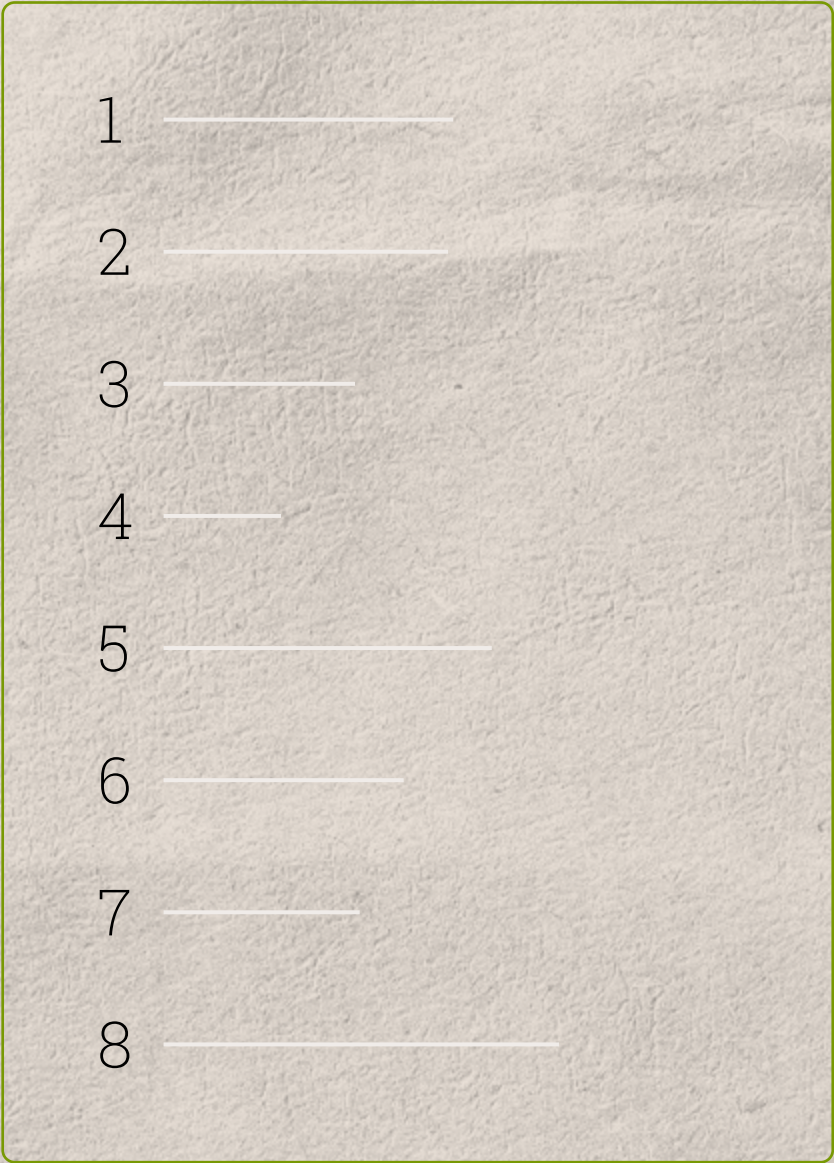




2025 Sustainability Report

Preparing for tomorrow, today

Cover photo:
Welder, Mike, working
on a pipeline project in
Hugoton, Kansas



Delivering value. Making an impact. Building what's next.

At Black Hills Energy, our work begins with a clear responsibility: deliver safe, reliable and cost-effective energy to the customers and communities we serve. For more than 142 years, that commitment has guided how we operate, invest and show up for our 1.37 million customers across the 850+ communities who depend on us every day.

We are a company grounded in strong values and local connections, with customers and employees at the center of every decision. This focus drives our long-term strategy, system investments, and steady progress toward our sustainability goals.

Advancing our goals

In 2025, we achieved a 43% reduction in electric utility emission intensity compared to 2005, representing significant progress toward our goals and reflecting the addition of renewable and natural gas resources, along with the retirement and replacement of aging power plants.

We reduced reported natural gas utility emissions by 25% since 2022, demonstrating strong, steady progress toward our net-zero by 2035 goal. This included a 53% reduction in emissions from transfer stations, previously our largest natural gas distribution emission source. Our accomplishment is significant as we achieved this reduction in a single year through expanded leak detection and repair efforts of our operations and environmental teams.

Building a safer, stronger energy future – together

In 2025, we made meaningful progress strengthening the system our customers rely on every day. The completion of the 260-mile Ready Wyoming transmission expansion is more than an infrastructure milestone, it's a reflection of our commitment to connecting communities, supporting regional growth and investing for the long term.

At the same time, we're preparing for a changing environment. Increased wildfire risk and more extreme weather, demand a thoughtful, proactive approach. In partnership with local emergency responders, we launched an Emergency Public Safety Power Shutoff program and expanded our use of advanced weather monitoring, giving us better tools and better data, helping us protect the people and places we serve.

We're also looking ahead, advancing innovative solutions like hydrogen production and carbon capture at our Neil Simpson Complex. This work reflects our belief that reliability and sustainability must move forward together.

Delivering value for our customers and communities

Customers are looking for practical ways to manage energy costs, improve efficiency and reduce their environmental impact. Through programs like Energy Efficiency rebates, ReadyEV and Green Forward, we continue providing solutions that help customers make informed energy decisions, while supporting their individual goals. In 2025, energy efficiency helped conserve more than 13 million kilowatt-hours of electricity and 295,000 dekatherms of natural gas.

Strong communities are essential to a strong future. Through employee volunteerism, charitable giving, Foundation support and customer-supported programs like Black Hills Cares, we invest in organizations that help improve our communities and create opportunities for neighbors to help neighbors.

Looking ahead

We're at an exciting moment in the energy industry. Energy demand is growing, customer expectations are evolving, and building a safer, more resilient, reliable and sustainable energy future requires both discipline and forward thinking.

We remain committed to making continued progress toward our energy goals, making thoughtful decisions, advancing practical innovation and keeping our customers and employees at the center of every decision. We'll continue to show up for our communities, grounded in our mission of improving life with energy.

We're proud of the progress reflected in this year's report and look forward to the path ahead. Thank you for your interest in Black Hills Energy.



Linn Evans

*President and
Chief Executive Officer*



Katie Fleming

*Vice President of
Customer Experience and
Chief Sustainability Officer*

Year in review

In 2025, we continued to build on our commitment to a thoughtful and balanced sustainability strategy; prioritizing safe, reliable and cost-effective energy while supporting the long-term success of the communities we serve. Across our eight-state footprint, we made meaningful progress toward our environmental goals, strengthened critical infrastructure, enhanced system resilience and deepened our connections with employees, customers and community partners. Reliability and resilience remained at the heart of everything we do, alongside a continued focus on planning for a more sustainable energy future.

Electric emissions

Achieved a **43% reduction** in our electric utility emission intensity since 2005, surpassing our 2030 target five years early.

Natural gas emissions

Reduced reported natural gas utility emissions by **25% since 2022**, demonstrating strong progress toward the Company's 2035 net-zero target, driven by pipeline replacements, expanded leak survey and repair efforts, and improved data integrity.

Transfer stations

Reduced emissions from transfer stations **53% since 2024** using expanded leak survey and repair initiatives. Previously, this was our largest natural gas distribution emission source.

Innovation

Advanced **carbon capture and hydrogen research projects**, including BrightLoop technology and CO₂ capture pilots.

Ready Wyoming

Completed the **260-mile Ready Wyoming transmission expansion project**, interconnecting systems across Wyoming and South Dakota.

Economic impact

Delivered an estimated **\$1.65 billion** in direct economic impact in 2025 by supporting jobs, paying taxes, investing in communities, and maintaining and upgrading electric and natural gas infrastructure.

System investments

\$900 million invested in infrastructure improvements and maintenance.

Energy efficiency

Energy efficiency programs saved **over 13 million kWh of electricity** and **over 295,000 dekatherms of natural gas**.

Renewable natural gas

Operate **10 RNG interconnects** supporting broader low carbon fuel markets, supplying pipeline-quality natural gas to the annual energy use of nearly **33,000 homes**.

PSPS

Established an **Emergency Public Safety Power Shutoff (PSPS) program** to reduce wildfire risk during extreme conditions.

1

ABOUT THIS REPORT

*Line crew working near
Sturgis, South Dakota*



Our corporate sustainability report provides insight and transparency into the environmental, social and economic impacts of Black Hills Energy. This voluntary report is

informed by sustainability reporting guidelines and strives to provide relevant insights into our business and how we view sustainability.

How we contribute to the SDGs

We are driving progress toward the United Nations (UN) Sustainable Development Goals (SDGs) within our company and the communities we serve.

Our commitment to sustainability is integrated into our corporate strategy and daily operations. By aligning our initiatives with the SDGs, we aim to create a positive impact that extends beyond our immediate business objectives. Through our dedicated efforts, we are paving the way for a better tomorrow.

We are directly or indirectly impacting progress toward the following [UN SDGs](#):

-  **3 GOOD HEALTH AND WELL-BEING**
-  **5 GENDER EQUALITY**
-  **6 CLEAN WATER AND SANITATION**
-  **7 AFFORDABLE AND CLEAN ENERGY**
-  **8 DECENT WORK AND ECONOMIC GROWTH**
-  **9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**
-  **10 REDUCED INEQUALITIES**
-  **12 RESPONSIBLE CONSUMPTION AND PRODUCTION**
-  **13 CLIMATE ACTION**
-  **15 LIFE ON LAND**

Reporting framework

This report was developed using guidance from the Edison Electric Institute (EEI) and the American Gas Association (AGA) Environmental, Social and Governance (ESG) qualitative disclosure and the Global Reporting Initiative (GRI). In addition to our corporate sustainability report, we also disclose through the following ESG frameworks, which can be found at blackhillsenergy.com/sustainability:

[EEI quantitative report](#)

[AGA quantitative report](#)

[Natural Gas Sustainability Initiative \(NGSI\) protocol](#)

[Sustainability Accounting Standards Board \(SASB\)](#)

[Task Force on Climate-related Financial Disclosures \(TCFD\)](#)

Additional information

Several of Black Hills Corporation's subsidiaries do business as Black Hills Energy. As this trade name is the commonly recognized name by many of our customers and shareholders, Black Hills Energy and Black Hills Corporation are used interchangeably throughout this report for ease of reference. Please note, the data supporting the disclosures contained in this report is representative of all subsidiary companies, not just those subsidiaries who operate under the trade name.

Black Hills Energy is committed to sharing information about our business and operations that is important to our stakeholders. We have issued new and updated reports, which can be found at blackhillsenergy.com/sustainability. Additional financial information is posted at ir.blackhillscorp.com.

Forward-looking statements

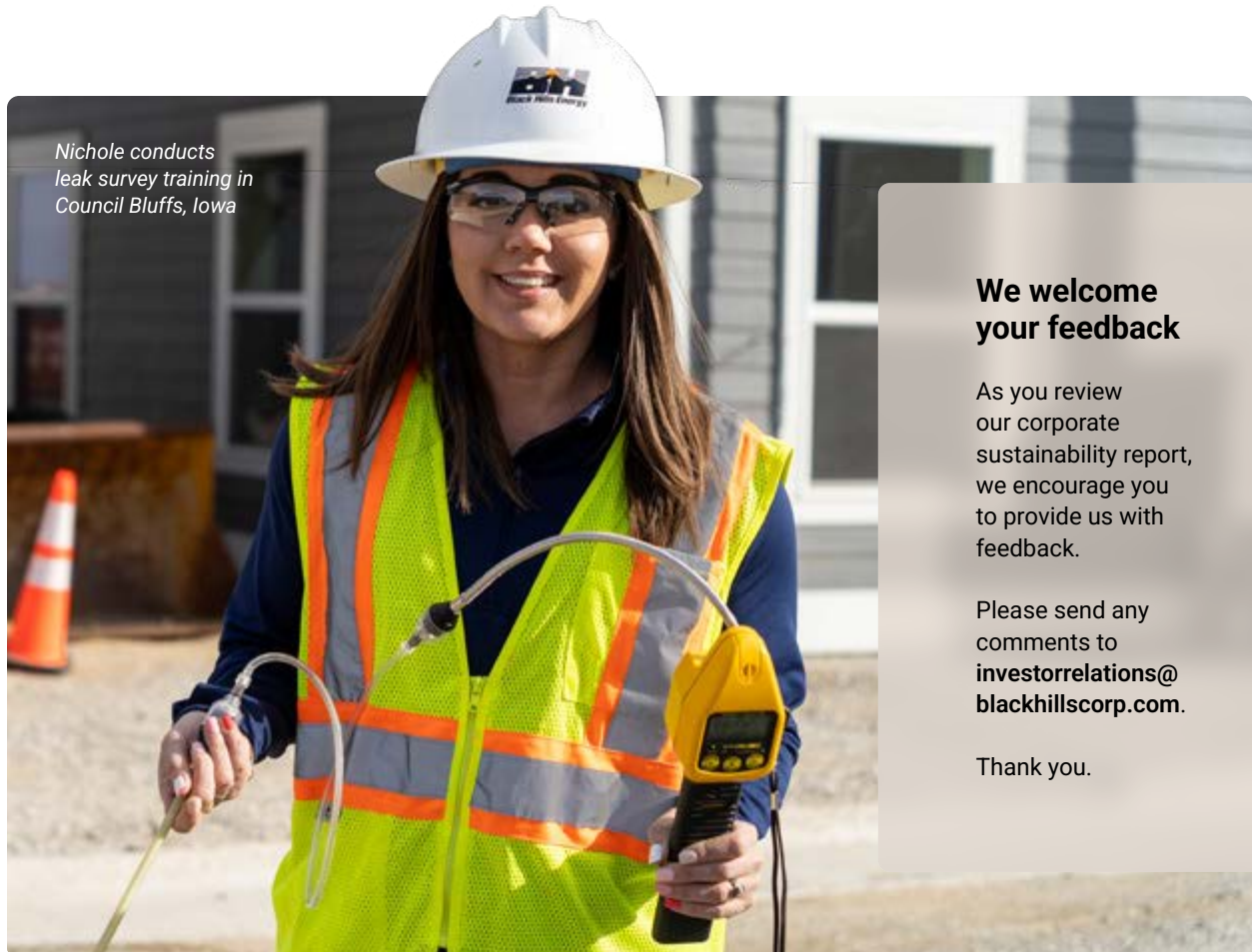
This report includes “forward-looking statements” as defined by the Securities and Exchange Commission (SEC). We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this report that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, are forward-looking statements, which are subject to various risks and uncertainties. Factors that could cause actual results to differ from those in the forward-looking statements may accompany the statements themselves.

These forward-looking statements are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business. Our business and any offering may be influenced by many factors that are difficult to predict, involve uncertainties that may materially affect actual

results and are often beyond our ability to control. These factors include, but are not limited to, our ability to deliver safe, reliable and cost-effective energy to our customers.

Whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including without limitation, the risk factors described in Items 1A of our 2025 Annual Report on Form 10-K and other reports that we file with the SEC from time to time.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.



Nichole conducts leak survey training in Council Bluffs, Iowa

We welcome your feedback

As you review our corporate sustainability report, we encourage you to provide us with feedback.

Please send any comments to investorrelations@blackhillscorp.com.

Thank you.

2

COMPANY PROFILE

*Horizon Point, company headquarters
in Rapid City, South Dakota*



Black Hills Corporation (NYSE: BKH) is a customer-focused, growth-oriented utility company with a tradition of exemplary service and a vision to be the energy partner of choice. Based in Rapid City, South Dakota, the company serves more than 1.37 million electric and

natural gas utility customers in 850+ communities in Arkansas, Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming. Employees partner to produce results that improve life with energy.

Our vision and mission



vision

**To be the
energy
partner
of choice**



mission

**Improving
life with
energy**

About us*

Regulated utilities



Natural gas



Electric

One of the

LARGEST

natural gas infrastructure systems in the country



Supported by vertically integrated power generation and mining businesses

Service territory



geographically diverse states

Arkansas • Colorado • Iowa • Kansas • Montana • Nebraska • South Dakota • Wyoming



Company headquarters

Rapid City, South Dakota

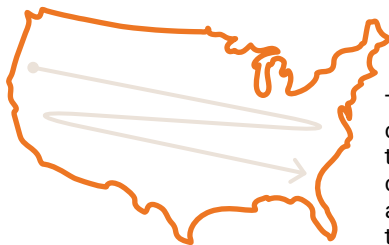
Electric

2,214

miles of transmission lines

7,264

miles of distribution lines



That's enough cable to cross the country coast to coast approximately three times

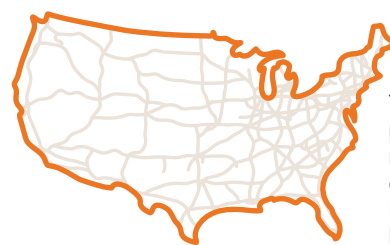
Natural gas¹

4,528

miles of intrastate gas transmission pipelines

45,568

miles of gas distribution mains and service lines



That's enough pipeline to nearly map out the USA's interstate highway system

*As of December 31, 2025

1. Reflects updated 2025 intrastate gas transmission pipeline mileage as reported to the Pipeline and Hazardous Materials Safety Administration

About us

Our Nebraska
service territory

Communities served

850+

Utility customers

We proudly serve **more than 1.37 million** electric and natural gas utility customers.*


 electric

Colorado
102,152

Montana
43

South Dakota
78,933

Wyoming
45,972

 natural gas

Arkansas
191,538

Colorado
218,140

Iowa
165,049

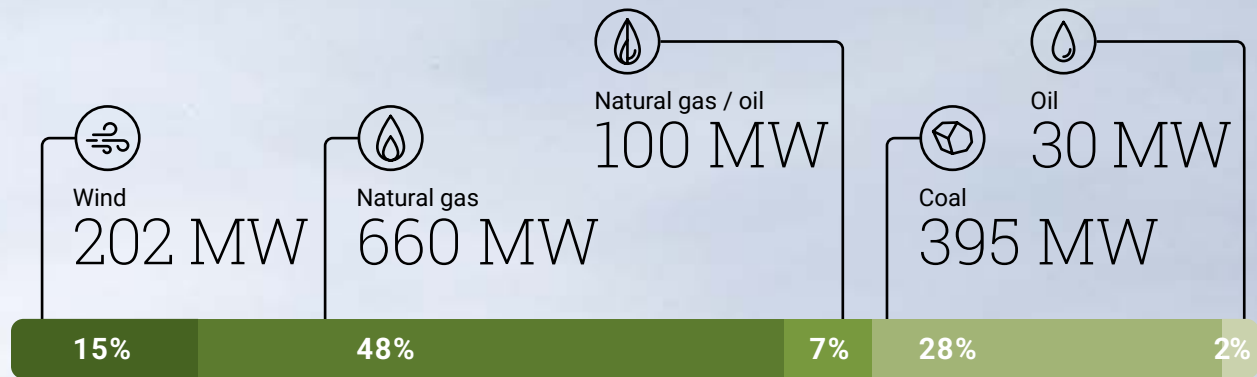
Kansas
120,987

Nebraska
306,452

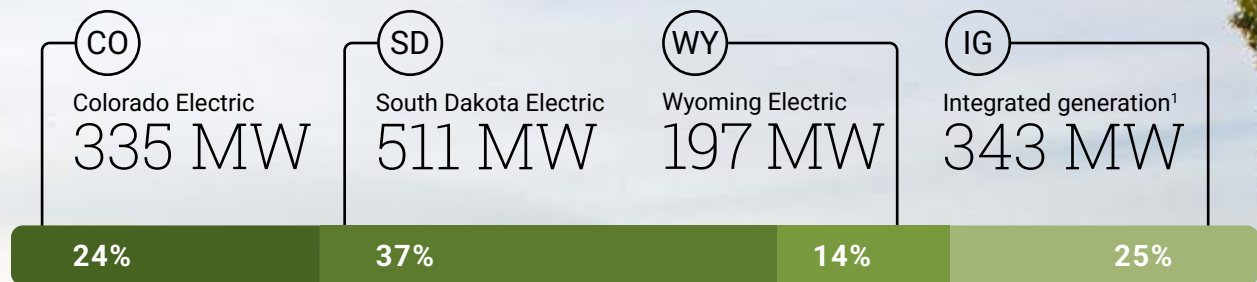
Wyoming
135,986

*Number of customers as of December 31, 2025

Owned capacity by fuel type



Owned capacity by electric utility



Our service territory in Pueblo, Colorado

As of December 31, 2025

1. Power generation and mining businesses are vertically integrated within our Electric Utilities segment



SUSTAINABILITY STRATEGY

*Busch Ranch II Wind Farm
in Southern Colorado*



We've continued to make progress toward our goal to reduce electric utility greenhouse gas emission intensity

40% by 2030 and 70% by 2040, as well as our natural gas utility goal to be net zero for our distribution system by 2035.

Project Manager, Quince,
practicing safety in
Hugoton, Kansas

Our mission:
improving life with energy

means

**we must be ready to
make tomorrow
even better than today**

That's why we are committed to creating a future that builds upon our responsibility to provide safe, reliable and cost-effective energy that improves our customers' lives.

By investing in the success of our employees, continual innovation, thoughtful utilization of resources and keeping people at the core of our decision making, we're dedicated to the sustainability of our company and communities.



*Devil's Den State Park,
located in our Arkansas
service territory*

Sustainability strategy and management

At Black Hills Energy, we're continuously strengthening our sustainability strategy. We are building on our success in delivering cost-effective energy and creating value for our customers and shareholders by pursuing innovative growth opportunities, minimizing risk and responding to evolving stakeholder expectations.

Sustainability is embedded throughout our business, and our ESG management framework is structured accordingly. Our Board of Directors oversees ESG, with management from our CEO and executive ESG Steering Committee, our dedicated ESG and sustainability department and our cross-functional sustainability working groups.

Risks and opportunities

We recognize the inherent role our business plays in the well-being of our communities. Please see [Black Hills Corporation's 2025 Form 10-K](#) and our [Task Force on Climate-related Financial Disclosures](#) for a discussion on climate-related risks and opportunities, including physical and transitional risks, policy and regulatory developments, emerging technology and customer growth.

Stakeholder engagement

We value our stakeholders and the diverse perspectives they offer. We engage with our stakeholders in a variety of methods and frequencies to both share information and receive feedback. The information below outlines engagement channels by stakeholder group.

Customers

Websites • Market research • Customer feedback (surveys, online comments, web chat, phone calls, email) • Billing statements, inserts and messages • Direct mail and letters • Emails • Text messaging • Social media • Paid media placement • Energy efficiency programs • Business account representatives • Carbon management programs

Communities

Support of community events and programs • First responder training • Volunteerism • Citizen advisory councils • Infrastructure project planning • Public comment meetings

Employees

Company huddles • Coffee breaks • Intranet • Training events • Team meetings • Total Rewards statements • Surveys • Employee resource groups • Performance reviews • Email newsletters • Leadership Connections • Manager meetings • Conversations with the CEO series

Investors and shareholders

Earnings calls and presentations • Annual shareholders meeting • News releases • Investor/industry conferences • Investor relations website • Analyst meetings

Regulators

Direct communication with staff/consumer councils • Filing applications • Business updates

Government

local, state and federal

Franchise agreements • Public meetings/hearings • Lobbying

Suppliers

Supplier meetings and onboarding • Supplier portal communication • Supplier Code of Conduct • Surveys

Banks and rating agencies

Quarterly updates

Non-governmental organizations

Presentation at, and participation in, organizations' meetings • Direct outreach

Unions

Annual benefits meetings • Labor management meetings

Environmental, social and governance priorities

Based on our stakeholders' expectations and our company's needs, we have four pillars that form the basis of our reporting strategy and business execution. Each section of this report explores topics in each pillar that are important to our stakeholders and company.

1



Environmental stewardship

Creating an energy future that provides safe, reliable and cost-effective energy.

2



Social responsibility

Keeping people at the center of our decision making, including our employees, customers and communities.

3



Sustainable growth

Delivering long-term value to our customers, communities and shareholders.

4



Corporate governance

Developing and executing policies and principles that lay a strong groundwork for sustainable success.



