



ESG POLICY

Southwest Generation (SWG) recognizes that management of environmental, social and governance (ESG) issues can have a significant impact on the growth and longevity of its business. In developing the following ESG principles, we have considered a range of codes and standards, including EPA, OSHA, our Code of Ethics and Business Conduct, and the input of our Board of Directors and stakeholders.

OUR ESG PRINCIPLES

SWG will, to the best of its ability:

- implement ESG engagement activities as an integral part of how we do business and recognize that ESG activities are of an ongoing nature;
- encourage continual improvement in ESG performance at the company;
- comply with all applicable regulations and apply relevant best practices governing operations, the protection of human rights, occupational and public health and safety, and the environment;
- adhere to the highest standards of ethical conduct to avoid negligent, corrupt business practices or practices involving conflicts of interest;
- assist employees and relevant contractors, as appropriate, in the identification and management of ESG risks and opportunities, and provide them with appropriate support to do so;
- identify ESG risks and opportunities as part of the evaluation of growth opportunities;
- support and encourage our employees to help community organizations and activities;
- provide for the assignment of, and accountability for, ESG responsibilities to senior managers;
- review this policy's effectiveness and implementation on a regular basis, and report relevant findings, progress and recommendations to our Board;
- distribute this policy and related ESG information to all employees; and
- ensure appropriate disclosure to, and encourage dialogue on ESG issues with, our Board of Directors and other stakeholders.