

ADVANCING A **CLEAN ENERGY FUTURE** FOR ALL

**2022 Environmental Social
Governance Report**





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Report Introduction

Message From Our President and Chief Executive Officer

The energy industry is going through an exciting and consequential time as we continue to experience a global energy transition. The structural shift in how energy is supplied and consumed is accelerating and is being driven in large part by geopolitical supply and demand; technological advancements; local and regional economic development; and evolving customer preferences. As a provider of electric transmission and distribution services in the Pittsburgh region, Duquesne Light Company’s (DLC) vision is to deliver a clean energy future for all: one that benefits our workforce, customers, economy and communities in a fair and equitable way.

This vision is grounded in an acknowledgment that we face new opportunities and challenges in a world that is fast evolving, and we have an obligation to manage through this uncertain future responsibly. Global conflicts with local impact; attacks on critical infrastructure; an evolution of how we work in a post-pandemic world; and the near- and long-term consequences of a changing climate are all very tangible issues we must consider in the management of our business. That’s why the sharing of this inaugural environmental, social and governance (ESG) report is so critical for us as we continue to advance our ESG journey and ensure that DLC generates long-term value for all those we serve. Success will require us to deliver exceptional results for our customers today while boldly harnessing opportunities for tomorrow.

A few ways we are already doing this include a relentless focus on meeting our customers’ changing needs, beginning with the delivery of safe, reliable, resilient and affordable electricity. There is no clean energy future without ensuring equitable access to this essential service that we have provided to our customers for more than 100 years. At the same time, we’re investing in transmission and distribution infrastructure reliability improvements such as modernizing the electrical grid by spending \$1.9 billion through 2027 to make it even safer, more reliable and more resilient. These investments will combine traditional base load, which are one-way energy sources, and the growing amount of distributed, intermittent, two-way clean energy resources with access to a robust, integrated and efficient energy market. In doing so, we



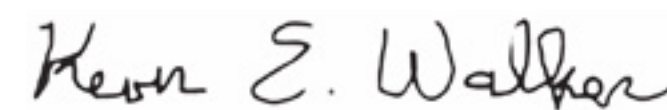
can support the surging growth in demand for electric vehicles, centralized and distributed clean energy, building electrification and much, much, more.

We also recognize the value of partnerships. In many ways, utilities are serving as the choreographers of our world’s energy transition, which requires us to work with industry players, technology providers, innovators, institutions and customers. We’re leaning into these relationships to create value propositions for our many stakeholders, and to consider how we are supporting and augmenting their business plans and ESG goals in addition to our own.

DLC is uniquely positioned to succeed. Our size and relationship with the communities we serve create a competitive advantage to identify unmet needs and provide solutions that generate the most value for the most people possible. Most importantly, we have the talent to make it happen. More than 70% of our employees are also our customers. We live and work in the same communities, making our aspiration to deliver a clean energy future for all a personal one.

Thank you for your interest in our progress. We are proud of the work we have accomplished so far, while acknowledging that this is just the beginning of our journey. You have our commitment to do our part.

Sincerely,



Kevin E. Walker

President and Chief Executive Officer

Message From Our Vice President of Communications and Corporate Responsibility

Eighteen months ago, I joined DLC to be part of an organization that’s deeply embedded in our region’s history with a simultaneous role to enable its future. It quickly became clear to me that DLC has a unique opportunity to create a lasting impact by delivering a clean energy future for all, not just because our board and leaders are committed to doing so, but because so much amazing work to deliver on our vision is already underway. This inaugural ESG report for the company seeks to capture this work while establishing baselines for key data; highlighting our strategy and approach; and describing our long-term aspirations and targets.

Over the past year, we have dedicated time engaging with many of our stakeholders, including our employees, to better understand their expectations of us and to make sure we are progressing appropriately. Topics like energy efficiency; building and transportation electrification; infrastructure reliability; access to renewables; and diversity, equity and inclusion are top of mind for our employees, customers, regulators and community members. We increased our disclosure on a number of these topics through the publication of our second annual Edison Electric Institute (EEI) ESG dataset and our inaugural pay equity study results, for example. Going forward, these reports will be consolidated into our annual ESG reporting cadence that is available on the [Corporate Responsibility](#) page of our website.

While much work is underway, we also acknowledge the need to do more. In 2022, we served as the host utility for the first U.S.-based Global Clean Energy Action Forum in Pittsburgh, which highlighted a concerted effort to avoid the worst effects of climate change while creating positive economic impacts in our region. Around the same time as this event, we initiated work to understand our climate risks and resilience more holistically. This included engaging a third party to audit our greenhouse gas (GHG) footprint; help us understand the potential for a more aggressive GHG reduction path; and further integrate climate scenario planning into our enterprise risk management process.

The foundation we solidified in 2022 will ensure that we continue to look at ESG as part of our business model and as a way of measuring our overall impact. This report, along with other tools, will help us

communicate and demonstrate our commitment to ESG while holding ourselves accountable for driving performance in areas that are most relevant to our customers and industry.

We could not have achieved so much in such a short period of time without the dedication and commitment of our leadership team as well as countless individuals across the company who have dedicated their time and talents to ensure that we have a strategy; meaningful performance indicators and targets; and a story of which we can be proud.

In this report, you will see the goals and objectives that we have set for ourselves. Our strategy includes a focus on showing initial reductions in our Scope 1 and Scope 2 GHG emissions, which you can learn more about in our [Climate Strategy](#) section. We also provide transparency around our hiring, recruitment and retention metrics as it relates to diverse representation in our [Diversity, Equity and Inclusion \(DEI\)](#) section. You can review our full 2022 ESG Performance Scorecard [here](#).

While we know there is still a lot of work to do, we hope you enjoy reading about the progress we are making. We look forward to continuing to demonstrate our advancement of a larger-than-light, clean energy future for all.

Sincerely,



Christine L. Waller

Vice President, Communications and Corporate Responsibility



About This Report

DLC has a responsibility and significant opportunity to adopt a culture focused on ESG given the critical role we play in making the transition to a clean energy future. To demonstrate our commitment, we are establishing a corporate culture that focuses on protecting people, the planet and prosperity in everything we do, as well as measuring, tracking and reporting on our performance. The publication of this inaugural ESG report represents the next step in our journey. While this is an important milestone for DLC, we will continue to seek feedback from stakeholders to enhance our ESG disclosures.

For this disclosure, we've based our reporting on the Global Reporting Initiative (GRI) standards. In the appendix of this report, we provide our [GRI Index](#) for reference. Additionally, we include mapping to the Sustainability Accounting Standards Board (SASB) with our [SASB Index](#). In addition to these disclosures, this report will also be included in our annual submission to GRESB, a global organization that assesses ESG data to help inform financial markets.

This report has been reviewed by our executive leadership team, including the president and chief executive officer, as well as our board of directors. An external audit of this report has not been conducted. All internal and external links within

this document have been verified to be accurate as of the time of publication.

DLC uses forward-looking statements in this report. Statements that are not historical facts are forward-looking statements and are based on beliefs and assumptions of DLC's management, and on information currently available to management. Forward-looking statements include statements preceded by, followed by or using such words as "believe," "expect," "anticipate," "plan," "estimate" or similar expressions. Such statements speak only as of the date they are made, and DLC undertakes no obligation to update publicly any of them in light of new information or future events. Actual results may materially differ from those implied by forward-looking statements due to known and unknown risks and uncertainties. Please reference the appendix of this report for factors that could cause actual results to differ materially from those indicated in any forward-looking statement.

Unless otherwise noted, data in this report represents DLC utility performance. Our goal for future reporting years is to include additional information and integration of other operating subsidiary metrics where applicable.



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Reporting Cadence: Annually

Reporting Boundary: Duquesne Light Company (DLC)

Please contact esg@duqlight.com with any questions or comments regarding this report.

For more information on DLC's ESG efforts, please reference the following PDF downloadable documents:

- [2022 EEI ESG Report](#)
- [2022 Pay Equity Report](#)
- [2022 Beneficial Electrification Whitepaper](#)
- [2021 Diversity, Equity and Inclusion Report](#)

These reports and more can be found on the [Corporate Responsibility](#) page of our website.

DQE Holdings LLC



Our Organizational Structure

DQE Holdings LLC (Holdings LLC) is the parent company of Duquesne Light Holdings, Inc. (DLH). DLH is an energy services holding company formed in 1989 and serves as the holding company for DLC and non-utility operating subsidiaries The Efficiency Network (TEN) and DQE Communications LLC (DQEC). The organizational chart (left) reflects entities with current operations and does not reflect entities having discontinued operations or performing functions internal to DLH.

DQEC, established in 1997, owns, operates and maintains a high-speed, fiber optic-based metropolitan network through which it leases its fiber and provides managed ethernet and internet services to commercial, industrial, governmental and academic customers.

DLC, incorporated in 1912, is involved in the delivery of electricity, consisting in general of transmission and distribution service, to customers within its service territory in southwestern Pennsylvania. We hold an exclusive geographic franchise to provide electric distribution services in Allegheny and Beaver counties, including the city of Pittsburgh. The Pittsburgh metropolitan region is the 28th largest in the country. DLC delivers electricity to more than 600,000 customers, nearly 90% of which are residential, over a service territory of 812 square miles. DLC is DQE Holdings’ largest and principal operating subsidiary and is regulated by the Federal Energy Regulatory Commission (FERC), Pennsylvania Public Utility Commission (PA PUC) and PJM Interconnection (PJM).

TEN, established in 2012 with over 90% equity interest acquired by DLH in 2019, is an energy services project development company that provides customized energy solutions to help commercial and institutional customers meet sustainability, operational and financial goals.

About Our Ownership

In May 2007, DLH was acquired by a consortium of private equity investors. The consortium consists of several institutional investors that own all the equity of our parent company, DQE Holdings LLC.

Below are the members of the consortium and their ownership interests in DQE Holdings LLC:

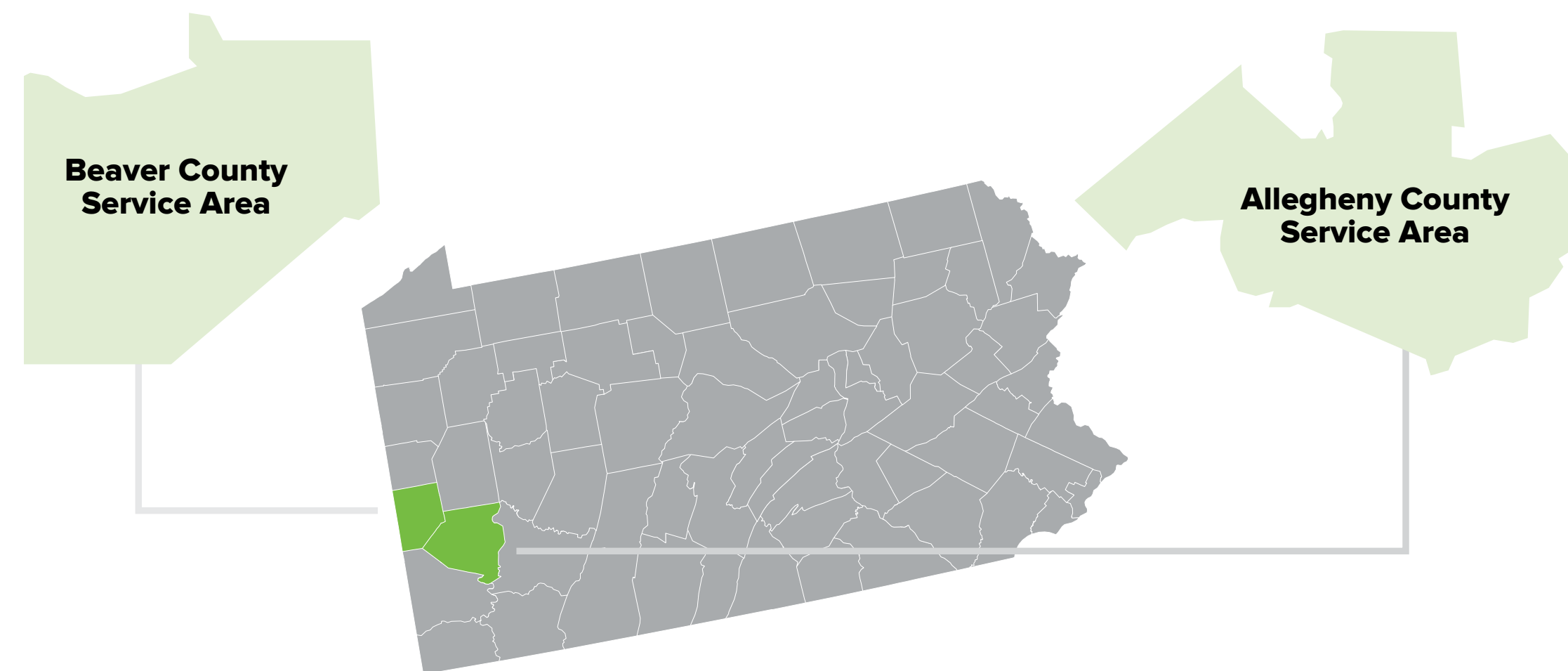
- Epsom Investment Pte. Ltd. (Epsom) is an affiliate of GIC Pte. Ltd. (GIC). GIC is a leading global investment management company established in 1981 to manage Singapore’s foreign reserves. GIC takes a long-term, disciplined approach to investing, and is uniquely positioned across a wide range of asset classes and active strategies globally, including equities, fixed income, real estate, private equity, venture capital and infrastructure. GIC’s infrastructure portfolio comprises stakes in assets across various subsectors including transportation, energy and utilities and communications.
- Three Rivers Utility Holdings, LLC (Three Rivers) is a Delaware limited liability company whose members are John Hancock Infrastructure Fund, part of Manulife Investment Management, and John Hancock Life Insurance Company (U.S.A.) (collectively, Manulife Investment Management); and PGGM Infrastructure Fund (PGGM). Manulife Investment Management is the global wealth and asset management segment of Manulife Financial Corporation. PGGM is a Dutch pension fund service provider, serving multiple Dutch pension funds and managing over €230 billion in assets. PGGM’s infrastructure team manages a large portfolio of investments globally and focuses on energy and utilities, transportation, telecom and social infrastructure.
- AIA Montana LLC is managed by Argo Infrastructure Partners, based in New York City, and is owned by APG Americas Infrastructure (APG) and the California State Teachers’ Retirement System (CalSTRS). APG is an affiliate of APG Asset Management N.V., one of the world’s largest managers of pension fund assets. APG has several direct investments in U.S. infrastructure assets. CalSTRS, the largest public teacher fund in the U.S., has investment experience in several other regulated utilities.

ENTITY	%	OWNER SINCE
GIC Pte. Ltd. (Epsom Investment Pte Ltd.)	44.4%	2011
Manulife Investment Management/PGGM Infrastructure Fund (Three Rivers Utility Holdings, LLC)	30.4%	2016
APG Americas Infrastructure/CalSTRS/Argo Infrastructure Partners (AIA Montana LLC)	25.2%	2017

Company Overview

For more than 100 years, DLC has been a leader in the transmission and distribution of electricity in the Pittsburgh region. The area boasts a rich history of innovation and transformation with ties to pioneers of the first energy revolution, including George Westinghouse, Edwin Drake and Nikola Tesla. The Pittsburgh region has been at the center of energy innovation from the beginning, and the technology that enabled the alternating current grid we know today was developed and first deployed here. Today, we serve more than 600,000 customers in Allegheny and Beaver counties and consistently rank among the most reliable utilities in the commonwealth of Pennsylvania. Part of that reliability is our commitment to upgrading our infrastructure and modernizing the electrical grid. Our employees are dedicated to ensuring that customers have access to safe, resilient, reliable and affordable energy while also enabling our region's clean energy future.

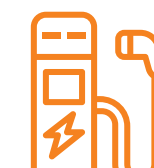
Our Service Territory



DLC By The Numbers


>600K
Customers


1,700+
Employees


150+
EV charging ports incented
by DLC and more coming soon


90%
Residential
Customer base


345
Substations
Including company and
customer-owned


>7,700
Miles
Transmission, distribution and sub
transmission lines maintained


812
Square Miles
Service territory in Allegheny
and Beaver counties


5
Service Centers
Edison, McKeesport,
Penn Hills, Preble, Raccoon

Our Leadership Team



Kevin Walker

President and Chief Executive Officer



Matthew Ankrum

Vice President, Chief Financial Officer



Lisa Davidson

Vice President, Chief Human Resources Officer



David Fisfis

Vice President, Energy Policy and General Counsel



Brian Guzek

Vice President, Corporate Strategy



John Hilderbrand II

Vice President, Operations



Kristy Stone

Vice President, Chief Customer Officer



Christine Waller

*Vice President, Communications
and Corporate Responsibility*

Company Strategy

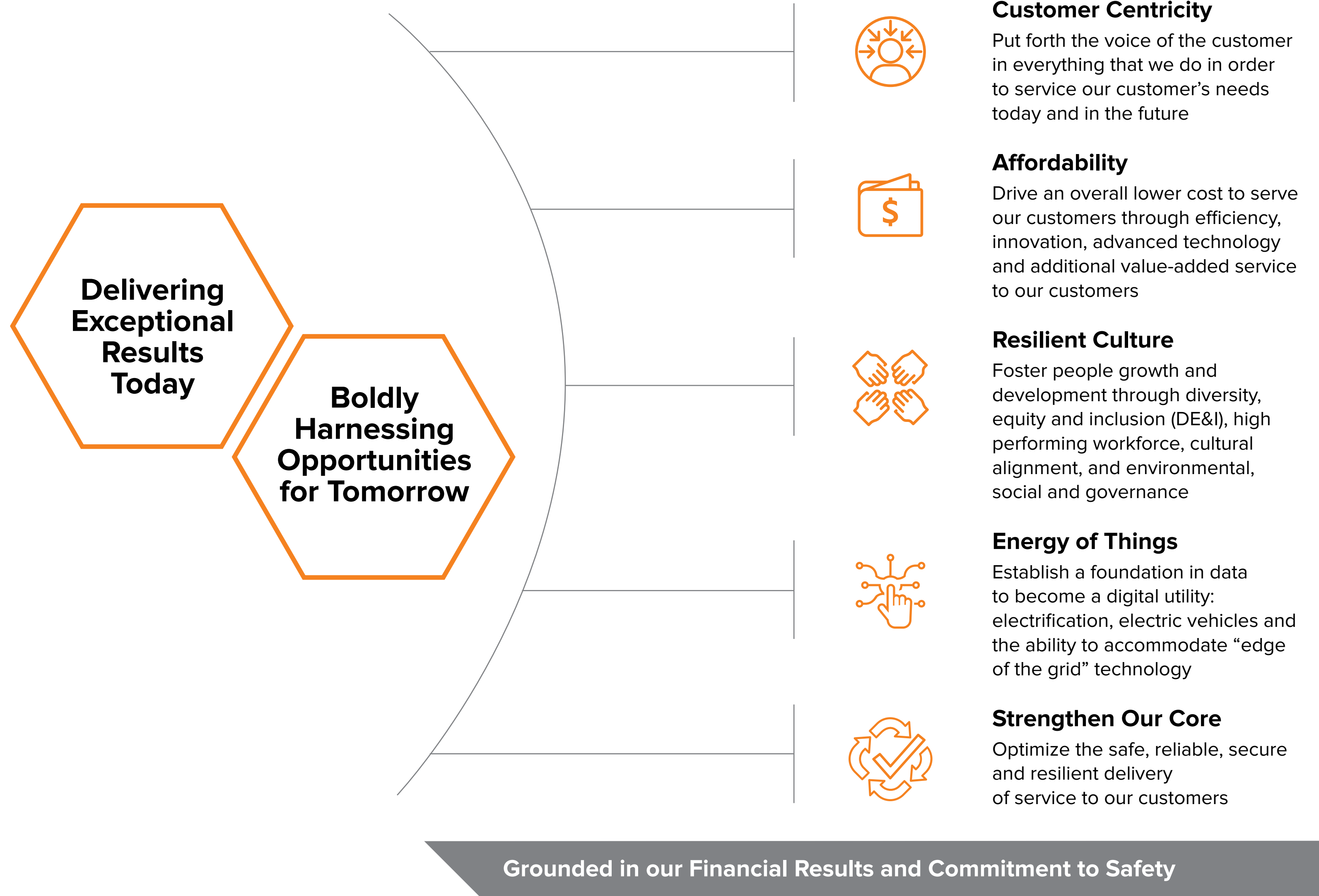
Our Vision and Mission

DLC's vision is to deliver a larger-than-light, clean energy future for all. Delivering exceptional results today, boldly harnessing opportunities for tomorrow.

Guided by our core values of safety, integrity, dependability, equity and community, it is our mission to serve as a trusted partner to our customers, by providing the products and service offerings for today and tomorrow.

Our Strategy

We are focused on enhancing the customer and employee experience through our corporate strategy. This enables us to focus our efforts on ensuring that we deliver exceptional service while fostering a high-performing workforce; using the latest advanced technologies; and maintaining the reliability of our grid and other services.



ESG Strategy and Governance

ESG Strategy and Materiality

DLC’s ESG strategy is anchored by our vision and purpose, which is to deliver a larger-than-light, clean energy future for all. To bring this vision to life, we have organized our ESG strategy under three pillars: climate conscious, powering people and responsible performance. These three pillars of our strategy also align with the ESG framework.

- **Climate Conscious:** At DLC, we are committed to environmental protection. Through our environmental management practices and programming, we are working to reduce and reverse the impacts of climate change while supporting a just energy transition for our customers and communities.
- **Powering People:** DLC strives to be a leader in social responsibility with a dedicated focus on supporting our customers, communities and employees. We are investing in our people and communities to ensure a brighter and healthier future for all.
- **Responsible Performance:** At DLC, we reinforce the importance of good governance in maintaining a resilient and responsible company. We work to establish a culture of high performance while innovating new technology that enhances and stabilizes our power grid.

To inform the critical elements of our ESG strategy, we conducted a refresh of our 2020 materiality assessment in early 2022. Our first materiality assessment was completed prior to the COVID-19 pandemic, and we saw an opportunity to re-evaluate our materiality based on the learnings that came from the pandemic and subsequent global impacts. The materiality assessment refresh in 2022 evaluated an expansive list of ESG topics to understand their relative impact on our business, as well as the impact that we have on sustainability topics from an external perspective. We engaged a consultant to conduct external stakeholder interviews. That feedback was then combined with insights from our internal stakeholders to assist us in identifying the critical ESG topics that we will need to support and advance in the next three to five years. The topics identified in the table to the right reflect those of significant importance to both internal and external stakeholders. DLC is committed to managing our performance and progress around the broader universe of ESG issues that are considered material to our industry. These are reflected in the table of contents of this report. To ensure we are keeping our ESG strategy focused on the topics most critical to our internal and external stakeholders on an on-going basis, we plan to refresh our materiality assessment every three to five years.