ENVIRONMENTAL STEWARDSHIP









Wildlife Biologist, Jessie, monitors wildlife activity during the construction of the Corriedale Wind Farm, near Cheyenne, Wyoming



We are committed to creating an energy future that builds upon our responsibility to provide safe, reliable and cost-effective energy that improves our customers' lives.

We're directly or indirectly impacting progress toward these UN SDGs:

-  6 CLEAN WATER AND SANITATION
-  7 AFFORDABLE AND CLEAN ENERGY
-  9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
-  12 RESPONSIBLE CONSUMPTION AND PRODUCTION
-  13 CLIMATE ACTION
-  15 LIFE ON LAND

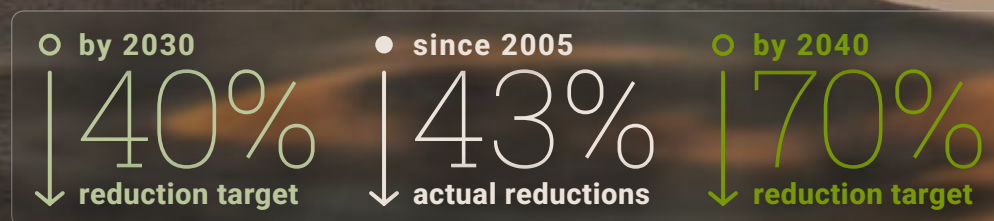
Electric emissions



Electric emissions reduction target¹

We continued to make meaningful progress toward our goal to reduce electric utility emission intensity 40% by 2030 and 70% by 2040, achieving a 43% reduction from our 2005 baseline as of 2025, meeting our 2030 target five years ahead of schedule. This reflects an 8% reduction since 2024, driven primarily by continued growth in renewable power purchase agreements supporting data center load, as well as temporary reductions in coal plant operations related to outages.

While these short-term operational factors contributed to the year-over-year improvement, emission intensity is expected to fluctuate as operations normalize and customer demand continues to evolve. Our long-term strategy remains unchanged: investing in operational improvements, a diversified mix of energy solutions and emerging technologies to deliver reliable, cost-effective energy while advancing a responsible energy transition. By 2030, our owned and purchased renewable energy and storage resources are expected to comprise nearly half our total energy capacity resources.



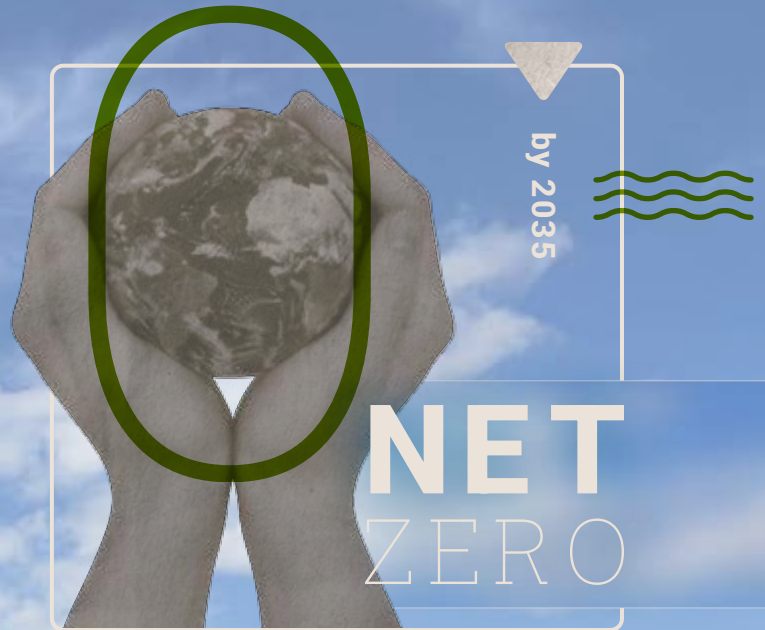
¹ Based on greenhouse gas emission intensity compared to 2005 levels for our electric utilities, including owned generation (Scope 1) and purchased power (Scope 3).



Natural gas emissions

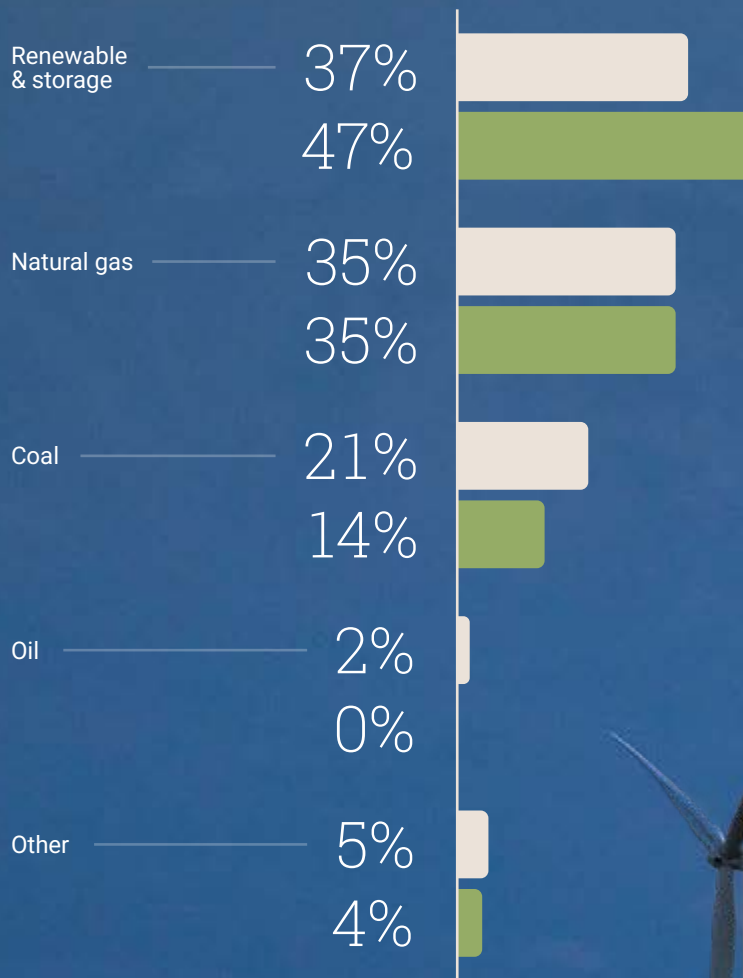
Natural gas emission reduction target¹

We have committed to achieving net zero emissions for our natural gas distribution system by 2035. We've made significant progress, reducing reported emissions 25% since 2022, and are excited to provide updates on our current initiatives and planned strategies to achieve this goal.



¹ Based on Natural Gas Sustainability Initiative (NGSI) sources of methane emissions from our natural gas distribution system (Scope 1).

Projected changes in owned and purchased energy capacity by fuel type



Nearly half of energy capacity
 • 47% •
 projected to
 by 2030
 come from renewables

■ 2025 capacity ■ 2030 projected capacity

- "Other" is fossil fuel generation from mixed resource power purchase agreements and dual-fuel generation units. For 2030, this includes Neil Simpson II coal plant which has been converted to include natural gas as a dual-fuel source.
- "Renewable and storage" includes wind, solar, hydro and storage resources.
- Data obtained from our resource plans regarding added renewable resources and coal and diesel generation retirements and modifications is subject to change based on future resource plan filings and project construction timelines.
- Intercompany power purchase agreements have been excluded from the purchased energy capacity, to avoid double counting with owned generation capacity.

Peak View Wind Farm in Southern Colorado

Pathway to our energy future

We're transitioning to our energy future through the addition of low- or zero-carbon generation sources and fossil fuel plant retirements or conversions within our portfolio of assets. Our approved resource plan for Colorado includes the addition of 200 MW of solar energy and 50 MW of battery storage by 2030. We will be positioned to achieve our greenhouse gas reduction

goals, without reliance on future technologies, through the completed conversion of Neil Simpson II coal plant to include natural gas as a dual-fuel unit, conversion or retirement of our remaining coal and diesel power plants at the end of their engineered life and the addition of renewable energy resources and storage.

| | 2025 | 2027 | 2028 |
|--|--|---|--|
| <ul style="list-style-type: none"> + Added renewables & storage^{1,2} ➔ Coal conversions³ - Coal & diesel retirements³ | <ul style="list-style-type: none"> ➔ FOSSIL FUELS 90 MW Neil Simpson II coal conversion to include natural gas as dual-fuel - FOSSIL FUELS 8 MW Pueblo diesel's retirement | <ul style="list-style-type: none"> - FOSSIL FUELS 10 MW Ben French diesel's retirement + STORAGE 50 MW | <ul style="list-style-type: none"> + SOLAR 200 MW |
| | <ul style="list-style-type: none"> - FOSSIL FUELS 68.9 MW Wygen I power purchase agreement expiration | <ul style="list-style-type: none"> + WIND 34 MW | <ul style="list-style-type: none"> + WIND 100 MW |
| <ul style="list-style-type: none"> - FOSSIL FUELS 10 MW Airport diesel's retirement + WIND 100 MW | <ul style="list-style-type: none"> + WIND 150 MW | <ul style="list-style-type: none"> + SOLAR 48 MW + STORAGE 82 MW | <ul style="list-style-type: none"> - FOSSIL FUELS 80.5 MW Wyodak Plant retirement + SOLAR 47 MW + STORAGE 7 MW |

1. Added renewable owned and power purchase agreement capacity as filed in resource plans, existing resource's capacity align with our 10K Annual Report.
 2. Timeline of new renewable resource and coal and diesel generation retirements and modifications as indicated in our preferred resource plans. This is subject to change based on future resource plan filings, Commission approvals and project construction timelines.
 3. Assumes coal plants are converted or retired at the end of engineered lives. Anticipated retirement or conversion of coal plants is subject to change based on costs and feasibility of other alternatives.

Electric utility greenhouse gas emission reduction progress

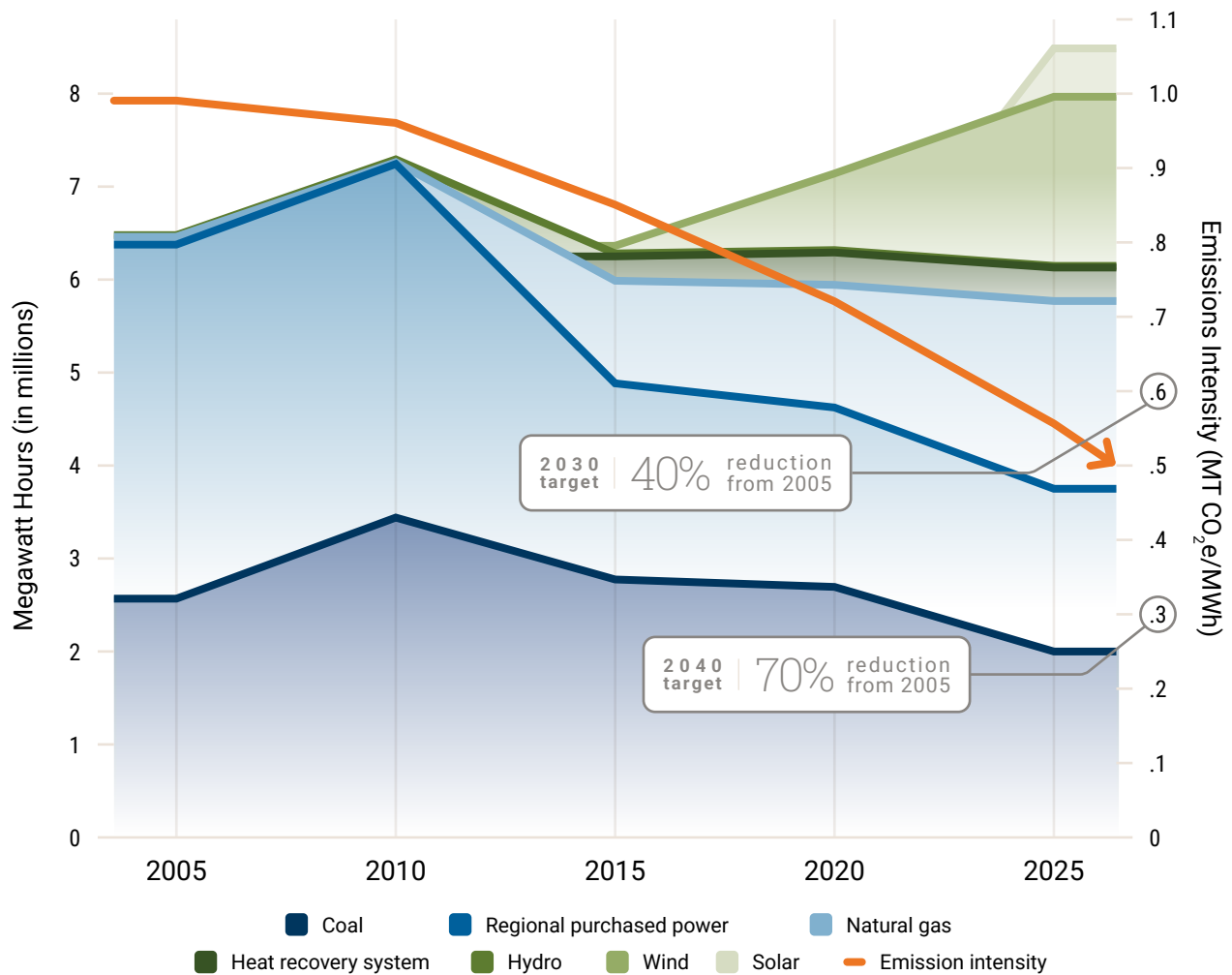
Since 2005, we have made strides in building a modernized generation fleet comprised of additional renewable energy and natural gas turbines, while meeting our customers' needs for reliable energy.

In the last two decades, we retired five aged coal plants and replaced them with more efficient and cleaner power plants. Our Pueblo Airport Generating Station and Cheyenne Prairie Generating Station natural gas power plants added 580 MW of natural gas capacity to our system, which includes 60 MW from zero emission heat recovery systems. These efficient heat recovery systems use the exhaust gases from the gas turbines to convert water into steam and drive steam turbines,

generating clean electricity. Natural gas generation plays a vital role in stabilizing the variability of renewable energy sources, enabling the operation of a resilient and reliable power grid. We will build on our emission reduction progress as we continue to transition to our energy future.

We will build on our emission reduction progress as we continue to transition to our energy future.

Reducing emissions intensity through a mix of utility generation and purchased power



Annual diesel generation was negligible across all years shown.

Electric utility renewable energy

A key strategy to achieving our greenhouse gas reduction goals is to own, operate and purchase renewable energy. Over the past decade we have added 201.7 MW of owned and operated wind generation capacity across our service territory.

In addition to company-owned and operated renewable energy sources, we leverage power purchase agreements (PPAs) to meet customer needs and help achieve our greenhouse gas reduction goals. Our first large-scale solar PPA, Fall River Solar, was brought online in 2023. The energy from this 80 MW project located near Oelrichs, South Dakota, is used to serve Black Hills Energy customers throughout western South Dakota and eastern Wyoming. The Roundhouse Renewable Energy Wind and South Cheyenne Solar PPAs, brought online in 2023 and 2024, respectively, are serving growing data center loads. Our total renewable portfolio of owned and contracted renewable energy represents 37% of our generation capacity and helps to achieve our greenhouse gas reduction goals and serve our customers' needs.

Corriedale Wind Farm
near Cheyenne, Wyoming



37%

of our generation
capacity comes from
renewable energy

201.7

MW of wind generation
owned and operated¹

1. 201.7 MW as of Dec. 31, 2025.

Gateway to the past, powering the future: how a Cañon City landmark embraced a bright new role

Once a bustling train station and later a bank for decades, the Gateway Depot has long welcomed people arriving in Cañon City, Colorado, and the Royal Gorge region. Today, thanks to the Royal Gorge Chamber Alliance and a partnership with Black Hills Energy, the historic building is entering a new chapter powered by solar energy.

“Black Hills Energy has been a great partner,” said Richard Millard, Executive Director of the Royal Gorge Chamber Alliance. “This program allowed us to take a 100-year-old building and make it a model for sustainability without compromising its historic character.”

The Gateway Depot & Plaza now serves as the headquarters for the Royal Gorge Chamber Alliance. It is a welcoming place for visitors and a hub for local events and community connections.

A sustainable second act

As restoration plans took shape, Millard and his team asked a forward-looking question. Could this historic building also reflect Cañon City’s future?

That’s where our community solar garden program came in. The program expands access to clean energy by donating a portion of the total subscription value from certain solar gardens to help reduce energy costs for income-qualified customers and nonprofit organizations that serve Southern Colorado.



The Cañon City Depot & Plaza combines historic preservation and sustainability

One of those organizations is the Royal Gorge Chamber Alliance. Through this partnership, 100% of the electricity powering the Gateway Depot and Plaza is sourced from a community solar garden.

“We’re proud to offer a program that delivers meaningful cost savings for customers participating in or waiting for the Black Hills Energy Affordability Program (BHEAP), as well as nonprofit organizations in southern Colorado,” said Maria Garduna, Senior Manager of Sustainability and Climate. “Sharing energy from community solar gardens helps lower costs for customers while advancing Colorado’s renewable energy goals. As additional solar gardens come online, we plan to expand access to more BHEAP-eligible customers.”

Old meets new

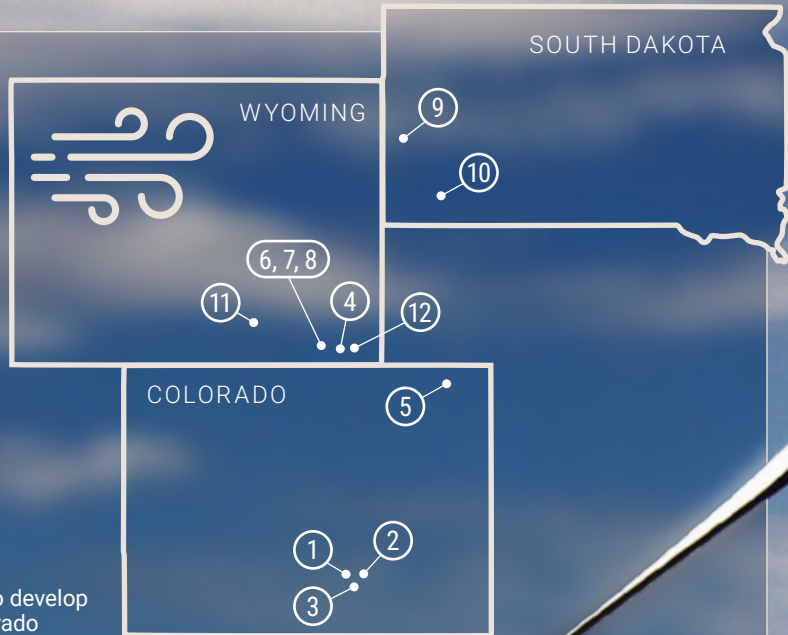
The project shows how historic buildings can adopt clean energy solutions without changing their physical structure, an important part of preservation. It also reflects our commitment to partnership, innovation and practical sustainability.

Beyond its energy transformation, the Gateway Plaza has become a gathering place for locals and travelers. Seasonal events, pop-up markets and art installations help create an inviting space that supports local businesses and community life.

“The goal was always to make this more than an office building,” Millard said. “We wanted a place where people could experience the heart of Cañon City.”

Inside, exhibits and artifacts preserve the region’s history, from the railroads that shaped it to the renewable energy helping move it forward.

Wyoming is recognized as having abundant wind resources with strong, consistent wind speeds that enable high-capacity-factor wind farms.¹



Owned renewable portfolio

① 29 MW: Busch Ranch I

This project provided an opportunity to develop a sixth renewable energy zone in Colorado as part of SB-100 legislation. This renewable energy zone enabled the development of Busch Ranch II and Peak View wind projects. This project supports Colorado's goals to reduce greenhouse gas emissions associated with retail electric sales 80% by 2030 as compared to 2005.

② 59.4 MW: Busch Ranch II

Completed in 2019, this wind facility powers 28,000 homes and is a milestone in achieving 30% renewable energy for our Colorado customers.

③ 60.8 MW: Peak View

Located in southern Colorado, this renewable energy investment serves more than 94,000 customers and was used as a filming location for the 1991 western *Conagher*, with scenes shot at a cabin adjacent to one of our wind turbines.

④ 52.5 MW: Corriedale

Our newest renewable facility located on King Ranch near Cheyenne, Wyoming, is owned by our South Dakota and Wyoming electric utilities, and has the highest energy produced per MW of capacity to date for our wind facilities. This facility is named after the Corriedale breed of sheep, a tribute to King Ranch's role in the development of the Wyoming sheep industry. Corriedale is strategically located in southeast Wyoming to capitalize on one of the highest wind energy density concentrations in the country.

Renewable power purchase agreements

⑤ 60 MW: Platte River Power Authority Spring Canyon Wind²

⑥ 30 MW: Duke Energy Silver Sage Wind

⑦ 12 MW: Platte River Power Authority Silver Sage Wind

⑧ 30 MW: Duke Energy Happy Jack Wind

⑨ 4 MW: City of Spearfish Hydro

⑩ 80 MW: Fall River Solar

⑪ 106 MW: Roundhouse Renewable Energy Wind³

⑫ 150 MW: South Cheyenne Solar³

1. Information from the Wyoming Energy Authority

2. Renewable attributes are not retained by Black Hills Colorado Electric.

3. Renewable energy and associated environmental attributes for these projects are for the benefit of and consumed by Cheyenne Light, Fuel and Power customers.

Peak View Wind Farm
in Southern Colorado



Research and technology

Along with expanding renewable energy, we continue to explore new ways to reduce emissions. This includes evaluating carbon-capture technologies to inform our Integrated Resource Plans for Wyoming and South Dakota.

Through a grant from the Wyoming Energy Authority (WEA), we studied the feasibility of generating hydrogen from our Wyodak mined coal using an innovative BrightLoop™ chemical looping technology. Along with our partners, Babcock & Wilcox and Ohio State University, we completed extensive feasibility and laboratory testing of the coal that supported moving forward to a demonstration phase. A second WEA grant totaling \$16 million funded a Front-End Engineering Design (FEED) for a pilot scale BrightLoop™ hydrogen plant at the Neil Simpson Complex in Gillette, Wyoming. Subject to successful FEED outcomes, partner commitment to proceed and receipt of all applicable regulatory approvals, the project could become operational in the mid-2030s.

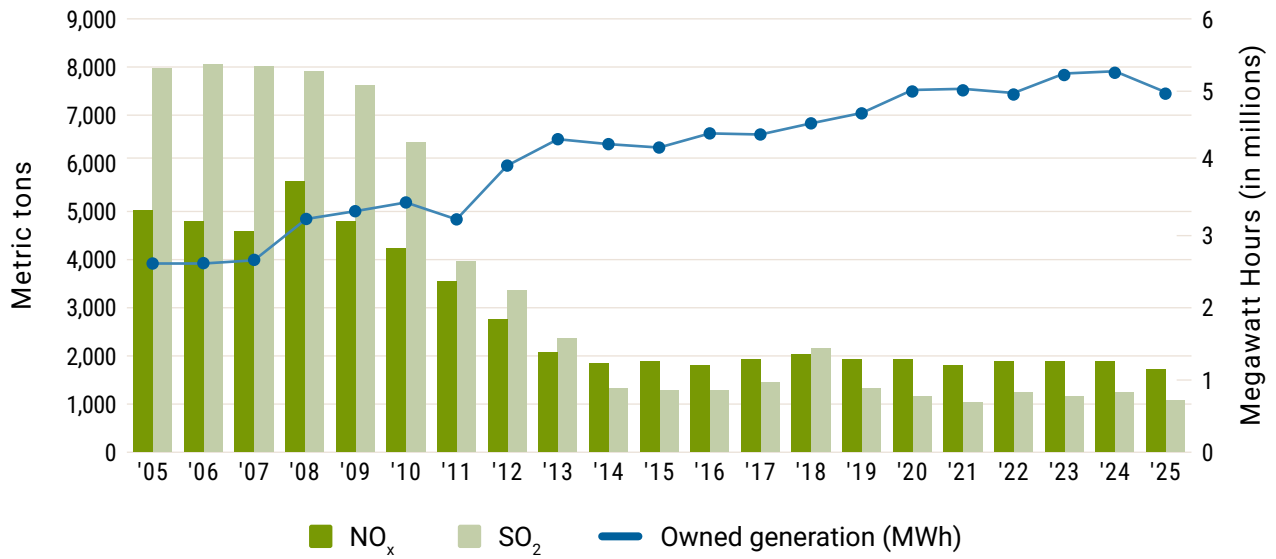
At the same time, we are partnering with Membrane Technology and Research (MTR) and Carbon GeoCapture to test MTR's membrane system for capturing and concentrating greenhouse gas emissions from the coal units at our Neil Simpson Complex. The pilot project would concentrate CO₂ for coal bed methane recovery through Class II underground wells. The utilization of Class II

wells reduces the purity requirements of the CO₂ which makes the system less complex and more cost-effective. Under a previous BrightLoop™ WEA grant, three Class II wells were permitted and drilled, and testing confirmed that the coal formations are well suited for this type of project.

