



2023 SUSTAINABILITY REPORT





A Letter from Jeffrey A. Harrison
President & CEO, Citizens Energy Group

As a local broad-based utility company operating as a Public Trust, Citizens Energy Group has a unique opportunity to positively impact the resilience of our Central Indiana community, primarily because every part of our business touches the principles of sustainability. In turn, we have a responsibility to execute our work in a way that delivers long-term value and improves the quality of life for our customers and our communities. This responsibility is a privilege, and it recently led us to pause and revisit how we think about sustainability.

Since 2013, Citizens has led our operations modeled on our EBCs of Sustainability—a focus on the Environment, our Businesses, and the Communities in which we live and work. This year, we have further aligned our EBCs of Sustainability with the United Nations’ Sustainable Development Goals (SDGs) to highlight how everyone can play a role in working toward a better world for all. Incorporating this framework gives additional depth to Citizens’ sustainability commitment, allowing us to better demonstrate to our stakeholders how we contribute to the well-being of the customers and communities we serve.

Our efforts have carried us near the end of some landmark projects and to the early stages of others. After more than a decade, the DigIndy Tunnel System project is slated to be completed in 2025 and already has diverted more than 4.6 billion gallons of sewage that otherwise would have entered our waterways. The impact of that project will benefit generations to come. Citizens also has embarked on a campaign to remove and replace an estimated 55,000 customer-owned water service lines made of lead, minimizing lead-exposure risk to customers associated with these legacy piping materials.

Other commitments—to develop students into the next generation of the Indiana workforce, make loans to community development corporations, support our employees through the Good Wages Initiative, or link our customers to financial assistance—also lead toward a stronger and more resilient community.

With a recently refreshed vision, mission, and values that include commitments to stewardship, inclusion, and integrity, Citizens continues to view sustainability as vital to our role of providing safe and reliable utility services. We also remain committed to cost-conscious decision-making and investments that prioritize affordability and benefits to our stakeholders.

In the following pages, you will see how Citizens continues to contribute to the well-being of our customers and communities while protecting the environment. Building on our accomplishments and planning for future successes, our goal is to emphasize how every effort contributes to sustainability in a global context.

Jeffrey A. Harrison

Jeffrey Harrison

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Citizens Energy Group supports the Sustainable Development Goals.

In this report Citizens has aligned our “EBCs of Sustainability” to reflect the United Nations’ framework, pairing each Sustainable Development Goal (numbered throughout the report) within our broader categories of Environment, Business, and/or Community. We know there are many ways to categorize sustainability planning and action, but we hope that the framework used for this report will highlight how everyone can play a role in working toward a better world for all.

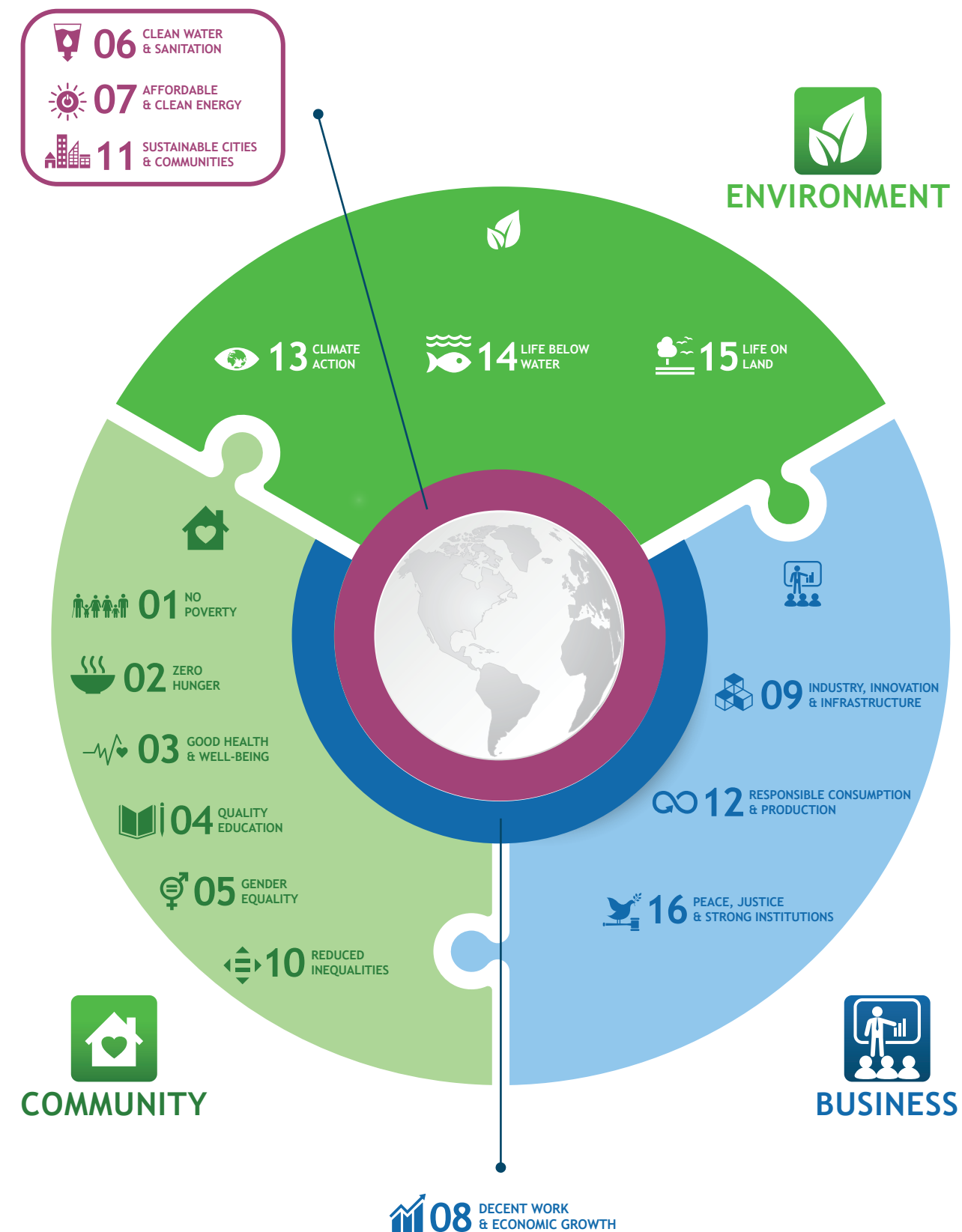


*Learn more about
the United Nations
Sustainable Development Goals.*



The Citizens Energy Group “EBCs of Sustainability”

