2025 CORPORATE RESPONSIBILITY REPORT

PINNACLE WEST
CAPITAL CORPORATION

EXECUTIVE LETTER

Since 1886, APS's unwavering dedication to delivering safe, reliable and affordable energy to customers has powered economic growth and quality-of-life for Arizonans. Today, in an era where energy is more vital than ever, our purpose remains unchanged: We do what is right for the people and prosperity of Arizona.

Doing the right thing starts by understanding what matters most to our customers and other stakeholders. In 2024, we asked a variety of customers, community leaders, financial stakeholders and other partners what sustainability issues they believe APS should prioritize. Their priorities — and ours — are to maintain top-tier reliable service and to keep customer bills as low as possible.

RELIABILITY FOR ALL SEASONS

Long-term resource planning, ensuring a diverse power supply, and regular maintenance and upgrades to our system helped deliver reliable energy to our customers through the demands of what proved to be Arizona's hottest summer on record.

In 2024, Phoenix-area residents experienced 113 consecutive days above 100 degrees, the longest stretch in Arizona history. As a result, APS customers set a new peak energy demand record of 8,210 megawatts (MW) on Sunday, August 4, surpassing the prior record of 8,162 MW set in 2023. With unprecedented growth ahead, we forecast our peak demand will continue to rise in the coming years.

The most important numbers that measure reliability place us solidly in the top quartile of electric utilities across the nation. In 2024, the average APS customer experienced less than one power outage and faced fewer total minutes of interrupted service than industry averages.

ASSISTANCE FOR THOSE IN NEED

Higher temperatures in our desert communities usually mean higher energy bills for customers. We recognize the hardship this can create for families and remain committed to helping our customers and communities with energy support and heat relief programs as well as the tools and services to help customers make well-informed decisions around energy consumption.

In 2024, we expanded our Energy Support program to provide up to a 60% discount on energy bills, based on household income and family size. More than 82,000 customers were enrolled in the program in 2024, providing approximately $45.9 million in discounts.

Through our Heat Relief program, we partnered with local non-profit and community agencies to connect more than 140,000 people with heat relief services, distribute nearly 190,000 water bottles at cooling centers, provide transportation to heat relief sites, and support emergency air conditioning repair or replacement. ➔

RESPONSIBLE RESOURCE MANAGEMENT

We have made significant progress in deploying a diversity of resources, including clean energy sources, to our system in service of system reliability and affordability, ending 2024 with an energy mix that is nearly 54% clean — a three percent increase from the year prior. Palo Verde Generating Station remains a cornerstone of our clean energy mix. For the 16th consecutive year, and 20th overall, Palo Verde Generating Station's three nuclear units exceeded 30 million megawatt-hours of net generation. Additionally, we announced our largest-ever planned addition of new power sources, signing agreements from our 2023 competitive procurement process to add nearly 7,300 MW of new resources to our system — 93% of which will come from clean energy technologies — thanks in large part to the abundance of reliable and affordable solar in Arizona.

Natural gas will continue to play a critical role in ensuring reliability as we serve rapidly growing demand while integrating solar onto the grid. We are expanding our natural gas-fired power generation to deliver an additional 675MW of flexible, on-demand power to reliably serve customers, especially during the late afternoon and evening hours when energy use is highest.

POWERING ARIZONA'S FUTURE

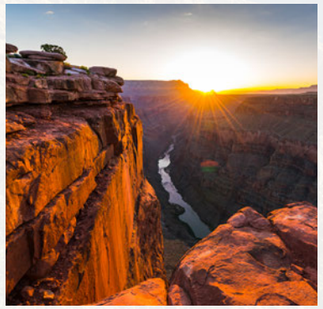
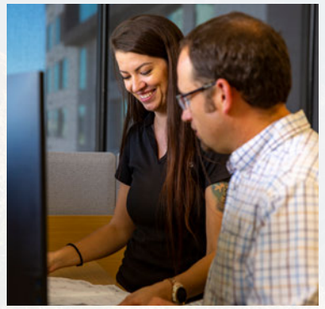
As we navigate unprecedented growth and demand on our system, we are focused on doing business responsibly and pursuing solutions that focus on investing in the grid to serve our customers with safe, reliable, and affordable energy, including:

- Exploring a host of resource options, including additional nuclear generation, to meet energy needs without compromising the reliability our existing customers depend on;
- Expanding wildfire mitigation efforts with innovative technologies, preventative maintenance, and vegetation management; and
- Investing in our talented people with a focus on safety, development and long-term success.

Since our founding, our company has planned for the future of our state, and we remain dedicated to creating a sustainable energy future to power the people and prosperity of Arizona.

Ted Geisler
Chairman, President and Chief Executive Officer
Pinnacle West Capital Corporation
and Arizona Public Service Company

*APS was recently named to **Newsweek's** 2024 list of **Most Trustworthy Companies in America.***



OPERATIONS

CUSTOMERS & COMMUNITY

STEWARDSHIP

METRICS & REPORTING

ELECTRIC RELIABILITY

Our single most important job is to deliver safe and reliable electricity to our customers. Every day, we ensure electricity is available to our customers where and when they need it at the lowest cost possible.

Our stakeholders recently ranked reliability as the second most important sustainability issue facing APS (after affordability), and we agree: Our responsibility to deliver reliable energy is at the heart of what we do.

Ensuring reliability is particularly challenging in Arizona, one of the fastest growing and hottest states in the country. APS resource planners expect peak customer demand to grow to more than 13,000 megawatts (MW) by 2038. For perspective, it took APS 140 years to reach 8,200 MW of peak demand, and customer demand is expected to increase by 60% in only 14 years. In addition to new residential customers, large businesses like manufacturing companies and data centers are moving to and expanding in APS's service territory. APS manages these challenges across a service territory that spans most of Arizona, and we continue to deliver top-quartile reliability to our approximately 1.4 million customers.

Delivering reliable power to our customers requires a laser focus on several factors. First, reliability requires ensuring resource adequacy, meaning securing and maintaining enough energy from diverse sources to reliably meet customer demand. APS expects to add more than 9,800 MW of energy resources between 2025 and 2028, with more than 90 percent from carbon-free sources. We expect natural gas to remain an important component of our fuel mix, at least until new technologies are capable of filling the unique role natural gas currently serves. Reliability also requires that we build resilience into our generation, transmission and distribution systems to enable the grid to withstand — and rapidly recover from — disruptions caused by extreme weather events.

2024 HIGHLIGHTS

SYSTEM OVERVIEW

1.4 **Million homes & businesses**

6,500+ **MW of APS-owned generating capacity**

35,348 **Miles of distribution lines**

34,000+ **Square miles in APS service territory**

APS has taken the following actions to build and maintain a strong, reliable, resilient energy grid:

- Our Integrated Resource Planning process leverages cutting edge modeling, robust algorithms and data analysis to forecast customer growth and energy needs over the next 15 years and identifies the energy mix best suited to meet those needs.
- Our resource acquisition process uses competitive procurement to secure a diverse energy mix to meet demand, including solar and wind power, battery energy storage, and natural gas. When extreme temperatures cause demand to increase over long stretches, flexible resources like natural gas keep homes and businesses cool.

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ELECTRIC RELIABILITY

- APS has developed a 10-year strategic transmission plan, comprising multiple critical transmission projects, to expand our capacity to serve customers, add new energy resources to the grid and strengthen reliability.
- APS's predictive maintenance program uses drones, robots, thermal imaging and other state-of-the-art technologies to conduct safer and more effective inspections of power lines and other equipment, allowing us to better identify and address issues.
- We continuously make reliability upgrades to improve our system, including siting and building new power lines, upgrading existing lines, and building, expanding and renovating substations.

2024 HIGHLIGHTS

2024 SUMMER IN REVIEW

113 **Consecutive days** above **100º**

8,210 **MW** summer peak — a **new record**

4 **Days** with customer **energy demand** above **8,000 MW**

RELIABILITY PERFORMANCE | TOTAL ANNUAL

87.2 **Minutes** average outage duration per customer

.93 Average **number** of outages per customer

94.26 **Minutes** average duration of each outage

Ranked in **TOP QUARTILE** of utilities across the nation for lowest frequency of outages for **9** of past **10** years

PLANNING OUR FUTURE

13,000 **MW** peak demand by **2038**

Peak demand expected to grow **60%** From **2024** through **2038**

ADDITIONAL RESOURCES:

- Check out these sections to see how other sustainability priorities support reliability:
  - *Resiliency & Climate Adaptation*
  - *Innovation*
  - *Affordability*
  - *Stakeholder & Customer Engagement*
  - *Environmental Stewardship: Clean Energy*
- Learn more about the *Integrated Resource Plan*.
- Read about our latest *10-Year Transmission Plan*.
- See some of the *grid upgrades* we have in the works.
- Watch videos on our predictive maintenance technology *here* and *here*.
- Check out the *Performance Metrics* section to find more data regarding electric reliability.

INNOVATION

Our commitments to provide reliable electric service, help customers manage energy use and lower their bills, and increase clean energy resources where it makes sense for our customers, all depend on our strategic use of innovative and emergent technologies.

In order to responsibly decarbonize, we must look to emergent and future technological developments that will lead to cost-effective, innovative solutions. We work with the Electric Power Research Institute (EPRI) and other industry groups to share learnings on technology and research initiatives around carbon-free technologies.

APS deploys advanced grid technology throughout its service territory. Advanced grid technology is a collection of intelligent electronic devices on the APS distribution system that help detect and isolate faults and restore customers promptly, increase power efficiency and manage customer power quality.

Customers can contribute to our Virtual Power Plant (VPP), a network of distributed energy resources and smart home devices at customer homes and businesses — like thermostats and batteries — designed to increase grid reliability while also helping customers save energy and money. The amount of energy customers can conserve through our VPP programs is equivalent to what a small physical power plant can produce.

These actions support implementing innovative technologies to boost reliability and savings:

- VPP programs like APS Cool Rewards help conserve energy in times of high demand. Cool Rewards gives customers a rebate in exchange for allowing us to adjust their smart thermostats a few degrees during event days.
- Customers can shop on APS Marketplace for energy efficient technologies. They can also directly enroll in VPP programs and claim rebates with their purchase.
- The Residential Battery Pilot Program encourages customers who have adopted energy storage to operate their battery systems in ways that can help them save on their bills and lower peak demand, which also helps reduce stress on the grid. Some enrolled batteries can dispatch power back to the grid on certain days.
- APS will continue to invest in advanced grid technology, system upgrades and related management systems, including distribution line equipment, advanced applications and other smart grid technologies.
- APS has installed microgrids on some customer premises such as military bases, data centers and hospitals. These microgrids support reliability for critical customer loads, increase economic development opportunities and provide support to the grid through our patented autonomous frequency response technology.
- APS is a partner in the EPRI Low-Carbon Resources Initiative, a collaborative effort to bring together industry stakeholders to accelerate development of low- and zero-carbon energy technologies.

