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# Introduction

Evergy, Inc. (NASDAQ: EVRG) provides clean, safe, and reliable energy to approximately 1.7 million customers in Kansas and Missouri. Today, almost half the power generated by Evergy comes from emission-free sources, creating reliable energy with less impact on the environment. Evergy is committed to delivering safe, reliable, affordable, and sustainable energy to customers while being a great place to work for a diverse workforce and supporting the communities we serve.

Sustainability has consistently been at the forefront of our business. Since 2005, we reduced carbon emissions by 44 percent, and sulfur dioxide and nitrogen oxide emissions by 98 percent and 88 percent, respectively. We have received awards for innovative and sustainable business practices, and we continually work with our stakeholders to operate our business sustainably. We have made significant gains in adding renewable energy assets to our generation portfolio since 2011 and plan to add even more.

## **Benefits to Stakeholders**

Throughout this report, callouts specifically outline Evergy's emphasis on stakeholder benefits as we advance our Environmental, Social, and Governance (ESG) initiatives. Our products and services enable affordable, reliable energy for customers; ongoing emissions reductions and expansion of clean energy solutions; a rewarding work environment for employees; and growth in the communities we serve.

### Mission and Vision

## OUR MISSION

We empower a better future.

To lead the responsible energy transition and provide affordable, reliable and sustainable service to our customers and communities.

## OUR VISION

### **Employees**

- · Be a great place to work
- Foster engagement and excellence
- Embrace diversity, equity and inclusion

#### **Shareholders**

- Deliver consistent and superior shareholder returns
- Allocate capital to drive sustainable and diverse energy solutions

#### **Customers**

- · Deliver Tier 1 quality and cost-effective service
- · Serve as our customers' trusted energy provider
- · Provide affordable and regionally competitive rates

#### Communities

- Ensure open and collaborative regulatory and stakeholder relationships
- Serve as good stewards of resources and relationships
- · Advance economic development

At Evergy, we seek to empower a better future for our approximately 1.7 million customers we have the privilege to serve across Kansas and Missouri. We strive to lead the responsible energy transition and provide affordable, reliable, and sustainable service to our customers and communities. To deliver on this vision, our corporate strategy centers on five key strategic focus areas to allow us to be a rewarding place to work for our employees, serve as our customers' trusted energy provider, deliver consistent and superior shareholder returns, and be good stewards of resources and relationships within our communities.

## **>>** Strategic Focus Areas



**Culture & Engagement.** Evergy strives to have an inclusive, **mission-driven culture**. Our shared purpose – **to empower a better future** – motivates and drives our daily work. The centerpiece of our culture is the **Evergy team** and our commitment to our core values.

**Operational Excellence.** We strive for excellence in our day-to-day operations. **Safety** is at the forefront, with a focus on **Reliability, Commercial Availability**, and **Customer Experience**, enabled by infrastructure investment, productivity and process improvements, and new technology deployment.

**Regulatory Relationships & Outcomes.** Everything we do in serving our customers and communities must be done in partnership with our regulators and stakeholders. **Constructive relationships, enabling policy**, and fair and balanced outcomes in regulatory proceedings are critical to our mission and vision.

**Responsible Portfolio Transition.** We aspire to lead the **responsible energy transition** that reflects the input of regulators and stakeholders and integrates new emissions-free technologies with existing resources – advancing and balancing the objectives of affordability, reliability, and sustainability.

**Customer & Demand Transformation.** Customer expectations for and engagement with electricity providers are evolving rapidly – and electrification is making our product more and more critical to daily life. We will play a central role in **offering** new products and rate plans, **transforming** the role that electricity plays in many sectors of the economy, and **fostering economic development** across our region.

## **>>** Affordability, Reliability, Sustainability

Evergy's mission is to empower a better future, and our vision is to lead the responsible energy transition and provide affordable, reliable, and sustainable service to our customers and communities. In furthering our mission and vision, executing our strategic plan delivered the following accomplishments in 2022.

**Affordability:** We saw continued improvement in regional rate competitiveness, with retail rates increasing 3.2% on a cumulative basis 2017 to 2022, well below regional peer states and inflation, which increased 12.4% and 18.5% respectively<sup>1</sup>. We found common ground with stakeholders in our Missouri rate case settlements, resulting in a balanced outcome for our customers. In April 2023, we filed the first rate cases in Kansas since Evergy was formed in 2018, which includes \$130 million of annual cost savings returned for the benefit of Kansas customers.

Reliability: Our focus on safe and reliable service includes investments to modernize our transmission and distribution infrastructure to improve reliability for our customers and improve the resiliency of the electric grid and its ability to withstand extreme weather. By replacing aging equipment and investing in smart grid technologies, we also seek to serve our customers with growing efficiency. Our focus on reliability includes effectively managing our diverse generation fleet and investing to meet the requirements of a changing energy industry, including the increased demands brought on by large-scale renewable resources and the retirement of older plants. Evergy's balanced generation portfolio – supported by a mix of emissions-free nuclear and wind resources as well as traditional generation – provides the reliability needed to meet peak customer demand while insulating customers from inflationary bill shock seen across the country as commodity prices rise.

**Sustainability:** Evergy seeks to lead the responsible energy transition in our service area and take advantage of the region's ample renewable resources and the benefits of a diverse generation portfolio. In May 2023, we closed on the purchase of the 199-megawatt Persimmon Creek Wind Farm, continuing our progress toward our goal of a 70% reduction in carbon dioxide  $(CO_2)$  emissions from 2005 levels by 2030. Our long-term target is to achieve net-zero  $CO_2$  emissions by 2045, which will be dependent on enabling technologies and supportive policies and regulations, among other external factors. In addition, the passage of the Inflation Reduction Act in 2022 provides longer-term certainty around renewable tax credits that serve to reduce the levelized cost of energy for new renewable generation.

## **>>** Priority Sustainability Topics

Annually, Evergy identifies priority topics for ESG reporting allowing for a current-state view of performance against existing ESG standards and peer practices. Several internal and external sources, including the Task Force on Climate-related Financial Disclosure (TCFD) and Sustainability Accounting Standards Board (SASB), were used to define and validate these priority topics. We have updated the priority sustainability topics to align with Evergy's purpose and strategy. Additionally, Evergy's Corporate Sustainability team has moved to the Corporate Strategy department, led by Evergy's Vice President of Strategy and Long-Term Planning, to further integrate sustainability best practices into Evergy's strategy.

## Strategy Alignment



## **Environmental**, Social, and Governance Reporting

Evergy provides quantitative and qualitative data on various ESG areas of focus, including those relating to emissions, waste, and water on our investor relations website. A proliferation of ESG reporting formats has emerged in recent years, and Evergy has been a leader in consulting with stakeholders to determine which frameworks are most important to them. This report outlines the broad-reaching benefits of Evergy's ESG focus.

This Report does not include details on our financial performance. Details on our financial performance can be found on our investor relations website and in our public filings available through the U.S. Securities and Exchange Commission (SEC). Materiality and its relevant definition as used in this report, and our ESG materiality review process, are different than the definition used in the context of filings with the SEC. Issues deemed material for purposes of this Report and for purposes of determining our ESG strategies may not be considered material for SEC reporting purposes.

For ease of use, the table below provides a comprehensive list of Evergy's public filings that are related to ESG reporting, as well as other resources mentioned in this report.

Investor Website	investors.evergy.com	
Evergy ESG Metrics	investors.evergy.com/ESGMetrics	
Evergy TCFD Report	investors.evergy.com/TCFD	
Evergy SASB Report	investors.evergy.com/SASB	
2023 IRP Update Overview	investors.evergy.com/2023	
CDP Climate 2022	investors.evergy.com/CDPclimate	
CDP Water 2022	investors.evergy.com/CDPwater	
GRI 2022	investors.evergy.com/2022-global-reporting-initiative-report	
Governance Documents - Charters & Policies  investors.evergy.com/corporate-governance/documents-charters		

# Environmental

### Annual Overview

Our most recent integrated resource plan (IRP) outlines our intention to add more than 3,300 megawatts (MW) of renewable energy and retire more than 1,900 MW of coal-based fossil generation by 2035. In 2022, nearly half the electricity we generated for our customers came from carbon-free sources, achieving considerable progress toward our interim goal of a 70 percent reduction in CO<sub>2</sub> emissions from 2005 levels by 2030, with a long-term target of net-zero CO<sub>2</sub> by 2045. In 2022, our emission-free generation was equivalent to 56 percent of our retail customer demand, creating reliable energy with less impact on the environment. Ongoing sulfur dioxide and nitrogen oxide emissions have decreased by 98 percent and 88 percent, respectively compared to 2005. Together these reductions help us improve air quality in our service area and in neighboring states, as well.

To achieve our net-zero goal, we recognize that research and development of new and existing low or zero-emissions technologies are needed. Evergy has continued piloting battery storage technology with our Switchgrass Battery Storage Pilot Project, Evergy's first lithium-ion battery, becoming operational in the Fall of 2022. We also have established a partnership with The Nature Conservancy and Kansas State University to explore carbon sequestration program opportunities.

In 2022, we publicly disclosed our Environmental Policy for the first time, highlighting our commitment to protecting our natural resources combined with an assessment program to ensure ongoing compliance and continuous improvement within our established environmental compliance programs. In 2022, Evergy worked with a third-party to complete a Water Resilience Assessment on the most water dependent generation facilities and develop tools to account for water usage more accurately. In recent years, drought conditions impacting the Missouri River basin confirmed the need to accurately account for our water usage and determine which facilities are at risk if droughts occur. As a result, Evergy has begun to implement water resilience projects that will help our facilities become more reliable. Additionally, we published a Water Resources Policy to acknowledge the importance of the water supply and commit to continuing to improve, protect, and conserve it.

## **Energy**

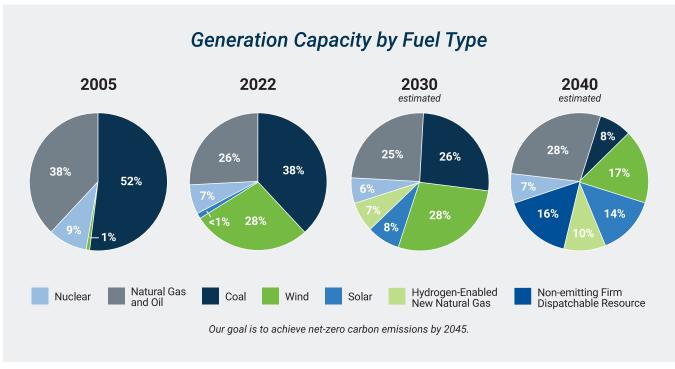
#### **Generation Transition**

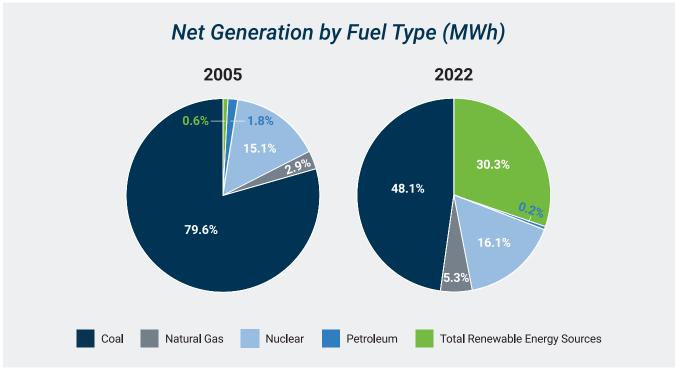
In 2022, almost half of the electricity we generated came from carbon-free sources. Since 2005, we reduced our carbon emissions from our generation fleet by 44 percent. Over that same period, we added nearly 4,300 megawatts of renewable generation (including both owned generation resources and renewable energy sourced through long- term power purchase agreements) and retired more than 2,400 megawatts of fossil generation. In 2022, renewable resources represented more than 26% of our total generation nameplate capacity.

Our 2023 IRP shows that coal nameplate capacity to decline from about 38% in 2022 to 26% by 2030, and for that decline to accelerate further with planned coal plant retirements early next decade. While our coal generation has served our region well for decades, this transition is necessary to enable the ongoing progression of affordable, reliable and sustainable electric power. To continue planning for our future, earlier in the year we issued a Request

for Proposals (RFP) for generation resources to serve our customers. The all-source RFP solicited bids for Evergy's purchase or contracting of up to 1,240 megawatts (MW) of energy resources that will be in service by 2026.

Transitioning to owning and operating more of the renewable energy we provide and depending less upon purchased power agreements with other entities is also an element of our business plan. We believe that having more control over sustainable assets will enable us to better ensure affordability and reliability and retain value and flexibility for our customers. To successfully carry out our renewable energy strategy, we have created a dedicated renewable energy department that reports to our Vice-President of Renewables Development and Assistant Treasurer. Our goal is to achieve net-zero carbon emissions by 2045, assuming enabling technology and supportive policies are in place.





#### **Evergy's Renewable Generation**

Our renewable generation portfolio is diverse and includes wind, solar, hydro, and biogas resources. In our most recent IRP, we outlined our intention to add more than 3,300 MW of renewable energy by 2035. Additionally, during 2022, the federal Inflation Reduction Act (IRA) was signed into law. The IRA extends tax credits for renewable energy technologies intended to reduce the impacts of climate change. The passage of the IRA provides longer-term certainty about renewable tax credits that serve to reduce the levelized cost of energy of new renewable generation.

#### Wind

Evergy has expanded wind energy production in the Midwest for years. With over 4,300 megawatts of wind generation that we own or have under contract, our wind portfolio helps fuel Kansas' top-five state ranking¹ for the most wind generation. The total wind electricity generation in the United States is approximately 10%² of all energy generation sources while Evergy's wind generation percentage is nearly three times that at 30% of Evergy's electricity generation.

In 2022, Evergy announced the purchase of the 199-megawatt Persimmon Creek Wind Farm in western Oklahoma and will serve Evergy customers. The acquisition of Persimmon Creek Wind Farm closed in the second quarter of 2023.

Additionally, we continue to look for optimization within our owned wind generation fleet. During 2022, Evergy

# 100M MWhs

Surpassed 100 million megawatt hours of wind energy generation in 2022.

4,326 MW

4,326 megawatts of wind capacity at year-end 2022.

"Evergy's commitment to affordable, reliable, and sustainable electricity drives our planning, and Persimmon Creek Wind Farm supports those three tenants," Campbell said. "This addition is part of our responsible transition to cleaner energy that includes maintaining a balanced mix of generation sources to ensure we reliably deliver the power our customers need."

David Campbell, President & CEO

partnered with ONYX insight to analyze the efficiency of the 281 megawatt Western Plains Wind Farm. Through the partnership, specific turbine improvements were discovered. Equipped with this data-driven information, Evergy can become more targeted on the operations and maintenance of the turbine to improve the turbines' output and life.

#### Solar

In the last seven years, Evergy has completed three utility-scale solar sites total in Kansas and Missouri. In 2016, Evergy completed construction of a solar array at our Greenwood Energy Center in Greenwood, MO, with a capacity of 3 megawatts. In 2017, we launched a second utility-scale solar project in Hutchinson, KS, which has a capacity of 1.2 megawatts.



In July 2022, Evergy broke ground on a new 10 megawatt solar array at our Hawthorn Generating Station, in Kansas City, MO. The site is made up of over 22,000 solar panels and was placed in-service early January 2023. Portions of the project support Evergy's solar subscription customers and income-eligible solar pilot customers. The income-eligible solar subscription is available for both homeowners and renters who want to enjoy solar energy with no increase to their month bill. Eligible residents can sign up through a simple application on Evergy's Income Eligible Solar Subscription website.

Hawthorn solar is Evergy's largest single-axis tracking array, which rotates the panels by using GPS data to find the optimal angle. This technology can boost annual energy production by up to 25 percent when compared to a similarly sized fixed tilt array. In addition, the site will feature a pollinator friendly and native grass blend, which aligns seamlessly with Evergy's sustainability goals. Hawthorn Solar is anticipated to produce 21,000 MWh annually over the next 25 years. The portion of the array for the solar subscription exceeded the enrollment goal for 2022 and is fully subscribed with an active waitlist.

#### **Hydro Energy**

Since 2014, Evergy has purchased renewable energy from Central Nebraska Public Power and Irrigation District's three hydroelectric plants totaling 66 megawatts of capacity.

#### **Biogas Energy**

The 3 million tons of decomposing waste in St. Joseph, MO's landfill continually produces methane, which our Evergy landfill gas plant converts into enough electricity to power up to 1,000 homes annually. Landfill gas is an important source of waste-based, renewable energy that can generate distributed base load power. Evergy also purchases power from Rolling Meadows in Topeka, KS, a 6-megawatt landfill gas-to-energy plant that has been producing electricity for our customers since 2010.



#### Reliability

In 2022, we invested \$2.2 billion across our system, with the largest portion focused on our transmission and distribution network. The investment is focused on replacing aging equipment and modernizing the grid, driving benefits for customers by improving reliability, enhancing resiliency and the ability to withstand extreme weather, and increasing security. As we advance the use of smart grid technologies and transition toward a lower-cost, lower emissions generation fleet and upgraded customer systems, our investments will also enable us to reduce costs to serve customers. The capital plan investment plan we published in February 2023 included an estimated \$11.6 billion of capital investment through 2027, including nearly \$2.1 billion of new generation resources which is expected to be primarily renewable generation.

