



Building a Cleaner and More Diverse Future

Sustainability Report 2020



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Chairman & Chief Executive Officer's Letter

New York has set a path toward 100 percent clean energy by 2040, and as the state's largest energy supplier, Con Edison is playing a central role in this historic transformation.

New York's global leadership on climate and clean energy policy inspires us and informs our work. Meeting the state's goals will require a colossal buildout of renewable energy resources, investments in a flexible and resilient power grid, the electrification of heating and transportation systems at massive scale, and a reimagining of the gas system as we move aggressively away from fossil fuels.

None of this will be easy, but the opportunities are enormous for New York and for Con Edison. Our Clean Energy Commitment, which we expanded in 2021 with much bolder ambitions, guides the decisions we make.

Con Edison is celebrating its 200th anniversary this year, tracing its origins to a small gas company in lower Manhattan. I just finished my second year as chairman and chief executive, having started at the company 35 years ago. Anyone working for a company with such a rich history understands that their own opportunity to make a mark is relatively brief. Our workforce of today stands on the shoulders of those who have kept homes warm and lights on in New York since the early 19th century. For all its history, I believe this next chapter of Con Edison's story will be most important and rewarding yet.

Sustainability means many things to Con Edison, but above all, it means meeting the energy needs of our 10 million customers in New York City, Westchester, Orange and Rockland Counties in a way that's consistent with the fight against climate change. That will require us to decarbonize our own facilities, deliver climate-neutral energy to our customers, and harden our infrastructure so it can withstand the impacts of climate change.

Con Edison's workers are tasked with achieving these ambitions, while maintaining safe and reliable service, and keeping customer affordability in mind. Project by project, street by street, we are building a grid that will deliver carbon-free energy by 2040.

In the years ahead, demand for electricity will rise sharply while demand for natural gas falls, as our customers shift to electric vehicles and heat pumps. Meeting that electric demand growth requires transformative investments in the grid today. In 2022, we began building our Reliable Clean City project, an \$800 million transmission upgrade that will boost our ability to deliver electricity in New York City's outer boroughs, strengthening reliability and paving the way for more renewables on the system. We're preparing our grid for an influx of offshore wind power, and we're helping build New York's transmission superhighway, connecting upstate renewable generation with downstate demand.

At the same time, we're making it easier for customers to install distributed energy resources such as rooftop solar panels, battery systems and EV chargers. The grid of the future will work in both directions: delivering clean power from large renewable generators, while aggregating and orchestrating smaller systems owned by our customers.

Con Edison's customers have installed more than 50,000 solar energy systems to date. Through our PowerReady program, we've supported more than 2,600 EV chargers, and our goal of 23,000 chargers by 2025 means huge growth is on the immediate horizon. We've helped more than 2.5 million customers make energy-efficiency improvements, and New York's market for electric heat pumps is scaling up rapidly. We're nearly finished installing smart meters across our customer base. In short, the energy business is not just about large plants and infrastructure networks anymore: it's personal, and we're supporting the trend toward decentralization.

We recently finalized the sale of our Clean Energy Businesses to RWE Renewables America for \$6.8 billion. The sale will allow Con Edison to deepen our focus and investments in our home state of New York, where we can make the biggest impact. We believe the business will thrive under RWE's ownership and help to accelerate solar and wind power.

Meanwhile, we continue to advocate for owning renewable generation in New York. The state's monumental ambition for renewables requires an all-shoulders-to-the-wheel approach. With Con Edison's deep expertise and resources, and our long track record of building and operating complex infrastructure in New York, we could play an instrumental role in helping the state meet its clean energy targets while passing along the cost benefits of new solar and wind projects directly to our customers.

Sustainability means fostering a vibrant workforce that's passionate about the job at hand, equipped to meet the challenges ahead, and reflective of the communities we serve. More than simply a great place to work, we want our employees to know they are making a lasting impact on society. As our workplace becomes more diverse, equitable and inclusive, the company becomes stronger, more resilient, and more intertwined with New York's communities. Our employee resource groups are bringing people of diverse backgrounds together in new and exciting ways. We are doing our utmost to ensure that everyone who works here feels welcome, heard, and respected.

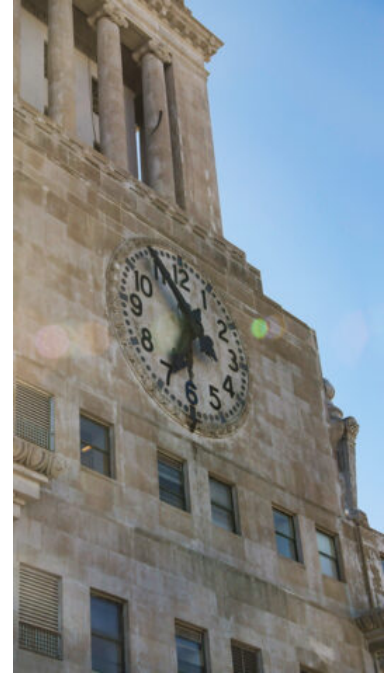
In this year's Sustainability Report, you will see several new sections that reflect the adjustments we are making on our journey. The new sections cover such topics as environmental justice, human rights, the elevation of community and stakeholder engagement, and clean energy pilot programs.

As you engage with this year's report, you will see why Con Edison is a clean energy leader today, and why the emphasis we place on reliability, safety, operational excellence, and customer service will sustain us and the communities we serve on the road ahead. After 200 years, we are confident that Con Edison's best days are ahead, and the benefits will be shared by our customers, our workers, our communities, and our shareholders.

**— Tim Cawley,
Chairman and Chief Executive Officer, Consolidated Edison of New York, Inc.**

Company Profile

Consolidated Edison, Inc. ("Con Edison") is one of the nation's largest investor-owned energy-delivery companies, with approximately \$16 billion in annual revenues and \$69 billion in assets as of December 31, 2022. The company provides a wide range of energy-related products and services to its customers through the following subsidiaries:



- Consolidated Edison Company of New York, Inc. (CECONY)** (<http://www.coned.com/>), a regulated utility providing electric, gas and steam service to customers in New York City and Westchester County, New York
- Orange & Rockland Utilities, Inc. (O&R)** (<http://www.oru.com/index.html>), a regulated utility serving customers in a 1,300-square-mile-area in southeastern New York State and northern New Jersey
- Con Edison Transmission (CET)** (<http://www.conedtransmission.com/>), which through its subsidiaries develops and invests in electric transmission projects.
- Con Edison Clean Energy Businesses, Inc. (CEB)** (<https://conedceb.com/>), which through its subsidiaries develops, owns and operates renewable and sustainable energy infrastructure projects and provides energy-related products and services to wholesale and retail customers. Please note that CEBs were sold on March 1, 2023.

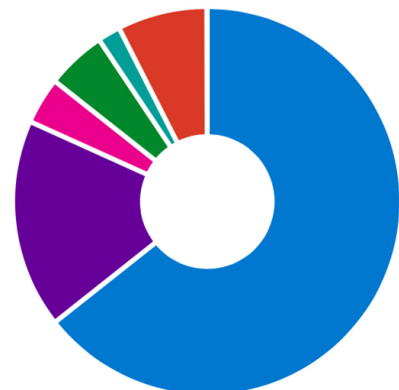
Read our Annual Report (<https://investor.conedison.com/static-files/3657a8a5-9085-4736-8fa2-cede924093d9>) (Consolidated Edison, Inc. – Annual Reports ([conedison.com \(https://investor.conedison.com/financial-information/annual-reports\)](https://investor.conedison.com/financial-information/annual-reports))).

This report contains forward-looking statements that are intended to qualify for the safe-harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements of future expectations and not facts. Words such as "forecasts," "expects," "estimates," "anticipates," "believes," "plans," "will," "aim," "target," and similar expressions identify forward-looking statements. The forward-looking statements reflect information available and assumptions at the time the statements are made and speak only as of that time. Actual results or developments might differ materially from those included in the forward-looking statements because of various factors including, but not limited to, those discussed under "Risk Factors," in Con Edison's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Revenue by Business

(million \$)

• CECONY Electric	\$8,806
• CECONY Gas	\$2,378
• CECONY Steam	\$532
• O&R Electric	\$681
• O&R Gas	\$260
• CEBs	\$1,022
• CET	\$4



Please note that CEBs were sold on March 1, 2023.

Board of Directors

	Audit Committee	Corporate Governance and Nominating Committee	Safety, Environment, Operations and Sustainability Committee	Executive Committee	Finance Committee	Management Development and Compensation Committee
Timothy P. Cawley				Chair		
Ellen V. Futter			✓	✓		
John F. Killian	Chair	✓		✓		✓
Karol V. Mason		✓	✓			
John McAvoy			✓			
Dwight A. McBride			✓			Chair
William J. Murrow			✓		✓	✓
Armando J. Olivera	✓		Chair	✓	✓	
Michael W. Ranger	✓	Chair and Lead Director		✓	✓	✓
Linda S. Sanford	✓	✓			✓	
Deirdre Stanley		✓				Chair
L. Frederick Sutherland	✓				Chair	✓

As of January 1, 2023.

Financial Highlights

(million \$ except per-share information and statistical data)

	2020	2021	2022
Operating revenues	\$12,246	\$13,676	\$15,670
Net income for common stock	\$1,101	\$1,346	\$1,660
Basic earnings per common share	\$3.29	\$3.86	4.68
Dividends per share	\$3.06	\$3.10	3.16
Dividend payout ratio	93%	80%	68%
Average common shares outstanding	334.8	348.4	354.5
Total assets	\$62,895	\$63,116	\$69,065
Capital investments	\$4,085	\$3,964	\$4,465
Common equity ratio	48.3%	47.4%	50.9%
Return on equity	5.96%	6.83%	8.05%
Market capitalization	\$24,700	\$30,200	\$33,800

Stock price per share (year end)	\$72.27	\$85.32	\$95.31
Dividend yield (year end)	4.2%	3.6%	3.3%
Total shareholder return	(17.0%)	23.0%	15.7%

Our Commodities

Con Edison's principal business segments are Consolidated Edison Company of New York, a regulated electric, gas, and steam utility; Orange & Rockland Utilities (O&R), a regulated electric and gas utility; and Con Edison Transmission, Inc. **Con Edison of New York** provides electric and gas service in New York City and Westchester County. The company also provides steam service in parts of Manhattan. **Orange & Rockland** provides electric service to customers in southeastern New York and adjacent areas of northern New Jersey and gas service to customers in southeastern New York. **Con Edison Transmission** invests in electric and natural gas transmission projects that offer customers access to diverse, low-cost energy supplies.

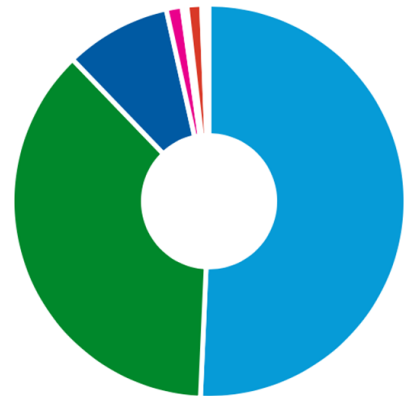
Fuel Mix and Generating Capacity

Con Edison is committed to advancing a clean energy future. We do not own coal-fired power plants and 73% of Company-owned electric production was sourced from solar and wind in 2022 through the CEBs.

Additionally, Con Edison continues to support New York’s ambitious goals to transition to a low-carbon, clean energy future, which include but are not limited to 100% carbon-free power by 2040 and 70% renewable electricity by 2030. The fuel mix that produces the electricity delivered through our electric systems is not controlled by the Company and is allocated by the New York Independent System Operator.

CECONY & O&R Fuel Mix Allocated by NYISO for 2021

• Natural Gas	50.7%
• Nuclear	37.1%
• Hydro	8.7%
• Other	1.3%
• Oil	0.4%
• Wind	1.2%
• Coal	0.3%
• Solar	0.3%



Note: 2021 data was released in the fourth quarter 2021.

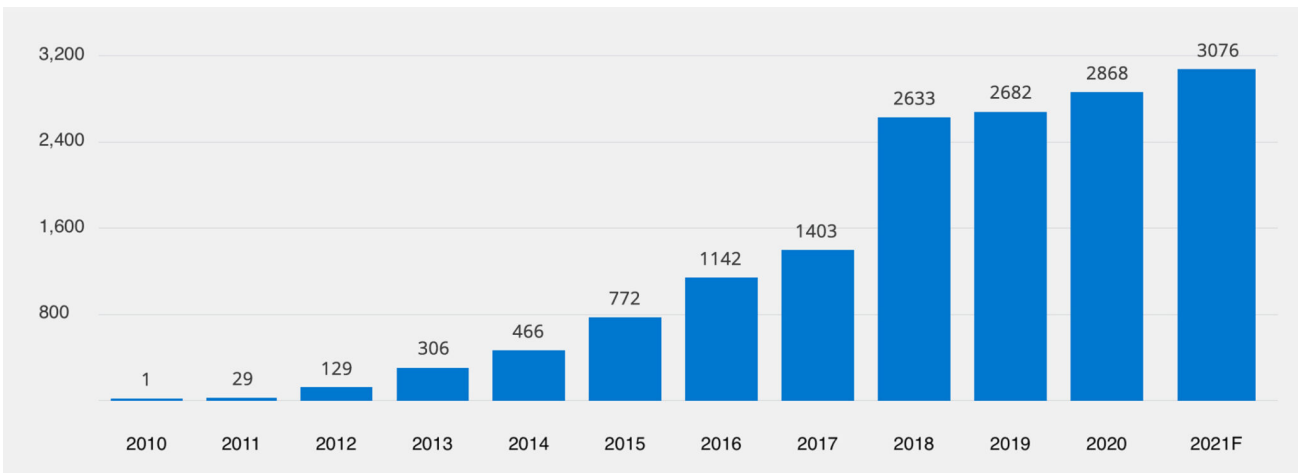
Note: CEBs were sold on March 1, 2023. Con Edison's Solar and Wind generation are from the CEBs.

Con Edison-Owned Generating Capacity in 2021

• Solar	55.62%
• Natural Gas	30.43%
• Wind	13.91%
• Petroleum	0.04%



CEBs Total Owned Renewable Assets (MWac)



Note: CEBs were sold on March 1, 2023.

Our Sustainability Strategy

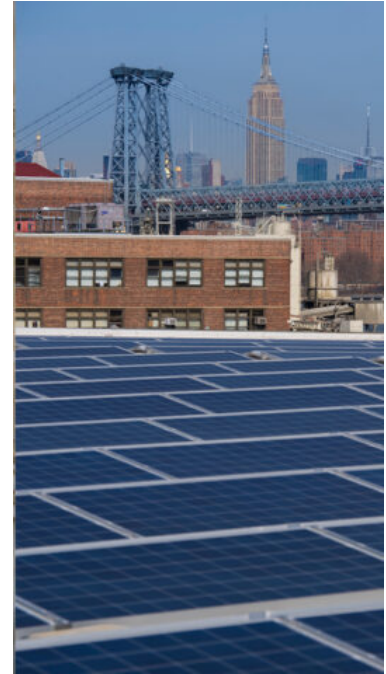
Our Mission

Con Edison is dedicated to making a transformational impact in the energy landscape to positively enhance the lives of the people we serve and the environment that supports our infrastructure and operations. Our mission is to provide:

- **safe, reliable, and efficient** energy services to our customers in accordance with our vision of achieving a **clean energy future** and overall improvement in the quality of life of the communities we serve
- a workplace that embraces **diversity, equity and inclusion** and allows employees to realize their full potential
- a fair **return to our investors**

This mission guides us as we celebrate 200 years in business and look forward to future centuries of service with new challenges operating in a dense, urban service territory that is susceptible to climate change. Safety and reliability are of utmost importance to us and our customers. To operate our critical energy systems, we rely on our diverse workforce, which is reflective of the communities we serve.

Executing our mission enables us to continue to provide steady, predictable earnings, maintain balance sheet stability, and pay attractive dividends for our shareholders – in 2023, we raised our annualized dividend for the 49th consecutive year.



Our Approach to Sustainability

Our strategy stems from our mission to operate sustainably as we seek to address the growing global threat of climate change and meet the requests of our customers and the public to have increasing say over how their energy is produced and used.

We are taking a leadership role in the delivery of a clean energy future for our customers. We are facilitating that by investing in, building, and operating reliable, resilient, and innovative energy infrastructure, advancing electrification of heating and transportation where feasible, and aggressively transitioning away from fossil fuels to a net-zero economy by 2050.

As we implement these changes, we're also mindful of the impact we're having on natural resources to sustain environmental viability for future generations. In addition, we're engaging in the many advocacy opportunities that are shaping the future of our industry, to ensure we can deliver a just product for all and enable the development and implementation of technologies needed to support our mission.

By leveraging the robust knowledge and skillset of our employees and supporting the voice of our customers, we believe we'll be able to carry out on our vision and continue to deliver service that our customers, employees, and all stakeholders are proud to support.

Sustainability Materiality

In 2016, we engaged BSR, a leading sustainability consulting firm, to assist us in developing our sustainability materiality assessment and determine our key sustainability priorities. In 2019, we worked with New York University to refresh that assessment and its resulting priorities. We will continue to look at these priorities while referencing the objectives of key frameworks like the [United Nations Sustainable Development Goals \(https://sdgs.un.org/goals\)](https://sdgs.un.org/goals) to ensure alignment with global standards around topics such as affordable and clean energy, climate action, and life on land and below water. We intend to monitor the ever-evolving landscape and adapt our strategy accordingly.

Con Edison Sustainability Priorities

Safety & Environment	Operational Excellence	Customer and Community
Safety & Health	Physical/Cyber Security & Data Privacy	Energy Affordability
Emissions Reductions	Governance, Ethics & Compliance	Customer & Stakeholder Relations
Electrification	Energy Reliability & Resiliency	Clean Energy
	Risk Management	Job Satisfaction & Engagement
	Supply Chain	Workforce Diversity, Inclusion & Equal Opportunity
		Community Vitality & Volunteerism

Our sustainability priorities are integrated in all our plans such as our [Climate Change Implementation Plan \(https://www.coned.com/en/our-energy-future/our-energy-vision/storm-hardening-enhancement-plan\)](https://www.coned.com/en/our-energy-future/our-energy-vision/storm-hardening-enhancement-plan) and our commodity long-range plans for our electric, gas, and steam businesses, which are designed to help us navigate today's challenges while preparing for changes in the energy landscape.

Our long-range plans identify \$72 billion in strategic investments to advance our clean energy, climate resilience, core service, and customer engagement priorities over the next 10 years. These plans include three representative pathways toward our net-zero carbon goals for our electric, gas and steam operations:

- Full electrification that relies on existing technology solutions
- Targeted electrification that balances existing technologies with innovations in low-to-zero carbon gaseous fuel technologies, and
- Hybrid consumption that benefits from existing electric, gas and steam infrastructure to deliver low-carbon energy.

The plans are available on our website at the following links: [Long Range Plans | Con Edison \(https://www.coned.com/en/our-energy-future/our-energy-vision/long-range-plans\)](https://www.coned.com/en/our-energy-future/our-energy-vision/long-range-plans)

Clean Energy Future: Policy and Commitments

New York has long been a leader in progressive climate policies. In 2019, the State signed into law groundbreaking legislation called the Climate Leadership and Community Protection Act (CLCPA), which established aggressive new greenhouse gas emissions reductions aimed at achieving the broad goals of a zero-emissions electricity sector by 2040 and economy-wide carbon neutrality by 2050. The CLCPA also requires that between 35% and 40% of the benefits of State spending on clean energy or efficiency programs flow to newly defined disadvantaged communities, and it mandates an air monitoring program in at least four such communities. These are among the most ambitious goals in the country and political leadership throughout the state remains strongly committed to realizing them.

Even within the context of these statewide goals, New York City, which accounts for 78% of Con Edison's customer base, has one of the most ambitious plans for reducing emissions in the nation. Local Law 97 was included in the Climate Mobilization Act, passed by the City Council in April 2019 as part of the New York City Green New Deal. Local Law 97 requires most buildings over 25,000 square feet to meet new energy efficiency and greenhouse gas emissions limits by 2024 with stricter limits coming into effect in 2030.

Since the enactment of Local Law 97, New York City has through Local Law 154 banned the use of fossil fuels in new buildings of less than seven stories height beginning in 2024 and for new buildings seven stories and over beginning in 2027. These laws further the City's goal of reducing the emissions produced by the largest buildings by 40% by 2030 and 80% by 2050.

Con Edison is well positioned to support the state and city's aggressive goals operationally with new investments in our electric grid and by partnering with our customers to support their efficiency goals and infrastructure upgrades that may be required for transitions from natural gas towards electrification. Over the next two years, Con Edison will invest more than \$300 million in new EV charging infrastructure and more than \$1.5 billion in energy efficiency programs throughout our service territory.

By 2030, Con Edison expects to deliver electricity from 1,000 megawatts of battery storage to help support and balance increased levels of renewables on the grid. We expect to have electrified 150,000 buildings and our facilities are anticipated to be powered by 100% clean energy. We expect to will have made more than \$3 billion in infrastructure investments supporting resiliency and transmission to move renewable electricity from where it is generated to where it is consumed.

Looking ahead to 2035, Con Edison is planning for 400,000 EV charging plugs and a fully electrified light-duty fleet of our own. We plan to deliver net zero electricity by 2040. And by 2050, our territory is expected to have more than 1 million EV chargers, supporting new personal electric vehicles, bus and delivery fleets, taxis and service vehicles. These are not just goals or aspirations; these plans have been developed with clear roadmaps designed to lead us to success. We remain focused on ensuring that New York and Con Edison continue to lead the clean energy transition in partnership with our colleagues in state and city government.

Our Approach to ESG

Like most companies, we've adopted the Environment, Social, and Governance (ESG) framework to ensure our business models are well-rounded and consider all impacts that our decisions have not only on our operations, but also on our stakeholders and the environment. Our approach to responsible business includes identifying our key stakeholders and understanding the issues that are relevant to them, prioritizing those issues, and responding to the priorities in a consistent and transparent way.

Our commitment to environmental, social and governance matters provides the structure needed to support our sustainability strategy. You will see our commitment to ESG highlighted in this year's Sustainability Report, which summarizes our efforts in each of these areas. Some crucial elements of our ESG strategy are summarized below.

Environment: Our Expanded Clean Energy Commitment

A major articulation of our ESG strategy is our Clean Energy Commitment. In 2021, we updated our Clean Energy Commitment to make it bolder and meet the current moment. Our commitment to the clean energy future is supported by five pillars, detailed below. Each pillar is comprised of various company initiatives. Our Clean Energy Commitment is our way forward. To meet the ambitious and necessary climate goals in New York State and New York City, urgency must underpin everything we do. Our work is expansive, from energy efficiency programs to the electrification of buildings and homes to electric vehicle charging infrastructure. We are working to ensure green energy can meet the needs of our diverse service territory in the timeframe required to impact the effects of climate change.

Pillar 1	Pillar 2	Pillar 3	Pillar 4	Pillar 5
Build the Grid of the Future	Empower All of Our Customers to Meet Their Climate Goals	Reimagine the Gas System	Lead by Reducing Our Company's Carbon Footprint	Partner With Our Stakeholders
Build a resilient, 22nd 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 \(https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment\)](https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment)

Environment: Climate Change Resilience and Adaptation

Con Edison's energy infrastructure is vulnerable to 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 2019 Climate Change Vulnerability Study. The 36-month, science-based study, performed in conjunction with ICF International and Columbia University's Lamont-Doherty Earth Observatory, evaluated our present-day infrastructure serving New York City and Westchester County under a range of potential climate futures, which the New York Times referred to as "the gold standard" in the utility industry.

The plan reflects not only the experience of experts across Con Edison, but also the feedback, input, and experience of more than 50 stakeholders, including New York State Department of Public Service staff, municipal representatives, and environmental advocacy organizations.

The pathways detailed in the plan prepare for high-risk scenarios of potential climate change impacts. Implementing these plans would allow us to surpass the goals set out in the Paris Agreement. The plan addresses mitigation measures in response to company-specific, climate-driven risks:

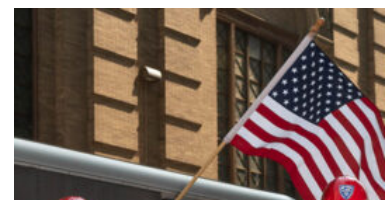
- Sea level rise
- Coastal storm surge
- Inland flooding from intense rainfall
- Hurricane-strength winds, and
- Extreme heat

By 2030, we expect to invest more than \$3 billion in infrastructure to make our systems more resilient against extreme weather and to build transmission to move renewable resources from where they are generated to where they are needed.

Con Edison is already using its climate change projections for decision-making in areas such as power supply forecasting. Starting in 2020, we began integrating climate considerations into our planning, engineering, operations, and emergency response practices to adapt to climate change. In addition, the company formed a new executive-level committee focused on climate risk and resilience.

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 our customers' needs. We will review our climate projections annually and update them at least every five years. We will provide regular public reporting on our progress through this annual Sustainability Report and other disclosures.

Social: Diversity, Equity & Inclusion



Con Edison is committed to attracting, developing, and retaining a talented, diverse workforce in the metropolitan area we serve. We value and support a wide range of employee needs and interests. Our experienced workforce enables the company to maintain best-in-class reliability and progress toward our future. Human capital measures focus on employee safety, hiring the right talent, employee development, and diversity and inclusion.

Con Edison strives to have a diverse and inclusive workforce. A comprehensive diversity and inclusion strategy is based on the corporate culture; informing how its employees engage with one another, and setting the foundation for a respectful and inclusive environment.

Our corporate Diversity, Equity & Inclusion (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 remove barriers to inclusion; and celebrating and acknowledging the diversity of our workforce.



The [Corporate Diversity, Equity & Inclusion Action Plan](https://www.coned.com/en/about-us/diversity-fostering-inclusive-culture) (https://www.coned.com/en/about-us/diversity-fostering-inclusive-culture) is based on a two-pronged strategy: data-driven change and culture transformation. The 14-point plan is being implemented through the work of our Diversity & Inclusion Task Force. The focus of this cross-functional team of employees is to closely examine metrics to truly understand the representation of our workforce and identify areas of opportunity, as well as areas where we have made solid progress. It will also enable cultural transformation by challenging us to look at how we administer our systems, policies, and procedures—addressing any barriers that get in the way of diversity, equity, and inclusion.

Our commitment to diversity and [Human Rights](https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement) (https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement) also extends to our Supply Chain. Our effort in this area helps us to 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.

Our people will always be our greatest strength—and the incredible range of culture, experience, and perspective makes the company stronger.

Governance: Maintaining Sound Governance Practices

While the company prepares for the impacts of climate change, our broader efforts are focused on helping mitigate climate change. We have a governance structure and strategy in place to harness the skills and intellect of our employees consistent with sound, sustainable principles.

As disclosed in our Proxy Statement, the Company is firmly committed to sustainability, which is broadly overseen by the Board. The Board reviews and discusses various sustainability topics throughout the year and routinely reviews environmental issues, including climate change, and their impact on the Company's operations, strategies, and risk profile.

In addition, the Board has delegated to the appropriate committees, responsibility for the specific sustainability categories relating to the oversight with which such committees are charged.

Committees not specifically tasked with oversight of sustainability also periodically review sustainability related matters. As part of its review of strategy and financial plans, the Finance Committee considers the financial sustainability of the Company.

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

Safety, Environment, Operations, and Sustainability Committee of the Board

Corporate Governance and Nominating Committee of the Board

Management, Development and Compensation Committee of the Board

Oversees sustainability matters relating to safety and the environment and reviews the Company's Annual Sustainability Report prior to its publication. At each of its meetings, the Safety, Environment, Operations and Sustainability Committee reviews certain key performance indicators relating to climate risk

Charged with sustainability matters relating to governance, including overseeing the Company's approach to political and lobbying activities and receiving periodic reports about the Company's political contributions, lobbying, and trade association activities.

Responsibilities include oversight of sustainability topics relating to human capital management. The Management, Development, and Compensation Committee annually reviews performance results as well as proposed performance indicators for the following year.

