



Safe, Reliable, and Resilient

FOR OUR CUSTOMERS, COMMUNITIES, AND EMPLOYEES



ATMOS ENERGY CORPORATION
2020 Corporate Responsibility and Sustainability Report

During these challenging times, Atmos Energy remains focused on our vision to be the safest provider of natural gas services. This year, reliable and affordable energy is **more essential than ever.**

Above: Jacqueline, Service Technician 1 in Dallas, provides safe and courteous service as we continue to "Make Our Safe System Safer" during our pipeline replacement projects.

Cover: Prior to March 2020, Phillip, a Service Technician 2 from Dallas, explains his findings after completing a safety check during the service restoration process.

To that end, we must operate exceptionally well, invest in our employees and infrastructure, enhance our culture, and continue to make a difference in the communities we serve.



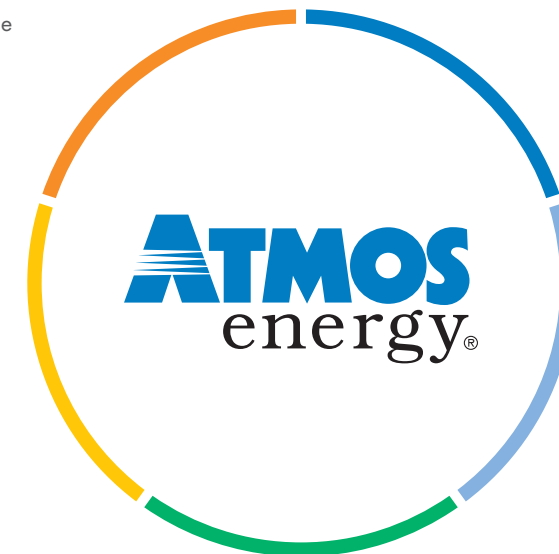
Corporate Governance

We're fostering strong governance to achieve our vision.



Safety

We're investing in technologies of the future to improve safety today.



Communities

We're fueling safe and thriving communities every day.



Employees

We're supporting our people, the heart and soul of our company.



Environment

We're doing our part to protect and preserve our environment today and for generations to come.

Letter to Our Stakeholders

Fiscal 2020 Corporate Responsibility and Sustainability Highlights

ENVIRONMENTAL

- Continued to reduce methane emissions by replacing 845 miles of pipe
- Delivered 5.1 Bcf of RNG and CNG; equivalent to removing 58,000 cars from the road annually
- Joined Our Nation's Energy Future Coalition (ONE Future)

SOCIAL

- Kicked off our rebranding efforts for Fueling Safe and Thriving Communities
- Provided over 226,000 training hours to our employees; approximately 40 percent were delivered virtually
- Contributed \$14 million to charitable organizations

GOVERNANCE

- Transitioned 95 percent of our employees to a digital working environment
- Launched a Corporate Responsibility section on our website to provide greater transparency around our ESG practices
- Formalized our corporate communications strategy to further improve engagement with all stakeholders

Atmos Energy is rooted in the belief that safety is at the center of everything we do, and it is our enduring vision to be the safest provider of natural gas services. To be sure, fiscal 2020 brought challenges; however, our steadfast commitment to safety paired with the guiding principles of our culture, AtmoSpirit, enabled us to emerge stronger and demonstrate the resiliency and reliability of natural gas.

As the public health crisis escalated in the 1,400 communities we serve, the safety of our employees, our customers, and our communities remained our focus. Therefore, we implemented employee and customer safety practices and protocols to ensure continued safe and reliable delivery of natural gas service. Doing our part to help slow the spread, more than 95 percent of our 4,700 employees safely transitioned to remote work and continued to perform at the highest level. We were able to accomplish this because our culture of teamwork and inclusion means we can move fast and adapt quickly.

We took the early step to voluntarily suspend natural gas disconnections and announced a \$1.5 million donation to stock the shelves at local food banks around the country to support those in need. Additionally, we donated \$1 million to energy assistance agencies in our service territories to support our friends and neighbors in need. We also helped arrange over \$11 million in financial assistance through LIHEAP, our Sharing the Warmth program, and other assistance programs to help struggling customers manage past-due balances.

As part of our safety practices and protocols and to ensure the continued safe operation of our gas systems, employees wear face coverings and practice social distancing guidelines. We also implemented screening precautions to protect our customers and employees. Those actions provided us the ability to continue our system modernization work.

Over the next five years, we plan to spend \$11 billion to \$12 billion to make our safe system even safer by replacing 5,000 to 6,000 miles of pipe. Despite the pandemic, we have a reasonable plan to complete the replacement of the remaining cast iron in our system by December 2021. Additionally, we remain on target to reduce methane emissions across our natural gas distribution system by 50 percent from 2017 to 2035. You can read more about our focus on safety and long-term sustainability on our website in the Corporate Responsibility section.

I want to thank all of our Atmos Energy employees, as they continue to provide our customers safe and reliable natural gas service. I am extremely proud of their dedication and commitment to keeping our 3.1 million customers, our 1,400 communities, themselves, and their families healthy and safe. At Atmos Energy, we take immense pride in fueling safe and thriving communities every day, and we pledge to continue that outreach as part of our ongoing commitment to deliver safe, reliable, affordable, and efficient natural gas.

Thank you for your support of Atmos Energy.



Kim R. Cocklin
Kim R. Cocklin
 Executive Chairman of the Board



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



SAFETY

We're investing in technologies of the future to improve safety today.

Our commitment to safety guides every decision we make because the safety of our employees, customers, and communities is essential. Because safety is our number one priority, we continually innovate and advance employee training, communicate safety messaging to our customers and communities, and invest in the modernization of our system.

Anthony is a Senior Construction Operator in Louisiana and is a Safety Team Lead at his local service center.

Remaining Resilient During Uncertain Times

During this year of uncertainty, our culture provided the foundation for Atmos Energy to be resilient and focused on our vision to be the safest provider of natural gas services.



Workforce

- At the end of our fiscal year, 95 percent of our employees were working in a digital working environment and continue to perform at the highest level.
- Employees have been trained and are following social distancing and other safety measures recommended by the CDC.
- Field operations personnel receive electronic work orders and report directly to the jobsite.
- Employees continue to receive high-quality technical training through virtual classrooms.
- Atmos Energy Wellness Workshops help support emotional, physical, and work-life well-being for employees during COVID-19.



Safety

- Safety remains our top priority; safety meetings are held virtually or on jobsites with employees maintaining social distancing.
- Employees are following the Occupational Health & Safety Administration (OSHA)'s Guidance on Preparing Workplaces for COVID-19.
- Employees are provided sanitizing products for themselves as well as for equipment and vehicle cleaning.
- New safety signage was placed to remind employees to follow social distancing and equipment cleaning protocols.
- A new mobile and desktop application for employees was developed to complete a daily wellness check-in.



Community

- Customer service agents use screening protocols to ensure customers and employees remain healthy and safe.
- We temporarily suspended disconnections for nonpayment, and temporarily waived late payment and reconnect fees during these challenging times.
- We communicated with customers who may be facing financial hardship that payment assistance is available through LIHEAP and our Sharing the Warmth program. We also provided payment flexibility by offering installment plans and accepting partial payments.
- Employees use updated safety signage on jobsites to remind the community of the protocols we are following to keep them safe.



Atmos Energy employees showed their appreciation for our health care heroes with a drive-by truck parade and dropped off lunch at Texas Health Harris Methodist in Cleburne, Texas.

Saluting Our Health Care Heroes

Nurses, doctors, paramedics, hospital administrators, and laboratory technicians have been working tirelessly throughout the pandemic. Many were unable to take a quick break or grab a sandwich at the hospital cafeteria, and some were even forced to live apart from loved ones in order to limit exposure and keep their own families healthy. During National Hospital Week in May, we saluted health care workers' heroic efforts by delivering more than 12,000 meals to health care heroes in the eight states we serve. Our team members safely coordinated with local health care professionals caring for coronavirus patients to deliver hearty meals full of hometown flavor from local restaurants that offer expanded takeout and delivery services during the coronavirus pandemic.

Feeding Students and Families in Times of Need

Millions of U.S. workers filed for unemployment benefits in the wake of the economic shutdown, and many of those were parents with children who rely on school food programs for breakfast and lunch every day.

\$1.5M
DONATION

Atmos Energy donated \$1.5 million to quickly stock the shelves at local food banks.

By directing \$1.5 million from the Atmos Energy/Robert W. Best Charitable Giving fund to numerous local food banks around the country that serve students and families most in need, organizations like the North Texas Food Bank (NTFB) were able to make a direct and immediate impact on the communities we serve. Every dollar donated to the NTFB provided access to three healthy meals, and 94 percent of every dollar goes directly to hunger relief programs in the 13 counties it serves.

Ambassador Program Boosts Damage Prevention Efforts

Because third-party damage represents one of the greatest threats to distribution systems, Atmos Energy administers a Damage Prevention Ambassador Program that empowers team members to identify and prevent potential digging accidents in the field. In fiscal 2020, ambassadors inspected more than 28,000 excavation sites, helping to prevent many potentially dangerous and costly accidents.

For example, in our West Texas Division, where new home growth is flourishing, Damage Prevention Ambassadors in cities like Midland, Odessa, Big Spring, and Lubbock are always on the lookout for opportunities to raise awareness and strengthen relationships with contractors, homeowners, municipal utilities, and the public.

The program encourages personnel driving a company vehicle to visit active excavator sites and ask if the workers called 811 before digging. If not, employees are empowered to stop work, distribute 811 literature and take photos of the excavation site for documentation in a mobile app.

“We use the app to be proactive in engaging contractors before they can possibly damage us, to make sure they have called 811 and are digging safely around Atmos Energy underground facilities,” said the West Texas Compliance Manager. The West Texas Division has inspected more than 3,600 excavation sites to help ensure safe digging practices.



Pictured is Darsey, a Crew Leader who takes part in the Damage Prevention Ambassador Program in the West Texas Division.



Calling 811 to locate and mark utility lines is crucial for safe digging. Clem, a Crew Leader, marks a natural gas line with temporary paint in Louisiana.

Safety Training Helps Save Lives

Training is an essential element of safety, empowering our employees to perform their jobs safely while also keeping our customers and the public safe. Drawing on their preparation and experience, several team members recently demonstrated compassion, skill, and selflessness that was beyond compare and ultimately helped save lives.

While reading meters in a residential neighborhood, Service Technician Desmond witnessed a man fall off his roof. Desmond and a neighbor rushed to where the injured man lay on the ground, and Desmond coached the neighbor to assist the injured man according to his first aid and first responder training. When the paramedics arrived, Desmond was told by the ambulance attendant that his medical training was invaluable in keeping the man safe until help could arrive.



“I was grateful the first aid and first responder training that I received allowed me to help in this situation until the ambulance arrived.”
– Desmond

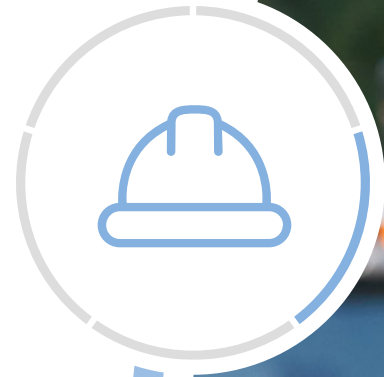
In another instance, Senior Construction Operators Jacob and Kolby, and Crew Foreman Marcus, had just finished lunch when they came upon a woman holding a baby who was struggling to breathe. They quickly leaped into action, applying their CPR training to help the infant while simultaneously flagging down a passing ambulance. The paramedics stopped and quickly transported mother and baby to the hospital, and the team discovered later that day that the baby was fine. The employees credit their company safety training in helping to save the infant’s life.



Pictured from left to right: Senior Construction Operators Kolby and Jacob, and Crew Foreman Marcus

We're supporting our people, the heart and soul of our company.

Our employees are our greatest asset and our most important investment. We recruit and hire individuals with a variety of skills, talents, backgrounds, and experiences. We value our culture that respects and appreciates inclusion and diversity as it reflects the unique communities that we serve.



Sheila is a Damage Prevention Technician in Mississippi and is passionate about the safety of our employees and protecting the integrity of our distribution system. She is an enterprise leader in the company's Damage Prevention Ambassador Program.