#### **BENEFIT TO STAKEHOLDERS**

Providing a reliable, safe, and secure power grid to our customers is an essential part of Evergy's mission, including the ability to withstand and recover safely and effectively from extreme weather events.

#### \$1.4 billion invested in 2022 transmission and distribution infrastructure upgrades

Our customers rely on us to deliver the energy they need, when and where they need it. With increased dependence on electricity for our everyday lives, system reliability is increasingly important and depends on our disciplined, effective business execution. We are targeting high performance in both system reliability and in customer experience.

The key to improving system reliability is advancing and ensuring the resiliency of our more than 10,000 miles of transmission lines, 60,000 miles of distribution lines, and more than 900 substations that span across the high vegetation regions of the Kansas City metro areas through the rural grasslands on the Kansas plains. To do that,

we are modernizing our grid, leveraging technology, and implementing an innovative vegetation management program.

Our capital investments in replacing aged infrastructure, enabling grid automation, data handling and analytics capabilities, and building advanced communications infrastructure are all aimed at improving overall grid reliability and resiliency. Proactive grid modernization efforts and smart grid technologies will also better enable our grid to integrate diverse new generation resources. The installation and implementation of advanced communicating devices will help reduce restoration times.

We are working toward a more modern, reliable, and resilient grid that is also prepared for the changes and technology breakthroughs that are transforming the energy industry.

## **Energy Innovation Battery Storage Projects**

Innovation is key in finding new ways to serve our customers with reliable, affordable, and sustainable energy. Battery storage is just one innovation that we are exploring and incorporating to reach that goal. In 2022, Evergy completed a utility-scale battery project (Switchgrass Battery Storage Pilot Project), and Evergy is now focusing on deployment of a battery storage pilot at customer homes to gain insight into customer value, grid optimization support, and enhanced reliability.

The Switchgrass Battery Storage Pilot Project, Evergy's first lithium-ion battery, was operational in the Fall of 2022. Located adjacent to the Sedgwick County Zoo in Wichita, KS, the battery provides one megawatt of power to the SPP Market or, in cases of emergency, the neighboring zoo and can operate for up to four hours from a full charge.

Switchgrass also serves as a training location for local first responders. Evergy Loss Control had 100 firefighters participate in training at the site in July 2022, including the Wichita and Sedgewick County Fire Departments. The group discussed pre-incident planning, site hazards, response tactics and communication.







The three-year residential Battery Storage Pilot Program will consist of the installation of approximately 50 battery storage systems within Evergy's Missouri Metro and Missouri West service areas. Operational data from the battery systems will be collected and evaluated for customer savings and utility benefits. If the pilot is successful, Evergy would consider proposing a long-term program offering BTM (behind the meter) battery storage systems to customers.

This project will support initial testing and integration of the technology into existing grid operations. Customer

benefits include optimization of home energy costs and greater flexibility in managing solar self-consumption, along with providing access to a backup power source. The project can also help us understand customer preference and usage patterns to complement time-of-use rate offerings, decarbonization goals, or electrification initiatives. Both battery storage projects will provide Evergy real-time data and insight into how this technology integrates with, and supports, sustainable grid functionality and reliability.

#### Hydrogen

In 2022, Evergy partnered with coalitions of public and private entities in Kansas and Missouri to pursue federal funding opportunities under the U.S Department of Energy's Regional Hydrogen Hub Program. In Kansas, the HARVEST Hydrogen Hub coalition leverages several distinctive factors that position Kansas to be a uniquely productive leader in the nation's hydrogen production, including low wholesale energy costs, a strategic location in the center of the United States, robust agricultural and industrial end-use consumption, and extensive underground storage potential.

#### **Drones (Unmanned Systems)**

Evergy's Drone program offers various benefits to our safety and operations. Their unique capabilities can significantly improve the efficiency and effectiveness of inspection, maintenance, and monitoring tasks, while reducing cost and risks to workers. Key benefits include:

- Improved safety: access to difficult-to-reach or hazardous locations, such as transmission towers, power lines, or substations, without putting workers at risk during manual inspections or maintenance tasks.
- Increased efficiency: coverage of large areas quickly, allowing for faster and more frequent inspections of
  infrastructure utilizing high-resolution images or videos processed and analyzed to identify potential issues or
  areas needing further attention.
- Cost savings: reduced labor costs for manual inspections and maintenance and minimized need for expensive equipment such as helicopters or specialized vehicles.
- Enhanced data collection and analysis: advanced sensors and cameras can collect a wide range of data, including thermal imaging, LIDAR (Light Detection and Ranging), and electromagnetic field measurements. All used to identify issues enabling proactive assessment and predictive maintenance.
- Disaster response and recovery: quickly assess damage to electrical infrastructure, identify areas that need immediate attention, and help prioritize repair efforts in the aftermath of natural disasters like tornadoes, floods, or wildfires. This can speed up the restoration of power to affected communities.
- Environmental monitoring: helping to track the environmental impact of our operations, such as ensuring compliance with regulations related to protected habitats or wildlife.

#### **Grid Modernization**

Modernizing Evergy's grid helps reduce the frequency and duration of power outages by quickly identifying and addressing issues, as well as increasing the grid's ability to withstand extreme weather events and other potential threats by deploying smart assets.

#### Smart Reclosers

A protective device operating under fault, fault location isolation service restoration (FLISR)

#### **Capacitors**

A device that restores electrical energy in an electric field

#### Regulators

A voltage correction line device

## **Energy Efficient Transformers**

with remote sensing capabilities that reduces transmission and distribution

#### Communicating Faulted Circuit Indicators

A monitoring device that communicates data such as current and voltage from remote sites

Evergy's grid modernization is also essential for integrating wind, solar and other renewable energy sources that reduce the reliance on fossil fuels and lower greenhouse gas emissions. Additionally, it allows for better demand response management, where electricity consumers can adjust their power usage during peak times, helping to balance the load on the grid and reduce the need for additional energy generation.

## **Distributed Energy Resource Programs**Solar Subscription

Evergy's Solar Subscription programs provide customers with renewable energy solutions through a local community-based initiative without the upfront expense and hassle of installing and maintaining solar. Evergy offers Solar Subscription programs in Missouri and Kansas. In January, it completed the construction of a 10 MW solar array in Missouri on repurposed land around our Hawthorn power plant. Six of the 10 MW serves the solar subscription program, including 1 MW solely for income-eligible customers. Except for the income-eligible portion of the Hawthorn array, the company is currently 100% customer subscribed in our community-based solar arrays. The remainder of the 10 MW Hawthorn array provides energy to Evergy's retail customers.

#### **Wind Subscription**

Evergy also offers a subscription program that allows customers to offset up to 100% of their electric usage with locally generated wind energy.

### **Current Solar Subscription:**

Began in 2016



**1,759** customers



6.2 MW

## **Current Wind Subscription:**

Began in 2015



**26,390** customers



18,676 MWh of energy

#### **Renewables Direct**

Evergy's green tariff program, Renewables Direct, offers large commercial and industrial customers a turn-key solution to obtain wind energy.

## Renewables Direct:



67 customers



In addition to the subscription programs mentioned above, Evergy offers the following renewable energy solutions.

Other Renewables Programs	Details
Small utility-scale solar resource	Evergy recently developed a 5 MW utility scale solar resource in conjunction with the solar subscription array.
Evergy recently launched an income-eligible solar subscription program subscription  Evergy recently launched an income-eligible solar subscription program in Missouri. The program provides clean energy at an affordable rate underserved customers in addition to access to other financial assis and weatherization options. Evergy is currently recruiting customers program.	
Net metering program	Evergy works closely with solar installers and customers to streamline the net metering application process, as well as administer solar rebates in Missouri, as provided for through legislation. As of December 2022, Evergy had 12,134 net metering customers and had administered \$14.5 million of solar rebates.
Behind-the-meter storage pilot program	Evergy recently launched a residential battery energy storage pilot program in Missouri to better understand customer usage preferences and bill savings opportunities in addition to future impacts of these distributed energy resources (DER) on our system. The pilot will complement other programs such as time-of-use rates, solar and electrification initiatives that support customer decarbonization goals.

#### **BENEFIT TO STAKEHOLDERS**

Adding additional renewable resources to Evergy's already impressive renewable portfolio helps to lower our carbon intensity. In addition, our specialized programs provide customers access to renewable generation sources that were previously physically inaccessible or considered cost prohibitive. These programs empower consumers to customize solutions to meet their individual needs.

#### **Renewable Partnerships - Solar**

Evergy is committed to providing our customers with cost-effective, reliable renewable energy solutions to help build a more sustainable future. As part of that commitment Evergy Energy Solutions and Evergy Energy Partners provide turnkey services to meet the growing needs of customers within and outside our service territories, respectively. Projects and benefits include:

## Combined, these solar projects could:



Power nearly 3,000 homes



Avoid millions of gallons of water usage



Charge more than 2.2 billion smartphones

#### **Project**

#### FreeState Electric Cooperative



#### **Details**

The project will provide FreeState Electric Cooperative with supplemental energy that is not only clean and local, but also purchased at a competitive rate for FreeState's members. This project demonstrates a commitment by both of our companies to be innovative, while keeping electricity affordable and reliable.

#### <u>Paragould Light Water</u> & Cable



Bifacial solar panels, which produce solar energy from both sides of the panel, serve to provide energy to municipal utility customers in Paragould, Ark., The site's grass ground cover provides a cooling effect under the panels that allows for greater solar generation. The array's racking system tracks the sun throughout the day to maximize the energy collected from sunlight and the light reflecting from the ground. Native grass cover at the site saves money, avoids extraneous storm water runoff, and provides a pollinator-friendly ecological environment for butterflies, hummingbirds and bees.

#### The City of West Plains, Missouri



The 40 acre site was once a landfill and now is home to 8 MW solar array that has been constructed with over 26,000 panels. With the construction of the solar array and the establishment of native plants and grasses, Evergy and the City of West Plains, Mo., have created a renewable energy site with a strong and healthy native habitat. Grasses selected for this site include sideoats grama, blue grama and little bluestem. These grasses are native to Missouri and provide food and habitat for a host of wildlife species that are adapted to the local climate. At less than 3-foot tall at maturity, they are compatible with the operation of the solar panels.

#### Spring Hill USD 230



Spring Hill's 750 kW solar system coupled with its Building Automation System create a "smart micro-grid" that reduces the school's peak demand by as much as 30% and saves the school about 30% on its electricity costs. The solar system was designed to produce enough energy to meet the majority of the high school's daytime electricity needs. It annually offsets about a third of the school's energy usage and reduces stress on the local grid. Located near a high school, the array becomes the subject of experiential lessons for students.

#### **Project**

#### Pittsburg State University



#### The City of Roeland Park, Kansas



#### **Details**

Evergy Energy Solutions partnered with Pittsburg State University to address a need for power outside the University's Kansas Technology Center where students study construction and automotive disciplines. Installed in the center's parking lot, the canopy array supplies energy to a 21 kWh battery storage system that provides consistent power delivery for students' work. The solar canopy doubles as a shelter for passersby on the campus and a place for students to sit and charge their devices while studying. This project will offset 15.6M tons of CO<sub>2</sub> per year.

The City of Roeland Park is committed to showing the community its dedication to sustainability. The city partnered with Energy Solutions to develop a solar canopy parking array at city hall as well as rooftop solar on their city hall and the community center. The annual production from these two projects is expected to be around 270,000 kWh. This commitment is the equivalent to offsetting greenhouse gas emissions from 41 gasoline-powered passenger vehicles driven for one year. Roeland Park is excited that this project will not only provide clean energy to their buildings, but it will also offer covered parking for their employees and residents when visiting city hall.

#### **Evergy's Facilities and Fleet**

At Evergy, we know that if we want our stakeholders, customers, and employees to trust us to provide affordable, reliable, and sustainable energy, we must lead by example. This means incorporating energy efficient and renewable solutions at our own facilities and introducing more electric-powered vehicles in our company fleet. In doing so, we understand the importance of balancing innovation and cost, so our goal is to be as sustainable as possible, without sacrificing affordability or reliability.

#### **Evergy Facilities Sustainability Practices**

Evergy is incorporating sustainable building practices and renewable energy systems in our facilities.

Our Lawrence Service Center was built as a LEED Silver facility in 2008 and our Kansas City Headquarters offices were built in 2009 as a LEED Gold facility.

Buildings currently under construction, or recently built, use design concepts from LEED and other certifications. The following facilities were under construction in 2022:

- The Nevada Service Center, completed in 2022, includes high efficiency HVAC systems, increased daylight for the office areas, added insulation, plumbing and conduit for future rainwater capture and solar installations.
- The Emporia Service Center, which will be completed in 2023, includes insulating concrete forms (ICF) block walls, insulated concrete slabs, hydronic heating for large service bays, office and conferencing areas with increased daylighting and increased fresh air intake using an energy recovery unit (ERU), conduit and piping for future solar and rainwater capture, native/low maintenance and watering landscaping, and a walking trail in the native grass field.
- The Atchison Service Center, scheduled to be completed in 2023, includes high efficiency HVAC systems, increased insulation, under slab insulation and hydronic heating for service bays, and conduit for future solar installations.

To further improve our energy efficiency at our facilities, LED lighting was installed at our Raytown Customer Care Center, Sedalia Service Center, 1900 Wichita Offices, Front and Manchester Service Center, Blue Springs Service Center, and Lee's Summit Service Center. LED lighting uses 75% less energy than incandescent lighting. Existing HVAC replacements are also being evaluated for replacement to higher efficiency units. While our existing roof systems are replaced, installing additional insulation and using high reflectivity coatings are evaluated.

In 2014, Evergy began installing renewable energy systems on company owned property throughout our service territory. In addition to the listed arrays, we are currently in the development phase of adding solar at our Nevada Service Center. The array is planned to be 100 kW capacity and is expected to be commissioned by the end of 2023. The primary goal is to learn more about the performance of solar panels in our area and how they interact with existing system assets. These projects have the added benefit of providing a portion of energy consumed at each location with renewable generation.

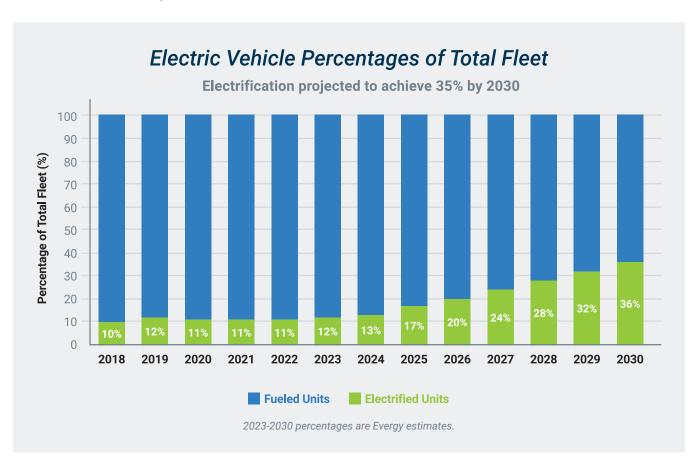
Manhattan Service Center	40 kW
Lawrence Service Center	39 kW
Shawnee Service Center	74 kW
Parsons Service Center	19 kW
Wichita Service Center	21 kW
Topeka General Office	10 kW
Evergy Connect	25 kW
Total: Over 225 kW of solar power	

installed on Evergy facilities

#### **Evergy Vehicle Fleet Electrification**

Evergy's internal vehicle fleet is a key component of progressing towards reliability and reducing emissions. In 2020, Evergy announced that it had adopted the Edison Electric Institute's (EEI's) two-part fleet electrification goal:

- 100% of new light-duty vehicle fleet purchases will be electrified units by 2030
- A target of 35% or more of the overall vehicle fleet, including light-duty, medium-duty, heavy-duty, forklifts, and ATV/ UTV, will be electrified by 2030



We are making consistent progress toward this goal with 13% of our existing fleet electrified, including 20% of all medium-duty vehicles and 24% of all forklifts, ATV's and UTV's meeting the electrified classification. Technology limitations in the light-duty fleet space have proved challenging due to the 24/7 nature of our industry. We continue to monitor this space, piloting new technologies and products as they become available.

Evergy has also implemented fleet management and telematics systems that allow us to optimize our fleet usage and maintenance programs. These help us drive operational efficiencies, ultimately reducing fleet emissions and idle times. Other specific idle-mitigation technologies for the light-duty to heavy-duty vehicles platforms have also been put in place to reduce carbon emission output.

Evergy has nearly 100 electric vehicle charging stations installed at Company facilities to support employees' EV adoption and this EEI initiative.

#### **Emissions**

#### **Emissions Reductions and Environmental Leadership**

A third of our annually generated power is sourced from renewables. When combined with the production from our Wolf Creek Nuclear Generating Station, nearly half of the power generated for homes and businesses we serve comes from emission-free sources.