Vice President-level Environmental, Social, and Governance Committee

Supports and advances the Company's on-going commitment to environmental, health and safety, corporate social responsibility, corporate governance, sustainability, and other public policy matters relevant to the Company (collectively "ESG Matters").

Employee Sustainability Culture Ambassadors (ESCA)

Grassroots employee organization devoted to sharing information across the company and provide updates on sustainability-driven projects, share best practices from around the company, and discuss sustainability topics that are relevant

Awards & Recognition

Sustainability is at the center of everything we do as a company. As we serve our customers, promote safety, and help preserve the environment, we receive recognition and many prestigious awards for our projects and operational excellence. Here are some from the past year:

Con Edison Company of New York / Orange & Rockland

Con Edison earned awards from **PA Consulting** for reliable service in the Northeast region and technology development.

[Con Edison Wins ReliabilityOne Awards for Reliable Service and Technology Development](https://consolidatededison.sharepoint.com/sites/News/SitePages/CON-EDISON-WINS-ReliabilityOne-AWARDS-FOR-RELIABLE-SERVICE,-TECHNOLOGY-DEVELOPMENT.aspx)

(<https://consolidatededison.sharepoint.com/sites/News/SitePages/CON-EDISON-WINS-ReliabilityOne-AWARDS-FOR-RELIABLE-SERVICE,-TECHNOLOGY-DEVELOPMENT.aspx>) (sharepoint.com)

Con Edison's 2021 Sustainability Report won two awards from **E Source**, a sustainability-focused consulting firm: 1st place in the Brand category for our Clean Energy campaign and 1st place for Achievement in Employee Experience for our Customer Data Analytics program.

[Two Big Projects Take Top Sustainability Awards](https://consolidatededison.sharepoint.com/sites/News/SitePages/Two-Big-Projects-Take-Top-Sustainability-Awards.aspx) (<https://consolidatededison.sharepoint.com/sites/News/SitePages/Two-Big-Projects-Take-Top-Sustainability-Awards.aspx>) (sharepoint.com)

O&R won three **ReliabilityOne** awards in the categories of outstanding performance, customer engagement, and individual contribution.

[Trifecta for Reliability](https://consolidatededison.sharepoint.com/sites/News/SitePages/Trifecta-for-Reliability.aspx) (<https://consolidatededison.sharepoint.com/sites/News/SitePages/Trifecta-for-Reliability.aspx>) (sharepoint.com)

Forbes identified Con Edison as one of America's Best Large Employers and among the Best Employers for Diversity, Equity, and Inclusion.

[Diversity & Inclusion – Forbes 2022 The Best Employers For Diversity and America's Best Large Employers.pdf – All Documents](https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/Shared Documents/Forms/AllItems.aspx?id=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents%2FDIVERSEability%20Magazine%20Top%20Disability%2DFriendly%20Company%202022%2Epdf&parent=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents)

(<https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/Shared Documents/Forms/AllItems.aspx?id=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents%2FDIVERSEability%20Magazine%20Top%20Disability%2DFriendly%20Company%202022%2Epdf&parent=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents>) (sharepoint.com)

U.S. Veterans Magazine and **Vets Indexes** saluted Con Edison for being a Top Employer for Military Veterans.

[Diversity & Inclusion – US Veterans Magazine Top Veteran Friendly Company 2022.pdf – All Documents](https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/Shared Documents/Forms/AllItems.aspx?id=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents%2FUS%20Veterans%20Magazine%20Top%20Veteran%20Friendly%20Company%202022%2Epdf&parent=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents)

(<https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/Shared Documents/Forms/AllItems.aspx?id=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents%2FUS%20Veterans%20Magazine%20Top%20Veteran%20Friendly%20Company%202022%2Epdf&parent=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents>) (sharepoint.com)

[Diversity & Inclusion – Vets Indexes 2022.pdf – All Documents](https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/Shared Documents/Forms/AllItems.aspx?id=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents%2FVets%20Indexes%202022%2Epdf&parent=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents) (<https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/Shared Documents/Forms/AllItems.aspx?id=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents%2FVets%20Indexes%202022%2Epdf&parent=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents>) (sharepoint.com)

(<https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/Shared Documents/Forms/AllItems.aspx?id=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents%2FVets%20Indexes%202022%2Epdf&parent=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents>) (sharepoint.com)

DIVERSEability Magazine recognized Con Edison as a Top Disability-friendly Company.

[Diversity & Inclusion – DIVERSEability Magazine Top Disability-Friendly Company 2022.pdf – All Documents](https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/Shared Documents/Forms/AllItems.aspx?id=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents%2FDIVERSEability%20Magazine%20Top%20Disability%2DFriendly%20Company%202022%2Epdf&parent=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents)

(<https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/Shared Documents/Forms/AllItems.aspx?id=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents%2FDIVERSEability%20Magazine%20Top%20Disability%2DFriendly%20Company%202022%2Epdf&parent=%2Fsites%2FDiversity%2DInclusion%2FShared%20Documents>) (sharepoint.com)

Latina Style honored Con Edison as one of America's Best Companies for Latinas.

[Corporate Awards and Recognition](https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/SitePages/Corporate-Awards-and-Recognition.aspx?web=1) (<https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/SitePages/Corporate-Awards-and-Recognition.aspx?web=1>) (sharepoint.com)

Con Edison was cited by **Newsweek Statista** as one of America's Most Responsible Companies.

[Corporate Awards and Recognition](https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/SitePages/Corporate-Awards-and-Recognition.aspx?web=1) (<https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/SitePages/Corporate-Awards-and-Recognition.aspx?web=1>) (sharepoint.com)

The Human Rights Campaign Foundation's Corporate Equality Index rated Con Edison among its top 100 companies.

[Corporate Awards and Recognition](https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/SitePages/Corporate-Awards-and-Recognition.aspx?web=1) (<https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/SitePages/Corporate-Awards-and-Recognition.aspx?web=1>) (sharepoint.com)

DiversityInc rated Con Edison as a top utility company and a top-rated company in the Northeast region. **DiversityComm**

included us on its Best of the Best Employers list for utilities, energy, oil, and gas companies.

[Corporate Awards and Recognition](https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/SitePages/Corporate-Awards-and-Recognition.aspx?web=1) (<https://consolidatededison.sharepoint.com/sites/Diversity-Inclusion/SitePages/Corporate-Awards-and-Recognition.aspx?web=1>) (sharepoint.com)

Con Edison earned a perfect score in the **CPA-Zicklin Index**, which rates S&P 500 companies on political lobbying and accountability.

[Jan Childress on Why This Report Matters \(https://consolidatededison.sharepoint.com/sites/News/SitePages/Jan-Childress-on-Why-This-Report-Matters.aspx?web=1\)](https://consolidatededison.sharepoint.com/sites/News/SitePages/Jan-Childress-on-Why-This-Report-Matters.aspx?web=1) (sharepoint.com)

O&R was recognized for two videos at the **43rd Annual Telly Awards**: A Ramapo Transformer Replacement Project video won a Silver Award in the General Information for Non-broadcast category and a Bronze Award in the General Low Budget for Non-broadcast category, and a STEM Grant Program video featuring Haverstraw Middle School won a Silver Award in the General Information for Non-broadcast category. **[The link below is broken. Rich Feger at O&R needs to send another link.]**

[Communicator Awards Winner's List \(https://nam02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.communicatorawards.com%2Fwinners%2Flist%2F%3Fevent%3D1052%26category%3D1923%26award%3D8%26_p%3D2&data=05%7C01%7Charrisce%40coned.com%7Cb8b2ceeb2f5849ec6ee408dade07f549%7Ce9aef9b725ca4518a88133e546773136%7C0%7C0%7C638066423044742280%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzliLjBtIiI6Iik1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=c%2BE490HTv3NRRMtnkJPtWnjWTGXAPn%2Bb6mnBLgjXEjQ%3D&reserved=0\)](https://nam02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.communicatorawards.com%2Fwinners%2Flist%2F%3Fevent%3D1052%26category%3D1923%26award%3D8%26_p%3D2&data=05%7C01%7Charrisce%40coned.com%7Cb8b2ceeb2f5849ec6ee408dade07f549%7Ce9aef9b725ca4518a88133e546773136%7C0%7C0%7C638066423044742280%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzliLjBtIiI6Iik1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=c%2BE490HTv3NRRMtnkJPtWnjWTGXAPn%2Bb6mnBLgjXEjQ%3D&reserved=0)

Con Edison received the Corporate Green Leadership Award from the **Alley Pond Environmental Center** in Queens.

[Con Edison Honored for Green Leadership by Queens Environmental Center \(https://www.coned.com/en/about-us/media-center/news/20220608/con-edison-honored-for-green-leadership-by-queens-environmental-center\)](https://www.coned.com/en/about-us/media-center/news/20220608/con-edison-honored-for-green-leadership-by-queens-environmental-center)

The New York & New Jersey Minority Supplier Development Council named Con Edison its Local Corporation of the Year in recognition of our supplier diversity program.

[NYNJMSDC Website \(https://nynjmsdc.org/\)](https://nynjmsdc.org/)

Maintaining Reliability

The Consolidated Edison Company of New York, Inc. (CECONY) and Orange & Rockland Utilities, Inc. (O&R) Advanced Meter Infrastructure (AMI) project consists of 5.2 million smart meters, composed of roughly 4.0 million electric smart meters and 1.2 million gas devices. These smart meters are being deployed across our service territories and will result in significant environmental, operational, and customer benefits.

Smart meters put unprecedented control into the hands of our clients. With CECONY and O&R's updated website and digital customer experience, consumers can see their energy usage in near real-time to make smarter, more informed decisions about managing their energy usage, controlling costs, and helping the environment.

Deployment of the communications network and smart meters began in 2017. O&R completed its installations in 2020, and CECONY substantially completed installations in 2022, leaving approximately 130,000 meters to be installed in 2023. More than 20,000 communication network devices have been installed throughout our service area.

To date, 5.15 Million Smart Meters have been installed

To date, approximately 5.15 million devices have been installed. The AMI Operations Control Center has been staffed 24/7 to monitor the AMI communications network, as well as meters and gas modules connected to the network.

The AMI project team has worked closely with Gas Operations and our AMI vendor to develop a first-of-its-kind, battery-powered natural gas detector, integrated with the smart meter AMI communications network. The natural gas detectors are a safety device that monitor the atmosphere where CECONY's gas pipes enter our customers' homes and buildings. They provide an alert when localized natural gas levels indicate a potentially dangerous leak. Through the AMI communications network, the detectors send a wireless alert to CECONY if a potential gas leak has been detected. This allows CECONY and the local fire department to respond quickly. CECONY began a pilot program to install 9,000 detectors began in October 2018 in parts of Westchester County, and the pilot was extended into Manhattan in 2019. The pilot program was completed in September 2020 and CECONY began a multi-year program to deploy natural gas detectors across our service territories, with more than 162,000 natural gas detectors installed as of the end of 2022.

Smart meter data provides CECONY and O&R with insight into outages and restoration. This allows us to see when a customer has power and to avoid sending a crew to a location where power has already been restored. These avoided "truck rolls" reduce both costs and CO₂ emissions. In 2022 alone, smart meters allowed us to avoid over 19,500 unnecessary truck rolls. The insight which smart meters provide regarding outages and restorations allows us to update how we address them. The AMI system can quickly notify operators of outages while enhancing the restoration communications that customers receive. Improvements in this area will continue over the next few years.

AMI also lets the Company operate the system at optimal voltages. Known as conservation voltage optimization, it reduces total energy consumption, as well as associated power-generation emissions. Analysis shows that information from the AMI system can reduce energy usage approximately 1.5% on average, across our service territory. This decreases associated fuel use for committed generation resources resulting in a reduction of 1.9% of total CO₂ emissions. AMI provides engineers and planners more granular data, enabling potential utility system design. CECONY began implementing voltage optimization in Staten Island at the end of 2018, across Westchester and portions of Manhattan in 2019, and in Bronx and Brooklyn in 2020. By the end of 2022, voltage optimization was implemented across CECONY's service territory.

CECONY will invest \$2.3 Billion in 2023

In 2022 CECONY invested \$1.8 billion in our transmission and distribution systems in New York City and Westchester County, to improve safety, reliability, and resiliency of the electric system. We invested in new customer connections and increased system capacity, including projects that facilitate the clean energy transition, replacement of defective or obsolete equipment, and system enhancements to reduce risk of outages due to extreme weather events and high summer loads. Examples of resiliency investments include replacing overhead lines with insulated lines, more able to withstand impacts of extreme weather. To prepare for the summer 2022 CECONY invested in upgrades and reinforcements of distribution transformers, underground feeder sections, and spans of overhead cable.

CECONY will invest roughly \$2.3 billion in 2023 on continued improvements in system safety, reliability, and resiliency, while continuing to invest in infrastructure upgrades needed to support clean energy goals. In preparation for the summer of 2023, CECONY will install cable and equipment to meet summer peak loads.

In 2022, O&R invested \$250 million

Additionally, O&R invested approximately \$250 million in a number of and system reliability and enhancement projects in 2022 including commissioning of the \$37 million Port Jervis Substation, receiving Planning Board and Town Board approval for the start of construction for the Lovett 345kV Substation, strategically undergrounding over 6 miles of distribution lines and enhancing our overhead system by replacing close to 3 miles of overhead lines with reinforced spacer cable system.

ELECTRIC TRANSMISSION PIPE ENHANCEMENT

The bulk of our underground transmission system consists of 660 miles of 69-, 138-, and 345- kilovolt feeders encased in steel pipe surrounded by high-pressure dielectric fluid (a non-toxic synthetic compound similar to mineral oil). The conductors inside our steel pipes are wrapped in paper insulation, filled, and pressurized with the dielectric fluid at a nominal pressure of 200 pounds per square inch. In some feeders the dielectric fluid is circulated and cooled to provide enhanced current-carrying capability. Approximately nine million gallons of dielectric fluid are contained within the feeder pipes and the associated pressurization and cooling plants.

In 2022, CECONY refurbished a total of 5,044 trench feet. In 2023, we plan to address over 3,500 trench feet.

In 2022, CECONY refurbished a total of 5,044 trench feet of our underground dielectric fluid-filled electric transmission cables, and in 2023 we are planning to invest \$28 million to address over 3,500 trench feet of leak-prone cables.

Our leak-detection methods are some of the most sophisticated in the world:

- We use real-time monitoring of some of the largest volume feeders to constantly check their integrity.
- We infuse our dielectric fluid with a special tracer to help us rapidly locate and uncover leaks.
- If significant leaks occur, we selectively remove feeders from service, placing them on reduced pressure to slow the leak rate.

To repair leaks, we excavate to uncover the feeder pipes and apply a mechanical clamp to stop the flow. Permanent repairs are complete when a concentric steel barrel is welded over the clamp and the pipe. The pipe is then re-coated before the excavation is restored.

We expect to continue to make significant progress in research and development to reduce the potential for future dielectric fluid spills. We are also continuing to pursue efforts to replace existing dielectric fluid-filled feeders with solid dielectric cable.

RELIABILITY PERFORMANCE

CECONY is a recognized leader in electric reliability performance. While consistently earning industry awards, our overall reliability in 2022 was 99.997%, exceeding both national and New York standards.

CECONY 2022 Customer Interruption Rate

Customers Interrupted per 1,000 Customers Served

National	1,023
New York (w/o Con Edison)	1,080*
Con Edison (Overhead)	467
Con Edison (Overall)	133
Con Edison (Network)	17.4

*National and New York State numbers from 2021

CECONY's electric system boasts the largest underground network in the U.S., as well as an overhead network. Two common metrics used to measure reliability of distribution services are System Average Interruption Frequency Index (SAIFI) and Customer Average Interruption Duration Index (CAIDI).

- **SAIFI**, compiled annually, represents the number of service interruptions divided by the number of customers served.
- **CAIDI**, also compiled annually, represents the average time to restore service to interrupted customers. The CAIDI figure results from the total customer minutes of interruption divided by the total number of customers affected.

For both figures, a low number indicates a better performance.

2022 NUMBERS FOR CECONY (electric)

Per 1,000 Customers Served

SAIFI: 133

CAIDI: 137 minutes

2022 NUMBERS FOR O&R (electric)

Per 1,000 Customers Served

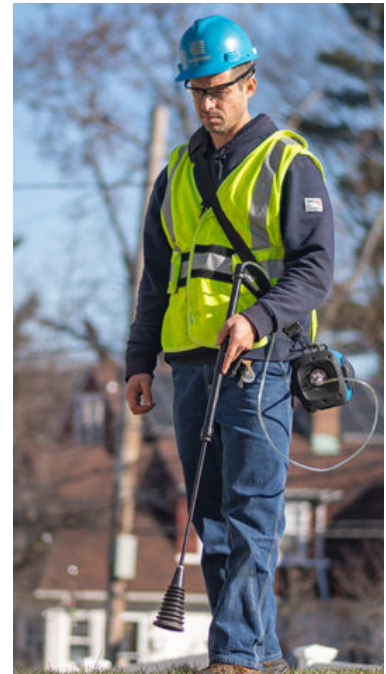
SAIFI: 910

CAIDI: 106.3 minutes

GAS MAIN REPLACEMENT

In 2022, CECONY replaced just over 100 miles of cast iron and unprotected steel gas mains. In the last five years, CECONY has replaced 462 miles of such mains. Besides upgrades to the distribution system, CECONY continues to replace and upgrade the transmission system to maintain system reliability and to comply with new requirements established by the federal Pipeline and Hazardous Materials Safety Administration in 2019.

In 2022, O&R replaced over 22 miles of leak-prone pipe. This replacement level met O&R's commitment to the New York State Public Service Commission. O&R continues to target its goal of replacing at least 66 miles over the next three years.



Addressing Climate Change Impacts

Climate Change Mitigation

Consolidated Edison Company of New York, Inc (CECONY) and Orange and Rockland Utilities, Inc. (O&R) are committed to managing risks related to climate change. As described in the other sections of this report, CECONY and O&R are working on a number of initiatives to help mitigate climate change. Some of these efforts include, but are not limited to, energy efficiency and building electrification programs, adoption of Company electric vehicles (EVs) and enabling EV charging infrastructure, decarbonization of the steam system, leak prone pipe programs, continuing efforts to expand distributed solar and other distributed energy resources throughout each service territory, and helping New York State achieve its ambitious energy storage goals.

For more information on these mitigation efforts please see the following sections in the report:

- Advancements in Energy Efficiency, Renewables & Distributed Energy
- Electric Vehicles and Supporting the installation of Chargers
- Reducing the Carbon Footprint of our Facilities
- Exploring Clean Energy Pilots
- Managing Our Emissions

Climate Resilience and Adaptation

In recent years, CECONY (has adopted an ever more proactive, forward-looking approach to system resiliency to address increasingly severe weather due to climate change. After Superstorm Sandy, we upgraded our infrastructure to be resilient to a 100-year storm plus one foot of sea level rise and two feet of freeboard.

In 2019, we completed a multi-year Climate Change Vulnerability Study to understand local climate change projections, identify potential system vulnerabilities that could result from the changing climate, and explore potential adaptation options to protect our infrastructure.

In 2020 and 2021, CECONY continued to make progress toward strengthening our energy systems to address the adverse impacts of climate change and the potential for more extreme weather. Our efforts included applying forecasting and design processes that more fully incorporate the expected future impacts of climate change. Our Climate Change Implementation Plan, filed with the New York State Public Service Commission in December 2020, guided CECONY in identifying an adaptation strategy for climate resilience.

Our key 2022 climate change resilience accomplishments continue and include the following:

1. Integrating climate resilience into engineering, operations, and planning in the Company. The [CECONY commodity Long Range Plans](https://www.coned.com/en/our-energy-future/our-energy-vision/long-range-plans) (<https://www.coned.com/en/our-energy-future/our-energy-vision/long-range-plans>), published in January 2022, describe our 10-year climate resilience investments that will be made in concert with developing our core services and acting on our clean energy commitment.
2. In conjunction with recent climate legislation, all New York State electric utilities will conduct a vulnerability study and submit a 20-year climate resilience implementation plan by November 2023, with five-year rate impacts to be included for approval by the Public Service Commission. CECONY will build upon its 2019 Climate Change Vulnerability Study and commit to reviewing this study every 5 years. Working with NYSERDA, we will use the most up to date climate science to determine if there are any changes we need to make to our climate resilience planning efforts, and continue working on developing 20-year resilience investment plans.

3. Remaining active in the industry and working with our peers on understanding climate risks and how to adapt to them. We have taken a lead role in the Electric Power Research Institute's Climate Resilience and Adaptation initiative (READi), and we continue to engage with peer utilities, and participate in resilience activities at the state and local level.

We recognize that our approach needs to be flexible as more is learned about climate change impacts. Continued collaboration, engagement and benchmarking with our stakeholders will be key to maintaining our ability to provide safe, reliable, and resilient energy to our customers in a changing climate.

For more information, please visit [Our Climate Change Resiliency Plan \(https://www.coned.com/resilience\)](https://www.coned.com/resilience), and find our latest Task Force on Climate Related Financial Disclosures (TCFD) here: [Environmental, Social, and Governance \(ESG\) Resources | Consolidated Edison, Inc. \(https://investor.conedison.com/environmental-social-and-governance-esg-resources\)](https://investor.conedison.com/environmental-social-and-governance-esg-resources).

Advancements in Energy Efficiency, Renewables & Distributed Energy

Summary

As part of our commitment to renewable energy, Con Edison's Clean Energy Businesses continued growing by investing approximately \$400 million in renewable electric projects in 2022 and operating a total of 3,074 megawatts of aggregate solar and wind capacity at the end of 2022.

Consolidated Edison Company of New York, Inc. (CECONY) and Orange & Rockland, Inc. (O&R) remain committed to the clean energy goals of both New York State and New York City. With ambitious targets for Distributed Solar, Energy Storage and Zero Emissions Vehicles, both companies continue to work with policy makers and stakeholders to remove barriers to Distributed Generation (DG) interconnection. Both CECONY and O&R publish a Distributed System Implementation Plan, most recently in June 2020, that serves as a five-year outlook in areas such as Integrated Planning, Information Sharing and Market Services. The Implementation Plan is used to engage the stakeholder community in the processes and programs that continue to shape the Distributed System Platform. An update to this document is scheduled to be filed in June 2023.

CECONY and O&R continue to work with the DG community to facilitate and streamline the connection process. In addition, both companies continue to publish hosting capacity maps for distributed solar and electric vehicle development. Through the bi-annual Hosting Capacity Stakeholder Working group we have most recently begun to solicit feedback and align on approaches to add Storage Hosting Capacity maps in 2023.

CECONY and O&R continue to work with the New York Independent System Operator (NYISO) on its implementation of a Distributed Energy Resource (DER) Aggregator Market in compliance with FERC Order 2222. A DER Aggregator Market will allow smaller DGs connected on the distribution system to participate in the NYISO's wholesale energy market. Both companies understand the need to continue to expand the value that DERs can receive from the electric grid as well as use these resources to provide services that can enhance grid flexibility. Technology continues to be a valuable component to overall value and through an effort by the New York State utilities, there is an increasing focus on smart inverter functionality, which is the ability for an inverter to take operating signals and parameters and adjust based upon grid needs. Smart inverter functionality will be a core component to enhancing the relationship between the distribution system and DG.

Finally, CECONY and O&R recognize the value of increased data and information sharing. Beginning in 2021 and moving forward, the companies are working with stakeholders and the PSC to investigate more efficient and robust means of exchanging system and customer data through the Integrated Energy Data Resource and Data Access Framework efforts.

Energy Efficiency & Demand Response

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. CECONY and O&R have ramped up energy efficiency efforts that are facilitating New York's ambitious clean energy goals. 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. Additionally, CECONY and O&R are achieving deeper and longer-lived energy efficiency savings by targeting more impactful technology upgrades.

Our customers are as diverse as the area we serve. That's why we have targeted efficiency programs to help us deliver cost-effective and customer-centric offerings that emphasize the clear benefits and impacts of energy efficiency. We focus on four primary customer segments—commercial and industrial, small business, multifamily, and residential—designing our offerings to meet each customer segment needs. Our goal is to give customers multiple options and opportunities to reduce their energy use.



In 2022, CECONY provided electric and gas customers over \$490 million in incentives to choose energy-saving heat pumps, HVAC, lighting, building management systems, and other equipment.

Customer upgrades last year made through CECONY's energy efficiency programs reduced electrical usage by 901,221 megawatt hours and saved 458,762 dekatherms of gas—that is the equivalent to taking more than 99,394 cars off the road or powering 58,106 homes for one year. These investments supported more than 11,500 customers installing high efficiency heat pumps under our Clean Heat Program, contributing 1.3 trillion British Thermal Units of energy savings. Technology is giving households and businesses new ways to reduce energy use, and CECONY is at the forefront in helping customers get more value for their money while protecting the environment.

O&R customers who upgraded to high efficiency energy-saving HVAC, lighting, building management systems, and other energy efficient equipment received \$5.8 million in incentives from us in 2022. In addition to the O&R customer incentives, our Rockland Electric Company (RECO) customers received \$1.9 million in incentives taking advantage of newly launched energy efficiency and demand response programs, that helped customers reduce their energy bills, convert to clean heating technologies, reduce peak demand, and lower their carbon emissions. O&R provides instant in-store rebates on the My ORU Store, our online marketplace, to make it easy for customers to make energy efficient choices. Custom offers, instant incentives, and manufacturer discounts have allowed customers to find affordable products to help them better manage their energy use. Through a multi-channel marketing approach, including targeted personalized emails, customers are made aware of the variety of products and programs that can help them reduce their consumption and lower their energy bills.

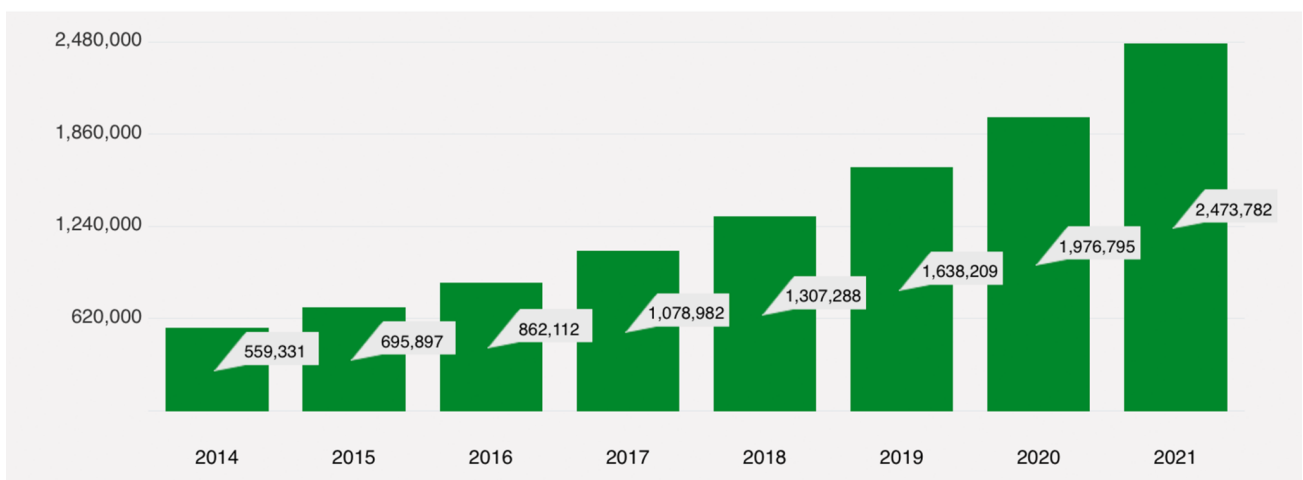
The My ORU Store platform provides educational information about solar generation and energy storage, and renewable heat pump technology. Customers with eligible smart thermostats purchased on the marketplace can enroll in RECO's demand response program seamlessly during the online transaction process. By bundling offers, such as products and programs, the customer enrollment process is streamlined, and, as such, program participation has increased. With the recent launch of energy efficiency programs in RECO's New Jersey service territory, the My ORU Store platform has continued to expand for RECO customers. The platform, branded with the familiar RECO logo, offers similar products, services, and online tools as well as rebates on electric measures including lighting, advanced power strips and smart thermostats.