Making a Difference for New Employees

For years, all new employees have traveled to the Charles K. Vaughan Center to participate in a three-day, in-person workshop to learn about our AtmoSpirit culture and the role each employee plays in making Atmos Energy the safest provider of natural gas services. When we pivoted to a digital work environment this year, members of our Workforce Development team introduced Virtual Atmos Energy Essentials, which is designed to remotely onboard 10 new employees per session from any location. Two groups of new employees “virtually meet” throughout a single week – one group from 9 a.m. to 1 p.m. and another group from 1 p.m. to 3 p.m. each weekday.



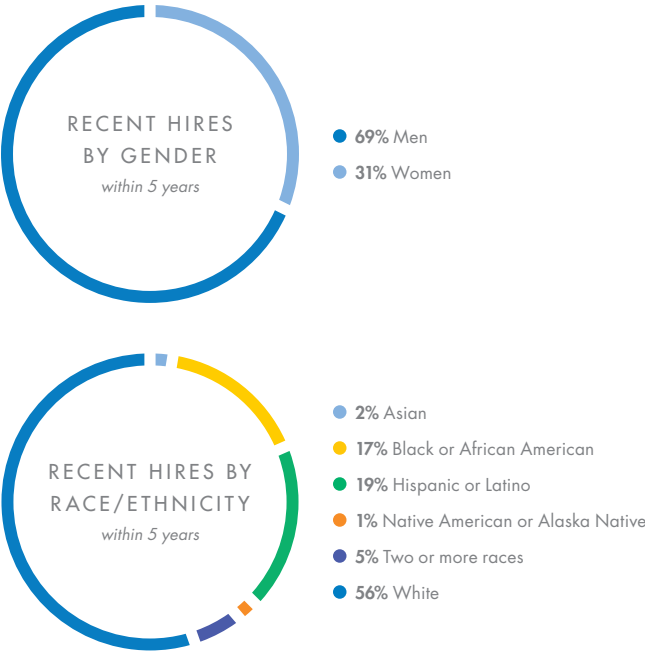
“We adjusted our existing AtmoSpirit content to function as a virtual curriculum after running a pilot workshop with a diverse cross-section of employees from across the enterprise,” said AtmoSpirit Facilitator Jack, who co-created the virtual orientation.

This partial-day format allows participants to learn and apply AtmoSpirit principles in their work and home life, and Microsoft Teams™ provides the technology to foster a true connection between the participants.

Growth and Diversity

Our company is a place where people with diverse backgrounds strive to create a great future – together. Investing in our people has allowed us to expand our workforce and reflect the changing demographics in the communities where we live, work, and play. We partner with local colleges and universities to identify and recruit qualified applicants in each of the cities and towns we serve, and we target jobs fairs including those focused on minority, veteran, and women candidates.

Over the last five years, of the approximately 2,000 employees hired, 31 percent are women and 44 percent are minority.

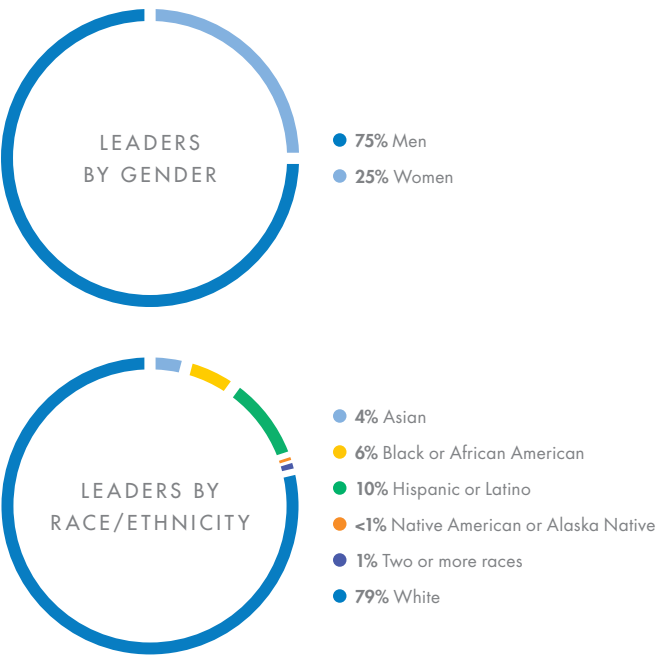


Culture of Leadership

Our culture of leadership begins before an applicant is offered a job and continues through performance planning, personal development, and succession planning.

Workforce performance enhances our leadership pipeline. Each year, employees participate in goal setting, regular check-ins with supervisors, and year-end reviews to capture what they will do to live AtmoSpirit, help achieve our vision, adapt to change, and continuously improve. One of the most important components of our AtmoSpirit culture is personal development.

In 2019, 64 percent of the participants in our five developing leaders learning tracks were minorities/women. Currently, 25 percent of our leaders are women and more than 20 percent are minorities.



Our leadership development efforts and succession planning for all employees is reflected in the increase in leadership diversity over the last five years, including a 10 percent increase for women and an overall 34 percent increase for minorities.



Diana, a Measurement and Engineering Analyst in Dallas, is passionate about giving back and has volunteered with Susan G. Komen since 2001.

Innovative Virtual Training Enhances Employee Skills and Development

When we temporarily suspended in-person training at the Charles K. Vaughan (CKV) Center to maintain the safety of our workforce, our technical training team was prepared to transition technical training classes to a virtual environment to ensure our employees continued to have access to the training they need to realize our vision of being the safest provider of natural gas services. Core functions such as meter reading and service & construction were delivered via Microsoft Teams™ with self-paced courses and hands-on practice. New materials were also developed to support virtual learning, including a class syllabus, new online courses, video demonstrations, and field assignments.



This new style of digital learning enhances our job skills training and supports our business modernization efforts.

The virtual training process features smaller class sizes and more one-on-one time for the instructors to spend with students through phone calls, video meetings, and online chat. The revised training schedule has also provided the opportunity to offer more classes and enables students to absorb training without traveling from other states to the DFW metroplex. Experienced employees have also been able to take advantage of virtual refresher training opportunities that reinforce their existing skills. This new style of digital learning enhances our job skills training and supports our business modernization efforts.



Training kits and props, such as this meter, were delivered to students in order to mimic the hands-on portion of training that would ordinarily be completed at the CKV training center.



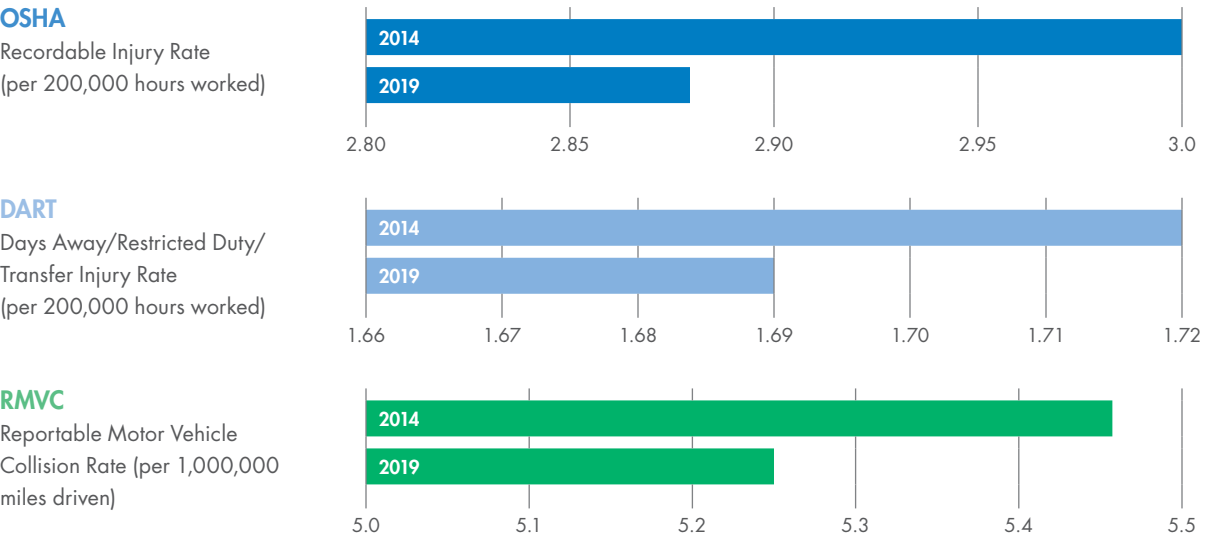
Virtual Reality Lab at the Charles K. Vaughan Center in early 2020.

Our Workforce Development team launched a successful pilot of our Virtual Reality (VR) Emergency Response Situation module with 50 students who provided overwhelmingly positive feedback.

These pioneering solutions enhance our existing curriculum and perfectly complement the coaching that employees receive at our state-of-the-art CKV facility. Ongoing innovations in learning and development will continue to add value across our existing technical and job skills training as well as new employee development.

Continuous Training Leads to Safety Improvements

Because employee safety is paramount, our daily focus is to continuously improve on our safety training and protocols so that our essential workforce is always prepared to deliver safe, reliable natural gas.



We're doing our part to protect
and preserve our environment today
and for generations to come.

We provide clean, efficient, and innovative energy solutions for our customers
and communities, and continue to invest in system modernization that reduces our
environmental impact. Our goal of reducing methane emissions by 50 percent
from 2017 to 2035 is essential to our environmental commitment.



Atmos Energy, Texas Trees Foundation, Texas 811, and local officials
celebrate 811 Day by safely planting 500 trees in 25 cities across Texas.

Innovative Natural Gas Technologies Provide Clean and Efficient Energy

We partner with customers and suppliers to apply innovative technologies that deliver sustainable solutions for a clean energy future, providing yet another pathway to protect and preserve our environment today and for generations to come.

Valued Partnerships Deliver Renewable Energy

The transportation of landfill gas is an important element of our strategy to responsibly reduce methane emissions. According to the EPA, municipal solid waste (MSW) landfills are the third-largest source of human-related methane emissions in the United States, and methane has a global warming potential more than 25 times greater than CO₂. Reducing methane emissions can achieve significant near-term benefits in mitigating global climate change, so MSW facilities represent a unique opportunity to capture, convert, and use landfill gas as a renewable energy resource. Landfill gas producers need transmission companies like Atmos Energy to transport their renewable natural gas (RNG) to market.

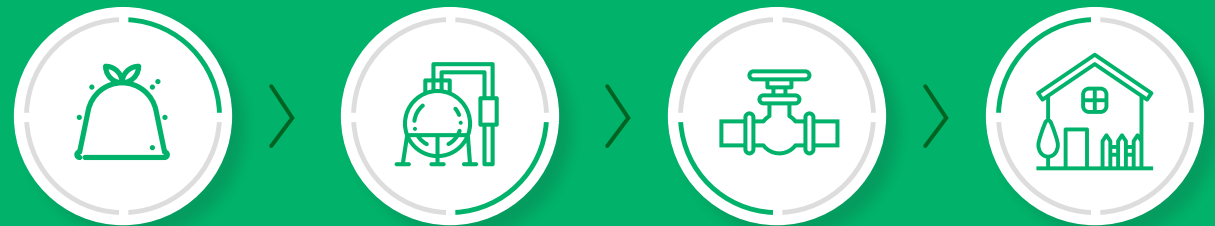
5.1 Bcf

Of renewable natural gas transported

58,000

Equates to removing almost 58,000 passenger vehicles from our roads every year

RENEWABLE ENERGY PROCESS



Biogas is methane captured from landfills, agricultural and food waste, and wastewater

Biogas-derived methane is conditioned, processed, and refined into pipeline-quality gas

Renewable natural gas is injected into utility-owned pipelines

Renewable natural gas is used to fuel homes, businesses, industries, and vehicles

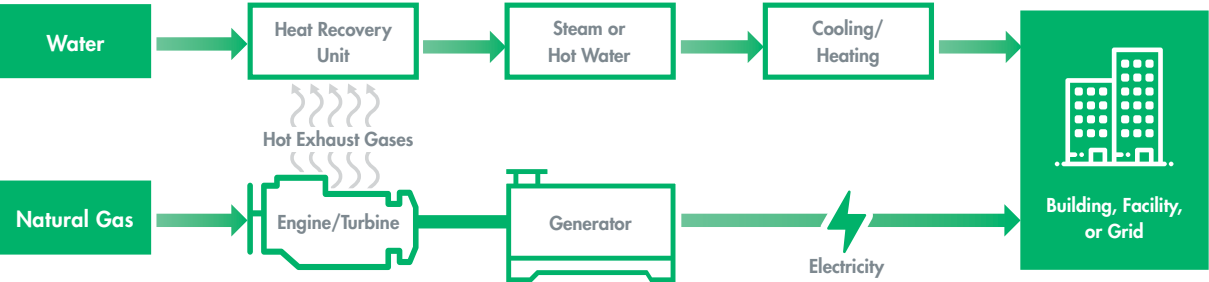
Our relationship with River Birch landfill demonstrates how we are helping companies transport their RNG to market. The River Birch landfill is a 920-acre facility outside New Orleans that processes MSW emissions into approximately 4,500 Mcf of RNG every day. Since 2010 we have collaborated with River Birch on quality specifications and, during non-peak demand periods, to blend pipeline-quality natural gas with RNG from the landfill and then sell the gas to a power generator and local distribution company. Following a planned expansion that will connect it to the nearby Jefferson Parish landfill, River Birch will soon be the largest facility in the country producing pipeline-quality gas.

