
Environmental Performance Excellence

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**PINNACLE WEST
CAPITAL CORPORATION**

Excellence = SHAREHOLDER VALUE

- **Managing for environmental excellence is a complex challenge**
- **High level, sustained environmental performance is a gauge of effective management of complex issues**
- **Effective management leads to increased shareholder value**

Excellence = LONGSTANDING COMMITMENT

- **Created EHS Vice President position**
- **Environmental oversight by board**
- **1st electric utility to endorse CERES principles**
- **1st electric utility to submit annual EH&S report**
- **1st electric utility to adopt Global Reporting Initiative standards**

Excellence = SUSTAINABLE PERFORMANCE

■ Fuel Diversification

- 43% coal**
- 27% nuclear**
- 30% gas/oil**

■ Power plant emissions below industry averages

- CO₂ - 35% lower**
- NO_x - 50% lower**
- SO₂ - 70% lower**

Excellence = RECOGNIZED PERFORMANCE

- **Ranked #2 electric utility by Innovest**
 - **out of 28 S&P 500 Utilities**
- **Business Ethics Award from the Better Business Bureau**

Excellence = MANAGING RISKS

- **3 Pollutants - SO_x, NO_x, Hg**
- **Global climate change**
- **Cleaning up historic contamination**

Excellence = LEADING THE WAY

- **Renewable energy portfolio**
- **Researching new technologies**
 - **fuel cells**
 - **hydrogen**
- **Commitment to employees & community**
 - **volunteerism - 127,000 hours**
 - **employee giving - \$2.2 million to United Way**