

# 2020 Sustainability Report



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## Forward-Looking Statements

Statements made in this Report that relate to future events or our expectations, projections, estimates, intentions, goals, targets, and strategies are made pursuant to the Private Securities Litigation Reform Act of 1995. Readers are cautioned that all forward-looking statements are based upon current expectations and estimates. We assume no obligation to update this information. Because actual results may differ materially from those expressed or implied by these forward-looking statements, we caution readers not to place undue reliance on these statements. Our business, financial condition, cash flows, and operating results are influenced by many factors, which are often beyond our control, that can cause actual results to differ from those expressed or implied by the forward-looking statements. These factors include the risks and uncertainties described in the "Risk Factors," "Quantitative and Qualitative Disclosures about Market Risk," and "Management's Discussion and Analysis" sections of our Forms 10-K and 10-Q filed with the SEC.

# Introduction

PNM Resources practiced sustainability in 2020 in a very different way, along with the rest of the world, as we responded to a global pandemic. The Social component of our commitment to Environmental, Social and Governance principles was brought to the forefront, and we quickly adapted to ensure that safety of our teams and caring for our customers and communities.

We took the next steps in our path to emissions-free energy by 2040 with regulatory approval of our plan to retire the remaining units at the San Juan Generating Station in 2022 and a proposal to exit our ownership share of the Four Corners Power Plant at the end of 2024. These plans would accelerate PNM's full exit from coal by seven years.

These plans uniquely couple Environmental and Social considerations by including securitization to create greater savings for customers and provide funds to support the communities impacted by the transition away from coal, particularly tribal communities.

As part of our commitment to environmental, social and governance reporting and transparency, we have furnished data in this report and on our dedicated webpage [www.pnmresources.com/ESG-commitment](http://www.pnmresources.com/ESG-commitment). This information expands on our prior year disclosures, which remain available in the reporting section of the ESG Commitment website.

***PNM continues the significant transition in generation resources necessary to achieve 100% emissions-free energy by 2040.***



# Data

## PNM Resources, Inc. ESG Data

<b>Generation Capacity (MW)*</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Coal**	983	983	762	762	762
Gas***	989	989	989	989	1,001
Nuclear	402	402	402	402	402
Solar	107	117	137	237	287
Wind	306	306	356	356	352
Geothermal	4	4	15	15	11
<b>Total Renewable Capacity</b>	<b>417</b>	<b>427</b>	<b>508</b>	<b>608</b>	<b>650</b>
<b>Total Generation Capacity</b>	<b>2,791</b>	<b>2,801</b>	<b>2,661</b>	<b>2,761</b>	<b>2,816</b>

<b>Net Generation (MWh)*</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Coal	5,638,971	5,830,411	4,160,727	4,265,222	4,045,720
Gas	1,232,844	951,451	1,722,484	1,840,249	1,637,626
Nuclear	3,291,008	3,298,684	3,172,848	3,255,777	3,219,563
Solar	257,235	247,336	330,812	382,945	685,964
Wind	712,964	712,457	716,812	1,018,043	991,099
Geothermal	14,255	12,960	13,108	58,082	53,364
<b>Total Renewable Generation</b>	<b>984,454</b>	<b>972,753</b>	<b>1,060,732</b>	<b>1,459,070</b>	<b>1,730,427</b>
<b>Total Generation</b>	<b>11,147,277</b>	<b>11,053,299</b>	<b>10,116,791</b>	<b>10,820,318</b>	<b>10,633,336</b>

<b>Emissions*</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
CO <sub>2</sub> (short tons)	7,271,164	7,551,124	6,074,753	6,141,623	5,932,220
CO <sub>2</sub> (metric tons)	6,596,289	6,850,264	5,510,923	5,571,587	5,381,589
NO <sub>x</sub> (short tons)	9,528	9,877	5,458	5,078	4,956