We also work with partners like HAMM Waste Services, a landfill gas manufacturing facility in Lawrence, Kansas, that produces 1.5 million Mcf of RNG from 130 “wells” on capped areas of the landfill. After passing through a series of filters and separation processes, additional scrubbing is done by a thermal oxidizer using natural gas provided by Atmos Energy. The “cleaned” natural gas meets Southern Star Pipeline standards and is marketed to fuel compressed natural gas (CNG) vehicles in California, helping to offset nearly 5 million gallons of gasoline in that state.

Combined Heat and Power Delivers Low-Carbon, Affordable Energy Solutions

Combined heat and power (CHP) is an efficient and clean approach to generating electric power and useful thermal energy from a single fuel source, typically natural gas. The heat created from producing electricity, which is typically wasted, is captured and turned into steam or hot water that can be used for space heating, cooling, domestic hot water, and industrial processes. A 2016 Department of Energy study cited CHP as a clean energy solution that has a number of benefits, including reducing greenhouse gas emissions and energy operating costs, in addition to increasing energy efficiency up to 75 percent when compared to electricity from the grid.

CHP is utilized in a variety of industrial facilities and commercial buildings to simultaneously supply electricity and provide thermal loads. CHP can also be integrated into district energy systems utilized by colleges, hospitals, downtown areas, and other campus-type facilities. A district energy system is a centralized facility that generates steam and hot and cold water that is piped through an underground network to buildings for space heating, air conditioning, and other energy needs.



Natural Gas Fuels Microgrid to Provide Responsible Energy for Student Housing

Atmos Energy and Mississippi State University (MSU) teamed up with developer Greystar and Blue Sky Power to build College View Apartments. This innovative 130-unit student housing complex utilizes CHP technology to generate clean electricity that’s powered by an onsite natural gas generator to provide electricity, hot water, and heating to all units.

This clean energy infrastructure, known as the MSU Clean Energy Microgrid, will generate reliable and resilient energy with the ability to operate fully independent of the city’s electric grid. It also significantly reduces operating expenses by relying on a centralized electric and thermal energy system fueled by affordable natural gas. MSU will save approximately \$116,000 every year in electric utility costs and will reduce CO₂ emissions by more than 827 tons annually – the equivalent emissions of 162 passenger vehicles. This CHP project is the first in Mississippi for use in apartments, and MSU is already planning the next phase of this development.

\$116,000

In electric costs saved annually

827

Tons of CO₂ emissions avoided annually

162

Equates to removing the emissions of 162 passenger vehicles

Helping Customers Save Money, Conserve Energy, Reduce Carbon Footprint

Efficiency is one of the main reasons why our customers choose natural gas as an essential energy source for their homes and businesses. To help our customers achieve energy savings and lower their environmental impact, we offer financial incentives for purchasing high-efficiency natural gas appliances and smart thermostats, plus installing weatherization materials in our Mississippi, Colorado, and Mid-Tex divisions.

45,000

Residential and commercial customers participated in energy efficiency programs

1.2M

Therms of natural gas conserved

7,100

Tons of CO₂ emissions avoided annually

Natural Gas Provides Energy Efficiency, Lower Environmental Impact in New Home Construction

A 2019 National Association of Home Builders survey found that buyers are looking for energy-efficient homes that also have whole-house green certifications which are affordably and comfortably achieved with natural gas. We partnered with two Dallas-area builders, Hoffmann Homes and Urban Edge Developers, to provide marketing assistance and coordinate the infrastructure and installation of high-efficiency natural gas equipment so these builders could achieve Green Built Texas and Platinum LEED certified homes in Dallas.

In the Mississippi and Mid-Tex divisions, builders can take advantage of rebates on high-efficiency appliances like furnaces and water heaters, in addition to smart thermostats. These financial incentives have encouraged 36 builders to install higher efficiency models that avoid close to 600 tons of CO₂ emissions annually.



Gerson, a Senior Utility Technician in Kansas, locates and marks underground natural gas pipelines with yellow temporary paint to ensure safe digging.

Atmos Energy Joins ONE Future

Our target to reduce methane emissions in our natural gas distribution system by 50 percent from 2017 to 2035 is an essential component of our environmental sustainability strategy. In January, Atmos Energy joined Our Nation’s Energy Future Coalition (ONE Future), a voluntary alliance of leading companies across the natural gas supply chain focused on technology and policy solutions to drive continual improvement in the reduction of methane emissions. Joining ONE Future includes a commitment to measuring, reporting, and tracking key emissions metrics in accordance with ONE Future protocols, reflecting our continued commitment to responsible, sustainable practices in our natural gas distribution businesses and pipeline and storage operations.

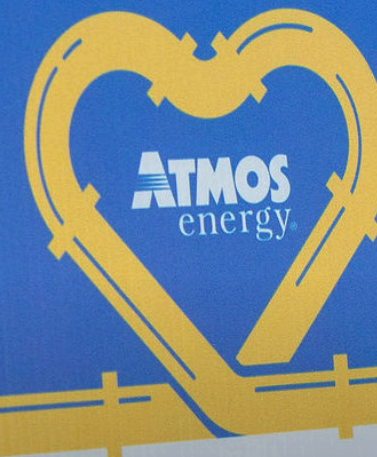


We're fueling safe and thriving communities every day.

Community service is woven into the fabric of Atmos Energy's culture, and our employees take pride in fueling safe and thriving communities every day. We are committed to helping our children have a bright and healthy future by fighting childhood hunger and focusing on reading on level by third grade, showing appreciation to our hometown heroes, and providing assistance to our neighbors in need. Being a good neighbor also means providing helpful solutions for customers to pay their bills, and doing our part to support local economies so they can grow and flourish. Taking care of our communities is more essential now than ever.



Fueling safe & thriving communities.



ATMOS ENERGY IS PROUD TO SUPPORT OUR LOCAL SCHOOLS AND STUDENTS.

Frank is a Colorado native who enjoys spending time with his family outdoors and volunteering at the Guadalupe Center in Greeley.

Fueling Safe and Thriving Communities Is Woven into Our Culture

Compassion to give back to communities we serve flows through the heart and soul of Atmos Energy’s 4,700 employees. Whether it is reading to students, working with local food banks, or showing appreciation to our hometown heroes, our employees have always invested in the communities we call home. In 2020, we formally rebranded what we have been doing for years – we call it Fueling Safe and Thriving Communities.



Fueling Bright Minds and Healthy Futures for Our Kids

Through our Fueling Safe and Thriving Communities program, we donated \$2 million across the eight states we serve to provide resources that help students read on level by the third grade. Third grade marks the shift from “learning to read” to “reading to learn,” which means deficient readers are at greater risk of falling behind. According to the National Conference of State Legislatures, research shows that students struggling to read at the end of third grade are four times less likely to finish high school.

Sharing a similar passion to open doors, broaden horizons, and position kids for success, we proudly committed \$1 million of the donation to United Way of Metropolitan Dallas to bring life-changing resources to our youngest learners and their families.

An estimated 18 million children face hunger nationwide, so we also donated \$2 million to join forces with hundreds of local school districts, food banks, and other essential organizations to give the breakfasts, lunches, snacks, and healthy meals that all children need to grow, develop, and succeed.

Fueling safe and thriving communities means we are committed to enhancing childhood literacy and reducing food insecurity, and these donations will fuel bright minds and healthy futures for the kids in our communities.



Atmos Energy employees Kurtis, David, and Frank donate backpacks, lunch boxes, and water bottles to a school in Greeley, CO. In attendance is Greeley-Evans Weld County School District 6 Superintendent, Dr. Deirdre Pilch, and Centennial Elementary Principal, Dr. Angie McDowell.

Fueling Hope for Our Neighbors in Need

Our average residential bill is one of the most affordable utility bills in the house, representing approximately 1 percent of the median household income in the eight states we serve. However, we recognize there are times when our customers need financial assistance with their bill. That is why we always stand ready to offer critical relief to families and businesses. In addition to our annual Sharing the Warmth contribution, we donated an additional \$1 million directly to energy assistance agencies to help customers stay warm this winter. These funds are distributed in partnership with more than 100 energy assistance agencies and nonprofit organizations across the eight states we serve.

Beginning in March, we temporarily suspended natural gas disconnections for non-payment, in addition to offering additional flexible payment plans and raising awareness about financial help that is available to qualified households. To make sure homes and businesses have reliable and affordable natural gas, Atmos Energy continues to work with our customers and local assistance agencies to offer customers year-round relief and financial solutions including Atmos Energy’s Sharing the Warmth program and the federal Low-Income Home Energy Assistance Program (LIHEAP).

Atmos Energy continues to work with our customers and local assistance agencies to make sure homes and businesses have reliable and affordable natural gas when they need it the most.

\$9,518,903

Customer assistance received through LIHEAP and other assistance programs

\$1,877,127

Financial assistance provided through our Sharing the Warmth program

37,424

Households assisted through energy assistance programs

Fueling Honor and Appreciation for Our Hometown Heroes

Firefighters, police, medical professionals, teachers, and other community role models are America’s everyday heroes, and we proudly support their continued dedication to the communities we serve. In September, Atmos Energy donated \$105,000 to Colorado and Kansas fire departments that are essential in protecting public health, safety, and community well-being.



David, Colorado Operations Supervisor, shares his appreciation with the Greeley Fire Department Rescue team.

America’s firefighters respond to health and safety emergencies every day, while fire departments also offer safety classes to educate the public about topics including the proper use of fire extinguishers, the importance of fire alarms, and sound evacuation procedures. As part of our commitment to fueling safe and thriving communities, we partner with thousands of firefighter personnel each year to provide natural gas safety training, promote home safety guidance to residents, and support victims of natural disasters.

Atmos Energy’s donation helped to provide equipment and personal protective gear, raise awareness for community safety, support professional development, and expand volunteer fire departments.

“We are extremely grateful to Atmos Energy for their generosity and for their dedication to community safety, helping us prepare to deal with the vast array of emergencies we face,” said Chief Dale Lyman of the Greeley (Colo.) Fire Department.

Employees Pledge \$875,000 During Week of Giving

Our employees take enormous pride in their commitment to fuel safe and thriving communities. During our annual Week of Giving campaign, employees across the enterprise pledged more than \$875,000 in donations to benefit United Way, No Kid Hungry, and The Salvation Army. Further amplifying the impact of this tremendous financial support, the company matched all employee donations to double the vital resources crucial organizations use to enrich childhood literacy, provide nutritious meals, and offer a helping hand to our most vulnerable neighbors.

During Week of Giving, employees across the enterprise participated in various activities to give back to communities where they work and live. Some employees participated in an online Back to School Drive that amassed school supplies for students at Mi Escuelita, a preschool network that develops English language vocabulary skills at 11 locations in the Dallas area. Other employees wrote thank you notes to health care heroes to express gratitude for their service and offer words of encouragement. These are just a couple of examples of how our employees support their communities.



Employees participated in a logo design contest for Week of Giving. This is the winning logo by Bethany, Revenue Management Coordinator in Dallas, Texas.