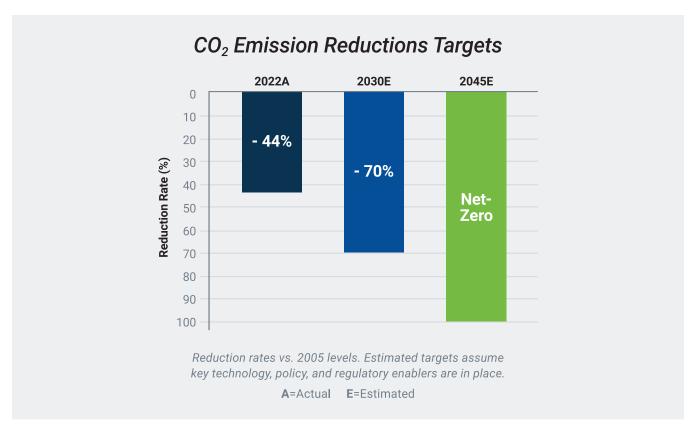
#### **BENEFIT TO STAKEHOLDERS**

As Evergy reduces our carbon intensity and emissions footprint, all customers benefit from a reduction in their carbon footprint, helping many meet their own established carbon targets. Additionally, cleaner air and water benefit the health of our communities.

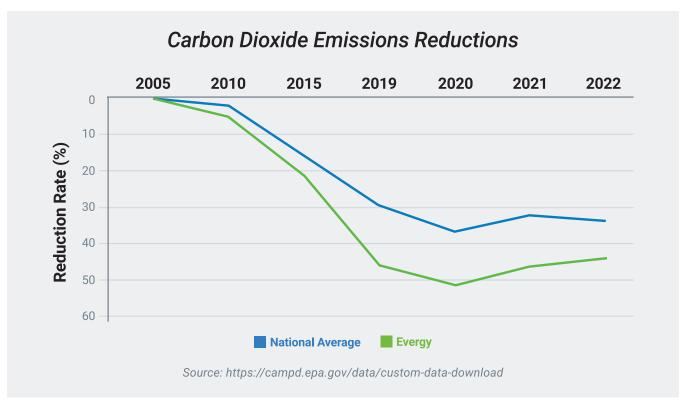
In 2022, Evergy achieved a reduction in carbon dioxide emissions of 44 percent, and sulfur dioxide and nitrogen oxide emissions by 98 and 88 percent, respectively, compared with the 2005 baseline numbers.



Beyond these achieved reductions, Evergy has a goal to achieve net-zero  $\mathrm{CO}_2$  emissions by 2045 with an interim goal of a 70% reduction of  $\mathrm{CO}_2$  emissions from 2005 levels by 2030. The trajectory and timing of reaching our net-zero goals depends on many external factors, including enabling technology developments, the reliability of the power grid, availability of transmission capacity, supportive energy policies and regulations, and other factors. These external factors are outside of Evergy's control, and without these enabling factors we cannot be confident in achieving Evergy's long-term  $\mathrm{CO}_2$  emissions reduction goal.



Evergy continues to outperform the United States energy sector in reducing carbon dioxide emissions. From a 2005 baseline, the United States Energy Sector has reduced carbon dioxide emissions by approximately 33% through 2022¹. Evergy achieved that reduction in 2017, five years in advance of the sector. As of 2022, we have reduced carbon dioxide by 44%. These significant emission reductions have occurred at our coal facilities through implementing state-of-the-art air quality controls.



#### Scope 1, Scope 2 and Scope 3 Carbon Emissions

The table below summarizes Evergy's 2022 scope 1, scope 2, and scope 3 emissions. These individual scope emissions represent several emissions sources that include direct emissions (scope 1), indirect emissions from the generation of purchased electricity (scope 2), and other select categories of indirect emissions that occur in the company's value chain (scope 3). For Evergy, this includes:

- Scope 1 emissions reported for stationary, mobile, and fugitive emission sources.
- Scope 2 (Market-Based) emissions reported for Evergy facilities (owned or leased), not served by Evergy.
   Emissions were estimated using actual kWh purchases and electric supplier emission factors (when available);
   when supplier specific emission factors were unavailable, national sub grid average carbon dioxide emission factors were used.
- Scope 3 emissions reported as per the established accounting standards in the Greenhouse Gas Protocol Scope 3 Standards for Category 6 (business travel) and Category 7 (employee commuting).

Our 2022 scope 1, 2 and 3 emissions received independent third-party verification. The verification was performed in accordance with ISO 14604-3:2006. Additional information can be found in the <u>Verification Statement</u>.

Evergy continues to refine and expand scope 2 and scope 3 emissions and track the development of the new SEC rule regarding climate disclosures that are currently being developed.

Scope 1 (metric tons)	
Generation Emissions CO <sub>2</sub>	27,013,421
Generation Emissions CO <sub>2</sub> e	27,520,109
Total Scope 1 CO₂e*	27,594,888

Market Based*	3,350
*Facilities with electricit	y not served

Scope 2 (metric tons)

Scope 3 (metric tons)	
Select Categories*	9,345

<sup>\*</sup>Facilities with electricity not served by Evergy

#### **Emissions Reduction Efforts**

In 2016, the transportation sector surpassed all other sectors in terms of greenhouse gas emissions in the United States. To reduce vehicle emissions, Evergy's goal is that 100 percent of new light-duty vehicle purchases by 2030 will be electric. In addition, Evergy has a goal that 35% or more of our overall vehicle fleet including light-duty, medium-duty, heavy-duty, forklifts, and small utility vehicles be electrified by 2030.

Additionally, Evergy has invested significant resources to install state-of-the-art controls to substantially lower emissions at our coal facilities. Over the past two decades this work, in addition to fossil retirements, has achieved a reduction of 44% carbon dioxide, 98% sulfur dioxide, and 88% nitrogen oxide as compared to a 2005 baseline year. These controls significantly reduce the nearby and regional impacts of these emissions. These values will continue to improve as we transition toward our net-zero goal for carbon emissions in 2045.

#### **Carbon Storage In Conservation Reserve Program Land**

Investing in renewable energy, responsibly retiring our coal assets, promoting energy efficiency programs, and implementing innovative technologies are moving our industry toward a low-carbon future. These advances, however, cannot eliminate all carbon emissions. As our industry works to eliminate carbon emissions associated with our energy supply and work processes, reliance on nature-based climate solutions, or "offsets" will be increasingly valuable. Our strategy to achieve our 2045 net-zero goal requires that Evergy be forward-thinking in our short-term investments today.

<sup>\*</sup>Includes business travel and employee commuting

<sup>\*</sup>Total scope 1 CO₂e includes total emissions from generating facilities, vehicle fleet, comfort heat, SF6 (a gas used as an insulator in high voltage equipment), and refrigerant losses

More than 7 million acres in the Great Plains have been protected from tillage under the USDA Conservation Reserve Program (CRP). These acres have historically sequestered significant amounts of carbon and many acres are at risk of "aging out" of the established CRP program. As this happens, it is possible that the Great Plains region could lose significant acres of prairie grass and stored soil carbon.

Evergy is enabling a feasibility study that involves research regarding modeling and certifying offsets, establishing processes, and reviewing economic impacts of establishing a conservation reserve program on these acres that would exist in perpetuity. Kansas State University is conducting this feasibility study with other partners, providing support as needed. Using these acres to create legitimate, certifiable offset credits in a permanent conservation program provides climate change mitigation and ecological benefits across millions of CRP acres in the Great Plains.

#### **Water Conservation**

Evergy recognizes the importance of natural resources in our operations. Water from groundwater wells and natural surface water resources are vital to our ability to produce electricity for our customers. In 2022, Evergy expanded generation water tracking initiatives adding additional combustion turbine facilities into fleet-wide metrics and updated site-specific water tracking procedures. All Evergy's owned and operated facilities that rely on process water for operation are included in our 2022 EEI/ESG Metrics table.

During 2022, Evergy responded to the <u>CDP Water Security questionnaire</u> for the first time. The CDP Water survey supports Evergy's focus on expanding disclosures and provides a comparable platform to disclose management programs regarding water quantity and quality. Evergy's 2022 CDP Water Security questionnaire received a 'B' rating from CDP, placing our performance in the Management category.

During 2022, we also completed a third-party Water Resilience Assessment. This assessment used several climate science data sources including the National Oceanic and Atmospheric Administration (NOAA) state climate summaries, United States Army Corps of Engineers (USACE) climate hydrology assessment tool, United States Drought Monitor, and World Resources Institute (WRI) Aqueduct Water Risk Atlas to understand current and future water-related risks to our generation assets, providing benefit to our climate-related risks management and associated mitigation practices. As part of our ongoing focus on water and risk management, during 2022 we implemented a solution at our latan Generating Station intake to be able to operate in low flow conditions on the Missouri River. ¹During 2022, the Missouri River had reduced flows that resulted in water conservation measures, including minimum releases from Gavins Point Dam, upstream of Evergy's facilities. As the river was experiencing a flow reduction, the latan facility was responding with a solution implemented behind the intake screens to continue protecting aquatic life while also allowing for the intake to operate 5 feet below the previous operating levels. This solution was completed in late December 2022, just days before the Missouri River fell to record lows, allowing for the unit to stay online. This project highlights the balancing of our core tenants to provide affordable, reliable, and sustainable electricity to our customers.

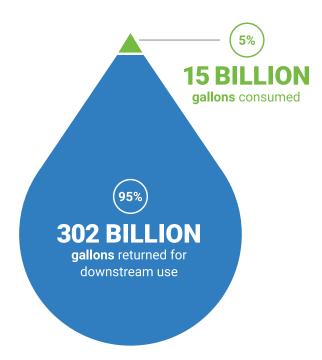
Since 2018, our facilities have decreased water consumption by 40% and non-consumptive water use by 28%. This was accomplished through the addition of renewable generation and flexible fleet operation while retiring coal-generation facilities, our most water intensive generation. We continue to focus on improving our recycling and conservation efforts to further decrease our reliance on water resources. As we continue to invest in renewable resources, we expect our reliance on water resources to continue to decrease. Our significant

¹ https://www.nwd.usace.army.mil/Media/News-Releases/Article/3261192/dry-conditions-expected-to-persist-for-the-missouri-river-basin/#:~:text=For%20the%202022%20calendar%20year,125%20years%20of%20record%2Dkeeping.

investments in water-free technologies such as solar and wind allowed Evergy to avoid the consumption of 4.5 billion gallons of water in 2022.

Evergy withdraws billions of gallons of water each year; however, 95% of that water is returned to the environment for downstream use. To reduce withdrawals, Evergy continues to consider ways to decrease water use through improved water recycling at generation sites. For generation facilities such as LaCygne and Wolf Creek, all water is returned to their source lakes for reuse. These lakes and our Jeffrey Energy Center source lakes continue to be accessible to the public through a partnership with the Kansas Department of Wildlife and Parks. In Missouri, Evergy partners with the Missouri Department of Conservation for public access to Montrose Lake. Evergy understands the value that these shared resources provide to our communities. These reservoirs provide public access to approximately 11,025 acres of water resource for tourism and recreation while providing food and shelter for a variety of wildlife species.

# Yearly Fresh Water Withdrawal and Return





6,500

Through Evergy's partnerships to allow public access on lakes, nearly 6,500 anglers enjoyed reservoir access for recreation during 2022

## **>>** Waste and Toxicity

#### **Waste Management Overview**

Evergy is dedicated to the responsible management of industrial waste generated from company operations as documented in Evergy's Waste Policy. In keeping with our vision to be good stewards of our resources, Evergy establishes and introduces waste management practices that lead to the overall reduction of hazardous, solid, and universal waste. Common waste streams generated by Evergy include coal-combustion residuals (CCR), used oil, municipal waste, scrap metal, and wooden utility poles.

#### **Hazardous Waste Management**

Evergy's hazardous waste program has been designed to properly manage and dispose of hazardous waste in accordance with the appropriate state and federal regulations. This includes efforts to minimize generation of waste, when possible, and to properly track and manage all hazardous waste generated at Evergy facilities from

"cradle to grave". Specific efforts employed to ensure the proper management of hazardous waste include the following:

- Creation and distribution of the Evergy Waste Compliance Manual, outlining the regulatory handling, storage, and disposal requirements and waste best handling practices.
- Creation and distribution of Evergy hazardous waste work practices, detailing specific management requirements for common wastes.
- Company-wide hazardous waste awareness training for all employees, detailing proper handling and management of hazardous waste.
- Additional hazardous waste management training for all employee groups that have an active role in the management of hazardous waste.
- Cataloging of all hazardous and non-hazardous waste determinations within a company-wide, centralized database to assist with proper waste management and handling and to comply with RCRA regulatory requirements.
- Coordination of appropriate waste analysis, including testing as needed, to verify waste characteristics and proper management efforts. All waste analyses are recorded in Evergy's Waste Determination Database.
- Implementation of the Hazardous Waste inspection program. This includes documentation of site conditions, identification and resolution of any noted regulatory deficiencies, and monthly tracking of hazardous waste generation and storage at all Evergy Generating Sites.
- Retention of hazardous waste disposal records for, a minimum, of 5 years.
- Completion of environmental focused site audits as a part of the Evergy Environmental Assessment program, which includes a review of both hazardous and non-hazardous waste practices and documentation resulting in continuous improvement by identification and completion of corrective actions.

#### **Solid Non-Hazardous Waste Management**

Evergy uses a number of protocols when managing solid waste generated by our work and at our facilities. Our goal is to reduce the solid waste disposal, so when possible share resources between Evergy-owned locations. When we need to dispose of material, solid waste is identified and categorized to determine the steps for proper disposal.

1,264 tons of poles reused by Evergy Green Team for trails, bridges, and educational kiosks in our communities.

## Non-Hazardous Generation and Facility Waste

Evergy uses dedicated Environmental Compliance Coordinators, among other resources, to conduct routine audits, surveillance, and inspection of solid waste stream storage and disposal locations. They also track tonnage of universal waste generated at all Evergy-owned locations. Disposal of solid waste is completed by partnering with approved waste vendors and obtaining regulatory and landfill approval when recycling is not an option.

## 2022 Recycled Materials

**Transformers** 

Scrap Metal

Wood Poles

2,295 tons

4,185 tons

3,572 tons

In the course of operating coal-fired generation plants, Evergy produces CCR, including fly ash, gypsum, and bottom ash/slag. Evergy strives to recycle CCRs as useful product whenever feasible. If disposal is necessary, Evergy manages CCRs in disposal units regulated by both state and federal law. In 2022, Evergy, along with our partners, was able to beneficially use over 370,000 tons of CCR in the production of materials such as cement and roofing tiles. Overall, 33% of all CCR Evergy generated was repurposed in the beneficial use market.

CCR that cannot be repurposed for beneficial use must be disposed of in disposal units. Evergy operates CCR disposal units at many of our energy centers. When decommissioning energy centers, Evergy evaluates and closes



370,000 tons

During 2022, Evergy partnerships resulted in beneficial reuse of over 370,000 tons of CCR

CCR disposal units in accordance with regulation. In 2021, following the decommissioning of our Tecumseh Energy Center, EPA approached Evergy concerning the evaluation and removal of a CCR disposal impoundment. Evergy completed removal all CCR from the impoundment and restored the site to natural conditions. EPA evaluated our work and requested additional investigation of site groundwater conditions. In late 2022, EPA and Evergy agreed to a consent agreement and final order to partner on further evaluations of the site.

#### **Electronic Waste**

Evergy's Information Technology Asset Management (ITAM) plays a key role in keeping Evergy environmentally aware and focused on conserving cost, reducing waste, and minimizing regulatory costs. Taking a sustainability-minded approach IT assets helps reduce electronic waste.

Evergy's strategic approach when acquiring and cycling IT resources results in benefits to Evergy, our communities, and the environment. By using proper data sanitation, testing, and refurbishment, older assets can be recycled or repurposed. Used electronics can be sold to employees for personal use or donated through organizations that provide them to disadvantaged students or communities. By extending the useful life of an IT asset, Evergy helps delay the need to manufacture a new device, avoiding the carbon generation caused by mining and the manufacturing of that new device. Not to mention slowing the need for distribution and reducing the carbon from transportation and other warehousing and retail operations.

Equally important, when assets cannot be repurposed, ITAM recycles them with the goal of keeping them out of landfills. When electronics are responsibly recycled, the materials end up back in manufacturing creating a circular lifecycle for those electronics where the recycled materials are used to make new products.



118,235 lbs

Over 3,800 IT assets equaling 118,235 lbs of avoided landfilled electronic waste.

#### **Radioactive Waste Management**

Our nuclear generating station, Wolf Creek, provides carbon-free electricity for our customers. As part of operating Wolf Creek, we must follow rigorous radioactive waste management practices as outlined by Federal requirements found in Nuclear Regulatory Commission (NRC) regulations. As part of compliance obligations for radioactive waste management, Wolf Creek has comprehensive procedures relating to safety, training, monitoring and measurement, shipping and disposal of radioactive materials. These processes are regularly reviewed and audited by the Wolf Creek Quality Assurance program (QA), the Institute of Nuclear Power Operations (INPO), and the American Nuclear Insurers (ANI) in addition to a continuous regulatory oversight program conducted by the NRC.

