within the gas energy space has been exciting and shows no sign of slowing down. As the most abundant element in the universe, hydrogen's potential as an alternative energy source is highly encouraging. Including hydrogen in our nation's mix of energy solutions will help drive the creation of a hydrogen economy and lower emissions while generating electricity, fueling transportation and storing excess renewable energy. It can also aid in reducing the carbon footprint of various industrial processes. Gas infrastructure also plays a critical role in storing hydrogen, keeping efficiency high by ensuring excess green energy does not go to waste.

Studies demonstrate that in specific blends, much like renewable natural gas (RNG), hydrogen can power existing infrastructure and appliances in use today. Multiple utilities, including Southwest, continue to collaborate on a joint effort to create an injection standard to work toward bringing hydrogen use from concept to practice.

Further, Southwest is partnering with Arizona State University (ASU) and the University of Nevada, Las Vegas (UNLV) on two hydrogen blending pilot programs. These pilots are exciting new territory for Southwest, soon demonstrating the blending at its emergency response facilities located in Tempe and Las Vegas. These two programs will test blending up to 20% hydrogen with natural gas, establishing a proof of concept for residential and industrial applications. If proven viable, Southwest's efforts can help position the Company as a leader in the emerging hydrogen market.

Resilience

In January 2021, the American Gas Foundation (AGF) published a study highlighting the critical role natural gas infrastructure plays in our resilient domestic energy system. Here, America's reliable natural gas system also shields customers from disruptions resulting from unlikely high-impact events. As the report indicates, conversations with regulators, policymakers and other stakeholders must include the natural gas system's role in securing America's resilient energy future.

In February 2021, as production facilities faced widespread shortages resulting from winter storm Uri, Southwest's Arizona customers were faced with potentially negative impacts. Fortunately, in 2019, Southwest placed a new liquified natural gas (LNG) facility into service as a backup supply source for the Tucson area, protecting against such supply disruptions. The facility, which can hold approximately 2.7 million gallons of usable LNG, saved Southwest customers approximately $1.5 million over two days during the winter storm event.

Investments in the gas system like the Tucson LNG plant are further evidence of the effectiveness and the speed at which gas utilities are able to respond to incidents that would otherwise disrupt supply and service to consumers.

Natural Gas Technology

In 2021, Southwest began testing new methane emissions-capture systems in its Northern Nevada and Central Arizona divisions. The equipment provides zero-emissions gas transfer solutions between in-service gas lines or external containers. This responsible gas recovery technology allows Operations to minimize Southwest's carbon footprint while repurposing gas for alternative uses, like fueling compressed natural gas (CNG) vehicles. Though further testing and preparation are required, we are excited about the prospect of using innovative technology to minimize our environmental footprint.

Integrity Management

The safety and integrity of our infrastructure are top priorities for our daily operations. In support of these efforts, Southwest stringently follows the specifications in its operations manual to perform scheduled maintenance of its systems and facilities. Accordingly, the utility's Distribution and Transmission Integrity Management Programs (DIMP and TRIMP, respectively) dictate the implementation of these plans per U.S. Department of Transportation (USDOT) Pipeline and Hazardous Materials Safety Administration (PHMSA) requirements. Southwest performs accelerated leak detection activities which help to find and repair leaks more frequently. The utility also performs proactive pipe replacement as part of its monitoring and management of aging infrastructure. Throughout Southwest's operations, constant collaboration with regulators and stakeholders is paramount in achieving successful outcomes.

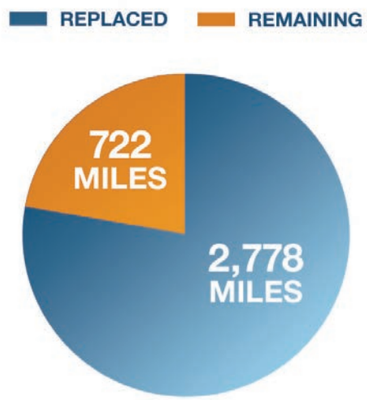
Southwest continues to replace Early Vintage Plastic Pipe (EVPP) — ABS, Aldyl-A, Aldyl-HD and PVC — with a remaining inventory of 722 miles at the end of 2020. Replacement efforts are essential in the utility's overall leak-mitigation strategy, which reduces unintentional releases from infrastructure that may be prone to degradation. Additionally, Southwest received approval from the California Public Utilities Commission (CPUC) for a targeted pipe-replacement program based on the risk-informed methodology required by the state. While there is no immediate safety concern, Southwest's proactive replacement of aging infrastructure avoids unnecessary risk while continuing to operate as a reliable energy provider.

