



# Fueling Our Energy Future



## Executive Summary

CORPORATE RESPONSIBILITY AND  
SUSTAINABILITY REPORT 2023



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## A MESSAGE FROM LEADERSHIP

### Letter to Our Stakeholders

In October, we celebrated Atmos Energy's 40th anniversary as an independent company, and throughout fiscal 2023 we continued to live by the fundamental values of Charles K. Vaughan, our Founding Chairman, of honesty, integrity, and good moral character. Those values have been further supported by more than a quarter century of our AtmoSpirit culture and its five principles—**Inspire Trust, Be at Your Best, Bring Out the Best in Others, Make a Difference, and Focus on the Future**. Thanks to the steadfast dedication of our 5,000 employees, the values that guide us, our AtmoSpirit culture, and our vision to be the safest provider of natural gas services, we are grateful for the sustained, long-term success of this company.

In fiscal 2023, we continued to execute our proven strategy of operating safely and reliably while modernizing our natural gas distribution, transmission, and storage systems. We invested \$2.8 billion with 85% of that capital investment dedicated to safety and reliability projects. We also replaced over 900 miles of distribution and transmission mains and 47,000 service lines. Our investments in the 1,400 communities we serve supported strong economic development, as we added nearly 61,000 new customers last year—including 46,000 in Texas alone.

We expanded our longstanding partnership with local chapters of Habitat for Humanity to build zero net energy (ZNE) homes that help families thrive. Two new ZNE homes were completed in fiscal 2023, and two more were completed in early calendar year 2024. As of this writing, we have completed 12 ZNE homes in the eight states we serve, each designed to produce more energy than it consumes with high-efficiency natural gas appliances, rooftop solar panels, and advanced insulation materials. These homes demonstrate the vital role natural gas plays in helping customers reduce their carbon footprint.

Our customer support associates and service technicians continued to build trust in our communities, as indicated by an overall 98% satisfaction rating from our customers and a #1 ranking from the American Customer Satisfaction Index based on input from approximately 30,000 residential customers chosen at random.

Every one of our 5,000 employees is empowered through a variety of in-person and virtual training programs that supply the necessary skills to perform their work safely. In fiscal 2023, employees spent more than 9,000 hours on safety training and attended over 96,000 safety huddles.

*Fueling Safe and Thriving Communities* efforts support schools and students with books and nutritious meals, honor our community heroes, plant trees, work in community gardens, and conduct energy assistance blitzes to connect our customers with financial support. In fiscal 2023, our employees Made A Difference by volunteering nearly 43,000 hours to enrich community endeavors and nonprofit organizations. Additionally, we donated 20 book vending machines to schools, libraries, and community organizations; supplied 5.5 million meals to our neighbors in need through more than 200 local food banks and shelters; and helped about 62,000 customers gain access to \$29 million in financial assistance through LIHEAP, Sharing the Warmth, and other energy assistance programs.

Throughout this report, there are many stories and incredible accomplishments that highlight the heart and soul of Atmos Energy and our remarkable employees who continue to Be at Their Best and Bring Out the Best In Others. I am proud of our Atmos Energy team their dedication to being the safest provider of natural gas services.

Focusing on long-term sustainability has always been a part of our strategy and is reflected in the vital role we play in every community, which is to safely and reliably deliver natural gas to homes, businesses, and industries and fuel our energy needs for generations to come.

**J. Kevin Akers**  
President and Chief Executive Officer



## Our ESG Strategy: Fueling Our Energy Future

Atmos Energy Corporation, an S&P 500 company headquartered in Dallas, is the country's largest natural gas-only distributor. We safely deliver reliable, efficient, and abundant natural gas to more than 3 million distribution customers in over 1,400 communities across eight states. Atmos Energy manages proprietary pipeline and storage assets, including one of the largest intrastate natural gas pipeline systems in Texas.

Our vision is for Atmos Energy to be the **Safest** provider of natural gas services. We will be recognized for **Exceptional Customer Service**, for being a **Great Employer**, and for achieving **Superior Financial Results**.

Our ESG strategy aligns with our vision of being the safest provider of natural gas services, with our culture founded on AtmoSpirit principles, and with our purpose and corporate strategy. This alignment means investing in safety, focusing on operational and environmental sustainability, hiring and training a diverse and engaged workforce, and Fueling Safe and Thriving Communities.



## About This Report

Information included in this report primarily covers our activities during fiscal year 2023. We've also included a few examples of our efforts from late 2022 and early 2024 to provide context on our progress and direction. Additionally, certain data points included in the report are measured on a calendar year basis and reflect information for calendar year 2023.

We align our reporting with the International Sustainability Standards Board and the Sustainability Accounting Standards Board (SASB)<sup>[1]</sup>. We also continue to report ESG metrics through the American Gas Association's ESG/Sustainability template and the Global Reporting Initiative (GRI) index. This report has been developed under the oversight of the Corporate Responsibility Committee of our Board of Directors.

[1] Atmos Energy began incorporating TCFD recommendations in 2021. In October 2023, the TCFD released its final status report and was disbanded and incorporated into the ISSB. Our 2023 report maintains a similar level of transparency as our previous reports and, since the disbandment of TCFD, we have maintained disclosures aligned with the SASB standards.

