2020

Ethical Governance Commitments

AVISTA

Our Commitment to Ethical Governance

We maintain a strong foundation of corporate governance practices that promote transparency, accountability, and engagement, and that ensures there is complete, transparent, and effective oversight of the affairs of our Company to protect and enhance shareholder value. Our efforts and commitments include:

1. Approaching all aspects of corporate governance ethically and with clear standards of appropriate corporate behavior.
2. Promoting effective oversight of the Company through a strong and independent board.
3. Actively seeking to establish and enhance diversity among our Board of Directors and executive leadership.
4. Striving to improve the performance of the Board of Directors and executive leadership through effective performance assessments, appropriate and fair compensation practices, and ongoing investment in education and professional development.
5. Ensuring that shareholders have an appropriate voice with respect to matters impacting the Company through outreach and engagement.
6. Maintaining transparency with respect to governance of the Company and the pursuit of its strategic goals.

1. Approaching all aspects of corporate governance ethically and with clear standards of appropriate corporate behavior.

Better energy for life. Our vision is to empower our customers to live their lives to the fullest. To achieve this bold vision, we understand that our focus and accomplishments cannot be centered solely around our shareholders but must consider broader impacts and other stakeholders including our employees, customers, communities and environment. Avista's commitment to Corporate Responsibility encompasses this broader approach to sustainability, stewardship and corporate citizenship to build long-term value for all our stakeholders. For over 130 years, these same principles have guided us and are reflected in the Company's recognition as one of the 2020 World's Most Ethical Companies by the **Ethisphere Institute**, a global leader in defining and advancing the standards of ethical business practices, corporate character, integrity, transparency and corporate trust.

Our board is responsible for directing the management of the business and affairs of Avista. As such, the board gives the Company's executive officers strategic direction and oversees their operation of the Company's business and their conduct of its affairs, with a view to serving the best interests of the Company, its shareholders and other stakeholders.

Avista's governance guidelines are adopted by our board to address matters including qualification of directors, standards of independence for directors, election of directors, responsibilities and expectations of directors and evaluation of director and committee performance. The governance guidelines are reviewed annually and updated as necessary. Along with the bylaws, board committee charters, and our code of conduct, these guidelines provide the framework for the governance of the Company. Our governance guidelines and code of conduct are accessible on the **Avista Corporation** website.

2020 WORLD'S MOST ETHICAL COMPANIES® ™
WWW.ETHISPHERE.COM

Board Meetings in 2020	4
Board Member Attendance Rate	100%

Directors are each elected annually to hold office for a one-year term. The Governance and Corporate Responsibility Committee is responsible for reviewing, evaluating, and presenting recommended director nominations and will likewise consider recommendations made by our shareholders. Of our eleven directors, currently nine of them are independent, and the positions of board chair and CEO are held by separate parties. Avista has also established the position of lead director, a board elected position to be filled by an independent director for a three-year term. All directors are strongly encouraged to attend all board meetings, committee meetings and the annual meeting of shareholders.

All members of our board and executive officers are required to achieve and maintain certain minimum investment levels of Avista common stock within specified timelines for the duration of their tenure. The objectives of our stock ownership guidelines are to strengthen the alignment of board and executive officer financial interests with those of our shareholders, enhance long-term perspective and focus on shareholder value growth, reinforce "pay at risk" philosophy, provide an additional basis for sharing in Company success or failure as reflected in shareholder returns and to align with corporate governance best practices.

Our Insider Trading Policy expressly prohibits all directors and executive officers from engaging in short-sales, zero-cost collars, forward sales contracts, pledging, hedging or otherwise offsetting any decrease in the market value of their Avista shares. Similarly, our Board has adopted a **Related Party Transactions Policy** due to the heightened risk of certain transactions that may present potential conflicts of interest for our directors or executive officers. **Our Code of Conduct** also applies to our board members, and to all employees and business partners, including suppliers, contractors, consultants, agents or others working with or on behalf of Avista. We all have the same obligations and responsibilities to understand and follow Avista's code of conduct.

Board members complete code of conduct training on an annual basis

We employ a confidential hotline to provide an anonymous way to raise concerns of potential misconduct. Any party may use Avista's confidential hotline, administered by a third-party vendor and available 24 hours a day, every day. The chair of the Audit Committee and members of our executive officer group and senior management are notified of raised concerns directly from the third-party vendor. Reported concerns are investigated and results are presented quarterly to the Audit Committee.