Another recent CPUC approval is helping ensure the integrity of Southwest's pipeline system that serves California schools. In these locations, the utility prioritizes replacing any underground piping extending beyond its meters to where the schools consume gas — a section of piping often referred to as a customer-owned yard line (COYL). Southwest will offer to relocate the meter and replace the COYL with facilities adjacent to the school. This School COYL Replacement program ensures that Southwest and its contractors can perform proper maintenance and identify potential leaks through standardized practices.

Southwest seeks approval for a similar program in Nevada to replace residential and public school COYLs, which may include those discovered at nonprofit or other publicly funded facilities. In Arizona, regulators have approved COYL relocations when a customer's line is found to be leaking or if the utility is performing other pipe replacement in the area. These programs demonstrate the importance of working collaboratively with regulators to ensure safe practices are being maintained.

One measurement of our environmental programs comes through compliance with mandatory and voluntary greenhouse gas (GHG) emissions reporting and disclosures. To ensure data accuracy, we begin each year by conducting an internal review and verification process for the prior year. In 2020, Southwest took the additional step of partnering with a third-party verifier to confirm that these processes follow the industry-accepted protocols of our reporting. Subsequently, the report found that the verifier could reasonably assure the data, collection process and reporting meet its standards. Verifications like these help instill confidence in the management and disclosure of information and our commitment to stakeholders.

Miles of Early Vintage Plastic Pipe*

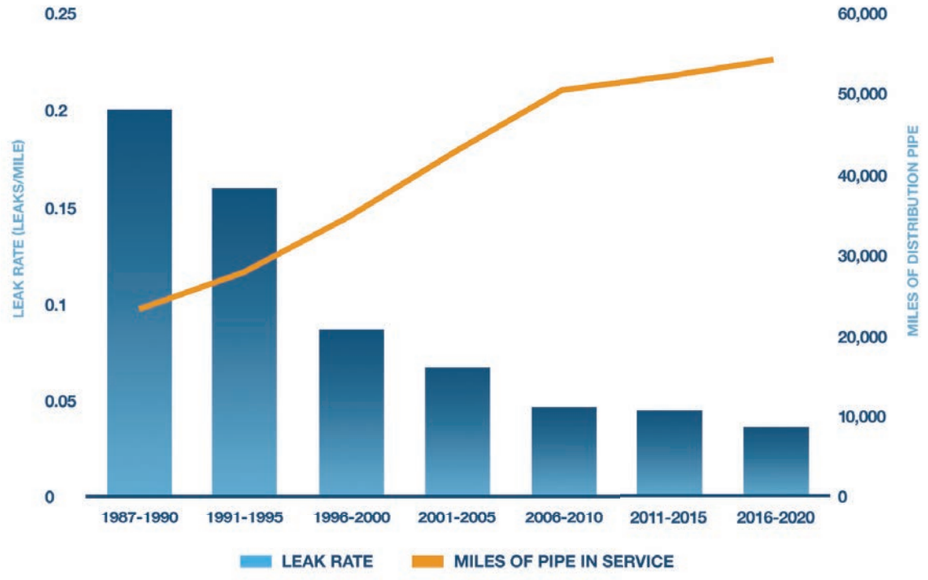


*As of 2021, only Aldyl-A and PVC remain.

Southwest's replacement of Early Vintage Plastic Pipe supports its efforts to reduce unintentional release from potential infrastructure degradation.

Companywide Distribution System Leak Rate 1987-2020

Southwest has more than doubled its infrastructure system over the last three decades while significantly reducing the leak rate.

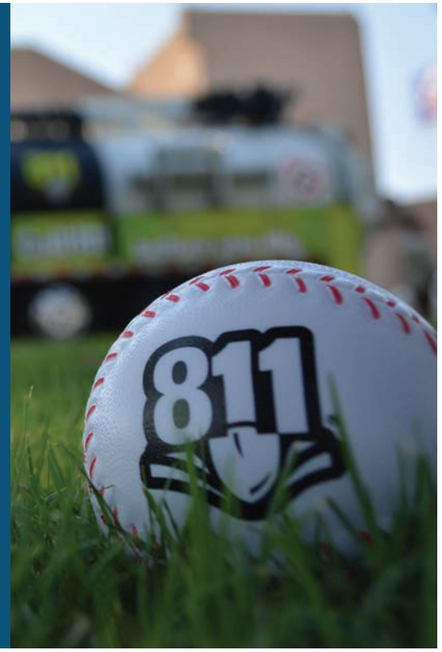


Damage Prevention

Excavation damages remain one of the leading causes of hazardous leaks on our system, resulting in preventable releases of gas to the atmosphere. In addition to our operational efforts to prevent excavation damages, community stakeholders must also continue to do their part to help keep energy infrastructure free of damages. As a result, our outreach efforts include education campaigns for all excavators — from contractors to homeowners. Partnerships with organizations like the Common Ground Alliance (CGA), state One Call 811 programs and others help us achieve minimal damage or interruption of our systems. Southwest remains a long-standing member of the EPA Methane Challenge program with a focus on preventing excavation damages. Mitigating accidental releases of gas into the atmosphere continues to be a high priority for our Company.

