



**Environmental  
Social Governance**  
2023 REPORT



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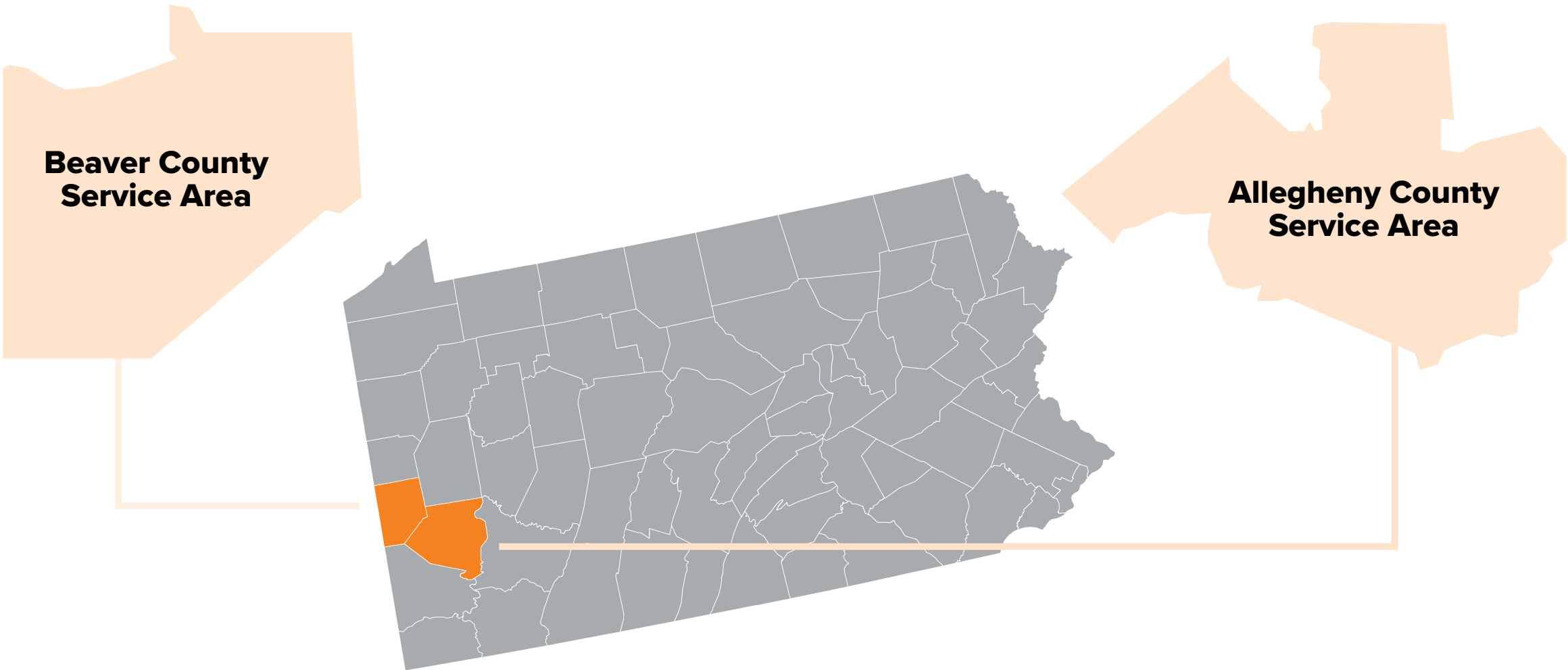
# ABOUT DLC

For more than 100 years, Duquesne Light Company (DLC) has provided safe and reliable electric service to communities in southwestern Pennsylvania. Today, our core values of safety, integrity, dependability, equity and community enable us to serve more than 600,000 customers in two counties, including the city of Pittsburgh. We are committed to safely powering our customers’ lives while playing a leading role in our region’s clean energy transition. Our vision is to create a larger-than-light, clean energy future for all by delivering exceptional results today and boldly harnessing opportunities for tomorrow. In doing so, we can ensure a cleaner, healthier and more equitable community for generations to come. To learn more, visit [DuquesneLight.com](https://DuquesneLight.com).

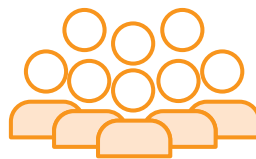


# 2023 DLC OVERVIEW

## Our Service Territory



  
**1,700+**  
Employees

  
**>600K**  
Customers

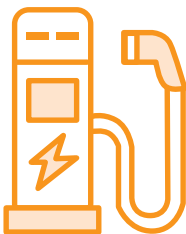
  
**90%**  
Residential  
Customer count

  
**>8,000**  
Miles  
Transmission and  
distribution lines

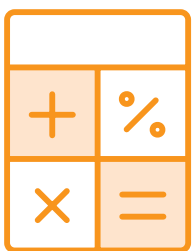
  
**\$1.8M**  
Charitable  
Giving

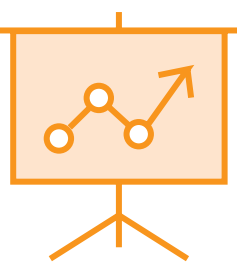
  
**812**  
Square Miles  
Service territory in Allegheny  
and Beaver counties

  
**345**  
Substations  
Including company- and  
customer-owned

  
**200+**  
EV charging ports  
incented by DLC

  
**\$1.2B**  
Total Revenue

  
**\$4.6B**  
Total Assets

  
**\$3.2B**  
Rate Base



# LEADERSHIP MESSAGE

## Dear Partners,

The electrical grid’s central role in delivering a clean energy future is a responsibility that DLC and our employees take seriously every day. For many of us, the work is deeply personal as over 70% of our employees are also our customers. As an expression of our commitment, we often reference the mantra, “We Are The Grid,” which acknowledges the human connections that fuel our region’s progress and the leadership required of us to deliver a clean energy future for all.

The stakes are high. Climate change continues to impact communities around the world. Our region is projected to experience on average more high heat days, increased rainfall, more severe storms and greater incidence of landslides — some of these effects are already impacting our communities. We’re investing a significant and growing amount of capital to ensure the resiliency of our infrastructure to adapt to these changes and modernize the grid for the future, but supply chain challenges, driven in part by unpredictable geopolitical conflict, remain an ongoing focus. Political interests are also impacting how companies prioritize their work, with recent shifts in the federal and state legislative landscapes regarding diversity, equity and inclusion (DEI) and environmental, social and governance (ESG) efforts.

For our part, the opportunity to manage our business holistically through an evaluation of an increasingly broad set of risks and opportunities — including those tied to our environment and society — remain materially relevant for DLC. After all, our business model presents one potential solution to climate change by providing access to a new clean energy economy for all customers and communities. That’s why we’re proud of the success and commitments contained within this second annual ESG report, while also acknowledging that much work remains to be done.

We know the grid is getting cleaner across the U.S. — emissions from electricity production have decreased by 44% in Pennsylvania since 2005.<sup>1</sup> As the grid continues to decarbonize and society relies more heavily on electric energy to power our lives, it is essential that we build an adapted, nimble grid that can enable this future.

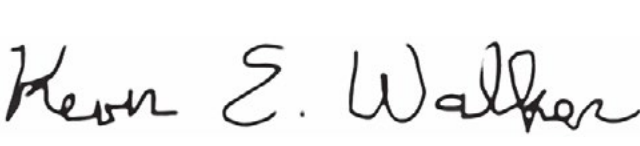
To support this effort, we’re taking steps to generate as much value as possible for all our stakeholders. We are competitively attracting record amounts of federal dollars to the Pittsburgh region for the utility in order to enhance and modernize our infrastructure — more than \$19.8 million in 2023 alone. In addition, we have

supported federal funding applications by lending our technical expertise, for example, to help our partners secure more than \$43.7 million to advance a clean energy future for all.

We are reducing our impact on the environment by enabling the grid infrastructure that will support more clean energy resources. We are uplifting customers, including those who most need our support through enhanced customer assistance programs that distributed nearly \$10.5 million in 2023. We are strengthening local communities through charitable giving and volunteerism, including nearly \$2 million donated to 464 organizations in 2023 — 86% of which are diverse-led.

When our customers and our community thrive, so does our business. ESG isn’t just a buzzword for us, it’s central to our long-term success and provides a framework to articulate the impact and service our business model was created for. By reading this report, you’re dedicating time to learn about the tremendous opportunity before us to lead and be a part of a clean energy future for all. We welcome your feedback and appreciate your support.

Thank you,



**Kevin E. Walker**  
*President and CEO*



**Christine L. Waller**  
*Vice President of Communications  
and Corporate Responsibility*



<sup>1</sup> Source: [2023 Pennsylvania Greenhouse Gas Inventory Report](#), published December 15, 2023 by the Pennsylvania Department of Environmental Protection. Note that the percent decrease reflects the time period 2005 - 2020.



# ABOUT THIS REPORT



**DLC is pleased to publish our second annual ESG report, which continues to provide an overview of our commitment to establishing a corporate culture that focuses on climate consciousness, empowering our people and performing responsibly in everything we do.**

The publication of our inaugural 2022 ESG report in May 2023 was an important milestone for DLC in presenting our ESG strategy to all stakeholders, demonstrating our most comprehensive disclosure to date. This year, we have further enhanced our disclosures by including a year-over-year view for key ESG performance metrics, which you will see throughout the report.

We continue to base our reporting on Global Reporting Initiative (GRI) standards. In the appendix of this report, we provide our [GRI Index](#) for reference. We also 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.

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.

- **Publication Date: May 2024**
- **Reporting Period: Calendar Year 2023**
- **Reporting Cadence: Annually**
- **Reporting Boundary: Duquesne Light Company (DLC)**

For more information on DLC’s ESG efforts, please visit our [Corporate Responsibility website](#). Additional ESG disclosures can be found in our [Corporate Responsibility Reporting Library](#).

Please contact [esg@duqlight.com](mailto:esg@duqlight.com) with any questions or comments regarding this report.

## Internal Assurance

This ESG Report has been reviewed by our executive leadership team, including the President and CEO, 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.

After the release of our inaugural ESG Report, which was published in May 2023, DLC’s Internal Audit department partnered with a third-party to conduct a review focused on the governance and processes used by DLC to compile the report. This review included evaluating the most material disclosures and components of the report for rationality, material misstatement and completeness along with overall alignment to the GRI framework. The scope of the review covered transactions and activities that occurred during the period January 1 through December 31, 2022. We are proud to share that the action plans developed to address findings and key best practice recommendations have been implemented prior to the publishing of this report. Our Internal Audit department will continue to conduct review procedures related to the ESG Report on an annual basis.



# ORGANIZATIONAL STRUCTURE & OWNERSHIP

## 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 its non-utility operating subsidiary The Efficiency Network (TEN)<sup>1</sup>. The organizational chart on the right reflects entities with current operations and does not reflect entities having discontinued operations or performing functions internal to DLH.

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 27<sup>th</sup> 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 Holdings LLC’s largest and principal operating subsidiary and is regulated by the Federal Energy Regulatory Commission (FERC) and the Pennsylvania Public Utility Commission (PA PUC). We are also a member of the regional transmission organization PJM Interconnection.

TEN, established in 2012, is an energy services project development company that provides customized energy solutions to help commercial and institutional customers meet sustainability, operational and financial goals. More information on TEN can be found in our [Affiliate Overview](#) section.

## Duquesne Light Holdings

Duquesne Light Holdings, Inc. (DLH)



Duquesne Light Company (DLC)



The Efficiency Network, Inc. (TEN)

<sup>1</sup> On Dec. 17, 2023, Holdings LLC entered into an agreement to sell all interests in DQE Communications LLC (DQEC). Established in 1997, DQEC 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. The transaction, which was subject to regulatory approvals and other customary terms and conditions, closed on May 1, 2024.



## 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 current investors 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. 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 |
|--------------------------------------------------------------------------------------------------------|--------------|-------------|
| <b>GIC Pte. Ltd.</b><br>(Epsom Investment Pte Ltd.)                                                    | <b>44.4%</b> | <b>2011</b> |
| <b>Manulife Investment Management/PGGM Infrastructure Fund</b><br>(Three Rivers Utility Holdings, LLC) | <b>30.4%</b> | <b>2016</b> |
| <b>APG Americas Infrastructure/CalSTRS/Argo Infrastructure Partners</b><br>(AIA Montana LLC)           | <b>25.2%</b> | <b>2017</b> |



# LEADERSHIP TEAM



**Kevin Walker**  
*President & CEO*



**Daniel Farrah**  
*Vice President, Chief Information Officer*



**John Hilderbrand II**  
*Vice President, Operations*



**Matthew Ankrum**  
*Vice President, Chief Financial Officer*



**David Fisfis**  
*Vice President, Energy Policy & General Counsel*



**Kristy Stone**  
*Vice President, Chief Customer Officer*



**Lisa Davidson**  
*Vice President, Chief Human Resources Officer*



**Brian Guzek**  
*Vice President, Corporate Strategy*



**Christine Waller**  
*Vice President, Communications & Corporate Responsibility*



# COMPANY STRATEGY

## Vision

### What We Aspire to Achieve

A larger than light, clean energy future for all: delivering exceptional results today, boldly harnessing opportunities for tomorrow.

## Mission

### Our Common Purpose

Serve as a trusted partner to customers by providing the products and service offerings for today and tomorrow.

## Strategic Framework (C.A.R.E.S.)

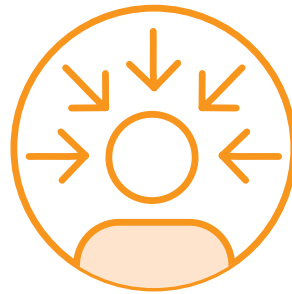
### How We'll Achieve Our Mission & Vision

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.

## Values

### The Beliefs, Principles & Behaviors Guiding Us Each Day

- **Safety:**  
We are safe above all else. We must keep ourselves, each other, our customers and communities safe.
- **Integrity:**  
We are guided by our commitment to doing the right thing, and never compromise on ethics.
- **Dependability:**  
We are collaborative and steady; we are a trusted partner to all.
- **Equity:**  
We believe equal access to work, resources and opportunities are critical elements of a clean energy future for all.
- **Community:**  
We work where we live and are committed to serving our vibrant, diverse communities.



### Customer Centricity

We put forth the voice of the customer in everything we do in order to service our customers' needs today and in the future.



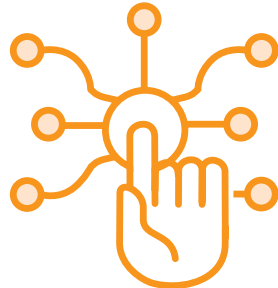
### Affordability

Drive an overall lower cost to serve our customers through efficiency, innovation, advanced technology and additional value-added services.



### Resilient Culture

Foster people growth and development through DEI, a high performing workforce, cultural alignment and ESG.



### Energy of Things

Establish a foundation in data to become a digital utility; electrification, electric vehicles and the ability to accommodate "edge of the grid" technology.



### Strengthen Our Core

Optimize the safe, reliable, secure and resilient delivery of service to our customers.



# ESG STRATEGY & GOVERNANCE

## ESG Strategy & 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.

- **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.

Our most recent materiality assessment conducted 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 & Material Topics

|  CLIMATE CONSCIOUS                                                                                                                                                        |  POWERING PEOPLE            |  RESPONSIBLE PERFORMANCE      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Building Electrification</li><li>• Climate Strategy</li><li>• Energy Efficiency</li><li>• Infrastructure Reliability</li><li>• Renewable &amp; Distributed Energy</li><li>• Transportation Electrification</li></ul> | <ul style="list-style-type: none"><li>• Customer Relations</li><li>• DEI</li><li>• Talent Management</li></ul> | <ul style="list-style-type: none"><li>• Cybersecurity</li><li>• Physical Security</li><li>• Innovation</li></ul> |

## 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, Regulatory and Corporate Responsibility Committee. On the executive management team, our vice president of communications and corporate responsibility, who reports directly to the president and CEO, 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 in DLC. These subject matter experts are represented on an ESG Council, which meets at a regular, periodic cadence, to track progress on key projects and initiatives.

In addition to the ESG Council, we regularly engage with 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.



# 2023 ESG PERFORMANCE SCORECARD

| CLIMATE CONSCIOUS                                                   |        |        |
|---------------------------------------------------------------------|--------|--------|
| Green House Gas Emissions                                           | 2022   | 2023   |
| Scope 1 Emissions (metric tonnes of CO <sub>2</sub> e)              | 11,480 | 9,321  |
| Scope 2 Emissions (metric tonnes of CO <sub>2</sub> e) <sup>1</sup> |        |        |
| Market-Based                                                        | 14,158 | 13,854 |
| Location-Based                                                      | 13,134 | 12,852 |
| Fleet Electrification (EVs/Total Fleet) <sup>2</sup>                | 8%     | 11%    |
| POWERING PEOPLE                                                     |        |        |
| Customer Relations                                                  | 2022   | 2023   |
| Overall Customer Satisfaction <sup>3</sup>                          | 68.9%  | 67.5%  |
| Workforce Diversity                                                 | 2022   | 2023   |
| % Females                                                           | 28.3%  | 28.5%  |
| % BIPOC <sup>4</sup>                                                | 14.3%  | 14.2%  |
| % Veterans                                                          | 7.8%   | 7.7%   |
| % IWD <sup>5</sup>                                                  | 3.4%   | 3.8%   |
| % Senior Leader Diversity <sup>6</sup>                              | 46.5%  | 48.9%  |
| Employee Safety Performance                                         | 2022   | 2023   |
| OSHA Recordable Incidents                                           | 20     | 20     |
| OSHA Recordable Rate                                                | 1.08   | 1.04   |
| OSHA Lost Time Incidents                                            | 3      | 6      |
| OSHA Lost Time Rate                                                 | 0.16   | 0.31   |
| OSHA DART Incidents                                                 | 10     | 11     |

| Employee Safety Performance (continued)             | 2022         | 2023         |
|-----------------------------------------------------|--------------|--------------|
| OSHA DART Rate                                      | 0.54         | 0.57         |
| Total Hours Worked                                  | 3,710,041.70 | 3,842,998.71 |
| Work-Related Fatalities                             | 0            | 0            |
| Preventable Motor Vehicle Accident (PMVA) Incidents | 20           | 23           |
| PMVA Rate                                           | 5.03         | 5.45         |
| Philanthropy & Volunteering                         | 2022         | 2023         |
| % Charitable Spend to Diverse-Led Organizations     | 70%          | 86%          |
| Employee Volunteer Hours                            | 4,254        | 4,320        |

| RESPONSIBLE PERFORMANCE                              |       |       |
|------------------------------------------------------|-------|-------|
| Infrastructure Reliability                           | 2022  | 2023  |
| SAIFI ( <i>interruptions/customer</i> ) <sup>7</sup> | 0.92  | 0.57  |
| SAIDI ( <i>minutes</i> ) <sup>8</sup>                | 134   | 63    |
| CAIDI ( <i>minutes</i> ) <sup>9</sup>                | 146   | 110   |
| Responsible Procurement                              | 2022  | 2023  |
| % of Total Diverse Supplier Spend                    | 20.8% | 16.2% |
| % of Total Diverse Regional & Local Supplier Spend   | 33.0% | 31.0% |

<sup>1</sup> Excludes the emissions generated as a result of line losses.

<sup>2</sup> Vehicle classifications are targeted for EV replacement based on utilization, age/condition and availability for a suitable and cost-effective EV replacement.

<sup>3</sup> % 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.

<sup>4</sup> Employees identifying as Black, Indigenous, and People of Color (BIPOC).

<sup>5</sup> Individuals with disabilities (IWD).

<sup>6</sup> Career levels that include director and above.

<sup>7</sup> Measures the average number of interruptions experienced by a customer annually.

<sup>8</sup> The average restoration time of an outage in minutes, calculated across all customers.

<sup>9</sup> Average restoration time of an outage in minutes, calculated across only those customers who experienced an outage.



# LONG-TERM ESG TARGETS

DLC is committed to the following ESG long-term targets, which were introduced in our inaugural ESG report published in May 2023. These targets were established to address DLC’s material areas of impact as identified in the company’s most recent materiality assessment. These issues, including climate risk and resilience, electrification, infrastructure reliability, energy efficiency and diversity, equity and inclusion, were identified by internal and external stakeholders as having the most opportunity to simultaneously impact the

company’s long-term success while also generating positive outcomes for society and the environment. The targets set forth below represent the company’s long-term commitment to progress its ESG performance based on our 2023 business plan, which was approved by our board of directors in December 2022, along with industry data available at the time of publication. As our strategy continues to evolve, we will provide updates on our progress toward meeting these targets through our annual reporting and disclosures.

|                                                       | TARGET                                                                                                                                                                                                                           | STATUS   |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| CLIMATE CONSCIOUS                                     |                                                                                                                                                                                                                                  |          |
| <a href="#">GHG Emissions</a>                         | From 2022 – 2027, reduce our combined Scope 1 and Scope 2 emissions by 10%.                                                                                                                                                      | On Track |
| <a href="#">GHG Emissions – Fleet Electrification</a> | 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 |
| <a href="#">Transportation Electrification</a>        | Enable the grid infrastructure that will support a minimum of 50,000 EVs in the Pittsburgh region by 2030. <sup>1</sup>                                                                                                          | On Track |
| <a href="#">Infrastructure Reliability</a>            | Invest a minimum of \$1.9 billion in transmission and distribution infrastructure between 2023 and 2027.                                                                                                                         | On Track |
| <a href="#">Energy Efficiency</a>                     | 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.                       | On Track |
| POWERING PEOPLE                                       |                                                                                                                                                                                                                                  |          |
| <a href="#">Philanthropy</a>                          | Grant a minimum of \$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 2027.                     | On Track |
| RESPONSIBLE PERFORMANCE                               |                                                                                                                                                                                                                                  |          |
| <a href="#">Supplier Diversity</a>                    | Achieve total supplier diversity spend of 31.5% by 2027. Additionally, achieve total diverse local and regional spend of 34.0% by 2027.                                                                                          | On Track |

<sup>1</sup> Long-term target is based on the Electric Power Research Institute (EPRI) EV adoption projections. The most recent EPRI projections as of October 2023 indicate that over 80,000 EVs will be adopted in our service territory. This figure includes approximately 79,000 light-duty vehicles and 2,000 medium and heavy-duty vehicles. EPRI EV adoption projection are published annually.



# GLOBAL GOAL 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. Given the relevance of these global goals, our ESG strategy remains aligned to the UN’s priorities shown below. Additionally, we look to UN assemblies and reports, such as the Conference of Parties, to help inform our ESG strategy as it relates to our climate efforts.

