

Governance

Strong corporate governance and integrity form the foundation for everything we do. Our board strives to adopt and maintain appropriate corporate governance practices. And we expect our employees to do what is right for our stakeholders, conduct business ethically, act with accountability, and work with business partners who share our high standards and principles. Our [2023 Proxy Statement](#) provides a full discussion of our governance practices.

"The role of boards in setting long-term strategic direction has perhaps never been more important."

— World Economic Forum⁶⁵

⁶⁵ How company boards can be a vanguard for climate action | World Economic Forum ([weforum.org](https://www.weforum.org))

Governance Highlights



Board of Directors

- Maintain a well-qualified, diverse and active board of directors
- Determine independence of directors (10 of 11 directors meet independence criteria)
- Engage in robust succession planning process supporting board refreshment (nearly one-half of our directors are new within the last five years)
- Separate roles of Chair and CEO under current leadership structure
- Hold regular executive sessions of non-management directors
- Oversee company's risk management programs and policies
- Evaluate board of directors, committees and individual directors on an annual basis
- Provide comprehensive director orientation and continuing education to enable directors to develop and maintain skills necessary or appropriate for the performance of their duties



Other Governance Practices

- Maintain stock-ownership guidelines
- Maintain insider trading policy applicable to directors, officers and employees, agents, advisors and independent contractors
- Maintain a hedging and pledging policy applicable to directors and officers



Business Integrity and Ethics

- Maintain and promote an active ethics and compliance program
- Foster a culture that mitigates risk and promotes ethical behavior and integrity
- Recognized by Ethisphere® as one of the 2022 and 2023 World's Most Ethical Companies®

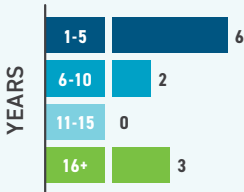
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OUR BOARD COMPOSITION

Tenure*

8.4

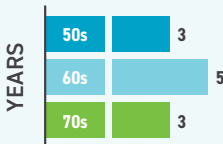
AVERAGE YEARS



Age*

66

AVERAGE YEARS



Governance Practices

Board of Directors

The Board of Directors of NW Natural Holdings establishes policies designed to promote management of our business, to serve our stakeholders and maximize long-term shareholder value, that we conduct our business in compliance with all applicable laws and regulations, and that we do so with the highest standards of integrity. For complete information on our approach to corporate governance, please visit the Governance portion of our website at nwnaturalholdings.com. The following sections highlight our approach to corporate governance.

Board composition and refreshment

The board is responsible for selecting candidates for board membership, and the governance committee and board of directors has been assigned the responsibility of recommending nominees to the board of directors for election as directors.

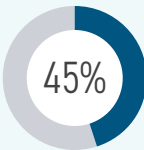
The governance committee reviews director nominees in the context of the current composition and diversity of the board, the operating requirements and existing and prospective business environment faced by NW Natural Holdings, NW Natural Holdings' business strategy, and the long-term interests of shareholders. Director candidates must be able to make a significant contribution to the governance of NW Natural Holdings by virtue of their business and financial expertise, educational and professional background, and current or recent experience as a chief executive officer or other senior leader of a public company or other relevant organization.

The business discipline that may be sought at any given time will vary depending on the needs and strategic direction of our company and the disciplines represented by our incumbent directors. In addition, the governance committee looks at the overall composition of the board and how a candidate would contribute to the overall synergy and collaborative process of the board. In conducting its assessment, the governance committee considers a variety of criteria, including, but not limited to, the candidate's integrity, reputation, judgment, knowledge, experience, commitment, skills, diversity, and independence.

In recent years, the board undertook a comprehensive succession planning and refreshment review in anticipation of the retirements of several long-tenured directors. In line with those plans, the board has undergone substantial refreshment in recent years, with 5 of the 10 current independent directors being added to the board in the last five years. Our corporate governance standards provide for several mechanisms to encourage director refreshment, including: annual peer reviews of individual directors, a requirement to offer notice of resignation upon a change in principal position, and a mandatory retirement age of 75.