We also participate in CGA's Next Practices Initiative with executive representation from Southwest on the advisory committee. This initiative — which published a report in February 2021 — seeks to identify and encourage implementing new or improved solutions to help reduce damages to utility-sector infrastructure. Participating in these nationwide initiatives allows the Company to learn and contribute to ongoing discussions on effective processes. Southwest has contributed to these conversations through a case study on the implementation of best value contracts. These multi-tiered agreements provide financial and performance-based accountability and incentives for contractors when services are performed within a defined timeframe while minimizing any on-site damages. Ultimately, these contracts benefit everyone by safely providing quality services while encouraging better protection of utility infrastructure.

SOUTHWEST HAS
REDUCED
EXCAVATION DAMAGES
BY NEARLY
15%
SINCE 2018



Energy Efficiency

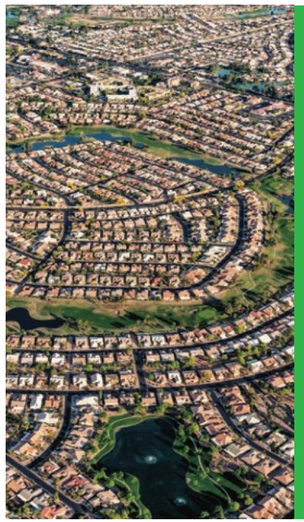
Southwest encourages customers to reduce their emissions and carbon footprint by proposing various energy-efficiency programs to state commissions that review each program for approval. With direct-use natural gas appliances already being highly efficient — over 90% from production to appliance — these programs further support customers' mindful energy use through commission-approved rebates and weatherization improvements.

Over the last five years, Southwest customers who have taken advantage of these programs have helped reduce greenhouse gas (GHG) emissions by nearly 89,000 MTCO2e. These savings demonstrate the urgent need for regulators and policymakers to approve the expansion of energy-efficiency programs — a critical tool in reducing overall GHG emissions nationwide.

Southwest's Energy Savings Portal — now available to all residential customers — allows customers to compare their monthly bills, benchmark with similar homes, take a home energy analysis and find energy-savings tips and rebate information. Additionally, select customers in Southwest's service territory receive an electronic Home Energy Report by email. Others may request an energy-efficiency kit after completing an online home energy analysis.

In March 2021, the California Public Utilities Commission (CPUC) approved Southwest's 2021-2025 Gas Conservation and Energy Efficiency Program for California Customers. In addition to the program allowing Southwest to continue offering existing rebates, it expands program offerings to include residential equipment direct-install rebates, as well as new home and solar thermal rebates.

In October 2021, the Public Utilities Commission of Nevada (PUCN) issued an Order approving the continuation of Southwest's conservation and energy-efficiency programs in the state. In Arizona, Southwest continues to offer its approved residential, commercial and low-income energy-efficiency programs. The utility's application for approval to expand upon those programs is pending before the Arizona Corporation Commission (ACC).



ENERGY-EFFICIENCY PROGRAMS HAVE SAVED ENOUGH ENERGY TO POWER NEARLY

11,000 HOMES

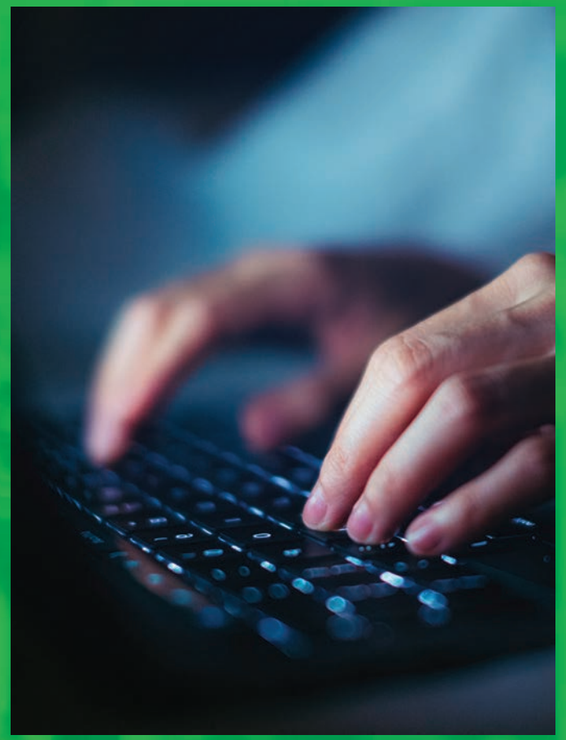
FOR ONE YEAR*

*Between 2016-2020 using Environmental Protection Agency Greenhouse Gas Equivalencies Calculator

Information Technology

As the Company evaluates and implements new technology solutions, our goal is to continue providing the quality care our customers have come to expect from us. New cloud-based systems have provided an opportunity to replace aging hardware with more efficient services. Since the initial wave of the pandemic, our technology team has successfully supported employees transitioning to modified or remote work environments. Where possible, employees are now issued laptops instead of desktops to avoid redundancies and provide more flexibility.