**CAUTIONARY STATEMENT** This material includes forward-looking statements. These statements can be identified because they use words such as "anticipate," "believe," "estimate," "may," "could," "expect," "forecast," "target," "goal," "intend," "objective," "plan," "projection," "seek," "strategy," or similar words. Similarly, statements that describe future plans or strategies and future emissions reductions are forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the statements. These risks and uncertainties include the following: federal, state, and local regulatory and political trends and decisions; increased federal regulatory oversight and potential penalties; possible increased federal, state, and local regulation of the safety of our operations; the impact of greenhouse gas emissions or other legislation or regulations intended to address climate change; possible significant costs and liabilities resulting from pipeline integrity and other similar programs and related repairs; the impact of climate change; increased dependence on technology that may hinder the Company's business if such technologies fail; our ability to continue to access the credit and capital markets to execute our business strategy; the impact of adverse economic conditions on our customers; and other risk factors discussed under Part I, Item 1A, Risk Factors, and Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, Cautionary Statement for the Purposes of the Safe Harbor under the Private Securities Litigation Reform Act of 1995 in our Annual Report on Form 10-K for the fiscal year ended September 30, 2023, which should be read in conjunction with the forward-looking statements in this report. Atmos Energy undertakes no obligation to update or revise any of our forward-looking statements whether as a result of new information, future events, or otherwise.

**MATERIALITY STATEMENT** Throughout this report, we report on issues material to our stakeholders in this context. It should not be confused with materiality for financial or regulatory purposes. Issues deemed material for the purposes of this report may not be considered material for SEC reporting purposes.



# EMPLOYEES

## Our Culture Reflects AtmoSpirit Principles

AtmoSpirit has been the foundation of our enduring success and deeply rooted safety culture. The principles are the beliefs and behaviors we embrace as a company, driving our actions at work, in our communities, and at home. Established over 20 years ago, AtmoSpirit is based on five core principles.

From their first day of employment until their retirement, employees learn and live AtmoSpirit. Our values and their impact inform our employees' decisions, actions, and attitudes.

Inspire Trust

Be at Your Best

Bring Out the Best in Others

Make a Difference

Focus on the Future



“At Atmos Energy, I like the feeling of being supported and part of a close-knit group that always looks to uplift each other.”

Brad Malone, MIC Specialist

AtmoSpirit helps our employees understand the value of diverse life experiences and perspectives, recognize blind spots and biases, and appreciate that inclusive and diverse teams are essential to success.

Atmos Energy's Culture Council sustains and strengthens AtmoSpirit. Comprised of employees from across the enterprise who best exemplify our values, the Culture Council convenes regularly to help monitor employees' health, emotional well-being, and career satisfaction levels. The Culture Council periodically connects with employees and provides them opportunities to share their personal experiences and opinions about working at Atmos Energy.

Each Atmos Energy field employee has a 'Learning Path' outlining the necessary training to excel in their role. This Learning Path incorporates function-specific technical training and health and safety training for every employee.

New employees participate in Atmos Energy Essentials (AEE) training after joining the company. In the weeks following AEE, our classroom instructors deliver job-specific training virtually and in person in their local area while experienced Field Mentors from across our operating divisions facilitate further hands-on training.

The **Charles K. Vaughan Center**, Atmos Energy's state-of-the-art training facility, hosts training and other events for employees, first responders, community officials, and school groups to promote natural gas safety.

The **Robert W. Best Educational Assistance program** is available to all full-time employees upon hiring. The program provides up to \$5,250 in tax-free assistance (the current maximum amount allowable under IRS guidelines) annually for tuition, books, administration, transfer, and related expenses.



“Choosing to become an engineer is one of the best decisions I ever made. It was challenging and still is some days, but I have learned so much throughout my career. I believe I have made a positive impact on the people and the systems we support.”

Kimberly Winn, Technical Services Vice President



**64%**  
of employees in our Educational Assistance program were minority women\*

\*Calendar Year 2023

**124**  
employees enrolled in courses with Educational Assistance in 2023

**89%**  
of employees enrolled in 2023 are working towards a degree

**353**  
employees enrolled in courses since 2019



“One of the central tenets of our vision is to be recognized as a great employer, which is why we invest in our people and champion a workforce that reflects the 1,400 unique communities we serve. Veteran and military candidates play a valuable role in realizing that vision, so we actively partner with organizations that help us recruit military community members to join our team.”

Matt Robbins, Senior Vice President of Human Resources

## Atmos Energy Is Committed to Veterans

We actively recruit transitioning military personnel for a wide range of career opportunities. During calendar year 2023, we employed 334 known veterans and active-duty military team members who impact all areas of our company. They contribute their leadership, rigorous work ethic, talents, backgrounds, and experiences to help us be the safest provider of natural gas services.

Atmos Energy veterans are executives, engineers, service technicians, construction crew leads, accountants, customer service agents, marketing associates, public affairs managers, human resources team members,

instructional technology experts, workforce development creators, security specialists, and operational support team members. Atmos Energy partners with local veteran and military organizations and nonprofits to connect job-seeking veterans, active-duty military, and their spouses to Atmos Energy career opportunities. Additionally, Atmos Energy team members serve as mentors in local veteran and military mentorship programs to support their transition to the civilian workforce, provide coaching on vital employment search techniques, and advise on military-to-civilian cultural differences.