2024 HIGHLIGHTS

COOL REWARDS

96,966 Participating **thermostats** enrolled

160 **MW** demand offset by **APS customer** participation

PEAK SOLUTIONS

100+ **Business** customers enrolled in the program

30.5 **MW** demand offset by **APS customer** participation

RESIDENTIAL BATTERY PILOT PROGRAM

631 **Participants** enrolled

2.9 **MW** demand offset by **APS customer** participation

ADDITIONAL RESOURCES:

- Visit the ***APS Marketplace*** to find energy efficient technology options.
- Check out how ***Technology & Innovation*** can help our customers.
- Find out more about our ***Cool Rewards*** program.

PHYSICAL & CYBER SECURITY

Protecting our infrastructure, facilities, computer systems, customer information and people against digital and physical threats is necessary to ensure we can provide reliable electricity, keep people safe and keep information secure.

Our comprehensive cybersecurity risk management program identifies and mitigates information security risks, including the threat of cyber attacks on the company or the electric grid. We take a defensive posture, using a multilayer defensive technology model including firewalls, anti-malware technologies, data encryption technologies, email security services and data loss prevention — all of which can alert cybersecurity personnel when critical events are detected and facilitate rapid threat mitigation. Our cybersecurity program also includes controls to protect the privacy of our customers, employees and contractors and their personally identifiable information.

APS is committed to making our physical infrastructure safe and resilient against threats. We employ multiple physical security defenses, including highly trained, highly capable security forces. Digital and physical controls, including secure perimeters, intrusion systems, cameras and electronic and physical access controls, such as badges and locks, help safeguard our facilities to ensure everyone who enters has authorized access.

These actions support keeping our systems, infrastructure and facilities safe against cyber and physical threats:

- Employees and contractors are required to take annual cybersecurity training to learn techniques to identify suspicious cyber activity and safeguard sensitive customer information.
- Security bulletins, employee newsletter updates and other outreach help keep employees aware of emerging threats and risks to the company. Regular testing assesses our employees' susceptibility to certain cyber threats, such as phishing. Individuals who fail the testing are required to take additional, more intensive training.
- Our Cyber Defense Center monitors emerging cybersecurity threats 24 hours a day, seven days a week and has documented processes for identifying, responding to and internally escalating cybersecurity incidents. Once an incident meets certain criteria, a Cybersecurity Incident Command or Corporate Emergency Operations Center is activated, with formal response procedures to address the incident.
- Additional processes, such as vulnerability scanning, identifying cybersecurity or technology risk to prioritize for remediation, and enterprise monitoring systems, detect and alert us to potentially malicious behavior. Access to systems and data is provided based on business needs. In addition, the company maintains a cybersecurity risk insurance policy.
- To enhance our capabilities and access improved threat intelligence, we maintain relationships and coordinate with federal, state and local government partners, utility associations, regulatory bodies and private sector information-sharing organizations. Additionally, we retain third-party incident response professionals to assist in response investigations, if needed.

- Palo Verde Generating Station has adopted many layers of protection and multiple backup safety systems. Palo Verde maintains a robust security plan that is regularly updated, in partnership with federal security agencies. High-tech security systems and extensive safety features help protect the station.
- Certain vendors and service providers are required to participate in the APS Vendor Risk Management Program, which establishes security and data protection requirements. For vendors that will handle or have access to sensitive data, APS requires contractual provisions setting forth cybersecurity controls, vulnerability management, secure development practices, and other security and data protection requirements.

ADDITIONAL RESOURCES:

- Read the ***Governance*** section to learn more about oversight of our cybersecurity and risk management.
- See our ***Annual Report and 10-K*** for more about cybersecurity.
- Learn about employee expectations for safety and security in the ***Code of Ethical Conduct***.

RESILIENCY & CLIMATE ADAPTATION

APS has long been investing in grid resilience, installing smart, self-healing technologies that automatically detect outages, isolate problems and restore service; advanced control systems; and other state-of-the-art technologies. Our top tier electric reliability performance reflects our significant investments in the grid.

Today, we live in a dynamic and changing physical environment. Studies show that temperatures and aridity in the desert Southwest, and Arizona in particular, will continue to increase. As temperatures continue to rise, the potential risks and impacts to APS's infrastructure and operations are changing. Our commitment to safe and reliable service for our customers means our system must become more resilient in the face of changing climate conditions.

2024 HIGHLIGHTS

STORM IMPACTS

380 **Storm-damaged** power poles replaced

80 MPH **Wind gusts**

WILDFIRE SEASON

1,800+ **Wildfires** tracked in **Arizona**

578 **Wildfires** within **10 miles** of **APS infrastructure**

WILDFIRE MITIGATION

Vegetation cleared around **5,300+** **Miles** of **power poles**

zero **Public Safety Power Shutoff events** called in 2024

Understanding the range of plausible future state climate scenarios, and how different ambient conditions might impact our infrastructure and operations, is a foundational step in anticipating and mitigating potential climate risk. We recently completed our first climate scenario analysis, evaluating a range of potential future physical climate scenarios and the associated risk implications for our system. This information is being used to inform our planning and strategic decision-making, with the ultimate goal to enhance resilience across the grid.

Extreme weather isn't the only challenge to grid resilience. APS looks at a variety of factors when considering grid resilience, including the increasing adoption of renewables and sharply rising electricity demand as a result of economic growth and industry electrification.

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RESILIENCY & CLIMATE ADAPTATION

We've taken these steps to build resilience into the electric grid:

- Ensuring adequate water supplies and using water responsibly, especially in drought conditions.
- Reducing wildfire risk through our Comprehensive Wildfire Mitigation Plan, including managing vegetation along our lines, creating defensible space around poles with electrical equipment, conducting enhanced line inspections, improving our monitoring systems to enable early detection and suppression of wildfires, upgrading and hardening our grid, leveraging risk modeling tools and educating customers in affected communities.
- Implementing a Public Safety Power Shutoff program in targeted high-risk areas during severe fire conditions to help reduce the risk of wildfire.

2024 HIGHLIGHTS

INVESTMENTS

Approximately

$828 **Million** spent annually on **grid resilience** since 2022

- Collaborating and participating in energy markets to ensure access to energy in the marketplace in times of extreme temperatures and high demand.
- Planning year-round and performing annual maintenance to prepare for summer and ensure resilience against extreme weather.
- Staging crews in ready-now states to respond quickly during storm season and to safely and quickly restore service during power outages or equipment damage.

ADDITIONAL RESOURCES:

- Read about our ***Wildfire Mitigation*** program.
- Find out more about ***Public Safety Power Shutoffs***.
- Read the ***Safety & Well-Being*** section for ways we help keep customers safe in the summer.
- See the ***Environmental Stewardship*** section for information on how we use water responsibly and plan to reduce carbon emissions.
- Learn more about our participation in ***energy markets***.

SUPPLY CHAIN

Building a strong and resilient supply chain is a necessity as we face ongoing global supply chain shortages. Building resilience into our supply chain gives us a competitive advantage by allowing us to respond quickly to unexpected events and market changes.

While challenges remain, we proactively mitigate supply chain risk by building a robust supply base, engaging regularly with suppliers and taking additional measures, such as seeking alternative suppliers, partnering with local builders or other electric utilities, and actively working with key manufacturers to ensure we have the supplies we need to serve our customers and complete construction projects.

To ensure a sustainable supply chain, we seek out partners who are themselves responsible stewards and who share our commitment to sustainability. We actively engage and develop strong relationships with key suppliers, while simultaneously building pipelines of new suppliers, particularly local suppliers who are well equipped to do business with us. We hold suppliers to the highest standards of business excellence, ethical conduct and environmental stewardship.

These actions support building a strong and resilient supply chain and engaging effectively with suppliers:

- We establish clear expectations for ethical business conduct by providing our Supplier Code of Ethical Conduct to suppliers, vendors and others with whom we do business.
- APS is a co-founder and member of the Sustainable Supply Chain Alliance, which brings together utilities and suppliers to share best practices and promote sustainability in supply chains.
- We recognize exceptional supplier performance at our Key Supplier Forum and Awards events, honoring excellence in partnerships with APS.
- We regularly partner with local supplier development organizations and chambers of commerce to support programming that helps our suppliers develop and grow.
- We host and attend “matchmaking” events that connect new and existing suppliers with APS employees who regularly use their products and services. Many of these suppliers are local, which reinforces our economic development efforts in Arizona. A broad roster of suppliers strengthens our business and our community and provides an opportunity to hear innovative ideas from suppliers that reflect our customer base.

ADDITIONAL RESOURCES:

- Learn more about our expectations of suppliers with our ***Supplier Code of Ethical Conduct***.
- Get to know the ***Sustainable Supply Chain Alliance***.
- Visit our ***Physical & Cyber Security*** section to see how we ensure our suppliers keep data safe.
- Visit our ***Governance*** section to see how we oversee our supply chain sustainability work.
- Learn more about our ***Supplier programs***.

WORKFORCE DEVELOPMENT & ENGAGEMENT

At APS, the secret to our success is our people. We work hard to attract the best employees, to provide the training and development necessary to build a strong pipeline of future leaders and individual contributors, and to create a productive and inclusive work culture that helps retain and engage our talent.

To build and maintain our changing energy infrastructure, we need a workforce with a wide variety of skill sets and experiences. With changes in the industry and new technologies in electricity generation and the energy grid, it's critical we have the right person for each job. We also must create a workplace that advances our employees' strengths and provides development opportunities; for these reasons, we encourage our employees to adopt a growth mindset, and we provide continuous training opportunities for all employees. Our world is changing quickly, and we recognize that we are in a highly competitive market for top talent. Our workforce demographics are shifting, and as many of our subject matter experts near retirement, transferring their knowledge to the next generation of employees is imperative. The APS Promise explains our purpose, vision and mission and the principles and behaviors that will empower us to achieve our strategic goals. It represents the opportunity to build on our cultural strengths and develop new behaviors to enable our future success.