We are also finding technology solutions beyond our facilities. As a large utility, Southwest requires multiple data centers throughout its service territory, which are as critical to its success as its field operations equipment. In 2020, Southwest was awarded a sustainability certificate for using 100% renewable energy to support its work within the ecosystem of one of the utility's largest data center partners. The certificate indicates the retirement of solar and hydroelectric renewable energy credits on Southwest's behalf, making the utility's energy consumption with that data center partner 100% green.



SOCIAL

We approach each day with meaningful purpose and find renewed spirit in enriching the quality of life for those we serve.

Through ongoing employee and Company contributions, we continue to prioritize our efforts to mitigate the pandemic's impact on the communities where we live and work. While this responsibility has evolved over the last two years, we remain dedicated in our flexibility and support, constantly seeking new opportunities to enrich our customers' lives.

Vaccine Rollout

Caring for our communities has always ranked among our top priorities. To best meet shifting needs during the pandemic, our ongoing proactive approach prioritized employee and customer safety. From sanitizing workspaces and working from home to encouraging employee vaccination, we continue to adapt. Our employees have always been regular volunteers in their communities. Now, as part of our commitment to helping prevent the spread of COVID-19, this includes donating their time at vaccination clinics.

As part of the accelerated nationwide vaccine rollout in February 2021, our business segments partnered with Dignity Health Foundation - East Valley to administer 18,500-plus COVID-19 vaccines in Arizona. Over five days, 276 employees, contractors, friends and family rallied together to assist with event registration, recipient screening and traffic control, volunteering over 2,600 hours of their time. The Southwest Gas Foundation further supported the event with a $7,500 contribution.

Customers

Amid the hurdles COVID-19 presented in 2020, our Company maintained its course of constantly striving to provide the best possible customer experience. Since May 2020, Southwest has worked with local and state governments to secure over $2.8 million in federal CARES Act aid to help financially impacted customers with their utility bills.

Whether delivering resilient natural gas service or supporting critical energy infrastructure, our work remains essential to our customers' wellbeing. With 2020 having been a year unlike any other, we're humbled for customers to award our natural gas utility its highest-ever overall satisfaction rating of 96% for the second year in a row.

This recognition further validates our efforts to expand upon the exceptional service we're known for. Throughout 2020, Southwest rapidly progressed toward implementing a modernized customer information system, which launched on May 3, 2021. With the advent of this new technology, the utility is well positioned to meet evolving customer expectations into the future while delivering a higher-quality level of service.

SOUTHWEST SECURED OVER $2.8 MILLION TO AID CUSTOMERS AND DONATED $400,000 TO COVID-19 RELIEF

Centuri has always prided itself on listening to customers, understanding their needs and working tirelessly to help achieve their goals. We are honored to count esteemed long-term client relationships among our proudest accomplishments in serving utilities — which average more than 20 years among our top customers.

With the recent addition of Riggs Distler to the Centuri family of companies, our legacy now includes over a century of service to gas and electric utility customers. This longstanding history, paired with a one-hundred-year vision for the future, inspires enduring confidence in our operating companies' capabilities to provide 360 degrees of service to meet customer needs today and tomorrow.

Throughout the years, Centuri has been consistently ranked as a Top Specialty Contractor by Engineering News-Record (ENR) and was ranked #12 amongst 600 peer companies across the United States in 2020.