Our ESG Pillars

 CLIMATE CONSCIOUS	 POWERING PEOPLE	 RESPONSIBLE PERFORMANCE
• Building Electrification • Climate Strategy • Energy Efficiency • Greenhouse Gas Emissions/ Non-Greenhouse Gas Emissions • Infrastructure Reliability • Renewable Energy and Distributed Energy • Transportation Electrification	• Customer Relations • Diversity, Equity and Inclusion • Talent Management	• Cybersecurity • Physical Security • Innovation

ESG Governance

At DLC, our ESG strategy is embedded within our corporate strategy and overseen at the highest levels of the company. In steering the overall direction of the organization, our board of directors governs DLC’s ESG strategy through its Governance, Public Affairs and Corporate Responsibility Committee. On the executive management team, our vice president of communications and corporate responsibility, who reports directly to the president and chief executive officer, is accountable for overseeing the execution of our ESG strategy. This strategy is directed by the ESG function, which is part of the Corporate Responsibility team, in close collaboration with subject matter experts including senior managers and directors who oversee key topics within our ESG strategy and represent

nearly every function ofin DLC. These subject matter experts are represented on an ESG Council, which meets monthly to track progress on key projects and initiatives.

In addition to the ESG Council, we regularly engage with all employees through an ESG ambassador network to operationalize facility-specific projects and initiatives. Our ESG ambassador network is comprised of individuals throughout DLC and is open to any employee who wishes to join. We also work closely with our Change Adoption Network, which is a group of employees committed to helping the organization advance new programs through best practices in change management.

2022 ESG Performance Scorecard¹

Climate Conscious	
Green House Gas Emissions	
Scope 1 Emissions (<i>metric tonnes of CO₂e</i>)	11,480
Scope 2 Emissions (<i>metric tonnes of CO₂e</i>) ²	
Market-Based	14,158
Location-Based	13,134
Fleet Electrification (<i>EVs/Total Fleet</i>) ³	8%
Powering People	
Customer Relations	
Overall Customer Satisfaction ⁴	68.9%
Workforce Diversity	
% Females	28.3%
% BIPOC ⁵	14.3%
% Veterans	7.8%
% IWD ⁶	3.4%
% Senior Leader Diversity ⁷	46.5%
Employee Safety Performance	
OSHA Recordable Incidents	20
OSHA Recordable Rate	1.08
OSHA Lost Time Incidents	3
OSHA Lost Time Rate	0.16
OSHA DART Incidents	10
OSHA DART Rate	0.54
Total Hours Worked	3,710,041.70
Work-Related Fatalities	0
PMVA Incidents ⁸	20
PMVA Rate ⁸	5.03

Philanthropy and Volunteering	
% Charitable Spend to Diverse Organizations	70%
Employee Volunteer Hours	4,254
Responsible Performance	
Infrastructure Reliability	
SAIFI (<i>interruptions/customer</i>) ⁹	0.92
SAIDI (<i>minutes</i>) ¹⁰	134
CAIDI (<i>minutes</i>) ¹¹	146
Responsible Procurement	
% Total Diverse Supplier Spend	20.8%
% Total Diverse Regional and Local Supplier Spend	33.0%

¹ As this is DLC's inaugural ESG report, all data from 2022 represents our performance baseline. Select ESG performance data from previous years is available on the [Corporate Responsibility](#) page of our website.

² Excludes the emissions generated as a result of line losses.

³ Vehicle classifications are targeted for EV replacement based on utilization, age/condition and availability for a suitable and cost-effective EV replacement.

⁴ % of survey responders (on the phone or web) giving a score of 8 or better on a scale of 0-10 on the following question regarding the overall level of service: "How satisfied would you say you are with Duquesne Light?" Results are then weighted to be reflective of the population demographics: phone = age only, web = age and education.

⁵ Employees identifying as Black, Indigenous, and People of Color (BIPOC).

⁶ Individuals with disabilities (IWD).

⁷ Career levels that include director and above.

⁸ Preventable motor vehicle accidents (PMVA).

⁹ Measures the average number of interruptions experienced by a customer annually.

¹⁰ The average restoration time of an outage in minutes, calculated across all customers.

¹¹ Average restoration time of an outage in minutes, calculated across only those customers who experienced an outage.

Long-Term ESG Targets

In this inaugural report, we are committing to the following long-term targets. As our strategy continues to evolve, we’ll be transparent on our efforts to meet these targets through our annual reporting and disclosures.

	TARGET	STATUS
Climate Conscious		
GHG Emissions	From 2022 – 2027, reduce our combined Scope 1 and Scope 2 emissions by 10%.	On Track
GHG Emissions – Fleet Electrification	30% of DLC’s fleet will be powered by electricity by 2030. Overall, we aim to find electric solutions for 100% of DLC light-duty vehicles, 25% of medium-duty vehicles, 30% of heavy-duty vehicles and 50% of forklifts by 2030.	On Track
Transportation Electrification	Enable the grid infrastructure that will support 50,000 EVs in the Pittsburgh region by 2030.	On Track
Infrastructure Reliability	Invest \$1.9 billion in transmission and distribution infrastructure between 2023 and 2027.	On Track
Energy Efficiency	Enable 350,000 MWh of customer energy savings between 2021 and 2026 through energy efficiency programs and decarbonization efforts, while creating additional electrification opportunities for customers. ¹	On Track
Powering People		
Philanthropy	Grant at least \$5 million to diverse-led nonprofits in our service territory for work impacting social and economic equity, workforce development and sustainability initiatives between 2022 and year-end 2027.	On Track
Responsible Performance		
Supplier Diversity	Achieve total supplier diversity spend of 31.5% by 2027. Additionally, achieve total local and regional spend of 34.0% by 2027.	On Track

¹ Based on the five-year Phase IV of the Act 129 energy efficiency and conservation (EE&C) Program, which operates from June 1, 2021 through May 31, 2026.

United Nations Sustainable Development Goals Alignment

In 2015, all United Nations (UN) Member States adopted the 2030 Agenda for Sustainable Development. The UN describes the agenda as “a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries — developed and developing — in a global partnership. They recognize that ending poverty and other deprivations must go hand in hand with strategies that improve health and education, reduce inequality and spur economic growth — all while tackling climate change and working to preserve our oceans and forests.”

DLC acknowledges the importance of the UNSDGs as we deliver a larger-than-light, clean energy future for all, and we are actively exploring the possibility of becoming a signatory to the UNSDGs for a future reporting year. Given the relevance of these global goals, we have aligned our ESG strategy to the UN’s priorities (right).



DLC ESG Strategy	United Nations Sustainable Development Goals Alignment	
Climate Conscious		Ensure access to affordable, reliable, sustainable and modern energy for all
		Take urgent action to combat climate change and its impacts
Powering People		Make cities and human settlements inclusive, safe, resilient and sustainable
Responsible Performance		Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Stakeholder Engagement

At DLC, we are committed to consistently engaging our broad group of stakeholders. Our engagement efforts focus on providing information and updates on the topics that have the most impact on each stakeholder group and segment. To learn more about how we engage with our stakeholders, please review the table listed below.

STAKEHOLDER	KEY TOPICS	HOW WE ENGAGE
Employees	• Mission, Vision, Values • Compliance and Ethics • Diversity, Equity and Inclusion • Business Performance • Community Engagement • Safety • Health and Wellness • Training and Development • Employee Recognition	• All-Employee Meetings • Town Halls • Email • Intranet • Surveys • Short Message Service (SMS) Alerts • Compliance Hotline • Trainings
Customers (Residential, Business, Commercial and Industrial)	• Energy Efficiency • Safety • Reliability • Billing and Payments • Products and Services • New Service • Interconnections • Customer Assistance • Outages and Storm Response • Vegetation Management	• Company Website • Call Center • Bill Inserts • Email Newsletters • Social Media • Mobile Application • Community Meetings • Compliance Hotline

STAKEHOLDER	KEY TOPICS	HOW WE ENGAGE
Owners and Financial Stakeholders	• Business Plan • Strategy • Safety • Compliance • Financial Performance • ESG Strategy • Risk Management • Regulatory Proceedings	• Board Meetings • Earnings Calls • Committee Meetings • Investor Conferences and Meetings • Company Disclosures • Company Website
Suppliers	• Request for Proposals • Safety • Ethics and Compliance • Diversity, Equity and Inclusion	• Supplier Summit • Request for Proposals • Meetings • Supplier Code of Conduct • Green Procurement Guidelines • Supplier Terms and Conditions • Safety Trainings
Community	• Community Engagement • Diversity, Equity, and Inclusion • Environmental Compliance • Public Health and Safety • Advocacy • Economic Development	• Community Meetings • Company Website • Social Media • Print Media • Charitable Giving Activities • Employee Volunteerism • Community Partnerships and Sponsorships • Low-Income Energy Assistance
Policymakers/Regulators	• Clean Energy Policy • Energy Efficiency • Customer Assistance • Customer Complaints • Rates • Infrastructure	• Participation in Policymaking (Local, State and Federal) • Education • Meetings • Community Meetings • Regulatory Filings • Lobbying Efforts
Non-Governmental Entities (NGOS)	• Clean Energy Policy • Energy Efficiency • Customer Assistance	• Meetings • Company Website • Industry Association Meetings and Conference



Climate Conscious



Climate Strategy



One of the most critical issues facing society today is global climate change, with the primary human contribution being increased emission of GHGs, including carbon dioxide (CO₂) and methane (CH₄). According to the International Panel on Climate Change (IPCC) report released in 2021, global temperatures are expected to increase at least 1.5 degrees Celsius by mid-century unless deep, immediate emission reductions occur.¹ This level of warming will alter the state of Earth's systems and present vast challenges to human life. According to the Department of Environmental Protection's Pennsylvania Climate Impacts Assessment 2021 report, southwestern Pennsylvania will face more frequent and intense heat events, heavier rain events, more flooding and increased susceptibility to landslides. To confront climate change and prevent further warming, society must change the way energy is produced and used. Any viable solution must also strengthen the economy and improve environmental and human health and safety in the communities we serve.

¹ For more information, please see visit the IPCC Sixth Assessment Report [website](#).

Navigating a Changing Climate

As an electric utility in the Pittsburgh region, DLC plays a pivotal role in our region's energy transition. We are working to manage the many ways a changing climate can impact our business strategy while continuously ensuring the safe, reliable, resilient and affordable supply of power to our customers. Our climate strategy considers six key areas:



- **Protecting against risks to our business**, including:

- Transition risks, which emerge from societal and economic shifts toward a low-carbon and more climate-friendly future. These risks can include policy and regulatory risks, technological risks, market risks, reputational risks and legal risks.
- Physical risks, which can include infrastructure reliability challenges due to an increased incidence of storms, landslides or increased foliage growth. Also, the ability to service increased load due to extreme temperatures.



- **Reducing our direct impacts on a changing climate** across sources of Scope 1 (fleet, sulfur hexafluoride (SF₆) and natural gas emissions) and Scope 2 (energy consumed in our direct facilities).



- **Enabling customers to reduce their climate-related impacts** through energy efficiency, distributed energy resources (DERs) and increased access to renewables and all forms of electrification.



- **Pursuing opportunities for a just transition** through a focus on diversity, equity and inclusion; workforce development; and economic prosperity for all in a new energy economy.



- **Stakeholder engagement** that ensures our advocacy is consistent with our business purpose at the local, state and federal level, as well as across sectors with key partners. Working with our regulators to ensure an appropriate and inclusive energy transition.



- **Community impact** through philanthropy and volunteerism that supports our region's overall climate resilience. A significant amount of our corporate giving reaches nonprofits located in environmental justice communities within our service territory.

GHG and Non-GHG Emissions

DLC strives to lead by example and reduce our impact on the environment by improving the efficiency of our fleet, building sustainable facilities and reducing our GHG emissions. We manage a cross-functional team that is responsible for overseeing our GHG emissions at and implementing initiatives to reduce and demonstrate progress to our long-term targets. Strategies to achieve our 10% reduction of Scope 1 and Scope 2 emissions include the following:

- **Scope 1 emissions reductions are primarily driven by:**
 - Fuel reduction – targeted decommissioning of aged vehicles in favor of newer, more fuel-efficient vehicles to reduce both fuel consumption and tonnes of carbon dioxide equivalent (tCO₂e).
 - Idling reduction – utilization of telematics data to identify opportunities for reducing idling hours within DLC fleet.
 - Fleet electrification – conversion of internal combustion engine (ICE) vehicle classifications to EV and alternative energy vehicles to meet DLC’s goal of a 30% electrified fleet by 2030.
 - Develop comprehensive strategy to install EV charging infrastructure to support goal of a 30% electrified fleet by 2030.
- **Scope 2 emissions reductions are primarily driven by:**
 - Complete comprehensive energy audits at occupied facilities and implement recommendations including LED lighting, HVAC improvements, etc.
 - Incorporate sustainable design into renovations and new facilities for both occupied facilities and substations.
 - Drive desired behaviors through education and signage.
 - Identify additional solar generation opportunities at DLC facilities to offset internal consumption.

In addition to our current GHG emissions target, we’ve also undertaken a third-party evaluation of our reduction target beyond 2027. Regarding Scope 3 emissions, DLC acknowledges the importance of Scope 3 emissions and the various impacts our company has, including with respect to enabling electrification, energy efficiency, distributed energy resources, increased access to renewables as well as supply chain activities. As of the publication of this report, we are in the process of conducting a Scope 3 screening so that we can have a better understanding of our risks and opportunities.

2022 Highlights

DLC took key steps to reduce our GHG and non-GHG emissions throughout 2022. Specifically, we:

- Implemented an idling reduction initiative that reduced more than 40,000 idling hours compared to 2021. This, in turn, reduced our Scope 1 emissions by 170 tonnes of CO₂e.
- Added 12 all-electric Ford F-150 Lightning pickup trucks to DLC’s fleet.
- Developed a fleet strategy that aims to achieve 30% fleet electrification by 2030 and targets to replace older vehicles with more fuel-efficient models.
- Completed an ASHRAE Level 1 energy audit at five DLC locations and began implementing recommendations that include replacing garage bay lighting, installing programmable thermostats and locking garage heaters during the offseason.¹

¹ ASHRAE – The American Society of Heating, Refrigerating and Air-Conditioning Engineers. A Level 1 audit is mainly for identifying potential energy efficiency measures and improvements, as well as understanding the general building configuration and type of equipment in place.

Commitment to Progress

DLC recently refreshed an assessment of priority topics related to our ESG performance. The results indicated that our management of climate risks and resilience; reducing our GHG emissions; and enabling our customers to reduce their climate impacts are highly relevant to our business success and the sustainability of our environment and economy. We are currently building plans to progress our performance in these areas, including via:

- GHG inventory and energy efficiency audits of our direct operations.
- Physical risk assessment of our infrastructure assets related to climate change.
- Mapping stakeholder expectations and evolving requirements.

Moving forward, we are constantly researching ways to further reduce our GHG and non-GHG emissions. Our future initiatives include:

- From 2022 – 2027, reduce our combined Scope 1 and Scope 2 emissions by 10%.
- 30% of DLC’s fleet will be powered by electricity by 2030. Overall, we aim to find electric solutions for 100% of DLC light-duty vehicles, 25% of medium-duty vehicles, 30% of heavy-duty vehicles and 50% of forklifts by 2030.
- Partner with our engineering teams to incorporate additional sustainability design features into DLC’s newest substations.
- Investigate and implement energy efficiency solutions across all owned facilities.
- Implementing improved SF₆ tracking solutions to allow for more real-time measures and increased opportunity to find abatement strategies.

↓10%
reduction of our combined
Scope 1 and Scope 2
emissions by 2027

30%
of our fleet will be
powered by electricity
by 2030

2022 GHG Emissions *(metric tonnes of CO₂e)*

Scope 1 Emissions 11,480

Gasoline Consumption	2,235
Diesel Consumption	3,358
Natural Gas Consumption	1,235
SF ₆ Emissions	4,586
Refrigerant Emissions	67

Scope 2 Emissions¹

Market-Based	14,158
Location-Based	13,134

2022 DLC Fleet Vehicles

Type	# of Units
Full EV	12
Plug-In Hybrid	13
EV Forklift	7
Job Energy Management System (JEMS)	18
EV Total	50
DLC Total Fleet Vehicles	627
EV Fleet %	8%
<i>EV Fleet % Target by 2030</i>	30%

¹ Excludes the emissions generated as a result of line losses.

Renewable and Distributed Energy

DLC is playing a leading role in southwestern Pennsylvania’s transition to a clean energy future. We’re doing this by investing in critical infrastructure and new technologies, along with facilitating renewable energy interconnection on the grid in ways that allow interested customers to access the benefits of these resources. Our Generation Interconnection team oversees and reviews customer-owned generation applications and the process to interconnect these resources to the grid in a safe way that abides by all applicable regulations including Pennsylvania Public Utility Commission (PA PUC) and PJM Interconnection (PJM) requirements.

We support renewable energy and distributed energy resource policies, as well as projects that expand access to these resources in an equitable way. Policy and community engagement, in addition to education, on these topics are managed by DLC’s Government Affairs and Regulatory and Clean Energy Strategy teams, which work closely with the entire organization to ensure the impacts to our customers and business are viewed in a holistic manner. Following state policy and regulations, DLC procures electricity for customers who do not shop with a supplier.

2022 Highlights

DLC achieved key milestones in 2022 related to its renewable and distributed energy initiatives, including:

- DLC was a key partner in the creation and release of the Allegheny Conference on Community Development’s (ACCD) [“Our Region’s Energy Future: A Strategy for Accelerating Decarbonization, Investment and Inclusive Growth in the Pittsburgh Region \(PDF\)”](#) report, which features six strategic levers that will help accomplish the vision, including developing low-carbon energy and grid improvements. DLC President and CEO Kevin Walker is chairing efforts to modernize the region’s electric grid, increase access to renewable energy and promote building and transportation electrification through the ACCD’s Energy Task Force sub-group for low-carbon electricity.
- In December 2022, DLC President and CEO Kevin Walker was named to the Environment and Energy Subcommittee on Pennsylvania Governor Josh Shapiro’s transition team, where he advised on policy priorities related to renewable and distributed energy.
- Pennsylvania Local Solar bill (HB1161), which was supported by DLC, successfully passed the House of Representatives and was referred to the Senate in June 2022.





Commitment to Progress

DLC's long-term objectives as they relate to renewable and distributed energy are to support policies and projects that expand renewable energy in Pennsylvania in an equitable way. We will look to increase access and opportunities for participation in renewable energy markets for traditionally excluded groups (e.g., low income, renters, etc.), while ensuring that the advantages and costs are shared equitably. Additionally, DLC is positioned to facilitate our customers' access to renewable energy. As we see more of our customers leverage this opportunity, we must support adoption of customer-owned generation by increasing resources (e.g., staffing, educational tools, IT systems, etc.) and improving the customer-facing process.

DLC Contributing to Local Solar Installer Certificate Program



We are focused on enabling opportunities for all communities to access the benefits of renewable and distributed energy. Beyond environmental impact, expanding these resources creates jobs and helps support economic opportunity. In 2022, DLC contributed to the South Hilltop Men's Group by supporting their Solar Installer Certificate Program. The South Hilltop Men's Group is a local nonprofit organization located in the Beltzhoover neighborhood of Pittsburgh. The organization has a mission to restore community pride and repair the damage done by disinvestment. The Solar Installer Certificate program intentionally reinvests in community members by equipping them with the skills and necessary certifications to install renewable energy and gain economic empowerment. Supporting local organizations' workforce development efforts through charitable giving allows DLC to uplift organizations that support diverse communities and missions.

Community Disaster Preparedness

As we continue to see severe weather increase throughout the country, DLC stands ready to respond to disasters quickly and efficiently. We strive for a “whole community” approach to emergency management, following all-hazards emergency operations plans to help advance safe, effective, efficient and timely disaster planning and response. As defined by the Federal Emergency Management Agency (FEMA), a whole community approach attempts to engage the full capacity of the private and nonprofit sectors, including businesses, faith-based and disability organizations and the general public, in conjunction with the participation of local, tribal, state, territorial and federal governmental partners. At DLC, we have created internal programs and policies that optimize DLC’s response to disasters that include Incident Management Team governance, delegation of authority and our formal Emergency Management program.

In addition to responding to disasters within our service territory, we also participate in providing mutual assistance to utilities when they face disasters or incidents that exceed their capacity. When activated, DLC crews travel to regions impacted by severe weather or natural disasters to support the local utilities in restoring power as safely and quickly as possible.

2022 Highlights

We took the following actions in 2022 to ensure that DLC remains ready to respond to disasters:

- Implemented a multiyear training and exercise plan for employees to support our “whole community” approach.
- Commenced scaling the DLC Incident Management team from operations events to enterprise-wide all-hazards.¹
- Hosted executive-level Incident Command System certification training for the DLC executive leadership team.
- Successfully completed multiple organization-wide exercise testing response plans and procedures.
- Created and implemented a flood preparedness and response plan in conjunction with our Asset Management team.
- Began evaluating abandoned mine subsidence in our service territory, which will help us prepare for analysis regarding landslides, flooding, mudslides and riverbank erosion.
- Worked closely with our Enterprise Risk Management group to align all-hazard strategies, priorities and goals with the Enterprise Risk Management Program to create a more holistic disaster preparedness and response organization.

- Participated in NERC/PJM’s Grid Security full scale exercise to assess cyber security, physical security and incident management capabilities against threats to the bulk electric system.

Commitment to Progress

- Analyze 100% of DLC’s service territory using the Centers for Disease Control and Prevention (CDC) and the Agency for Toxic Substances and Disease Registry (ATSDR) Social Vulnerability Index by 2026 to ensure that our most vulnerable populations are identified.
- Complete our first Threat Hazard and Identification Risk Assessment focusing on our natural hazards, human-caused hazards and technological threats by 2025.
- Complete our first Natural Hazards Mitigation Plan by 2026 with the aim to implement it in 2030, focusing on our top natural hazards.
- Create a more resilient DLC through shared services exercises, planning and training.
- Develop a 10-year strategy for business continuity and emergency management.
- Create and host an electric utility emergency management conference by 2030.
- Create an organization-wide staffing matrix for disaster response.
- Build upon our success of participating in external exercises by hosting bi-annual public safety exercises, separate from NERC/PJM’s GridEx and Grid Security exercises.