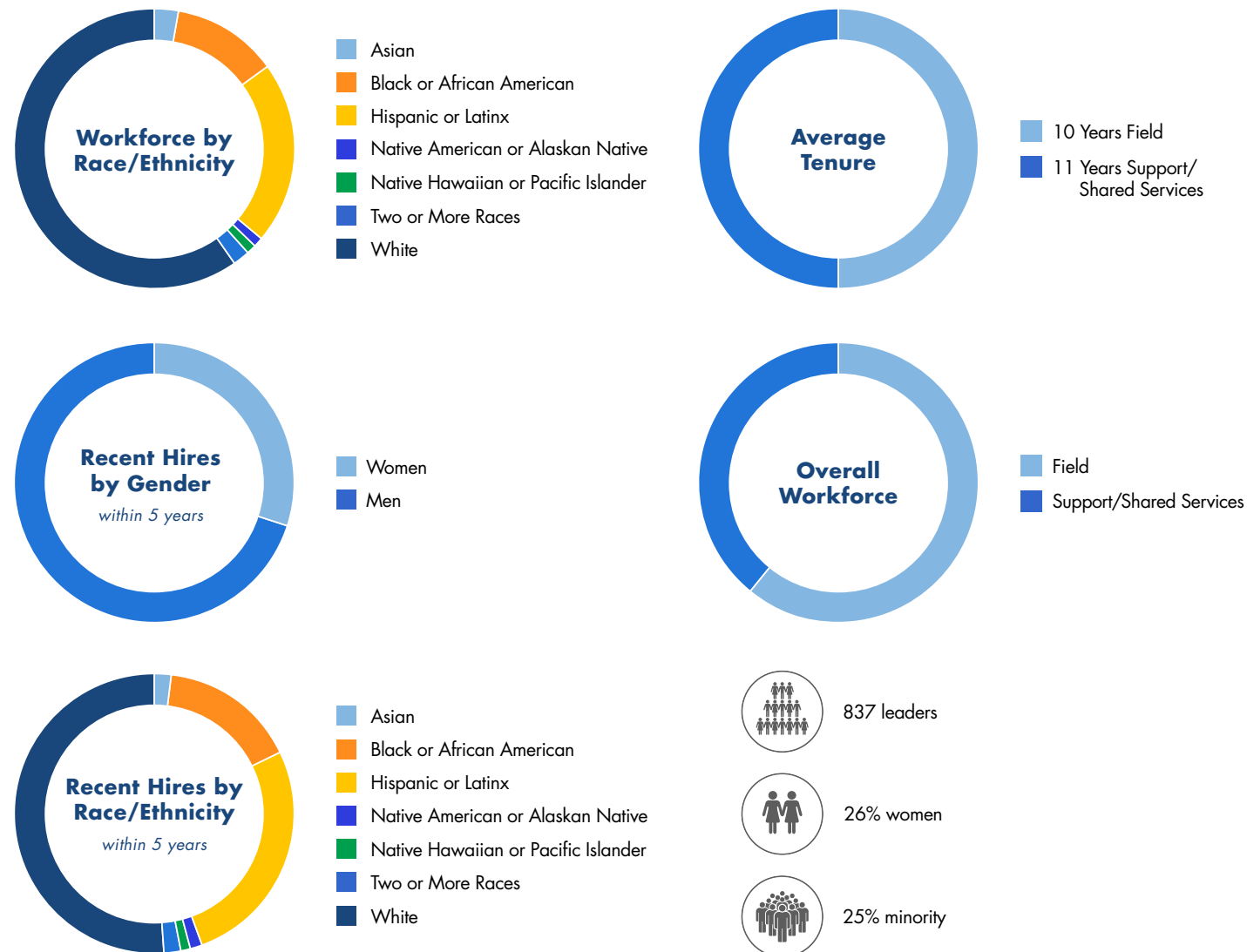
# Our Employees Fuel Our Business

At Atmos Energy, we strive for a workforce that reflects the 1,400 unique communities we serve. We believe that the meaningful contributions of a workforce with various skills, talents, backgrounds, and experiences foster innovation and engagement, supporting our vision of being the safest provider of natural gas services.

In calendar year 2023, 62% of our new hires were minorities and women. We enhance the knowledge and skills of our employees through training, and we empower them by creating opportunities for meaningful participation and growth. We hire and train new employees in each of our operational areas to learn from seasoned Atmos Energy subject matter experts.

As of December 31, 2023, our overall workforce totaled approximately 5,000 employees, of which 23% are women and 38% minorities<sup>[1]</sup>. Atmos Energy employed 837 individuals in leadership positions (supervisors through senior management). One-quarter of those positions were held by women, and one-quarter were held by minorities.

[1] Our previous diversity metrics are available at <https://www.atmosenergy.com/company/corporate-responsibility-reports/>.



# Our Culture Enables Us to Overcome Challenges

In 2023, we witnessed Atmos Energy employees excel at managing risk and seizing opportunities to utilize both technology and our collaborative culture, keeping our AtmoSpirit strong. Field Mentors regularly attend virtual training sessions to refresh their knowledge, skills, and understanding of AtmoSpirit. We strive to maintain small virtual class sizes to encourage close student-teacher relationships and enrich each student's learning experience.