We evaluate our success in building this culture in part through annual and quarterly employee engagement surveys, including our Employee Experience Index, which measures key aspects of engagement like recognition, career development and organizational pride. We utilize the U.S. Energy & Utilities norm, which allows us to compare our performance to industry benchmarks and identify areas in which we can improve.

We believe belonging matters and recognize embracing different backgrounds, perspectives, and experiences is a key driver for our business success. When we feel seen, heard and valued, we achieve better outcomes, which brings our APS Promise to life.

To support attracting, developing and retaining a highly skilled workforce, as well as promoting engagement and belonging, we have focused on the following actions:

- Our pipeline employee development strategy focuses on attracting and developing talent for critical energy sector positions, including lineworkers, substation electricians, cybersecurity specialists, engineers, and nuclear power plant operators and technicians. We achieve this through an array of programs, including craft apprenticeships, engineering, internships and rotational programs. We partner closely with educational institutions and organizations to build a talent-ready pool for these critical roles.

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2024 HIGHLIGHTS

128 **Leadership Academy** graduates

1,100+ **Employees** in **IBEW Local 287**

18% of all **employees**

89 **Summer interns**

138 **Apprentices** of which **37** were New **hires**

11.3 **Years** is the average employee tenure

7.1% Employee **turnover** in 2024

EMPLOYEE ENGAGEMENT SURVEY

80% Employee **response** rate

86% **Positive** response

3 **Points** higher than the **U.S. Energy & Utilities** norm*

** Source: Willis Towers Watson.*

- We provide a wide range of professional development opportunities, including leadership academies, rotational programs, mentoring, industry certifications, and loaned executive programs. We run dedicated learning and development programs for individual contributors, new leaders, and high potential managers which includes an enterprise-wide, on-demand learning platform that supports a modern learning approach.
- Succession planning is critical to ensuring the long-term success of our company. We have a robust process for identifying and developing high-potential leaders to fill key leadership and other critical roles. This includes regularly reviewing and updating succession plans for key positions, identifying and assessing potential successors, and providing targeted development opportunities such as mentoring, coaching, and rotational assignments.

WORKFORCE DEVELOPMENT & ENGAGEMENT

- In addition, we evaluate leadership potential through assessments, performance reviews, and 360-degree feedback; collaborate with senior leadership to identify and build a pipeline of qualified internal and external candidates; and continuously adapt our succession planning process in anticipation of our evolving business needs and industry trends.
- Our total rewards package, including competitive base pay, incentives and generous benefits, is an important part of the employee experience and supports personal well-being and professional satisfaction.
- Our pay-for-performance culture includes merit-based pay increase eligibility and ties employee incentives to company success in metrics such as safety, customer experience, reliable service and operations.
- Maintaining strong, long-term relationships with our union members is important to our success. We have a collective bargaining agreement with the International Brotherhood of Electrical Workers (IBEW) Local 387 in place through April 1, 2026.

11 EMPLOYEE NETWORKING GROUPS

These groups are open to all APS employees and promote engagement, belonging and leadership opportunities.

AANDI AFRICAN AMERICAN NETWORK FOR DIVERSITY AND INCLUSION The **African American Network** for **Diversity** and **Inclusion**.	ASPIRE **Asian American** and **Pacific Islander Reaching** for **Excellence**.	HOLA The **Hispanic Organization** for **Leadership** and **Advancement**.	lgbtq+ ALLIANCE The **Lesbian, Gay, Bisexual, Transgender** and **Queer+ Alliance**.	LINKS Connecting experienced employees with development opportunities and networking.
NANO The **Native American Network Organization**.	NEXTGEN Uniting professionals new to the utility industry.	PVYGN PALO VERDE YOUNG GENERATION IN NUCLEAR **Palo Verde Young Generation in Nuclear**.	PaloVerde WOMEN IN NUCLEAR **Palo Verde Women in Nuclear**.	VETRN VETERAN ENGAGEMENT TRANSITION RETENTION NETWORK The **Veteran Engagement, Transition** and **Retention Network**.	WISE Women in Search of Excellence **Women in Search of Excellence**.

ADDITIONAL RESOURCES:

- Check out the ***Performance Metrics*** section to find more data regarding workforce development and engagement.
- Find a full list of our ***Total Rewards*** compensation and benefits on aps.com.
- Learn more about ***Working at APS***, including internships, apprenticeships and specialized positions.
- See ***Safety & Well-Being*** sections to learn more about APS employee programs.
- See the ***Community & Economic Vitality*** section to learn more about how our employees engage in the community

AFFORDABILITY

Our stakeholders recently told us that energy affordability is their number one sustainability concern. We share this concern and are committed to keeping bills as low as possible for our customers, while maintaining industry-leading reliability.

In fact, our work to keep costs down has kept increases in our rates well below the rate of inflation, dating back to 2018, and kept residential rates in line with or below national averages. We also provide customers with tools and resources to help them manage their bills.

We recognize that some customers struggle to pay their full electric bills, especially during summer months when air conditioners are running nearly around the clock to keep homes and businesses cool, comfortable and safe during extreme heat. For our most vulnerable customers, we offer a variety of bill assistance programs, in partnership with community agencies, organizations and stakeholders. We have one of Arizona's most robust limited-income program offerings and bill discounts.

A key part of maintaining affordability for all customers is our competitive procurement process. We pursue resources that, as shown through the competitive process, are the most cost-effective, reliable energy solutions for our customers.

These actions support keeping customer bills as low as possible:

- Assistance programs that help customers lower their bills or get assistance paying bills. These include our Crisis Bill Assistance program, which provides temporary assistance; the Energy Support program, which provides discounts to qualified limited-income customers; and contributions to The Salvation Army's Project SHARE fund for utility bill assistance.
- The Low-Income Home Energy Assistance Program (LIHEAP) is a federally funded program that provides assistance to qualified individuals to pay utility bills. APS works with the state to build awareness for, and facilitate participation in, this important assistance program.
- We provide residential customers with monthly information on the rate plan that would have saved them the most money. This service is available to all customers on active rates with three months of billing history. In addition to making the information continuously available on aps.com, the information is also included on customers' monthly bills.
- We provide ongoing education to our customers, through our advertising, advisors, bill messages, e-mails, newsletters and other customer communications, on how to compare rate plans and energy efficiency programs, along with various ways to pay their bills.

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AFFORDABILITY

2024 HIGHLIGHTS

LIMITED-INCOME PROGRAMS

$45.9 Million in **Energy Support** discounts helped **82,000+ customers**

$3.75 Million distributed by the **Customer Support Fund*** helped **37,500+ customers**

$3.7 Million for **Crisis Bill Assistance**** provided **4,000+** assistance **payments**

$11.8 Million in **Low Income Home Energy Assistance Program** funding provided **14,700+** assistance **payments**

$5.5 Million invested in **weatherization projects** improved **700+ homes**

** The Customer Support Fund was a one-time assistance program; not funded through customer rates. **Includes shareholder funds distributed to customers that were funded in a prior year.*

- Our portfolio of energy efficiency tools and programs, including APS Marketplace, rebates and home energy checkups, helps customers save energy, reduce peak demand and lower their bills.
- In partnership with community action agencies around the state, we fund limited-income weatherization projects that help make homes more energy efficient.
- The Solutions for Business energy efficiency program helps small businesses use energy more efficiently and improve their bottom line.
- APS employees strive to make cost-effective decisions in areas like energy trading, participation in regional markets, resource planning and more.
- We developed and launched an in-house Lean certification program, delivering hard savings annually and improving the application of Lean principles internally at APS.

ADDITIONAL RESOURCES:

- Check out the ***Performance Metrics*** section to find more data regarding affordability.
- Check out the ***Innovation*** section for ways we partner with customers to save.
- See the ***Stakeholder & Customer Engagement*** section for our customer experience and satisfaction results.
- Learn about our energy efficiency results in our ***2024 DSM Annual Report***.
- Find more information about our ***assistance*** and ***weatherization programs***.
- Shop and save on energy-efficient products at the ***APS Marketplace***.

COMMUNITY & ECONOMIC VITALITY

The APS Promise is to do what is right for the people and prosperity of Arizona. Giving back to the communities we serve, through corporate giving, volunteering and community partnerships, is foundational to our corporate culture and identity.

Our community engagement work is strategic, aligned with our business priorities and focused on delivering results with meaningful impact.

Economic development and continued growth in Arizona are also critical to our ability to deliver reliable service while keeping bills as low as possible for our customers. We work with business partners and chambers of commerce to help ensure a healthy and thriving business community, population and environment, and to grow our customer base.

These actions support promoting vibrant and prosperous communities:

- Our philanthropic giving is focused on two pillars: Arizona's Growth and Prosperity, which supports a strong and growing economy; and Human and Environmental Success, which supports basic human needs and environmental sustainability.
- Programs to address Growth and Prosperity support education and employment, small business and entrepreneurship, and arts and culture. For example, our popular Supply My Class program provides 500 randomly selected teachers at public and charter schools in our service territory with $500 each to use to purchase classroom supplies.

- Human and Environmental Success programs include the Arizona Housing Fund which, in partnership with Arizona Community Foundation and JP Morgan Chase, provides grants to nonprofits to develop innovative solutions for affordable housing. The Community Tree Program provides grant funding and volunteer labor for community-based tree planting projects in vulnerable communities.

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2024 HIGHLIGHTS

APS VOLUNTEERISM | WITHIN THE COMMUNITIES WE SERVE

6,000+ **APS** employees + **95,669** Hours **volunteered** @ **300+** Events **statewide** = **$3 MILLION** Volunteer labor **value** provided

EDUCATION & EMPLOYMENT

213,253 **Students** exposed to **STEM education**.

200 **Scholarships** provided.

4,849 **Teachers** supported with resources.

ENVIRONMENT

901 **Trees** planted.

348 **Hopi** & **Navajo** households received **wood** to heat their homes.

- Volunteerism is embedded in the APS and Pinnacle West culture. Employees regularly volunteer in the community, working together with our nonprofit partners, with recognition from the *Phoenix Business Journal* as the third largest corporate volunteer program in Arizona.
- The Economic Development team collaborates with state, county, regional and municipal economic development entities across Arizona to promote the state for business investment and expansion, creating jobs and capital investments that advance a healthy economy. These efforts target industries such as manufacturing, advanced manufacturing, semiconductor, corporate headquarters, financial services and health care.
- Our Strategic Fiber Program adds high-speed fiber optic lines along our transmission corridors to enhance communications systems and bring reliable internet to rural communities, supporting education and economic development. Leasing fiber capacity to internet providers also generates revenue that benefits customers.
- The Joint Utilities Grant Funding Program is a collaboration with Salt River Project (SRP) and Tucson Electric Power (TEP) that provides economic development support to communities impacted by planned exits from coal plants.