¹ As defined by FEMA: All-hazards – Natural, technological or human-caused incidents that warrant action to protect life, property, environment and public health or safety, and to minimize disruptions of enterprise activities.

Water, Waste Management and Recycling

DLC has a long history of demonstrating responsible waste and disposal practices. We have been recognized by the Allegheny County Health Department as one of the first companies in the county to practice pollution prevention. Through the county's Enviro-Star program, several facilities were designated as pollution prevention partners because of their successful strategies to reduce hazardous waste and promote recycling. In a recent facility upgrade, modular walls with recycled denim were used as insulation in between the wall panels.

In addition to our waste practices, we have developed comprehensive and innovative water treatment programs which have been implemented at many of our legacy properties. We've developed wetlands as a means of remediating water runoff from old coal production facilities. We continue to explore opportunities to improve or enhance our environmental efforts around these properties.

Water Treatment Programs

We maintain a perpetual acid mine drainage treatment system for legacy coal mines in Greene County, Pennsylvania. From the 1930s until 2000, coal was mined to power DLC's electric-generating stations. Mining included operations in the Pittsburgh and Sewickley coal seams, a preparation plant, coal refuse impoundment and a barge loader on the Monongahela River. Both Pittsburgh and Sewickley seams outcrop along the Monongahela River and the entrances were sealed upon closure. We take steps to maintain the seals and prevent surface excretions of mine water. This includes pumping mine water from the Pittsburgh seam, treating the water to stabilize the pH, removing iron sludge and releasing the clean water to Whitely Creek, a tributary of the Monongahela River. The acid mine drainage treatment plant is capable of processing more than 5 million gallons of water per day.



Oil Spill Prevention

DLC maintains spill prevention, control and countermeasure (SPCC) plans for company-owned and customer-qualifying sites containing oil-filled equipment such as transformers and breakers. An SPCC plan contains operating procedures that assist in preventing oil spills, discuss control measures installed to prevent an oil spill from reaching navigable waters and describe countermeasures to contain, clean and mitigate the effects of an oil spill that reaches navigable waters. In accordance with EPA regulations, SPCC plans are reviewed and evaluated at least once every five years. In addition, SPCC plans are updated within six months of any major change in the facility design, construction, operation, or maintenance that materially affects the potential for a discharge. As DLC remains committed to safe, reliable and resilient electric service and environmental stewardship, we understand that proper maintenance of company-owned and customer substations is essential.

Universal Waste

As part of our commitment to being a good environmental steward, DLC maintains various programs to keep harmful chemicals out of municipal waste landfills. Our Universal Waste Program ensures the proper recycling of spent light bulbs that contain mercury, spent rechargeable and lead-acid batteries and mercury-containing devices. Universal waste generation consisted of 17 metric tonnes being responsibly collected and recycled in 2022. The number of mercury-containing bulbs has decreased as we replace our building lighting systems and older streetlamps with new, energy-saving light-emitting diodes (LEDs).

Hazardous and Non-Hazardous Waste

Our projects generated 281 metric tonnes of hazardous waste in 2022, with more than half of that waste resulting from the Bus Rapid Transit project in downtown Pittsburgh. We are steadfast in ensuring that any soils moved from DLC projects adhere to the PA DEP’s Management of Fill Policy.

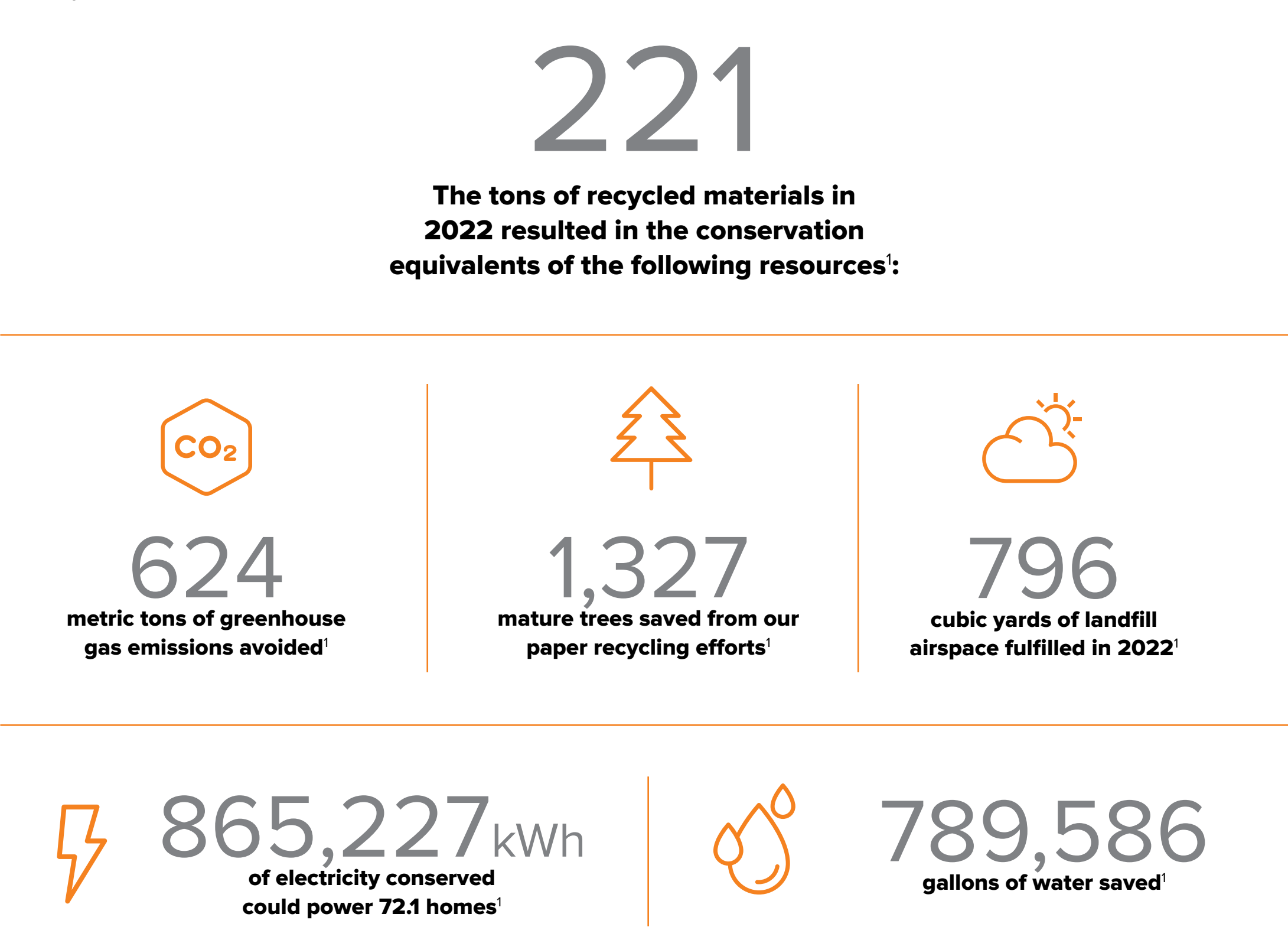
2022 Non-Hazardous waste generation: 336 metric tonnes – this includes non-hazardous soils from projects, asbestos, vault and manhole maintenance water and other non-hazardous waste.

Other Initiatives

- Polychlorinated biphenyls (PCBs) phase-out efforts**
 - PCBs were banned in 1979 by the U.S. Environmental Protection Agency (EPA). As we replace company equipment, anything that may contain PCBs is properly assessed and disposed of or recycled by approved suppliers.
- Coal refuse and ash landfills**
 - DLC owns and maintains six coal refuse and ash landfills which present an environmental challenge as stormwater filters through the ash or coal, resulting in acidic water. This water, called leachate, is carefully managed to avoid release into the environment. We direct the leachate to mine water treatment sites so that it may be purified before release into local streams and rivers.

2022 Scrap Metal & Hazardous Waste Recycling Efforts

SCRAP METALS (IN POUNDS)	
Aluminum	1,212,746
Brass	1,667
Copper	684,333
Steel	2,488,834
HAZARDOUS WASTE (IN GALLONS)	
Oil	109,385



Beneficial Electrification

Building Electrification

DLC is committed to advancing strategies that assist our region’s transition to a clean energy future that is equitable for all. Beneficial electrification, a critical pathway toward a decarbonized future, has the potential to benefit customers, the environment and the economy. As Pittsburgh’s local electric utility, we are uniquely positioned to enable this transition. By better understanding local opportunities, impacts, and barriers, we can support our customers and aid in building a capable workforce. The beneficial electrification of building systems will help our customers save energy and money while providing economic opportunity for the region. As our customers continue to increasingly rely on the grid through building electrification, it is essential that we do not lose sight of our foundational purpose to provide safe, reliable and resilient electric service at an affordable price. When it comes to electrification, we strive to optimize the value of the grid by serving as a thought leader and trusted energy partner in regional collaboration efforts with businesses, governments and institutions.

As a company that operates in an area of the country that receives failing grades for ozone (a.k.a., smog) and particle pollution, as determined

by the [American Lung Association](#), we know that our commitment to beneficial electrification can support the region’s goals towards reducing non-GHG air emissions and improving the quality of life for those we serve today and those we’ll serve tomorrow. The work we do to support customers in making decisions to switch to electric solutions within their homes, offices and on the road can have a positive impact on ozone and particle pollution, in addition to improving indoor air quality.

2022 Highlights

- Released our “[Electrification as a Strategy for Decarbonization \(PDF\)](#)” whitepaper in May 2022 to educate customers on local beneficial electrification opportunities, impacts and barriers.
- DLC President and CEO Kevin Walker was a member of the Allegheny Conference on Community Development’s energy task force, leading to the April 2022 release of ACCD’s report, “[Our Region’s Energy Future: A strategy for accelerating decarbonization, investment and inclusive growth in the Pittsburgh region \(PDF\)](#),” which identifies six pathways that include transportation and building electrification.

- Created a model to assess the costs and potential savings of certain electrification technologies by the Advanced Grid Strategies and Energy Efficiency groups with an external consultant.
- Engaged BlastPoint, a customer intelligence platform, to develop a propensity model of which customer segments are most likely to adopt building electrification.
- Secured an external consultant to complete an assessment of the market; technical and economic potential of certain technologies; and existing policies and financial incentives to inform creation of a roadmap for DLC’s beneficial electrification efforts in 2023.
- Conducted multiple public-facing events, including moderating a panel on electrification at the Energy Efficiency Alliance’s policy conference, and hosting induction cooking demonstrations with nationally recognized Chef Claudy at the Global Clean Energy Action Forum in September 2022.

Transportation Electrification

DLC works to empower all customers to experience the benefits of electric mobility. We serve as a trusted partner by offering innovative products and services that optimize the use of our grid to advance electric transportation in our service territory. Through our efforts, we can support customers as they install electric vehicle (EV) charging infrastructure and transition to an electric fleet, while also identifying the growing number of funding opportunities that are available to them.

2022 Highlights

• Awareness, education and engagement

- ▶ We continue to educate our customers about the benefits of electric mobility through strategic outreach and partnerships. In 2022, we sponsored events such as the Pittsburgh International Auto Show, SolarFest and Bike Share Pittsburgh; hosted various educational webinars; and continued offering customer tools, including our comprehensive [online EV guide](#). Additionally, DLC has identified and engaged with more than 20% of our EV-driving customers by offering them a one-time \$50 incentive. By the end of 2022, we identified more than 1,600 EV-driving customers through our EV Registration Incentive program. Also in 2022, DLC hosted a Drive Electric Week Celebration for employees during the 11th annual National Drive Electric Week, a nationwide celebration to raise awareness of the many benefits of electric transportation. This event gave nearly 100 employees an opportunity to learn more about driving electric and experience EVs and electric bicycles firsthand. As part of the event, DLC displayed the latest EV models in its fleet. Additionally, employees had the opportunity to test ride electric bicycles, courtesy of a local bicycle shop, [Adam Solar Rides](#).

• Time-of-use rate

- ▶ We continued offering our EV time-of-use rate, which launched in June 2021. This is an electricity supply rate for residential customers who drive electric, as well as small and medium commercial customers that have an EV in their fleet or host EV charging. When compared to DLC's standard default service rate, the time-of-use rate offer customers a reduced electricity supply rate during off-peak times, such as overnight, and a higher electricity supply rate during peak times, such as in the afternoon. This encourages EV charging and other electricity consumption during off-peak times. In 2022, DLC enrolled more than 350 customers into the rate, resulting in aggregate electricity supply savings for customers and reduction in electricity usage during peak times. More than 500 customers are currently enrolled in the time-of-use rate.



• Electric Fleet Advisory Service

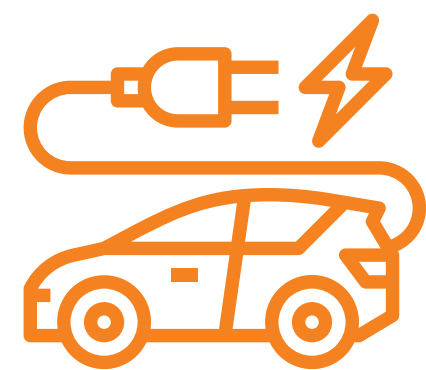
- ▶ Through DLC's recently launched Electric Fleet Advisory Service, we began working on a fleet analysis with 14 commercial customers, representing a diverse set of industries that includes nonprofits, schools, universities, municipalities and religious organizations. Five of these analyses were completed in 2022, resulting in the assessment of 341 vehicles and 191 being recommended for electrification. By converting those vehicles to electric, participating customers would see ownership savings of more than \$2.6 million and reduce greenhouse gas emissions by 13,000 metric tonnes. With 350 vehicles still pending assessment, we expect these figures to grow.

• Community and Fleet Charging programs

- ▶ In 2022, DLC launched its Community and Fleet Charging programs with first-of-its-kind approval from the PA PUC. Through these programs, DLC is installing and covering the cost to install electrical infrastructure between the power grid and charging stations for commercial customers at qualified public, workplace, multifamily and fleet operator sites. In total, four projects were completed in 2022, including installations at one workplace, two multifamily properties and one municipal fleet site. We expect to complete more projects for a strong pipeline of customers in 2023.

• Transit electrification

- ▶ In 2022, DLC continued its partnership with Pittsburgh Regional Transit (PRT) by supporting the installation of six new direct current (DC) fast-charging stations, adding to the first two stations that were installed in 2020. This partnership resulted in the region's first eight all-electric transit buses, making electric transportation more accessible for our customers and the public. We will continue to partner with PRT in its commitment to achieve a zero-emissions bus fleet by 2045.



50,000 EVs

Enabling the grid infrastructure that will support 50,000 EVs in the Pittsburgh region by 2030

Commitment to Progress

- Enable the grid infrastructure that will support 50,000 EVs in the Pittsburgh region by 2030, which would account for approximately 6% of light-duty fleet vehicles in our service territory.
- Through our Community and Fleet Charging programs, we are aiming to support the installation of more than 350 charging station ports by 2024.
- By 2030, DLC customers who drive EVs are projected to collectively save more than \$250 million annually on fuel and maintenance.
- Also by 2030, light-duty EVs registered within DLC’s service territory will displace the need for more than 17 million gallons of gasoline annually.

DLC Expands Electric Vehicle Charging Offerings

In May 2022, DLC announced a new lineup of EV charging and fleet electrification programs to help local organizations save time and money on both installing EV charging and transitioning to an electric fleet. The programs are expected to significantly expand the number of public, workplace, multifamily and fleet charging stations in Allegheny and Beaver counties, making it even easier for residents and commuters to transition to electric mobility.

“

As part of our commitment to create a clean energy future for all in the Pittsburgh region, DLC is increasing opportunities for customers and communities to experience the many benefits of electric mobility while addressing one of our area’s largest sources of carbon emissions and air pollution — transportation. Our new programs support local organizations in reaching their sustainability targets and make it even more convenient for residents to choose electric transportation.”



Brian Guzek
Vice President of
Corporate Strategy

Infrastructure Reliability

Delivering reliable electricity is the core of our business, and resilient infrastructure is critical in performing this essential service. We are constantly maintaining and upgrading the grid to ensure we are delivering on our customers' ever-evolving needs. DLC monitors and studies the transmission and distribution systems continuously to identify any stresses on installed infrastructure that can pose reliability risks. Additionally, we make investments in the system to maintain and improve reliability that are prioritized based on need. These needs are determined through a combination of factors, including but not limited to reliability indices, planning studies and periodic inspections. DLC's reliability is measured using the industry-standard reliability performance index values – System Average Interruption Frequency Index (SAIFI), System Average Interruption Duration Index (SAIDI) and Customer Average Interruption Duration Index (CAIDI), and our performance is reported to the PA PUC in quarterly and annual reports. Our reliability metrics are routinely ranked as highest or next-to-highest in the state of Pennsylvania. We recognize the importance of all three reliability metrics and utilize them to evaluate the health of our infrastructure. Based

on market research we have conducted with customers, we know that SAIFI most heavily influences their satisfaction. Our SAIFI metric in 2022 was better than PUC's benchmark value and top quartile performance range. DLC's strong SAIFI performance can be attributed in part to the overall resilience of our distribution system which allows DLC to reroute power from multiple sources in the event of a fault on our distribution system. This allows many customers who experience an outage to be restored in less than five minutes. Resiliency of DLC's distribution system is achieved through a combination of design philosophy around redundancy and over 1,500 remotely operated intelligent devices installed across our distribution system.

2022 Highlights

- Continued making enhanced investments in aging in DLC's infrastructure.
 - After six years running, our first long-term infrastructure improvement program (LTIP) was successfully completed in 2022.
 - Approval for a second program, LTIP2, was received by the PA PUC in 2022. The new program began in 2023 and will run through 2028.
- Executed inspection and maintenance goals to 100% in 2022.
- Piloted new distribution equipment and updated key equipment standards that promote increased reliability.
- Continued work on foundational grid modernization initiatives.
 - Completed a distribution field inventory to enable a geographic information system model.
 - Launched our operations data management system, enabling us to have system-wide access to advanced metering infrastructure data.



\$1.9 billion

committed to infrastructure reliability upgrades and grid modernization between 2023 and 2027

Commitment to Progress

- Continue to invest in replacing aged infrastructure including committing \$1.9 billion in infrastructure reliability upgrades and modernizing the grid between 2023 and 2027.
- Investigate the use of new reliability performance index values, including “customers experiencing multiple interruptions” and the “momentary average interruption frequency index,” to enhance infrastructure improvement prioritization.
- Deploy new technologies to enable condition-based maintenance for critical assets such as transformers, overhead lines, underground cable, breakers and intelligent switches.
- With the enhanced visibility provided by DLC’s grid modernization efforts, we’re working to implement a comprehensive distribution planning process to strategically drive investment decisions that benefit reliability.
- With equity and affordability in mind, we’re seeking to install non-wires alternatives throughout our service territory.
- Begin work on the next phase of foundational grid modernization initiatives, including an advanced distribution management system (DMS) and a distributed energy resource management system (DERMS).
- Launch our outage management system which will enable us to predict outages more efficiently, reduce the duration of outages and provide instant alerts to customers.

2022 INFRASTRUCTURE RELIABILITY METRICS	PA PUC BENCHMARK	DLC ACTUAL
SAIFI ¹ <i>(interruptions/customer)</i>	1.17	0.92
SAIDI ² <i>(minutes)</i>	126	134
CAIDI ³ <i>(minutes)</i>	108	146

¹ Describes how often the average customer experiences an interruption.
² Describes the total duration of the average customer interruption.
³ Describes the average time required to restore service.





DLC Further Enhances Transmission Capacity, Reliability

In March 2022, DLC successfully completed construction of a 138-kilovolt (kV) transmission line as part of its Universal-Plum-Cheswick reliability project. The new line — which spans approximately five miles across the Penn Hills, Monroeville and Plum areas of Pittsburgh and is between DLC’s Universal and Plum substations — is necessary to meet increased electric demand and maintain safe and reliable service in eastern Allegheny County. Construction began in August 2020 and was completed in February 2022, two months ahead of schedule. During the project, we installed nearly four miles of 40 self-supporting steel monopoles on concrete foundations, and 1.5 miles of underground transmission conductor. The line also extends through Boyce Park, which covers more than 1,000 acres mostly in Plum Borough.

In September 2022, we announced our expanded partnership with LineVision Inc. to deploy additional dynamic line rating (DLR) sensors in our service territory. Following the initial launch of the DLR project in the summer of 2021, we have identified an average of 25% additional available capacity on transmission lines equipped with the technology, making it easier to expand the integration of renewable energy and meet our region’s growing demand for electricity. DLC is now preparing to use the gathered data in our operations. Through real-time visibility of line congestion and conditions, we can increase service reliability. The project aligns with our ongoing investment in innovative technologies and critical infrastructure to modernize the grid and advance a clean energy future for the Pittsburgh region. Currently, LineVision’s sensors are installed on 345kV lines and are providing data to our LineRate DLR application. As part of the expansion with LineVision, DLC will deploy additional sensors to monitor 138kV transmission lines.



At DLC, we believe everyone deserves to benefit from a clean energy future, and our organization plays a critical role in enabling southwestern Pennsylvania’s shift toward renewables. Having this level of visibility into the performance of our network helps us ensure a more responsive and flexible grid and arms us with the data to safely increase our lines’ load. DLC is committed to investing in advanced grid technologies to maintain a reliable, safe and resilient grid for our customers and region.”



Dr. Elizabeth Cook
Director of Advanced
Grid Solutions

Key Partnership

We have partnered with UrbanFootprint, the world’s first and only urban intelligence platform, to assess our infrastructure in context of the communities it serves and the surrounding environmental factors. With the insights gained from UrbanFootprint, DLC will be able to integrate data on infrastructure, climate hazards, population exposure and other relevant factors into a composite assessment of the communities’ resilience to grid-asset disruption or failure. This will enable us to account for the characteristics and sensitivities of our service population while making grid upgrade decisions. For more information, please see UrbanFootprint’s [case study](#) on DLC.