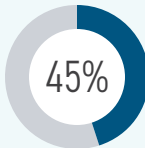
COMMITMENT TO DIRECTOR INDEPENDENCE

The Board of Directors of NW Natural Holdings has adopted director independence standards that comply with New York Stock Exchange (NYSE) rules. The board of directors has affirmatively determined that 10 out of 11 directors are independent, according to NW Natural Holdings'



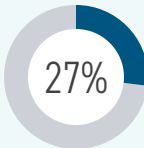
Board Refreshment*

5 out of 11 directors were first added to the board in the last five years



Gender Diversity*

5 out of 11 directors identify as women



Cultural and Racial Diversity*

3 out of 11 directors identify as culturally or racially diverse

Independence



10 out of 11 directors are independent (all directors except CEO)

■ Chairperson of the board is independent ■ CEO

Not to be used for investment purposes—see NW Natural and NW Natural Holdings most recent Form 10-Ks as updated by the most recent quarterly and periodic reports for information relevant to investment decisions.

director independence standards as well as additional qualifications prescribed under the listing standards of the NYSE and applicable state and federal statutes. All standing committees of the board are chaired by and currently comprised of independent directors. The current board leadership structure also separates the roles of chair and CEO and is designed to promote independence between board and management. Additionally, to support independence, the directors of the board meet regularly in executive sessions at which the independent board chair presides and only the non-management directors are present.

COMMITMENT TO BOARD DIVERSITY

NW Natural Holdings' director selection criteria include a consideration of diversity as a factor in evaluating candidates for board membership. The board believes that diversity with respect to factors such as background, experience, skills, geographic location, race, gender, ethnicity, culture, veteran status, age, disability, and sexual orientation are important considerations in board composition. The governance committee discusses diversity considerations in connection with each director candidate, as well as on a periodic basis in connection with the composition of the board as a whole. In addition, the governance committee and the board conduct formal self-evaluations each year that include an assessment of whether the governance committee and the board have adequately considered diversity, among other factors, in identifying and discussing director candidates. Currently, of 11 members of our board, five directors identify as women, including our Board Chair, and three directors identify as racially or culturally diverse. Our composition of women on our board has earned a "Winning Company" award three times from 50/50 Women on Boards, which described the board's gender diversity as a "shining example of enlightened business leadership." In 2023 our board received the highest distinction for Gender Balanced.

BOARD EXPERIENCE

NW Holdings' board consists of eleven directors with extensive professional experience and a diverse array of skills. This diversity of experience provides our board with a collective skill set that is advantageous to the board's oversight of our business and operations. In addition to the qualifications required of all directors that are set forth in NW Holdings' Director Selection Criteria, our board members have experience in climate change and decarbonization, cyber and IT, risk management, and more. More information on board experience can be found in our 2023 Proxy Statement.

Board's role in risk oversight

Management is responsible for managing the day-to-day risks faced by the company, while the board of directors, collectively and through its committees, has responsibility for the oversight of risk management.

The corporate governance standards describe the board's primary responsibilities, which include oversight of NW Natural Holdings' mission, and key programs that enable the board to assess and manage material risks, including, but not limited to, risks related to business continuity and disaster response, gas supply, distribution and storage operations, product safety, strategic planning and business development, environmental and climate change matters, business improvement and information technology, customer demand and market competition, economic environment, effective governance, legislative and regulatory risk and compliance, state and federal regulatory process and environment, financial performance, business integrity and compliance, financial reporting and internal controls, financing programs, pensions and retirement plans, reputational risk, human capital management, compensation and employee benefits, succession planning (including the CEO), human risks such as safety and diversity, equity and inclusion matters, environmental, social and governance matters and company culture. The board periodically reviews its committee oversight authority to ensure the board has adequate visibility and oversight of the company's key areas of risk to execute its responsibilities. Appropriate members of management serve as liaisons to board committees, attend board and committee meetings, and regularly discuss with the board and the committees various risks confronting the company.