This pilot will be co-funded through a grant recently awarded by the WEA and through the Wyoming PSC House Bill 200 Low-Carbon Surcharge. Phase I will complete well development and install equipment to move water within the coal seam to prepare for CO₂ injection. Once complete, pure CO₂ will be injected into the wells and mixed with the circulating water to measure how quickly it can be injected and how well the coal seam absorbs it, all without impacting other aquifers. Phase II will add the membrane equipment and connect it to a slip-stream of the coal plant flue gas. This will supply partially concentrated CO₂ to the wells and system built in phase I. The full proof-of-concept pilot is expected to be completed by the end of 2027.

Black Hills Energy is partnering with the University of Wyoming School of Energy Resources and South Dakota School of Mines and Technology to advance research across these projects. Additional research areas include sodium-ion based battery energy storage systems and novel ways of utilizing microbes for biologically accelerated carbon capture and sequestration.

NO_x and SO₂ emissions



Electric NO_x and SO₂ emission reductions

Since 2005, we've more than doubled the generating capacity of our system, while reducing nitrogen oxide and sulfur dioxide emissions by 79% through the installation of advanced pollution control equipment and plant retirements.

Coal mining and operations

We own and maintain a small, single mine-mouth coal operation supplying the adjacent Neil Simpson Complex and Wyodak Plant with low-cost, reliable fuel. As the mine's coal supply is used for our power generation, we have no current plans to expand our mining operations and anticipate the mine's operations and production will follow coal plant demands as outlined in our Integrated Resource Plans. Revenue from all coal related assets represented approximately 7% of total consolidated revenue in 2025¹.

79%

Since 2005, we've **reduced nitrogen oxide and sulfur dioxide emissions by 79%**

1. Percent revenue from coal is an internal estimated metric and subject to change.

Electric vehicle program

Ready EV

Our Ready EV program is now in its sixth year of offering rebates and incentives to support the adoption of electric vehicles in our Colorado Electric footprint. The program continues to evolve in response to customer needs and state priorities.

We are entering the final year of our 2024–2026 Colorado Transportation Electrification Plan (TEP). In 2025, we implemented an alternative charging incentive initiative designed to encourage off-peak charging behavior through targeted incentives. Customers in southern Colorado continue to benefit from a wide portfolio of rebate offerings. Residential customers may access incentives for charging infrastructure installation, along with income-qualified programs that support the purchase of electric vehicles, home charging equipment and e-bikes.

Public Level 2 charging incentives remain available for businesses, multi-family housing providers and governmental and nonprofit organizations. Direct Current Fast Charging (DCFC) Level 3 rebates continue to be offered to commercial and industrial customers, helping expand the availability of high-capacity charging infrastructure throughout the region.

Our Ready EV program continues to operate in South Dakota and Wyoming and remains committed to supporting customers' transition to electrified transportation by offering rebates for both residential and commercial charging infrastructure.

Learn more at blackhillsenergy.com/EV.

New components of the program

Charging incentive program
Residential customers

Fleet advisory services
Commercial customers

E-bike rebate →
Income-qualified customers

Grant program
Aid funding for EV chargers at multi-family housing properties regulated by the Department of Housing and Urban Development



Fueling the future: natural gas sustainability

Natural gas is a cost-effective and highly reliable energy source that will play a vital role in the energy transition, continuing to support emissions reductions associated with energy use. Our natural gas utilities serve more than 1.1 million customers in six states. We operate a gas system above industry standards, investing in quality materials with low emission rates. Cast iron pipe has not been present in our system

since 2014, and nearly 98% of our infrastructure is comprised of protected steel or plastic. These investments, with a focus on system integrity, damage prevention, leak measurement improvement, and supporting broader low-carbon fuel markets through the operation of RNG interconnections, have positioned us to achieve our net zero emissions target for our natural gas distribution system by 2035.

2025 highlights

We reduced reported natural gas distribution system emissions by **25% since 2022**. Through reductions achieved by replacing unprotected steel pipelines, improving data integrity and expanding leak detection and repair, we have made significant progress toward our 2035 net-zero target.

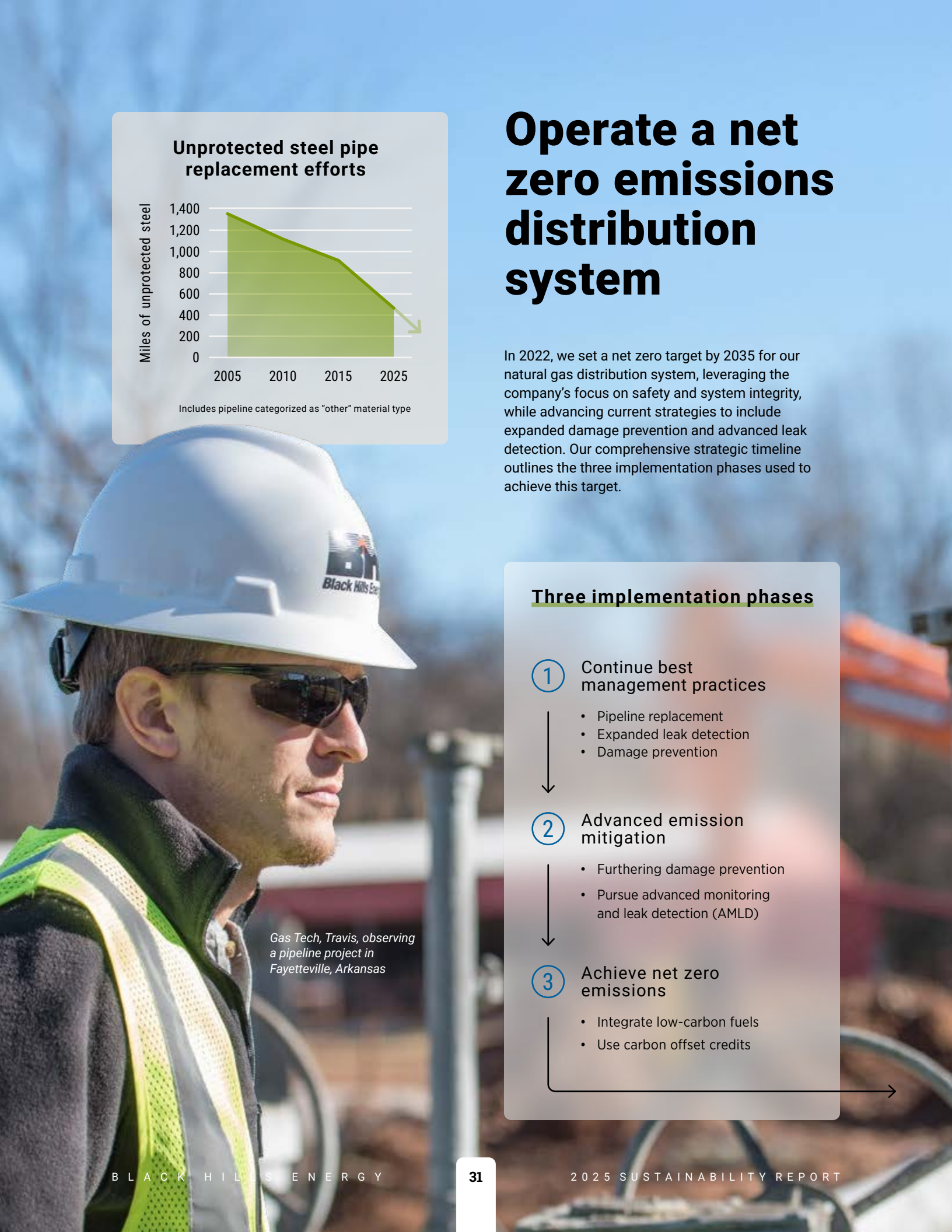
Emissions from transfer stations, previously our largest emission source, declined **53% since 2024** through targeted expanded leak survey and repair initiatives.

We continue to advance low-carbon fuel development across our service territory by operating **10 renewable natural gas (RNG) interconnects** that accept natural gas from projects such as landfills, wastewater recovery facilities and dairies. We also continue to offer Green Forward, our voluntary RNG and carbon offset program, providing customers with an opportunity to support the use of lower-carbon fuels.

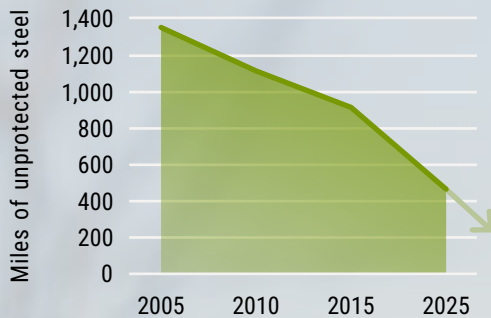
53%

decline in
emissions from
transfer stations
since 2024

*Pipeline replacement
efforts in Dubuque, Iowa*



Unprotected steel pipe replacement efforts



Includes pipeline categorized as "other" material type

Operate a net zero emissions distribution system

In 2022, we set a net zero target by 2035 for our natural gas distribution system, leveraging the company's focus on safety and system integrity, while advancing current strategies to include expanded damage prevention and advanced leak detection. Our comprehensive strategic timeline outlines the three implementation phases used to achieve this target.

Three implementation phases

1 Continue best management practices

- Pipeline replacement
- Expanded leak detection
- Damage prevention

2 Advanced emission mitigation

- Furthering damage prevention
- Pursue advanced monitoring and leak detection (AMLDD)

3 Achieve net zero emissions

- Integrate low-carbon fuels
- Use carbon offset credits

Gas Tech, Travis, observing a pipeline project in Fayetteville, Arkansas

1 Continue best management practices

Pipeline replacement: We're continuing to replace unprotected steel pipe with lower emitting materials, including plastic and protected steel.

Expanded leak detection: By collecting detailed emission data from our system, we can identify new opportunities for reductions. In addition to our regular system-wide leak surveying, we conduct additional leak surveys of our aboveground natural gas equipment to help identify fugitive emissions from our system. We will continue to expand these surveys and repairs, both by geographic location and rotational frequency, positioning us to address leaks quickly.

Damage prevention: We anticipate achieving our corporate goal of reducing third-party line hits through expanded excavation site visits, identifying high-risk locations using predictive analytics with risk modeling and a continued focus on employee, customer and system safety.

2 Advanced emission mitigation

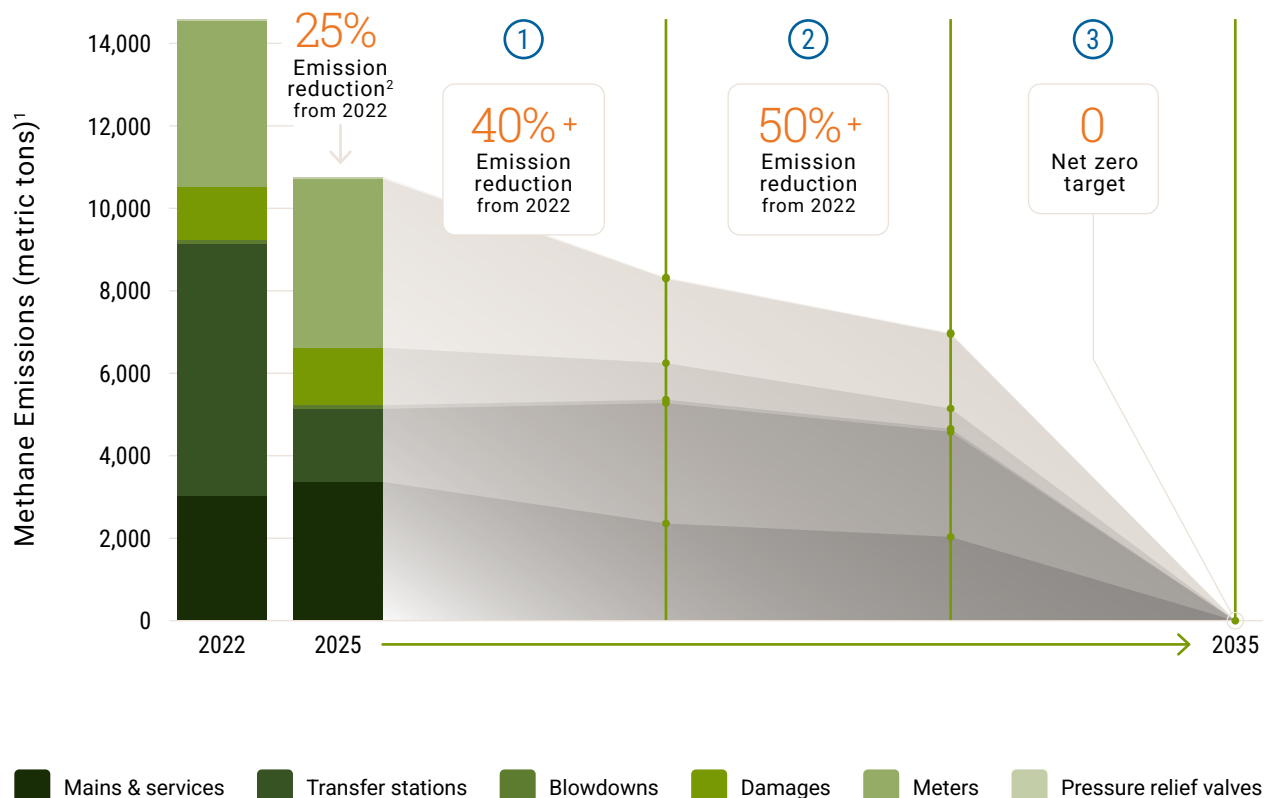
Furthering damage prevention: By targeting best in class for third-party damage line hits, we would further reduce system gas releases.

Pursue advanced monitoring and leak detection (AMLD): Systems can detect low concentrations of natural gas leaks and be paired with aerial mapping abilities to pinpoint leak locations. The ability to survey large portions of a system quickly and precisely allows natural gas operators to prioritize repairs based on magnitude, analyze trends across the system and continue to improve operational safety and reliability.

3 Achieve net zero emissions

Integrate low carbon fuels: We will continue to advance low-carbon fuels such as RNG by expanding the blending of these fuels in our system and obtaining certifications for the emission displacement.

Use carbon offset credits: Quantifiable and certified offsets can be used to displace a balance of emissions from sources such as renewable energy development, landfill methane avoidance and destruction, energy efficiency and improved forestry management.



1. Reported emissions and projected reductions are based on the NCSI Reporting Template version 2.0 and are subject to change as a result of methodology changes, emission factor updates, inclusion of system measured data, or other factors.

2. Reported reductions are primarily a result of data integrity improvements, as well as emission reductions from unprotected steel pipeline replacements and transfer station leak surveys.

10

interconnect projects



Advance integration of lower-carbon fuels

Renewable natural gas

Renewable natural gas (RNG) is a natural gas alternative derived from renewable sources. As organic waste breaks down, it emits methane, or biogas, which can be captured, cleaned and used in place of traditional natural gas, preventing the methane from otherwise being emitted into the atmosphere. RNG is produced from a variety of sources, including municipal solid waste landfills, anaerobic digesters at wastewater treatment plants, livestock farms, food production facilities and organic waste management operations.

Black Hills Energy has a history of building pipeline interconnections, which provide the pathway required for RNG to get to market. We currently own and operate 10 interconnections across our growing communities and agriculturally rich service territory. These endeavors are a developing part of our business and complimentary to our continued investment in the future of natural gas and advancing low-carbon fuels.

RNG from the 10 projects interconnected to the company's system supports broader RNG markets and has the capability to supply pipeline-quality natural gas to the annual energy use of nearly 33,000 homes.

For more information on our RNG projects, visit blackhillsenergy.com/RNG.

have the capability to supply pipeline-quality natural gas to fuel

~33,000

homes a year



Emerging technology and industry research

Energy Capital Ventures

We are a strategic limited partner in Energy Capital Ventures, an early-stage venture fund focusing on the resilience and digital transformation of the natural gas industry. Energy Capital Ventures brings together the technology of the startup ecosystem with the scale of the natural gas industry and champions innovation in Green Molecules™. By investing in category-defining leaders, Energy Capital Ventures brings the latest innovations and technological advancement to future-proof the natural gas industry.

Methane International Learning Exchange

Black Hills Energy is an active member of the Methane International Learning Exchange (MILE), a collaborative program facilitated by the Highwood Emissions Management team. Through our

participation, we take part in industry expert-led discussions and technical sessions focused on advancing emissions monitoring. MILE provides a forum for companies to share real world experiences, challenges and solutions, while invited experts highlight innovative technologies and strategies for detecting, measuring and abating methane emissions. A central focus of the program is supporting the industry-wide transition from emissions factor-based estimates to direct measurement methodologies. Designed to foster open dialogue, MILE helps identify shared needs and interests among participants and drives continuous improvement in methane emissions management across the sector.

Natural gas is a long-term, critical part of a sustainable energy future.

Russ gauges natural gas equipment as part of routine safety inspections in Dubuque, Iowa

Helping customers reduce their carbon footprint

Green Forward, voluntary RNG and carbon offset program

We offer a voluntary renewable natural gas and carbon offset program, called Green Forward, for all eligible residential and business natural gas customers. The program is an easy, cost-effective and flexible way for participants to address up to 100% or more of their carbon footprint from natural gas use. The program is designed as a comprehensive four-year pilot program running through 2026.

The Green Forward program provides eligible customers the opportunity to purchase renewable natural gas certificates from projects that produce renewable fuel – such as landfills, farms and wastewater treatment plants. It also offers carbon

offsets from initiatives that reduce or prevent greenhouse gas emissions, including forestry management, grasslands and wetlands preservation.

The program expects to continue to attract enrollments and address customer carbon footprints as we expand marketing efforts throughout our gas service territory, educating customers and community stakeholders about the ease, cost effectiveness and flexibility of voluntary participation in Green Forward.

Green Forward is open to residential and small commercial customers, and requires no contracts, installation or equipment. We are committed to offering customers solutions that make a difference for the environment, and we do not make a profit from this voluntary program.

Learn more at blackhillsenergy.com/greenforward.

2023

The Green Forward pilot program was **introduced in 2023**.

850+

Over 850 customers are actively enrolled in the program.

325,109

In 2025, program participants addressed the carbon emissions from **325,109 therms of usage**.

4,852

That's the amount of natural gas needed to power **4,852 homes for a month**, based on the average monthly residential usage of 67 therms.



Electric and natural gas energy efficiency

We offer our customers a wide variety of programs and rebates to help them conserve energy and lower their energy bills.

\$10.7 MILLION

Black Hills Energy provided **\$10.7 million** in energy efficiency rebates in 2025 to residential and business customers.

13 MILLION

This led to annual energy savings of **over 13 million kilowatt-hours** of electricity.

295,000

This also led to an annual energy savings of **over 295,000 dekatherms** of natural gas.

1,882 / 2,099

That's enough energy to power **1,882 homes with electricity** and about **2,099 homes with natural gas** for one year.¹

Demand Side Management (DSM)/ energy efficiency programs impact by year² (in thousands)

| | 2022 | 2023 | 2024 | 2025 |
|----------------------------------|--------|--------|--------|--------|
| Spending (\$) | 19,461 | 20,944 | 20,463 | 21,248 |
| Rebates paid (\$) | 8,627 | 10,602 | 10,082 | 10,777 |
| Electricity savings (kWh) | 16,776 | 19,841 | 16,793 | 13,443 |
| Natural gas savings (Dth) | 368 | 346 | 273 | 295 |

We continue to explore ways to increase the adoption of advanced appliances, such as high-efficiency natural gas furnaces and combined fuel heat pumps.

For more on our energy efficiency efforts, visit blackhillsenergy.com/efficiency-and-savings.



1. Assumes annual electricity usage of 12,154 kWh (1,012 kWh per month) and annual natural gas usage of 60 Dth (5.01 Dth per month).

2. DSM/energy efficiency programs are funded by a surcharge on customers' bills depending on the conditions set forth by state public utilities commissions.

Powering efficiency through partnership

At its Arkansas production facility, Newly Weds Foods worked with Black Hills Energy and implementation partner CLEAResult to implement a high-efficiency energy solution that reduces emissions, improves performance and supports long-term sustainability while meeting evolving air quality standards.

Newly Weds Foods produces a wide range of seasonings, sauces and food coatings at its processing facility. After updated environmental regulations required the company to significantly reduce particulate emissions, the team began exploring solutions to bring operations into compliance.

Smarter solutions, stronger outcomes

Early evaluation identified several technical approaches for managing particulate emissions. A basic thermal oxidizer was the most straightforward, but it would require extremely high operating temperatures and significant natural gas consumption, with limited opportunity to recover energy from the process.

Working together, the team evaluated more advanced alternatives, including recuperative and regenerative thermal oxidizers. While both options offered improved efficiency, the regenerative system stood out – capable of achieving up to 97% energy efficiency by capturing and reusing heat within the process.

With guidance from Black Hills Energy's Commercial and Industrial Solutions team, Newly Weds Foods selected a regenerative thermal oxidizer (RTO), which reduces fuel consumption and improves operating efficiency. This led to the goal of balancing environmental compliance with long-term operational performance.

Delivering measurable value

Completed in July 2025, the project is expected to deliver significant energy savings, nearly 900,000 therms annually. That's roughly enough natural



Newly Weds Foods' regenerative thermal oxidizer will reduce fuel consumption and improve efficiency

gas to serve about 800 homes for a year, all while reducing emissions and supporting compliance with environmental standards.

Through the partnership, Newly Weds Foods also received approximately \$672,000 in incentives over a five-year period, helping offset upfront costs and accelerate the return on investment.

More importantly, the project demonstrates how energy efficiency can transform a required investment into a strategic advantage. By reducing fuel consumption and optimizing performance, the RTO lowers ongoing operating costs while strengthening the facility's environmental footprint.

Efficiency as a pathway to sustainability

Sustainability is often driven by necessity, but its greatest impact comes from how organizations respond. By choosing a high-efficiency solution, Newly Weds Foods improved system performance, reduced energy use and positioned its operations for long-term success.

This partnership reflects how we deliver value to customers: by combining technical expertise, program support and practical solutions that help businesses operate more efficiently, reduce emissions and invest confidently in their future.

Resource management

Air quality

Over the past decade, we've successfully operated an innovative "emissions control logic" system, significantly reducing short-term air quality emission exceedances at our power plants. This system, combined with enhanced maintenance practices, has virtually eliminated exceedances while maintaining high plant availability. Using continuous emissions monitoring data, the plant control system proactively shuts down electric generating units when projected emissions are likely to exceed permitted limits, preventing exceedances entirely.

Since 2015, we have achieved an operational success rate exceeding 99.9% operation without any emission exceedances and in 2025 there were no exceedances. The graph below highlights the air quality performance of our coal-fired generating units at the Neil Simpson Complex in Wyoming since 2010.