Energy Efficiency

DLC’s energy efficiency programs help customers conserve energy and reduce demand while lowering their electricity costs. We invite residential, commercial and industrial customers to take advantage of a wide range of energy efficiency and conservation measures. By participating in these programs, customers learn about ways to conserve energy and money and how they can reduce their overall impact on the environment through reduced power plant emissions and load reduction.¹ As we continue to pursue our long-term energy efficiency target, our current customer energy efficiency programs allow for the opportunity to re-invest electricity savings into further beneficial electrification.

2022 Highlights

- Enabled customers to participate in programs that helped them reduce 85,700 MWh across all customer segments according to Act 129 PUC Guidelines, which was equivalent to 40,866 tons of CO₂e. This is also equivalent to GHG emissions from 8,250 gas powered passenger vehicles driven for one year or 95,039,295 miles driven by an average gasoline powered passenger vehicle.²
- Issued more than 21,700 conservation kits to residential customers, including energy efficient lightbulbs and a nightlight.

- Participated in more than 40 in-person community events, distributing more than 17,500 energy efficient products.
- Enabled more than 60,600 customers to participate in non-behavioral energy efficiency programs.
- Issued more than 240,000 weekly energy usage emails to residential customers that provide conservation tips and insights. This includes 42,000 income eligible customers that receive weekly energy emails.
- Engaged several large non-residential customers to participate in energy efficiency programs.
- Successfully completed more than 3,100 visits through our Smart Comfort Program. Smart Comfort is DLC’s Low-Income Usage Reduction Program (LIURP). LIURP is a conservation weatherization program that helps customers reduce consumption and make their homes more comfortable. Weatherization measures include refrigerator replacement, lighting, insulation/weatherstripping and air conditioning replacement.
- Developed targeted lists for income-eligible customers with high electric consumption.
- Strengthened partnerships with local gas companies to complete joint income-eligible audits.



¹ [Act 129](#) programs are subject to the Pennsylvania Public Utility Commission’s (PA PUC) jurisdiction as mandated by Act 129 of 2008 ([HB 2200](#)). Currently, DLC is in phase IV, which is a five-year term ending on May 31, 2026. These programs are funded through a non-bypassable surcharge and are designed and available for all customers, residential and nonresidential.

² [Source: U.S. EPA Greenhouse Gas Equivalencies Calculator.](#)

Long-Term Energy Savings by May 31, 2026



348,126 MWh
reduced across all customer segments



166,005
**tons of Carbon
Dioxide Equivalent¹**



33,512
**gas powered GHG-emitting
passenger vehicles driven for one year¹**



386,063,591
**miles driven by an average gasoline
powered passenger vehicle¹**

Commitment to Progress

- Enable 62 MW from energy efficiency projects by May 31, 2026.
- Keep expenses within the 2% spending maximum as allowed under Act 129 with no cross subsidization among customer classes.
- Bid a portion of non-residential peak reduction into PJM's Forward Capacity Market in delivery year 2025/2026.

¹ [Source: U.S. EPA Greenhouse Gas Equivalencies Calculator.](#)

Biodiversity and Habitat

To provide safe and reliable service to our customers, DLC has a responsibility to manage the impact of vegetation on our infrastructure. Our right-of-way maintenance program applies best-management practices and technological advances from both the arboricultural and utility vegetation management industries. By proactively employing industry best practices for vegetation management along our overhead power lines, we can keep power flowing for our more than 600,000 customers.

We encourage utility-compatible vegetation through integrated vegetation management, which involves promoting desirable, stable, low-growing plant communities that resist invasion by tall-growing tree species through environmentally sound and cost-effective control methods. Management techniques include a combination of chemical, biological, cultural, mechanical and/

or manual treatments. DLC performs selective herbicide applications and manual/mechanical removal of noncompatible woody species along our infrastructure. Within transmission line corridors, we implement the wire zone-border zone method to promote healthy ecosystems.

We are proud to be a Tree Line USA award recipient for our vegetation management efforts. DLC's vegetation management program has been recognized nationally for 22 consecutive years by the Arbor Day Foundation and the National Association of State Foresters as a leader in the promotion of pruning and vegetation management best practice; training of line clearance crews; and tree advocacy in both the community and in public education.

Tree Voucher Program

DLC utilizes a tree voucher program to partner with customers and promote planting the right tree in the right place. During DLC's annual vegetation management maintenance cycle and infrastructure upgrades, trees are regularly pruned and removed as needed to provide clearance for electrical facilities. This maintenance practice provides the needed distance between vegetation and electrical wires for the safe and reliable operation of the grid. In instances where DLC needs to remove a non-utility compatible tree species from a customer's property, they may qualify for the tree voucher program. Qualifying customers receive tree vouchers, which can be redeemed at local participating nurseries. Customers can redeem these vouchers for a variety of utility-compatible trees, shrubs and flowers. The experts at the participating nurseries help advise the customers on the safest place to plant these items to enhance their landscaping without interfering with DLC facilities.

DLC Vegetation Management Employee Credentials

DLC's vegetation management team members acquire and maintain industry credentials in support of a utility vegetation management program, which is recognized as best in class and promotes industry best practice and professionalism. DLC vegetation management team members are expected to earn the following credentials:

- Pennsylvania Pesticide Applicators License
- International Society of Arboriculture (ISA) Certified Arborist
- ISA Certified Arborist Utility Specialist
- ISA Tree Risk Assessment Qualification (TRAQ)

Through these credentials, the DLC vegetation management team and its line clearance qualified tree professionals partner with communities to educate customers on the needs of an electric utility vegetation management program and professionally manage rights-of-way to enhance native biodiversity and habitat. The promotion of a low growing native shrub community minimizes the impact on the community and improves public perception.

Associations and Certifications





2022 Highlights

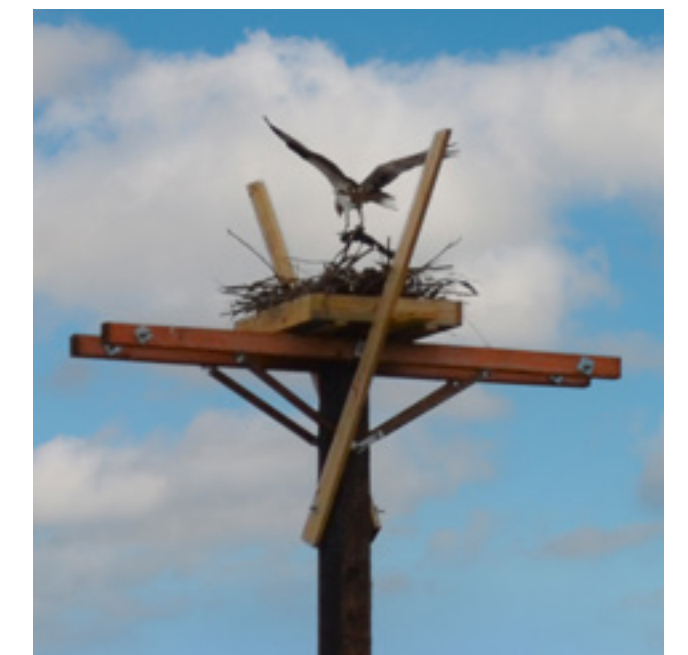
- 1,300 miles of distribution lines and 200+ miles of transmission lines inspected and maintained through our annual maintenance program.
- More than 500 tree vouchers issued to customers.
- Recognized with the Tree Line USA award for the 22nd consecutive year for promoting and implementing vegetation management best practices.
- Through DLC's Community Impact Grant program, supported two community gardens and pollinator education at Margaret Ross Elementary in Hopewell, Pennsylvania, and the Borough of Carnegie.
- Planted 158 trees through partnerships with Pittsburgh Pirates and Tree Pittsburgh.



50,000
trees will be maintained along
1,300 miles of power lines across
our service territory by DLC's
2023 tree maintenance plan

Osprey Nest Moved to New, Safer Heights

It's not uncommon for avian species to nest on our infrastructure. Over the years, our crews have gained experience in safely relocating ospreys. In 2019, a family of ospreys built a nest on an existing transmission tower in our McKeesport, Pennsylvania, service area. Given the danger to the birds and the risk of service interruption for customers, the nest needed to be relocated to a new pole to keep the birds safe and the power flowing. DLC crews moved the ospreys to a new, safer nesting spot atop an 85-foot pole with a custom-built nesting platform donated by the Erie Bird Observatory. Working closely with the Pennsylvania Game Commission, DLC's environmental and operations teams erected the new pole with the nesting platform in the same general area but safely away from live power lines. Within hours, the ospreys were seen flying over the new platform and bringing sticks to build a nest.





Powering People





Putting People First

We strive to be a leader in social responsibility with a dedicated focus on supporting our customers, communities and employees. We are investing in our people and region as a whole to ensure a healthier, cleaner and more equitable future for all. Our customers depend on us to provide reliable, safe, resilient and affordable service. As their needs evolve, they expect more from the companies with which they do business. That is why we continue to invest in programs, solutions and services that enable us to further enhance customer experience and support growth within our region.

We are proud of the commitments we have made to our employees to ensure their continued safety, development and inclusion in the workplace. We practice the highest standards of health and safety and strive to create a work environment where everyone can be their own authentic self. By offering continuous development opportunities, we empower all employees to have a voice and a seat at the table, while maintaining a diverse, skilled and successful workforce.

Outside of DLC, we are committed to supporting and investing in our local communities. As an essential service provider, we are helping set the stage for future generations to thrive by delivering exceptional results today while boldly harnessing opportunities for tomorrow.

Customer Relations

Our customers have always been at the center of everything we do. For more than 100 years, we have consistently delivered on our commitment to power our communities and the moments that matter in our customers’ lives. We continue to invest in programs, partnerships and projects to maintain the level of service our customers have come to expect from us while meeting their evolving needs.

In recent years, we have worked to amplify proactive, effective outreach to our customers to raise awareness on issues that matter to them, including energy efficiency, supplier choice, payment assistance and more. We have also increased communication related to severe weather events to ensure that our customers are well informed on how to prepare and stay safe in the event of an outage.

We also understand that many customers have faced challenging times throughout the COVID-19 pandemic, with many finding it difficult to pay their energy bills. We remain steadfast in consistently promoting programs, services and other resources to help our customers in need.

As DLC takes steps toward a clean energy future for all, it’s paramount that no one gets left behind. We will continue ensuring that the transition to clean energy is equitable and benefits every customer and community we serve.

New Development Connections Group

DLC’s New Development Connections (NDC) team plays a key role in empowering businesses to build the infrastructure of the future while also supporting customers and local communities. The group was formed to help DLC continue meeting customer demand for forward-thinking solutions. Our NDC team creates and nurtures relationships between DLC and commercial, residential and industrial project developers that are engaged in large-scale construction projects throughout the Pittsburgh region.

The team serves as a single point of contact for developers and is responsible for clearly communicating customer needs throughout a project. The NDC team primarily supports large commercial and industrial projects for customers with load greater than 5MW and other high-profile projects for commercial customers. The group also focuses on ventures with the City of Pittsburgh and Allegheny County, among others.



2022 DLC Customer Breakdown

Residential	546,395
Commercial	61,180
Industrial	1,048
Other ¹	1,144
Total:	609,767

¹ Includes DLC company accounts and lighting accounts. DLC company accounts refer to the electricity that is being consumed at the premise by DLC. Lighting accounts include municipal streetlights, highway streetlights and private area lighting.

Affordability and Access

Our customers count on us every day for the energy they need. We recognize our responsibility to keep bills affordable and serve as the trusted energy provider in the Pittsburgh region. We strive to create and deliver impactful communications to customers about price and value through multiple means, including supplier shopping and price to compare (PTC) education, energy efficiency programs, energy assistance, products and services and more. Channels of delivery include customer service representatives (CSRs), email, website and mobile applications, interactive voice response (IVR), short message service (SMS) texting, voice calls, bill alerts, physical letters, social media, advertising and media outreach.



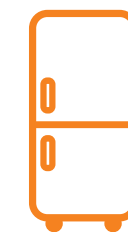
DLC's Energy-Saving Programs

DLC offers our customers several ways to save on their electricity bills by offering the following programs:



Money-saving rebates

- DLC provides rebates on a wide range of energy-saving devices, such as air conditioners, occupancy sensors, dehumidifiers, insulation and furnaces.



Appliance recycling

- DLC's Watt Choices program pays customers \$50 to recycle old, energy-wasting refrigerators or freezers.
- Additional rebates are available for old room air conditioning units and dehumidifiers.
- DLC will remove old appliances at no charge to our customers.



Whole-house energy audit

- The Residential Comprehensive Audit provides DLC customers a professional energy audit, complete with suggestions on how to reduce energy usage and save money.
- DLC offers up to \$275 in rebates for customers who participate in the Residential Comprehensive Audit program.



Online marketplace

- DLC's online store offers a convenient way to shop from home and compare low prices on energy-saving appliances and products.



Free energy conservation kits

- Contain two energy efficient LED light bulbs and one LED nightlight.

2022 Highlights

During 2022, DLC worked diligently to help customers in need of financial assistance and provided educational tools to help customers make important decisions related to their energy bills.

- Following elevated delinquency levels in 2020 and 2021, DLC achieved pre-pandemic performance.
- DLC assisted approximately 32,000 residential customers in securing more than \$13 million in grant funding from sources, including the company's own hardship fund, which is administered by Dollar Energy Fund, as well as the Low-Income Home Energy Assistance Program (LIHEAP), the Pennsylvania Homeowners Assistance Fund and the Emergency Rental Assistance Program, among others. For example, we implemented a

targeted multi-channel campaign (email, phone and text) connecting qualified customers to more than \$54,000 through Dollar Energy Fund in April 2022. Additionally, DLC expanded eligibility to 300% of the federal poverty income guidelines and increased funding to Dollar Energy Fund (\$1 million in 2022 and 2023).

- Increased enrollment in our Customer Assistance Program (CAP) by ~3,000 more customers than have traditionally been enrolled, all while keeping total CAP delinquency about flat. Enrolled customers have received over \$40 million in CAP discounts and frozen arrearage discounts.
- Reviewed and updated new mobile application design launched in May 2022 for accessibility and Americans with Disabilities Act (ADA) compliance.
- Promoted a budget billing program for customers looking for more consistent bills each month. For this program, our targeted emails and newsletters achieved a 47% and 51% open rate, respectively.
- More than doubled enrollments for online account alerts; the top three alerts are bill due, bill past due and payment received.
- Adoption of electronic billing increased by 8% in 2022; approximately 40% of our customers have enrolled in this option.

- DLC online account registrations increased by 7% in 2022; approximately 60% of our customers now have a registered online account.
- Increased DLC mobile application users by 25% compared to 2021.

Commitment to Progress

- We will seek to simplify the application process for customers who are income-eligible for multiple assistance programs.
- Implement two-way SMS messaging to better serve customers who prefer to interact via text.
- Enhance IVR in ways that will allow customers to seamlessly transition to SMS without talking to an agent.
- Increase self-service utilization so that customers can seek assistance on their schedule, reducing the need to make a call to our contact center.
- Increase digital adoption through participation in programs like e-bill and increased online account enrollment.
- DLC will continue to create simple and efficient automated, self-serve solutions on a variety of communication platforms to best service our customers in their channel of choice.



Recognition

In 2022, DLC received distinction in a performance study that named the electric utility a “2022 Most Trusted Utility Brand” for U.S. residents. The award, given by Cogent Syndicated, established DLC as one of the top 39 out of the 140 largest U.S. utilities from the list compiled by Escalent, a top human behavior and analytics advisory firm with extensive energy and utility experience. Utilities named as Most Trusted Brands are selected based on having Brand Trust Index scores in the top decile of the industry; top score within their respective benchmark segment; or having a Brand Trust Index score within 20 points of the top benchmark segment score and above the industry average. On a scale ranging from one to 1,000, DLC posted an index score of 710 and earned a top three spot among electric utilities in the east region.

77%
of our customers participating
in financial assistance programs
report high satisfaction

68.9%
overall customer
satisfaction

Philanthropy and Volunteering

Our goal is bigger than keeping the lights on. We want our communities to thrive, so we provide a lot more than safe and reliable power. We are continually investing resources to ensure our infrastructure meets the region's needs today and future electrical demands of tomorrow. Whether we are starting initiatives that enhance quality of life or contributing to the region's economic growth, our goal is the same — to build strong and vibrant communities where we all can thrive. We believe that our distinct community programs — Charitable Giving and Community Impact Grants — help us to accomplish these goals. We are helping to create and foster healthy, vibrant communities across our service territory through charitable donations and employee volunteerism.



Charitable Giving

Nonprofit organizations located within our service territory are encouraged to apply for financial support through our corporate charitable giving program, which is organized to fund programs and opportunities that fall under the following three pillars:



Social and Economic Equity – Funding will support community development projects and initiatives with a focus towards communities and populations that are historically disenfranchised.



Workforce Development – Funding will support initiatives and programs that focus on K-12 education in the areas of science, technology, engineering, arts and math (STEAM). Additionally, funds may also support career readiness, mentoring and workforce-based training for individuals in the energy and utility sector with a special focus on opportunities for veterans, woman and BIPOC communities.



Sustainable Communities – Funding will support programs and projects that ensure the protection of our environment and green spaces along with projects that promote community safety and resiliency.

In addition to DLC's Charitable Giving program, we also have a Community Impact Grants microgrant program. Started in 2021, our microgrant program is aimed at funding projects and programs that support diverse grassroots community organizations, thereby strengthening community organizations who are working on-the-ground to help our communities thrive. Organizations must have an annual operating budget equal to or less than \$500,000 to be considered for this program.

Being selfless in the service of our communities is core to our mission across DLC. Our annual employee giving campaign, Campaign for the Community, enables our workforce to support the causes and organizations they are passionate about through monetary contributions. Each employee is granted up to \$2,500 in matching funds for qualifying organizations in our service territory. Our employees pledged over \$340,000 during the 2022 campaign.

Volunteering

Our organization encourages employees to participate in non-profit and charitable volunteer events and activities for organizations and causes in their communities. Doing so aligns with our vision to deliver a clean energy future for all by supporting the overall health and wellbeing of the region.

Our volunteer program is a core component of our community engagement efforts. Employees are permitted to volunteer throughout the year with organizations that most align with their area of interest. Our volunteer opportunities include in-person, as well as virtual experiences, adapted to meet the needs of our employees and community partners. In addition, we have several employees who dedicate their time to serving on various nonprofit boards.

Notably, throughout the COVID-19 pandemic, our employees were able to continue volunteering while adhering to the recommended safety protocols and procedures. In 2020, employees completed over 1,500 hours of volunteer service despite the challenges of COVID lockdowns and closures. Additionally, once these closures abated, we bounced back to near-historic levels of volunteerism in 2021 with more than 3,200 hours.

2022 Highlights



- Approximately 70% of DLC's charitable dollars were given to diverse led nonprofits, organizations led by women, gender non-conforming and/or BIPOC leaders.
- Community Impact Grants were distributed to 40 organizations.
- Employees participated in 107 volunteer events which resulted in over 4,000 hours of service supporting our local communities.
- Employees pledged over \$340,000 during the annual Campaign for the Community.





Commitment to Progress

- Grant at least \$5 million to diverse led non-profits in our service territory for work impacting social and economic equity, workforce development and sustainability initiatives between 2022 and 2026.
- Continue to support our communities in a holistic way by investing \$2 million a year in charitable giving initiatives.



\$5 million

in grants to diverse led non-profits in our service territory for work impacting social and economic equity, workforce development and sustainability initiatives is planned between 2022 and 2026

Pirates, DLC Plant More Than 100 Trees in Pittsburgh

The DLC Power Hitters program is a joint initiative to plant a tree for every homerun hit by the Pittsburgh Pirates Major League Baseball team, aimed at addressing heat island effect. Buildings, roads and other infrastructure absorb the sun's heat causing the surrounding area to become warmer by one to seven degrees Fahrenheit. Planting trees and increasing biodiversity in urban areas helps improve air quality, provide habits and biodiversity for animals and reduce temperatures.

The Power Hitters initiative relies on the expertise of Tree Pittsburgh to identify new planting sites, maintain tree health and to host educational sessions at volunteer events. Since the program started in 2021, the initiative has supported 282 new utility friendly trees planted in Pittsburgh (124 trees in 2021 and 158 trees in 2022). DLC employees play a critical role in planting the trees and over 60 volunteers supported nine tree planting events in 2021 and 2022.



Diversity, Equity and Inclusion (DEI)

DLC is committed to fostering a diverse, equitable and inclusive workplace where all employees feel valued, respected and energized. We are building a new table together where each employee can bring their whole self to work, and our company is reflective of the communities we serve. Our DEI efforts are focused in three key areas: workplace, marketplace and community:



Workplace (Talent and Culture): Be recognized as a trusted and inclusive employer of choice in our region by attracting, developing, retaining and mentoring a workforce that is reflective of the communities we serve. Sustainability drives our cultural growth by cultivating a workplace environment of inclusion where all voices are heard, respected, valued and engaged, resulting in a workforce that sparks new and bright ideas for business success.



Marketplace (Customer and Supplier Diversity): Leverage diverse perspectives to better serve our communities and enhance customer satisfaction through culturally competent, positive experiences. Support procurement in its efforts to grow our supplier diversity program and create sustainable business opportunities for diverse suppliers in our region.



Community: Serve as a responsible steward in our communities. Lead in charitable giving and volunteerism efforts, which support organizations serving diverse communities and missions.

2022 Highlights

- 213 managers completed our Excellence in Interviewing training, which provides managers with tools and best practices in interviewing and evaluating candidates with objectivity, fairness, equity and effectiveness.
- Implemented a new self-ID demographic category for lesbian, gay, bisexual, transgender and queer (LGBTQ+) employees.
- Launched a new Business Employee Resource Group (BERG) for LGBTQ+ employees, PRISM, and a new Ally Circle, ConnectGen. These are in addition to our existing BERGs focused on women, Black/African Americans and veterans.
- Released our first-ever [Pay Equity Report \(PDF\)](#), which found equitable salaries across genders, races and ethnicities with near parity in non-union roles.
- Made inclusive enhancements to our Electrical Distribution Technology (EDT) program to remove barriers and increase access to opportunities, such as providing fully paid tuition, eliminating video interview stages, offering training resources for the Construction and Skilled Trades (CAST) exam and introducing a Borrowed Boots Program, which allows applicants to borrow equipment at key testing stages.
- Conducted 18 hours of women-focused listening tour sessions to learn more about the unique experiences of our employees and identify opportunities and challenges.
- Earned a Top 10 Employer Award and a Top 10 Supplier Diversity Program Award from Military Friendly.
- Used data analytics to study, improve and report on DEI in our workplace.

