

EEI AGA ESG/Sustainability Template Version 2 – Qualitative Con Edison

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

Governance: Setting Priorities and Strategy

To help guide and oversee our sustainability strategy, we have developed a governance structure that extends from our board of directors all the way to volunteers at the employee level. Our structure includes:

- Safety, Environment, Operations, and Sustainability Committee of the Board
- Vice president-level Environment, Social, and Governance Committee
- Sustainability Leadership Council
- Volunteer sustainability ambassadors

We engaged BSR, a leading sustainability consulting firm, to assist us in developing our sustainability materiality assessment and determine our key sustainability priorities, and in 2019 we worked with New York University in refreshing that assessment and resulting priorities.

We have integrated our sustainability priorities with our long-range planning. Our 20-year plan for our electric and gas businesses is designed to help us navigate today's challenges while preparing for changes in the energy landscape. The plans are available on our website at the following links:

<https://www.coned.com/-/media/files/coned/documents/our-energy-future/our-energy-projects/electric-long-range-plan.pdf> <https://www.coned.com/-/media/files/coned/documents/our-energy-future/our-energy-projects/gas-long-range-plan.pdf>

In December 2019, we released our Climate Change Vulnerability Study in conjunction with ICF International and Columbia University's Lamont-Doherty Earth Observatory. The 36-month study evaluated our present-day infrastructure, design specifications and procedures under a range of potential climate futures. The study identified the most climate-driven risks:

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

The study estimates that we may need to invest between \$1.8 billion and \$5.2 billion by 2050 on targeted programs to protect our electric, gas and steam delivery systems and our customers from the impacts of climate change.

An implementation plan is under development and will be completed by December 31, 2020.

Our Guiding Principles

Our Climate Change Vulnerability Study is consistent with three guiding principles we have adopted for protecting the environment, maintaining our best-in-class reliability, and managing customer costs — safety, operational excellence, and enhancing the customer experience.

Our strategy grows from these three priorities and embraces the growing concern globally over the impacts of climate change and the desire of customers and the public to have increasing say over how their energy is produced and used.

Accordingly, our strategy involves three areas where we can positively impact society and our planet while building value for our stakeholders:

- Strengthen our core utility business
- Pursue additional regulated growth opportunities to add value in the evolving industry
- Grow existing clean energy businesses and pursue additional clean energy growth opportunities consistent with our risk appetite

Customer Focused	Value Oriented	Strategic
Provide safe and reliable service Enhance the customer experience Achieve operational excellence and cost optimization	Provide steady, predictable earnings Maintain balance sheet stability Pay attractive, growing dividends	Strengthen core utility delivery business Pursue additional regulated growth opportunities to add value in the evolving industry Grow existing clean energy businesses and pursue additional clean energy growth opportunities consistent with our risk appetite

Core Utility Business Strategy: Safety

Safety is the cornerstone of all that we do at Con Edison. We continue to strive for a zero-harm work environment for our employees and the public we serve.

We have been aggressive in upgrading our systems against severe weather, having invested \$1 billion over four years following Super Storm Sandy. We coordinated with Westchester County in New York to invest an additional \$100 million to fortify our electric system following a pair of successive severe storms in 2018.

In our gas systems, we have focused on safety as well as reducing harmful methane emissions through our priority pipe replacement. Orange & Rockland completed its priority pipe replacement program and retired its low-pressure gas system. Con Edison replaced 97 miles of priority pipe in 2019 and is on track to complete its program in 2036.

Con Edison was the first utility in the country to install natural-gas detectors that monitor the air where our gas service pipes enter buildings, and in 2019 we completed more than 9,000 installations.

Surveillance of our electric and gas systems is also a priority as we conduct surveys of our entire electric and gas systems monthly, going far beyond industry standards.

Core Utility Business Strategy: Enhancing the customer experience

Our customers have made it clear that they want more access to renewables, energy efficiency, demand response, storage, and information to help them manage their energy usage and bills. As part of our \$1.4 billion, multi-year, smart meter investment, we have installed more than 3 million smart meters to date and will install the remaining 2 million customer meters over the next several years. Smart meters are the cornerstone of our efforts to meet the evolving needs of customers by providing greater insights into energy use with near real-time data—a truly transformational technology.

Sequenced with our smart meter rollout are two customer-focused investments:

- A new \$421 million customer service system that will further enhance our energy efficiency and demand response programs, and
- A \$68 million Next Generation Customer Experience program that will advance our digital customer experience.

Our energy efficiency programs have helped more than one million customers and prevented 7 million metric tons of carbon emissions, equal to taking more than one million cars off the road.

To advance customer adoption of electric vehicles and support New York's ambitious environmental goals, we are also rolling out 60 electric vehicle charging stations at public parking spaces across New York City's five boroughs.

Core Utility Business Strategy: Operational Excellence and Cost Optimization

Con Edison's electric system has historically been the most reliable electric system in the country by a sizeable margin. Nevertheless, we recognize that we can do better. We are deploying sensors, using robotics to monitor our systems, leveraging analytics, and using other technologies to achieve the operational excellence that our customers demand.

Minimizing risk is key to operational excellence. We continue to invest in and enhance our cyber and physical security. Last year, we participated in multiple large-scale drills with the government and other major utilities to prepare for cyber and physical threats to the U.S. power grid and to develop technology to speed up restoration.

When it comes to a cleaner, more efficient future, our strategy involves reducing harmful emissions and expanding our portfolio of renewable energy production.

Clean Energy Businesses

The Clean Energy Businesses are forecasted to grow over time, as state-level clean energy targets and advancements in renewable technologies present opportunities for investment. Of our approximately 3,000 megawatts of renewable energy production in operation or under development, 85% is solar and 15% is wind. We have projects in 19 states in the U.S. and are the 7th largest owner and producer of solar electricity in the world and the second largest in North America.

The pursuit of our strategic objectives should enable us to continue to provide steady, predictable earnings, maintain balance sheet stability, and pay attractive, growing dividends for our shareholders.

Additional Regulated Opportunities in Electric Transmission

In order to connect new renewable energy projects to customers, Con Edison is pursuing opportunities to develop and own electric transmission. New York State, our principle state regulatory jurisdiction, has a goal of 70% renewable electricity by 2030.