Jack, Senior Service Technician, and Tyler, Senior Construction Operator, work with local Mississippi contractors to provide natural gas service to new customers in the Starkville area.

Natural Gas Is Fundamental for Growing Economies and Communities

Since 2018, we have partnered with the Mississippi Public Service Commission to implement a service expansion program benefiting rural communities that would otherwise lack access to affordable and reliable natural gas. Atmos Energy has completed 54 projects in 28 communities since the program’s inception, with the most recent service extension occurring at the Mississippi Horse Park in Starkville as well as 50 current residences and another 200 planned homes in the area.

This is a prime example of how public and private entities can work together to expand access to reliable, affordable, and environmentally responsible natural gas.



CORPORATE GOVERNANCE



We're fostering strong governance to achieve our vision.

At Atmos Energy, strong corporate governance is core to our culture and our values. It supports our vision to be the safest provider of natural gas services, it mitigates risk, and is the foundation of our long-term corporate sustainability effort. We expect everyone to take responsibility for doing what is right for all stakeholders. Leading with integrity is essential for conducting our business ethically, instilling accountability in our employees and working with business partners who share our high standards and principles. We are committed to continuous improvement by providing an anonymous Compliance Helpline for employees, contractors, and the public to give feedback or make recommendations for improvements to safety, risk identification, prevention, and mitigation.

To access the Compliance Helpline, [call 1-866-543-4065](tel:1-866-543-4065) or [visit our compliance website](#).

Doug, Operations Supervisor in the Golden Triangle area of Mississippi, has trained countless employees in his 40-year tenure with the company.

Corporate Governance Highlights

Atmos Energy has adopted a number of practices to promote strong corporate governance to ensure the long-term sustainability of the Company.

Board Practices

- Independent lead director
- Separation of board chair and CEO
- 11 of 14 directors are independent
- Annual election of all directors
- Regular executive sessions of independent directors
- Comprehensive and strategic risk oversight
- Annual board and committee evaluations

Other Governance Practices

- Executive and director stock ownership guidelines
- Clawback policy
- Prohibition on hedging or pledging stock

Shareholder Matters

- Robust shareholder engagement
- Annual say-on-pay voting
- Majority voting for director elections
- No poison pill defense

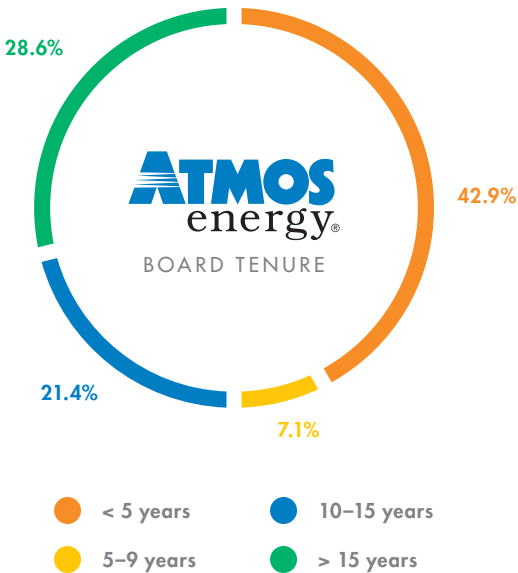
Board Committees

- Audit Committee
- Corporate Responsibility, Sustainability, & Safety Committee
- Executive Committee
- Human Resources Committee
- Nominating and Corporate Governance Committee

Board of Directors

Our Board’s leadership structure is designed to ensure independent oversight of corporate management and key issues related to strategy and risk. Our lead director is independent. All standing Board committees are chaired by independent directors. Additionally, independent directors regularly hold executive sessions outside the presence of the executive 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 Board has a mandatory retirement age of 75, with members serving through the annual meeting following their 75th birthday.

Board members are nominated annually based on their diversity of skills, background, financial literacy, availability, independence, and other relevant leadership qualities. We believe our Board has the right balance of tenure, with 50 percent of the Board members with 10-plus years of experience on the Board, providing consistency and historical perspective, and 43 percent with less than five years of experience bringing new ideas and a fresh perspective.



Leadership

Our Management Committee is comprised of five senior leaders responsible for the execution of company strategy as approved by the Board. The Management Committee meets regularly to actively monitor operations and financial performance; ensure compliance with policies, procedures, and ethical business practices; and implement strategy to achieve sustainable, long-term performance.

20%

Women and minorities on Management Committee

32%

Women and minorities as officers

56%

Women and minorities recently appointed to leadership



Employee safety meetings, like this one in Mississippi, were conducted monthly in service centers prior to March 2020.

Succession Planning

Succession planning is an extensive annual process at Atmos Energy. It begins with our Board and goes down through all levels of the organization to ensure that we are building a strong bench of talent. Not only is talent identified, but potential paths of development are discussed to ensure that employees have an opportunity to build their skills and are well prepared for future roles. We have a long history of promoting our senior leadership from within the organization. Over the past five years women and minorities have accounted for 56 percent of the officer appointments, including the promotion of two women to division president.

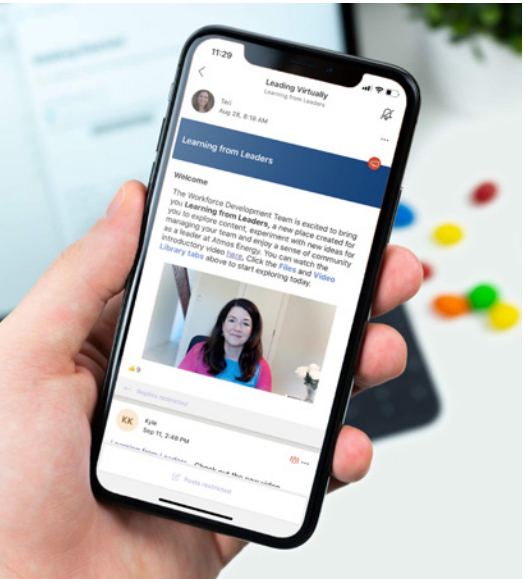
Leading with Integrity

Atmos Energy’s Code of Conduct begins with our deep commitment to fairness, mutual respect, and participation. We are committed to abide by the letter and spirit of all laws and regulations that apply to our business. These guidelines apply to all of us, and remind us that what we do every day and how we do it are critically important to help us achieve our vision of being the safest provider of natural gas services. In 2020, 100 percent of active employees completed our annual Code of Conduct training. Our Code of Conduct training reinforces how to identify and deal with ethical issues such as conflicts of interest, gifts and entertainment, use of confidential information, fair dealing, protection of corporate assets, compliance with rules and regulations, and safety.

100%

In 2020, 100 percent of active employees completed our annual Code of Conduct training.

If you have suggestions, recommendations, questions, or have witnessed a potential violation of the Code of Conduct, you may contact Atmos Energy’s Compliance Helpline. All submissions to the Compliance Helpline are treated confidentially and we will not tolerate retaliation against anyone for submitting a concern or recommendation. In addition to our Code of Conduct, our Board has adopted several policies and guidelines that demonstrate our commitment to strong corporate governance and diversity.



In addition to Learning from Leaders, Atmos Energy provides numerous professional development courses ranging from “Is Supervision for Me?” to “OQ Evaluator Training.”

Leaders Learning from Leaders

Just like our vision of being the safest provider of natural gas services, learning how to lead is a continuous, never-ending journey. We support this journey in a way that is aligned with our vision and our AtmoSpirit principles.

We have a proven approach for growing leaders that is guided by our belief that you learn it by doing it, by getting opportunities, receiving coaching and feedback, and through self-reflection. Leadership training and a well-equipped **Learning from Leaders Toolkit** support our organic, learn by doing approach to growing leaders. Our leader-led development goes beyond just communicating with and coaching direct reports. Our leaders collaborate and share information about how they are connecting with their employees and other leaders across the enterprise.

Matthew, Senior Utility Technician, checks for continuity to ensure company assets are isolated to maximize protection of our system.

Appendix

- a. Sustainability Accounting Standards Board (SASB) Index
- b. Global Reporting Initiative (GRI) Index
- c. Methane Emissions Report
- d. DOT Report



Sustainability Accounting Standards Board (SASB) Index

SASB Code	Question	SASB Title	Disclosure Title	Response
IF-GU-240a.1.	1	Energy Affordability	Average retail gas rate for (1) residential, (2) commercial, (3) industrial customers, and (4) transportation services only	Historical information is available in the Atmos Energy Corporation Statistical Summary, which is available on the Atmos Energy Website.
IF-GU-240a.2.	2	Energy Affordability	Typical monthly gas bill for residential customers for (1) 50 MMBtu and (2) 100 MMBtu of gas delivered per year	For residential customers using 50 MMBtu per year the average bill is \$47.18. For residential customers using 100 MMBtu per year the average bill is \$74.05.
IF-GU-240a.3.	3	Energy Affordability	Number of residential customer gas disconnections for non-payment, percentage reconnected within 30 days	This is a metric that we do not publicly disclose. However, we proactively work with customers to provide them with solutions should they experience financial hardship. We are able to provide our customers with financial assistance should the need arise through programs like Sharing the Warmth and LIHEAP. Beginning in March 2020 we temporarily suspended gas disconnections for non-payment to help those customers who were impacted by the economic effects of COVID-19.
IF-GU-240a.4.	4	Energy Affordability	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	Our customers’ natural gas bills are some of the lowest in the home and make up approximately 1% of the median income in the jurisdictions where we operate. We provide a comparison of our monthly gas bill in our monthly investor report along with providing a detailed chart of our bills’ historical growth and factors that impact customer bills.
IF-GU-420a.1.	5	End-Use Efficiency	Percentage of gas utility revenues from rate structures that (1) are decoupled or (2) contain a lost revenue adjustment mechanism (LRAM)	In our distribution segment, we have weather normalization (WNA) mechanisms in all states, except for Colorado. This substantially mitigates the adverse effects of warmer-than-normal weather for meters in those service areas. We have one formal lost revenue adjustment mechanism called the DSM in Colorado. We also have formula rate mechanisms in place in four states that provide for an annual rate review and adjustment to rates. In our pipeline and storage segment, approximately 80% of this segment’s revenues are earned from delivery services to local distribution companies (including our MidTex Division).

SASB Code	Question	SASB Title	Disclosure Title	Response
IF-GU-420a.2.	6	End-Use Efficiency	Customer gas savings from efficiency measures by market	Gas savings efficiency measures are only permissible in jurisdictions where it is allowed by our regulators. Currently we have four energy efficiency programs in our service areas. Colorado (Tariff Sheet 8a) Gas Demand-Side Management Cost Adjustment (G-DSMCA) All sales rate schedules for natural gas service are subject to a Gas Demand-Side Management Adjustment (“G-DSMCA”) designed to prospectively recover prudently incurred costs of Demand-Side Management Programs (“DSM Programs”) in accordance with Gas Demand-Side Management Rules 4750 through 4760 of the Commission’s Rules Regulating Gas Utilities and Pipeline Operators, 4 Code of Colorado Regulations 723- 4 (“Gas DSM Rules”). The G-DSMCA Factor shall be separately calculated and applied to the Company’s base rates schedules for residential, small commercial, and commercial customers. The Company shall recover the annual expenditures projected for that year over a one-year period with the G-DSMCA Factor. Kentucky (Tariff Sheet 30) Applicable to Rate G-1 Sales Service, residential class only. Purpose: The Company offers a low-income weatherization program in order to improve efficiency and household safety for eligible customers. The program does not rehabilitate homes and does not include home additions, paint, carpet, or lead-based paint and asbestos abatements. The program may include, but not be limited to, the replacement of doors and windows, caulking, window stripping, installation of insulation, and/or the maintenance/replacement of natural gas appliances. Mississippi (Energy Efficiency Rider Tariff) The purpose of the Energy Efficiency Cost Recovery (EECR) Rider is to establish the EECR Rate(s) by which the Company will recover its energy efficiency Quick Start Plan program costs approved by the Mississippi Public Service Commission (“Commission”), including (1) the incremental energy efficiency program costs (“Incremental Program Costs”) and (2) lost contribution to fixed cost (“LCFC”) (collectively, the “Recoverable Costs”), all as described in Rule 29, “Conservation and Energy Efficiency Programs,” of the Commission’s Rules and Regulations Governing Public Utility Service, and as approved by the Commission in Docket 2010-AD-2 on July 11, 2013. Recovery of Incremental Program Costs is limited to the incremental costs which represent the direct program costs that are not already included in the then-current rates of the Company. Mid-Tex (Conservation and Energy Efficiency Rider) Atmos Energy Corporation’s Mid-Tex Division provides a Conservation and Energy Efficiency program which offers assistance to residential and commercial customers to encourage reductions in energy consumption and lower energy utility bills. The proposal is one where Atmos Energy shareholders will fund half the allowable expenses incurred annually, with a customer rate component providing the remainder of the funding. The programs offered under Rate Schedule CEE will be consistent with similar conservation and energy efficiency programs offered by other gas utilities and may include, but not be limited to, residential and commercial customer rebates for high-efficiency appliances and equipment, as well as a low-income customer weatherization assistance program.
IF-GU-540a.1.	7	Integrity of Gas Delivery Infrastructure	Number of (1) reportable pipeline incidents, (2) Corrective Action Orders (CAO), and (3) Notices of Probable Violation (NOPV)	Reportable Pipeline Orders – 6 Corrective Action Orders – 0 Notices or Probable Violation (NOPV) – 0

