

RGC Resources®



Powering a Sustainable Future

ENVIRONMENTAL SOCIAL GOVERNANCE REPORT

Message from the RGC Team

As we reflect on our long history, RGC Resources continues to demonstrate its unwavering commitment to environmental stewardship, social responsibility, and strong governance.

Roanoke Gas recently marked several historic achievements, including the launch of the first renewable biogas partnership in the state through a collaboration with the Western Virginia Water Authority and the expansion of our services into Franklin County.

These milestones reflect our dedication to providing safe, reliable, and environmentally responsible natural gas service, while supporting the economic growth of our region. Natural gas remains one of the cleanest, most reliable and most affordable fuel sources available, and through innovation and strategic partnerships, we're making it even more sustainable for future generations.

In this report, we share some of the highlights of our efforts:

- Expanding our service territory through the Summit View gate station, bringing natural gas to Franklin County for the first time
- Investing in our employees and communities
- Maintaining a diverse and forward-thinking leadership team

As we continue to make a difference in the lives of our customers, employees, and the community, we appreciate your continued support.





Environmental Impact



System Modernization

Roanoke Gas Company has a long commitment to reducing greenhouse gas emissions in our service area. Part of this effort is shown through our pipeline renewal program, which systematically replaces older mains, service lines, and other distribution equipment with modern equipment and materials. Since we began our system modernization program in 1991, we have replaced more than 250 miles of pipes throughout our service area.

Efforts like this, along with advanced leak detection and prevention technologies, helped us achieve 70% emissions reduction since 2000.

Equipment Upgrades

Roanoke Gas Company is committed to reducing greenhouse gas emissions. We have seen measurable declines in energy consumption following several key enhancements to our infrastructure. For example, we replaced the lighting in our facilities with LED lights, replaced our aging HVAC system and replaced our fleet vehicles with smaller more efficient vehicles, all to create efficiencies in overhead costs as well as usage measurements. Maintaining our operational efficiency allows us to better serve our customers while minimizing environmental impact.



See if our pipeline modernization program is coming to your neighborhood

Environmental Efforts — Reducing Our Carbon Footprint



Solar Energy Production

While our business is the distribution of natural gas, the 75kW solar facility at corporate headquarters continues to reduce our carbon footprint and operational costs. To date, we have produced more than 452 MWh of energy, equating to a reduction of 271 tons of carbon dioxide emissions.

Turning Waste Into Energy

Our partnership with Western Virginia Water Authority created Virginia's first utility-scale biogas facility. This groundbreaking initiative reduces fugitive emissions by capturing and cleaning gas created through the wastewater treatment process. Previously flared gas is now repurposed for utility use supporting homes and businesses in the region.

This initiative sets a precedent for future environmental partnerships, with a 63% reduction in emissions in the first year of use.



HOW IT WORKS

Biogas is produced during the anaerobic digestion process for wastewater treatment. Roanoke Gas Company installed a digester gas conditioning system at the Western Virginia Water Authority wastewater treatment plant to remove impurities from the biogas, upgrading the emissions to renewable natural gas. This renewable natural gas is then injected into the natural gas distribution system. Additional work is underway to increase biogas capture and protect against fugitive emissions. (see more in Governance, pg. 8)



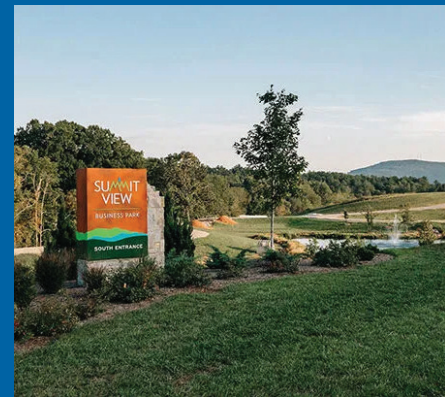
Social Impact



Improving the quality of life for everyone in the greater Roanoke area is a key part of the fabric of Roanoke Gas Company and in fact is a part of our mission statement.

Economic Development

The Summit View Gate Station represents a major milestone in our commitment to regional growth, providing first-time natural gas service to Franklin County. This initiative supports the publicly owned, next-generation business park known as Summit View, a community just south of Roanoke. Availability of utilities and energy is a key component to attracting new and expanding businesses to the area, enabling both job creation and economic expansion by creating the infrastructure for future industrial growth.



Investing in Our Employees

Investing in our employees is a three-tiered system that includes compensation and benefits, training and development, and work environment. Roanoke Gas Company is committed to offering a competitive employee benefits package that includes 100% tuition reimbursement to support employees in pursuing additional education, degrees and credentials, a competitive 401(k) matching program, comprehensive and affordable health insurance, and an employee stock purchase program. These benefits complement compensation that is aligned with our company mission: to create value for shareholders, employees, and the communities in which we serve. The final tier of employee investment is providing a safe, secure, and supportive work environment.



Employee Development & Success

At RGC, our employees are our greatest asset. We're proud to share their stories of growth and achievement, like this story of Jim Shockley, our Vice President and Chief Operating Officer.

FROM THE GROUND UP:

Jim Shockley's 40-Year Career at Roanoke Gas



WHEN JIM SHOCKLEY WAS 19-YEARS-OLD, HE STARTED WORKING AT ROANOKE GAS COMPANY AS A CONSTRUCTION HELPER.

