

A woman with long hair, wearing sunglasses and a dark jacket, is riding a bicycle through a city street. The background is heavily blurred, suggesting motion and a busy urban environment. The lighting is warm, possibly from the setting or rising sun.

# Ingenuity and *impact.*

Sustainability Report 2023



energy

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## On the path to a more sustainable future: *A message from the CEO*

To our stakeholders,

For 120 years, PSEG's employees have been committed to providing the services our customers and communities count on for everyday life. We are incredibly proud of our company's long history, and we know that the challenges of 1903 were different than those of 2023. Our workforce is rising to meet today's needs and doing what our company has done for generations: getting the job done.

PSEG is actively working toward our vision of a future where people use less energy, and it is cleaner, safer and more reliable than ever. As the energy transition continues to evolve, this will look different tomorrow than it does today.

This year's sustainability report continues to show that we are engaged in the fight against climate change and are taking action to mitigate the existing impacts, while also focusing on predictability and stability for our business, which will ultimately produce an even more sustainable PSEG.

We have taken steps to reduce emissions and are committed to being part of the transition to a lower-emission, clean energy economy. Those steps include doing our part to support state efforts to achieve 100% clean energy by 2035, pursuing our own goal of net-zero carbon emissions for our operations by 2030, modernizing our gas infrastructure which has cut methane emissions by 22% compared to 2018 levels and building new electric vehicle (EV) infrastructure.

We know that our company's future also includes meeting the evolving needs of customers who already rely on us for the electricity to power their cell phones, computers and increasingly, their cars. As we meet the evolving customer expectations of the "home of the future" and the growing energy demands that will come with it, PSEG is prepared and ready to make the infrastructure improvements needed to keep energy flowing.

This year, we introduced our first ten-year business strategy that captures our best estimate of the investment required to maintain system reliability and prepare for a cleaner energy future. In tandem with this long-term outlook, we will always keep customer bill affordability front and center in our strategies, because we are taking steps so that we don't leave anyone behind in this energy transition. And we will continue to advocate for the recognition of foreseeable impacts on our regional transmission grid as a result of the greater "electrification of things." We hope to see PJM, the regional transmission operator that serves 13 states including New Jersey, take steps to ensure that as states electrify, the energy used does not come from carbon-intensive generation.



As a company, we also understand that sustainable practices extend to how we treat our diverse stakeholders, which include our customers, communities, employees and investors.

Our focus on social responsibility and corporate citizenship is ingrained in our culture. We prioritize the well-being, safety and security of our employees, foster diversity and inclusion and actively support the communities we serve. Through partnerships and collaborations, we have contributed to educational programs, workforce

development and community service activities. Our goal is to positively impact the quality of life of people within the diverse communities we serve.

We value your trust and support, and we recognize that sustainability is not just an organizational goal but a shared responsibility. Together, we can strengthen our company and our communities, and create a better world for future generations. I encourage you to dig into this report, learn about our ongoing sustainability efforts and about how we are preparing for whatever may lie ahead.

Finally, I would like to express my gratitude to our employees, customers, shareholders and partners who have played an important role in our sustainability journey. Your unwavering support has been crucial to our success, and I am confident that, together, we will continue heading toward a more sustainable and prosperous future.

Ralph A. LaRossa  
Chair, President and CEO



## What's in a name? At PSEG, we are proud to be *Public Service*

To our stakeholders,

At PSEG, “Public Service” is more than just our name. It is a key to our success; it is what we do. It is our north star and our motivation to continually deliver for the customers and communities we serve.

Public Service remains focused on operational excellence, disciplined investments and financial strength to achieve business results. Serving the public continues to drive our business down the path of sustainability, social responsibility and environmental stewardship. We aim to achieve sustainable success

in a smart and responsible way by working with public policy makers to align our business goals with theirs while protecting the interests of our customers and the communities they live in.

It is a big name to live up to, but we know that it inspires our people to move mountains with this purpose in mind.

The past few years have been full of global challenges ranging from the COVID-19 pandemic, to a heightened interest in social justice, to inflation and supply chain issues that have impacted our daily lives.



As an energy company that our customers depend upon, we are also facing the reality that our industry is at a crossroads that will have vast impacts on our planet and on how we conduct business well into the future. Today, many in the national energy conversation and certainly those in the conversation in our

states are focused more and more on how to protect our communities from the impacts of a changing climate, how to reduce greenhouse gas emissions and how to build a more electrified future.

PSEG is ready to meet this challenge and play our part to chart a more sustainable path forward.

As one of the oldest and largest energy companies operating in the U.S., understanding the energy transition will enable us to better manage the impacts on the customers we serve. And we must consider that as energy consumption and the weather change, we must take continued action so that our customers always have access to safe and reliable energy that is cleaner, affordable and efficient.

As our industry transforms, we are also focused on the important challenges of helping to create a just transition to a cleaner energy future. For impacted members of our largely unionized workforce, these efforts will include reskilling current workers for the jobs of the future and recruiting new employees who can rise to meet the challenges of tomorrow. It is because of our very talented and rapidly diversifying workforce that we are able to deliver for our customers, and we must continue to do what we can do to support them as our industry—and the world—transforms.

To support our communities now and into the future, PSEG remains focused on the value of our corporate citizenship. The PSEG Foundation\* supports strategic partnerships and activities, charitable giving and in-kind donations, volunteerism and a robust employee-giving program. As part of our focus on our communities the PSEG Foundation announced its new strategic pillars of environmental sustainability, social justice, equity and economic empowerment in April 2022. Externally, the PSEG Foundation awarded over \$8 million to organizations aligned with these priorities in 2022 and over \$125 million in the past 25 years.

\* The PSEG Foundation is a separate legal entity from PSEG.



Our efforts to support a better future are especially meaningful when you consider that avoiding the worst impacts of a changing climate will require a local, national and global movement for decarbonization the likes of which we've never seen. These solutions will take expertise, action and a clear path forward for everyone involved, hence our focus on learning, transparency, data and reporting as found in this Sustainability Report.

The pages that follow reflect PSEG's approach to continuing to meet the needs of our communities in New Jersey and Long Island, our customers and our diverse, dedicated and highly skilled workforce. We're proud of our long-standing focus on corporate citizenship and our demonstration of strong civic values.

We are proud to present PSEG's 2023 Sustainability Report.

Rick T. Thigpen  
Senior Vice President – Corporate Citizenship





## Disclaimer

This Sustainability Report includes information on PSEG's program for incorporating ESG considerations across PSEG's operations and strategy. Such program is subject to PSEG's applicable legal, regulatory, and contractual requirements and is expected to change over time. Additionally, the act of selecting and evaluating material ESG factors is subjective by nature, and the criteria utilized or judgment exercised by PSEG may not align with the views, beliefs or values, internal policies, or preferred practices of other energy utility companies or with market trends. There are a variety of ESG principles, frameworks, methodologies, and tracking tools; PSEG's adoption and adherence to those discussed herein or to any others is expected to vary over time as ESG practices evolve.

There can be no assurance that PSEG's ESG initiatives, policies, and procedures as described herein will continue. PSEG is permitted to determine in its discretion, taking into account any applicable contractual commitments or regulatory requirements, that it is not feasible or practical to implement or complete certain of its ESG initiatives, policies, and procedures based on cost, timing, or other considerations.

Additionally, ESG factors are only some of the many factors PSEG considers with respect to its operations and strategy, and there is no guarantee that PSEG's implementation of its ESG program, which depends in part on qualitative judgments, will enhance long-term value and financial returns. To the extent PSEG engages with PSEG assets on ESG-related practices and potential enhancements thereto, the market or society may not view any ESG results as desirable. There can be no assurance that PSEG will be able to achieve any ESG-related objectives (in the time or manner set forth herein or at all), that their actions will not result in outcomes that could be viewed as having a negative ESG effect, or that any historical trends will continue to occur. Actual results may be significantly different from the forward-looking statements herein.

Certain information contained herein relating to ESG goals, targets, intentions, or expectations, including with respect to net zero targets and related timelines, reflect current thinking and may be subject to change, and no assurance can be given that such goals, targets, intentions, or expectations will be met. Further, statistics and metrics relating to ESG matters may be estimates and subject to assumptions or developing standards including PSEG's internal standards and policies.

There is no guarantee that PSEG will remain a signatory, supporter, or member of any ESG initiatives or other similar industry frameworks.

The United Nations Sustainable Development Goals (SDGs) are aspirational in nature. The analysis involved in determining whether and how certain initiatives may contribute to or support progress towards the SDGs is inherently subjective and dependent on a number of factors. PSEG makes no commitment or guarantee that it will take specific actions to contribute to or support progress towards the SDGs. There can be no assurance that reasonable parties will agree on a decision as to whether certain projects or investments contribute to a particular SDG or related real world outcome. Accordingly, investors should not place undue reliance on PSEG's application of the SDGs, as such application is subject to change at any time and in PSEG's sole discretion.

The receipt of any awards by PSEG described herein is no assurance that PSEG's objectives have been achieved or successful.

In gathering and reporting upon the ESG information contained herein, PSEG may depend on data, analysis, or recommendations provided by PSEG or by third-party advisors or data sources, which may be incomplete, inaccurate, or out of date. None of the figures included in this document were audited, assured, or independently verified by auditors or third-party assurance providers.

PSEG does not independently verify all ESG information it receives from third-party advisors or data sources, and it may decide in its discretion not to use certain information or accept certain recommendations. PSEG makes no representation or warranty, express or implied, with respect to the accuracy, fairness, reasonableness, fitness for use, or completeness of any of the information contained herein, and expressly disclaims any responsibility or liability therefor.

Where data is obtained directly from a PSEG asset, this data may be inaccurate and the collection of such data may be limited due to human error and/or rounding errors when processing the data. In these situations, the quality and/or consistency will vary between PSEG assets based on potentially diverging approaches.

The inclusion of any third-party firm and/or company names, brands, and/or logos does not imply any affiliation with these firms or companies. None of these firms or companies have endorsed PSEG.

Unless otherwise stated, the information in this report has been compiled as of 10/31/2023.

Materiality is used within this document to describe issues relating to ESG strategies that we consider to be of high or medium importance in terms of stakeholder interest and potential business impact. Materiality, for the purposes of this document should not, therefore, be read as equating to any use of the word in other PSEG reporting or filings.

PSEG makes no representation or warranty, express or implied, with respect to the accuracy, fairness, reasonableness or completeness of any of the information contained herein, and expressly disclaims any responsibility or liability therefor.



## Forward-looking statements



Certain of the matters discussed in this report about our and our subsidiaries' future performance, including, without limitation, future strategies, prospects, consequences, as well as statements regarding ESG targets, goals, plans to reduce emissions and emissions intensity, consideration by management of climate scenario analyses, strategies for implementing climate-related programs and related plans, targets and goals, commitments to climate-related programs and policies, expectations and priorities for climate-related initiatives, future climate reporting and other ESG-related initiatives, objectives and other matters, and all other statements that are not purely historical, constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to management. When used herein, the words "aim", "hope", "strategy", "seek", "could", "would", "will", "may", "anticipate," "intend," "estimate," "believe," "expect," "plan," "should," "hypothetical," "potential," "forecast," "project," variations of such words and similar expressions are intended to identify forward-looking statements. Forward-looking statements are not guarantees or promises that targets, goals, plans, commitments, or projections, including but not limited to those relating to ESG-related matters, will be met, or that strategies will be implemented or expectations realized, and no assurance can be given that any plans, targets, goals, commitments, expect-

tations, initiatives or plans in this report can or will be realized, achieved, met or completed. Investors are cautioned not to place undue reliance on any forward-looking statements. Factors that may cause actual results to differ are often presented with the forward-looking statements themselves. These risks and uncertainties include, without limitation: the ability to implement our business strategy, including carbon emission reduction goals; the failure to meet stated environmental targets, goals and commitments, implement and execute our priorities and strategies in the time frame expected or at all; State and federal legislative and regulatory initiatives, including costs of compliance with existing and future environmental regulations, including those related to climate change; Federal and state regulations, laws or other efforts designed to promote and expand the use of energy efficiency measures, natural gas electrification and distributed generation technologies; global sociodemographic and economic trends, changing government regulations; technological advancements and innovations; climate-related conditions and weather events; our ability to gather and verify data regarding environmental impacts; the compliance of various third parties with our policies and procedures; and our expansion into new products, services, technologies, and geographic regions. Other factors that could cause actual results to differ materially from those contemplated in any forward-looking statements made by us herein are discussed in filings we make with the United States Securities and Exchange Commission (SEC), including our Annual Report on Form 10-K and subsequent reports on Form 10-Q and Form 8-K.



All of the forward-looking statements made in this Report are qualified by these cautionary statements and we cannot assure you that any ESG-related or other targets, goals, plans, commitments, or projections contained in this Report will be met, or that strategies will be implemented or expectations realized, will be realized or even if realized, will have the expected consequences to, or effects on, us or our business, prospects, financial condition,

results of operations or cash flows. Readers are cautioned not to place undue reliance on these forward-looking statements in making any investment decision. Forward-looking statements made in this Report apply only as of the date of this Report. While we may elect to update forward-looking statements from time to time, we specifically disclaim any obligation to do so, even in light of new information or future

events, unless otherwise required by applicable securities laws.

The forward-looking statements contained in this Report are intended to qualify for the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended.

# forward

# *Company overview.*





## Our brand and corporate strategy



***Public Service. It's not just our name. It's who we are. It's what we do.***

**Public Service Enterprise Group Incorporated (PSEG)** is an energy company consisting primarily of a regulated utility (PSE&G) and a merchant nuclear generation business.

For 120 years and counting, we have rolled up our sleeves to tackle any challenge. We work hard to keep the lights on, homes warm and businesses bright, so our customers can live and work safely and comfortably.

We power the lives of 2.3 million electric customers and 1.9 million gas customers in New Jersey, and 1.1 million electric customers in Long Island.

We're the ones in the trucks during the storms, hard at work day and night.

Since 1903, PSEG has been part of the fabric of New Jersey and the region, both as one of the state's largest employers and as the largest utility company in the state. PSEG has prioritized safety and reliability, environmental stewardship, social responsibility and ethical corporate governance. Contributing to New Jersey's economic development is another PSEG hallmark, and we anticipate investing billions to enable the widespread adoption of delivering energy efficiency solutions to homes and businesses throughout our region. We are supporting New Jersey's clean energy goals and the new transmission upgrades needed to

bring future offshore wind generation into the grid to power homes and businesses. And beyond delivering energy to our customers, we proudly participate in the social efforts and initiatives in their towns and cities through corporate and PSEG Foundation giving, which delivered a combined \$12 million in grants last year. Additionally, PSEG works to deliver reliable and stable value to our shareholders. These efforts also have the additional benefit of supporting our vision for a cleaner energy future.

Beginning with the retirement of the Hudson and Mercer coal-fired generating stations in 2017 and continuing with further coal-fired retirements in 2019 and 2021, the sale of our 6,750 megawatt (MW) fossil generation portfolio in early 2022 and other asset dispositions, PSEG now owns one of the few carbon-free, base load generation fleets in the United States. We have transitioned PSEG to a predominantly regulated transmission and distribution electric and gas utility complemented by our 3,766 MW carbon-free, nuclear generation fleet. We have our eye on tomorrow and finding ways to fight climate change by focusing on energy efficiency and reducing energy consumption.