SASB Code	Question	SASB Title	Disclosure Title	Response
IF-GU-540a.2.	8	Integrity of Gas Delivery Infrastructure	Percentage of distribution pipeline that is (1) cast and/or wrought iron and (2) unprotected steel	We publish this information in our annual DOT Report Filings. Additionally, the data is made available on our website, in our annual Corporate Responsibility and Sustainability Report, and in our monthly Investor Updates. As of September 30, 2020, we had 356 miles of cast iron and 4,998 miles of unprotected steel which represents approximately 7.6% of our distribution pipeline.
IF-GU-540a.3.	9	Integrity of Gas Delivery Infrastructure	Percentage of gas (1) transmission and (2) distribution pipelines inspected	In fiscal year 2020 we inspected approximately 18% or 1,035 miles of the 5,684 total transmission miles. Atmos Energy surveys the approximately 75,000 miles of our distribution and transmission pipelines at rates and frequencies that meet and often exceed state and federal guidelines. Monitoring frequency of pipelines is determined by federal and state pipeline safety codes, accepted industry standards, and internal Atmos Energy practices and procedures.
IF-GU-540a.4.	10	Integrity of Gas Delivery Infrastructure	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	Atmos Energy is committed to being the safest provider of natural gas. That’s why we invest approximately \$2 billion a year to modernize our pipeline infrastructure. Our system includes more than 75,000 miles of distribution and transmission pipelines, as well as smaller “service” pipelines that connect directly to homes and businesses. We bury much of our pipe underground, where it is away from weather and activities that commonly cause damage and leaks. Atmos Energy has always had processes and procedures in place to ensure the safety of our distribution and transmission network. During fiscal 2019, we adopted a Pipeline Safety Management System (PSMS), which formally documents our processes and procedures under a systematic and structured framework that builds on our established pipeline safety programs. PSMS was developed by the American Petroleum Institute and is a recommended practice for the pipeline industry. All Atmos Energy employees play a role in our PSMS through identification, prevention, and remediation of operational safety risks. Additionally, because third-party damage represents one of the greatest threats to distribution systems, Atmos Energy administers a Damage Prevention Ambassador Program that empowers team members to identify and prevent potential digging accidents in the field. In fiscal 2020, ambassadors inspected more than 28,000 excavation sites, helping to prevent many potentially dangerous and costly accidents. Additionally, we operate an emergency hotline 24 hours a day, seven days a week to respond to and investigate reports of natural gas leaks. Atmos Energy is committed to practices that reduce methane emissions from our transmission and distribution systems, including infrastructure renewal programs to replace aging steel and cast iron distribution pipelines. Atmos Energy utilizes a number of practices in its day-to-day operations to prevent or reduce methane emissions. Some of the practices include but are not limited to the following: • Drawing down transmission line pressure when repairing or working on the pipelines to reduce natural gas released to the atmosphere. • Rerouting gas to minimize or prevent venting or blowdowns. • Installing pipeline stopples and bypasses as necessary to maintain operations and minimize extent of blowdown. • Utilizing flares to combust methane instead of releasing methane to the atmosphere.

SASB Code	Question	SASB Title	Disclosure Title	Response
IF-GU-000.A	11	Activity Metric	Number of: (1) residential, (2) commercial, and (3) industrial customers served	Historical information is available in the Atmos Energy Corporation Statistical Summary, which is available on the Atmos Energy Website.
IF-GU-000.B	12	Activity Metric	Amount of natural gas delivered to: (1) residential customers, (2) commercial customers, (3) industrial customers, and (4) transferred to a third party	Historical information is available in the Atmos Energy Corporation Statistical Summary, which is available on the Atmos Energy Website.
IF-GU-000.C	13	Activity Metric	Length of gas (1) transmission and (2) distribution pipelines	At September 30, 2020, in our distribution segment, we owned an aggregate of 71,558 miles of underground distribution and transmission mains throughout our distribution systems. Through our pipeline and storage segment we also owned 5,684 miles of gas transmission lines.

This index is designed to provide information from the Sustainability Accounting Standards Board (SASB) reporting framework. It identifies where we make certain disclosures and provides unaudited information for the Gas Utilities & Distributors industry section within the infrastructure sector.

Global Reporting Initiative (GRI) Index

General Disclosures

GRI #	GRI Standard Title	Disclosure Title	Response/Location
102-1	General disclosures	Name of the organization	Atmos Energy Corporation
102-2	General disclosures	Activities, brands, products, and services	- Atmos Energy 2020 10-K - Part I Item 1. Business - Atmos Energy 2020 Proxy Statement
102-3	General disclosures	Location of headquarters	Atmos Energy Corporation 5430 LBJ Freeway Suite 1800 Dallas, Texas 75240
102-4	General disclosures	Location of operations	United States
102-5	General disclosures	Ownership and legal form	- Atmos Energy 2020 10-K - Part I Item 1. Business
102-6	General disclosures	Markets served	- Atmos Energy 2020 10-K - Part I Item 1. Business
102-7	General disclosures	Scale of the organization	- Atmos Energy 2020 10-K - Part I Item 1. Business
102-8	General disclosures	Information on employees and other workers	- Atmos Energy 2020 10-K - Part I Item 1. Business - Atmos Energy 2020 Corporate Responsibility and Sustainability Report: Employees - Atmos Energy Website - Corporate Responsibility: Employees - Careers: Working at Atmos Energy
102-9	General disclosures	Supply Chain: A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services	The Supply Chain Management Group is part of the Atmos Energy shared services division. The mission is to provide best-value supply chain solutions through innovative insights with a strong focus on customer service and our company's culture. Our core supply chain services include new product approvals, contract review and corporate and operational sourcing, fleet and equipment management, procurement and management of our small businesses and supplier relationships.
102-10	General disclosures	Supply Chain: Significant changes to the organization and its supply chain: changes in the location of, or changes in, operations, including facility openings, closings, and expansions; changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private-sector organizations); changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination	There were no significant changes to Atmos Energy Supply Chain in the past year.

General Disclosures

GRI #	GRI Standard Title	Disclosure Title	Response/Location
102-11	General disclosures	Precautionary principle or approach	- Atmos Energy 2020 10-K - Part I Item 1A. Risk Factors - Atmos Energy 2020 Corporate Responsibility and Sustainability Report: Environment - Board Committee Charters: - Audit Committee - Nominating and Corporate Governance Committee
102-12	General disclosures	External initiatives	Atmos Energy 2020 Corporate Responsibility and Sustainability Report: Environment
102-13	General disclosures	Membership of associations	- American Gas Association - Belzoni Humphreys Development Foundation - Building Owners and Managers Association - Chamber of Commerce - Common Ground Alliance - Daughters of the American Revolution - Economic Development Council - Gas Technology Institute - Home Builders Association - Iberia Industrial Development Foundation - Kentucky Association of Manufacturers - Kentucky Gas Association - Louisiana Association of Business - Louisiana Chemical Industry Alliance - Louisiana Gas Association - Louisiana Restaurant Association - Middle Tennessee Industrial - Mississippi Hospitality and Restaurant - Mississippi Manufacturers Association Membership - Mississippi Partnership for Economic Development Inc. - National Energy and Utility Affordability Coalition - Northeast Tennessee Regional Economic Partnership - Operations Technology Development Co. - Our Nation's Energy Future (ONE Future) - Pipeline Association for Public Awareness - Prowers Economic Prosperity - Rotary Club - Southern Gas Association - Society for Information - Tarrant Regional Transportation Coalition - Tennessee Economic Development Council - Tennessee Gas Association - Women's Energy Network
102-14	General disclosures	Statement from senior decision-maker	Atmos Energy 2020 Corporate Responsibility and Sustainability Report: Letter to Our Stakeholders
102-15	General disclosures	Key impacts, risks, and opportunities	Atmos Energy 2020 10-K - Part I Item 1A. Risk Factors - Part II Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
102-16	General disclosures	Values, principles, standards, and norms of behavior	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. - Atmos Energy 2020 Corporate Responsibility and Sustainability Report: - Employees - Corporate Governance - Atmos Energy Website: Careers; Diversity & Culture

General Disclosures

GRI #	GRI Standard Title	Disclosure Title	Response/Location
102-17	General disclosures	Mechanisms for advice and concerns about ethics	Atmos Energy Code of Conduct We are committed to continuous improvement as we work to achieve our vision of being the safest provider of natural gas. We provide an anonymous Compliance Helpline for employees, contractors, and the public to give feedback or make recommendations for improvements in safety, risk identification, prevention, and mitigation at: 1.866.543.4065 or www.compliancehelpline.com/welcomeAtmosEnergy.jsp .
102-18	General disclosures	Governance structure	- Atmos Energy 2020 Corporate Responsibility and Sustainability Report: Corporate Governance - Atmos Energy Website - Corporate Responsibility: Corporate Governance - Atmos Energy Governance Documents - Atmos Energy About – Board of Directors
102-19	General disclosures	Delegating authority	- Atmos Energy’s Corporate Governance Guidelines generally speak to the delegation of authority to management. - Atmos Energy’s Corporate Responsibility, Sustainability, and Safety Committee Charter does not specifically state that the authority is delegated, but refers to the Committee overseeing company policies on these items, which presumably management is responsible for.
102-20	General disclosures	Executive-level responsibility for economic, environmental, and social topics	- Atmos Energy 2020 Corporate Responsibility and Sustainability Report: Corporate Governance - Atmos Energy Website: About – Leadership
102-21	General disclosures	Consulting stakeholders on economic, environmental, and social topics	- Atmos Energy 2020 Corporate Responsibility and Sustainability Report: - Letter to Our Stakeholders - Fiscal 2020 Corporate Responsibility and Sustainability Highlights
102-22	General disclosures	Composition of the highest governance body and its committees	Atmos Energy 2020 Proxy Statement
102-23	General disclosures	Chair of the highest governance body	Kim R. Cocklin
102-24	General disclosures	Nominating and selecting the highest governance body	- Atmos Energy 2020 Proxy Statement - Atmos Energy 2020 Corporate Responsibility and Sustainability Report: Corporate Governance - Atmos Energy Corporate Governance documents
102-25	General disclosures	Conflicts of interest	- Atmos Energy 2020 Proxy Statement - Atmos Energy Corporate Governance Guidelines - Atmos Energy Code of Conduct - Atmos Energy Corporate Responsibility Website: Governance
102-26	General disclosures	Role of highest governance body in setting purpose, values, and strategy	Atmos Energy Corporate Responsibility Website: - Corporate Governance - Atmos Energy Governance Documents