In 2022, we reduced customer electrical usage by over 88,00 megawatt hours & saved 68,000 dekatherms of gas.

O&R is using technology to give households and businesses new ways to reduce their energy use, and get more value for their money, all while supporting the environment. In 2022, upgrades made by customers through our energy efficiency programs reduced electrical usage by over 88,000 megawatt hours and saved 68,000 dekatherms of gas. This reduced our carbon emissions by more than 231,000 tons, which is equivalent to taking more than 49,000 cars off the road. In 2022, O&R invested over \$3.5 million on 385 customer projects installing heat pumps as part of our Clean Heat Program.

Cumulative Annual Incremental CO₂ Reductions Through Energy Efficiency Programs

(metric tons)



RENEWABLES

CECONY and O&R continue to support New York State’s ambitious clean energy policies, including the State’s goal to source 70% of its energy from renewable resources by 2030, 100% greenhouse gas emissions (GHG)-free electricity by 2040, and an 85% reduction in New York State’s GHG emissions by 2050.

For the past decade, CECONY and O&R, along with Sustainable CUNY at City University of New York, government agencies, and other parties, have encouraged residents and businesses to consider solar to reduce their energy bills and protect the environment. Our customers are responding.

Using the power of the sun, our customers installed 700 megawatts of clean, renewable power by year-end 2022. This total includes 52,617 CECONY installations and 10,659 O&R installations.

Consolidated Edison, Inc. believes that all customers should have access to clean energy, regardless of income level, whether they own or rent or whether they live in a house or an apartment.

CECONY continues to explore opportunities to be more innovative in renewable and energy storage installations. In 2021, CECONY relaunched a piloted device, ConnectDER, enabling residential customers to realize additional savings while providing the Company’s engineering teams with solar production data to better forecast and plan system needs. CECONY also enhanced microprocessor relays to allow additional solar capacity to export power into our network systems, enabling the construction of additional community solar projects at higher capacities across the territory.

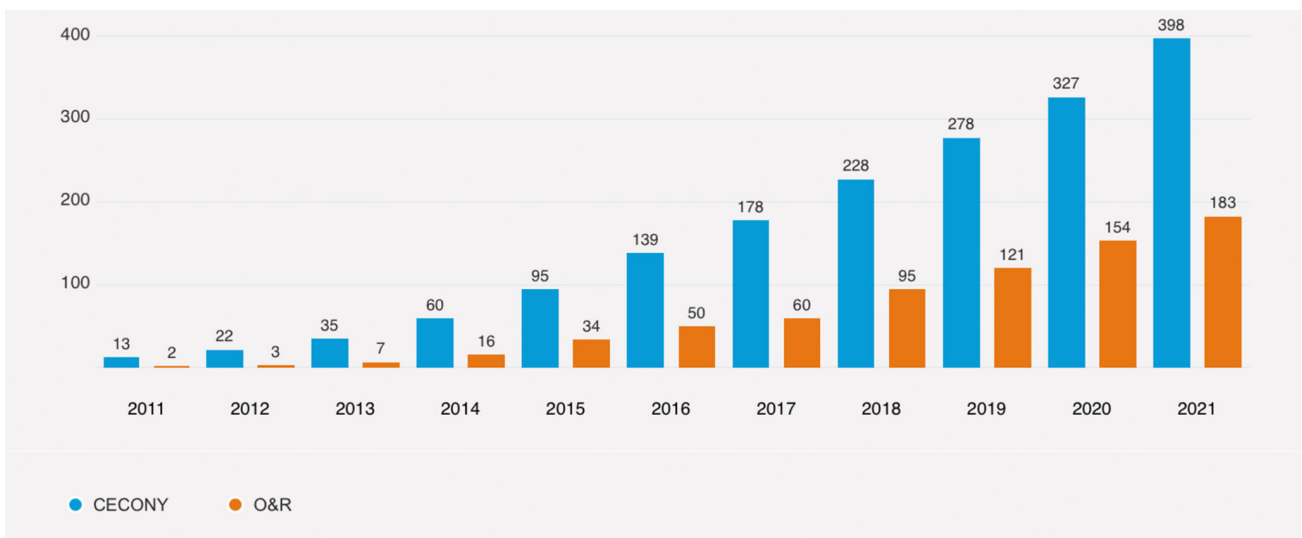
O&R continues interconnecting distributed energy resources (DER) at an increasing rate and is actively seeking opportunities to increase hosting capacity. O&R participated in the Smart Inverter Working Group and established smart inverter settings that are aligned with the other NYS utilities. O&R continued participation in the IEEE Interconnection Commissioning Program to identify, train and certify individuals for the commissioning of any installed DER interconnection to enhance compliance with IEEE 1547, which informs critical utility engineering and business practices for DERs in markets worldwide. A streamlined, standards-based process for interconnecting renewables and other DERs will reduce the cost and complexity among utilities, developers, and owners.

Through these initiatives, CECONY and O&R are helping realize a greener energy future.

As noted above, both CECONY and O&R continue efforts to expand distributed solar and other distributed energy resources throughout each service territory. The chart below shows cumulative interconnection for distributed solar since 2011:

Cumulative Utility Customer Solar MW Installation

(MW)



CECONY interconnected 487MW of solar through 2022.

O&R has 213MW cumulative of solar interconnected at the end of 2022.

ENERGY STORAGE

CECONY and O&R are helping New York achieve its ambitious energy storage goals of 1,500 megawatts (MW) by 2025 and 6,000MW by 2030. Energy storage will play a critical role in our clean energy future and we continue to actively engage with the State's Department of Public Service and the New York State Energy Research and Development Authority to support storage policy goals. CECONY and O&R seek to deploy storage using many innovative business models. When this storage is operating it will store energy produced by wind and solar, which will allow for increased reliance on these clean but intermittent sources of electricity. Many of these storage assets will participate in New York Independent System Operator markets to fulfill this objective. Storage connected to distribution grids also provides opportunities to defer infrastructure build, enhance local reliability, support the deployment of EV charging infrastructure, and help commercial and residential customers manage their bills.

CECONY and O&R energy storage goals: 1,500MW by 2025 and 6,000MW by 2030

Regulatory and legislative changes in 2022 may alter the trajectory of storage deployment. A Public Service Commission ruling on the Allocated Embedded Cost of Service Methodology will likely lead to lower costs for charging. The Inflation Reduction Act, passed by the U.S. Congress, will increase access to generous investment tax credits for storage projects. These changes leave developers better positioned to overcome challenges presented by constrained supply chains and volatile commodity prices.

CECONY continues to take the lead in addressing energy storage safety and zoning concerns, working closely with New York City agencies, state agencies, storage developers, and community stakeholders. The FDNY used CECONY's Ozone Park battery site to develop its requirements for deploying outdoor stationary battery projects in New York City and create a Certificate of Fitness training module requirement for all battery owners. The Ozone Park system was used to establish fire system requirements, emergency response and other safety related items. Additionally, we drilled with first responders to practice response to various scenarios such as a catastrophic incident. O&R also continues to be a leader in this space and work very closely with external stakeholders such as Authorities having Jurisdiction (AHJ), first responders and fire departments to further inform and educate on energy storage. O&R hosted three separate emergency response personnel trainings on proper safety protocols for Lithium-ion battery energy storage systems for Rockland, Orange, and Sullivan counties. O&R wants first responders to understand the various safety aspects built into energy storage systems and their role in case of any battery emergencies.

Through 2022, CECONY interconnected a total of 446 distribution-connected customer energy storage systems, totaling 24.6 MW of capacity, and O&R also interconnected 403 total projects for a total of 19.1 MW. Of the 403 O&R projects, 397 were behind-the-meter residential energy storage systems, totaling 3.6 MW of capacity.

In recognition of the importance of storage deployment to the energy transitions, CECONY, has established a new Energy Storage Organization to develop an enterprise-wide storage strategy and implementation plan. The Energy Storage Organization will provide operational and performance monitoring for all storage assets and delivery channels, as well as program development to create new products and deployment channels to achieve New York State's energy storage goals.

Utility-Scale Energy Storage

In 2019, CECONY and O&R issued a request for proposals (RFP) as part of our bulk solicitation program that solicited dispatch rights from utility-scale storage projects connected directly to the transmission or distribution grids grid. The first project awarded a contract was a 100MW energy storage system, that is being developed on the previous site of the Poletti Gas Turbine Plant in Astoria, Queens. Both CECONY and O&R have continued to release further RFPs to make progress toward state storage goals, smooth the way for renewables with variable generation profiles to take up a larger share of capacity, and to provide flexibility to manage local grid contingencies.

In 2019, CECONY commissioned its first utility-owned storage project, a lithium-ion phosphate battery designed for 2 MW / 10 megawatt hours (MWh) in Ozone Park, Queens. The facility is being used to meet peak local demand and reliability needs. CECONY has also requested funding and received authorization for utility-owned storage in its rate case covering 2023 -2025. In 2023, CECONY will commission a utility-owned battery energy storage system (BESS) with a capacity of 7.5 MW / 30 MWh at a Staten Island substation. In addition, we are integrating current and future BESS into utility operations with certain maintenance functions carried out with Local 1, 2 and 3 workforces and centralizing operations for 24/7/365 monitoring and dispatch.

O&R commissioned its first utility-owned and controlled storage project in Pomona, NY in December 2020 after extensive collaboration with town officials and community first responders. The battery storage system is currently 3 MW/12 MWh with the potential to be upgraded to 4.5 MW/ 18 MWh. O&R currently operates the Pomona battery storage system, which has successfully provided peak demand reduction and enhanced system reliability. O&R's knowledge of its distribution system's needs allows it to dispatch the battery storage system when beneficial to the system. To date, the battery storage system has been discharged for demand relief purposes only during the summer period (in 2021 and 2022). In addition, O&R is in the process of upgrading the Pomona battery's telemetry. The upgrade will allow communication with the NYISO and participation in the wholesale market.

CECONY and O&R continue to implement energy storage demonstration projects to test new business models. A total of 3 MW of such projects are operating in CECONY's service territory, with another 1 MW project currently scheduled to come on-line in 2023.

Through its Innovative Storage Business Model demonstration project, O&R is working with partners to develop business models to help improve the economics of energy storage investments by enabling storage assets to participate in multiple markets. O&R is working with Sunrun to explore how residential solar-plus-storage systems can provide resiliency benefits to customers, provide demand relief benefits to the utility's local distribution system and also earn additional revenues from participating in NYISO electricity markets. O&R plans to deploy at least 300 residential solar-plus-storage systems by 2024 as part of this demonstration project. The total project portfolio will be approximately 2.1 MW / 4.7 MWh. This project will also be the first of its kind to participate in the NYISO wholesale market. In New Jersey, O&R/RECO is working with New Jersey's Electric Distribution Companies in response to New Jersey Board of Public Utilities' "New Jersey Energy Storage Incentive Program". This program will shape New Jersey energy storage markets by encouraging energy storage deployments with a fixed and performance-based incentive.

Energy Storage through Non-Wire Solutions (NWS) /Non-Wire Alternative (NWAs)

CECONY and O&R also support energy storage through Non-Wire Solutions (NWS) (also referred to as Non-Wires Alternatives, or NWA). Both Companies consider storage to be important demand relief assets. At CECONY, NWS are supporting and incentivizing third-party owned and operated energy storage for local demand relief. There are currently two active program areas across six distribution networks: Brooklyn-Queens Demand Management (Crown Heights, Ridgewood, and Richmond Hill), and Newtown (Borden, Sunnyside, and Maspeth) along with one recently closed program area: Water Street/Plymouth (Williamsburg and Prospect Park). CECONY's NWS portfolios have installed more than 4 MW of energy storage as of 2022, and have additional energy storage systems under contract for commercial operation in 2023 and 2024. In 2022, CECONY also announced new incentives for customer-sited energy storage systems that provide local demand relief in the Brooklyn-Queens Demand Management (BQDM) program area. The BQDM program is seeking applications for up to 15 MW of grid-connected or load-following energy storage systems that will be in operation by summer 2026.

O&R entered into a contract in 2021 for the West Warwick NWA project. This project will use three separate energy storage systems to address distribution system constraints. The project will use batteries totaling 12 MW / 60 MWh to defer the construction of a new transmission/distribution substation. O&R is currently constructing the project and expects the batteries to be deployed and operating for summer 2023. O&R has also held several outreach discussions with the local town and the first responders to address concerns that they may have.

O&R has two other procurements for energy storage systems to meet distribution system needs in place of traditional utility solutions. O&R's Monsey project will aim to defer the upgrade of an existing substation. Due to extensive demand growth in the Monsey area, the current substation will not have adequate capacity to serve the forecasted customer demand. The Monsey NWA project plans to deploy 10 MW / 42 MWh MWh portfolio of batteries to defer the upgrade of this substation.

O&R recently identified another successful NWA project that will move forward: a 3 MW/12 MWh battery project located in the Hamlet of Sparkill in the town of Orangetown. The Sparkill project is expected to be in-service by the first quarter of 2024.

Reducing the Carbon Footprint of our Facilities

Con Edison's Clean Energy Commitment aims to provide 100% clean power for the buildings it occupies by 2030.

These facilities equate to approximately 3 million square feet of office space and work locations. We're implementing clean energy solutions at both existing facilities and new construction projects.

Provide 100% clean power for Con Edison facilities by 2030

We are conducting energy audits at our buildings, and developing cost estimates and recommendations on what types of energy projects we should pursue so that our buildings are powered entirely by clean power by 2030. Various types of projects and energy conservation measures will be considered and evaluated including, solar, geothermal, wind, hydrogen, building electrification, green roofs, and battery/thermal storage. As part of this analysis, our environmental consultant will identify any additional costs needed to achieve building green certification.

Local Law 88: – Upgrade of Lighting Systems for Applicable Con Edison Facilities by 2025

To comply with Local Law 88, which establishes standards for lighting upgrades and submetering, we are replacing all existing lighting at our facilities with energy efficient LED lighting, which are approximately 50% more efficient on average than our existing lighting. Automatic lighting controls and daylight harvesting will be implemented to reduce energy usage for lighting as much as feasible. Construction has been completed at our Davis and 3rdAve sites which yielded savings of approximately 59.4kW. Our remaining facilities are either pending construction or in the design phase.

Sustainable Facility Design & Infrastructure

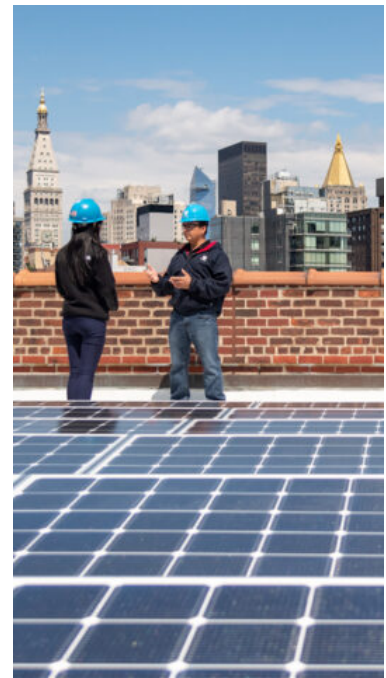
CECONY is pursuing Leadership in Energy & Environmental Design (LEED) certifications for a variety of real estate projects. We are in the process of finalizing our LEED certification in Building Design and Construction for one of our data centers. LEED certification is a rare designation for data centers: ours will be one of approximately 20 LEED-certified data centers in the U.S. and one of 70 globally. The servers at the data center have been replaced with new, energy-efficient servers. Modular air-cooled chillers were installed to cool the servers. Such chillers do not require the large amount of water consumed by an evaporative cooling tower and water-cooled chiller system, providing a sustainable solution for the often water-intensive process of cooling servers. These chillers can reduce and vary their power consumption to match the heat load of the building and provide greater system reliability. The installation of these chillers has reduced water use by more than 40%. The data center boasts 100% LED interior and exterior lighting. Other environmental design improvements include the addition of bike racks and a solar-reflective roof covering.

We are actively pursuing LEED certifications for two other projects. The renovation of our former Van Nest Cable Lab will be evaluated for sustainability and energy efficiency under the LEED Interior Design and Construction (Commercial Interiors) framework. The former cable lab will become an office space for employees in the Bronx. The project will prioritize the use of locally-sourced materials, interiors will be furnished with recycled carpeting and furniture to the extent feasible, and an all-electric HVAC system will be installed. LED lighting and low-flow water fixtures are also features of this renovation.

We are currently finalizing the design for the new Sherman Creek Service Center with the goal of achieving at minimum LEED Gold certification for new office construction. This new service center will include both a green roof and a solar canopy that will help power the facility. The station will also have an all-electric variable refrigerant flow HVAC system in lieu of a gas-fired system.

Powering our Headquarters with Solar

As a strong proponent of solar power, Con Edison installed its own photovoltaic electric generation system at the CECONY headquarters in 2014, on the roof of the 19th floor. One goal of the project was to integrate the largest possible PV system given the limited space available. Today, the system consists of 209 solar panels, totaling 53kW (DC) of nameplate capacity. This solar system helps power our headquarters, reducing the building's carbon footprint.



Electric Vehicles and Supporting the Installation of Chargers

Recognizing that the transportation sector is one of the largest sources of carbon emissions in our service area and our nation, we are taking the lead in supporting the acceleration of electric vehicle (EV) adoption by our customers. Consolidated Edison Company of New York, Inc. (CECONY), Orange and Rockland Utilities, Inc. (O&R), and Rockland Electric Company (RECO) are making significant infrastructure investments to facilitate installation of thousands of EV chargers across our service area. And we offer incentives to EV station operators and drivers to ease the impact of EVs on the grid and make transition to EVs more affordable.

We know that uncertainty about access to EV charging is a leading barrier to our customers purchasing EVs. In order to help alleviate these concerns, in 2020 CECONY and O&R launched our PowerReady EV infrastructure incentive program and in 2022 RECO launched our Charger Ready EV infrastructure incentive program. These programs support the development of widespread and visible charging stations at diverse locations across our service area such as parking lots, retail locations, apartment buildings, and workplaces. These programs for cars and other light duty motor vehicles are some of the largest utility programs targeting the EV charging industry in the country. They will provide up to \$283 million of customer incentives with a goal to support the connection of about 23,000 EV charging plugs to the grid through 2025. In 2021, as part of the program, CECONY stoked a high level of market interest as evidenced by significant charger application queue. For 2022, the focus shifted from attracting interest to executing projects. CECONY, O&R and RECO have now incented the installation of over 2,600 chargers. In 2020, CECONY also launched a pilot program to incent electrification of larger fleet vehicles such as school buses, transit buses, and delivery trucks. Finally, CECONY and O&R received authorization to continue CECONY's SmartCharge NY program through 2025, and to replace O&R's ChargeSmart Program in favor of one program for both companies. We expect that the combined program will be one of the most successful-managed charging programs in the world. The program provides financial rewards to participating customers for all vehicle types in our service area when they charge outside of the peak demand periods on the grid. The year 2022 saw more off-peak EV charging.



Additionally, CECONY completed one demonstration project and is in the operating phase of a second demonstration project that will help improve access to and viability of clean transportation. CECONY concluded a vehicle-to-grid (V2G) school bus initiative with the White Plains school district and presented findings to the public in 2022. The electric school buses in the White Plains school district transported school children during the school year. During the summer, when students are on their break and when grid needs are the greatest, the buses are able to provide grid support. In conjunction with New York City Department of Transportation, CECONY installed 100 publicly accessible curbside charging posts at 35 locations across all five boroughs that increase access to EV charging and test customer acceptance of chargers on the streets in their community. In 2022, O&R launched a workplace charging program at four locations, enabling employees to charge personal EVs at work.

CECONY AND O&R FLEET

In support of our Clean Energy Commitment, 100% of new light-duty vehicles that CECONY and O&R are purchasing are EVs. Through the retirement of existing fossil fuel vehicles, our goal is that 80% of our light-duty fleet will be electrified by 2030 and 100% by 2035. As of year-end 2022, 14.4% of CECONY's light-duty fleet consists of EVs, and 17.7% of O&R's light-duty fleet consists of EVs. We are also pursuing, through our Research and Development department, alternative technologies to reduce fossil fuels for medium and heavy-duty vehicles. In December 2022, the first all-electric bucket truck was introduced in our fleet which, will be piloted in both CECONY and O&R territories.

CECONY has designed a plan to expand the current charging infrastructure to support the electrified vehicle initiative. This plan includes the installation of higher output Level 2 and DC Fast Chargers for fleet vehicles and dedicated workplace chargers for employee's personal vehicles. Additionally, O&R has been installing Level 2 charging stations for fleet and employee personal use. As we increase the amount of electrified vehicles in the fleet, the plan is to install higher output Level 2 and DC Fast Chargers. We will also be expanding the Workplace Charging program at more company facilities.

Exploring Clean Energy Pilots

Consolidated Edison Company of New York, Inc. (CECONY)

Utility Thermal Energy Networks Pilot Projects

In July 2022, New York State passed the Utility Thermal Energy Networks and Jobs Act. Passage was followed by the New York State Public Service Commission's (NYSPSC) September 2022 Order requiring the seven largest gas and combination (electric-gas) utilities to propose at least one, and up to five, Utility Thermal Energy Network (UTEN) pilot projects within their service territories. UTEN pilot projects must include at least two standalone existing buildings, and must use the thermal network for heating, domestic hot water, and possibly cooling. CECONY released a Request for Information, in which it is looking to the existing market for proposed ambient loop thermal network locations. CECONY will propose up to three pilot projects, designed to provide unique insights that will promote learning and future promulgation of rules pertaining to UTEN. The pilot projects will develop and test solutions that can be cost-effective and scalable in the long-term, by using new and innovative technologies that will be applied to CECONY's unique dense, urban service area. At least one of the projects will be located in a disadvantaged community. The final selection of the proposed projects will be finalized in Q2 of 2023.

Orange and Rockland Utilities, Inc. (O&R)

Utility Thermal Energy Networks Pilot Projects

With respect to the Utility Thermal Energy Networks and Jobs Act, and the subsequent Public Service Commission order, O&R filed its Initial Proposal on October 7, 2022 and filed an update to its Initial Proposal on January 9, 2023. O&R's proposal consists of two pilots: one to retrofit an existing community development and one to be installed in a new community development. O&R has released a Request for Information to gather responses on potential sites and interested initial customers for the UTEN pilots. Once the responses are compiled, O&R will select two partners to design the UTEN, one of which will be located in disadvantaged community. Following the detailed design of the UTEN, O&R will make a supplementary filing to the NYSPSC for funding approval.

Innovative Storage Business Model Demonstration project

As the State pursues 6,000 MW of energy storage by 2030, O&R's Innovative Storage Business Model Demonstration project is evaluating the services that behind the meter (BTM) batteries can provide across multiple use cases, thereby improving project economics. This project will help us understand how aggregated BTM batteries can provide benefits to O&R's distribution system, New York Independent System Operator markets, and host customers. Advances in energy storage systems will further improve the efficiency of O&R's electric delivery system and will play a critical role in adding renewable energy production to the New York grid.

Smart Home Rate Demonstration project

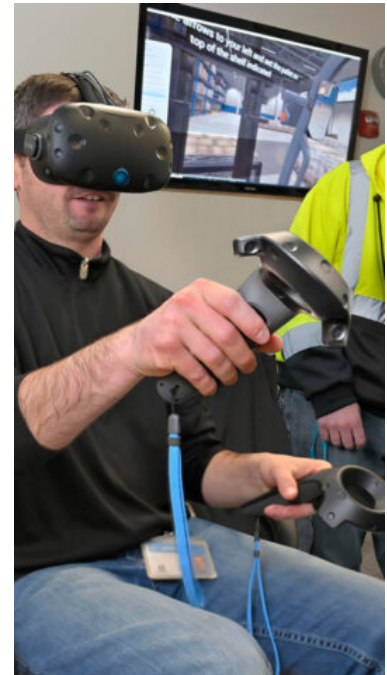
O&R is piloting a new 'interval-based' rate in its Smart Home Rate (SHR) Demonstration project. The SHR project highlights how residential customers and those with customer-sited DER assets respond to innovative pricing signals designed to incent efficient grid use and deliver benefits to customers. O&R is also working closely with CECONY to learn the lessons from its current Innovative Pricing Pilot, which is testing four standard demand rates and two demand subscription rates for residential customers.

Research & Development to Enhance Safety, Operations and Customer Experience

An innovative spirit is one of our company's greatest assets. Our research and development (R&D) teams work diligently to find solutions that make the workplace safer, improve our operations and enhance our customers' quality of life. Many of our ongoing projects are described below.

Safety

- Completed a feasibility study for a distribution cable splicing machine, and set the timeline for development of a prototype in 2023. Envisioned benefits are improved safety resulting from reduced worker time in underground electrical enclosed spaces and enhanced reliability from less variation in the quality of machine-made splices.
- Developed the next generation Test Lamp which includes a Consolidated Edison Company of New York, Inc. (CECONY) patent pending audible feature. The first prototype provides the dual verification of visible LED light and audible tones to indicate voltage, as well as resolves supply chain difficulties in sourcing incandescent lights.
- Continued development and optimization of the electric safety job briefing application, which is designed to help mitigate high hazard injuries and allow for completion of comprehensive job briefings. The job briefing administrative portal allows for enhanced reviewing capability, approval tracking, and is designed to be integrated with other company systems.



Operational Excellence

- Developed major undergrounding initiatives with the Electric Power Research Institute (EPRI), Advanced Research Projects Agency – Energy and Brookhaven National Lab. These initiatives, coupled with potential Department of Energy (DOE) announcements identifying transformative energy initiatives, will greatly enhance the operation and maintenance of our current underground systems as well as increase the ease of future installations.
- Recently awarded funding by DOE for a cyber security research project called 'Tracking Real-time Anomalies in Power Systems'. The project will seek to enable cross-domain integrity monitoring, anomaly detection and localization in power grid cyber-physical systems.
- Filed with the New York Public Service Commission the Advanced Transmission and Distribution Technologies Research Plan. CECONY R&D chaired and led the effort of the New York Joint Utilities Advanced Technologies Working Group (ATWG) to develop and prepare a research plan, that addressed "identifying and removing barriers to the deployment of new technologies." The ATWG, comprised of representatives from the New York Joint Utilities and the New York Power Authority and will focus on the assessment of three grid-enhancing technologies – dynamic line rating, power flow control, and energy storage – for potential deployment to help meet the goals of the Climate Leadership Community and Protection Act.
- Conducted a field demonstration of a robotic device that moves autonomously on a pre-determined path, recognizes switchgear cubicles containing equipment, and carries visual and infrared cameras. Designed in collaboration with the Stevens Institute of Technology, the next step is development of a means to analyze collected data and provide actionable information to station operators and maintenance teams.

- Joined a major industrywide climate resiliency initiative, Climate Resilience and Adaptation Initiative (Climate READi) led by EPRI. Climate READi will use decades of research by EPRI, U.S. National Research Laboratories, the DOE, academic institutions, and others to create a comprehensive, industry-accepted framework of guidebooks and decision-supported tools that provide guidance for utilities about how to implement different aspects of the framework.
- Completed the feasibility study for the Steam System's Optimization Model. Developed a roadmap to enhance planning and dispatch of the steam system through better forecasting.
- Completed the final prototype of the steam main robot in partnership with the NASA Jet Propulsion Laboratory.

Customer Experience

- Continued field testing Electro-Hydraulic Fracturing technology. This technology uses plasma energy to break rocks exposed during construction activities, offering quieter and faster operation when compared to using conventional tools like jackhammers.
- Highlighted CECONY's Advanced Metering Infrastructure natural gas detector (NGD) deployment, the largest active NGD case study in the nation, at a Northeast Gas Association sponsored workshop.