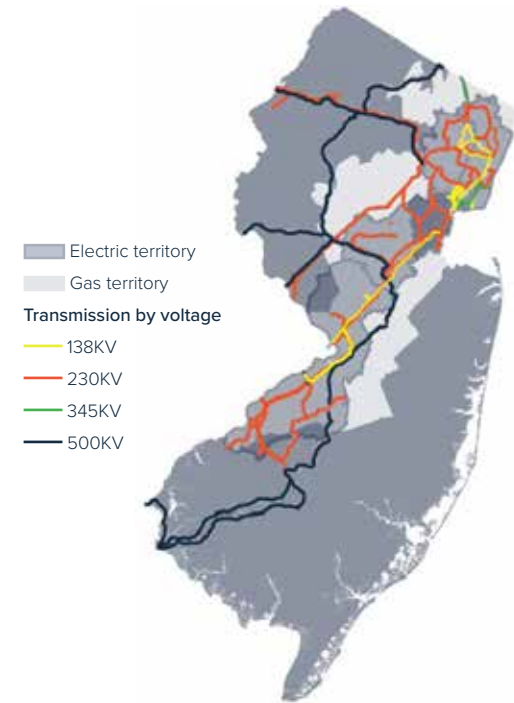
PSEG invests in the communities where we live and work and advances employee training and development. We also strive to advance sustainability and workforce equity and keep our business predictable, reliable and affordable.

Notwithstanding anything to the contrary, no use of the words "material" or "materiality" in this report is intended to refer to or incorporate the concept of materiality under U.S. securities laws or for any other purpose, other than as defined by GRI for sustainability reporting purposes only.



## Our primary companies:

**Public Service Electric and Gas Co. (PSE&G)** is New Jersey’s largest provider of electric and natural gas service – serving 2.3 million electric customers and 1.9 million gas customers.



**PSEG Power LLC** operates the Hope Creek and Salem nuclear generating plants in South Jersey through PSEG Nuclear LLC. These plants provide 85% of New Jersey’s carbon-free energy. PSEG Nuclear is also a part owner of the Peach Bottom Nuclear generation station in Delta, PA.

**PSEG Long Island** operates the electric transmission and distribution system of the Long Island Power Authority through an Operations Services Agreement. PSEG Long Island serves 1.1 million customers.



1. PSEG presents Operating Earnings in addition to its Net Income/(Loss) reported in accordance with accounting principles generally accepted in the United States (GAAP). Operating Earnings is a non-GAAP financial measure that differs from Net Income/(Loss). Non-GAAP Operating Earnings exclude the impact of gains (losses) associated with the Nuclear Decommissioning Trust (NDT), Mark-to-Market (MTM) accounting and material one-time items. Management uses non-GAAP Operating Earnings in its internal analysis, and in communications with investors and analysts, as a consistent measure for comparing PSEG’s financial performance to previous financial results. The presentation of non-GAAP Operating Earnings is intended to complement, and should not be considered an alternative to, the presentation of Net Income/(Loss), which is an indicator of financial performance determined in accordance with GAAP.

Non-GAAP operating earnings<sup>1</sup>  
(as of Dec 2022)

~90% regulated utility

~10% power and other

PSEG had approximately

\$48.7 billion in total assets  
at the end of 2022

### Core commitments

- Safety
- Integrity
- Continuous improvement
- Customer service
- Diversity, equity and inclusion



## Our Powering Progress vision and mission

At PSEG, our vision is to power a future where people use less energy, and it's cleaner, safer and delivered more reliably than ever. We call this Powering Progress.

To achieve this vision, we are driven by our mission:

- Be a positive force in a changing world by providing infrastructure to access safe, affordable, reliable and cleaner energy;
- Work toward a carbon-free economy;
- Empower the lives of our customers, our communities, our workforce and other stakeholders;
- Embrace diversity and inclusion, and promote equitable and ethical behavior.

***This is what drives us.  
It's why we do what we do.***

Powering Progress enhances the lives of our customers, our workforce and all our stakeholders as we aim to tackle the 21st century challenges of more extreme and damaging weather, protecting the environment and taking action toward a clean, electrified and sustainable economy where all people thrive. That is Powering Progress. And it is within reach.



## Our refreshed brand

**We are in transformational times.** As part of efforts to highlight how PSEG is working to meet the needs of today and adapt to find the solutions of tomorrow, the company unveiled an updated brand earlier in 2023.

A lot is familiar—including the hallmark orange energy burst logo. But this newly refreshed brand also reflects who PSEG is today: a modern and future-focused company aiming to reliably and safely deliver the services customers are increasingly dependent on to power their lives.

As part of our updated brand, there is an updated voice for the company, one that aims to talk directly to the customers we serve. The refreshed brand captures who we are and what we stand behind.

While we have been around since 1903, we are moving toward the future with the needs of our customers inspiring us for the next 120 years.

brand



## Financial strength and value proposition

Throughout our long history, PSEG has maintained financial strength and operational excellence for our shareholders while providing excellent service to our customers. We continue to execute a disciplined investment program that is closely aligned with our customers’ needs and public policy goals.

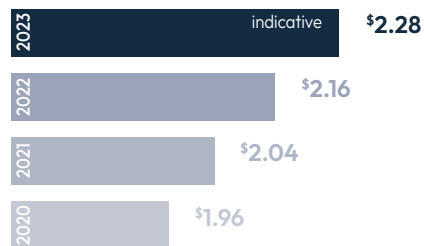
PSEG’s strategic focus is to deliver a compelling investment proposition from predominantly regulated business and we are retaining our nuclear plants following the passage of federal legislation that will help to preserve their financial viability. In May 2023, PSEG sold to Ørsted North America Inc. our 25% equity interest in the offshore Ocean Wind project. The sale proceeds approximated PSEG’s carrying value of the investment; therefore, no material gain or loss was recognized upon disposition, further stabilizing our business.

Our solid financial position continues to support the growth in our shareholder dividend and has helped keep our business predictable for our shareholders. In February 2023, we raised our indicative annual dividend rate to \$2.28 per share, up 5.6% over 2022. This is the 116th consecutive year our company has paid a dividend and the 19th dividend increase in the past 20 years.

We have also established a long-term, non-GAAP Operating Earnings growth rate expectation of 5% to 7% over the 2023 through 2027 period.

Our financial strength enables us to fund our current capital investment program through 2027 without the need to issue new equity or sell assets.

### Dividend per share



This financial strength enables us to be here for the long haul as a company people can trust and an economic engine for New Jersey. From this position of strength we can create well-paying jobs and a reliable infrastructure to power the lives of the people and communities we serve.

That is why we aim to build a clean energy future, powered by a diverse, dedicated and highly skilled workforce.

In accordance with our business strategy, the company has designed a sustainable financing framework under which the Company may elect to finance or refinance new and/or existing projects, in whole or in part, that have environmental and/or social benefits through Green Bonds or other financial instruments. To date PSE&G has issued \$1.4 billion of Green Bonds.

In March 2022, PSEG and PSEG Power amended and consolidated revolving credit agreements with total borrowing capacity of \$3.4 billion into a single revolving credit agreement (Master Credit Facility). The Master Credit Facility extends the maturity of the existing credit agreements through March 2027 and provides for \$2.75 billion of credit capacity, with an initial PSEG sub-limit of \$1.5 billion and an initial PSEG Power sub-limit of \$1.25 billion. Sub-limits can be adjusted subject to the terms of the Master Credit Facility. The PSEG sub-limit includes a sustainability linked pricing based mechanism with potential increases or decreases, which are not expected to be material, depending on performance relative to targeted methane emission reductions.

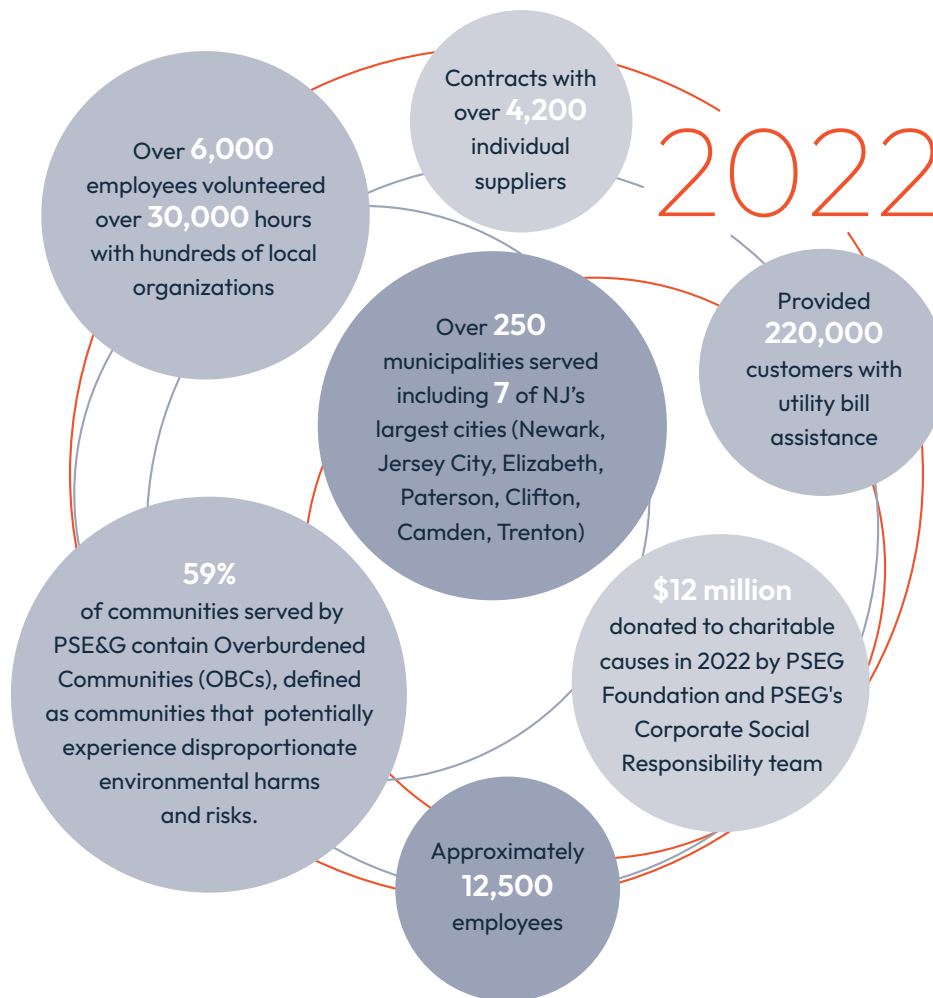




## PSEG impact

PSEG strives to be a positive part of the communities that we serve and have a positive impact on stakeholders ranging from employees, to customers, to

shareholders. We remain dedicated to the values of environmental stewardship, social responsibility and ethical governance.



A scenic view of a lake at sunset. The sky is filled with soft, golden light from the setting sun, with wispy clouds catching the light. The water of the lake is calm, reflecting the colors of the sky. In the foreground, there are tall, green reeds growing out of the water. In the background, a line of trees and a small white house are visible on the far shore.

*Our approach*  
**to sustainability.**



**In this section:**

- PSEG’s Environmental, Social and Governance (ESG) Journey
- PSEG’s sustainability priorities and contribution to the UN Sustainable Development Goals (SDGs)
- Awards and Recognition

For decades, PSEG has been proactive and thoughtful about understanding our relationship with the environment. We recognize that responsible business practices, sustainability and ESG are critical to achieving our vision and meeting stakeholder needs.

Sustainability and ESG factor into our business strategy. We aim to integrate efforts to lower emissions, protect the environment, care for our workforce and support our communities into our operations.

Our business strategy today reflects not only how the effects of climate change might impact PSEG and our investors, but also how our business operations can positively impact the communities where we operate and the world where we live. For instance, we focus on supplier diversity and how our programs can reach low- and moderate-income customers.

In the last decade, we have strengthened our governance, taken steps to decarbonize our operations and embraced new opportunities, allowing us to adapt to the increasing social and environmental needs of our business.

## PSEG ESG journey

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**1970s** PSEG installs solar energy at 11 NJ homes as part of the three-year study of the potential for solar energy in the state.

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**1979** PSEG installs state-of-the-art wastewater treatment facilities at its plants.

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**1980s** PSEG introduces compressed natural gas vehicles to reduce emissions from its fleet of service vehicles.

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**1992** PSEG begins site remediation at its Paterson Gas Works, making it one of the first utilities in the nation to undertake on-site manufactured gas plant remediation.

PSEG voluntarily commits to reduce NOx emissions at its NJ power plants by 80% by 2000.

PSEG commits publicly to stabilize CO<sub>2</sub> emissions at 1990 levels by 2000.

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**1993** PSEG establishes Estuary Enhancement Program (EEP) to restore and conserve more than 20,000 acres of coastal salt marsh and adjacent uplands.

PSEG publishes its first Environmental Progress Report to showcase the company’s environmental stewardship.

PSEG becomes a founding member of and the first utility to commit to the U.S. Department of Energy Climate Challenge Program and first utility to sign on to the pre-Kyoto Voluntary GHG emissions reduction accord.

PSEG becomes the first utility to demonstrate selective non-catalytic reduction of emissions on a wet-bottom, coal-fired boiler.

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**1995** PSEG first calculates the carbon footprint of all its generating plants, facilities and fleet.



## PSEG ESG journey (cont.)

### 1997

PSEG launches a continuous improvement effort by benchmarking best safety-performing companies and forming Employee Safety Councils.

PSEG achieves a 90% recycling rate for non-hazardous solid wastes.

### 2000

PSEG meets its commitment to stabilize GHG emissions to 1990 levels.

PSEG wins Environmental Protection Agency's (EPA) Ally of the Year award for efforts to bring energy efficient housing to the market.

### 2004

Through EPA's Climate Leaders Program, PSEG pledges to reduce GHG emission intensity by 18% from 2000 levels by 2008.

### 2007

PSEG publishes the Strategic Report on Carbon Emission Reduction.

PSEG announces initiative to invest \$100 million in funding for solar installations.

PSEG begins replacing 1,300 vehicles with hybrids and making other changes to its fleet.

PSEG announces plans to invest in more energy-efficient electric delivery equipment.

### 2008

NJ Board of Public Utilities (BPU) approves Carbon Abatement Program.

### 2009

PSEG publishes first Sustainability Report following Global Reporting Initiative (GRI) framework.

PSEG becomes a founding member of Electric Power Research Institute (EPRI)'s Sustainability Interest Group.

### 2009

PSEG establishes goal of reducing 25% of GHG emissions, from 2005 levels, by 2025.

NJ BPU approves Energy Efficiency Economic Stimulus Program ("EEE Program").

NJ BPU approves Solar4All®, a \$515 million initiative to build grid-connected universal solar power within the PSE&G service territory.

### 2010

First solar power project under Solar4All® initiative is completed in September 2010 on the site of a former brownfield in Trenton, NJ.

The PSEG Foundation awards its first grant to Montclair State University and becomes a founding partner of the PSEG Institute for Sustainability Studies. PSEG Power & PSE&G file first federal GHG emissions report under US EPA GHG reporting rule.

### 2011

PSEG meets its 2025 GHG reduction goal 14 years ahead of schedule.

PSEG begins operation of a \$1.3 billion investment in emissions control technology on its NJ coal plants.

PSEG receives approval to extend operating licenses of Salem 1 and 2, Hope Creek nuclear power plants for 20 more years.

NJ BPU extends energy efficiency program for multi-family housing, government/muni/non-profit direct install, and hospital efficiency.

PSE&G's first landfill solar farm goes into service.

The PSEG Foundation supports the creation of Sustainable Jersey and its Municipal Awards Program.