## CLIMATE CONSCIOUS

7 AFFORDABLE AND CLEAN ENERGY



13 CLIMATE ACTION



## POWERING PEOPLE

11 SUSTAINABLE CITIES AND COMMUNITIES



## RESPONSIBLE PERFORMANCE

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



# 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 here.

| STAKEHOLDER                                                     | KEY TOPICS                                                                                                                                                                                                                                                                                                                                                        | HOW WE ENGAGE                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employees                                                       | <ul style="list-style-type: none"><li>• Mission, Vision, Values</li><li>• Compliance and Ethics</li><li>• Diversity, Equity and Inclusion</li><li>• Business Performance</li><li>• Community Engagement</li><li>• Safety</li><li>• Health and Wellness</li><li>• Training and Development</li><li>• Leadership Standards</li><li>• Employee Recognition</li></ul> | <ul style="list-style-type: none"><li>• All-Employee Meetings</li><li>• Town Halls</li><li>• Email</li><li>• Intranet</li><li>• Surveys</li><li>• Short Message Service (SMS) Alerts</li><li>• Compliance Hotline</li><li>• Trainings</li></ul>                                                     |
| Customers<br>(Residential, Business, Commercial and Industrial) | <ul style="list-style-type: none"><li>• Energy Efficiency</li><li>• Safety</li><li>• Reliability</li><li>• Billing and Payments</li><li>• Products and Services</li><li>• New Service</li><li>• Interconnections</li><li>• Customer Assistance</li><li>• Outages and Storm Response</li><li>• Vegetation Management</li></ul>                                     | <ul style="list-style-type: none"><li>• Company Website</li><li>• Call Center</li><li>• Bill Inserts</li><li>• Email Newsletters</li><li>• Social Media</li><li>• Mobile Application</li><li>• Community Meetings</li><li>• Compliance Hotline</li><li>• Executive Leader Liaison Program</li></ul> |

| STAKEHOLDER                      | KEY TOPICS                                                                                                                                                                                                                                 | HOW WE ENGAGE                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Owners & Financial Stakeholders  | <ul style="list-style-type: none"><li>• Business Plan</li><li>• Strategy</li><li>• Safety</li><li>• Compliance</li><li>• Financial Performance</li><li>• ESG Strategy</li><li>• Risk Management</li><li>• Regulatory Proceedings</li></ul> | <ul style="list-style-type: none"><li>• Board Meetings</li><li>• Earnings Calls</li><li>• Committee Meetings</li><li>• Investor Conferences and Meetings</li><li>• Company Disclosures</li><li>• Company Website</li></ul>                                                                                                                          |
| Suppliers                        | <ul style="list-style-type: none"><li>• Request for Proposals</li><li>• Safety</li><li>• Ethics and Compliance</li><li>• Diversity, Equity and Inclusion</li></ul>                                                                         | <ul style="list-style-type: none"><li>• Supplier Summit</li><li>• Request for Proposals</li><li>• Meetings</li><li>• Supplier Code of Conduct</li><li>• Green Procurement Guidelines</li><li>• Supplier Terms and Conditions</li><li>• Safety Trainings</li></ul>                                                                                   |
| Community                        | <ul style="list-style-type: none"><li>• Community Engagement</li><li>• Diversity, Equity and Inclusion</li><li>• Environmental Compliance</li><li>• Public Health and Safety</li><li>• Advocacy</li><li>• Economic Development</li></ul>   | <ul style="list-style-type: none"><li>• Community Meetings</li><li>• Company Website</li><li>• Social Media</li><li>• Print Media</li><li>• Charitable Giving Activities</li><li>• Employee Volunteerism</li><li>• Community Partnerships and Sponsorships</li><li>• Nonprofit Board Participation</li><li>• Low-Income Energy Assistance</li></ul> |
| Policymakers/Regulators          | <ul style="list-style-type: none"><li>• Clean Energy Policy</li><li>• Energy Efficiency</li><li>• Customer Assistance</li><li>• Customer Complaints</li><li>• Rates</li><li>• Infrastructure</li></ul>                                     | <ul style="list-style-type: none"><li>• Regulatory Participation (Local, State and Federal)</li><li>• Meetings</li><li>• Community Meetings</li><li>• Regulatory Filings</li><li>• Lobbying Efforts</li></ul>                                                                                                                                       |
| Non-Governmental Entities (NGOS) | <ul style="list-style-type: none"><li>• Clean Energy Policy</li><li>• Energy Efficiency</li><li>• Customer Assistance</li></ul>                                                                                                            | <ul style="list-style-type: none"><li>• Meetings</li><li>• Company Website</li><li>• Industry Association Meetings and Conference</li></ul>                                                                                                                                                                                                         |



# AWARDS & RECOGNITION

- “Best in Show” Renaissance Award, plus additional awards for brand/reputation management, multimedia content and internal communications  
[Public Relations Society of America](#)
- Cogent Syndicated 2023 Residential Customer Champion  
[Escalent](#)
- John Beggs Top Innovator Award for Energy Transition  
[Public Utilities Fortnightly](#)
- Safety Achievement Award & Safety Sustainability Award  
[Energy Association of Pennsylvania](#)
- Special Achievement in Geographic Information System (GIS) Award  
[Esri](#)
- Tech 50 Consumer and Integrative Tech Award  
[Pittsburgh Technology Council](#)
- Tree Line USA Award (23<sup>rd</sup> Consecutive Year)  
[Arbor Day Foundation](#)
- 2023 Energy & Environment Power 100 Kevin Walker, CEO and President  
[Pennsylvania City & State](#)
- 2023 Impact 75 Christine Waller, Vice President, Communication and Corporate Responsibility  
[Pennsylvania City & State](#)
- 2023 Power 100 Kevin Walker, CEO and President  
[Pittsburgh Business Times](#)
- StormReady recognition  
[National Weather Service](#)
- Platinum Designation as a Sustainable Pittsburgh Workplace  
[Sustainable Pittsburgh](#)



## DLC Achieves Sustainable Pittsburgh Workplace Designation

DLC earned a Platinum designation as a Sustainable Pittsburgh Workplace in December 2023. Administered by the nonprofit [Sustainable Pittsburgh](#), this recognition program champions businesses, nonprofits and other institutions for advancing vibrant communities and environmentally responsible practices. This designation represents DLC’s commitment to managing the ESG impacts of its operations as central to its strategy to successfully lead the region in the transition to a clean energy future for all.

Workplaces are recognized with one of four levels of designation ranging from Bronze to Platinum for demonstrating a commitment to socially just and environmentally sustainable operations. Created through a national benchmarking of best practices with insights from a cross sector of sustainability professionals and advisors, the program scores the actions a workplace can take to advance its sustainable practices. It is tailored toward organizations of all sizes and sectors in southwestern Pennsylvania that are working to save money, conserve resources, create more equitable communities and make valuable contributions to the local and regional economies in which they operate.

As of December 2023, DLC was one of four organizations to earn Platinum designation and be acknowledged for its commitment to sustainability based on efforts in areas including energy efficiency, DEI, greenhouse gas emissions, transportation/fleet, and responsible procurement.



# CLIMATE CONSCIOUS

A changing climate is one of the most pressing issues facing our world today. As the electric utility that has served the Pittsburgh region for more than 100 years, we have a responsibility to continue reducing the energy industry’s impact on the environment by being a climate conscious partner. Because of our size and connection to the region, we have a unique opportunity to choreograph an equitable transition to a clean energy future and influence change throughout the region.

As our customers’ needs evolve, we strive to innovate our services, infrastructure and business strategy to become more climate resilient and meet our customers’ growing expectations. By monitoring the company’s exposure to climate related risks and opportunities, we can strategically mitigate our exposure to build a reliable and resilient grid. It starts with reducing the business’s impact on the environment and mitigating the impact of the services we provide to deliver safe, reliable, resilient and affordable electricity to our customers.

In response to a changing climate, society is changing the way energy is produced and used, which means the grid must evolve along with it. Our robust investment in infrastructure will support the technology that is needed to increase real-time visibility across the grid and enable more flexible, more nimble operations. These advancements allow us to better support our customers with programs and services that increase access and affordability to clean energy resources.

As an integrated member of the communities we serve, we can make changes that not only affect the environment but also strengthen our service territory in southwestern Pennsylvania. We are meeting this moment by delivering exceptional results today and boldly harnessing opportunities that overcome the challenges of tomorrow. We are proud of the progress we have made and remain committed to advancing our efforts.



# CLIMATE CONSCIOUS Q&A

1.



**Jason Harchick**  
*Director of Grid Optimization and Asset Management*

**QUESTION:**  
**What investments are you making to adapt to a changing climate in the Pittsburgh region?**

**ANSWER:**  
We are being very strategic and intentional about infrastructure upgrades and maintenance that make our grid more resilient to the impacts of climate change. An example of this is the monitoring of geographic zones prone to landslides when making decisions related to where critical infrastructure will be constructed and how we can mitigate existing risk through vegetation management efforts.

2.



**Lisa Hurm**  
*Senior Manager of Fleet Management*

**QUESTION:**  
**What emerging environmental risks are you managing with respect to the long-term health of your business?**

**ANSWER:**  
In addition to reducing the negative environmental impacts of the services we provide, we are looking internally to decrease the footprint of our operations. DLC is investing in the electrification of our fleet to achieve 30 by 30 — 30% of our fleet powered by electricity by 2030, with a heavy focus on light-duty vehicles. These efforts will contribute to our goal of reducing greenhouse gas (GHG) emissions for our operations by 10% from 2022-2027, in addition to saving money on the long-term maintenance and fuel costs of our fleet.

3.



**Russ Profaizer**  
*Director Of Advanced Grid Systems and Grid Modernization Program*

**QUESTION:**  
**How is DLC preparing the grid to handle the increase in clean energy resources, like solar and EVs?**

**ANSWER:**  
As an electric distribution company, DLC’s role in our clean energy future for all is to provide our customers with a modernized electrical grid that’s needed to decarbonize our region. We are committed to investing a minimum of \$1.9 billion in transmission and distribution infrastructure from 2023-2027. These investments will increase our real-time visibility and communications capabilities with grid operations improving efficiency, reliability and grid flexibility. Additionally, we are strategically working to secure federal and state funding for our region to implement these projects, which in turn will reduce the costs to our customers and uplift the local economy.



# CLIMATE STRATEGY

## Navigating a Changing Climate

As the electric utility serving Allegheny and Beaver counties in southwestern Pennsylvania, DLC plays a pivotal role in the Pittsburgh 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 (gasoline, diesel and natural gas consumption, along with sulfur hexafluoride (SF<sub>6</sub>) and refrigerant emissions) and Scope 2 emissions (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 renewable energy and all forms of electrification.**
- **Pursuing opportunities for a just transition through a focus on DEI, 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, equitable 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.**

## Greenhouse Gas & 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 and implementing initiatives to demonstrate progress toward our long-term targets.

**Scope 1 emissions reductions are primarily driven by:**

- **Fuel reductions: Targeted decommissioning of aged vehicles in favor of newer, more fuel-efficient vehicles to reduce both fuel consumption and tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). In 2023, we reduced our combined gasoline and diesel consumption by 5%.**
- **Idling reductions: Utilization of telematics data to identify opportunities for reducing idling hours within DLC’s fleet. In 2023, we reduced more than 36,000 idling hours, or 20% of total idling hours, when compared to 2022.**
- **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. In 2023, we purchased and placed in service an additional eight, 100% electric Ford F-150 Lightnings, making DLC the largest Lightning fleet in southwestern Pennsylvania. We also purchased and placed in service an additional ten job energy management system (JEMS) unit bucket trucks which replaced non-JEM units. Vehicles with JEMS reduce unnecessary engine idling by powering equipment through a lithium-ion battery unit installed in the vehicle.**
- **Executing our comprehensive strategy to install EV charging infrastructure to support goal of a 30% electrified fleet by 2030.**
- **SF<sub>6</sub> Strategy: Continuing to advance our SF<sub>6</sub> management strategy, with focus areas including increased data visibility, reduced volatility and enhanced external collaboration. Regarding our SF<sub>6</sub> emissions, periodic and unexpected equipment failures can lead to volatility. Our 2023 performance saw a decrease in such maintenance activity and led to improved performance.**



Scope 2 emissions reductions are primarily driven by:

- **Completing comprehensive energy audits at occupied facilities and implementing recommendations including LED lighting, HVAC improvements, etc. In 2023, we completed ASHRAE Level 1 energy audits at all occupied facilities and implemented recommendations including LED lighting at multiple occupied facilities and substation control houses.**
- **Incorporating sustainable design into renovations and new facilities for both occupied facilities and substations.**
- **Driving desired behaviors through education and signage.**
- **Identifying additional solar generation opportunities at DLC facilities to offset internal consumption.**

In addition to our current GHG emissions target, we continue to assess our reduction target beyond 2027. This includes utilizing a third-party evaluation and an internal cross-functional team that meets monthly to further evaluate the technologies and opportunities available to DLC. DLC also acknowledges the importance of Scope 3 emissions, which are GHG emissions that are a consequence of the activities of our company but occur from sources not owned or directly controlled by DLC.

In 2023, we completed a screening of our Scope 3 emissions to identify relevant Scope 3 categories and priority areas. The screening revealed that the majority of our Scope 3 emissions come from the following categories:

- **Purchased Goods & Services:** Upstream emissions from the production of products purchased or acquired by DLC.
- **Capital Goods:** Upstream emissions from the production of capital goods purchased or acquired by DLC.
- **Fuel & Energy Activities:** Emissions related to the production of fuels and energy purchased and consumed by DLC (i.e. energy consumed by our customers).

We plan to periodically reassess our Scope 3 emissions profile to ensure we are continuing to consider relevant opportunities and risks. Our current business strategy includes three primary conduits through which we are addressing Scope 3 emissions. These include:

- **Renewable & Distributed Energy:** We’re 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. We support state and local policies that pursue the advancement of renewable energy and distributed energy resources (DER).

- **Beneficial Electrification:** Enabling electrification where it improves customers’ energy costs, reduces energy use and improves environmental impacts. We do so by identifying ways to reduce the barriers our customers face regarding building electrification and serving 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.
- **Energy Efficiency:** We strive to help our customers conserve energy and reduce demand while lowering their electricity costs. We are committed to lowering our customers’ energy usage through established energy efficiency programs, with a goal of reducing 348,126 MWh by May 31, 2026, in accordance with our approved PA PUC plan.

| GHG Emissions (metric tonnes of CO <sub>2</sub> e) |               |              |
|----------------------------------------------------|---------------|--------------|
|                                                    | 2022          | 2023         |
| <b>Scope 1 Emissions</b>                           | <b>11,480</b> | <b>9,321</b> |
| Gasoline Consumption                               | 2,235         | 2,123        |
| Diesel Consumption                                 | 3,358         | 3,165        |
| Natural Gas Consumption                            | 1,235         | 1,161        |
| SF <sub>6</sub> Emissions                          | 4,586         | 2,805        |
| Refrigerant Emissions                              | 67            | 67           |

Scope 2 Emissions<sup>1</sup>

|                |        |        |
|----------------|--------|--------|
| Market-Based   | 14,158 | 13,854 |
| Location-Based | 13,134 | 12,852 |

| DLC Fleet Vehicles        |           |                   |
|---------------------------|-----------|-------------------|
|                           | 2022      | 2023              |
| <b>Type</b>               |           | <b># of Units</b> |
| Full EV                   | 12        | 20                |
| Plug-In Hybrid            | 13        | 12                |
| EV Forklift               | 7         | 7                 |
| JEMS                      | 18        | 28                |
| <b>EV Total</b>           | <b>50</b> | <b>67</b>         |
| DLC Total Fleet Vehicles  | 627       | 627               |
| <b>EV Fleet %</b>         | <b>8%</b> | <b>11%</b>        |
| EV Fleet % Target by 2030 | 30%       | 30%               |

<sup>1</sup> Excludes the emissions generated as a result of line losses.



# RENEWABLE & 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 state and local policies that pursue the advancement of renewable energy and DERs, 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. Working closely with the entire organization, these teams ensure the impacts to our customers and business are viewed in a holistic manner.

Over the course of 2023, we strengthened our support for utility-scale renewable energy projects within our service territory. In June, we officially energized the Clinton/Gaucho Solar project. Gaucho Solar, constructed by Vesper Energy, is a 20 MW solar generation project on 61 acres in Beaver County. Gaucho Solar has partnered with the University of Pittsburgh to supply approximately 18% of the campus’ energy needs

with renewable energy through use of a power purchase agreement. It is the largest single solar development in DLC’s territory, and one of the largest in western Pennsylvania. Aligned with our clean energy future for all vision, DLC designed and constructed a 23 kV circuit and intelligent protective equipment to interconnect this facility.

In addition to enabling renewable energy growth, we also continued to make progress on a Rural Distribution Circuit Battery Energy Storage System (BESS). This project targets the deployment of a BESS to improve reliability and resiliency for rural circuits. The system is expected to be in service by the end of 2024.

In 2023, DLC also began planning for a future centralized Distributed Energy Resource Management System (DERMS). DERMS is a system that allows a utility to manage edge of grid devices that have the potential to





create two-way power flow and provide other grid services. Such devices include solar, wind, battery, EVs, smart water heaters and building management systems. DERMS will enable greater levels of DER on the grid while maintaining safe and reliable operations.

In an effort to continue advancing these initiatives, we’re proud to report that in 2023, DLC was awarded more than \$19.8 million in federal and state grants for projects that will directly support renewable energy and DER in the Pittsburgh region: Grid Resilience and Innovation Partnership program, Interconnection Innovation e-Xchange (i2X) and an Alternative Fuel Incentive Grant. These awards, among many others that we collaborated with our partners on, are discussed further in the [Government Affairs](#) section.

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 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.



## Interconnection Team Hosts Solar Installer Forum

DLC is seeing an increase in interest for solar installations from both residential and commercial customers. In 2023 alone, we connected more than 1,800 net metering customers to the grid, enabling nearly 20 MW of clean energy. This reflects a more than 240% increase in customers processed from just five years ago, leading to an uptick in inquiries and suggestions from the solar installer community. To further educate local solar installers on DLC’s processes and relevant regulatory and equipment standards, our Interconnection team hosted DLC’s inaugural Solar Installer Forum in February 2023, which was attended by 28 solar installer representatives.

The session provided clarity on our processes for interconnecting customer-owned solar generation to DLC’s system. The forum also focused on ways DLC and solar installers can work together to streamline the process — from initial application, to installation and, finally, granting the customer permission to operate their solar.

# COMMUNITY DISASTER PREPAREDNESS

As the frequency and intensity of severe weather events continue to escalate across the nation, DLC remains steadfast in its commitment to rapid and effective disaster response. Last year alone, 28 disasters in the United States exceeded \$1 billion each in damages, a new record high. 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, including Incident Management Team (IMT) 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.

In 2023, we continued to strengthen our emergency management “whole community” approach by adhering to comprehensive all-hazards emergency operations plans and facilitating local, state and federal partnerships. We enhanced our internal programs and procedures ensuring that our IMT and Emergency Management programs are more robust and effective than ever, including through refined delegation of authority procedures and advanced training for the command and general staff functions within the IMT. We also successfully completed multiple organization-wide exercise testing response plans and procedures.

To create a more holistic disaster preparedness and response organization, we worked closely with our Enterprise Risk Management (ERM) group to align all-hazard strategies, priorities and goals with the ERM program. We took steps to foster an even stronger relationship with the Pittsburgh Warning Field Office, and we provided charitable funding to organizations that support



our customers experiencing emergency impacts of natural disasters, such as Red Cross and United Way. Additionally, we raise awareness of available heating and cooling centers that the community can access during severe weather events. In the future, we plan to make this

information more accessible by integrating it onto our website. Our efforts in 2023 reflect DLC’s ongoing dedication to being a resilient, responsive and community-focused organization, ready to tackle the challenges of an increasingly unpredictable climate.



Moving forward, we remain focused on operating with resilience and being prepared to manage natural and man-made hazards and technological threats. To achieve this, we will complete the following actions:

- **Complete our first Threat Hazard and Identification Risk Assessment/Hazard Vulnerability Assessment (HVA) focusing on natural hazards, human-caused hazards and technological threats by 2025; complete our first Natural Hazards Mitigation Plan by 2027.**
- **Analyze 100% of DLC’s service territory using the Centers for Disease Control and Prevention and the Agency for Toxic Substances and Disease Registry Social Vulnerability Index by 2026 to ensure that our most vulnerable populations are identified.**
- **Develop a ten-year strategy for business continuity and emergency management.**

As methods evolve, we remain committed to staying on top of industry best practices to serve as a model for other utilities throughout the country. We are committed to aligning our practices to industry standards and seek accreditation within emergency management and business continuity: ISO 22301:2019 (Business Continuity Management), ISO 22361:2022 (Crisis Management), ISO 21110:2019 (Emergency Preparedness and Response) and NFPA 1600 (Standard on Continuity, Emergency and Crisis Management). Lastly, we will continue to expand our training efforts by participating in external safety exercises in collaboration with our public

partners, in addition to the North American Electric Reliability Corporation (NERC)/PJM’s GridEx and Grid Security exercises, to stay vigilant and prepared.

Storm Roles Program

We strive to create a culture where a sense of purpose, connection and belonging help us to be our best for each other and our customers. Storms and emergency events can cause power outages which have a great impact on our customers and team members who are tasked with managing the utility’s response. DLC experiences an average of 10 storm events per year, and throughout these events we are committed to restoring power to any impacted customers as safely and quickly as possible.

To bolster our response efforts with additional resources balanced across the entire organization, in 2023 all non-union employees were assigned a storm role. Outside of our crews who are making infrastructure repairs, storm roles include duties such as working with operations for service center support, providing timely updates to customers via traditional and social media outlets or increased staffing in our call center. The all-hands on deck effort allows us to better serve our customers by using our employees’ various expertise. Moving forward, storm roles will be assigned on an annual basis with most employees serving in the same role year-over-year.

DLC Receives ‘StormReady’ Recognition from National Weather Service

Safety is the number one priority in DLC’s commitment to serve more than 600,000 customers in southwestern Pennsylvania. Our proactive approach for implementing hazardous weather/water alerts and overall plan development for responses to those events was recognized by the National Weather Service in 2023 when DLC was named a StormReady institution. This honor highlights DLC as an industry leader in best practices when planning for and responding to severe weather and water events. At the time of recognition, DLC was one of two electric utility companies in the United States to receive the distinction, joining California’s San Diego Gas and Electric Co. The StormReady program evaluates an organization’s commitment to navigating such occurrences and considers efforts to improve preparedness, response, recovery and mitigation efforts.



# RESOURCE MANAGEMENT

**DLC has a long history of demonstrating responsible waste management 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 addition to our waste management practices, we monitor and comply with water treatment standards at our legacy sites, which are properties in the DLC real estate portfolio tied to the utility’s retired generation facilities that were active before deregulation in the state of Pennsylvania. These properties also offer opportunities for us to advance our water and land management practices to be more innovative and focused on long-term remediation benefits, including efforts we’ve undertaken to promote biodiversity through the construction of a wetland or our investigation of using the land to grow herbaceous species that can be used in industry or as biomass.

## Water Treatment Programs

We maintain a perpetual acid mine drainage treatment system for legacy coal mines in Greene County, Pennsylvania, which is capable of processing more than five million gallons of water per day. 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. 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 discharges of mine water. This includes pumping mine water from the Pittsburgh seam, treating the water to stabilize the pH, removing iron and manganese and releasing the clean water to Whitely Creek, a tributary of the Monongahela River. To add redundancy and reduce environmental risk at our Warwick acid mine drainage treatment facility, in 2023 we completed the installation of new oxidizing equipment.

Once part of DLC’s fleet of generation facilities, the Cheswick power plant is now owned by Charah Solutions, Inc. However, DLC maintains responsibility for maintenance of the former ash pond. In 2023, we completed construction ahead of schedule on a new wetland at the Cheswick fly ash pond site. The wetland

| Water Summary (1000 M³) | 2022     | 2023     |
|-------------------------|----------|----------|
| Water Withdrawals.....  | 2,418.17 | 1,768.49 |
| Water Consumption ..... | 11.51    | 10.85    |
| Water Discharges.....   | 2,429.68 | 1,779.34 |

will naturally treat the discharge from this area by using Pennsylvania-native plants species to remove water-based constituents associated with ash material before being discharged into a local creek. Along with only a few other utilities, DLC is leading the way with this natural method of water treatment that supports the local environment through enhanced biodiversity and responsible water management.