NO <sub>x</sub> (metric tons)	8,644	8,960	4,951	4,607	5,085
SO <sub>2</sub> (short tons)	1,904	2,608	1,090	1,251	1,079
SO <sub>2</sub> (metric tons)	1,727	2,366	989	1,135	995
PM <sub>10</sub> (short tons)	179	185	149	187	191
PM <sub>10</sub> (metric tons)	162	168	135	170	198
Mercury (pounds)	10.40	10.17	5.07	3.60	4.42
CO <sub>2</sub> Emission intensity (short tons/MWh)	0.6565	0.6880	0.6130	0.5875	0.57
CO <sub>2</sub> Emission intensity (metric tons/MWh)	0.5921	0.6199	0.5498	0.5282	0.5155
<b>Water (million U.S. gallons):</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Surface Water Withdrawal	3,439	3,785	2,544	2,537	2,440
Surface Water Return Flow	0	0	0	0	0
<b>Total Surface Water Consumption</b>	<b>3,439</b>	<b>3,785</b>	<b>2,544</b>	<b>2,537</b>	<b>2,440</b>
Ground Water Withdrawal	375	362	516	328	331
Ground Water Return Flow	0	0	0	0	0
<b>Total Ground Water Consumption</b>	<b>375</b>	<b>362</b>	<b>516</b>	<b>328</b>	<b>331</b>
<b>Total Fresh Water Withdrawals</b>	<b>3,814</b>	<b>4,147</b>	<b>3,060</b>	<b>2,865</b>	<b>2,771</b>
<b>Total Water Return Flows</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Water Consumption</b>	<b>3,814</b>	<b>4,147</b>	<b>3,060</b>	<b>2,865</b>	<b>2,771</b>
<b>Coal Combustion Residuals (CCR)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
CCR Generated (tons)	2,496,951	2,425,447	1,501,770	1,770,572	1,689,048
CCR Recycled (tons)	513,903	548,348	540,599	632,514	547,981
Percentage Recycled	20.6%	22.6%	36.0%	35.7%	32.4%

**Energy Efficiency**

<b>Annual Electricity Savings (GWh)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
PNM	74	78	72	78	87
TNMP	22	21	17	16	17

**Reliability Indices:**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>PNM</b>					
SAIDI	84.2	87.4	107.3	103.4	89.2
SAIFI	0.93	0.88	0.98	0.89	0.71
CAIDI	90.9	99.5	109	116.5	125.1
<b>TNMP</b>					
SAIDI	78	104.7	113.5	131.7	134.5
SAIFI	1.31	1.39	1.73	1.54	1.48
CAIDI	62.9	100.4	65.9	85.6	88.7

**Employees**

<b>Includes PNM Resources, PNM &amp; TNMP</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Total Employees	1,814	1,697	1,689	1,668	1,706
Number of Employees (full time)	1,807	1,690	1,684	1,667	1,703
Number of Employees (part time)	7	7	5	1	3
% of union employees	39.8%	40.8%	39.4%	39.6%	39.0%
% of women employees	25.5%	25.0%	25.6%	25.6%	26.1%
% of minority employees	46.6%	47.5%	49.3%	50.1%	50.4%
% of veteran employees	7.4%	8.5%	9.1%	8.5%	8.5%
Total company officers	8	9	8	8	10
Number of women company officers	3	3	2	2	3
Number of minority company officers	1	1	1	1	2
Number of employees at risk for retirement	10.2%	10.6%	9.8%	12.8%	12.0%
Annual employee turnover	9.2%	12.4%	10.2%	11.8%	7.6%

<b>Safety</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Employee DART Rate	2.31	1.45	1.83	1.13	1.63
Total Employee Recordable Incident Rate (TRIR)	2.86	2.9	2.37	1.88	2.7
Employee Lost Time Incident Rate (LTIR)	1.65	0.79	0.81	1.00	1.07
Employee Fatalities	0	0	0	0	0
<b>Customers and Community:</b>					
<b>PNM Customers</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Residential	462,921	465,950	470,192	473,803	479,112
Commercial	56,357	56,655	57,000	57,369	57,669
Industrial	247	239	236	201	194
Economy service	1	1	1	1	1
Other sales for resale	36	36	39	26	19
Other	887	931	932	930	935
<b>Total</b>	<b>520,449</b>	<b>523,812</b>	<b>528,400</b>	<b>532,330</b>	<b>537,930</b>
<b>TNMP Customers</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Residential	204,744	207,788	210,696	213,435	217,511
Commercial	39,817	39,814	40,508	41,054	41,267
Industrial	66	82	88	96	97
Other	1,993	1,948	1,924	1,911	1,901
<b>Total</b>	<b>246,620</b>	<b>249,632</b>	<b>253,216</b>	<b>256,496</b>	<b>260,776</b>
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Corporate giving, including donations	\$1,352,614	\$1,856,000	\$1,899,000	\$2,461,747	\$3,301,938
PNM Resources Foundation giving	\$1,025,790	\$1,210,146	\$1,656,375	\$1,561,731	\$1,237,730
<b>Total charitable giving</b>	<b>\$2,378,404</b>	<b>\$3,066,146</b>	<b>\$3,555,375</b>	<b>\$4,023,478</b>	<b>\$4,539,668</b>
PNM Low-income assistance provided (families helped)	3,770	3,804	3,703	3,734	3,477