Clean Energy

- Chose a demonstration site for SHARC's Energy Systems' PIRANHA wastewater heat pump, which is designed to extract thermal energy from a hotel's sewer line before it exits the building and use it to preheat domestic hot water distributed via a hydronic central system. This system can significantly reduce natural gas usage of existing on-site two dual-fuel boilers and provide ongoing energy savings.
- Further field tested the zero emissions vacuum (ZEVAC) Mini to augment the use of ZEVAC technology by field crews. Designed to be used on smaller pipe sizes, the ZEVAC Mini avoids natural gas emissions by pumping the gas out of a gas main that is being taken out of service and into the portion of the gas main still in service.
- Participated in the Edison Electric Institute, "Investing in Long Duration Energy Storage: A Catalyst for Our Clean Energy Future" event. The event focused on the urgency of moving more long duration energy storage technologies from R&D to deployment, while also stressing R&D and commercialization is one continuum – research, development, demonstration, and deployment.
- Joined the newly launched Resilient Energy Studio to explore advanced energy storage capacity in New York City. The Resilient Energy Studio promotes entrepreneur-led pilot projects and the CECONY team provides ongoing technical support for this multi-stakeholder effort. The first cohort consists of four companies selected to design and deploy pilot projects across NYC through Q2 2023: (1) de-risking energy storage through safer zinc technology; (2) battery algorithms to optimize performance and lifespan of energy storage assets; (3) accessibility of extreme-fast electric vehicle charging; and (4) optimization of energy storage assets for urban campus environments.
- Took delivery of an industry first all-electric bucket truck. Evaluation of the overall performance of this fully functional and certified prototype class 7 all-electric bucket truck, similar to our existing fleet units with its traditional cab-chassis design, began in Q1 2023 for a period of three years.
- Joined the Industry Advisory Board of the Building Energy Smart Technologies (BEST) Center. The BEST Center seeks to advance energy systems for buildings, cities, and grids to be intelligent, resilient, and efficient.
- Demonstrated the first of its kind fuel-agnostic heat pump using thermal compression cycle made by ThermoLift. Installed at Con Edison's Learning Center, it will provide heating and cooling to one of the classrooms and is capable of 30-50% energy savings. Even more unique is the fuel-agnostic burner – capable of using any low carbon fuel including hydrogen. This is a 12-month demonstration. Ideal market applications could be single home residential and small commercial buildings.
- Participated in the third annual Competitive Energy Systems Symposium of the American Institute of Chemical Engineers, including speaking on the hydrogen end use panel about CECONY's plan to decarbonize our steam system. .

Awards and Patents

- Awarded a three-way patent, with Palo Alto Research Center and General Electric, for an approach to detecting partial discharge events through optical sensors.
- Awarded a two-way patent with Palo Alto Research Center for a transformer corrosion monitoring system using optical sensors.
- Awarded a new patent for a multimodal test device that reengineers the outdated voltage test device to include multi-color LED and audible response mechanisms to measured voltage variations.
- Awarded a new patent for a device and method of monitoring battery electrolyte levels.
- Awarded a new shared patent, with ULC Robotics, for a system for servicing cable that includes a field-end and live-end assembly.
- Awarded a new patent for an apparatus designed to limit event energy in underground structures.

Managing Our Emissions

Over 90% of Consolidated Edison Company of New York, Inc.'s (CECONY's) non-greenhouse gas (GHG) air emissions are generated by powering our steam system. One of the many characteristics that makes New York City unique is its reliance on steam, which provides space and hot water heating for large segments of Manhattan. The steam system customer base includes over 1,500 buildings throughout Manhattan, equating to roughly 500 million square feet of prominent New York City real estate. Many historic landmark high-rise buildings and major cultural institutions are steam customers that would have significant difficulty converting to another heat source. Our challenge is to continue to provide efficient steam heat to our community while decarbonizing our system to meet the [clean energy goals](https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment) (https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment) of our company and New York State.

Since 2005, we have reduced our emissions of NO_x by 70% and SO₂ by 99%

AIR QUALITY / NON-GHG EMISSIONS

We're proud to say that since 2005, we have reduced our direct emissions of nitrogen oxides (NO_x) by around 70% and sulfur dioxide (SO₂) by around 99%. We achieved large reductions in NO_x emissions by adding natural gas capability to several generating units at our steam plants. We also make use of emissions-reducing controls such as low NO_x burners. Increasing the proportion of cleaner-burning natural gas used to produce steam was a key factor in these emission reduction efforts. Our steam stations comply with New York State NO_x limits, and stations monitor NO_x targets throughout the year to meet these limits. We have also drastically reduced our SO₂ emissions by using predominantly natural gas and low-sulfur fuels. Sixty percent of CECONY's annual steam production comes from co-generation, which reuses waste heat from boilers or gas turbines to produce additional energy. This efficient use of waste heat, in addition to advanced pollution controls on some of CECONY's units, also helps to reduce the per-unit non-GHG emissions such as NO_x.

While we predominantly use natural gas for steam and electricity production (over 98% of the fuel used in our steam and electric generating units in 2022 was natural gas), we retain backup fuel sources to maintain reliability during periods of natural gas-system limitations. No. 4 oil and kerosene are the backup fuels currently used at our steam and electric generating stations. By the end of 2024, all generating units that use No. 4 oil will be fully transitioned to No. 2 oil, which is lighter and has a lower concentration of criteria pollutants. Use of No. 2 oil also aligns with a New York City mandate aimed at reducing local air pollution by requiring steam and electric generating facilities to cease the use of No. 4 oil in boilers by January 1, 2025.

60% of CECONY's annual steam production comes from co-generation, which reuses waste heat.

Over its 140 years of operation, the fuels upon which the CECONY steam system relies have continued to evolve, from using coal as a fuel source, to heavy fuel oils, to natural gas. One of our most prominent challenges in the coming decades will be adapting our steam system for its next evolution to become a significant factor in the decarbonized clean energy future. What alternative fuels and technologies will come next, and how will we incorporate them into our steam system? Our engineers are working on it. We're looking forward to keeping our community and stakeholders abreast of our progress toward a net-zero-emissions future.

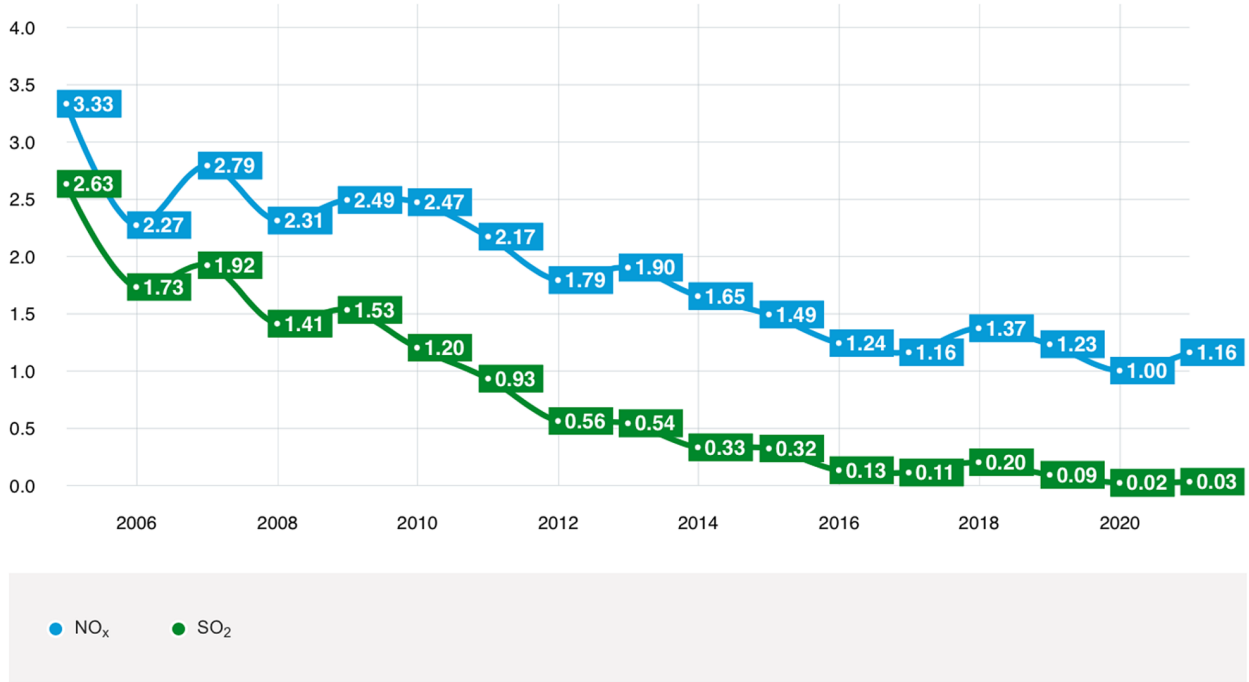
Similar to GHG emissions, non-GHG emissions are expected to continue to follow a downward trend, as described in the decarbonization plan included in our [Steam Long Range Plan](https://cdnc-dcxprod2-sitecore.azureedge.net/-/media/files/coned/documents/our-energy-future/our-energy-projects/steam-long-range-plan.pdf?rev=75b9e45ae4544ad4a1f39bc321608abd&hash=0EC9E41B509DC6C8A05F1290A49D83C3) (https://cdnc-dcxprod2-sitecore.azureedge.net/-/media/files/coned/documents/our-energy-future/our-energy-projects/steam-long-range-plan.pdf?rev=75b9e45ae4544ad4a1f39bc321608abd&hash=0EC9E41B509DC6C8A05F1290A49D83C3) and [latest Steam Rate Case filing](https://investor.conedison.com/current-plan-information) (https://investor.conedison.com/current-plan-information).

The Company's Clean Energy Commitment: Pillar 4 Net-Zero by 2040 (Scope 1) will drive steam energy efficiency programs, alternative fuels, and technology innovation to reduce overall emissions.

In addition, as these programs and activities are implemented, we anticipate a moderate reduction in annual steam sales, which will correlate to decreased fossil fuel usage and will result in reduced emissions overall.

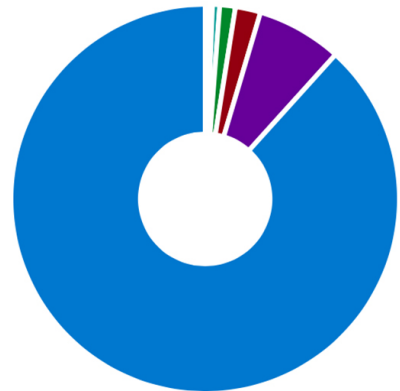
Non-GHG Emissions

Nitrogen Oxides (NO_x) & Sulfur Dioxide (SO₂) (thousands of metric tons)



2022 Con Edison, Inc. Direct GHG Emissions - Scope 1

• CECONY Gas Usage for HVAC	0.3%
• CECONY Compressor & Heater Stations	0.3%
• O&R CH ₄	0.6%
• CEI Fleet	1.3%
• Substation	2.1%
• CECONY CH ₄	7.1%
• Steam & CoGen	88.2%



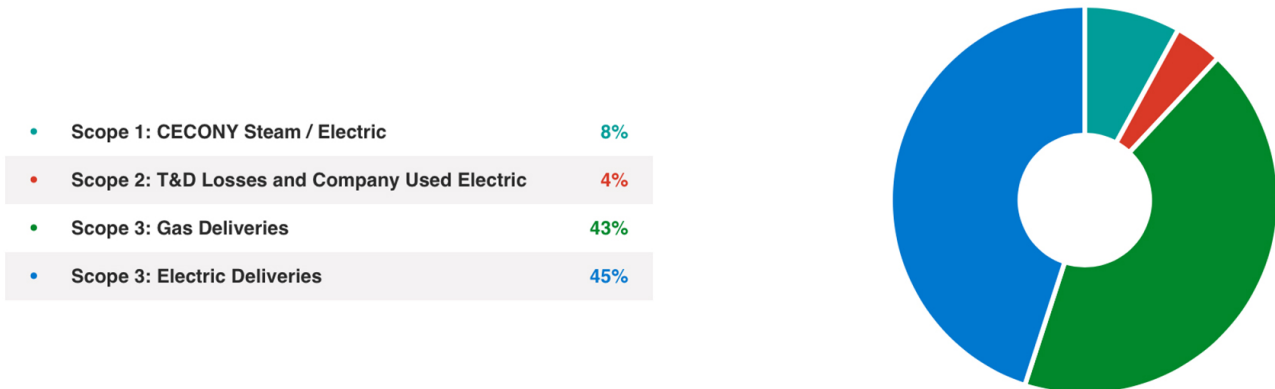
- Scope 2 emissions are indirect GHG emissions from the generation of purchased electricity consumed by the Company. The consumption of electrical power at Company facilities necessitates, in part, that an upstream power generator combusts fossil fuels to generate electricity, which, in turn, leads to greenhouse gas emissions. For Con Edison, nearly all Scope 2 emissions originate as electric consumption by Company-owned assets, and losses in electric distribution and transmission (T&D losses).

- Scope 3 emissions represent indirect GHG emissions from sources not owned or controlled by the Company, which include indirect emissions generated as a result of customers using Con Edison’s services. The vast majority of Con Edison’s Scope 3 emissions indirectly relate to the delivery of electricity and gas to our customers, which results in GHG emissions from either the upstream generators supplying the electricity, or the Company’s customers’ combustion of gas. Another, and more difficult to calculate component of Con Edison’s Scope 3 emissions include the emissions resulting from the Company’s supply chain; specifically, those emissions resulting from the production of material, transportation, and labor associated with Company suppliers.

The chart below presents the proportion of our Scope 1, 2 and 3 emissions, focusing on the Scope 3 emissions from the delivery to and use of electricity and gas by our customers (not including emissions associated with our supply chain or methane emissions “upstream” from the production and delivery of natural gas to the “city gate”).

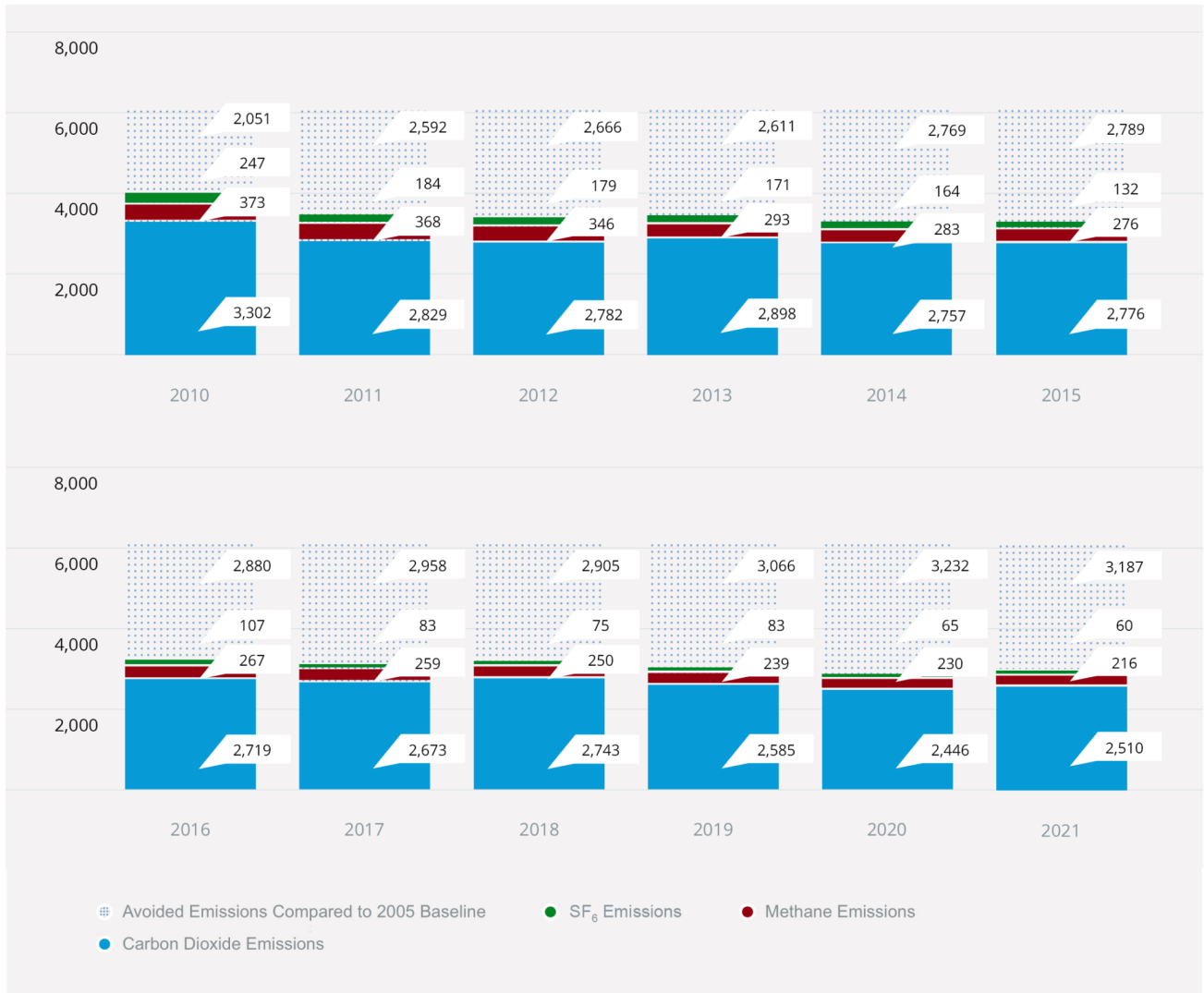
- Our Scope 1 emissions comprised largely of steam, electric, and co-generation plant operations, which together make up 8% of our total GHG emissions,
- Scope 2 emissions are associated with T&D losses and comprise 4%,
- The majority (88%) of our total GHG emissions are Scope 3, nearly evenly split between the emissions associated with generating the electricity (45%) and customer combustion of natural gas (43%) that we deliver.

Con Edison, Inc. Direct and Indirect GHG Emissions - Scope 1, 2, and 3



Con Edison, Inc. Direct GHG Emissions - Scope 1

(thousand metric tons CO₂e)



This chart above presents Con Edison Inc. Scope 1 GHG emissions trend data from 2011 through 2022. They show a trending increase in avoided GHG emissions compared to a 2005 baseline, including significant reductions in SF₆ and methane. Carbon dioxide emissions, which are largely from the steam, electric, and co-generation plant operations have been reduced over this time by switching to natural gas as a fuel source. Planning for future decarbonization efforts to drive further GHG reductions in these plants is well underway and we look forward to sharing our findings.

2009-2022 Con Edison, Inc. Indirect GHG Emissions - Scope 2 & 3

INDIRECT EMISSIONS	Indirect emissions - Scope 2 (million metric tons CO ₂ e)	Other indirect emissions or Scope 3 total (million metric tons CO ₂ e)
2022	1.3	31.4
2021	1.3	31.4
2020	0.92	29.5
2019	1.16	32.5
2018	1.24	35.0
2017	1.35	33.9
2016	1.32	41.1

2015	1.32	41.8
2014	1.09	40.9
2013	1.19	N/A
2012	1.11	N/A
2011	1.51	N/A
2010	1.37	N/A
2009	1.42	N/A

Scope 2: Indirect greenhouse gas emissions associated with delivering products to customers (e.g., electrical transmission losses)

Scope 3: Indirect greenhouse gas emissions associated with customers using CEI products (e.g., customers' use of delivered gas)

STEAM ENVIRONMENTAL EFFORTS

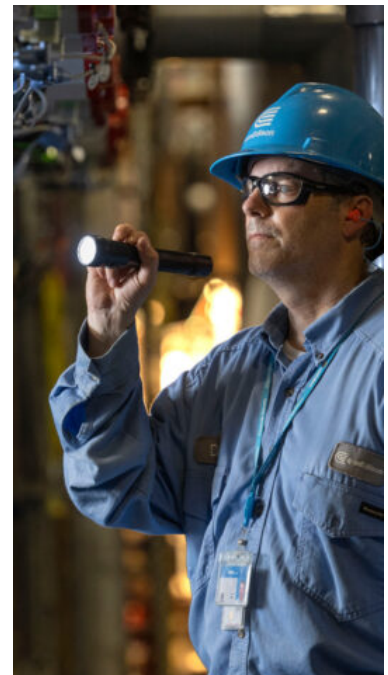
We provide customers with U.S. Food and Drug Administration quality steam, of which over 60% was co-generated in 2022. Because the steam is co-generated, customers can apply for points toward Leadership in Energy and Environmental Design (LEED) certification of their buildings and increase their score in Energy Star's portfolio manager. Our co-generated steam reduces carbon emissions by approximately 25% of what would have been otherwise emitted through traditional boilers—that is equal to removing approximately 200,000 vehicles from the road every year.

Our customers also benefit from the advantages of a centralized district steam system, which reduces onsite emissions from boilers in customer buildings. These centralized investments benefit all customer buildings. The district system's ability to aggregate a wide variety of customer load profiles also allows for a higher average efficiency than what can be achieved at a single location. All these benefits are reflected in the most recent [NYC Local Law 97](https://www1.nyc.gov/site/sustainablebuildings/1197/local-law-97.page) (<https://www1.nyc.gov/site/sustainablebuildings/1197/local-law-97.page>), where our district steam system was identified as the lowest greenhouse gas emitting energy source per unit of energy delivered.

In alignment with New York City and State's climate commitments, we are evaluating opportunities to reduce our steam system's environmental footprint. We acknowledge that business as usual is not and cannot be the way of the future to achieve these goals, which is why we have recently updated our [Clean Energy Commitment](https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment) (<https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment>) with a more detailed identification of the initiatives we are pursuing. As part of this update, we have pledged to reduce the Company's emissions with a focus on decarbonizing our steam operations.

We are taking a more forward-thinking approach, conducting research, and evaluating opportunities for more efficient generation and customer programs, while using existing and emerging technologies. To continue supporting our customers in a changing environment, Steam Operations has been proactive in several efforts, such as benchmarking with district steam systems in other cities that are using their district energy networks to achieve their carbon reduction goals. We have also been an active member in discussions and studies as regulations for the city and state plans evolve.

Steam Operations has established an internal cross-functional team dedicated to evaluating the feasibility of carbon- reduction technologies and strategies with the existing steam system. These include alternative fuel sources, carbon capture, production via electric boilers with renewable energy, expanding and/or converting to hot water systems, wasted heat recovery sources, and other emission reduction technologies. In the next few years, we are expecting to build and launch a portfolio of demonstration projects for the technologies that seem most promising for carbon-free steam generation including low-to-zero carbon gaseous fuels, industrial heat pumps, electric boilers, and carbon capture.



REDUCTION OF SF₆ EMISSIONS

In accordance with a 1999 memorandum of understanding between the U.S. Environmental Protection Agency (EPA) and CECONY, we agreed to reduce our emissions of SF₆ gas (sulfur hexafluoride) by 5% annually from our 1996 baseline. In 2022, we released about 98% less SF₆ than in 1996, well ahead of our commitment to the EPA. SF₆ is a nontoxic, nonflammable greenhouse gas, with a warming potential more than 22,000 times higher than carbon dioxide, that can remain in the atmosphere for up to 3,200 years. It is a highly efficient insulating medium and arc extinguisher used throughout the energy industry in different types of equipment, including high-voltage breakers and gas-insulated switchgear.

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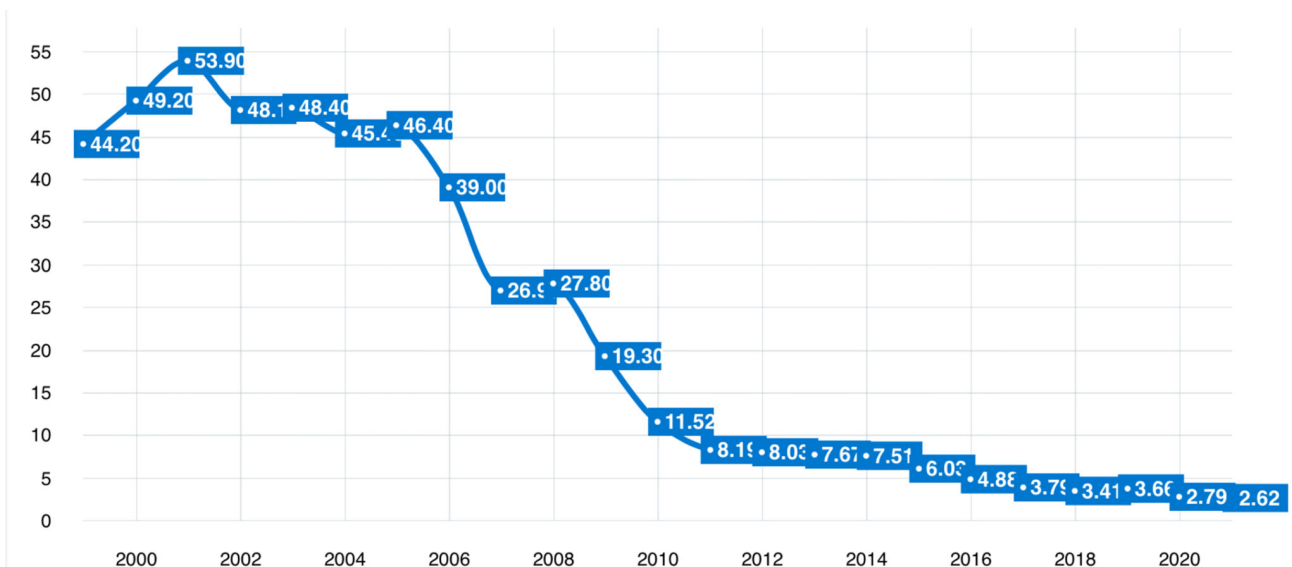
Currently there is no viable alternative to SF₆ for high voltage equipment like that in CECONY's electric system. There is research underway, particularly in Europe, to find alternative gases, but there are no substitutes that would replace the SF₆ in existing equipment. Con Edison is a member of the Electric Power Research Institute (EPRI) where we benchmark with peer utilities and stay informed of industry updates. EPRI is supporting research around alternative gases as well. Some utilities in the United States have replaced SF₆-containing equipment, but those programs have been limited to lower voltage classes of equipment than those used in CECONY's electric system. Therefore, at the present time, limiting emissions is the best strategy for contributing to a healthier environment and helping to reduce global warming.

While we have greatly reduced our emissions in the past decades, we continue to cut our remaining emissions. We established a five-year plan at the start of 2020 to reduce SF₆ emissions by 500 pounds annually. This is a rate of more than 5% annually from current levels. So far, we have achieved 5% annual reductions in 2020, 2021 and 2022.

To reduce SF₆ emissions, we use programs developed by a dedicated team that established a process to address leaking equipment in a timely matter. For example, a team of specially trained technicians constantly monitors the emissions of all equipment to enable quick and efficient detection and repair of SF₆-containing equipment. The team also uses cameras designed to detect SF₆ to monitor equipment. We follow best management practices for handling SF₆ gas with minimal emissions, including using innovative leak-sealing techniques to make the necessary repairs. We also have several targeted programs to retire or replace older SF₆ equipment with new SF₆-containing equipment, including circuit breakers, automatic ground switches and gas-insulated switchgear. New SF₆-containing equipment used in replacements typically has a much lower leakage rate than earlier technologies, with new equipment warranted to a leakage rate of less than 0.5%.

CECONY SF₆ Leakage Rate History

% Nameplate Capacity



Note: The above chart shows the leakage rate (pounds of SF₆ leaked divided by the nameplate capacity of the system), which is based on the percentage of the total amount of SF₆ gas in the electric equipment (nameplate capacity) of our electric system. The data is presented this way so that our performance can be compared to other electric systems that might be larger or smaller.

NATURAL GAS LEAKS

CECONY performs gas leakage surveys in shorter survey intervals than prescribed by federal and New York State regulations. Our accelerated survey effort is supported by an aggressive leak repair program that also repairs leaks much sooner than the timeframes required by New York State regulations (code). The leak repair program addresses Type 1 leaks, which are an immediate hazard and thus repair work has to commence as soon as a leak is discovered to eliminate the hazard, Type 2A and Type 2 leaks, which are not an immediate hazard and thus repair work can be scheduled and completed in a prescribed timeframe, and Type 3 leaks, which are non-hazardous; the code does not require that such leaks be repaired at all. The table below highlights the success of CECONY’s leak identification and repair program in reducing emissions as compared to code requirements.

