

EEI and AGA ESG/Sustainability Template Version 3 – Qualitative Consolidated Edison, Inc.

Consolidated Edison, Inc. (Con Edison) is dedicated to making a transformational impact on the environment, our region, and the lives of the people we serve. We have a governance structure and strategy in place to harness the skills and intellect of our employees consistent with sound, sustainable principles.

Governance: Setting Priorities and Strategy

To help guide and oversee our environmental, social, governance (ESG)/sustainability strategy, we developed a governance structure that extends from our Board of Directors to the employee level. Our structure includes:

- Safety, Environment, Operations, and Sustainability Committee (SEOS) of the Board
- Corporate Governance and Nominating Committee of the Board
- Management, Development and Compensation Committee of the Board
- Vice President-level Environment, Social, and Governance Committee
- Volunteer sustainability ambassadors

The SEOS Committee, which meets at least four times a year, reviews at each of its meetings certain key performance indicators relating to sustainability, including energy efficiency, dielectric fluid management, SF₆ gas emissions, environmentally beneficial electrification, and solar connections. In 2021, the Company's Board of Directors also received presentations that covered climate-related matters such as the Company's Climate Change Adaptation Vulnerability Study and Implementation Plan, the Company's clean energy goals and clean energy commitment, the Company's climate resilience framework, the Company's strategy for achieving a clean energy future, and the Company's renewables strategy.

We have integrated our sustainability priorities into our long-range planning. Our 20-year plan for our electric and gas businesses will help us navigate today's challenges while preparing for changes in the energy landscape. These plans include three representative pathways toward our net-zero carbon goals for our electric, gas and steam operations: full electrification, targeted electrification, and hybrid consumption.

The plans are available on our website at the following link: [Long Range Plans | Con Edison](#)

Climate Resilience

Con Edison's energy infrastructure is vulnerable to the effects of climate change, and the Company recognizes the global scientific consensus that these changes are accelerating. Accordingly, in December 2020, the Company released our [Climate Change Implementation Plan](#), a follow-up to our landmark 2019 [Climate Change Vulnerability Study](#).

The Company's announced pathways prepare for high-risk scenarios of potential climate change impacts, the implementation of which would allow us to go beyond the goals set out in the Paris Agreement. The plan addresses mitigation measures in response to identified company-specific climate-driven risks.

While the Climate Change Implementation Plan provides a strong foundation for action, Con Edison will evolve its adaptation efforts over time based on new climate science and its customers' needs. It will review its climate projections annually, update them at least every five years and will provide regular public reporting on its progress through its ESG disclosures. For more information, please visit <https://www.coned.com/resilience>.

Clean Energy Future

In 2019, New York State enacted the Climate Leadership and Community Protection Act (CLCPA) that established a goal of 70 percent of the electricity procured by load-serving entities regulated by the New York State Public Service Commission (NYSPSC) to be produced by renewable energy systems by 2030 and requires the statewide electrical demand system to have zero emissions by 2040. The law also codified state targets for energy efficiency, electric vehicles, emissions reductions, offshore wind (9,000 megawatts (MW) by 2035), solar (6,000 MW by 2025) and energy storage (3,000 MW by 2030). We are in support of the state goals as reflected in the Company's Clean Energy Commitment, which was updated most recently in 2021.

Our Expanded Clean Energy Commitment

In 2021, we updated our Clean Energy Commitment to make it bolder and meet the moment we are in. Our commitment to the clean energy future is supported by five pillars, detailed below, and is referenced in the emissions goals table in our EEI/AGA ESG – Sustainability Template - Quantitative disclosure.

<i>Pillar 1: Build the Grid of the Future</i>	<i>Pillar 2: Empower All of Our Customers to Meet Their Climate Goals</i>	<i>Pillar 3: Reimagine the Gas System</i>	<i>Pillar 4: Lead by Reducing Our Company's Carbon Footprint</i>	<i>Pillar 5: Partner With Our Stakeholders</i>
Build a resilient, 22 nd century electric grid that delivers 100% clean energy by 2040.	Accelerate energy efficiency through support for deep retrofits, aim to electrify most building heating systems by 2050, and all-in on electric vehicles.	Decarbonize and reduce the use of fossil natural gas, and explore new ways to use our existing, resilient gas infrastructure to serve our customer's future needs.	Aim for net-zero emissions (Scope 1) by 2040, focusing on decarbonizing our steam system and other company operations.	Enhance our collaboration with our customers and stakeholders to improve the quality of life of the neighborhoods we serve and live in, focusing on disadvantaged communities.

Our Clean Energy Commitment is available on our website at the following link: [Our Clean Energy Commitment | Con Edison](#)

Our Guiding Principles

Our Clean Energy Commitment and our Climate Change Implementation Plan are consistent with three guiding principles we have adopted for protecting the environment, maintaining our best-in-class reliability, and managing customer costs — safety, operational excellence, and enhancing the customer experience. Our strategy stems from these three priorities and embraces the growing concern globally over the impacts of climate change and the desire of customers and the public to have increasing say over how their energy is produced and used.

Guiding Principle: Safety

We continue to strive for a zero-harm work environment for our employees and the public we serve. In 2021, our focus on safety remained relentless and was evident in our strong safety performance, resulting in 2021 being the second lowest in terms of number of injuries and illnesses in Company history.