Shareholders and other interested parties may also send concerns about accounting, internal accounting controls or auditing matters to the chair of our Audit Committee, via the Corporate Secretary's office, at the following address:

Avista Corporate Secretary
1411 East Mission Avenue
P.O. Box 3727 (MSC-10)
Spokane, WA 99220

Avista Hotline:
1-877-861-6690

Avista Alertline Website:
www.avistacorp.alertline.com

2. Promoting effective oversight of the Company through a strong and independent board.

The Board has been, and continues to be, a strong proponent of director independence. It is the policy of the Board that a majority of the directors be independent from management and that the Board not engage in transactions that would conflict with the best interests of the Company's business. The Company's corporate governance structures and practices provide for a strong, independent Board and include several independent oversight mechanisms:

- All members of the board are independent with the exception of the chair of the board and the president/chief executive officer.
- All members of the board committees are independent, with the exception of Scott Morris who chairs the Executive Committee and is a member of the Finance Committee.
- Each board committee has a separate independent chair, with the exception of the Executive Committee.
- All board committees may seek legal, financial or other expert advice from sources independent from management.

In addition to these independent oversight mechanisms the following items serve to underscore Avista's commitment to ensuring an appropriate balance of director independence:

- Nine of the Company's 11 directors are independent.
- The positions of chair and CEO are separate.
- The average tenure of our directors is 10 years and their average age is 61.
- The Board is committed to board refreshment. Our Board has added three new members in the past five years, two of whom are independent.
- The Company has an independent lead director, selected by the board.
- Independent directors are required to achieve a minimum investment of five times the minimum equity portion of their retainer in company common stock within five years of becoming board members and are expected to retain at least that level of investment during their tenure on the Board.
- Directors and officers are prohibited from engaging in short sales, pledging, or hedging the economic interest in their shares.

The independent lead director position was established by the Board. The lead director serves a three-year term. The lead director's duties include:

- Maintaining an active, positive and collaborative relationship with the chair and the CEO.
- Keeping an open line of communication that provides for dissemination of information to the Board and discussion before actions are finalized.
- Serving as primary liaison between independent directors, the chair and the CEO.
- Presiding at all meetings at which the chair is not present, including executive sessions of the independent directors held at each regularly scheduled board meeting.
- Calling meetings of the independent directors when necessary and appropriate.
- Working with the chair to set meeting schedules and agendas for board meetings, including soliciting input from the other independent directors on items for agendas, to ensure that appropriate agenda items are included and that there is adequate time for discussion of these items.

Avista's lead director is available for communications and consultation with major shareholders. The Company has a mechanism for shareholders to communicate with the lead director and independent directors as a group, or on an individual basis.

Our independent directors meet at each regularly scheduled board meeting in an executive session without management present. The lead director chairs the executive sessions. The lead director establishes the agenda for each executive session, and also determines which, if any, other individuals, including members of management and independent advisors, should be available for each meeting.

We believe that our corporate governance structure and practices provide for a strong, independent board that promotes transparency, accountability and engagement regarding the effective oversight of our Company's affairs in order to protect and enhance shareholder value.

Average Director Tenure	10 years
Average Director Age	61 Years
Director Independent Members	81.8%

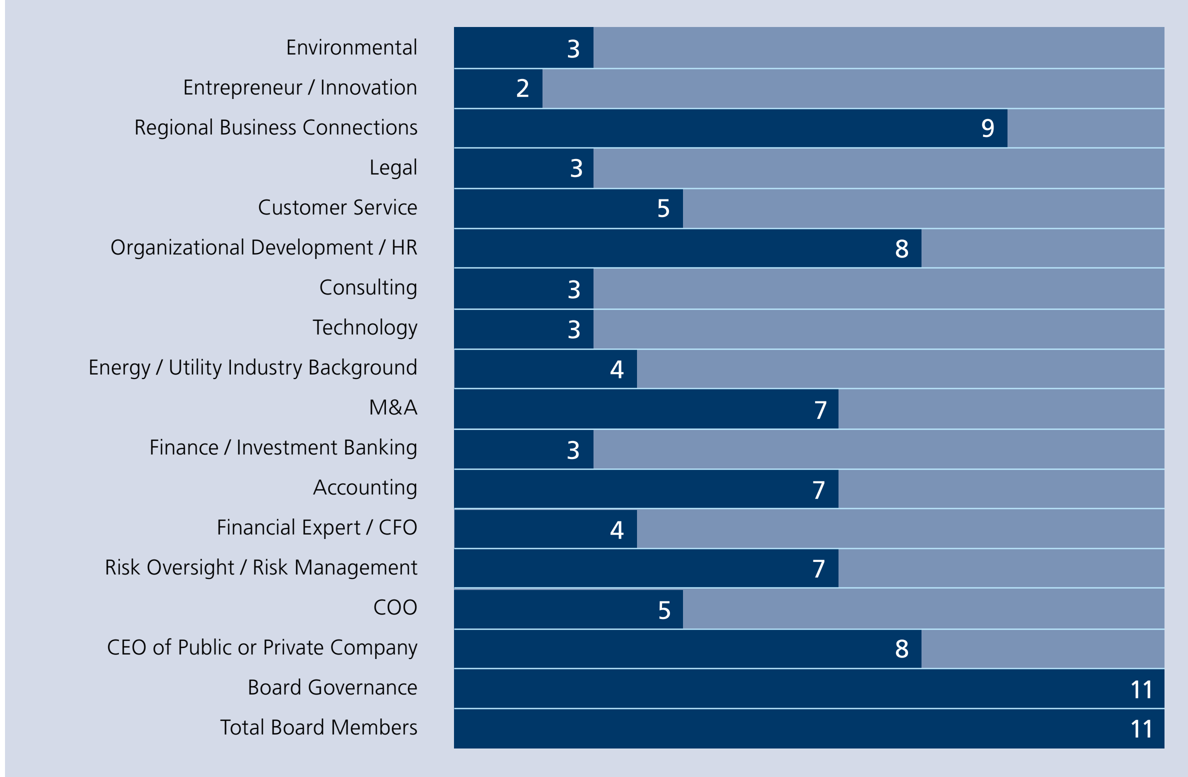
3. Actively seeking to establish and enhance diversity among our Board of Directors and executive leadership.