Atmos Energy embraces a high standard of training employee growth and is committed to improving the communities we serve.

## Painted Tree Subdivision

Our collaborative culture and commitment to serve extends to helping our communities grow and prosper. Throughout our service area, many departments, such as marketing, engineering, operations, system planning, and right of way, are involved in working with builders and developers to provide natural gas service to new homes and businesses. This teamwork also extends to coordinating with company contractors to install pipelines and service lines.

In North Texas, Painted Tree is a master-planned community that Atmos Energy and contractors partnered to plan, design, and install the natural gas infrastructure to serve 3,300 new homes. The marketing team also participated in the grand opening celebration to showcase how natural gas provides additional value to potential homeowners.



"I worked with teams for designing, forecasting, gas delivery pressures, buildout timing, and where the natural gas main for each phase goes and where the piping that leads to each house will be located. This project is evidence of Atmos' coordination and teamwork."

Nick Roy, Marketing Manager, Mid-Tex Division



# SAFETY

## Safety Drives Everything We Do

With a commitment to be the safest provider of natural gas services, the safety of Atmos Energy’s employees, customers, and communities has always been our number one priority. Safety is at the core of what we do. It’s a value reflected in our Vision, essential to our culture, and evident in our people, processes, procedures, and practices.



“It is a testament to the dedication and commitment of every employee that Atmos Energy is intensely focused on safety, which is reflected year-round as we live our AtmoSpirit principles in the communities we serve.”

John McDill, Senior Vice President of Utility Operations

## Operational Safety

Atmos Energy is responsible for operating over 79,000 miles of natural gas pipelines in more than 1,400 communities. There are many roles and responsibilities that contribute to operating safely, effectively, and reliably, and many factors that all Atmos Energy employees consider when performing their jobs. However, none are more important than safety.

Our commitment to safety is rooted in AtmoSpirit principles. Our focus on **Employee Safety**, **System Safety**, and **Public Safety** drives our procedures, practices, processes, training, oversight, and assurance activities.

Building on this strong foundation that has supported our vision for decades, API RP 1173 Pipeline Safety Management Systems (PSMS) was implemented organically at Atmos Energy. The 10 PSMS elements align with our AtmoSpirit principles and are integrated into our approach to risk management and pipeline safety to continuously improve practices that enhance the safety of employees, customers, and the communities that we serve.

Safety isn’t just what we do, it is who we are.



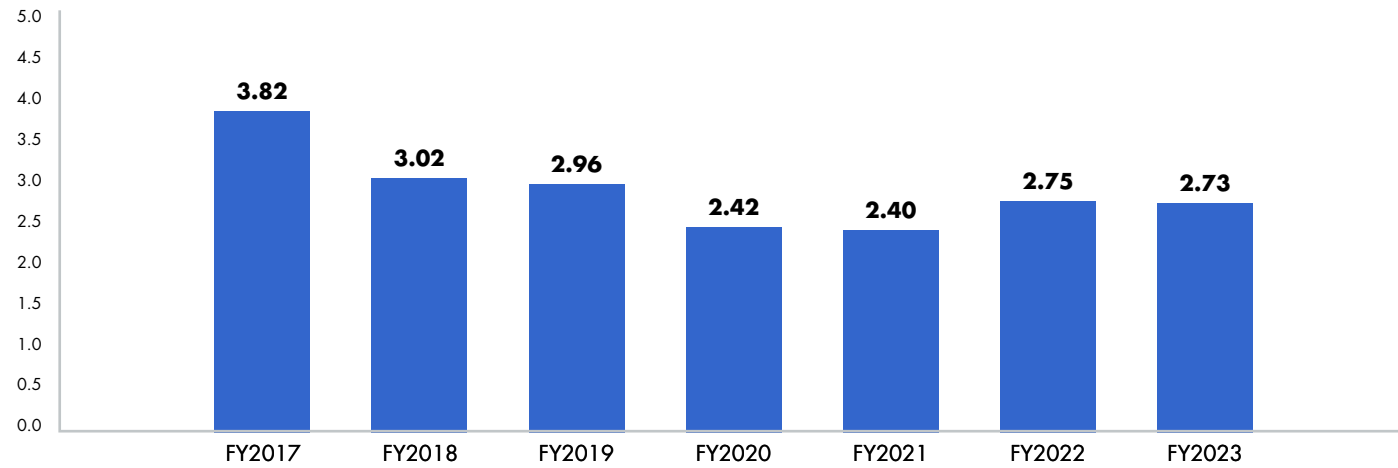
## Pipeline Safety

Pipelines are highly regulated by federal and state requirements. Over the years, the landscape of the natural gas industry has changed substantially, with new technologies, evolving customer needs, and increasingly stringent safety regulations. These changes advance natural gas’s safe transportation and delivery to customers and communities. Atmos Energy’s holistic approach to safety includes focusing on our system’s long-term safety and reliability. In fiscal year 2023, we directed approximately 85% of our capital spending toward the continued modernization of the safety and reliability of our distribution, transmission, and storage systems.