Aligned with 16 UN Sustainable Development Goals



E-ENVIRONMENT

(Regularly aligned with SDGs 06, 07, 11, 13, 14, 15)



ENVIRONMENTAL STEWARDSHIP

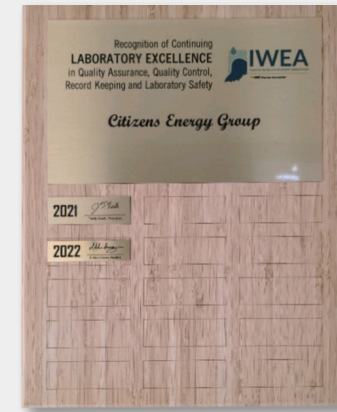
(09, 11, 14, 15)

Citizens' Environmental Stewardship team is the hub for planning, tracking, advising, and implementing programs to achieve compliance with environmental and natural resources permits and regulations, modeling Citizens' values of collaboration and stewardship. Collaboration occurs across Citizens, including with the Operations areas, Quality Systems, Corporate & Public Affairs, and Regulatory & External Affairs. Through this collaboration, Citizens employees keep performance data and topics of sustainability included in strategic planning at the highest levels. The Environmental Stewardship team pulls together data from various operations monitoring methods with process recommendations from our Citizens Lean and Six Sigma (CLASS) Quality programs. Process and performance information is used to present a full picture of how best to minimize adverse environmental impacts.

SUSTAINING OUR WATERWAYS

(06, 14)

Because the White River is already cleaner and more appealing to the public, businesses such as Frank's Paddlesports Livery and Back 9 Golf & Entertainment are emerging along its banks. Citizens continues to engage with community partners to champion the reduction of combined sewer overflows to area rivers and streams, aiming to capture and treat at least 97 percent of the sewage overflows in the Fall Creek Watershed, and at least 95 percent in the White River and other watersheds in a typical year. Historically, about 6 billion gallons of untreated sewage has flowed annually into our rivers and streams. But with expanded capacity added to Citizens' advanced wastewater treatments plants and the completion of the DigIndy Tunnel System now in sight, Citizens will soon be able to store more 250 million gallons of untreated wastewater per rain event. Successfully keeping untreated waste from entering local waterways will continue to transform the ecosystem for natural riparian dwellers and Central Indiana residents and visitors alike.



Citizens Energy Group was recognized with the Laboratory Excellence Award at the Indiana Water Environment Association's annual conference in August 2022. The Laboratory Excellence Award is given for outstanding achievement in the implementation of laboratory techniques and administration. To be eligible for the award, Citizens submitted an application detailing processes and testing methods used at the Belmont and Southport Advanced Wastewater Treatment Plants. The recognition also considered a detailed audit of the laboratory facility at the White River Water Treatment Plant. Award criteria include quality assurance and quality control programs; general laboratory organization, cleanliness and safety; and specific testing parameters such as ammonia, total suspended solids, and E. coli testing. This was the second year in a row that Lab Services received the award.

DIGINDY TUNNEL SYSTEM

(03, 06, 09, 10, 11, 12, 13)

With full completion on track for 2025, the construction of the DigIndy Tunnel System (a 28-mile system of tunnels 250 feet below Indianapolis) will be the largest improvement to the cleanliness of our waterways in generations, capturing and treating millions of gallons of sewage for years to come. We continue to meet project milestones, including the end of tunnel mining across the entire program, which had been ongoing since 2013. The tunnel system has been built in bedrock and lined with concrete as a more effective and safer alternative to shallow sewer designs, while minimizing disturbances to our community. Now more than a decade in the making, completed tunnel segments already have prevented more than 4.6 billion gallons of sewage from entering local waterways. Continuing construction on each of the remaining tunnel components described below will contribute to the overall effort to better capture sewage and improve flow distribution between Citizens' various treatment plants before proper release.

- **Eagle Creek Deep Tunnel:** The 1.7-mile Eagle Creek Deep Tunnel segment was completed in December 2017. Originally designed as simply a conveyance component of the system, the \$38 million tunnel was adapted to include 17 million gallons of additional sewage storage within the DigIndy Tunnel System.
- **White River Tunnel & Lower Pogue's Run Tunnel:** Fully commissioned in June 2022, the 5.3-mile White River Tunnel and 1.9-mile Lower Pogue's Run Tunnel will eliminate most combined sewer overflows along the White River and Lower Pogue's Run. A project-bundling efficiency identified during construction is estimated to have saved more than \$70 million in capital costs by recommissioning the tunnel boring machine used on previous DigIndy Tunnel System components.
- **Fall Creek Tunnel:** On track to be complete well ahead of schedule in late 2024, the \$145 million Fall Creek Tunnel segment has finished mining and lining work. Consolidation sewer work continues on this project segment located between the Indiana State Fairgrounds and the intersection of Fall Creek Boulevard with the Fall Creek waterway, where this system will connect to the White River Tunnel. The Fall Creek Tunnel will nearly eliminate combined sewer overflows along this segment of Fall Creek.
- **Pleasant Run Tunnel:** The final tunnel segment in the overall construction timeline, the \$220 million Pleasant Run Tunnel project will address more than 35 combined sewer discharge points along Pleasant Run, which flows through the southeast side of Indianapolis. All tunnel mining is now complete, while concrete lining operations and consolidation sewer work are ongoing. Work on this segment is expected to wrap up in mid-2025, marking the end of construction on the DigIndy Tunnel System.

WASTEWATER TREATMENT PLANTS

(03, 06, 12, 14)

With more than 4.6 billion gallons of additional sewage treated (as of September 30, 2023) via DigIndy Tunnel System segments placed into operation, newly added treatment capabilities at the Belmont and Southport Advanced Wastewater Treatment Plants are being put to use. Both plants’ treatment capacity has doubled in recent years, each to more than 250 million gallons per day, and their work significantly contributes to the improved water quality of the nearby White River.