## Dielectric Fluid Spill Prevention

DLC uses dielectric fluid in certain types of equipment, such as transformers and breakers, as an arc-quenching medium to prevent catastrophic failures. Fluid capacities triggering a regulatory threshold requires us to maintain spill prevention, control and countermeasure (SPCC) plans, which contain operating procedures that assist in preventing fluid spills, discuss control measures installed to prevent a fluid spill from reaching navigable waters and describe countermeasures to contain, clean up and mitigate the effects of a fluid spill that may reach navigable waters. In accordance with U.S. Environmental Protection Agency (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.



## Operational Waste

As part of our commitment to environmental stewardship, DLC maintains various programs to keep harmful chemicals out of municipal waste landfills. We are steadfast in ensuring that any soils moved from DLC projects adhere to the Pennsylvania DEP’s Management of Fill Policy. Our Universal Waste Program makes certain the proper recycling of spent light bulbs that contain mercury, spent rechargeable and lead-acid batteries and mercury-containing devices. In 2023, our projects generated 77 metric tonnes of hazardous waste and 1,950 metric tonnes of non-hazardous waste; this includes non-hazardous soils from projects, asbestos, vault and manhole maintenance, water and other non-hazardous waste. Non-hazardous waste generated in 2023 was significantly higher than 2022 levels primarily due to soil removal from work commencing on our new 138kV Watson substation. Other waste includes polychlorinated biphenyls (PCBs), which were banned in 1979 by the EPA. As we replace company equipment, anything that may contain PCBs is properly assessed and disposed of or recycled by approved suppliers.

| Operational Waste Summary <i>(in metric tonnes)</i> | 2022 | 2023  |
|-----------------------------------------------------|------|-------|
| Hazardous Waste Generated .....                     | 281  | 77    |
| Non-Hazardous Waste Generated .....                 | 336  | 1,950 |
| Universal Waste Generated .....                     | 17   | 9     |
| PCB Waste Generated.....                            | 7    | 14    |

## Waste Management & Recycling

Recognizing the importance of being good stewards to protect our environment and creating a sustainable program, DLC has continued to expand and refine our reclamation and recycling programs. These initiatives involve comprehensive waste management practices aimed at minimizing the environmental impact of our operations. By segregating and recycling our materials, we can reduce the amount of waste destined for landfills. From reconditioning various products to recycling electronic waste, our commitment extends across various facets of our business. Through these reclamation and recycling programs, we’ve recovered over 3 million pounds of metal and recycled over 80,000 gallons of oil. DLC continues to showcase that economic success and environmental stewardship go hand in hand, setting a precedent for sustainable business practices in the industry.

In 2023, our Investment Recovery team contracted with an external trash compacting vendor to assist with decreasing our waste haul activity. This helps save us money by reducing our management of overflow trash and keeps our workforce safe by keeping any overflow trash contained within our dumpsters. The vendor utilizes a three-ton drum and a hydraulic arm to compact trash directly in the dumpsters located at our facilities, effectively crushing anything from cardboard, mixed trash, organic debris, pallets and more. The drum is also equipped with a guard, which prevents any damage to our waste dumpsters. Research from our third-party vendor estimates that a typical dumpster haul can contain up to 80% air and only 20% is occupied by waste.

By decreasing this ratio, we’re reducing our cost of dumpster hauling in addition to the emissions associated with each haul. During 2023, we conducted a pilot with one of our largest dumpster locations and were able to cut our waste dumpster swaps in half by utilizing the vendor’s services. Moving forward, we are working to expand these services to all five of our service centers and are estimating we will achieve an annual savings of approximately 30% off our total waste management bill.

In addition to examining how we dispose of trash, we took steps in 2023 to secure a new electronic waste (e-waste) vendor. Our Investment Recovery team identified a locally owned Pittsburgh-based business, which is a computer and electronics recycling business that provides industries and consumers with safe and expert e-waste recycling and data destruction services. The vendor is dedicated to properly disposing, refurbishing and refining electronic elements and holds the following certifications: [ISO 14001](#), [R2 v3](#) and [Recycling Industry Operating Standard](#). These certifications represent the highest standards of e-waste disposal and recycling to ensure the process is conducted in a sustainable manner and ensures legal requirements are followed. They were important criteria we considered when selecting an e-waste vendor and are described further in the [Glossary](#).





The total amount of e-waste recycled at DLC facilities in 2023 was 216,792 pounds. Additionally, through enhanced collaboration and continuous improvement efforts, we began bringing in revenue for our e-waste in October, with total 2023 revenue being \$5,000. This has helped eliminate what was previously a >\$10,000/year expense for DLC.

In 2023, we also expanded the number of Waste Management recycling dumpsters at our facilities; however, the current focus remains on paper and cardboard recycling. Moving forward, we are working to improve the overall communication and education about recycle box availability. We are also piloting an office-based recycling effort at our largest employee-occupied location, focused on educating employees about the different recycling streams in order to avoid cross-contamination. This effort is initially focused on paper, cardboard, plastic and aluminum.

| Recycling Efforts               | 2022             | 2023             |
|---------------------------------|------------------|------------------|
| <b>Scrap Metals (in pounds)</b> |                  |                  |
| Aluminum .....                  | 1,212,746        | 662,123          |
| Brass .....                     | 1,667            | 461              |
| Copper .....                    | 684,333          | 516,335          |
| Steel .....                     | 2,488,834        | 2,428,580        |
| <b>Total Scrap Metal .....</b>  | <b>4,387,580</b> | <b>3,607,499</b> |
|                                 |                  |                  |
| Oil (in gallons) .....          | 109,385          | 81,734           |
| Antifreeze (in gallons) .....   | N/A              | 4,356            |

# BENEFICIAL ELECTRIFICATION

## Building Electrification

DLC is committed to advancing strategies that lead our region’s transition to a clean energy future 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.

The work we do to support customers in making decisions to switch to electric solutions within their homes, businesses and on the road can have a positive impact on local outdoor air quality while improving air quality in the built environment. Throughout 2023, we embarked on a journey to learn about opportunities that were fit for the region. We also were more intentional about engaging with customers about electrification, and we conducted early market research to understand customer perspectives, in partnership with a third-party research firm.

While working to reduce barriers our customers face regarding building electrification, we focused on connecting them to resources and educational engagement. In October 2023, we co-hosted a webinar with the Pennsylvania Department of Environmental Protection that linked our customers with available funding from the state and DLC to pursue energy-efficient kitchen technologies. Additionally, through our strategic partnership with Pittsburgh Earth Day, we co-hosted an Earth Day event at the Energy Innovation Center in Pittsburgh’s historic Hill District neighborhood. Community members were able to experience electrification first-hand by checking out DLC’s all-electric Ford F-150 Lightning, sitting in on induction cooking demonstrations and connecting with local sustainable vendors.



## 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.

The region reached a major milestone in 2023, surpassing 10,000 registered EVs in the fall and totaling more than 11,300 by year-end — a more than 450% climb from roughly five years ago. Other areas of key highlights in 2023 are described in more detail on the next page.

**Awareness, education & engagement**

We continue to educate our customers about the benefits of electric mobility through strategic outreach and partnerships. In 2023, we sponsored events such as the Pittsburgh International Auto Show, the Pittsburgh Vintage

Grand Prix and Bike Share Pittsburgh; hosted various educational events and webinars; and continued offering customer tools, including our comprehensive [online EV guide](#). Additionally, DLC has identified and engaged with approximately 20% of our EV-driving customers by offering them a one-time \$50 incentive for registering in our EV Registration Incentive Program. By the end of 2023, we identified more than 2,100 EV-



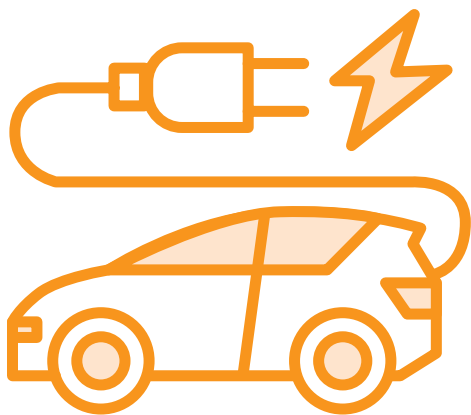
driving customers. Gaining insight into where EV drivers in our service territory are located can help us better manage grid assets and infrastructure planning.

Also in 2023, DLC hosted the first-ever Southwestern Pennsylvania Electric Fleet Expo to help transportation leaders throughout the region learn about fleet electrification. The event was attended by more than 200 transportation and sustainability leaders from local businesses, municipalities, school districts and nonprofits interested in planning for electric fleets. Participants were able to attend educational panels; speaker sessions; and experience many of the latest electric fleet vehicles in person, including electric box trucks, work trucks, transit vans, refuse trucks and more. Some even rode in an all-electric school bus, courtesy of Student Transportation of America (STA).

As part of its Fleet Charging Program, DLC recently completed a project in partnership with STA to install the charging infrastructure needed to power electric school buses for Pine-Richland School District. The electrification of school buses protects children from negative health outcomes linked to diesel-related pollutants. Through this program and our Electric Fleet Advisory Service, we are partnering with local fleet operators like STA to create free roadmaps to fleet electrification. The program also assists with funding and installing EV charging infrastructure for those fleets.

**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 offers 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 2023, DLC enrolled 493 customers into the rate, resulting in aggregate electricity supply savings for customers and reduction in electricity usage during peak times. In total, more than 1,000 customers have enrolled in the time-of-use rate at some point.



Electric Fleet Advisory Service

Through DLC’s Electric Fleet Advisory Service, we have worked on fleet analyses with 19 commercial customers, representing a diverse set of industries that includes nonprofits, schools, universities, municipalities and religious organizations. Twelve of these analyses were completed in 2023, resulting in the assessment of 773 vehicles, 433 of which were recommended for electrification. By converting those vehicles to electric, participating customers would see an estimated savings of more than \$5.3 million, while reducing greenhouse gas emissions by more than 16,800 metric tonnes over the life of the vehicles. With 769 more 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, multi-family and fleet operator sites. In total, four projects were completed in 2023, including installations at workplaces, multi-family properties, municipal fleet sites, school districts, municipal parking lots and more. We expect to complete more projects for a strong pipeline of customers in 2024.

Moving forward, we’ll continue to 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 and displace the need for more than 17 million gallons of gasoline annually.<sup>1</sup> Through our Community and Fleet Charging programs, we’ve installed 198 charging ports to date. We’re also aiming to support the installation of more than 350 charging station ports by the end of 2024. By 2030, DLC customers who drive EVs are projected to collectively save more than \$250 million annually on fuel and maintenance.

<sup>1</sup> Long-term target is based on the Electric Power Research Institute (EPRI) EV adoption projections. The most recent EPRI projections as of October 2023 indicate that over 80,000 EVs will be adopted in our service territory. This figure includes approximately 79,000 light-duty vehicles and 2,000 medium and heavy-duty vehicles. EPRI EV adoption projection are published annually.

DLC Hosts Induction Cooking Workshop

In March 2023, DLC partnered with Forward Dining Solutions and the City of Pittsburgh to host a commercial induction cooking workshop at the Phipps Botany Hall kitchen. Nationally recognized, all-electric Chef Christopher Galarza, founder of Forward Dining Solutions, led the class which featured insight on the benefits of induction cooktops versus traditional gas stoves, highlighting decreased cook times and improved indoor air quality. DLC’s energy efficiency program partner, Franklin Energy, presented incentive options to reduce energy use and costs in commercial kitchens. The event strengthened DLC’s reputation as a trusted energy partner while the region navigates its decarbonization strategy. Some of DLC’s largest corporate customers, including hospitals and academic institutions, participated in the workshop alongside local restaurants.

Beneficial electrification is just one of many tactics DLC is exploring during its quest for a clean energy future for all people and communities in western Pennsylvania. Workshops like this help create education and awareness as we move toward that goal.

“We don’t have to continue to use our 20th century solutions to fix our 21st century problems,” said Chef Galarza. “Cooking has everything to do with fundamentals and techniques. The foundation of cooking has nothing to do with the fuel source.”



# INFRASTRUCTURE RELIABILITY

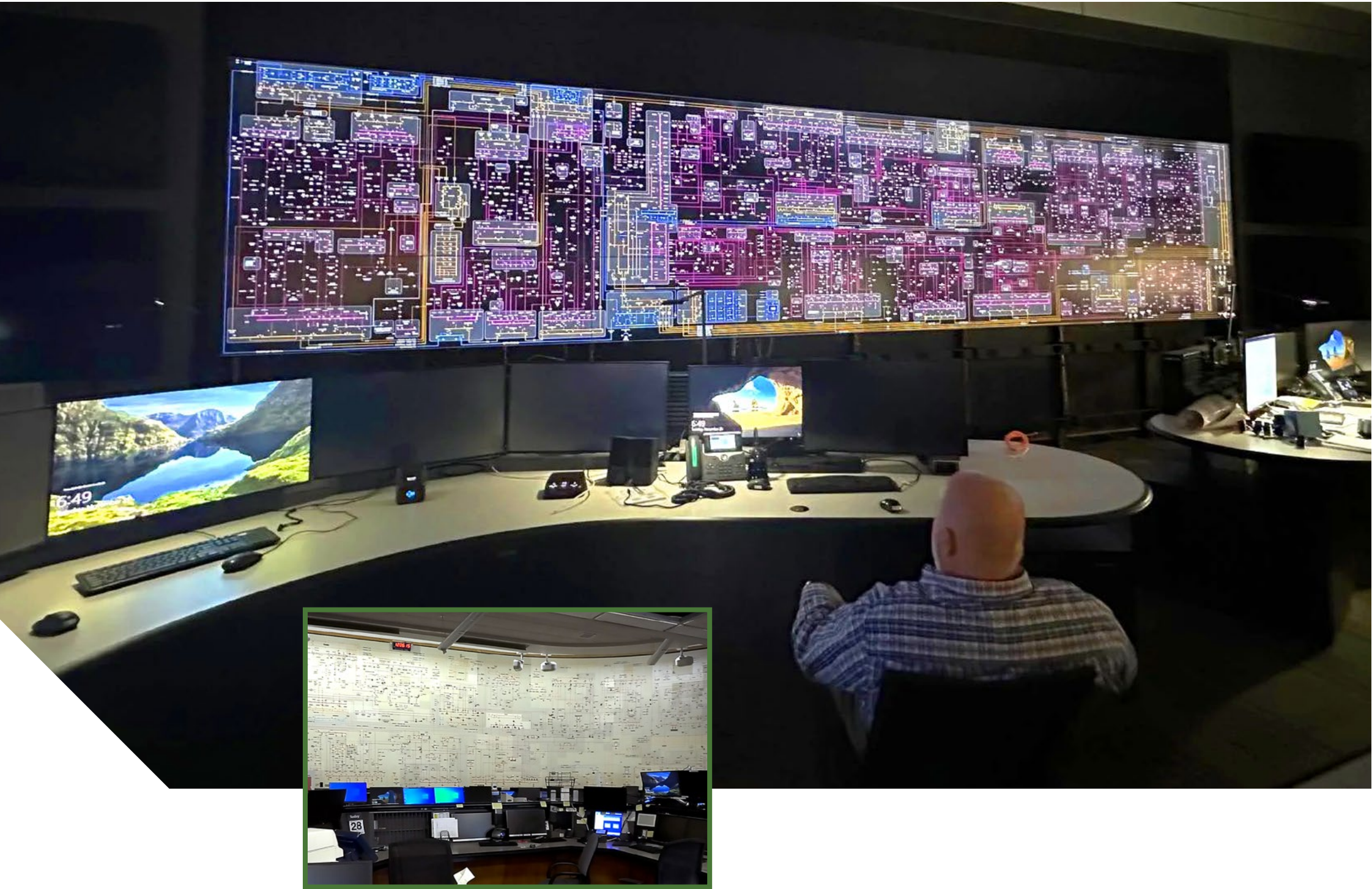
Delivering reliable electricity is the core of our business, and resilient infrastructure is critical in performing this essential service. We are constantly maintaining and upgrading the grid to ensure we are delivering on our customers’ ever-evolving needs.

DLC monitors and studies its transmission and distribution systems continuously to identify any stresses 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.

## Reliability Performance

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. We recognize the importance of all three reliability metrics and use them to evaluate the health of our infrastructure. Our reliability metrics are routinely ranked as highest or next-to-highest in the state of Pennsylvania. In fact, DLC experienced its best-ever reliability performance in 2023. For all three reliability metrics, DLC has historically delivered first or second quartile performance when compared with other large Pennsylvania electric distribution companies and utilities in neighboring states with at least 100,000 customers. Many of our customers who experience an outage are restored in less than five minutes.

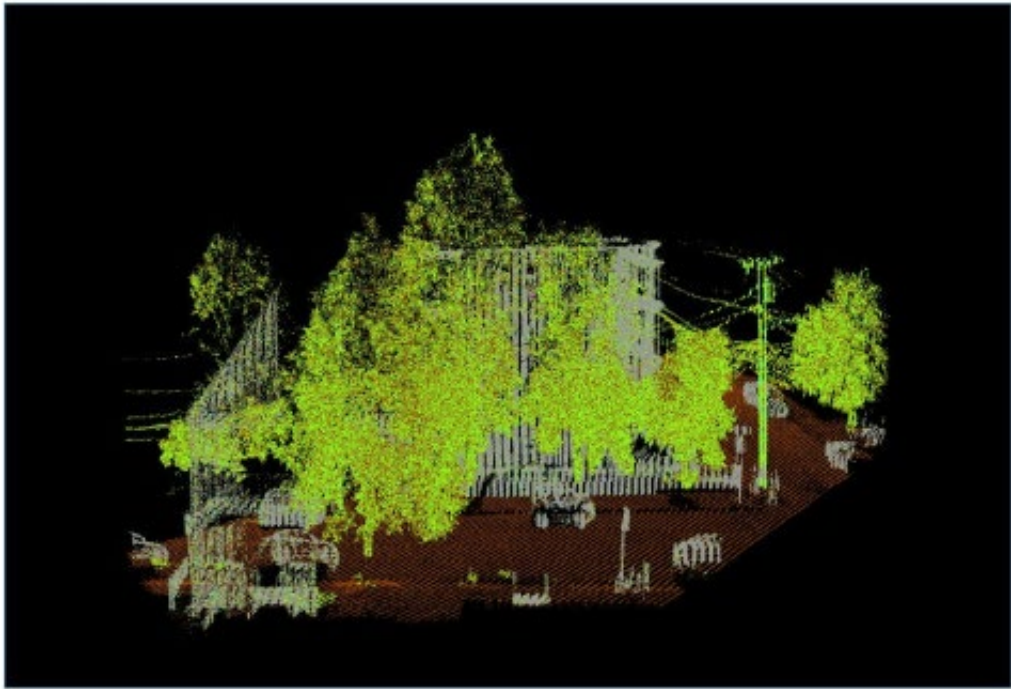
| INFRASTRUCTURE RELIABILITY METRICS    | PA PUC BENCHMARK | 2022 | 2023 |
|---------------------------------------|------------------|------|------|
| SAIFI <i>(interruptions/customer)</i> | 1.17             | 0.92 | 0.57 |
| SAIDI <i>(minutes)</i>                | 126              | 134  | 63   |
| CAIDI <i>(minutes)</i>                | 108              | 146  | 110  |



## Operations Center Renovations

With our focus on customer centricity as we strive for a clean energy future, we have entered an exciting new chapter in DLC’s outage management process. The operations center located at our Woods Run campus recently underwent an extensive 13-month renovation project that gives our teammates a state-of-the-art facility to provide excellent service for our customers. One of the main benefits of the renovation moves our grid map from analog to digital, paving the way for more efficient, real-time views of DLC’s grid infrastructure.





## Outage Management System

DLC officially went live with its Outage Management System (OMS) in December 2023. We expect that OMS will provide operational efficiencies of approximately \$2.6 million in annual savings through a phased and thoughtfully planned approach to deployment that will unlock OMS capabilities over time, including more accurate communications and improved quality of service for our customers related to outages and restoration progress.

To support our OMS project, we first developed a new utility network model for our Geographic Information System (GIS) platform. Working collaboratively alongside our partners at Esri, a GIS software company, we utilized their robust mapping and spatial analytics technology for our LiDAR (Light Detection and Ranging) project, enabling us to map our distribution circuits from substations, along poles and to our customers. DLC is one of the first utilities to deploy this technology at such a scale. It will enable our field operations, business operations and customer service employees to engage with GIS data that houses the connectivity view for customers and consequently understand the exact location of our assets in the field.

The new dataset enhances situational awareness across the organization and primes DLC to begin transforming our existing business processes. This foundational technology is key to our clean

energy future — it allows us to be proactive with our work by better understanding the distribution network and to plan accordingly. Due to the innovative nature of the project, DLC was recognized with Esri’s Special Achievement in GIS Award. Esri selected our project from over 100,000 entries for the innovative use of their GIS technology.

## What Does OMS Do?

OMS automates the processing of outage data, replacing the manual methods we previously used and, in turn, will support faster restoration times during outages. It also will provide real-time outage information to our Operations Center employees, so they can continue safe, efficient dispatch and communication with crews. In addition to the internal benefits, the OMS also will help us better communicate real-time restoration progress with our customers through applications like the Outage Map on our website, email and SMS. Finally, the OMS will enable faster processing of data after a storm event in support of our regulatory reporting requirements.

Overall, OMS is a foundational technology that we need to modernize our grid and meet the demands of our increasingly dynamic energy system. We need this layer of system monitoring and management to enable our future distribution management system (DMS) and advanced applications such as DERMS that are necessary for our digital utility transformation.

## Beneficial Electrification Enablement

As customers come to rely on electricity more and more, there is a need to have increased capacity and reliability for our grid to support the adoption of beneficial electrification and DERs. To that end, DLC is actively pursuing funding to assist in our 4kV to 23kV distribution line conversion project. We will fund the project by putting up \$180 million over five years and will explore opportunities for additional funding through federal grants. 23kV distribution lines have fewer line losses since they have higher voltage and fewer transformations. A system based on 23kV allows for easier regulation of voltage, and along with the additional capacity, enables our customers to connect more DERs to circuits. We also expect that our reliability can be improved since we’ll have more intelligent and remotely controlled protective devices that allow us to reroute power.

# 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, save money and opportunities to reduce their overall impact on the environment through load reduction<sup>1</sup>. Through DLC’s energy efficiency programs, customers are encouraged to invest in and implement products and home improvements that can increase their homes’ efficiency, safety and comfort.

In 2023, we enabled customers to participate in programs that helped them reduce 100,680 MWh across all customer segments according to Act 129 PA PUC Guidelines. These measures led to a reduction of 78,650 tons of CO<sub>2</sub>e, which is equivalent to GHG emissions from 15,878 gas-powered passenger vehicles driven for one year or 182,909,597 miles<sup>2</sup>. To accomplish these customer savings, we:

- Issued more than 17,108 conservation kits to residential customers (energy efficient lightbulbs and nightlights).
- Participated in more than 44 in-person community events, distributing more than 7,150 energy-efficient products.

- Enabled more than 59,980 customers to participate in non-behavioral energy efficiency programs.
- Issued more than 280,000 weekly energy usage emails that provide conservation tips and insights for residential customers. This includes 42,000 income eligible customers who receive weekly energy emails.
- Successfully completed more than 3,600 visits through our Smart Comfort Program<sup>3</sup>.
- Strengthened partnerships with local gas companies to complete 329 joint audits for income-eligible customers.
- Developed a comprehensive outreach plan to better identify and engage income-qualifying customers, including making our outreach materials more accessible by translating all program material into Spanish.
- Launched an emergency repair program for income qualifying customers to help with electrical health and safety concerns in their home.