Commitment to Progress

- We will continue to strive to reflect the communities we serve within our workforce.
- We will be identified as a trusted and inclusive employer of choice in our region – a best place to work, where all employees feel valued, respected and included.
- We will continue to enhance our practices, policies and programs with inclusion and equity as a priority.
- We will continue to support efforts that enable all the communities we serve to thrive – increasing access to life-changing career opportunities in our industry, corporate giving and volunteerism and doing business with diverse suppliers.

Employee Demographics

DLC Workforce *(as of December 31, 2022)*

Employee Counts	
Total Number of Employees	1,725
Number of Full-Time Employees	1,719
Number of Part-Time Employees	6
Number of Union Employees	871
Number of Non-Union Employees	854
Workforce Diversity	
Females as Percent of Workforce	28.3%
Males as Percent of Workforce	71.7%
Employees Identifying as White ¹	85.7%
Employees Identifying as Black, Indigenous and People of Color (BIPOC)	14.3%
Veterans as Percent of Workforce	7.8%
Individuals with Disabilities (IWD) as Percent of Workforce	3.4%
% Employees Aged under 30 Years Old	15.2%
% Employees Ages 30 to 50 Years Old	58.1%
% Employees Aged 51 Years Old and Over	26.7%
% Employees Traditionalist Generation (1945 and Before)	0.1%
% Employees Baby Boomer Generation (1946 - 1964)	13.3%
% Employees Generation X (1965 - 1980)	30.8%
% Employees Millennial Generation (1981 - 1996)	49.9%
% Employees Generation Z (1997 and Beyond)	6.0%
Overall Workforce Diversity ²	43.8%

¹ Includes individuals who prefer not to identify.

² Count of employees who are female, BIPOC, veteran or IWD.

³ Career levels including Director and above.

⁴ Calculated as diverse segment new hires divided by total new hires.

⁵ Calculated as voluntary resignations of diverse segment divided by diverse segment population. Does not include involuntary terminations or retirements.

Senior Leadership Diversity ³	
Females as Percent of Leadership	37.2%
Males as Percent of Leadership	62.8%
Leadership Identifying as White	86.0%
Leadership Identifying as Black, Indigenous and People of Color (BIPOC)	14.0%
Overall Senior Leadership Diversity	46.5%

Workforce Race/Ethnicity Breakdown	
American Indian or Alaska Native (Not Hispanic or Latino)	0.3%
Asian (Not Hispanic or Latino)	2.4%
Black or African American (Not Hispanic or Latino)	9.2%
Hispanic or Latino	1.2%
White (Not Hispanic or Latino)	85.7%
Two or More Races (Not Hispanic or Latino)	1.3%

Talent Movement	
Voluntary Turnover as Percent of Workforce	5.5%
New Hires Rate ⁴	
Female	29.0%
Male	71.0%
BIPOC	15.6%
White ¹	84.4%

Voluntary Resignation Rate ⁵	
Female	6.6%
Male	5.1%
BIPOC	6.1%
White ¹	5.4%

DEI Council

DLC’s DEI council, which includes a seat representing every function within the company, powers community, culture and talent engagement through the advancement of DEI initiatives across the company, including our Business Employee Resource Groups and Ally Circles. Specifically, our DEI council is comprised of 19 members from all areas of DLC and sponsored by our chief executive officer and chief human resources officer. Since its inception in 2019, the DEI council has led efforts in recognizing cultural heritage months throughout the year as an opportunity for employees to learn more about DEI, volunteer in the community and network. The council champions and promotes DEI efforts across DLC and works with executive sponsors to generate new ideas that advance equity and inclusion.

Business Employee Resource Groups

DLC is dedicated to cultivating a diverse and inclusive workplace where employees feel valued, respected and energized. We pursue a way of doing business that continues to evolve and embed diversity and inclusion into everything we do. Business Employee Resource Groups (BERGs) and Ally Circles are voluntary, employee-led groups that support and drive these efforts through engagement, networking, leadership, volunteerism and special initiatives. BERGs and Ally Circles are open to all employees and each one has sponsorship and participation from company officers.

Ally Circles



ConnectGen

ConnectGen represents different generations in the workplace. This Ally Circle is committed to promoting cross-generational learning, mentoring and understanding. Its mission is to support the success of and create a sense of belonging across all generations in the workplace.

BERGs



EmpowerHer - Women’s Business Employee Resource Group

Supports the inclusion and development of women in energy and utilities, enhancing our efforts to build an inclusive workplace where all employees feel valued, respected and engaged.



BRIDGE - Building Respect, Inclusion and Diversity by focusing on the Growth of Employee Excellence and Engagement

BRIDGE is culturally driven to educate and support its members and community by bringing opportunity and awareness to the movement for a diverse and inclusive future.



A-VETS - Allies and Veterans Energized to Serve

A-VETS supports the inclusion of veterans by connecting with veteran talent in our region and raising awareness around the unique challenges and experiences that veterans face in the community and within the workforce.



PRISM - Pride, Respect, Inclusion, Solidarity and Mindfulness

PRISM builds mutual respect and inclusion for LGBTQ+ DLC employees, allies and the communities we serve through education and engagement.



DLC Releases Pay Equity Analysis

In August 2022, DLC issued its first-ever pay equity report, titled “Building a New Table Together: An Addendum on Hiring Practices and Pay Equity.” The pay study, conducted in late 2020 by an outside firm, assessed gender-, race- and ethnicity-based equity in the base annual salaries of non-union employees at DLC. Results showed equitable salaries across genders, races and ethnicities with near parity. On average, women are paid 99.72% of what men are paid at DLC, and Black/African Americans, Asian Americans and Hispanics are paid 100.73% of what white employees are paid. The organization intends to reexamine pay data every few years to ensure continued equity.

“

As our workforce becomes more representative of the communities we serve, we benefit from the diversity of thought that these team members bring to our company. Welcoming all employees to an accepting, inclusive environment where they are valued and respected for their work is a vital way for us to recruit and retain talent while better serving our customers and communities.”



Christine Waller
Vice President of
Communications and
Corporate Responsibility

Talent Management

Employees are DLC’s most important asset. DLC invests in our skilled labor by providing workforce development opportunities that allow employees to gain the necessary skills to be safe and successful in the workplace. We are preparing employees for the future of work in the utility industry, with topics such as digitization, artificial intelligence and the internet of things. Promoting the professional growth of employees to adapt to changing organization and business needs creates an environment where we can both be successful. We strive for employees’ full involvement in and enthusiasm for their work, including a positive emotional attachment to our organization.

We utilize an integrated talent management strategy, which is a cohesive approach to recruitment; diversity, equity and inclusion; people development; performance management; compensation; leadership; and succession planning. The strategy is designed to engage, grow and retain talent, which allows the organization to respond to business needs rapidly and effectively.



Benefits and Compensation

DLC provides employees with a comprehensive benefits package, including:



- **Health Benefits:** Medical, prescription drugs, dental, vision and health savings account.



- **Paid Time Off:** Vacation days, personal days, convenience days and paid holidays.



- **Leaves of Absence:** Maternity, paternity, adoption and bereavement.



- **Disability Benefits:** Short-term and long-term.



- **401(k) Retirement Plan:** Company contribution of 5% and additional 50¢ for every dollar contributed up to 6%.



- **Life Insurance Options:** Basic and supplemental, spouse/child Life, supplemental AD&D and business travel accident.



- **Employee Assistance Programs:** Education assistance, wellness benefits and pet insurance.



- **Flexible Spending Accounts:** Dependent care, transportation and parking.

Training and Education

Required Employee Training

All employees at DLC are required to complete the following computer-based training annually:

- Conflict of Interest Training
- FERC Standards of Conduct Training
- Policies for Ethical Conduct Training
- Data Privacy and Security Training
- Safety Training

Coffee With...Series

To help employees regularly talk and connect, we started a virtual series “Coffee With...” that is open to all employees. The video conference call takes place every week and features a new guest available to answer questions and discuss relevant business updates.

Utility 101 Educational Series

This series aims to educate attendees on a range of topics relevant to our workforce. It’s particularly relevant to those who are new to the utility industry, as well as those seeking a refresher course or are simply interested in expanding their knowledge base. Examples of topics covered include ratemaking, impact of DERs, regulatory strategy and the evolution of the grid.

Technology Training Series and Mentoring Program

The Technology Training Series is designed to educate participants on a range of practical technology-related topics. In addition to the Technology Training Series, is the Technology Training Mentoring Program. Designed to help participants overcome technical difficulties and accelerate their use of technology, this program matches employees with a skilled mentor to point them to the appropriate DLC training resources or offer employees limited one-on-one coaching.

Tuition Reimbursement Program

DLC’s tuition reimbursement program provides mutually beneficial opportunities for growth. Full and select-time employees enrolled in a degree program related to DLC’s business needs can apply for the tuition reimbursement program. Academic degrees and vocational trainings are generally approved if employees contribute to on-the-job skills, knowledge or judgment required for any position within DLC.





Listening to Our Employees

To support our workforce, we believe it is vital to collect feedback from employees. That is why DLC conducts an annual Employee Engagement Survey. After pausing our Employee Engagement Survey in 2020, due to the COVID-19 pandemic, we resumed the process in 2021. For our 2022 Engagement Survey, we received strong participation, with 67% of employees responding to the survey. Additionally, 64% of DLC employees had a favorable engagement level in 2022.

Electrical Distribution Technology Program

Our EDT program is a partnership between the Community College of Allegheny County (CCAC) and DLC. It provides training in the basic skills, knowledge and abilities applicants would need to apply for skilled craft positions in the electric utility industry. The program design, including pre-qualification testing and course content, is intended to not only produce candidates who possess the skills to safely and confidently perform the manual tasks associated with electrical utility work, but also build the foundational skills that will allow them to advance professionally.

The EDT program consists of a fast-paced and challenging curriculum that incorporates practical application of safety concepts and established work practices in the overhead, underground and substation maintenance crafts with college-level academic courses in computers, math and electrical theory. This is a full-time program where students attend classes Monday through Friday, both day and evening. Upon completing the one-year, 32-credit course, students receive a Certificate in Electrical Distribution Technology.

DLC will pay 100% of tuition for all successful applicants in the 2023-2024 class. That means each student will attend the program for free. There are also two paid internships at the end of each semester as part of the program. Students also have the opportunity to obtain a free 'Class A' CDL license upon passing the driver's test.

Upon graduation, students who have excelled during the program and demonstrated the proper skills and attitudes will be considered for employment with DLC through its standard hiring practices.

For more information, please visit our [EDT Program](#) webpage.

Lineworker Prep Program

Our Lineworker Prep Program is another partnership between DLC and CCAC. It is designed to help students bolster math and comprehensive reading skills, which are required to pass the Construction and Skilled Trades (CAST) exam. This paid program seeks recent graduates and high school students. Those who pass will be invited to apply to the next phase of the full EDT program, and participants who pass the CAST exam have an opportunity to complete a free driver's education training.

Internship Program

DLC offers paid summer internships that provide a hands-on, meaningful employment opportunity in a supportive setting that cultivates learning and collaboration. Our internship program provides students with a valuable experience and a solid start to their careers with placements in all areas of our business. We pride ourselves on giving students opportunities to collaborate with full-time employees, while working on priority initiatives within our organization. Most internships are based in Pittsburgh, PA. They begin in mid-May and end in early August. The project-driven program provides personal and professional opportunities, as well as networking and social activities.

For more information, please visit our [Internships](#) webpage.

Leading the Future of Work

DLC is reshaping the future of work by offering flexible working arrangements that include a hybrid model. The hybrid work model began in January 2022. With this approach, we aim to drive an employee-centric culture of inclusion, agility and empowerment through the combination of on-site and remote work. With safety being our number one priority, we will continue to follow local, state and federal guidelines at DLC.

2022 Highlights

- LinkedIn Learning was added as DLC’s newest e-learning resource for employees. This dynamic, award-winning online training platform was launched as a tool to help build a more resilient culture of learning and development, which is a frequent request we have received through our Employee Engagement Surveys.
- Invested in Learning Management System to deliver and track all training.

Freedom of Association

DLC respects the right of its employees to bargain collectively. Approximately half of our employees are union members, and we are committed to building and maintaining a relationship with the local union that represents them. At the end of 2022, 51% of our workforce was covered by a collective bargaining agreement. Union employees at DLC are represented by the International Brotherhood of Electrical Workers (IBEW) Local 29.



DLC, IBEW Local 29 Strengthening Future Workforce Through Flagship Apprenticeship Program

In December 2022, DLC announced a first-of-its-kind apprenticeship program for overhead lineworkers in partnership with the International Brotherhood of Electrical Lineworkers (IBEW) Local 29. The flagship program received unanimous approval from the Apprenticeship and Training Office within Pennsylvania’s Department of Labor and Industry. Through the program, our overhead lineworkers will have an opportunity to become accredited journey-level workers, indicating that an individual has completed a registered apprenticeship that provides extensive hands-on and classroom training.

The apprenticeship program is the first to be offered within the electric utility industry in the U.S., where participants are given the occupation title of overhead lineworker apprentice. It is also the first IBEW program to be registered in Pennsylvania in nearly 25 years — a step that DLC and IBEW Local 29 hope will increase visibility and confidence in the education provided to lineworker applicants and apprentices.

DLC and IBEW Local 29 have used an apprenticeship model for decades to successfully train future lineworkers. Under the new apprenticeship program, IBEW Local 29 members can receive state and federal recognition for the skills they learn on the job, setting the bar even higher for quality, safe and comprehensive lineworker training.

For more information, see our press release [here](#).

Health and Safety

Workplace Health and Safety

Protecting the safety and well-being of our employees, our customers and the public is critical to our vision of being both a great company and a good corporate citizen. We owe it to each employee, contractor and service provider to be able to finish their work free of work-related injuries or illnesses and return home safely each day. Our customers deserve safe, reliable and affordable services that can only be delivered if we consistently operate in a safe manner. Our shareholders must be confident that our management team is demonstrating proper leadership to ensure that our most important asset – our people – are prepared, equipped and led in a way that achieves our vision. As we build a more collaborative and inclusive vision for safety, every individual will be asked to contribute to making it a reality.

2022 Highlights

- Implemented life-saving safety rules.
- Expanded leadership safety skills and knowledge courses rolled out to the organization.
- Identified improvement opportunities in tracking regulatory-required safety training.
- Introduced human and organizational performance concepts.

Commitment to Progress

- Operate the business free from all serious injury or fatality and/or potential serious injury and fatality events.
- Continuous risk reduction at specific task level.
- Improve workforce safety and skills training.

DLC Employee Safety Performance

	2022
OSHA Recordable Incidents ¹	20
OSHA Recordable Rate ²	1.08
OSHA Lost Time Incidents.....	3
OSHA Lost Time Rate ³	0.16
OSHA DART Incidents ⁴	10
OSHA DART Rate ⁵	0.54
Total Hours Worked	3,710,041.70
Work-Related Fatalities	0
PMVA Incidents ⁶	20
PMVA Rate ⁶	5.03

¹ An occupational injury or illness that requires medical treatment more than basic first aid and must be reported on OSHA Form 300.
² Reflects the number of YTD incidents multiplied by 200,000 then divided by YTD productive work hours, where 200,000 is the industry average number of hours worked per 100 employees per year.
³ The number of days away from work due to work-related injuries or illnesses, per 100 employees.
⁴ DART: Days Away, Restricted or Transferred. A DART case is a subset of OSHA recordable cases where the injury/illness is severe enough that the individual loses time away from his/her job by being away from work, on restricted duty, or is transferred to another job function because of the injury.
⁵ The number of work-related injuries or illnesses that result in days away from work, restricted work or job transfer, per 100 employees.
⁶ Preventable Motor Vehicle Accidents (PMVA).



DLC Implements New, Lifesaving Safety Rules

At DLC, safety, in all its forms, is our first and most important value. We have a responsibility to ensure anyone who operates on or around our facilities and equipment can do so without harm or injury. Our employees, who tirelessly dedicate their time and talent to each other, the company and our customers are very important to the entire DLC leadership team. We will leave no stone unturned when it comes to adopting policies, procedures and best practices that can minimize pain, suffering and potential loss of life.

Guided by this spirit, we implemented three life-saving safety rules in 2022. These rules will focus on preventing our employees from sustaining life-threatening injuries and cover the three highest safety risk activities, which aligns with industry-wide analysis, and are as follows:

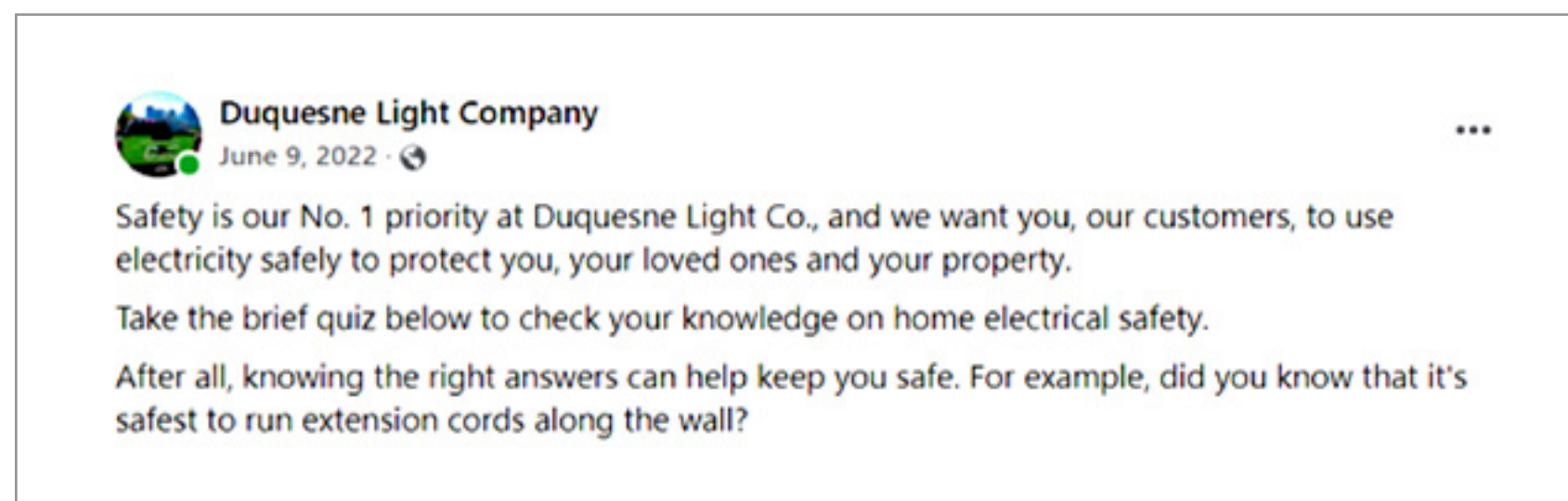
- **Rule 1: Electrical Work** – For tasks that require working on or near 600V and above, proper personal protective equipment (PPE) must be worn. The type of PPE required depends upon the work activities and may include protective equipment, such as gloves, sleeves, dielectric boots and hot sticks.
- **Rule 2: Work from Heights** – When working from aerial equipment or a pole, fall protection must be used. This includes protective equipment, such as a properly worn harness that is tethered every time.
- **Rule 3: Confined and Enclosed Space Work** – When entering confined and enclosed spaces to work, conditions must be established to enter safely. This includes safeguards, such as air monitoring, rescue devices, properly worn harness, retrieval line and the use of infrared technology where appropriate.

Public Health and Safety

In addition to employee safety, DLC strives to be an excellent steward of public safety. Our public safety efforts are largely comprised of educational outreach programs and campaigns. DLC offers the following educational resources to customers:

- We provide educational resources to our customers regarding deceptive marketing and scams. We inform our customers on specific deceptive actions to look out for and provide a webpage to report deceptive marketing tactics.
- We publish safety requirements for the tree care profession, which contains life-saving information for clients of tree care workers and tree care workers performing work near electrical facilities.
- We inform customers on how to safely navigate areas with downed power lines.
- We offer training tips, videos and case studies on electrical safety for contractors.
- We utilize social media channels, including Facebook, Twitter, Instagram and LinkedIn, to share safety posts with the public.

Example Customer Safety Social Media Post





Responsible Performance



At DLC, we reinforce the importance of good governance and ethical practices to maintain a resilient and responsible organization. These practices are integral in delivering high-quality service to our customers and operating a respectful workplace. We work to establish a culture of high performance while innovating new technologies that enhance and stabilize our electric grid.

We are also committed to reinforcing the importance of ethics and compliance. We empower our employees to call attention to behaviors or practices that are not in alignment with our commitment to managing key governance topics. Employees are encouraged to raise issues that concern them, and we guarantee that they have the proper resources to do so in a manner that is reflective of our commitment to ethics and compliance. In addition, we safeguard personal and critical information by placing an emphasis on cybersecurity and continuing to identify and manage organizational risks in ways that enable us to be successful.

Enterprise Risk Management

Risks and threats of varying degrees are present every day and most are not unique to DLC as a business providing customers with an essential service. The approach to risk management can and should differ by company, and we understand that a successful ESG strategy goes hand in hand with effective risk management. We are constantly working to identify and evaluate any emerging risks which may impact our business and industry. We do this by leveraging our established enterprise risk management philosophy to ensure that risks associated with climate change are identified, assessed and managed.