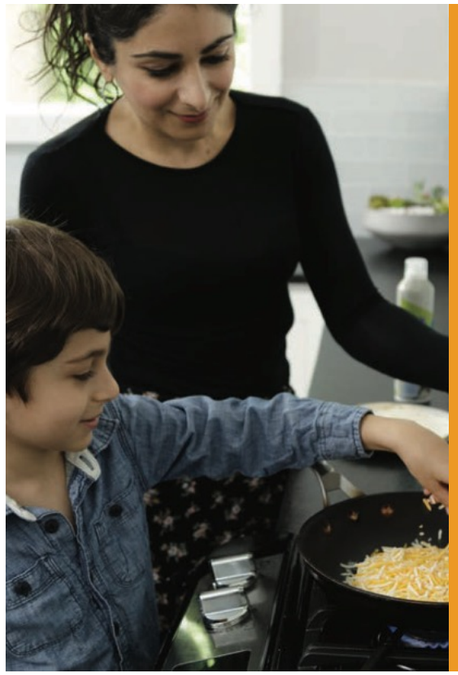
Giving

Each year, our Company demonstrates its dedication to enriching the communities where we live and work by engaging in various humanitarian efforts. Through charitable contributions and volunteer activities, we can advance meaningful social causes and steward a responsible societal impact. We take it upon ourselves to ensure that we give back by helping those in need whenever and wherever we can.

2020 was no exception to living out this guiding principle, with 81% of Southwest's workforce participating in the utility's FUEL for LIFE employee giving program. During this challenging time, employees increased their average contribution to $1,205, generating $2.19 million in donations to 223 local nonprofit agencies supporting essential human and animal services. In recognition of FUEL for LIFE's improvement of the lives of children and their families battling a congenital heart defect, the Children's Heart Foundation of Nevada recently presented Southwest with its Philanthropist of the Year award.

As part of Centuri's continuing commitment to increasing opportunities for employees and their families, we kicked off the Centuri Scholarship program in 2020 by awarding ten $2,500 scholarships for the 2021 spring academic term to eligible students in the United States and Canada. By design, scholarship recipients represent the diversity of our workforce, with no fewer than 50% of awards going to applicants from diverse racial and ethnic backgrounds.

In 2020, employee contributions to Centuri's Employee Care Fund increased from the prior year, providing over $107,000 to assist employees and their families suffering unpredictable financial hardship.



Energy Share

When unexpected financial difficulties arise, Southwest's Energy Share program ensures customers' natural gas service — and the comforts of home that come with it — remain affordable. Funded through the generosity of customer contributions, Southwest administers the program through partnerships with local nonprofit organizations. In 2020, nearly 2,300 qualified customers received Energy Share assistance, and donations increased from the prior year, exceeding $977,000.

COMPANYWIDE DONATIONS

EMPLOYEE DONATIONS
$2.3 MILLION

FOUNDATION DONATIONS
$1.4 MILLION

CUSTOMER DONATIONS
$977 THOUSAND

TOTAL $4,677,000

Employee and Pipeline Safety

Running deep through our Company's core is a proactive safety culture that takes great pride in doing things the right way every day. Our employees are family, and our commitment to keeping each other safe extends far beyond the workplace. Whether at home, in the field or anywhere in between, we act with purpose and responsibility.

At Southwest, Risk Management and Safety developed a COVID-19 prevention program to ensure workplace safety across the utility's service territory, conducting over 2,000 investigations into potential exposures to the coronavirus. In 2020, all service technicians received new flame-resistant uniforms, and Southwest added self-contained breathing apparatuses (SCBA) to its existing respirator program to increase emergency responder mobility and flexibility.

To bring awareness to heat-related illnesses at work and home, Southwest kicked off its now-annual Summer of Safety campaign in 2020. In early 2021, the utility launched its Safety Recognition Program to acknowledge employees living out the values that exemplify its renowned safety culture.

In recognition of Southwest's efforts to promote safety within the company and the community, the utility was named winner for the internal and external video categories at the 2020 Safety Awareness Video Excellence (SAVE) awards. Internally, Southwest's employee-centered video promoted awareness of trench and excavation hazards while reinforcing the importance of using trench-protective systems to avoid serious injury. In contrast, Southwest's community-focused video informed customers in cold-weather climates about the importance of building shelters to protect meters from snow and other winter conditions.

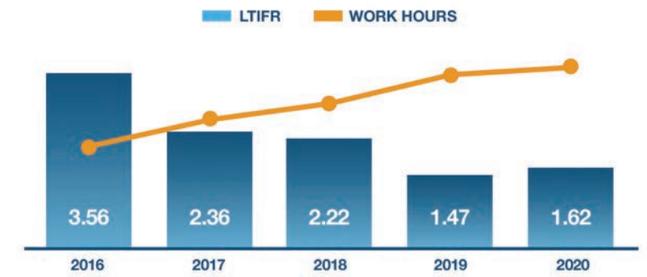
At the center of Southwest's safety program is the ongoing implementation of a Pipeline Safety Management System or PSMS. As part of PSMS, Southwest implemented the Achieving Continuous Excellence (ACE) program to quickly enable Southwesters to report safety concerns, good catches, near misses and process improvements.