- Completed website updates that enhanced the income qualifying webpage to highlight eligibly, program parameters and enrollment.

The Inflation Reduction Act of 2022 (IRA) provides a historic investment in measures that reduce the impacts of climate change, including energy efficiency, weatherization and electrification technologies. This is meant to reduce the costs to customers who adoption these technologies. In addition to DLC’s energy efficiency programs, we wanted to connect our customers to the available funding that will amplify the adoptions of these measures, especially for low- to moderate-income customers. To that end, we developed a comprehensive website that educates customers on federal tax credits available under the IRA and how these resources can be stacked on top of DLC rebates to bring down costs even further. In the next year, we will expand outreach and education efforts so customers can maximize benefits for safer, reliable and more efficient electric products in their homes.

We are committed to lowering our customers’ energy usage through established energy efficiency programs, with a goal of reducing 348,126 MWh by May 31, 2026, in accordance with our approved PA PUC plan. Additionally, within the PA PUC plan DLC will deploy customer energy efficiency projects to reduce demand and enable 62 MW by May 31, 2026. When conducting efforts that help achieve this goal, we know it is important to ensure our customers who need it most have access to resources that help reduce their energy burden. By using the results from the Comprehensive Outreach Plan, we aim to encourage participation in income-qualifying programs that increase comfort in the home and make bills more manageable.

<sup>1</sup> 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.

<sup>2</sup> Source: [U.S. EPA Greenhouse Gas Equivalencies Calculator](#) as of 12/31/2023.

<sup>3</sup> DLC’s Smart Comfort Program is a part of Pennsylvania’s Low-Income Usage Reduction Program (LIURP), which is a conservation and weatherization program that helps customers reduce consumption and make their homes more comfortable. Weatherization measures include refrigerator replacement, lighting, insulation/weatherstripping, electric water heaters and air conditioning replacement.



# BIODIVERSITY & 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 (ROW) 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 more than 6,200 miles of overhead power lines, we can keep power flowing for our customers. During our annual maintenance program in 2023, we inspected and maintained 1,300 miles of distribution lines and 200+ miles of transmission lines using proactive vegetation management practices.

We encourage utility-compatible vegetation through integrated vegetation management, which involves promoting desirable, stable, low-growing plant communities through environmentally sound and cost-effective control methods that resist invasion from tall-growing tree species. 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 23 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 uses a tree voucher program to partner with customers and promotes “right tree, right place” planting practices. 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 required 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, and in 2023, we issued more than 500 tree vouchers to customers. 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 infrastructure.

## 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 practices 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 low-growing native shrubs in those areas minimizes the need to remove larger trees from near equipment and improves and improves public perception.





Community Partnerships

Continuing the education and understanding of our vegetation management practices throughout the organization and in the community is critical, and we promote the importance of maintaining a biodiverse habitat that does not interfere with the safety and reliability of the grid. To that end, our Vegetation Management team hosted an educational seminar for DLC senior leaders in partnership with Tree Pittsburgh, a local nonprofit focused on restoring and protecting the urban forest. We also supported the Audubon Society of Western Pennsylvania’s Bird Town program, which aims to enable and recognize municipalities’ environmental and bird-friendly actions.

In addition to education, we also support efforts that increase the local tree canopy and enhance biodiversity in the communities we serve. We encourage our stakeholders to take advantage of charitable funding using DLC’s grant programs to support causes that enable sustainable communities. In 2023, we provided grants to nine initiatives supporting increasing greenspaces, revitalizing vacant lots, establishing new and upgrading existing community gardens, increasing reforestation efforts and planting native and pollinator-friendly gardens.

DLC Helps Researchers Studying Wildlife in Hays Woods

In Spring 2023, DLC partnered with a local bird conservation group, Bird Lab, on a bird banding project involving a DLC transmission and distribution corridor in Pittsburgh’s largest urban forest, [Hays Woods](#). Bird Lab is a local bird conservation group that creates and implements bird-focused conservation practices through the integration of research, education and community science.

DLC strives to ensure that utility ROWs are accessible to our crews while supporting desirable plant species and wildlife throughout the corridors. DLC’s Hays Woods’ ROW condition made that corridor excellent for travel and feeding for migrating songbirds, enabling the successful Bird Lab project. Bird Lab ran a series of 11 mist nets over an eight-week timeframe ending in May 2023 that captured birds using mist nets and collected biometric data to evaluate the birds’ health during peak migration times.

DLC’s Vegetation Management is committed to providing the highest level of service to our communities. Promoting a healthy tree canopy that does not jeopardize the safe, reliable operation of the electric grid helps DLC create a clean energy future for all. In addition to collecting wildlife data, the project showcased a DLC Vegetation Management goal to sustain wire or border zone utility ROW and the important benefit this practice has for our local ecosystem.



# POWERING PEOPLE

Our employees, customers and community represent the human grid behind the electrical one that will enable our region’s clean energy future. This journey starts with a strong commitment to social responsibility where we can support our customers, uplift the communities we serve and empower our employees. As the electric utility serving the Pittsburgh region, we play a critical role in powering everyday moments that matter. From educating customers on how to lower their energy bills to volunteering in our communities, we strive to empower people in everything we do.

Our job is to deliver safe, reliable, resilient and affordable power to our customers, and we are dedicated to connecting our customers with resources to improve their lives. As the industry continues to change and customers’ needs evolve, we are steadily advancing the programs, services and solutions we offer in ways that enable us to enhance the customer experience and support growth within our region.

As an integral member of the communities we serve, we take seriously the role we play in contributing to the vibrancy of the region. The investments we make impact our local economy and are safety and health determinants for our environment. Philanthropy and volunteerism allow DLC and our employees to give back to communities in a purposeful way and enable future generations in our region to prosper.

All employees are an essential part in achieving a clean energy future and without investing in the development, health and safety of our workforce, none of this would be possible. By offering opportunities for continuous improvement of skills and instilling best in class safety practices, we are preparing our employees to lead the region’s energy transition. We are committed to investing in our people and building a culture of inclusion and respect, both inside and outside the workplace.



# POWERING PEOPLE Q&A

1.



**Angela Feldbauer**  
*Manager of ESG and Corporate Giving*

**QUESTION:**  
**How is DLC partnering with the community to help fulfill unmet needs in your service territory?**

**ANSWER:**  
Creating opportunities that elevate people and businesses in our region benefits the entire community and creates momentum for our region to thrive. For example, in 2023, DLC contributed to 38 local grassroots nonprofits focused on environmental justice, education and social equity initiatives through our Community Impact Grant (CIG) program. Since launching in April 2021, the CIG program has funded nearly 100 organizations with more than \$600,000. Approximately 86% of those groups identified as diverse-led.

2.



**Jennifer Neiswonger**  
*Director of Customer Experience*

**QUESTION:**  
**With more than 600,000 customers across the Pittsburgh region, what is DLC doing to create an improved experience for customers?**

**ANSWER:**  
Our obligation is first and foremost to our customers. We are focused on making it easier to interact with DLC when customers have billing/payment questions, want to report an issue and much more. One of the first steps in accomplishing this is increasing access. By adding more payment options, website upgrades, SMS texting capabilities and alerts, we aim to provide convenient

3.



**Samantha Hartzman**  
*General Manager of Social Impact and Chief Diversity Officer*

**QUESTION:**  
**How is DLC creating an inclusive workplace that fosters professional and personal development?**

**ANSWER:**  
DLC is committed to building a diverse, equitable and inclusive workplace where all employees feel valued, respected and energized. We are purposeful in supporting our employees' development both professionally and personally through our four Business Employee Resource Groups (BERGs) and two Ally Circles. These employee-led groups offer opportunities for our workforce to gain experiences in leadership, networking and volunteerism. In 2023, our BERGs and Ally Circles supported the launch of an enterprise-wide mentoring program which paired employees across the company who were seeking the chance to gain expertise from someone they did not know. These groups help our employees actively participate in being the change they want to see and driving our culture forward at DLC.

# CUSTOMER RELATIONS

**Focus on our customers is at the core of everything we do. This year, we launched new programs designed to educate our customers and provide them with easier connectivity to our service offerings.**

For example, because we know that affordability matters to all customers, in 2023 we deployed educational efforts to increase customers’ understanding of their electricity bill charges, energy supply charges and awareness of scams. We have a dedicated [“Understanding your Bill”](#) webpage that shares example bills for different customer classes with detailed videos breaking down bill charges. In addition to this, we regularly share reminders on social media and monthly newsletters for customers to stay vigilant against energy-related scams.

DLC also procures energy on behalf of customers who chose not to shop with an energy generation supplier (EGS). This process is regulated by the PA PUC, and by law, default electricity supply must be procured through a “prudent mix” of contracts that yield the “least cost to customers over time.” It also must include a minimum percentage of renewable generation and other alternative sources as required under the Alternative Energy Portfolio Standards Act of 2004. To help customers have as much information as possible, we offer a service, “My Alerts,” where customers can opt-in to receive notifications when they are paying more than they would on default

service. To promote this, we regularly share this information on social media and encourage enrollment in “My Alerts.”

In January 2023, DLC’s Customer Experience team successfully launched “Paymentus.” The new advanced payment service offers DLC customers the ability to pay their bills using services like Apple Pay, Amazon Pay, Google Pay™, Venmo and PayPal. In addition to making payment easier than ever, the new service is available for same-day credit, debit and ACH payments, all while offering reduced processing fees wherever applicable. The service was first rolled out to the 107,000 customers who were using the previous payment system.

We also introduced text messaging capabilities as another way for our customers to connect with us. The service allows cell phone users to request current bill information on-demand. Texting “BILL” to 898352 (TXTDLC) will initiate an automated conversation. The user must first authenticate with simple identification prompts. Customers are then provided their bill amount due, due date and a link to pay online. If a bill has been paid, customers will receive a message stating they have made payment.



Two-way text messaging is part of a multi-year project that began in 2020. DLC now sends customer messages related to health and safety and account transactions through SMS, email and phone channels. Additionally, customers can choose up to eight alerts that include billing, payment and service notifications. More two-way text features will be rolled out in 2024, allowing customers to report a power outage and register for My Alerts.

Improving customer experience, safety and communications requires a multifaceted, ongoing approach. Additionally, in 2023, we completed the activities listed below to continue advancing our service for customers.

- **Launched a new Battery Loaner program offering customers backup battery power for planned outages.**

- **In response to customer feedback that navigating our website could sometimes be difficult, DLC launched a Wayfinding tool on the homepage. This tool provides website visitors with a list of commonly visited pages so that they can get to the information they need easily without searching the site.**
- **Launched a new webpage educating customers on the federal IRA program.**
- **Added additional SMS and email communications to provide all customers another chance to pay before service termination.**
- **Auto-enrolled customers for outage notifications.**

- **Increased enrollments for online account alerts by 21%; the top three alerts are bill due, bill past due and payment received.**
- **Adoption of electronic billing increased by 4% in 2023; more than 44% of customers are enrolled in this option.**
- **DLC online account registrations increased by 4% in 2023; more than 62% of customers have a registered online account.**
- **Increased DLC mobile application usership by 65% (162,523 users) compared to 2022.**

### Affordability & Access

Our customers count on us every day for their energy needs. 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, 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.

Efforts around affordability and access in 2023 included fostering a partnership with a local foodbank, which allowed Customer Assistance Program (CAP) case managers to attend drive-up and walk-in distribution events to help customers apply for low-income assistance. We also automated our Dollar Energy Fund grant processing, which provided faster service to customers. We enrolled approximately 2,000 more customers in CAP in 2023, and it was our second-best Low-Income Home Energy Assistance Program (LIHEAP) grant year.

| Customer Breakdown       | 2022           | 2023           |
|--------------------------|----------------|----------------|
| Residential .....        | 546,395        | 548,919        |
| Commercial .....         | 61,180         | 61,222         |
| Industrial .....         | 1,048          | 1,025          |
| Other <sup>1</sup> ..... | 1,144          | 1,137          |
| <b>Total.....</b>        | <b>609,767</b> | <b>612,303</b> |

<sup>1</sup> 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.

| Energy Assistance Provided 2023 |                     |
|---------------------------------|---------------------|
| Dollar Energy Fund              | \$1,846,907         |
| LIHEAP                          | \$8,220,025         |
| PA – Homeowners Assistance Fund | \$349,301           |
| <b>Total</b>                    | <b>\$10,416,233</b> |



# 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 products, including air conditioners, refrigerators, dehumidifiers, insulation, electric heat pump water heaters and furnaces.
- **Appliance recycling**
  - » DLC pays customers \$50 to recycle old, working, energy-wasting refrigerators, freezers, or old, working window AC units. \$35 rebates are available for old, working dehumidifiers.
- **Whole-house energy audit**
  - » The Residential Comprehensive Audit provides DLC customers with a professional energy audit for their home, 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.
  - » Customers can receive \$400 in additional rebates for the installation of air-sealing and insulation measures.
- **Online marketplace**
  - » DLC’s online store offers a convenient way to shop from home, receive instant rebates and compare prices on energy-saving appliances and products.



## Kristy Stone Joins DLH as Chief Customer Officer

Kristy Stone was appointed to chief customer officer (CCO) effective January 3, 2023. In her new position as CCO, Stone is responsible for further developing DLH’s culture of customer centricity while ensuring our vision of a “clean energy future for all” benefits all communities in the Pittsburgh region. She most recently served as senior vice president of customer experience and innovation at Blue Stream Fiber in Florida, where she led a team supporting customer operations.

Stone also has led the Service Delivery and Care team at Lumos, previously NorthState, in North Carolina. In that role, she oversaw customer success and developed a training program focused on differentiated customer experience and brand loyalty. She holds a Bachelor of Business Administration from St. Andrews Presbyterian College and is a Certified Customer Experience Professional by the Customer Experience Professionals Association.

# PHILANTHROPY & VOLUNTEERING

Our goal is to provide power that does more than keep the lights on. We want our communities to thrive, so we continually invest in initiatives that enhance quality of life for those we serve. Our distinct community programs — Charitable Giving and Community Impact Grants — help us to accomplish these goals.

We are helping create and foster healthy, vibrant communities across our service territory through charitable donations and employee volunteerism. DLC’s charitable giving funds are made available due to the generosity of our ownership group and none of our charitable funding is derived from the rates our customers are charged.

## 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 toward historically disenfranchised communities and populations.
- **Workforce Development:** Funding will support initiatives and programs focusing 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 people in the energy and utility sector with a special focus on opportunities for veterans, women and black, indigenous and people of color (BIPOC) communities.
- **Sustainable Communities:** Funding will support programs and projects ensuring the protection of our environment and green spaces along with projects promoting community safety and resiliency.

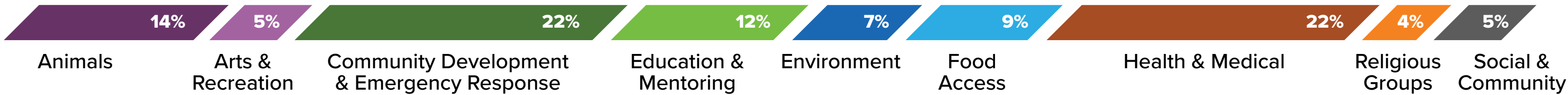
| Charitable Giving Summary      | 2022              | 2023        |
|--------------------------------|-------------------|-------------|
| Focus Area                     |                   |             |
| Social & Economic Equity ..... | \$820,500 .....   | \$571,500   |
| Workforce Development.....     | \$486,832 .....   | \$473,500   |
| Sustainable Communities .....  | \$959,065 .....   | \$775,319   |
| Total Charitable Giving .....  | \$2,266,397 ..... | \$1,820,319 |

DLC also has a Community Impact Grants microgrant program. Started in 2021 this program is aimed at funding projects and programs supporting 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 less than or equal to \$500,000 to be considered for this program. Since the program’s inception, we have distributed more than \$600,000 in microgrants. In 2023, Community Impact Grants were distributed to 38 organizations.

Our workforce consistently lives the core values of safety, integrity, dependability, equity and community. We have the opportunity to conclude every year by showcasing our devotion to these values by donating during our hallmark fundraiser, DLH and IBEW’s Campaign for the Community. This annual campaign allows 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 nonprofits in our service territory. Our employees pledged over \$275,000 to 395 nonprofits during the 2023 campaign; this surpassed our 10-year average by 9%.



2023 Campaign for the Community — Donation Allocations<sup>1</sup>



Volunteering

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

Our volunteer program is a core component of our community engagement efforts. Employees are permitted to volunteer with nonprofit organizations throughout the year. 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, including members of our executive leadership team, who dedicate their time to serving on a nonprofit board and who are active mentors to youth in our region.

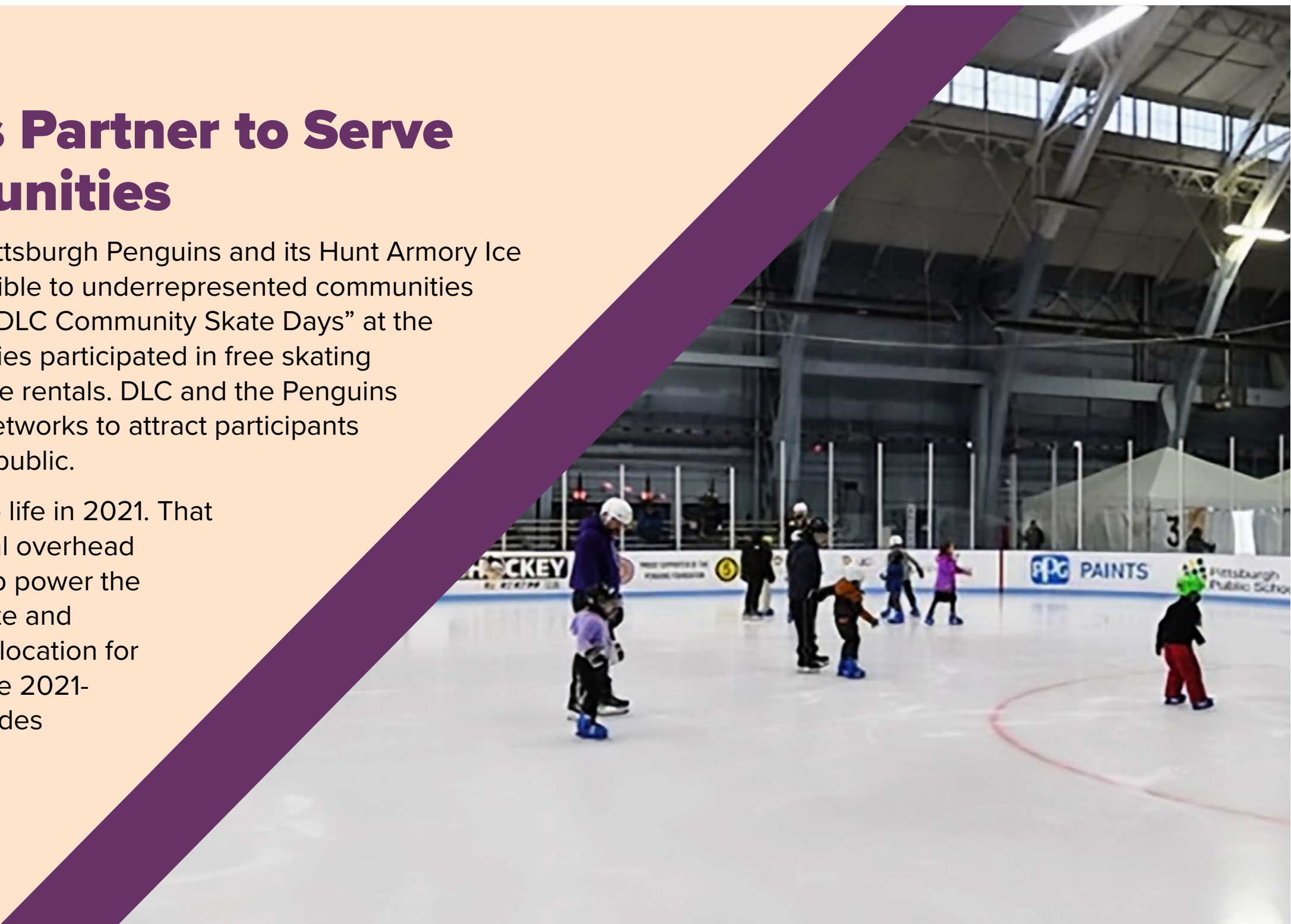
In 2023, DLC employees participated in 89 volunteer events which contributed to 4,320 volunteer hours supporting our local communities.

<sup>1</sup> 501(c)3 organizations are eligible to receive employee donations through DLH's annual Campaign for the Community. DLH's match applies to 501(c)3 organizations based in Southwestern Pennsylvania that meet DLH's Charitable Giving Policy, with exclusions applying for certain organizations including religious (except for non-sectarian activities).

DLC, Pittsburgh Penguins Partner to Serve Underrepresented Communities

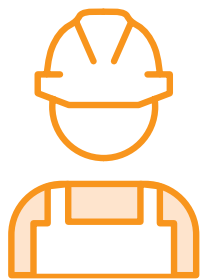
In 2023, DLC announced a new partnership with the Pittsburgh Penguins and its Hunt Armory Ice Rink to help make hockey and ice skating more accessible to underrepresented communities within the city of Pittsburgh. The company sponsored “DLC Community Skate Days” at the Shadyside-based rink, where inner-city youth and families participated in free skating sessions that included the costs of equipment and skate rentals. DLC and the Penguins engaged various community groups and partnership networks to attract participants to the skate days, which were not open to the general public.

DLC also played a significant role in bringing the rink to life in 2021. That summer, the company designed and installed additional overhead transformers and constructed a new service line to help power the revamped facility, which was once used as a training site and storage center for military weapons and was a popular location for presidential speeches. The rink was open in time for the 2021-2022 winter season and is the only indoor ice rink besides PPG Paints Arena within the city of Pittsburgh.



# DIVERSITY, EQUITY & INCLUSION

Our diversity, equity and inclusion (DEI) strategy is focused on building a community of inclusion where diverse perspectives are critical in making impactful decisions. Like the grid, we are all connected. And at DLC, we are united in building a larger-than-light, clean energy company for all. Our DEI efforts are focused in three key areas: workplace, marketplace and community:



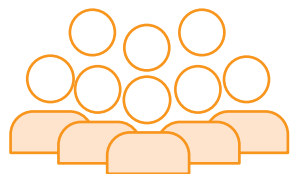
1. **Workplace:** Source, attract and retain a high-performing and diverse workforce. Define and foster a culture of inclusion, dignity, respect and belonging.

In 2023, DLC expanded the scope and impact of our DEI efforts to align more holistically with our ESG strategy by repositioning our chief diversity officer role to also oversee social impact. We had a strong focus on growing our employee programs to further develop a culture built on inclusion and respect throughout the organization. Other key achievements in 2023 included:

- Completed our three-year DEI roadmap in 2023 and developed a new DEI strategy focused on progressing our company’s maturity in DEI and working towards a more leader-led approach with increased accountability and action.
- Launched a company-wide mentoring program which was expanded out of EmpowerHer, our women-focused BERG.
- Launched a new Ally Circle, ASPIRE, focused on Asian American and Pacific Islander employees and community.



2. **Marketplace:** Engage diverse suppliers and partners to spark innovation and economic vitality. Enhance the customer experience, creating a clean energy future for all.



3. **Community:** Act as a leader in our communities through volunteerism, charitable giving and partnerships with organizations that further our DEI goals.