Key components of the radioactive management program include safety and management training, monitoring and measurement, shipping and disposal, and compliance oversight.

- Safety and Management Training All Wolf Creek employees receive annual basic training on nuclear safety
  and radioactive wastes. Those working directly with radioactive wastes receive enhanced training and must
  pass proficiency testing prior to working with radioactive waste. In addition to the reoccurring training provided
  by Wolf Creek, key individuals receive specialized vendor training to further enhance their proficiency and meet
  regulatory requirements.
- Monitoring and Measurement Wolf Creek's radioactive waste is monitored and inspected regularly per NRC requirements. Weekly, quarterly, and annual measurements are conducted per industry standard to ensure the proper management of radioactive waste on site.
- Shipping and Disposal Each shipment of radioactive waste is planned, prepared, categorized, and executed by a team of highly trained individuals spanning multiple departments at the Station that include Radiation Protection, Maintenance, and Security. Wolf Creek's shipping program was designed and developed utilizing regulatory guidance and industry best practices. Disposal is conducted per NRC regulations and industry standard practices.
- Compliance Oversight Independent reviews of radioactive shipments from QA, ANI, INPO and the NRC, determined Wolf Creek's radioactive waste shipping program to be effective. All radioactive waste at Wolf Creek is managed per NRC guidelines and is routinely inspected for compliance. Wolf Creek's radioactive waste management program is an effective, safe asset of the Station.

## >> Natural Resources/Conservation/Biodiversity

#### **Biodiversity and Conservation**

From the mixed-grass and tallgrass prairies of Kansas to the deciduous forests and mountaintop glades of Missouri, the biodiversity found within these habitats are some of the most diverse in the United States. Native grasslands are one of the most impacted and least protected habitats in the world. Of the less than 5% tallgrass prairie that remains in the world, most is found in the Flint Hills Region of Kansas.

# 30,000 acres

Evergy manages over 30,000 acres of native grassland habitat associated with our company-owned lands and rights-of ways. That includes:



#### 574 acres

of transmission rights-of-way were restored with native grasses following construction activities.



#### 4,386 acres

of native grasslands at Jeffrey Energy Center and Wolf Creek Generating Station were managed using targeted herbicide and prescribed grazing plans.



#### 63 acres

of company-owned lands were reconstructed with native grasses at a new solar facility in Missouri (Hawthorn).



#### 1,631 acres

of native grasslands at Jeffrey Energy Center and Wolf Creek Generating Station were managed using prescribed fire to suppress invasive weeds and encroachment of unwanted woody species.

Evergy has been participating as a member of the Rights-of-Way as Habitat Working Group since 2018. This group represents more than 200 organizations from across private industry, government agencies, non-profit organizations, and academia in the United States and Canada with a purpose to collaborate and identify best management practices for habitat conservation on working landscapes, specifically our power line rights-of-way.

With the construction of new solar energy generating facilities, Evergy has had the opportunity to revegetate these sites with native grasses and forbs, providing not only critical nectar resources for many pollinators, but also offering additional land use benefits. Native grasses and wildflowers typically have much deeper and more elaborate root systems compared to non-native, lawn-type grasses. This increase in underground biomass has greater potential to capture carbon and reduce stormwater runoff. Below is a table of previously vegetated sites, as well as sites planned for future revegetation.

Baldwin City, KS	West Plains, MO	Paragould, AR	Hawthorn Generating Station
<b>3.9 acres</b>	<b>51 acres</b>	<b>10 acres</b>	<b>63 acres</b>
Planted in 2020	Planted in 2021	Planted in 2021	Planted in 2022

Native and protected wildlife is also a priority in and around Evergy's facilities and sites. There are 21 species on the Federal threatened and endangered species list in Kansas, 41 species in Missouri. Preventing any negative impact to these species' natural habitat is a top priority when evaluating projects and work done by Evergy. To support these efforts, Evergy has a dedicated Environmental Services team with subject matter experts in wildlife, native species, and cultural resources.

Evergy has a long history of avian protection efforts throughout Kansas and Missouri. Approximately 500 species of birds can be found nesting or stopping-over during migration in Kansas and Missouri, and Evergy service territory contains two bird conservation regions, Central Mixed-grass Prairie and Eastern Tallgrass Prairie. As part of this commitment, Evergy has recently formed an Avian Protection Advisory Group comprising representatives from various workgroups across the company. This group maintains and implements Evergy's Avian Protection Plan and serves as a standing advisory group to ensure effective communication across the company on avian protection projects moving forward.

Evergy was also an early supporter of the monarch butterfly Candidate Conservation Agreement with Assurances (CCAA). This CCAA is a formal agreement between the U.S. Fish and Wildlife Service and non-federal property owners, like Evergy, to voluntarily commit to enhance, restore or maintain habitat to benefit the monarch butterfly with the goal that listing this species as endangered or threatened will become unnecessary. By enrolling in this CCAA, Evergy has committed to conserving over 20,000 acres of monarch butterfly habitat on our rights-of-way and company-owned land throughout Kansas and Missouri. As of 2022, Evergy has the 3rd highest number of Monarch CCAA acres managed by an electric utility company in the nation.

#### **Vegetation Management**

Evergy manages vegetation in many ways to help us deliver affordable, reliable, and sustainable electricity. The eight full-time vegetation management employees work with 50 contract Utility Foresters and more than 300 contracted tree-trimmers, most holding or actively pursuing ISA Certified Arborist status, to maintain nearly 30,000 miles of overhead distribution systems and nearly 10,000 miles of transmission network rights-of-way.

Using ANSI A300 best practice pruning standards for tree and large growth maintenance, and strategic mowing and planting practices, this group promotes the growing of early successional plant communities compatible with safe, reliable overhead power delivery. By working year-round, Evergy's vegetation management group touches more than 500,000 trees annually to proactively manage growth that could cause outages and damage to the distribution and transmission networks during severe weather events. This work also limits some accessibility to network equipment by wildlife, which is another cause of service interruptions in the Evergy service territory.

Managing existing growth is a big part of the strategy, however, educating the public about best practices when planting new plants or trees is also important. Through Evergy's "Right Tree, Right Place" messaging, customers are educated on what types of vegetation provide both the desired aesthetic and environmental benefits without negatively impacting local distribution or transmission networks.

#### **Tree Line USA**

Once again in 2022, Evergy was recognized as a Tree Line USA recipient by the Arbor Day Foundation. Evergy has earned this honor for over 20 years. Tree Line USA is a national program recognizing public and private utilities for practices that protect and enhance America's urban forests. A collaboration of the Foundation and the National Association of State Foresters, Tree Line USA promotes the dual goals of delivering safe and reliable electricity while maintaining healthy community trees.



By successfully meeting Tree Line USA standards — training employees in quality tree-care practices, educating the public about planting trees for energy conservation, and helping homeowners' plant proper trees near utility lines. Evergy not only helps provide beautiful trees for the future, but also yields long-term savings for customers.

#### **Protecting our Natural Resources**

In 2022, Evergy continued partnership with United States Fish and Wildlife Service, Kansas Alliance for Wetlands and Streams (KAWS), Kansas Department of Wildlife and Parks, Kansas Department of Health and Environment, Ducks Unlimited, and National Wild Turkey Federation to support a KAWS position dedicated to implementing soil health principles and improving wildlife habitat in the John Redmond Watershed. This Flint Hills landscape watershed drains into John Redmond Reservoir, which stores contracted water to help keep Coffey County Lake full. Coffey County Lake is the cooling lake for Wolf Creek Generating Station.

In addition to partnering with these agencies to support the KAWS position, Evergy supported two key wildlife habitat projects during 2022. These projects provide value to the communities we serve and to our Evergy assets through improving our water resiliency and biodiversity efforts.

- Fifteen acre Kansas Department of Wildlife and Parks property that was previously a neglected industrial site was restored to a natural area that includes native grass plantings, pollinator habitat, and a marsh complex.
- Emporia State University owns two wetlands, Neva Marsh (50 acres) and Dunlap Bottoms (126 acres) that
  were rehabilitated during 2022. In addition to the restoration of the wetlands, native grass was planted as part
  of a prairie restoration on the Emporia State campus. This prairie is open to the public for exploration and
  educational opportunities.

## **>>** Risks and Opportunities

#### **Adaptation and Resiliency**

Evergy seeks to manage the impact of climate-related risks on our business and our ability to provide electricity safely and reliably to customers. Severe weather, including tornadoes, high winds, snow, fire, rain, flooding, drought, extreme temperatures, and ice storms can be destructive and cause outages and property damage that impairs our ability to provide dependable electricity to our customers and results in adverse financial outcomes. In an effort to understand and adapt to impacts from future climate scenarios, we completed our first Water Resilience Assessment, assessing generation assets risk related to drought, flooding, and precipitation changes, and disclosed the results in the CDP Water Security questionnaire. In 2022, Evergy joined the Electric Power Research Institute's Climate Resilience and Adaptation Initiative (ClimateREADi), which is focused on developing a comprehensive framework to inform infrastructure investment and deployment in order to help ensure a resilient power system.

In December 2015, the Financial Stability Board established an industry-led TCFD to help stakeholders understand the financial system's exposures to climate-related risks. The Task Force developed a framework that includes recommendations about how companies can disclose the extent to which climate is addressed in governance, strategy, and risk management. In 2020, Evergy integrated climate-related risks into our existing Enterprise Risk Management (ERM) process. In 2022, we updated our TCFD report, which explains in detail how we manage relevant climate-related risks and opportunities.

#### **Enterprise Risk Management**

Evergy uses an ERM framework that aligns top business risks with management responsibilities, and ultimately Board of Director (Board) level oversight of these risks. Various Board committees are responsible for the oversight of all major risks, including strategic, financial, operational, and compliance risks, as well as mitigation plans related to those risks. At least once each year, the full Board receives a report from management of key risks and related mitigation plans following an extensive and iterative analysis. Management also incorporates

risk and mitigation plans into regular presentations to the Board. Key dimensions of the ERM process that inform Evergy's business strategy are summarized below:

- Integrated risk assessments identify and evaluate operational risks, strategic risks, and externally imposed
  risks. Risks are quantified and calibrated across the company based on their relative impact and likelihood –
  acting as a precursor to identify threats and potential losses, as well as uncover potential opportunities and
  rewards.
- Deep dive analyses engage risk owners in deeper discussions focused on root cause analysis, consequences, mitigation, and key risk indicators for each of the company's top business risks and notable emerging risks.
- Board member interviews seek Board input regarding risks of Evergy and to Evergy's strategy, top business risks, and key disruptive activities in the industry.
- Executive management review top business risks are presented and reviewed in the context of industry benchmarking, risk assessment results, and Board member feedback.

In 2022, Evergy continued our annual integration of climate change risk assessment into our existing ERM process. During this multi-disciplinary process, ERM staff, along with Evergy's Sustainability staff, met with nearly 20 separate groups across each of Evergy's business units to identify and assess climate-related risks, as well as other company risks. Individual business units were asked to identify risks using the TCFD framework and to weigh those risks and prioritize mitigation activities. Evergy's identified climate risks were placed into a climate risk register, along with the associated calibrated scoring, to determine Evergy's top climate-related risks. These risks were provided to Evergy's Nominating, Governance, and Sustainability Board Committee. Evergy's ERM process is not conducted with an eye toward avoiding all risk, but rather with a goal of enhancing the ability to identify and mitigate risks across current and future business strategies. Evergy believes this ERM process is important because it provides a structure to identify risk and develop mitigation activities. In addition, it provides the framework to report to the Board on key climate and other risks.

Additionally, in 2022 Evergy reported full CDP Climate Change and CDP Water Security questionnaires to CDP (formerly known as the Carbon Disclosure Project) for the first time. In these CDP questionnaires, Evergy's governance, management, strategy, and risks and opportunities surrounding climate and water were disclosed. Evergy's transparency and programs resulted in a 'B' letter grade, which equates to Management status, in both CDP Climate Change and CDP Water Security questionnaires.

#### **Environmental Management**

#### **Environmental Compliance Assessment Program (ECAP)**

Through our internal ECAP, Evergy analyzes compliance with environmental laws and regulations and corrects areas of non-compliance. The ECAP is administered by the Environmental Services Department and includes, but is not limited to, the following activities:

- Annual review of environmental procedures
- Periodic site visits of each Evergy facility that includes industry subject matter experts in areas of air, water, and waste requirements
- · Periodic review of required reporting to the respective environmental agencies
- · Periodic review of the vendors used by Evergy's Environmental Services team
- Environmental audit review with facility management and/or procurement
- Coordination with proper environmental agencies, as necessary
- Environmental audit report and associated corrective actions identified on the site visit to encourage continuous improvement of Evergy's environmental practices

Evergy uses an Environmental Management System (EMS) to monitor compliance and drive execution of identified aspects of our operations. Key performance indicators are established for operational groups and checked routinely to minimize impacts on the environment.

#### **Environmental Management System (EMS)**

Evergy's EMS consists of the following components:

- Policy
  - Evergy's Environmental Policy can be found here: Evergy Environmental Policy
  - · Evergy's Water Policy can be found here: Evergy Water Policy
  - · Evergy's Waste Policy can be found here: Evergy Waste Policy
- · Identification and Prioritization of Environmental Impacts
  - Regulation review and project specific compliance evaluations
- · Development of Goals and Targets
  - Performance metrics
- · Assignment of Responsibilities
- Management information systems
- · Documentation of Key Procedures
  - · Operational procedures
  - · Automated compliance task assignment and completion records
- · Evaluation of Performance
- Training
- Annual training on environmental compliance with all impacted employees

Environmental Services, in coordination with the Law Department and Audit Services, periodically self-assesses environmental compliance at company and vendor facilities, as appropriate, to ensure compliance.

# Social

## Affordability and Assistance

#### **Supporting Vulnerable Customers and Communities**

In 2022, Evergy's Corporate Social Impact program made an intentional shift in community investments and customer support to address energy burden, access to equity, and capacity building. 2022 highlights of Evergy's Corporate Social Impact program include:

- Worked face-to-face with more than 35,000 customers and secured more than \$52 million in utility payment assistance
- Opened a second Evergy Connect customer walk-in facility to provide customized, face-to-face support and linkages to payment and social service resources
- · Provided millions in grants to agencies that work with disadvantaged and underserved communities
- Decreased energy burden by linking income-eligible customers to an array of programs and wrap-around services
- · Invested in agencies that help fund and develop minority-owned small businesses
- Made key investments in agencies addressing policy to positively affect equity issues

#### **Environmental Justice**

With a lower-carbon future in our sights, Evergy realizes challenges and opportunities arise as we transition to clean, reliable, and affordable energy sources. Evergy strives to meet the needs of our customers and stakeholders by offering several programs that seek to equitably distribute decarbonization costs and benefits with our customers' needs in mind. Addressing these challenges takes considerable foresight and careful planning so we understand the implications of our clean energy transition and can mitigate impacts to the extent practicable for disadvantaged communities.

In 2022, Evergy formed an internal, cross-functional, working group to define Evergy's Environmental Justice (EJ) strategy and lead the company's EJ efforts. Members of the EJ working group include numerous business units across Evergy including Environmental Services, Corporate Sustainability, Energy Solutions, Social Impact, Investor Relations, Corporate Communications, Generation, Legal, External Affairs and Diversity, Equity, and Inclusion. One key outcome of the EJ working group will include developing and implementing community engagement plans for areas identified in Evergy's service territory as a disadvantaged community. Evergy has utilized the Environmental Protection Agency's (EPA) EJ screening tool as well as the Department of Energy's (DOE) Disadvantaged Communities Reporter to identify each disadvantaged community and to help quantify the impacts on these communities. This data will be used to facilitate more deliberate efforts to positively impact these communities.

Evergy currently has programs within these communities, such as customer energy payment assistance and energy savings programs and outreach, residential tree giveaways for energy efficiency and community beautification and conservation. During 2022, Evergy planted more than 2,000 trees in the Kansas City Metro area at large that engaged nearly 1,000 homeowners. This program had a positive environmental impact such as pollution absorption, energy savings, and stormwater filtration. Additional Evergy initiatives and programs that support our communities are economic development, energy equity, energy efficiency, and community impact.

#### **Energy Equity for Customers**

Evergy offers many income-eligible programs that are designed to reduce electric usage at a resident's home. These include:

- Weatherization Evergy's program is modeled after DOE Low-income Weatherization Assistance Program to deliver weatherization measures free of charge to qualified homes and customers.
- Multi-family Free in-unit upgrades like lighting, faucet aerators, smart power strips direct installed by Evergy to help improve efficiency for tenants as well as holistic rebates to building owners for investing in upgrades to public area lighting, building heating, ventilation and air conditioning (HVAC), and insulation.
- Low-income Leadership Assistance Collaborative Started in 2020 as a group of Kansas City area companies
  and agencies to exchange ideas on how to best serve the low-income customers in our footprint with the variety
  of programs focused on energy, health, and safety.
- The Economic Relief Pilot Program (ERPP) helps to ease the pain of monthly bills and provide help to budget eligible customers' monthly expenses. This program provides those with an income at or below 200% of the current federal poverty level with a credit of up to \$65 per month, for a maximum of 12 consecutive months if the customer qualifies.
- Customer Outreach Teams and Evergy Connect conduct almost 300 events annually to meet with customers
  throughout our territory to link them to energy payment and savings assistance. Additionally, Evergy's two walk-in
  facilities provide face-to-face customer service allowing for customized solutions to energy payments and usage.
- Dollar Aide and Project Deserve Evergy provides donations to these programs to help income-eligible customers with their utility bills.