10 THOUSAND TREES INITIATIVE

(03, 09, 11, 12, 13, 15)

The 10 Thousand Trees initiative accompanying Citizens’ DigIndy project has accomplished 8,600 plantings on its way to the 10,000-tree mark. Perennial tree-planting events provide an opportunity for employee engagement and community collaboration. Started in 2017 as a partnership between Citizens, Keep Indianapolis Beautiful (KIB), and the Indianapolis Department of Public Works, tree plantings are targeted within the combined sewer area to provide up to one million gallons of stormwater storage during rain events as a green complement to DigIndy’s infrastructure. The tree-planting effort is also estimated to have sequestered more than 180 tons of carbon since the program began, with an increasing rate of carbon sequestration as trees mature. The remaining trees are expected to be planted by spring 2024.

SEPTIC TANK ELIMINATION PROGRAM (STEP)

(06, 09, 11, 14, 15)

Citizens continues to reduce the number of homes served by private septic systems which may fail as a result of changing site conditions or other factors and leach human waste into backyards and, eventually, the neighborhood’s groundwater, ditches, and waterways. Through September 2023, approximately 11,000 septic systems have been or are in the process of being removed from homes, representing a 37 percent reduction from a height of 60,000 homes in Marion County served by septic systems. Fewer septic systems mean less risk of elevated E. coli bacteria counts in many small neighborhood streams and ditches, especially during dry weather. Citizens designates STEP areas for septic system replacements using several factors, including density of septic tanks in the area, proximity to drinking water wells, and proximity to the floodplain. Understanding that removing a septic system is often a prohibitively expensive project for customers to undertake, Citizens has offered since 2016 to complete the construction for customers in STEP areas at a cost of under \$3,000 (on average) and finance the cost over 60 months at zero-percent interest, added to the customer’s utility bill.

Citizens employees volunteer with KIB in March 2023 to plant 95 trees in the Fountain Square neighborhood. Citizens has planted more than 8,000 trees as a part of our 10 Thousand Trees initiative.



SEWER REHAB PROGRAM

(06, 09, 11, 14, 15)

Citizens takes a proactive and risk-mitigating approach to sewer rehabilitation and renewal, having identified in 2023 more than \$150 million of projects to be addressed across the next 20 years. With plans to invest \$15-20 million per year into collection system rehabilitation, sewer rehabilitation projects are prioritized by risk level with specific actions recommended based on available inspection data. The three prioritized categories include the highest priority category with “severe structural defects,” the second category with “recommended rehabilitation,” and the third category with “no action” or no immediate attention required. These projects address pipes that have, in some cases, been untouched since they were installed in the 1800s, extending their useful life by another 100-plus years. As part of the sewer rehabilitation program, Citizens inspects more than one million linear feet of sewer each year. From 2015 to 2022, Citizens completed more than 80 miles of sewer rehabilitation and rehabilitated more than 3,000 manholes.



ENERGY EFFICIENCY

(07, 09, 11, 12, 13)

Citizens tracks savings it is realizing via several different energy efficiency programs. The Verizon Reveal telematics system (activated in all Citizens-owned vehicles at the beginning of 2021) now directs vehicle maintenance based on usage data such as milage, engine hours, and real-time maintenance codes instead of rote, calendar-based best practices. Using Verizon Reveal, fleet management estimates a reduction of 20 minutes on average when responding to incidents based on the routing capabilities of GPS-enabled telematic systems. Coupled with a new policy of completing work orders up to the end of a shift (itself shedding another 20 minutes on average of travel time), Citizens estimates that operations have been made more efficient by reallocating 1,000 minutes per day across all crews from transportation time to working time, which is anticipated to save more than \$150,000 per year.

Citizens also is participating in U.S. EPA's ENERGY STAR® for Buildings Program both at our General Office (going back to 2012) and newly at our Langsdale Operations Center. With a yearly application process, staff continue to consider improvements and apply for the designation.



In 2021, Citizens' General Office was awarded the ENERGY STAR® certification for superior energy performance for the eighth consecutive year. The General Office scored an 83, signifying that it is more energy efficient than 83 percent of similar buildings nationwide. Certification is given by the U.S. EPA and U.S. Department of Energy on an annual basis through an application process. Information submitted by organizations must be verified by a licensed Professional Engineer or Registered Architect. Learn more about ENERGY STAR® certification here:



REDUCING EMISSIONS

(03, 09, 11, 12, 13, 15)

In 2023, Citizens was tentatively approved for a \$7.5 million natural gas infrastructure grant through the Natural Gas Distribution Infrastructure Safety and Modernization (NGDISM) program of the federal Pipeline and Hazardous Materials Safety Administration. Citizens applied to use the grant funds for the replacement of 4.7 miles of cast-iron distribution natural gas piping infrastructure—the final such piping of this make-up in our entire 4,000-mile system. As a testament to the quality of the project application, the project was one of 37 tentatively approved recipients out of 139 funding applicants.

Under the federal Bipartisan Infrastructure Law, NGDISM funding is granted to improve public safety, protect public health, and reduce methane emissions from natural gas distribution pipes. The funding for pipe replacement would mean that the totality of Citizens' natural gas distribution system would soon be composed of a safer style of pipe (plastic or protected steel), which is more resistant to corrosion and leaks.

Apart from the safety benefits of leak reduction, this project is anticipated to reduce emissions of the greenhouse gas methane by approximately 13 metric tons per year; this amount equates to a reduction of approximately 287 tons per year of carbon dioxide equivalents. Citizens has shown its commitment to our environment, the safety of our neighborhoods, and the long-term condition of our infrastructure assets by continuing to pursue improvements until the whole system is upgraded.

Project construction may begin as early as spring 2024 in the Martindale-Brightwood neighborhood, to which Citizens as a consistent liaison through our Neighborhood Ambassador Program. Citizens Energy Group has worked to communicate upcoming improvement plans with neighborhood leaders and residents.