Leak Type	2022 Average Repair Timeframe (days)	Leak Repair Code Requirement	2022 Avoided Emissions (cubic feet)
Type 1	4	Inspect daily until permanent repair is complete	N/A
Type 2A	17	6 months	17,647,150
Type 2	16	Within 1 year	49,793,868
Type 3	35	None	68,587,651
Total Leaks	18		136,028,670

This proactive leak identification and rapid repair program significantly reduces the amount of natural gas emissions that would have occurred had CECONY simply adhered to code repair requirements. The program reduces annual emissions from leaks by approximately 136 million cubic feet, or about an 87% reduction compared to the emissions that would occur under the New York State-mandated timelines. This estimation assumes Type 3 leaks have a 12-month repair cycle when the code, in fact, does not require Type 3 leaks to be repaired at all. CECONY has estimated the emissions utilizing emission rates determined by a study focused on CECONY’s gas distribution system undertaken by the Environmental Defense Fund (EDF) and performed by Colorado State University, a nationally recognized leader in the field of emission detection and quantification.

To enhance the effectiveness of our overall leak identification process, CECONY is investigating new advanced leak detection technologies through ongoing work with Colorado State University. CECONY has requested funding for a high emissions gas leakage survey using advanced leak detection technologies.

CECONY is also beginning to use a natural gas capture device called the Zero Emissions Vacuum (ZEVAC) technology. ZEVAC captures natural gas in mains that are undergoing repairs. The captured gas is transferred to other portions of the piping system so that the gas is not emitted into the atmosphere. Although the use of ZEVAC technology is currently limited to use in the higher pressure portions of the distribution system, CECONY is committed to expanding its use going forward. We are also evaluating the benefit of a smaller unit called the Mini ZEVAC for applications not suitable for the full-size unit that is currently in use.

CECONY’s leak management initiatives have also incorporated the benefits of smart meter installations. Natural gas detectors that use the smart meter network to alert us of natural gas leaks are being installed on every gas service throughout the system in close proximity to where the gas service enters the building. CECONY worked with a gas-detector manufacturer to innovate these first-of-its-kind gas detectors. By mid-2022, more than 135,000 of these detectors had been installed and more than 1,400 leaks had been detected and repaired — potentially preventing explosions and reducing emissions. These state-of-the-art devices can detect natural gas at levels as low as 10 percent of the lower explosive limit.

Additionally, O&R performs annual leak surveys of the entire distribution system to detect methane emissions and make associated repairs to the gas system. O&R is looking into several initiatives to meet the requirement under New York's Climate Leadership and Community Protection Act of having zero carbon emissions by 2050. We are also exploring new tools and technologies that would aid in mitigating emissions during normal operations and continue to conduct field trials of enhanced leak detection tools. Additionally, O&R is in the middle of a three-year program to install Natural Gas/Methane Detectors (NGDs) in all locations with indoor gas meters, approximately 15,400 locations. Not only do these NGDs sound an alarm at customer locations, they also automatically alert our Gas Emergency Response Center, ensuring a rapid safety response as well as the quick mitigation of any associated methane emissions.

METHANE CHALLENGE

In 2016, Consolidated Edison Company of New York, Inc. (CECONY) joined 40 other local distribution companies as a founding partner in the EPA's Natural Gas STAR Methane Challenge. The goal of this program is to reduce methane emissions by replacing a significant number of natural gas mains. Our participation in this program was a natural extension of our participation in the Natural Gas STAR program, which we helped found in 1993.¹

Our goal is to replace 4% of our cast iron and unprotected steel mains each year. Since 2017, we have replaced 549 miles of such mains, including a 6% replacement rate for 2022.

CECONY performs monthly leak surveys of the entire distribution system to detect methane emissions and make associated repairs to the gas system. In addition, CECONY is looking into several initiatives to meet the requirement under New York's Climate Leadership and Community Protection Act of 85% reduction in greenhouse gas emissions from 1990 levels by 2050. As of 2021, we have reduced our gas system methane emissions by 55%* from the 1990 baseline.

In 2020, CECONY joined 36 other natural gas companies in the ONE Future Coalition to reduce company methane emissions to 1% or less by 2025; the most recent ONE Future Coalition report indicates that the industry has already reached the 2025 target.

We are also exploring new tools and technologies that would aid in mitigating emissions during normal operations and continue to conduct field trials of enhanced leak detection tools.

Likewise, O&R has also taken significant actions to reduce methane emissions for over 20 years. O&R has had an aggressive gas main replacement program since 1998, replacing over 450 miles of leak prone pipe in that time. O&R's low pressure/ cast iron gas system was completely retired in 2018, eliminating a significant source of methane emissions. As an indication of the success of this main replacement program, O&R went from a year-end leak backlog of over 650 gas leaks in 2012 to only two gas leaks in 2021. At current replacement rates, O&R expects to retire our remaining bare steel pipe and Aldyl plastic pipe by approximately 2030.

In 2016, Orange and Rockland Utilities, Inc. (O&R) entered into the Methane Challenge. O&R committed to replacing cast iron and unprotected steel main and services with plastic at an annual rate of 6.5%. To date, on average, O&R has replaced targeted mains and services at an annual rate of 6.85%. O&R continues to report under this voluntary program for data keeping and tracking purposes.

¹ EPA is no longer supporting the Natural Gas STAR program as of January 2023, but the goals and reporting provisions of the Methane Challenge will continue.

Managing Waste

Consolidated Edison Company of New York, Inc. (CECONY) and Orange & Rockland Utilities, Inc. (O&R) continue to minimize waste by emphasizing an end-of-life mindset during job planning that considers minimizing future waste streams during each phase of work, including project and process design, purchasing, transportation, use and waste disposal. This is an integral part of our process to meet waste reduction goals.

Solid Waste

The solid waste recycling programs at CECONY and O&R are supported by corporate policies aimed at reducing the amount of non-hazardous waste that we produce. The vast majority of our solid waste streams, including retired fleet vehicles, forklifts, tool carts, old cables, streetlights, reflectors, meters, and paper products, are recycled or auctioned. We require source separation of a variety of waste streams, including cable, paper, wood, plastic and certain metals.

The majority of the Utility's excavated soil from street excavation is recycled through our approved Treatment, Storage and Disposal Facilities. The excavated material is tested to ensure that it meets state requirements and then reused as backfill and underlayment within our service territory. This helps to keep excavated material out of our landfills.

Hazardous Waste

In any given year, emergency work impacts the volume of hazardous waste we encounter at Con Edison, making it difficult to set annual hazardous waste reduction goals. Over the past 25 years, we've drastically reduced the volume of hazardous waste generated through our lead waste stabilization process. In 1998, the New York State Department of Environmental Conservation approved CECONY's request to develop a process that stabilizes lead waste that would otherwise be considered hazardous, resulting in a greatly reduced volume disposed as a non-hazardous solid waste. The process was first implemented in the early 2000s and we regularly confirm the efficacy of our lead waste stabilization through sampling. In 2022, our processes reduced our hazardous waste stream by more than 32,794 tons.

We continue to utilize our Chemical Lab to characterize potentially hazardous waste and identify the presence of any contamination requiring special treatment, such as Polychlorinated biphenyl (PCB) contamination and contamination regulated by the federal Resource Conservation and Recovery Act. This characterization process reduces the potential for misclassification of wastes and any associated costs.

Radioactive Waste

At CECONY and O&R, we recognize that the management and disposal of radioactive waste is an important issue. While we do not routinely generate radioactive waste, we do have procedures in place that provide guidelines for its management and disposal so that we are prepared should we encounter this type of waste. We maintain a Radiation Safety Officer as well as Radioactive Waste Material subject matter expert on staff to address management and disposal matters.

Emerging Waste Streams

CECONY and O&R are working with regulators and industry leaders to plan for emerging waste streams associated with renewable technologies such as solar panels, electric vehicle batteries, and wind turbines.

Additionally, CECONY and O&R continue to monitor regulatory developments on the classification of used aerosol cans and solar panels as universal waste, and for the handling of waste containing per- and polyfluoroalkyl substances (more commonly referred to as PFAS).

Reducing Wastes

Similar to our hazardous waste stream tracking system, we are developing a non-hazardous waste tracking system to increase visibility and governance around all of our waste streams. This system will assist us in our tracking and reporting as well as future target setting.

CECONY's engineering design for the Vinegar Hill Substation (pictured below) recently reduced solid waste/construction debris through the repurposing of the former Hudson Avenue Tank Farm wall as the substation security wall. Innovative solutions such as this reduce demolition costs and reduce truck traffic and pollution in our service territory.



E-WASTE

CECONY and O&R's Information Technology department performs ongoing activities to recycle its unused computers, electronic media, and electronic equipment (e-waste) through environmentally friendly methods. In 2022, we recycled over 80 thousand pounds of e-waste. All e-waste disposals are rigorously tracked with multiple audit checkpoints to ensure all personnel are following defined standards that were developed in partnership with our Environmental Health & Safety and IT departments. We are exploring opportunities to donate salvageable computing equipment to organizations in need of technology.

We recently initiated a Print Fleet Optimization program. This project has reduced the number of overall printers by over 60%, which will lead to less paper consumption. We have also shifted our focus from medium- and high-capacity multi-functional devices (MFDs) to low-capacity MFDs, leading to a reduction in toner usage. All printers that were retired as part of this initiative were recycled through our e-waste recycling program.

Water Use, Conservation, and Quality

New York City is fortunate to be located in a water-rich environment. The city's water is supplied from three upstate reservoir systems (Delaware, Catskill, and Croton) that have a combined capacity of 550 billion gallons of water, according to the New York City Department of Environmental Protection (NYCDEP). The New York City Panel on Climate Change's 2019 report predicts that precipitation will increase in the coming years, including a higher rate of extreme precipitation events. Unlike many areas of the United States today, water management in our region is not about scarcity. Regardless, we strive to reduce our water consumption, and water conservation efforts are factored into our business planning.

The vast majority of CECONY's water footprint is converted into a product, steam, which is an integral source of clean, efficient energy.

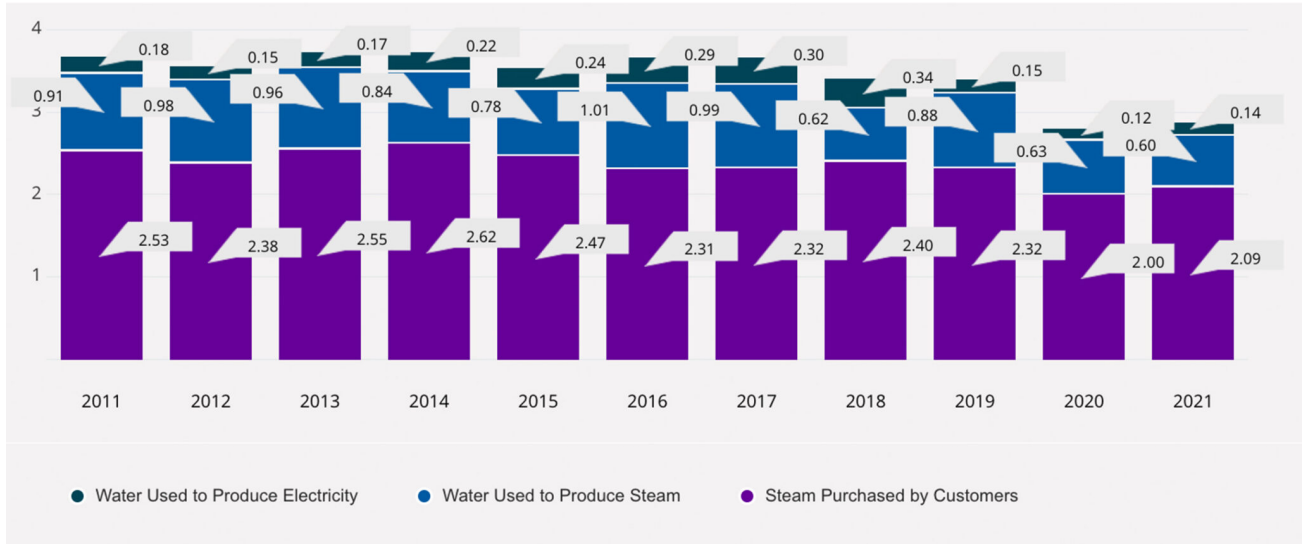
Steam is distributed to our customers for a variety of uses, such as heat, hot water, air conditioning, sterilization, and food processing. As one of NYCDEP's largest water customers, we are committed to minimizing the amount of water used to produce steam. We aim to reduce our water footprint by improving the efficiency of our steam system and implementing water treatment system enhancements. As part of our policy, personnel in Steam Operations have an obligation to utilize water efficiently and economically at all times, and management oversees the water utilization program. Currently, Steam Operations tracks water usage versus steam produced to manage overall water consumption. It is anticipated that the data will be tracked and trended on a monthly basis. We are in the process of realigning targets due to new treatment systems and operating profiles. If drought conditions impact our operations, Steam Operations has a drought emergency procedure that requires the stations to monitor water utilization and ensure compliance with any restrictions.

Our water usage has decreased by more than 10% over the past decade. This is due in part to a decrease in demand for steam and due to several major technology upgrades that have reduced our water consumption. At the East River Generating Station, we completed the installation of ultrafiltration (UF) and reverse-osmosis (RO) filtration systems for two of our generating units. Before upgrading to include this pre-filtration system, a considerable amount of water was used to clean the original filtration system at least once daily. Now, our UF and RO filtration systems efficiently remove minerals and debris from the water early in the purification process, significantly reducing demineralizer cleanings. This upgrade has enabled us to reduce our overall water consumption and use water more efficiently. We are already seeing savings of approximately 1 million gallons of water each month.

As part of our decarbonization efforts, we are evaluating and starting to implement various energy efficiency measures on our production side, distribution side and customer side that will improve our performance and reduce steam usage and water usage. Specifically, there are existing energy efficiency programs as well as proposed steam energy efficiency programs that will reduce our overall water consumption through reduced customer demand. At East River Generating Station, a research and development effort is looking to incorporate Capacitive Electrodialysis Reversal (C-EDR) Treatment Technology into the water treatment process. This technology can purify water that is currently discarded as part of the water treatment process so that it can be reused to create steam. The water used to produce steam must be exceptionally pure. The current process results in a certain amount of reject water from the RO system that is properly discharged as effluent in accordance with applicable permits. The C-EDR has the potential to refilter 95% of the RO reject water to be of sufficient quality to be sent to the final water treatment stage to produce steam. C-EDR reduces energy consumption while providing high quality boiler and steam distribution make up water at a fraction of the cost of existing reverse osmosis or demineralizer technologies. We are preparing to pilot several of these units at the start of 2023.

Con Edison Steam Operations - DEP Municipal Water Use

(billion gallons)



Note: This chart displays steam operations data only.

On average, more than 65% of Steam Operations’ water footprint is distributed to customers as steam energy purchased for their needs.

Water Quality and Effluent Management

At Con Edison, it is our policy to comply with all federal, state, and local regulations pertaining to wastewater discharge. At CECONY, we responsibly manage our effluent, which is primarily discharged from our steam plants into the Hudson River or East River. Every CECONY steam plant has a State Pollution Discharge Elimination System (SPDES) permit from the NYSDEC that allows our facilities to discharge water into the river, subject to designated criteria for each station. The SPDES permit specifies the location, sample type, frequency, and limit(s) of each effluent parameter to be monitored, and establishes effluent parameters and discharge limitations for pollutants. Each facility monitors compliance with these limitations and other requirements through continuous monitoring and sampling as specified in the permit and reports the results to the NYSDEC. In addition, the Company has detailed incident response and corrective action policies and plans in place to ensure compliance with its SPDES permits, and a non-compliance with any SPDES permit requirement is reported promptly.

PREVENTING SPILLS TO WATERWAYS

Utility operations entail the use of equipment that contains oil. These operations include the storage of petroleum fuels needed to maintain utility service during gas supply contingencies and the use of dielectric fluids (mineral oil or natural and synthetic esters) to provide electrical insulation, suppress arcing and serve as a coolant for operating equipment. CECONY has robust plans to quickly contain accidental oil spills before they reach waterways and impact the aquatic environment. The adequacy of these plans is regularly reviewed and, as needed, operational improvements are implemented to enhance spill response capabilities. CECONY is nearing the completion of a multi-year \$237 million program to upgrade 193 spill containment structures to further reduce the risk of spills from oil-filled equipment. The 2022 year end estimate for spend is \$53.8 million. CECONY recently completed the installation of containment structures around 44 oil-containing large power transformers (LPTs) at its waterfront substations. CECONY is now working to complete the construction of containment structures around LPTs system-wide by Q1 2023.

CECONY and O&R also maintain rigorous spill prevention, management, and reporting measures. These include facility and asset inspection and repair programs; trained response employees, drills and exercises; operations-specific response plans; and contracted land and water remediation resources. As applicable, these measures are periodically assessed, benchmarked, and updated for best practices.

FACILITIES

Fresh Water Usage 2020-2022

(billion gallons)

Enabling Responsible Land Management and Reuse

Remediation – Engaging Communities, Transforming Properties

Consolidated Edison Company of New York, Inc. (CECONY) and Orange & Rockland Utilities, Inc. (O&R) (collectively and individually referred to as the “Company” below) formerly owned, own, or manage numerous real properties in the greater New York City area. Among these are former electric generation and distribution facilities and former Manufactured Gas Plants (MGPs), that were operated as early as the mid-1800s until the mid-twentieth century to convert coal to gas for lighting, cooking, and other uses prior to the widespread use of electricity and the advent of natural gas pipelines. Due to changes in generation technology, demand, and user distribution, a facility may need to be relocated, consolidated with other operations, or retired. Properties that have been consolidated or are no longer serving a utility function are available either for re-use for another utility function within the Company or become surplus. Surplus property is available to be divested so that it can serve a new productive function in the community in which it is located. Many former properties, particularly the former MGPs, were divested decades ago prior to the modern era of environmental cleanup standards and regulations.

These owned or formerly-owned utility properties are investigated and remediated as necessary by a dedicated staff of scientists, engineers, and technical experts (the Remediation Group), that has been in place since the early 1990s. The work performed by the Remediation Group has matured into a comprehensive Site Investigation and Remediation (SIR) program that includes a community outreach component as described further below. The SIR program staff lead the Company's efforts to investigate these sites for the presence of historic operations impacts, and if necessary, undertake remediation, as applicable, in close coordination with federal, state, and local regulators. The Company develops comprehensive work plans to complete investigations and remediation in accordance with applicable laws, regulations, and cleanup standards. Where possible, we seek to coordinate activities with third-party redevelopment plans to achieve efficient remedies that repurpose the sites for productive use.

A robust community outreach effort is a key component of our remediation program. The Company regularly meets with property owners, community stakeholders, elected officials, and government agencies to discuss stakeholders' concerns.

Public information sessions, notices, and project updates are critical components of the Company's comprehensive approach. Project milestones and public reports are regularly posted on our MGP web page (coned.com/mgp) and in site-specific publicly accessible document repositories within the nearby community. The Company also has a dedicated hotline to address community questions, which is particularly helpful during remediation work.

To prepare for the sale of real property that is owned by the Company but no longer needed, the Company performs certain activities, including an environmental assessment or investigation, the implementation of remedial action if deemed necessary, and ultimately, formal reclassification to “non-utility” status. The environmental assessment is typically conducted by our SIR program staff and follows a multi-step process. Initially, data and information are obtained about the history of a property prior to ownership and during the Company's development and operations on the property. Due to the long industrial history of certain of these parcels, the next stage of assessment entails site investigation and serves to determine the current environmental conditions. The findings from the assessment or investigation are used to determine what, if any, remedial action may be necessary to render the property suitable for sale. These determinations are made based on the intended future use of the property and applicable regulatory requirements.

Here are some recent Remediation highlights:

- In Peekskill, the Company remediated a portion of a former MGP site located in a growing hi-tech manufacturing community on the city's waterfront. Contaminated soil was removed from a privately-owned vacant lot, and the subject properties are ready for future development. The Company is preparing to return to a separate area downgradient from this site to dredge MGP-impacted sediment from the adjacent Peekskill Bay. The dredging project will include the removal of broken-down piers and a sunken barge, enhancing bay access. The Company incorporated community input into this clean-up plan, which will enhance the environment and quality of life in the area.

- The Company has also made a positive impact in the waterways in Queens, specifically Flushing Creek. Sediments containing contaminants were successfully excavated from the area of the creek bed adjacent to the Flushing Industrial Park, which the Company operated from 1923 to the 1980s. The Company restored the dredged area with clean granular fill material and received closure from DEC and DOH.
 - In the Bronx, Con Edison has been collaborating with the New York City Economic Development Corporation (EDC) on the remediation of the former Con Edison MGP site located on the Hunts Point peninsula. The former MGP is being remediated through the New York State Brownfield Cleanup Program parcel by parcel, with EDC constructing storm hardening measures in coordination with the remediation work. The remediated parcels have been and are expected to be utilized to enhance the use of the peninsula through waterfront greenspace, modernized food distribution centers, and other community-benefiting infrastructure.
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Protecting Habitat & Enhancing Biodiversity

In 2022, Consolidated Edison Company of New York, Inc. (CECONY) embarked on a new endeavor to formalize and adopt policies within our operations that protect and restore biodiversity in unique and creative ways. One of this year's priorities was to launch a formal program with the aim of protecting habitat and enhancing biodiversity in the ecosystems in which we work, and on our own property.

We recently issued a Biodiversity Action Plan that highlights the importance of biodiversity restoration and protection, and lists our initiatives and metric-driven goals.

The 2022 United Nations Biodiversity Conference emphasized the urgency and growing importance of biological preservation, enhancement, and protection in all aspects of life. Our commitments align with their views, and we are uniquely positioned to help provide a public benefit along our thousands of acres of overhead transmission lines and areas adjacent to waterways. As we continue to evaluate the main drivers affecting biodiversity loss within our operational territory, we hope to aid in addressing this urgent environmental need.

Consolidated Edison Company of New York (CECONY)

As highlighted in CECONY's [Biodiversity Action Plan](https://investor.conedison.com/static-files/6e116464-029d-4924-a10f-d22b72a6bfdc) (<https://investor.conedison.com/static-files/6e116464-029d-4924-a10f-d22b72a6bfdc>), we have committed to taking steps to address the main drivers of biodiversity loss through several high-level principles:

- Strengthen our corporate governance and awareness around biodiversity
- Understand potential drivers of biodiversity loss across our Companies' value chain
- Promote biodiversity by implementing the initiatives listed in the action plan
- Be transparent in our monitoring and reporting efforts by using industry-approved metrics
- Prioritize initiatives that have a focus on economically disadvantaged communities
- Educate and partner with local stakeholders to help preserve biodiversity and address local environmental threats

Some of the initiatives will include rewilding manicured lawns and planting native pollinator seed mixes on Company property during a project's restoration which are simple ways to provide a tangible benefit while meeting our goals. Wild populations of pollinators such as bees and butterflies are in decline and there is a growing national movement to revert land similar to its "wild" or natural state. Using natural vegetation and pollinator friendly mixes in the restored areas will increase carbon capture, reduce mowing costs and emissions, and increase natural pollinator populations. Our goal is to rewild at least three acres on CECONY's property by 2024.

In 2023, customers will also see an increase in sustainability-driven communications, in-person events, and press-releases to raise awareness and develop educational opportunities among various stakeholders. These will be similar to our event in June 2022, when we participated in the Annual Pollinator Week through the Electric Power Research Institute and promoted the benefits of collocating pollinator species with overhead electric transmission lines.

Orange & Rockland Utilities (O&R)

O&R follows similar practices to CECONY on its respective properties. In 2022, we regenerated approximately 5.5 acres of biodiversity enhancement areas (e.g., restored areas with native habitat) in conjunction with seven operational projects, which included:



- Willowbrook Dam Project
- Middletown Operating Center Native Meadow Areas 2 and 3 Project
- Port Jervis Substation Rebuild Project
- Port Jervis Transmission Line Project
- Kathy Michell Biodiversity Enhancement Area
- Blooming Grove Operating Center Biodiversity Enhancement Area – Area 1
- Forestburgh Conference Center Habitat Enhancement Area

While the features of each constructed area are unique, every biodiversity enhancement area shared the same key requirements. Each project involved native seed establishment for diversity and abundance purposes, native tree, shrub, and herbaceous installation, artificial nesting construction, education and awareness signage, and in many cases the creation of a microhabitat area for specific species.

In 2022, O&R continued to hold monthly natural resources calls and day- or week-long events for World Bee Day, National Pollinator Week, Vespel and Snake Awareness, and International Bat Week, amongst others. O&R also participated in creating natural resource awareness programs for school functions and donated native plants and bat roosts during their respective awareness weeks. O&R anticipates establishing ten more biodiversity enhancement areas in 2023 and will continue to enhance the natural resources education and awareness campaign.

Con Edison Transmission (CET)

CET is also committed to minimizing environmental and wildlife impacts while employing safe work practices throughout all investments and construction of ongoing projects. This is directly demonstrated through one of CET's electric investments, NY Transco, which is constructing the New York Energy Solution (NYES) and the Rock Tavern to Sugarloaf (RTS) projects. To restore the NYES and RTS rights of way, NY Transco is adhering to the New York State Blue Book recommendations for permanent construction area planting mixes using several different varieties of native seed mix throughout the projects' footprint, such as creeping red fescue, chewing fescue, perennial ryegrass, and red clover.

In addition, project staff such as project managers and environmental support staff develop and maintain relationships with community leaders and organizations, local and state legislators, construction contractors, and environmental monitors to mitigate environmental impacts. Environmental and biodiversity efforts include protection of wetlands and waterbodies, minimizing impacts to habitats of various species including northern cricket frogs, bog turtles, timber rattlesnakes and bats, construction noise controls, clean air standards, and strict housekeeping on site.

Customer Member Survey

In October 2022, CECONY's market research team conducted an external voluntary survey with 700 participants, to understand customer perceptions about "greening" Con Edison's operations and restoration practices. The perceptions and takeaways from our stakeholders indicated a lack of awareness regarding biodiversity decline in New York State, and growing concern that we need to do more to protect the environment. The survey found:

- Customers, and especially lower-income customers, are concerned about the overall decline in biodiversity occurring in our region
- Customers expect more involvement from all stakeholders in addressing the biodiversity loss in our area
- Respondents believe Con Edison should be doing more to protect and preserve biodiversity
- Lack of awareness on our current initiatives and positive perceptions upon learning about them, which indicated a need for more social media engagement, educational outreach, and public releases in the future
- The company should continue to prioritize the core mission of ensuring reliable service and being mindful of the costs of the new initiatives

Plan for 2023 and Beyond

With the launch of CECONY's [Biodiversity Action Plan \(https://investor.conedison.com/static-files/6e116464-029d-4924-a10f-d22b72a6bfdc\)](https://investor.conedison.com/static-files/6e116464-029d-4924-a10f-d22b72a6bfdc), which identifies our roadmap, we are excited to build upon our past actions and aim to move towards a net-positive impact in our operations and on our property. We will continue to work with our Corporate Affairs Strategic Partnership Programs to engage with local governments and nonprofits to further drive our numerous biodiversity and sustainability goals, and continue to look for ways to embed biodiversity protection and enhancement into our operational processes. We recognize the importance of making biodiversity protection and enhancement a higher priority and we are proud to respond to this international call for action.

ISO Certification

The Con Edison Environmental Management System (EMS) is certified to the International Organization for Standardization (ISO) 14001:2015 standard since 2002. The purpose of the ISO 14001:2015 standard is to provide a framework and systematic approach to environmental management. ISO 14001:2015 requires a commitment from all levels of the Con Edison organization, led by top management, to environmental protection through pollution prevention and continuous improvement. ISO 14001 certification gives Con Edison and their stakeholders a means of verification that the EMS is operating at a world-class standard.

Through the implementation of an ISO 14001 certified EMS, Con Edison is committed to:

- Improving environmental performance
- Strengthening regulatory compliance
- Enhancing relationships with our stakeholders
- Identifying and reducing significant EH&S risk potential
- Promoting wise and effective use of natural resources

We have, over 20 consecutive years, maintained our ISO 14001 certification through a rigorous third-party certification process. In 2023, we were re-certified to the ISO 14001:2015 standard through a two-week audit conducted by Intertek Testing Services NA. A climate change audit theme was utilized to shine light on our operational facilities and programmatic efforts to reduce environmental impacts. The results of the audit confirmed our environmental management processes exceed the standard's requirements.