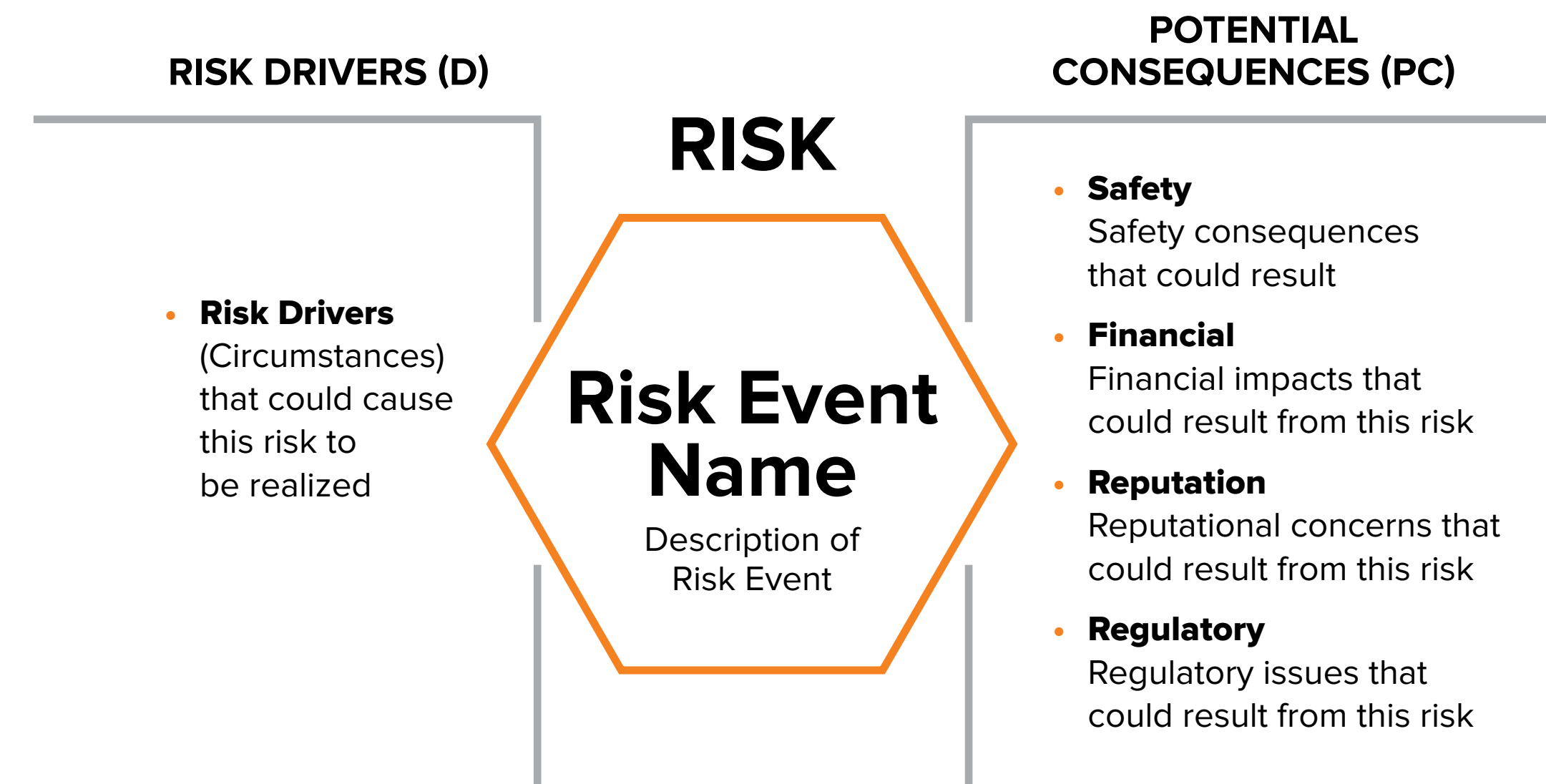
To understand and manage climate-related risks effectively, we include relevant issues identified during our materiality assessment in the enterprise risk management (ERM) process. The ERM team facilitates processes designed to effectively identify, assess, mitigate, monitor and report material risks. All risks noted in the enterprise risk portfolio are aligned within four categories: financial, regulatory, operational or strategic. Mitigation efforts of material risks are monitored and reported to track and update the overall risk profile of the company.

While we cannot predict the future, we recognize that climate-related risks could have a material impact on our business. These threats include physical risks to infrastructure from potential chronic issues like changing weather patterns, as well as the potential for more frequent extreme weather events. We are committed to a clean energy future for all, which presents additional transition risks within the regulatory environment, including the need to meet both evolving expectations from our customers, while making meaningful

investments in technology to support an equitable clean energy transition. We continue to evaluate and refine our understanding of physical and transition risks as they relate to climate change, both now and in the future.

The Audit Committee of the Board has ultimate oversight of the ERM program, including those material risks associated with climate change. The management of risks, at the highest level, lies with the Enterprise Risk Management Committee (ERMC). The ERMC is made up of the company's executive leadership team (ELT), who meet regularly to discuss all material risks, available mitigation opportunities and further ERM program evolution. Responsibility of mitigation planning and execution is delegated to risk owners, who are assigned these duties according to their individual knowledge, ability and expertise in the areas essential to managing each specific risk. In addition to quarterly reporting to the Audit Committee and to further drive visibility into risk mitigation efforts, monthly mitigation progress is reported to the Asset Management Committee of the Board. This reporting structure generates meaningful dialogue to ensure effective oversight of the company's material risks.

DLC ERM Model to Assess Risk



Cybersecurity

DLC understands the importance of securing our information technology networks against cyber threats. As more information becomes digitized, it is essential that we protect the integrity of our customers’ and employees’ private information, as well as the safety of the critical infrastructure we operate and maintain.

We have a Chief Information Security Officer (CISO) who is responsible for DLC’s cybersecurity strategy and execution. This individual reports to the Board Audit Committee on a quarterly basis. Additionally, the CISO participates in DLC’s Executive Reliability Steering Committee.

Our cybersecurity program is centralized in one organization to provide governance and execution for the entire company. The program is designed to provide a holistic forward-looking view of cybersecurity risk. Furthermore, DLC’s program is organized to protect, detect, respond to and recover from cyber-attacks to safeguard the people, processes, technology and assets required to deliver affordable, reliable energy and other essential services. Our approach to cybersecurity enables our business through

information security capabilities, which are adaptive, innovative, risk based and designed to ensure operational integrity, compliance and availability of our services. The program defines, communicates and supports cybersecurity risk decision accountability and aligns cybersecurity risk management with business priorities and strategy.

We align our cybersecurity strategy with the National Institute of Standards and Technology Cybersecurity Framework for Securing Critical Infrastructure (NIST CSF). DLC also complies with the North American Electric Reliability Corporation Critical Infrastructure Protection Standards (NERC CIP). In addition to these alignments, DLC partners with the U.S. government; federal and state law enforcement and security agencies; and industry peers for threat and information sharing.

Internally, we achieve information security risk management through teamwork across all business units, employees and external partners. We ensure all employees understand their role in protecting DLC’s assets and how their behaviors effect information security risk

management. We protect critical assets and prevent security incidents by evaluating threats and risks; maintaining situational awareness; and using security controls to prevent information security incidents. DLC has deployed capabilities to rapidly detect, respond, contain and recover from threats, in addition to measuring key information security processes by collecting and analyzing data and continuously improving cybersecurity processes. We complete phishing awareness training and have active email protections, which detect malicious emails. DLC cybersecurity ensures that we maintain compliance with all state, federal and regulatory requirements associated with data protection or utility operations.

2022 Highlights

- Completed rollout of multi-factor authentication (MFA) for Office365 and virtual private network (VPN).
- Updated cyber security incident response plans.

DLC Challenging Local College Students

In October 2022, DLC’s Cybersecurity team participated in the University of Pittsburgh’s 2022 Cybersecurity Challenge. The event was open to students from the School of Computing and Information and aimed to sharpen the skills of both students and presenters. The challenge, which was developed by the DLC team, consisted of a series of short capture-the-flag type activities. Like the classic schoolyard game, the cyber version challenged students to find secretly hidden “flags.” In addition to sharpening essential cyber skills, like incident response, the partnership with the University of Pittsburgh helps us attract the workforce of tomorrow by spotlighting open IT internships and full-time positions.

Physical Security

DLC’s security services team is responsible for protecting the safety of our employees and working locations. The team ensures regulatory compliance of our areas of responsibility; provides collaborative security consulting and solutions; and maintains a defense-in-depth posture for the physical security of our critical resources, corporate facilities and employees. We practice good stewardship of corporate resources in everything we do.

2022 Highlights

- Completed transition of Security Command Center representatives from external to in-house employees, while recruiting and retaining high-caliber individuals in these roles.
- Developed and implemented an enhanced visitor policy for all DLC and DLH subsidiary locations.

- Completed comprehensive active threat training for field-based personnel and will continue with enhanced active threat online training course for the remainder of DLH employees in 2023.
- Progressed on several technical and capital projects including the modernizing of the closed-circuit television system and the end-of-life card access system at corporate locations.
- Continue to maintain active membership in several organizations dedicated to protecting critical infrastructure.
- Expanded our current partnership with local law enforcement to increase patrols at substations and other critical locations.
- Reviewed and updated several security policies including enhanced foot and video patrols.

Commitment to Progress

- Complete risk assessments at key substations and occupied facilities to identify and mitigate security gaps.
- Perform comprehensive review of security at our downtown Pittsburgh office location and implement mitigations.
- Continue to foster and develop relationships with local and federal law enforcement to improve intelligence, enforcement, collaboration and response.
- Develop technology roadmap to improve security and response including modernization of card access system, key management system, video analytics applications and other intrusion detection systems.
- Benchmark training, technology and policies to align with security industry best practices.
- Develop domestic violence awareness training and response initiatives to enhance the overall safety of DLC employees.

DLC Implements New Visitor Policy to Ensure Safety

Employee safety is our top priority and identifying the people who access company property is an essential component to our security. To ensure the continued safety of our employees, visitors and company facilities, we implemented a new visitor policy at all company locations in December 2022. Key changes that went into effect include:

- All visitors must sign in and out when entering and leaving DLC facilities.
- All visitors will be required to wear a visitor badge for the duration of their visit.
- All visitors will be required to provide valid, government-issued photo identification.
- Employees must register their visitors on the visitor log and issue a visitor badge to each visitor prior to beginning their meeting or activity on company property.

Innovation

At DLC, we're constantly searching for ways to improve how we provide safe, reliable and affordable energy to our customers. We take pride in creating groundbreaking strategies to achieve that goal. Our Innovation Center exists to harness the power of innovation, collaboration and new technology. We seek to transform DLC into an innovative utility by leading, coaching, training and partnering with internal and external stakeholders to use new technologies, ways of working or business models to achieve improvements in our performance framework.

DLC's Innovation Center operates on six principles to guide our day-to-day work:

- Customers are our north star and always our most important stakeholder.
- We are open, transparent and trustworthy.
- Innovation is a team sport.
- We learn continuously to improve and be more agile.
- We act with urgency.
- We take risks strategically and believe mistakes are inevitable and respond quickly.



DLC's Innovation Center seeks input for:

- **Safety:** Utilize training, processes, technology and tools to ensure the safety of our employees, contractors, customers and the public.
- **Affordability:** Improve our efficiency and optimize the utilization of our assets.
- **Excellence in service:** Offer products and services our customers need. Eliminate customer problems before they occur and deliver in the moment of truth.
- **Reliability:** Keep the lights on for our customers and keep our system safe and secure to ensure our electric grid is prepared for the future.
- **Sustainability:** Reduce the environmental impact of our operations, while assisting and educating our customers.



It is an important part of the Innovation Center's mission to be a contributor to the burgeoning network of higher education in Pittsburgh. We work in close collaboration with the University of Pittsburgh Swanson School of Engineering and Carnegie Mellon University Swartz Center for Entrepreneurship.

Over the long-term, we will drive a culture of innovation across DLC with innovation training. We will enable innovation champions to "self-service" innovation ideas by providing grants. DLC will apply new, innovative solutions and ideas to bring safe, reliable and affordable electric power to our customers. Lastly, we will provide our customers with products and services that enable a clean energy future for all.

If you'd like to work with DLC's Innovation Center, please contact us at: innovation@duqlight.com.

2022 Highlights

Throughout 2022, we continued to make DLC a utility of the future by launching innovative challenges and projects including:

- **Underground Cable Challenge:** A three-phase crowdsourcing competition to scour the world for innovative solutions to continuously monitor underground cables.
- **Holiday Tree Challenge:** An initiative to crowdsource a new design for the holiday tree in Point State Park, sponsored by DLC.
- **Distribution Inspection Pilot:** Piloted three technologies that used drones to take visual and infrared images of our distribution equipment and used artificial intelligence and human oversight to report out on findings to determine which equipment to repair or replace, thus improving reliability and long-term affordability.
- **App-a-Thon:** A week-long training and internal competition to build a Microsoft PowerApp serving a business need.
- **Legacy Sites:** A project to identify novel and environmentally safe ways to reuse the legacy power generation sites DLC owns but no longer uses.
- **Dynamic Line Ratings Pilot:** Co-led first phase of pilot project to install dynamic line ratings on our transmission towers.

DLC Crowdsources with HeroX to Ideate Solutions



In January 2022, DLC and HeroX, the leading platform and open marketplace for crowdsourced solutions, launched a crowdsourcing competition, “The Monitoring Electrical Cable Challenge.” This effort aims to increase reliability and safety within the underground electric network by finding methods for monitoring electrical cable health to allow for proactive maintenance and provide a safe environment for utility workers who maintain electrical power for today’s connected society. Worldwide, we have hundreds of millions of miles of electrical cables beneath our feet, and these cables support the critical infrastructure we rely on each day to power our homes and businesses. However, as these cables age, it is important to proactively monitor their health, so that we have consistent access to electrical power.

The challenge will source novel solutions for monitoring and detecting precursors to failure in underground cables. The winning designs will be awarded a share of the \$750,000 prize purse. This challenge will consist of three phases. Phase one will be an ideation including a concept and initial design. Phase two will be a proof of concept and include a prototype demonstration. Phase three will be a live field test with a pilot deployment. The challenge will provide funding to selected teams through to pilot deployment.

Since announcing the challenge, DLC has partnered with Exelon and selected the final two solutions. Following several months of testing and evaluation, DLC and Exelon chose the final two candidates based on their ability to meet both utilities’ safety, operational and cost requirements. The winning solution is expected to strengthen the underground electrical grid and improve worker and public safety in DLC’s service territory across southwestern Pennsylvania. The two finalists will now move into the third and final round of the challenge where they will test their prototypes through a pilot deployment on a utility network. The pilot projects are expected to be judged this fall, with the winning solution being announced in November.

Responsible Procurement

DLC operates with a strong commitment to safety, business and common-sense ethics and expects its suppliers, partners and consultants to have that same dedication while working with us. We require our suppliers to review and adhere to our [Supplier Code of Conduct \(PDF\)](#), which lays out the minimum standards of conduct that all suppliers must adhere to while conducting business with or on behalf of DLC. Our Supplier Code of Conduct reaffirms our commitment to conducting business in accordance with the highest ethical standards, including a commitment to the welfare of workers and using resources responsibly and efficiently, and requires our suppliers to uphold that same commitment.

Suppliers must abide by all applicable environmental laws, regulations and standards, as well as contract-specific policies and specifications, in a way that protects the environment. Suppliers must conduct their operations in an environmentally responsible manner that conserves natural resources and minimizes waste, emissions, energy consumption and the use of materials of concern. Suppliers must obtain, maintain and keep current all required environmental permits (e.g., discharge monitoring) and registrations and any operational and reporting requirements shall be followed. If applicable, suppliers have an obligation to carry out their activities in ways that preserve a clean, safe and healthy environment and to ensure that any hazardous materials or chemicals are appropriately managed, including their safe handling, movement, storage, use, reuse, recycling and disposal.

DLC Holds First In-Person Supplier Summit

In 2022, DLC hosted its third Annual Supplier Summit at the Woods Run complex. DLC's Annual Supplier Summit is a critical event that enables us to recognize our ongoing partnerships with suppliers and enables us to continue strengthening the relationships we have with them. This was the first time in two years that DLC was able to host the event in person; for the past two years, due to the COVID-19 pandemic, DLC held its annual Supplier Summit virtually. During the summit, suppliers learned about DLC's key priorities and featured three fireside chats focused on our supplier diversity journey, supplier relationship management and supply chain challenges.



Supplier Diversity

DLC endeavors to reflect in our suppliers and our workforce the diversity of the communities we serve. We will ensure that diverse suppliers are informed of, and treated equitably during, the supplier qualification process. We strive to increase the diversity of the suppliers that provide us with products and services. In all cases, we will ensure that all suppliers are evaluated fairly and evenly, and that the most qualified suppliers are selected.

DLC seeks to achieve the following objectives:

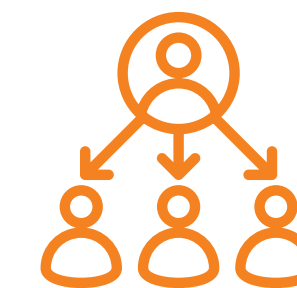
- Increase the number of diverse suppliers that provide DLC with products and/or services, while maintaining a commitment to safety, quality, competitive pricing and customer service.
- Ensure that the evaluation and qualification process is equitable and includes consideration of Tier I and Tier II projected spend.
- Encourage and facilitate diverse supplier certification through legitimate third-parties and organizations.
- Inform diverse suppliers of DLC's requirements and supplier related policies and procedures.
- Actively partner with external organizations in the communities that DLC serves to identify and engage in outreach efforts to increase the diversity of suppliers that participate in the request for proposal (RFP) process.
- Develop relationships with the diverse supplier community on a local and regional basis to promote economic growth, strengthen the DLC brand and trust within the communities that we serve.

“

DLC is committed to supporting the growth and development of our local and regional diverse suppliers. We strive to promote inclusive, equitable and socially responsible business practices. Furthermore, our supplier base should reflect the diversity of the communities that we serve.”



Shon Yates
Managing Director and
Chief Procurement Officer



20.8%
**total supplier
diversity spend**



33.0%
**total local and regional
supplier diversity spend**

Note: Local suppliers have zip codes within our service territory, while regional suppliers are located within the 10 counties of Southwest Pennsylvania.

Commitment to Progress

In 2020, Duquesne Light Company set out to define clear strategic objectives and key performance indicators aimed at becoming a leader in Supplier Diversity amongst our peer utilities and within the Pittsburgh region. To achieve quantifiable improvements in Supplier Diversity spend, it is imperative that we partner with our suppliers and internal business partners to drive innovation, competition and overall value for the enterprise. In addition, DLC has focused on local and regional diverse supplier spend, because as a utility we have a symbiotic relationship with the businesses in and around the communities that we serve. Year over year we have exceeded our goals, and we will continue to be aspirational on our leadership journey.

31.5%

achievement in total supplier diversity
spend over the next five years

34%

achievement in total local and regional
spend in the next five years

\$100

million in diverse supplier spend by
December 31, 2027

Diverse Business Classifications

DLC seeks to and does business with the 13 following diverse business classifications:



- **Disability-Owned Business Enterprise (DOBE)**



- **Disadvantaged Business Enterprise (DBE)***

- **Historically Underutilized Business Zone (HUBZone)***



- **Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)**

- **Minority Business Enterprise (MBE)**

- **Service-Disabled Veteran Business Enterprise (SDVBE)**

- **Service-Disabled Veteran-Owned Small Business (SDVOSB)***

- **Small Disadvantaged Business (SDB)***



- **Veteran Business Enterprise (VBE)**

- **Veteran Disability-Owned Business Enterprise (V-DOBE)**

- **Veteran-Owned Small Business (VOSB)***



- **Women Business Enterprise (WBE)**

- **Women-Owned Small Business (WOSB)***

** A business concern that is categorized as small in its primary industry, based on revenue and/or employees, as determined by the Small Business Administration's [Small Business Size Standards](#).*

For full definitions of each diverse business classification, please refer to DLC's [Supplier Diversity](#) webpage.

Supplier Certification

DLC prefers and recommends that diverse suppliers obtain third-party diverse supplier certification from a legitimate third-party, such as the National Minority Supplier Development Council or the Small Business Administration. However, until December 31, 2022, we allowed suppliers to self-certify as diverse, based on the qualifying criteria of the above listed classifications. In such situations, the supplier was solely responsible for the accuracy of their own self-certification, and DLC reserves the right to audit or request additional documentation from self-certifying suppliers. All diverse suppliers, self-certified or otherwise, must reaffirm their status as a diverse supplier to DLC on an annual basis. DLC continues to facilitate and support suppliers that qualify as diverse, in obtaining certification through legitimate third-party channels.

Partnerships



Ethics and Compliance

DLC is committed to maintaining the highest standards of business and commonsense ethics and conducting itself in accordance with our policies and procedures and all applicable laws, rules and regulations. DLC promotes diversity, equity and inclusion and strives to maintain a work environment that is professional, respectful and free from discrimination and harassment. We have established a compliance and ethics program built upon our [Policies for Ethical Conduct \(PDF\)](#), which are reviewed annually.

Through this program, our employees are empowered and expected to promptly report known or suspected violations of DLC policies or procedures or applicable laws, rules or regulations, to management, the compliance department, human resources or to utilize DLC's Ethical Conduct Compliance Hotline. The hotline is promoted regularly to employees and is accessible via telephone, website and QR code. It is operated and maintained by a third-party provider to allow for reporting 24/7/365 and to permit, if desired, anonymous reporting of concerns. All concerns are taken seriously and promptly and confidentially investigated. When an investigation reveals that there has been a compliance violation, it is addressed and, if applicable, appropriate corrective action is taken. We have a zero-tolerance policy with respect to retaliation and make it clear to employees that no form of retaliation will be tolerated. Employees are

regularly educated about the prohibition against retaliation and encouraged to immediately report any retaliatory conduct.

We take our policies and procedures seriously. All corporate-wide policies and procedures are reviewed periodically for updates and are accessible to all employees via DLC's intranet site. Failure to comply with policies or procedures may result in employee discipline, up to and including termination.

Employees are advised to avoid any situation that might interfere or appear to interfere with their obligations to DLC. Our Policies for Ethical Conduct provide that all employees must report actual or potential conflicts to the Compliance Department for review in coordination with our Conflict of Interest (COI) Committee. The COI Committee meets quarterly and as needed throughout the year to review reported conflicts and to issue appropriate guidance to employees.

2022 Highlights

Over the course of 2022, we achieved a 100% completion rate of:

- Trainings on the Policies for Ethical Conduct, Data Privacy and Security, and FERC's Standards of Conduct, by both active union and non-union employees across DLC.



- Training on Conflicts of Interest with our annual conflicts of interest training by all non-union employees across DLC.

Other accomplishments during 2022 included:

- DLC's Board of Directors and owner representatives completed our Policies for Ethical Conduct and FERC's Standards of Conduct; this is completed annually.
- Worked with a third-party hotline administrator to update our ethics hotline platform.
- Our hotline platform now includes improvements such as a new website interface, an anonymous virtual chat feature and a convenient mobile/QR code intake method.

Throughout the year, DLC regularly educates its employees on key components of its compliance program. As noted above, annual compliance trainings, which include our Policies for Ethical Conduct, Data Privacy and Security and FERC's Standards of Conduct, are administered to employees across DLC each year. In addition to trainings, the compliance team sends regular communications to employees to ensure they are aware of DLC policies and procedures; the importance of reporting non-compliance; and promoting awareness of methods available to report non-compliance, including the Ethical Conduct Compliance Hotline. Annual Compliance and Ethics Week, which occurs during the fall, is utilized to highlight important compliance topics, such as the hotline and the need to report concerns, via daily communications and games/quizzes.