#### **Customer Experience, Engagement and Assistance**

Creating a positive customer experience has always been a goal of Evergy's. We realize to make that possible, there are a couple of key components. The first is being available to all customers, wherever they choose to do business with us, in the way that best fits their lives.

To provide face-to-face assistance to customers in need, Evergy opened Connect in Kansas City in 2018 and expanded Connect to Wichita during 2022. Since its opening, Evergy's Kansas City Connect has helped more than 35,000 customers with direct and customized service. The team has helped thousands of customers avoid disconnections and enroll in energy efficiency, payment assistance, and medical programs. In addition to face-to-face service, the team conducts "virtual face-to-face" consultations with customers who are unable to visit the site. This team assesses a customer's account, considers all viable options, directs them to payment assistance, prints and helps them complete applications, as well as connects them to non-utility assistance resources such as career help, childcare, food pantries, and more.



15,000

Evergy Connect in KC and Wichita served more than 15,000 customers in 2022.





This new Wichita site joins our Kansas City location to offer in-person engagement for the two most heavily populated Metro areas in our service area.

It's our goal to connect with customers in a way that works best for them. In addition to face-to-face, we launched our Evergy mobile customer app during 2022. A product of the Digital Strategy and Customer Experience group, as part of Evergy's Senior Vice President of Public Affairs and Chief Customer Officer's organization, the Evergy mobile app allows customers to conduct the most common interactions with Evergy through their mobile device. From viewing usage and paying their bills to reporting and tracking outages, the app provides a convenient, safe and secure solution for our digital-friendly customers. Between the launch in September 2022 and the end of the year, we had more than 21,000 downloads through the Google Play and Apple App stores.

For those customers who prefer to connect with us through our contact centers and online through Evergy.com, we have taken steps to become more efficient and effective in answering questions and solving problems. By offering more self-service solutions and notification options for customers, we can more effectively help those customers who need personal interaction.

## Self-service traffic up to 93%



6%

call volume down 6%



65%

Mobile web traffic

mix up to 65%

1

81%

Self service payment mix up to 81%



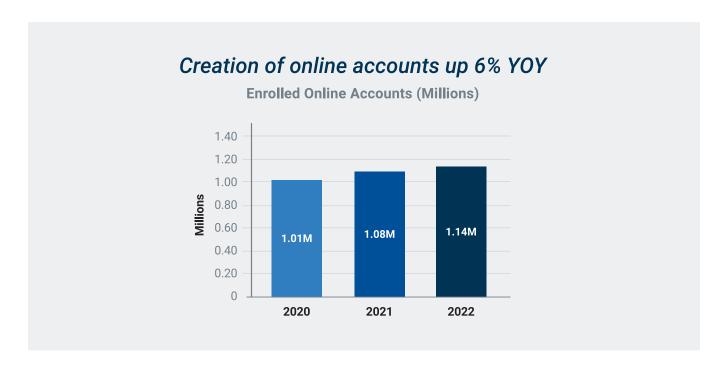
21,000

More than 21,000 **mobile app downloads** 



1.2M

More than 1.2 million enrollments in outage communication

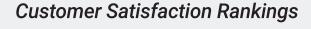


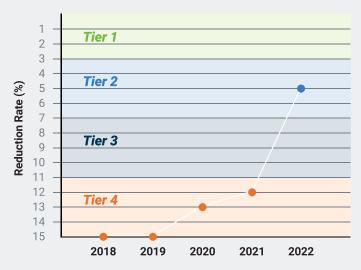
The second way we achieve a positive customer experience is by engaging with customers about projects affecting them or their interests. Our customers are often stakeholders in the work we do to modernize our infrastructure and improve reliability. Whether it is a project at one of our generating facilities, improvements to transmission lines or developing new renewable projects, we have processes established to foster collaboration and communication with stakeholders.

Evergy uses a robust process to study and select routes for transmission lines. The result of this process is safer and more reliable electric service provided to the surrounding communities, completed through a partnership with local stakeholders. Evergy is committed to working with affected landowners throughout the siting, design, and construction process to minimize impact to their properties. We use a variety of communication tools, including letters, infographics, webpages, and face-to-face conversations. We also engage the community by hosting inperson and virtual open houses, seeking public input and sharing details with local leaders.

Similarly, when other projects involve customer stakeholder engagement, we follow a similar process for outreach and feedback. These can be localized, for things like meeting with neighbors and landowners for a potential solar power site, or much broader for things like Public Hearing and Comment events for service area-wide rate cases.

One of the key indicators that Evergy is moving in the right direction with customer experience is feedback from our customers. The largest collection of feedback comes to us from our JD Power field surveys. Since 2018, Evergy saw significant gains in customer satisfaction and continues to focus on improving customer experience and engagement. Evergy also saw gains in overall company satisfaction, despite the industry trend of declining scores.





Evergy ended 2022 achieving the highest Overall Customer Satisfaction ranking since the formation of Evergy.

#### **Energy Efficiency Community Programs**

In addition to the investments above, community planning and collaboration are important to enable Evergy and our business partners to successfully navigate the transition of our generation fleet and empower our partners to meet their own sustainability goals. Evergy participates in several initiatives that focus on leveraging our customers' own resources. These include:

#### **Program**

#### **Details**

#### Kansas City Building Energy Exchange (BE-Ex)

Established in early 2021 as the first major initiative of Kansas City's Regional Climate Action Plan, the BE-Ex brings world class resources, direct assistance, and tangible value to the current and future owners and occupants of Kansas City buildings. This program aims to provide direct support and financing services to building owners, policy makers, property managers, architects, engineers, and others in the Kansas City metropolitan region to promote a high performance-built environment and help the Kansas City region meet ambitious climate goals, create jobs, accelerate innovation, and grow its economy. Evergy provided a grant to support this program and is actively engaged with an Evergy employee sitting on the Board of BE-Ex.

#### Tree initiatives

Evergy partners with Bridging the Gap and the Arbor Day Foundation to distribute young trees and information about how to plant them to provide energy savings. Additionally, Evergy's Green Team partners with these organizations to provide and plant young trees and native vegetation in communities throughout our service territory.

#### **Building benchmarking**

Evergy is supporting the Kansas City, MO benchmarking ordinance by providing building owners with multiple tenants the ability to aggregate information and gain an Energy Star score as the first step to identifying energy savings opportunities for large buildings.

# Program Details Evergy continues to collaborate with Missouri stakeholders to study how to mitigate the impact of rising temperatures in the urban areas in the summer due to thermal radiation of buildings, sidewalks, blacktop.

#### Electrification

Working together in a customer-focused clean-energy transition, we can collectively reach our clean energy goals. The programs below are focused on helping customers reduce their carbon footprint by electrifying equipment and vehicles.

Program	Details
Federal funding support	Evergy is preparing a strategy to leverage federal funding provided by the Infrastructure Investment and Jobs Act (H.R. 3684).
Transit bus partnerships	Evergy provides grant support and technical review to local transit authorities as they take initial steps toward electrifying their bus fleets. Evergy has worked with transit authorities in Wichita, Lawrence and Topeka in Kansas and Kansas City, MO.
Midwest utility memorandum	Evergy and several other regional utilities signed a memorandum of cooperation to promote the construction of the foundational electric vehicle charging network across the utilities' applicable service territories to foster public confidence and ensure convenient fast-charging stations for electric vehicles (EVs) are available along the Midwest's major travel corridors. The Midwest coalition is among participants in a national coordination effort organized by the Edison Electric Institute.
Charging station network	The Evergy Clean Charge Network consists of over 1,000 electric vehicle charging stations throughout the Kansas City region – one of the largest of any utility in the United States. Personal gas-powered vehicles account for around one-fifth of U.S. emissions, while electric vehicles help attain EPA regional ozone standards and make our cities cleaner, better places to live and work.
Transportation electrification filings in Missouri and Kansas	The state Commissions approved 5-year program plans of \$6.9 million in Missouri and \$19.3 million in Kansas to help customers with costs related to purchasing an EV or electrifying their fleets. The program includes a budget that is focused on educating customers on the benefit of off-peak charging and benefits of owning/operating an EV. Other aspects include:
	Residential rebate program for installing a 240V outlet for EV charging
	Business rebate program for charging station installations
	Clean Charge Network expansion in Kansas to underserved areas
	<ul> <li>Transit and commercial time-of-use tariffs, ensuring that electric vehicles are powered by renewable energy sources. These rate options are supported by Renewable Energy Credits (RECs) in Kansas.</li> </ul>

#### **Energy Efficiency Programs**

Enabled through the Missouri Energy Efficiency Investment Act (MEEIA), Evergy offers a portfolio of programs to provide Missouri customers (residential and business) with opportunities to invest in energy efficiency to drive long-term energy savings with a faster payback on the customer's investment. Evergy also incentivizes customers to help Evergy manage our peak system demand with business demand response programs and residential thermostat incentives. Since 2013, Evergy has impacted over 400,000 customers in Missouri through the MEEIA programs.



Evergy's MEEIA Cycle 3 programs are expected to result in \$234 million<sup>1</sup> and 769 million kWh of energy savings.

Evergy extended our MEEIA Cycle 3 programs through the end of 2023. This extension includes the continuation of energy efficiency programs for residential and business customers, as well as increased income-eligible program budgets and year-round demand response programs. The portfolio also includes an on-bill financing program (Pay as You Save®), launched in 2021, to help Missouri customers who might not otherwise invest in energy efficiency (HVAC, insulation, lighting, etc.) to pay down the investment with the savings from the energy savings measures.

Additionally, through MEEIA, Evergy develops innovative energy solutions to offer as pilot programs. In 2022, Evergy launched Power Check program in partnership with the Kansas City and Mid-Continent Public libraries. This pilot focuses on lower-income areas with the goal of educating homeowners on how much electricity an appliance or any other electronic device uses so that the customer can better manage their bill.

Evergy provides residential customers the opportunity to download their energy information in the Green Button format. The Green Button initiative is an industry-led effort that responds to a 2012 White House call-to-action to provide utility customers with easy and secure access to their energy usage information in a consumer-friendly and computer-friendly format for electricity, natural gas, and water usage.

In 2021, Evergy filed a four-year energy efficiency portfolio in Kansas and expects a ruling on that filing later this year.

#### Rate Modernization

Evergy offers residential customers optional time-of-use (TOU) programs in Missouri and Kansas. These programs focus on providing price signals to help customers shift demand from system peak hours to reduce their bill and manage the system peak load. Evergy currently has over 10,000 customers enrolled in optional time-of-use rate plans across our service territories.

As a result of Evergy's 2022 Missouri rate case, the Missouri Public Service Commission (MPSC) ordered that a 2-period TOU rate will be the default rate for all new residential customers beginning October 1, 2023. Evergy must transition all existing customers (if not already on the 3-period rate or a net metering customer) from the standard, block rate structure to a 2-period TOU rate by December 31, 2023. In addition to the 2-period default TOU rate, the MPSC also approved the expansion of Evergy Missouri's TOU portfolio with the following opt-in rates:

- · Continuation of the existing 3-period TOU rate
- · Approval of a new high differential, whole house TOU rate
- · Approval of a new high differential, separately metered TOU rate, and
- Approval of a low differential (also referred to as a peak adjustment rate) TOU rate

Transit and commercial time-of-use tariffs are also available in Missouri and Kansas to promote electrification adoption and efficient use of the grid.

# **>>** Community Impact

#### **Community Investments**

Evergy is committed to empowering a better future for our customers and communities. Making a positive impact in the communities we call home is a foundational component of our business. Our <u>community impact strategy</u> is designed around Community Vitality and Environmental Leadership.

# EVERGY IN 2022

### Community Impact by the Numbers



24,742 employee volunteer hours



\$760,000 in employee donations



28% of Employees participate in giving campaigns



**\$7.4 Million** Community Donations

More than **4 million** going towards vulnerable communities and historically underserved populations, job growth, expansion, and retention





**35,000** customers helped through customer outreach and Connect

#### **Financial Community Contributions**

Evergy's community strategy was designed to adjust to the changing needs of our customers and communities. In this spirit we continue to focus on community vitality and environmental leadership while we also direct significant resources to our more vulnerable customers and historically underserved communities. In 2022, Evergy invested more than \$7.4 million in our communities focusing on environmental leadership and community vitality. Of that, \$2.3 million was to help start, retain and expand business and jobs, \$2 million to vulnerable communities, \$1.1 million to environmental efforts and \$800,000 toward diversity, equity and inclusion programs.

#### Community-based Environmental Leadership

In 2022 Evergy dedicated more than \$1.1 million in community contributions toward sustainability and conservation efforts, nature-based carbon sequestration and heat island mitigation. The Green Team conducted 64 projects dedicating 2,846 hours in volunteerism. They collected 500 tires and tons of trash from Kansas River, and planted more than 2,000 trees.



Since 1989, our volunteer, employee-driven *Green Team* has completed thousands of projects restoring hundreds of acres of wetlands, thousands of acres of prairie and planting more than 30,000 trees. Partnering with agencies, non-profits, and schools, we protect, preserve, and educate.

#### **BENEFIT TO STAKEHOLDERS**

Evergy's long history of environmental conservation has helped our communities by supporting conservation projects and organizations in our service territory and beyond. Additionally, the protection measures for both flora and fauna that have been implemented protect our environment, benefiting generations to come.

#### **Community Impact in Action**

As part of our Community Vitality initiative, we developed an Evergy Hometown Grants program that focuses on helping local non-profits spread good energy and receive up to \$10,000 for community improvement projects. A team of Evergy employee volunteers for one day. Our 2022, Hometown Grants recipients included Noyes Home for Children, Girl Scouts of Northeast Kansas and Northwest Missouri, Kansas State Rose Gardens, and Negro Leagues Baseball Museum. 2022 and 2023 award winners' projects can be found on our Hometown Grants website.





Part of the nearly \$7.4 million in Evergy's community investments were distributed as grants to organizations that support small businesses such as Create Campaign, Restart Kansas, G.I.F.T. and Keystone Innovation District. One example of the impact of this support was in Wichita, KS. Through Evergy's partnership with Create Campaign, Raquel Ramirez opened her Roxie's on the River restaurant in 2018. As she navigated the impact of COVID-19, she applied for an Evergy Economic Relief Grant in 2021 and purchased a food truck. Both are thriving today, and Roxie is known as "The Cinnamon Roll Lady."

#### **Community Engagement**

The communities in Evergy's service area continue to grow and depend on reliable electric service, which means we continue to invest in and upgrade our infrastructure to meet our customers' current and future needs. Evergy is committed to open, transparent, and frequent communication surrounding infrastructure changes. Community engagement is key milestone in our transmission project timeline overview.

Route study and selection	Easem acquis		Comm engage	•	Surveying, soil boring and sampling
Before building a new transmission line or rebuilding an existing line, we evaluate the location of the line.	property transmis to purch easemer	ers who have on the sion line route	commun project, s infograph open hou details a commun property route wil Evergy re	utilize a variety of ication tools based on the such as letters, webpages, nics, in-person or virtual uses, etc., to share project and seek input from the ity. Landowners who have on the transmission line to be able to contact an expresentative throughout ion of the project.	We will complete tests, surveys and studies to determine environmental and soil conditions.
Right-of-way restoration		Construction	n	Right-of-way preparation	Line engineering
After construction, we restore properties to, n reasonable, pre-construction.	ear as	We will constructransmission line both Evergy resonant contractors	e using ources	Before construction, we will prepare the area by removing and trimming vegetation.	We will engineer and design the transmission line.

The result of this process is safer and more reliable electric service provided to the surrounding communities, completed through a partnership with local stakeholders. It also enables economic growth, allowing communities to attract and keep residents and businesses. This collaborative approach enables Evergy to be more cost effective and environmentally responsible, delivering on our goal to provide affordable, reliable, and sustainable service to our customers.

More information on our process to review projects can be found here: <u>Transmission Projects (evergy.com)</u>.

#### **BENEFIT TO STAKEHOLDERS**

Attracting and retaining customers is key to the economic vitality of our service territory. Additionally, by serving as a catalyst for local growth, Evergy helps to create jobs and contributes to the local economies we serve.

#### **Economic Development**

As a leading and trusted energy partner, the mission of the Economic Development team is to attract new companies, keep and expand existing customers while making strategic partner investments that result in the creation of new load growth. We strive to increase economic prosperity and improve the quality of life in the communities we serve. We do this by providing comprehensive support for businesses relocating to or expanding in our service area. Areas of support provided include site visit hosting, site and building searches, industry analysis and several other areas that can be found on <a href="Evergy's Economic Development website">Evergy's Economic Development website</a>.