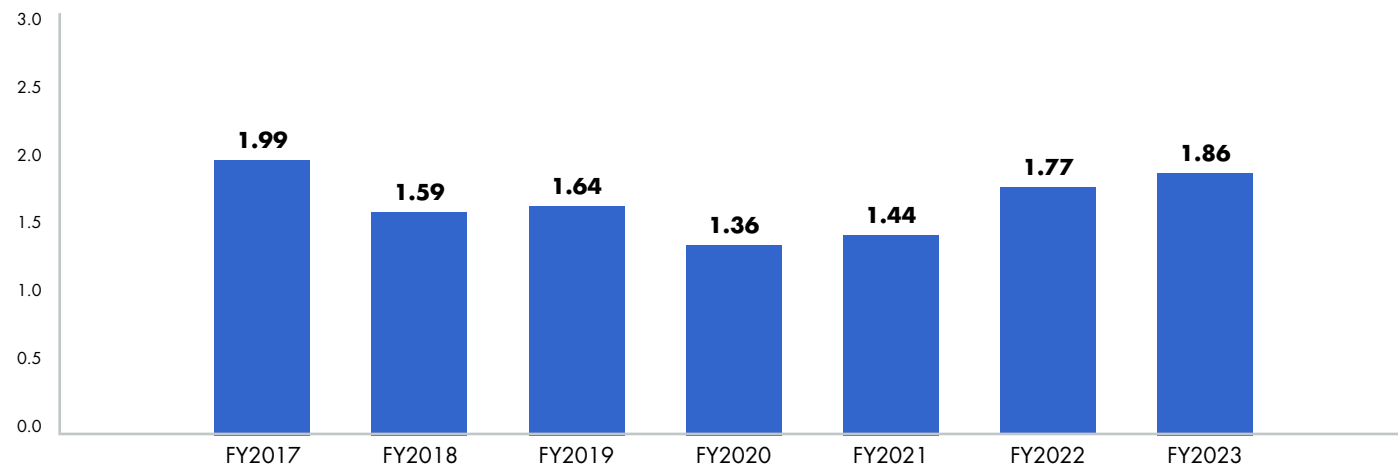
**Recordable Injury Rate (RIR)**

(per 200,000 hours worked)



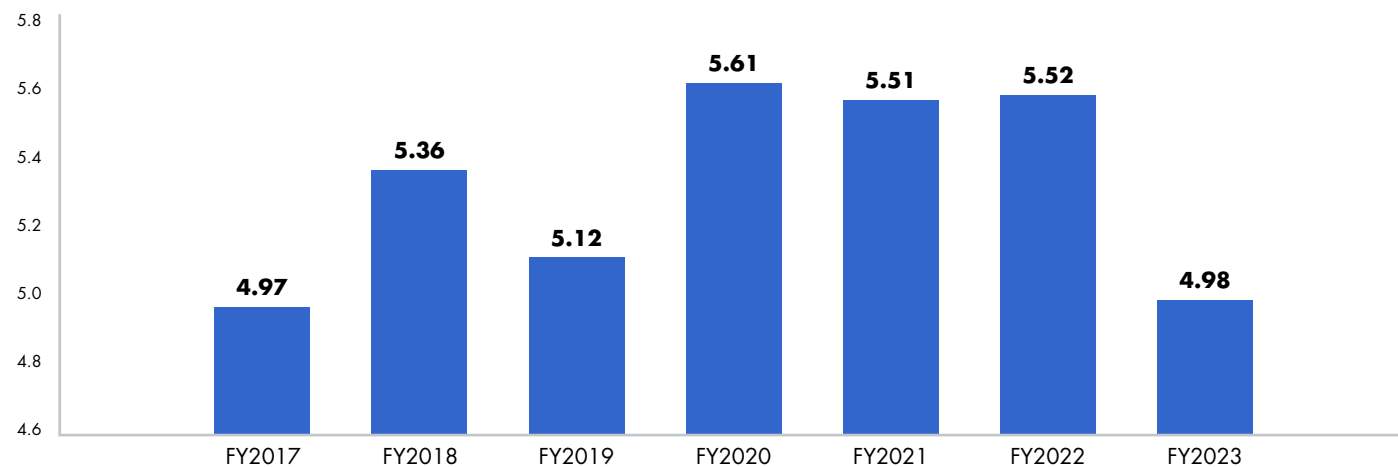
**Days Away/Restricted/Transfer Injury Rate (DART)**

(per 200,000 hours worked)



**Reportable Motor Vehicle Collision Rate (RMVC)**

(per 1,000,000 miles driven)



**ENVIRONMENTAL AND OPERATIONAL SUSTAINABILITY**

Focusing on Environmental and Operational Sustainability

**Comprehensive Environmental Strategy Supports a Lower Carbon Future**

Modernizing our natural gas distribution and transmission system is a core component of our vision to become the safest provider of natural gas services. Modernization not only enhances safety and reliability but also reduces emissions.

Natural gas is essential for meeting the nation’s energy demands. Carbon dioxide (CO<sub>2</sub>) emissions from residences using natural gas for space heating, water heating, cooking, and clothes drying are approximately 18% lower than those attributable to an all-electric home.<sup>[1]</sup>

In fiscal year 2023, Atmos Energy continued to execute our comprehensive environmental strategy focused on reducing Scope 1, 2, and 3, as defined in the Greenhouse Gas Protocol, and other environmental impacts from our operations, fleet, facilities, gas supply, and customer end-use.