- Reactivated the region’s chapter of the American Association of Blacks in Energy. This effort was sponsored by DLC and led by members of BRIDGE, our Black and African American-focused BERG.
- Began program evaluation of our DEI programs to improve the experiences of our BERG and Ally Circle leaders and increase effectiveness.
- Partnered on our community giving and volunteerism efforts by supporting the selection of Community Impact Grant recipients and identifying volunteer opportunities with those organizations to further the impact of our investment in the community.
- Initiated conversations with the Customer Experience team to evaluate opportunities for language accessibility regarding our customer facing materials and interactions.
- Developed and executed a board placement program for our leadership team to increase the visibility of our leadership by lending their skills and expertise to uplift our community partners.

As our DEI strategy is intentionally embedded and integrated into everything we do, please review the following sections of our ESG report which

expand on other initiatives that are linked to the way we are ensuring a focus on equity as we deliver a clean energy future for our employees, customers and suppliers, and community.

- [Employee engagement and leadership development](#)
- [EV charging to include public transportation, school busing and community access](#)
- [Climate strategy and a just transition](#)
- [Customer access and affordability](#)
- [Supplier diversity](#)
- [Philanthropy and volunteering](#)



Employee Demographics - DLC Workforce

| Employee Counts               | 2022  | 2023  |
|-------------------------------|-------|-------|
| Total Number of Employees     | 1,725 | 1,758 |
| Number of Full-Time Employees | 1,719 | 1,751 |
| Number of Part-Time Employees | 6     | 7     |
| Number of Union Employees     | 871   | 884   |
| Number of Non-Union Employees | 854   | 874   |

| Workforce Diversity                                                    | 2022  | 2023  |
|------------------------------------------------------------------------|-------|-------|
| Females as Percent of Workforce                                        | 28.3% | 28.5% |
| Males as Percent of Workforce                                          | 71.7% | 71.5% |
| Employees Identifying as White <sup>1</sup>                            | 85.7% | 85.8% |
| Employees Identifying as Black, Indigenous and People of Color (BIPOC) | 14.3% | 14.2% |
| Veterans as Percent of Workforce                                       | 7.8%  | 7.7%  |
| Individuals with Disabilities (IWD) as Percent of Workforce            | 3.4%  | 3.8%  |
| % Employees Aged under 30 Years Old                                    | 15.2% | 16.2% |
| % Employees Ages 30 to 50 Years Old                                    | 58.1% | 59.5% |
| % Employees Aged 51 Years Old and Over                                 | 26.7% | 24.4% |
| % Employees Traditionalist Generation (1945 and Before)                | 0.1%  | 0.1%  |
| % Employees Baby Boomer Generation (1946 - 1964)                       | 13.3% | 10.6% |
| % Employees Generation X (1965 - 1980)                                 | 30.8% | 30.0% |
| % Employees Millennial Generation (1981 - 1996)                        | 49.9% | 51.4% |
| % Employees Generation Z (1997 and Beyond)                             | 6.0%  | 8.0%  |
| Overall Workforce Diversity <sup>2</sup>                               | 43.8% | 44.1% |

| Senior Leadership Diversity <sup>3</sup>     | 2022  | 2023  |
|----------------------------------------------|-------|-------|
| Females as Percent of Leadership             | 37.2% | 42.2% |
| Males as Percent of Leadership               | 62.8% | 57.8% |
| Leadership Identifying as White <sup>1</sup> | 86.0% | 88.9% |
| Leadership Identifying as BIPOC              | 14.0% | 11.1% |
| Overall Senior Leadership Diversity          | 46.5% | 48.9% |

| Workforce Race/Ethnicity Breakdown                        | 2022  | 2023  |
|-----------------------------------------------------------|-------|-------|
| American Indian or Alaska Native (Not Hispanic or Latino) | 0.3%  | 0.1%  |
| Asian (Not Hispanic or Latino)                            | 2.4%  | 2.4%  |
| Black or African American (Not Hispanic or Latino)        | 9.2%  | 8.9%  |
| Hispanic or Latino                                        | 1.2%  | 1.4%  |
| White (Not Hispanic or Latino)                            | 85.7% | 85.8% |
| Two or More Races (Not Hispanic or Latino)                | 1.3%  | 1.3%  |

| Talent Movement                            | 2022 | 2023 |
|--------------------------------------------|------|------|
| Voluntary Turnover as Percent of Workforce | 5.5% | 6.7% |

New Hires Rate<sup>4</sup>

|                    |       |       |
|--------------------|-------|-------|
| Female             | 29.0% | 35.0% |
| Male               | 71.0% | 65.0% |
| BIPOC              | 15.6% | 18.2% |
| White <sup>1</sup> | 84.4% | 81.8% |

Voluntary Resignation Rate<sup>5</sup>

|                    |      |       |
|--------------------|------|-------|
| Female             | 6.6% | 9.0%  |
| Male               | 5.1% | 5.7%  |
| BIPOC              | 6.1% | 10.4% |
| White <sup>1</sup> | 5.4% | 6.0%  |

<sup>1</sup> Includes individuals who prefer not to identify.  
<sup>2</sup> Count of employees who are female, BIPOC, veteran or IWD.  
<sup>3</sup> Career levels including Director and above.

<sup>4</sup> Calculated as diverse segment new hires divided by total new hires.  
<sup>5</sup> Calculated as voluntary resignations of diverse segment divided by diverse segment population. Does not include involuntary terminations or retirements.





## 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 BERGs and Ally Circles. Specifically, our DEI Council is comprised of members from all areas of DLC and sponsored by our president and CEO, along with our vice president and chief human resources officer. Since its inception in 2019, the DEI Council has led efforts in recognizing cultural heritage months and driving DEI initiatives that support the chief diversity officer and the strategy for advancing our DEI efforts. In 2023, the council facilitated an enterprise-wide mentoring program which engaged over 70 pairs of mentors and mentees across the organization and generated several opportunities for professional and personal development. The council champions and promotes DEI efforts across DLC and works with executive sponsors to generate new ideas that advance equity and inclusion.

## A Duty to One Another

In 2023, our DEI Council worked with executive leadership of DLC to develop an approach to driving cultural change and dialogue within the company, which resulted in a company-wide statement, as well as a 2024 objective to define a culture of respect founded in our values and create accountability for all employees and leaders across the company regarding our commitment to DEI. This new company-wide statement has been named “A Duty to One Another” and is included in its entirety below:

**“At Duquesne Light Holdings, we expect every employee to do their part in providing a *safe and equitable* workplace where everyone feels valued, respected and energized. We are committed to fostering an environment that empowers us to interact with one another in ways that drive a high-performing culture where we can *depend* on our coworkers to lead with *integrity*. Together we are building a *community* of inclusion, and we recognize diverse perspectives are critical in making impactful decisions. Like the grid, we are all connected. And at DLH, we are united in building a larger-than-light, clean energy company for all.”<sup>1</sup>**

<sup>1</sup> Note: Italic text represents our company values, which are described further on [page 10](#).

# Business Employee Resource Groups (BERGs) & Ally Circles

BERGs and Ally Circles are voluntary, employee-led groups that support and drive inclusion and diversity across the company 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.

## BERGs

BERGs serve as a forum for education and awareness, support employee connectedness and engagement, and foster innovation throughout our workforce and the communities we serve. Each program and strategy align with the organization’s performance framework, mission and core values.

## Ally Circles

Ally Circles are part of the process for continuing to grow support for DEI efforts and initiatives. Ally Circles are sponsored through the DEI Council and serve as incubator groups for new BERGs.



**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.



**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.



**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.



**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.



**ASPIRE**  
ASPIRE is the newest ally circle at DLC. This group is focused on raising awareness and visibility of the Asian American and Pacific Islander community and building connections through internal networks and community relationships.



**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.



## DLH Announces New Chief Diversity Officer

In August 2023, DLH announced the promotion of Samantha Hartzman to general manager of social impact and chief diversity officer. Hartzman, who previously served as the organization’s senior manager of ESG and corporate giving, will further build upon DLH’s culture of DEI as it continues advancing the region’s clean energy future. Following a comprehensive internal and external search, the decision to promote Hartzman demonstrates DLH’s commitment to empower leaders who have a proven and positive influence on the organization and those it serves. Hartzman’s new role also further aligns the company’s DEI aspirations to broader social impact initiatives as part of its ESG journey.

Hartzman has a bachelor’s degree in English and American studies from the University of Virginia and an MBA from the University of North Carolina at Chapel Hill. She also recently graduated from The Advanced Leadership Institute’s Executive Leadership Academy, delivered in partnership with Carnegie Mellon University’s Tepper School of Business.

# TALENT MANAGEMENT

Employees are DLC’s most important asset. We ensure DLC has access to 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 our people and our company can thrive. We strive for employees’ full involvement in and enthusiasm for their work, including a positive emotional connection to our organization. We use an integrated talent management strategy, which is a cohesive approach to recruitment, DEI, 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.

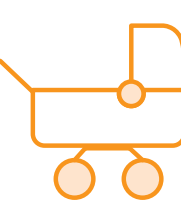
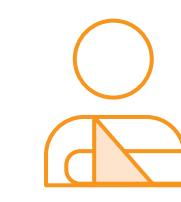
In 2023, we continued to advance our workforce in multiple ways. To increase awareness of employee benefits, we kicked off a set of voluntary mental health webinars to address levels of stress and mental health concerns of our employees. We launched a best-in-class new employee onboarding program that welcomes

new employees into our organization. Three years after the onset of the COVID-19 pandemic, we welcomed all office-based employees back to the office for a minimum of two days a week. Additionally, we worked diligently with our union membership to successfully reach a fair and balanced collective bargaining agreement.

We are also proud to share that in September 2023, we celebrated the 20-year anniversary of our Electrical Distribution Technology (EDT) program. We are honored to recognize this major milestone in developing hundreds of skilled workers who are currently employed at DLC and proudly serving our customers and communities. The EDT program has evolved over the past 20 years and will continue to do so as we further enhance the experience for participants. Since the initial launch, some of our EDT alumni continued their path to become journey lineworkers and senior operators. Others have pursued career opportunities as service crew leaders, senior construction superintendents, test technicians, journey underground splicer and apprentice trainers — all with the goal of developing the next generation of best-in-class electric utility professionals.

## Benefits & Compensation

DLC provides employees with a comprehensive benefits package<sup>1</sup>, 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:** Employer contribution of 6.5% and additional \$0.50 for every dollar contributed up to 6% (3% max match).
- 
  - **Life Insurance Options:** Basic and supplemental, spouse/child Life, supplemental AD&D and business travel accident.
- 
  - **Employee Support Programs:** Tuition assistance, Employee Assistance Plan (Counseling, Work life and Financial Services) and pet insurance.
- 
  - **Flexible Spending Accounts:** Dependent care, transportation and parking.

<sup>1</sup> As of 12/31/2023.





## Training & Education

### Coffee With...Series

To help employees regularly connect, we hold a virtual series, “Coffee With...” which is open to all employees. The video conference call takes place once a month and features different employees who answer questions and discuss relevant business updates.

### New Employee Orientation

In 2023, we launched a new, two-day interactive employee orientation experience at our Woods Run campus. New hires learn about the history of DLC and the electricity industry; get grounded in our vision; missions and values; and gain valuable insights into our commitment to culture and community. Both days of the experience have executive presence with the leadership team sharing insights from their journey and answer questions from our new hires. Other topics covered include a summary of our benefit plans, how to get powered up with our IT assets and how our connected culture drives grid performance.

### LinkedIn Learning

LinkedIn Learning is available as an 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.

### Required Employee Training

All employees 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

### Technology Training Series & Mentoring Program

The Technology Training Series is designed to educate participants on a range of practical technology-related topics. Employees also have access to the Technology Training Mentorship Program, which is designed to help participants overcome technical difficulties and accelerate their use of technology by matching employees with a skilled mentor to point them to 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 the programs contribute to on-the-job skills, knowledge or judgment required for any position within DLC.

## Listening to Our Employees

We believe it is vital to collect feedback from employees to support our workforce. In 2023, we conducted an Employee Engagement Pulse Survey. We also established and committed to a new cadence of surveying employees. Moving forward, we will conduct a full Employee Engagement Survey every other year, while Pulse Surveys will be conducted every year. Our last full Employee Engagement Survey was conducted in 2022 and received strong participation, with a 67% response rate and a 64% favorable engagement level amongst employees.

# Workforce Programs

## Electrical Distribution Technology (EDT) Program

Our EDT program provides training in the basic skills, knowledge and abilities applicants 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. 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 can 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](#).

## 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, Pennsylvania. They begin in mid-May and end in early August. The project-driven program provides personal and professional development opportunities as well as networking and social activities. For more information, please visit our [Internships](#) webpage.

## Lineworker Prep Program

Our Lineworker Prep Program 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.

# Labor Relations & Freedom of Association

DLC respects the right of its employees to bargain collectively and we are committed to building and maintaining a relationship with the local union that represents them. At the end of 2023, 50% 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.

In October 2023, DLC and IBEW Local 29 voted to ratify a new, three-year collective bargaining agreement. The negotiations were a productive effort, resulting in a contract that met the needs of our employees, businesses and community. The company and union reached a fair and balanced contract, addressing key topics such as wages, retirement, workforce renewal and investment while maintaining quality healthcare and benefit offerings at affordable levels.

Following ratification, the company conducted education and implementation meetings with leadership and support groups across the organization to help familiarize them with the new terms and conditions.





## Leading the Future of Work

In 2023, we evolved the hybrid work model that we had established under federally mandated COVID-19 protocols. To help us more effectively deliver a clean energy future for all, in 2023 DLC welcomed back employees to the office for a minimum of two days per week, recognizing that the approximately half of our workforce deemed “essential” throughout the pandemic never stopped working onsite. For the portion of our workforce eligible to conduct hybrid work, flexibility remains a foundational element of our updated model, and we want employees to continue to enjoy its many benefits. Our commitment to be “present with a purpose” through this new hybrid arrangement commits us to:

- In-person collaboration across functions to create a greater sense of connectedness.
- Establishing trust through relationships that rely on verbal and non-verbal communication.
- Personal interactions that equip leaders to guide teams with vision, empathy and accountability.
- Being inclusive of the more than one-third of our workforce that’s new to the company since 2020 and helping them get to know DLC and its culture through authentic, personal interactions.



## Lisa Davidson Joins DLH as Chief Human Resources Officer

Lisa Davidson was appointed to chief human resources officer (CHRO) effective Jan. 16, 2023. As CHRO, Davidson oversees talent acquisition, performance management, employee and labor relations, benefits, training and environment, health and safety. She plays a critical role in expanding DLH’s safety culture, strengthening leadership development and building the workforce of the future to further the company’s clean energy vision. Davidson is also instrumental in developing an increasingly inclusive and equitable workplace at DLH and deploying strategies to bring more diverse talent to the organization.

Davidson, who has a bachelor’s degree in administrative management from Robert Morris University, has more than 30 years of human resources experience, including time spent at Crown Castle International, AT&T Mobility and Pepsi-Cola. Prior to joining DLH, she most recently served as senior vice president and chief human resources officer at Black Box Corporation in Lawrence, Pennsylvania. In that role, Davidson led a global team of 51 human resources professionals who supported more than 3,000 employees.

# HEALTH & SAFETY

## Workplace Health & Safety

Protecting the safety and well-being of our employees, customers and the public is critical to our vision of being an exceptional company and a respectable 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. As we build a more collaborative and inclusive vision for safety, every individual will be asked to contribute to making it a reality.

In 2023, we completed the process that began in 2022 and added an environment, health and safety (EHS) specialist at each of our service centers. This positions us to better support our workforce, address concerns faster and provide the organization with an improved body of knowledge and experience. We also conducted cross-functional EHS Compliance Assurance facility audits at each service center. To assist our employees, we updated our safety handbook to include details on how best to use this resource, including information on Lifesaving Safety Rules and updated language that corresponds with the new rules, which were rolled out in 2022. Hard copies of the handbook were provided to employees who conduct work in the high-risk category. We also released a new Microsoft Teams channel that shares safety-related updates and provides a platform for employees to coordinate with colleagues to promote safe practices when commuting. Other key highlights from 2023 include:

- Collaborated with IBEW and OSHA on a Letter of Interpretation, focusing on minimum approach distances and personal protective equipment with industry-wide impact.
- Developed and launched a new EHS Field Observation/Inspection app.
- Led improvement efforts in job briefings through quality audits and employee feedback.
- Expanded our EHS communications through items such as safety alerts, bulletins, job aids, etc.
- Began moving the business toward a serious injury or fatality prevention focus.



DLC benchmarks its safety performance to EEL member companies and aspires to achieve between first and second quartile performance for DARTs and PMVAs respectively. Our 2022 and 2023 performance fell short of this aspiration, and we are taking steps to advance our safety culture. For example, we deployed internal, company resources to deliver driver safety training versus conducting this training with a vendor, which is already improving participants’ driver safety metrics. In addition, we are implementing our EHS Evolution Roadmap that will provide a consistent proactive approach that will increase focus on serious injury and fatality prevention, severity-based incidents, and environmental best management practices.

Our safety practices were also recognized in July 2023 by the Energy Association of Pennsylvania’s (EAP) Safety Achievement Award and the Safety Sustainability Award. Winners were determined by the EAP’s Accident Prevention Committee, which reviews and selects awardees for eight different awards based on varying criteria. The Safety Achievement Award recognizes companies that reported an exceptionally low incidence rate for the previous calendar year. The Safety Sustainability Award recognizes companies that reported an exceptional sustained low incidence rate over the previous three calendar years (2020, 2021 and 2022).

Moving forward, we will continue to drive employee engagement in safety, training and environmental protection. One focus area will be collaborating with IBEW and Human Resources to develop a next-generation apprenticeship/pre-apprenticeship model. We will also expand our outreach on contractor and public safety and expand EHS Compliance Assurance audits to additional DLC facilities.

Public Health & Safety

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

- Information regarding deceptive marketing and scams, including raising awareness of specific deceptive actions to look out for and providing a webpage to report deceptive tactics.
- Safety requirements for tree care professionals, which contain life-saving information for clients performing work near electrical facilities.
- Resources on how to safely navigate areas with downed power lines.
- Training tips, videos and case studies on electrical safety for contractors.
- We also use social media channels, including Facebook, X (Twitter) and Instagram to share safety posts with the public, including severe weather warnings and power outage updates.



| DLC Employee Safety Performance | 2022         | 2023         |
|---------------------------------|--------------|--------------|
| OSHA Recordable Injuries        |              |              |
| Incidents .....                 | 20           | 20           |
| Rate .....                      | 1.08         | 1.04         |
| OSHA Lost Time Injuries         |              |              |
| Incidents .....                 | 3            | 6            |
| Rate .....                      | 0.16         | 0.31         |
| OSHA DART Injuries              |              |              |
| Incidents .....                 | 10           | 11           |
| Rate .....                      | 0.54         | 0.57         |
| PMVA                            |              |              |
| Incidents .....                 | 20           | 23           |
| Rate .....                      | 5.03         | 5.45         |
| Work-Related Fatalities .....   | 0            | 0            |
| Total Hours Worked .....        | 3,710,041.70 | 3,842,998.71 |



# RESPONSIBLE PERFORMANCE

Operating with integrity means we are committed to doing the right thing no matter the circumstance — never compromising on ethics or compliance. Setting high standards allows us to do business in ways that support our employees, protect our customers, impact our local economy and engage with partners in ways that align with our top priorities to advance a clean energy future for all.

We empower our employees to raise concerns related to ethics, compliance and safety by equipping them with the proper tools and training to identify behaviors that do not meet DLC’s expectations. Ensuring that our employees are prepared to perform their work to the highest standard allows us to apply a strategic mindset to problem solving and stay on the cutting edge of innovation.

Our region depends on us, and it is critical that we secure our physical infrastructure and deploy top-of-the-line cybersecurity measures so we can continue to provide reliable service to our customers. These measures protect our customers’ private information, sensitive grid data, our employees’ data and our physical assets from bad actors. We have a responsibility to

remain unwaveringly dedicated to these efforts as we work to be a trusted partner in the communities we serve.

Our commitment to responsible performance does not stop at DLC’s doors; we have the same expectations for our suppliers and regional stakeholders. Who we do business with has the potential to impact the entire region, which is why we support a robust supplier diversity program with a lens toward environmental performance. To further DLC’s impact, we work collaboratively with our government stakeholders to advance policies that build a clean energy future for all and secure funding that will assist in the development and growth of the Pittsburgh region.

Responsible performance throughout the entire organization is everyone’s job at DLC. When we hold each other and ourselves accountable, we can do better for the communities we serve. Setting high standards for our business and how we engage with our partners is foundational to providing reliable, safe and affordable service.



# RESPONSIBLE PERFORMANCE Q&A

1.



**Josh Gould**  
*Director of Innovation  
and Strategic Planning*

**QUESTION:**  
**In a fast-paced world where technology and customer needs are constantly evolving, what is DLC doing to keep up?**

**ANSWER:**  
We take our responsibility to lead the region’s clean energy transition very seriously, and that means approaching challenges with an open mind toward innovation and change. We have a dedicated team that is responsible for evaluating new product and service proposals submitted by internal teams and external partners. By empowering our employees to apply creativity to problem solving, and by leveraging the best brains outside the company, it instills behaviors that we need to be the change we want to see in our communities.

2.



**Michael Tallent**  
*Managing Director and Chief  
Information Security Officer*

**QUESTION:**  
**As global tensions rise related to geopolitical issues, how does DLC ensure that your systems are protected from outside threats?**

**ANSWER:**  
We are constantly evaluating risks that could impact our business. One risk that rises to the top is cybersecurity as systems become increasingly interconnected and more information becomes digitally available. We are securing these platforms by aligning with industry best practices and continuously evaluating our strategies to stay on top of this evolving space, all in an effort to protect the critical systems which help us reliably serve DLC customers.

3.



**Tishekia Williams**  
*Managing Director  
of External Affairs  
and Regulatory Law*

**QUESTION:**  
**How does DLC work with stakeholders to make progress on issues that are important to advancing a clean energy future for all?**

**ANSWER:**  
We recognize that our success as an electric distribution company is intrinsically tied to the customers we serve. Accordingly, we work tirelessly to collaborate with other organizations, industry groups and advocacy organizations to amplify our message to policymakers and regulators at the local, state and national level. Overall, an effective policy influence strategy requires advocacy, relationship building, research, communication and compliance with applicable laws. We aim to influence progress for the betterment of society and our environment and ensure that the transition to a clean energy future is equitable.

# 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 that 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.

We continue to develop and mature processes to identify and evaluate new risks to our business and industry. In 2023, ERM formalized an annual process to identify emerging risks for consideration in strategic processes. Emerging risks are potentially new or evolving risks exposures with uncertainty related to potential drivers, impacts or timing. This initiative will be completed annually to keep a pulse on any emerging risks that DLC deems necessary to be elevated to reside within our enterprise risk register.

Through the insights available to us, 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 our 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, which meets 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.



# CYBERSECURITY



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

DLC has a chief information officer who is responsible for the overall strategy and direction of DLC’s Information Technology business unit. DLC also has a chief information security officer who is responsible for DLC’s cybersecurity strategy, governance and execution. This individual reports to the Audit Committee of the board on a quarterly basis.

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 cyberattacks to safeguard the people, processes, technology and assets required to deliver affordable, reliable energy and other services. Our approach to cybersecurity enables our business through information security capabilities, which are adaptive, innovative, risk based and designed to ensure operational compliance, integrity and availability of our

services. The program defines and enables 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. DLC also complies with the NERC Critical Infrastructure Protection Standards. 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 that all employees understand their role in protecting DLC’s assets and how their behaviors affect 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 to, contain and recover from threats, in addition to measuring key information security processes by collecting and analyzing data and continuously improving cybersecurity processes. We regularly provide cybersecurity awareness training and conduct monthly awareness exercises to ensure that our employees understand their role in protecting DLC assets and data. DLC Cybersecurity, in partnership with Corporate Compliance, ensures that we maintain compliance with all state, federal and regulatory requirements associated with data protection and utility operations.