An important aspect of the board's oversight role is the comprehensive enterprise risk management process, under which significant enterprise-wide risks have been identified and assessed with respect to likelihood of occurrence, potential impact on the business, and likely speed of onset, along with the mitigative measures to address and manage such risks. The enterprise risk management process allows the board to remain informed of risks, developing trends, or potential problems that might require their attention. Management conducts the enterprise risk management process annually with periodic interim updates and discusses those findings with the board and reports regularly to the board on significant risk categories. Additional review or reporting on enterprise risks is conducted as needed or requested by the board. The board and management consider enterprise risks and opportunities in their strategic and capital spending decision process and in their governance and oversight responsibilities.

Board structure and function

COMMITTEES

There are five standing committees of the board: Audit, Finance, Governance, Organization and Executive Compensation Committee (OECC), and Public Affairs and Environmental Policy. Each of the standing committees operates according to a formal written charter, all of which are reviewed annually and are available at nwnaturalholdings.com. Each committee is comprised entirely of independent directors.

BOARD AND COMMITTEE OVERSIGHT

The full board considers key risks, issues and initiatives. Board committees additionally have primary responsibility and oversight with respect to the following areas:

Audit Committee

- Oversight and evaluation of policies with respect to significant risks and exposures and the procedures for assessing, monitoring and managing those risks.
- Oversight of accounting, financial reporting, internal controls, auditing, information technology systems and cybersecurity, enterprise risk management process, business continuity and disaster planning, capital projects and contingencies, and material litigation.
- Oversight of business compliance and integrity program, including code of ethics, and the company's system for review and treatment of integrity hotline complaints.

Public Affairs and Environmental Policy Committee

- Oversight of legislative and regulatory matters and policies and practices on public and political issues, including charitable and political contributions and budgets.
- Oversight of current and emerging political and societal trends.
- Oversight of programs and policies relating to civic affairs, human rights, charitable and community affairs, safety, diversity, equity and inclusion, equal employment opportunities, employee well-being, customer engagement and other corporate social responsibility matters.
- Review and recommendation of environmental matters and policies and sustainability efforts.
- Review of major environmental risks, and plans for managing those risks.

Finance Committee

- Oversight of financing programs, budgets and forecasts, financial policy matters, including hedging policies and practices, economic environment, gas supply and pricing, including liquidity and cash flow impacts, and material regulatory issues, including regulatory policy related to financial strategy and policy, capital structure and dividend policy.
- Oversight of investor relations program, and credit agency and New York Stock Exchange relationships.
- Financial oversight of pension and retirement plans.
- Review and recommendation of finance aspects of corporate development strategies.

Organization and Executive Compensation Committee

- Oversight of company's human capital management.
- Review and recommendation of plans and preparations for talent succession and management of risks associated with transfer of knowledge and expertise.
- Recommendation of executive compensation programs and benefit plans to the board, as well as monitoring of risks and alignment of incentives related to such plans and programs.
- Review and approval of grants under equity incentive plans to eligible employees.
- Primary responsibility for ensuring executive compensation programs and plans are consistent with corporate objectives and OECC's compensation philosophy.

Governance Committee

- Recommendations to the board regarding nominees for election to the board, and committee composition and structure.
- Establishment of criteria for board and committee membership and policies that govern the board's activities.
- Review and recommendation of governance policies and structure, including the corporate governance standards, to the board.
- Evaluation of board and individual director performance and oversight of director onboarding and continuing education.
- Oversight and consideration of plans and preparations for board succession.
- Oversight of integrated environmental, social and governance matters.

MANAGEMENT LEADERSHIP

Our officer team is responsible for leading and managing our business and for developing and executing company strategy as approved by the board, and meets regularly to actively monitor operations, financial performance, and legal, regulatory, policy and other external developments; ensure compliance with policies, procedures and ethical business practices; identify, assess and manage company risks and opportunities; and develop and implement strategy to achieve sustainable, long-term performance. Each of our officers has identified goals in support of sustainable, long-term business performance, with a portion of their compensation tied to the achievement of these goals. We have a diverse group of corporate officers and have expanded the number of women in leadership positions. Today, our 12-person officer team includes five women.