B - BUSINESS

(Regularly aligned with SDGs 06, 07, 08, 09, 11, 12, 16)



STRATEGIC PLANNING

(09, 16)

Citizens' strategic approach to planning is framed around how best to sustain our businesses for the benefit of the communities we serve. This long-term view continued to be present as a cross-functional team this year elevated "Leadership" and "Stewardship" to a set of six refreshed values for the company. Our teams are increasingly demonstrating an understanding of how the long-term planning of even small operational facets can include the hallmarks of a robust sustainability program. As an example of this, the recent decision to switch to sodium hypochlorite (generated on site at Citizens) for water treatment at some locations included the understanding of strategic, sustainable benefits: the long-term resilience of our water utility; cost-effective control over our local supply chain; and therefore, the ability to mitigate against future utility rate increases for Citizens' customers.

SAFETY FOR WORKERS

(03, 08, 12)

Even within Citizens' recently refreshed vision, mission, and values statements, the value of Safety remains the first concept we talk about when describing how we do our work. Citizens employs two primary measurements to track our safety culture: a tally of Days Away, Restricted or Transferred (DART) cases as well as a log of vehicle incidents. While the primary elements of our safety program are consistent throughout the organization, each department or team may modify them, particularly to meet the regulatory requirements of agencies like Pipeline and Hazardous Materials Safety Administration (PHMSA) as well as applicable best practices from various organizations such as the American Gas Association and Indiana Energy Association. Each of our business units has an assigned safety professional to conduct training and audits, assess hazards, and manage safety needs.

The strategies we use to build upon our employee safety culture include: comprehensive maintenance and security of our facilities; appropriate capital investments to facilities and systems; and safety partnerships with the community we serve.



Employees in Water Operations, Wastewater, Thermal, and Westfield are engaged in hazardous material emergency response training, thanks to an innovative online and hands-on curriculum developed by Environmental Stewardship staff in collaboration with a local consulting firm. To comply with OSHA regulations, Citizens is required to provide annual hazmat emergency response training to employees who may identify or respond to a release of hazardous substances. Prior to the COVID-19 pandemic, hazmat training was provided in a classroom setting; however, the knowledge-based portion was adapted for digital platforms due to the challenges of meeting in person during the pandemic. More than 200 Citizens employees have successfully completed this training.

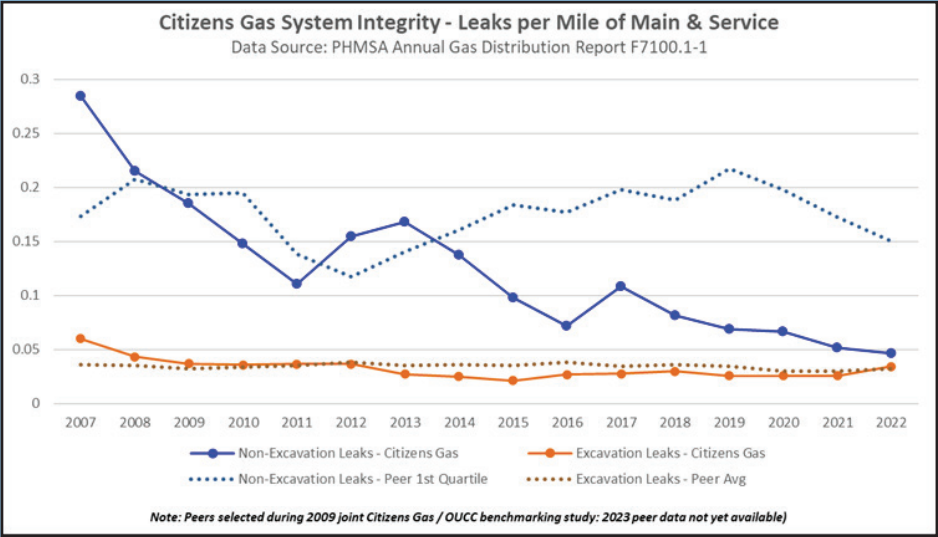
SAFETY IN ENERGY OPERATIONS

(03, 08, 09, 12)

Citizens' energy operations workers (available 24 hours a day, 365 days a year) are qualified under federal requirements to safely perform work on the gas piping system, and to respond to emergencies. They are assisted by a variety of monitors, alarm systems, and surveillance methods to watch and control the process along more than 4,000 miles of pipeline. Our work is inspected by the Pipeline Safety Division of the Indiana Utility Regulatory Commission, and we also regularly invite audits from third-party engineering firms, gaining insights into mitigating and reducing the likelihood and consequence of any incidents.

Thanks to more than \$650 million of investments over the past 30 years, Citizens' natural gas distribution system is made of nearly 100 percent plastic or protected steel pipe and is one of the best maintained and operated in the country, scoring high in operational effectiveness when measured in terms of the number of leaks per mile of pipe. Fewer leaks mean more efficient and safer distribution of natural gas - with fewer disruptions - for Citizens customers. And analyzing leak data by "excavation" or "non-excavation" - particularly when compared to our peer cities - shows us how we're stacking up and where we should focus our improvements.

As one of 61 operators comprising the Indiana Pipeline Awareness Association, Citizens continues to push pipeline safety and awareness messaging to our contractors and to the public at-large through the Indiana 811 "Know What's Below" program. Outreach efforts and statewide trainings are aimed at minimizing damage caused by third-party contractors and excavators, providing participants potentially life-saving information about various kinds of pipeline emergencies. We also continue to see non-excavation leaks decline overall, which we attribute to our targeted capital investments in our natural gas system infrastructure.



PARTNERSHIP FOR SAFE WATER

(06, 08, 12, 16)

Citizens demonstrates our commitment to self-accountability and collaboration by voluntarily participating in the water quality optimization goals and operational requirements set forth by the Partnership for Safe Water. The Partnership, which is sponsored by six national drinking water organizations, with more than 300 utility partners, operates with the mission of improving the quality of water delivered to customers by optimizing water system operations. Water treatment plants submit comprehensive assessments for consideration to receive the Partnership’s Directors Award or Presidents Award, which speak to the superior drinking water quality customers ultimately receive.

In spring 2023, the Partnership for Safe Water recognized Citizens Energy Group’s T.W. Moses Water Treatment Plant with the Presidents Award for Treatment Plant Optimization. Citizens’ four other plants, as well as our distribution system, continue to maintain consecutive Directors Awards from the Partnership for Safe Water.