## PSEG ESG journey (cont.)

### 2012

PSEG upgrades wastewater treatment facilities, making generation plants state-of-the-art.

### 2013

PSE&G receives approval to extend Solar4All® program by 45 MW-dc, an additional investment up to \$247 million.

PSEG launches employee electric vehicle pilot program.

In the aftermath of Superstorm Sandy, PSEG partners with Sesame Workshop to create a disaster planning app to help families prepare for emergency situations.

PSEG creates the Diversity & Inclusion Council, an advisory group of 60 members from across all levels and locations within the company.

### 2014

PSEG welcomes PSEG Long Island.

PSEG employees sign Diversity & Inclusion Commitment statement.

PSE&G starts NJ BPU-approved Energy Strong I resiliency program. NJ BPU approves GSMP I.

### 2015

NJ BPU further extends EE Program.

The PSEG Foundation funded research grant with Stevens Institute of Technology for the construction of Stevens' SURE (Sustainable and Resilient) House; wins top honors in the 2015 international competition.

### 2016

NJ BPU extends Solar4All® program again, allowing PSE&G to build an additional 33 MW-dc of solar farms on brownfield and landfill sites, representing an \$80 million investment.

PSE&G begins to demonstrate methane emission reductions under our accelerated gas main replacement programs.

### 2017

NJ BPU extends EE program again and approves two new subprograms for smart thermostats and a data analytics pilot.

PSEG earns a score of 100 on the LGBTQ-focused Human Rights Council Corporate Equality Index.

PSEG established a new GHG goal to eliminate 13 million tons of CO<sub>2</sub>e by 2030.

Retirement of the Hudson and Mercer coal-fired generating stations.

### 2018

PSE&G files Clean Energy Future (CEF) proposal with NJ BPU. PSEG establishes a formal Human Rights Practice.

PSEG establishes a new business function devoted to corporate citizenship.

PSEG formalizes its ESG and climate priorities by establishing the ESG Sustainability Council within management.

Governance Committee of the board of directors, now known as the Governance, Nominating and Sustainability Committee, started formally overseeing ESG and climate change and include this topic in its charter.

PSEG maps its operations to the U.N. Sustainable Development Goals (SDGs) for the first time, demonstrating awareness of our role in the international ESG community.

### 2019

PSE&G starts the BPU-approved Energy Strong II program and GSMP II.

PSEG announces new GHG-reduction goal of 80% by 2046, from 2005 levels, for PSEG Power and net-zero vision by 2050.

PSEG publishes first-time disclosures using Sustainability Accounting Standards Board (SASB) framework.

PSEG names first female lead independent director of the board of directors.



## PSEG ESG journey (cont.)

### 2020

PSEG publishes inaugural Climate Report following Task Force on Climate-related Financial Disclosures (TCFD) framework.

PSEG formally incorporates the concept of equity into diversity and inclusion strategy.

NJ BPU approves \$1 billion Clean Energy Future – Energy Efficiency (CEF-EE) Program.

### 2021

PSEG joins Ceres company network, a leading sustainability nonprofit organization that works with the most influential investors and companies to build leadership and drive solutions throughout the economy.

PSEG Accelerates its Net-Zero Climate Vision to 2030 for Scopes 1 and 2.

NJ BPU approves Clean Energy Future electric vehicle and Advanced Metering Infrastructure programs.

PSEG concludes coal exit strategy with retirement of Bridgeport Harbor Station Unit 3.

### 2022

PSEG sells 6,750 MW fossil generating fleet.

PSEG Foundation announces its new strategic pillars of environmental sustainability, social justice, equity and economic empowerment.

Receives approval for Infrastructure Advancement Program.

Joins Energy Impact Partners' (EIP) Funds to drive decarbonization and accelerate clean energy targets.

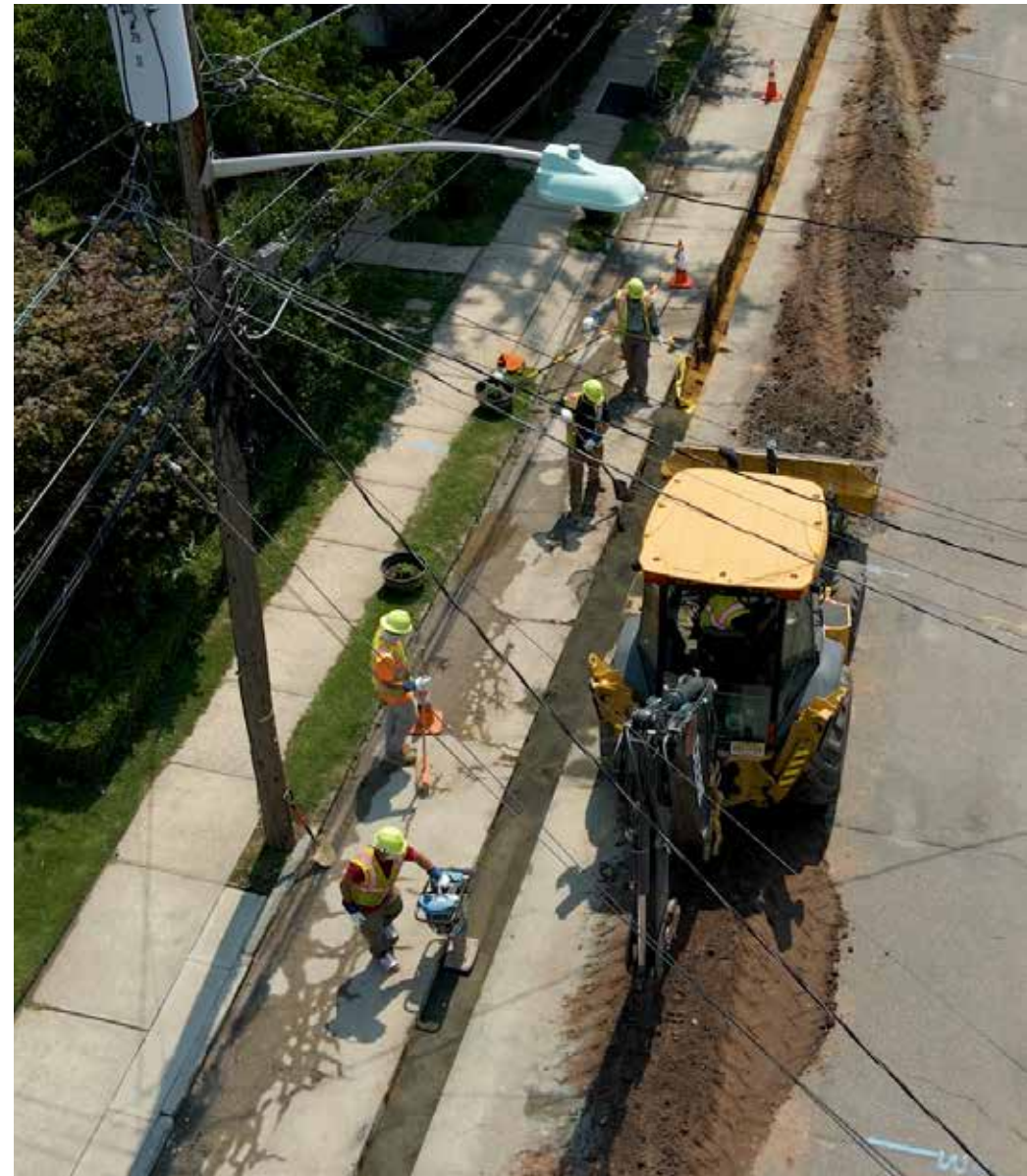
### 2023

PSEG completes second phase of Gas System Modernization Program (GSMP) and gained approval to continue modernizing gas infrastructure.

PSEG receives extension of the CEF-EE program.

PSEG completes the divestiture of the Kalaeloa cogeneration facility, making PSEG's generation fully carbon-free.

PSEG installs our one-millionth smart meter.





## How we manage sustainability and governance



Sustainability begins with our leadership. Our Board of Directors takes an active role in overseeing sustainability and corporate citizenship matters including climate strategy. The Governance, Nominating and Sustainability (GNS) committee holds the primary responsibility of overseeing sustainability matters for our enterprise, including the company's net-zero by 2030 vision. The GNS committee was renamed last year to better reflect the work they do regarding sustainability.

A cross-functional sustainability team steers, coordinates and executes the company's multiple streams of ESG disclosure.

Employees across the entire company—from executives to managers to those on the front lines—are involved with implementing our sustainability strategy and purpose. We pride ourselves on being a company with strong leadership, engaged employees and proven processes to advance sustainability throughout the business. We continue to emphasize the role that all of our employees have in achieving

higher levels of operational excellence, which is fundamental to our future as a diverse, successful enterprise. Employees have been guided by Environmental Health and Safety (EH&S) policy since its approval in 1996. The EH&S policy reflects the principles according to which PSEG operates in eight areas: employee health and safety; nuclear safety; climate change; pollution prevention and resource conservation; compliance; risk reduction; open communication; and continuous improvement.

Our company aligns executive compensation with the successful execution of our strategic plans, meeting our financial and operational goals and delivering strong returns to our shareholders while balancing the interests of our multiple stakeholders. We place a high value on critical strategic initiatives, long-range planning, disciplined investments, ESG priorities and operational excellence that enhance value and recognize our responsibilities as a public utility to provide utility services fairly and equitably to all customers in our geographic service territory.



# PSEG’s sustainability priorities and contribution to the SDGs

The United Nations Sustainable Development Goals (SDGs) were released in 2015 and outline how governments, businesses and organizations can work toward sustainable development. The 17 goals and 169 targets aim to set the world on a sustainable path by 2030.

PSEG recognizes that each of the goals are important and essential in building a healthier world, and we believe that the best way to make a meaningful contribution is by focusing on a select number of SDGs where we can make the greatest positive impact.

<p><b>1 NO POVERTY</b></p> <ul style="list-style-type: none"> <li>• Social protection</li> <li>• Basic services</li> <li>• Disaster costs</li> </ul>	<p><b>2 ZERO HUNGER</b></p> <ul style="list-style-type: none"> <li>• Food insecurity</li> </ul>	<p><b>3 GOOD HEALTH AND WELL-BEING</b></p> <ul style="list-style-type: none"> <li>• Healthcare coverage</li> <li>• Health expenditures</li> <li>• Health of workers</li> <li>• Air pollution deaths</li> <li>• Emergency preparedness</li> </ul>	<p><b>4 QUALITY EDUCATION</b></p> <ul style="list-style-type: none"> <li>• Access further education</li> <li>• Integrated Co-Teaching (ICT) skills</li> <li>• Education for sustainable development</li> </ul>	<p><b>5 GENDER EQUALITY</b></p> <ul style="list-style-type: none"> <li>• Legal frameworks for gender equality</li> <li>• Women in management</li> <li>• Tracking gender equality</li> </ul>	<p><b>6 CLEAN WATER AND SANITATION</b></p> <ul style="list-style-type: none"> <li>• Water use efficiency</li> <li>• Freshwater stress</li> <li>• Integrated water management</li> </ul>	<p><b>7 AFFORDABLE AND CLEAN ENERGY</b></p> <ul style="list-style-type: none"> <li>• Electricity access</li> <li>• Access to clean fuels</li> <li>• Renewable energy</li> <li>• Energy intensity</li> <li>• Clean energy investments</li> <li>• Energy service investment</li> </ul>	<p><b>8 DECENT WORK AND ECONOMIC GROWTH</b></p> <ul style="list-style-type: none"> <li>• Hourly earning intensity</li> <li>• Domestic consumption</li> <li>• Youth training</li> <li>• Labor rights</li> <li>• Occupational injuries</li> <li>• Material footprint</li> </ul>	<p><b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b></p> <ul style="list-style-type: none"> <li>• CO<sub>2</sub> emission intensity</li> <li>• R&amp;D research</li> <li>• R&amp;D spending</li> <li>• High-tech industry value</li> <li>• Manufacturing value</li> </ul>
<p><b>10 REDUCED INEQUALITIES</b></p> <ul style="list-style-type: none"> <li>• Income growth inequality</li> <li>• Discriminatory practices</li> </ul>	<p><b>11 SUSTAINABLE CITIES AND COMMUNITIES</b></p> <ul style="list-style-type: none"> <li>• Sustainable urbanization</li> <li>• Urban planning management</li> <li>• Disaster losses</li> <li>• Solid waste management</li> <li>• Urban air pollution</li> <li>• Sustainable building</li> <li>• Open city spaces</li> <li>• Urban planning</li> <li>• Integrated risk management</li> </ul>	<p><b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b></p> <ul style="list-style-type: none"> <li>• Sustainable consumption plans</li> <li>• Domestic consumption</li> <li>• Hazardous waste</li> <li>• Recycling rates</li> <li>• Corporate sustainability reports</li> <li>• Sustainable lifestyles</li> <li>• National sustainability plans</li> <li>• Support sustainable production</li> </ul>	<p><b>13 CLIMATE ACTION</b></p> <ul style="list-style-type: none"> <li>• Disaster risk reduction</li> <li>• Integration climate policies</li> <li>• Climate change education</li> <li>• Climate capacity building</li> <li>• Support for management plans</li> </ul>	<p><b>14 LIFE BELOW WATER</b></p> <ul style="list-style-type: none"> <li>• Marine ecosystems</li> <li>• Fish stock levels</li> </ul>	<p><b>15 LIFE ON LAND</b></p> <ul style="list-style-type: none"> <li>• Forest management</li> <li>• Biodiversity sites</li> <li>• Biodiversity planning</li> </ul>	<p><b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b></p> <ul style="list-style-type: none"> <li>• Bribery in business</li> <li>• Inclusive decision-making</li> <li>• Public information access</li> </ul>	<p><b>17 PARTNERSHIPS FOR THE GOALS</b></p> <ul style="list-style-type: none"> <li>• Domestic taxes</li> <li>• Sustainable technologies</li> <li>• SDG support</li> <li>• Society partnerships</li> </ul>	<p>Shaded areas = goals most relevant to PSEG’s activities</p>



## Sustainability and PSEG’s business priorities

Our stakeholders – investors, customers, suppliers, government leaders, regulators and employees – increasingly want to know about the direct and indirect impacts of PSEG’s businesses. In addition to the standard financial metrics, we understand that reporting our priorities and successes on environmental, social and governance issues is extremely important to our stakeholders.

Since 2019, we have been working with Datamaran and its Materiality Analysis tool, a business intelligence tool that uses data and artificial intelligence to conduct real-time materiality assessments. This tool enabled PSEG to identify and prioritize the ESG impacts, risks and opportunities important to internal and external stakeholders by analyzing sources that included corporate reports, global regulations and initiatives, social media and online news.

PSEG has a deep understanding of the issues and the impact we have on our communities. With our sustainability report, we can illustrate this connection between our business priorities, our sustainability efforts and the global U.N. SDGs. More specifically, our operations touch

- Health and safety 
- DEI  
- Community engagement  
- Climate change 
- Affordability and reliability  

Our efforts aim to make sure our organization continues working toward sustainability and grows financially while continuing to act as a positive force in our changing world.





## Updates and our year in review

In 2022 and 2023 PSEG made strides toward our overall climate goals and contributions to the SDGs, in particular in the areas below.



### 2022

Completed the sale of our fossil generating fleet.

Unveiled Powering Progress mission and vision.

Committed \$35 million to Energy Impact Partners (EIP) to drive decarbonization and clean energy innovation.

