



Duquesne Light Company

2021 EEI-AGA ESG/Sustainability Report

Section 1: Qualitative Information

Duquesne Light Company (DLC) is committed to providing our 600,000-plus customers with reliable, resilient, safe and affordable power. As demand for energy increases, we are working to enhance the grid so we can continue meeting our customers' needs. We also understand the vital role we play in transitioning to a clean energy future and setting the stage for future generations to thrive. As a result, we are currently establishing a comprehensive environmental, social and governance (ESG) strategy that encompasses all entities within the Duquesne Light Holdings, Inc. family and will have a positive impact on the environment, our communities and our customers.

Our ESG Journey

In 2020, DLC took a significant step toward building our ESG strategy with the help of BSR, an external global ESG consultant. BSR conducted interviews with internal and external DLC stakeholders, during which they ranked and evaluated key ESG topics. As a result, a materiality matrix was generated that highlights ESG topics that are both crucial to our overall success and our relationship with stakeholders. This matrix will lay the groundwork for DLC's comprehensive ESG strategy, key performance indicators (KPIs) and long-term goals.

Our key ESG focus areas will include:

- Leveraging our strong foundation
- Delivering on customer expectations
- Strengthening our communities
- Cultivating an engaged workforce

ESG Governance and Leadership

At DLC, our leadership team and board of directors recognize the importance of effective governance and management of ESG issues. President and CEO Kevin Walker leads the organization's ESG efforts and is responsible for guiding the role we play in transitioning to a clean energy future. On a daily basis, the work of overseeing our ESG strategy and relevant KPIs is managed at the vice president level, supported by the Community Relations team and a cross-functional ESG working group tasked with monitoring, tracking and reporting on material ESG topics.

Our ESG strategy relies on strong stakeholder engagement, including all segments of our customer base, regulators, elected officials, community partners and investors. We frequently connect with these stakeholder groups to identify new opportunities for increased engagement around ESG topics and issues as well as to provide them updates related to the progress made on our current strategy and activities.

What We Are Doing

Climate Action and Environmental Stewardship

It is evident that our rapidly changing climate is having a devastating impact around the world. Utilities play a significant role in the fight against climate change, and DLC is embracing our part in identifying solutions to one of the greatest challenges of our time.

Steps we are taking to improve our environment include:

Reducing Greenhouse Gas Emissions

Because DLC has no carbon-based power generation, we are in a unique position to support clean energy and reduce greenhouse gas emissions. We are actively tracking carbon emission sources such as:

- Scope 1: Direct emissions from owned or controlled sources
 - Includes tracking of and reporting on SF6 (sulfur hexafluoride) emissions
- Scope 2: Indirect emissions from the generation of purchased electricity, steam, heating and cooling

We are also looking at ways we can support a clean energy economy by installing solar panels on our own facilities. In 2020, we installed solar panels and a solar tree at our Woods Run campus in Pittsburgh's North Side. The 57.6 kWs of carbon-free electricity help power 20 electric vehicle (EV) charging stations to accommodate DLC's growing electric fleet and employees who drive EVs.

Advocating for Electric Mobility

EVs produce zero tailpipe emissions and help produce cleaner air in our communities. Because of that, we are empowering our customers and the public to experience the benefits of electric mobility.

In the past three years, DLC has engaged with more than 900 of our EV-driving customers and helped install more than 100 charging station ports throughout the City of Pittsburgh to make EV charging more accessible. We have also partnered with Port Authority of Allegheny County to bring the first two all-electric buses to the Pittsburgh region, with six more expected to be ready within the next year. Furthermore, as part of an Edison Electric Institute (EEI) initiative, DLC has committed to powering 30% of our fleet with electricity by 2030, including 100% of our light-duty vehicles.

Supporting the Transition to Clean Energy

DLC is committed to powering the growth of resilient and sustainable communities in the regions we serve. One way we are achieving this is by supporting the growth of clean energy technology in ways that benefit all customers. This includes assessing the benefits and opportunities of electrification to help complement our customers decarbonization efforts. We are committed to working with environmental stakeholders, regulators, policymakers and others to incorporate more renewable energy on the grid and ensuring that the advantages and costs of a clean energy future are shared equitably. DLC is also looking at how we can support our communities with clean energy options such as solar, as well as analyzing what we can do to responsibly manage our own environmental footprint.

Community, Customer and Employee Engagement

We like to say at DLC that when our communities thrive, we all thrive. For more than 140 years, we have been deeply rooted in the areas we serve and are always searching for ways to help our region, customers and employees grow and flourish.

Community and Customer Relations

Whether we are launching initiatives that enhance quality of life or contributing to our region's economic growth, our goal is to help build strong and vibrant communities where we all can prosper. In 2020, DLC donated nearly \$2 million to support local COVID-19 response and recovery efforts and our key charitable focus areas, including social and economic equity, workforce development and sustainable communities.

Volunteerism is also an essential part of our culture. Despite the challenges brought on by the pandemic, our employees safely logged more than 1,500 hours of service throughout our communities last year.

We understand that unexpected hardships brought on by the pandemic caused many of our customers to struggle for the past year and a half. We have supported those in need throughout this challenge by offering payment assistance, energy-saving tools and other helpful resources.

Diversity, Equity and Inclusion (DEI)

DLC and our board of directors are fully committed to empowering all employees and fostering an environment where everyone feels valued, respected, included and safe. We are working closely with our employees, customers and community partners to create a dynamic and sustainable future that is equitable for everyone.