COMMUNITY & ECONOMIC VITALITY

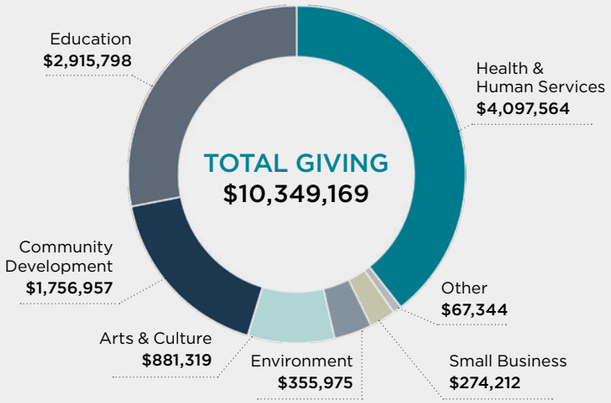
2024 HIGHLIGHTS

ECONOMIC DEVELOPMENT

27 **New** & **expanding** companies in **APS service territory** = **3,200** **New jobs**

$1.13 **Billion** in capital investments

2024 CORPORATE GIVING



APS COMMUNITY FUND | **$14,450,000***

**Initial amount to APS Community Fund at Arizona Community Foundation for future distribution to programs that foster growth and prosperity in Arizona.*

Community Connectors | APS employee volunteers at work.

ADDITIONAL RESOURCES:

- Check out the ***Performance Metrics*** section to find more data regarding community and economic vitality.
- See details from our community engagement and corporate and foundation giving in the annual ***Community Impact Report***.
- Check out the ***Safety & Well-Being*** section to see how we keep our communities safe and healthy.
- Read the ***Stakeholder & Customer Engagement*** section to see how we build relationships in the community.
- Learn more about our ***Economic Development*** efforts.
- ***SizeUpArizona.com*** and ***ArizonaProspector.com*** are tools APS invests in to help businesses, entrepreneurs and economic development organizations in the state.

SAFETY & WELL-BEING

The safety of our employees, contractors, customers and the public is always top of mind at APS.

Safety is ingrained into our employees' experience from day one. Our goal is clear: We want our employees and contractors to go home at the end of each workday in the same condition as when they arrived.

Our safety philosophy is fortified with a comprehensive integrated safety management system and a focus on human and organizational performance grounded in systems thinking. Our employee engagement scores confirm our success in creating a culture that builds trust and psychological safety, encourages employees to speak up and report concerns and issues and allows employees to fail safely.

While we strive to eliminate or reduce the total number and severity of injuries among employees, our focus — aligned with the latest occupational safety research — is on preventing and reducing serious, life-altering injuries and fatalities.

Public safety is equally important. We must maintain our assets in a safe condition and educate our customers, first responders and the public about electrical safety, especially in situations involving wildfires, downed lines or proximity to equipment. Arizona's extreme summer temperatures can threaten public safety and health. Some of the ways we help keep customers safe during extreme weather events include supporting agencies that provide heat relief, not shutting off power to our customers during certain times of the year and providing support services during extended outages.

These actions protect the safety, health and well-being of our employees, contractors and the public:

- Employees at APS are assigned mandatory and recurring safety trainings based on their job duties and regulatory training requirements.
- Our Integrated Safety Management System is consistent with relevant standards, including those established by the International Organization for Standardization (ISO 45001:2018), Occupational Safety and Health Administration (OSHA), the Arizona Department of Occupational Safety and Health and others.
- APS prioritizes human and organizational performance through employee-supported learning teams, safety committees and corrective action programs that control risks through a systems-focused approach.

2024 HIGHLIGHTS

TOP QUARTILE OF UTILITIES FOR **OSHA RECORDABLE INJURIES***

21% **Reduction** in **OSHA recordable injuries** over the past **5** **Years**

SIF STATISTICS

zero **Employee** significant **Injuries** or **fatalities**

10% **Reduction** in **OSHA recordable injuries** over the prior year

HEAT RELIEF PROGRAMS

83+ **Households** receiving emergency air conditioner **repair** or **replacement** funded by **APS**

1,500 **Heat Relief Kits** provided to **cooling centers**

9,300+ **Rides** to **cooling centers** & other **essential services** funded by **APS**

Approximately **13,300** **Pounds** of **Ice** Distributed to **customers** during **summer** power **outages**

**As ranked by Edison Electric Institute.*

CONTINUED ON NEXT PAGE →

SAFETY & WELL-BEING

- Contractors must review and follow safety standards and practices at least as stringent as those set forth in the APS Contractor Safety Manual and Accident Prevention Manual. Contractor safety programs are vetted prior to working with APS and safety performance is regularly monitored throughout the work.
- The APS Public Safety team performs field investigations, participates in industry safety committee meetings with community partners, reviews rights-of-way encroachment concerns and performs live demonstrations about the dangers of electricity.
- We raise customer awareness about safety around downed wires, maintaining safe working distances around overhead lines, and responding appropriately to unsafe conditions through instructor-led education, media outreach, social media and partnerships with groups like Arizona 811. For example, the Right Tree, Right Place program promotes safe tree planting around power lines.
- Employees have access to a Total Wellbeing program and Employee Assistance Program to maintain physical, emotional, financial and social well-being. Our well-being tools provide employees with communities, challenges and coaching so they can invest in their wellness.
- Between June 1 and October 15, we do not disconnect power for non-payment for residential customers, ensuring they have access to electricity to sustain their personal well-being during the hottest months of the year.
- Programs in partnership with community groups like Foundation for Senior Living, The Salvation Army, Solari and Lyft offer heat relief, emergency air conditioning repair and transportation through the 211 Arizona Transportation program to cooling centers and other essential services for vulnerable customers.
- APS provides information on locations of relief shelters, cooling stations and ice distribution to help keep customers safe in the event of power outages.

ADDITIONAL RESOURCES:

- Check out the ***Performance Metrics*** section to find more data regarding safety.
- View the ***Resiliency & Climate Adaptation*** section to learn more about our wildfire mitigation efforts and our ***Public Safety Power Shutoffs***.
- See how our ***Safety Policy*** helps the company achieve strong safety performance in its operations.
- Find details about our employee ***Total Well-being*** offerings.
- Learn more about our expectations of contractors with our ***Contractor Safety Manual*** and ***Accident Prevention Manual***.
- Get more information about ***APS Public Safety*** education, programs and resources to ***protect customers against utility scams***.
- See details on the ***APS Heat Relief programs*** and results in the ***Community Impact Report***.
- Get more information regarding ***outage support*** for customers.

STAKEHOLDER & CUSTOMER ENGAGEMENT

To best serve our customers and communities, we first need to understand them. That's why we build relationships with and seek a variety of perspectives from customers and other stakeholders, both formally — through our Customer Advisory Board and customer research panels, our Resource Planning Advisory Council, Consumer Working Group and other stakeholder councils — and informally through ongoing relationships and dialogue.

Our customers are our largest and most important stakeholder group. Their direct feedback is foundational to our ability to provide a frictionless customer experience. We also need their help to achieve our energy efficiency and demand reduction goals.

Beyond our customers, we recognize the importance of cooperative partnerships with community leaders, elected officials, regulators, cities and towns and non-governmental organizations in developing durable, forward-looking public policy that supports our business objectives.

APS CUSTOMER SATISFACTION RANKING*		
	2021	2024
RESIDENTIAL CUSTOMERS	4TH QUARTILE	TOP OF 2ND QUARTILE
BUSINESS CUSTOMERS	4TH QUARTILE	TOP OF 2ND QUARTILE

Source: J.D. Power Customer Satisfaction Survey.

These actions help to create meaningful relationships and win-win solutions:

- We seek to provide an industry-leading customer experience for residential and business customers, as measured by the J.D. Power customer satisfaction survey. We're building on the momentum that's lifted our residential ranking to second quartile from near the bottom of our industry peer set of 54 large investor-owned utilities, as recently as 2021.
- Our Customer Advisory Board meets four times a year to provide feedback on APS customer programs and initiatives. Their input helps shape APS's engagement with its customers.
- Our online customer panel includes 1,000 residential customers who participate in monthly quantitative research studies Study topics include program feedback and design, messaging preferences, digital platforms and other topics to help improve our customer experience.
- We facilitate a Consumer Working Group, comprised of local consumer advocates, that meets six times a year to exchange timely information on customer issues and to workshop potential customer-facing communications and services.
- A Customer Experience Strategy Council with employees from across the organization helps review customer research results and best practices to continuously improve our service to our customers.
- The Resource Planning Advisory Council, which meets every two months, is a broad group of stakeholders who add outside perspective and transparency to our Integrated Resource Planning process.
- Line siting, necessary to construct critical reliability infrastructure, requires a robust communication and outreach strategy with the communities impacted by the work.
- We lend our experience and expertise to the political process, when appropriate, to ensure policies create shared value for our business, our community and the Arizona economy. The company belongs to trade associations and has a voluntary, non-partisan employee political action committee consistent with our political participation policy.

2024 CUSTOMER SATISFACTION*

This past year, residential customers ranked APS at or near the top of our peer set for:

- **Customer Care** | Phone
- Power **Quality** & **Reliability**
- **Billing** & **Payment**
- **Corporate Citizenship**

Source: J.D. Power Customer Satisfaction Survey.

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PUBLIC POLICY ENGAGEMENT VALUES

We have a responsibility to engage in the public policy process for the benefit of our customers, shareholders, employees, communities and other stakeholders.

We advocate for sound, forward-looking public policy that creates shared value for our customers, our community, a vibrant Arizona economy and our business. We believe this participation helps to create more robust and better-informed policy outcomes.

Our Values:

- Transparency in public policy advocacy, political spending, governance and reporting
- Authenticity, candor and respect in our engagement and interactions with customers, communities, shareholders, policymakers, employees and other stakeholders
- Dedication to building strategic relationships with all our community partners
- Consistency in advocating for our mission to deliver safe, reliable and affordable energy to our customers
- Integration of sustainability best practices throughout our enterprise

ADDITIONAL RESOURCES:

- Get details on current and completed ***line siting projects***.
- Read the ***Electric Reliability*** section to see how our IRP ensures reliable service for customers.
- Find more on the IRP stakeholder process and the most recent ***Integrated Resource Plan***.
- Learn more about our political action committee, trade associate participation and our engagement in the political process in our ***Political Participation Policy***.