During 2022, Evergy's Economic Development team had a record year with over \$6 billion in new capital investments from 19 projects coming to our service territory. Major projects include the Meta hyperscale data center and Panasonic's electric-vehicle battery plant. The Panasonic plant is the largest economic development project in Kansas history and expected to create up to 4,000 new jobs and result in an investment up to \$4 billion. Evergy's Economic Development team supported the awarded community, De Soto, in areas such as economic development facilitation training, community housing assessment, branding and marketing material development.

# EVERGY IN 2022 Economic Development by the Numbers









\$187 Million economic impact to Evergy





437,519 kW in new demand growth

#### Recognition for Economic Development

Evergy continues to engage with stakeholders to improve and evolve the economic development landscape.



Kansas Department of Commerce launched the **Kansas Certified Sites Program** based on the program created by the Evergy Economic Development Team.



Missouri Department of Commerce launched the **Missouri Certified Sites Program** in 2008.



AEDO Recertification – originally accredited in 2016, Evergy is one of two utilities to achieve AEDO status in the nation.



Site Selection

Magazine names

Evergy a Top U.S.

Utility in Economic

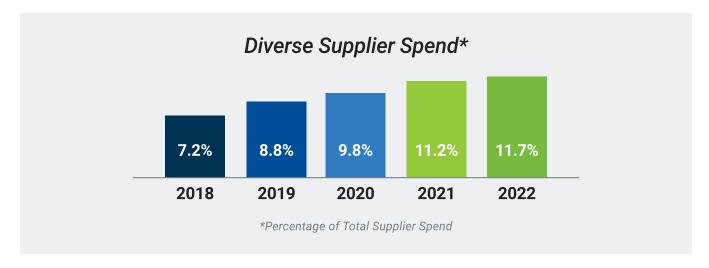
Development.

#### **BENEFIT TO STAKEHOLDERS**

Healthy communities help support the long-term growth and stability of our region helping our customers, employees, and company overall. Evergy donates millions each year and Evergy's employees give time and money to support our local communities.

#### **Supplier Diversity**

In 2022 diverse suppliers represented over 11% of total sourceable spend, exceeding our goal of 10%.



Evergy strives to be nationally recognized as a leader in supplier diversity. For more than 40 years, our Supplier Diversity Initiative (SDI) has opened doors for minority, women, veteran, disabled, disadvantaged, LGBTQ+, HUB Zone, and small businesses to help them succeed and to increase our local economic impact. In 2022, Evergy spent approximately \$279 million with diverse suppliers, topping our previous all-time high for a fifth year in a row.

By increasing opportunities for diverse suppliers and enhancing the competitiveness of the supply chain, we promote economic value for our customers, the communities we serve, and our regional economy. Our supplier diversity initiatives benefit both underrepresented businesses and the communities in which they are located through job creation, business formation, and tax revenue.

Evergy's unique diverse supplier mentoring program, Light Source, pairs emerging local diverse businesses with an Evergy executive to help guide their ability to work with companies like Evergy. We also partner with many community organizations helping nurture growth and strengthen their networks and capabilities. Such organizations include the Kansas City Procurement Roundtable, Wichita's Diverse Business Committee, diverse chambers of commerce, minority supplier councils, women's business development councils, the state and local chambers of commerce, the small business administration, and others.

Evergy has also developed a Sustainability Steering Committee consisting of a diverse cross-section of employees and business units, to promote continued growth in Evergy's Supplier Diversity Program and build on our Supply Chain Sustainability Framework. This Framework has been built in conjunction with the Sustainable Supply Chain Alliance (SSCA), a group of electric utilities and suppliers that are working to lead the industry in enhancing and promoting supply chain sustainable practices across utilities and suppliers. The SSCA activities aim to improve the sustainability of the products and services utilities buy and use, as well as the performance of suppliers and supply chain operations. Evergy continues to work toward this goal by:

- Partnering with stakeholders and value chain partners to identify, promote and adopt successful sustainability practices
- · Fostering the availability of and demand for more sustainable solutions
- Delivering tangible business value to the industry through the application of sustainability practices

Evergy has partnered with the SSCA in the development and deployment of an assessment for suppliers to disclose sustainability information, which includes several climate-specific items, water and other sustainability-related issues. In addition to disclosure, the assessment asks our suppliers to indicate actions they are willing to take to improve.

From 2020-22 Evergy has asked 58 suppliers to complete the assessment (representing 48% of annual managed spend). Suppliers from our top two tiers are selected for the assessment. These tiers are designated by a number of factors, but primarily focus on suppliers with the highest spend totals and largest impacts on Evergy's core business areas.

The survey tool has customized questions for over 23 supplier types that ask a variety of questions, from the details of a supplier's operational controls to the level of leadership engagement and commitment. It also offers benchmarking that enables suppliers to plan for improved performance in the future and can be used for sharing best practices. Evergy is using the results of the survey to help us further identify sustainability risks associated with our current suppliers and potential future business partners.

To learn more about Evergy's supplier diversity program and economic impact: <a href="evergy.com/partner-with-us/supplier-diversity">evergy.com/partner-with-us/supplier-diversity</a>

# **>>** Culture and Engagement

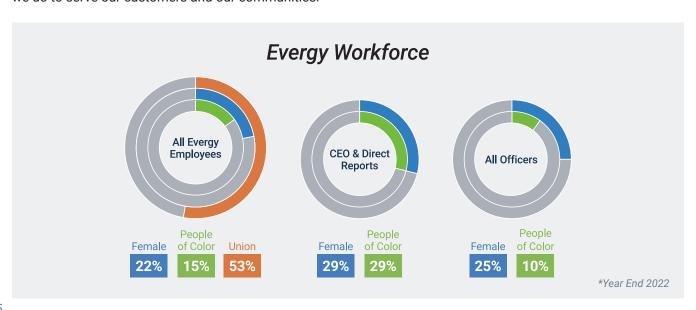
#### **Evergy's Culture and Workforce**

Evergy strives to have an inclusive mission driven culture. Our shared purpose – to empower a better future – motivates and drives our daily work. The centerpiece of our culture is the Evergy team and our commitment to our core values.

Evergy's vision is to lead the responsible energy transition and provide affordable, reliable and sustainable service to our customers and communities. Our workforce goals are aligned to our mission, vision, and strategies:

- Foster engagement and excellence
- · Be a great place to work
- · Embrace diversity, equity, and inclusion

Evergy has a strong workforce that contributes to Evergy's success. The Company has approximately 4,500 employees supporting our service area, with 53% of the workforce represented by bargaining units. Every employee plays an important role in delivering on our workforce goals in alignment with our strategic focus and priorities. The sense of purpose and our core values – safety, integrity, ownership, adaptability – guide everything we do to serve our customers and our communities.



# Percent of Employees by Age\*

36%

**57%** 

30 to 50

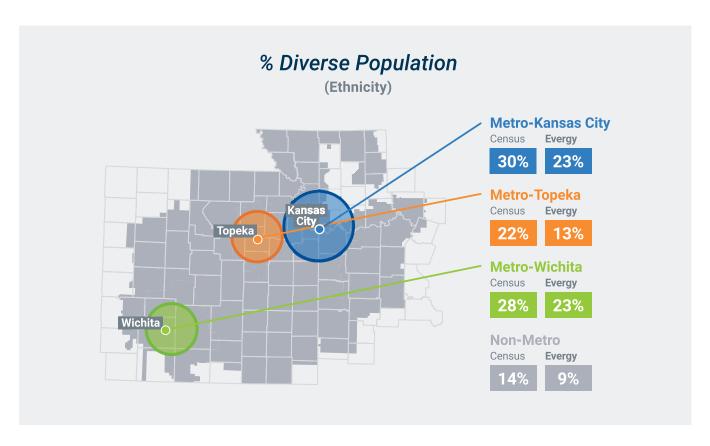
8%

51 or older

Under 30

\*Year End 2022

Diversity, equity and inclusion (DE&I) represent vital components of who we are as Evergy. We know the most effective way to achieve our mission is through a diverse, equitable, and inclusive culture that promotes productivity and innovation and engages the talented people who power our company. We can only fulfill our core values of safety, integrity, ownership, and adaptability by respecting each other and those we serve, being accountable for our actions, and focusing on the good of the whole. DE&I is a vital element to these objectives. Our goal is to build DE&I into our strategic workforce planning and pillars, as opposed to a bolt-on. Evergy continues to leverage data and insights to pursue the goal of ensuring that our workforce of the future reflects the communities we serve.



# **Workforce Pillars**

Evergy takes a strategic, data-driven approach to advance the employee experience in each element of the employee life cycle and is aligned to the business goals.

WORKFORCE
PILLARS
PILLARS
Posses

Pere









Run HR with transactional excellence & embed DE&I practices throughout

WORKFORCE

An environment that fosters engagement and excellence

An inclusive, high-performance culture that makes it a great place to work

DE&I is embedded throughout the business, not a bolt-on



#### Attract & Select

We understand the success of our business depends on our workforce. Therefore, we continue to advance our hiring practices to meet the employment needs of our business today and tomorrow. We ensure that our recruitment practices, processes, and tools attract and deliver our workforce outcomes. We do this by focusing on these key areas:

#### · Sourcing talent aligned to business goals

- Proactive, long-term talent acquisition objectives aligned with business strategy and objectives
- · Use of specialized recruiting strategies for critical/difficult roles to fill
- Optimized processes, technology, insights to assess and develop candidate pipelines

#### · Focused talent flow & candidate engagement

- A strong, deliberate partnership with the business focused on current and future workforce needs
- Scholarships/Internships serve as the critical path to campus hires

#### Highly engaged workflow & employer brand

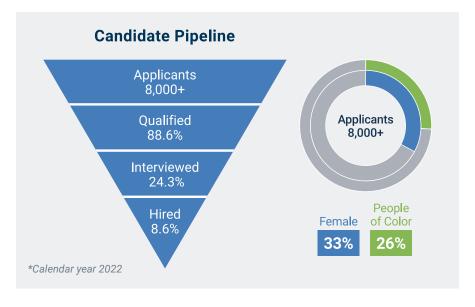
- · Timely, proactive communication for all stakeholders
- Qualitative/quantitative metrics to maximize operational performance and facilitate a positive candidate/ hiring manager experience
- A strong employer brand consistently positioned across all channels to attract diverse, capable candidates

#### Sourcing New Talent

The creation of a near-term and long-term pipeline is a strategic priority to invest in our workforce. A Candidate Relationship Management infrastructure is critical to managing the relationships with current and potential future candidates. Evergy is focused on developing a data-driven approach to manage communications with candidates and improve our candidate experience.

Our dedicated Talent Acquisition team is establishing stronger partnerships to advance diversity hiring for entry-level and experienced hires. A few examples of our evolving programs and strategy include the Line Pre-Apprenticeship Program and Campus Pipeline Strategy.

The Line Pre-Apprenticeship
Program is a 9-to-12-month
blended learning experience in
which participants attend inclassroom training every 3-weeks
while spending the remaining



time at assigned service centers for on-the-job learning. Successful completion of the program progresses the employee to a 4-year registered Lineman-Splicer apprenticeship.

The program represents a great opportunity for diverse pipelines into the organization with community partnerships and relationships within our service territory to broaden the diversity of candidate pool through strong partnerships established with the Full Employment Council, Prep KC and local technical colleges.



Since program inception, Evergy's pre-apprentice diverse hires are ~20% versus the current diverse line population of 11%.

Our Campus Pipeline Strategy is also evolving to secure future talent for entry level roles into Evergy.

#### VISION

A people program that creates a scalable, diverse talent pipeline that enables Evergy to hire the best and brightest student and develop future professional

	The Right Partner Schools	Informed & Engaged Campus Leads & Teams	Streamlined Process & Technology	Differentiated Candidate Experience
PILLARS	<ul> <li>Standard criteria for school selection</li> <li>Schools that are aligned with and deliver for the business</li> </ul>	<ul> <li>Selecting the right campus leads and teams</li> <li>Enabling leads and teams with the appropriate training and tools to select the right candidates</li> </ul>	<ul> <li>Standard candidate process</li> <li>Clear expectations of who is responsible at each step within the process</li> <li>Streamlined process and communication through automation</li> </ul>	<ul> <li>Showcase breadth of opportunities</li> <li>Experience Evergy events</li> <li>Student-Employee Value Proposition</li> </ul>
MEASURES	A portfolio of schools that supports our business needs	Quality talent that meets the business needs	Less time on manual tasks and elimination of duplicate efforts	Employer of choice

#### Selecting and Promoting Talent

Through our recruitment, we foster the culture and build the skills and competencies needed. We invest in talent mobility across the organization to build pipeline and develop the skills needed today and in the future. Approximately 57% of open positions are filled with internal transfer, and 43% are external hires. In 2022, Evergy promoted more than 350 employees.



#### Lead & Develop

Evergy is committed to building a pipeline of inclusive and ready-now leaders, and it is critical that development is made available for all Evergy employees leveraging several key talent indicators and assessments. Evergy provides training and development opportunities for employees throughout the year.



At Evergy, training includes safety and compliance, technical, and leadership and professional development. We focus on providing tools for employees to be successful in their current roles but continue to grow within the company. Example courses include:

Compliance and Safety	Annually required training for 100% employees covering:  Code of Ethics  Employee Handbook  Occupational Health and Safety  Environmental
Technical Training	<ul> <li>Over 180 targeted training and skills based courses offered to journeyman craft employees</li> <li>26 new field training courses developed for employees in 2022 (Recloser and Control, Knife Use)</li> <li>Dedicated facilities for delivery and generation employees to train in real-life simulated environment. Allows for training and enhancement of skills in a simulated and safe environment. Including pole lab for climbing, welding booths, pole yard, mock substation, and meter wall.</li> <li>Evergy Analytics University</li> </ul>
Professional and Leadership Development	<ul> <li>7 Habits of Highly Effective People</li> <li>Frontline Leader Forum</li> <li>Business Acumen</li> <li>Emotional Intelligence</li> <li>Crucial Conversations</li> </ul>

In addition to these internal training opportunities, Evergy provides external learning opportunities to allow Evergy to offer employees more development options outside of the organization with the intent to increase skills and capabilities for the employee and the company. We offer a variety of different programs for employees to engage and participate:

- · Executive MBA Programs
- Centurions
- Chamber of Commerce Engagements
- · Energy Executive Programs
- · Leadership Development Programs
- Civic Engagements

Tuition Reimbursement is also available to employees, as we understand Evergy's success depends upon a highly educated and capable workforce. All Evergy's regular, non-temporary employees working 24 or more hours per week are eligible for the program immediately upon hire.



#### Reward and Recognize

Evergy offers a comprehensive and competitive Total Rewards program that encompasses compensation, benefits, and wellbeing. Evergy's employee base represents a broad range of backgrounds and experiences. As such, we offer a wide range of benefits to provide a healthy foundation for career and life.

Evergy strives to be an employer of choice by providing a competitive value proposition to employees. It includes the total rewards compensation package, a high quality of work, and interaction and collaboration with an inclusive diverse workforce along with an opportunity to develop and grow.

#### **BENEFIT TO STAKEHOLDERS**

Developing a workforce that is diverse, equitable, and inclusive is critical as Evergy strives to be an employer of choice in our industry. The best employees bring the best results, which ultimately adds value to our customers, communities and stakeholders. Providing competitive benefits, focusing on employee well-being, performing routine employee engagement surveys and acting on the results all help recruit and keep the best employees.

#### **Total Rewards**

Evergy's Total Rewards programs are designed to attract, retain and engage Evergy's talent as well as align with our company culture and values. We understand the important role that benefits play in the lives of our employees and their families. As a new hire and then annually during open enrollment, employees have an opportunity to select from a wide array of benefits to align with their needs and ensure they have the right coverage. Evergy's benefits guide provides useful tips, tools and resources to explore options and make wise decisions by enabling employees to receive the most value from their benefits through understanding the plans offered to them and how to select the ones that best fit their needs.

#### Performance Based Pay

- Attract and retain the talent to drive outstanding performance.
- Total rewards that recognize employees' total contributions.
- · Competitive base pay package that considers each employee's performance, skills and experience.
- Recognition and feedback provided on achievement against goals and demonstration of the company's core values.

#### Incentives and Recognition

- Incentive programs for eligible employees to align performance with the achievement of corporate goals and objectives.
- Sharing scorecard metrics and providing quarterly updates to employees.
- Encourage employees to collaborate and innovate across departmental lines to achieve outstanding performance.
- · Metrics are measured to drive performance: safety, financial performance, operational performance, and enhanced customer experience. Officer incentives also focus on DE&I and strategic plan alignment.
- Employees share in the success as goals are achieved.