We continue to replace and repair leak-prone gas mains, reducing risk and cutting methane emissions. Con Edison was the first utility in the country to install natural-gas detectors that monitor the air where our gas service pipes enter buildings. To make our electric systems safer, we're using smart meter data to develop algorithms to avoid electrical shocks. Our 3D model of the 91-mile steam system better estimates potential problems caused by heavy rain and flash flooding, which improves safety and operations.

Guiding Principle: Enhancing the customer experience

We understand the pandemic and all its ramifications have caused incredible hardship for many of our customers. We are offering flexible payment agreements and pointing them to additional resources.

Smart meters are the cornerstone of our efforts to provide customers with greater insights into their energy use through near real-time data—a truly transformational technology. We are more than 92% complete with mass deployment activities, having installed 4.9 million smart meters. We are targeting to substantially complete the remaining installations by the end of 2022.

CECONY and O&R offer a broad array of energy efficiency initiatives designed to reduce greenhouse gas emissions, lower customer bills, and give New Yorkers control over their energy choices. We are working with partners across our service territory to better serve low- and moderate-income customers as well as providing choices to our customers to reduce their reliance on fossil fuels through adoption of beneficial electrification technologies such as heat pumps and electric transportation.

Guiding Principle: Operational Excellence

Operational excellence is at our center. Con Edison's electric system has historically been one of the most reliable electric systems in the country. However, we know our customers' reliance on electricity is growing and their expectations are increasing. We are deploying sensors, using robotics to monitor our systems, adding analytics, and using other technologies to achieve the operational excellence that our customers demand.

Minimizing risk is key to operational excellence. This work begins with cyber and physical security. The company remains focused on the evolving data privacy regulatory landscape, taking proactive measures and building forward-looking tools and processes in anticipation of more individual-centered business requirements.

When it comes to a cleaner, more efficient future, our strategy involves reducing harmful emissions. Our targets include reducing sulfur hexafluoride emissions by five percent annually and reducing methane emissions by replacing four percent of our priority gas distribution mains annually in our natural gas local distribution system.

Con Edison Clean Energy Businesses

The Clean Energy Businesses (CEBs) are forecasted to grow over time, as state-level clean energy targets and advancements in renewable technologies present opportunities for investment. Our assets are comprised of 90% solar and 10% wind. We have projects operating in 20 states in the U.S. and are the second largest owner and producer of solar electricity generation in North America.

CEB has a dedicated battery storage team and is actively integrating storage into new renewable development as well as into operating assets where economical. Battery storage is also offered for projects CEB is developing on behalf of renewable energy and energy efficiency customers.

Con Edison is considering strategic alternatives with respect to the Clean Energy Businesses.

Additional Opportunities in Renewable Energy Production and Electric Transmission

CECONY in January 2022 filed a [proposal for new electric and gas rates](#). The proposal included plans to expedite the development 1,000 MW of solar electric production over 10 years and to assume ownership of those projects for the benefit of low- and moderate-income customers. CECONY currently has a pilot community solar project underway that provides both clean energy and associated skilled employment opportunities in economically disadvantaged areas.

Con Edison is also pursuing opportunities to develop and own electric transmission to connect new renewable energy projects to customers. In April 2021, CECONY received approval from the NYSPSC to build three electric transmission projects to provide relief from the anticipated closure of third-party electric generating peaking plants that do not meet NO_x emission standards and to enable delivery of renewable generation from offshore and upstate.

CECONY, O&R and other state utilities filed with the NYSPSC a request to construct additional electric transmission that supports the State's climate mandates of the CLCPA and the Accelerated Renewable Energy Growth and Community Benefit Act. CECONY's proposals include two clean energy hubs to facilitate access to renewable energy, especially offshore wind, for its customers.

Con Edison Transmission, the Company's subsidiary regulated by the Federal Energy Regulatory Commission (FERC), is a 45.7% owner of NY Transco. NY Transco is constructing a \$600 million electric transmission line that will enhance the grid's reliability and bring renewable energy to customers. The line is scheduled to be in service in December 2023 and, along with another segment under construction, it will increase by 1,850 MW.

Diversity, Equity & Inclusion

At Con Edison, we have a long-standing commitment to diversity, equity, and inclusion (DEI). Our corporate DEI strategy is built on four key elements – ongoing learning and competency building; inclusive and visible leadership support; reviewing our systems, policies, and procedures to eliminate potential barriers to inclusion; celebrating and acknowledging the diversity of our workforce.

We are making progress on our DEI goals, and we will keep working at it. We are using more data to help us further understand gaps that may exist and to inform decisions. Our teams are becoming more diverse, including our leadership team. Our grassroots networks, such as Employee Resource Groups and Local DEI Councils are facilitating critical conversations to increase awareness about cultural differences. We remain committed to tapping the full talents of our workforce and creating an environment in which our employees feel respected, valued, and appreciated.

Our commitment to diversity also extends to our Supply Chain. Our effort in this area helps us increase competition within our vendor base, create millions of dollars of opportunities for minority-owned and women-owned businesses and contribute to the economic vitality of the communities we serve.

Index of Links	
Clean Energy Commitment	Our Clean Energy Commitment Con Edison
2021 Sustainability Report	Sustainability Report 2021 conEdison, inc.
Climate Change Resiliency Plan	Our Climate Change Resiliency Plan Con Edison
Long Range Plans	Long Range Plans Con Edison
Vendor Standards of Business Conduct	VENDOR CODE OF CONDUCT.pdf (coned.com)
Annual Diversity Equity and Inclusion Report	Diversity at Con Edison Con Edison
Corporate Governance (Board of Directors, Standards of Business Conduct)	Corporate Governance Con Edison