ESG governance and oversight

While our executives are responsible for day-to-day management and leadership of the company, the Board of Directors has responsibility for oversight of management and its development and implementation of company strategy, including ESG matters and risks and opportunities, including those related to climate and cybersecurity. The Governance Committee oversees the company’s integrated ESG strategy and reviews its full board and committee oversight authority to ensure that the board has adequate visibility and oversight to execute its responsibilities. In order to assist the Governance Committee in its ESG oversight responsibilities, management provides formal ESG updates to the Governance Committee at each regularly scheduled meeting (approximately five times per year). In addition, appropriate members of management serve as liaisons to board committees, attend board and committee meetings, and regularly discuss with the board matters relevant to the company, including ESG matters and the company’s risks and opportunities. Areas of ESG oversight include, but are not limited to:

Audit

- Business Integrity
- Whistleblower Hotline
- Enterprise Risk Management
- Business Continuity
- Significant Legal Matters
- Internal Controls Over Financial Reporting
- SEC Reporting Oversight
- Cybersecurity and IT

Board

- Decarbonization; Including Low Carbon Pathway and Vision 2050
- Customer Preference/Satisfaction
- Tone at the Top
- Operational and Business Development Initiatives (e.g., Water and RNG)
- Other Natural Gas Applications
- Strategic Matters
- Pipeline Safety

Public Affairs and Environmental Policy

- Employee Safety
- Diversity, Equity and Inclusion
- Employee Engagement and Well-Being
- Civic and Human Rights
- Environmental and Sustainability
- Community and Public Relations
- Charitable Giving and Political Contributions
- Legislative and Regulatory Matters
- Employee Satisfaction
- Procurement
- Customer Metrics, Engagement and Affordability Considerations

Organization and Executive Compensation

- Compensation and Benefit Programs, Including Alignment of Incentives with ESG
- Talent Strategy and Succession
- CEO Succession
- Labor Relations
- Employee Attrition Rates

Governance

- Board Structure, Policies, Governance and Expectations
- CEO and Board Succession Planning
- Board Composition, Diversity and Independence
- Board Evaluations
- Committee Oversight Roles/Responsibilities
- Continuing Board Education and Training
- ESG Strategy (incl. developments from SEC, Major Shareholders, and Other Stakeholders)

Finance

- Financial Policies and Matters That May Have ESG Implications
- Investor Relations
- Goal Setting and Performance Metrics
- Rating Agency Relationships
- Capital Markets/Green Financings
- Investment in Key ESG Improvements

Management ESG leadership

Each of our officers is responsible for developing and implementing our business strategy and lead areas that are considered ESG. For example, our VP and Chief Public Affairs and Sustainability Officer leads our environmental management and sustainability, legacy environmental programs, community and government affairs and community involvement teams. Our VP, Chief Human Resources and Diversity Officer leads our safety, employee and labor relations, organizational effectiveness, diversity, equity and inclusion and human resources and benefits teams. Our VP, Chief Compliance Officer and Corporate Secretary leads our governance and business integrity and compliance teams and co-leads our ESG Steering Committee, a cross functional group of executives and senior management that meets regularly to discuss the Company's ESG strategy, implementation and disclosure. Each of these officers report directly to the CEO or President and serve as an executive liaison to a relevant committee of the Board of Directors. Also reporting directly to our President, our SVP and Chief Operating Officer heads our efforts to pursue a lower-carbon pathway, which includes reimagining the fuel we put in our pipelines, pursuing a carbon savings goal of 30% by 2035 educating stakeholders on the role of gas today and in a deep decarbonization future, and managing pipeline integrity and safety. In addition, our President leads teams focused on procuring renewable natural gas, pursuing hydrogen gas initiatives, and furthering our acquisitions of water and wastewater utilities. Our Chief Financial Officer, VP, Treasurer, and Chief Accounting Officer oversees our sustainable financing and sustainable procurement efforts. And, our VP and Chief Information Officer, leads our cybersecurity and compliance, and information technology (IT) teams. Each of our officers have identified goals in support of sustainable, long-term business performance attentive to ESG matters, with a portion of their compensation tied to the achievement of these goals. Our 12-person officer team meets regularly to discuss the development and implementation of company strategy, including sustainability matters.