The Partnership for Safe Water has recognized Citizens Energy Group’s T.W. Moses Water Treatment Plant with the Presidents Award for Treatment Plant Optimization. This recognizes plants for achieving the Partnership’s stringent goals for the optimization of individual filter performance. The optimization assessment is designed to help utilities evaluate treatment plant performance and make enhancements in operations to reduce the risk of exposure to Cryptosporidium, a microscopic parasite that can cause serious illness and death in humans. The T.W. Moses Water Treatment Plant processes up to 24 million gallons of water per day from Eagle Creek Reservoir to deliver drinking water throughout northwestern Marion, Hendricks, and Boone Counties.



A critical water outlet valve at Geist Reservoir has been replaced to ensure continued water supply to our Central Indiana service territory. Collaboration among our Water Operations and Capital Programs & Engineering teams enabled replacement of the outlet valve without interrupting water supply during dry conditions. Geist Reservoir captures water during periods of ample water supply for use during drought-like conditions. The recently constructed Citizens Reservoir played a key role in completing the outlet valve replacement while ensuring continued flow down Fall Creek during abnormally dry conditions across Central Indiana in summer and fall 2022.

RESILIENCE IN WATER SUPPLY -
CAPITAL PROJECTS AND OPERATIONS

(06, 09, 11)

Citizens has focused on enhancing the reliability and resilience of its water supply to ensure the availability of this valuable resource to the community. Construction of additional surface water intakes at 30th Street on the White River and where the Canal passes over Fall Creek can direct flow into the Canal and enhance the ability of the White River Treatment Plant to serve our community. The construction of the award-winning Citizens Reservoir was completed in 2021. Repurposing the 88-acre former quarry with a capacity of approximately 3 billion gallons of water was a cost-effective decision to meet future water demand. Protecting customers from unnecessary infrastructure costs, the adaptation of the site for Citizens Reservoir cost about \$30 million, where constructing a more conventional water supply facility would have required more than 20 times that amount.



Citizens Energy Group celebrated the completion of the White River Rock Ramp alongside the City of Indianapolis and Riverside neighborhood community members in May 2022. After the decommissioning of the Emrichsville Dam, the new rock ramp ensures water supply for Citizens' White River Water Treatment Plant via an upstream water intake, contributes to a healthy fish population, and partially restores Lake Indy, a popular recreational amenity for the Riverside community for more than 100 years.

EMERGENCY PREPAREDNESS AND MUTUAL AID
(10, 11, 16)

Citizens communicates regularly with police, fire, and EMT providers in the counties where we operate to continuously share information about our respective emergency response plans. Planning for how we will respond in various scenarios (and confirming this for critical partners) is vital to our risk management process. We first identify and measure risks, then develop and share effective solutions to ensure safety and reliability. Specific to natural gas infrastructure, Citizens also holds training seminars with emergency responders, third-party contractors, and excavation vendors to share the latest information on pipeline safety protocols.

Citizens has taken strides in the past two years to increase the flow of information about our systems in a way that will more quickly alert us to defects. One example of this is a digital tool for reporting water outages. Preparedness training, information gathering, and a culture of sharing expertise with colleagues in our field provides a more reliable utility system for our customers and our region.



Citizens participates in the American Gas Association's (AGA) Mutual Aid program, whereby gas utilities may be called upon to assist other natural gas operators during emergency or catastrophic events. In 2021, Hurricane Ida damaged the natural gas infrastructure of Public Service Electric & Gas Company (PSEG) in New Jersey. PSEG requested specific residential natural gas meter equipment. Citizens aided PSEG with approximately 10 percent of its overall needs without negatively impacting our inventory.

CITIZENS RESERVOIR
(06, 09, 12)

In a testament to Citizens' water resource planning, Citizens Reservoir was used to provide more than 300 million gallons of water to adjacent Geist Reservoir during a period of low stream flows along Fall Creek in the latter half of September 2023. Because Citizens Reservoir was available to be lowered by more than 12 feet in this period to pump water into Geist Reservoir, the level of Geist Reservoir was maintained approximately a half-foot higher than it would have been otherwise, demonstrating the additional system yield provided by Citizens Reservoir.

CLASS AND PROCESS IMPROVEMENT
(08, 09, 12, 16)

Citizens Lean and Six Sigma (CLASS) is the company's continuous improvement program, employing Lean and Six Sigma techniques and tools for process improvement. The Lean methodology focuses on eliminating non-value-added steps (waste) in a process. The types of waste Lean seeks to eliminate are defects, overproduction, waiting, non-utilized talent, transportation, inventory, motion, and extra processing. Six Sigma seeks to improve the quality of an output by minimizing variation and defects in a process. This improvement approach has five steps: define, measure, analyze, improve, and control. The CLASS projects completed in fiscal year 2023 (October 2022 - September 2023) resulted in improvements that are expected to save Citizens more than 10,000 working hours per year.

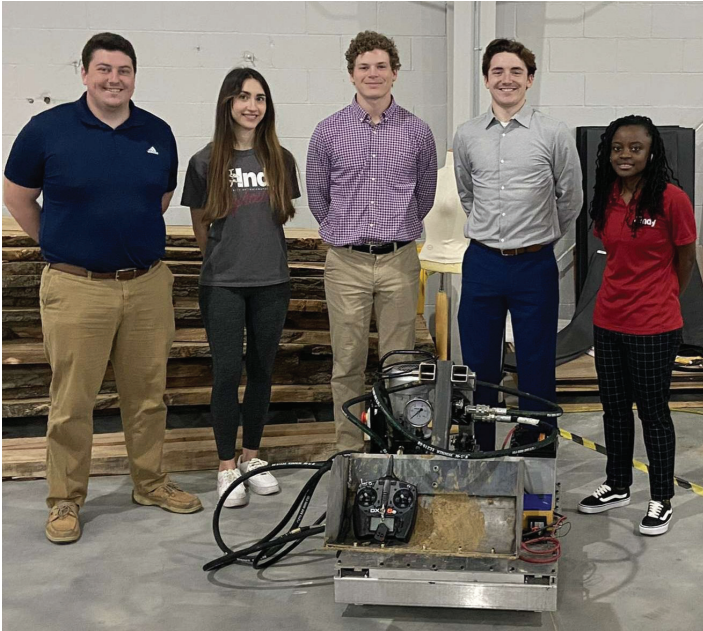


During extremely cold temperatures from December 23 to 26, 2022, Citizens employees displayed tremendous collaboration to ensure customer needs were met. The natural gas utility in Marion County delivered 15 percent more than the historical peak in 2019.