PSEG Foundation announced its new strategic pillars of environmental sustainability, social justice, equity and economic empowerment.

\$8 million donated to charitable causes in 2022.

External hiring of racially and/or ethnically diverse candidates exceeded 40% of hiring in 2022.

PSE&G kicked off an initiative to provide over 2,000 low- to moderate-income New Jersey residents with the skills they need for careers in the fast-growing energy efficiency sector.

Through the Infrastructure Advancement Program approved by the New Jersey Board of Public Utilities (NJ BPU), PSE&G is investing \$511 million to begin preparing the grid for the rapid transition to EVs and enable a greater blend of renewable energy resources by increasing the reliability of the state's electric grid down to the street and neighborhood level.

### 2023

Completed second phase of Gas System Modernization Program (GSMP). When paired with the first phase of GSMP, the program has reduced methane emissions by approximately 22% compared to 2018 levels.

Gained approval to continue modernizing aging natural gas pipes through 2025, enhancing safety and reliability and helping New Jersey meet its clean energy goals.

Decision to retain nuclear plants which produce 85% of New Jersey's carbon-free energy.

PSE&G received the ENERGY STAR Partner of the Year Award in the Energy Efficiency Program Delivery category from the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy.

Received a \$280 million nine-month extension of the PSE&G Clean Energy Future-Energy Efficiency program.

Estimated that PSE&G's award-winning energy efficiency programs have provided services to nearly 1.7 million customers. Among them, approximately 300,000 customers have taken action to save energy through these programs and are expected to collectively save around \$300 million on their utility bills annually as of March 2023.



## Awards and recognition

The JUST 100, America's Most JUST Companies 2022



First in Customer Satisfaction for both Residential Electric and Natural Gas Service in the East among Large Utilities



America's Most Responsible Companies 2022



Dow Jones Sustainability North America Index – 15th consecutive year



2022 Drive Electric Award – Utility Award



2022 Most Trusted Utility Brands – Residential & Business



ReliabilityOne® Award for Outstanding Reliability Performance in the Mid-Atlantic Metropolitan Service Area



2022 Edison Award



National Energy Equity Award for Clean Energy Jobs Program – Smart Energy Consumer Collaborative 100 Best Corporate Citizens of 2022



America's Best Employers for Diversity 2022 and 2023 – Forbes America's Best Large Employers 2022 and 2023



2022 and 2023 ENERGY STAR Partner of the Year Award in the Energy Efficiency Delivery Program



2022 Connect the Watts™ National EV Charging Hero Award



2023 Campus Forward Award



2023-2024 Best Companies to Work For



2023 Best Places to Work for People with Disabilities



SEPA 2030 Club – Recognizing utilities that have voluntarily established aggressive carbon reduction and clean energy targets



2023 CPA Zicklin Index Trendsetter



Awards

*Environmental*  
stewardship.





## Our approach to environmental management

### In this section:

- **Climate change: our journey and the road ahead**
- **Climate governance**
- **Strategy and climate vision**
- **Electrification, decarbonization and the future of natural gas**
- **Reducing, reusing and recycling**
- **Biodiversity and natural resources**

Finding ways to address climate-related issues, environmental stewardship and the protection of biodiversity and natural resources are key to maintaining and enhancing the environment where we operate, including in the air, and on water and land.

Our continuous improvement efforts help us fulfill our responsibility to protect the environment.

Environmental stewardship and sustainability require commitment and aligned management.

PSEG has a number of policies, procedures and departments that focus on environmental stewardship. These include:

- Our Environment, Health and Safety (EH&S) Policy describes our efforts to conduct our business in a safe, environmentally friendly and responsible manner. The [PSEG EH&S Program Guide](#) represents the cornerstone of our corporate-wide environmental management approach and outlines how we oversee environmental health and safety.
- PSEG also maintains a robust Environmental Projects and Services team that employs environmental professionals with diverse backgrounds that assist overseeing that our work is performed in compliance with multi-tier federal, state and local regulations while doing our best to minimize our impacts on the environment. Brief overviews of these dedicated teams are below:
  - PSEG’s Permitting team is intricately involved as it relates to development and maintenance of our facilities. This includes whether a project is a new substation, a utility pole installation, or maintenance or upgrades to our gas and electric transmission and distribution system. The team evaluates each project scope to consider applicable regulations and works with the project teams and regulatory agencies to obtain the required permits and approvals. We develop a permitting strategy to avoid or reduce adverse impacts. As an example, these impacts often include avoiding known threatened and endangered species habitat, wetlands and riparian impacts as well as sensitive social receptors. Regulatory agencies know that when they deal with PSEG we have thoroughly

evaluated a project and we are committed to providing a plan to minimize impacts.

- PSEG’s Environmental Projects and Services Teams provide responsible waste management services of our waste streams at operational facilities and project locations. These teams provide the proper and responsible management of all materials generated as a result of our system improvements and our everyday work that we provide to our customers.
- PSEG’s Environmental Oversight Team is a check and balance system that performs routine compliance inspections of our environmental programs to determine if they are working as designed to achieve their goals.
- PSEG’s Environmental Strategy team supports and participates in the process of working with government officials and stakeholder and industry groups in their development of environmental regulations that have the potential to guide electric and gas utility operations. In addition, this team also leads our utility sustainability practices assisting in achieving our corporate goals.

***We set environmental performance goals and targets regularly, as well as long-term goals every few years. We also use and regularly test our emergency preparedness systems to ensure we are prepared for the unexpected at any of the facilities we operate.***



## Climate change: our journey and the road ahead



*PSEG recognizes climate change as one of the most important environmental and societal issues of our time.*

An issue of this scale requires a concerted global response to help mitigate and adapt to this significant threat. As an energy company, PSEG is helping customers implement solutions to lower their carbon emissions while also strengthening the infrastructure needed to deliver safe, reliable service for decades to come.

In New Jersey, there is also a state-level push for a clean energy future. In early 2023, New Jersey Governor Phil Murphy committed the state to 100% clean energy by 2035 and the goal of reducing greenhouse gas emissions from the building industry. The Governor also plans to fully phase-in the sale of electric vehicles by 2035, a change that would reduce greenhouse gas emissions from transportation. As New Jersey's largest utility, our company is working to move this vision forward and assist with New Jersey's accelerated efforts to drive greenhouse gas emissions reductions across the economy.

Our relationship to the environment has been a consideration in our long-term strategy for decades. In 1992, PSEG voluntarily committed to reduce NO<sub>x</sub> and stabilize CO<sub>2</sub> emissions from its New Jersey power plants. In 1995, PSEG calculated the carbon footprint of all our generating plants, facilities, and fleet for the first time. By the late 2000s and into the present, we have expanded our value proposition through NJ BPU-approved multi-billion dollar programs focused on energy efficiency and on developing grid-connected universal solar within our service territory.

Climate  
Change



## Clean energy investments

According to the most recent report from the Intergovernmental Panel on Climate Change, the window is closing on our ability to avoid the worst impacts of climate change. PSEG is a willing partner in ensuring that we can help our customers move toward a clean energy economy with the foundation of a safe and robust transmission and distribution network. This is why we are investing to improve grid resilience right down to the last mile. This work builds on an effort we began more than a decade ago in the aftermath of Superstorm Sandy, when we received approval for Energy Strong I (ES I), a \$1 billion infrastructure improvement program focused on hardening our networks and enhancing the resiliency of our systems. This program was expanded in 2019, with an additional \$842 million allocated for further improvements.

Because resiliency is foundational to our customers' ability to withstand the impacts of climate change, over the last decade we have also focused our capital allocation and resources to help customers use less energy. These efforts culminated in PSEG's landmark \$1 billion Clean Energy Future—Energy Efficiency (CEF-EE) program, among the most significant energy efficiency efforts ever undertaken in New Jersey, which was approved in September 2020.

As a complement to this effort, PSEG received approval from the NJ BPU in January 2021 for two additional initiatives under the Clean Energy Future umbrella: a \$707 million program that will install smart meters throughout our service territory and enhance our data analytics around energy consumption and an approximately \$166 million program focused on enhancing electric vehicle charging infrastructure at homes and businesses.

PSEG reached a key milestone by installing our millionth smart meter in July 2023, with the final goal for the program being the replacement of all 2.3 million existing electric meters in our service territory by the end of 2024. The smart meters that PSEG is installing are a key piece of the utility's Advanced Metering Infrastructure (AMI), which delivers a number of benefits including giving customers more information about how they use energy, near real-time power-outage detection and more efficient power restoration following storms.

The April 2021 extension by the NJ BPU of the Zero Emissions Certificates (ZEC) program maintains support for the critical role that PSEG's nuclear generation fleet plays in helping New Jersey meet its emission reduction targets.

In February 2022, we completed the sale of PSEG's 6,750 MW fossil generating fleet. The sale of the Kalaeloa cogeneration facility in mid-2023 completed the divestiture of PSEG's remaining fossil generating unit. This sale enables us to focus our resources on bringing about the clean energy transition in New Jersey.

In October 2022, the NJ BPU awarded PSEG six onshore transmission projects to help deliver electricity from offshore wind farms to New Jersey customers. The projects are spread across PSEG's service territory and will come online between 2027 and 2029.

Sharing our message and our progress with our key stakeholders remains a priority and our disclosures have evolved with the criteria advanced by the Task Force on Climate Related Financial Disclosures. PSEG published its inaugural Climate Report in April 2020 to provide analysis for our stakeholders of the reliability and resiliency of our businesses as we transition to a cleaner, more equitable energy future and address

those impacts of climate change that are already occurring. Since releasing climate reports in 2020 and 2021, PSEG has accelerated its net-zero climate vision from 2050 to 2030 for Scopes 1 and 2. In 2021, PSEG committed to propose Science-Based Targets in line with the Science Based Targets initiative. Those targets were submitted in September 2023 and our submission is now under review as part of SBTi's validation process.





## Climate governance

The Board of Directors oversees our sustainability, ESG and corporate citizenship matters, including climate strategy, political corporate activities. The Board enhances its overall awareness of key climate-related issues by bringing in external experts for Director education sessions, including past sessions with the CERES CEO & President, the White House National Climate Advisor, the Director of U.S. Corporate Climate Engagement, World Wildlife Fund/ Science Based Targets Initiative, and an expert on climate change from Princeton University.

Our Board also oversees risk management at PSEG. The Board interacts with senior management regarding assessment and mitigation of the most significant risks facing the Company, across a range of categories that includes strategic, financial, market, operational, climate and environmental, human capital management, health and safety, legal and compliance and reputational risks.

The GNS Committee of the Board has the primary responsibility for the oversight of risks related to ESG issues and provides oversight of the company's sustainability efforts and initiatives. At least annually, the GNS Committee and Audit Committee are briefed on enterprise-level risks and emerging risks, including climate risk.





# Climate-related risks

Addressing climate change is complex and involves a variety of risks. The transition to a low-carbon energy system along with the physical and financial risks associated with climate change mean that we must understand and respond to the risks posed to our assets and operations, as well as to our employees, customers and our broader community.

The company recognizes and seeks to mitigate risks associated with climate change which include, but are not limited to the following:

- Severe weather or acts of nature, including hurricanes, winter storms, extreme heat or cold, wildfires, floods and other natural disasters that can stress systems, disrupt operation of our facilities and cause service outages, production delays and property damage that require incurring additional expenses.
- Changes to existing or additional legislation and regulation that may impact our business, including, but not limited to, energy targets, policies to restrict the use of natural gas in new or existing homes and businesses, additional land use requirements relative to installation of our infrastructure and increased regulation of GHG emissions.
- Changes in our customer’s energy preferences, including, but not limited to, greater adoption of EVs, installation of distributed energy resources, flexible load and/or energy storage and other advances in technology that could impact natural gas or electric usage.
- To the extent financial markets view climate change and GHG emissions as a financial risk, our ability to access capital markets could be negatively affected or cause us to receive less than favorable terms and conditions.
- Climate change lawsuits that may seek injunctive relief, monetary compensation and punitive damages,

## PSEG enterprise risk management process components and top risk categories

### ERM process



### PSEG risk categories

Illustrative examples of risks associated with climate change for each risk category

Operational	Environment Health & Safety	Strategic	Legal & Compliance	Reputational	Financial
• Ability to maintain reliable service despite more extreme and frequent weather events	• Environmental or safety impacts from operational incidents caused by climate change (e.g., flooding, storms)	• Difficulties aligning regulatory constructs with climate goals	• Evolving liability landscape for climate events	• Ability to meet customer and stakeholder clean energy expectations	• Energy and capacity price impacts due to changing climate policies and generation mix

including but not limited to, for personal injuries and property damage caused by climate change.

Effective management of climate change risks involves the collaboration of different executives across our business functions:

- Our Enterprise Risk Management (ERM) team manages the corporate-level risk management process through the ongoing identification, assessment, mitigation, monitoring, and reporting of risks. The Senior Vice President, Audit, Enterprise Risk, and Compliance, owns the ERM process and serves as the chief risk, audit and compliance officer for the company and is responsible for overseeing the strategic direction and

driving continuous improvement of enterprise risk, internal audit and ethics and compliance functions.

- Within Corporate Citizenship, the Federal Affairs and Sustainability teams serve as the internal resource for the organization on sustainability and climate-related issues.
- Senior managers from key areas within the organization contribute their expertise and insights to further our understanding of climate-related risks and opportunities. These areas include electric and gas operations, asset management, renewables and energy services, legal, and finance.



*Water levels rose to 56" at the Somerville, NJ substation during Hurricane Ida. Infrastructure improvement projects meant that critical equipment had been raised and remained in service despite water levels.*

The ERM process provides a solid foundation for our climate adaptation and mitigation activities. In collaboration with the efforts of the Corporate Citizenship group, the ERM team incorporates best practices with a focus on continuous improvement to promote effective management of enterprise-level climate risks, inform the prudent allocation of capital, support strategic growth and achieve our long-term business objectives with acceptable risk levels.

In 2020, we utilized the State Emissions Pathways (STEP) tool to evaluate scenarios including an 80% economy-wide emissions reduction across the PJM region and within New Jersey.

The following year we conducted a physical risk study to help us better plan and prepare for the changes ahead. The study was performed based on emerging best practices for climate impact assessments, following the recommendations of the Task Force on Climate-Related Financial Disclosures. The analysis utilized the SSP37.0 ("business as usual scenario" – assuming 4.1°C of warming by the end of the century) and SSP1-2.6 (Paris aligned or "optimistic scenario" – assuming less than 2°C of warming by the end of the century) scenarios.

For more details of each study, please refer to PSEG's 2020 Climate Report and 2021 Sustainability and Climate Report.

We continue to assess physical risks of climate change and adapt our capital investment program to improve the reliability and resiliency of our system in an environment of increasing frequency and severity of weather events, notably through our investments in our Energy Strong program, Gas System Modernization Program (GSMP) and Infrastructure Advancement Program. These investments have shown benefits in recent severe weather events, including Tropical Storm Ida in August 2021, which brought significant flooding to our service territory but did not result in the loss of any of our electric distribution substations.

As we continue to acknowledge the significant emergent risks related to climate change, PSEG will continue to conduct risk reviews on the fiscal implications over our assets and determine forward-looking strategy.



## Climate advocacy

Our climate lobbying and advocacy efforts are managed by the federal and state governmental affairs teams and led by the Senior Vice President, Corporate Citizenship, who is responsible for areas of the business that drive public policy through advocacy, including federal, state and local government affairs, charitable activities and corporate social responsibility. On an annual basis, the leadership within Corporate Citizenship provides a report to the GNS Committee of the Board that encompasses lobbying activity and spending.

