

EEI ESG/Sustainability Template Pilot – Qualitative Con Edison

ESG/Sustainability Governance: Management and oversight of ESG/Sustainability

Con Edison's governing bodies for Environment, Social and Governance (ESG)/Sustainability matters include a Board-level Environment, Health & Safety (EH&S) Committee, an executive EH&S Committee, and a Sustainability Leadership Council including more than 30 directors company-wide overseen by an ESG Committee comprised of company officers. The day-to-day Sustainability function is overseen by a Vice President of EH&S and managed by a sustainability manager.

ESG/Sustainability Strategy: Practices, programs, and initiatives designed to support the company's transition to a lower carbon and increasingly sustainable energy future

Chairman's Letter:

Con Edison is committed to being a next-generation clean energy company. As we move forward, we are finding encouraging growth and development opportunities. To enhance our company's sustainability, we have a strategy in place to guide our success.

With a focus on preserving and protecting the environment, adhering to sound business practices, and maintaining our position as a leader and innovator in the energy industry, our company will continue to integrate sustainability into our programs and policies to ensure that we deliver results for our customers, employees, communities, and shareholders.

We maintain a keen focus on our three corporate priorities – the safety of our people and the public, operational excellence in all we do, and providing a great customer experience. We finished 2017 with the lowest injury rate in our company's history, and we're equally focused on public safety.

We are positioned to excel in a new business environment where customers want clean and renewable energy, as well as reliability and affordability. This year, the company purchased nearly 1,000 MW of renewable energy projects from Sempra Energy, a west coast company. This \$1.6 billion investment is the biggest acquisition we have ever made. Adding these valuable renewable projects to the portfolio of our Clean Energy Businesses moves us from the sixth to the second largest solar producer in North America. We're now an even bigger player in the fastest growing field in the energy industry: renewable power.

The new assets include nine solar and one wind generating facilities. The move makes us the owner and operator of some of the premier solar farms in the country. They cement our national reach of renewable energy in 17 states.

At the same time, our commitment to sustainability at home never wavers. When the New York League of Conservation Voters honored us last year, the group said we are “forging the path for a new energy future,” and because of our “significant investments in smart meters, resilient cables and flood-proof equipment, Con Edison has established itself as an innovative leader on the front lines of mitigating and adapting to the effects of climate change.”

Our programs are strongly aligned with New York City and New York State’s energy initiatives, which have the goals to reduce greenhouse gas emissions, generate more energy from renewable resources, and increase energy efficiency. Since 2005, we have reduced our carbon footprint by 49 percent. That’s equal to taking 500,000 cars off the road. We have also converted 6,800 large buildings in New York City from higher-polluting, higher-cost liquid fuels to cleaner natural gas.

Since 2009, our energy efficiency programs have helped more than 600,000 customers make upgrades that have prevented 1.4 million tons of carbon emissions. That’s equal to removing almost 300,000 vehicles from the streets. Another benefit to the environment is already underway: We are installing 5.3 million smart meters in our service territory by 2022, making it easier for customers to make more informed decisions about how they use energy and to integrate solar energy into the grid.

Over the next three years, we will double the level of gas energy efficiency we can offer customers and reduce overall usage during peak demand periods while supporting the city and state’s climate and clean-energy goals.

We take seriously the challenges posed by climate change. We expect to invest \$9.5 billion in the next three years on our energy systems to improve safety, maintain reliability, and reduce risk. Our core energy systems are the backbone of our operations today and will continue to serve as the connective tissue for new technologies.

The need to have a positive impact in our communities has always been of paramount importance to us. In keeping with that mission, we will use solar panels on our rooftops to provide renewable energy for low-income customers. Throughout our communities in 2017, our company gave \$12.6 million to support local nonprofits and our employees donated thousands of hours volunteering.

We know that our employees are among our biggest strengths. Our diversity and inclusion strategy aims to create a culture that celebrates fairness, respect, and inclusion. Employee resource groups, such as those organized by veterans, Hispanics, and LGBTQ employees, help make us a stronger and more sustainable company.

It takes teamwork, a consistently concerted effort, and a commitment to succeed to meet the needs of the more than 10 million people in our service area while also safeguarding the environment. In our Sustainability Report, we will show you how the women and men of Con Edison are doing exactly that.

*John McAvoy, Chairman,
President and Chief Executive Officer, Consolidated Edison, Inc.*