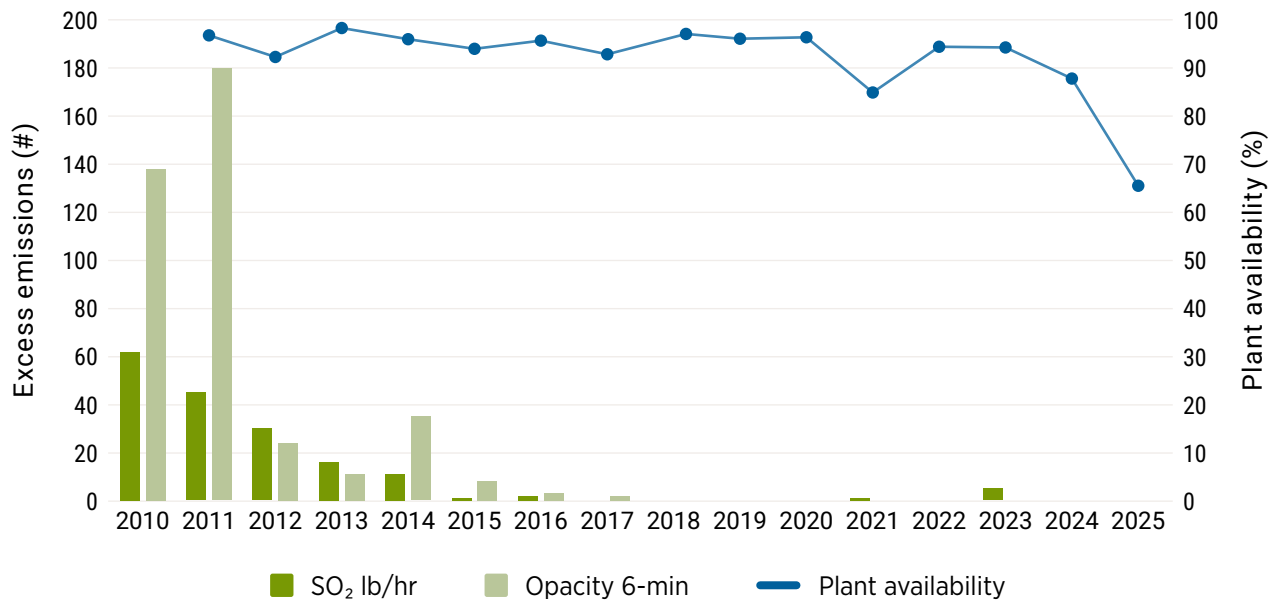
To our knowledge, no other utility has implemented a similar technological solution.

99.9%

Since 2015, we have achieved an **operational success rate exceeding 99.9% operation without any emission exceedances**

0 exceedances in 2025

Neil Simpson Complex
Short-term historical excess emissions¹



1. Number of times the SO₂ and opacity short-term emissions permit limits are exceeded each year.

Water conservation

Many of our electric utility service territories are located in arid and semi-arid regions, making responsible water stewardship a core component of our operational strategy. To significantly reduce water consumption at our coal-fired generation facilities, we deploy high-efficiency air-cooled condensing technology.

A typical conventional coal-fired power plant withdraws 51 gal/kWh of water¹ for operational and boiler-cooling needs.

0.1
gal/kWh

After integrating air-cooled condensing systems, **our coal-fired power plant withdraws water at a rate of 0.1 gal/kWh.**

This results in an annual water savings of over

140
billion gallons

This reduction not only conserves a critical natural resource but also minimizes the need to manage and discharge large volumes of processed water, **reducing environmental impacts and associated costs.**

51 gal/kWh

Mine reclamation

Mine reclamation plays a vital role in the our open pit mining operations. We have successfully achieved 100% reclamation in several sections and continues advancing restoration efforts. Reclamation activities include backfilling mined areas with coal ash, capping with stockpiled overburden material, applying topsoil, and seeding to restore biodiversity. We ensure 100% utilization of coal ash for backfill reclamation, as approved by the State of Wyoming's Land Quality Division and the Office of Surface Mining Reclamation and Enforcement.

We have also implemented advanced and protective water-management practices across our natural gas generation portfolio. At our Cheyenne Prairie Generating Station, process water is treated and discharged to the municipal wastewater treatment facility in full compliance with the stringent limits established under our Industrial Pretreatment Discharge Permit, returning water to a local creek in an environmentally responsible way. At Pueblo Airport Generating Station, an evaporation pond is used to naturally settle water pollutants and return water to the atmosphere through evaporation, supporting the Earth's natural hydrologic cycle.

These initiatives underscore **our commitment to safeguarding water resources**, enhancing operational sustainability and supporting the long-term resilience of the communities we serve, particularly those facing ongoing water scarcity.

1. Based on U.S. Energy Information Agency as of December 31, 2024



Environmental impact assessments

Prior to initiating construction activities, Black Hills Energy conducts a comprehensive internal environmental review for applicable projects to evaluate the potential need for environmental permitting and regulatory compliance. When established environmental thresholds are met, the project undergoes a detailed assessment of potential impacts on water resources, air quality, wildlife and land. Each project is evaluated holistically, with specific consideration given to both immediate and long-term environmental effects.

Water

Black Hills Energy encounters many waterways with natural gas pipeline and electric powerline construction projects, some of which are federally regulated as Waters of the United States. Projects are typically designed to either be bored under or spanned across waterways to minimize impacts to aquatic ecosystems and to reduce permitting requirements.

If regulated water resources are impacted, coordination with the Army Corps of Engineers and other state or local permitting agencies is often required. Additionally, all projects that disturb over one acre of land (or less in some local jurisdictions) require construction stormwater permitting to restore vegetation after construction.

Wildlife

Our environmental professionals work closely with U.S. Fish and Wildlife and state wildlife agencies to make sure our construction projects have minimal impact to local and protected species. This cooperation helps ensure our compliance with the Migratory Bird Treaty Act and the Endangered Species Act, as well as many other regulations. Prior to construction, we review project areas to identify which species may have suitable habitat in the area during the time of construction and organize surveys to determine the presence or absence of wildlife. Results are used in project planning to minimize impact to protected species and can result in timing or spatial buffers during construction.

Land

Projects on public lands may be subject to significant permitting requirements. Projects involving federal lands typically require additional permitting to comply

with the National Environmental Policy Act, which can include a requirement to complete an Environmental Assessment or Environmental Impact Statement. We also conduct archaeological and paleontological surveys prior to construction on public lands to protect areas of significance. We work closely with federal land management agencies to ensure all permitting and approvals are acquired prior to starting construction.

Avian protection

We dedicate resources to the protection of migratory, threatened and endangered birds. For over 15 years, we have deployed an avian protection plan and conducted ongoing annual training for employees. All new powerlines are built to raptor-safe standards per the Avian Power Line Interaction Committee guidance and proactive retrofits are part of our ongoing maintenance programs.

We build man-made nests to replace nests established on our utility poles and work with local nonprofits to provide raptor rehabilitation services when injured birds are discovered. We have developed avian protection plans for all applicable company operations groups to provide guidance to mitigate the impact our equipment has on protected bird species.

We have developed an electronic reporting and tracking system for negative avian interactions, which will help us to identify areas of the system where we can focus on proactive retrofitting of our power poles. Using GIS mapping we can identify areas of our system where most interactions with birds occur. All negative avian interactions on our system with protected birds are reported to the U.S. Fish and Wildlife Service.

Learn more by reading our [Avian Protection Plan](#).

Waste and recycling

Most Black Hills Energy facilities are designated by the EPA as "Very Small Quantity Generator" status. To achieve this status, facilities must generate no more than 220 pounds of hazardous waste per month and must implement rigorous recycling programs.

Recycling measures are implemented across our corporate footprint, which includes designated universal waste collection sites to collect common hazardous waste like batteries, pesticides,

mercury-containing equipment and lamps for recycling. Additionally, scrap metal is recovered at facilities and reintroduced as a raw material in the production of new goods through local vendors. Used oil from electrical service activities and equipment maintenance is commonly accumulated in drums and tanks and recycled through an approved vendor. All electronic waste is reused or recycled with no materials going to landfills.

2025 waste and recycling data

Hazardous waste 4,409

Universal waste - mercury bulbs 1,525

Universal waste - mercury devices 17

Universal waste - batteries 30,318

Universal waste - electronics 83,328

Universal waste - paint cans 2,125

Used oil 100,460

Oil filters 31,500

Waste disposed or recycled (all units in lbs)

Antifreeze 2,373

Oil-water 90,696

Metal recycling 934,881

Special waste 87,216

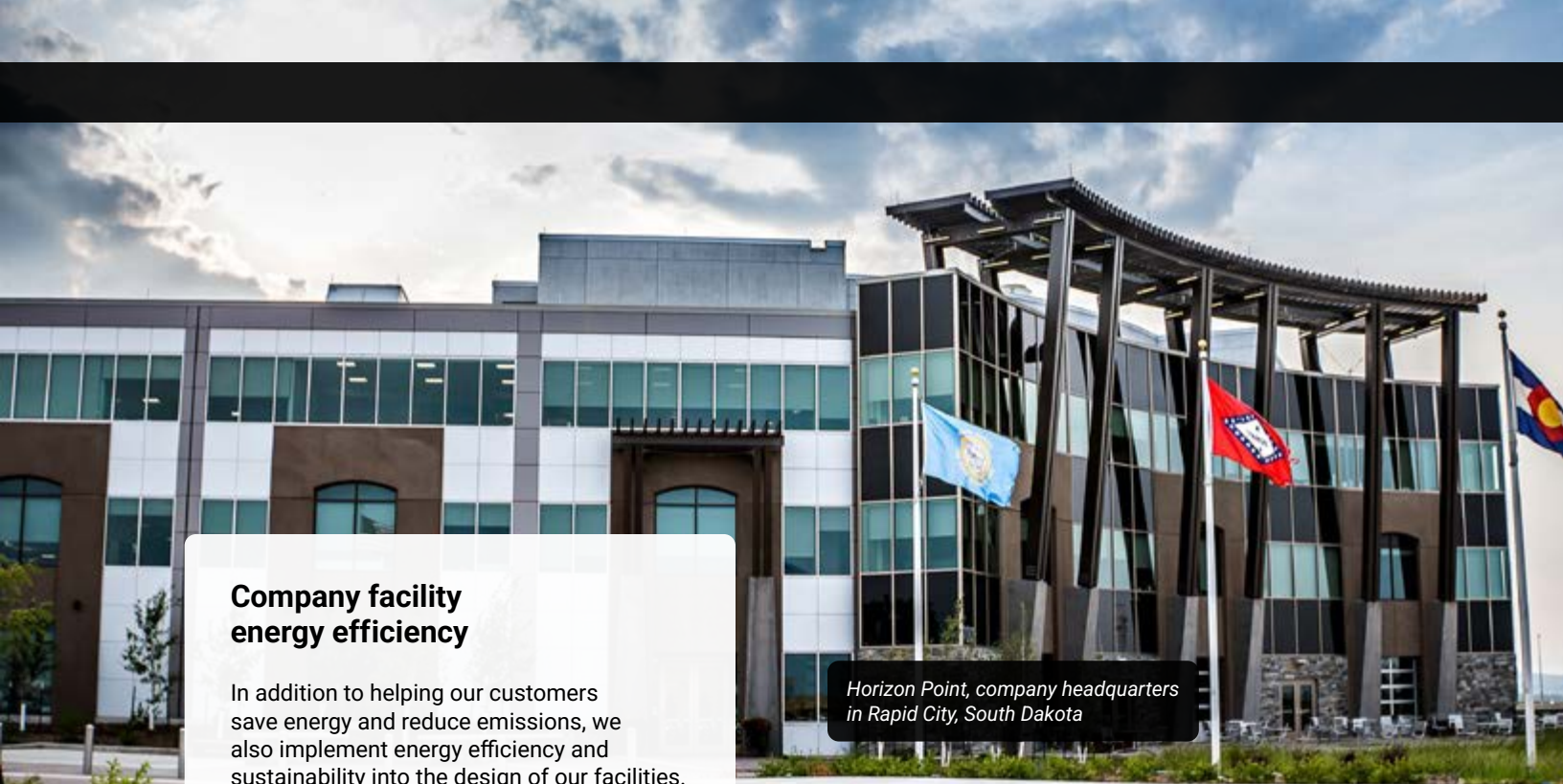
Other waste 27,389

Parts washer 5,806

Waste ash 186,052,000

Scrap metal is reintroduced as a raw material in the production of new goods.

| Summary | lbs |
|------------------------------|--------------------|
| Hazardous waste disposed | 4,409 |
| Hazardous waste recycled | 117,313 |
| Non-hazardous waste disposed | 141,871 |
| Non-hazardous waste recycled | 187,190,450 |
| Total | 187,454,043 |



Company facility energy efficiency

In addition to helping our customers save energy and reduce emissions, we also implement energy efficiency and sustainability into the design of our facilities. Horizon Point, our corporate headquarters building in Rapid City, South Dakota, was designed and constructed following Leadership in Energy and Environmental Design (LEED) Gold standards and holds an EPA ENERGY STAR® Certification. To be certified as an ENERGY STAR® building, it must meet strict energy performance standards set by the EPA. Once in operation, ENERGY STAR® certified buildings use, on average, 35% less energy than similar buildings nationwide, resulting in reduced greenhouse gas emissions. When constructing new operations facilities, we use modern construction methods, which incorporate high efficiency building envelopes and systems that fully comply with each state’s model energy code requirements.

Horizon Point, company headquarters in Rapid City, South Dakota

Company fleet vehicles

148
alternate-fuel vehicles

In 2025, our **fleet comprised 148 alternate-fuel vehicles**. This included, among others:

- 6 battery-powered electric on-road vehicles
- 27 battery-powered pieces of equipment
- 23 bi-fuel compressed natural gas vehicles
- 40 electric power takeoff vehicles
- 2 plug-in hybrid electric vehicles

5



ESG
PILLAR

SOCIAL IMPACT

*Natural gas line project
in Dubuque, Iowa*



We consider it a privilege to serve as an integral partner to our customers and communities, delivering safe, reliable and cost-effective energy to more than 1.37 million customers across our expansive eight-state service territory. Our 2,795 employees work as one team, devoted to making a positive impact on

the lives of our customers and in the communities we call home.

We're directly or indirectly impacting progress toward these UN SDGs:



3 GOOD HEALTH AND WELL-BEING

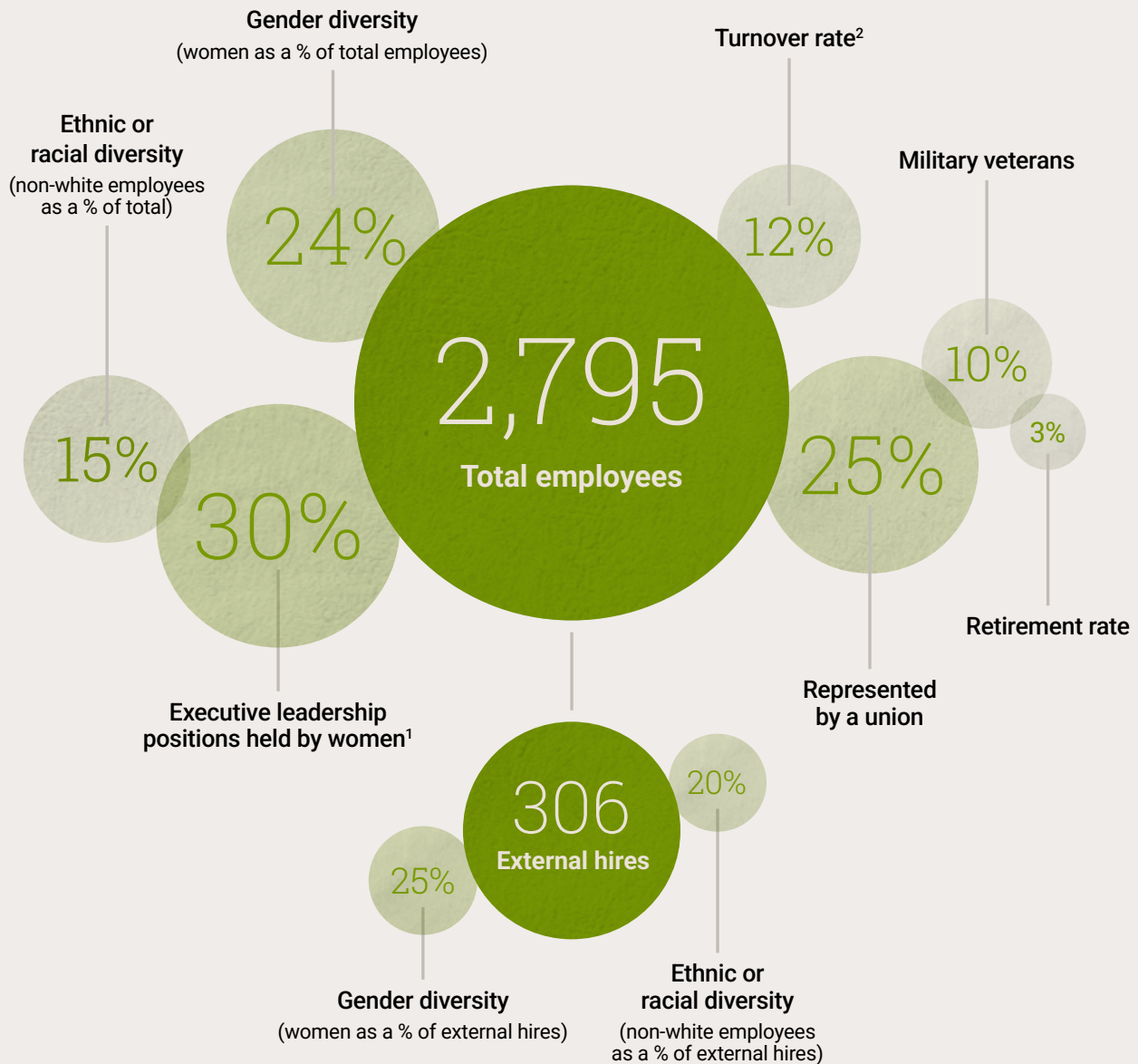


10 REDUCED INEQUALITIES



5 GENDER EQUALITY

Our team*



Employee pay equity

Gender pay equity

\$0.99 / \$1.00

Diversity pay equity

\$1.00 / \$1.00

* As of Dec. 31, 2025

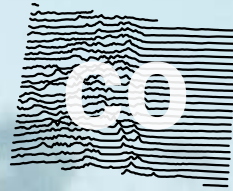
1. Executive leadership positions are defined as positions with Vice President, Senior Vice President or Chief in their title.
 2. Includes voluntary and involuntary separations; excludes internships.

Employees by state



Arkansas

15.2% • 425



Colorado

15.9% • 445



Iowa

8.7% • 244



Kansas

4.8% • 134



Nebraska

13.3% • 372



South Dakota

26.0% • 726



Wyoming

14.7% • 412



Other

1.3% • 37



Culture and belonging

We're committed to building a workforce that reflects the strength and character of the communities we serve, united by our shared commitment to improving life with energy. We appreciate that every team member brings distinct skills, talents, experiences and perspectives that strengthen our organization. Guided by our core value of respect, we strive to build a culture of belonging. This means every team member can bring their authentic self to work and are empowered to reach their full potential while contributing to business outcomes that positively impact our stakeholders.

Guided by our core value of respect, we strive to build a culture of belonging.

*Yaneth, CEO Summit
Award recipient in
Fayetteville, Arkansas*



Connecting customers to the help they need

When customers face financial challenges, energy assistance programs can make a big difference.

That's why we launched the Hands-on Energy Assistance Resource Team (HEART), a specialized group dedicated to helping customers navigate available programs with clarity and confidence.

Introduced in October 2025, HEART was created to meet a growing need across the communities we serve. Customers benefit from access to assistance programs, but also from the right guidance at the right time.

Turning complexity into connection

Programs like the Low-Income Home Energy Assistance Program (LIHEAP) and Black Hills Cares provide critical support for customers facing financial strain. But for customers managing financial stress, understanding eligibility, application procedures and timelines can feel overwhelming.

HEART helps simplify that experience by providing clear, personalized guidance every step of the way.

"Many of the communities we serve are not resource poor. They are connection poor," said Bryan Armlovich, energy assistance program manager at Black Hills Energy. "Assistance programs might be available, but customers don't always know where to start or how the pieces fit together. Too often, it feels like a scavenger hunt just to get help. HEART was created to bridge that gap."



During difficult financial times, HEART helps guide customers through available resources

Personalized support when it matters most

HEART agents receive enhanced training and tools beyond standard call center support, allowing them to assist customers with complex or time-sensitive needs.

The team provides hands-on help by:

- Explaining available programs and eligibility requirements
- Guiding customers through application steps and next actions
- Following up with clear, written information so customers don't have to rely on memory alone
- Serving as a consistent, trusted point of contact throughout the process

This personalized approach makes it easier for customers to understand their options and connect to the right resources.

Delivering value through service

HEART reflects our broader commitment to delivering value beyond energy, by helping customers understand their options and connect to the right resources. While demand for energy assistance often peaks during winter, HEART operates year-round, providing consistent guidance and support when customers need it most.

Supporting connection and growth

We invest in our employees' development and well-being through a variety of programs designed to support both personal and professional growth:

- **Mentoring circles:** These peer-led small group sessions connect employees across departments to share insights, build relationships and support career development.
- **Book clubs:** Facilitated by employees or Employee Resource Groups (ERGs), these clubs explore topics ranging from leadership and innovation to communication and resilience.
- **Tuition assistance:** Employees can receive financial support to pursue degrees that align with their career goals and our business.
- **College partnership program:** This initiative allows employees to earn degrees at an accelerated pace and/or discounted tuition through partnerships with qualifying universities.

Employee Resource Groups (ERGs)

Our ERGs are employee-led and encourage connection and belonging while also providing education and outreach across the organization. Our ERGs are open to all employees and currently include:

Analytics in Action

a resource group for current and aspiring data and analytics professionals

Aspire

a women's resource group

EDGE

a resource group for racially/ethnically diverse employees

New Connections

a resource group for new employees within their first year of service

Project Management Interest Group

a resource group for current and aspiring project management professionals

Veterans Engagement Team

a resource group for military personnel and veterans

Throughout the year, our ERGs organize events, discussions and networking opportunities that foster growth and collaboration. We also host an annual ERG summit which provides opportunities for all employees to connect and focus on personal and professional development.

Leadership engagement

In support of our culture and belonging efforts, our Chief Human Resource Officer is responsible for creating and leading a strategy while working closely with our CEO, Senior Leadership Team and Board of Directors. The Leadership Development and Compensation Committee of the Board of Directors has direct oversight of our culture and belonging strategy. We also have a management position that provides dedicated direction and support in executing our strategies, objectives and actions to foster a connected and supportive workplace culture.

In addition, we invite members of our Board of Directors to engage with ERGs directly through personal interactions or by participating on panels to discuss their experiences and perspectives on culture and belonging.

Our senior leaders serve as executive sponsors of our employee resource groups to support and actively engage in conversations focused on our workplace culture. It offers participants opportunities for mentorship, a deeper understanding of lived experiences and collaborative dialogue on ways to strengthen our culture of belonging.

We are investing in



Workplace practices

Our respect for human rights is ingrained in our values and impacts every aspect of our company, including how we care for the safety and well-being of our teams. We abide by all laws and regulations and support the principles outlined in the United Nations' Universal Declaration of Human Rights. See our [Human Rights Policy](#) for more information.

Our unique talents and voices have and will continue to contribute to our success. We know that inclusive teams and cultures deliver customer and shareholder value. Accordingly, we proactively and intentionally foster an environment that respects all people without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, ancestry, creed, disability, genetic information, age, military or veteran status or any other protected class.

We are committed to a work environment that is free from all forms of harassment — including sexual harassment and bullying. Regardless of the form it may take, harassment is not acceptable and is not tolerated. This applies to all employees, applicants, vendors, contractors, clients and customers of the company. Our Harassment Prevention Policy has been in place since 2010, and violations of this policy are handled in accordance with the company's disciplinary policies and procedures up to and including termination.

Employee engagement

We're dedicated to creating an exceptional employee experience and strengthening a culture where all individuals can thrive. To support this commitment, we regularly conduct employee engagement surveys and pulse surveys to listen to our employees and understand their valuable perspectives. These insights are crucial to help us understand what is working well and identify areas for continuous improvement. We are proud of our efforts in maintaining high participation rates and our dedication to providing a safe and engaging work environment.