Beginning in 2020, we adopted a new policy to enhance the diversity of our board. Avista and the board is committed to seeking out highly qualified women and minority candidates for the Board and will endeavor to include such individuals in each Board candidate pool. This emphasis on diversity will strengthen the director nomination and evaluation process.

The Governance Committee and the Board reviews the board composition and recommends, if necessary, steps to be taken so that the Board reflects the appropriate balance of knowledge, experience, competencies and expertise. In evaluating a director candidate, the Governance Committee considers the knowledge, experience, integrity, business acumen and judgment of that candidate; the potential contribution of that candidate. It also considers diversity of background, race, gender and culture as well as additional relevant competencies, willingness to consider strategic proposals and any other established criteria.

Our director nominees bring a balance of relevant skills to the boardroom, as well as an effective mix of diversity and experience. The following graph sets out a summary of the director nominees' core competencies.

Summary of Board Core Competencies



For longer-serving directors, the Governance Committee also considers the tenure of a director and whether the duration of service impairs such director's independence from management, as demonstrated by the director's relationship with management and the director's participation in board and committee deliberations. Directors must be able to commit the requisite time for preparation and attendance at regularly scheduled board and committee meetings, as well as be able to participate in other matters necessary to ensure that good corporate governance is practiced.

The Board believes that it must continue to refresh itself. During the last five years, the Board has added three new members, two of whom are independent, as a result of retirements and departures due to professional and personal commitments. The average tenure of the current directors is 10 years and the average age is 61. Directors may not stand for board election after age 72.

With the retirement of Marian Durkin and Karen Feltes from Avista's executive team in 2020, our executive gender diversity metric for women dropped from 29% to 17%. For reference, Avista's overall workforce is comprised of approximately 30% women. In an effort to support and develop additional diversity in our workforce, management launched two new initiatives in 2020: Women of Avista and the Our People Council.

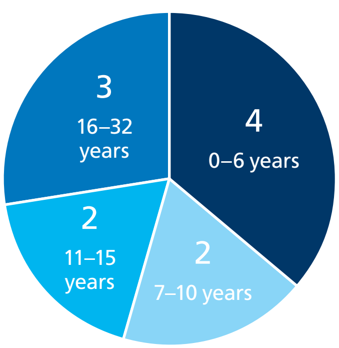
Both programs are sponsored by our CEO and senior executive officers. Women of Avista is committed to building a diverse culture that is more caring, supportive and inclusive for women. The Our People Council is focused on issues of diversity, equity, inclusion and racial and social justice efforts within our workforce and with our customer and community partners. Along with our existing student and employee development programs, we aim to further enhance diversity among our workforce and ultimately into our executive leadership ranks.

Avista Lead Director
Kristianne Blake
Principal
Kristianne Gates Blake, P.S.
Spokane, Washington

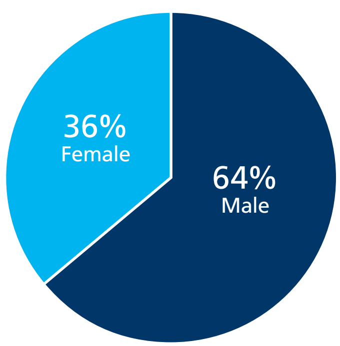
Director Since 07/01/00

Board Demographics	
Director Women	36.4%
Director Ethnic Minorities	9.1%
Executive Women	16.7%
Executive Ethnic Minorities	8.3%