- In 2023, we completed actions to further protect our networks from outside threats, including:
- Completed the rollout of role-based identity and access management program.
  - Completed the full implementation of a Managed Security Service Provider to support security incident correlation, detection and response for security events 24x7x365.
  - Completed the implementation of upgrades to DLC’s Managed Network Intrusion Detection systems.
  - Updated and exercised DLC’s cybersecurity incident response plans with DLC executives and board of directors.
  - Completed an external third-party review of DLC’s Cybersecurity Incident Response Plan.
  - Implemented device encryption for all DLC laptops.



## Daniel Farrah Joins DLH as Chief Information Officer

DLH appointed Daniel Farrah to its executive leadership team as vice president, chief information officer effective Dec. 4, 2023. In this role, Farrah is responsible for leading the Information Technology business unit in its continued transformation to enable the company’s vision of a clean energy future for all, including a central focus on technology to meet evolving customer needs.

Previously, Farrah served in several executive technology leadership roles at Optum — a technology-enabled healthcare services company owned by UnitedHealth Group — including vice president of technology strategy and innovation at Optum Health and chief information officer at MedExpress. Prior to joining Optum, Farrah served in progressive technology leadership positions at ATI.

Farrah, who was a 1st Lieutenant in the U.S. Army from 1992 to 1996, received a bachelor’s degree in mechanical engineering and an MBA from the University of Pittsburgh, as well as a Master of Science in Information Technology from Carnegie Mellon University.

# PHYSICAL SECURITY

**DLC’s Corporate Security 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.**

Over the course of 2023, our Corporate Security team completed a significant amount of work to support compliance incident investigations and took steps to improve our documentation process. This process can include interviews, evidence gathering, training and remediation efforts. We also took steps to greatly enhance our partnership and collaboration with local law enforcement departments throughout DLC’s coverage area. Together with the Pennsylvania State Police and the Department of Homeland Security, we conducted vulnerability assessments of substations and occupied facilities and will use the information learned during the assessments to develop a strategic plan to improve the security of our facilities. Lastly, we completed a video management system upgrade project that consisted of replacing certain system components with new equipment. This project also included replacing associated out-of-date analog cameras with industry-leading internet-protocol-based, high-definition cameras.

Last year, we also began a significant undertaking with a card access conversion project, which will convert our current physical access control system (PACS) at all corporate facilities. We will be replacing our current card access control system with an industry best-in-class PACS. In addition, we will refresh our door hardware and wiring. This includes updating the security of our card readers with the latest technology.

Moving forward, DLC’s Corporate Security team will be focused on improving security at its substations and service centers. We are developing enhanced security standards for DLC distribution substations and creating new standards for physical security at corporate locations. Regarding our substations, we’re piloting several security enhancements to improve substation security such as anti-tailgating devices and a new visitor management system.



We’re always seeking to improve our safety culture. Therefore, we are developing an annual training for all employees to emphasize the essential rules of security. This training will stress the importance of good security habits. We are

committed to ongoing training of the Corporate Security team and the entire DLC workforce to continuously improve safety and the overall security culture at DLC.

# 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, including the responsible use of artificial intelligence (AI). As our industry continues to understand the full range of opportunities to leverage AI in service to customers, DLC is initially focused on developing company policies to address the use of AI in the workplace; mapping the various ways that our vendors and current business technology platforms already use AI to ensure appropriate use of company data; and exploring immediate use cases for AI deployment including, for example, customer service, load management and storm response. 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, believe mistakes are inevitable and respond quickly.

DLC’s Innovation Center seeks input for:

- **Safety:** Use training, processes, technology and tools to ensure the safety of our employees, contractors, customers and the public.
- **Affordability:** Improve our efficiency and optimize the use 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 that 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 and Carnegie Mellon University. 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](mailto:innovation@duqlight.com).

Throughout 2023, we continued to make DLC a utility of the future by launching innovative challenges and projects, including:

- **Underground cable challenge:** We successfully completed a three-phase crowdsourcing competition to scour the world for innovative solutions to continuously monitor underground cables. DLC has announced the winner and is in the process of deploying the solution throughout our underground electric network to make us a safer and more efficient utility.
- **Holiday tree challenge:** The Innovation Center sponsored this initiative to crowdsource a new design for the holiday tree at Pittsburgh’s Point State Park, sponsored by DLC, which was successfully unveiled in November 2023.

- **New products and service development:** We have worked to develop new environmentally and customer-friendly products and services. Examples include testing a behavioral-based customer energy management program with our residential customers to reduce carbon intensive peak demand and working with large customers and industrial customers to develop energy-as-a-service offerings.
- **Drone program:** We have launched an internal drone program and are already completing experimental flights, with the goal of more closely integrating this technology into our operations in 2024 and beyond. See more details on our drone program in the callout section on the right.
- **Sustainable timber harvesting:** We have worked with an external forester to survey our legacy power generation sites for sustainable timber harvesting. We plan to undertake an initial harvest in 2024 in an environmentally friendly manner.
- **Other land use and legacy sites:** We are continuing to identify novel and environmentally safe ways to reuse the legacy power generation sites DLC owns but no longer uses. This includes green hydrogen, farming on top of ash caps and other carbon neutral or negative projects such as planting genetically modified poplars.

## DLC Drone Program Officially Takes Flight

At DLC, we’re on a mission to serve as a trusted partner to customers by providing the products and service offerings for today and tomorrow. In August 2023, to ensure we continue to embrace the spirit of innovation that will help us achieve this mission, we announced the organization was gearing up to test the first use cases for drones. This initiative marked a significant step forward in harnessing the power of unmanned aerial vehicles to revolutionize our work at DLC.

The utilization of drones can bring about a range of benefits in enhancing safety, operational efficiency and maintenance and inspection practices. Equipped with high-resolution cameras and thermal imaging sensors, drones can swiftly identify potential faults, damage, vegetation encroachment and hazards. Drones can access difficult-to-reach or hazardous areas, ensuring worker safety and reducing risks associated with manual inspections. The data collected by drones can be analyzed using advanced algorithms and machine learning techniques, offering valuable insights for predictive maintenance and asset management. This will help our team to mitigate risks of power outages and more safely and efficiently restore power to our customers when outages occur.

In October 2023, DLC executed its first-ever drone mission to inspect a distribution tower. Our newly purchased drone performed a full scan of the structure, taking nearly 3,000 pictures in less than four hours. The drone used 3D Scan software that utilizes advanced AI to autonomously fly in and around a structure. The goal of this pilot flight was to gain a better understanding of the health of a distribution tower and the supporting hardware to better plan for replacement of jumpers and insulators. This milestone showcases our dedication to delivering a reliable power supply while embracing cutting-edge technology. We look forward to sharing additional updates about this program as we progress.



# PROCUREMENT & SUPPLY CHAIN MANAGEMENT

## Responsible Procurement

DLC operates with a strong commitment to safety, inclusivity and customer-focus 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](#), 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. It requires our suppliers to uphold that same commitment.

Adopting a proactive approach to global supply chain challenges, DLC advanced a Supplier Relationship Management (SRM) program in 2023 that better positioned DLC to identify, address and mitigate supply chain challenges before they escalate, contributing to a more resilient and adaptive supply chain. DLC recognizes the critical role that suppliers play in our success. Beyond mere transactions, SRM — a strategic and collaborative approach — drives innovation and flexibility. By incorporating effective SRM practices, DLC can proactively address future challenges such as cybersecurity threats, sustainability, weather events and regulatory

changes. DLC’s SRM program continues to create value for both us and our supplier partners by transitioning from a business practice to a philosophy that fosters collaboration, agility and long-term success.

## Supplier Diversity

DLC endeavors to reflect in our suppliers the diversity of the communities we serve. Supplier diversity programs help foster jobs and economic activity in underrepresented segments of the business and customer community. We utilize a broad and diverse supply chain to deliver safe and reliable service to our customers. The downstream effect of our supplier diversity efforts is greater than the direct purchases that DLC makes due to the focus on local and regional diverse suppliers. With a focus on keeping commerce local, those dollars go further because employees of those businesses use their salary to purchase goods and services from other businesses, and suppliers invest their sales on their employees and other business endeavors. This ripple effect from our inclusive procurement practices provides opportunities not only for diverse businesses, but also for the region.

DLC seeks to achieve the following supplier diversity objectives:

- **Increase innovation and competition among our suppliers.**
- **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 process.**
- **Develop relationships with the diverse supplier community on a local and regional basis to promote economic growth as well as strengthen the DLC brand and trust within the communities that we serve.**

| Supplier Diversity Spend                            | 2022  | 2023  |
|-----------------------------------------------------|-------|-------|
| Total Supplier Diversity Spend .....                | 20.8% | 16.2% |
| Total Diverse Local & Regional Supplier Spend ..... | 33.0% | 31.0% |



## Diverse Business Classifications

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

- **Disability-Owned Business Enterprise**
- **Disadvantaged Business Enterprise\***
- **Historically Underutilized Business Zone\***
- **Lesbian, Gay, Bisexual, Transgender Business Enterprise**
- **Minority Business Enterprise**
- **Service-Disabled Veteran Business Enterprise**
- **Service-Disabled Veteran-Owned Small Business\***
- **Small Disadvantaged Business\***
- **Veteran Business Enterprise**
- **Veteran Disability-Owned Business Enterprise**
- **Veteran-Owned Small Business\***
- **Women Business Enterprise**
- **Women-Owned Small Business\***

*\*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](#).*

## Diverse Supplier Certification

DLC only recognizes diverse suppliers that obtain third-party diverse supplier certification from a legitimate third-party such as the National Minority Supplier Development Council, National Veteran-Owned Business Association or the Small Business Administration as part of their diverse supplier spend profile. All diverse suppliers must reaffirm their status as a diverse supplier on an annual basis. DLC recommends that all diverse suppliers obtain a third-party diverse supplier certification.

## Partnerships

- **African American Chamber of Commerce of Western Pennsylvania**
- **Eastern Minority Supplier Development Council**
- **Three Rivers Business Alliance**
- **Women’s Business Enterprise Center East**
- **National Veteran-Owned Business Association**

DLC has set clear strategic objectives and key performance indicators that allow us to be a best-in-class procurement organization amongst our peer utilities and within the Pittsburgh region. With the customer always top of mind, we strive to purchase the best quality products and services at the best price, while always keeping a close focus on safety. To achieve quantifiable improvements, 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 we serve. DLC continues to grow the supplier diversity program; in 2023, we had \$67.3 million diverse supplier spend, which is up significantly from our 2021 spend of \$23.1 million.



**31.5%**  
Achieve total supplier diversity spend of 31.5% by 2027

**34%**  
Achieve total diverse local and regional spend of 34.0% by 2027

**\$100M**  
Achieve \$100 million in diverse supplier spend by 2027

# ETHICS & COMPLIANCE

DLC is committed to maintaining the highest standards of business, common-sense ethics and conducting itself in accordance with our policies and procedures and all applicable laws, rules and regulations. Our [Policies for Ethical Conduct](#) (PDF), which are reviewed annually, serve as the foundation upon which DLC’s compliance and ethics program is built. Such policies stem from core values that guide us every day:

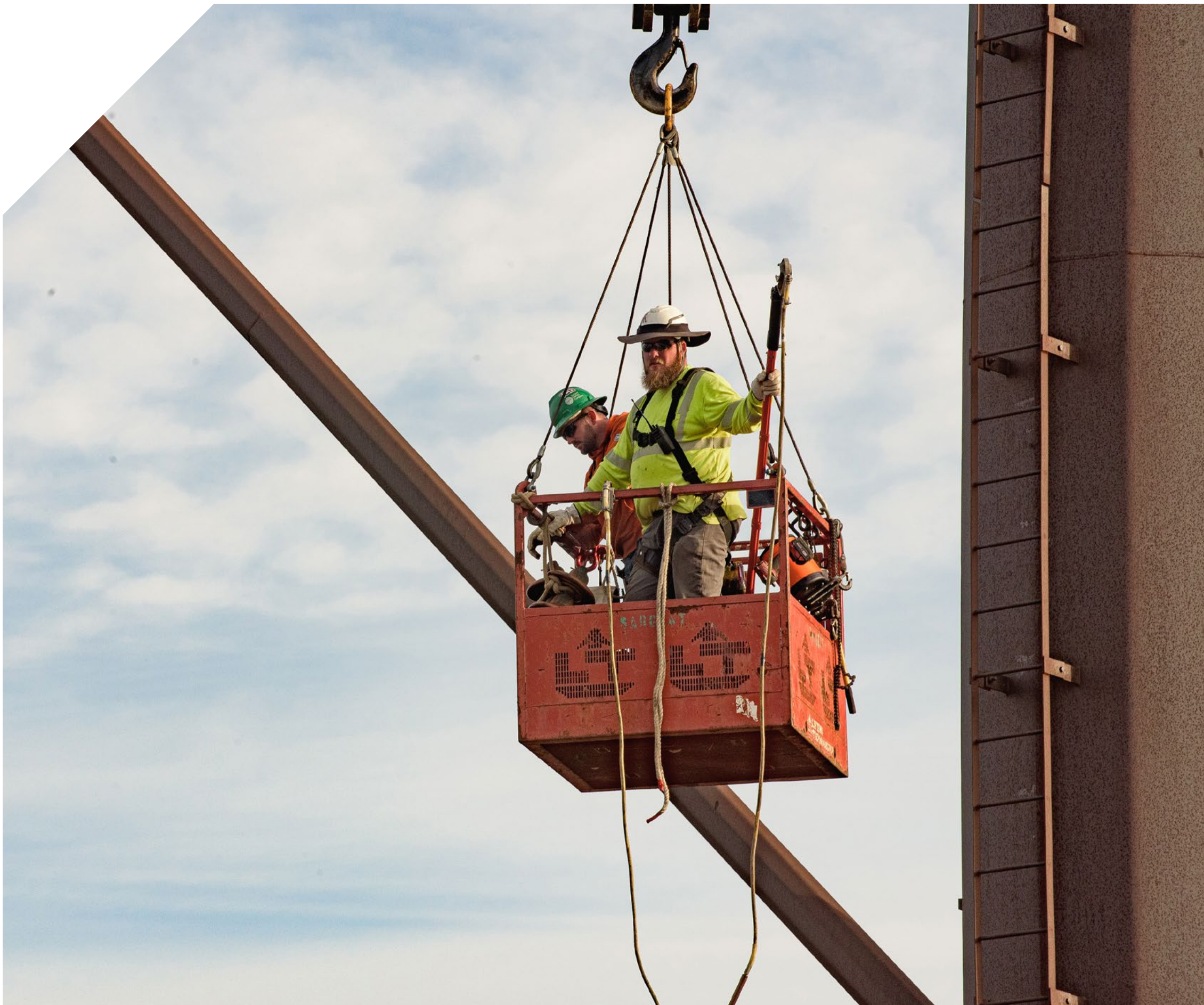
- **Safety:** We are safe above all else and must keep ourselves, each other, our customers and communities safe.
- **Integrity:** We are guided by our commitment to doing the right thing, and never compromising on ethics.
- **Dependability:** We are collaborative, steady and a trusted partner to all.
- **Equity:** We believe equal access to work, resources and opportunities are critical elements of a clean energy future for all.
- **Community:** We work where we live and are committed to serving our vibrant, diverse communities. We promote diversity, equity and inclusion and strive to maintain a work environment that is professional, respectful and free from discrimination and harassment.

## Compliance Reporting

Through our compliance program, employees are advised and empowered 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. Throughout the year, the hotline is promoted regularly to employees and is accessible via telephone, website, or QR code and features an anonymous chat function. 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. In 2023, we refined our hotline reporting metrics to better reflect available national hotline data and benchmarks.

All reported concerns are 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 DLC prohibits retaliation against employees for reporting concerns or participating in an investigation. Employees are regularly educated about retaliation and encouraged to immediately report any suspected retaliatory conduct.





## Policies & Procedures

Our policies and procedures are the guiding documents that we must all follow to ensure we are conducting business in a way that is ethical and meets compliance standards. All corporate-wide policies and procedures are reviewed periodically for updates and are accessible to all employees via DLC’s intranet site. In 2023, we worked closely with various business groups to update company-wide policies to reflect changing systems, processes and operations. New corporate-wide policies are reviewed and approved by a company-wide, cross-functional Corporate Policy Committee.

## Conflicts of Interest

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 Compliance 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.

## Training & Engagement

Throughout the year, DLC regularly educates its employees on key components of its compliance program. Annual compliance trainings, which include our Policies for Ethical Conduct, Data Privacy and Security and FERC Standards of Conduct, are administered to employees across DLC each year, and in 2023, we achieved 100% participation. Information about the compliance program and methods to report compliance concerns are presented in person to new employees during orientation. The Compliance team also works collaboratively with teams across DLC to produce and deliver custom trainings based on specific business needs.

In addition to trainings, the compliance team issues 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 as an opportunity to further highlight important compliance topics, such as the hotline and the need to report concerns, via daily communications and games/quizzes.

# GOVERNMENT AFFAIRS

**The service provided by DLC is regulated by multiple state and federal agencies, such as the Pennsylvania Public Utility Commission, Federal Energy Regulatory Commission and North American Electric Reliability Corporation and is also governed by Pennsylvania statutes and regulations. That means the legislative and regulatory process at all levels 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 energy and utility-related policies and to advocate for policies that are in the best interest of our customers and company.**

We maintain an office in Harrisburg, Pennsylvania, and our government affairs employees are lawfully registered with the Pennsylvania Department of State. Our engagement on these matters is governed by DLC’s defined Policies for Ethical Conduct, which covers enforcement of local, state and federal laws on use of company funds and facilities for political purposes; fair dealing and unfair competition; government bids and procurement; compliance with laws and regulations; gifts and entertainment within a business relationship; and honesty in business communications. The policies ensure our engagement on these matters is lawful and just.

## Political Engagement & Lobbying

To facilitate voluntary political contributions to state and local candidates, DLH operates a Political Action Committee (PAC), which includes DLC. The PAC is a bipartisan, nonprofit association that was formed to raise funds and contribute to candidates for state and local elected offices and is appropriately registered with the Pennsylvania Department of State. While DLH occasionally engages informally with members of Congress on federal policy issues, the PAC is not federally registered and does not make contributions to federal candidates.

As integrity is core to our values, when engaging with government and elected officials, we comply with any federal, state and local laws that regulate and restrict the use of corporate funds in connection with elections and other political activities. In limited circumstances, company funds may be used for certain permissible

lobbying activities to solicit voluntary political contributions from employees and shareholders. Monies raised through the PAC are comprised of voluntary and confidential employee contributions. The PAC follows all statutory filing obligations and guidance issued by the Bureau of Campaign Finance & Lobbying Disclosure of the Pennsylvania Department of State and never uses customer funds to participate in political activities.

Additionally, the PAC is governed by a steering committee, which oversees its operations, financials, engagement events and DLH-tracked legislation. The Steering Committee is made up of approximately 14 voluntary representatives from across DLH.

In 2023, the PAC contributed to local and state candidates, working to create results-oriented partnerships, as we engaged on public policy issues and advocated for public policies that were in the best interest of our customers and company. To learn more about our contributions to elected officials, please visit the [Pennsylvania Campaign Finance Online Reporting](#) website.

DLC utilizes other forms of stakeholder engagement to build strategic relationships in the energy industry and garner influence in the region. To accomplish this, we participate in the following membership organizations: Edison Electric Institute, Energy Association of Pennsylvania, Greater Pittsburgh Chamber of Commerce, Beaver County Chamber of Commerce and Pennsylvania Chamber of Business and Industry.

As a testament to our leadership and energy expertise, CEO and President, Kevin Walker, was invited to participate in transition teams for both Pennsylvania Governor Josh Shapiro and Allegheny County Executive Sara Innamorato. In this role, Kevin Walker advised on energy policy initiatives that support the advancement of the state and county in alignment with our mission of progressing a clean energy future for all. In addition to the transition teams, Kevin Walker was selected by Governor Shapiro to be part of the Regional Greenhouse Gas Initiative Working Group. In this role, Kevin provided valuable insight as the group worked to find common ground on jobs, climate and affordability as Pennsylvania looks to a clean energy future. These issues are critical to our efforts to upgrade critical infrastructure and help our region and state transition to a clean energy future for all, and we will continue to work with stakeholders to ensure the clean energy transition is equitable.



Public Policy

As part of our duty to provide safe, reliable and affordable service, we monitor emerging policies for the impact they present to our business and customers. Our Government Affairs team collaborates closely with an internal group of subject matter experts who are knowledgeable about the topics in question. By collaborating with internal subject matter experts and our membership organizations, we create informed positions on policy issues and use this information as we engage with and educate legislators.

In an effort to advance the company’s mission of delivering a clean energy future for all, DLC’s Government Affairs team engaged with Pennsylvania’s state policymakers during the 2023 – 2024 Legislative Session on energy and utility-related bills focused on customer affordability, transportation electrification, grid modernization and utility operations, among others.

Federal Grants & Economic Impact

DLC is strategically pursuing federal funding from the Inflation Reduction Act and Bipartisan Infrastructure Law to modernize our infrastructure and benefit our local communities. We are also supporting our customers and partners to pursue federal funding implemented through state programs by offering letters of support, technical assistance and serving as an advisor on multiple projects.

In 2023, DLC was awarded more than \$19.8 million in funding that will help advance a clean energy future for all through grid modernization, data analysis, distributed energy resource integration and increasing our transportation electrification goals. These government funds will help DLC accelerate and expand existing grid modernization projects across our service territory and reduce the cost to customers. Additionally, we worked closely with stakeholders in the region to assist our partners in securing more than \$43.7 million to advance transportation electrification, community engagement and renewable energy across our service territory.

DLC Receives Federal Funding From U.S. Department of Energy for Grid Modernization Projects

In October 2023, the Department of Energy (DOE) announced 58 projects across 44 states to receive funding for the Grid Resilience and Innovation Partnerships program which will enhance the power grid’s ability to deliver affordable, clean energy to customers across the country. As part of this program, DLC was awarded \$19.7 million in federal grant funding — and will contribute nearly \$21 million in addition — to accelerate the implementation of smart grid technology more holistically across the Pittsburgh region to build a more resilient and equitable grid. This funding will allow DLC to deploy technology that advances decarbonization efforts and evolves the grid in ways that will protect the power system from increasingly severe weather and climate change, while also maintaining affordable, reliable and safe energy for our customers and communities. To learn more about this award, see our [press release](#).