Employee recognition

Employee recognition is an important part of our culture at Black Hills Energy. We value the many contributions of our employees and intentionally recognize our employees who are passionate about improving life with energy.

Some of the ways we recognize employees include:

Energ!ze

Through our Energ!ze program, employees have the opportunity to recognize their co-workers for their efforts and accomplishments. The online platform enables an employee to detail and share the reason for the recognition. Recognitions can also come with points that can be exchanged by the recipient for items from the online rewards catalog. Points rewards can be given peer-to-peer, and managers can give larger spot awards to recognize employees for going above and beyond.

Service awards

Our service awards celebrate employee service anniversaries and are provided to employees at five-year intervals beginning at five years of service. Managers receive a service award packet to use to recognize the important milestone. The presentation packet includes a congratulatory letter from our CEO, personalized service award and service anniversary gift catalog.

The CEO Summit Award

The CEO Summit Award, our top recognition program, honors employees who stand out within our Black Hills Energy family and in their communities. The award supports and reinforces Black Hills Energy's vision, mission, values and standards and promotes teamwork.

Health and well-being

Medical, dental, vision plans for employees and dependents

Flexible spending accounts for health care and dependent care; Health Savings Account (HSA) for high-deductible health care plan

Critical Illness and Accident insurance for employees and their family

Company-paid basic life insurance and accidental death and dismemberment insurance

Business travel, life, and accidental death and dismemberment insurance

Voluntary employee supplemental life and accidental death and dismemberment insurance (employee and spouse and dependents)

Company paid short-term disability and long-term disability insurance

Voluntary employee supplemental long-term disability buy-up insurance

Employee assistance work/life program (EAP)

Work/life

Paid time off (PTO); company-paid holidays; floating holidays; parental leave/adoption leave

Hybrid work option - work from home two days a week (position dependent)

Life cycle leave - additional leave when experiencing a substantial life event

Educational Assistance Program

Energy in Motion Safety and Wellness Programs (Ready Athlete, ergonomic assessments)

On-site biometric screenings

Retirement planning

401(k) and Roth 401(k) retirement savings plans with company match (dollar for dollar up to 6%)

401(k) discretionary profit sharing contribution (points-based) between 3% - 9% of total eligible pay

Defined benefit plan (closed to new entrants)

Retiree Medical Savings Account (RMSA)

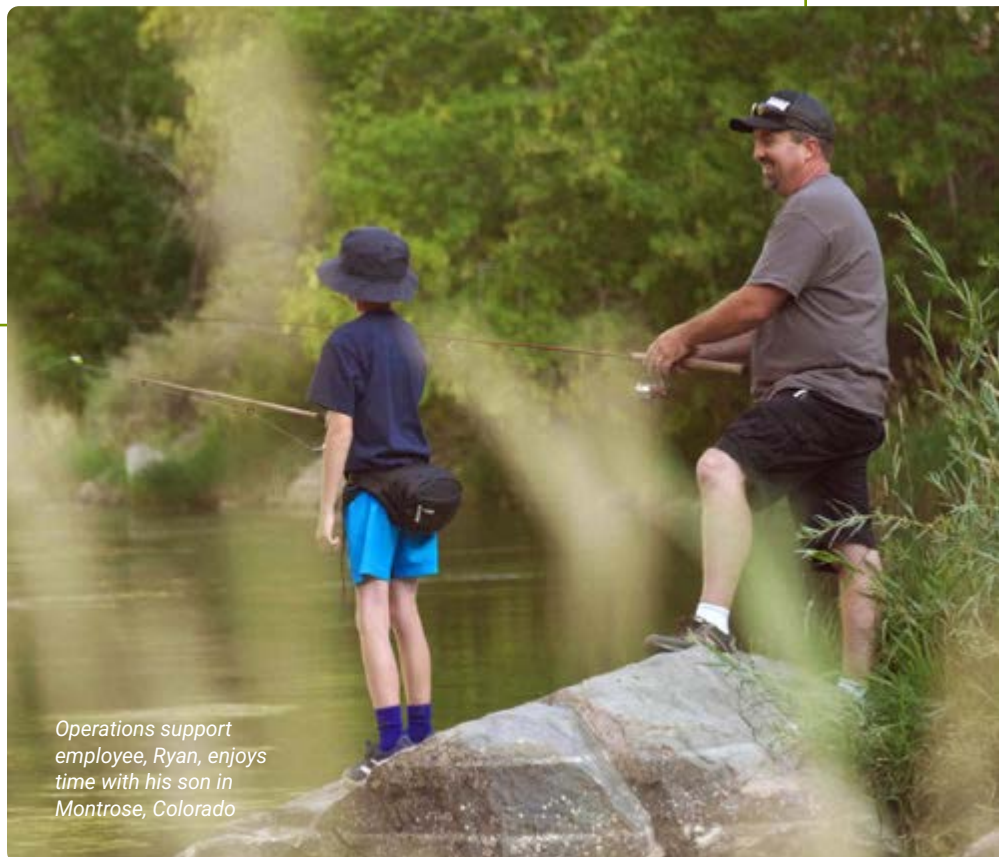
Pre-65 retiree medical

Quarterly Ready2Retire retirement webinars

Quarterly 401(k) retirement planning webinars

Compensation and benefits

We offer our employees a competitive and comprehensive Total Rewards package to help them meet their work and life goals. Our package includes annual incentive awards, retirement benefits, paid time off benefits, company-paid life and disability benefits, and medical, dental and vision insurance. Our pay-for-performance strategy rewards our non-represented employees based on their contributions to the company.



Operations support employee, Ryan, enjoys time with his son in Montrose, Colorado

Training and development

We are deeply invested in the ongoing growth and development of our employees. Our Competency Model serves as a foundation and provides employees with key areas of performance and development specific to our organization and our strategy; it includes behaviors by leadership level across multiple competencies and dimensions, showing them where they can grow and develop. We offer a variety of tools and resources to help employees build skills and grow in their current roles, as well as leadership development offerings for those who want to explore and prepare for future leadership opportunities. Our internal online training platform supports this growth by providing a wide range of courses, including utility-specific training, competency development, management preparation, safety and more. We also host regular New Employee Welcome Sessions where new employees meet leaders, learn about our company and feel connected to our culture. In addition, our employee resource groups enhance development by hosting career discussions, book clubs and other opportunities open to all employees.

For our management-level employees, we provide a suite of specialized programs designed to build strong people leadership capabilities and support our strategic priorities. All leaders are supported from the start with new leader onboarding resources that introduce our culture, expectations, systems and tools available to guide them in their leadership responsibilities.

From there, our Management Essentials Program provides a structured 12-month program that equips people leaders with the fundamentals needed to manage people, processes and performance effectively. After completing Management Essentials, leaders continue their development through additional courses grounded in our Competency Model that deepen leadership acumen, broaden enterprise thinking and strengthen industry knowledge. In addition to these ongoing offerings, all people leaders participate annually in our Strategic Engagement Leadership Labs — dedicated sessions that deepen understanding of our strategy, foster cross-functional collaboration and strengthen leadership skills. Beyond these internal platforms, programs and learning opportunities, we also provide \$5,250 each year in tuition reimbursement for qualifying continuing education.

This reimbursement program can be used at all qualifying universities. We also partner with Nebraska's Bellevue University, Colorado State University Global and the University of Arkansas Grantham, which all provide additional benefits to our employees seeking higher education. All our partner universities are geared toward non-traditional and adult learners who are working full time and offer benefits such as flexible scheduling, financial aid and, in some cases, the recognition of work experience for credit. These partnerships make it easier for employees to obtain or complete a college degree faster and more affordably than they could on their own.



Coworkers Keith, Julia, Gordon, Zeinab and Evangelos gather for a meeting in Council Bluffs, Iowa

Safety

Employee safety and wellness

Safety is a critical part of our company culture and is always a top priority in everything we do. This requires persistent attention from our team, and we take steps to reinforce safety every day. For example, we begin every meeting of three or more employees with a safety share, a practice that helps everyone keep safety in mind. Our emphasis on safety has a positive effect. In 2025, our Occupational Safety and Health (OSHA) Total Incident Case Rate (incidents per 200,000 hours worked) was 1.57 and Days Away Restricted Time (DART) was 0.58, our lowest on record and placing us in industry top quartile.

Additionally, our Preventable Motor Vehicle Incident Rate – measured as accidents per one million miles driven – was 1.47, putting us in the top quartile among AGA utility peers. We're also leading the industry

by encouraging employees to report injuries within one day, with our reporting timeliness ranking at the top compared to similar industries. Early reporting allows employees to address minor injuries before they require higher levels of medical care, and as a result, about 70% of cases over the past four years have been resolved with self-care and have not required additional medical care.

Our approach to safety focuses on managing energy sources, preventing serious incidents, reducing hazards and building a culture that learns from risks and near misses. By strengthening our capabilities, we're not only becoming a safer organization, but also building trust, improving efficiency and creating more opportunities to learn. This helps develop confidence among our employees and supports a safer, more reliable infrastructure for the communities we serve. Improving hazard awareness through education and training has a positive impact across our entire organization.



Gas Tech, Eric, checking farm taps in Liberal, Kansas

Employee safety training

We deliver our safety training through in-person instructor-led sessions and an online learning management system that tracks completion status and dates. Training occurs throughout the year, frequently driven by required regulations and assessed needs. All online safety training is available in several languages.

We evaluate the effectiveness of our training using several methods, including:

Audits and inspections

We perform field audits to assess the effectiveness of online training. For example, our online ladder training discusses the size and type of ladder required.

During a field audit, we look specifically at ladders to see if the ones being used are the right type and capacity, properly labeled and under proper use. We then take the audit findings and compile and evaluate them to determine if our training is effective.

Personal and motor vehicles incidents

To determine the cause and implement corrective action. We compare those findings to understand if our training covered the issue and assess the effectiveness of the training.

Required safety training for new employees

- Decision Driving Principles Module 1: Expand Your Look Ahead Capacity
- Decision Driving Principles Module 2: Sizing Up the Whole Scene
- Decision Driving Principles Module 3: Signal Your Intentions Early
- Decision Driving Principles Module 4: Plan An Escape Route
- Decision Driving Principles Module 5: Take Decisive Action

Required annual safety training for all employees

- Access to Employee Medical and Exposure Records
- Bloodborne Pathogen Awareness — Refresher
- Emergency Action Plan Site Specific Acknowledgment
- Fire Extinguisher/Safety Principles — Refresher
- Incident Intervention with WorkCare

Required annual safety training for field employees

Field employees are assigned additional required training based on role. For example, an electric lineman is required to complete the following additional safety training:

- Compressed gas safety
- Lockout and tagout guidelines
- Electric safety
- Confined spaces
- Trenching and excavation safety
- Scaffolding and ladder safety



Cones are placed in front of vehicles to remind employees to do their 360° walk-around

Crew members, including Victor, practice safety and damage prevention in Gothenburg, Nebraska

Safety in our communities

Our commitment to safety extends beyond the customers we serve – it's a commitment for our employees, customers and communities.

That includes educating everyone in our communities about the importance of calling or clicking 811 before digging. From contractors running excavation equipment, to families planting a new garden. Calling 811 before any digging project – big or small – can help prevent damages to underground utilities, which in turn prevents service interruptions, injuries and fatalities.

Reducing excavation damages

Reducing excavation damage has been a key focus during the past several years, and together we've made great improvements.

We've reduced excavation damage in our communities by nearly 22% since 2020.

Our efforts have included focusing on high-risk excavations, prioritizing hard-to-locate facilities and building stronger relationships and awareness with key stakeholders in our communities to positively encourage a safe digging culture.

We've reduced excavation damage in our communities by **nearly 22% since 2020**

22%



Damage prevention presentation at a job site outside of Fayetteville, Arkansas

Public awareness

Our Public Awareness Program fulfills the requirements of the Pipeline Safety Improvement Act (PSIA) of 2002 and the revised regulatory requirements of 49 CFR Parts 192, and the American Petroleum Institute (API) Recommended Practice (RP) 1162.

It's important for everyone to know how to handle a gas leak, from identification to evacuation, then reporting and eventually when to return to their home or business. We use a variety of approaches to be in contact with community members, including social media, media releases, email, text messaging, door hangers and our website.

Preparing first responders and excavators

It's vital that we continue building effective partnerships within the communities we serve so that we are all prepared in case of emergency.

That's why we sponsor an online training curriculum with education tracks for fire and emergency medical services, law enforcement and community officials. This training is designed to complement existing departmental safety programs. It enhances trainees' knowledge on how to safely respond to natural gas

and electrical emergencies. Additionally, it includes an online learning management system that tracks completion status and dates.

Building relationships with public officials

We maintain damage prevention programs in all six of our natural gas territories and abide by all laws and statutes. While the specifics of these statutes vary from state to state, they lay out the requirements for a utility to receive excavation notices from excavating parties and mark these facilities within a required time frame.

These laws create a framework around which utilities can build a damage prevention program, but our commitment to safety extends beyond the bare minimum of each state's statutes.

We continue to develop our safety program with a goal to be an industry leader. We work to build strong relationships with state and local public officials, enhancing collaboration on safety efforts and education initiatives. We also work with lawmakers to make sure there are effective statutes in place to prevent damage to natural gas lines.

Wildfire prevention

We are continually working to strengthen and enhance the resilience of our electric system and critical infrastructure, so our customers have the safe and reliable power they need and expect. This includes a multilayered approach to reduce wildfire risk through our asset programs, integrity programs and operational response:

- **Asset programs** - We conduct proactive equipment inspections and repairs and use maintenance practices, including vegetation management, powerline patrols and pole inspections and replacement.
- **Integrity programs** - We make system investments to improve reliability and reduce risk, replace distribution lines with underground lines and apply construction standards that reduce the likelihood of wildlife interactions with facilities.
- **Operational response** - We make risk-driven decisions, including system reconfigurations, daily work activities and equipment operation. Additionally, we use fire weather forecasting tools to enhance situational awareness and better understand potentially hazardous fire areas.

We partnered with an industry expert consultant to develop our Emergency Public Safety Power Shutoff (PSPS) program, and we established the program mid-summer 2025. An Emergency PSPS is a safety measure to prevent the electric system from becoming a potential source of ignition during extreme weather conditions/events. It entails selectively and intentionally turning off power to a portion of a service area when high-fire-risk weather and fuel conditions occur. The decision to implement an Emergency PSPS is made with great care and is a last resort measure to protect lives, homes and communities.

Wildfire emergency response is a collaborative effort, and we work closely with and leverage relationships with key stakeholders, such as local governments, emergency management centers, fire agencies, business associations and chambers of commerce, to activate a comprehensive community outreach strategy.

Learn more in our [Wildfire Mitigation Plan](#) and at blackhillsenergy.com/wildfire-safety.



Line patrol crew near Silver City, South Dakota

Protecting communities through proactive planning and wildfire mitigation



Linemen installing a weather station outside of Rapid City, South Dakota

Across the communities we serve, wildfire risk is increasing. Dry conditions, extreme weather and human activity all play a role, with nearly 85% of wildfires in the United States caused by people. Reducing that risk takes strong partnerships, proactive planning and shared responsibility.

At Black Hills Energy, our wildfire mitigation approach combines system reliability and coordination with local leaders, emergency responders and customers.

Planning together for stronger communities

Preparation starts with collaboration. We work with local leaders, organizations and emergency responders to share information about our Emergency Public Safety Power Shutoff (PSPS) program. We explain how it works, when it may be used and what it means for communities. These conversations help gather feedback and incorporate local perspectives into our planning.

We also coordinate with state agencies and emergency management organizations to understand impacts on communications, public safety and critical services. In addition, we learn from other utilities with more established PSPS programs. This strengthens our approach while keeping it relevant to the communities we serve.

Practicing response through training and exercises

We conduct multi-state tabletop exercises that simulate extreme fire weather events across South Dakota, Wyoming and Colorado. These exercises

bring together internal teams and partners to test how we would respond to a PSPS event affecting thousands of customers.

In these scenarios, we activate our incident command structure, evaluate communication and work through real challenges, including customer notifications, coordination with emergency managers and support for critical infrastructure. These exercises help identify gaps, improve processes and strengthen coordination before real events occur.

Keeping customers informed and prepared

Clear, timely communication is essential. We use phone calls, texts, email, social media, outage maps and local media to keep customers informed during PSPS events. Messages guide customers from early notifications through restoration.

We also focus on year-round outreach. Customers are encouraged to update contact information, prepare emergency kits and plan for medical needs or backup power. Public briefings and media engagement explain why a PSPS may be necessary and reinforce safety.

A shared commitment to safety

Wildfire prevention is a shared effort. To be successful, it takes all of us. We continue working with first responders, emergency managers, community organizations and business groups to understand how we can improve coordination, planning and response.

Caring for our communities

Serving more than 1.37 million natural gas and electric utility customers in 850+ communities across eight states, our direct economic impact included charitable giving, compensation for 2,795 employees, franchise fees, payments to suppliers and property, sales and use taxes paid to our communities.

\$1.65 billion Direct economic impact

\$4 million

Charitable giving

Included contributions and sponsorships to nonprofits, chambers and economic development organizations, United Way, energy assistance, in-kind donations, scholarships and investments in trees.

\$623,000

Economic development

Aided economic development organizations and chambers of commerce working to strengthen communities.

\$898,000

Energy assistance

Raised for our energy assistance program, Black Hills Cares, that helped families in need.

\$240,000

In-kind or other donations

Supported community projects by sharing our unique skills and energy.

22,000+

Volunteer hours

Shared by employees with local community organizations.

\$1.9 million

Contributions and sponsorships

Invested by our state utilities and the Black Hills Corp. Foundation in the great work of hundreds of worthy local organizations and nonprofits.

\$270,000

United Way pledges

Benefited United Ways across our eight states, including employee pledges plus a 25% match from the Black Hills Corp. Foundation.

1,266

Trees planted

Which will grow to filter over 450,000 gallons of storm water and avoid or sequester over 500,000 pounds of carbon.

11,000+

First responders and excavators

Trained on emergency response and safe digging practices so everyone knows safety is our top priority and the rules around 811.

Our Nebraska service territory



Employee involvement

Each year, our employees generously share their time and talents to support community organizations and nonprofits across our service territory. This support includes personal contributions to United Way through monthly payroll donations and one-time gifts. In 2025, 18% of our workforce participated in the company's annual United Way campaign, contributing at least their Fair Share (one hour of pay per month) for a total of \$215,800. Employees and customers combined to give over \$449,000 to Black Hills Cares, our energy assistance program. In addition, employees volunteered over 22,300 hours of their time, including nonprofit board service, mentoring students in STEM education, coaching youth sports teams and countless service projects.

Ambassador program

The Ambassador program is a corporate initiative that began in 2008, providing opportunities to serve and lead to more than 100 employees. Ambassadors serve as positive representatives of our company in both internal and external settings, connecting with people on a personal and relevant level; the essence of a grassroots program. Ambassadors are nominated and selected to serve two-year terms that involve volunteering, coordinating initiatives at a local level and participating in key community events. Ambassadors live in every state in our service area and help represent Black Hills Energy in community engagement.



Jacob, team member from Arkansas, volunteers for the United Way Day of Caring

Community engagement

In addition to volunteerism by both our ambassadors and employees, we also regularly engage with our customers and communities. Our Public Affairs team leads this engagement and is embedded within each state of our service area. Multiple tools are used for engagement, both formal and informal, including citizen advisory councils, community technician programs, periodic surveys of elected officials and direct community outreach.

In advance of and during construction projects that may impact stakeholders, we conduct outreach as part of the project plan.

Depending on the project, community engagement surrounding a project may entail:

- Open houses for landowners, the general public and affected neighbors
- Media relations/news releases
- A dedicated project website
- Tours of the project site with local leaders, elected officials or regulators
- Comprehensive communications with landowners
- Outreach to/coordination with businesses to reduce traffic and access issues
- Signage along the route to notify area residents.
- Paid advertising

Supporting our communities and neighbors

We are committed to improving the communities in which we live and work. In 2025, our community support totaled \$4 million, including \$623,000 in support to hometown charities and over \$1.9 million to support economic development organizations working to strengthen our communities.

We proudly match the generosity of our employees, customers and partners through dollar-for-dollar contributions to Black Hills Cares, our energy assistance program, bringing total support to nearly \$898,500. In addition, the Foundation contributed more than \$625,000 to communities across our footprint and provides an annual 25% matching gift for employee Fair Share donations to United Way organizations throughout our territory – resulting in a combined contribution of nearly \$270,000.

Tree planting

We have partnered with the Arbor Day Foundation for 11 years to advance our long-term environmental commitments. In 2025, we invested \$125,000 to support tree planting efforts, resulting in the planting of 1,266 trees. Over a 20-year period, these trees are expected to reduce stormwater runoff by an estimated 452,500 gallons, sequester more than 230 metric tons of carbon, and generate energy savings of approximately 357,000 kWh – equivalent to \$126,800 in avoided energy costs.



16,000



Since beginning our program with the Arbor Day Foundation, we have given away over **16,000 trees to customers**

Black Hills Cares

Whether it's due to an emergency expense, job loss or any other hardship, our energy assistance program, Black Hills Cares, is ready to help our customers who are struggling to make ends meet.

In 2025, Black Hills Cares provided critical energy assistance to over 1,926 families through partnerships with two dozen agencies throughout our service territory. We match our customers' and employees' contributions to Black Hills Cares dollar-for-dollar, raising nearly \$ 898,500 last year.

Black Hills Corporation Foundation

The Black Hills Corporation Foundation was established in 2001 to support community organizations across our service territory. Since then, we've advanced civic, cultural, sustainable and charitable purposes, granting over \$9.6 million to more than 600 organizations within our service area.

Guided by our giving pillars, we strive to build thriving communities, support environmental sustainability and cultivate future leaders. By addressing essential needs and promoting well-being, we work to create safer, healthier and happier communities.

Thriving communities – critical needs such as childcare, housing, food insecurity and energy assistance

Conservation – community green spaces, energy-saving trees, pollinator programs, energy efficiency and weatherization

Future leaders – early childhood education, STEM programs, mentoring and scholarships

To apply for a charitable sponsorship, donation or grant from our state utilities or the Black Hills Corporation Foundation, click [here](#).

Learn more about all our 2025 community efforts at blackhillsenergy.com/community-impact.

Supporting those who support others

Volunteer firefighters are often the first to respond in emergencies – protecting homes, supporting medical calls and stepping in when communities need help most. Many balance this commitment alongside full-time jobs and family responsibilities. We recognize that strong communities are built by people who show up for one another, and through the Black Hills Corporation Foundation, we're proud to support those efforts through the Funds for Firefighters grant program.

Investing in community resilience

Funds for Firefighters provides grants of up to \$2,500 to volunteer fire departments across our service territories, helping them access critical equipment and resources.

In 2025, the program awarded more than \$135,000 to departments across seven states, supporting purchases ranging from protective gear and rescue tools to radios, hoses and essential infrastructure improvements. These investments are improving response times, expanding capabilities and helping firefighters do their jobs safely.

Sustainability starts with preparedness

Sustainability is often defined by how we plan for the future, and preparedness is a critical part of that equation.



Funds for Firefighters grants help volunteer firefighters serve the communities

Volunteer fire departments play a vital role not only in emergency response, but in prevention, education and community readiness. From teaching fire safety in schools to assisting with medical emergencies and disaster response, they help build safer, more resilient communities every day. Programs like Funds for Firefighters strengthen that foundation and help local responders get the tools they need to protect people and the places they call home.

Providing value through community

Through the Foundation, we can create value that extends beyond energy – investing in the safety, stability and long-term well-being of our communities. Since 2001, the Foundation has contributed more than \$8.3 million to over 500 organizations, guided by a focus on thriving communities, conservation and future leaders.

The Funds for Firefighters grants reflect that commitment in action, and support those who protect our communities. Because when we invest in the people who are ready to respond, we help prepare our communities for whatever may come next.



ESG
PILLAR

SUSTAINABLE GROWTH

*Crews working on our
Ready Wyoming project*



Our social impact adds economic value within our local communities. We play a critical role in the ecosystem of our communities by providing jobs and benefits to our employees, paying taxes, community giving and purchasing goods and services to maintain and upgrade our vast network of electric and natural

gas system infrastructure. In 2025, our direct economic impact was estimated at \$1.65 billion.