ENVIRONMENTAL STEWARDSHIP: AIR, BIODIVERSITY, WASTE & WATER

As stewards of Arizona's precious natural resources, we take seriously our obligation to responsibly manage, conserve and protect our environment for future generations.

While challenges persist, overall air quality in Arizona and the Phoenix metropolitan area has improved notably since 2000. APS has invested and continues to invest significant capital in environmental controls across its operations. These and other controls have produced measurable air quality benefits for Arizonans.

Water is critical in generating electricity. In the arid desert Southwest, it's particularly important to manage water responsibly. Our Water Resources Management Strategic Plan ensures we have adequate, long-term water supplies to meet future energy needs and guides us to be good stewards of the water we use. APS also plays an active role in statewide and regional water management planning.

Minimizing waste and preventing pollution are a normal part of our daily operations. We actively work to minimize the creation of hazardous waste, properly store and dispose of nuclear waste and coal ash in accordance with applicable requirements, and reuse and recycle non-hazardous waste when possible.

Biodiversity is essential for human and planetary health and well-being. In addition to complying with applicable laws governing land use, wildlife and endangered species, APS's vegetation management program includes critical year-round work that helps promote healthy ecosystems at the same time it supports reliable electric service and wildfire risk mitigation.

2024 HIGHLIGHTS

AIR

SINCE 2005

89% Reduction in SO_2.

87% Reduction in **NOx**.

APS works with industry peers and experts to identify and implement best practices in natural resources management. We also engage with federal and state agencies, environmental experts, nongovernmental organizations and other stakeholders to provide input on proposed regulations. We support outcomes that deliver environmental benefits while maintaining customer affordability and reliability.

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These actions support responsible management of air quality, water, waste and biodiversity:

- We maintain an Environmental Management System (EMS) based on ISO 14001 principles, conduct environmental training and audits, and utilize policies, processes and procedures to ensure environmental compliance.
- We track and report emissions of air pollutants, including nitrogen oxides (NOx) and sulfur dioxide (SO2), as we continue to reduce overall emissions from our generating fleet. We submit an annual report of emissions to the U.S. Environmental Protection Agency (EPA), as required by law, and comply with EPA's other reporting requirements.
- Long-term water contracts help ensure we have adequate supplies for the future and help manage water costs. Our water conservation work includes retiring older, more water-intensive generating units, using water-efficient technologies and expanding the use of renewable energy and energy efficiency.
- Each of our power generating plants has a unique water strategy to optimize efficiency. These strategies include using reclaimed water (treated wastewater from nearby cities) for cooling at Palo Verde, the only nuclear plant in the world that is not located next to a large body of water. We also have zero liquid discharge plants that collect and treat wastewater for reuse at the plant.
- We have approximately 40 groundwater production wells in our fleet that require routine maintenance. To enhance our maintenance protocols, we use equipment that allows for real-time monitoring of water levels.
- We engage in statewide and regional water planning with organizations including the U.S. Bureau of Reclamation, the Kyl Center for Water Policy, the Electric Power Research Institute (EPRI) and the State of Arizona on its Colorado River Lower Basin Drought Contingency Plan.
- Our Investment Recovery team handles non-hazardous waste by recycling, reusing, donating or selling the waste, which minimizes impacts to landfills and helps recover costs. Some examples include refurbishing wood spools to be used by cable manufacturers and reusing materials during facility renovations.

2024 HIGHLIGHTS

BIODIVERSITY

20+ Years with an **Avian Protection** Program

28 Years earning the **Arbor Day Foundation's Tree Line USA Award**

Accredited by the **Right-of-Way Stewardship Council**

ENVIRONMENTAL STEWARDSHIP: AIR, BIODIVERSITY, WASTE & WATER

- We have a robust system to identify and properly dispose of equipment containing polychlorinated biphenyls (PCBs).
- Nuclear waste from Palo Verde is managed in compliance with the Nuclear Regulatory Commission (NRC) and the Institute of Nuclear Power Operations. We safely and securely store high-level nuclear waste on site in spent fuel pools and then dry cask storage. Low-level waste such as used protective clothing is packaged, stored and shipped to permitted disposal facilities.
- One of the byproducts of burning coal is coal ash, much of which can be used by commercial manufacturers in products like concrete. This beneficial use of coal ash not only manages waste but also is fiscally responsible. The coal ash that is not sold for beneficial use is stored in impoundments operated in compliance with federal regulations.
- The Forestry, Fire & Resource Management team manages biodiversity in compliance with the National Environmental Policy Act, the Endangered Species Act, the Bald and Golden Eagle Protection Act, the Migratory Bird Treaty Act and other applicable laws. The team partners routinely with the U.S. Fish and Wildlife Service, Bureau of Land Management, Arizona Game and Fish Department and U.S. Forest Service.
- We engage in pollinator-friendly vegetation management to help our habitats attract and sustain butterflies, bees and other pollinators. We are accredited by the Right-of-Way Stewardship Council, which establishes standards for responsible right-of-way vegetation management along transmission corridors that promote reliability and preserve biodiversity.
- Every year for over 25 years, we have received the Arbor Day Foundation's Tree Line USA Award that recognizes best practices in public and private utility arboriculture.
- Our Avian and Wildlife Protection Program protects birds and wildlife that nest on our equipment, while at the same time protecting the equipment and helping to avoid outages. We partner with wildlife rehabilitation organizations to relocate eggs and chicks safely, as needed. We have a range of programs to protect endangered species in accordance with applicable laws.

2024 HIGHLIGHTS

WATER USE | REDUCED

71% Of our generation fleet's **water usage** is **reclaimed** water from **Palo Verde Generating Station**

Reduced non-renewable **water use** in 2024 by **39%** Compared to **2014 baseline**

WASTE | RECYCLED

$7.2 **Million** in **customer savings** recovered from **recycling** & **sales**

19.5 **Million** pounds of waste recycled

41% Of **coal ash** beneficially **reused**

ADDITIONAL RESOURCES:

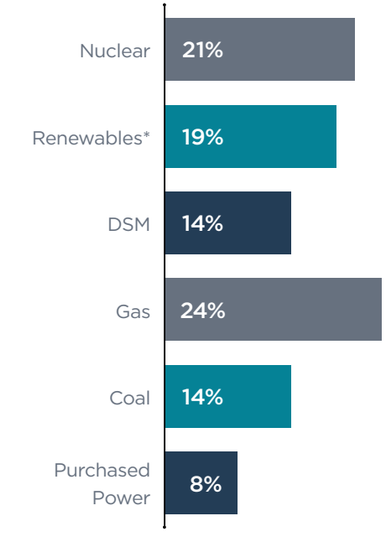
- Check out the ***Performance Metrics*** section to find more data regarding air, carbon and greenhouse gas reporting, environmental compliance, waste and water.
- Read our ***Water Resources Principles***.
- Watch ***this video*** about Palo Verde's Water Reclamation Facility.
- Learn more about our ***NRC Security Inspection — Palo Verde Generating Station*** (October 2020).
- Learn more about our ***NRC Integrated Inspection — Palo Verde Generating Station*** (February 2022).
- Watch ***this video*** to see how we help with helicopter surveys of bald eagles.
- Learn more about the Electric Power Research Institute ***Power in Pollinators Initiative***.
- Read about our ***Avian & Wildlife Protection Program***.
- Read more about vegetation management for wildfire mitigation in our ***Resiliency & Climate Adaptation*** section.
- See our emissions reports on the ***EPA TRI website***.

ENVIRONMENTAL STEWARDSHIP: CLEAN ENERGY

Achieving a clean energy future is a multifaceted challenge that requires thoughtful planning, a measured and deliberate approach and steady progress. It is critically important we ensure and maintain customer reliability while keeping customer's bills as low as possible, as we strive to lower carbon emissions over time.

As Arizona continues to grow at unprecedented levels, reliable service for our customers is our top priority which has led us to update our clean energy goal from zero carbon to carbon neutral by 2050. In addition, we are removing the interim targets to better reflect our near-term need to ensure reliability and affordability for our customers. We will rely on our Integrated Resource Planning process to drive our interim progress, and our All-Source RFP process to support reliability through best fit, least cost resources including dispatchable resources such as natural gas, renewables and storage.

2024 Energy Portfolio



*Renewables include energy from wind, solar, geothermal, biomass, distributed generations and solar purchase power agreements.

We have taken the following actions to balance reliability, affordability and clean:

- We fulfill generation resource needs using the all-source request for proposal process (RFP) which forms the basis of the resource procurements the company conducts for the benefit of customers. We use this process to ensure we have the information we need to make market-driven procurement decisions to find the best fit, lowest reasonable cost resources that fulfill our need for reliability, resiliency, and diversity.
- As of the end of 2024, we have retired seven coal-fired units and more than 1,000 MW of coal-fired capacity. In addition, two more units at the Cholla Power Plant have ceased operations in 2025. We expect that our exit from coal will be no later than 2038, consistent with the end of operations under our Four Corners Power Plant lease.
- We rely on Palo Verde Generating Station, the heart of the APS generation fleet and a critical asset to the Southwest, to provide clean, carbon-free power 24/7 for roughly 3.4 million households. Nuclear generation provides clean energy around the clock, working with renewables to create a reliable, diverse and clean energy portfolio.
- With nearly 300 sunny days each year in Arizona, solar power is an important and economical part of our diverse energy mix. Integrating more solar generation includes rooftop solar systems on homes, schools and businesses, APS-owned solar facilities and long-term power purchase agreements.