"I had worked in construction with my dad outside and I was facing a layoff. When a friend asked if I wanted to work at Roanoke Gas, I thought he meant gasoline. I didn't know about natural gas, but I knew I didn't want to get back to the mine."

Shockley also didn't know that 40 years later he would be in a senior leadership role at Roanoke Gas.

"My boss drove me out to the job site and dropped me off. I just started digging and figured out later they were digging up a pipe that has gas in it. It was physical, hard work but was still easier than working on the outskirts of the coal mine," said Shockley.

Those first few years at Roanoke Gas held a variety of jobs for Shockley, including construction helper, equipment operator and, eventually, his first promotion to engineering specialist.

"My supervisors at Roanoke Gas encouraged me to go to Virginia Western to get my civil engineering associate degree. It took seven years, but I knew the degree would be the key to a higher-paying position and moving into management."

The encouragement from his supervisors translated to success at work, with Shockley serving as VP of Operations for a subsidiary in Bluefield before coming back to Roanoke Gas to manage the same field departments that he started in.

Now as Chief Operating Officer, Shockley says that the variety of positions is part of what set him up for success. "Every role that I was in prepared me for the future and was part of the patchwork of experience

that led me to becoming a successful leader," he said.

As Shockley reflects on his tenure with Roanoke Gas, he shares how the company has changed over time. "The company that I work for now is way better than the one I started work for and that company was pretty great. We just kept improving and getting better."

"We are very focused on the employee experience," said Shockley as he shared about the company's commitment to improving processes and incorporating feedback from employees. "We care about what everyone thinks, and we want input so that we can make positive changes that will improve our company and help our employees."

Now a senior executive, Shockley attributes his successful leadership to the same willingness to work that helped him get started with Roanoke Gas 40 years ago. "I just try to help. I'm going to get in beside you, try to do what you do, and help you. I motivate by helping and being a friend. We can learn more by doing it together, which is how I learned."

Jim Shockley's journey at Roanoke Gas Company is a testament to the power of hard work, dedication, and continuous learning. While reflecting on his professional career, his story also reflects the evolving nature of Roanoke Gas Company over the past four decades. As Roanoke Gas Company moves forward, leaders like Jim Shockley ensure that the company remains committed to both its employees and the community it has served for over 140 years.

We want input so we can make positive changes that will improve our customer's experience and help our employees continue to learn and grow.

– Jim Shockley

Community Partnerships



Roanoke Gas Company is committed to supporting local organizations that assist residents in need throughout our service area. We provide our employees eight hours of leave to volunteer at these organizations.



Roanoke Gas Company has been a key partner with the Salvation Army through **Heatshare**. For more than 25 years, the Heatshare program has helped Roanokers in financial need ensure that they have access to the natural gas they need to heat their home, cook their food, and access other critical services. In 2023 alone, Roanoke Gas Company and its customers contributed over \$34,000 to this valuable program that supports customers who need assistance in paying their natural gas bills. Making a choice between purchasing food for your family or heating your home on a cold winter night is a decision no one wants to face.



**HEALTHY HOMES
ROANOKE**

Healthy Homes Roanoke — a collaborative of multiple companies and agencies that partner to make homes in Roanoke healthier and safer for the City’s most vulnerable residents. The program takes a holistic view of a home to gauge if there are ways to make the home healthier, safer, and more comfortable for the residents. As a founding member, the Roanoke Gas team leans in to determine opportunities for energy efficiency in the home. Addressing home hazards can improve the health of residents while reducing anxiety and crime.



We are actively involved with **Total Action for Progress**, supporting its work to serve low-income individuals in the Roanoke Valley. Most aligned with our company’s mission is TAP’s Home Weatherization program, which aims to improve emergency efficiency in homes in order to lower utility bills.

Each of these programs serves a distinct need in the community to ensure that families in need are able to access resources to keep their family members healthy. Dedication to our community also exists in customer relationships. This includes educating customers about unsafe appliances and ensuring all staff are informed about the financial assistance resources that exist for customers.



Governance Impact



Since 1883, Roanoke Gas Company has been a provider of natural gas service in the Roanoke Valley. As a public utility, we recognize the important role we play in minimizing environmental impacts and improving the safety and quality of life for all stakeholders. Adhering to ethical governance principles is a key component of a successful and responsible company. Roanoke Gas Company is committed to these efforts and showcases this dedication in a variety of ways.



Legislative Partnerships for Success

Partnering with Western Virginia Water Authority to create the Commonwealth's first utility-scale biogas facility can only happen through legislative support and partnership to support cleaner air in the state. Enacted in 2022, the Virginia Energy Innovation Act encourages natural gas utilities to invest in biogas facilities. This bipartisan legislation paved the way for the effort with Western Virginia Water Authority, and also supports cleaner air through the safe and sustainable reduction of methane emissions.

Board Diversity and Leadership

Diverse views and perspectives leading our company inform and influence our decisions. The Board of Directors represents a broad range of experiences and industries as their leadership informs our operations. RGC Resources Board of Directors was recognized for eight consecutive years by Women on Boards as a Winning W Company.

Safety Though Governance

Safely providing natural gas service to our customers continues to be the top priority of Roanoke Gas Company. Every employee and business partner must commit to meeting or exceeding our industry's safety standards and embracing safety as a core value.

Roanoke Gas Receives Award from Department of Energy

Roanoke Gas Company was named the Local Distribution Company of the Year by the Virginia Department of Energy in 2023. This award recognizes outstanding achievement in sustainability, infrastructure investments, and corporate philanthropy.