We're directly or indirectly impacting progress toward these UN SDGs:



8 DECENT WORK AND ECONOMIC GROWTH

Supply chain and diversity

In 2025, we spent approximately \$1 billion with suppliers to support our utility operations and better serve our customers. Of that spend, 29% was completed with businesses within our eight-state service territory. We remain committed to supporting the local businesses in our communities. In 2025, our spend with small businesses, women and minority-owned businesses and other diverse suppliers represented 12% of our total dollars spent.

We're committed to safety and ethical business practices. These fundamental values guide how the decisions we make today are the right decisions for tomorrow. We expect our suppliers of goods and services to adhere to these fundamental values and apply them to how they do business.

Our [Supplier Code of Conduct](#) describes our expectations in detail.

| Direct economic impact summary | 2025 (in thousands) |
|--|------------------------|
| City franchise fees ¹ | \$45,800 |
| Charitable giving | \$4,042 |
| Employee compensation (wages and benefits ²) | \$412,202 |
| Payments to suppliers (total spend) | \$1,009,753 |
| Property taxes | \$60,720 |
| State income tax | \$3,719 |
| Sales tax ³ | \$101,955 |
| Use tax | \$963 |
| Excise tax | \$106 |
| Coal tax | \$11,617 |
| Total | \$1,650,876 |

1. Payments made to local governments for use of public rights-of-way.

2. Benefits include employer contributions for Health and Welfare benefits as well as 401(k) and retirement contributions.

3. Depending on state and local laws, we are required to collect sales tax from customers on taxable sales of goods and services. We also pay taxes on certain purchases made by Black Hills Energy that have not been previously taxed by the vendor or service provider.

Financial performance

In 2025, we delivered another strong year for Black Hills Corporation through the focused strategic execution by our team. We achieved strong results for our stakeholders, reflected in our operational excellence, regulatory outcomes, and infrastructure investments, positioning us for continued success in serving our customers and communities safely and reliably.

We successfully served the core needs of our customers for safe, reliable, cost-effective service during the year. Our longstanding legacy of customer-focused innovation and investments continued to advance our reputation as the energy partner of choice.

We delivered on our financial commitments, achieving the midpoint of our earnings guidance with adjusted earnings per share of \$4.10, excluding merger-related costs, an increase of 5% over 2024. New rates and rider recovery, along with ongoing customer growth, reflected our customer-focused investments and regulatory progress.

The success of our financing strategy supported our solid investment-grade credit ratings and healthy balance sheet, which provide a strong foundation for strategic growth. We issued \$220 million of equity under our at-the-market program and refinanced \$300 million of debt that matured in early 2026.

We have paid a dividend to our shareholders for 83 consecutive years, and in 2025 we extended our industry-leading track record of increasing our dividend to 55 consecutive years. Our consistent dividend practices demonstrate our confidence in the strength and stability of our business and strategy.

Infrastructure and resilience investments

During 2025, we invested approximately \$900 million in capital, prioritizing safety, reliability and cost effectiveness. The strategic expansion and modernization of our energy systems will more effectively and efficiently serve the needs of our customers both today and in the future. We enhanced our wildfire mitigation plan, including establishing an Emergency Public Safety Power Shutoff (PSPS) program for our electric utilities.

Our Ready Wyoming electric transmission expansion is a prime example of our strategy in action. In just three years, our team constructed and energized this 260-mile transmission project, which interconnected our electric systems in Wyoming and South Dakota, enhancing reliability, expanding energy market access and enabling additional opportunities for strategic growth in Wyoming. More importantly, our customers will benefit from long-term cost stability as we reduced dependence on third-party transmission in the region.

In South Dakota, we commenced construction on our Lange II 99-megawatt natural gas-fired generation facility to modernize and replace aging resources and comply with updated system reserve margin needs. We expect the facility will be placed in service in the second half of 2026.

While large electric infrastructure projects continued to be a key area of investment across the utility industry during the year, natural gas remains a critical and enduring component of a strong energy future. We continued to invest across our natural gas footprint, prioritizing safety and system integrity, supporting the connection of new customers, and enabling growth in the communities in which we live and operate.

Read the [2025 Annual Report](#) to learn more.



Crews working on our Ready Wyoming project

Ready Wyoming

260-mile

transmission project, which interconnected our electric systems in Wyoming and South Dakota

Ready Wyoming: connecting power and creating opportunities for customers

In late 2025, we reached a long-anticipated milestone when Ready Wyoming became fully energized and operational. Approved by the Wyoming Public Service Commission in 2022, with construction beginning in 2023, the project was delivered on schedule and was energized on Dec. 29, 2025.

We built Ready Wyoming to support long-term cost stability and system resilience across the region. Now complete, the project expands system capacity, improves flexibility and strengthens our ability to serve both existing customers and new development safely, reliably and cost-effectively. It positions us to support economic growth while maintaining the level of service our customers expect.

Spanning 260 miles across five counties, Ready Wyoming is the largest capital project in Black Hills Energy history. It includes one new substation, two replacement substations, four expanded substations, three new 230-kilovolt transmission lines and two new 115-kilovolt lines. Built to serve customers and communities across Wyoming, the infrastructure uses materials and design standards that enhance system resilience and reliability for decades to come.

Powering growth responsibly

Reliable transmission infrastructure is essential to economic development. By expanding capacity and improving interconnections, Ready Wyoming helps position Wyoming to compete for new business investment while continuing to deliver dependable service to existing customers.



An expertly piloted helicopter installing transmission lines

The project provides the flexibility needed to integrate renewable resources, support dispatchable generation and adapt to changing energy needs. These long-term investments reflect sustainability in action, strengthening resilience, supporting economic opportunity and delivering lasting value to customers, communities and shareholders.

Strengthening reliability and resilience

Now, our Wyoming and South Dakota electric systems are interconnected through owned assets. This creates a more unified grid and allows power to flow along alternate routes when needed, improving reliability for customers in eastern Wyoming.

By reducing reliance on third-party transmission systems, Ready Wyoming gives us greater operational control and helps stabilize long-term transmission costs. That means more predictable pricing for customers and a system better equipped to support future growth, including new industries and development.

Investing in Wyoming's economy

Ready Wyoming represents a significant investment in the state's future. A study by the University of Wyoming Center for Economic and Business Analysis found that construction supported nearly 1,400 jobs and generated more than \$100 million in economic value. The project also contributed over \$8 million in state and local tax revenue during construction and is expected to add about \$570,000 annually to the regional economy.

Delivered through years of coordination with landowners, regulators, and communities, Ready Wyoming reflects the power of collaboration and long-term planning.

Base capital investment by segment and recovery (in millions)

| | 2025A | 2026F | 2027F | 2028F | 2029F | 2030F | 2026 - 2030F |
|--|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Minimal lag capital electric utilities¹ | \$231 | \$341 | \$154 | \$99 | \$104 | \$102 | \$800 |
| Rider-eligible capital electric utilities² | \$134 | \$25 | \$70 | \$198 | \$118 | \$152 | \$564 |
| Growth capital electric utilities³ | \$50 | \$43 | \$46 | \$26 | \$19 | \$20 | \$154 |
| Other | \$66 | \$62 | \$97 | \$132 | \$114 | \$118 | \$522 |
| Electric utilities | \$481 | \$471 | \$367 | \$455 | \$356 | \$391 | \$2,040 |
| Minimal lag capital gas utilities¹ | \$91 | \$126 | \$181 | \$158 | \$310 | \$252 | \$1,028 |
| Rider-eligible capital gas utilities² | \$120 | \$144 | \$184 | \$163 | \$168 | \$186 | \$846 |
| Growth capital gas utilities³ | \$80 | \$84 | \$79 | \$88 | \$84 | \$90 | \$425 |
| Other | \$107 | \$42 | \$9 | \$98 | \$28 | \$24 | \$202 |
| Gas utilities | \$397 | \$396 | \$455 | \$507 | \$590 | \$552 | \$2,500 |
| Total utilities | \$878 | \$867 | \$822 | \$962 | \$947 | \$943 | \$4,540 |
| Corporate | \$11 | \$39 | \$22 | \$21 | \$22 | \$25 | \$128 |
| Total capital investment | \$890 | \$906 | \$844 | \$983 | \$969 | \$968 | \$4,668 |

Note: Forecasted amounts are subject to change in timing and costs of projects and other factors; some totals may differ due to rounding.

1. Minimal lag capital - investment with regulatory lag of less than one year or incurred during expected regulatory test periods.

2. Rider-eligible capital - capital expenditures recovered through state specific tariffs or FERC formula rates and meets minimal lag capital definition.

3. Growth capital - generates immediate revenue on customer connections.

7



ESG
PILLAR

CORPORATE GOVERNANCE

State flags displayed in front of Horizon Point, our company headquarters in Rapid City, South Dakota

Sustainability begins at the highest levels in Black Hills Energy, with oversight from our Board of Directors and full support from our CEO and ESG Steering Committee.

Our commitment to sustainability is integrated throughout the company with guidance from a cross-functional sustainability strategy team.

Business conduct

Our corporate compliance and ethics programs provide the foundation for our business conduct, essential for earning the trust of our customers and communities, regulators, shareholders and employees. We hold ourselves accountable for complying with all company policies, state and federal laws, and the rules and regulations that govern our industry. To facilitate this compliance, employees at all levels of our company, including contract workers and vendors with badge or network access, are expected to complete annual training on and adhere to our Code of Business Conduct.

Human rights

Our respect for human rights is reflected in our corporate values. Our Human Rights and Labor Policy outlines support for standards including ethical and lawful practices concerning human rights, nondiscrimination and harassment, labor standards, collective bargaining and supplier relationships.

Ethics Helpline

We strive to provide a workplace environment where employees feel comfortable asking questions or voicing concerns without fear of retaliation. To support this culture, we provide a dedicated and confidential Ethics Helpline that is available 24 hours a day, seven days a week. This service is available to all employees,

as well as to anyone outside the company, to report actual or suspected ethical or illegal misconduct. The Ethics Helpline is managed by an independent third-party operator, and all reports are promptly investigated. Our ethics program is reviewed on a regular basis and employee understanding of the program is periodically assessed.

Political contributions

We stay informed of public policy issues that impact our business and engage in related processes. Federal, state and local laws govern corporate policy and political activities. Our company follows all federal, state and local laws, rules and regulations related to policy development and the political process.

As with all corporations, Black Hills Corporation is prohibited from contributing directly or indirectly in support of political candidates for elective federal offices in the United States. Additionally, the company does not make direct contributions to candidates for state or local offices.

The employee-supported Black Hills Corporation Political Action Committee (PAC) allows employees to engage voluntarily in the political process and in accordance with all federal, state and local laws. The PAC's board, which is comprised of employee representatives from across the company, is responsible for reviewing and approving state and federal political contribution requests.



Hannah and Suzie reviewing plans in Wichita, Kansas

Leadership and company oversight

Board of directors

The members of our Board of Directors have a fiduciary responsibility to act in the best interests of Black Hills Corporation and its shareholders. The Board operates according to best practice principles outlined in the “Corporate Governance Guidelines of the Board of Directors.” These principles lay the foundation for the Board’s oversight responsibilities.

Our corporate governance structure promotes a strong, independent Board of Directors composed of individuals with varied perspectives, backgrounds, abilities, commitment and expertise, all of which combine to provide robust oversight for the company.

Board leadership

The Board does not have a position regarding whether the roles of Chairman and CEO should be separate or combined. The Board can choose the leadership structure it feels best represents the interests of the company and its shareholders. When the Chairman and CEO roles are combined, the Board shall appoint one of its independent directors to be the lead director. The Board believes that having separate positions and having an independent director serve as Chairman is currently the appropriate leadership structure of the company.

Board composition

The Bylaws of Black Hills Corporation authorize the oversight of the company through a Board of no less than nine members, with discretion to increase its size. As of Dec. 31, 2025, our Board was composed of 10 directors, nine of whom are considered independent within the listing standards of the New York Stock Exchange. The CEO is an inside director and is not deemed independent.

Our collaborative culture encourages differing views and perspectives, and we strive to create an inclusive environment at Black Hills Corporation, starting with the composition of our Board of Directors.

We intentionally broaden our talent pipelines and candidate pools and seek varied perspectives in both director candidates and interview panels. In 2025, the composition of our Board was as follows:

- Gender diversity: 30%
- Racial or ethnic diversity: 10%
- Average age: 62.6
- Average tenure: 6 years

For information on our current board of directors, click [here](#).

Board responsibilities

To support effective management oversight of the critical issues related to financial and operating plans, long-range strategic issues, enterprise risk and corporate integrity, only independent Board members serve on our Board committees. The Board has three committees to help execute its responsibilities:

- Audit Committee
- Leadership Development and Compensation Committee
- Governance Committee

A full description of committee responsibilities can be found in our committee charters and in our Proxy Statement. Notably, the Board oversees ESG, and the Governance Committee oversees the reporting framework we use to track and monitor ESG progress. The Leadership Development and Compensation Committee provides oversight of the company’s culture and belonging efforts. Our Audit Committee oversees financial risk and the process used to monitor compliance with our [Code of Business Conduct](#). More information about our directors, governance documents and committee charters can be found at ir.blackhillscorp.com.



Executive compensation

Our Board's Leadership Development and Compensation Committee has an Executive Compensation Philosophy that provides the foundation for our executive compensation program. The philosophy states that the program should be market-based and maintain an appropriate and competitive balance between fixed and variable pay, short-term and long-term compensation and cash and stock-based compensation.

Company financial, safety, employee wellness and climate-related goals are used as measures to determine incentive programs. Additional information on our performance in these areas is included later in this report. At our 2026 annual meeting, our advisory vote on our executive compensation program received 98.2% support.

Executive compensation program overall goals

- Attract, retain, motivate and encourage the development of highly qualified executives
- Provide competitive compensation
- Promote the relationship between pay and performance
- Promote corporate performance that is linked to our shareholders' interests
- Recognize and reward individual performance

All shareholders have the ability to nominate a candidate for our Board of Directors and all candidates are given equal consideration, without regard for the nominating party. Additionally, all shareholders have the opportunity to submit a proposal to be included in our proxy materials.

Risk management and compliance

Risk management

Our enterprise risk management (ERM) approach supports our operational and strategic objectives. The program is designed to identify risks, assess their impact and likelihood through a formal annual risk assessment across risk categories. Management is responsible for developing, implementing and managing mitigations of the identified risks. Key areas of risk include strategic, climate related, financial, operational, people and culture, regulatory and compliance and technology risks. These risk management practices are embedded into business processes and key decision-making activities. Our ERM program includes regular discussion with our Senior Leadership Team and quarterly reporting to our Board of Directors.

Cybersecurity

Black Hills Energy applies industry-standard security frameworks in our Corporate and Industrial Control System (ICS) environments, as part of our commitment to the delivery of safe and reliable energy to our customers. We apply a standard of continuous improvement to cybersecurity with ongoing employee training, education and system enhancements. Security assessments are regularly conducted through internal threat hunting as well as external penetration testing. The company is subject to regular compliance audits, which are conducted by third-party assessors and auditors and regulatory bodies, including North American Electric Reliability Corporation (NERC) and Transportation Security Administration (TSA).

We incorporate government and industry-related security intelligence sources and actively participate in industry peer groups, such as Edison Electric Institute (EII), American Gas Association (AGA) and Cybersecurity and Infrastructure Security Agency (CISA). Cybersecurity oversight is provided by our Board of Directors, with regular updates from executive leadership on threat trends, risk posture and mitigation efforts.

Black Hills Energy is also a member of the Cybersecurity Risk Information Sharing Program (CRISP), a partnership with energy providers and the

U.S. Department of Energy. As a voluntary participant in the CRISP program, we share threat information that could potentially detect and prevent cyber threats directed at Black Hills Energy and other utilities. We are also a voluntary participant in the Department of Homeland Security (DHS)/Critical Infrastructure Security Agency (CISA) CyberSentry Program, which shares information like the CRISP program. Black Hills Energy also participates in several public-private information sharing agreements with the DOE, CISA and FBI, as well as other private sources.

At Black Hills Energy, Cybersecurity risk is integrated into our enterprise risk management framework, and supports operational resilience, system reliability and long-term value creation for our customers and stakeholders. Our program is designed around layered defenses that help prevent attacks, detect anomalous activity, respond rapidly to incidents and restore operations securely. We include all employees in our annual cybersecurity awareness training supported by monthly phishing simulations designed to reinforce vigilance, safe and secure behaviors.

Strong cybersecurity practices help safeguard customer information, protect critical energy infrastructure and support the resilience of the communities we serve.

Read the [2025 Annual Report](#) to learn more.



Jessie, working on a service line location in Lincoln, Nebraska

Reliability and operational continuity

Delivering safe, reliable and cost-effective energy is core to our mission and essential for the well-being of the communities we serve. To uphold this commitment, Black Hills Energy maintains a comprehensive reliability and operational continuity program focused on system resilience, incident preparedness and continuous improvement.

To ensure operational readiness, we conduct tabletop exercises, functional drills and mock incident simulations across our electric and gas businesses. These exercises test our emergency response procedures, communication protocols and system resilience under various scenarios; including natural disasters, cyber events, extreme weather and equipment failures. Lessons learned from these drills are incorporated into updated operating procedures, ensuring our teams are prepared to respond quickly and effectively.

Reliability and operational continuity remain foundational to our strategy as we invest in infrastructure, integrate new technologies and transition to our energy future. Our focus on preparedness, resilience and continuous improvement helps us consistently deliver the energy our customers depend on every day.

Environmental

Black Hills Energy is committed to responsible environmental stewardship across our operations and throughout our supply chain. Our environmental policy guides our efforts to conserve natural resources and sets clear expectations for our suppliers, vendors, and contractors. To support transparent and accountable performance, we employ a comprehensive environmental management information system that ensures adherence to all applicable state and federal environmental regulations. This system enables continuous improvement and reinforces our commitment to sustainable, compliant and resilient operations. Our most recent external audit, conducted in 2017, evaluated the Company's environmental management system and found that, while it did not fully conform to all ISO 14001 requirements, it was intended to follow the model established in ISO 14001.

Regulatory

Our culture of compliance extends to numerous regulating bodies. We have a history of early adoption of major regulatory changes and strive to self-identify, assess and correct issues. Our goal is an integrity-driven approach that seeks to build trust with our regulators.

Safety management system

Black Hills Energy is voluntarily implementing a safety management system (SMS) as part of our ongoing commitment to protecting our coworkers, customers and communities. In 2022, along with industry partners, we formalized our commitment to the American Gas Association (AGA) and the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) to implement an SMS consistent with the API Recommended Practice 1173 by 2027. This work is further supported by PHMSA's advisory bulletin issued in March 2025 that encourages all pipeline operators to adopt systematic, management-based approaches to continuously improve safety performance.

Our SMS provides a structured framework for identifying, managing and mitigating operational risk while promoting accountability, learning and continuous improvement. Built on the principles of speaking up, respect and incident prevention, the SMS reflects our core values and supports a culture where people feel respected, empowered and protected, and where safety, trust and operational excellence advance together.



Hugo and Jeremiah discuss safety during a meeting in Fayetteville, Arkansas

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APPENDIX



*Lineman working by moonlight
in Rocky Ford, Colorado*

Non-GAAP reconciliation

Use of non-GAAP measures limitations on the use of non-GAAP measures

In addition to presenting its earnings information in conformity with Generally Accepted Accounting Principles (GAAP), the company has presented non-GAAP Adjusted earnings and Adjusted EPS, which reflect adjustments for expenses, gains and losses that the company believes do not reflect ongoing core operating performance, such as costs related to the pending merger with NorthWestern Energy Group, Inc. The company's management uses non-GAAP measures for financial planning and analysis, for

reporting of results to the Board of Directors, in determining performance-based compensation and communicating its earnings outlook to analysts and investors. Non-GAAP financial measures are intended to supplement investors' understanding of our performance and should not be considered alternatives for financial measures presented in accordance with GAAP. Our non-GAAP measures may not be comparable to those of other companies.

Reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures are included below.

Adjusted earnings (in millions)

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Net income available for common stock (GAAP) | \$227.6 | \$236.7 | \$258.4 | \$262.2 | \$273.1 | \$291.6 |
| Adjustments (after tax) | | | | | | |
| Impairment of investment | 5.3 | - | - | - | - | - |
| Merger-related costs | - | - | - | - | - | 8.8 |
| Total Non-GAAP adjustments | 5.3 | - | - | - | - | 8.8 |
| Adjusted earnings (non-GAAP) | \$232.9 | \$236.7 | \$258.4 | \$262.2 | \$273.1 | \$300.4 |



Click here to view this disclosure online and enable cross reference links.