General Disclosures

GRI #	GRI Standard Title	Disclosure Title	Response/Location
102-27	General disclosures	Collective knowledge of highest governance body	Measures taken to develop and enhance the highest governance body’s collective knowledge include regular updates by senior management on financial, social, and environmental issues that impact Atmos Energy and the natural gas industry. Ad-hoc updates include operational reports, published articles, academic white papers, and research reports on the defined topics, and peer company publications. These updates are in addition to the Company’s quarterly Board and committee meetings where members of senior management provide and review educational materials on these topics.
102-28	General disclosures	Evaluating the highest governance body’s performance	Atmos Energy 2020 Proxy Statement
102-29	General disclosures	Identifying and managing economic, environmental, and social impacts	- Atmos Energy 2020 10-K - Item 1A. Risk Factors - Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Atmos Energy 2020 Corporate Responsibility and Sustainability Report: Corporate Governance - Board Committee Charters: - Corporate Responsibility, Sustainability, & Safety Committee - Audit Committee
102-30	General disclosures	Effectiveness of risk management processes	- Atmos Energy 2020 10-K - Item 1A. Risk Factors - Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Board Committee Charters: Audit Committee - Risk Management and Compliance Committee Charter - Atmos Energy 2020 Proxy Statement
102-31	General disclosures	Review of economic, environmental, and social topics	Board Committee Charters: - Corporate Responsibility, Sustainability, & Safety Committee - Audit Committee
102-32	General disclosures	Highest governance body’s role in sustainability reporting	Corporate Responsibility, Sustainability, & Safety Committee of the Board of Directors
102-33	General disclosures	Communicating critical concerns	Atmos Energy 2020 Proxy Statement - P.O. Box 650205, Dallas, Texas 75265-0205 - Company’s Compliance Helpline at 1-866-543-4065 https://www.compliance-helpline.com/welcomeAtmosEnergy.jsp
102-34	General disclosures	Nature and total number of critical concerns	There were no critical concerns reported to the Board of Directors.
102-35	General disclosures	Remuneration policies	Atmos Energy 2020 Proxy Statement: Executive Compensation Program Objectives and Strategy

General Disclosures

GRI #	GRI Standard Title	Disclosure Title	Response/Location
102-36	General disclosures	Process for determining remuneration	Atmos Energy 2020 Proxy Statement: Executive Compensation Program Objectives and Strategy
102-37	General disclosures	Stakeholders’ involvement in remuneration	Atmos Energy 2020 Proxy Statement
102-38	General disclosures	Annual total compensation ratio	Atmos Energy 2020 Proxy Statement
102-39	General disclosures	Percentage increase in annual total compensation ratio	Atmos Energy 2020 Proxy Statement
102-40	General disclosures	List of stakeholder groups	- Government and Regulatory Entities - Governors Office, State Public Utility Commissions, and City Councils - Customers and Communities - Customer advocacy groups, economic development groups, NGOs, local news, engineering/consulting firms, commercial and industrial customers - Peer Utilities and Associations - Employees - Investors - Suppliers - Midstream gas, RNG suppliers, contractors, materials suppliers, technology suppliers
102-41	General disclosures	Collective bargaining agreements	Atmos Energy does not have collective bargaining agreements in place.
102-42	General disclosures	Identifying and selecting stakeholders	Stakeholders are identified through their direct engagement with Atmos Energy (Employees, Customers, Investors, Suppliers, Regulators) and through the identification of stakeholders that have a unique and/or a vested interest in our organization (community partners, environmental agencies, customer advocacy groups, industry associations).
102-43	General disclosures	Approach to stakeholder engagement	Atmos Energy engages with our stakeholders through multiple channels. The engagement is tailored to address the stakeholder audience and the information being communicated. For direct communications with stakeholders we engage using email, phone calls, and in-person or virtual meetings. For indirect engagement we utilize our website, social media platforms, surveys, printed mailings, and marketing campaigns. In addition to these methods we engage with investors through quarterly and annual earnings calls, through 1 x 1 meetings in conferences, virtual meetings, or upon request. We also engage with employees through satisfaction surveys and our annual review process. None of this engagement was undertaken in connection with the preparation of this report.

General Disclosures

GRI #	GRI Standard Title	Disclosure Title	Response/Location
102-44	General disclosures	Key topics and concerns raised (stakeholder engagement)	Throughout the year we engage with stakeholder groups in a variety of ways to gather feedback related to Atmos Energy’s operations, policies, procedures, and industry-specific issues. This engagement allows us to proactively address topics and potential concerns raised by different stakeholder groups. Key topics include: - The role of natural gas in the domestic energy portfolio of the future - Methane emissions and environmental impact - Establishing goals and targets and setting a timeline for each action - Renewable natural gas - Customer advocacy
102-45	General disclosures	Entities included in the consolidated financial statements	Atmos Energy 2020 10-K Part I Item 1. Business
102-46	General disclosures	Defining report content and topic boundaries (materiality)	We are following the Global Report Indicator (GRI) Standards “Core” reporting methodology as the basis of our disclosures.
102-48	General disclosures	Restatements of information	No restatement of information
102-49	General disclosures	Changes in reporting	No changes in reporting
102-50	General disclosures	Reporting period	Fiscal Year 2020 (October 1, 2019 – September 30, 2020)
102-51	General disclosures	Date of most recent report	The Atmos Energy’s Corporate Responsibility and Sustainability Report, published in November 2020
102-52	General disclosures	Reporting cycle	It is Atmos Energy’s intent to publish a Corporate Responsibility and Sustainability Report annually
102-53	General disclosures	Contact point for questions regarding the report	investorrelations@atmosenergy.com
102-54	General disclosures	Claims of reporting in accordance with the GRI Standards	This report references the 2016 GRI Reporting Standards
102-55	General disclosures	GRI content index	This index

Economic Performance

GRI #	GRI Standard Title	Disclosure Title	Response/Location
201-1	Economic performance	Direct economic value generated and distributed	Atmos Energy 2020 10-K • Part II
201-2	Economic performance	Financial implications and other risks and opportunities due to climate change	Atmos Energy 2020 10-K • Part I Item 1A. Risk Factors • Part II Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations
201-3	Economic performance	Defined benefit plan obligations and other retirement plans	Atmos Energy 2020 10-K • Part II Item 8. Financial Statements and Supplementary Data
201-4	Economic performance	Financial assistance received from government	Atmos Energy received no government assistance in Fiscal Year 2020.
202-2	Economic performance	Proportion of senior management hired from the local community	100% of senior management is hired from the local community.
203-1	Economic performance	Infrastructure investments and services supported	The infrastructure investments made by Atmos Energy support local economies and stakeholders. Through infrastructure investments we promote local economies by providing jobs in the communities where we operate and as customers to local business and suppliers. These investments allow us to provide a clean and reliable fuel source to our customers and operate safely which is to the benefit of all stakeholders.
203-2	Economic performance	Significant indirect economic impacts	Atmos Energy 2020 Corporate Responsibility and Sustainability Report: • Communities • Environment Atmos Energy Website • Fueling Safe and Thriving Communities • Corporate Responsibility • Communities • Environment

Economic Performance

GRI #	GRI Standard Title	Disclosure Title	Response/Location
204-1	Economic performance	Proportion of spending on local suppliers	Atmos Energy partners with a variety of groups to ensure the safe delivery of natural gas. We are committed to enterprise decision making and a proactive approach in identifying opportunities through our suppliers, employees, and customers. We encourage our suppliers to build relationships with Atmos Energy employees, as the better they understand our needs the better product support they can provide. We also support local hiring initiatives to ensure local suppliers and contractors have the opportunity to work with us. At least 28% of our budget has been spent with small and diverse businesses each of the last three years, and 99% of our vendors are headquartered in the United States.
205-1	Economic performance	Operations assessed for risks related to corruption	Atmos Energy Corporate Governance Documents: • Corporate Governance Guidelines • Director Independence • Code of Conduct • Political Activities Policy
205-2	Economic performance	Communication and training about anti- corruption policies and procedures	• Atmos Energy Code of Conduct • 100% of Atmos Energy active employees completed our annual Code of Conduct training. • Atmos Energy political activities policy
205-3	Economic performance	Confirmed incidents of corruption and actions taken	Atmos Energy has had no confirmed incidents of corruption or actions taken.
206-1	Economic performance	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	Atmos Energy 2020 10-K • Part I Item 3. Legal Proceedings

Economic Performance

GRI #	GRI Standard Title	Disclosure Title	Response/Location
305-1	Emissions	Direct (Scope 1) GHG emissions	Atmos Energy Corporate Responsibility Website: Environment – AGA voluntary reporting tool EPA filing subpart NN and W
305-2	Emissions	Energy indirect (Scope 2) GHG emissions	Atmos Energy Corporate Responsibility Website: Environment – AGA voluntary reporting tool EPA filing subpart NN and W
305-4	Emissions	GHG emissions intensity	Atmos Energy Corporate Responsibility Website: Environment – AGA voluntary reporting tool
305-5	Emissions	Reduction of GHG emissions	Atmos Energy Corporate Responsibility Website: Environment – AGA voluntary reporting tool
305-6	Emissions	Emissions of ozone-depleting substances (ODS)	Atmos Energy does not release ozone-depleting substances.
305-7	Emissions	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Atmos Energy Corporate Responsibility Website: Environment – AGA voluntary reporting tool
306-4	Effluents and waste	Transport of hazardous waste	Atmos Energy does not transport hazardous waste.
307-1	Environmental compliance	Non-compliance with environmental laws and regulations	Atmos Energy has had no material fine for non-compliance with environmental laws and regulations.

Social Indicators

GRI #	GRI Standard Title	Disclosure Title	Response/Location										
401-1	Employment	New hires and employee turnover	Atmos Energy 2020 Corporate Responsibility and Sustainability Report: Employees Over the last five years, of the approximately 2,000 employees hired, 31% are women and 44% are minority. Total employee turnover, including retirements, for calendar year 2019 was 7%, including 4% voluntary turnover.										
401-2	Employment	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Atmos Energy does not provide health or life insurance benefits to temporary or part-time employees. Additionally, part-time employees receive a reduced allocation of time-off benefits.										
403-1	Occupational health and safety	Workers representation in formal joint management-worker health and safety committees	100% of Atmos Energy employees are represented in formal joint management-worker health and safety committees.										
403-2	Occupational health and safety	Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities	- Atmos Energy 2020 Methane Emissions Report - Atmos Energy 2020 Corporate Responsibility and Sustainability Report: - Employees - Atmos Energy Corporate Responsibility Website: - Employees										
403-3	Occupational health and safety	Workers with high incidence or high risk of diseases related to their occupation	Atmos Energy has not identified a high incidence or risk of work-related diseases. In March 2020 we moved to a virtual work environment out of an abundance of caution due to the COVID-19 pandemic.										
404-1	Training and education	Average hours of training per year per employee	In fiscal year 2020 we completed 226,235 training hours, which equals approximately 48 average training hours per employee. Our internal training programs focus primarily on Operations, Safety, Customer Service, and our foundational employee & leadership development programs. Of the employees who participate in these trainings, the average hours of training is: <table><tr><th colspan="2">Average Hours</th></tr><tr><td>Technical Training</td><td>51.6</td></tr><tr><td>Employee Development</td><td>9.7</td></tr><tr><td>Client Service Organization</td><td>85.5</td></tr><tr><td>Safety Training</td><td>18.1</td></tr></table>	Average Hours		Technical Training	51.6	Employee Development	9.7	Client Service Organization	85.5	Safety Training	18.1
Average Hours													
Technical Training	51.6												
Employee Development	9.7												
Client Service Organization	85.5												
Safety Training	18.1												

Social Indicators

GRI #	GRI Standard Title	Disclosure Title	Response/Location
404-2	Training and education	Programs for upgrading employee skills and transition assistance programs	We provide our employees with the training, tools, and opportunities to grow and develop, which is vital to our long-term sustainability. Additionally, we want our employees to take their education as far as they desire. We provide support through the Robert W. Best Education Assistance program, which provides support for employees to work toward advanced technical training or a college degree.
404-3	Training and education	Percentage of employees receiving regular performance and career development reviews	Substantially all of Atmos Energy’s full-time employees receive annual performance and career development reviews.
405-1	Diversity and equal opportunity	Diversity of governance bodies and employees	• Atmos Energy 2020 Proxy Statement • Atmos Energy 2020 Corporate Responsibility and Sustainability Report: • Employees • Corporate Governance • Atmos Energy Corporate Responsibility Website: • Employees • Corporate Governance
407-1	Freedom of association and collective bargaining	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There is no significant risk.
411-1	Rights of indigenous peoples	Incidents of violations involving rights of indigenous peoples	Atmos Energy has had no known incidents of violations involving rights of indigenous peoples.
412-2	Human rights assessment	Employee training on human rights policies or procedures	Atmos Energy Code of Conduct 100% of Atmos Energy active employees completed our annual Code of Conduct training.
413-1	Local communities	Operations with local community engagement, impact assessments, and development programs	• Atmos Energy 2020 Corporate Responsibility and Sustainability Report: • Communities • Environment • Atmos Energy Website • Fueling Safe and Thriving Communities • Corporate Responsibility • Communities • Environment
413-2	Local communities	Operations with significant actual and potential negative impacts on local communities	Atmos Energy Website • Pipeline Replacement Projects • Corporate Responsibility • Environment

Social Indicators

GRI #	GRI Standard Title	Disclosure Title	Response/Location
415-1	Public policy	Political contributions	Atmos Energy’s Political Activities Policy provides guidelines on company lobbying and political spending activities as well as engagement by our employees in the overall political process. Atmos Energy Corporate Governance Documents: • Political Activities Policy
417-1	Marketing and labeling	Requirements for product and service information and labeling	Atmos Energy complies with all state and federal requirements related to identification and labeling as it applies to our natural gas distribution and transmission business.
417-2	Marketing and labeling	Incidents of non-compliance concerning product and service information and labeling	Atmos Energy has not had any non-compliance concerning product and service information and labeling.
417-3	Marketing and labeling	Incidents of non-compliance concerning marketing communications	Atmos Energy has not had any non-compliance concerning marketing communications.
418-1	Customer privacy	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Atmos Energy has received no substantiated complaints concerning breaches of customer privacy and losses of customer data.
419-1	Socioeconomic compliance	Non-compliance with laws and regulations in the social and economic area	Atmos Energy has had no material fines for non-compliance with laws and regulations.