#### Benefits\*

We support every employee's health, wellness, and financial footing with a comprehensive benefits package that includes:

- · Choice of medical, dental and vision plans
- · Health Savings accounts, medical and dependent care reimbursement accounts
- 401(k) plan with company matching contributions
- · Paid vacation, company holidays and personal days
- Paid parental leave
- A variety of leave programs including sick leave, short-term disability, caregiver and acute treatment
- Life, accident, and long-term disability insurance
- · Education assistance
- Wellbeing program
- · Retirement plan

<sup>\*</sup>Pay and benefit programs may vary based on the position. Some employees are under collective bargaining agreements that outline the benefits they may receive. If the information conflicts with the terms of the written plan documents governing the plan, the plan document will control. Compensation and benefit plans are subject to change and Evergy has the right to end, suspend or amend any of its plans at any time in whole or in part.

#### **Benefits Eligibility**

Employees who work at least 20 hours per week are eligible with most benefits being effective on hire date as long as the employee is enrolled within 31 days. The following dependents are also eligible:

- · Legal Spouse
- · Children up to age 26



#### **Engage and Retain**

#### Engagement

At Evergy, every employee plays a key role in serving our customers and communities, providing affordable, reliable, and sustainable power, and creating a work environment that enables successfully fulfilling those responsibilities. The way we work and how we interact with each other are the essence of culture. Evergy uses a variety of mechanisms to gather feedback from employees. One of the tools at our disposal to gauge our progress in building an engaged, continuous improvement culture is the Gallup Employee Engagement Survey. All bargaining and nonbargaining employees are invited to participate. Approximately 76% employees participated in our last survey.

#### **Engagement Focus Areas:**

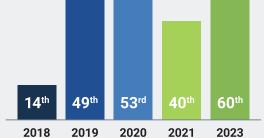
- Change Management: Create clarity, mission orientation and inspiration across Evergy
- Diversity Equity & Inclusion: Focus on enhancing belonging across all ethnicities
- · Manager Development: Focus on managers ability to become coaches rather than bosses

### Evergy Employees who strongly agree that...



# Survey Participation and Engagement Mean

Year	Participation	Mean
2023	76%	4.02
2021	74%	3.88
2020	71%	3.95
2019	71%	3.91
2018	77%	3.64

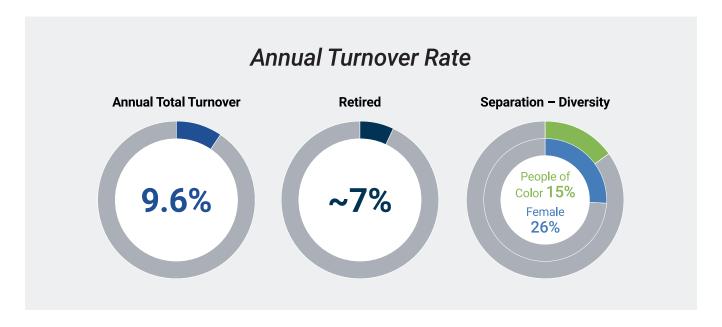


**Engagement Percentile** 

Note: Percentiles based on 1Gallup's Q12 Overall Company Level Database from the survey year

#### **Workforce Evolution**

Evergy recognizes the importance of workforce evolution and adaptability in business continuity. This can result in a need to reduce workforce in certain areas of the company from time to time. This occurred in 2022, and Evergy developed an Enhanced Retirement Program intended for employees close to retirement and was limited in scope. This mutually beneficial program fulfilled most of the needed workforce reduction and allowed participants of the program to receive certain benefits. This program also created opportunities for some workgroups to restructure and modernize processes, as well as support growth and introduce new skillsets to the company.





#### Assess and Execute

The pace and scale of change today requires Evergy to have strategic workforce planning and feedback mechanisms to adapt and enable our employees today and ready them for tomorrow. In partnership with Operations, the Human Capital team identifies and anticipates workforce gaps and creates the employee experience they need to serve our customers and our communities.

#### Workforce Planning

As part of our workforce planning, Evergy implements a succession planning process. Succession management ensures leadership depth and continuity for Evergy to achieve the company's current and future business goals. The methodology enables an understanding of the current talent pool, creates visibility to high potential leaders and/or talent with critical skills and aligns actions to strengthen the team and retain key talent. We are focused on the following goals for succession planning:

- · Identify successors from executive to supervisor
- · Cycle through entire downline (executive to supervisor) by the end of 2024
- Build leadership capabilities
- Evolve the Talent Review process to better enable the identification, differentiation & development of talent
- Enhance the calibration process with better insights
- Create a holistic talent development program that includes learning, coaching/mentoring, key experiences for breadth and depth and heightened exposure

#### Succession Planning Progress

100% 100% 100%

Vice-Presidents

Senior Directors

Directors

#### **Labor Relations**

Evergy recognizes the right of all employees to select union representation, in accordance with applicable laws. We facilitate positive union relations and promote collaboration on business and employees' challenges that impact our operations and workforce. Approximately 55% of our workforce is represented by unions.

#### **Key Anchors:**

- · Fair Wages, Benefits, Opportunities to match skill sets
- · Trust, Flexibility
- · Culture, Engagement

# Diversity, Equity, and Inclusion Pillars

Evergy's aspiration is to be an inclusive, equitable, and diverse People First culture that empowers better futures for all. In addition to building a diverse workforce, fostering an inclusive workplace and marketplace is critical to our success. DE&I's strategic pillars are:



#### Marketplace

Support inclusive economic **prosperity** for Evergy and our ecosystems through investing in diverse suppliers and improving community vitality

- Sustain 10+% supply diverse spend
- · Partner with 150+ diverse vendors
- Continue Diverse Supplier **Development and Mentoring** Program (Accelerate)



#### Workplace

Strengthen our **inclusive** environment that empowers better futures for our employees and our

- · CEO Action Pledge for Diversity & Inclusion
- Continue BRG growth (currently 25% of workforce embedded within 9 BRGs)
- Administer Employee **Engagement Survey and Action Plans**



#### Workforce

Create an **inclusive employee** experience that attracts, develops, and retains all employees, striving for a diverse and representative workforce

- · Implement and monitor enhanced hiring and onboarding processes and measurements
- · Complete the design of a comprehensive development program for diverse talent
- · Focus on pre-apprentice line program as pipeline for diverse talent

#### Marketplace

The objective is **to support inclusive economic prosperity** for Evergy and its ecosystem through investing in diverse suppliers and improving community vitality. Spending with diverse suppliers has increased and exceeded our 10% target the past two years. As we continue our partnership with 150+ diverse suppliers and ensure ongoing shared success, we are recognizing the challenge of sourcing qualified top-tier diverse suppliers in some categories. To address this critical challenge, we have launched a new supplier mentorship program. Additional information regarding our long-standing supply chain diversity efforts can be found here.

#### Workplace

The objective is **to strengthen our inclusive environment** that empowers better futures for our employees and our communities. Evergy's nine Business Resource Groups (BRGs) comprise 25% of our workforce and are key to strengthening our culture of inclusion. Evergy's Employment Engagement Survey shows that BRG members are more engaged than Evergy employees. Our DE&I Council, employee feedback, Inclusion and Diversity conversations held across the company, employee training, and online resources are also tools available to employees.



















#### Workforce

The objective is **to create an inclusive employee experience** that attracts, develops, and retains our employees, striving for a diverse and representative workforce. Evergy is partnering with a third party firm to identify gaps, establish goals and track improvement across the processes that enable an inclusive employee experience, starting with Talent Acquisition processes.

In addition, Evergy has an active line worker apprenticeship program with Metropolitan Community College, Pratt Community College and the State Technical College of Missouri, with ongoing discussions to broaden the diversity of the candidate pool through community partnerships and relationships within our service territory. Hiring representation by gender and ethnicity race is 18% and 25% respectively. We continue to develop diverse leaders through leadership development programs within Evergy, and external learning opportunities that provide strong community connections. Within Evergy's first diverse leadership program cohort, 17% of the participants have been promoted.

# **>>** Labor, Health, and Safety

#### **Human Rights and Labor**

Evergy is committed to respecting and protecting human rights and implementing sound labor policies in the course of our business. In keeping with this commitment, we support international human rights principles such as those identified in the United Nations Universal Declaration of Human Rights. More information can be found by reading <a href="Evergy's Human Rights Policy">Evergy's Human Rights Policy</a>.

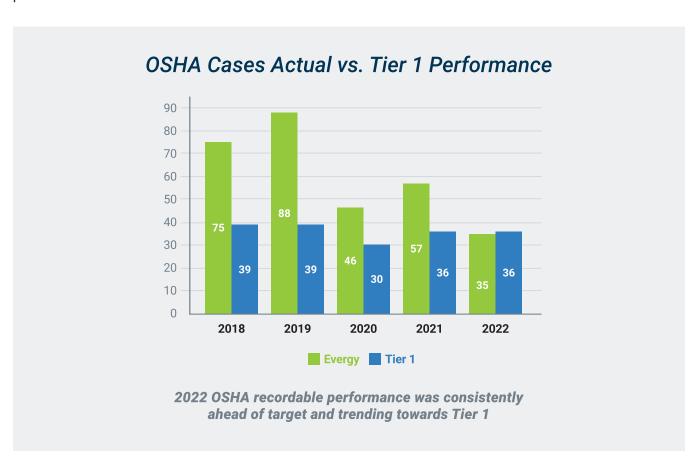
#### **Occupational Health and Safety**

Safety is a core value at Evergy, and we value safety at all times and in all situations with both our internal and external stakeholders.

#### **Employee Safety**

2022 was a solid year for safe work by Evergy employees with a significant reduction in injuries. Injuries have trended downward over the last 5 years. Data related to Evergy's full time employees' safety metrics can be found in our most recent EEI Data Template here: <a href="investors.evergy.com/sustainability.">investors.evergy.com/sustainability.</a>

Evergy's safety performance during 2022 was consistency ahead of target and trending toward Tier 1 performance.



#### **Emergency Preparedness Programs**

Evergy recognizes that their facilities and operations can provide unique safety and emergency response challenges. We use and train multiple specialty resources/teams to be prepared in the event of an emergency.

#### · Rescue Teams

All coal-fired generation facilities have confined space and high-angle rescue teams. Rescue personnel are trained annually, using real life scenarios and rescue situations. These teams have a comprehensive scope of skills that include rope rescue techniques and other specialized gear/equipment. Teams perform rescue work in areas that could include the side of a building, elevated scaffolding/ladders, and confined spaces.

#### · Fire Brigade

Jeffery Energy Center has a trained fire brigade prepared to respond to larger fire emergencies. The team is trained in offensive fire attack and fire rescue, beyond incipient level, where additional PPE is required, such as bunker gear and self-contained breathing apparatus. This team participates in the following training:

- On-site training conducted by the Fire Brigade coordinator.
- Local training in conjunction with area responding fire department.
- · 40 HR NFPA 1081 course through OSU / Texas A&M.
- Hazardous materials (HAZMAT) training for spill containment

All other employees are trained to respond at the incipient fire level.

#### Safety Professional and Medical Support

Our internal safety and medical teams are available to support employees and respond in case of an emergency 24 hours a day. Team members respond to employee emergencies, provide storm support and customer support (vehicle struck pole, downed lines, other safety related emergencies).

In addition to taking care of our employees, we continue to provide educational programs for customers and contractors about electricity safety and tree trimming and planting. Employees visit area schools to teach students electrical safety as well.

#### **Contractor Safety**

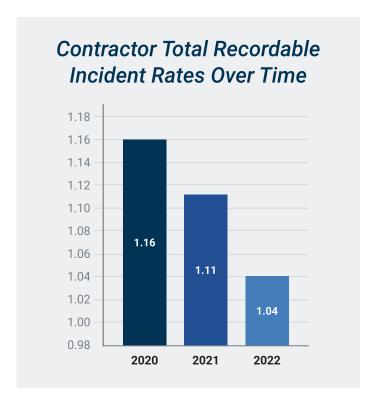
In addition to taking care of our employees, we strive to improve the safety of contractors working on our property.

Evergy partners with subject matter expert review teams at ISNetworld to review all contractors performing
high risk work on Evergy property and assets. These contractors are reviewed and approved for work on Evergy
property based on their safe work history and practices. Nearly 600 contracted companies are vetted through
this established process.





- Evergy hosts monthly safety meetings with contractors working on property. The focus of these meetings is education and collaboration for safe work practices.
- Evergy partners with our contractors to provide training opportunities and support incident reviews. We believe the transparent sharing of information and proactive safety improvement opportunities allows for both our internal employees and contractors to work safer. All contractor incidents and incident investigations are reported within the ISNetworld platform for recording purposes.
- Since partnering with ISNetworld in 2018, Evergy contractor total recordable incident rates have decreased.



#### **BENEFIT TO STAKEHOLDERS**

Having a reliable, safe, and secure power grid is critical to our ability to serve our customers. Evergy is constantly working to improve upon our existing safety culture. Reducing accidents, improving human performance, protecting our employees and the communities we serve are all important as Evergy focuses on carrying out our strategic plan. Safety, employee engagement, and a high performing culture are all critical enablers to delivering safe and reliable power to our customers.

#### **Public Safety**

Evergy continues to stay intently connected to our external community partners through a variety of safety programs, including employee visits to areas schools to teach about electrical safety, public information on safe tree trimming/planting practices and through the Evergy Public Safety Program. The Evergy Public Safety Program pursues focused touchpoints with stakeholders throughout the service territory. In 2022, Evergy connected with 7,500 stakeholders through more than 70 live presentations and demonstrations.

The Evergy Public Safety Program focuses on educating contractors, first responders, children, and the general public about living and working safely near utility assets. Our most popular avenue for this education is provided through classroom and live demonstrations in which we operate a live exhibit simulating a power grid.

Demonstrations are tailored to the audience and highlight the consequences of contact with power lines. In 2022, Evergy launched two new programs for the public:

Solar – A solar safety program focused on installation, maintenance, and emergency response that was initially
created for first responders and made publicly available. This is in addition to a new online solar safety program
introduced December 2021. The new program educates stakeholders on battery storage systems for solar
components.

• Continued Education Units (CEUs) – Evergy is proud to serve the community by offering the Electrical Safety Certification program, which is a unique and impactful way to train first responders to help them safely respond to emergency situations that involve Evergy assets. Attendees earn state certified CEUs with completion of this program.





Evergy also connects directly with thousands of stakeholders in our territory by providing safety related materials and programming through direct mail. Safety resources are available at <a href="evergy.com/community/safety">evergy.com/community/safety</a> and specifically for children, parents, and educators at e-SMARTkids (<a href="evergy-safety.com">evergy-safety.com</a>).

Program	Direct Mailers	Website Views
Contractors	31,761	2,272
First Responders	1,893	8,351
Schools	5,612	5,314
Total	39,266	15,937

#### **Public Safety Partnerships**

Evergy partnered with multiple community and educational organizations in 2022 to improve public safety.

#### · iBuild 2022

Our Public Safety program had the opportunity to provide electrical safety with the hot trailer demonstrations for iBuild 2022. This event is targeted to upper grade levels in secondary school as well as first year students in vocational schools. Over 450 students attended the Evergy safety booth.

#### · Utilities Public Safety Alliance (UPSA) Conference

In May 2022, our Public Safety Team presented a review of the Evergy Public Safety Programs to the Utilities Public Safety Alliance Conference in Pennsylvania. The one-hour presentation had an audience of 50 UPSA members and guests.

#### · Prescribed Burning Video Series

Partnering with the Kansas Grazing Lands Coalition, Evergy's Public Safety Team worked on a Prescribed Burning Safety Video Series in 2021. This video series went live in 2022 on Kansas Grazing Lands Coalition website and social media pages.

#### Safety on Social Media

Evergy has over 88,000 followers on Facebook, over 9,000 followers on LinkedIn and over 9,000 followers on Twitter. These platforms allow us to reach our stakeholders with safety messages that are timely and relevant to subscribers. In 2022, more than 50 public safety messages were published on these social media platforms and were viewed over 90,000 times.





More information about our commitment to safety can be found by reading Evergy's safety policy here: <u>Evergy Safety Policy</u>.

# Governance

### **Board Structure**

Each member of Evergy's Board of Directors (Board) is elected by shareholders annually, and more than 80% of the members of the Board are independent. The Board annually appoints a Lead Independent Director, and the Board holds standing executive sessions comprised of only independent directors to ensure that adequate independent oversight exists on the Board.

Director Snapshot\* Directors'
Race/Ethnicity

17%
diverse

Directors' Directors' Independence

female

independent

\*as of June 2023

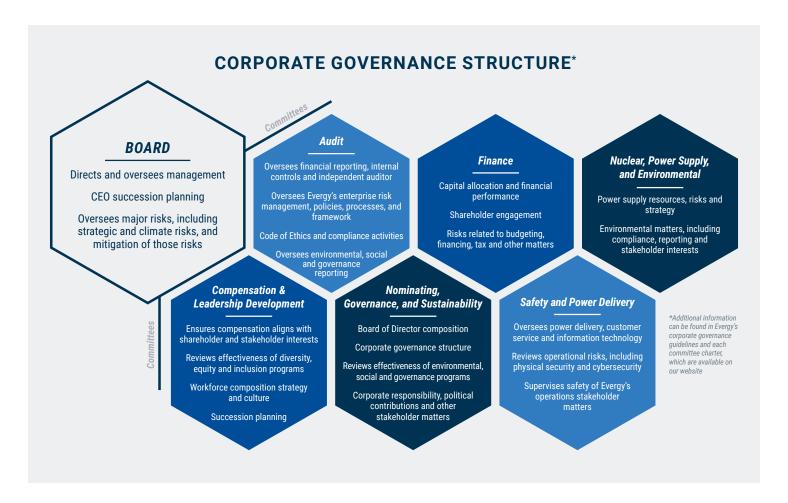
# BENEFIT TO STAKEHOLDERS

A strong governance structure ensures Evergy has policies and controls in place to guide ethical and effective business conduct. The governance structure creates a framework in which Evergy's businessenabling decisions are balanced with external stakeholders benefits.