Electric Company ESG/Sustainability Quantitative Information

Parent Company: Black Hills Corporation
 Operating Company: Black Hills Colorado Electric, LLC (d/b/a Black Hills Energy),
 Black Hills Power, Inc. (d/b/a Black Hills Energy),
 Cheyenne Light, Fuel and Power Company (d/b/a Black Hills Energy),
 Black Hills Colorado IPP, LLC,
 Black Hills Colorado Wind, LLC,
 Black Hills Electric Generation, LLC,
 Black Hills Wyoming, LLC
 Business Type: Vertically Integrated
 State of Operation: Colorado, South Dakota, Wyoming
 State with RPS Programs: Colorado
 Regulatory Environment: Regulated and Non-Regulated
 Report Date: 06/2026

| Ref. No. | Refer to the 'EEI Definitions' tab for more information on each metric | Baseline 2005 | Last Year 2024 | Current Year 2025 | Comments, Links, Additional Information, and Notes |
|---|--|---------------|----------------|-------------------|--|
| Portfolio | | | | | |
| 1 | Owned Nameplate Generation Capacity at end of year (MW) | 623.6 | 1,395.0 | 1,387.0 | |
| 1.1 | Coal | 363.0 | 394.6 | 394.6 | |
| 1.2 | Natural Gas | 221.0 | 760.0 | 760.0 | This includes 100 MW capacity of dual fuel natural gas and oil generation. |
| 1.3 | Nuclear | 0.0 | 0.0 | 0.0 | |
| 1.4 | Petroleum | 40.0 | 38.0 | 30.0 | |
| 1.5 | Total Renewable Energy Resources | 0.0 | 201.7 | 201.7 | |
| 1.5.1 | Biomass/Biogas | 0.0 | 0.0 | 0.0 | |
| 1.5.2 | Geothermal | 0.0 | 0.0 | 0.0 | |
| 1.5.3 | Hydroelectric | 0.0 | 0.0 | 0.0 | |
| 1.5.4 | Solar | 0.0 | 0.0 | 0.0 | |
| 1.5.5 | Wind | 0.0 | 201.7 | 201.7 | |
| 1.6 | Other | 0.0 | 0.0 | 0.0 | |
| Use the data organizer on the left (i.e., the plus/minus symbol) to open/close the alternative generation reporting options | | | | | |
| 2.i | Owned Net Generation for the data year (MWh) | 2,652,147 | 5,254,644 | 4,990,949 | |
| 2.1.i | Coal | 2,563,767 | 2,353,154 | 2,002,755 | |
| 2.2.i | Natural Gas | 83,649 | 2,241,885 | 2,385,927 | Net generation and emissions adjusted by % equity of jointly owned sources. Includes 49.9% third party ownership of Black Hills Colorado IPP reported as noncontrolling interest. |
| 2.3.i | Nuclear | 0 | 0 | 0 | |
| 2.4.i | Petroleum | 4,731 | -924 | -1,143 | |
| 2.5.i | Total Renewable Energy Resources | 0 | 660,528 | 603,410 | |
| 2.5.1.i | Biomass/Biogas | 0 | 0 | 0 | |
| 2.5.2.i | Geothermal | 0 | 0 | 0 | |
| 2.5.3.i | Hydroelectric | 0 | 0 | 0 | |
| 2.5.4.i | Solar | 0 | 0 | 0 | |
| 2.5.5.i | Wind | 0 | 660,528 | 603,410 | |
| 2.6.i | Other | 0 | 0 | 0 | |
| 2.ii | Purchased Net Generation for the data year (MWh) | 3,827,200 | 2,225,119 | 2,883,368 | Includes market purchased power and power purchased agreements. Purchased power data excludes intercompany purchases between Black Hills Corporation's regulated and nonregulated utilities to avoid double counting MWh and emissions. |
| 2.1.ii | Coal | 0 | 104,205 | 0 | |
| 2.2.ii | Natural Gas | 0 | 0 | 0 | |
| 2.3.ii | Nuclear | 0 | 0 | 0 | |
| 2.4.ii | Petroleum | 0 | 0 | 0 | |
| 2.5.ii | Total Renewable Energy Resources | 17,205 | 1,073,754 | 1,150,286 | |
| 2.5.1.ii | Biomass/Biogas | 0 | 0 | 0 | |
| 2.5.2.ii | Geothermal | 0 | 0 | 0 | |
| 2.5.3.ii | Hydroelectric | 17,205 | 19,921 | 18,398 | |
| 2.5.4.ii | Solar | 0 | 483,758 | 518,681 | |
| 2.5.5.ii | Wind | 0 | 570,075 | 613,207 | |
| 2.6.ii | Other | 3,810,002 | 1,047,160 | 1,733,082 | Includes market purchases and all other purchased power. |
| Use the data organizer on the left (i.e., the plus/minus symbol) to open/close the alternative generation reporting options | | | | | |
| 3.0 | Capital Expenditures and Energy Efficiency (EE) | | | | |
| 3.1 | Total Annual Capital Expenditures (nominal dollars) | Not available | \$798M | \$890M | |
| 3.2 | Incremental Annual Electricity Savings from EE Measures (MWh) | Not available | 16,793 | 13,442.50 | |
| 3.3 | Incremental Annual Investment in Electric EE Programs (nominal dollars) | Not available | \$7,602,140 | \$7,094,647 | |
| 4.1 | Commercial | 25,745 | 32,289 | 32,279 | |
| 4.2 | Industrial | 142 | 83 | 86 | |
| 4.3 | Residential | 165,483 | 192,716 | 194,735 | |
| Emissions | | | | | |
| 5 | GHG Emissions: Carbon Dioxide (CO2) and Carbon Dioxide Equivalent (CO2e) | | | | Due to proposed changes to the EPA's Greenhouse Gas Reporting Program (GHGRP) and associated reporting delays, federal emissions data had not been finalized or published as of the issuance of this report. Accordingly, emissions were estimated using the 2024 GHGRP methodologies and the best available information at the time of publication. These estimates may differ from emissions ultimately reported once federal reporting is completed or updated in future periods. |
| 5.1 | Owned Generation | | | | |
| 5.1.1 | Carbon Dioxide (CO2) | | | | |
| 5.1.1.1 | Total Owned Generation CO2 Emissions (MT) | 3,264,707 | 3,953,507 | 3,636,806 | |
| 5.1.1.2 | Total Owned Generation CO2 Emissions Intensity (MT/Net MWh) | 1.23 | 0.75 | 0.73 | |
| 5.1.2 | Carbon Dioxide Equivalent (CO2e) | | | | |
| 5.1.2.1 | Total Owned Generation CO2e Emissions (MT) | 3,289,952 | 3,976,600 | 3,657,861 | |
| 5.1.2.2 | Total Owned Generation CO2e Emissions Intensity (MT/Net MWh) | 1.24 | 0.76 | 0.73 | |
| 5.2 | Purchased Power | | | | |
| 5.2.1 | Carbon Dioxide (CO2) | | | | |
| 5.2.1.1 | Total Purchased Generation CO2 Emissions (MT) | 3,137,519 | 586,051 | 722,029 | |
| 5.2.1.2 | Total Purchased Generation CO2 Emissions Intensity (MT/Net MWh) | 0.82 | 0.26 | 0.25 | |
| 5.2.2 | Carbon Dioxide Equivalent (CO2e) | | | | |
| 5.2.2.1 | Total Purchased Generation CO2e Emissions (MT) | 3,151,924 | 589,844 | 726,625 | |
| 5.2.2.2 | Total Purchased Generation CO2e Emissions Intensity (MT/Net MWh) | 0.82 | 0.27 | 0.25 | |
| 5.3 | Owned Generation + Purchased Power | | | | |
| 5.3.1 | Carbon Dioxide (CO2) | | | | |
| 5.3.1.1 | Total Owned + Purchased Generation CO2 Emissions (MT) | 6,402,226 | 4,539,558 | 4,358,835 | |
| 5.3.1.2 | Total Owned + Purchased Generation CO2 Emissions Intensity (MT/Net MWh) | 0.99 | 0.61 | 0.55 | |
| 5.3.2 | Carbon Dioxide Equivalent (CO2e) | | | | |
| 5.3.2.1 | Total Owned + Purchased Generation CO2e Emissions (MT) | 6,441,876 | 4,566,444 | 4,384,486 | Customers calculating Scope 2 emissions should use the residual intensity published in EEI's "Electric Company Carbon Emissions and Electricity Mix Reporting Database". |
| 5.3.2.2 | Total Owned + Purchased Generation CO2e Emissions Intensity (MT/Net MWh) | 0.99 | 0.61 | 0.56 | |
| 5.4 | Non-Generation CO2e Emissions of Sulfur Hexafluoride (SF6) | | | | |
| 5.4.1 | Total CO2e emissions of SF6 (MT) | 2,533 | 2,533 | 4,120 | Facilities that do not meet the EPA reporting threshold for SF6 emissions have been estimated. |
| 5.4.2 | Leak rate of CO2e emissions of SF6 (MT/Net MWh) | 0.000482 | 0.000482 | 0.000826 | |
| 6 | Nitrogen Oxide (NOx), Sulfur Dioxide (SO2), Mercury (Hg) | | | | |
| 6.2 | Nitrogen Oxide (NOx) | | | | |
| 6.2.1 | Total NOx Emissions (MT) | 5,045 | 1,891 | 1,726 | |
| 6.2.2 | Total NOx Emissions Intensity (MT/Net MWh) | 0.001902 | 0.000396 | 0.000346 | |
| 6.3 | Sulfur Dioxide (SO2) | | | | |
| 6.3.1 | Total SO2 Emissions (MT) | 8,017 | 1,234 | 1,087 | |
| 6.3.2 | Total SO2 Emissions Intensity (MT/Net MWh) | 0.003022 | 0.000235 | 0.000218 | |
| 6.4 | Mercury (Hg) | | | | |
| 6.4.1 | Total Hg Emissions (kg) | 90.4 | 9.1 | 8.7 | |
| 6.4.2 | Total Hg Emissions Intensity (kg/Net MWh) | 0.000034 | 0.000002 | 0.000002 | |
| Resources | | | | | |
| 7 | Human Resources | | | | |
| 7.1 | Total Number of Employees | 843 | 2,841 | 2,795 | |
| 7.2 | Percentage of Women in Total Workforce | 27% | 24% | 24% | |
| 7.3 | Percentage of Minorities in Total Workforce | 9% | 15% | 15% | |
| 7.4 | Total Number on Board of Directors/Trustees | 10 | 10 | 10 | |
| 7.5 | Percentage of Women on Board of Directors/Trustees | 10% | 30% | 30% | |
| 7.6 | Percentage of Minorities on Board of Directors/Trustees | 10% | 10% | 10% | |
| 7.7 | Employee Safety Metrics | | | | |
| 7.7.1 | Recordable Incident Rate | 3.99% | 1.83% | 1.57% | |
| 7.7.2 | Lost-time Case Rate | 0.39% | 0.65% | 0.37% | |
| 7.7.3 | Days Away, Restricted, and Transfer (DART) Rate | 1.93% | 1.00% | 0.58% | |
| 7.7.4 | Work-related Fatalities | - | 0 | 0 | |
| 8 | Fresh Water Resources used in Thermal Power Generation Activities | | | | |
| 8.1 | Water Withdrawals - Consumptive (Millions of Gallons) | Not available | 849.95 | 819.06 | Water withdrawal based on facilities we operate. |
| 8.2 | Water Withdrawals - Non-Consumptive (Millions of Gallons) | Not available | 0.00 | 0.00 | |
| 8.3 | Water Withdrawals - Consumptive Rate (Millions of Gallons/Net MWh) | Not available | 1.59E-04 | 1.71E-04 | Intensity based on generation from fossil fuel and renewable facilities we operate. |
| 8.4 | Water Withdrawals - Non-Consumptive Rate (Millions of Gallons/Net MWh) | Not available | 0.00 | 0.00 | |
| 9 | Waste Products | | | | All facilities are classified by the EPA as Very Small Quantity Generators (VSQGs) - due to low quantities of HW generation. This total does not include universal waste, please see our Sustainability Report for complete waste listing. |
| 9.1 | Amount of Hazardous Waste Manifested for Disposal (MT) | Not available | 49.4 | 55.2 | |
| 9.2 | Percent of Coal Combustion Products Beneficially Used | Not available | 0% | 0% | |
| <p>All information and data in the EEI and AGA ESG qualitative and quantitative reports are provided on a voluntary basis and could be subject to change. These reports contain forward-looking information as defined by the Securities and Exchange Commission. Whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including without limitation, the risk factors described in our 2025 Annual Report on Form 10-K. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.</p> | | | | | |

Gas Company ESG/Sustainability Quantitative Information

Parent Company: Black Hills Corporation
 Operating Company(s): Black Hills Energy Arkansas, Inc. d/b/a Black Hills Energy, Black Hills Colorado Gas, Inc. d/b/a Black Hills Energy, Black Hills Iowa Gas Utility Company, LLC d/b/a Black Hills Energy, Black Hills Kansas Gas Utility Company, LLC d/b/a Black Hills Energy, Black Hills Nebraska Gas, LLC d/b/a Black Hills Energy, Black Hills Wyoming Gas, LLC d/b/a Black Hills Energy, Black Hills Energy Renewable Resources, LLC d/b/a Black Hills Energy, Black Hills Energy Services Company, d/b/a Black Hills Energy
 Business Type(s): Vertically Integrated
 State(s) of Operation: Arkansas, Colorado, Iowa, Kansas, Nebraska, Wyoming
 Regulatory Environment: Regulated
 Report Date: June 2026

| Ref. No. | Refer to the 'Definitions' tab for more information on each metric. | Last Year 2024 | Current Year 2025 | Definitions | Additional Comments |
|---|--|----------------|-------------------|--|--|
| Natural Gas Distribution | | | | | |
| 1 | Methane Emissions and Mitigation from Distribution Mains | | | All methane leak sources per 98.232 (j) (1-6) are included for Distribution. Combustion sources are excluded. CO2 is excluded. | Due to proposed changes to the EPA's Greenhouse Gas Reporting Program (GHGRP) and associated reporting delays, federal emissions data had not been finalized or published as of the issuance of this report. Accordingly, emissions were estimated using the 2024 GHGRP methodologies and the best available information at the time of publication. These estimates may differ from emissions ultimately reported once federal reporting is completed or updated in future periods. |
| 1.1 | Number of Gas Distribution Customers | 1,128,355 | 1,138,152 | | |
| 1.2 | Distribution Mains in Service | 30,860 | 31,175 | These metrics should include all local distribution companies (LDCs) held by the Parent Company that are above the LDC Facility reporting threshold for EPA's 40 C.F.R. 98, Subpart W reporting rule. | |
| 1.2.1 | Plastic (miles) | 18,634 | 19,085 | | |
| 1.2.2 | Cathodically Protected Steel - Bare & Coated (miles) | 11,810 | 11,561 | | Data integrity improvements were made between 2024 and 2025 which does not clearly reflect the pipeline replacement efforts that occurred. |
| 1.2.3 | Unprotected Steel - Bare & Coated (miles) | 416 | 529 | | Unknown pipe is conservatively reported as unprotected steel. |
| 1.2.4 | Cast Iron / Wrought Iron - without upgrades (miles) | | | | |
| 1.3 | Plan/Commitment to Replace / Upgrade Remaining Miles of Distribution Mains (# years to complete) | | | These metrics should provide the number of years remaining to take out of service, replace or upgrade cathodically unprotected steel mains, and cast iron/wrought iron mains, consistent with applicable state utility commission authorizations. | Goal listed in 1.3.1 |
| 1.3.1 | Unprotected Steel (Bare & Coated) (# years to complete) | | | Optional: # yrs by pipe type | Unprotected pipe continues to be replaced with lower emitting materials. |
| 1.3.2 | Cast Iron / Wrought Iron (# years to complete) | | | Optional: # yrs by pipe type | All cast iron pipe was replaced by 2014 with lower emitting material. |
| 2 | Distribution CO2e Fugitive Emissions | | | | |
| 2.1 | CO2e Fugitive Methane Emissions from Gas Distribution Operations (metric tons) | 302,355 | 255,344 | Fugitive methane emissions (not CO2 combustion emissions) stated as CO2e, as reported to EPA under 40 CFR 98, Subpart W, sections 98.236(q)(3)(ix)(D), 98.236(r)(1)(v), and 98.236(r)(2)(v)(B) - i.e., this is Subpart W methane emissions as input in row 2.2 below and converted to CO2e here. This metric should include fugitive methane emissions above the reporting threshold for all natural gas local distribution companies (LDCs) held by the Parent Company that are above the LDC Facility reporting threshold for EPA's 40 C.F.R. 98, Subpart W reporting rule. Calculated value based on mt CH4 input in the 2.2 (below). | |
| 2.2 | CH4 Fugitive Methane Emissions from Gas Distribution Operations (metric tons) | 10,798 | 9,119 | INPUT VALUE (total mt CH4) as explained in definition above. Subpart W input is CH4 (mt). | |
| 2.2.1 | CH4 Fugitive Methane Emissions from Gas Distribution Operations (MMSCF/year) | 562 | 475 | | |
| 2.3 | Annual Natural Gas Throughput from Gas Distribution Operations in thousands of standard cubic feet (Mscf/year) | 227,337,667 | 235,478,350 | This metric provides gas throughput from distribution (quantity of natural gas delivered to end users) reported under Subpart W, 40 C.F.R. 98.236(aa)(9)(iv), as reported on the Subpart W e-GRRT integrated reporting form in the "Facility Overview" worksheet Excel form, Quantity of natural gas delivered to end users (column 4). | |
| 2.3.1 | Annual Methane Gas Throughput from Gas Distribution Operations in millions of standard cubic feet (MMscf/year) | 215,971 | 223,704 | | |
| 2.4 | Fugitive Methane Emissions Rate (Percent MMScf of Methane Emissions per MMScf of Methane Throughput) | 0.26% | 0.21% | Calculated annual metric: (MMSFC methane emissions/MMSCF methane throughput) | |
| Natural Gas Transmission and Storage | | | | | |
| | | | | All methane leak sources per 98.232 (e) (1-8), (f)(1-8), and (m) are included for Transmission and Storage. Combustion sources are excluded. CO2 and N2O are excluded. Fugitive Methane emissions as defined in 40 CFR 98 Sub W Section 232 (e) (1-8), CO2 and N2O emissions are excluded from this section. | Black Hills Corporation transmission companies are below the reporting threshold for this segment. |
| Natural Gas Gathering and Boosting | | | | | |
| | | | | | Please reference the Black Hills Energy Natural Gas Sustainability Initiative (NGSI) metrics for natural gas gathering & boosting emission calculations. |
| Human Resources | | | | | |
| 1.1 | Total Number of Employees | 2,841 | 2,795 | | |
| 1.2 | Percentage of Women in Total Workforce | 24% | 24% | | |
| 1.3 | Percentage of Minorities in Total Workforce | 15% | 15% | | |
| 2.1 | Total Number on Board of Directors/Trustees | 10 | 10 | | |
| 2.2 | Percentage of Women on Board of Directors/Trustees | 30% | 30% | | |
| 2.3 | Percentage of Minorities on Board of Directors/Trustees | 10% | 10% | | |
| 3 | Employee Safety Metrics | | | | Reference Section 7 Human Resources in EEI Definitions tab. |
| 3.1 | Recordable Incident Rate | 1.83% | 1.57% | | |
| 3.2 | Lost-time Case Rate | 0.65% | 0.37% | | |
| 3.3 | Days Away, Restricted, and Transfer (DART) Rate | 1.0% | 0.58% | | |
| 3.4 | Work-related Fatalities | 0 | 0 | | |
| Additional Metrics (Optional) | | | | | |
| | All information and data in the EEI and AGA ESG qualitative and quantitative reports are provided on a voluntary basis and could be subject to change. These reports contain forward-looking information as defined by the Securities and Exchange Commission. Whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including without limitation, the risk factors described in our 2025 Annual Report or Form 10-K. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise. | | | | |



BLACK HILLS CORPORATION

NATURAL GAS SUSTAINABILITY INITIATIVE (NGSI)
METHANE INTENSITY DISCLOSURE
Reporting Year: 2025*

Natural Gas Distribution Segment - Publicly Reported Data

NGSI participants are encouraged to publicly report the following data each year. NGSI requests data at a company level. However, companies may also choose to disclose facility-level methane emissions and intensity

| Disclosure Element | Reported Data | Description |
|--|----------------|---|
| Total Methane Emissions, GHGRP emission factors for mains and services (MT) | 14,747.52 | Total distribution segment methane emissions from GHGRP and non GHGRP facilities, calculated using GHGRP emission factors for mains and services |
| Total Methane Emissions, GHG Inventory emission factors for mains and services (MT) | 10,907.39 | Total distribution segment methane emissions from GHGRP and non GHGRP facilities, calculated using GHG Inventory emission factors for mains and services |
| Natural Gas Delivered to End Users, As Reported (Mscf) | 235,478,350.00 | Total volume of natural gas delivered to end users from GHGRP facilities and non GHGRP facilities, as reported |
| Natural Gas Delivered to End Users, Normalized (Mscf) | 205,460,404.85 | Total volume of natural gas delivered to end users from GHGRP facilities and non GHGRP facilities, normalized |
| Methane Content of Delivered Natural Gas, Reported (%) | 93.4% | Methane content of delivered natural gas, as reported (weighted average methane content of all throughput) |
| Methane Content of Delivered Natural Gas, Normalized (%) | 93.4% | Methane content of delivered natural gas, normalized (weighted average methane content of all throughput) |
| NGSI Methane Emissions Intensity, GHGRP emission factors for mains and services (%) | 0.3492% | Methane emissions intensity associated with natural gas distribution using reported throughput and GHGRP emission factors for mains and services (methane emissions associated with natural gas distribution divided by total methane throughput) |
| Normalized NGSI Methane Emissions Intensity, GHGRP emission factors for mains and services (%) | 0.4003% | Methane emissions intensity associated with natural gas distribution using normalized throughput and GHGRP emission factors for mains and services (methane emissions associated with natural gas distribution divided by total methane throughput) |
| NGSI Methane Emissions Intensity, GHG Inventory emission factors for mains and services (%) | 0.2583% | Methane emissions intensity associated with natural gas distribution using reported throughput and GHG Inventory emission factors for mains and services (methane emissions associated with natural gas distribution divided by total methane throughput) |
| Normalized NGSI Methane Emissions Intensity, GHG Inventory emission factors for mains and services (%) | 0.2960% | Methane emissions intensity associated with natural gas distribution using normalized throughput and GHG Inventory emission factors for mains and services (methane emissions associated with natural gas distribution divided by total methane throughput) |

Natural Gas Gathering and Boosting Segment - Publicly Reported Data

| Disclosure Element | Reported Data | Description |
|--|---------------|--|
| Total Methane Emissions (MT, sum of GHGRP and GHGI Emissions) | 370.24 | Total gathering and boosting segment methane emissions from GHGRP and non GHGRP facilities |
| Natural Gas Transported (Mscf) | 8,911,266.00 | Total volume of gas transported by GHGRP and non GHGRP facilities |
| Energy Content of Natural Gas Transported (MMBtu/Mscf) | 1.235 | Raw gas higher heating value (weighted average energy content of all natural gas transported) |
| Methane Content of Natural Gas Transported (%) | 83.3% | Methane content of natural gas transported (weighted average methane content of all natural gas transported) |
| Hydrocarbon Liquids Transported by Gathering & Boosting Facilities (bbl) | 0.00 | Total volume of hydrocarbon liquids transported by GHGRP and non GHGRP facilities |
| Energy Content of Hydrocarbon Liquids Transported (MMBtu/bbl) | No Liquids | Heating value of all hydrocarbon liquids transported (weighted average energy content of all hydrocarbon liquids transported) |
| Gas Ratio (%) | 100.00 | Share of natural gas transported on an energy equivalent basis (energy content of natural gas throughput divided by sum of energy content of natural gas and hydrocarbon liquid throughput). Note: this reflects the company-level gas ratio; to calculate company-level NGSI methane emissions intensity, emissions must be allocated using the facility-level gas ratios |
| NGSI Methane Emissions Intensity (%) | 0.2598% | Methane emissions intensity associated with natural gas gathering & boosting (methane emissions allocated to natural gas divided by total methane throughput) |

*This disclosure references the methodologies from the NGSI template version 2.0.