Stock ownership requirements

To closely align director interests with shareholder interest, the board has adopted stock-ownership guidelines that require directors to own NW Natural Holdings shares of at least \$400,000 in value within five years of joining the board. Similarly, executive officers are required to hold stock at a dollar value that is a multiple of base salary, with the CEO holding five times their annual salary, the president holding four times their annual salary, executive vice president or chief operating officer holding three times their annual salary, senior vice presidents or named executive officers holding two times their annual salary and vice presidents holding one times their annual salary.



Insider trading

To foster integrity in trading in NW Natural Holdings stock, the company maintains an insider trading policy that specifies that if a director, officer, any employee of NW Natural Holdings or its subsidiaries, has material nonpublic information relating to the company, it is the company's policy that neither that person nor any related person may buy or sell securities of the company or engage in any other action to take advantage of, or pass on to others, that information.

Policy on hedging and pledging of NW Natural Holdings securities

NW Natural Holdings has adopted a policy on hedging and pledging of securities that prohibits the directors and executive officers of the company and its subsidiaries from engaging in any short sales, zero-cost collars, or forward sale contracts with respect to the company's securities, or purchasing or selling puts, calls, options, or other derivatives securities based on the company's securities. In addition, the policy restricts the ability of directors and executive officers to pledge their ownership of company securities in a non-recourse loan, failing to meet a margin call with respect to a margin account resulting in the sale of company stock, or buying company securities on non-recourse margin.

Business Integrity

Since 1859, NW Natural has been viewed as a respected leader in Oregon and SW Washington. We could not have maintained this reputation for over 160 years without one fundamental characteristic—integrity. Our customers trust us to provide them with essential energy and deal with them fairly, in a caring and equitable fashion. Our business integrity program aims to reinforce our core values in our everyday work.

We are honored to have been recognized as one of the 2023 World's Most Ethical Companies® by Ethisphere, a global leader in defining and advancing the standards of ethical business practices. It is the second year NW Natural Holdings has been recognized and the company is one of only nine honorees in the Energy & Utilities industry. In all, 135 honorees from 19 countries and 46 industries were recognized for their commitment to ethical business practices through programs that positively impact employees, communities, and broader stakeholders.

“Receiving this distinction underscores our commitment to our values and honors our employees' achievements on behalf of our customers,”

— David Anderson, NW Natural Holdings CEO

Oversight of Business Integrity program

Our Business Integrity program is overseen by the Audit Committee of the Board of Directors and is managed on a day-to-day basis by our business integrity team, which is a cross-functional team led by our chief compliance officer and consisting of members of the internal audit, legal and human resources departments. Our chief compliance officer and director of internal audit each regularly provide updates on business integrity matters to the Audit Committee of the Board of Directors, including updates on business integrity reports, management actions, business integrity trends and updates, and benchmarking analysis.

Code of Ethics

We maintain a Code of Ethics that applies to all of our employees, including supervisors, managers and officers, as well as to our board of directors and other agents, vendors and business partners working on our behalf. Our Code of Ethics is intended to set expectations for conduct that is consistent with our core values; help promote compliance with laws and NW Natural policies; establish our high standards of integrity; and provide information about how to resolve real-life questions or concerns. Employees are required to annually certify their commitment to the

principles outlined in the Code of Ethics and disclose any business integrity concerns. Our Code of Ethics is approved annually by the board upon the review and recommendation of the Audit Committee of the Board of Directors.

Code of Ethics training and communications

To reinforce the company's core value of integrity, every employee and director completes an annual online Code of Ethics training to refresh their understanding of the company's Business Compliance and Integrity Program and Code of Ethics. NW Natural's program received the national award for Best Ethics and Compliance Program (Small and Mid-Cap) at the 2018 Corporate Governance Awards event, in recognition of its new Code of Ethics document and refreshed online training and certification program. The Code of Ethics training covers a number of topics including, but not limited to conflicts of interest, non-retaliation, anticorruption/anti-bribery, fair business dealings, compliance with laws, government relations, confidentiality, politics in the workplace, and social media, among other things.