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2024 HIGHLIGHTS

CLEAN ENERGY BY THE NUMBERS

Supplying almost **54%** **Clean energy** as of 2024

32 **Million** MWh annually from **Palo Verde**

606 MW of **utility-scale energy storage** installed at the end of 2024

14% **APS** residential customers have **solar**

CARBON EMISSIONS

34% Reduction in annual **carbon emissions** since 2005

13.9 **Million** metric tons of **GHG displaced** annually by **Palo Verde's clean energy**

RANKING ARIZONA

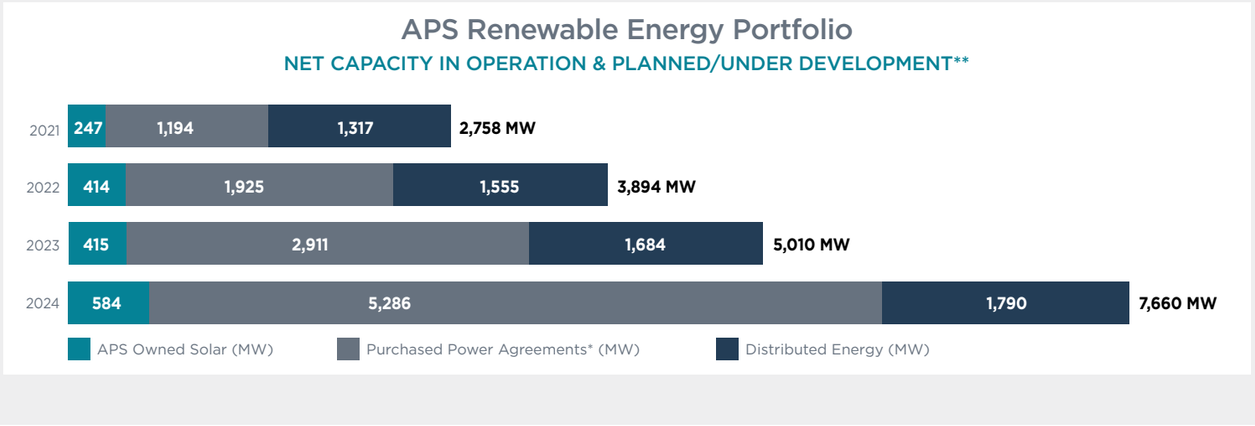
APS ranks **4TH** Nationally for **residential solar** capacity **installed**

Arizona is the **4TH** **Highest** in the **nation** for residential **solar capacity** per capita

ENVIRONMENTAL STEWARDSHIP: CLEAN ENERGY

- Battery energy storage combines with renewables to store excess energy when demand is low and solar is abundant, then releasing the stored energy during peak demand hours later in the day after the sun sets. Utility-scale energy storage is an essential part of our resource mix, and as of the end of 2024 we had 606 MW of utility-scale energy storage in our resource portfolio.
- Using flexible generation like quick-ramping natural gas will help meet growing demand as we incorporate more renewables. Natural gas will remain a critical part of our generation portfolio until emergent technologies are able to deliver lower carbon energy both reliably and affordably. We are upgrading and expanding natural gas plants to ensure reliability and maximize fuel efficiency during the hot summer months.
- We work to reduce energy demand through energy efficiency programs, demand side management and programs and technologies that comprise our Virtual Power Plant, all of which are important components of lowering our carbon emissions.
- Collaborating with customers accelerates the integration of clean energy technologies. Our Green Power Partners Program provides businesses and cities with options to help them reach their sustainability goals.
- Scope 1, 2 and a portion of Scope 3 greenhouse gas emissions data are third-party verified and transparently reported.

Red Rock Solar Plant — located south of Casa Grande, Arizona and completed in 2016.



ADDITIONAL RESOURCES:

- Check out the ***Performance Metrics*** section to find more data regarding clean energy.
- Find out more about ***Palo Verde Generating Station***.
- Visit our ***aps.com/clean*** to learn more about our carbon-neutral ambition.
- Visit our ***Innovation*** section to see how technology is helping us to responsibly decarbonize.
- Learn more about the ***Green Power Partners Program***.
- Check out our ***Integrated Resource Plan***.

*Purchased power includes long-term solar, wind, geothermal, biomass and biogas contracts. **As of December 2024.

GOVERNANCE

Doing business responsibly starts with a strong governance structure that provides oversight, rigor, accountability and transparency. Our Boards of Directors, dedicated internal teams, company policies and various metrics help ensure we develop sound strategies to address challenges, manage risk, drive change and demonstrate progress toward our goals.

The Pinnacle West and APS Boards of Directors and committees oversee all areas of Pinnacle West and APS. The Boards address sustainability issues, including reliability, customer affordability and emergent clean energy technologies. For example, the Corporate Governance and Nominating Committee reviews sustainability trends and oversees climate-related issues and APS's strategies in response to those issues.

In addition, Pinnacle West and APS use codes of conduct, councils and industry standards to provide accountability. These include, for example, our Code of Ethical Conduct, the Executive Safety Committee and an Enterprise Risk Management program that follows industry best practices.

The below actions by the Boards of Directors support our sustainability initiatives:

- The Chairman of the Boards and CEO provides the vision and leadership to execute the company's strategy and has overarching responsibility for managing risk, including climate change risks.
- The Human Resources Committee periodically reviews and assesses APS's strategies and policies related to human capital management, including with respect to matters such as corporate culture, talent development and retention.
- The Nuclear and Operating Committee receives and discuss regular reports from management concerning the safety and environmental policies and practices of APS, and monitors compliance by APS and Pinnacle West with such policies and applicable laws and regulations. The Committee also reviews and discusses with management how APS can continue to improve its safety practices.
- The Audit Committee discusses guidelines and policies to govern the process by which risk assessment and risk management is undertaken across APS.

The following actions, among others, throughout Pinnacle West and APS support strong governance, oversight and accountability:

- Employees and Board members must comply with the Code of Ethical Conduct. Everyone completes annual training on the Code, which outlines expected actions and behaviors, as well as how employees can raise ethical concerns. The Ethics Office provides a third-party website, helpline and phone app for anonymous reporting of concerns. Employees also can resolve concerns through their chain of leadership or Human Resources.

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GOVERNANCE

- Chaired by the Vice President of Operations Support, the Executive Safety Committee meets quarterly with leadership and safety professionals and advises on the development of company safety policies and expectations.
- APS's Enterprise Risk Management program is an integrated, cross-functional approach based on the Committee of Sponsoring Organizations and the Internal Organization for Standardization (ISO) 31000 frameworks. The program identifies the many risks that can impact utility operations, assesses and prioritizes risk based on their likelihood and potential impact, and works to monitor or mitigate their effects. The Enterprise Risk Management Program is overseen by the Executive Risk Committee, comprised of executive leaders and chaired and sponsored by the Chief Financial Officer.
- The North American Electric Reliability Corporation (NERC) Internal Compliance Program identifies and addresses risks to achieving reliability and security compliance with federal NERC standards.

NERC
NORTH AMERICAN ELECTRIC RELIABILITY CORPORATION

- The Supply Chain Sustainability Council is a cross-functional team that looks at supply chain processes and initiatives with a sustainability lens to increase efficiency, develop solutions and align with company priorities.

ADDITIONAL RESOURCES:

- Learn more about our risk factors in our ***most recent 10-K.***
- Read our **Corporate Policies** and **Codes of Conduct**:
  - ***Code of Ethical Conduct***
  - ***Safety Policy***
  - ***Political Participation Policy***
  - ***Supplier Code of Ethical Conduct***
  - ***Board of Directors Documents and Charters***
  - ***Human Rights Policy***

DIRECTOR NOMINEES' KEY SKILLS & EXPERIENCE

	Glynis A. Bryan	Ronald Butler, Jr.	Gonzalo A. de la Melena, Jr.	Carol S. Eicher	Susan T. Flanagan	Richard P. Fox	Theodore N. Geisler	Paula J. Sims	William H. Spence	Kristine L. Svinicki	James E. Trevathan, Jr.
FINANCE & ACCOUNTING											
Audit Expertise	✓	✓				✓					
Finance/Capital Allocation	✓		✓		✓	✓	✓		✓	✓	
Financial Literacy and Accounting	✓	✓	✓	✓	✓	✓		✓		✓	✓
BUSINESS OPERATIONS & STRATEGY											
Business Strategy	✓	✓	✓	✓	✓		✓				
Complex Operations Experience	✓			✓			✓		✓		✓
Corporate Governance				✓		✓		✓	✓		✓
Customer Perspectives	✓		✓			✓	✓				✓
Extensive Knowledge of Company's Business Environment		✓	✓				✓	✓			
Cybersecurity/Data Privacy	✓	✓				✓		✓	✓	✓	
Sustainability		✓	✓	✓	✓						✓
LEADERSHIP EXPERIENCE IN A LARGE ORGANIZATION											
CEO/Senior Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Public Board Service	✓			✓		✓			✓	✓	
Human Capital Management		✓	✓	✓	✓	✓				✓	✓
THE COMPANY'S INDUSTRY											
Nuclear Experience							✓	✓	✓	✓	
Utility Industry Experience					✓		✓	✓	✓	✓	
PUBLIC POLICY & REGULATORY COMPLIANCE											
Government/Public Policy/Regulatory					✓		✓	✓	✓	✓	✓
RISK OVERSIGHT & RISK MANAGEMENT											
Risk Oversight and Risk Management		✓	✓	✓	✓			✓			✓

Board Leadership

PERFORMANCE METRICS

We use a number of sustainability performance indicators to measure progress and hold ourselves accountable. Find our most recent data below.

AIR →
COMMUNITIES →
CUSTOMERS →
ELECTRIC RELIABILITY →
ENVIRONMENTAL VIOLATIONS →
GENERATION →
SAFETY →
WASTE →
WATER →
WORKFORCE →

A DOWNLOADABLE EXCEL FILE CAN BE FOUND ON THE PNW CORPORATE RESPONSIBILITY WEB PAGE.