2025 Sustainability Accounting Standards Board (SASB) Mapping Report

Black Hills Corporation
SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS
Electric Utilities & Power Generators

| Topic | SASB Code | Accounting Metric | Response |
|---|---|--|---|
| Greenhouse Gas Emissions & Energy Resource Planning | IF-EU-110a.1 | (1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations. | See EEI Disclosure (1). 3,661,981 MT Scope 1 emissions for Power Generators and SF6 only, see EEI Disclosure. (2). 5.64% (3). 99.9% SF6 emissions are part of our electric utilities and are being reported under this framework (Electric Utilities and Power Generators) |
| | IF-EU-110a.2 | Greenhouse gas (GHG) emissions associated with power deliveries: | See EEI Disclosure 4,384,486 MT |
| | IF-EU-110a.3 | Discussion of long-term and short-term strategy or plan to manage Scope 2 emissions, emissions reduction targets, and an analysis of performance against those targets | See page 13 of our Corporate Sustainability Report We are excited to announce significant advancements in our decarbonization journey. We have continued to achieve progress toward our goal to reduce electric utility emission intensity 40% by 2030 and 70% by 2040, already reducing emissions by 43% since 2005. We have also committed to operating a net zero natural gas distribution system by 2035 and reduced our emissions 25% since setting our goal in 2022. We're transitioning to our energy future through the addition of low or zero-carbon generation sources and fossil fuel plant retirements or conversions. Our approved resource plan for Colorado includes the potential addition of 200 MW of solar energy and 50 MW of battery storage by 2030. We will be positioned to achieve our greenhouse gas reduction goals, without reliance on future technologies, through the conversion of Neil Simpson II coal plant to include natural gas as a dual fuel unit, conversion or retirement of our remaining coal and diesel power plants at the end of their engineered life, and the addition of renewable energy resources and storage. In addition to company-owned and operated renewable energy sources, we leverage power purchase agreements (PPAs) to meet customer needs and help achieve our greenhouse gas reduction goals. Our first large-scale solar PPA, Fall River Solar, was brought online in 2023. The energy from this 80 MW project located near Oelrichs, South Dakota, is used to serve Black Hills Energy customers throughout western South Dakota and eastern Wyoming. Roundhouse Renewable Energy Wind and South Cheyenne Solar, brought online in 2023 and 2024, respectively, are serving growing data center loads. Our total renewable portfolio of owned and contracted renewable energy represents 37% of our generation capacity and helps to achieve our greenhouse gas reduction goals and serve our customers' needs. Natural gas is a cost-effective and highly reliable energy source that will play a vital role in the energy transition, continuing to support emissions reductions associated with energy use. Our natural gas utilities serve more than 1.1 million customers in six states. We operate a gas system above industry standards, investing in quality materials with low emission rates. Cast iron pipe has not been present in our system since 2014, and nearly 99% of our infrastructure is comprised of protected steel or plastic. These investments, with a focus on system integrity, damage prevention and measurement improvement, have positioned us to achieve our net zero emissions target for our natural gas distribution system by 2035. |
| Air Quality | IF-EU-120a.1 | Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) Particulate matter (PM10), (4) Lead (Pb), and (5) Mercury (Hg); percentage of each in or near areas of dense population | See EEI Disclosure for additional notes on inclusions. (1). 1,726 MT (2). 1,087 MT (3). 287 MT (4). 0.01 MT (5). 0.087 MT NOx (8.21%), SO2 (0.55%), PM10 (15.84%), Pb (0.12%), Hg (0.07%) |
| Water Management | IF-EU-140a.1 | (1) Total water withdrawn (2) Total water consumed, percentage of each in regions with high or extremely high baseline water stress | (1). 3,100 thousand cubic meters (2). 3,100 thousand cubic meters 100.0% |
| | IF-EU-140a.2 | Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations | 1 |
| | IF-EU-140a.3 | Description of water management risks and discussion of strategies and practices to mitigate those risks | See Page 39 of our Corporate Sustainability Report We have a long and successful track record of environmental leadership and innovation in our utility operations, starting with our pioneering efforts in 1969, when we introduced the first use of industrial air-cooled condensers in the western hemisphere at our energy complex in Wyoming. Using air-cooled condensing technology saves billions of gallons of water per year in this arid region with limited water resources. The U.S. Energy Information Agency lists that the average conventional coal power plant using water to cool the boilers consumes 51 gal/kwh. Black Hills Energy's water consumption rate at its coal-fired power plants using the air-cooled condensing technology consumes 0.1 gal/kwh resulting in an annual water savings of 140 billion gallons. This provides cost benefits by not having to manage and discharge significant amounts of processed water to the environment and leaves this natural resource in place. Our natural gas combustion turbine fleet uses minimal amounts of water, and we have implemented additional innovative and protective water management measures. At the Pueblo Airport Generation, we manage wastewater with an evaporation pond. Rather than treat then discharge water to the Arkansas River, pollutants in the water settle out in the pond and evaporate in the atmosphere, returning our wastewater to the Earth's natural water cycle. At the Cheyenne Prairie Generating Station, discharge water is sent to the City's wastewater treatment plant. This plant is located adjacent to our generation facility and requires adherence to stringent water limits set in the Industrial Pretreatment Water discharge permit issued to us. The discharge water goes through further treatment at the wastewater treatment plant before it is discharged to Crow Creek for downstream use. |
| | IF-EU-150a.1 | Amount of coal combustion residuals (CCR) generated, percentage recycled | 84,392 metric tons 0%. All coal ash is used for back fill in reclamation; however, according to SASB guidance, this process does not meet the definition for being recycled. |
| IF-EU-150a.3 | Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations. | Coal combustion ash is used to reclaim the Wyodak Mine Peerless Pit. Reclamation activities include backfilling sections with coal ash, capping with stockpiled overburden material, applying topsoil, and seeding to restore biodiversity, with 100% of the ash used for backfill reclamation. | |
| Energy Affordability | IF-EU-240a.1 | Average retail electric rate for (USD/kWh): (1) residential, (2) commercial, and (3) industrial customers | Colorado: (1). \$0.1871 (2). \$0.1340 (3). \$0.1101 South Dakota: (1). \$0.1512 (2). \$0.1399 (3). \$0.1044 Wyoming: (1). \$0.1732 (2). \$0.0837 (3). \$0.0945 |
| | IF-EU-240a.3 | Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days | Colorado: 1,973 76% South Dakota: 1,051 77% Wyoming: 820 89% |
| | IF-EU-240a.4 | Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory | See 10-K Report, Item 1A, Risk Factors. We offer a variety of programs to help our customers, including budget billing, energy efficiency programs and energy assistance. See Billing and payments Black Hills Energy for more information. |
| | IF-EU-320a.1 | (1) Total recordable Incident Rate (TRIR), (2) Fatality Rate, and (3) Near Miss Frequency Rate (NMFRR) for (a) direct employees and (b) contract employees | See EEI Disclosure and See page 52 of our Corporate Sustainability Report (1). 1.57 (2). 0.0 (3). 0.169 |
| End-Use Efficiency & Demand | IF-EU-420a.2 | Percentage of electric load served by smart grid technology | 99.99% |
| | IF-EU-420a.3 | Customer electricity savings from efficiency measures, by market | See page 36 of our Corporate Sustainability Report Colorado: 10,475,916 kWh South Dakota: 702,221 kWh Wyoming: 2,264,403 kWh |
| Nuclear Safety & Emergency Management | IF-EU-540a.1 | Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column | N/A |
| | IF-EU-540a.2 | Description of efforts to manage nuclear safety and emergency preparedness | N/A |
| Grid Resiliency | IF-EU-550a.1 | Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations. | In the interest of physical and cyber security, this information is not disclosed. |
| | IF-EU-550a.2 | (1) System Average Interruption Duration Index (SAIDI), SAIDI inclusive of major event days, in minutes, (2) System Average Interruption Frequency Index (SAIFI), SAIFI inclusive of major event days, in minutes, (3) Customer Average Interruption Duration Index (CAIDI), and CAIDI inclusive of major event days, in minutes, inclusive of major event days. | (1). 64,970 Minutes 229,018 Minutes (2). 0.797 Minutes 3.111 Minutes (3). 81,490 Minutes 174,745 Minutes |
| Activity Metrics | IF-EU-000.A | Number of: (1) residential, (2) commercial, and (3) industrial customers served; other | See Black Hills' 10-K for fiscal year ending Dec 31, 2025. (1). 194,735 (2). 32,279 (3). 86 |
| | IF-EU-000.B | Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers | See Black Hills' 10-K for fiscal year ending Dec 31, 2025. (1). 1,461,500 MWh (2). 2,068,100 MWh (3). 2,615,400 MWh (4). 142,100 MWh (5). 1,379,700 MWh |
| | IF-EU-000.C | Length of (1) transmission and (2) distribution lines | Colorado Electric: (1). 655 miles (2). 3,229 miles South Dakota Electric: (1). 1,193 miles (2). 2,662 miles Wyoming Electric: (1). 366 miles (2). 1,373 miles |
| | IF-EU-000.D | (1) Total electricity generated, (2) percentage by major energy source, (3) percentage in regulated markets | See Black Hills' 10-K for fiscal year ending Dec 31, 2025. For regulated market, see page 13 through 16 of Black Hills' 10-K Coal: (1). 2,075,000 MWh (2). 40.9% (3). 48.6% Natural Gas: (1). 2,389,400 MWh (2). 47.2% (3). 38.7% Wind: (1). 602,900 MWh (2). 11.9% (3). 12.7% Petroleum: (1). 0 MWh (2). 0% (3). 0% |
| | IF-EU-000.E | Total wholesale electricity purchased | 3,076,300 MWh |



2025 Sustainability Accounting Standards Board (SASB) Mapping Report

Black Hills Corporation
SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS
Gas Utilities & Distributors

| Topic | SASB Code | Accounting Metric | Response |
|--|--------------|---|---|
| Energy Affordability | IF-GU-240a.1 | Average retail gas rate for (1) Residential, (2) Commercial, (3) Industrial customers, and (4) Transportation services only | Arkansas: (Arkansas customer bills are generated using volumes in CCF) (1). \$17.95/Mcf (2). \$11.82/Mcf (3). \$7.74/Mcf (4). \$1.34/Mcf Colorado: (1). \$10.46/Dth (2). \$9.62/Dth (3). \$6.13/Dth (4). \$1.40/Dth Iowa: (1). \$11.31/Dth (2). \$8.95/Dth (3). \$7.70/Dth (4). \$0.46/Dth Kansas: (1). \$14.66/Dth (2). \$11.18/Dth (3). \$3.74/Dth (4). \$0.53/Dth Nebraska: (1). \$13.67/Dth (2). \$10.57/Dth (3). \$7.76/Dth (4). \$1.30/Dth Wyoming: (1). \$11.49/Dth (2). \$7.19/Dth (3). \$4.53/Dth (4). \$1.87/Dth |
| | IF-GU-240a.3 | Number of residential customer gas disconnections for non-payment, percentage reconnected within 30 days | Arkansas: 5,236 40% Colorado: 1,018 41% Iowa: 2,244 32% Kansas: 2,017 39% Nebraska: 3,747 37% Wyoming: 801 24% |
| | IF-GU-240a.4 | Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory | See 10-K Report, Item 1A, Risk Factors. We offer a variety of programs to help our customers, including budget billing, energy efficiency programs and energy assistance. See Billing and payments Black Hills Energy for more information. |
| | IF-GU-420a.2 | Customer gas savings from efficiency measures by market | Arkansas: 151,414 Dth Colorado: 104,009 Dth Iowa: 23,286 Dth Wyoming: 16,572 Dth |
| Integrity of Gas Delivery Infrastructure | IF-GU-540a.1 | Number of: (1) reportable pipeline incidents, (2) corrective Action Orders (CAOs), and (3) violations of pipeline safety statutes | (1). 2 (2). 0 (3). 0 |
| | IF-GU-540a.2 | Percentage of distribution pipeline that is: (1) cast and/or wrought iron and (2) unprotected steel | (1). 0% (2). 2.15%* *Percentage reflects distribution mains and services and includes unknown pipeline material. |
| | IF-GU-540a.3 | Percentage of gas: (1) transmission and (2) distribution pipelines inspected | See our AGA Disclosure (1) 1.96%: 1.63% of transmission system was inspected by in-line inspection methods; 0.04% by pressure testing; and 0.30% by internal/external direct assessment. Natural gas transmission pipeline inspection requirements are based on pipeline proximity to populated areas. Our service area is largely rural, and the ratio of transmission pipeline located in high consequence compared to total system miles is low. (2) 0% of distribution system was inspected by in-line inspection methods (this is not typically performed on the lower pressure distribution pipelines). Also see our AGA ESG Quantitative Analysis and our Corporate Sustainability Report. |
| | IF-GU-540a.4 | Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions | See page 31 of our Corporate Sustainability Report Our comprehensive, programmatic integrity management program monitors our natural gas pipeline systems and plans upgrades to our pipeline networks to enhance safety, improve system reliability and reduce or eliminate methane emissions. The program assesses risk and prioritizes the replacement and upgrading of pipeline to proactively replace vintage and at-risk materials while achieving our GHG emissions reduction goal. Integrity management involves comprehensive evaluations of all pipelines and above-ground equipment, including direct inspection of pipelines for leaks using state of the art technologies. Our GHG emissions reduction strategy includes: Pipeline replacement: We're continuing our multi-year investment plan to update older infrastructure with lower emissions pipeline and service line materials. Damage prevention: Our comprehensive damage prevention strategy increases system safety and helps prevent pipeline hits and methane emissions. Renewable natural gas (RNG): We currently receive RNG from ten facilities, own one production facility, and are pursuing additional RNG opportunities. RNG, a carbon negative or neutral energy, has the potential to further reduce operational and customer natural gas GHG emissions. Expanded leak detection and surveying: By collecting detailed emissions data from our system, we can identify new opportunities for reductions. In addition to our regular system-wide leak surveying, we conduct additional leak surveys of our aboveground natural gas equipment to help determine fugitive emissions from our system. In 2020 we began surveying two additional states, Colorado and Nebraska, which joined Arkansas in our surveying program as required by the EPA Greenhouse Gas reporting program. The additional surveys we conducted helped us identify fugitive emissions from our system that otherwise would not have been found as quickly. |
| Activity Metrics | IF-GU-000.A | Number of: (1) residential, (2) commercial, (3) industrial, and (4) transportation customers served. | See Black Hills' 10-K for fiscal year ending Dec 31, 2025. (1). 891,484 (2). 86,299 (3). 2,219 (4). 158,150 |
| | IF-GU-000.B | Amount of natural gas delivered to: (1) residential customers, (2) commercial customers, (3) industrial customers, and (4) transferred to a third party | See Black Hills' 10-K for fiscal year ending Dec 31, 2025. (1). 59,900,000 Dth (2). 29,400,000 Dth (3). 5,200,000 Dth (4). 166,700,000 Dth |
| | IF-GU-000.C | Length of gas (1) transmission and (2) distribution pipelines | Distribution mileage includes mains only. Arkansas (1). 872 miles (2). 5,248 miles Colorado (1). 660 miles (2). 7,292 miles Iowa (1). 159 miles (2). 2,997 miles Kansas (1). 302 miles (2). 3,170 miles Montana (1). 9 miles (2). 0 miles Nebraska (1). 1,313 miles (2). 8,814 miles South Dakota (1). 1 mile (2). 0 miles Wyoming (1). 1,211 miles (2). 3,654 miles |



BLACK HILLS CORPORATION

2025 Task Force on Climate-related Financial Disclosures (TCFD) Index

| Governance | |
|---|---|
| Describe the board's oversight of climate-related risks and opportunities. | <p>Our Board of Directors oversees an enterprise risk management ("ERM") approach to risk management that supports our operational and strategic objectives. It fulfills its oversight responsibilities through receipt of quarterly reports from management regarding top enterprise risks that include: operational, regulatory and compliance, business and strategy, financial and technology, which include embedded climate-related risks. While our full Board retains responsibility for risk oversight, it delegates oversight of certain risk considerations to its committees within each of their respective areas of responsibility as defined in the charter for each committee.</p> <p>Our Board has responsibility for ESG oversight, with the governance committee overseeing the reporting framework we use to track and monitor ESG progress. For more information on Board oversight, see our Corporate Sustainability Report and our current Proxy Statement.</p> |
| Describe management's role in assessing and managing climate-related risks and opportunities. | <p>Our management is responsible for day-to-day risk management and operates under our ERM program that addresses enterprise risks, including climate-related transition and physical risks. The ERM program includes practices to identify risks and assess their impact and likelihood. Management is responsible for developing and implementing action plans to prevent the occurrence or mitigate the risks identified. The ERM program includes meeting regularly with the risk owners, performing a formal annual review of risks, quarterly reviews of top enterprise and emerging risks and reporting to our Board of Directors. Additionally, our internal audit department also partners with the ERM program to ensure top ERM risks are considered in the development of the annual internal audit plan.</p> <p>To further strengthen risk identification and cross-functional alignment, leaders are brought together across the business to discuss strategic, operational, and climate-related risks, fostering broader visibility and shared accountability. Climate-related risks and opportunities are also considered in our corporate strategic planning. This approach is reflected in the alignment of our corporate planning and ESG/Sustainability functions in a dedicated department. This department works with leaders across the company to manage sustainability, including climate-related topics.</p> <p>Management of ESG includes our chief executive officer (CEO), chief sustainability officer (CSO), senior leadership team, an executive ESG Steering Committee chaired by the CSO, and a cross-functional sustainability working group. For more information, see our Corporate Sustainability Report.</p> |
| Strategy | |
| Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. | <p>Opportunities</p> <p>Electric and natural gas utilities are uniquely positioned to realize climate-related opportunities. As market, technology and policy evolves, we have identified climate-related opportunities, including:</p> <p><i>Energy Source:</i> Increased capital investment in low or no emissions technologies. Over the short, medium and long term, conversion or replacement of fossil fuel assets may occur to support the transition to lower carbon sources. Additionally, new generation to support the electrification of other sectors, including transportation, would provide further opportunity for capital investment over the medium to long term.</p> <p><i>Products and Services:</i> Diversification of product and service offerings to meet customer demand. As customer needs and expectations evolve, we may be able to provide new products and services, including renewable offerings, behind the meter solutions, transportation decarbonization, smart grid technology and other innovation, generating new revenue streams.</p> <p><i>Products and Services:</i> Increased capital investment in electric transmission and distribution systems to enable higher penetration of renewable energy. The energy transition may provide opportunity to invest in transmission and distribution software and hardware to meet customer demands for higher penetration of renewable energy sources, contributing to the decarbonization of generation capacity and demonstrating alignment with longer-term emissions reduction trends.</p> <p>Risks</p> <p>The nature of our business also subjects us to a climate-related risk, both stemming from physical risk and transition risk of climate change, over varying time horizons. Our risks include:</p> <p><i>Physical – Acute:</i> Increased intensity and frequency of storms, resulting in increased likelihood of fire, wind and extreme cold temperature events. In the short and medium term, severe weather events, such as snow and ice storms (e.g., Storm Uri), fire, and strong winds could negatively impact our operations, including our ability to provide energy safely, reliably and profitably and our ability to complete construction, expansion or refurbishment of facilities as planned. Over the long term, unmitigated impacts of climate change may intensify these events or increase the frequency of their occurrence.</p> <p><i>Transition – Regulation & Policy:</i> Changes in the pace or direction of climate-related regulations and policies may drive operational disruptions or structural shifts within our service territories (e.g., municipalization, deregulation, electrification, growth in distributed energy resources, or restrictions on certain energy resources), influencing business strategy and customer behavior.</p> <p><i>Transition – Market:</i> Non-regulated and fossil-fuel assets may become obsolete due to expiring contracts, emerging technologies, or new laws and regulations, leading to potential financial losses. In addition, planned growth requiring transmission capacity that is not currently available may limit our ability to pursue or timely execute growth opportunities.</p> <p><i>Transition – Reputation:</i> Difficulty accessing capital or insurance. Risk of investor pressure over climate risk, activist campaigns against coal producers, employee preferences to work for sustainable companies and consumers preference for renewable energy could impact our reputation and overall access to capital and/or adequate insurance policies.</p> <p>We are proactively responding to our short, medium and long term climate risks and opportunities, as discussed in our Corporate Sustainability Report. Our Wildfire Mitigation Plan addresses wildfire risk specific to our service territories and communicates actions we are taking to mitigate this risk. Additional information about our risks and opportunities can be found in our 10-K and other SEC filings.</p> |
| Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. | <p>Climate-related risks and opportunities play a significant role in our overall strategy and planning for the future. Many of our business activities, capital investments and strategic initiatives, are directly influenced by or complementary to our response to climate risk or opportunities. Our Corporate Sustainability Report covers numerous examples of this impact throughout our company, including our commitment to a cleaner energy future, deployment of capital to replace natural gas pipeline with lower emitting materials and convert coal generation, damage prevention and leak detection programs, wildfire mitigation and use of water conservation technology. This approach also spurs development of customer solutions like Ready EV, which supports adoption of electric vehicles, and Green Forward, a voluntary renewable natural gas and carbon offset program to help customers offset the carbon footprint associated with their natural gas usage.</p> <p>Our approved electric utility resources plans include an additional 200 MW of solar and 50 MW of storage capacity for Colorado Electric by 2030 and our Neil Simpson II coal plant was converted to include natural gas as a dual fuel source in 2025 for South Dakota Electric. Our recently completed electric transmission expansion project, Ready Wyoming, includes \$350 million of investment and demonstrates the significant impact that climate-related opportunities can have on the company's future. Additionally, we have invested capital into the infrastructure that provides a pathway for renewable natural gas (RNG) to get to market.</p> |
| Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | <p>As described in our Risk Management response of this disclosure, we assessed our climate risks and opportunities in two climate scenarios, Strong Mitigation (1.5°C) and Business as Usual (4-5+°C), from multiple leading sources including the Intergovernmental Panel on Climate Change (IPCC) AR6 for assessing physical climate risk and the International Energy Agency (IEA) World Energy Outlook 2021 for transition risk. Based on this assessment, we may face greater acute physical climate-related risk in a Business as Usual (4-5+°C) future scenario due to projected increased intensity and frequency of extreme weather events. Conversely, our exposure to transition risk may be greater in a Strong Mitigation (1.5°C) scenario, with greater likelihood of policy, market and reputational risk.</p> <p>We are actively working to mitigate these risks of climate change and capitalize on climate-related opportunities to ensure our resilience in the energy transition. A strategic focus for Black Hills is to modernize and harden our utility infrastructure to meet customers' and communities' varied energy needs, ensure the continued delivery of safe, reliable and cost-effective energy and reduce GHG emissions. We utilize a multi-prong strategy to create a more resilient organization, including energy innovation, thoughtful utilization of resources and investments in renewable generation supported by reliable energy sources. See the Environmental Stewardship section of our Corporate Sustainability Report for additional information on our energy transition strategy, including a timeline for transforming our electric utilities' energy delivery and our roadmap to Net Zero by 2035 for our natural gas utilities.</p> |
| Risk Management | |
| Describe the organization's processes for identifying and assessing climate-related risks. | <p>Our ERM approach to risk management is an iterative process that identifies and assesses material risks involving operational, regulatory and compliance, business and strategy, financial and technology risks. In 2021, we sought to enhance our integration of climate risk into our overall risk management. We utilized a third-party climate consulting firm to facilitate conversations with our management team to identify the climate-related risks and opportunities that may impact Black Hills Corp. Through this process, we discussed our top risks and opportunities and selected the highest priority ones to analyze further. We then conducted a climate-scenario analysis exercise, based on TCFD, to assess which of these risks and opportunities could be the most impactful to the company. We leveraged two climate scenario and an array of third-party data to complete a quantitative stress-test analysis of the potential impact of each risk and opportunity over time. These results fed into a comprehensive climate- risk roadmap. Climate-related risks were also mapped to our existing ERM framework and are regularly reviewed as part of our enterprise risk management process.</p> |
| Describe the organization's processes for managing climate-related risks. | <p>Management of climate-related risks is integrated into the company's overall approach to risk management and strategic planning. These risks are identified through the Enterprise Risk Management (ERM) program as well as through operational and strategic planning activities. For risks assessed as elevated, management develops and implements mitigation action plans to prevent or reduce potential impacts. The progress and effectiveness of these actions are monitored by management as part of their broader risk oversight responsibilities. In addition, the ERM program undergoes periodic Internal Audit reviews and external maturity assessments to support continuous improvement and alignment with leading practices.</p> |
| Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | <p>Climate-related risks are primarily identified within the business through operational, strategic, and planning processes. These risks are then assessed and elevated as part of our ERM program and strategic planning activities. The ERM program includes practices to identify risks and assess their impact and likelihood. Management is responsible for developing and implementing mitigation action plans to address the identified risks. The ERM program includes meeting regularly with the risk owners, performing a formal annual review of material risks, quarterly reviews of top enterprise and emerging risks and quarterly reporting to our Board of Directors. Climate-related risks, including climate-related emerging risks, are reviewed as part of the risk discussions and are reported to the Board of Directors.</p> <p>Our internal audit department also partners with the ERM program to ensure top enterprise risks, including climate-related risks, are considered in the development of the annual internal audit plan. This integration helps ensure that climate related risks are embedded within the organization's broader risk management framework.</p> |
| Metrics and Targets | |
| Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | <p>Climate-related metrics are tracked regularly throughout the organization and disclosed to the Board and our stakeholders, including regulators, governmental agencies and customers. Our Corporate Sustainability Report provides year over year company performance in many areas related to climate change, including GHG emissions, renewable energy, environmental compliance and water use. In 2020, we set climate goals to reduce GHG emissions. In 2025, we have achieved a 43% reduction in electric utility emissions intensity (relative to a 2005 baseline) and an 25% reduction in emissions since setting our net zero natural gas distribution system target in 2022.</p> |
| Disclose Scope 1 and Scope 2 greenhouse gas (GHG) emissions, and the related risks. | <p>Scope 1: 4,118,895 MT CO₂e <i>Sources included:</i> electric utility generating units, natural gas distribution system, natural gas gathering & boosting system, natural gas transmission system, SF₆ emissions, natural gas company usage, company vehicles, and emergency generators for calendar year 2025.</p> <p>Scope 2: 4,795 MT CO₂e <i>Sources included:</i> estimated emissions based on electrical usage data for calendar year 2025.</p> |
| Disclose Scope 3 greenhouse gas (GHG) emissions, and the related risks. | <p>Scope 3: 9,341,923 MT CO₂e <i>Sources included:</i> natural gas distribution customer usage, electric utility purchased power for sales, employee commuting, and business travel for calendar year 2025.</p> |
| Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | <p>Black Hill Energy has goals to reduce electric utility emissions intensity 40% by 2030 and 70% by 2040, as compared to 2005 baseline. Emissions sources in the boundary for this goal include Scope 1 electric utility generating units and Scope 3 electric utility purchased power for sales. In 2024, we reported 43% reduction in emissions intensity. Our Corporate Sustainability Report details current emission reductions and our plans to achieve our electric utility goals.</p> <p>We also have a goal to achieve net zero emissions for our natural gas utility by 2035. Emissions sources in the boundary for this goal include all Scope 1 emissions on our natural gas distribution systems, including fugitive emissions from pipeline mains and service lines, meters, transfer stations, system damages and system blow downs. Our Corporate Sustainability Report also details our roadmap to achieve our natural gas utility net zero goal.</p> |