

EI 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 Safety, Environment, Operations and Sustainability Committee, an executive EH&S Committee, and an ESG Committee chaired by the Treasurer and comprised of company officers. The ESG Committee oversees a Sustainability Leadership Council including more than 30 directors company-wide. The ESG function is directed by the Company's Chief Financial Officer and managed under the Treasury department by the Director of Investor Relations.

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 dedicated to making a transformational impact on the environment, our region, and the lives of the 10 million people we serve. This past year demonstrated our commitment to being a leader and innovator in the critical area of sustainability: socially, environmentally, and economically.

Our three priorities—safety, operational excellence, and the customer experience—are our guiding principles for protecting the environment, maintaining our best-in-class reliability, and managing customer costs. From our relentless focus on public and employee safety to our ever-expanding renewable energy projects, we are delivering results for our customers, employees, communities, and shareholders.

Safety is the cornerstone of all that we do at Con Edison. We continue our efforts to achieve our goal of zero-harm, both for our employees and for the public we serve. Many departments are going injury free for months, years, and now decades.

When it comes to a cleaner, more efficient future, Con Edison is delivering for our customers – and the planet. Reducing carbon emissions and expanding our renewable energy sources is vital to our long-term sustainability. That's why we've positioned ourselves to give customers what they expect: clean, renewable energy, while strengthening our systems to withstand the effects of severe weather.

Last year, through our Clean Energy Businesses, we added to our extensive renewables portfolio with the purchase of solar and wind projects worth more than \$2 billion. This acquisition makes us the second largest solar energy producer in North America, strengthening our leadership position in renewable energy.

That's not all. We're supporting the city and state's efforts to develop large-scale renewables, including offshore wind. We're advocating for development of renewable energy projects, along with the necessary system upgrades to bring this renewable energy to customers.

Our ever-expanding array of energy efficiency opportunities supports the state and city's clean energy goals. Our energy efficiency programs have helped more than 675,000 customers and prevented 5.5 million metric tons of carbon emissions, equal to taking more than one million cars off the road. Since 2005, we have reduced our

carbon footprint by 49 percent.

We continue to make our mark for world-class reliability. Once again, we were recognized by PA Consulting Group with their ReliabilityOne Northeast Region Award for Outstanding Reliability Performance. Infrastructure investments are vital to the sustainability of our electric, steam, and gas systems. That's why we've committed to spend more than \$3.1 billion a year on utility infrastructure. Our ambitious effort to upgrade our gas system by replacing gas mains will result in reduced methane emissions and a safer system. Last year, we replaced more than 90 miles of gas main, exceeding our targets. All these efforts also ensure that our systems are prepared and resilient in the face of extreme weather.

At the same time, the customer demand for natural gas is outpacing its availability in our service area. This has forced us to stop accepting applications for new gas hookups in most of Westchester, where constraints are severe. To help fill the need, we're seeking smart solutions, such as renewable natural gas and geothermal projects, as an alternative to fossil fuels. Over the next three years, we will double the level of gas energy efficiency programs. We'll continue to seek gas infrastructure projects that can meet federal and state requirements.

Meanwhile, smart meter technology is helping us rapidly change our operations and the customer experience. Smart meters affect everything from the way customers engage with their energy use to monitoring methane leaks on our gas system. We're on track to install more than 5 million smart meters by 2022.

Also on the technology front, we are working aggressively to shield us from cyber and physical threats. We're part of a nationwide effort with federal agencies and our industry to mitigate such risks. Our focus in this area includes everything from vigorously monitoring threats to expanding the use of new prevention and detection technology. In 2018, we continued our efforts to manage our costs, ensuring the spending decisions we make today are guided by where we want our company to be tomorrow. Our vision to build a sustainable business model has yielded the 45th consecutive year of dividend growth, delivering value for shareholders.

To create sustainable communities of the future, we are supporting tomorrow's green careers. We're introducing college students to environment and energy careers through our Con Edison Scholars Network. It's a community of Con Edison STEM Scholarship recipients from colleges and universities in our service area. Networking and professional development fosters growth and excitement for STEM careers. Another program, Green City Force, is grooming young public housing residents for green careers, including solar, urban farming, and energy efficiency.

Of course, none of this would be possible without the 15,000 women and men who dedicate their time and talent to our company. Our diversity and inclusion strategy aims to create a culture that celebrates fairness and respect for differing points of view. We're continually improving our employee resources. We recently introduced new adoption benefits to provide financial support to the adoption process, along with supporting employees' work-life balance. For women and men serving in the military Reserves or Guard, we improved our leave policy to support their military training or deployment.

Ultimately, that's what this sustainability report is about: all the hard work that our people have done to protect the environment, safeguard the public, help build sustainable communities, and deliver safe and reliable energy to our customers. It's an awesome responsibility, to be sure. And Con Edison is more than up to the task.

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