Our chemical laboratory operations are third party certified to the ISO/IEC 17025:2017, general requirements for the competence of testing, and calibration laboratories standard.



Embedding Health & Safety into Our Culture

Employee Health & Safety

At Consolidated Edison Company of New York, Inc. (CECONY) and Orange and Rockland Utilities, Inc (O&R) (together, the Utilities), our top priority is the safety of our employees and the public. Safety is engrained in the way we work, and we remain committed to embedding safety as a core principle of our culture. Consistent progress is essential to achieving our goal of a zero-harm workplace. At CECONY, injuries have reduced by more than 68% since 2009. In 2022, CECONY experienced one significant high-hazard injury and concluded the year with an injury and illness rate of 1.23, which was higher than the target of 1.00. O&R improved upon its best injury and illness rate again in 2022, achieving a rate of 0.53. O&R had one significant high-hazard injury last year and has seen a 90% reduction in injuries and illnesses since 2009.

Key focus areas for sustained improvement include:

- Promoting a first-class safety culture by making safety personal and the focus of every task, every job, every day
- Programmatic focus on areas of concern within the company and industry, such as hazard recognition and mitigation, soft tissue injuries, and slips, trips and falls
- Closing gaps to prevent injuries by identifying and addressing unseen hazards
- Preventing injuries by re-invigorating our Close Call program and promoting our new mobile application for submissions
- Encouraging safety leadership through training, mentoring, and technology with the accelerated adoption of the Safety Leadership System
- Using and developing tools by leveraging data from job briefings
- Training employees on driving safety and slips, trips, and falls conditions through simulations
- Working towards 100% procedural compliance to support a zero-harm workplace

The Utilities' focus on cultivating a zero-harm workplace drives their initiatives to instill a safety conscious mindset in all employees and reduce incidents. At CECONY, there were 157 recordable injuries and employee illnesses (138 injuries and 19 illnesses, respectively) in 2022, which was the third lowest number of injuries and illnesses in its history. At O&R, there were six recordable injuries, which was also a historical best. The Utilities' efforts have resulted in an estimated reduction of more than 6,000 injuries since 2009.

Notable recent efforts include the Unified Safety Council, which is a group of senior leaders across all operating divisions that will serve as a governing body to develop, vet, and implement consistent company-wide safety initiatives, programs, and best practices. The first focus area included Supervisor Safety Training. Another effort included the launch of a Daily & Routine Ergonomic Stretching Program to mitigate soft tissue injuries and establish a consistent full body warm up exercise to advance the premise of the Industrial Athlete. To date, over 400 company personnel across all operating organizations were trained to champion and lead "Body Inventory" stretching for both field and office groups. Approximately 8,000 employees have participated in reoccurring stretch sessions led by ergonomics-trained specialists. In 2022, CECONY established a Close Call Recognition Program to acknowledge and reward quality close call submittals that help prevent incidents, increasing the amount of submissions by over 60% from 630 in 2021 to over 1000 in 2022.

Since 2009, injuries have reduced by more than 68% at CECONY.



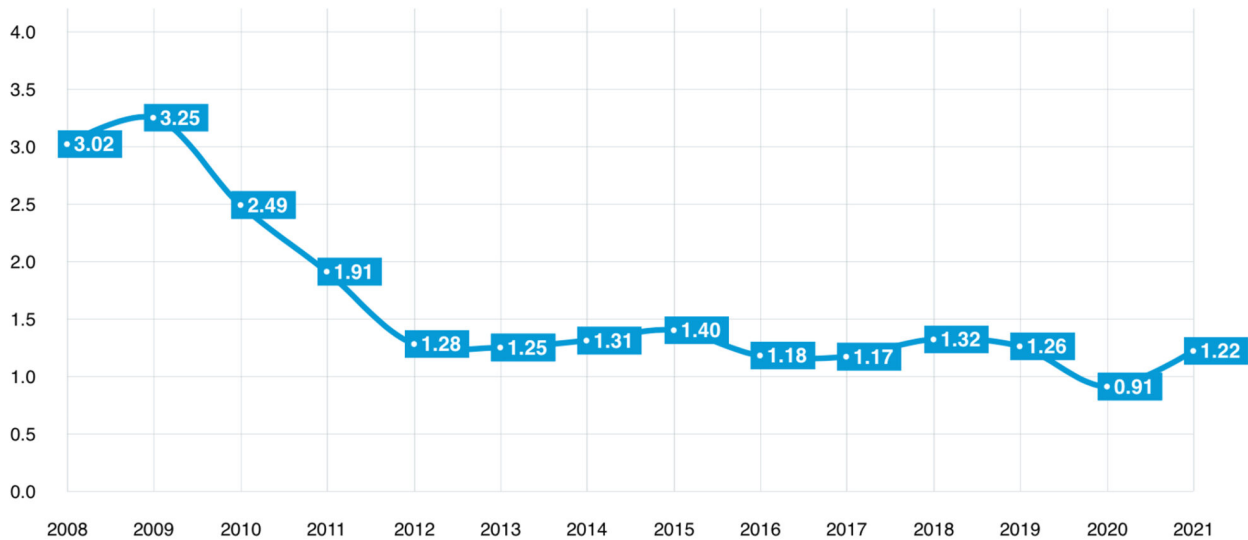
At CECONY, critical safety programs are maintained as corporate procedures to codify our proactive approach to safety. An essential safety practice is delivering Job Briefings. As outlined in a corporate instruction, job briefings must be conducted for each job and are required to be complete and robust reviews of the scope of work, including a discussion of any hazards associated with a job. Our Job Site Safety Exchange, Job Safety Analysis, Close Call, and Time Out programs are other examples of programs that help us identify and mitigate safety risks.

Auditing plays a critical role in providing a field presence and supporting the company's goal of a zero-harm workplace. Internal Auditing has a dedicated Environment, Health and Safety (EH&S) department. The group conducts two types of unannounced audits: EH&S compliance audits at facilities (such as administrative buildings, service and operation centers, generating stations, substations) and EH&S compliance inspections of employee and contractor crews working in the field. Internal Auditing also performs process reviews of various EH&S programs such as the Hearing Conservation Program, Respiratory Protection Program, Close Call Program, Spill Prevention, Control & Countermeasures, vehicle idling, spill reporting, remediation, waste management, and more. The annual audit plan includes a balance of each of these audit types.

In addition to the multitude of corporate procedures and instructions we maintain to support our health and safety program, we have safety-specific targets that we assess regularly. We track and report on our OSHA Injury and Illness rate on a monthly basis on both a corporate and departmental level. We also track our motor vehicle collision rates by collision type, helping us improve the efficacy of our driver safety programs. Over the past few years, we have developed the Safety Leadership System (SLS), which takes a data-driven approach to safety. The SLS enables us to view our safety performance from the corporate level all the way down to the smallest working group or individual.

Con Edison of New York

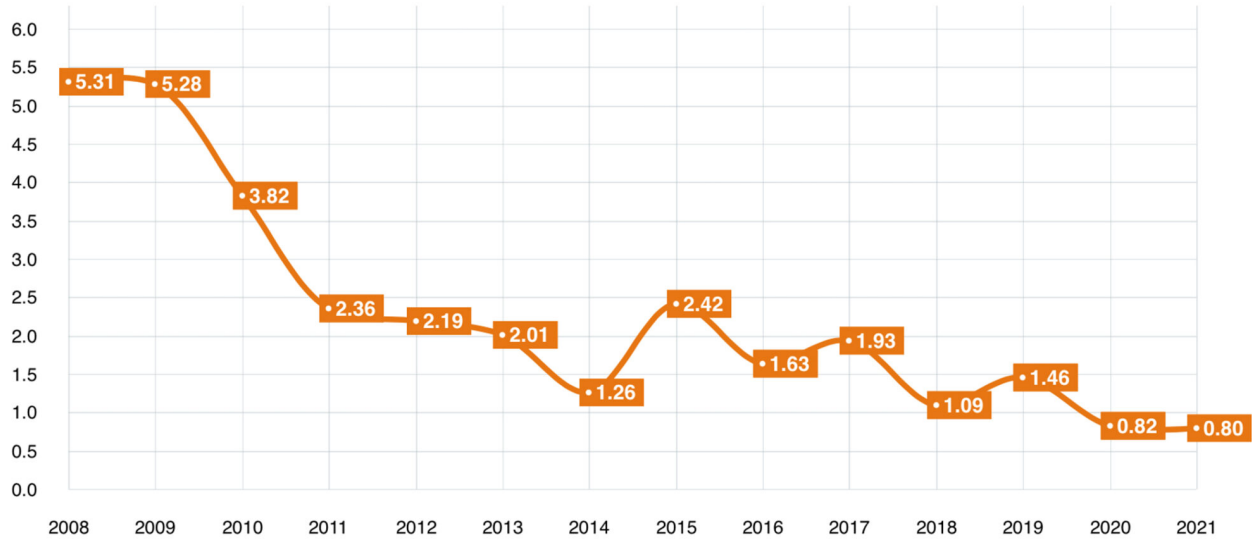
OSHA Incident Rate



In addition to many of the previously mentioned programs, O&R continues its progress toward a zero-harm workplace thanks to the joint union-management Corporate Safety Committee, Company Safety Team, and 12 organization-specific safety teams. In 2022, these teams collaborated to develop very specific driver training for our employees based on historical performance, learning opportunities while reviewing incidents and other industry experiences regarding motor vehicle collisions. The diversity of these teams strengthens our efforts and support from our employees. Our daily warm-up program has continued to demonstrate success; we have decreased our soft tissue injuries by 90% and our days lost due to soft tissue injuries by 95% since the inception of the program. Our communications program has been lauded by our users for its quality and timeliness. Our communications program incorporates lessons learned from our industry and peers, root cause analysis results (from injury and collision reviews), close call reporting, and other measures that have also boosted our overall performance.

Orange and Rockland

OSHA Incident Rate



Contractor Health & Safety

It is company policy that our contractors comply with all applicable laws and Con Edison procedures or requirements. Our policies require that we procure, manage, and evaluate suppliers based on their environment, health, and safety performance. Contractor training is reviewed during the qualification process. We offer additional training for contractors at our Learning Center, if necessary. Contractors seeking to be qualified to perform field work must provide an Environmental, Health and Safety Plan (EHASP) detailing how they will comply with all environmental, health, and safety standards that apply to the work that they perform. EHASPs that simply restate the regulatory standards are not acceptable. Company field inspectors oversee contractor work and are responsible for confirming that contractors are working in accordance with all applicable standards. If the supplier's work fails to comply with the contract requirements, field inspectors must take immediate corrective action. A Contractor Field Observation Report, Infraction Report, or Action Line must also be filed in our Contractor Oversight System. In addition, contractor safety performance is tied to some of our Key Performance Indicators.

Our Contractor Compliance Committee

Additionally, CECONY has an established procedure for cases to be referred to and considered by a cross functional Contractor Compliance Committee, to review alleged violations of the Vendor Code of Conduct – Values and Guidelines for Vendors (the Code), contract terms and conditions, and any other allegation of unsatisfactory performance by a contractor. The Committee will meet as required to evaluate allegations, review the findings of investigations, and address matters arising in the Contractor Oversight System. The Committee will jointly determine any corrective action or discipline required of the contractor. Additionally, the Committee may apply one or more disciplinary measures, depending on the seriousness and severity of the violation and the contractor's previous performance. These actions include, but are not limited to, suspension from the current project or contract, suspension from future bidding, cessation of all work performed by the contractor as a prime or subcontractor, monitoring by a third party, application of a bid multiplier, cancellation of the contract, and removal from the List of Qualified Suppliers.

Contractor Safety Seminars

CECONY's Construction organization, which oversees the largest share of CECONY's contractor-executed projects, hosts quarterly Contractor Safety Seminars. The targeted audience for the seminars are owners, principals, executives, and safety leaders of the diverse companies utilized by CECONY to execute work not performed by our in-house labor force. The Seminar agenda(s) cover safety performance, trends, best practices, and lessons learned. Best practices and lessons learned topics are presented by members of the contractor community or local regulatory agencies, creating a collaborative and informative atmosphere for all in attendance.

Identifying and Documenting Improvement Opportunities

Job Site Safety Exchanges are performed concurrently with standard safety inspections by employees overseeing contractor-executed projects for the Company. The observers, through technical understanding of the job activities and associated hazards, discuss and evaluate concepts including job briefing completeness and adequacy in energy source controls, communications, work methods, PPE use, work area setup, and vehicle safety. Improvement opportunities and excellent observations are discussed and documented.

Contract Administration

CECONY maintains a Contract Administration Manual (CAM). The CAM's purpose is to provide direction for Company personnel in the administration of contracts and in the documentation of contractor performance to ensure the efficient utilization of Company and contractor resources and compliance with Corporate Instructions. EH&S is responsible for providing updates to address new or revised environmental, health, or safety laws or regulations. Among other responsibilities, the CAM establishes that various Company oversight and support personnel are responsible for the following:

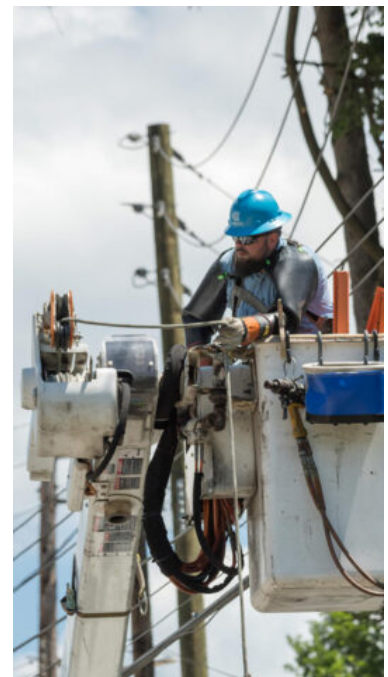
- Monitor day-to-day contractor work activities and verify adherence to the contractor's Environmental Health and Safety Plan (EHASP) and Work Plan.
 - Input observations into the Contractor Oversight System
 - Only perform environmental tasks after receiving appropriate training (e.g., signing manifests)
 - Notify appropriate managers & EH&S representatives of any accidents or unresolved safety problems on site and request assistance when needed
 - Use the Close Call Program to report potential hazards, unsafe conditions/behavior
 - Use the Time Out Program when an unresolved safety, health, and/or environmental concern arises on a job
 - Timely reporting of spill
-

Protecting Public Safety

At Consolidated Edison Company of New York, Inc. (CECONY) we invested about \$3.78 billion in 2022 to fortify our electric, gas, and steam infrastructure and at O&R we invested \$242.9 million in 2022 to fortify our electric and gas infrastructure. This investment underscores our commitment to providing energy to millions of customers efficiently and responsibly while protecting the environment and keeping people safe throughout our service area.

ELECTRIC

CECONY continues to develop tools, techniques, and management strategies to improve safety, troubleshoot problems, and increase efficiency. In 2022 Electric Operations' Distribution Engineering team applied data analytics to pressure and temperature sensor data to assess network transformer health. The team identified 783 network transformers that warranted a field evaluation. These actions removed 114 network transformers from service and eliminated the potential for injury. The company has expanded the use of the cold shrink splices to the secondary system. The cold shrink technology enables more uniform installation and reduces the necessary training to develop highly skilled employees and achieve reliable splices. The My Inspection Application (MIA) was designed and developed by the company to streamline data sharing of field inspections with engineers for evaluation. The mobile and desktop app allows users to upload photos relating to Underground Structures, Overhead Structures (poles, Equipment), Unit Substation Equipment or URD structures. MIA also contains a Photo Library where users can see photos and related data improving the speed with which we can identify and remove safety risks. CECONY continues to work to reduce manhole events with multiple programs including its industry recognized vented latched manhole technology that reduce the severity of manhole events.



CECONY's underground networks are surveyed for contact voltage 12 times a year, using mobile detectors. In 2022, we found and eliminated 6,847 cases of contact voltage. Of those, 6,166 cases (89%) were on non-Con Edison equipment (streetlights, electric signs, and other structures). We performed more than 29,130 inspections of our underground structures (manholes, service boxes, and transformer vaults).

O&R's stray voltage program is completed on a five-year cycle, where 20% of our distribution assets are inspected and tested yearly. The exceptions to this program are streetlights and transmission facilities, which are inspected yearly. In 2022, O&R performed 35,639 inspections and 28,605 tests.

GAS

Consolidated Edison Company of New York, Inc. (CECONY)

CECONY's strategy for public safety risk mitigation includes the elements of prevention, enhanced detection, and best-in-class response. Many of its initiatives are industry leading and on the cutting edge of technology.

Prevention

CECONY continues to significantly invest in its main replacement program to remove cast iron and unprotected steel gas mains from its inventory. CECONY has replaced 462 miles of such mains in the last five years. Along with other enhanced quality measures, the Company requires 100% independent inspections of all plastic joints installed to confirm quality and compliance. Furthermore, CECONY has a robust and proactive damage prevention program that promotes awareness in the contractor community and applies predictive analytics for additional contractor oversight before street work is performed near our critical facilities.

Detection

CECONY performs monthly gas leak surveys of its 4,350-mile gas distribution system, far in excess of the traditional annual survey performed in the industry. The frequency of these surveys allows it to detect leaks in its system as they occur, so that repair can be scheduled in a timely manner. The Company is also implementing a new Advanced Leak Detection (ALD) program which will survey one third of our system each year in addition to our monthly gas leak surveys. This program will help us with both leak detection as well as prioritizing the repair of the highest emitting leaks.

Additionally, the Company has developed first of its kind natural gas detectors integrated with our advanced metering infrastructure. These detectors automatically notify the Gas Emergency Response Center of potential public safety emergencies that require immediate attention. We piloted these detectors in 2018 and have installed over 170,000 detectors thus far. The Company will install detectors in every remaining gas customer's building over the next three years. Since 2017 the Company's Service Line Inspection (SLI) program has also expanded the scope of leak detection on our system through the inspection of service piping from the point of entry of the service to the outlet of the meter(s). This program has also aided in the prevention of leaks by identifying piping that is in poor condition and prone to leaks.

Furthermore, CECONY has a comprehensive, multichannel, and multilingual campaign to educate customers and the public at large—an estimated 10 million people across New York City and Westchester County—about gas safety and the urgency of reporting gas leaks. We reach customers primarily through direct mailings, youth outreach efforts, advertising, digital initiatives (such as email campaigns, conEd.com and social media), and community events. We are also continuing our successful media campaign, Smell Gas, Act Fast, featuring videos and social media posts that inform customers on what to do if they smell gas. The videos are in English, Spanish, Chinese, and Korean.

Response

CECONY emergency response performance is best-in-class.

In 2022, the CECONY responded to gas leaks across the system within 30 minutes, 97% of the time.

Furthermore, our close relationship with the Fire Department of New York and Westchester County Emergency Services has ensured that every event is responded to with the utmost urgency and is mitigated quickly. Additionally, the Company completed its isolation valve program in 2022, by installing valves as well as implementing a newly developed technology, emergency main stop-off stations (EMSOS), to allow us to quickly isolate over 500 of our most critical customers in the case of an emergency.

Orange & Rockland

We have continued our focus on enhancing public safety by modernizing our gas delivery system. Investments to replace leak-prone pipe, primarily unprotected steel, and Aldyl plastic gas mains, have resulted in fewer incoming outside leaks. In 2022, we replaced more than 22 miles of gas mains.

We quickly respond to gas odor and carbon monoxide calls, and in 2022 we responded to more than 87% of calls in 30 minutes.

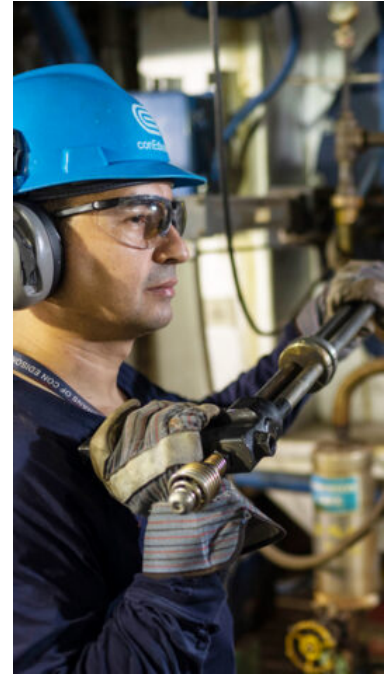
By providing education to and direct oversight of those performing excavation work near our gas system, we continued to see good performance relative to third-party damages to our gas system. We continue to perform gas leak patrols of our distribution system and have kept the number of open leaks low throughout the year.

We continue to perform internal corrosion inspections and strategically deployed AMI-enabled, natural gas detectors in the territory.

O&R has a comprehensive campaign to educate customers and the public at large about gas safety and the urgency of reporting gas leaks. We reach customers primarily through direct mailings, advertising, digital initiatives, and community events.

STEAM

CECONY continues to apply its prevent, detect, and respond risk mitigation strategy to have a deliberate focus on public safety. Many of these initiatives are industry leading and on the cutting edge of technology. For the “prevent” element of the strategy, CECONY continues significant investments in its steam system assessment and main inspection programs that use advanced data analytics to identify areas where specific infrastructure investment is needed. Starting in 2019, CECONY began the first generation of its assessment model and since then has inspected approximately 14,000 feet of steam main to date. CECONY also commissioned into service a full-scale computational fluid dynamic flow model, known as the Kongsberg model. This model simulates the flow of steam and condensate through the piping system using actual field conditions reported from various devices. This model is the first of its kind in the industry and can alert our Engineering/Operations teams to potential conditions that might increase the risk of a water hammer. The model will continue to be validated with field measurement devices as it is gradually put into meaningful operations and planning use. Besides these preventive efforts, CECONY also has a robust monthly customer seminar program which educates our customers on how to use our steam service properly and safely in their buildings.



CECONY’s “detect” risk mitigation strategy includes performing weekly or bi-weekly (depending on the season) visual surveys of the 105-mile steam distribution system. CECONY also developed and is enhancing our remote monitoring system. The sensors associated with this system have the capability to detect defective steam traps, excessive water levels within our steam manholes, as well as the performance of drainage pumps. This system automatically notifies our Steam Troubleshoot Dispatch Center of potential public safety emergencies that require immediate attention. Additional improvements to the system are currently in the research and development stages and continuing with field testing in 2023.

CECONY’s “respond” risk mitigation strategy includes rapid response, repair, and partnership with external agencies.

In 2022, CECONY responded to vapor conditions across the system within 45 minutes, 93.8% of the time. Steam Operations has consistently met this critical response time goal.

These performances are also attributed to the close relationship between CECONY and many of the first responders, including Fire Department of New York City and the Department of Environmental Protection. Overall, CECONY conducted eight training sessions for public and emergency officials on how to properly respond to steam incidents. CECONY also met with various agencies throughout the year to familiarize them with the steam system, hazard recognition methods, and the Company’s internal emergency response procedures. CECONY also conducts drills to test its emergency response process/procedure for steam safety incidents as well as potential oil spill events.

Addressing Environmental Justice

Our Commitment

At Consolidated Edison Company of New York, Inc. (CECONY) and Orange & Rockland Utilities, Inc (O&R) we are privileged to serve some of the most diverse communities in the world. We understand the importance of serving the greater good by considering the potential environmental impacts of our activities and investments on all customers. Our commitment to Environmental Justice (EJ) is reflected in our [Clean Energy Commitment \(https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment\)](https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment) and Environmental Justice Commitment and demonstrated by the intentional, purposeful, and collective work of our employees. CECONY and O&R established an internal EJ Working Group and Executive Steering Committee to develop educational resources and a roadmap for institutionalizing EJ considerations into everything we do. This group will also inform and enable consistent conversations with external stakeholders.

In the coming years, the Company will:

- Benchmark with EJ best practices to evaluate opportunities to enhance community engagement strategies
- Develop internal GIS mapping of Disadvantaged Communities (DACs) in our service territory
- Consider how GIS information can inform capital planning and investment opportunities in a consistent way
- Evaluate the impact of our activities on DACs in our service territory

Legal Landscape

There has been an increase in policy, regulatory, and advocacy actions at the federal, state, and local levels to address historical environmental inequities for DACs and to promote equitable allocation of the costs and benefits stemming from the clean energy transition and climate resilience investments. In addition to the New York State Climate Leadership and Community Protection Act (CLCPA), recent policymaking and regulatory actions from the federal government, New York City, and New Jersey aims to address environmental justice (EJ). The shared goal of the CLCPA and the Biden Administration's Justice40 Initiative is for 40 percent of the overall benefits of clean energy investments to flow to EJ communities and other DACs.

Trends

The consideration of EJ is expected to grow as a key factor in infrastructure development and siting decisions over the coming decade. and we expect to see a trend toward including EJ as a decision factor for competitive solicitations and in regulatory proceedings. We understand that some of the main concerns of EJ groups are eliminating the use of fossil fuels, closing "peaker plants", and creating a just transition that creates job opportunities and maintains energy affordability for DACs. As the EJ and climate justice landscape develop, we will continue to listen to our stakeholders and address important concerns with open minds, robust dialogue, and mutual respect. We will appropriately adapt our approach as we move forward into the clean energy future. We're also seeing EJ merging into the broader climate justice and social justice movements, and the term "environmental and social justice" (ESJ) has emerged.

Elevating Community & Stakeholder Engagement

Con Edison has been interwoven into New York's communities for 200 years. We are always looking for new and better ways to engage with our stakeholders. Such engagement becomes all the more important during the clean energy transition, which will touch the lives of all New Yorkers. The simple fact is we will need the support of all our stakeholders to achieve New York's goal of 100 percent clean energy by 2040. We believe this transition will bring huge benefits and opportunities to the communities we serve, and we are constantly on the lookout for ways to maximize those local benefits.

STAKEHOLDER ENGAGEMENT & COLLABORATION

Much of the work we do is highly visible: our crews are on – and under – New York's streets every day. That work is made possible in part by our close working relationships with community groups, chambers of commerce, and local development corporations. Through these relationships we are better able to coordinate our projects and capital investments, inform our customers of the benefits of technologies such as smart meters and energy efficiency upgrades, and offer local businesses opportunities for doing business with Con Edison and taking advantage of the clean energy transition.

Additionally, we cultivate relationships with environmental advocacy and justice groups, consumer advocates, and groups representing large customers, giving us an opportunity to listen to their priorities and address their concerns. Our stakeholder relationships become especially critical during emergencies and outages. We seek to further strengthen our relationships with our communities and stakeholders as New York's clean energy transition gathers speed.

POLICY & REGULATORY IMPACT

Consolidated Edison Company of New York, Inc. (CECONY) and Orange & Rockland Utilities, Inc. (O&R) support New York State's clean energy policies and goals, including plans outlined under the Climate Leadership and Community Protection Act (CLCPA) to reduce statewide GHG emissions 85% from 1990 levels by 2050 and provide customers with 100% of their energy from emission free resources by 2040.

Stakeholder engagement and collaboration are a key part of our policy and regulatory work. We work in partnership with our customers, policymakers, various third parties, and other energy companies to seek innovative ways to realize the clean energy future. This includes exploring new ways to advance clean energy technologies through adoption of distributed resources, including energy storage and solar connected to the distribution system. CECONY and O&R have programs to reduce fossil fuel usage, providing incentives for customers to install electric-powered heat pumps and electric vehicle chargers. We are also advocating at the New York State-level for the ability to own large-scale renewable generation. All of this is in addition to installing smart meters throughout our service areas and piloting new rate designs, will help customers manage their energy usage and bills.

We are an active participant in regulatory proceedings, including those that seek to expand energy efficiency, develop offshore wind, establish transmission policy to advance clean energy objectives, provide customers with high efficiency electric heating options, amend regulatory structures to achieve CLCPA targets, enhance system resiliency considering climate change, and grow the electric vehicles sector by building needed electric vehicle charging infrastructure. We work with regulators, customers, and other stakeholders to develop solutions that will promote a clean energy future in a cost-effective way for all New Yorkers. We also regularly engage with key stakeholders on various regulatory and clean energy topics to keep an open dialogue. Additionally, we advocate for many of these policies through the legislative process at all levels of government.