Number of organizations helped	471	460	442	455	358
Employee volunteer hours	8,963	10,479	11,500	13,317	6,500
<b>Supplier Spend (in thousands)*</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Total Supplier Spend	\$579,755	\$507,438	\$789,165	\$669,408	\$683,004
Total Small Business Spend	\$122,173	\$113,399	\$149,662	\$158,422	\$172,756
Veteran Owned Small Businesses Spend	\$4,858	\$3,141	\$4,826	\$3,436	\$7,837
Service Disabled Veteran OSB Spend	\$423	\$979	\$1,016	\$4,495	\$5,005
Women Owned Small Businesses Spend	\$24,189	\$19,474	\$28,087	\$27,687	\$26,494
Small Disadvantaged Businesses Spend	\$8,167	\$7,377	\$8,677	\$13,103	\$9,462
Hub Zone Small Businesses Spend	\$735	\$800	\$934	\$8,437	\$7,031
<b>Financial Results</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Total revenue (in thousands)	\$1,362,951	\$1,445,003	\$1,436,613	\$1,457,603	\$1,523,012
GAAP EPS - Diluted	\$1.46	\$1.00	\$1.07	\$0.97	\$2.15
Ongoing EPS - Diluted*	\$1.65	\$1.94	\$2.00	\$2.16	\$2.28
Dividends Declared per Common Share	\$0.9025	\$0.9925	\$1.0850	\$1.1775	\$1.2500
<b>Taxes</b>					
<b>Federal Taxes</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Heavy Highway Vehicle Use	\$5,045	\$6,681	\$9,194	\$5,428	\$6,256
Federal excise tax	\$40,307	\$29,576	\$29,757	\$33,938	\$10,918
FICA (Employer)	\$12,652,959	\$12,658,964	\$12,213,670	\$12,530,941	\$12,840,541
Federal unemployment tax	\$83,668	\$80,572	\$78,471	\$78,116	\$41,271
<b>Total Federal Taxes</b>	<b>\$12,781,979</b>	<b>\$12,775,793</b>	<b>\$12,331,093</b>	<b>\$12,648,422</b>	<b>\$12,898,986</b>
<b>State Property Tax</b>					
New Mexico	\$26,477,032	\$27,058,467	\$27,930,032	\$29,044,654	\$28,942,137
Arizona	\$4,637,219	\$4,509,376	\$4,604,969	\$4,514,834	\$4,474,613



Texas	\$12,772,027	\$14,442,044	\$14,401,928	\$15,816,354	\$16,271,611
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**Gross Receipts/Sales Tax**

New Mexico	\$64,973,482	\$70,457,707	\$66,606,182	\$66,787,559	\$72,148,849
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Texas	\$1,187,692	\$2,497,021	\$3,490,715	\$4,262,462	\$1,912,392
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<b>Political Contributions and Lobbying</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Political contributions	\$5,100	\$17,100	\$7,050	\$35,500	\$5,600

Lobbying Portion of Trade Association Dues	\$151,154	\$154,939	\$139,064	\$176,033	\$178,624
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<b>Governance</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Total board members	8**	8	8	10	9

Women board members	3	3	3	4	4
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Minority board members	2	1	1	2	2
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Board meetings held	6	5	10	9	16
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Average board attendance	100%	100%	100%	97.80%	75%
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## Policies



[Do the Right Think: Principles of Business Conduct](#)



[Corporate Environmental Policy](#)



[Equal Employment Opportunity and Diversity](#)



[Corporate Governance Principles](#)



[Equity Compensations Awards Policy](#)



[Complaint Procedures](#)



[Related Party Transactions](#)



[Audit, Audit-Related and Non-Audit Fees and Services](#)

## Board of Directors Committee Charters



[Compensation and Human Resources Committee](#)



[Nominating and Governance Committee](#)



[Audit and Ethics Committee](#)



[Finance Committee](#)

## Articles and Bylaws



[Restated Articles of Incorporation](#)



[Bylaws](#)