This index is designed to provide information from the Global Reporting Initiative’s (GRI) Sustainability Reporting Standards. It identifies where we make certain disclosures and provides unaudited information related to the reporting standards.

2020 Methane Emissions Report

Atmos Energy is committed to practices that reduce methane emissions from our transmission and distribution systems, including infrastructure renewal programs to replace aging steel and cast iron distribution pipelines.

As part of Atmos Energy’s efforts to reduce methane emissions, we joined the Environmental Protection Agency’s (EPA) Natural Gas Methane Challenge Program as a founding partner in March 2016. As part of the Natural Gas Methane Challenge Program, a voluntary partnership that encourages oil and natural gas companies to improve efficiency and reduce methane emissions, Atmos Energy set a goal to replace cast iron and unprotected steel mains at an annual rate of 1.5 percent. We have performed, and expect to continue to perform, above our stated goal. In 2020 Atmos Energy joined ONE Future, which is a coalition of natural gas companies working together to voluntarily reduce methane emissions across the natural gas value chain. In addition, Atmos Energy has a goal to reduce methane emissions by 50 percent from 2017 to 2035 in its natural gas distribution system.* The Corporate Responsibility, Sustainability & Safety Committee of the Board of Directors oversees these goals as well as the Company’s other sustainability and environmental practices. The Committee’s charter can be found on atmosenergy.com.

Investing in Technology to Improve Safety

Atmos Energy utilizes state-of-the-art instrumentation for leak detection, monitoring, and leak grading to enhance safety for the public, our customers and employees, and to protect the environment. Atmos Energy reviews advances in technology as they are brought to market and incorporates them as deemed appropriate for our leak detection and monitoring efforts. This includes advanced mobile leak detection technology, including cavity ring-down spectroscopy (CRDS) for surveying our distribution system that is 1,000 times more sensitive than legacy technologies. As of December 31, 2019, Atmos Energy had 13 advanced mobile leak detection technology units mounted and operating in vehicles.

To monitor compressors and storage fields, we use FLIR cameras as well as RMLD, FID, and CGI equipment. RMLD, CGI, CRDS, and OMD equipment is used to conduct inspections and surveys of buried natural gas distribution and transmission pipelines. The equipment utilized to perform leak surveys is dependent on several different criteria, including but not limited to safety, weather, instrument capabilities, location, application, and operating experience.

*Based on 2017 DOT inventory, projected 2035 inventory, and calculated using 40 CFR 98, Subpart W Natural Gas Distribution Emission Factors. The 2017 baseline is 35,386 MT CH4.

Leak Detection Technologies we use:

- Remote methane leak detection (RMLD)
- Flame ionization detector (FID)
- Combustible gas detector (CGI)
- Optical methane detector (OMD)
- Forward-looking infrared camera (FLIR)



New Technologies Keep Everyone Safer

We are working with industry and technology partners to develop and evaluate new technologies to enhance safety. For years we have partnered with the Gas Technology Institute, which develops technology-based solutions for the natural gas industry. We were among the early participants in our industry to evaluate technologies that had the potential to be adapted to our business. This partnership has produced tools we are incorporating into our daily processes, such as mobile technology that captures critical infrastructure data during construction and operations.

OSHA

Recordable Injury Rate
(per 200,000
hours worked)

3.00 » 2.88
2014 2019

DART

Days Away/Restricted
Duty/Transfer Injury Rate
(per 200,000
hours worked)

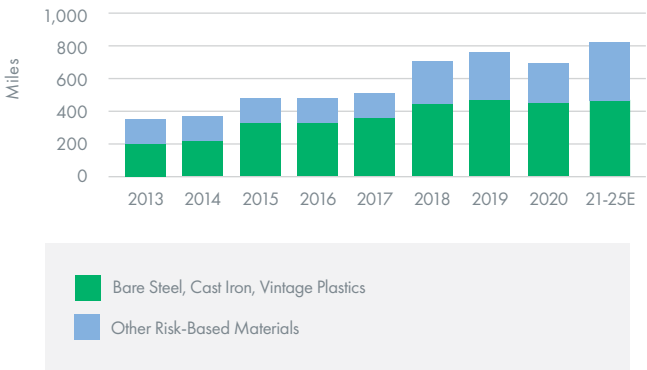
1.72 » 1.69
2014 2019

RMVC

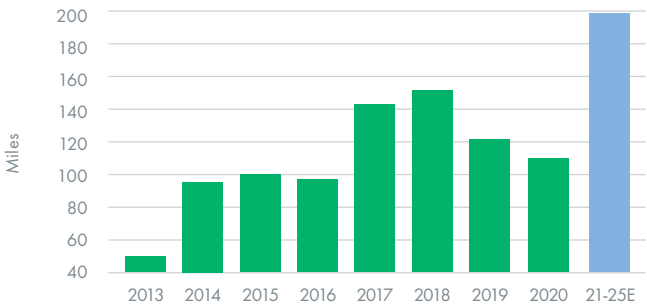
Reportable Motor
Vehicle Collision Rate
(per 1,000,000
miles driven)

5.46 » 5.25
2014 2019

Distribution Miles Replacement Rate



Transmission Miles Replacement Rate



Modernizing Infrastructure Reduces Carbon Footprint

Replacing pipelines reduces leaks and methane emissions. We track and report greenhouse gas emissions in accordance with the Environmental Protection Agency’s (EPA) Greenhouse Gas Reporting Rule, which requires reporting of greenhouse gas data and other relevant information from large sources and suppliers in the United States. In addition, all of our operating divisions report to various state agencies that have environmental jurisdiction over our activities.

Since 2012, we’ve replaced over 4,400 miles of pipe. Over the next five years, we plan to replace between 5,000 and 6,000 miles of distribution and transmission pipes. Included in this total is the replacement of all remaining cast iron main by the end of 2021. To determine the schedule for non-cast iron pipeline replacements, we use a risk-based prioritization model that considers factors like the pipe’s age, location, material, leak history, environmental factors, and more.

Leak Detection

Atmos Energy surveys the approximately 75,000 miles of our distribution and transmission pipelines at rates and frequencies that meet and often exceed state and federal guidelines. Monitoring frequency of pipelines is determined by federal and state pipeline safety codes, accepted industry standards, and internal Atmos Energy practices and procedures. The technology used to complete a pipeline leak survey may vary, depending on the conditions at the time of survey. It is our practice to use the instrument that is best suited for the existing conditions to complete pipeline surveys. Here is a brief summary of the frequency of leak surveys of our transmission and distribution systems:

Transmission Pipelines

- In many of our more densely populated areas, transmission pipelines are visually surveyed twice per month and incorporate the use of aircraft, where appropriate, to look for oxygen-starved vegetation, right-of-way encroachment, erosion, landslides, and possible security threats.
- Our Mississippi and West Texas divisions use aircraft to leak survey annually. Our Atmos Pipeline – Texas and Mid-Tex divisions use aircraft to leak survey twice per year.
- Technicians leak survey all pipeline road crossings quarterly using the appropriate leak survey equipment.
- Atmos Energy also completes annual visual vegetation/leak surveys on all transmission pipelines using highly trained technicians performing patrols.



Distribution Pipelines

- Distribution mains located outside of business districts are surveyed at least as often as prescribed by federal and state regulations (with the maximum being five years) using the various technologies discussed on the previous left-hand page of this appendix under *Investing in Technology to Improve Safety*.
- For distribution pipelines located within business districts, a survey is required and completed at least annually.
- Our Texas jurisdictions, Mid-Tex and West Texas, contain over 95 percent of our unprotected steel distribution pipe inventory and Mid-Tex contains 100 percent of our remaining cast iron pipe inventory. In these jurisdictions, we leak survey at intervals that are more frequent than the federal requirements. For coated steel pipe, we survey at least once every three years, bare steel we survey at least once every two years, and cast iron at least once every 12 months. We are committed to replacing all remaining cast iron main by 2021.
- In Texas, distribution main segments that are identified as high relative risk are scheduled for replacement or they are leak surveyed within 12 months.
- In Kansas, coated steel pipe and plastic pipe are surveyed at least once every three years, and bare steel is surveyed at least annually.
- For our other jurisdictions, we leak survey at least as often as state regulations prescribe. However, we evaluate performing leak surveys in accordance with the more stringent regulations of other states in our footprint.



Grading a Leak

Leaks identified on the Atmos Energy transmission and distribution systems are investigated and graded in accordance with our procedures, which meet or exceed the requirements of state or federal regulation. As required by regulation, these procedures categorize leaks in three grades:

- 1

Grade 1
Leaks which represent an immediate hazard to persons and/or property. These leaks are addressed and repaired immediately.
- 2

Grade 2
Leaks recognized as being non-hazardous at the time of detection but having the potential to become a future hazard. In general, these leaks must be scheduled for repair or eliminated within one year. Our Kansas, Mid-Tex, and West Texas distribution systems collectively make up 60 percent of our total distribution system. Grade 2 leaks on these systems are repaired within six months.
- 3

Grade 3
Leaks that are non-hazardous at the time of detection and can be expected to remain non-hazardous. Grade 3 leaks on our Kansas, Mid-Tex, and West Texas distributions systems are repaired within three years and some within two and a half years. In jurisdictions that do not prescribe a repair interval for Grade 3 leaks, we target these to be repaired within 36 months.

At Atmos Energy compressor stations subject to New Source Performance Standard Subpart OOOOa, leak surveys are conducted quarterly using a FLIR camera. Any detected leaks are tagged. Leaks are repaired within 30 days of detection or as soon as repair parts can be obtained. Any component found to be leaking is checked using a soap and water test within 30 days after it has been repaired. Annual reports summarizing the results of all leak surveys are submitted to state regulatory authorities.

Frequency of Monitoring

The frequency of monitoring conditions along our transmission right-of-ways (ROWs) is based on criteria documented in our O&M Manual that have been established to meet or exceed federal and state regulations. Inspections and maintenance work are performed regularly and pipeline segments are replaced when deemed necessary to maintain the safe delivery of natural gas to Atmos Energy customers.

The Atmos Energy Federal Pipeline Integrity Management (PIM) program provides for enhanced preventive and mitigative measures already in place to maintain the safe and reliable operation of our transmission pipeline system. The PIM program includes risk modeling that takes into account both the risks posed to our pipeline systems and the potential impacts of those risks. High consequence areas (HCAs) along the pipeline are typically densely populated areas or rural areas containing identified sites adjacent to the pipeline that pose considerably more risk to human life. Identified sites may be churches, schools, hospitals, daycare centers, assisted-living facilities, campgrounds, or other buildings and outside areas where people congregate. Additional inspections of pipelines within HCAs, as well as certain pipelines outside of HCAs, are conducted in accordance with the Atmos Energy federal and state PIM programs.