COMMUNITY DEVELOPMENT & STRATEGIC PARTNERSHIPS

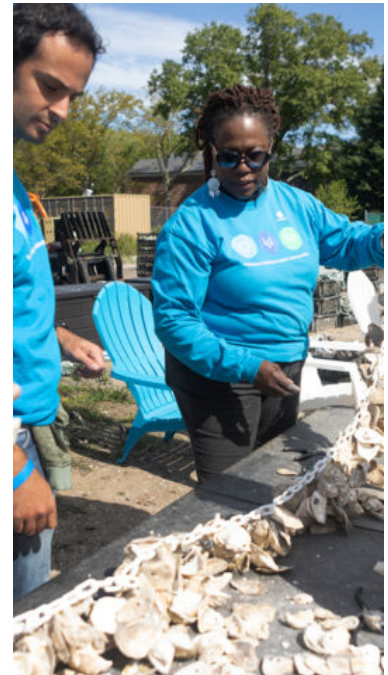
Con Edison thrives when New York and its communities thrive. We see our support and investments in the community as not only the right thing to do, but as critical to our own long-term success as a company. In 2022, Con Edison provided \$12.6 million to more than 600 nonprofit organizations, covering the environment, STEM education, community partnerships, civics, and the arts. A large chunk of our giving is dedicated to groups focused on environmental stewardship and the clean energy transition. Here, we highlight a few of the many organizations we support:

New York Aquarium's Sea Change Exhibit

Con Edison has partnered with the Wildlife Conservation Society/New York Zoological Society for over 30 years, helping them achieve their mission of conservation throughout our service territory. Our foundational support for the new Sea Change exhibit at the New York Aquarium provides an up-close, underwater view of marine mammals and birds, and raises awareness of climate change by introducing visitors to the threats these animals face as their natural environments are transformed. Sea Change is one of the only permanent exhibits in New York City focusing on the climate change crisis, its impact on wildlife, and actions we can take to mitigate those impacts.

BioBus' Science Gardens

Since 2016, the company's support for Bio Bus's Science Gardens program has helped them strengthen the connections between students, their community, and their environment. They engaging youth in hands-on learning about the importance of green spaces and the ways they can leverage scientific knowledge and inquiry in service of environmental justice problems within their own communities. These programs are brought to the students through the mobile learning lab and serves over 3,000 youth.



Westchester Land Trust's Pollinator Pop-Up

Con Edison has been the lead funder of Westchester Land Trust's Pollinator Pop-Up program since its inception in 2019. It is an interactive, educational, traveling exhibit that allows their educators the ability to engage community members. The program raises awareness for the permanent protection of pollinators, natural resources, and inherently inspires communities to do what they can to support and promote conservation where they live by understanding that they are part of the solution. The Westchester Land Trust has worked for over three decades with public and private partners to preserve land in perpetuity, and protect and enhance the natural resources in Westchester County.

W!se's Sustainability Education

Working in Support of Education (W!se) improves economic mobility of youth and at-risk adults through award-winning programs that develop college and career readiness. Since 2015, Con Edison has provided support for W!se's Engineered Green Economics (EGE) Initiative, which prepares high school students to meet complex environmental and social challenges through sustainability education. In four schools throughout New York City, volunteer experts in the field of sustainability lead the classroom in discussions on their designated topics. Students learn about climate change, resource efficiency, clean energy, green careers and new technologies to address environmental, social and business challenges.

City Growers' Urban Agriculture Program

City Growers utilizes Brooklyn Granges rooftop farms to teach urban youth to see New York City as a thriving ecosystem, and give them the tools to sustain that ecosystem. For over a decade, Con Edison's funding has allowed under-resourced youth from title 1 schools to learn ways to help pollinators and grow healthy food and native plants. Our partnership provides both the physical and educational tools to inspire young people to bring nature to their homes and neighborhoods, and expand pollinator pathways.

Association for Neighborhood & Housing Development's Energy Efficiency Training

Con Edison has provided funding for the Association for Neighborhood & Housing Development's (ANHD) Affordable Housing Institute over the last decade. ANHD aims to build community power to win affordable housing and thriving, equitable neighborhoods throughout New York City, and serves 450,000 low- and middle-income New Yorkers annually. The Institute provides sustainability programming and offers targeted training and technical assistance on energy efficiency incentives to nonprofit developer members. We also partnered with ANHD to support multi-family affordable housing developers to navigate and access financial incentives for energy efficiency upgrades in multifamily buildings, helping to make affordable housing more sustainable and energy efficient.

Cooper Union's Retraining Program for Immigrant Engineers

Con Edison supports workforce development programs that create a pipeline of technical careers to address our clean energy future. Cooper Union for the Advancement of Science and Art is a college in New York City that aims to inspire inventive, creative, and influential voices in architecture, art, and engineering to address critical challenges and opportunities. Con Edison has funded Cooper Union's Retraining Program for Immigrant Engineers (RPIE) since 2017. RPIE is a free adult engineering education program that supports economically disadvantaged New York City immigrant, refugee, and asylee engineers. Participants are highly educated and trained in engineering and related technical fields but face barriers beyond culture and language that often prevent them from gaining professional U.S. employment. RPIE offers these engineers the opportunity to increase their technical knowledge, keep up with the latest engineering trends, and build a competitive portfolio to equip them for the professional U.S. workforce and the career they want.

Pony Power's Composting System

Orange & Rockland Utilities is a proud supporter of Pony Power Therapies' O2 Compost System. Pony Power Therapies is a non-profit organization that uses horses and an accessible farm to enhance the physical, social and emotional well-being of children and adults who need extra support. Their thirteen-acre, universally-designed farm homes 22 horses, a plethora of small livestock animals, including three bee hives, and a sustainably built educational and food production garden. Their O2 Compost System actively composts the farm's animal waste utilizing a row compost system. The nutrients from this compost system is used as the base of their plant beds and goes back into the community as they donate produce to local food security organizations.

COMMUNITY INVOLVEMENT

CECONY has a team of Regional & Community Affairs (RCA) staff dedicated to each of the five NYC boroughs and Westchester County. These professionals have close working relationships with the company's government partners and long-standing, productive relationships with community stakeholders.

Our RCA team is committed to:

- Attending each monthly meeting of all 59 NYC community boards
- Attending at least annual meetings with Westchester municipalities
- Meeting with all newly elected officials throughout CECONY service territories
- Ensuring project-based coordination and communication throughout the year

The RCA staff meet monthly with each of the NYC's 59 community boards. These community boards represent their communities on quality-of-life issues. RCA consults extensively with the community boards on proposed and ongoing projects in the communities at the monthly District Service Cabinet meetings and other community board meetings that are open to the public. Westchester RCA also meets regularly with its municipal partners on the same matters. Each region maintains an extensive portfolio of non-profit partners. For example, Bronx RCA partners with 80 organizations, which they support with a budget of \$750,000.

CECONY subject matter experts (SMEs) working within the CECONY's operating groups are involved in RCA's outreach process with local communities regarding all projects affecting the respective regions. Several notable projects currently underway are our Reliable Clean City project and the construction of the Brooklyn Clean Energy Hub. The SMEs engage with the communities to advise about the importance of the work we are doing to reinforce, or make more resilient, the energy systems that serve our customers in their areas. They can advise on more technical matters to the extent the communities want that information, e.g., impact on traffic, or environmental (air, water, soil) quality.

RCA logs, tracks, and reports on all community-related outreach activity through our customer relationship management (CRM) platform. The metrics generated demonstrate our high level of interaction with external community stakeholders and our excellent level of responsiveness. CECONY policy requires that RCA update the contact information for all elected officials as well as government and community stakeholders in the service territories twice annually to ensure all contacts are identified and maintained.

It is the responsibility of our Corporate Affairs senior executives to coordinate regularly with government officials at all levels of government, including the NYC Mayor, NYC City Hall staff, Westchester County executive and county government, high-level government agencies and key elected officials.

Regional & Community Affairs Governance

Several policies govern RCA community engagement and outreach. These include our Corporate Affairs Crisis Communications Plan and our Guidelines for Communications with the Public During Load Management Power Outages. These policies state that our RCA team will reach out to elected officials and other community stakeholders whenever electric outage thresholds are met within certain timeframes. The company's Electric Emergency Response Plan and the accompanying Estimated Time of Restoration Protocol also dictate that Government Relations and Regional & Community Affairs must contact stakeholders as outage thresholds are reached. In particular, these policies state that RCA must specifically schedule operator-assisted calls with stakeholders once thresholds are met.

Similarly, the Gas Emergency Response Plan references the Corporate Affairs Crisis Communications Plan and its outreach provisions. It is company policy that Corporate Affairs is responsible for releasing statements regarding gas-related emergencies to the news agencies and alerting municipal authorities of the emergency's status.

Government Approvals

When the Company seeks to renew NYS Department of Environmental Conservation (DEC) permits such as those used by waterfront steam plants, State DEC Commissioner Policy 29 dictates that the company develop a public participation plan if using the permit would impact environmental justice areas. DEC requires, among other outreach, public meetings, email, and other alerts to local stakeholders, as well as the creation of public-facing websites and local repositories for project-based information.

Similarly, as part of the company's Manufactured Gas Plant (MGP) program, we work closely with DEC and the NYS Department of Health to test and, where appropriate, remediate, MGP sites located on current or former Con Edison properties. As part of these ongoing MGP obligations, the company must develop a Citizen Participation Plan (CPP) for each MGP site. These CPPs require that we keep impacted community stakeholders informed about the company's environmental evaluation and response program for these sites throughout the investigative and remediation processes. The stakeholders include all elected officials, NYC community boards, nearby property owners and tenants, and other civic and community representatives. We endeavor to address and resolve concerns raised by affected local stakeholders and hold public meetings. The company has a [dedicated webpage \(http://www.coned.com/mgp\)](http://www.coned.com/mgp) that posts pertinent information on MGP site developments and a toll-free number (877-602-6633).

Community Outreach and Environmental Justice

Some of RCA's priorities into the future are outlined in Con Edison's [Clean Energy Commitment \(CEC\)](https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment) (<https://www.coned.com/en/our-energy-future/our-energy-vision/our-energy-future-commitment>), which states the company's commitment to, "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." The CEC sets forth several initiatives, including the following:

- Advocate for cost effectiveness and partner with [...] governmental partners, and other stakeholders to prioritize affordability for [low- and moderate-income] customers throughout the transition to a clean energy future
- Continue to engage environmental justice advocates to build bridges within disadvantaged communities and enhance our efforts to provide equitable distribution of benefits when designing programs and implementing projects
- Collaborate with interested stakeholders, including local municipalities and the real estate community, to identify key changes needed to foster a more "electrification ready" environment

As detailed in our [Human Rights Statement \(https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement\)](https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement), "Con Edison seeks to engage a broad range of perspectives and voices to help us to better understand the needs and expectations of our stakeholders. Through collaboration, we strive to deliver better outcomes that strengthen our community engagement while also building trust with the communities in which we serve."

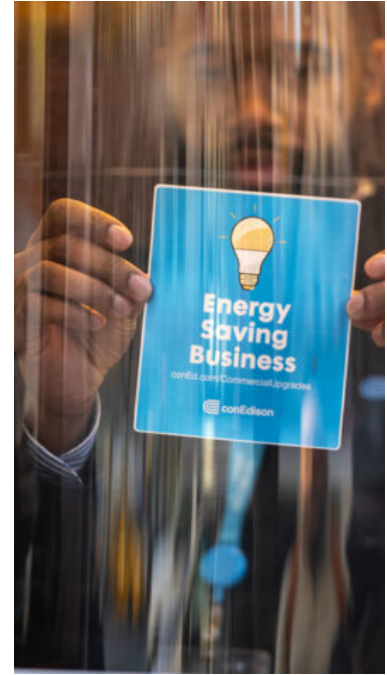
SUPPORTING CUSTOMERS

In 2022 CECONY and O&R continued providing energy bill payment assistance programs to vulnerable and low-income customers. The following are key assistance programs provided in 2022:

Energy Affordability Program

CECONY's Energy Affordability Program (EAP) provides monthly electric and gas bill discounts to low-income customers. To maximize its reach, the Company partners with social service agencies in New York City and Westchester County to automatically enroll customers receiving benefits from 14 different public assistance programs. In addition, CECONY executes various communication campaigns to prompt eligible customers to enroll in the EAP. At the end of 2022 there were 470,363 customers across the Company's service territory in the EAP – approximately 15% of residential customers – which represents a 9% increase from the end of 2021. Over the course of 2022 the EAP provided \$172.3 million in bill discounts to help make bills more affordable for our most vulnerable customers, representing a 33% increase over discount spending in 2021.

O&R's Energy Affordability Program also provides monthly electric and gas bill discount to low-income customers. At the end of 2022 there were 15,027 customers across O&R's service territory in the EAP – approximately 7% of residential customers – which represents an 8.4% increase from the end of 2021. Over the course of 2022 the EAP provided \$15.7 million in bill discounts to help make bills more affordable for O&R's most vulnerable customers, representing a 7.1% increase over discount spending in 2021.



Electric and Gas Bill Relief Program

CECONY and O&R partnered with the New York State Department of Public Service, other utilities and stakeholders from across New York State to implement an Electric and Gas Bill Relief Program (EGBRP) in 2022 that provided low-income customers with one-time bill credits to cover arrears accumulated during the COVID-19 pandemic. In total 180,302 CECONY customers received \$292.2 million in bill credits through the EGBRP in 2022, and 2,410 O&R customers received \$4.9 million in bill credits through the EGBRP in 2022.

Payment assistance options

Throughout 2022 CECONY and O&R conducted customer outreach and education campaigns to encourage customers having trouble paying energy bills to consider a deferred payment agreement to pay off past due balances over time with no interest or fees and improving budgeting of energy costs through enrollment in the level payment program. At the end of 2022, 131,000 CECONY customers were participating in a deferred payment agreement, representing a 31% increase over the end of 2021 and 8,515 O&R customers representing a 46% increase over the end of 2021.

EnergyShare

Through its EnergyShare program CECONY provides up to an additional \$200 benefit to low-income customers who have made at least one payment in the previous 12 months and are income-qualified. EnergyShare bill credits are made possible by voluntary monetary contributions from CECONY employees and customers. The program typically opens in January each year and remains through the winter months, however, since March of 2020 the program has remained open year-round in effort to further assist customers through the COVID-19 pandemic. In response to the COVID-19 pandemic and increase in energy supply costs in 2022, 805 customers received assistance from the energy share program, for a total amount of assistance of \$160,960.

Energy Efficiency Programs

In recent years the state of New York, CECONY, O&R and other utilities have collaborated to create a low-and moderate-income (LMI) portfolio of energy efficiency programs to improve engagement and deliver energy efficiency and associated bill savings to LMI customers and communities. As part of this statewide effort, CECONY and O&R's program offerings in 2022 consisted of:

1. CECONY and O&R provided incentives for energy efficiency upgrades in existing multifamily buildings ranging from whole building retrofits to single measure upgrades
2. CECONY and O&R furnished customer referrals and outreach support for energy efficiency upgrades in existing 1-4 family homes through the New York State Energy Research and Development Administration's EmPower Program
3. CECONY offered energy efficiency "Starter Kits" to customers receiving bill payment assistance through the Energy Affordability Program
4. CECONY and O&R delivered LED lightbulbs to food banks for distribution to customers
5. CECONY distributed supplemental energy efficiency and education materials to school-age children through the "Smart Kids" program
6. O&R Enhanced the MyORUStore online marketplace with additional discounts for LMI customers on air purifiers, dehumidifiers, smart thermostats, and various other products.

SHAREHOLDERS

We are the longest continuously listed company on the New York Stock Exchange and have increased dividends to shareholders for 49 consecutive years with a compound annual growth rate (CAGR) of 5.72 percent. In January 2023, the Board declared a quarterly dividend of 81 cents a share on its common stock, or \$3.24 per share on an annualized basis — an increase of 8 cents over the previous annualized dividend of \$3.16 a share.

For more information, refer to our [Shareholder Services page \(https://www.conedison.com/en/investors/shareholder-services\)](https://www.conedison.com/en/investors/shareholder-services).

Con Edison, Inc. has increased its annual dividend through 6 U.S. recessions

Con Edison, Inc. Dividend Aristocrat - ED's Historical Dividend Payout

dividend payout ratio %

Con Edison, Inc. Dividend Aristocrat - Annualized Dividends Per Share

USD \$

STOCKHOLDER ENGAGEMENT

Overview

Recognizing that regular communication with our stockholders enables Consolidated Edison, Inc. ("the Company") to better understand their viewpoints and to obtain feedback regarding issues that are of interest to them, the Company continued to engage in a hybrid format with stockholders. The Company values stockholder input and is committed to taking such input into consideration in making executive compensation and governance decisions.

The chart below represents certain actions that the Company takes before, during and after the annual meeting.

1. Annual Meeting	2. Post-Annual Meeting	3. Off-season Engagement and Evaluation of Best Practices	4. Engagement Prior to Annual Meeting
Stockholders may engage with Board members and senior management	Review voting results in light of existing practices, as well as feedback received from stockholders during proxy engagement season and annual meeting	Engage with stockholders to better understand their viewpoints and inform Board and committee discussions	Seek feedback on potential matters for stockholder consideration at the annual meeting

Stockholders may ask questions and voice opinions about the Company, its practices, policies and operations	Review corporate governance trends, regulatory developments and the Company's corporate governance documents, policies and procedures	Explore corporate ESG best practices	Discuss stockholder proposals with proponents, when appropriate
Voting results for management and stockholder proposals are determined	Determine topics for discussion during off-season stockholder engagement	Report results of stockholder engagement team activities to Corporate Governance and Nominating Committee and the Board	Publish annual report and proxy statement
		Evaluate and discuss potential changes to Company executive compensation and governance practices and disclosures	

2021 Stockholder Engagement Highlights

- In 2022, the Company held its third annual ESG webinar, participated in nearly 600 meetings, including investor conferences and virtual roadshows targeting the U.S., Europe, Canada, and Australia, with a broad range of stockholders, including index funds, union and public pension funds, actively-managed funds, ESG-focused funds, and stockholder advisory firms.
- During 2022, the Company engaged virtually with stockholders holding in aggregate 45% of shares outstanding.
- Key topics of shareholder engagement included Con Edison of New York's and Orange and Rockland's Rate Filings, the Clean Energy Businesses strategic review and outcome, Con Edison of New York's Climate Change Adaptation and Resiliency Plan, the Company's corporate strategy, the Company's pursuit of net-zero-carbon-emission goals, diversity, equity, and inclusion, disclosure practices (including ESG standardized reporting), corporate governance, political spending and lobbying practices, and operations and financial matters (including issues raised by COVID-19).

In response to stockholder feedback received during 2021, the Company:

- Continued to enhance disclosures concerning political lobbying activities, resulting in a sustained CPA-Zicklin Index for Corporate Political Disclosure and Accountability score of 100 – one of only six Company's in the S&P 500 and Russell 1000 to score 100%
- Developed and issued a Human Rights Statement highlighting the Company's commitment to human rights;
- Ranked 1st in the Utility sector and 15th overall in As You Sow's 2022 Racial Justice Russell 1000 Scorecard;
- Further refined the disclosures in its proxy to, among other things, provide clearer and more accessible information on cybersecurity risk oversight

Members of Core Stockholder Engagement Team

Others Included in Stockholder Engagement Efforts

Chief Financial Officer

CEO and subsidiary Presidents

Treasurer

Other senior officers and business unit heads

Investor Relations

Office of the Corporate Secretary

Environment, Health & Safety Department

Corporate Affairs

Strategic Planning

Throughout the year, the Company communicates stockholder feedback to the Board and its committees, and the Board considers this feedback in making its decisions.

VOLUNTEERISM

While our primary job is to keep energy flowing to our customers, safely, reliably and in a way that supports New York's climate goals, our company and employees do much more than that for the community – on and off the clock. In 2022, more than 300 Con Edison employees donated 2,500 hours of their personal time supporting company-sponsored community events and programs in our service territory.

Employee volunteerism is another layer to Con Edison's long record of environmental stewardship. This past year, we worked with three nonprofit partners on Governor's Island to support biodiversity: the Billion Oyster Project, the Bee Conservancy, and Friends of Governor Island. Our employee-volunteers built oyster gardens for the Hudson River, worked in pollinator gardens, and helped remove invasive species from walkways.

Con Edison supports hundreds of nonprofit organizations dedicated to the environment, STEM education and the arts, through financial assistance, in-kind contributions and service on boards. We encourage our employees to give back to their communities, with a focus on environmental equity and disadvantaged communities.

Addressing Human Rights

In 2022, Consolidated Edison Inc. (Con Edison) issued a [Human Rights Statement \(https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement\)](https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement), which details the Company's stance and commitments to protecting and respecting the human rights of all people.

We conduct our business in a manner that is ethical, respectful, and in compliance with applicable laws and regulations. We continue to accelerate progress on diversity, inclusiveness and overall greater social equity through the work of our Office of Diversity and Inclusion, Executive DEI Council, DEI Taskforce, and other DEI champions throughout the company. Anchored in our core values and beliefs, the Human Rights Statement is an affirmation of our company's pledge to uphold the human rights of our employees, customers, suppliers, and communities. We expect all our stakeholders to demonstrate adherence to these principles.

Commitment

Our commitment to human rights was developed in alignment with the United Nations' Universal Declaration of Human Rights. We support the principles contained within the International Bill of Human Rights, the Organization for Economic Cooperation and Development's Guidelines for Multinational Enterprises, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Con Edison seeks to establish and maintain relationships only with entities that uphold our principles and values. Our responsibility to respect human rights extends beyond our direct operations into our supply chains. Our Human Rights Statement builds on our employee [Standards of Business Conduct \(https://cdnc-dcxprod2-sitecore.azureedge.net/-/media/files/conedison/standards-of-business-conduct.pdf\)](https://cdnc-dcxprod2-sitecore.azureedge.net/-/media/files/conedison/standards-of-business-conduct.pdf), our policies on Equal Employment Opportunity, Sexual Harassment, Employment of veterans and People with disabilities, and our [Vendor Standards of Business Conduct \(https://apps.coned.com/supplychain/supplierpolicies/VENDOR_CODE_OF_CONDUCT.pdf\)](https://apps.coned.com/supplychain/supplierpolicies/VENDOR_CODE_OF_CONDUCT.pdf) within our legal contract documents. Human rights violations by a supplier or partner will be addressed by our company with the goal of adopting corrective measures and, in cases in which such measures are not taken, the company reserves the right to discontinue or reconsider the respective commercial relationship.

Please use the following link for more information on our Human Rights Statement: [Human Rights Statement | Con Edison, Inc. \(https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement\)](https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement)

Leveraging Supply Chain Best Practices

Our Supply Chain organization recognizes the effects of climate change and is committed to the Company's transition to a clean energy future. The need to address climate change is growing more urgent year over year. In 2022, our procurement activities continued to support the clean energy transition while increasing our engagement with our suppliers and determining initiatives to drive progress in our supply chain.

Our Investments in a Clean Energy Future

In 2022, Supply Chain's sustainability related investments in clean energy and grid modernization included the execution of \$7 million in battery storage contracts, \$41 million in energy efficiency and demand management contracts, \$250 million in smart meter AMI contracts, and \$44 million in electric vehicles and EV charging infrastructure contracts.

Supporting Sustainability Through Our Vendors

We aim to continuously improve business practices by reducing our waste streams, reusing materials, and seeking new recycling opportunities. We continued to partner with our largest suppliers of materials to improve business processes to control and reduce the environmental impacts associated with their energy usage, waste, and impacts on natural resources and transportation.

Last year, over 40 of our suppliers completed sustainability assessments and developed measurable plans to improve their environmental performance in water and energy use, waste production and greenhouse gas emissions. We also engaged our suppliers about their sustainability-related commitments, and we monitor these commitments throughout the year to determine maturity.

Partnering with Our Industry Peers

The success of Supply Chain Sustainability requires collaboration across utilities and suppliers. Our transparency about our journey will strengthen our company and our supply chain. Con Edison is an active member of the Sustainable Supply Chain Alliance (SSCA). The SSCA is an electric utility industry organization comprised of major utilities and suppliers, working together to leverage supply chain best practices to improve sustainability. By working with the SSCA, we can share insights to help align industry efforts, promote collaboration, and contribute to the transition of a reformative net zero economy.

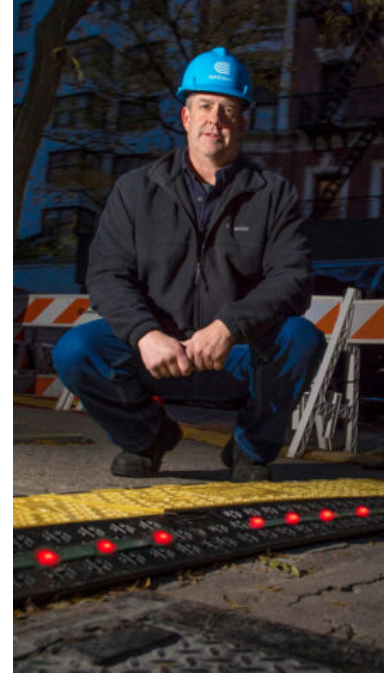
Creating an Ecosystem for Innovation and Opportunity

In our journey towards Supply Chain excellence, we have engaged in benchmarking with our industry peers and recognized corporate leaders in sustainability. As part of that effort, Supply Chain and Environmental Health & Safety (EH&S) partnered with Rutgers University to assess how Con Edison's Supply Chain sustainability and corporate initiatives align to the United Nations' 17 Sustainability Development Goals (SDGs). The project also included an assessment of how we compare to peer utility industries and other sector corporations.

The United Nations SDG framework is widely respected for action that has been embraced by leading corporations and 193 member states of the United Nations to address issues including ending extreme poverty, combatting inequality and injustice, and protecting the environment. The assessment found that Con Edison implemented sustainability initiatives that align with 12 of the 17 goals such as affordable and clean energy, sustainable cities and communities, and climate action. The assessment also provided insights related to areas of opportunities for our company to extend our commitments.

Supporting our Community

Our Supply Chain sustainability efforts work to address some equity challenges. We recognize Supplier Diversity as an opportunity to leverage the dollars we spend to spark economic growth within our service territory. In 2022, we demonstrated our commitment to Supplier Diversity through the purchase of \$430 million from minority and women owned business enterprises (MWB), and \$616 million from small businesses. We are proud of our support of these businesses because they are a major driver for new job creation. To position diverse firms and workers for growth, we are continuing a collaboration that recruits diverse firms and low-income community residents for contract and employment opportunities in the growing field of clean energy.

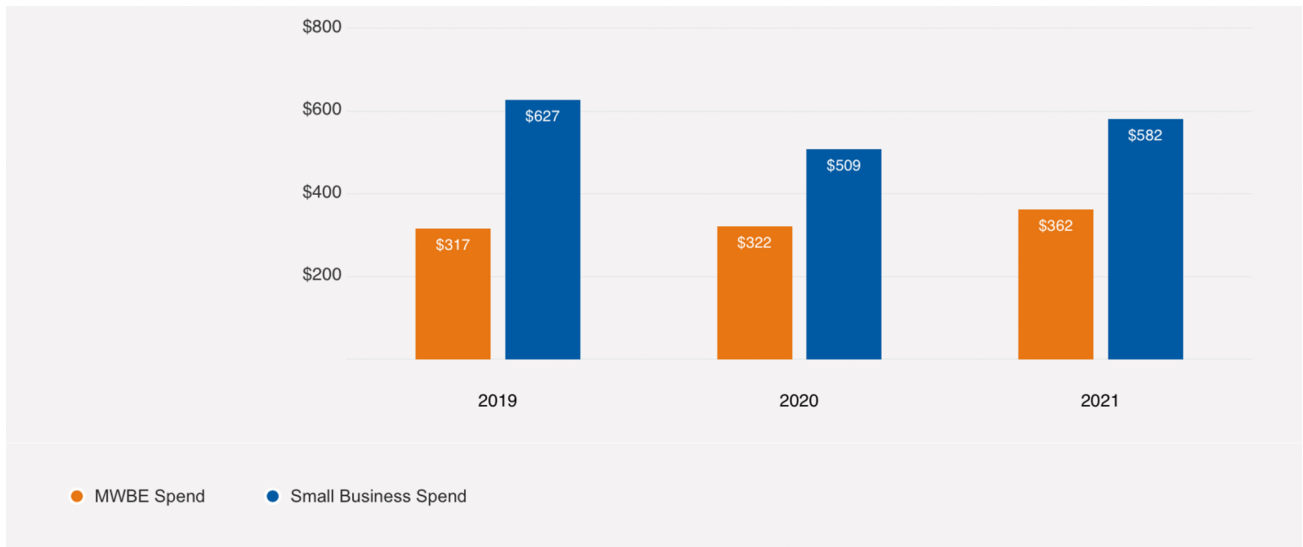


Through our Green Energy Opportunities and Clean Energy Academy programs we have created an ecosystem of stakeholders that support Con Edison's commitments to diversity and our vision for a clean energy future. The Clean Energy Academy is a partnership between our Energy Efficiency Program, Willdan Energy, the state of New York, and non-profit organizations, including the Fortune Society, Green City Force, and Non-traditional Employment for Women.