[1] AGA 2024 Playbook—Environment



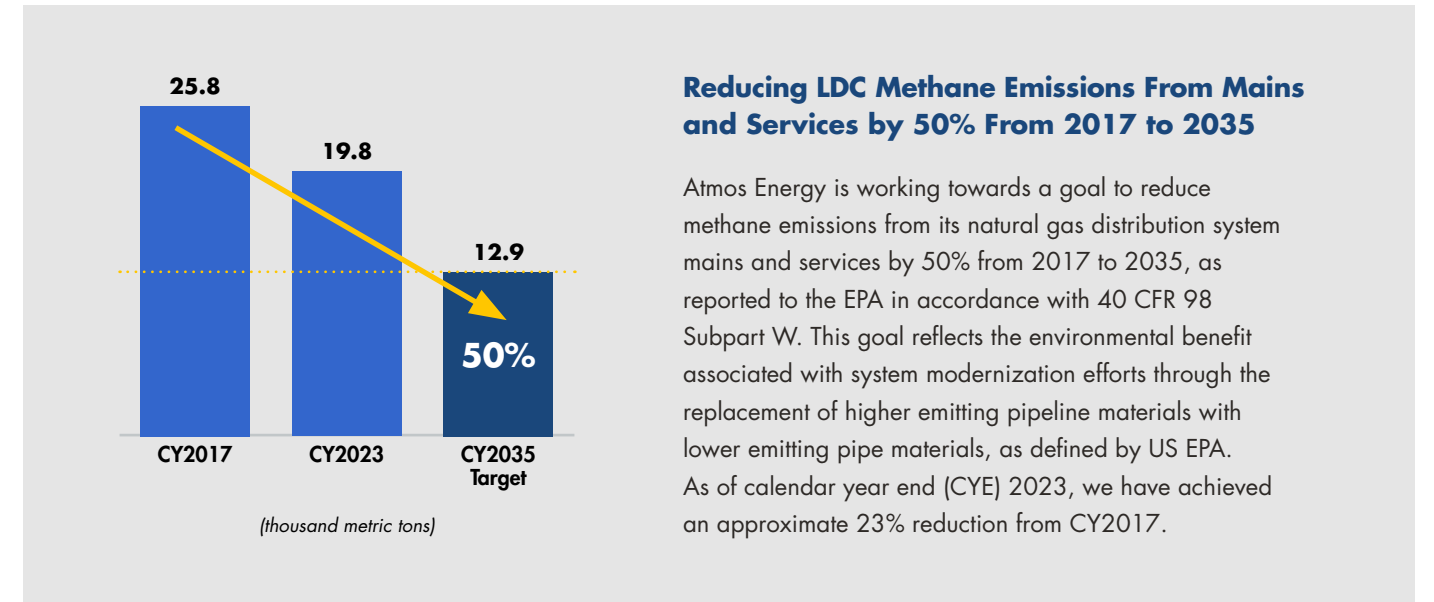
“Atmos Energy works to reduce its emissions by improving the energy efficiency of our facilities, and great care is taken to incorporate environmentally responsible materials into the design of our new service centers.”

Zach White, Operations Supervisor

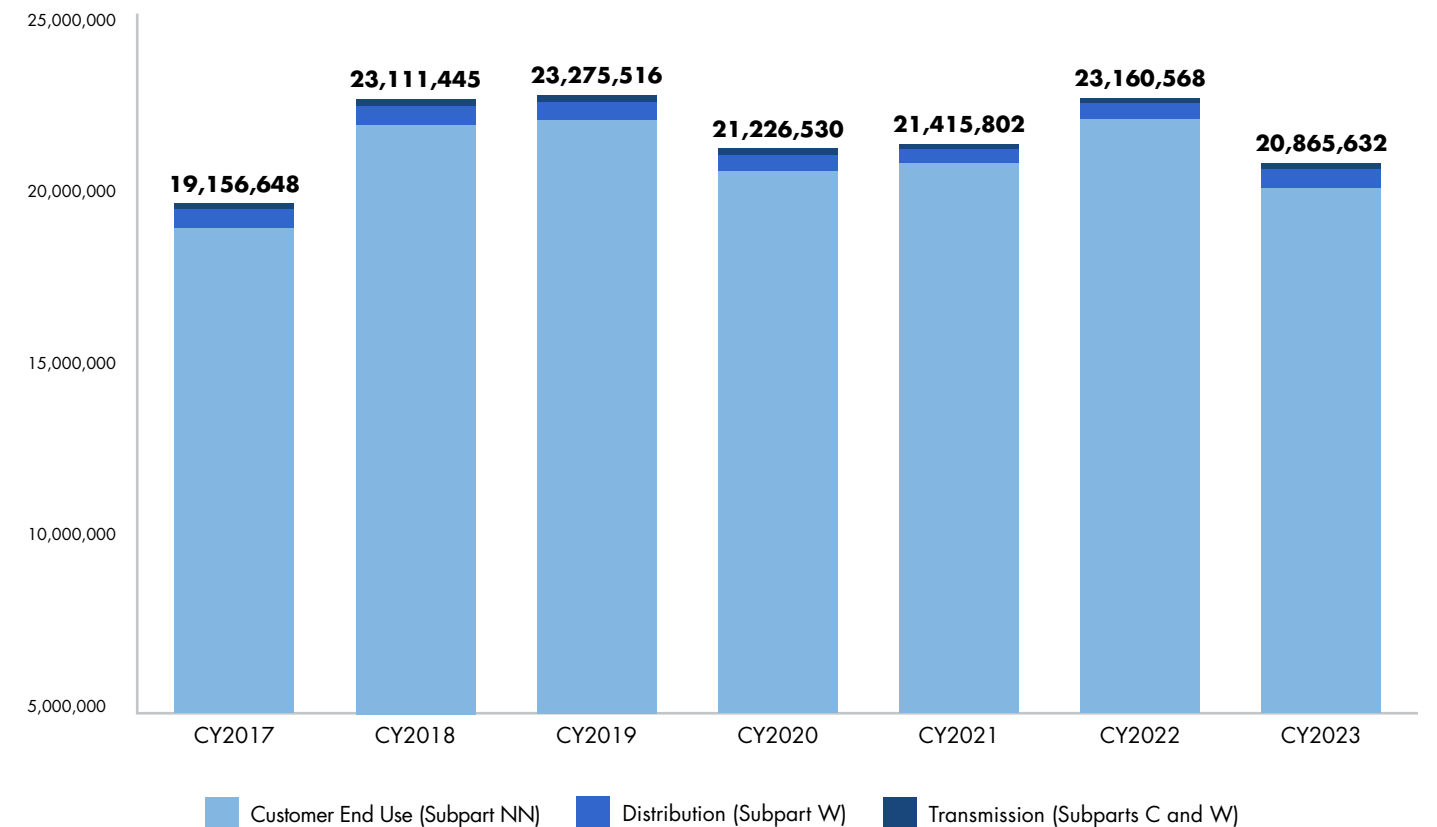
## Greenhouse Gas Commitments and Progress