DLC-Led Federal & State Funding Efforts

| CATEGORY                       | TITLE                                      | ORGANIZATION | AMOUNT       | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------|--------------------------------------------|--------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Grid Modernization             | Grid Resilience & Innovation Partnerships  | DLC          | \$19,700,000 | DLC was awarded a grant for \$19.7 million and will contribute nearly \$21 million in addition to invest in grid modernization projects over the next five years in Allegheny and Beaver counties. The funding will be used to increase system capacity, unlock more clean energy sources and enable a clean energy future.                                           |
| Renewable Energy & DER         | Interconnection Innovation e-Xchange (i2X) | DLC          | \$62,500     | This project is focused on developing automation tools to enable faster and more thorough interconnection studies covering multiple operational scenarios. By improving our interconnection process, we will free system planning resources and enable a larger amount of distributed energy resources (DER) onto our system at a lower cost to us and our customers. |
| Transportation Electrification | PA DEP Alternative Fuel Incentive Grant    | DLC          | \$90,000     | These funds contributed to the electrification of DLC's fleet with the purchase of 12 Ford F-150 Lightnings.                                                                                                                                                                                                                                                          |
| TOTAL AMOUNT                   |                                            |              | \$19,852,500 |                                                                                                                                                                                                                                                                                                                                                                       |

Partnership Federal & State Funding Efforts

| CATEGORY                       | TITLE                                                                       | ORGANIZATION                | AMOUNT       | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------|-----------------------------------------------------------------------------|-----------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transportation Electrification | 2022 Targeted Airshed Grant                                                 | Pittsburgh Regional Transit | \$10,000,000 | This funding supports PRT's goal to have a zero-emissions bus fleet by 2045 with the purchase of four new electric buses and charging infrastructure. DLC provided a letter of support toward this application.                                                                                                                                                                                                        |
| Transportation Electrification | 2022 Vehicle Technologies Office Program-Wide FOA                           | Carnegie Mellon University  | \$400,000    | Carnegie Mellon University received funding for their project, "Deploying Charging Infrastructure to Catalyze Market Adoption of Electric Vehicles and Improve Mobility, Health and Economic Outcomes in Disadvantaged Communities." DLC provided a support letter for this application and committed to collaborating with the research team to provide industry expertise and guidance as the research is conducted. |
| Grid Modernization             | Advanced Energy Manufacturing and Recycling Grant Program                   | Core Power Magnetics, Inc.  | \$20,000,000 | CorePower Magnetics, Inc. will retrofit an existing facility in Pittsburgh, Pennsylvania, for melting and casting of advanced magnetic amorphous alloys for grid components. DLC provided a letter of support, industry knowledge and utility expertise for this application.                                                                                                                                          |
| Transportation Electrification | Allegheny County Air Quality Program Clean Air Fund — Fleet Electrification | Local Governments           | \$2,200,000  | Local governments were awarded funding toward the purchase of electric garbage, recycling and public works vehicles, in addition to supporting charging infrastructure. DLC played a key role in these awards by providing technical assistance with the award application.                                                                                                                                            |
| Transportation Electrification | Alternative Fuel Incentive Grants (AFIG)                                    | Local Governments           | \$29,000     | AFIG is available to school districts, municipalities, nonprofit organizations and businesses in Pennsylvania that want to transition to cleaner fuel transportation. Local governments secured funding that contributed to the purchase of new EVs in their fleet operations.                                                                                                                                         |



Partnership Federal & State Funding Efforts *(continued)*

| CATEGORY                                   | TITLE                                               | ORGANIZATION                                | AMOUNT      | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------|-----------------------------------------------------|---------------------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Community Engagement; Technical Assistance | Clean Energy to Communities                         | Green Building Alliance                     | \$4,000,000 | Green Building Alliance, together with DLC and the City of Pittsburgh Department of City Planning, were awarded a \$4 million Clean Energy to Communities (C2C) grant to develop tailored strategies that will prepare DLC’s energy grid to support the region’s clean energy transition. This funding will enable DLC to leverage the data analysis expertise of the National Renewable Energy Lab (NREL) to understand current and future impacts to the grid. Additionally, Green Building Alliance and the City of Pittsburgh Department of City Planning will engage the community in interactive clean energy planning and listening sessions using the data within the NREL analysis. |
| Grid Modernization; Technical Assistance   | Core Laboratory Infrastructure for Market Readiness | National Renewable Energy Laboratory (NREL) | \$245,000   | NREL will mature and validate a robust data-driven phase identification tool for customer phase connectivity determination in distribution grids. DLC is a partner for this award and is contributing industry expertise and guidance. NREL’s research will provide DLC with key system insights and create a tool that can help us significantly improve the accuracy of customer phase connectivity determination in distribution grids. This phase identification tool will enable utilities to modernize grid planning and operations by automating the currently manual and labor-intensive process of detecting customer phase connectivity changes.                                   |
| Renewable Energy and DER; Cybersecurity    | DOE Small Business Innovation Research Grant        | Local Business                              | \$206,500   | The funding will be used to commercialize a DER monitoring system to enhance cybersecurity. DLC provided a letter of support for the application and committed to engaging in an advisory capacity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| CATEGORY                       | TITLE                                                          | ORGANIZATION              | AMOUNT       | DESCRIPTION                                                                                                                                                                                                                                               |
|--------------------------------|----------------------------------------------------------------|---------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transportation Electrification | Driving PA Forward L2 Electric Vehicle Charging Rebate Program | Local Nonprofits          | \$40,500     | The funding program offers rebates to businesses and organizations for the installation of Level 2 EV charging infrastructure in Pennsylvania.                                                                                                            |
| Transportation Electrification | Driving PA Forward L2 Electric Vehicle Charging Rebate Program | Local Governments         | \$105,336    | The funding program offers rebates to businesses and organizations for the installation of Level 2 EV charging infrastructure in Pennsylvania.                                                                                                            |
| Transportation Electrification | Driving PA Forward L2 Electric Vehicle Charging Rebate Program | Local Businesses          | \$45,000     | The funding program offers rebates to businesses and organizations for the installation of Level 2 EV charging infrastructure in Pennsylvania.                                                                                                            |
| Transportation Electrification | EPA Clean School Bus Program                                   | Pittsburgh Public Schools | \$6,460,000  | This funding will be used to electrify buses serving the Pittsburgh region and install the necessary charging infrastructure. DLC is working with First Student, Inc. to construct the necessary infrastructure that will power their electric bus fleet. |
| TOTAL AMOUNT                   |                                                                |                           | \$43,731,336 |                                                                                                                                                                                                                                                           |



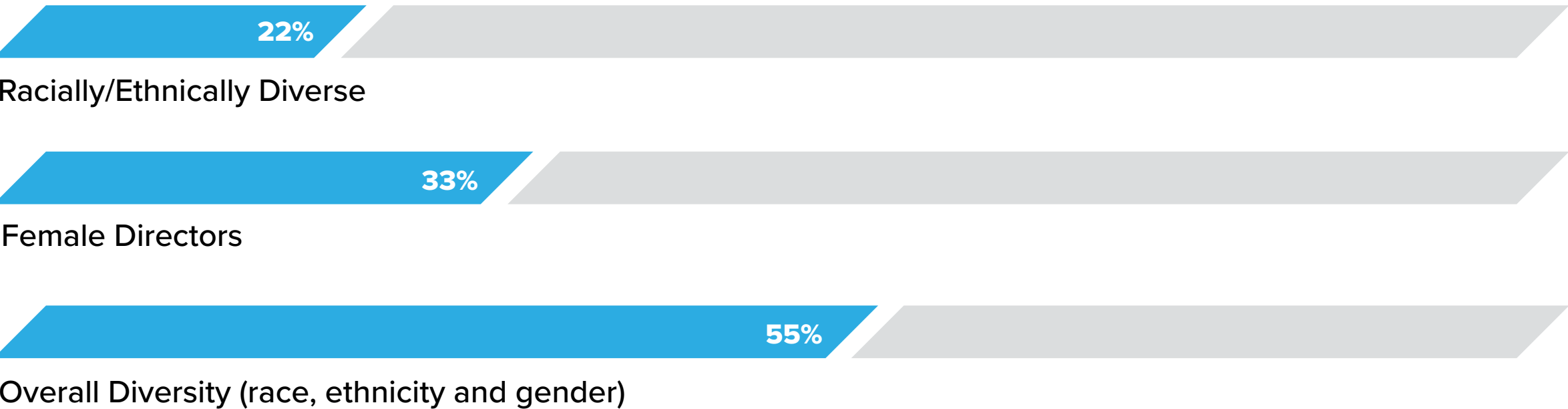
# BOARD GOVERNANCE

DLC’s Board of Directors 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; Talent and Compensation; and Governance, Regulatory and Corporate Responsibility. To ensure the effectiveness of our committees, the Governance, Regulatory and Corporate Responsibility Committee conducts an annual assessment and review of the board including the board chair and the board’s committees.

## Board Composition

DLC’s diverse board of directors has a wide variety of backgrounds and skills. As of December 31, 2023, our board had the following composition:

**Board Composition** - 9 total board members - 2 independent board members



## 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.

**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.

**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 provides oversight and assistance regarding community facing and regulatory activities undertaken by DLC. Additional responsibilities include advising on ESG strategy and disclosure.

**Talent and 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 succession planning.



# ESG DATA CENTER



# ESG DATA CENTER

## 2023 Key ESG Data: Climate Conscious

| GHG Emissions (metric tonnes of CO <sub>2</sub> e) | 2022          | 2023         |
|----------------------------------------------------|---------------|--------------|
| <b>Scope 1 Emissions</b>                           | <b>11,480</b> | <b>9,321</b> |
| Gasoline Consumption                               | 2,235         | 2,123        |
| Diesel Consumption                                 | 3,358         | 3,165        |
| Natural Gas Consumption                            | 1,235         | 1,161        |
| SF <sub>6</sub> Emissions                          | 4,586         | 2,805        |
| Refrigerant Emissions                              | 67            | 67           |
| <b>Scope 2 Emissions<sup>1</sup></b>               |               |              |
| Market-Based                                       | 14,158        | 13,854       |
| Location-Based                                     | 13,134        | 12,852       |

| Water Summary (1000 M <sup>3</sup> ) | 2022     | 2023     |
|--------------------------------------|----------|----------|
| Water Withdrawals                    | 2,418.17 | 1,768.49 |
| Water Consumption                    | 11.51    | 10.85    |
| Water Discharges                     | 2,429.68 | 1,779.33 |

| Recycling                    | 2022             | 2023             |
|------------------------------|------------------|------------------|
| <b>Scrap Metals (pounds)</b> |                  |                  |
| Aluminum                     | 1,212,746        | 662,123          |
| Brass                        | 1,667            | 461              |
| Copper                       | 684,333          | 516,335          |
| Steel                        | 2,488,834        | 2,428,580        |
| <b>Total Scrap Metal</b>     | <b>4,387,580</b> | <b>3,607,499</b> |
| <b>Liquids (gallons)</b>     |                  |                  |
| Oil                          | 109,385          | 81,734           |
| Antifreeze                   | N/A              | 4,356            |
| <b>Other (pounds)</b>        |                  |                  |
| E-Waste                      | N/A              | 216,792          |

| DLC Fleet Vehicles (number of units) | 2022      | 2023      |
|--------------------------------------|-----------|-----------|
| Full EV                              | 12        | 20        |
| Plug-In Hybrid                       | 13        | 12        |
| EV Forklift                          | 7         | 7         |
| JEMS                                 | 18        | 28        |
| <b>EV Total</b>                      | <b>50</b> | <b>67</b> |
| DLC Total Fleet Vehicles             | 627       | 627       |
| EV Fleet %                           | 8%        | 11%       |
| EV Fleet % Target by 2030            | 30%       | 30%       |

| Operational Waste Summary (metric tonnes) | 2022 | 2023 |
|-------------------------------------------|------|------|
| Hazardous Waste Generated                 | 281  | 77   |
| Non-Hazardous Waste Generated             | 336  | 1950 |
| Universal Waste Generated                 | 17   | 9    |
| PCB Waste Recycled                        | 7    | 14   |

| Infrastructure Reliability Metrics          | 2022 | 2023 |
|---------------------------------------------|------|------|
| SAIFI (interruptions/customer) <sup>2</sup> | 0.92 | 0.57 |
| SAIDI (minutes) <sup>3</sup>                | 134  | 63   |
| CAIDI (minutes) <sup>4</sup>                | 146  | 110  |

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



2023 Key ESG Data: Powering People

| Employee Demographics - DLC Workforce                                  |       |       |
|------------------------------------------------------------------------|-------|-------|
| Employee Counts                                                        | 2022  | 2023  |
| Total Number of Employees                                              | 1,725 | 1,758 |
| Number of Full-Time Employees                                          | 1,719 | 1,751 |
| Number of Part-Time Employees                                          | 6     | 7     |
| Number of Union Employees                                              | 871   | 884   |
| Number of Non-Union Employees                                          | 854   | 874   |
| Workforce Diversity                                                    | 2022  | 2023  |
| Females as Percent of Workforce                                        | 28.3% | 28.5% |
| Males as Percent of Workforce                                          | 71.7% | 71.5% |
| Employees Identifying as White <sup>1</sup>                            | 85.7% | 85.8% |
| Employees Identifying as Black, Indigenous and People of Color (BIPOC) | 14.3% | 14.2% |
| Veterans as Percent of Workforce                                       | 7.8%  | 7.7%  |
| Individuals with Disabilities (IWD) as Percent of Workforce            | 3.4%  | 3.8%  |
| % Employees Aged under 30 Years Old                                    | 15.2% | 16.2% |
| % Employees Ages 30 to 50 Years Old                                    | 58.1% | 59.5% |
| % Employees Aged 51 Years Old and Over                                 | 26.7% | 24.4% |
| % Employees Traditionalist Generation (1945 and Before)                | 0.1%  | 0.1%  |
| % Employees Baby Boomer Generation (1946 - 1964)                       | 13.3% | 10.6% |
| % Employees Generation X (1965 - 1980)                                 | 30.8% | 30.0% |
| % Employees Millennial Generation (1981 - 1996)                        | 49.9% | 51.4% |
| % Employees Generation Z (1997 and Beyond)                             | 6.0%  | 8.0%  |
| Overall Workforce Diversity <sup>2</sup>                               | 43.8% | 44.1% |
| Senior Leadership Diversity <sup>3</sup>                               | 2022  | 2023  |
| Females as Percent of Leadership                                       | 37.2% | 42.2% |
| Males as Percent of Leadership                                         | 62.8% | 57.8% |
| Leadership Identifying as White <sup>1</sup>                           | 86.0% | 88.9% |
| Leadership Identifying as BIPOC                                        | 14.0% | 11.1% |
| Overall Senior Leadership Diversity                                    | 46.5% | 48.9% |

| Workforce Race/Ethnicity Breakdown                        | 2022  | 2023  |
|-----------------------------------------------------------|-------|-------|
| American Indian or Alaska Native (Not Hispanic or Latino) | 0.3%  | 0.1%  |
| Asian (Not Hispanic or Latino)                            | 2.4%  | 2.4%  |
| Black or African American (Not Hispanic or Latino)        | 9.2%  | 8.9%  |
| Hispanic or Latino                                        | 1.2%  | 1.4%  |
| White (Not Hispanic or Latino)                            | 85.7% | 85.8% |
| Two or More Races (Not Hispanic or Latino)                | 1.3%  | 1.3%  |

| Talent Movement                            | 2022 | 2023 |
|--------------------------------------------|------|------|
| Voluntary Turnover as Percent of Workforce | 5.5% | 6.7% |

| New Hires Rate <sup>4</sup> | 2022  | 2023  |
|-----------------------------|-------|-------|
| Female                      | 29.0% | 35.0% |
| Male                        | 71.0% | 65.0% |
| BIPOC                       | 15.6% | 18.2% |
| White <sup>1</sup>          | 84.4% | 81.8% |

| Voluntary Resignation Rate <sup>5</sup> | 2022 | 2023  |
|-----------------------------------------|------|-------|
| Female                                  | 6.6% | 9.0%  |
| Male                                    | 5.1% | 5.7%  |
| BIPOC                                   | 6.1% | 10.4% |
| White <sup>1</sup>                      | 5.4% | 6.0%  |

<sup>1</sup> Includes individuals who prefer not to identify.

<sup>2</sup> Count of employees who are female, BIPOC, veteran or IWD.

<sup>3</sup> Career levels including Director and above.

<sup>4</sup> Calculated as diverse segment new hires divided by total new hires.

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



2023 Key ESG Data: Powering People (continued)

| DLC Customer Breakdown                  | 2022           | 2023           |
|-----------------------------------------|----------------|----------------|
| Residential .....                       | 546,395        | 548,919        |
| Commercial .....                        | 61,180         | 61,222         |
| Industrial .....                        | 1,048          | 1,025          |
| DLC Company Accounts <sup>1</sup> ..... | 173            | 178            |
| Lighting <sup>2</sup> .....             | 971            | 959            |
| <b>Total</b>                            | <b>609,767</b> | <b>612,303</b> |

| DLC Employee Safety Performance              | 2022      | 2023       |
|----------------------------------------------|-----------|------------|
| <b>OSHA Recordable Incidents<sup>3</sup></b> |           |            |
| Incidents .....                              | 20        | 20         |
| Rate <sup>4</sup> .....                      | 1.08      | 1.04       |
| <b>OSHA Lost Time Incidents</b>              |           |            |
| Incidents .....                              | 3         | 6          |
| Rate <sup>5</sup> .....                      | 0.16      | 0.31       |
| <b>OSHA DART Incidents<sup>6</sup></b>       |           |            |
| Incidents .....                              | 10        | 11         |
| Rate <sup>7</sup> .....                      | 0.54      | 0.57       |
| <b>PMVA<sup>8</sup></b>                      |           |            |
| Incidents .....                              | 20        | 23         |
| Rate .....                                   | 5.03      | 5.45       |
| Work-Related Fatalities .....                | 0         | 0          |
| Total Hours Worked .....                     | 3710041.7 | 3842998.71 |

| Charitable Giving Summary      | 2022               | 2023               |
|--------------------------------|--------------------|--------------------|
| Social & Economic Equity ..... | \$820,500          | \$571,500          |
| Workforce Development .....    | \$486,832          | \$473,500          |
| Sustainable Communities .....  | \$959,065          | \$775,319          |
| <b>Total Charitable Giving</b> | <b>\$2,266,397</b> | <b>\$1,820,319</b> |

<sup>1</sup> DLC company accounts refer to the electricity that is being consumed at the premise by DLC.

<sup>2</sup> Lighting accounts include municipal streetlights, highway streetlights and private area lighting.

<sup>3</sup> An occupational injury or illness that requires medical treatment more than basic first aid and must be reported on OSHA Form 300.

<sup>4</sup> 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.

<sup>5</sup> The number of days away from work due to work-related injuries or illnesses, per 100 employees.

<sup>6</sup> 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."

<sup>7</sup> The number of work-related injuries or illnesses that result in days away from work, restricted work or job transfer, per 100 employees.

<sup>8</sup> Preventable Motor Vehicle Accidents (PMVA).



## 2023 Key ESG Data: Responsible Performance

| Supplier Diversity Spend (%)                          | 2022       | 2023  |
|-------------------------------------------------------|------------|-------|
| Total Supplier Diversity Spend .....                  | 20.8%..... | 16.2% |
| Total Diverse Local and Regional Supplier Spend ..... | 33.0%..... | 31.0% |

| Board Composition                                  | 2022     | 2023 |
|----------------------------------------------------|----------|------|
| Total number of directors.....                     | 9.....   | 9    |
| Number of independent directors.....               | 2.....   | 2    |
| Percent female directors.....                      | 33%..... | 33%  |
| Percent racially/ethnically diverse directors..... | 22%..... | 22%  |
| Overall Board diversity <sup>1</sup> .....         | 55%..... | 55%  |

<sup>1</sup> Based on race, ethnicity and gender.



# APPENDIX



# AFFILIATE OVERVIEW



## The Efficiency Network (TEN)

TEN delivers energy projects for our customers that generate cost savings, achieve sustainability and operational goals, and drive decarbonization, electrification and the use of clean and renewable energy. Our staff of experienced professionals leverage expertise in technology, engineering, construction, and project finance to meet the goals and needs of our customers. TEN’s primary markets include: K-12 education, federal, state, and local government, healthcare, higher education and large commercial and industrial.

Many of TEN’s team members have more than 30 years of experience in developing, designing, constructing, financing, and operating and maintaining complex energy projects. Our team has worked with hundreds of customers and is driven by customer satisfaction and referrals. TEN is accredited by National Association of Energy Services Companies and is a prequalified Energy Services Company by the U.S. Department of Energy, the Commonwealths of Pennsylvania and Virginia and the States of New Jersey and Maryland. TEN is also committed to supporting supplier diversity and consistently achieves large levels of participation through partnerships with Minority and Women Owned Business Enterprises.

## Management Team

- **Troy Geanopulos** – CEO
- **Rob Campbell** – President & COO
- **Randall Clark** – EVP of Energy Infrastructure & Sustainability
- **Alison Shea** – SVP of Business Development
- **Greg Lok** – VP of Energy Engineering
- **Matt Morris** – VP of Construction
- **Dan Braun** – VP of Finance



## Aliquippa School District Invests in Energy Efficiency to Enhance Learning Environment for Students, Staff

In June 2023, TEN completed a series of projects for the Aliquippa School District in Beaver County that will provide a more sustainable learning environment for its students and staff. The district, which serves nearly 940 students in grades pre-K through 12, underwent several energy efficiency enhancements at its elementary and high schools, including Low-E energy-efficient windows; masonry repairs; refurbishment of the HVAC systems; and LED lighting upgrades. These improvements will result in annual savings of nearly 164,000 kilowatt-hours and total cost savings of approximately \$24,000. In addition, the upgrades will also reduce the district’s carbon footprint by 116 metric tonnes, equivalent to growing more than 1,900 tree seedlings for 10 years.