Through these collaborations we are leveraging energy efficiency projects subsidized by Con Edison to create contract opportunities for MWBE subcontractors and jobs for low-income New York City housing residents. So far, this program has yielded over \$23 million in contract opportunities for MWBE subcontractors. The Clean Energy Academy has provided training to over 500 (low-income**) New Yorkers in electrical and mechanical building systems, including lighting, HVAC, and refrigeration. We will continue to work with our partners to support and expand this program; in fact, the program has already secured \$3.6 million to train more than 1500 students. Since the Clean Energy Academy has trained 500 participants to date, they have secured funding to train 1,000 additional participants over the next two years. This innovative initiative has helped us support our diversity goals while helping Con Edison achieve its goals to reduce energy use and associated costs for customers.

Supplier Diversity Expenditures

MWBE / Small Business Spend (\$millions)



Business Ethics in Our Supply Chain

In support of our company's commitment to sustainability, our Supply Chain organization engages with our suppliers to ensure they are reflective of our values and conduct their business ethically, with integrity, and in compliance with applicable laws and regulations.

Our values related to business ethics are defined in our [Vendor Standards of Business Conduct \(VSBC\)](https://apps.coned.com/supplychain/supplierpolicies/VENDOR_CODE_OF_CONDUCT.pdf) (https://apps.coned.com/supplychain/supplierpolicies/VENDOR_CODE_OF_CONDUCT.pdf) which outlines the terms and expectations of behavior we have for our suppliers.

Under the terms of the VSBC, all suppliers are subject to review by our internal or external auditors, and any supplier determined by Con Edison to be in violation of our Vendor Standards of Business Conduct provisions are subject to contract termination or suspension.

In 2022, to further clarify the importance of human rights, fair labor practices, environmental management, and anti-corruption policies, Consolidated Edison Inc. (Con Edison) issued a [Statement on Human Rights](https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement) (<https://www.conedison.com/en/about-us/corporate-policies-practices/human-rights-statement>).

The VSBC and Statement on Human Rights affirm our commitment and set clear standards for suppliers who conduct business with Con Edison.

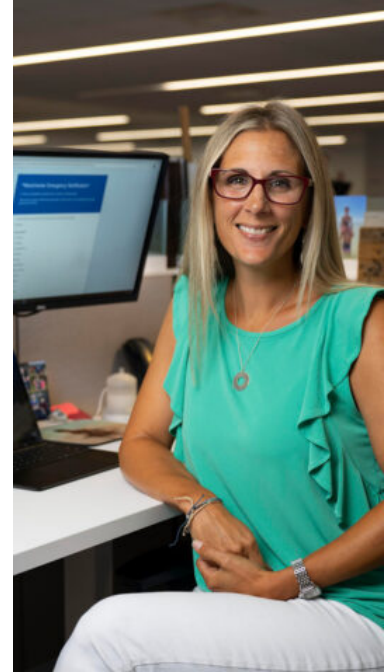
Attracting, Developing & Retaining Employees

Attraction

To ensure the company is able to its strategic objectives, it is critical that we consistently attract, develop, and retain talented employees who possess a broad array of skills, backgrounds, and experiences. As we build and engage a successful workforce, we are mindful of the importance of diversity as a key driver of innovation and high performance, and therefore our goal is to capitalize on these benefits while also resembling the communities we serve.

Con Edison continues to stand out as an employer of choice. We offer exciting career opportunities in an environment that prioritizes training and coaching and extends support at every level. In 2022, 1,564 new employees joined the company – the highest level of hiring the company has experienced in 14 years. Our new hires consisted of a broadly diverse population which included 32 percent women and 67 percent people of color.

Our talent acquisition strategies are designed to attract and engage candidates from many sources, including job fairs, social media, professional industry associations, military organizations, partnerships with educational institutions, and relationships with state and local agencies. Our partnerships are important as they enable us to develop a diverse pipeline of top candidates throughout our recruiting footprint. Our collaborations with Nontraditional Employment for Women (NEW), Hour Children and Helmets to Hardhats are key resources in helping us attract women to non-traditional jobs. We also work with community, nonprofit, and professional groups, including the Society of Women Engineers (SWE), National Society of Black Engineers (NSBE), Society of Hispanic Professional Engineers (SHPE), and American Association of Blacks in Energy (AABE). We partnered with the neurodiverse community through Opportunities for a Better Tomorrow, A Chance at Life Tech, and Tech Kids Unlimited. We also partnered with Bottomless Closet, CodePath, Ladders for Leaders, with several New York City Career and Technical High Schools to support curriculum development and develop strong school-to-industry pipelines.



It's an exciting time to join the Con Edison team as we are leading the transition into the clean energy future. Through our Leadership Development Program (LDP), recent college graduates gain leadership skills and practical hands-on experience to promote critical thinking and analysis. Our 2022 LDP cohort was one of the most diverse with 50 percent women and 73 percent people of color.

Veterans continue to be an important part of our talent pipeline. In 2022, we hired over 80 veterans and current members of the National Guard and Reserves. At the national level, Con Edison is an active member of Veterans in Energy and we continued to partner with the Veterans Administration to market career opportunities to disabled veterans. We continue to cultivate our network of veteran strategic partners to help build and support our veteran pipeline which includes The Soldier for Life, Ft Drum NY, Fleet and Family Services (US Navy and Marine Corps) Groton CT, and Newport RI, Airman for Life (US Air Force) Yokota, Japan, NYS Department of Military Affairs, and The Wounded Warrior Project. In 2022, among other awards, Con Edison was recognized for its veteran hiring efforts in the Military Times – “Best for Vets” designation for the fifth year in a row, US Veterans Magazine “Best of the Best Award” for the fourth year in a row, Vets Index 2022 “Three Star Award” for the second year in a row, and The Employer Support for the Reserve and National Guard, “Outstanding Employer” designation. The company's active and growing employee resource group, Veterans of Con Edison, continues to positively impact our work in attracting veterans to our team.

Development & Retention

We care about our employees, and we are committed to their success. We make it a priority to help them enhance their skills and knowledge to propel their growth and career development, including honing leadership competencies, attending continuing education classes, and providing tuition reimbursement.

Our corporate mentoring programs provide opportunities to connect more experienced employees with newer or less experienced employees to share insights and professional guidance, while also growing important networks across the company.

We understand the critical role that sponsorship plays in career development and advancement. In 2021 we launched our Executive Sponsorship Program, a 24-month experience designed for high potential leaders. The program supports high participation among women and people of color. Providing underrepresented groups with executive connections is an important step in our efforts to develop our employees and build a broadly diverse and inclusive leadership team.

Our comprehensive Leadership and Professional Development portfolio of programs and classes provides employees with the opportunity to develop key competencies to empower their leadership development. To encourage wide spread career development, our suite of career management resources includes internal and external training to enhance job knowledge, career development workshops, and a robust online career management site. Our Career Development Series features a variety of classes to support employee career mobility.

Our leadership curriculum is designed to improve the ability of managers to lead employees effectively and inclusively, handle problems creatively, and shepherd teams to elevated performance. In 2022, more than 9,800 employees attended our leadership and career development programs and continue to benefit from an array of tools, assessments and resources that assist with their professional development.

At an annual turnover rate of approximately 8.2 percent, our overall retention rate remains strong. We attribute these results to our persistent focus on diversity, equity and inclusion, employee development, and commitment to fostering a culture where everyone feels welcomed and valued.

Skills Training

Our focus is ensuring our workforce has the right skills, knowledge, and capabilities to work in a safe manner while meeting the needs of our customers. To achieve this goal, we provide continuous state-of-the-art training and development to our employees in a wide variety of areas.

The company offers robust technical training programs in electric, gas, steam, central operations, customer operations, and driver training. These programs ensure employee skills, knowledge, and performance are maintained at the highest standards. The Learning Center (TLC) fosters a culture of continuous improvement, centered on safety, operational excellence, diversity, equity and inclusion, and enhancing the customer experience.

With safety as our key business priority, we partner with our operating organizations to strengthen their focus on a zero-harm culture. The guiding principles for operational excellence are integrated into our curriculum and highlight the need to respect the complexity, power, and unforgiving nature of our energy systems and encourage all to manage them safely. This effort includes a focus on Human Performance Improvement (HPI) tools, psychological safety, and cyber security awareness.

In 2022, TLC collaborated with internal business partners and stakeholders to meet the high-volume demand for training and testing of entry-level utility workers. We safely and successfully tested and trained 305 employees for Electric Operations. Our Purposeful Field Visit (PFV) program supports efforts to enhance the learning experience, using insights from actual events to assess potential gaps in training curriculum, and provides opportunities for real-time constructive feedback.

Training Effectiveness Committees are the liaison between operating areas and TLC; they serve to enhance, improve, and sustain quality and consistency in training. Regular meetings with subject matter experts from various operating groups allow for collective review of training activities, including curriculum, new policies and procedures, annual goals, career paths, and assessments to ensure consistency, relevance, and effectiveness in required training.

In 2022, our digital learning transformation continued to flourish and impact learning at Con Edison. The opportunity to leverage technology enhances curriculum content and provides employees with a richer learning experience. Our expanding digital portfolio incorporates various assets, including the addition of 56 digital tools and 28 virtual classes over the past year, to strengthen the learning environment.

Our strategic focus on developing our people benefits our employees and helps us attract and retain a diverse and inclusive workforce at all levels.

Training

	2018	2019	2020	2021	2022
Hours of instructor-led, skill-based and leadership training	544,557	543,706	497,602	527,101	613,414

Hours of eLearning	132,490	121,861	159,318	149,809	157,823
Employees taking part in a mentoring program	77	298	216	110	117
Employees taking advantage of tuition aid	572	575	538	485	405

Advancing Diversity, Equity & Inclusion

At Con Edison, we are unwavering in our commitment to diversity, equity, and inclusion. Our vision is to be a company whose values and behaviors foster a culture of inclusion and respect for all. We know that a diverse and inclusive company is a stronger, more successful company that performs at the highest levels.

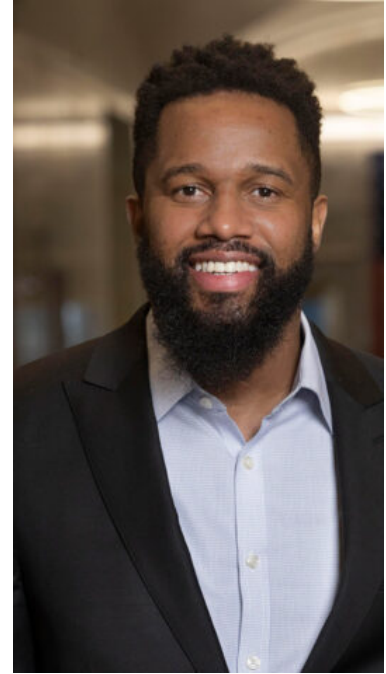
We began our Diversity, Equity and Inclusion (DEI) journey in 2015 with the launch of a corporate-wide DEI vision, mission, and strategy with a focus on four strategic goals: 1) ongoing learning and competency building; 2) inclusive and visible leadership support; 3) reviewing our systems, policies, and procedures to eliminate potential barriers to inclusion; and 4) celebrating and acknowledging the diversity of our workforce. This framework is designed to ensure that company leaders and employees work together to implement measures that prioritize diversity, equity and inclusion organization-wide. Our goal is to promote a positive work culture where we are tapping the full talent of our workforce and creating an environment that will nurture our employees' development and cultivate what is necessary for them to thrive in the future.

After 2020, implementation of our 14-Point Action Plan, and the completion of our first DEI Survey has helped us build momentum towards making even greater progress to transform our corporate culture. This involves backing up our commitments with action by implementing equitable practices, systems, policies, and processes that support and sustain engagement, fairness and belonging. It also means ensuring that our leaders can effectively develop and lead a diverse and inclusive workforce. To that end, we are focused on providing leaders with the right tools and resources needed to support their leadership, including providing programs in unconscious bias, psychological safety and speaking up for inclusion.

Building a more equitable workplace requires that we continuously track and measure our results, and that we are always exploring new ways to improve our performance. Leveraging data helps us identify existing gaps and also areas where we excel. Teams are becoming more diverse in representation, including our executive team. Our grassroots networks, such as Employee Resource Groups and Local DEI Councils serve as champions, facilitating critical conversations to increase awareness about cultural differences and to help with recruiting and career development efforts. Our initiatives have been successful, but the work continues and we remain committed to the journey.

Our people will always be our greatest strength—and the incredible range of culture, experience, and perspective makes the company stronger.

To learn more, read our [Annual Diversity & Inclusion Report](https://www.coned.com/en/about-us/diversity) (<https://www.coned.com/en/about-us/diversity>).



Diversity

	2018	2019	2020	2021	2022
Total workforce	14,955	14,596	14,063	13,871	14,319
Management	6,424	6,394	6,317	6,287	6,333
Union	8,531	8,202	7,746	7,584	7,986
People of Color in the workforce	7,220	7,080	6,892	6,890	7,398
People of Color share	48%	49%	49%	50%	52%
Women in the workforce	3,179	3,123	3,083	3,036	3,239
Women share	21%	21%	22%	22%	23%
General Managers, Directors and Above	270	282	255	287	285
People of Color in GMs, Directors and Above	78	80	73	85	88
People of Color Share	28%	28%	29%	30%	31%
Women in GMs, Directors and Above	84	89	79	98	95
Women Share	31%	32%	31%	34%	33%

ESG Governance

Experience has taught us that the combination of a solid financial foundation, operational excellence, the highest ethical standards, and the utmost regard for our employees and the people and communities we serve are the bedrock qualities of a successful company.

With that in mind, Consolidated Edison, Inc.'s (the Company), Board of Directors establishes committees to oversee various aspects of the Company's operations. Currently, the Board of Directors has six standing committees:

- (i) the Audit Committee,
- (ii) the Corporate Governance and Nominating Committee,
- (iii) the Executive Committee,
- (iv) the Finance Committee,
- (v) the Management, Development and Compensation Committee, and
- (vi) the Safety, Environment, Operations and Sustainability Committee (SEOS Committee)

Further information about each of which can be found here: [Con Edison | Board of Directors \(https://www.conedison.com/en/about-us/corporate-governance/board-of-directors\)](https://www.conedison.com/en/about-us/corporate-governance/board-of-directors)

A standing committee of the Company's Board of Directors, referred to as the Planning and Environmental Committee, existed as early as 1973. In 1995, this committee became the company's Environment, Health and Safety Committee (EH&S Committee), whose primary responsibility was to oversee the Company's efforts relating to the protection of the environment, sustainability, and the health and safety of Company employees and the public. At the end of 2018, the EH&S Committee was dissolved and, as of January 1, 2019, the Company established a newly constituted SEOS Committee.

The primary responsibility of the SEOS Committee is to oversee our efforts relating to corporate responsibility and sustainability, which includes, but is not limited to, operating in a safe, environmentally sensitive and socially responsible manner, guarding the health and safety of Company employees and the public, delivering value to customers, and fostering growth to meet the expectations of investors. The SEOS Committee, which meets at least four times a year, reviews at each of its meetings certain key performance indicators relating to climate risk, including energy efficiency, dielectric fluid management, SF6 gas emissions, environmentally beneficial electrification, and solar connections. In 2022, the Company's Board of Directors also received presentations that covered climate-related issues such as 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.

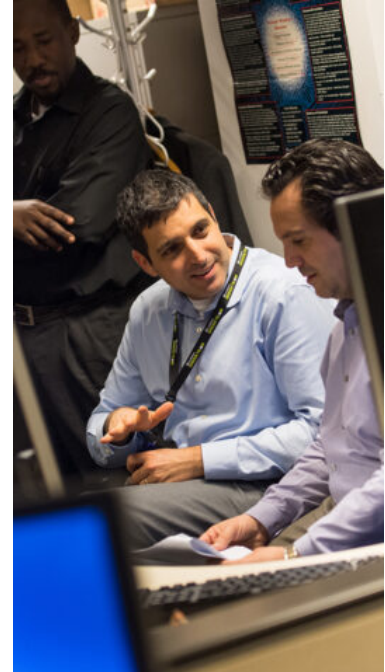
At the management level, the Company's EH&S vice president, together with senior management, is responsible for developing strategic goals and programs for compliance and to support the Company's commitment and continued work to achieve EH&S goals and operational excellence. As detailed in our [Sustainability Strategy \(/report-introduction/sustainability-strategy/\)](#), the Company's SEOS, Management Development and Compensation, and Corporate Governance and Nominating Committees work to strengthen sustainability across all aspects of the Company.

Part of senior management's commitment to safety, the environment, operational excellence, and sustainability includes independent oversight. The corporate Ombudsman's Office, reporting directly to the Company's Chairman, provides employees with an independent office to which they may confidentially report suspected violations of our Standards of Business Conduct, including ethical, legal, sustainability or EH&S concerns.

Our environment, health, and safety review board (EH&S review board) includes an outside consultant who is an independent attorney. The EH&S review board reports directly to the Company's Chairman. The role of the EH&S review board is to review the Company's management of both regulatory and internal requirements and assess whether its implementation is consistent with the Company's commitment to environmental excellence.

Public policy decisions can have significant implications for our customers, the energy systems we manage, and the future direction of our Company. That's why we participate in the political process, adhering to all the national, state, and local laws and regulations. Our engagement in the political process is grounded in and guided by our commitment to our Standards of Business Conduct.

For further details: <https://www.conedison.com/en/about-us/corporate-governance/political-engagement> (<https://www.conedison.com/en/about-us/corporate-governance/political-engagement>)



Managing Enterprise Risk

The enterprise risk management program was established to help protect the Company's long-term value for its shareowners, customers, and the communities it serves. The risk management team works closely with senior management and employees across all four subsidiaries (CECONY, Orange & Rockland, Con Edison Transmission, and the Clean Energy Businesses*) to identify emerging issues and trends, align risk exposure to organizational priorities, support risk-informed business decisions and resource allocation, and monitor and assess known risks using quantitative metrics, known as key risk indicators.

The cornerstone of Con Edison's enterprise risk management program is its governance practices, which are designed to manage relevant and material risks to its strategy and operations, and to recognize emerging issues and trends that may shape future risk exposure. The team is led by the Director of Enterprise Risk Management. The Director reports to the Chief Financial Officer and works broadly with hundreds of employees across operating, shared services, and corporate functions to manage the risk profile.

The team creates and facilitates a risk management process framework, that includes risk identification, assessment, mitigation, monitoring, and reporting. The Audit Committee of the Board oversees the risk management framework and meets with the Director of Risk Management at least annually to discuss program initiatives and to provide strategic direction for the program.

The Board of Directors and its Committees provide oversight of the Company's most material risks. These risks are managed by senior management. Public and employee safety, along with system reliability, the state of regulation within our service territories, and the viability of our business model, are some of the most important risks facing Con Edison. Our top risks are assessed quarterly and monitored utilizing key risk indicators. Our risk portfolios examine all our risks to identify and implement specific projects, programs, or initiatives to address them. Our programs for risk mitigation embody the elements of our core service as we invest in and develop a clean and resilient system. The ability to manage and mitigate risk is critical as the evolution of our infrastructure further serves as a foundation to a clean energy future. Some of these material risks are discussed in Con Edison's 2022 Annual Report.

As the Company continues to create a more sustainable, clean energy for our customers, the enterprise risk framework improves our ability to navigate an increasingly dynamic business landscape through, a process to identify and monitor relevant emerging issues and trends. Review of emerging issues and trends extends our focus, identifying threats and opportunities that may develop in the next two to ten years. The program evaluates the risks and opportunities and capture these impacts annually in the Emerging Issues and Trends Insights Report.

*Note: CEBs were sold on March 1, 2023.

Supporting Ethical Business Practices

Our strong business ethics are founded on our corporate values and help us achieve our three principles—safety, operational excellence, and customer experience. We are committed to conducting business with the highest ethical standards. How we do business, how we treat our customers and business partners, and how we treat one another all contribute to how we are perceived by others and, ultimately, to our long-term viability. Our Values in Action Advisor network of 120 employees and our Business Ethics Council with 15 members assist the organization in maintaining a culture of integrity.

Our corporate values are at the heart of our Standards of Business Conduct. Our Standards of Business Conduct explain the behaviors expected of the employees of Con Edison and reinforces our corporate values. Our individual commitment to support and uphold them in every aspect of our work is the foundation of our culture of integrity.

Based on the laws, regulations, and company policies we need to know and follow, our Standards of Business Conduct serve as a framework for ethical decision-making and direct us to the appropriate resources when we need help or more information. For more information, please read our [Standards of Business Conduct \(coned.com\)](https://www.coned.com/-/media/files/conedison/standards-of-business-conduct.pdf) (<https://www.coned.com/-/media/files/conedison/standards-of-business-conduct.pdf>)

Training

The 2022 Standards of Business Conduct training featured small-group sessions discussing real-life work situations that could pose ethical dilemmas. The conversational format allowed participants to learn from one another, practice speaking up, and listen to different points of view.

In 2022, Business Ethics & Compliance raised awareness of ethics-related resources with an online quiz developed to test employees' knowledge of ethics and compliance, fraud prevention, and cyber security.

Additionally in 2022, Business Ethics & Compliance continued to engage with colleagues to find new ways to keep ethical behavior top of mind:

- Hosted a fireside chat between our Chief Ethics and Compliance Officer (CECO) and the CECO of a major corporation
- Posted company-wide podcasts featuring Business Ethics & Compliance directors on the importance of speaking up and how to protect our data in personal and professional settings
- Provided data privacy tips to protect against identity theft, minimize data loss, and prevent data breaches by encrypting data when appropriate
- Added a video on Accurate Recordkeeping to our library of Ethics Zone microlearning videos to help mitigate identified risks to the company

Privacy Compliance

We are committed to securing the personal and private information entrusted to us by employees, customers, and others. In 2022, the newly-formed Privacy Compliance team designed and began to implement an enhanced Privacy Compliance program. As part of that effort, the Privacy Compliance team strengthened the focus on privacy-related matters in relevant public and internal policies and in guidance for data collection and sharing activities. And, to support our employees' compliance with data privacy requirements, they provided targeted training and awareness to departments processing personal information.

Quality Management

In 2022, the Quality Center of Excellence worked with Quality Management (QM) teams across the company to develop a QM Framework designed to help improve business processes and increase quality management expertise.



SUPPORTING ETHICAL BUSINESS PRACTICES - POLITICAL CONTRIBUTIONS

Our engagement in the political process is grounded in and guided by our commitment to our Standards of Business Conduct. Our efforts in this regard meet high ethical standards, are done in accordance with strict company procedures and guidelines, and in a manner that demonstrates accountability and transparency.

Political Contributions

No corporate funds are used directly for political contributions to candidates, political parties, or political committees other than contributions to the [Consolidated Edison, Inc. Employees' Political Action Committee \(CEIPAC\)](https://www.conedisongrassroots.com/content.aspx?page=ceipac) (<https://www.conedisongrassroots.com/content.aspx?page=ceipac>). No corporate payments have been made, nor do we intend to make payments, to influence the outcome of ballot measures. Additionally, neither Con Edison nor CEIPAC makes independent expenditures in support of or in opposition to, candidates, political parties, or ballot measures. Also, Con Edison does not contribute to "independent expenditure" committees organized under section 527 of the Internal Revenue Code.

Industry Groups and Trade Associations

Con Edison is a member of several trade associations that may engage in political activities or make political contributions to federal and state candidates and political committees. Con Edison's main purpose of membership in trade associations is the business, technical, and industry benefits these organizations provide. Trade organizations take a wide variety of positions on many political matters, not all of which Con Edison supports.

In 2022, Con Edison paid membership dues in excess of \$25,000 to industry groups and trade associations which spent a percentage of those dues on lobbying. Please see our [Political Engagement site \(https://www.conedison.com/en/about-us/corporate-governance/political-engagement\)](https://www.conedison.com/en/about-us/corporate-governance/political-engagement) which contains a list of these industry groups and trade associations.

In addition to lobbying, some industry groups and trade associations use a portion of Con Edison's membership dues for election-related purposes. Con Edison is working to obtain this information and will post it to our Political Engagement site if it becomes available.

For more information on Trade Associations, Industry Groups and Con Edison's lobbying activities please visit our website: [Political Engagement | Con Edison \(https://www.conedison.com/en/about-us/corporate-governance/political-engagement\)](https://www.conedison.com/en/about-us/corporate-governance/political-engagement).

Strengthening our Physical & Cyber Security Efforts

Cyber Security & Data Privacy

New technology brings new challenges, and cybersecurity has been identified as a key enterprise risk for the company. Our information security group has a defense in depth approach, deploying cybersecurity tools to identify and prevent attacks both externally and internally. The cybersecurity program is aligned with the NIST Cybersecurity Framework and is embedded in all technology initiatives. The company complies with regulatory cybersecurity requirements and takes a leading posture in the development of new standards, regulations, and industry initiatives. We work with local, state, and federal agencies, as well as our colleagues in the energy business, to identify and employ the latest technological tools to protect our customers and our equipment. We collaborate with these partners to share threat information and best practices, and conduct joint cybersecurity drills. Internally, management provides an annual presentation and monthly updates on cybersecurity risks to the Board, and the Audit Committee reviews more in-depth cybersecurity matters semi-annually.

With the increasing threat of cybercrime, we continue to strengthen our cyber security and data-protection efforts. They include continuous monitoring, vulnerability assessments, employee education, regular drills, and phishing tests.

The Company continues to advance data privacy through monitoring regulated activities related to personal data collection, use, and sharing; and maintaining compliance with applicable data privacy laws and privacy policies. Our privacy team, led by our Chief Privacy Officer, continues to guide IT and key business teams employing Privacy by Design principles to contemplate and mitigate data privacy risks at the time of system or process design and implementation. The privacy team is responsible for the Company's appropriate handling of customer and employee personal information and regularly trains and educates teams across the organization to maintain awareness and careful attention to protective measures. 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.

To hear more about our cybersecurity program and other topics, visit <https://soundcloud.com/con-edison> (<https://soundcloud.com/con-edison>)

Physical Security

New technology brings new challenges, and physical security has been identified as a key enterprise risk for the company. Our security teams work with local, state, and federal agencies, as well as our colleagues in the energy business, to identify and employ the latest technological tools to protect our customers and our equipment. We collaborate with these partners to share threat information and best practices and conduct large-scale joint cybersecurity and physical security drills to help protect our commodities against attacks.

The board receives regular updates as to physical security risks from management. Additionally, at CECONY, in collaboration with Environmental Health and Safety, a summary of serious employee and/or contractor incidents are communicated to management for dissemination to their employees.

Both cybersecurity and physical security use a layered mitigation strategy which includes 24/7 monitoring, vulnerability assessments, employee education, regular drills, and audits to reinforce the security rules. In 2022, Corporate Security gave 147 Security Awareness presentations, reaching 6,284 employees. This included 4 active shooter drills.

We monitor approximately 2,000 cameras, intrusion detection systems, duress alarms, and a card access system to restrict access. The Company employs hundreds of contract security guards, both armed and unarmed, throughout the system.

As for grid resiliency, there have been no material violations or fines due to non-compliance with physical security standards or regulations.