Tenure

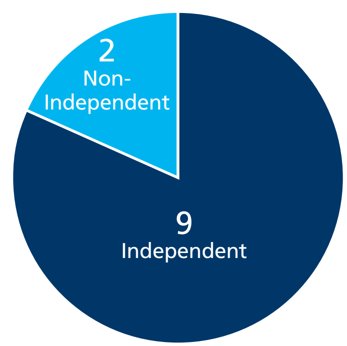


Gender Diversity

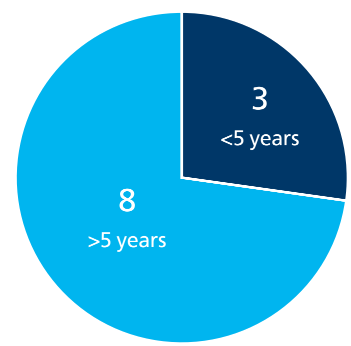


Average Age

Number of Independent Directors



New Directors in Last 5 Years



4. Striving to improve the performance of the Board of Directors and executive leadership through effective performance assessments, appropriate and fair compensation practices, and ongoing investment in education and professional development.

We believe that performance management is a key strategy for the continued success of our Company. Our performance management practices are embedded throughout all levels of our workforce in order to continually assess how we are executing on our commitments for all our stakeholders. The Company further believes that performance management of our executive officers and our board remains vitally important to evaluate our strategies, policies, structures and results in order to meet and exceed the ever-changing expectation of our stakeholders.

The Board conducts an annual assessment of its performance and effectiveness. The process is coordinated by the Board chair and the chair of the Governance and Corporate Responsibility Committee and is proctored through written assessments completed by each director. Areas of inquiry include, among other things, the following:

- Overall board performance and areas of focus including strategic and business issues, challenges and opportunities;
- Succession planning;
- Board committee structure and composition;
- Board culture;
- Board composition;
- Management performance, including quality of materials, provided to the directors; and
- Board meeting logistics.

The Board's committees also conduct annual assessments of their performance and effectiveness through written assessments completed by each committee member. Areas of inquiry include, among other things, the following:

- The sufficiency of their charters;
- Whether committee members possess the right skills and experience or whether additional education or training is required;
- Whether there are sufficient meetings covering the right topics; and
- Whether meeting materials are effective.

A summary of all committee assessment results is provided to the Governance and Corporate Responsibility Committee and Board for review and discussion.

Annually, the Board Chair conducts an objective assessment of the quality of each Board member, taking into account such factors as attendance, participation, engagement with other Board members, and any other factors deemed appropriate. This process includes a discussion between the Board Chair and the Chairs of each Board Committee, as well as individual interviews of each director. The process provides an opportunity for the Board Chair to seek direct input on individual director performance, as well as practical input from each director on what the Board should continue doing, start doing and stop doing. The information gathered through the assessment process is incorporated into the Governance and Corporate Responsibility Committee's review and recommendation of Board members to stand for election each year.

Avista executive officers receive annual performance reviews conducted by their direct manager, and the Compensation Committee of the Board reviews each Named Executive Officer's (NEO) performance ratings. For each NEO, the Compensation Committee also reviews the results of the Company's 360-degree survey, which is a standardized performance survey conducted periodically on multiple leadership performance categories that includes feedback from peers within the Company, direct reports and the NEO's direct manager.

At the beginning of each calendar year, the Compensation Committee asks our CEO to develop specific performance targets and goals for his/her role based on strategic goals set by the Board. The Compensation Committee reviews and approves our CEO's goals at its annual February meeting and presents those goals to the Board for its information and review. The Compensation Committee quarterly reviews our CEO's performance relative to his targets and provides quarterly status updates to the

Board. At the end of the year, the Compensation Committee reviews our CEO's year-end results as part of its overall CEO annual performance review process.

The Board regularly reviews director compensation to determine whether it is appropriate and competitive in light of market circumstances and prevailing best practices for corporate governance for the industry. Through this review process, the Board targets overall director compensation to the median of the same peer group used to review executive compensation. The elements of director compensation reflect the Board's view that compensation to the independent directors should consist of an appropriate mix of cash and stock. Both the cash and stock portions of the retainer are paid quarterly. Employee directors are not compensated for their board service.

The Company has a minimum stock ownership expectation for all board members. Within five years of becoming a board member, outside directors are expected to achieve a minimum investment of five times the minimum stock portion of their retainer and retain at least that same level of investment while a board member. The ownership expectation illustrates the Board's philosophy of the importance of stock ownership for directors to further strengthen the commonality of interest between the Board and shareholders.

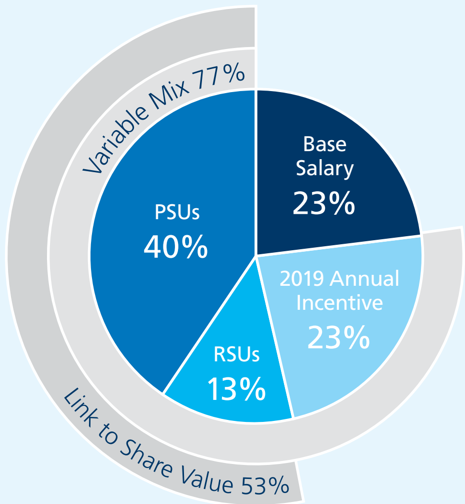
The Compensation Committee approves and implements a compensation program that focuses executives on the achievement of specific annual, long-term and strategic goals, aligning executives' interests with those of shareholders by rewarding performance that maintains and improves shareholder value. The Compensation Committee believes that the overall compensation of our senior executives should be weighted toward variable performance-based compensation. A significant portion of compensation is linked with goals related to specific items of corporate performance that are likely to produce long-term shareholder and customer value.