With the support of our leadership team, we are increasing efforts around DEI to help grow diversity at DLC, across our industry and in our communities. In 2020, we launched our first three Business Employee Resource Groups focused on women, veterans and Black and African Americans. We also welcomed new board members last year who represent different dimensions of diversity. Finally, we released our first DEI report this past summer with the theme "Building a New Table Together," which is the belief that everyone should have a seat and voice at the table, and a role in building that table.

Health and Safety

The safety and wellbeing of our employees, customers and communities are paramount. DLC has identified four pillars of focus to create a culture of safety excellence: trust, training, teamwork and transparency. To further illustrate our commitment to health and safety, we have incorporated several safety metrics in our performance framework, which tie performance to compensation for those employees eligible for inclusion in our short-term incentive plan and for those who participate in the 401k retirement savings plans. All DLC employees must understand that safety is a top priority in all we do. Employees are not only responsible for their own safety, but also the safety of their coworkers, our customers and the public.

COVID-19 and Employee Safety

In 2020, we were faced with the challenge of delivering reliable, safe and resilient service while ensuring the safety of our employees during the pandemic. We quickly implemented several safety protocols and procedures to keep employees informed and protected while on the job. Our process involved consistent communications, modified workplace assignments and schedules — including a seamless transition to remote work for nearly half of our workforce — and continued adherence to local, state and federal health guidelines.

Governance and Risk Management

DLC understands that a successful ESG strategy goes hand in hand with effective risk and opportunity management. We are constantly working to evaluate emerging risks and opportunities that impact our business and industry. The Audit Committee of the board oversees legal, regulatory and ethical compliance as well as material risks identified through the Enterprise Risk Management program including cybersecurity risks.

Enterprise Risk Management (ERM)

DLC has established an ERM program that includes within our framework an enterprise risk register. The ERM team facilitates processes designed to effectively identify, assess, monitor and report material risks. DLC's ERM framework measures risk impact according to safety, reputation, regulatory and financial criteria for all risks included in the enterprise risk register, including ESG-related issues. Mitigation efforts of material risks are monitored and reported to track and update the overall risk profile.

Cybersecurity and Data Privacy

DLC's cybersecurity program is committed to compliance with all applicable regulations and alignment with industry best practices. DLC's cybersecurity governance and execution approach presents a holistic, forward-looking view of cyber risk. The program exists to define, communicate and support cybersecurity risk decision accountability and aligns business priorities with cybersecurity risk management activities.

Furthermore, DLC's Enterprise Information Security program helps us execute our mission and achieve goals by protecting the confidentiality, integrity and availability of data systems that support daily operations and protect customer and employee information. The program aligns with the National Institute of Standards and Technology Cybersecurity Framework for Improving Critical Infrastructure.

Compliance and Ethics

Our standards and commitment to ethics and integrity are embraced at the top levels of management. Our board of directors sets a high standard for our employees, officers, contractors and themselves. The board includes two independent directors and five committeees, comparable to a public company. In addition, we have an established internal audit function and perform regular compliance reviews to help identify process and policy improvements. Our workforce is also required to go through annual ethics, FERC standards of conduct and conflict of interest trainings.

Section 2: Quantitative Information

| | 2019 | 2020 | Comments |
|---|------------|------------|----------------|
| Portfolio | | | |
| Purchased Net Generation for the data year (MWh) | 12,800,000 | 11,041,394 | |
| Total Renewable Energy Resources | 1,182,932 | 1,092,000 | |
| Capital Expenditures and Energy Efficiency (EE) | | | |
| Total Annual Capital Expenditures (nominal dollars) | \$ 374.5 | \$ 322.5 | \$ in millions |
| Incremental Annual Electricity Savings from EE Measures (MWh) | 101.1 | 102.2 | |
| Incremental Annual Investment in Electric EE Programs (nominal dollars) | \$ 16.7 | \$ 18.8 | \$ in millions |
| Retail Electric Customer Count (at end of year) | | | |
| Commercial | 61,225 | 61,633 | |
| Industrial | 1,070 | 1,045 | |
| Residential | 539,929 | 543,056 | |
| Emissions | | | |
| GHG Emissions: Carbon Dioxide (CO2) and Carbon Dioxide Equivalent (CO2e) | | | |
| Purchased Power | | | |
| Carbon Dioxide Equivalent (CO2e) | 7,476,936 | 6,842,494 | In tCO2e |
| Non-Generation CO2e Emissions of Sulfur Hexafluoride (SF6) | | | |
| Total CO2e emissions of SF6 (MT) | 2,955 | 4,687 | In tCO2e |
| Resources | | | |
| Human Resources | | | |
| Total Number of Employees | 1,600 | 1,577 | As of year-end |
| Percentage of Women in Total Workforce | 28% | 33% | As of year-end |
| Percentage of Minorities in Total Workforce | 14% | 14% | As of year-end |
| Total Number on Board of Directors/Trustees | 8 | 9 | |
| Percentage of Women on Board of Directors/Trustees | 12% | 33% | |
| Percentage of Minorities on Board of Directors/Trustees | 0% | 11% | |
| Employee Safety Metrics | | | |
| Recordable Incident Rate | 9.1 | 4.5 | |
| Lost-time Case Rate | 1.8 | 0.5 | |
| Days Away, Restricted, and Transfer (DART) Rate | 0.7 | 0.7 | |
| Work-related Fatalities | 0.0 | 0.0 | |
| Fresh Water Resources used in Thermal Power Generation Activities | | | |
| Water Withdrawals - Consumptive (Millions of Gallons) | <1000 | <1000 | In megaliters |
| Waste Products | | | |
| Amount of Hazardous Waste Manifested for Disposal | 270 | 170 | In tonnes |