Similarly, as Centuri approached 1 million safety observations in 2020, its frontline safety observer program, Think SAFE, has greatly impacted its ability to achieve year-over-year safety improvements. Overall, Centuri's 2020 safety performance significantly improved compared to 2019, with enterprise consolidated DART (Days Away, Restricted or Transferred) and TRIR (Total Recordable Incident Rate) improving 11% and 22%, respectively. That is even more impressive considering an increase from 17.7 million work hours in 2019 to 18.5 million in 2020.

93% OF SOUTHWESTERS FEEL SOUTHWEST IS COMMITTED TO EMPLOYEE SAFETY

Utility Infrastructure Services Safety Improvements

Lost Time Injury Frequency Rate per 1M Work Hours



Since 2016, the Lost Time Injury Frequency Rate has improved by 55% while the hours employees are working has increased by 73%.

DART Rates
(Days Away, Restricted or Transferred)

This safety metric helps employers determine how many workplace injuries and illnesses require employees to miss work, perform restricted work activities or transfer to another job within a calendar year.

Compared to Prior year

4% WORK HOURS

22% TRIR

TRIR - Total Recordable Incident Rate

ADVANCING A CULTURE OF BELONGING

Supplier Diversity

Throughout 2020, our Company continued to deliver on a longstanding tradition of promoting supplier diversity and procurement opportunities for women, minority, LGBTQ and disabled veteran-owned businesses. Company subsidiaries upheld this tradition in 2020 by increasing diverse expenditures by over $3 million from the prior year, totaling nearly $376 million Companywide. By growing our diverse supply chain, we create innovative pathways to reach our goals while contributing to the economic growth of the communities we serve.

For Centuri, programs like NPL's Partner Alliance in the Great Lakes region lead the industry in promoting supplier diversity. Celebrating its five-year milestone, the Partner Alliance is a cohort of NPL team members and suppliers ranging from family-owned small businesses to industry conglomerates that meet quarterly to discuss new ways to advance diverse supplier initiatives through business education, mentorship networking and advocacy.

With the pandemic testing global supply chain resilience, Southwest's supplier partners were pivotal in securing personal protective equipment for our workforce to assist customers impacted by COVID-19. While the utility focused on increasing opportunities for diverse businesses in the changing environment, program staff pivoted quickly to conduct supplier diversity activities virtually. As a result of its efforts in 2020, Southwest received awards from the Arizona Hispanic Chamber of Commerce, the Urban Chamber of Commerce Las Vegas and the Western Regional Minority Supplier Development Council.

Southwest's Total PPE Spend with Diverse Suppliers

255,000+
Face Coverings

12,400+
Boxes of Gloves

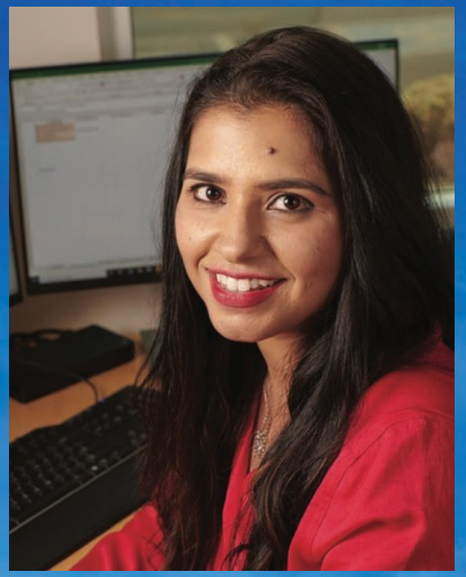
48,000+
Bottles of Hand Sanitizer

$406,000

Hiring & Company Culture

We are committed to building a culture where diversity, equity and inclusion are fundamental values in the everyday business practices throughout our family of companies. We envision a diverse and welcoming workplace for all individuals, supported by a framework demonstrating our commitment to these values through words and actions.

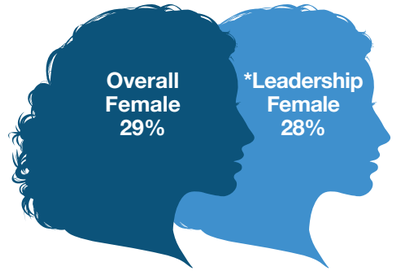
In addition to hiring a diversity leader and launching an internal diversity council, Centuri has implemented employee listening sessions and surveys, training opportunities and expanded recruitment efforts to reach more diverse candidates.