PERFORMANCE METRICS

AIR

EMISSION RATE FROM APS-OWNED GENERATION						
	DEFINITION	**2020**	**2021**	**2022**	**2023**	**2024**
CO_2 (metric tons)	Carbon dioxide emitted from APS-owned generation.	11,147,881	11,248,266	12,553,688	10,546,113	10,892,401
SO_2 (tons)	Sulfur dioxide emitted from APS-owned generation.	1,784	2,326	2,504	2,090	1,775
NOx (tons)	Nitrogen oxide emitted from APS-owned generation.	5,102	5,496	6,022	4,634	4,398
PM10 (tons)	Particulate matter emitted from APS-owned generation.	456	478	510	370	366
Hg (tons)	Mercury emitted from APS-owned generation.	0.016	0.070	0.079	0.055	0.024
CO (tons)	Carbon monoxide emitted from APS-owned generation.	1,302	1,482	1,780	1,479	1,517
Pb (tons)	Lead emitted from APS-owned generation.	0.047	0.030	0.033	0.028	0.057
VOC (tons)	Volatile organic compounds emitted from APS-owned generation.	64	57	47	51	44

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➔ RETURN TO MAIN MENU OF PERFORMANCE METRICS

PERFORMANCE METRICS

AIR

EMISSION RATE FROM APS-OWNED GENERATION						
	DEFINITION	2020	2021	2022	2023	2024
CO_2 lb/MWh	Carbon dioxide emissions per MWh from APS-owned generation.	921	971	1,008	922	927
SO_2 lb/MWh	Sulfur dioxide emissions per MWh from APS-owned generation.	0.134	0.182	0.182	0.166	0.137
NOx lb/MWh	Nitrogen oxide emissions per MWh from APS-owned generation.	0.382	0.431	0.439	0.367	0.340
PM10 lb/MWh	Particulate matter emissions per MWh from APS-owned generation.	0.034	0.038	0.037	0.029	0.028
Hg lb/GWh	Mercury emitted emissions per GWh from APS-owned generation.	0.001	0.005	0.006	0.004	0.002
CO lb/MWh	Carbon monoxide emissions per MWh from APS-owned generation.	0.098	0.116	0.130	0.117	0.117
Pb lb/GWh	Lead emissions per GWh from APS-owned generation.	0.004	0.002	0.002	0.002	0.004
VOC lb/MWh	Volatile organic compound emissions per MWh from APS-owned generation.	0.005	0.004	0.003	0.004	0.003

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➔ RETURN TO MAIN MENU OF PERFORMANCE METRICS

PERFORMANCE METRICS

AIR

CARBON & GREENHOUSE GAS REPORTING						
	DEFINITION	2020	2021	2022	2023	2024
CARBON INTENSITY **INCLUDING THE ENERGY EFFICIENCY AND DISTRIBUTED GENERATION AMOUNTS** (lb/MWh)	Carbon intensity is the measure of total carbon emissions, measured in pounds per megawatt hour of energy delivered by APS to its customers. It includes total emissions from APS-owned generation and power purchase agreements, as well as megawatt hours from distributed generation and megawatt hours saved from demand-side management.	630	655	714	644	597
SCOPE 1 GREENHOUSE GAS EMISSIONS (MT CO2e)	Scope 1 includes all direct emissions arising from sources owned or controlled by the reporting entity (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles). These direct emissions result from activities that physically release greenhouse gases to the atmosphere.	11,257,147	11,329,468	12,665,061	10,628,383	10,975,406
SCOPE 2 MARKET-BASED GREENHOUSE GAS EMISSIONS (MT CO2e)	Scope 2 includes all indirect emissions associated with electricity, steam, heat, or cooling purchased for use by the reporting entity in its own operations. These indirect emissions occur outside of the organization's reporting boundary and are emitted by power generation sources owned or controlled by another party. Scope 2 also includes indirect emissions associated with T&D line losses from electricity that is not generated by the company transmitting and/or distributing the power.	116,939	112,162	91,739	165,717	158,087

→ RETURN TO MAIN MENU OF PERFORMANCE METRICS

PERFORMANCE METRICS

COMMUNITIES

COMMUNITIES						
	DEFINITION	2020	2021	2022	2023	2024
TOTAL GIVING	Total amount donated to worthwhile causes.	$ 11,100,000	$ 12,900,000	$14,700,000	$ 10,230,052	$10,349,169
TOTAL GIVING HEALTH & HUMAN SERVICES	Total amount donated to charitable human services organizations and causes in the calendar year.	—	$5,425,186	$5,949,861	$3,166,294	$4,097,564
TOTAL GIVING COMMUNITY DEVELOPMENT	Total amount donated to charitable community development organizations and causes in the calendar year.	—	$ 1,774,089	$ 3,537,895	$2,258,201	$1,756,957
TOTAL GIVING EDUCATION	Total amount donated to charitable educational organizations and causes in the calendar year.	—	$ 4,289,727	$ 3,277,468	$2,722,338	$2,915,798
TOTAL GIVING ARTS & CULTURE	Total amount donated to charitable arts & culture organizations and causes in the calendar year.	—	$ 752,827	$ 1,192,819	$ 882,546	$881,319
TOTAL GIVING SMALL BUSINESS	Total amount donated to charitable small business organizations and causes in the calendar year.	—	$ 93,400	$ 386,658	$ 436,395	$274,212
TOTAL GIVING ENVIRONMENTAL	Total amount donated to charitable environmental organizations and causes in the calendar year.	—	$ 359,966	$ 329,472	$ 296,134	$355,975
TOTAL GIVING OTHER	Total amount donated to other charitable organizations and causes in the calendar year.	—	$ 272,314	$ 28,893	$ 468,144	$67,344
VOLUNTEER HOURS	Estimated number of hours employees volunteer in the community.	82,000	91,000	83,500	79,286	95,669
VALUE OF VOLUNTEER HOURS	Total estimated value of Volunteer Hours based on Inspector Sector Reported values by state.	—	$2,600,000	$2,500,000	$2,400,000	$3,000,000
EMPLOYEE INVOLVEMENT IN COMMUNITY ORGANIZATIONS	Number of organizations where employees serve on the boards, to include community organizations, nonprofit organizations and industry groups.	OVER 500	OVER 400	OVER 250	152	157

→ RETURN TO MAIN MENU OF PERFORMANCE METRICS

PERFORMANCE METRICS

CUSTOMERS

CUSTOMERS						
	DEFINITION	2020	2021	2022	2023	2024
J.D. POWER CUSTOMER SATISFACTION STUDY QUARTILE PERFORMANCE — RESIDENTIAL	Quartile performance in the J.D. Power Residential Satisfaction Study amongst Large Investor-Owned utilities.	4TH	4TH	2ND	2ND	2ND
J.D. POWER CUSTOMER SATISFACTION STUDY QUARTILE PERFORMANCE — BUSINESS	Quartile performance in the J.D. Power Business Satisfaction Study amongst all utilities nationally.	2ND	4TH	1ST	2ND	2ND
ANNUAL INVESTMENT IN ENERGY EFFICIENCY PROGRAMS	Dollars spent on demand-side management (DSM) programs as reported to the Arizona Corporation Commission in the annual DSM progress report and third-party verified.	$40,803,142	$52,499,258	$57,475,148	$69,343,851	$69,021,393
ANNUAL ENERGY EFFICIENCY SAVINGS (MWh)	Includes energy savings generated from customer demand-side management (DSM) programs as reported to the Arizona Corporation Commission in the annual DSM progress report.	585,637	319,328	354,153	408,644	425,092
ANNUAL ENERGY EFFICIENCY PEAK CAPACITY SAVINGS (MW)	Includes capacity savings generated from customer demand-side management (DSM) programs as reported to the Arizona Corporation Commission in the annual DSM progress report.	198	271	322	334	336
ENERGY SUPPORT PROGRAM ENROLLMENT	The number of customers enrolled in Energy Support programs at the end of each year.	72,400	84,600	74,600	76,860	82,000
ENERGY SUPPORT PROGRAM FUNDING	Amount funded for Energy Support program to give qualified limited-income customers a discount on their bill each month.	$27,707,000	$34,148,000	$33,040,000	$19,400,000	$45,855,000
CRISIS BILL ASSISTANCE FUNDING	Amount of funding to help limited-income customers pay their bill if they have experienced a crisis like losing a job.	—	—	$2,500,000	$1,100,000	$3,746,000*

** Includes shareholder funds distributed to customers that were funded in a prior year.*

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PERFORMANCE METRICS

ELECTRIC RELIABILITY

ELECTRIC RELIABILITY						
	DEFINITION	2020	2021	2022	2023	2024
SAIDI	(System Average Interruption Duration Index): Average duration of planned and unplanned system interruptions per utility customer served during the data year. Excludes major event days.	78.58	87.36	84.05	82.07	87.20
SAIFI	(System Average Interruption Frequency Index): Indicates average number of interruptions a customer experiences in a given year. Excludes major event days.	0.85	0.89	0.89	0.81	0.93
CAIDI	(Customer Average Interruption Duration Index): Average duration of planned and unplanned interruptions (i.e., average restoration time) during the data year. Excludes major event days.	92.65	97.93	94.23	101.32	94.26

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PERFORMANCE METRICS

ENVIRONMENTAL VIOLATIONS

ENVIRONMENTAL VIOLATIONS						
	DEFINITION	**2020**	**2021**	**2022**	**2023**	**2024**
REPORTABLE ENVIRONMENTAL INCIDENTS	The number of reports or notices required to be submitted to a regulatory agency due to a violation of an environmental law, regulation, permit or as a result of a spill, release or any unauthorized discharge.	**2**	**2**	**6**	**4**	**4**
ENVIRONMENTAL NOTICES OF VIOLATION	A notice received from a regulatory agency that a violation of an environmental law, regulation, or permit has occurred.	**1**	**1**	**2**	**0**	**2**
ENVIRONMENTAL FINES	Total amount paid for non-compliance events/violations in connection with regulation enforcement actions.	**$1,832**	**$1,979**	**$4,237**	**$0**	**$2,319**

GENERATION

GENERATION						
	DEFINITION	**2020**	**2021**	**2022**	**2023**	**2024**
TOTAL ENERGY SOURCES (MWh)	Includes total generation production and purchased power.	**33,668,000**	**34,076,000**	**36,028,000**	**36,822,000**	**38,833,000**
TOTAL RENEWABLE ENERGY (MWh)	Includes APS-owned solar, purchase power agreements (solar, wind, geothermal, biogas) and distributed energy as reported in the RES annual report.	**2,982,329**	**2,695,395**	**2,558,340**	**2,504,507**	**2,426,516**

See our ***Statistical Report*** for more generation data.