Atmos Energy’s comprehensive environmental strategy focuses on reducing Scope 1, 2, and 3 emissions (as defined by the Greenhouse Gas Protocol) and other environmental impacts from our operations, fleet, facilities, gas supply, and customer end-use. We are implementing operating practices and solutions to reduce carbon from our operations through:

- Ongoing system modernization work
- Reducing third-party damage to our system
- Improving monitoring and measuring of methane emissions
- Evaluating and implementing innovative technologies
- Investing in research and development
- Collaborating with our legislators, regulators, customers, and suppliers



## Total Estimated EPA-Reportable GHG Emissions (MT CO<sub>2</sub>e)



Several factors influence our annual GHG emissions totals, including the expansion of our distribution system, fluctuations in customer end use, and our ongoing system modernization efforts. The general increase in our total reported emissions since 2017 is mainly due to customer growth and system expansion to meet rising customer demand.



Atmos Energy partnered with Lafayette Habitat for Humanity to build the first ZNE home in Louisiana. Nearly 50 employees volunteered on multiple days to help build the 1,171-square-foot home, which was dedicated to the homeowner in the fall of 2023.

### Achieving Zero Net Energy With Natural Gas

Zero Net Energy (ZNE) homes are designed to produce as much energy as they consume at an affordable cost to the homeowner through high-efficiency ENERGY STAR® natural gas appliances, rooftop solar panels, and high-performance building materials. In fiscal year 2021, we completed our first ZNE home project in Colorado. Since then, we have completed 12 more new ZNE homes in Kansas, Kentucky Louisiana, Mississippi, Tennessee, Texas, and Virginia.

These ZNE projects are part of a 20-year partnership with Habitat for Humanity to provide affordable, energy-efficient housing and demonstrate the important role of natural gas in fueling our energy future. The families in these modern ZNE homes experience the value and comfort of natural gas with significantly reduced greenhouse gas emissions and more affordable energy bills.



“Atmos Energy is proud of our partnership with Habitat for Humanity to design and build homes that provide efficient and reliable energy to homeowners, but also demonstrate that zero net energy is achievable with natural gas.”

Christina Christiansen, Manager of Public Affairs



### Fueling Safe and Thriving Communities

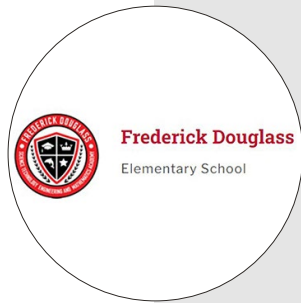
Compassion to give back to the communities we serve is woven into the culture of Atmos Energy. In fiscal year 2023, our employees volunteered nearly 43,000 hours to support community endeavors and nonprofit organizations. Through our Fueling Safe and Thriving Communities program, we donated more than \$12 million to support more than 1,400 nonprofit organizations in the places where we live, work, and serve. Our Fueling Safe and Thriving Communities program focuses on three essential pillars:

Fueling bright minds and healthy futures for our kids.

Fueling honor and thanks for our community heroes.

Fueling hope and growth for our neighbors.

## Community Partner Feedback



“Most of our students do not have the money to purchase books at a book fair, so Atmos Energy making a donation to benefit all students is a real game-changer. Putting free books in the hands of our students to bring home reinforces the importance of reading and what they learned during the school year, so they will be well prepared for the next school year.”