Political Engagement and Lobbying

The service provided by DLC is regulated by multiple state and federal agencies. That means that the legislative and regulatory process has a significant impact on our customers and company. To that end, DLC values the opportunity to partner with government and elected officials to share our expertise regarding electric service, and to advocate for the best interest of our customers and company. As integrity is core to our values, when participating in these processes DLC complies with any federal, state and local laws that regulate and restrict the use of corporate funds in connection with elections and other political activities. DLC never uses customer funding to participate in political

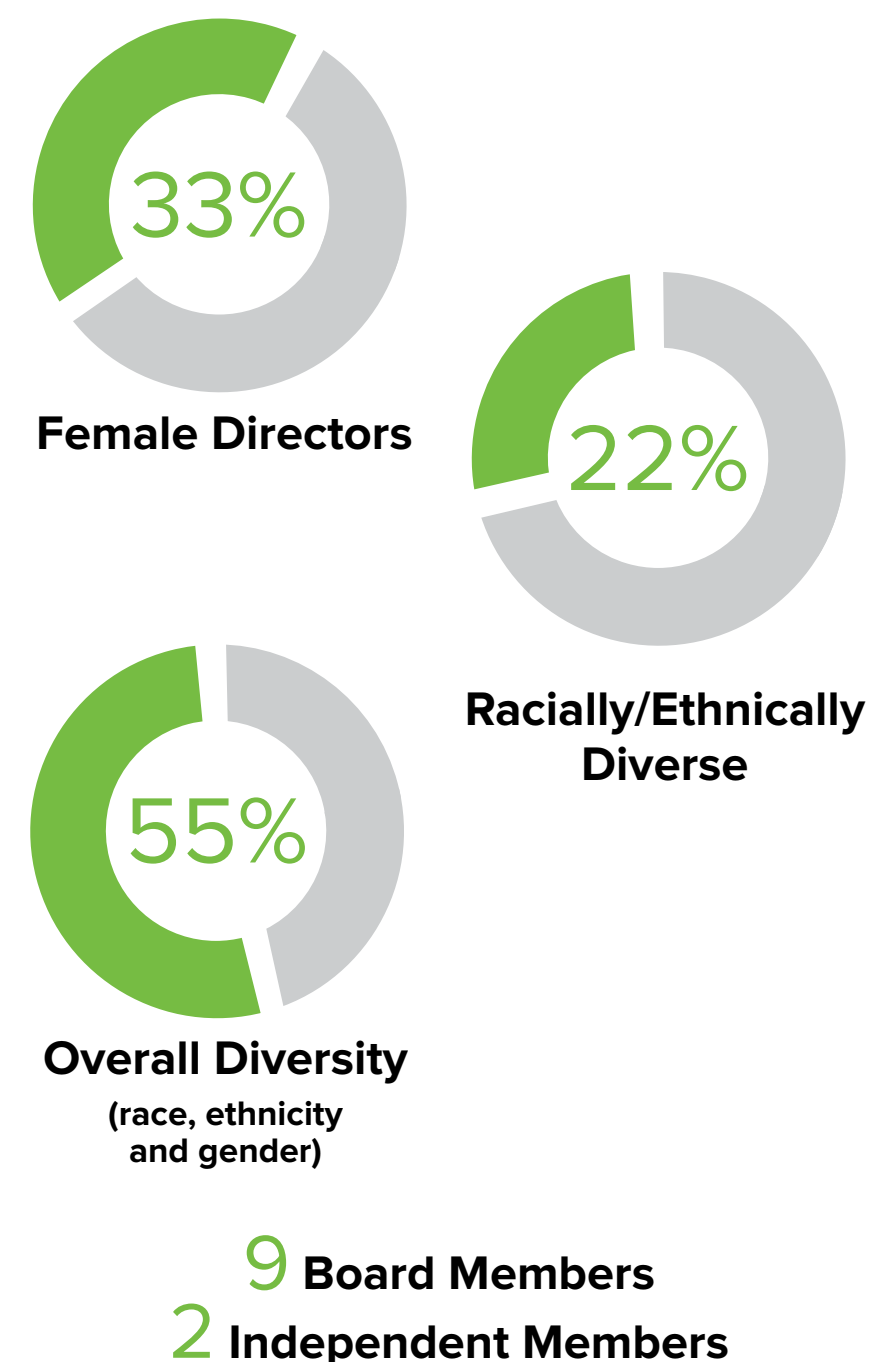
activities. In limited circumstances, company funds may be used for certain permissible lobbying activities to solicit voluntary political contributions from employees and shareholders. To facilitate voluntary political contributions to state candidates, DLH has established a Political Action Committee, which solely collects, distributes and directs the use of funds for political purposes on behalf of DLC. To learn more about our contributions to elected officials please visit the [Pennsylvania Campaign Finance Online Reporting](#) website.

Board Governance

DLC’s Board of Directors (the Board) is composed of nine members: six directors appointed by Holdings LLC’s owners, two independent directors and DLC’s President and CEO, Kevin Walker. The directors appointed by Holdings LLC’s owners are experienced infrastructure asset investors and bring utility industry, financial and legal experience to the Board process. One of the independent directors is currently the Board chair. The Board meets regularly and engages in appropriate oversight. There are five committees of the Board: Asset Management; Audit; Business Plan and Budget Review; Compensation; and Governance, Regulatory and Corporate Responsibility. To ensure the effectiveness of our committees, the Governance, Regulatory and Corporate Responsibility Committee of the Board conducts an annual assessment and review of the Board including Chairperson of the Board and the Board’s committees.

Board Composition

DLC’s diverse board of directors have a wide variety of backgrounds and skills. As of December 31, 2022, DLC’s Board had the following composition:



Board Committees

Asset Management Committee

Reviews operational and financial performance monthly and monitors the operations of the businesses between Board meetings. This committee conducts its day-to-day business within the confines of the delegated authority of the Board. Additional responsibilities include managing top-tier risks and monitoring compliance with environmental, safety and reliability matters.

Business Plan and Budget Review Committee

Reviews and recommends to the Board for its approval the annual budget of DLC and the company’s three- to five-year business plan. Additional responsibilities include allocating financial resources to address top-tier risks.

Governance, Regulatory and Corporate Responsibility Committee

Assists the Board in setting policies representing good practice with respect to organizational governance, including the operation of the Board, and provide oversight and assistance regarding community facing and regulatory activities undertaken by DLC. Additional responsibilities include advising on ESG strategy and disclosure.

Audit Committee

Assists the Board in fulfilling its oversight responsibilities of the integrity of the financial statements of DLC, the Independent Auditor’s qualifications and independence, the performance of DLC’s internal audit function and Independent Auditor and DLC’s legal and regulatory requirements. Additional responsibilities include overseeing our enterprise risk management framework and cybersecurity program.

Compensation Committee

Assists the Board in discharging its responsibilities relating to the compensation and benefits of DLC’s officers and employees. Additional responsibilities include overseeing CEO and executive officer compensation and evaluating workforce diversity related to success planning.



Appendix

Affiliate Overview



DQE Communications LLC (DQEC)

DQEC, headquartered in Pittsburgh, Pennsylvania, is a fiber-optic internet and data network access provider for businesses and carriers in Pennsylvania, West Virginia and Ohio. A subsidiary of DLH, DQEC was established in 1997 as a dark fiber infrastructure company in the Pittsburgh metropolitan area. Over the years, DQEC has grown in both our fiber footprint and our product offerings to become one of the leading regional providers of secure, reliable, data network services. With an ongoing commitment to structured, well-planned growth, DQEC is continuously expanding the fiber optic network to serve even more customers.



4,330+

Route Miles



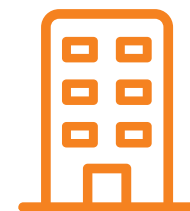
2,700+

On-Net Buildings



17

Data Centers



121

Business Parks

DQEC Expanding Broadband Services in West Virginia

In October 2022, the West Virginia Governor’s Office announced it was allocating more than \$20.8 million for six new broadband infrastructure projects. The funding is part of West Virginia’s Major Broadband Project Strategies program, an effort to allocate more than \$1 billion in state and federal funds to improve broadband connectivity for 200,000 homes and businesses. DQEC was selected to receive approximately \$1 million to fund the installation of 15 miles of fiber infrastructure to expand broadband services to 476 addresses in Harrison County.

MANAGEMENT TEAM

Jim Morozzi – President and CEO

Patty Giovannelli – Managing Director of Financial Planning

Tom Faust – Controller

Shawn Blanner – Director of Operations

Ross Henzel – Director of Business Development

Lisa Williams – Senior Manager of Carrier Sales and Marketing

Joe McGuinness – Director of Sales

Paul McGinn – Senior Manager of IP Services

For more information on DQEC, please visit dqecom.com.



The Efficiency Network (TEN)

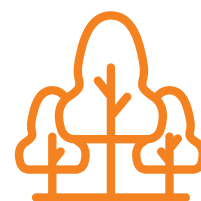
TEN helps customers deliver energy projects, often in complex environments, that generate measurable utility savings and environmental impacts. We do so by leveraging innovative technology, engineering/financing solutions and cost-effective construction. Whether the goal is generating bottom-line savings, achieving environmental goals or executing critical construction projects, TEN plays an integral role in achieving success. Our organization serves the following markets: K-12 education, higher education, state and local government, healthcare, federal government and commercial and industrial customers. Our integration services are well positioned to drive clean energy and electrification for larger users.

Many of our team members have more than 30 years of experience in developing, designing, constructing, financing and measuring engineered retrofit projects. We have worked with hundreds of customers and have built a solid reputation and track record of delivering on our promises. TEN is accredited by the U.S. Department of Energy, National Association of Energy Service Companies and is a prequalified Energy Service Company for the Commonwealth of Pennsylvania, New Jersey, Virginia and other states. We are also dedicated to supporting supplier diversity initiatives, and we consistently see large participation in government contracts with designated Minority and Women Business Enterprises. In addition, we have established various workforce development programs and pre-apprentice programs in K-12 public schools.

TEN's Projects Help Achieve:



11,800
tons of CO_{2e} reduced annually
through customer projects (projected)



14,000
acres of trees planted
(CO_{2e} reduction)



2,551
cars off the roads
(CO_{2e} reduction)

TEN Enabling A Clean Energy Future At Local School

In the summer of 2022, TEN completed a year-long project to provide cleaner, cooler air at Pittsburgh Public Schools' Allegheny Traditional Academy. The facility, which serves nearly 700 students in grades pre-K through eighth, underwent several energy-efficiency enhancements, including the addition of solar panels; retrofitted HVAC systems; and LED lighting upgrades. The project was another step toward enabling DLH's vision of a clean energy future for all through a focus on innovation, sustainability and equity.

“Our partnership with Pittsburgh Public Schools represents a wonderful opportunity to make a positive difference for our region and students via vital and innovative upgrades to create a more comfortable learning environment. Not only do these modernizations enable a 31% reduction in the school’s annual kilowatt-hour usage — for a total annual energy cost savings of nearly \$74,000 — but they also reduce the school’s carbon footprint by 134 metric tons, equivalent to planting more than 2,000 trees.”



Troy Geanopulos
Chief Executive
Officer of TEN

MANAGEMENT TEAM

Troy Geanopulos – CEO

Rob Campbell – President and COO

Khalil Qasimi – CFO

Jim Creedon – Senior VP of Business Development

Greg Lok – VP of Engineering and Design

Matt Morris – Director of Construction

Joe Statler - Director of Fulfillment

Wayne Chase – Director of Post Construction Services

Chris Niemiec – Controller

For more information on TEN, please visit tensaves.com.

ESG Data Tables

2022 Key ESG Data: Climate Conscious

GHG Emissions *(metric tonnes of CO₂e)*

Scope 1 Emissions	11,480
Gasoline Consumption	2,235
Diesel Consumption	3,358
Natural Gas Consumption	1,235
SF ₆ Emissions	4,586
Refrigerant Emissions	67
Scope 2 Emissions ¹	
Market-Based	14,158
Location-Based	13,134

Waste and Recycling Efforts

Scrap Metal Recycling <i>(in pounds)</i>	
Aluminum	1,212,746
Brass	1,667
Copper	684,333
Steel	2,488,834
Hazardous Waste Recycling <i>(in gallons)</i>	
Oil	109,385
Waste Generated <i>(in metric tonnes)</i>	
Hazardous Waste	281
Non-hazardous Waste	336
Total Waste	617

DLC Fleet Vehicles

Type	# of Units
Full EV	12
Plug-In Hybrid	13
EV Forklift	7
Job Energy Management System (JEM)	18
EV Total	50
DLC Total Fleet Vehicles	627
EV Fleet %	8%
EV Fleet % Target by 2030	30%

Infrastructure Reliability Metrics

Metric	PA PUC Benchmark	DLC Actual
SAIFI <i>(interruptions/customer)²</i>	1.17	0.92
SAIDI <i>(minutes)³</i>	126	134
CAIDI <i>(minutes)⁴</i>	108	146

¹ Excludes the emissions generated as a result of line losses.
² Describes how often the average customer experiences an interruption.
³ Describes the total duration of the average customer interruption.
⁴ Describes the average time required to restore service.

2022 Key ESG Data: Powering People

Employee Demographics - DLC Workforce (As of December 31, 2022)

Employee Counts

Total Number of Employees	1,725
Number of Full-Time Employees	1,719
Number of Part-Time Employees	6
Number of Union Employees	871
Number of Non-Union Employees	854

Workforce Diversity

Females as Percent of Workforce	28.3%
Males as Percent of Workforce	71.7%
Employees Identifying as White ¹	85.7%
Employees Identifying as Black, Indigenous and People of Color (BIPOC)	14.3%
Veterans as Percent of Workforce	7.8%
Individuals with Disabilities (IWD) as Percent of Workforce	3.4%
% Employees Aged under 30 Years Old	15.2%
% Employees Ages 30 to 50 Years Old	58.1%
% Employees Aged 51 Years Old and Over	26.7%
% Employees Traditionalist Generation (1945 and Before)	0.1%
% Employees Baby Boomer Generation (1946 - 1964)	13.3%
% Employees Generation X (1965 - 1980)	30.8%
% Employees Millennial Generation (1981 - 1996)	49.9%
% Employees Generation Z (1997 and Beyond)	6.0%
Overall Workforce Diversity ²	43.8%

¹ Includes individuals who prefer not to identify.

² Count of employees who are female, BIPOC, veteran or IWD.

³ Career levels including Director and above.

⁴ Calculated as diverse segment new hires divided by total new hires.

⁵ Calculated as voluntary resignations of diverse segment divided by diverse segment population. Does not include involuntary terminations or retirements.

Senior Leadership Diversity³

Females as Percent of Leadership	37.2%
Males as Percent of Leadership	62.8%
Leadership Identifying as White	86.0%
Leadership Identifying as Black, Indigenous and People of Color (BIPOC)	14.0%
Overall Senior Leadership Diversity	46.5%

Workforce Race/Ethnicity Breakdown

American Indian or Alaska Native (Not Hispanic or Latino)	0.3%
Asian (Not Hispanic or Latino)	2.4%
Black or African American (Not Hispanic or Latino)	9.2%
Hispanic or Latino	1.2%
White (Not Hispanic or Latino)	85.7%
Two or More Races (Not Hispanic or Latino)	1.3%

Talent Movement

Voluntary Turnover as Percent of Workforce	5.5%
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New Hires Rate⁴

Female	29.0%
Male	71.0%
BIPOC	15.6%
White ¹	84.4%

Voluntary Resignation Rate⁵

Female	6.6%
Male	5.1%
BIPOC	6.1%
White ¹	5.4%

2022 Key ESG Data: Powering People (Continued)

DLC Employee Safety Performance		DLC Customer Breakdown	
Metric	2022	Customer Type	2022
OSHA Recordable Incidents ¹	20	Residential	546,395
OSHA Recordable Rate ²	1.08	Commercial	61,180
OSHA Lost Time Incidents	3	Industrial	1,048
OSHA Lost Time Rate ³	0.16	DLC Company Accounts	173
OSHA DART Incidents ⁴	10	Lighting	971
OSHA DART Rate ⁵	0.54		
Total Hours Worked	3,710,041.70	Total	609,767
Work-Related Fatalities	0		
PMVA Incidents ⁶	20		
PMVA Rate	5.03		

¹ An occupational injury or illness that requires medical treatment more than basic first aid and must be reported on OSHA Form 300.

² Reflects the number of YTD incidents multiplied by 200,000 then divided by YTD productive work hours, where 200,000 is the industry average number of hours worked per 100 employees per year.

³ The number of days away from work due to work-related injuries or illnesses, per 100 employees.

⁴ DART: Days Away, Restricted or Transferred. A DART case is a subset of OSHA recordable cases where the injury/illness is severe enough that the individual loses time away from his/her job by being away from work, on restricted duty, or is transferred to another job function because of the injury.

⁵ The number of work-related injuries or illnesses that result in days away from work, restricted work or job transfer, per 100 employees.

⁶ Preventable Motor Vehicle Accidents (PMVA).

2022 Key ESG Data: Responsible Performance

Supplier Diversity Spend (\$ in millions)	
Total Supplier Diversity Spend %.....	20.8%
Total Local and Regional Supplier Diversity Spend %.....	33.0%

¹ Based on race, ethnicity and gender.

Board Composition	
Total number of directors	9
Number of independent directors	2
Percent female directors	33%
Percent racially/ethnically diverse directors.....	22%
Overall Board diversity ¹	55%

GRI Index

Statement of Use:

Duquesne Light Company has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.

GRI 1 Used: GRI 1: Foundation 2021

GRI 2: GENERAL DISCLOSURES		
Disclosure	Description	Reference/Response
2-1	Organizational details	About This Report Company Overview
2-2	Entities included in the organization’s sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	Not applicable.
2-5	External assurance	External assurances have not been conducted.
2-6	Activities, value chain and other business relationships	About This Report
2-7	Employees	Employee Demographics
2-8	Workers who are not employees	DLC does not publicly disclose this information.
2-9	Governance structure and composition	ESG Strategy and Governance Board Governance
2-10	Nomination and selection of the highest governance body	About This Report Board Governance
2-11	Chair of the highest governance body	Board Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Board Governance

Disclosure	Description	Reference/Response
2-13	Delegation of responsibility for managing impacts	ESG Strategy and Governance
2-14	Role of the highest governance body in sustainability reporting	ESG Strategy and Governance
2-15	Conflicts of interest	Ethics and Compliance
2-16	Communication of critical concerns	Ethics and Compliance
2-17	Collective knowledge of the highest governance body	Ethics and Compliance
2-18	Evaluation of the performance of the highest governance body	Board Governance
2-19	Remuneration policies	Board Governance
2-20	Process to determine remuneration	Board Governance
2-21	Annual total compensation ratio	Not available.
2-22	Statement on sustainable development strategy	ESG Strategy and Governance
2-23	Policy commitments	Ethics and Compliance Policies of Ethical Conduct
2-24	Embedding policy commitments	Ethics and Compliance
2-25	Processes to remediate negative impacts	Stakeholder Engagement Ethics and Compliance
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement Ethics and Compliance
2-27	Compliance with laws and regulations	DLC experienced no significant instances of non-compliance with laws and regulations.
2-28	Membership associations	DLC is a member of several associations including Edison Electric Institute (EEL), Allegheny Conference for Community Development and the Energy Association of Pennsylvania.
2-29	Approach to stakeholder engagement	Stakeholder Engagement
2-30	Collective bargaining agreements	Talent Management

GRI 3: MATERIAL TOPICS		
Disclosure	Description	Reference/Response
3-1	Process to determine material topics	ESG Strategy and Governance
3-2	List of material topics	ESG Strategy and Governance
3-3	Management of material topics	ESG Strategy and Governance
GRI 201: ECONOMIC PERFORMANCE		
Disclosure	Description	Reference/Response
201-1	Direct economic value generated and distributed	Not available.
201-2	Financial implications and other risks and opportunities due to climate change	Enterprise Risk Management Climate Strategy
201-3	Defined benefit plan obligations and other retirement plans	Talent Management
201-4	Financial assistance received from government	Not available.
GRI 202: MARKET PRESENCE		
Disclosure	Description	Reference/Response
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Pay Equity Report
202-2	Proportion of senior management hired from the local community	Not available.
GRI 203: INDIRECT ECONOMIC IMPACTS		
Disclosure	Description	Reference/Response
203-1	Infrastructure investments and services supported	Infrastructure Reliability
203-2	Significant indirect economic impacts	Not available.

GRI 204: PROCUREMENT PRACTICES		
Disclosure	Description	Reference/Response
204-1	Proportion of spending on local suppliers	Supplier Diversity
GRI 205: ANTI-CORRUPTION		
Disclosure	Description	Reference/Response
205-1	Operations assessed for risks related to corruption	Enterprise Risk Management Ethics and Compliance
205-2	Communication and training about anti-corruption policies and procedures	Ethics and Compliance
205-3	Confirmed incidents of corruption and actions taken	DLC experienced no incidents during the reported year.
GRI 206: ANTI-COMPETITIVE BEHAVIOR		
Disclosure	Description	Reference/Response
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	DLC does not publicly disclose this information.

GRI 301: MATERIALS		
Disclosure	Description	Reference/Response
301-1	Materials used by weight or volume	Water, Waste Management, and Recycling
301-2	Recycled input materials used	Water, Waste Management, and Recycling
301-3	Reclaimed products and their packaging materials	Not available.
GRI 302: ENERGY		
Disclosure	Description	Reference/Response
302-1	Energy consumption within the organization	GHG and Non-GHG Emissions
302-2	Energy consumption outside of the organization	GHG and Non-GHG Emissions
302-3	Energy intensity	Not available.
302-4	Reduction of energy consumption	GHG and Non-GHG Emissions
302-5	Reductions in energy requirements of products and services	Energy Efficiency
GRI 303: WATER AND EFFLUENTS		
Disclosure	Description	Reference/Response
303-1	Interactions with water as a shared resource	Water, Waste Management, and Recycling
303-2	Management of water discharge-related impacts	Water, Waste Management, and Recycling
303-3	Water withdrawal	Not available.
303-4	Water discharge	Not available.
303-5	Water consumption	Not available.

