

Working to Build a Clean and Sustainable Future for All Arizonans

At APS, sustainability means we work to advance a clean and healthy environment, a vibrant economy, and strong communities for today and for future generations. Sustainability is embedded in the APS Promise and is at the core of our very purpose:

We do what is right for the people and prosperity of Arizona.

2022 SUSTAINABILITY HIGHLIGHTS



Protecting Our Natural Resources

We're committed stewards of our state's natural resources and work to find sustainable solutions.

- Continued our commitment to a clean energy future while maintaining reliability and affordability
 - Provide 100% clean, carbon-free energy by 2050
 - Achieve a 2030 target of 65% clean resource mix with 45% of our generation portfolio coming from renewable energy
 - Exit coal-fired generation by 2031

Supporting Our Communities

We bring together diverse stakeholders to build strong and resilient communities.

- Overall customer satisfaction, as reported by J.D. Power, improved in every major driver including Corporate Citizenship
- Spent about \$33 million for our Energy Support programs that provide qualified limited-income customers a discount on their bill each month
- Collaborated with local government and economic development organizations to bring 8,800 new jobs and \$25 billion in capital investment to Arizona

Building Trust Through Transparency

We lead with integrity and transparency to find solutions that drive shared value and long-term prosperity.

- Defined oversight at the Board level for climate and ESG trends through the Corporate Governance and Public Responsibility Committee
- Tied executive compensation to the installation of new, renewable or carbon-free generating resources
- Aligned our Corporate 10-Year Strategic Plan to include long-term initiatives, mid-term performance ambitions and tiered metrics to help achieve our goals

2022 SUSTAINABILITY HIGHLIGHTS



Protecting Our Natural Resources

- Procured 2,115 megawatts (MW) of clean energy technology since 2020, consisting primarily of carbon-free solar and energy storage facilities across our system
- Since 2005, we have retired over 1,000 MW of coal generation and reduced carbon by 24%
- Reduced groundwater use by 34% compared to a 2014 baseline
- Partnered with the Low-Carbon Resources Initiative (LCRI) and Southwest clean Hydrogen Innovation Network (SHINe) to promote clean energy policy
- Deployed more than 73,800 residential smart thermostats with a capability of shedding more than 100 MW of energy
- Accredited by the Right-of-Way Stewardship Council for vegetation management practices along 5,900 miles of transmission lines and corridors

Supporting Our Communities

- Supported our business customers' clean targets by generating more than 19,300 megawatt hours of clean energy through the Green Power Partners program
- Supported the communities we serve by spending \$576 million with diverse suppliers
- Recognized by the Phoenix Business Journal as the largest corporate philanthropist in Arizona
- Evolved community giving to drive greater impact through strategic programs, partnerships and grants
 - 200 employee volunteer events
 - 83,587 hours of volunteer support resulted in a value of \$2.5 million donated to the community

Building Trust Through Transparency

- ESG Executive Council guided the development of a cross-functional ESG vision, ensuring alignment and integration with the corporate strategic framework
- Dedicated Sustainability department focused on the priority sustainability issues we are uniquely positioned to address
- Disclosed performance and progress towards our ESG goals through voluntary ESG reporting and ESG rankings to measure our performance and benchmark with our peers
- Recognized for the fourth year in a row by CDP for our leadership in acting to protect water security
- As of February 14, 2023, maintained an AA rating by MSCI for ESG performance