Our executives are provided with an annual base salary to compensate them for services rendered during the year. The Compensation Committee reviews the base salary of all executive officers at least annually. The factors that influence the Compensation Committee's decisions in setting the annual base salary for our executives include market data job complexity, experience and breadth of knowledge in the utility and diversified energy industry. The Compensation Committee also considers each executive's responsibilities, which may include electric and natural gas utility operations, as well as subsidiary operations, and recognizes that the Company operates in several states, which requires quality relationships and interaction with multiple regulatory agencies.

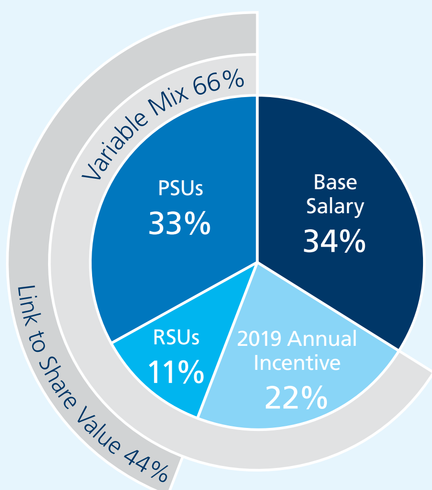
Avista's executives are also provided with an annual cash incentive plan designed to align the interests of our executives with both shareholder and customer interests to achieve overall positive financial and operational performance for the Company. The cash incentive plan reflects these goals by having 60% of the total incentive opportunity tied to consolidated earnings per share, with the remaining 40% tied to key components of utility operation. Each metric is

The charts below show the portion of target compensation that is variable and therefore is "at risk" for our CEO and the average for our other NEOs. Variable compensation includes: annual incentives, RSUs and performance shares. The charts also show the portion of target compensation for our CEO and the average target compensation for our other NEOs that is directly linked to share value, including RSUs and performance shares. The numbers used for the CEO are based on Scott Morris who was our CEO until October 1, 2019.

CEO



Other NEOs



independent, which allows the cash incentive plan to pay a portion of the award upon the attainment of one goal even if the other goals are not met.

The cash incentive plan's performance metrics are based on factors that are essential for the long-term success of the Company, and, with the exception of the consolidated earnings per share, are identical to performance metrics used in the Company's annual cash incentive plan for non-executive employees. The Compensation Committee believes that having similar metrics for both the cash incentive plan and the non-executive plan encourages employees at all levels of the Company to focus on common objectives.

The Compensation Committee believes that equity-based compensation is the most effective way to create a long-term link between shareholder returns and the compensation provided to executives and other key management. This program encourages participants to focus on long-term company performance and provides an opportunity for executive officers and designated key employees to maintain ownership in the Company through grants of stock that can be earned based on either service or performance, and sometimes both, over a three-year cycle. Through the use of long-term performance awards and restricted stock units, the Company can compensate executives for sustained increases in the Company's stock performance, as well as long-term growth relative to its peer group for the relevant cycle.

The Board has implemented stock ownership guidelines for the Company's executive officers. The guidelines require executive officers to own shares and achieve set ownership levels based on a formula designated as a multiple of salary within a target timeframe of five years from their employment date or date of promotion, as described within the program guidelines. The value for each executive's ownership level is determined by using the average closing share price over the prior calendar year. This methodology aligns with current competitive practices within the peer group based on market data provided by Meridian. The objectives of our stock ownership guidelines are to:

- Strengthen alignment of the executives' financial interests with those of shareholders;
- Enhance executive long-term perspective and focus on shareholder value growth;
- Reinforce "pay at risk" philosophy and provide an additional basis for sharing in Company success or failure as reflected in shareholder returns; and
- Align Company practice with corporate governance best practices.

The Compensation Committee believes that the Company's compensation policies and practices do not create risks reasonably likely to have a material adverse effect on the Company. In establishing pay practices for the Company, the Compensation Committee's goal is to design a compensation structure that does not encourage inappropriate risk-taking by employees or executive officers. The following features of the compensation structure reflect this approach:

- Short and long-term incentive payments are capped;
- Annual cash incentive design balances key performance metrics that are focused on financial results and system sustainability over time;
- The total compensation program does not guarantee bonuses and has multiple financial and non-financial performance measures;
- The Compensation Committee reviews both short-term and long-term financial scenarios to ensure the plan design does not encourage executives to take excessive risks but also does not discourage appropriate risks;
- Stock ownership guidelines are in place to strengthen the alignment of the financial interests of executives with those of shareholders;
- Directors and officers are prohibited from engaging in short-sales, zero-cost collars, forward sales contracts, pledging, hedging or otherwise offsetting any decrease in the market value of their company shares; and
- The Company maintains a formal recoupment (i.e., clawback) policy.