GRI 304: BIODIVERSITY		
Disclosure	Description	Reference/Response
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity and Habitat
304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity and Habitat
304-3	Habitats protected or restored	Biodiversity and Habitat
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not available.
GRI 305: EMISSIONS		
Disclosure	Description	Reference/Response
305-1	Direct (Scope 1) GHG emissions	2022 ESG Performance Scorecard Climate Strategy
305-2	Energy indirect (Scope 2) GHG emissions	2022 ESG Performance Scorecard Climate Strategy
305-3	Other indirect (Scope 3) GHG emissions	Climate Strategy
305-4	GHG emissions intensity	Not available.
305-5	Reduction of GHG emissions	Climate Strategy
305-6	Emissions of ozone-depleting substances (ODS)	Not available.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not available.

GRI 306: WASTE		
Disclosure	Description	Reference/Response
306-1	Waste generation and significant waste-related impacts	Water, Waste Management, and Recycling
306-2	Management of significant waste-related impacts	Water, Waste Management, and Recycling
306-3	Waste generated	Water, Waste Management, and Recycling
306-4	Waste diverted from disposal	Water, Waste Management, and Recycling
306-5	Waste directed to disposal	Water, Waste Management, and Recycling
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT		
Disclosure	Description	Reference/Response
308-1	New suppliers that were screened using environmental criteria	Responsible Procurement Supplier Code of Conduct
308-2	Negative environmental impacts in the supply chain and actions taken	Responsible Procurement Supplier Code of Conduct
GRI 401: EMPLOYMENT		
Disclosure	Description	Reference/Response
401-1	New employee hires and employee turnover	Employee Demographics
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Management
401-3	Parental leave	Talent Management

GRI 402: LABOR/MANAGEMENT RELATIONS		
Disclosure	Description	Reference/Response
402-1	Minimum notice periods regarding operational changes	DLC complies with collective bargaining agreements, along with applicable laws and regulations.
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		
Disclosure	Description	Reference/Response
403-1	Occupational health and safety management system	Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety Enterprise Risk Management
403-3	Occupational health services	Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety
403-5	Worker training on occupational health and safety	Health and Safety
403-6	Promotion of worker health	Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
403-8	Workers covered by an occupational health and safety management system	Not available.
403-9	Work-related injuries	Health and Safety
403-10	Work-related ill health	Health and Safety

GRI 404: TRAINING AND EDUCATION		
Disclosure	Description	Reference/Response
404-1	Average hours of training per year per employee	Not available.
404-2	Programs for upgrading employee skills and transition assistance programs	Talent Management
404-3	Percentage of employees receiving regular performance and career development reviews	100% of eligible employees receive performance and development reviews.
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
Disclosure	Description	Reference/Response
405-1	Diversity of governance bodies and employees	Employee Demographics Board Governance
405-2	Ratio of basic salary and remuneration of women to men	Pay Equity Report
GRI 406: NON-DISCRIMINATION		
Disclosure	Description	Reference/Response
406-1	Incidents of discrimination and corrective actions taken	Ethics and Compliance
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
Disclosure	Description	Reference/Response
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Talent Management

GRI 408: CHILD LABOR		
Disclosure	Description	Reference/Response
408-1	Operations and suppliers at significant risk for incidents of child labor	DLC complies with applicable laws and regulations. See also: Supplier Code of Conduct
GRI 409: FORCED OR COMPULSORY LABOR		
Disclosure	Description	Reference/Response
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	DLC complies with applicable laws and regulations. See also: Supplier Code of Conduct
GRI 410: SECURITY PRACTICES		
Disclosure	Description	Reference/Response
410-1	Security personnel trained in human rights policies or procedures	Physical Security
GRI 411: RIGHT OF INDIGENOUS PEOPLES		
Disclosure	Description	Reference/Response
411-1	Incidents of violations involving rights of indigenous peoples	DLC experienced no incidents during the reported year.

GRI 413: LOCAL COMMUNITIES		
Disclosure	Description	Reference/Response
413-1	Operations with local community engagement, impact assessments, and development programs	Philanthropy and Volunteering
413-2	Operations with significant actual and potential negative impacts on local communities	DLC conducts environmental and social impact assessments as it relates to our operations and takes steps to mitigate potential negative impacts.
GRI 414: SUPPLIER SOCIAL ASSESSMENT		
Disclosure	Description	Reference/Response
414-1	New suppliers that were screened using social criteria	Not available.
414-2	Negative social impacts in the supply chain and actions taken	Not available.
GRI 415: PUBLIC POLICY		
Disclosure	Description	Reference/Response
415-1	Political contributions	Political Engagement and Lobbying
GRI 416: CUSTOMER HEALTH AND SAFETY		
Disclosure	Description	Reference/Response
416-1	Assessment of the health and safety impacts of product and service categories	Public Health and Safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	DLC does not publicly disclose this information.

GRI 417: MARKETING AND LABELING		
Disclosure	Description	Reference/Response
417-1	Requirements for product and service information and labeling	Public Health and Safety
417-2	Incidents of non-compliance concerning product and service information and labeling	DLC does not publicly disclose this information.
417-3	Incidents of non-compliance concerning marketing communications	DLC does not publicly disclose this information.
GRI 418: CUSTOMER PRIVACY		
Disclosure	Description	Reference/Response
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	DLC does not publicly disclose this information.

SASB Index

SASB DISCLOSURE TOPICS & ACCOUNTING				
Topic	Code	Accounting Metric	Unit of Measure	Reference/Response
Greenhouse Gas Emissions & Energy Resource Planning	IF-EU-110a.1	(1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	Metric tons (t) CO ₂ -e Percentage (%)	Climate Strategy
	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	Metric tons (t) CO ₂ -e	Climate Strategy
	IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	N/A	Climate Strategy
	IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	Number, Percentage (%)	(1) 474,079 customers (2) 100%
Air Quality	IF-EU-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM ₁₀), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	Metric tons (t), Percentage (%)	Not Available
Water Management	IF-EU-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m ³), Percentage (%)	Not publicly available; DLC does not conduct business in regions with high or extremely high baseline water stress
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Number	DLC does not publicly disclose this information.
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	Water, Waste Management and Recycling

SASB DISCLOSURE TOPICS & ACCOUNTING				
Topic	Code	Accounting Metric	Unit of Measure	Reference/Response
Coal Ash Management	IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	Metric tons (t), Percentage (%)	DLC no longer generates CCR. All landfills are legacy assets that ceased operations over 20 years ago.
	IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	Number	Not Applicable
Energy Affordability	IF-EU-240a.1	Average retail electric rate for residential customers	Rate	17.37 cents/kWh ¹
		Average retail electric rate for commercial customers	Rate	11.38 cents/kWh ¹
		Average retail electric rate for industrial customers	Rate	8.16 cents/kWh ¹
	IF-EU-240a.2	Typical monthly electric bill for residential customers for 500 kWh of electricity delivered per month	Reporting currency	\$100.60 ¹
		Typical monthly electric bill for residential customers for 1,000 kWh of electricity delivered per month	Reporting currency	\$188.71 ¹
	IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Number, Percentage (%)	30,467 residential customers
	IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	N/A	Energy Efficiency Customer Relations

¹ Source: EEI Typical Bills and Average Rates Report (Summer 2022).

SASB DISCLOSURE TOPICS & ACCOUNTING				
Topic	Code	Accounting Metric	Unit of Measure	Reference/Response
Workforce Health & Safety	IF-EU-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Rate	Workplace Health and Safety
End-Use Efficiency & Demand	IF-EU-420a.1	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Percentage (%)	Not Applicable
	IF-EU-420a.2	Percentage of electric load served by smart grid technology	Percentage (%) by megawatt hours (MWh)	100% of our electric load is served by smart grid technology
	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	Megawatt hours (MWh)	Pennsylvania: 85,700 MWh
Nuclear Safety & Emergency Management	IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Number	Not Applicable
	IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	N/A	Not Applicable
Grid Resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Number	DLC does not publicly disclose this information.
	IF-EU-550a.2	System Average Interruption Duration Index (SAIDI), inclusive of major event days	Minutes	134
		System Average Interruption Frequency Index (SAIFI), inclusive of major event days	Number	0.92
		Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Minutes	146

SASB ACTIVITY METRICS			
Code	Activity Metric	Unit of Measure	Reporting
IF-EU-000.A	Number of residential customers served	Number	546,395
	Number of commercial customers served	Number	61,180
	Number of industrial customers served	Number	1,048
IF-EU-000.B	Total electricity delivered to residential customers	Megawatt hours (MWh)	3,220,817
	Total electricity delivered to commercial customers	Megawatt hours (MWh)	1,215,367
	Total electricity delivered to industrial customers	Megawatt hours (MWh)	101,081
	Total electricity delivered to all other retail customers	Megawatt hours (MWh)	9,126
	Total electricity delivered to wholesale customers	Megawatt hours (MWh)	4,456,391
IF-EU-000.C	Length of transmission and distribution lines	Miles (mi)	7,700
IF-EU-000.D	Total electricity generated, percentage by major energy source, percentage in regulated markets	Megawatt hours (MWh), Percentage (%)	Not Applicable
IF-EU-000.E	Total wholesale electricity purchased	Megawatt hours (MWh)	4,834,378

Glossary

Beneficial Electrification

Beneficial electrification strategies are those that prioritize three forms of societal benefits: reduced energy consumption (total source BTUs), lower consumer costs and reduced greenhouse gas emissions.

Black, Indigenous, and People of Color (BIPOC)

Peoples that identify as identifying as Black, Indigenous, and People of Color.

CAIDI

Customer average interruption duration index (CAIDI) describes the average time required to restore service.

Campaign for the Community

DLC’s annual employee charitable giving campaign drive.

Community Impact Grant program

DLC’s microgrant program that awards up to \$10,000 to applicants for projects and programs led by diverse grassroots community organizations who are directly supporting our customers and communities. These funds are provided by DLC’s owners.

Charitable Giving

Budgeted spend that is provided by DLC’s owners and used to support community organizations and projects in the areas we serve to build strong and vibrant communities where we all can thrive.

Customer Assistance Program (CAP)

A program established to assist low-income customers who may have difficulty paying their bill with an ongoing, affordable monthly payment. CAP offers several benefits to those who are eligible, including a reduced monthly bill, debt forgiveness and security deposit waiver, if needed.

Dynamic Line Rating (DLR)

A blanket term for the many different technologies and methodologies for determining conductor thermal ratings in a more-dynamic fashion using improved, more granular or real time data of electricity flow on the grid.

Enterprise Risk Management Program

A process managed by the Enterprise Risk Management team that is designed to effectively identify, assess, mitigate, monitor and report material risks to the organization.

Global Clean Energy Action Forum

An international convening of world energy leaders to discuss the accelerated transition to a clean energy future. Entities included in the forum were governments, international organizations, private sector organizations, academia, innovators, civil society, policy makers and researchers.

Grid Modernization

Actions that make the electricity system more fully integrated. To have a modernized grid that safely, securely, and reliably operates with precise and timely situational awareness to the edge of the grid; executes automated grid control functions; is flexible; enables new clean energy resources; and provides customer choice.

Incident Command System

A widely applicable management system designed to enable effective, efficient incident management by integrating a combination of facilities, equipment, personnel, procedures and communications operating within a common organizational structure.

Incident Management Team

Internal group that has a wide breath of expertise, such as operations, planning, logistics, finance, technology and communications. DLC uses this group to effectively and efficiently respond to incidents, emergencies and disasters that are outside the normal course of business.

Job Energy Management System (JEMS)

An integrated plug-in system for vehicles that uses stored energy from a lithium-ion battery to deliver power to jobsite tools, truck’s hydraulics (booms) and cab climate control.

LIHEAP

The Low-Income Home Energy Assistance Program (LIHEAP) helps low-income households pay some energy costs associated with heating their home. LIHEAP is administered by the Pennsylvania Department of Public Welfare. LIHEAP provides a cash grant during the heating season to help you pay your electric bill.

Long-Term Infrastructure Improvement Plan (LTIIIP)

A plan submitted by utilities and approved by the PA PUC that outlines certain distribution system investments the utility plans to make over a predetermined number of years. LTIIIPs also include information regarding the utility’s eligible property and its repair and replacement schedule. Utilities with approved LTIIIPs can request permission to implement a Distribution System Improvement Charge, a rate mechanism that helps utilities accelerate facility replacements and upgrades. Duquesne Light’s LTIIIP for the period 2023-2028 is available at PUC docket P-2022-3032805.

Natural Hazards Mitigation Plan

A set of actions that ensures an organization is well positioned to understand applicable natural hazards and potential mitigation actions to help reduce loss of life, property, infrastructure and overall impact to communities they serve.

NERC

The North American Electric Reliability Corporation (NERC) is the electric reliability organization for North America, including Canada, the United States and the northern portion of Baja California, Mexico. NERC mainly assures the effective and efficient reduction of risks to the reliability and security of the grid.

OSHA DART Incidents

DART: Days Away, Restricted or Transferred. A DART case is a subset of OSHA recordable cases where the injury/illness is severe enough that the individual loses time away from his/her job by being away from work, on restricted duty, or is transferred to another job function because of the injury.

OSHA DART Rate

The number of work-related injuries or illnesses that result in days away from work, restricted work or job transfer, per 100 employees.

OSHA Lost Time Incidents

The number of days away from work as a result of work-related injuries or illnesses.

OSHA Lost Time Rate

The number of days away from work as a result of work-related injuries or illnesses, per 100 employees.

OSHA Recordable Incidents

An occupational injury or illness that requires medical treatment more than basic first aid and must be reported on the OSHA Form 300.

OSHA Recordable Rate

Reflects the number of year to date (YTD) incidents multiplied by 200,000 then divided by YTD productive work hours, where 200,000 is the industry average number of hours worked per 100 employees per year.

PCB

Polychlorinated biphenyls (PCB) are humanmade chemical compounds that are harmful to human and environmental health. These chemicals were banned in the United States by the EPA in 1979.

Pennsylvania Public Utility Commission (PA PUC)

The state regulatory agency that oversees utility services in Pennsylvania, including electric distribution companies, like DLC.

Pittsburgh Regional Transit (PRT)

The local public transit authority serving Allegheny County, Pennsylvania.

PJM

The regional interconnection transmission operator for a multistate region that coordinates the movement of wholesale electricity in all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia and the District of Columbia.

PJM Forward Capacity Market

PJM's capacity market, called the Reliability Pricing Model, is the PJM resource adequacy construct that ensures that adequate Capacity Resources, including planned and existing generation capacity resources, energy efficiency resources and planned and existing demand resources will be made available to provide reliable service to loads within the PJM region.

PMVA Incidents

The number of preventable motor vehicle accidents (PMVA).

PMVA Rate

The number of preventable motor vehicle accidents (PMVA) multiplied by 1,000,000 then divided by vehicle miles driven year-to-date.

Power Purchase Agreement (PPA)

An arrangement in which a third-party developer installs, owns and operates an energy system, and a separate entity enters in a contract to purchase the electric output, potentially in addition to other electric market attributes, from a set amount of capacity and for a set length of time.

Price To Compare (PTC)

The current price for the generation and transmission of electricity, which consists of the default service supply and transmission service charges.

SAIDI

System average interruption duration index (SAIDI) describes the total duration of the average customer interruption.

SAIFI

System average interruption frequency index (SAIFI) describes how often the average customer experiences an interruption.

Scope 1 Emissions

Greenhouse gas emissions that are produced directly by operations that an organization has control over or ownership of and occur at the source. For DLC, these include gasoline, diesel, and natural gas consumption, along with SF₆ and refrigerant emissions.

Scope 2 Emissions

Greenhouse gas emissions that are produced indirectly by an organization's operations and do not occur onsite, such as the purchase of electricity. For DLC, these include energy consumed in our direct facilities but exclude the emissions generated as a result of line losses.

Threat Hazard and Identification Risk Assessment

A process that helps a company understand risks, impact and determine the level of capability needed to address those risks.

Watt Choices

A DLC program that helps residential, commercial and industrial customers conserve energy and reduce demand while lowering their electricity costs. The program offers a wide range of energy efficiency, conservation and demand-response measures.

A Warning About Forward-Looking Statements

Duquesne Light Company (“DLC” or “the Company”) uses forward-looking statements in this offering memorandum. Statements that are not historical facts are forward-looking statements and are based on beliefs and assumptions of the Company’s management and on information currently available to management. Forward-looking statements include statements preceded by, followed by or using such words as “believe,” “expect,” “anticipate,” “plan,” “estimate” or similar expressions. Such statements speak only as of the date they are made, and the Company undertakes no obligation to update publicly any of them in light of new information or future events. Actual results may materially differ from those implied by forward-looking statements due to known and unknown risks and uncertainties. Factors that could cause actual results to differ materially from those indicated in any forward-looking statement include, but are not limited to:

- Earnings and cash flows will be affected by the electricity transmission and distribution (T&D) rates authorized by the Federal Energy Regulatory Commission (FERC) and the Pennsylvania Public Utility Commission (PUC), respectively, and the outcome of current and future rate case filings or other matters pending before the FERC and PUC, which cannot be predicted.
- Changes in, issuances of and/or compliance with laws, policies, orders and regulations relating to operations, labor relations, health and safety, environmental matters, taxes and business generally, including among others, new interpretations, enforcement initiatives and current and future investigations by regulatory, state and federal agencies and other governmental authorities, could affect earnings levels and cash flows, including as a result of fines and/or penalties for non-compliance.
- The results of current and future investigations, audits, responses to self-reports, new regulations or new interpretations of existing regulations by the FERC, the North American Electric Reliability Corporation (NERC), Reliability First Corporation (RFC) or federal or state taxing authorities could result in new compliance programs and processes, as well as fines and penalties, which could affect the Company’s earnings levels or financial condition.
- The Company could be subject to higher costs and/or penalties related to mandatory reliability standards set by NERC/FERC/RFC or changes in the rules of organized markets.
- Though DLC acts as an administrative intermediary only, cash flow may be affected if the Company’s Provider of Last Resort (POLR) plans are not approved or if the Company is not otherwise able to recover its costs of providing POLR supply.

- Regional Transmission Organization (RTO) rules and transmission charges instituted by PJM Interconnection LLC (PJM) or set by the FERC could affect earnings of the Company.
- Demand for and pricing of electricity, changing market conditions and changing economic conditions, including changes in rates of inflation and interest, could affect earnings levels.
- Climate change may produce changes in weather or temperature and may impact consumer demand for electricity or may increase the frequency of weather-related storms or other events, which could have an impact on the Company’s customers, operations or consolidated financial statements.
- The Company’s performance could be impacted by international and/or domestic events that create increased volatility and market uncertainty since these events could have an overall effect on general market conditions; the ability of our commercial and industrial customers to operate their businesses and consume electric power; and the ability of our customers and suppliers to satisfy their obligations to us.
- The ongoing impact of COVID-19, other pandemics or other public health events could adversely impact the Company’s overall performance due to, among other things, temporary workforce disruptions; supply chain disruptions; ability to perform work; reduced ability to interact with customers and enter customer premises; load shifts and demand reductions, including as business customers curtail operations; increases in uncollectible customer receivables; limited ability to fulfill liquidity needs; changes in governmental and regulatory policies, including vaccine mandates; and increased financial commitments.
- The Company could be subject to higher costs and/or penalties and risks associated with future litigation.
- The Company’s credit and contractual risk includes the exposure to the possibility of economic loss that would occur as a result of nonperformance by counterparties of their contractual obligations.
- The amount and timing of any future debt reduction or refinancing will depend on the availability of cash flows and an appropriate replacement or refinancing vehicle(s).
- The credit ratings received from rating agencies could affect the cost of borrowing, access to capital markets and liquidity.
- Financial results and position could be affected by changes in pronouncements periodically issued by accounting standard-setting bodies.

- If the Company’s construction or capital improvement efforts related to its TandD facilities become significantly more expensive than planned, or if there were to be disruptions in the ability of our suppliers to complete projects, the financial condition, results of operations or liquidity of the Company could be materially affected.
- Poor investment performance of the Company’s pension plan holdings and interest rates could unfavorably impact the Company’s pension liability and pension funding requirements, including as a consequence of significant market volatility or declines.
- The Company is engaged in the deployment of technology platforms and TandD projects to improve operating efficiencies and meet the expectations of its customers. The deployment of these platforms and projects will occur over a multi-year period and other technology implementation projects and TandD projects of this magnitude could have cost overruns, project delays and business interruptions that could affect earnings and have an adverse impact on financial condition.
- Cyber and other security breaches or penetrations could disrupt the Company’s operations, require significant recovery and compromise critical and confidential information, which could affect earnings and have an adverse impact on financial condition.
- The Company may recognize impairments of some of its long-lived assets, which would result in write-offs of the impaired amounts and could have an adverse effect on results of operations.
- Cash flow, earnings, earnings growth, capitalization, capital expenditures and dividends will depend on the performance of the Company, changes in the Company’s business portfolio and the policies adopted by the Company’s Board of Directors and the regulatory policies adopted by regulatory bodies.
- Potential labor disruptions and/or the unavailability of trained and qualified labor to meet future staffing requirements, and certain events, such as a strike, work stoppage or a labor dispute with our employees represented by a collective bargaining agreement, could cause interruption to our operations.
- Supply chain disruptions outside of Company control, such as the failure of parties to provide contracted materials or services, could harm results of operations.
- Energy efficiency, increased adoption of distributed generation and net metering and other changes in the demand for electricity could negatively impact financial results.

- The Company’s operations generally are subject to continuous stakeholder scrutiny and criticism that could lead to reputational harm, which could affect its financial conditions, results of operations and cash flows.
- The impact of weather-related conditions or events (such as storms, tornadoes, floods, drought, solar or electromagnetic events and wild land and other fires), natural disasters (such as earthquakes, tsunamis, pandemics and other public health events) and other events (such as explosions, fires, accidents, mechanical breakdowns, equipment failures and human errors), as well as acts of terrorism, war, cyber-attacks, vandalism or other attacks that can cause unplanned outages, disrupt service to customers, or damage or disrupt the facilities, operations or information technology and systems owned by the Company, its customers, or third parties on which the Company relies could subject the Company to third-party liability for property damage or personal injury or result in the imposition of civil, criminal or regulatory penalties or adverse findings, which could materially impact the financial condition of the Company.
- Although the Company maintains customary insurance coverage for certain of these risks, no assurance can be given that such insurance coverage will be sufficient to compensate the Company in the event losses occur.

In light of these risks and uncertainties, the events described in the forward-looking statements might not occur or might occur to a different extent or at a different time than the Company has described.