Our lobbying efforts at both the state and federal levels are aligned with public policy objectives that support the modernization of our energy infrastructure, improve reliability, increase energy efficiency and deliver cleaner energy to our customers. We focus on communicating to and educating our stakeholders on the key issues affecting PSEG, managing the risks associated with regulatory and policy changes, and advocating for policies which will drive our growth as the economy decarbonizes.

The passage of the Inflation Reduction Act of 2022 is a landmark law that provides funding and tax support for a diverse range of initiatives that further the transition to a decarbonized economy. For PSEG, these business opportunities support our existing operations and core strengths. In a reaffirmation of nuclear energy's importance in the energy transition, the law provides existing nuclear generation a production tax credit of up to \$15 per MWh, depending on a plant's gross receipts. The law also complements two key programs in our current Clean Energy Future Initiative (e.g., CEF-EE and CEF-EV) by providing energy efficiency rebates and tax credits up to \$7,500 for the purchase of electric vehicles.

### Trade associations

PSEG and its operating companies are members of several trade associations focused on the important business and technical issues of our industry and the interests of our stakeholders. As a general matter, these associations enable us to share best practices on our operations, learn the views of others and benefit from their feedback, and voice our perspectives on proposed legislation and regulations in an educated and thoughtful manner. Some of these associations may engage in lobbying activities.

Trade association policies generally reflect compromise among members, so the policy positions and lobbying activities of these associations may not align with PSEG's positions on a particular issue. In this case, we work to mitigate any risks associated with such misalignment. Specifically, we seek to do this in three primary ways:

1. Education of the association staff and key members;
2. Ongoing engagement with the trade association and members to try to move consensus positions; and
3. If needed, dissenting from association positions, including not providing formal company participation or endorsement.

A climate-alignment review of the trade associations listed in our 2022 Political Contributions Report is provided in the Appendix.





## Strategy and climate vision

Whether it is prevention or mitigation, the challenges of climate change demand action. Our strategy is focused on supporting our region's clean energy goals. We are also working with our allies and stakeholders to advocate for a clean energy future.

Our long-term climate strategy includes the following:

1. **Producing carbon-free electricity:** PSEG has transitioned to 100% GHG-free power generation resources through our zero carbon-emitting nuclear generation.
2. **Emission reduction targets:** Including moving toward net-zero GHG emissions (Scopes 1 and 2) for PSEG operations, including PSE&G's utility operations.
3. **Enabling the low-carbon energy transition** for our customers and other sectors of the economy by partnering with our customers and communities and supporting the implementation of New Jersey's 100% clean energy by 2035 climate goals.

Continuing to operate our nuclear generating fleet, making investments in strengthening the grid, energy efficiency, energy storage and renewables as well as evolving and modernizing our regulated

electric and gas utility business are at the core of our strategic plan. Modernizing our utility business will take a collection of approaches from the modernization of our existing natural gas and electric transmission and distribution networks to investing in new technologies that support greater electrification and improve energy efficiency.

The following details our approach to each of the key pillars of our strategy, charting our path ahead.

### 1.

#### Producing carbon-free electricity

The first pillar of our strategy is to transition to GHG-free electricity generation. Our nuclear fleet has provided our customers with reliable carbon-free generation for decades. The NJ BPU's unanimous decision to extend the ZECs for New Jersey's three nuclear power plants through mid-2025 validates the important role these plants play. More recently, the Inflation Reduction Act and its production tax credit for existing nuclear generation stand to provide additional certainty for those plants. The

zero-emission nuclear power production credit provides up to \$15 per megawatt-hour for the electricity produced, with the value adjusted based on a plant's gross receipts.

#### Ensuring nuclear energy's future

For more than 40 years, nuclear energy has powered millions of New Jersey homes and businesses with safe, reliable, affordable and carbon-free electricity. Today, PSEG's nuclear plants are a critical part of New Jersey's energy mix. The plants provide 40% of the 24/7 supply of power generated in New Jersey – power that is essential to the state's economy and environment. Nuclear generation represents 85% of New Jersey's carbon-free power. It emits no carbon or criteria pollutants associated with fossil-fueled plants, which benefits the environment and public health.

Our nuclear generating fleet consists of the Hope Creek nuclear generating station in Lower Alloways Creek, New Jersey, as well as part-ownership of the Salem plant in Lower Alloways Creek and part-ownership of the Peach Bottom nuclear generating station in Delta, Pennsylvania. In recent years, our work with New Jersey leaders to preserve our nuclear facilities has been among the most important

# climate



contributions to achieving New Jersey's energy and climate goals. The new federal production tax credit for existing nuclear should bring additional certainty to the financial picture for these facilities, which hold several advantages for helping to meet the country's future energy needs.

According to a 2020 Brattle report, PSEG's nuclear plants are the stimulus for more than \$1.2 billion worth of economic activity each year in South Jersey. The plants also support more than 1,600 direct jobs, plus 1,000 contractors during scheduled maintenance and refueling outages throughout the year, as well as thousands more indirect jobs in surrounding communities. PSEG Nuclear employees are integral to their communities. In addition to working to provide safe, clean and reliable energy, they are active participants in local towns, counties and school districts contributing volunteer hours to community organizations. They are coaches, educators, parents, caregivers and faith leaders.

We also recognize the importance of educating the public about nuclear energy and have been recognized for our community outreach efforts. The Energy Environmental Resource Center (EERC) is a Gold-level LEED (Leadership in Energy and Environmental Design) certified building that houses programs on electricity generation, climate change and nuclear energy. The facilities are available for student field trips, scouting and other interested groups and are free of charge for the local community's use.

## Exiting fossil generation

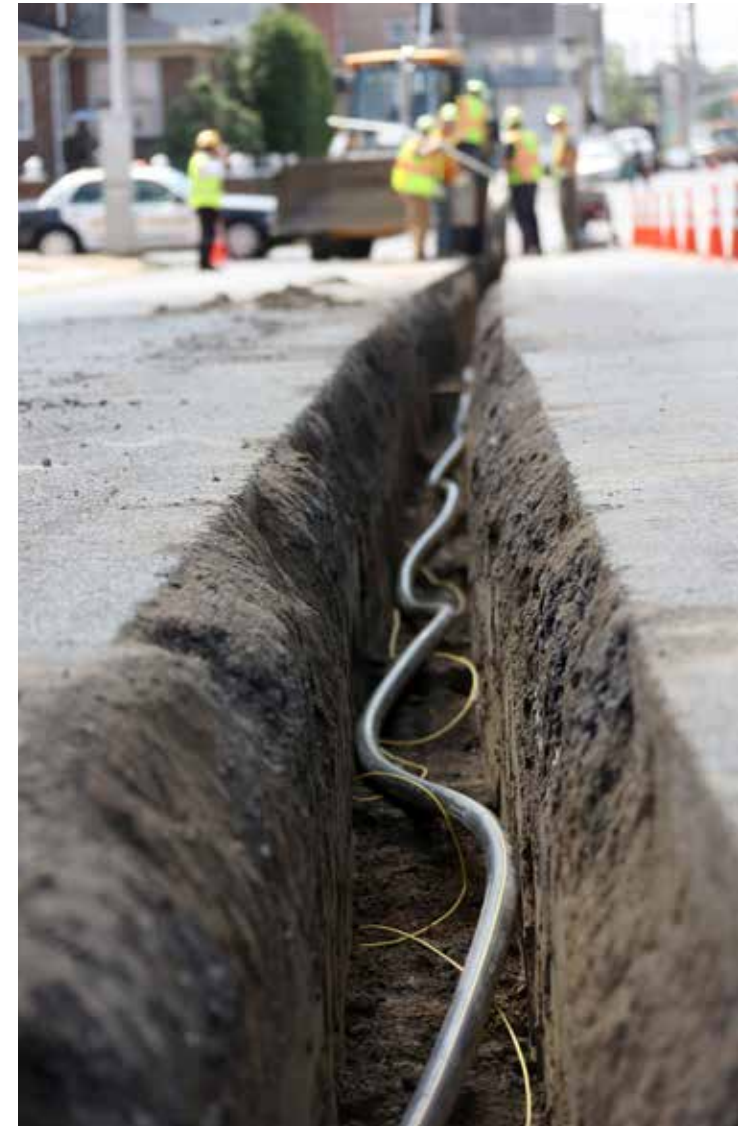
In early 2022, we closed on the sale of the PSEG Fossil generating portfolio, which included more than 6,750 megawatts of fossil generation located in New Jersey, Connecticut, New York and Maryland. In summer 2023, we closed on the sale of our 50% interest in our remaining fossil generation facility, Kalaeloa in Hawaii, making our generation portfolio 100% carbon-free.

The divestiture of the company's non-nuclear generating assets has reduced substantially our Scope 1 GHG emissions, decreased overall business risk and earnings volatility, improved PSEG's credit profile, and sharpened the company's focus on helping New Jersey achieve clean energy objectives.

## Paving the way for offshore wind and hydrogen

We continue to explore opportunities to support New Jersey's clean energy ambitions by proposing how we can provide transmission services to offshore wind. We are actively promoting the value of an interlinked offshore transmission grid, which can benefit customers with enhanced reliability and resiliency, as well as economically. In addition, PSEG has leased land to support the development of a unique deep water port facility for offshore wind project construction in Lower Alloways Creek, NJ.

We also continue to explore additional clean energy resources like hydrogen, through projects such as our proposed hydrogen generator which is part of the Mid-Atlantic Clean Hydrogen Hub (MACH2) which was awarded up to \$750 million in DOE grant funding in October 2023.





## 2.

### Emission reductions targets

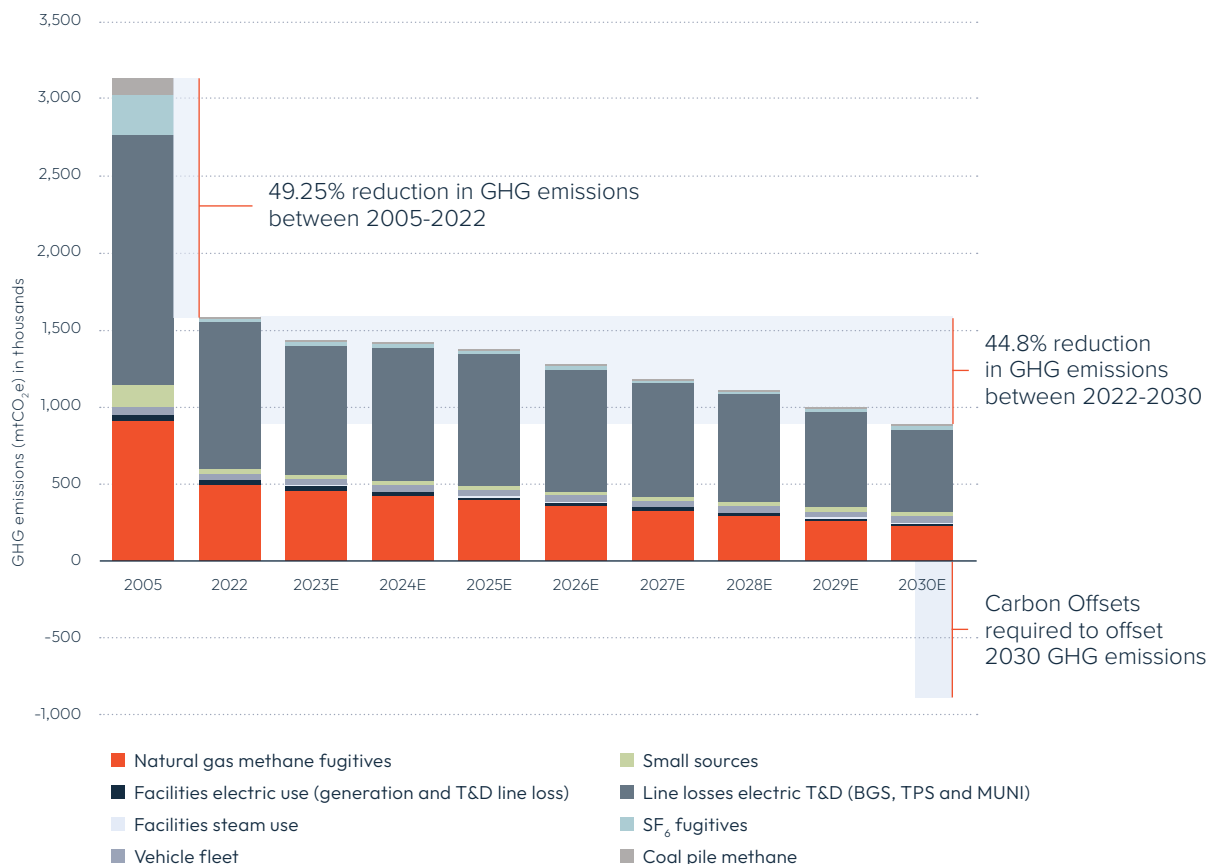
The second pillar of our climate strategy is the reduction of our Scope 1 and 2 emissions to net-zero by 2030, assuming that cost-effective emissions reduction opportunities are available and understanding the need to be flexible in our approach.

PSEG strives to align our business strategy, investment imperatives and climate strategy as we invest in a resilient, modern infrastructure system that supports the needs of our customers and policymakers –today and tomorrow. These needs span the integration of low- and zero-carbon fuels, more flexible and renewable resources and the increased demands on the system from electrification especially of vehicles and buildings.

We aim to make sustained investments in our electric transmission and distribution system as well as our gas distribution system to reduce GHG emissions associated with our operations, improve the reliability and resiliency of the energy system and enable the decarbonization of our electricity and gas supply.

Achieving net-zero emissions for our electric and natural gas utility Scope 1 and 2 profiles will require a reduction in operational CO<sub>2</sub>e emissions in less than a decade.

## 2030 Vision GHG emissions projections 2022-2030 (Scope 1&2; without PSEG Fossil generation)



Overall, a ~72% reduction in GHG emissions from 2005 to 2030



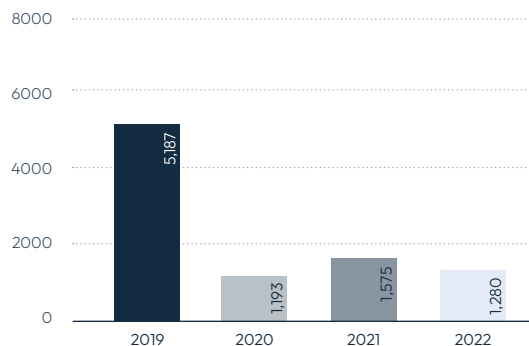
Since 2005, we have reduced our overall combined Scope 1 and 2 GHG emissions by 89% by divesting in fossil generation, improving energy efficiency and modernizing our electricity and natural gas networks, among other strategies. We plan to continue working to reduce GHG emissions through continued modernization of our electricity and natural gas networks, fleet electrification initiatives, energy efficiency, renewable and zero-emitting technologies.