Company is required to prepare an accounting restatement as a result of misconduct or a material error, incentive payouts based on the original results should be revised. Therefore, the Board has adopted a formal recoupment policy applicable to incentive compensation awards. The policy authorizes the Company to recover incentive payouts if those payouts are based on performance results that are subsequently revised or restated to levels that would have produced payouts lower than the original incentive plan payouts. If misconduct or material error results in a restatement of financial results, the Compensation Committee may recommend that the Board either require forfeiture of incentive awards or seek to recover appropriate portions of the executive officer's compensation for the relevant period, in addition to other disciplinary actions that might be appropriate based on the circumstances. Effective February 5, 2020, the Compensation Committee expanded this policy to allow up to three years of incentive compensation to be subject to recovery for detrimental conduct.

The Compensation Committee believes it is in the interest of shareholders to provide severance to our executive officers in the event of a change in control (CIC), thereby reducing the inherent conflict of our executive officers pursuing a transaction that may result in their personal job loss. Effective January 1, 2020, a new CIC plan was put in place for all current officers of the Company. Executives prior to January 1, 2020 would have received three times the sum of their annual base salary and targeted annual bonus. Going forward, they would receive two times the sum of their annual base salary and target annual bonus.

28 to 1
Ratio of CEO pay to the pay of our median employee for 2019

Our Governance and Corporate Responsibility Committee and management are responsible for director orientation programs. Orientation programs are designed to familiarize new directors with the Company's business strategies and policies. The Governance and Corporate Responsibility Committee is also responsible for director continuing education. Continuing education programs include a combination of internally developed materials and presentations and outside programs presented by third parties. Financial and administrative support is available to directors for attendance at academic or other independent programs. Succession plans for our CEO and other officers are an important part of the Company's long-term success, and the Company has a succession-planning process that reflects the Company's long-term business strategy. The Compensation Committee conducts an annual review of the succession plans for our CEO and other executives and receives quarterly updates on the plans. Our CEO and the Compensation Committee review those succession plans annually with the Board. The succession plans reflect the Board's belief that the Company should regularly identify internal candidates for the CEO and other executive positions and that it should develop those candidates for consideration when a transition is planned or necessary. Accordingly, management has identified internal candidates in various phases of development and has implemented development plans to assure the candidates' readiness. Those development plans identify the candidates' strengths and developmental opportunities, and the Compensation Committee regularly reviews progress. In addition to internal development pools, to assure selection of the best candidate(s), the Company may recruit externally if such approach would better suit the Company's strategic needs. The Compensation Committee believes that the Company's succession planning process provides a good structure to assure that the Company will have qualified successors for its executive officers.

The Board has adopted a contingency CEO succession plan to outline the procedures for the temporary appointment of an interim CEO to avoid a vacancy in leadership that may occur because of an absence event due to death, illness, disability or sudden departure of our CEO.

The following chart shows the Cash Incentive Plan performance goals for each performance metric, the weighting of each metric, and the 2019 actual results of each metric.

Metric	Weighting	Threshold	Target	Exceeds	Actual	2019 Results
Earnings Components						
Consolidated Earnings per Share* Payout can vary 0%–167% based on performance level.	60%	$ 2.78	$ 2.88	$ 2.98	$ 2.97	Met 160%
Utility Operations Components						
Cost Per Customer* The Operating and Maintenance (O&M) cost is directly related to maintaining reliable, cost-effective service levels. Payouts can vary 0%–150% based on performance level.	20%	$ 395.39	$ 393.01	$ 384.22	$ 394.71	Met 64.29%
Customer Satisfaction Rating This rating is derived from a Voice of the Customer survey conducted each quarter by an independent agency. The survey is used to track satisfaction levels of customers that have had recent contact with our call center or service center. This is a hit or miss target and the payout is either 100% or 0% based on achievement of objective.	8%	NA	90%	NA	94%	Met 100%
Reliability Index This measure is derived from the combination of three indices that track average restoration time for sustained outages, average number of sustained outages per customer, and percent of customers experiencing more than three sustained outages during the year. This is a hit or miss target and the payout is either 100% or 0% based on achievement of objective.	8%	NA	1.00	NA	1.18	Met 100%
Response Time This measures how quickly the Company responds to dispatched natural gas emergency calls. This is a hit or miss target and the payout is either 100% or 0% based on achievement of objective.	4%	NA	<55	NA	38	Met 100%

* *Payout levels are interpolated on a straight-line basis for results between the threshold performance level and the maximum level.*

5. Ensuring that shareholders have an appropriate voice with respect to matters impacting the company through outreach and engagement.