➔ **RETURN TO MAIN MENU OF PERFORMANCE METRICS**

PERFORMANCE METRICS

SAFETY

SAFETY						
	DEFINITION	2020	2021	2022	2023	2024
OSHA RECORDABLE INJURIES OR ILLNESS CASES	Total number of employees who sustained an OSHA recordable injury.	40	53	27	39	35
RECORDABLE INCIDENT RATE	Injury or illness is recordable if it results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid or loss of consciousness. (Number of injuries or illnesses x 200,000/number of employee labor hours worked).	0.64	0.89	0.46	0.63	0.58
DAYS AWAY RESTRICTED AND TRANSFER (DART)	A DART incident is one in which there were one or more lost days or one or more restricted days, or one that resulted in an employee transferring to a different job within the company. (Total number of DART incidents x 200,000/number of employee labor hours worked).	0.59	0.79	0.41	0.50	0.33
LOST-TIME CASE RATE	Only report for employees of the company as defined for the "recordable incident rate for employees" metric. (Number of lost-time cases x 200,000/number of employee labor hours worked).	0.37	0.55	0.27	0.33	0.21
SERIOUS INJURY OR FATALITY	Any injury an employee sustains resulting in a fatality; life threatening injury or illness; or life-altering injury/permanent disability.	4	7	3	8	0
WORK-RELATED FATALITIES	Total employee fatalities. Record for all employees on our payroll, whether they are labor, executive, hourly, salary, part-time, seasonal or migrant workers. Includes fatalities to those that occur to employees who are not on our payroll if we supervise these employees on a day-to-day basis.	0	0	0	0	0
NEAR-MISS FREQUENCY RATE	Incident in which no damage or personal injury occurred, but where damage or personal injury easily could have occurred but for a slight circumstantial shift. (Number of Near Miss Events x 200,000/total hours worked).	1.91	1.93	1.48	1.29	1.00

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PERFORMANCE METRICS

WASTE

WASTE						
	DEFINITION	2020	2021	2022	2023	2024
RECYCLING						
RECYCLED MATERIALS (lbs)	Includes scrap metal, forestry, small pole and pad mount transformers, oil, single stream (co-mingled) recycling, e-waste (including smart meters), and other recycling. As captured through Investment Recovery only.	19,583,316	18,024,527	23,360,585	19,624,095	19,546,761
DIVERSION PERCENT	APS Corporate and Transmission & Distribution measures all non- Hazardous waste and diverted materials to calculate our total waste stream. For the purposes of this metric "diverted" includes waste recycled, repurposed, or otherwise handled so as not to enter a landfill. The tonnage of diverted material as a percentage of the total waste stream is our diversion rate.	31%	33%	55%	70%	77%
COAL ASH						
COAL ASH GENERATED (tons)	Total ash (bottom and fly) produced by Four Corners and Cholla Power plants.	1,158,385	1,022,843	1,253,253	937,855	1,011,040
COAL ASH DIVERTED FROM LANDFILL (tons)	Coal ash produced by Four Corners and Cholla Power Plants and then sold for beneficial use.	583,616	164,923	206,960	258,849	410,014
COAL ASH BENEFICIALLY USED (%)	Percent of coal ash from Four Corners and Cholla Power plants beneficially used.	50%	16%	17%	28%	41%

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➔ RETURN TO MAIN MENU OF PERFORMANCE METRICS

PERFORMANCE METRICS

WASTE

WASTE						
	DEFINITION	2020	2021	2022	2023	2024
RADIOACTIVE WASTE						
LOW-LEVEL RADIOACTIVE WASTE (cubic feet)	Low-level radioactive waste from Palo Verde Generating Station.	30,002	27,200	21,030	26,100	33,640
HAZARDOUS WASTE						
NON-EPISODIC HAZARDOUS WASTE GENERATION (tons)	Hazardous waste generated at APS owned and operated facilities that is from routine operations and maintenance of facility.	2.3	3.9	3.6	5.2	4.0
EPISODIC HAZARDOUS WASTE GENERATION (tons)	Episodic hazardous waste generation attributed to large amounts of hazardous waste generated as the result of non-routine facility operations and unplanned waste events.	5	0	57	14	8
PCB DATA						
NUMBER OF PIECES	Total number of PCB containing equipment that is removed from our electrical system for disposal. This equipment may consist of transformers, bushings, capacitors and other electrical components within the transformer, like switches.	85	70	75	47	40
WEIGHT (kilograms)	Total weight in kilograms of PCB containing equipment that is removed from our electrical system for disposal. This equipment may consist of transformers, bushings, capacitors and other electrical components within the transformer, like switches.	16,388	28,772	17,960	12,817	8,077

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PERFORMANCE METRICS

WATER

WATER USAGE FOR GENERATION AT APS-OWNED & OPERATED PLANTS						
	DEFINITION	2020	2021	2022	2023	2024
GROUNDWATER (acre-feet)	Total groundwater consumed at APS-owned and operated generation plants.	16,378	13,009	12,979	12,073	11,680
SURFACE WATER (acre-feet)	Total surface water consumed at APS-owned and operated generation plants.	17,153	15,027	19,513	17,696	18,945
EFFLUENT (acre-feet)	Total effluent consumed at APS-owned and operated generation plants.	73,543	75,853	75,441	72,492	71,782
TOTAL WATER (acre-feet)	Total water consumed at APS-owned and operated generation plants.	107,074	103,889	106,744	102,114	101,342
INTENSITY (gal/MWh)	Total water consumed per net MWh generated at APS-owned and operated generation plants.	659	663	651	668	646

➔ RETURN TO MAIN MENU OF PERFORMANCE METRICS

PERFORMANCE METRICS

WORKFORCE

WORKFORCE						
	DEFINITION	2020	2021	2022	2023	2024
VETERAN	Percent of veteran employees in the reporting year.	17%	16.1%	16.5%	15.5%	14.8%
EMPLOYEE TENURE (YEARS)	Average length of time an employee has maintained employment at the company.	12	12	12.77	12.57	11.29
TOTAL EMPLOYEE TURNOVER (%)	Percent of employees that leave the company in the reporting year.	7.5%	9.8%	11%	8.1%	7.1%
TURNOVER RELATED TO RETIREMENTS (%)	Percent of employees that retire from the company in a reporting year.	3.7%	4.1%	3.6%	2.7%	2.1%
EMPLOYEE ENGAGEMENT SCORE (%)	Reflects the percentage of employees that feel connected to their own success, success of their teams and the organization as measured by a standardized survey.	83%	85%	83%	85%	86%
AVERAGE NUMBER OF EMPLOYEES	The mathematical average of the number of employees over the calendar year.	6,112	6,008	5,842	5,900	6,245
UNION EMPLOYEES	Number of employees belonging to IBEW union.	—	1,245	1,201	1,135	1,122
TOTAL HOURS TRAINING	Includes hours tracked through HR software spent learning skills related to job function and leadership development/career enhancement.	246,616	95,123	77,618	59,332	101,509

→ RETURN TO MAIN MENU OF PERFORMANCE METRICS

CORPORATE POLICIES & CODES OF CONDUCT

As stewards of Arizona, we are committed to the people and prosperity of our state. The APS Promise, and our vision to create a sustainable energy future for Arizona, guides our sustainability initiatives. To ensure our success, we maintain a strong corporate governance structure with policies and practices that support the execution of our strategic priorities to achieve our mission, including those focused on our customers, communities, employees and stakeholders.

POLITICAL PARTICIPATION POLICY
LEARN MORE →

CODE OF ETHICAL CONDUCT
LEARN MORE →

SUPPLIER CODE OF ETHICAL CONDUCT
LEARN MORE →

BOARD OF DIRECTORS DOCUMENTS & CHARTERS
LEARN MORE →

SAFETY POLICY
LEARN MORE →

HUMAN RIGHTS POLICY
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FORWARD-LOOKING STATEMENTS | SEPTEMBER 2025

This report contains forward-looking statements based on current expectations.

These forward-looking statements are often identified by words such as “estimate,” “predict,” “may,” “believe,” “plan,” “expect,” “require,” “intend,” “assume,” “project,” “anticipate,” “goal,” “seek,” “strategy,” “likely,” “should,” “will,” “could,” and similar words. Because actual results may differ materially from expectations, we caution readers not to place undue reliance on these statements. A number of factors could cause future results to differ materially from historical results, or from outcomes currently expected or sought by Pinnacle West or APS. These factors include, but are not limited to:

- uncertainties associated with the current and future economic environment, including economic growth rates, labor market conditions, tariffs, inflation, supply chain delays, increased expenses, volatile capital markets, or other unpredictable effects; current and future economic conditions in Arizona, such as the housing market and overall business and regulatory environment; our ability to manage capital expenditures and operations and maintenance costs while maintaining reliability and customer service levels; the direct or indirect effect on our facilities or business from cybersecurity threats or intrusions, data security breaches, terrorist or physical attacks, severe storms, or other catastrophic events, such as fires, explosions, pandemic health events or similar occurrences; variations in demand for electricity, including those due to weather, seasonality (including large increases in ambient temperatures), the general economy or social conditions, customer, and sales growth (or decline), the effects of energy conservation measures and distributed generation, and technological advancements; the potential effects of climate change on our electric system, including as a result of weather extremes such as prolonged drought and high temperature variations in the area where APS conducts its business; power plant and transmission system performance and outages; competition in retail and wholesale power markets; regulatory and judicial decisions, developments, and proceedings; new legislation, ballot initiatives and regulation or interpretations of existing legislation or regulations, including those relating to tax, environmental requirements, regulatory and energy policy, nuclear plant operations and potential deregulation of retail electric markets; fuel and water supply availability; our ability to achieve timely and adequate rate recovery of our costs through our rates and adjustor recovery mechanisms, including returns on and of debt and equity capital investment; the ability of APS to meet renewable energy and energy efficiency mandates and recover related costs; the ability of APS to achieve its clean energy goal to be carbon-neutral by 2050 and, if this goal is achieved, the impact of such achievement on APS, its customers, and its business, financial condition, and results of operations; risks inherent in the operation of nuclear facilities, including spent fuel disposal uncertainty; the development of new technologies which may affect electric sales or delivery, including as a result of delays in the development and application of new technologies; the cost of debt, including increased cost as a result of rising interest rates, and equity capital and our ability to access capital markets when required; environmental, economic, and other concerns surrounding coal-fired generation, including regulation of GHG emissions; volatile fuel and purchased power costs; the investment performance of the assets of our nuclear decommissioning trust, captive insurance cell, coal mine reclamation escrow, pension, and other post-retirement benefit plans and the resulting impact on future funding requirements; the liquidity of wholesale power markets and the use of derivative contracts in our business; potential shortfalls in insurance coverage; new accounting requirements or new interpretations of existing requirements; generation, transmission and distribution facility and system conditions and operating costs; our ability to meet the anticipated future need for additional generation and associated transmission facilities in our region; the willingness or ability of counterparties, power plant participants and power plant landowners to meet contractual or other obligations or extend the rights for continued power plant operations; and restrictions on dividends or other provisions in our credit agreements and Arizona Corporation Commission orders.

- These and other factors are discussed in Risk Factors described in Part 1, Item 1A of the Pinnacle West/APS Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2024 and our other filings with the Securities and Exchange Commission, which readers should review carefully before placing any reliance on our financial statements or disclosures. Neither Pinnacle West nor APS assumes any obligation to update these statements, even if our internal estimates change, except as required by law.