SUSTAINING THE WORKFORCE

(08, 16)

Citizens’ Partnership for Excellence in Research and Learning (PERL) program is a key strategy for developing a pipeline of talent from Hoosier universities to the Central Indiana workforce. PERL leverages university ambassadors within the company who are still connected to their alma maters to create creative learning opportunities or simply stay in contact with students who may be searching for a job-shadow opportunity or internship. PERL partnerships at Purdue University, Indiana University Indianapolis, Butler University, University of Indianapolis, Ball State University, Anderson University, and Trine University help students see a career in Indiana as a promising option after graduation, either with Citizens or our vendor companies. Since PERL’s creation in 2016, upwards of 3,000 students have participated in more than 80 events, 100 student-led projects, and 39 internships. Additionally, PERL has led to the hiring of 10 program participants as full-time Citizens employees.



- Since early spring 2022, Citizens and PERL have supported IU’s Green Infrastructure Working Group in its effort to develop greenspace mapping and resilience planning tools. Mapping tools are needed to assist cities in strategic planning and management of urban green infrastructure, so that the spatial distribution of vulnerabilities and threats (e.g., low income and flood risk) is well matched with appropriate forms of vegetation (e.g., rain gardens). The effort thus far has been facilitated through a series of charettes, executed with the assistance of professional design thinking consultants. Another initiative on which Citizens and IU are collaborating is a watershed modeling project for Pleasant Run in Indianapolis. Researchers are using their expertise to quantify energy and carbon emissions reductions associated with runoff reductions modeled from realistic scenarios of green infrastructure interventions in the watershed.



- Through Citizens’ PERL program, a multi-disciplinary group of seniors in the R.B. Annis School of Engineering at the University of Indianapolis designed a prototype device to clean the up to 30 screens for which Citizens will be responsible when the DigIndy Tunnel System is fully complete. Currently, Citizens utilizes a contractor to clear debris from and clean the four active screening sites leading to the tunnel. However, additional screening structures will create the need for an efficient, universal cleaning mechanism to save time and money. The students visited a tunnel screen structure to gain a better understanding of the sanitary sewer system before starting the design process, which included alternative analyses, 3D modeling, subsystems testing, and stress analysis. Throughout the school year, the students gave four presentations about their prototyping process to Citizens staff in addition to presenting at the University of Indianapolis Annual Scholars Showcase and the American Society of Engineering Education conference.

SUPPLIER DIVERSITY

(05, 08, 09, 10)

Citizens’ Supplier Diversity Program fosters opportunities for local small businesses, including minority-, women-, and veteran-owned business enterprises within our supply chain.

The program reported expenditures of more than \$111 million with minority-, women-, and veteran-owned businesses in fiscal year 2023. This is a 19 percent increase from fiscal year 2022 and the second highest spend in all classifications since 2010, when reporting in all three classifications began. Additionally, we formed a Supplier Diversity Advocacy Team to guide these efforts.

Citizens also launched two new programs in fiscal year 2023: the Building the Future Together diverse supplier development program and the XBE Discovery Series. Building the Future Together’s goal is to increase our direct diverse partners. We thus far have identified three diverse suppliers who collaborate with an internal champion on a current project and receive feedback and support to increase knowledge of how to do business with Citizens. Additional diverse suppliers will continue to be identified. The XBE Discovery Series provides diverse suppliers with the opportunity to pitch to Citizens staff and discover new ways to partner with departments throughout the company. Both the BTFT program and XBE Discovery series provide one-to-one and group coaching, presentation experience, and feedback sessions to support diverse suppliers in their business growth and skills development.

Classifications	FY 2022 Eligible Expenditures	FY 2022 Percent of Total Eligible Spend	FY 2023 Eligible Expenditures	FY 2023 Percent of Total Eligible Spend
Minority Business Enterprises (MBEs)	\$51.1 million	11.9%	\$63.07 million	13.8%
Women Business Enterprises (WBEs)	\$34.6 million	8%	\$41.52 million	9.1%
Veteran Business Enterprises (VBEs)	\$7.7 million	1.8%	\$7.09 million	1.5 %
Total XBE Spend	\$93.4 million		\$111.68 million	





C - COMMUNITY

(Regularly aligned with SDGs 01, 02, 03, 04, 05, 06, 07, 08, 10, 11)

HELPING CUSTOMERS IN NEED

(01, 10, 11)

Citizens' methods for supporting customers in need of assistance with utility bills, energy efficiency, and other essentials must be increasingly accessible, user-friendly, and diverse. In this context, we have embarked on efforts to better communicate about resources including the federal Low Income Heating Energy Assistance Program, also known as EAP; the United Way of Central Indiana's Winter Assistance Fund; and Indiana 211. In 2022, Citizens initiated a partnership with local electric provider AES Indiana to highlight these programs on a broad, regional scale, targeting every utility customer in Central Indiana with easy-to-read instructions on how to apply for financial aid.

Assistance also comes from within Citizens. Each year, thousands of Citizens customers are approved for bill assistance through our natural gas Universal Service Program and wastewater Low Income Customer Assistance Program, as well as our in-house Warm Heart Warm Home Foundation™, which grants financial assistance on utility bills to those who may not qualify for EAP.

Between July 2022 and June 2023, Warm Heart Warm Home awarded more than \$1.1 million in financial assistance to customers in need. And Citizens employees are encouraged to donate to Warm Heart Warm Home, furthering the connection between our employees and community.

Providing customers with the energy-efficient upgrades their homes need is a way to reduce not only customer bills but also the usage patterns that can cause them to increase. Between October 2021 and September 2023, Citizens sponsored the weatherization of 75 homes for approximately \$388,000; contracted furnace repair or replacement for 142 customers at approximately \$420,000; and assisted 1,023 homeowners with water heater or water/sewer line repair or replacement. Citizens is also a conservation partner of Greater Indianapolis Habitat for Humanity, assisting with \$145,000 in the installation of efficient, natural gas appliances in 29 homes for the same period.