We believe that our shareholders are vitally important for the Company to be able to execute on our vision to empower our customers to live their lives to the fullest. As such, we need to regularly engage with our shareholders and ensure that they have an appropriate voice with respect to matters impacting Avista. As an example of this commitment, we proactively adopted Proxy access for director nominees. Avista will continue to focus on our shareholder engagement practices in order to strengthen healthy dialogue and align our corporate governance, business operations and performance with the expectations of our shareholders.

Another example of how we understand and incorporate our shareholders' voice and expectations occurred following our Company's May 2019 Annual Meeting with regards to the Say on Pay advisory resolution. Shareholders expressed substantial support for the compensation of our named executive officers, with approximately 94.28% of the votes cast for the Say on Pay advisory resolution approving our executive compensation. Although this was a slightly lower percentage of support than the previous vote, we still viewed this outcome as a signal of strong shareholder support for our executive compensation philosophy, policies and practices. In subsequent discussions with various shareholders, we discussed our overall approach to executive compensation and governance and took into consideration feedback we received. Based in part on the feedback received from our shareholders and the results of the Say on Pay advisory vote, we decided to adopt a new Change in Control (CIC) plan and eliminate individual CIC agreements with all current officers. We also modified our recoupment policy. We anticipate issuing our next Say on Pay advisory resolution in 2023.

In addition to our smaller shareholder engagements and discussions occurring throughout the year, our Annual Meeting of Shareholders presents an opportunity to engage with all our shareholders. By having our directors stand for election each year (in uncontested elections, directors must be elected by majority of the votes cast), seeking ratification of our selected independent registered public accounting firm, and soliciting the Say on Pay advisory resolution, the Board has the opportunity to receive feedback through the voting results of our shareholders, and any other business or engagements that may be raised during the course of the annual meeting. Of note, while the Company's Audit Committee has direct responsibility for the appointment of the independent registered public accounting firm, as a matter of good corporate governance, our Board submits its selection of the independent registered public accounting firm to our shareholders for ratification. Similarly, consistent with our record of shareholder engagement and the recent revisions made to our executive compensation practices, the Board will take the outcome of the Say

on Pay advisory resolution votes into consideration, along with other relevant factors, when making future determinations concerning compensation and the frequency of such advisory votes.

Avista's Corporate Responsibility initiative is yet another example of how our Company strives to ensure that our shareholders have an appropriate voice with respect to matters impacting the company. In response to shareholder engagements and questions concerning environmental, social and governance (ESG) issues and expectations Avista, we launched our Corporate Responsibility initiative intending to provide greater disclosure and transparency around these issues. Furthermore, we sought to align additional disclosures around these same issues with widely adopted reporting frameworks that our shareholders supported, namely the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). The Company also provides requested disclosures in accordance with the Edison Electric Institute (EEI) and American Gas Association (AGA) joint reporting template on ESG and sustainability topics, which includes quantitative generation portfolio and emission data, employee health and safety information, and details on the Company's use of water resources and handling of hazardous waste products. Access Avista's TCFD, SASB, EEI and AGA reporting frameworks at **avistacorp.com**.

As a publicly traded company, we also report on material issues impacting the company through a variety of disclosure mechanisms governed by the Securities and Exchange Commission, including our 10-K and Annual Report, quarterly 10-Q filings, and periodic 8-K filings. We also regularly issue press releases regarding issues of importance to our business. Shareholders and other interested parties may subscribe to receive email alerts of these disclosure mechanisms and the Company's press release through our email alerts form on the **Avista Corporation** website.

Shareholders and other interested parties may send correspondence to our Board or to any individual director including our lead director to our Corporate Secretary's office at 1411 East Mission Avenue, P.O. Box 3727 (MSC-10), Spokane, Washington 99220. Shareholders and other interested parties may also contact our Shareholder Services and Investor Relations group through our investor relations contact form on the **Avista Corporation** website, or through these channels:

Avista Corp. Shareholder Services and Investor Relations

P.O. Box 3727, MSC-19
Spokane, WA 99220-3727
Phone: 509-495-4203

Analyst Contact

John Wilcox
Investor Relations Manager
Phone: 509-495-4171
Email: **John.Wilcox@avistacorp.com**

Media Relations

24/7 Media Line:
(509) 495-4174

Interactive Voice Recording (IVR)

1-800-222-4931

6. Maintaining transparency with respect to governance of the Company and the pursuit of its strategic goals.

Avista's commitment to corporate responsibility encompasses our broader approach to sustainability, stewardship and corporate citizenship in order to build long-term value for all of our stakeholders. We believe that executing good corporate governance is an essential component of this broader approach. And when it comes to our corporate governance, we need to ensure that we clearly communicate, explain and provide transparency in our disclosures for our stakeholders to clearly understand Avista's strategic goals.