Key areas of focus to achieve net-zero emissions in our regulated electric and gas utility operations (Scope 1 and 2) include:

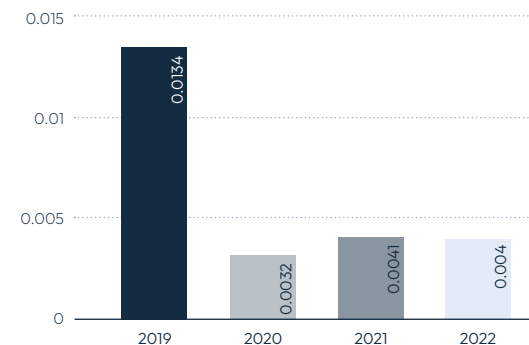
- Continue and accelerate gas system modernization to enhance safety and reliability and reduce methane emissions;
- Continue investment in our electric transmission and distribution system to enhance reliability and resiliency and reduce line losses;
- Reduce fossil fuel use in the transportation fleet through vehicle electrification and renewable fuels, including converting all our company’s passenger vehicles, 60% of medium-duty vehicles and 90% of heavy-duty vehicles to EVs by 2030;
- Improve energy efficiency of utility operations, buildings and facilities; and
- Continue to explore SF<sub>6</sub> alternatives for our switchgear and substations.

PSEG has one of the lowest carbon emissions rates of the nation’s largest power producers.

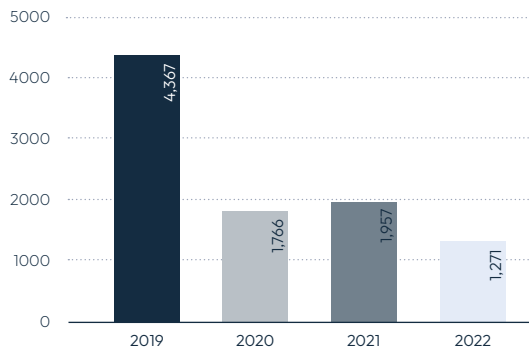
### SO<sub>2</sub> Emissions (metric tons)



### Hg Emissions (metric tons)



### NO<sub>x</sub> Emissions (metric tons)





### 3.

## Enabling the low-carbon energy transition

The final pillar of our strategy is to support the broad decarbonization of the economy in our region. New Jersey's current vision is to achieve 100% clean electricity by 2035. PSE&G strives to align our business and operational strategies with this ambitious goal and, as the state's largest gas and electric utility, we believe that we have a critical role to play in delivering on this vision. At the same time, we recognize the complexity and challenges in transforming the current energy system.

The state's goals along with our efforts will impact our customers in both the way we conduct business and what choices are available to them. Our business strategy provides a foundation for understanding the current direction and drivers of change in the utility industry, and articulates PSEG's goals and commitments – both for how it will operate and how it will achieve the clean, safe and affordable energy to which it aspires.

Key components of the strategy include:

- Identifying the initiatives that support New Jersey's clean energy targets and decarbonization
- Proper benchmarking, developing industry intelligence and utilizing new technologies

- Using our expertise to preserve reliability and improve resiliency

We have worked through many challenges during the past 120 years, and achieved success. PSEG will continue to adapt to technological, market and regulatory changes as we have in the past. The next several decades will usher in some of the most dramatic changes the utility industry has ever seen, particularly with the expected growth in electric demand due to EVs and electrification, the ongoing changes in the supply of electricity to cleaner sources and the challenge of maintaining affordability amid these changes.

We also understand that as New Jersey's largest utility, we have a role to play in driving some of the





changes to the utility industry particularly as we make investments in energy efficiency and participate in regulatory processes that will help determine how energy is consumed in the future. By actively participating, we are working to stay on top of technology changes and bring what we learn to the policy landscape in New Jersey. PSEG is prepared to tackle these challenges head-on.

### The Clean Energy Future program

Adapting our businesses to the climate and energy needs of the future requires updating the traditional paradigm between a utility and its customers. The foundation of this paradigm shift was laid with the state regulatory approval of three key aspects of the historic Clean Energy Future program. The approvals of the PSE&G Energy Efficiency, Advanced Metering Infrastructure (AMI), and Electric Vehicle initiatives cleared the way for critical investments in advanced technology designed to address the global problem of climate change, lower energy bills and enhance economic opportunities across the state, especially in urban centers.

The Clean Energy Future program is among the most significant advances in energy policy ever approved in New Jersey. The Clean Energy Future program builds on our existing efforts to modernize our utility's infrastructure, lower customers' energy bills, improve energy efficiency, reduce emissions, create jobs and impact the local economy for years to come.

Within the program's first 30 months since approval, close to 1.7 million customers have received services from PSE&G's award-winning energy efficiency programs, including approximately 300,000 customers who took action to save energy through these programs. Through their participation in these programs, customers are expected to save approximately \$300

million on their utility bills annually. These savings are the result of many program activities, including recycling over 16,000 appliances, delivering over 11 million high-efficiency LED lightbulbs and completing over 53,000 home energy audits from the program's implementation through March 2023.

Our Clean Energy Future program has transformed the way we think about energy in New Jersey, leading to cleaner air, shorter disruptions and reduced monthly bills. This program has also prioritized diverse hiring.

### The Clean Energy Jobs program

Launched in 2021, the Clean Energy Jobs program sponsored by our utility has supported the hiring of more than 2,400 New Jersey residents from traditionally underrepresented communities to entry, mid and senior-level positions and is advancing profes-

sional skills to work in New Jersey's clean energy industries. The program is designed to help source and train New Jersey residents for careers in energy efficiency and help urban communities get their fair share of benefits. It includes a recruitment initiative, a training initiative and a vendor diversity initiative that are focused on creating/expanding opportunities for diverse suppliers, and supporting New Jersey's economic development objectives.

PSE&G has been working closely with the New Jersey Department of Labor (DOL) and various community groups throughout the state on the program. A steering committee, composed of community advocates and our strategic hiring/recruiting partners, meets on a regular basis to drive program success. We also make an effort to use local businesses to support our activities which has further created jobs and spread the economic benefits of our work.

### PSEG's energy efficiency initiatives



save customers money on their utility bills



create 4,300 jobs



avoid 1 million metric tons of CO<sub>2</sub> annually



help achieve clean energy goals

September 2020. Clean Energy Future – Energy Efficiency (CEF-EE) Program.



Since 2021, PSE&G’s energy efficiency programs (including the Clean Energy Jobs Program) have won approximately 30 awards in a variety of categories, including program design, program marketing and best practices. In March 2023, for the second consecutive year, PSE&G received the ENERGY STAR Partner of the Year Award in the Energy Efficiency Program Delivery category from the U.S. Environ-

mental Protection Agency (EPA) and the U.S. Department of Energy. The Partner of the Year Award in Energy Efficiency Program Delivery is bestowed on organizations for sponsoring energy efficiency programs that improve the efficiency of products, homes, and buildings within their community or territory.

## ENERGY EFFICIENCY PROGRAMS

### Residential Programs

**Efficient products:** Rebates and on-bill repayment (OBR) for EE equipment.

**Existing homes:** Rebates and OBR for energy audits, equipment installation, weatherization / appliance replacement.

**Behavioral:** Data analytics, home energy reports, and online energy audits.

**Multifamily:** Energy audit and direct install of efficient equipment at no charge to tenants.

**Income eligible:** Energy audit, direct install of EE equipment at no charge for income-eligible customers.

### Commercial Programs

**Prescriptive:** Rebates and OBR for EE equipment.

**Custom:** Custom incentives for large EE projects, including OBR.

**Small non-residential (Direct Install):** Rebates and OBR for direct-installed EE measures.

**Energy management:** Strategic energy management: optimizing existing systems.

**Engineered solutions:** Whole-building engineered energy saving solutions and OBR to hospitals, school districts, universities, municipalities, apartment buildings.



## Electric vehicle programs

The Electric Vehicle (EV) Charging program supports the development of a smart charging infrastructure to facilitate EV adoption across a broad range of customers and segments in the state. This program was approved by the NJ BPU in January 2021.

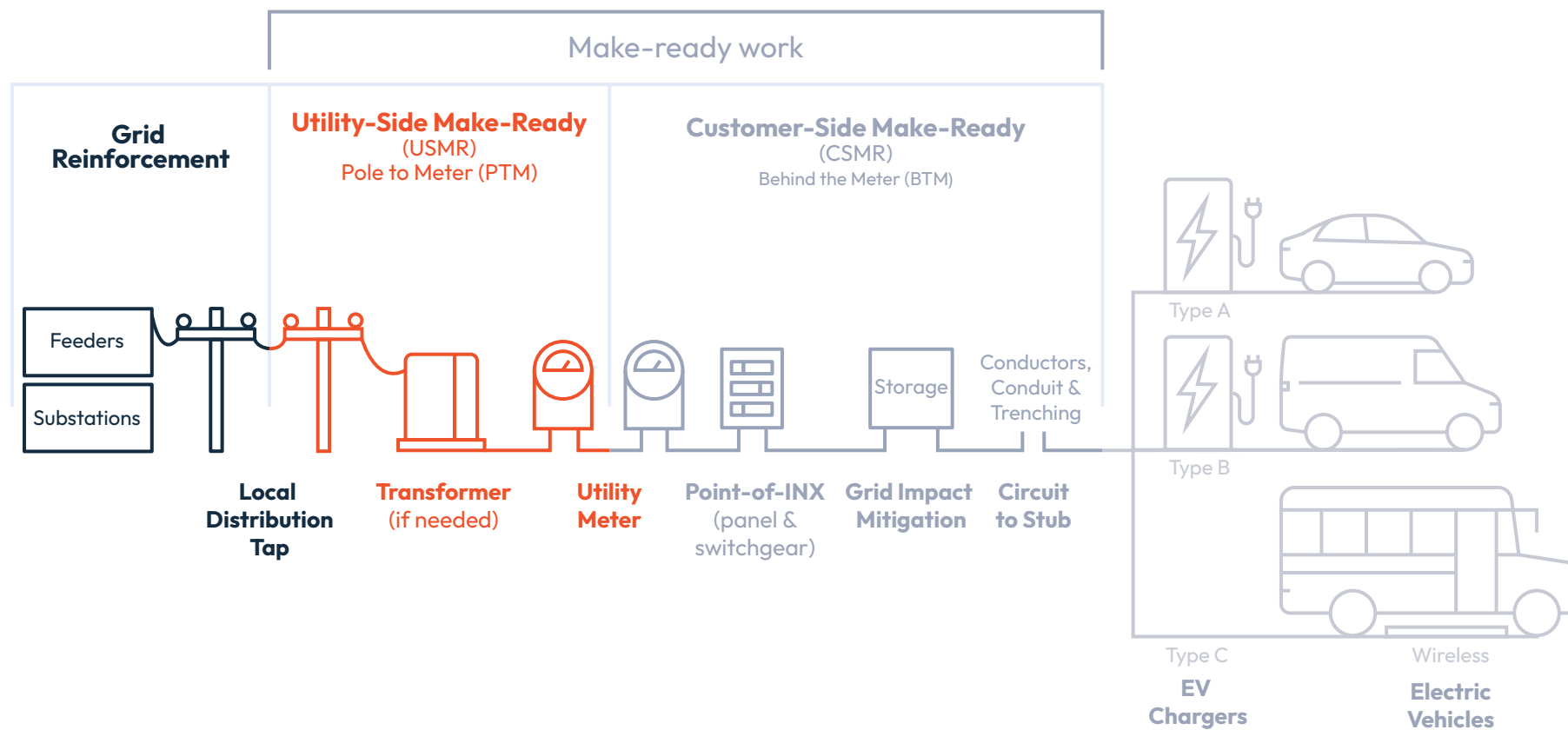
The investments we make through the EV Charging Program help to offset customers' costs for preparing sites for EV charging (known as Make-Ready

work) of passenger cars. These include costs associated with utility service line upgrades and extensions, as well as on-site costs to install panels, switchgears, conduits and wires to the smart charger stub. Customers are responsible for the costs of EV smart chargers.

As of September 2023, PSE&G has installed over 8,000 chargers with more than 10,000 applications in the pipeline through the EV Charging Program,

investing over \$22M in developing a smart charging infrastructure. A program to support electrification of medium/heavy duty vehicles, including school buses, is currently held in abeyance.

We serve as an active partner in transportation electrification associations, such as ChargeVC, to identify programs and policies to accelerate EV growth in New Jersey. We also support research studies, such as the Northeast Electric Highways Study.





## Electric Vehicle Programs \$166M

### Residential smart charging (single family homes)

Approximately \$80M investment/40,000 chargers  
Incentives include\*:

- Up to \$1,500 toward the behind the meter (BTM) installation of a residential Level 2 charger
- Up to \$5,000 of pole to meter (PTM) utility service upgrades (if needed)
- Credit for charging during off-peak periods to help lower bills

### Level 2 mixed-use charging (multi-family, government and publicly accessible)

Approximately \$35M investment/875 sites/3,500 chargers

### Public DC fast charging (travel corridors and community locations)

Approximately \$45M investment/300 sites/1,500 chargers  
Incentives include\*:

- Up to \$100,000\*\*\* per site BTM installation costs for direct current fast chargers
- Up to \$50,000 of PTM utility service upgrades (if needed)
- Demand Charge Rebates to help lower your electricity bill

\* Some incentives may depend on participants' agreement to allow PSE&G to collect charging data

\*\* The incentive is based on the number of chargers installed, offering up to \$7,500 per charger installation for up to four chargers per site

\*\*\* The incentive is based on the number of chargers installed, offering up to \$25,000 per charger installation for up to four chargers per site



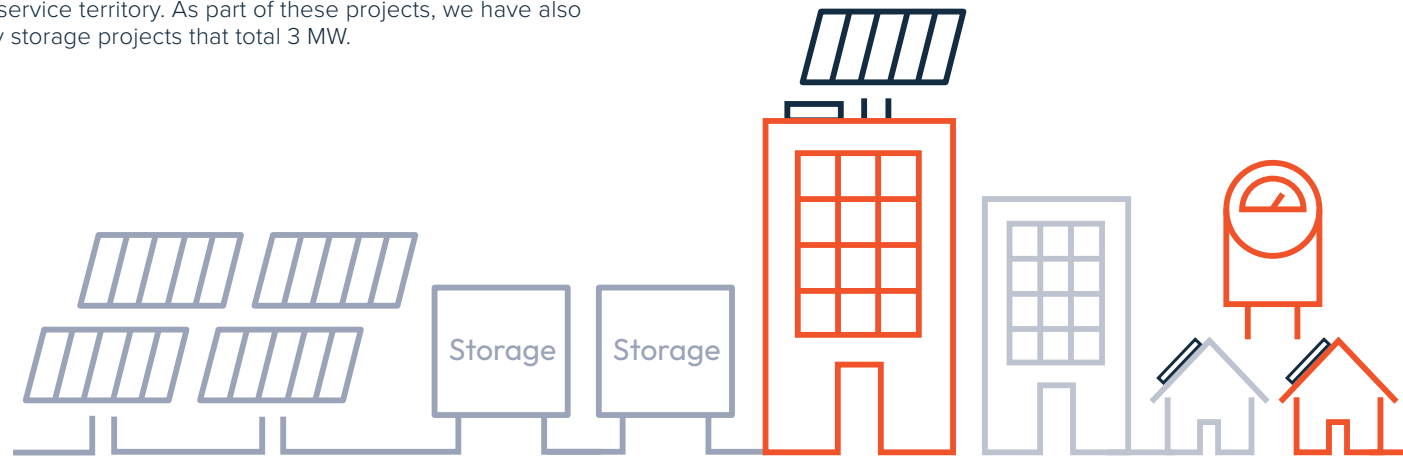


## CLEAN ENERGY OFFERINGS

### Solar Energy:

PSE&G's Solar Loan program helped more than 1,600 customers go solar by providing financing of a significant portion of their solar installation. The program also provided repayment certainty by offering a guaranteed floor value of the Solar Renewable Energy Certificates (SRECs) that the systems generated. Since 2008, PSE&G financed more than \$335 million for 140 MW-dc of new solar on homes and businesses within our electric service territory.