The frequency of monitoring the conditions of our distribution pipelines is based on our O&M Manual and our Distribution Integrity Management (DIM) program, both of which have been established in conjunction with federal and state regulations. Distribution pipeline segments are regularly subjected to inspection and maintenance work, such as leak surveys and corrosion control, and are replaced as necessary. Our DIM program includes risk modeling that takes into account both the risks posed to our distribution pipeline systems and the potential consequences of those risks.

Commitment to Safety and Protecting Our Environment

We are committed to replacing all remaining cast iron main by the end of 2021.

In addition, Atmos Energy utilizes a number of practices in its day-to-day operations to prevent or reduce methane emissions. Some of the practices include, but are not limited to, the following:

- Drawing down transmission line pressure when repairing or working on the pipelines to reduce natural gas released to the atmosphere.
- Rerouting gas to minimize or prevent venting or blowdowns.
- Installing pipeline stopples and bypasses as necessary to maintain operations and minimize extent of blowdown.
- Utilizing flares to combust methane instead of releasing methane to the atmosphere.

Finally, the Company’s methane emissions intensity rates for 2019 are as follows:

- Atmos Energy – 0.40 percent based on the amount of natural gas received at city gate stations (34,134 MT CH₄ total emitted in 2019).
- The emission intensity is calculated using EPA-reported fugitive emissions data and Company data of natural gas distribution system volumetric throughput. The EPA-reported emissions data is based on a combination of EPA emission factors and data calculated using the leak testing described above.

You may find more information on our commitment to pipeline safety on our website at atmosenergy.com.



2019 DOT Report

Distribution

Miles of Main	TN	VA	CO	KS	KY	LA	MS	MTX	WTX	Total
Steel – Coated (Un)	0	0	0	0	0	0	0	4,086	0	4,086
Steel – Coated (Pr)	824	311	1,162	237	2,217	4,983	3,715	4,407	4,644	22,501
Steel – Bare (Un)	0	0	31	0	85	0	0	2,767	241	3,124
Steel – Bare (Pr)	0	0	38	1,381	25	218	43	169	0	1,874
Cast Iron	0	0	0	0	0	0	0	356	0	356
Plastic PVC	0	0	280	42	0	43	0	0	135	500
Plastic PE	2,821	400	1,702	2,461	1,740	3,469	2,842	19,558	2,761	37,754
Plastic ABS	0	0	0	0	0	0	0	0	85	85
Plastic Other	0	0	0	0	0	0	0	273	0	273
Other	0	0	0	0	14	0	0	0	0	14
Total	3,645	712	3,214	4,120	4,081	8,713	6,601	31,615	7,866	70,566

Distribution

Vintage	TN	VA	CO	KS	KY	LA	MS	MTX	WTX	Total
Pre-40s	0	1	0	15	4	28	306	363	470	1,187
40s	0	0	112	0	67	32	493	357	302	1,363
50s	106	1	238	4	328	676	789	1,171	2,232	5,543
60s	366	216	445	11	741	356	768	1,771	1,257	5,931
70s	270	55	461	25	366	2,297	926	3,262	788	8,450
80s	776	146	457	48	402	2,106	844	4,256	547	9,582
90s	987	140	458	66	583	1,535	892	4,193	643	9,497
00s	608	81	818	223	282	757	1,054	3,253	471	7,547
10s	518	58	225	411	529	920	529	4,195	1,158	8,545
Unknown	15	14	0	3,316	780	4	0	8,795	0	12,924
Total	3,644	712	3,214	4,120	4,081	8,713	6,601	31,616	7,868	70,568

Services

Steel Services	14,839	1,758	29,548	33,980	73,882	234,329	113,013	106,543	204,008	811,900
Copper	0	0	0	0	0	0	171	0	0	171
Other	0	0	0	0	0	0	0	377,870	0	377,870
Plastic	146,254	21,928	75,948	118,509	107,556	178,895	191,136	1,273,100	197,016	2,310,342
Total	161,093	23,686	105,496	152,489	181,438	413,224	304,320	1,757,513	401,024	3,500,283

Transmission

Miles of Transmission Pipelines

Vintage	TN/VA	KY/AEH	MS	MTX	CO/KS	LA/TLA/ Pine	WTX	APT	Total
Pre 40s	0	0	17	0	0	2	28	164	211
40s	0	0	1	23	1	0	6	428	459
50s	0	30	69	81	0	1	36	660	878
60s	5	29	90	25	1	0	15	1,132	1,297
70s	0	81	4	54	0	21	3	959	1,123
80s	9	8	24	39	3	50	4	229	367
90s	47	35	67	54	3	1	7	653	868
00s	4	0	22	9	0	0	2	360	397
10s	1	0	0	24	0	5	19	1,095	1,145
Unknown	0	8	0	0	0	0	0	3	11
Total	65	190	296	310	9	81	121	5,684	6,756

Diameter

< 6"	0	21	28	0	3	4	11	846	914
6" thru 10"	39	104	259	86	4	30	64	2,003	2,588
> 10" thru 20"	26	65	9	209	1	24	46	1,494	1,875
> 20" thru 28"	0	0	0	6	0	24	0	421	451
> 28"	0	0	0	8	0	0	0	919	928
Total	65	190	296	310	9	81	121	5,684	6,756

Transmission

Miles of Transmission Pipelines

Class Location	TN/VA	KY/AEH	MS	MTX	CO/KS	LA/TLA/ Pine	WTX	APT	Total
Class 1 HCA	0	0	2	1	0	0	1	12	16
Class 1 Non-HCA	12	134	198	74	9	34	78	4,676	5,215
Class 2 HCA	0	0	1	1	0	0	0	13	15
Class 2 Non-HCA	27	23	70	45	0	12	13	532	722
Class 3 HCA	8	1	29	97	0	13	4	191	344
Class 3 Non-HCA	18	27	0	85	0	22	25	256	433
Class 4 HCA	0	0	0	6	0	0	0	3	9
Class 4 Non-HCA	0	0	0	0	0	0	0	0	1
Total	65	185	301	310	9	81	121	5,684	6,756

Pipe Material

Coated Steel (Un)	0	0	0	0	0	0	0	0	0
Coated Steel (Pr)	66	190	296	308	8	80	121	5,367	6,435
Bare Steel (Un)	0	0	0	0	0	0	0	0	0
Bare Steel (Pr)	0	0	0	1	1	0	0	175	177
Cast Iron	0	0	0	0	0	0	0	0	0
Wrought Iron	0	0	0	0	0	0	0	0	0
Plastic	0	0	0	0	0	2	0	143	144
Composite	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Total	66	190	296	310	9	81	121	5,684	6,757

Leaks

Cause of Leak

Corrosion	CO	KS	KY	LA	MS	MTX	TN	VA	WTX	Total
Hazardous Main	13	25	4	21	14	263	3	1	67	411
Non-Hazardous Main	46	128	42	264	63	1,288	13	7	296	2,147
Total Main	59	153	46	285	77	1,551	16	8	363	2,558
Hazardous Service	12	100	22	76	22	317	7	6	51	613
Non-Hazardous Service	36	100	91	469	38	487	21	6	164	1,412
Total Service	48	200	113	545	60	804	28	12	215	2,025
Total Corrosion	107	353	159	830	137	2,355	44	20	578	4,583

Equipment

Hazardous Main	2	5	2	13	21	206	2	0	22	273
Non-Hazardous Main	17	22	33	152	158	1,027	35	17	119	1,580
Total Main	19	27	35	165	179	1,233	37	17	141	1,853
Hazardous Service	9	25	21	86	125	1,180	30	12	56	1,544
Non-Hazardous Service	124	349	393	1,055	1,106	5,267	523	830	2,086	11,733
Total Service	133	374	414	1,141	1,231	6,447	553	842	2,142	13,277
Total Equipment	152	401	449	1,306	1,410	7,680	590	859	2,283	15,130

Leaks

Cause of Leak

Excavation Damage	CO	KS	KY	LA	MS	MTX	TN	VA	WTX	Total
Hazardous Main	29	65	62	143	89	895	78	13	159	1,533
Non-Hazardous Main	1	0	1	8	5	24	1	0	1	41
Total Main	30	65	63	151	94	919	79	13	160	1,574
Hazardous Service	86	105	181	471	321	2,859	315	33	146	4,517
Non-Hazardous Service	1	4	15	33	25	71	2	0	10	161
Total Service	87	109	196	504	346	2,930	317	33	156	4,678
Total Excavation Damage	117	174	259	655	440	3,849	396	46	316	6,252

Incorrect Operations

Hazardous Main	1	2	1	5	5	1	0	1	7	23
Non-Hazardous Main	7	11	1	24	28	8	0	1	11	91
Total Main	8	13	2	29	33	9	0	2	18	114
Hazardous Service	3	5	4	8	23	8	1	2	17	71
Non-Hazardous Service	23	38	44	30	160	24	13	5	70	407
Total Service	26	43	48	38	183	32	14	7	87	478
Total Incorrect Operations	34	56	50	67	216	41	14	9	105	592

Leaks

Cause of Leak

Material or Welds	CO	KS	KY	LA	MS	MTX	TN	VA	WTX	Total
Hazardous Main	0	5	1	8	1	126	4	0	5	150
Non-Hazardous Main	3	14	2	101	17	707	6	0	12	862
Total Main	3	19	3	109	18	833	10	0	17	1,012
Hazardous Service	1	8	4	8	5	184	8	0	8	226
Non-Hazardous Service	9	32	17	65	29	255	79	1	15	502
Total Service	10	40	21	73	34	439	87	1	23	728
Total Material or Welds	13	59	24	182	52	1,272	97	1	40	1,740

Natural Forces

Hazardous Main	1	6	0	3	11	24	1	2	8	56
Non-Hazardous Main	0	24	8	0	13	47	5	3	35	135
Total Main	1	30	8	3	24	71	6	5	43	191
Hazardous Service	20	29	7	8	78	59	0	8	12	221
Non-Hazardous Service	5	90	17	4	195	89	12	26	33	471
Total Service	25	119	24	12	273	148	12	34	45	692
Total Natural Forces	26	149	32	15	297	219	18	39	88	883

Leaks

Cause of Leak

Other	CO	KS	KY	LA	MS	MTX	TN	VA	WTX	Total
Hazardous Main	0	1	0	4	0	12	0	0	3	20
Non-Hazardous Main	7	6	1	341	14	47	0	1	26	443
Total Main	7	7	1	345	14	59	0	1	29	463
Hazardous Service	6	17	3	20	7	32	1	1	7	94
Non-Hazardous Service	9	58	24	225	71	69	13	0	45	514
Total Service	15	75	27	245	78	101	14	1	52	608
Total Other	22	82	28	590	92	160	14	2	81	1,071

Other Outside Force Damage

Hazardous Main	0	3	1	7	7	24	0	0	9	51
Non-Hazardous Main	0	2	1	2	2	36	0	0	7	50
Total Main	0	5	2	9	9	60	0	0	16	101
Hazardous Service	30	87	57	218	56	120	21	7	649	1,245
Non-Hazardous Service	3	29	8	32	21	133	1	0	346	573
Total Service	33	116	65	250	77	253	22	7	995	1,818
Total Other Outside Force Damage	33	121	67	259	86	313	22	7	1,011	1,919

Leaks

Summary of All Causes	CO	KS	KY	LA	MS	MTX	TN	VA	WTX	Total
Hazardous Main	46	112	71	204	148	1,551	88	17	280	2,517
Non-Hazardous Main	81	207	89	892	300	3,184	60	29	507	5,349
Total Main	127	319	160	1,096	448	4,735	148	46	787	7,866
Hazardous Service	167	376	299	895	637	4,759	383	69	946	8,531
Non-Hazardous Service	210	700	609	1,913	1,645	6,395	664	868	2,769	15,773
Total Service	377	1,076	908	2,808	2,282	11,154	1,047	937	3,715	24,304
Total Leaks	504	1,395	1,068	3,904	2,730	15,889	1,195	983	4,502	32,170
Leaks Scheduled for Repair	454	474	107	1,310	830	11,293	8	4	4,682	19,162

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 climate change; 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; 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, 2020, 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.