Our Board is responsible for directing the management of the business and affairs of the Company. As such, the Board gives the Company's executive officers strategic direction and oversees their operation of the Company's business and their conduct of its affairs, with a view to serving the best interests of the Company, its shareholders and other stakeholders.

The Board plays an active role in the identification of the major risks affecting the Company and the oversight of the Company's risk management in pursuit of our strategic goals. The Board's risk oversight process includes receiving reports from members of corporate management on areas of material risk to the Company, including financial, regulatory, energy commodity, operational, compliance, cyber and technology, wildfire resiliency, strategic and external mandate risks. The Board's oversight is conducted primarily through the committees of the Board as set out in their charters. However, the full Board retains responsibility for the general oversight of risks.

While our Board is responsible for risk oversight, Avista's management team is responsible for the day-to-day management of risks including the appropriate officer reporting on risks to the appropriate board committee or to the full Board. For example, quarterly, the director of finance and risk reports on the Company's risk analysis and risk management processes to the Audit Committee. Quarterly, the Environmental Committee reviews risks related to the Company's operations, and, annually, the CFO reports to the Board on the Company's enterprise risk management program and processes. When a committee receives a report from management, the chair of that committee advises the full Board at its next meeting. This enables the Board and its committees to coordinate comprehensive risk oversight. Our Annual Report on Form 10-K contains a detailed discussion of the material risks to the Company's business and the Company's efforts to manage them. The report can be found on the **Avista Corporation** website.

Avista's management team performs their risk management and mitigation related activities throughout the year. We have an enterprise risk management (ERM) process for managing risks throughout the organization, which facilitates the identification and measurement of various forms of risk that may affect the Company. Our risk

management department facilitates the collection of risk information, providing senior management with a consolidated view of the Company's major risks and risk mitigation measures. The ERM process supports management in identifying, assessing, quantifying, managing and mitigating the risks. Despite all risk mitigation measures, however, risks are not eliminated. Our primary identified categories of risk exposure are utility regulatory, operational, cyber and technology, strategic, external mandates, financial, energy commodity and compliance. We consider the management of these risks an integral part of managing our core business and a key element of our approach to corporate governance.

Concerns about long-term global climate changes and implications could have a significant effect on our business. Our operations could be affected by changes in laws and regulations intended to mitigate the risk of, or alter, global climate changes, including restrictions on the operation of our power generation resources and obligations or limitations imposed on the sale of natural gas. Changing temperatures and precipitation, including snowpack conditions, affect the availability and timing of stream flows, which impact hydroelectric generation. Extreme weather events could increase fire risks, service interruptions, outages and maintenance costs. Changing temperatures could also increase or decrease customer demand. Our Perform Council, a successor body to our historical Clean Energy Council, is an interdisciplinary team of management and other employees of the Company which regularly meets to discuss, assess and manage potential risks associated with long-term global climate change. Among other things, the Perform Council:

- facilitates internal and external communications regarding climate change and related issues,
- analyzes policy effects, anticipates opportunities and evaluates strategies for the Company,
- develops recommendations on climate-related policy positions and action plans, and
- provides direction and oversight with respect to the Company's clean energy goals.

In addition to the Perform Council, issues concerning climate-related risk and the Company's clean energy goals are reviewed and regularly discussed by the Board. The Board's Environmental, Technology and Operations Committee regularly reviews and discusses environmental and climate-related risks and advises the Board on any critical or emerging risks and/or related policies. Likewise, the Audit Committee provides oversight of climate-related disclosures in the Company's financial statements.

While the identification of global climate change-related risks and opportunities are present and embedded in the Company's ERM processes and Perform Council, a further analysis occurs through the Company's implementation of the Task Force on Climate-related Financial Disclosures (TCFD) framework. For additional information concerning these risks and mitigation strategies, please access Avista's TCFD framework disclosure at **avistacorp.com**.

Forward-Looking Statement

This report contains forward-looking statements, including statements regarding our current expectations, plans or objectives for future operations and other factors, which may affect the company in the future. Such statements are subject to a variety of risks, uncertainties and other factors, most of which are beyond our control and many of which could have significant impact on our operations, results of operations, financial condition or cash flows and could cause actual results to differ materially from those anticipated in our statements.

For a further discussion of these factors and other important factors please refer to our most recent Annual Report on Form 10-K, or Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission. Those reports are also available on our website at www.avistacorp.com The forward-looking statements contained in this report is current as of December 31, 2020, and should not be relied upon as being current as of any subsequent date. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which such statement is made or to reflect the occurrence of unanticipated events. New risks, uncertainties and other factors emerge from time to time, and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on our business or the extent to which any such factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.