Through Solar 4 All®, we develop grid connected solar farms to serve PSE&G electric customers. The projects are primarily sited at landfills and brownfields so we can increase renewable energy without sacrificing green space. Our Solar 4 All® program has developed 158 MW of solar within PSE&G's service territory. As part of these projects, we have also developed five solar plus battery storage projects that total 3 MW.



### Energy Storage:

As part of the Clean Energy Future filing, PSE&G proposed a 35 MW storage program to deploy battery energy storage systems for multiple use cases. These include: solar smoothing to allow for greater solar access to the distribution system, deferring additional distribution infrastructure, managing outages, supporting micro-grids for critical facilities, and reducing peak demand for public sector facilities. This filing is currently held in abeyance.

### Smart meters:

Smart grid technology is a critical enabler as we work to build a cleaner, more dynamic system. Digital technologies will not only facilitate integration of new resources, but also create a more resilient system in the face of more extreme weather events. Smart meters enable real-time communication that supports faster restoration times and help customers save money and shrink their carbon footprint.



# Update to our net-zero goal. Other metrics



We aim to reduce our Scope 1 and 2 emissions to net-zero by 2030. To do so, we are investing in a resilient, modern infrastructure system that better supports the integration of renewable resources and low- and zero-carbon fuels. Doing so will require sustained investment in our electric transmission and distribution system as well as our gas distribution system to reduce GHG emissions associated with our operations, improve the reliability and resiliency of the energy system and enable decarbonization.

## Metrics and targets

Metric and targets are critical for tracking progress toward our climate goals and holding ourselves accountable to our stakeholders and investors.

In disclosing our performance, we rely on several reporting mechanisms:

1. SEC disclosures and investor conferences;
2. Sustainability Report with Climate section; and
3. The Edison Electric Institute’s (EEI) and the American Gas Association’s (AGA) ESG Reporting and Sustainability Framework.

These reports are publicly available on PSEG’s sustainability webpage or the investor section of PSEG’s website as we seek to provide timely and transparent access to our ESG data reporting to all our stakeholders.

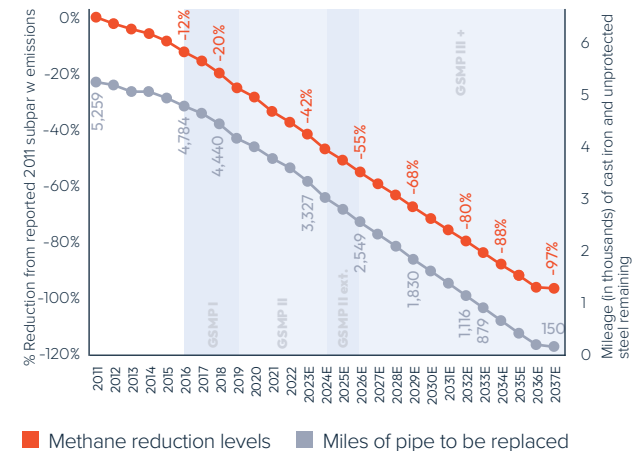
## Operational emissions

### Methane

Today, about 70% of New Jersey households rely on natural gas as their primary heating fuel, with many homes also using it for cooking or other appliances. As a natural gas provider, we prioritize a safe, reliable and affordable energy supply for our customers and communities. Curbing methane leaks is a top priority. At the end of 2022, PSE&G achieved its methane emission reduction target of 22% from 2018 levels, a year earlier than the initial goal. To date, PSE&G has achieved a 303,910-metric ton reduction (CO<sub>2</sub>e) since 2011.

To achieve our 2030 goals, progress in reducing methane leaks through the continuation of our Gas System Modernization Program (GSMP) is essential. The most recent evaluation of GSMP (as of October 2023) estimates that the program will reduce CO<sub>2</sub>e by approximately 54,000 metric tons by 2025.

### Methane emissions





## Sulfur Hexafluoride (SF<sub>6</sub>)

Sulfur hexafluoride is a synthetic fluorinated compound with an extremely stable molecular structure. Because of its unique dielectric properties, electric utilities rely heavily on SF<sub>6</sub> in electric power systems for voltage electrical insulation, current interruption, and arc quenching in the transmission and distribution of electricity.

SF<sub>6</sub> emissions from our high-voltage circuit breakers and gas-insulated substations are reported as required by the U.S. EPA and as part of our sustainability reporting. Reduction of SF<sub>6</sub> is important as we work toward our net-zero goal.

Since 2016, PSE&G has increased the total size of our gas-insulated system by approximately 94%, but with proper installation and maintenance, the com-

pany has been successful at maintaining SF<sub>6</sub> emissions to less than 2% of the total in-service assets. Moving forward, continuous improvement with SF<sub>6</sub> cylinder management and equipment maintenance will contribute to our operational CO<sub>2</sub>e emissions goals. As cost-effective alternatives to SF<sub>6</sub> circuit breakers and gas-insulated substations become available, we will strive to integrate this equipment safely and reliably into our electric operations to avoid the continued use of SF<sub>6</sub> throughout our electric system. Additionally, we are pursuing possible alternative technologies to avoid SF<sub>6</sub> emissions.

### Avoided emissions

In addition to tracking our progress in reducing GHG emissions from our own operations, PSEG also tracks the total GHG benefits from our investments

and programs that extend to activities outside of our direct control. These are called avoided emissions. For example, updates at our zero-carbon-emitting nuclear plants avoid GHG emissions by reducing the demand for power from resources that emit carbon. Similarly, adoption of electric vehicles helps offset emissions from traditional vehicles.

We achieved our 2017 goal of eliminating 13 million tons of GHG emissions thanks to the approvals of the Energy Efficiency and EV programs by the state regulators.

Additionally, we are pursuing an uprate of our Salem units and transitioning Hope Creek from an 18 month to a 24 month refueling cycle, which provides for more carbon free, reliable, low-cost generation.





## Electrification, decarbonization and the future of natural gas

Electrification and, more broadly, decarbonization are substantial opportunities to reduce GHG emissions and address climate change while modernizing and strengthening our infrastructure to meet tomorrow's needs. In order to avoid the most catastrophic impacts of climate change, the Paris Climate Agreement sets out that all sources of GHG emissions are to be abated to the extent feasible by mid-century at the latest, including GHG emissions from the use of natural gas.

While there is no “silver bullet” for reaching New Jersey's clean energy goals, a variety of solutions exist that can be deployed to take meaningful, immediate and long term actions.

PSEG favors an approach to a zero-emissions future that considers both affordability and equity. We strive to understand what's needed across our economy to avoid the worst impacts of climate change while also considering the cost and reliability concerns of our customers.

We aim for all communities to have access to clean and affordable energy. That includes electrifying when and where possible and economically affordable. Rapid and deep decarbonization that also ensures reliability and resiliency in the face of extreme weather conditions may be cost prohibitive for many communities, but there are other paths that, over time, arrive at the same end goal.

For example, according to [EIA](#), “New Jersey has more miles of roadway per square mile of land area than any other state, and the petroleum-dependent transportation sector consumes more energy than any other sector in the state.” As we electrify transportation, we address the sector that is responsible for the largest segment of emissions in the state.

New Jersey also has an opportunity to strategically address decarbonization of the building sector, the second largest category of emissions. As we explore the future of building in our state, we are also factoring how heating will be approached, keeping in mind that a hybrid heating approach that uses both a natural gas furnace and an electric-powered heat pump can be the most energy-efficient heating option on the coldest days of the year.

The prospect of aggressively moving to full electrification of the building sector too rapidly brings the following challenges into focus. Bringing these challenges to the forefront will shine a spotlight on the need for solutions:

- Millions of appliances – furnaces, water heaters, stoves and clothes dryers – run on natural gas. Many of these appliances have many more years of viable use, and replacing them is costly and may be difficult.
- For those customers willing to electrify, switching to electric appliances and cars may be cost prohibitive.
- As we pivot to rely more on electricity to power our modern life, the electric grid's capacity and reliability must be bolstered before society can rely solely on electricity for heating buildings and powering vehicles. This transition will take time and significant investment.
- In addition, to realize the benefits of electrification, the electricity we use must be produced by clean resources. Fossil fuels generate most of the nation's electricity. For example, fossil fuels now produce 60% of the electricity in New Jersey, and over 80% of the electricity in the wholesale market that serves our state.
- While New Jersey has a plan to develop 11,000 MW of offshore wind energy by 2040, it will take many years and billions of dollars to convert the power

generation sector to clean resources in a responsible manner that also prioritizes affordability.

These challenges are also opportunities for our climate strategy and vision.

Given the quantity of New Jersey households that rely on natural gas for heating, hot water and cooking, and the fact that electrification will unfold over time, the reliable operation of existing natural gas distribution infrastructure will be needed well into the future. We are working to reduce methane leaks and the carbon content of the fuel traveling through these pipes.

One of the most impactful ways to curb emissions associated with natural gas delivery is to continue our GSMP, which replaces old pipes with modern materials. New Jersey has the most miles of cast iron pipes in the country with many of them over 50 to 90 years old.

In 2011, PSE&G began to accelerate the updating of its gas system, replacing aged pipes with state-of-the-art gas lines. From 2011 to 2022, we reduced approximately 300,000 metric tons of CO<sub>2</sub>e which is the equivalent of taking 65,000 cars off the road. The new pipes are also more reliable. When Tropical Storm Ida caused widespread flooding in September 2021, 90,000 gas customers were spared shutoffs due to our modernization efforts.

We plan to continue this worthwhile work of modernizing our existing gas distribution infrastructure. Cast iron and unprotected steel main constitute less than 20% of PSE&G's pipes but account for 70% of the methane leaks. By continuing to update our existing system, we can help the state work toward a cleaner and more sustainable future without letting methane, which has 25 times the heat-trapping potential of carbon dioxide, needlessly leak into the air.



In 2023, PSE&G continued its successful gas system modernization program (GSMP) and estimates that into 2025 the program will replace at least 400 miles of aged pipes with modern ones in addition to the nearly 1,800 miles of cast iron and unprotected steel mains that have been replaced in recent years. In the future, we are exploring opportunities to introduce hydrogen and renewable natural gas (RNG) into the existing natural gas distribution system, which is another strategy we can pursue to reduce emissions while maintaining affordability and reliability. It is also noteworthy that more than a third of the low-pressure cast iron upgrades would be in overburdened communities.

## Hydrogen opportunities

As the world moves to a low-carbon economy to help combat the impacts of climate change, PSEG is exploring ways to contribute and provide our customers and the region with the most reliable, safest, and cleanest energy that we can. Our team is developing innovative solutions to help drive the clean energy economy. This includes the exploration of the production of clean hydrogen using an electrolyzer powered by our current nuclear plants in southern New Jersey. An electrolyzer converts supplied electricity and water into pure hydrogen gas and oxygen. This clean hydrogen can be utilized to help lower greenhouse gas emissions throughout the region in a variety of ways. Transportation emissions are one of the largest GHG contributors in the state of New Jersey and surrounding region. By delivering hydrogen produced at a future PSEG hydrogen plant for vehicle consumption at nearby ports and airports, we can help lower the emissions associated with trucks and other equipment at these facilities. Traditionally, these vehicles use diesel fuel that emit not only carbon dioxide, but other particulate matter that impacts the communities in which they operate.



Our utility has also proposed a pilot project that would blend an initially small amount of hydrogen produced from an electrolyzer utilizing clean power through a power purchase agreement. This would allow PSE&G to assess opportunities for large-scale hydrogen blending in the future, which would further reduce our carbon footprint and elevate the company's capacity to provide low carbon energy solutions.

While the introduction of hydrogen is still in the early stages in New Jersey, PSEG recently received the news that the federal Department of Energy had awarded up to \$750 million for the Mid-Atlantic Clean Hydrogen Hub (MACH2). PSEG participated in the application process for this project, and we look forward to working with the hub to move MACH2 to its next stages.

Thanks to the Inflation Reduction Act (IRA) that was signed into law on August 16, 2022, these types of

projects may be eligible for the hydrogen production tax credit. This tax credit will help lower the costs associated with producing hydrogen at our facilities. As the US Treasury Department continues to formulate guidance to implement this and other tax credits included in the IRA, we are continuing to evaluate how this will impact the feasibility of these clean energy investments.

This integrated approach will effectively reduce our carbon footprint now and prepare us for alternative technologies and new fuel delivery methods that support our climate objectives. And it supports Governor Murphy's executive orders to accelerate methane emissions reduction, especially in overburdened communities disproportionately impacted by climate change.



## PJM and an integrated approach to the grid

Our region and our industry are undergoing a huge change: from our cars to our careers, people will grow more and more reliant on electric devices and therefore electricity in the coming years. In addition to the growth in electric vehicles, our region has also seen the growth of data centers and the demands of new industries.

Across PSEG, PJM (the regional grid operator), the NJ BPU and others, we need to work together to make sure our state and system are ready for the future, keeping affordability, reliability and decar-

bonization top of mind. Capacity to overcome the retirement of legacy fossil fuel generation and meet growing demand requires our collective efforts and full coordination.

We know we need to continue to maintain and operate our nuclear fleet efficiently and safely.

We will work to get the NJ BPU’s approval of energy efficiency programs to reduce energy demand, electric vehicle programs to reduce transportation emissions and continue to pursue solar generation programs.

As the energy transition continues, we are actively involved in advocating for changes to the PJM system. As states like New Jersey take steps to electrify, we

hope that PJM identifies upgrades so that electricity does not come from carbon-intensive generation. PJM should properly and reliably plan the system to reflect New Jersey’s goals for a clean energy future. We will work with PJM as they identify system upgrades that will address future reliability needs and as they reform the capacity market so that reliable generating units like our nuclear units – that are available when customers need them to generate – are fairly compensated for their contribution to reliability.

The grid needs to be well planned in order to supply cleaner power to meet the increased demand for electricity as more drivers use electric vehicles and more buildings electrify. It will take planning and a concerted effort to make clean energy goals a reality.





## Just transition and environmental justice (EJ)

As highlighted by the New Jersey Department of Environmental Protection (NJDEP), all residents, regardless of income, race, ethnicity, color, or national origin, have a right to live, work, and play in a clean and healthy environment. The NJDEP notes that historically, New Jersey’s low-income communities and communities of color face a disproportionately high number of environmental and public health stressors and, as a result, suffer from increased adverse health effects. New Jersey seeks to correct these outcomes by furthering the promise of environmental justice.

### What is Just Transition?

The United Nations acknowledges that shifting to a low-carbon economy can unlock new jobs and opportunities, but that it should be done in a way that is as socially and economically fair as possible for everyone. A Just Transition is one where no one is left behind, and social dialogue and stakeholder engagement is at the center of decisions being made.

At their core, together, EJ and Just Transition represent involving all interested and impacted parties in shaping the future for the benefit of all. At PSEG, this is an opportunity for us to meaningfully include the communities we serve, including those often marginalized, in almost everything we do. This inclusion spans the places we hire from and the ways we train people, to how and from whom we purchase goods and services, to infrastructure planning and investment, to the organizations our corporate giving programs partner with, to the way we design customer-facing programs such as energy efficiency, to the day-to-day operation of our business, and more. By doing this, our goal is to give all of our stakeholders confidence that the power granted to a public utility is used responsibly and in the best interests of the communities we serve. This is how PSEG aims to make the transition to a cleaner energy future work for everyone.