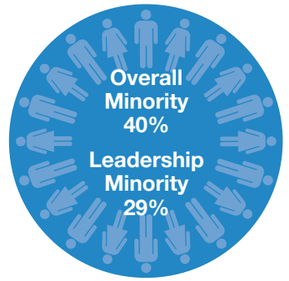
At Southwest, building upon the utility's diversity council, champion network and employee resource groups have been top priorities. Driving these priorities forward is the newly hired diversity leader. By infusing diversity, equity and inclusion (DE&I) into every aspect of its organization, Southwest continues to advance a culture of belonging. Here, the utility maximizes employees' opportunities while uplifting, partnering with and investing in the communities it serves. In 2021, Southwest pledged to uphold four new DE&I commitments to meet these goals — enhancing communication with internal and external stakeholders regarding DE&I key performance indicators, evolving its talent pipeline, providing cultural training to employees and investing further in external partnerships. Through this roadmap for the future, the utility continues to make strides in advancing its DE&I strategy by expanding employee resource groups, diverse employee hiring practices and professional development.

Natural Gas Operations

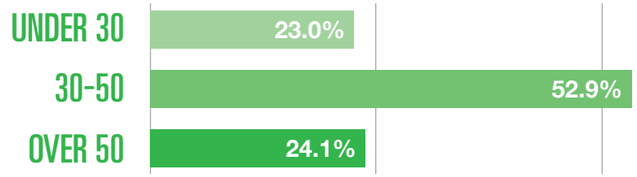
Gender Diversity



Racial & Ethnic Diversity

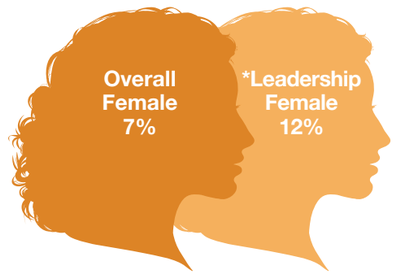


Age Across Both Segements

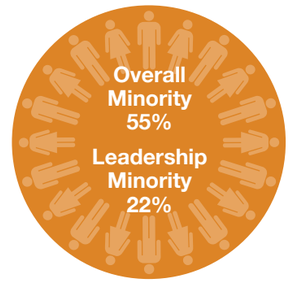


Utility Infrastructure Services

Gender Diversity



Racial & Ethnic Diversity



*As defined by EEO-1 job categories 1.1 & 1.2.
All numbers based on voluntary disclosures.

STEADFAST DEDICATION TO FUTURE GENERATIONS

Appendix

Gas Company ESG / Sustainability Quantitative Information Template

Parent Company: Southwest Gas Holdings, Inc.
Operting Company(s): Southwest Gas Corporation
Business Type(s): LDC
State(s) of Operation: Arizona, California and Nevada
Regulatory Environment: Regulated
Report Date: 2020

REF NO.	Refer to the "Definitions" combine for more information on each metric	BASELINE 2015	2019	2020	DEFINITIONS
	Natural Gas Distribution				
					All methane leak sources per 98.232 (i) (1-6) are included for Distribution. Combustion sources are excluded. CO2 is excluded.
1	METHANE EMISSIONS AND MITIGATION FROM DISTRIBUTION MAINS				
1.1	Number of Gas Distribution Customers	1,927,107	2,051,492	2,093,590	
1.2	Distribution Mains in Service				These metrics should include all local distribution companies (LDCs) held by the Parent Company that are above the LDC Facility reporting threshold for EPA's 40 C.F.R. 98, Subpart W reporting rule.
1.2.1	Plastic (miles)	23,973.00	25,473.42	25,974.90	
1.2.2	Cathodiacally Protected Steel Bare & Coated (miles)	6,699.00	6,371.30	6,312.10	
1.2.3	Unprotected Steel - Bare & Coated (miles)	•	•	•	
1.2.4	Cast Iron / Wrought Iron without upgrades (miles)	•	•	•	
1.3	Plan/Commitment to Replace / Upgrade Remaining Miles of Distribution Mains (# years to complete)				These metrics should provide the number of years remaining to take out of service, replace or upgrade catholdically unprotected steel mains, and cast iron/wrought iron mains, consistent with applicable state utility commission authorizations.
1.3.1	Unprotected Steel (Bare & Coated) (# years to complete)	•	•	•	Optional: # yrs by pipe type.
1.3.2	Cast Iron / Wrought Iron (# years to complete)	•	•	•	Optional: # yrs by pipe type.
2	Distribution CO2e Fugitive Emissions				Fugitive methane emissions (not CO2 combustion emissions) stated as CO2e, as reported to EPA under 40 CFR 98, Subpart W, sections 98.236(q)(3)(ix)(D), 98.236(r)(1)(v), and 98.236(r)(2)(v)(B) - i.e., this is Subpart W methane emissions as input in row 2.2 below and converted to CO2e here. This metric should include fugitive methane emissions above the reporting threshold for all natural gas local distribution companies (LDCs) held by the Parent Company that are above the LDC Facility reporting threshold for EPA's 40 C.F.R. 98, Subpart W reporting rule. Calculated value based on mt CH4 input in the 2.2 (below).
2.1	CO2e Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	142,959.00	149,332.50	151,451.50	
2.2	CH4 Fugitive Methane Emissions from Gas Distribution Operations (metric tons)	5,718.00	5,973.30	6,058.06	INPUT VALUE (total mt CH4) as explained in definition above. Subpart W input is CH4 (mt).
2.2.1	CH4 Fugitive Methane Emissions from Gas Distribution Operations (MMSCF/year)1	297.81	311.11	315.52	
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	This metric provides gas throughput from distribution (quantity of natural gas delivered to end users) reported under Subpart W, 40 C.F.R. 98.236(aa)(9)(iv), as reported on the Subpart W e-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	
2.4	Fugitive Methane Emissions Rate (Percent MMscf of Methane Emissions per MMscf of Methane Throughput)	0%	0%	0%	Calculated annual metric: (MMSFC methane emissions/MMSCF methane throughput)