GRI INDEX

| DISCLOSURE                      | DESCRIPTION                                                                 | REFERENCE/RESPONSE                                                                            |
|---------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| GRI 2: General Disclosures 2021 |                                                                             |                                                                                               |
| 2-1                             | Organizational details                                                      | <a href="#">About This Report</a><br><a href="#">Organizational Structure &amp; Ownership</a> |
| 2-2                             | Entities included in the organization’s sustainability reporting            | <a href="#">About This Report</a>                                                             |
| 2-3                             | Reporting period, frequency and contact point                               | <a href="#">About This Report</a>                                                             |
| 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                    | <a href="#">About This Report</a>                                                             |
| 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                                        | <a href="#">ESG Strategy &amp; Governance</a><br><a href="#">Board Governance</a>             |
| 2-10                            | Nomination and selection of the highest governance body                     | <a href="#">ESG Strategy &amp; Governance</a><br><a href="#">Board Governance</a>             |
| 2-11                            | Chair of the highest governance body                                        | <a href="#">Board Governance</a>                                                              |
| 2-12                            | Role of the highest governance body in overseeing the management of impacts | <a href="#">Board Governance</a>                                                              |

| DISCLOSURE | DESCRIPTION                                                     | REFERENCE/RESPONSE                                                                                           |
|------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| 2-13       | Delegation of responsibility for managing impacts               | <a href="#">ESG Strategy &amp; Governance</a>                                                                |
| 2-14       | Role of the highest governance body in sustainability reporting | <a href="#">ESG Strategy &amp; Governance</a>                                                                |
| 2-15       | Conflicts of interest                                           | <a href="#">Ethics &amp; Compliance</a>                                                                      |
| 2-16       | Communication of critical concerns                              | <a href="#">Ethics &amp; Compliance</a>                                                                      |
| 2-17       | Collective knowledge of the highest governance body             | <a href="#">Ethics &amp; Compliance</a>                                                                      |
| 2-18       | Evaluation of the performance of the highest governance body    | <a href="#">Board Governance</a>                                                                             |
| 2-19       | Remuneration policies                                           | Not available.                                                                                               |
| 2-20       | Process to determine remuneration                               | <a href="#">Board Governance</a>                                                                             |
| 2-21       | Annual total compensation ratio                                 | Not available.                                                                                               |
| 2-22       | Statement on sustainable development strategy                   | <a href="#">Leadership Message</a>                                                                           |
| 2-23       | Policy commitments                                              | <a href="#">Ethics &amp; Compliance</a><br><a href="#">Government Affairs</a><br>Policies of Ethical Conduct |
| 2-24       | Embedding policy commitments                                    | <a href="#">Ethics &amp; Compliance</a>                                                                      |
| 2-25       | Processes to remediate negative impacts                         | <a href="#">Stakeholder Engagement</a><br><a href="#">Ethics &amp; Compliance</a>                            |



| DISCLOSURE                                | DESCRIPTION                                                                    | REFERENCE/RESPONSE                                                                                                                                                            |
|-------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 2: General Disclosures 2021 continued |                                                                                |                                                                                                                                                                               |
| 2-26                                      | Mechanisms for seeking advice and raising concerns                             | <a href="#">Stakeholder Engagement Ethics &amp; Compliance</a>                                                                                                                |
| 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 (EEI), Allegheny Conference for Community Development and the Energy Association of Pennsylvania. |
| 2-29                                      | Approach to stakeholder engagement                                             | <a href="#">Stakeholder Engagement</a>                                                                                                                                        |
| 2-30                                      | Collective bargaining agreements                                               | <a href="#">Talent Management</a>                                                                                                                                             |
| GRI 3: Material Topics 2021               |                                                                                |                                                                                                                                                                               |
| 3-1                                       | Process to determine material topics                                           | <a href="#">ESG Strategy &amp; Governance</a>                                                                                                                                 |
| 3-2                                       | List of material topics                                                        | <a href="#">ESG Strategy &amp; Governance</a>                                                                                                                                 |
| 3-3                                       | Management of material topics                                                  | <a href="#">ESG Strategy &amp; Governance</a>                                                                                                                                 |
| GRI 201: Economic Performance 2016        |                                                                                |                                                                                                                                                                               |
| 201-1                                     | Direct economic value generated and distributed                                | Not available.                                                                                                                                                                |
| 201-2                                     | Financial implications and other risks and opportunities due to climate change | <a href="#">Enterprise Risk Management Climate Strategy</a>                                                                                                                   |
| 201-3                                     | Defined benefit plan obligations and other retirement plans                    | <a href="#">Talent Management</a>                                                                                                                                             |
| 201-4                                     | Financial assistance received from government                                  | <a href="#">Government Affairs</a>                                                                                                                                            |

| DISCLOSURE                              | DESCRIPTION                                                                     | REFERENCE/RESPONSE                                                 |
|-----------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------|
| GRI 202: Market Presence 2016           |                                                                                 |                                                                    |
| 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 2016 |                                                                                 |                                                                    |
| 203-1                                   | Infrastructure investments and services supported                               | <a href="#">Infrastructure Reliability</a>                         |
| 203-2                                   | Significant indirect economic impacts                                           | Not available.                                                     |
| GRI 204: Procurement Practices 2016     |                                                                                 |                                                                    |
| 204-1                                   | Proportion of spending on local suppliers                                       | <a href="#">Procurement &amp; Supply Chain Management</a>          |
| GRI 205: Anti-Corruption 2016           |                                                                                 |                                                                    |
| 205-1                                   | Operations assessed for risks related to corruption                             | <a href="#">Enterprise Risk Management Ethics &amp; Compliance</a> |
| 205-2                                   | Communication and training about anti-corruption policies and procedures        | <a href="#">Ethics &amp; Compliance</a>                            |
| 205-3                                   | Confirmed incidents of corruption and actions taken                             | DLC experienced no incidents during the reported year.             |
| GRI 206: Anti-Competitive Behavior 2016 |                                                                                 |                                                                    |
| 206-1                                   | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | DLC does not publicly disclose this information.                   |
| GRI 301: Materials 2016                 |                                                                                 |                                                                    |
| 301-1                                   | Materials used by weight or volume                                              | <a href="#">Resource Management</a>                                |
| 301-2                                   | Recycled input materials used                                                   | <a href="#">Resource Management</a>                                |
| 301-3                                   | Reclaimed products and their packaging materials                                | Not available.                                                     |



| DISCLOSURE                        | DESCRIPTION                                                                                                                               | REFERENCE/RESPONSE                         |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| GRI 302: Energy 2016              |                                                                                                                                           |                                            |
| 302-1                             | Energy consumption within the organization                                                                                                | <a href="#">Climate Strategy</a>           |
| 302-2                             | Energy consumption outside of the organization                                                                                            | <a href="#">Climate Strategy</a>           |
| 302-3                             | Energy intensity                                                                                                                          | Not available.                             |
| 302-4                             | Reduction of energy consumption                                                                                                           | <a href="#">Climate Strategy</a>           |
| 302-5                             | Reductions in energy requirements of products and services                                                                                | <a href="#">Energy Efficiency</a>          |
| GRI 303: Water and Effluents 2018 |                                                                                                                                           |                                            |
| 303-1                             | Interactions with water as a shared resource                                                                                              | <a href="#">Resource Management</a>        |
| 303-2                             | Management of water discharge-related impacts                                                                                             | <a href="#">Resource Management</a>        |
| 303-3                             | Water withdrawal                                                                                                                          | <a href="#">Resource Management</a>        |
| 303-4                             | Water discharge                                                                                                                           | <a href="#">Resource Management</a>        |
| 303-5                             | Water consumption                                                                                                                         | <a href="#">Resource Management</a>        |
| GRI 304: Biodiversity 2016        |                                                                                                                                           |                                            |
| 304-1                             | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | <a href="#">Biodiversity &amp; Habitat</a> |
| 304-2                             | Significant impacts of activities, products and services on biodiversity                                                                  | <a href="#">Biodiversity &amp; Habitat</a> |
| 304-3                             | Habitats protected or restored                                                                                                            | <a href="#">Biodiversity &amp; Habitat</a> |
| 304-4                             | IUCN Red List species and national conservation list species with habitats in areas affected by operations                                | Not available.                             |

| DISCLOSURE              | DESCRIPTION                                                                     | REFERENCE/RESPONSE                                                                 |
|-------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| GRI 305: Emissions 2016 |                                                                                 |                                                                                    |
| 305-1                   | Direct (Scope 1) GHG emissions                                                  | <a href="#">2023 ESG Performance Scorecard</a><br><a href="#">Climate Strategy</a> |
| 305-2                   | Energy indirect (Scope 2) GHG emissions                                         | <a href="#">2023 ESG Performance Scorecard</a><br><a href="#">Climate Strategy</a> |
| 305-3                   | Other indirect (Scope 3) GHG emissions                                          | <a href="#">Climate Strategy</a>                                                   |
| 305-4                   | GHG emissions intensity                                                         | Not available.                                                                     |
| 305-5                   | Reduction of GHG emissions                                                      | <a href="#">Climate Strategy</a>                                                   |
| 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 2020     |                                                                                 |                                                                                    |
| 306-1                   | Waste generation and significant waste-related impacts                          | <a href="#">Resource Management</a>                                                |
| 306-2                   | Management of significant waste-related impacts                                 | <a href="#">Resource Management</a>                                                |
| 306-3                   | Waste generated                                                                 | <a href="#">Resource Management</a>                                                |
| 306-4                   | Waste diverted from disposal                                                    | <a href="#">Resource Management</a>                                                |
| 306-5                   | Waste directed to disposal                                                      | <a href="#">Resource Management</a>                                                |

| DISCLOSURE                                      | DESCRIPTION                                                                                        | REFERENCE/RESPONSE                                                                                    |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| GRI 308: Supplier Environmental Assessment 2016 |                                                                                                    |                                                                                                       |
| 308-1                                           | New suppliers that were screened using environmental criteria                                      | <a href="#">Procurement &amp; Supply Chain Management</a><br><a href="#">Supplier Code of Conduct</a> |
| 308-2                                           | Negative environmental impacts in the supply chain and actions taken                               | <a href="#">Procurement &amp; Supply Chain Management</a><br><a href="#">Supplier Code of Conduct</a> |
| GRI 401: Employment 2016                        |                                                                                                    |                                                                                                       |
| 401-1                                           | New employee hires and employee turnover                                                           | <a href="#">Diversity, Equity, &amp; Inclusion</a>                                                    |
| 401-2                                           | Benefits provided to full-time employees that are not provided to temporary or part-time employees | <a href="#">Talent Management</a>                                                                     |
| 401-3                                           | Parental leave                                                                                     | <a href="#">Talent Management</a>                                                                     |
| GRI 402: Labor/Management Relations 2016        |                                                                                                    |                                                                                                       |
| 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 2018    |                                                                                                    |                                                                                                       |
| 403-1                                           | Occupational health and safety management system                                                   | <a href="#">Health &amp; Safety</a>                                                                   |
| 403-2                                           | Hazard identification, risk assessment, and incident investigation                                 | <a href="#">Health &amp; Safety</a><br><a href="#">Enterprise Risk Management</a>                     |
| 403-3                                           | Occupational health services                                                                       | <a href="#">Health &amp; Safety</a>                                                                   |
| 403-4                                           | Worker participation, consultation, and communication on occupational health and safety            | <a href="#">Health &amp; Safety</a>                                                                   |

| DISCLOSURE                                    | DESCRIPTION                                                                                                   | REFERENCE/RESPONSE                                                                     |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| 403-5                                         | Worker training on occupational health and safety                                                             | <a href="#">Health &amp; Safety</a>                                                    |
| 403-6                                         | Promotion of worker health                                                                                    | <a href="#">Health &amp; Safety</a>                                                    |
| 403-7                                         | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | <a href="#">Health &amp; Safety</a>                                                    |
| 403-8                                         | Workers covered by an occupational health and safety management system                                        | Not available.                                                                         |
| 403-9                                         | Work-related injuries                                                                                         | <a href="#">Health &amp; Safety</a>                                                    |
| 403-10                                        | Work-related ill health                                                                                       | <a href="#">Health &amp; Safety</a>                                                    |
| GRI 404: Training and Education 2016          |                                                                                                               |                                                                                        |
| 404-1                                         | Average hours of training per year per employee                                                               | Not available.                                                                         |
| 404-2                                         | Programs for upgrading employee skills and transition assistance programs                                     | <a href="#">Talent Management</a>                                                      |
| 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 2016 |                                                                                                               |                                                                                        |
| 405-1                                         | Diversity of governance bodies and employees                                                                  | <a href="#">Diversity, Equity, &amp; Inclusion</a><br><a href="#">Board Governance</a> |
| 405-2                                         | Ratio of basic salary and remuneration of women to men                                                        | Pay Equity Report                                                                      |
| GRI 406: Non-Discrimination 2016              |                                                                                                               |                                                                                        |
| 406-1                                         | Incidents of discrimination and corrective actions taken                                                      | <a href="#">Ethics &amp; Compliance</a>                                                |



| DISCLOSURE                                                     | DESCRIPTION                                                                                                    | REFERENCE/RESPONSE                                                                                                                               |
|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| GRI 407: Freedom of Association and Collective Bargaining 2016 |                                                                                                                |                                                                                                                                                  |
| 407-1                                                          | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | <a href="#">Talent Management</a>                                                                                                                |
| GRI 408: Child Labor 2016                                      |                                                                                                                |                                                                                                                                                  |
| 408-1                                                          | Operations and suppliers at significant risk for incidents of child labor                                      | DLC complies with applicable laws and regulations.<br>See also: <a href="#">Supplier Code of Conduct</a>                                         |
| GRI 409: Forced or Compulsory Labor 2016                       |                                                                                                                |                                                                                                                                                  |
| 409-1                                                          | Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | DLC complies with applicable laws and regulations.<br>See also: <a href="#">Supplier Code of Conduct</a>                                         |
| GRI 410: Security Practices 2016                               |                                                                                                                |                                                                                                                                                  |
| 410-1                                                          | Security personnel trained in human rights policies or procedures                                              | <a href="#">Physical Security Ethics &amp; Compliance</a>                                                                                        |
| GRI 411: Right of Indigenous Peoples 2016                      |                                                                                                                |                                                                                                                                                  |
| 411-1                                                          | Incidents of violations involving rights of indigenous peoples                                                 | DLC experienced no incidents during the reported year.                                                                                           |
| GRI 413: Local Communities 2016                                |                                                                                                                |                                                                                                                                                  |
| 413-1                                                          | Operations with local community engagement, impact assessments, and development programs                       | <a href="#">Philanthropy &amp; Volunteering</a>                                                                                                  |
| 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. |

| DISCLOSURE                               | DESCRIPTION                                                                                   | REFERENCE/RESPONSE                                                                 |
|------------------------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| GRI 414: Supplier Social Assessment 2016 |                                                                                               |                                                                                    |
| 414-1                                    | New suppliers that were screened using social criteria                                        | <a href="#">Procurement &amp; Supply Chain Management Supplier Code of Conduct</a> |
| 414-2                                    | Negative social impacts in the supply chain and actions taken                                 | <a href="#">Procurement &amp; Supply Chain Management Supplier Code of Conduct</a> |
| GRI 415: Public Policy 2016              |                                                                                               |                                                                                    |
| 415-1                                    | Political contributions                                                                       | <a href="#">Government Affairs</a>                                                 |
| GRI 416: Customer Health and Safety 2016 |                                                                                               |                                                                                    |
| 416-1                                    | Assessment of the health and safety impacts of product and service categories                 | <a href="#">Health &amp; Safety</a>                                                |
| 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 2016     |                                                                                               |                                                                                    |
| 417-1                                    | Requirements for product and service information and labeling                                 | <a href="#">Health &amp; Safety</a>                                                |
| 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 2016           |                                                                                               |                                                                                    |
| 418-1                                    | Substantiated complaints concerning breaches of customer privacy and losses of customer data  | DLC does not publicly disclose this information.                                   |



SASB INDEX

Disclosure Topics & Accounting

| TOPIC                                               | CODE         | ACCOUNTING METRIC                                                                                                                                                                                                                                           | UNIT OF MEASURE                                            | RESPONSE/REFERENCE                                                                                        |
|-----------------------------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| 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 tonnes (t)<br>CO2-e,<br>Percentage (%)              | <a href="#">Climate Strategy</a>                                                                          |
|                                                     | IF-EU-110a.2 | Greenhouse gas (GHG) emissions associated with power deliveries                                                                                                                                                                                             | Metric tonnes (t)<br>CO2-e                                 | <a href="#">Climate Strategy</a>                                                                          |
|                                                     | IF-EU-110a.3 | Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets                                                                                          | N/A                                                        | <a href="#">Climate Strategy</a>                                                                          |
| Air Quality                                         | IF-EU-120a.1 | Air emissions of the following pollutants: (1) NO <sub>x</sub> (excluding N <sub>2</sub> O), (2) SO <sub>x</sub> , (3) particulate matter (PM <sub>10</sub> ), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population | Metric tonnes (t),<br>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 <sup>3</sup> ),<br>Percentage (%) | Not 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                                                     | Not Available                                                                                             |
|                                                     | IF-EU-140a.3 | Description of water management risks and discussion of strategies and practices to mitigate those risks                                                                                                                                                    | N/A                                                        | <a href="#">Resource Management</a>                                                                       |

| TOPIC                | CODE         | ACCOUNTING METRIC                                                                                                                             | UNIT OF MEASURE                      | RESPONSE/REFERENCE                                                                                      |
|----------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------------------------------------------------------------------------------|
| Coal Ash Management  | IF-EU-150a.1 | (1) Amount of coal combustion products (CCPs) generated, (2) percentage recycled                                                              | Metric tonnes (t),<br>Percentage (%) | DLC no longer generates CCPs. All landfills are legacy assets that ceased operations over 20 years ago. |
| Energy Affordability | IF-EU-240a.1 | Average retail electric rate for residential customers                                                                                        | Rate                                 | 20.74 cents/kWh <sup>1</sup>                                                                            |
|                      |              | Average retail electric rate for commercial customers                                                                                         | Rate                                 | 14.90 cents/kWh <sup>1</sup>                                                                            |
|                      |              | Average retail electric rate for industrial customers                                                                                         | Rate                                 | 13.24 cents/kWh <sup>1</sup>                                                                            |
|                      | IF-EU-240a.3 | (1) Number of residential customer electric disconnections for non-payment, (2) percentage reconnected within 30 days                         | Number,<br>Percentage (%)            | 24,820 residential customers<br>85.3% reconnected within 30 days                                        |
|                      | 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                                  | <a href="#">Energy Efficiency Customer Relations</a>                                                    |



| TOPIC                                 | CODE         | ACCOUNTING METRIC                                                                                                                                         | UNIT OF MEASURE                        | RESPONSE/<br>REFERENCE                                       |
|---------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------------|
| Workforce Health & Safety             | IF-EU-320a.1 | (1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees | Rate                                   | <a href="#">Health &amp; Safety</a>                          |
| End-Use Efficiency & Demand           | 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: 100,680 MWh                                    |
| Nuclear Safety & Emergency Management | IF-EU-540a.1 | Total number of nuclear power units, broken down by results of most recent independent safety review                                                      | 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 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                                | 63                                                           |
|                                       |              | System Average Interruption Frequency Index (SAIFI), inclusive of major event days                                                                        | Number                                 | 0.57                                                         |
|                                       |              | Customer Average Interruption Duration Index (CAIDI), inclusive of major event days                                                                       | Minutes                                | 110                                                          |

Activity Metrics

| CODE        | ACTIVITY METRIC                                                                                 | UNIT OF MEASURE                      | REPORTING      |
|-------------|-------------------------------------------------------------------------------------------------|--------------------------------------|----------------|
| IF-EU-000.A | Number of residential customers served                                                          | Number                               | 548,919        |
|             | Number of commercial customers served                                                           | Number                               | 61,222         |
|             | Number of industrial customers served                                                           | Number                               | 1,025          |
| 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)                           | 8,012          |
| 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)                 | 4,529,129      |



EEI ESG TEMPLATE

|                                                                                      | 2022      | 2023      |
|--------------------------------------------------------------------------------------|-----------|-----------|
| Portfolio                                                                            |           |           |
| Purchased Net Generation for the data year (MWh)                                     | 4,377,233 | 4,529,129 |
| Total Renewable Energy Resources                                                     | 802,128   | 830,455   |
| Capital Expenditures and Energy Efficiency (EE)                                      |           |           |
| Total Annual Capital Expenditures (nominal dollars, in millions)                     | \$375.1   | \$476.3   |
| Incremental Annual Electricity Savings from EE Measures (MWh)                        | 85,700    | 100,680   |
| Incremental Annual Investment in Electric EE Programs (nominal dollars, in millions) | \$21.4    | \$25.4    |
| Retail Electric Customer Count (at end of year)                                      |           |           |
| Commercial                                                                           | 61,180    | 61,222    |
| Industrial                                                                           | 1,048     | 1,025     |
| Residential                                                                          | 546,395   | 548,919   |

|                                                                          | 2022   | 2023   |
|--------------------------------------------------------------------------|--------|--------|
| Emissions                                                                |        |        |
| GHG Emissions: Carbon Dioxide (CO2) and Carbon Dioxide Equivalent (CO2e) |        |        |
| Purchased Power                                                          |        |        |
| Carbon Dioxide Equivalent (tCO2e)                                        | 25,638 | 23,175 |
| Non-Generation CO2e Emissions of Sulfur Hexafluoride (SF6)               |        |        |
| Total CO2e emissions of SF6 (tCO2e)                                      | 4,586  | 2,805  |

|                                                                   | 2022  | 2023  |
|-------------------------------------------------------------------|-------|-------|
| Resources                                                         |       |       |
| Human Resources                                                   |       |       |
| Total Number of Employees                                         | 1,725 | 1,758 |
| Percentage of Women in Total Workforce                            | 28.3% | 28.5% |
| Percentage of Minorities in Total Workforce                       | 14.3% | 14.2% |
| Total Number on Board of Directors/Trustees                       | 9     | 9     |
| Percentage of Women on Board of Directors/Trustees                | 33%   | 33%   |
| Percentage of Minorities on Board of Directors/Trustees           | 22%   | 22%   |
| Employee Safety Metrics                                           |       |       |
| Recordable Incident Rate                                          | 1.08  | 1.04  |
| Lost-time Case Rate                                               | 0.16  | 0.31  |
| Days Away, Restricted, and Transfer (DART) Rate                   | 0.54  | 0.57  |
| Work-related Fatalities                                           | 0     | 0     |
| Fresh Water Resources used in Thermal Power Generation Activities |       |       |
| Water Withdrawals - Consumptive (Millions of Gallons)             | N/A   | N/A   |
| Waste Products                                                    |       |       |
| Amount of Hazardous Waste Manifested for Disposal (tonnes)        | 281   | 77    |



# 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 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.

**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.

**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 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.

**ISO 14001:** The internationally recognized standard for environmental management systems (EMS). This certification guarantees to maintain and implement relevant, sustainable practices, reducing environmental impacts from outdated electronics and complying with all legal regulations for electronic recycling.

**Job Energy Management System (JEMS):** An integrated plug-in system for vehicles that use stored energy from a lithium-ion battery to deliver power to jobsite tools, truck 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.

**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 human made 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.

**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.

**R2:** A voluntary global sustainability standard for the responsible reuse and recycling of electronics and is now adopted by over 1,000 facilities in over 40 countries. R2 prioritizes a hierarchy of reuse before recycling and is a comprehensive, outcomes-oriented standard that includes best practices for protecting the environment, the health and safety of workers and communities, and data while complying with all applicable legal requirements and providing accountability throughout the entire processing of equipment.

**Recycling Industry Operating Standard (RIOS):** Is a management system that is built and audited to the rules and requirements that are defined by the RIOS Standard. Each requirement of the standard is carefully crafted and designed to work in harmony, so that a properly implemented RIOS system works like a fine timepiece. The RIOS standard was written and developed by industry leaders and experts and was built on the well-refined concepts of plan-do-check-act.

**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 SF<sub>6</sub> 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.

**Scope 3 Emissions:** Greenhouse gas emissions that are a consequence of the activities of a company but occur from sources not owned or directly controlled by the company. For DLC, these include purchased goods and services, capital goods and fuel and energy activities.

**Threat Hazard and Identification Risk Assessment:** A process that helps a company understand risks and impact as well as determine the level of capability needed to address those risks.



# FORWARD-LOOKING STATEMENTS

Duquesne Light Company (“DLC” or “the Company”) uses forward-looking statements in this document. 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 rates authorized by the FERC and the PUC, respectively, and the outcome of current and future rate case filings or other matters pending before the FERC and the

PUC, which cannot be predicted; Changes in, issuances of and compliance with laws, policies, orders and regulations relating to operations, labor relations, environmental matters, taxes and business generally, including among others, new interpretations and enforcement initiatives by regulatory, state and federal agencies and other governmental authorities, could affect earnings levels and cash flows; 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 Duquesne Light’s earnings levels or financial condition; Duquesne Light 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 Duquesne Light acts as an administrative intermediary only, cash flow may be affected if Duquesne Light’s POLR plans are not approved or if Duquesne Light

is not otherwise able to recover its costs of providing POLR supply; Regional transmission organization rules and transmission charges instituted by PJM Interconnection LLC (PJM) or set by the FERC could affect earnings of Duquesne Light; 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 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 and/or of customer refund obligations arising from quality guarantees made by TEN; If TEN cannot obtain surety bonds and letters of credit, its ability to operate may be restricted; 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; The construction of and capital improvements to transmission and distribution facilities involve risks; should construction or capital improvement efforts be 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 to improve operating efficiencies and meet the expectations of its customers; The deployment of these

platforms will occur over a multi-year period and other technology implementation 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 recorded goodwill or 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; The Company’s use of derivative instruments for hedging purposes may result in financial losses; Cash flow, earnings, earnings growth, capitalization, capital expenditures and dividends will depend on the performance of the Company’s subsidiaries, 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 its 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. Considering 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.