Citizens has partnered with Greater Indy Habitat for Humanity for 16 years to aid in the organization's mission of providing quality, affordable homes for local families. For the past nine years, Citizens has been Habitat's exclusive conservation partner, agreeing to financially support the installation of high-efficiency natural gas appliances. In addition, Citizens' agreement with Habitat ensures the inclusion of specific energy-efficient building practices in all homes they build to help make the homes more affordable. Select Habitat homeowners pay a modest down payment, invest 300 hours of "sweat equity," which includes construction of their home, and are responsible for home maintenance and monthly mortgage payments with no interest.

LEAD SERVICE LINE REPLACEMENT PROGRAM

(03, 06, 09, 11)

Citizens kicked off our Lead Service Line Replacement Program in 2022, aiming to completely replace all customer-owned lead service lines in our service area across Central Indiana. While water leaving Citizens' treatment plants does not contain lead, Citizens believes that the full replacement of an estimated 55,000 or greater lead service lines owned by our customers gives them the highest protection against the presence of lead in drinking water. The multi-year program was approved by the Indiana Utility Regulatory Commission, and more than 400 service lines were replaced in the first year.

Program areas are prioritized based on several factors, including the number of known or suspected lead service lines in an area, the potential for health risks, neighborhood economic impacts, and inter-agency coordination ahead of other planned infrastructure work in the area, which helps lessen construction impacts and overall project costs. Customer-owned lead service lines in Indianapolis are most commonly present in structures built and connected to the water main before 1950.

Citizens is pursuing additional potential funding opportunities through grants or loans to accelerate the rate at which the program is delivered.

CORPORATE PHILANTHROPY

(01, 02, 03, 04, 08, 10, 11, 12, 16)

In keeping with Citizens' restructuring of our sustainability efforts to align with U.N. Sustainable Development Goals, we also have aligned our robust corporate philanthropy efforts as we support organizations that improve quality of life in Central Indiana. Utilizing revenue from nonutility operations, Citizens provided more than \$1 million in each of fiscal years 2022 and 2023 to various organizations, categorized for our Philanthropy Team by the needs addressed: Basic Human Needs; Cultural Institutions; Diversity; Economic Development; Education; and Environmental Stewardship. Each of these internal designations has this year been indexed to one of the U.N. Sustainable Development Goals.

- Citizens received the Top Community Investor Award for 2022-2023 from the United Way of Central Indiana. This award is given to dedicated corporate partners and their employees that give more than \$300,000 to the annual United Way campaign. Citizens has been a top contributor since 2007.



GOOD WAGES INITIATIVE
(01, 08)

In September 2022, Citizens joined other employers in Central Indiana to become a certified Good Wages Partner via EmployIndy, Marion County’s workforce development board. The Good Wages Initiative is a living-wage certification program, which in practicality means a commitment to providing full-time employees with both a wage of at least \$18 per hour and access to employer-sponsored health insurance. Beyond these basic steps, however, it is a recognition that the initiative’s commitments are well worth the potential benefit of proper support for the region’s businesses, worker ecosystem, and larger community.

**GOOD
WAGES
INITIATIVE**



Learn more about the Good Wages Initiative in Indianapolis, the result of extensive research, future economic projections, and extensive collaboration among Central Indiana corporations.

NEIGHBORHOOD AMBASSADOR PROGRAM
(10, 11)

Citizens expanded our Neighborhood Ambassador Program to additional Indianapolis neighborhoods after building strong partnerships since the program was first implemented in 2020 in King Commons, Martindale-Brightwood, and SolIndy. A new partnership in a Near Eastside neighborhood also will serve as pilot for a Citizens retiree engagement initiative, bringing back valuable staff with institutional knowledge of Citizens culture to interface with neighborhood groups.

In each of the current and future Neighborhood Ambassador Program target areas, ambassadors enhance Citizens’ community and public engagement; positively impact customer satisfaction; and mitigate risk due to the disruption and potential conflicts associated with Citizens’ infrastructure projects.



**CITIZENS HELPS EXPAND
NON-PROFIT URBAN FARM**

In 2022 several Citizens employees helped The Parks Alliance of Indianapolis expand their multi-disciplinary urban farm by installing water infrastructure, including the piping system and hydrants, to a new farm site. Citizens’ partner company Ferguson Waterworks donated all the materials. Indy Urban Acres began in 2011 as an initiative of The Parks Alliance to increase access to fresh produce within Indianapolis’s food system by providing food for low-income families and developing entrepreneurial skills in young farmers. The installation allows Indy Urban Acres to nearly double their annual harvest from 60,000 pounds of fresh produce to 100,000 pounds. Indy Urban Acres Director Tyler Gough said, “We are very appreciative of all that Citizens has done to help us create a food oasis in a food desert through access to safe and clean water.” Citizens also is proud to have served as the presenting sponsor of the annual Farmraiser, a fundraising event for Indy Urban Acres, in 2022 and 2023.



EMPLOYEE VOLUNTEERISM (03, 08)

Citizens fosters a culture of volunteerism, both by organizing regular events at which employees might volunteer and encouraging employees to regularly serve at community organizations in their communities. Incentives include funding for organizations with whom Citizens employees have tracked at least 50 volunteer hours in a calendar year. Citizens employees volunteer for a wide range of nonprofit organizations working to improve quality of life across Central Indiana. In 2022, our employees tracked 1,682 volunteer hours at Citizens-sponsored community events and an additional 1,944 volunteer hours in various community service capacities.

time spent planning and coordinating the event. The cleanup brings volunteers together with heavy equipment from the Indianapolis Department of Public Works to remove illegally dumped trash along the banks of the White River in neglected areas of downtown Indianapolis. At the 33rd annual cleanup in 2023, 35 Citizens employees joined 71 other volunteers in removing approximately 55 tons of garbage. Citizens’ support of the event, which is a major fundraiser for Friends of the White River, enables several more cleanups along the White River and its tributaries throughout the year.