2020 SASB Disclosure Report | Gas Utilities & Distributors

Table1. Sustainability Disclosure Topics & Accounting Metrics
Reporting Year 2020

TOPIC	ACCOUNTING METRIC		CATERGORY	UNIT OF MEASURE	CODE	RESPONSE
Energy Affordability	Average Rates	1) Residential Gas Rate	Quantitative	Rate	IF-GU-240a.1	$1.241 per Therm
		2) Commercial Gas Rate				$0.765 per Therm
		3) Industrial Gas Rate				$0.698 per Therm
		4) Transportation Gas Rate				$0.071 per Therm
	Typical monthly gas bill for Residential customers for MMBtu delivered per year	1) 50 MMBtu	Quantitative	USD	IF-GU-240a.2	$62.06
		2) 100 MMBtu	Quantitative	USD	IF-GU-240a.2	$124.13
	Disconnections for non-payment	Number of Residential customers gas disconnections for non-payment	Quantitative	Number	IF-GU-240a.3	14,911*
		Percentage reconnected within 30 days		Percentage (%)		6,224*
	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 2020 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	94%
		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.
	Gas Savings	Customer gas savings from efficiency measures by market		Million British Therman Units (MMBtu)	IF-GU-420a.2	Residential - 269,084.4 Low Income - 9,156.2 Commercial - 3,589.2
Integrity of Gas Delivery Infrastructure	Incidents	1) Reportable Pipeline Incidents	Quantitative	Number	IF-GU-540a.1	1
		2) Corrective Action Orders (CAO)				0
		3) Notices of Probable Violation (NOPV)				4
	Percentage Distribution of Pipeline	1) Cast and/or wrought iron	Quantitative	Percentage (%) by length	IF-GU-540a.2	0%
		2) Unprotected Steel				0%
	Perecentage of Gas	1) Transmission pipelines inspected	Quantitative	Percentage (%) by length	IF-GU-540a.3	7.99%
		2) Distribution pipelines inspected				52.96%
	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. 20-22 of the 2021 Sustainability Report and pp. iii-vi of the Addendum

*Legacy reports include residential and commercial combined

Table 2. Activity Metrics

	ACTIVITY METRIC	CATERGORY	UNIT OF MEASURE	CODE	RESPONSE
Number of Customers	1) Residential	Quantitative	Number	IF-GU-000.A	2,041,189
	2) Commercial				82,601
	3) Industrial				325
Natural Gas Delivered to:	1) Residential Customers	Quantitative	Million British Therman Units (MMBtu)	IF-GU-000.B	80,068,000
	2) Commercial Customers				38,440,600
	3) Industrial Customers				5,315,400
	4) Transferred to a third party				98,327,500
Length of gas	1) Transmission Pipelines	Quantitative	Kilometers (km)	IF-GU-000.C	2270.8
	2) Distribution Pipelines				89105.5

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 with a robust 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 construction into its OQ program. This requires all employees and contractors to be trained and qualified on 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 O&M 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 revocation 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 Distribution Integrity Management Program (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 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. 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 (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.

2020 SASB Disclosure Report | Engineering & Construction Services

Table 1. Sustainability Disclosure Topics & Accounting Metrics
Reporting Year 2020

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	$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 & 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	(a) Direct Employees – (1) TRIR: 1.18 (2) Fatality: 0.00 (b) Contract Employees – (1) TRIR: 0.00 (2) 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) hydrocarbon-related projects and (2) renewable energy projects	Quantitative	Reporting currency	IF-EN-410b.1	(1) Hydrocarbon-related projects: $38,553,000 (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
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	(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) anticompetitive 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

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	$99,951,000 USD

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 the 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 would also establish a unique set of construction plans to preserve the environment or surrounding native wildlife.

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

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

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.