Effective December 2022, Evergy transferred its stock exchange listing from the New York Stock Exchange to the Nasdaq Stock Market LLC (NASDAQ). Evergy's Board composition exceeds NASDAQ's minimum board diversity objective of at least two diverse Board members. We believe our stock exchange move allows us to join a wide range of innovative companies and benefit from Nasdaq's cutting-edge technology to serve our shareholders.

The Board is responsible for the oversight of major risks (as well as mitigation plans) of the Company including strategic, financial, operational, and compliance risks. The Board has delegated some specific risk oversight responsibility to its committees, as provided in the committee charters and highlighted below.



All of the committee charters, governance documents and public policy information can be found at <a href="mailto:investors.evergy.com/corporate-governance/documents-charters">investors.evergy.com/corporate-governance/documents-charters</a>.

# **₩** Governance Highlights\*

Торіс	Feature	
	Annual election of directors	
Shareholder	Majority voting in uncontested elections	
Empowerment	Proxy access	
	Shareholder right to call special meeting	
	Separate Chair and CEO	
	Lead Independent Director	
	Independent Committee Chairs	
	Standing executive sessions in Board and Committee meetings	
Indonesia de la constant	Annual self-evaluations	
Independence and Corporate	All Board members re-elected annually; no staggered terms	
Governance	Shared oversight of risk management	
Best Practices	Robust stock ownership requirements – 6-times base salary for CEO	
	Clawback provisions in award agreements	
	Whistleblower hotline	
	No shareholder rights plan or poison pill	
	No short selling, hedging, or pledging allowed by any employee or non-employee director	
	Board oversight of environmental, social and governance matters	
	Carbon dioxide emission goal of net zero by 2045, assuming key technology, policy, and regulatory enablers are in place	
Sustainable Operations and	Master Credit Facility with pricing based on diversity and non-emitting carbon dioxide generation goals	
Carbon Emission Reduction	Almost half of power generated from non-carbon emitting sources	
noudotion.	Transparent environmental disclosures	
	New executive Long-term Incentive Plan metric based on total megawatts of renewables by year end 2024	
	Diverse Board, including four female directors	
Diversity	Diverse executive management team, including four female officers	
	Executive Annual Incentive Plan includes a discretionary DE&I modifier	
Dolitical Chanding	Board oversight of political spending	
Political Spending	Annual disclosure of political spending	
Cyborocorrity	Annual cybersecurity training for employees	
Cybersecurity	Board oversight of cybersecurity matters	

#### **Code of Ethics**

Evergy's Board has adopted a Code of Ethics (Code) to set the tone for expectations that all directors, officers, and employees act in an ethical and lawful manner. The Board reviews and approves the Code annually.

Given that ethical behavior is important to our success, we work hard to make our employees familiar with company expectations of compliance. Examples of these efforts include conducting annual ethics and compliance training, sending quarterly ethics-focused communications to all employees, providing ethical decision-making scenarios for leaders to use to foster conversation, and providing various means of raising concerns including an anonymous concerns line managed by a third-party.

Evergy also has a Supplier Code of Conduct to provide suppliers, agents, business partners, consultants and others who work for us an understanding of company expectations and provide a framework for compliance.

Other parts of our process to promote lawful and ethical business conduct include policies and procedures, compliance monitoring and reporting and periodic training on various areas of the law and corporate policies. We have also established a "ConcernsLine," which is independently administered and is available 24 hours a day, every day, for the confidential and anonymous reporting of concerns and complaints.

Links to Evergy's Code of Ethics and Supplier Code of Conduct are available below: <a href="Code">Code of Ethics</a>
Supplier Code of Conduct

#### **Shareholder Rights**

We also value shareholder participation in our governance processes. We introduced "proxy access" rights for shareholders for the 2020 proxy season. Our bylaws allow one or more shareholders owning at least 15% of common stock to call special shareholder meetings, provided requirements are met. Moreover, shareholders have been involved in identifying four of the five directors that have joined the Board since 2020. Our proxy statement includes additional information about our environmental, social, and governance leadership.

#### Security

#### Cybersecurity

Evergy's cybersecurity and information technology risk mitigation program is based on a comprehensive set of laws and rules issued by multiple government agencies concerning cybersecurity and safeguarding Evergy's operating information, proprietary business information and personal information belonging to customers and employees. Evergy is subject to recurring, independent, third-party audits with respect to adherence to these laws and rules.

Evergy's cybersecurity program uses a multi-layered framework and is designed to align with the Cybersecurity Framework issued by the National Institute of Standards and Technology (NIST) within the United States Department of Commerce and the United States Department of Energy Cyber Capability Maturity Model (C2M2) standard. Evergy also maintains information security risk insurance coverage. Evergy's cybersecurity team regularly coordinates with industry peers, industry trade organizations, and multiple state and federal governmental agencies, including the United States Department of Homeland Security and the Federal Bureau of Investigations within the United States Department of Justice.

All Evergy employees complete an annual information security awareness training that addresses information technology, cybersecurity, privacy, and other matters, and Evergy provides frequent awareness opportunities to employees by conducting controlled phishing campaigns and periodically providing other educational opportunities. Evergy's management team is responsible for the design and implementation of this program, subject to oversight of the Board and its committees.

#### **Grid Security**

We believe that electricity is the backbone of our communities, and the security and reliability of the power grid is of utmost importance. Evergy has a vast security network to protect against physical and cyber threats. Through robust security, business continuity and crisis management planning, Evergy seeks to maintain a secure, reliable power supply and distribution network for our customers. Additionally, Evergy works with state and federal agencies to ensure that our program is in sync with government direction. For example, Evergy participates in a biannual nationwide security exercise known as GridEx. Entities take lessons learned from this exercise and implement them in their programs. Along with the GridEx participation, Evergy has held multiple other exercises and used the lessons learned to enhance security of our systems, supply chain, communications, and overall grid reliability.

#### Cyber and Information Technology Governance

Evergy's Safety and Power Delivery Committee helps the Board with respect to, among other things, oversight of cybersecurity risks and other aspects of Evergy's information technology function. Annually, the Board and its committees received five presentations that were specific to information technology and cybersecurity matters, and information technology and cybersecurity matters are also incorporated into other presentations as relevant to the presentation. Information technology and cybersecurity matters are also regularly assessed in connection with the Board's oversight of Evergy's operations. At least once each year, the full Board receives a report from management of key business and compliance risks and related mitigation plans, and management reviews cybersecurity matters with the Board in connection with this report. Evergy's Audit Committee also receives reports from the Company's Audit Services department regarding the results of reviews of cybersecurity matters and information security governance.

Evergy also expects our suppliers to abide by the cybersecurity requirements found here: Evergy Supplier Cybersecurity Requirements.

#### **Privacy**

Evergy understands the concerns about the use of personal information and is committed to protecting our customers' privacy. We have implemented and publicly disclosed a Privacy Policy to give our customers a better understanding of how we manage their information. This Privacy Policy applies to information we collect when our customers obtain service from us, use our websites, systems, or applications, or otherwise interact with us.

Evergy controls and retains information collected on our websites, our systems, and applications. The security of our customers' personal information is important to us. We maintain commercially reasonable physical, technical, and administrative security measures to protect and limit access to personal information and we regularly review our security procedures to consider proper innovative technology and protection methods. As part of our annual information technology employee compliance training, employees receive training on privacy. Privacy risk is included in information technology functions, which Evergy's Board of Directors oversees.

#### **ESG** Governance

On an annual basis, the Nominating, Governance, and Sustainability Committee conducts an assessment of the effectiveness of the Board and its committees and reviews the results with the Board. As part of this process, the Board determines the competencies needed on the Board to sustain long-term stakeholder value. In 2021, the Board determined the following categories of competencies were primarily important, among others: strategy development; federal and state regulation and compliance; alignment of company culture and compensation and leadership development; accounting, finance and investment management; risk management; operational oversight; customer experience; community and political relations; and environmental, social and governance, which was added as a standalone core competency in 2021 in recognition of the importance of ESG matters to our stakeholders.

Evergy has also established a management structure to oversee and drive ESG matters. For many years, Evergy has had a working group composed of representatives of Evergy's corporate governance, investor relations, environmental stewardship, operations, public affairs and community relations, and diversity, equity, and inclusion teams to monitor and lay the foundation for ESG business objectives and reporting. In addition, Evergy has an ESG Steering Committee comprising our President and Chief Executive Officer, and many senior executives and officers to identify company priorities, provide a platform and resources to implement ESG initiatives, and engage with the Board committees responsible for ESG matters.

### **Board of Directors and Committees** *Oversight*

#### **Key ESG focus areas**

- · Risk oversight and mitigation
  - · Corporate governance, sustainability, political and lobbying spending
    - · Company culture and diversity, equity and inclusion
      - · Environmental matters, environmental policy, and environmental reporting

# **Executive ESG Steering Committee**

Comprised of Officers and Senior Executives

- · Direct company ESG initiatives
  - · Report on ESG initiatives to the Board
    - Incorporate ESG priority issues into company strategic initiatives

#### **ESG Working Group**

Comprised of multiple department heads across Evergy

- · Oversee specific ESG business objectives
  - · Provide relevant information and data to support ESG reporting
  - Communicate and carry out ESG initiatives within specific business units

# Corporate Sustainability ESG program management

- Coordinate Steering Committee and Working Group
  - · Gather data and report externally
    - Participate in industry stakeholder projects, which includes mapping to industry frameworks (SASB, TCFD, EEI, EPRI, CDP, etc.)

#### **ESG Data Governance**

ESG issues and associated metrics are becoming increasingly important for many. Robust, complete, and comparable data is crucial to managing all ESG- related issues and is expected by internal and external stakeholders. To this end, in 2022, Evergy received independent <a href="mailto:third-party-verification">third-party-verification</a> of the 2021 scope 1, 2 and 3 emissions. The verification was done in alignment with the principles of ISO 14064-3:2006. Evergy also received <a href="mailto:third-party-verification">third-party-verification</a> on diverse supplier spend, recordable incident rate, workforce training hours, and total workforce cost.

Third party verification of ESG-related data can be beneficial to:

- · Establish a robust baseline for future net-zero or other decarbonization activity;
- · Meet market demand for reliable ESG performance information; and
- · Increase the efficiency of processes for sustainability reporting.

In addition to this external verification, Evergy has an established data collection processes and controls that are reviewed by Evergy's Audit Services department. Reporting directly to Evergy's Audit Committee, Evergy's Audit Services conducts an annual review of ESG-related processes and controls as part of their audit plan that is approved by the Audit Committee.

#### **Executive Compensation**

Evergy prioritizes being a diverse, equitable, and inclusive company that empowers better futures for our employees and our communities. We believe that diversity adds depth to our company and makes us stronger. At Evergy, we seek to be aware of the ways our actions, consciously or unconsciously, impact our stakeholders and our company culture. We strive to take proactive steps to continually improve fostering DE&I. In 2022, and again in 2023, we added a discretionary DE&I modifier to our executive annual incentive plan to further promote and reinforce our commitment to DE&I. We measured our overall growth and engagement in the three pillars of Marketplace, Workplace, and Workforce.

See pages 41-43 of our <u>2023 Proxy Statement</u> for executive compensation metrics, targets and results for safety, reliability, customer, financial and DE&I.

The goals, targets, and results of our 2022 executive incentive plans are disclosed in our 2023 proxy statement. The 2023 compensation plan continued to support our strategic business plan with metrics similar to our 2022 metrics and targets focused on continued year-over year improvement. For 2023, the Long-term Incentive Plan continues to include an environmental metric based on total megawatts of owned renewables additions by year-end 2024 or buyins of purchase power agreements.

# Forward-Looking Statements

Statements made in this report that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. Forward-looking statements include, but are not limited to, statements based on Evergy managements' current assumptions and expectations, including statements regarding our ESG targets, goals, commitments and programs, and relating to the strategic plan for Evergy, Inc. and its subsidiaries (the "Evergy Companies"), including, without limitation, those related to earnings per share, dividend, operating and maintenance expense and capital investment goals; the outcome of legislative efforts and regulatory and legal proceedings; future energy demand; future power prices; plans with respect to existing and potential future generation resources; the availability and cost of generation resources and energy storage; target emissions reductions; goals with respect to employee and supplier diversity; and other matters relating to expected financial or ESG performance or affecting future operations. Forward-looking statements are often accompanied by forward-looking words such as "anticipates," "believes," "expects," "estimates," "forecasts," "should," "could," "may," "seeks," "intends," "proposed," "projects," "planned," "target," "outlook," "remain confident," "goal," "will" or other words of similar meaning. Forward-looking statements involve risks, uncertainties and other factors that could cause actual results to differ materially from the forward-looking information.

In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the Evergy Companies are providing a number of risks, uncertainties and other factors that could cause actual results to differ from the forward-looking information. These risks, uncertainties and other factors include, but are not limited to: economic and weather conditions and any impact on sales, prices and costs; changes in business strategy or operations; the pace and potential delays with respect to research and development of new and existing technologies needed to meet target emissions and resources reduction goals; the impact of federal, state and local political, legislative, judicial and regulatory actions or developments, including deregulation, re-regulation, securitization and restructuring of the electric utility industry; decisions of regulators regarding, among other things, customer rates and the prudency of operational decisions such as capital expenditures and asset retirements; changes in applicable laws, regulations, rules, principles or practices, or the interpretations thereof, governing tax, accounting and environmental matters, including air and water quality and waste management and disposal; the impact of climate change, including increased frequency and severity of significant weather events and the extent to which counterparties are willing to do business with, finance the operations of or purchase energy from the Evergy Companies due to the fact that the Evergy Companies operate coal-fired generation; prices and availability of electricity in wholesale markets; market perception of the energy industry and the Evergy Companies; the impact of the Coronavirus (COVID-19) pandemic on, among other things, sales, results of operations, financial condition, liquidity and cash flows, and also on operational issues, such as supply chain issues and the availability and ability of the Evergy Companies' employees and suppliers to perform the functions that are necessary to operate the Evergy Companies; changes in the energy trading markets in which the Evergy Companies participate, including retroactive repricing of transactions by regional transmission organizations (RTO) and independent system operators; financial market conditions and performance, including inflation, changes in interest rates and credit spreads and in availability and cost of capital and the effects on derivatives and hedges, nuclear decommissioning trust and pension plan assets and costs; impairments of long-lived assets or goodwill; credit ratings; inflation rates; the transition to a replacement for the London Interbank Offered Rate (LIBOR) benchmark interest rate; effectiveness of risk management policies and procedures and the ability of counterparties to satisfy their contractual commitments; impact of physical and cybersecurity breaches, criminal activity, terrorist attacks, acts of war and other disruptions to the Evergy Companies' facilities or information technology infrastructure or the facilities and infrastructure of third-party service providers on which the Evergy Companies rely; ability to carry out marketing and sales plans; cost, availability, quality and timely provision of equipment, supplies, labor and fuel; ability to achieve generation goals and the occurrence and duration of planned and unplanned generation outages; delays and cost increases of generation, transmission, distribution or other projects; the Evergy Companies' ability to manage their transmission and distribution development plans and transmission joint ventures; the inherent risks associated with the ownership and operation of a nuclear facility, including environmental, health, safety, regulatory and financial risks; increase in price of commodities; workforce risks, including those related to the Evergy Companies' ability to attract and retain qualified personnel, maintain satisfactory relationships with their labor unions and manage costs of, or changes in, retirement, health care and other benefits; disruption, costs and uncertainties caused by or related to the actions of individuals or entities, such as activist shareholders or special interest groups, that seek to influence the Evergy Companies' strategic plan, financial results or operations; the possibility that strategic initiatives, including mergers, acquisitions and divestitures, and long-term financial plans, may not create the value that they are expected to achieve in a timely manner or at all; difficulties in maintaining relationships with customers, employees, regulators or suppliers; and other risks and uncertainties.

This list of factors is not all-inclusive because it is not possible to predict all factors. You should also carefully consider the information contained in our other filings with the Securities and Exchange Commission (SEC). Additional risks and uncertainties are discussed in Part I, Item 1A - Risk Factors in the Annual Report on Form 10-K, and from time to time in current reports on Form 8-K and quarterly reports on Form 10-Q filed by the Evergy Companies with the SEC. Each forward-looking statement speaks only as of the date of the particular statement. The Evergy Companies undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