- SHARING THE DREAM** (11, 16, 17)
 More than 100 Citizens employees volunteered during each of the 14th and 15th annual Sharing the Dream events (in 2022 and 2023) benefitting Indy Parks facilities. Honoring the life and legacy of Dr. Martin Luther King, Jr., this annual event has become an opportunity for Citizens to rally employees and partner organizations around a community center in need of repair and refurbishment. In 2023, employees and partners renovated the Ellenberger Park Family Center, collectively donating hundreds of hours of their time and approximately \$100,000 of either monetary or in-kind improvements.
- WHITE RIVER CLEANUP** (06, 11, 16, 17)
 Citizens is the lead sponsor of the annual White River Cleanup event organized by nonprofit Friends of the White River. Citizens supports the cleanup financially and through

YVONNE PERKINS LEGACY FUND (04, 08, 10)

Established in 2022, the Yvonne Perkins Legacy Fund builds on an impactful history of previous workforce development initiatives at Citizens, but with a new focus on enhancing access to meaningful educational and career opportunities in memory of former Citizens Vice President Yvonne Perkins. The initiative focuses its efforts on reducing disparities for members of the Black community and other diverse groups, including veterans and members of reentry programs. The goal is to fund programs and award scholarships that will increase the diversity of our workforce by significantly enhancing access to entry, advancement, and promotion opportunities for those who may lack resources. The inaugural Yvonne Perkins Legacy Fund Golf Outing event in the latter part of 2022 raised more than \$60,000, attended by numerous Citizens employees and representatives of Citizens’ partner companies; the second annual Golf Outing event in September 2023 raised approximately the same amount. The Fund’s board has developed scholarship criteria, and applications are now open to participants. In 2023, the Fund’s board voted to award funds to two different programs for a total of more than \$50,000 distributed over three years. The two programs are IvyCares, a part of Ivy Tech that provides wraparound services for students to help them achieve their educational goals in Indianapolis, and the Latinas Welding Guild, which empowers Latinas and non-Latina women to gain access to technical welding skills and certification preparation.

STRATEGIC PLANNING FOR DIVERSITY AND INCLUSION (05, 08, 09, 10)

After several months of research and planning, the 2023-2024 Strategic Plan for Diversity and Inclusion was published in early 2023. The plan builds upon the goals set forth in the previous, award-winning iteration and reinforces the Diversity & Inclusion Team’s ongoing initiatives: the Did You Know? series; book club; Real Conversations; EMPOWER; diversity and inclusion communications; community outreach; and lunch & learn events.

The 2023-2024 Strategic Plan for Diversity and Inclusion includes two priority goals and corresponding objectives:

- Priority Goal 1: Strengthen Workforce Diversity Objectives:**
 - Develop strategic hiring initiatives that promote workplace diversity.
 - Enhance professional development and training focused on diversity and inclusion.
 - Identify accountability measures around diversity policies and practices.
- Priority Goal 2: Enhance the Value of Diversity in Our Culture Objectives:**
 - Advance Citizens’ long-term goal of becoming an employer of choice.
 - Build an inclusive work culture that values and respects differences.
 - Develop deeper understanding of diversity, inclusion, culture, equity, and belonging.

ICON LOANS FOR COMMUNITY DEVELOPMENT

(01, 08, 10, 11, 16)

In 2022 and 2023, Citizens supported affordable housing and neighborhood development projects in the West Indianapolis, Martindale-Brightwood, Mapleton Fall Creek, and King Commons neighborhoods through our Investment Collaboration on Neighborhoods (ICON) loan program. For more than 30 years, ICON has provided low-interest gap funding in the form of short-term loans to nonprofit organizations, often targeted at community development corporations to assist with projects addressing affordable housing, economic development, or neighborhood food ecosystems. Where local nonprofits are already providing vital community services, ICON provides funding to help strengthen and support new efforts. Citizens, through ICON, also can achieve greater efficiency for our natural gas, water, and wastewater utilities with increased utilization of utility infrastructure and services in areas where many homes and businesses may have been abandoned. Like Citizens’ corporate philanthropy efforts, ICON is not funded with customer rates. Past investments include the Indy Fringe Theatre, Rivers Edge at Riverside Sub-Division, and the G.C. Murphy Building in Fountain Square.



PROMOTING CONSERVATION VIA OUTREACH

(10, 11)

Citizens actively contributes to conversations regarding energy and water conservation through traditional channels of media relations and creative advertising campaigns. Efforts include serving as the Official Conservation Partner of the Indianapolis Colts to share with their audience important topical messaging, as well as sponsoring the National Energy Foundation’s Art of Conservation poster contest, which presents school children with conservation topics and asks them to respond with an artistic interpretation. The 2021 poster contest in Indianapolis had 509 students, 35 teachers, and 21 schools participate. In 2022, 225 students, 23 teachers, and 16 schools participated.

- Citizens worked with our creative agency, CVR, in 2022 and 2023 to develop and deploy media campaigns to educate the Central Indiana public on how conservation can dually benefit customers’ bills and better sustain critical utility infrastructure. Messaging highlighted how lawn irrigation is often overused and unnecessary in Indiana summers, and how excessive lawn watering on a community scale can lead to costly and frustrating water main breaks in our neighborhoods. With this messaging, we recorded more than 22 million impressions, up 50 percent from 2022.
- News Release excerpt from 10/12/22: Home Energy Efficiency Tips
“... One of the best ways to reduce the cost of utility bills is by conserving energy, including by: Replacing your furnace filter: Changing your furnace filter once a month helps your furnace work more efficiently. Dialing down your thermostat: A 10-degree reduction for an 8-hour period each day can reduce your heating bill 10 percent. Dialing down your water heater: A 10-degree reduction in water temperature saves 5 percent on energy costs.”
- Now in its 11th year, Citizens’ Art of Conservation poster contest encourages Marion County and Westfield students in two categories - grades 3-5 and grades 6-8 - to use their creativity to illustrate how to conserve energy and water. The 2022 winners —announced in spring of 2023— were Nadia, grade 5 at Winchester Village Elementary School and Amira, grade 6 at Bridgeport Elementary School.



2020 North Meridian Street
Indianapolis, Indiana 46202

On the cover: Citizens Energy Group President & CEO Jeffrey Harrison (far left) joins community leaders in March 2023 for a celebration of the 30,000th tree planted by a coalition of organizational partners in recent years. This tree count includes many plantings from Citizens' 10 Thousand Trees initiative to increase stormwater storage and carbon sequestration.

Also pictured (left to right) are: Phyllis Boyd, Director of Indy Parks; Jeremy Kranowitz, President and CEO of Keep Indianapolis Beautiful, Inc.; Morgan Mickelson, Director of the Indianapolis Office of Sustainability; and Indianapolis Mayor Joe Hogsett.