Starting in 2019, all employees also complete annual online information security training. The course demonstrates how to identify potential cybersecurity risks and protect confidential information at work and provides guidance on what employees should do if they suspect a possible information security incident. In 2022, 100% of our active employees participated in these online information security and ethics and compliance trainings. We also regularly provide specialized live training to help managers and supervisors navigate pertinent business integrity questions and emphasize their role as the front line of integrity at NW Natural and the resources available to them.

We reinforce our annual Code of Ethics and Information Security trainings with periodic communications spotlighting pertinent business integrity topics and messages from senior leadership. We also provide additional resources to employees via an internal intranet page dedicated to business integrity.



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Reporting, investigations and actions

We maintain our Integrity Hotline to empower employees, shareholders, customers, the public and other third parties to raise issues or submit concerns anonymously at 1-866-546-3696 or NWNIntegrity.com, which is managed by a third party and is available through our external and internal websites. Our hotline offers employees and others the opportunity to anonymously ask questions about ethical decisions. We also provide several other avenues to raise issues or report concerns in addition to our hotline.

Our chief compliance officer and our director of internal audit handle matters reported on the hotline and through other reporting avenues. Both regularly report to the audit committee regarding hotline activity, and the chief compliance officer regularly reports to the audit committee regarding our Business Compliance and Integrity program.

NW Natural is committed to investigating all potential violations of law, company policy or business integrity and handling each report fairly and reasonably. In 2022, we received 22 interactions with our hotline and other business integrity reporting channels (approximately 1.7 per 100 employees), of which 16 (approximately 1.3 per 100 employees) were determined to involve business integrity reports. Business integrity reports are reviewed by our Business Integrity team and investigated as necessary with assistance from the company's internal audit, human resources, legal, or other departments and/or other internal or external resources as appropriate under the circumstances, depending on the type and nature of the allegation. When violations are detected, appropriate actions are taken, which may include coaching or counseling, administering disciplinary action, up to and including termination and/or improvements to our policies, procedures or practices.

We maintain a [Violation Reporting Policy](#), approved by the Audit Committee of the Board of Directors, that prohibits retaliation and offers protections for individuals that make good faith reports of possible violations of the Code of Ethics, company policy or law or who participates in an investigation in good faith. Employees who have engaged in retaliation may face disciplinary action, up to and including termination. We proactively communicate our prohibition on retaliation in multiple forums including our annual Code of Ethics Training, manager trainings, integrity website and periodic communications to employees.



Supplier Code of Ethics and fair business dealings

We seek to do business with organizations and service providers that embrace our core values, including integrity. We maintain a Supplier Code of Ethics, which is available on our [supplier website](#) and sets forth our expectations for our suppliers in areas of ethics and compliance, safety, human rights, and diversity, among other things. Under the Supplier Code, suppliers have a responsibility to report any suspected illegal or unethical conduct involving NW Natural or its business partners, and NW Natural's business integrity hotline is available to suppliers and other third parties to anonymously report concerns. We monitor key suppliers on an ongoing basis and have implemented a scorecard for certain vendors that considers whether such vendor operated in accordance with our core values in doing business with us.

As set forth in our Code of Ethics, we strive to deal fairly and in good faith with NW Natural's customers, shareholders, employees, regulators, suppliers, competitors and others. We strive to avoid any attempt to take unfair advantage of any person through manipulation, misrepresentation, fraud, misuse of confidential information or any other unethical dealing, practice or act. Our Code of Ethics sets forth our policies and expectations regarding fair business dealings, including our expectations regarding expenses, purchasing and contracting, gathering competitive data, and engaging in transactions between utility and non-utility subsidiaries. Our Code of Ethics also sets forth our strict prohibition on bribes and kickbacks. In 2022, we received zero substantiated reports of bribery or corruption through our Integrity Hotline.



For more information see also:
[Governance website](#)