Sherqueena Jackson, Principal of Frederick Douglass Elementary



“Grapevine Public Library was honored to accept Atmos Energy’s generous donation of a book vending machine, which offers a unique reading incentive that puts more books into children’s hands and homes. We are proud to be part of a true community partnership that is an investment in children, literacy, and the future.”

Leigh Kapsos, Grapevine Public Library director



“We are so thankful for the financial support from Atmos Energy and our whole community, without whom we would not have been able to resume serving the children who depend on us daily. Hunger Busters provides breakfast and lunch to children enrolled in summer programs at the City Recreation Centers and Dallas City of Learning, among others. Thanks to the generosity of our supporters, we were able to resume meeting the needs of these kids even sooner than we hoped.”

Dr. Latame Phillips, CEO of Hunger Busters



“Atmos Energy’s generosity helped provide emergency meals for students in need while our schools were closed. They have been a loyal partner of the Success Foundation, and we are grateful for the positive impact they continue to make on our students through their Fueling Safe and Thriving Communities initiative.”

Julie Hill, Executive Director of the Success Foundation



# GOVERNANCE

## Leading With Integrity

Through our strong corporate governance structure and practices, Atmos Energy leadership sets direction, provides accountability, and creates transparency in decision-making tied to our corporate goals. At Atmos Energy, we expect every one of our employees to act with integrity and accountability. We consistently reinforce our ethical standards and principles across our workforce and have adopted key sustainability initiatives.



“We take pride in our commitment to uphold rigorous ethical standards and exemplify the best business practices that position Atmos Energy to lead in corporate social responsibility.”

Chris Forsythe, Senior Vice President and Chief Financial Officer

## Board of Directors

Atmos Energy’s Board structure is designed to provide independent oversight of corporate management and key issues related to strategy and risk. Our lead director is independent, and independent directors chair all standing Board committees. Additionally, independent directors regularly hold executive sessions outside the presence of the chairman, the president, and CEO, or any other company employee. Directors serve one-year terms upon election and are reelected to subsequent one-year terms by a shareholder vote at the annual shareholders meeting.

The Nominating and Corporate Governance Committee oversees the company’s governance-related matters. This committee annually considers and makes recommendations to the Board regarding suitable candidates to fill Board vacancies and submits them to the company’s shareholders for election. This maintains balance and diversity on the Board with respect to race, sex, age, geographical location, knowledge, skills, expertise, business experience, and other appropriate measures. We strive to maintain the right balance of tenure across our Board to bring both historical knowledge and fresh perspectives to our governance approach. Our Board is balanced with a mix of new and experienced members, providing a diverse range of viewpoints and backgrounds.



## Board Experience

	Background				Experience								
	Years Serving	Age	Gender	Race/Ethnicity	Industry Experience	Safety	Regulatory/Policy	Strategy/M&A	Finance/Accounting	Independent	Diversity	Public Co Leadership	Public Co BOD
J. Kevin Akers	4	60	M	White	•	•	•	•				•	
John C. Ale	2	69	M	White	•	•	•	•	•	•		•	
Kim R. Cocklin	14	72	M	White	•	•	•	•				•	•
Kelly H. Compton	7	66	F	White					•	•	•		
Sean Donohue	5	62	M	White		•	•	•		•		•	
Rafael G. Garza	7	63	M	Hispanic				•	•	•	•		
Richard K. Gordon	22	74	M	White	•			•	•	•			•
Nancy K. Quinn	19	70	F	White	•			•	•	•	•		•
Richard A. Sampson	11	73	M	White				•	•	•			
Diana J. Walters	5	60	F	White	•			•	•	•	•	•	•
Frank Yoho	3	64	M	White	•	•	•	•	•	•		•	
Percent of Board	–	–	–	–	64%	45%	45%	91%	73%	82%	36%	55%	36%

### Board Practices

Independent lead director

Separation of Board chair and CEO

9 of 11 directors are independent

Annual election of all directors

Regular executive sessions of independent directors

Comprehensive and strategic risk oversight

Annual Board and committee evaluations

### Shareholder Matters

Robust shareholder engagement

Annual say-on-pay voting

Majority voting for director elections

No poison pill defense

### Board Committees

Audit Committee

Corporate Responsibility, Sustainability, and Safety Committee

Human Resources Committee

Nominating and Corporate Governance Committee

Executive Committee

### Other Governance Practices

Executive and director stock ownership guidelines

Clawback policy

Prohibition on hedging or pledging stock

For more information on our governance practices, visit the [Governance Documents](#) section of our website.



“Our unique culture guides us in everything we do, including our approach to corporate governance, which is built upon our AtmoSpirit principles. This resilient foundation empowers our enterprise to focus on continuous process improvement as we strive to be the safest provider of natural gas services.”

Karen Hartsfield, Senior Vice President, General Counsel & Corporate Secretary

## Atmos Energy Senior Leadership Committees

The Management Committee comprises five senior leaders responsible for executing company strategy as approved by the Board. The committee meets regularly to actively monitor safety, operational, and financial performance and oversees compliance with policies, procedures, and ethical business practices.

The Risk Management and Compliance Committee (RMCC) comprises members from the senior leadership team. This committee, overseen by the Management Committee, oversees enterprise-wide risk management across all categories, including safety, security, cybersecurity, and ESG risks. The RMCC also oversees the Quality Assurance, Pipeline Safety Management System, and Management of Change processes.





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