PSEG also considers our employees as we work toward a just transition, with focus placed on reskilling and retraining current employees so they can work with new and emerging technologies and participate in the economy of the future.

Our support of EJ is guided by the following principles, which we are using to establish a formal business practice:

- **Engagement:** We engage in active listening, which further promotes a two-way dialogue with the communities and stakeholders we impact.
- **Understanding:** Through ongoing and project-specific engagement, and hiring where we work, we build a better understanding of the needs of our communities, including the needs of communities and customers of color, and those who face disproportionate burdens from the impacts of climate change and yet are least able to afford the transition to a clean energy future.
- **Shared Value:** With this deeper understanding, we strive to develop shared value and win-win solutions that not only address the needs of overburdened communities and customers, but also achieve environmental goals to preserve our planet and allow PSEG to continue providing safe, reliable, affordable and cleaner energy and infrastructure.
- **Long-Term Sustainability:** PSEG has served New Jersey customers and communities for more than 120 years. As we work to build a business that will survive well into the next century, we recognize that our own long-term sustainability demands that we include customers and communities in decisions that affect them; that we work to bring all our customers along with us in the journey toward a clean energy future; and that we harness the power of diversity to forge the best path forward.



These principles help guide our direction as we successfully put them into practice in the real world. It is easy to talk the talk, but PSEG is also walking the walk. Some recent successes include:

- As part of our Clean Energy Future initiative, we incorporated a jobs aspect to our energy efficiency program targeted toward disadvantaged communities. The program has hired more than 2,400 people from low-to-moderate income communities and providing those participants with workforce readiness, coaching, financial literacy education, wrap-around services, placement and other supportive services to help individuals land jobs with PSE&G's contracted suppliers. We have achieved this goal, but aren't stopping there.



- Newark Switch is a new 345kV-rated gas-insulated switchgear station that was placed in service on May 2021. It replaced a 64-year-old legacy switch, which was reaching the end of its useful life. The exterior design was developed with community input to compliment the surrounding neighborhood and incorporate mixed-use retail and housing. PSEG also prioritized local hiring and community development for the project, with local, minority-owned architectural and construction project management firms handling the project.
- The PSEG Foundation\* has a longstanding partnership with The Nature Conservancy (TNC) and supports its Greening Our Cities Program. This program integrates nature and nature-based solutions into the ways that cities and towns across New Jersey are responding to climate change. TNC is working with the City of Newark on a spatial mapping tool that provides data on the areas in the city with the greatest greening need, including where there are heat islands. PSEG Foundation funding has helped plant street trees in Newark's areas of need.
- The PSEG Foundation supports the Arbor Day Foundation's Energy-Saving Tree Program. In collaboration with the New Jersey Tree Foundation, PSEG employees plant trees in various urban communities throughout New Jersey and on Long Island. In 2022, PSE&G earned the Arbor Day Foundation's [Tree Line USA recognition](#) for its commitment to urban forestry in its communities.
- The PSEG Foundation has contributed \$3.1 million in funding to the Sustainable Jersey grants program for municipalities and schools over the past 12 years. The grant awards fund a range of projects, including food waste recycling; sustainable landscaping; green fairs; composting; green business recognition; environmental resource inventories; outdoor classrooms and pollinator gardens.
- The PSEG Foundation has a longstanding partnership with Rutgers University at both the New Brunswick locations and in our headquarter city of Newark.
- Most recently the PSEG Foundation awarded a \$600,000 grant to Rutgers University Newark for the Urban Solutions Lab (USL) in the Honors Living Learning Community (HLLC) for the Newark Campus. Through prosocial ventures and initiatives, the HLLC's USL tailors student learning toward urban problem-solving. Through the PSEG Foundation's partnership with Rutgers University Newark, students are conducting research projects that address inequities while elevating prosperity in communities through strategic initiatives aimed at closing the wealth inequality gap. The foundation has also provided support to Rutgers University Reilly Douglass Engineering Living Learning Community (RDELLC) and the Computer Science Living Learning Community (CSLLC).

\* The PSEG Foundation is a separate legal entity from PSEG.



## Water resources



### Water management

Water quality was among the top six climate resilience concerns identified in New Jersey's 2021 Climate Change Resilience Strategy.

From 2018 through 2021, PSEG Nuclear used about 7.5 million cubic meters of water annually. Following the sale of fossil plants, that number dropped to 2.5 million cubic meters in 2022. We measure water inflows and outflows by source in accordance with various permit levels and internal performance monitoring systems, including the quarterly reporting of well pumpage and levels to the NJDEP. Our Water Conservation Plan is updated and submitted for review to NJDEP biennially.

### Water quality

As part of our responsibility to protect our environment, PSEG has protocols related to the discharge of water that comply with state and federal regulations. The federal Clean Water Act prohibits releasing pollutants into U.S. waters from point sources, except with a National Pollutant Discharge Elimination System (NPDES) permit from the EPA or from a state through a federally authorized state program. New Jersey is among the states that EPA has delegated authority to administer the NPDES program.

We also have ownership interests in facilities in other jurisdictions with laws and regulations to control discharges to their surface waters and ground waters. When operating in those jurisdictions, PSEG implements policies to comply with all relevant regulations. The Federal Water Pollution Control Act authorizes the imposition of technology-based and water quality-based effluent limits to regulate the discharge of pollutants into surface waters and ground waters. We have implemented treatments and processes to monitor PSEG's discharges and assess if they remain below those limits.

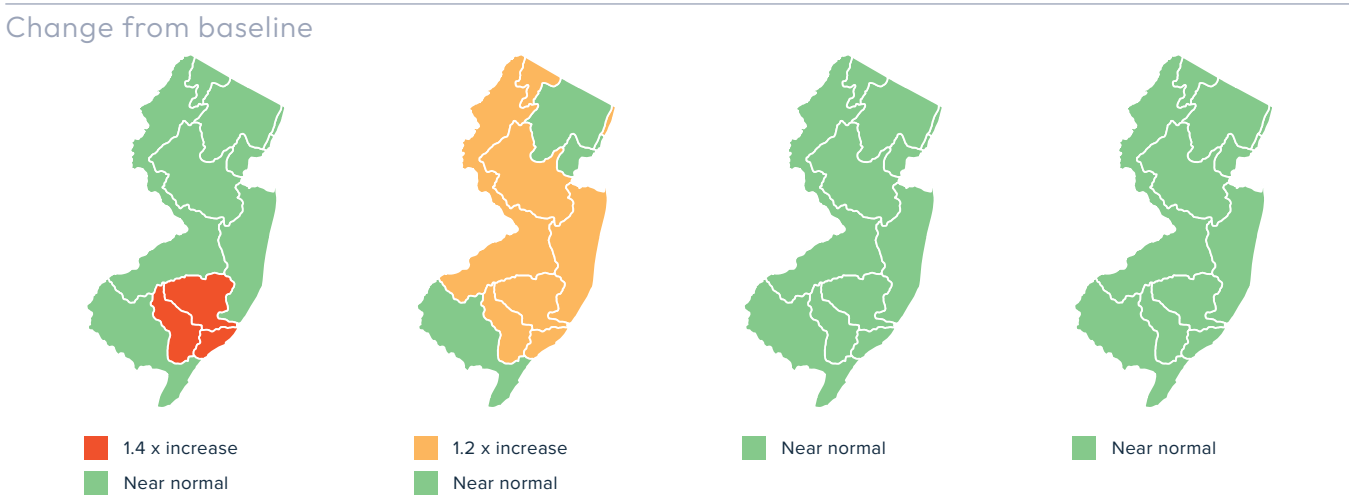
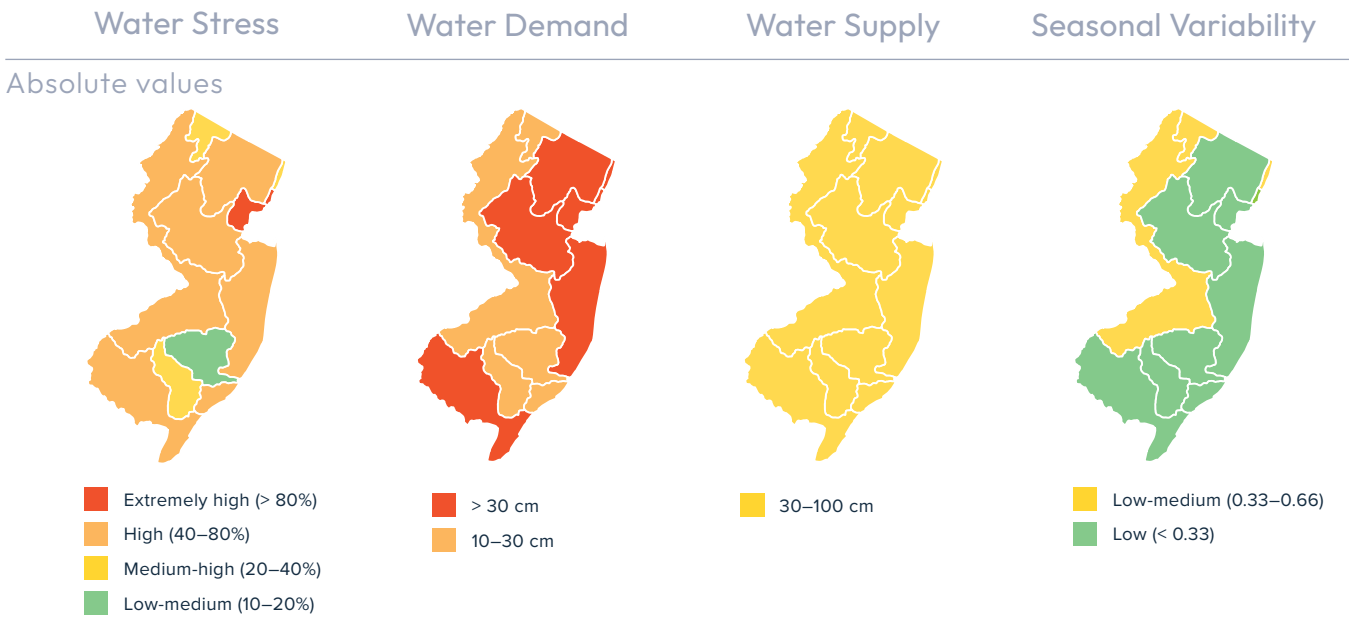


## Water availability

The power generation industry requires water use, so water availability is critical for effective operations. PSEG uses several assessment tools to monitor water stress, supply, demand and seasonal variability risks. Among these is a collaboration with the World Resources Institute (WRI). Using climate forecasts and hydrological simulations, WRI developed the Water Risk Atlas, which identifies potential water resource challenges for the next 25 years. WRI's water risk assessment for New Jersey is presented in the maps on this page. The assessment considers 13 global water stress indicators and is weighted for the power industry's water use, including water quantity, quality and regulatory and reputational risks. The risk analysis reflects trends over the past half-century.

Based on this analysis, we don't expect to encounter water stress issues. While some regions of New Jersey may experience increased water stress resulting from increased demand for water and reduced availability, our assets in those locations are not water-intensive.

### Water Availability - SSP2-RCP4.5 (optimistic) - 2030s





# Reducing, reusing and recycling: our waste management practices

## Utility waste

In the course of doing business the utility generates solid waste from ongoing operations, maintenance and upgrades to facility infrastructure. We manage solid waste and aim to minimize landfilling or waste incinerations through the reduction, reuse and recycling of waste material.

Our sustainable management practices and waste management goals and objectives focus on investment recovery, donation of usable items, waste minimization, reuse and recycling. In order to continuously improve, facilitate and comply with our waste management practices, PSE&G continues to focus on and provide resources to this area, as well as work with vendors to determine how waste can be reduced.

## Recycling

Our New Jersey utility PSE&G has a strong history of being a good environmental steward when it comes to waste management. Our efforts in this area are not new, as we officially took our first steps to create a recycling program in 1992. PSE&G’s focus in recent years has been directed toward collecting and analyzing the data to fully understand and document our waste program and waste generation, identify new reduction opportunities and set company targets to continuously improve.

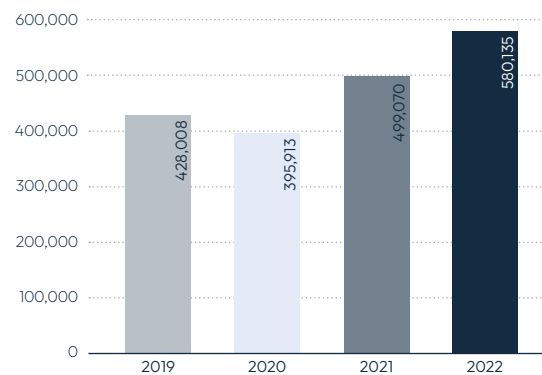
In 2022 more than 91% of all waste generated by PSE&G was recycled or reused.

Accurate tracking of waste generation and disposal has proven essential in identifying opportunities to reduce solid waste directed to our state’s limited landfill space, and reducing future generation of greenhouse gases while creating new opportunities to increase reuse, reduction and recycling.

We utilize our Environmental Waste Accounting Management System (EWAMS), developed internally in 2017, to record and track the waste streams generated at PSE&G-operated sites and the disposition locations including volumes. EWAMS underwent major improvements in 2019 when we also defined sustainability waste metrics that set a target for the reduction of waste disposed in a landfill.

In 2022, PSEG generated 632,750 metric tons of material and recycled 580,137 metric tons. Each year we’ve steadily reduced the landfilling of waste, by not viewing excess materials as a waste, but rather as a resource; through the reliance of our core team of dedicated environmental professionals who manage the training and education of employees, monitor compliance and track and manage waste for disposal and recycling.

Recycled solid waste material (metric tons)



## Reuse

Reusing materials wherever possible is also part of PSE&G’s waste minimization strategy. One example of how PSE&G works to reuse materials that would otherwise become solid waste is our work with timber wetland mats, which provide a solid surface for the operation of heavy machinery on soft ground and are used to minimize project disturbance in wetlands areas..

At the completion of applicable projects, timber wetland mats are evaluated for reuse, and strictly inspected and cleaned prior to removal and reuse. Power washing and thorough scrubbing removes soils and invasive species, so contaminants are not tracked from one job site to the next.

If the timber mats are not able to be reused, we evaluate options for recycling. In 2023 alone, we diverted over 2,500 tons of wetland mats, which historically would have been sent to a landfill.

## Donations

Donations are another example of our how we manage resources which otherwise would be managed as waste. Following PSE&G’s In-Kind Donation procedure, our utility has been able to donate surplus materials to nonprofits within our communities. Since the program was started in 2021, PSE&G has been able to repurpose binders, office supplies (pens, paperclips, etc.), kitchen cabinets and countertops, wooden pallets, book libraries, computer monitors and hand sanitizer. We’ve partnered with Habitat for Humanity, Newark Public Schools, Cathedral Kitchen and Camden Pop-up Library to donate goods.



## Investment recovery and waste minimization team

PSE&G incorporates Investment Recovery into its sustainability practices as a process to reduce our creation of solid waste and recyclable materials to reduce our overall greenhouse gas footprint.

First, we seek an internal use for surplus materials and equipment in an attempt to extend its life and reuse or repurpose it for future construction projects or service needs. We also attempt to repurpose damaged and out-of-use equipment by repairing or reconditioning it, when feasible. PSE&G seeks opportunities to extend the life of surplus materials and equipment, prior to recycling or disposal. An example of this includes our evaluation, repair and reuse of small distribution transformers, which in the past would have been disposed of or recycled.

Environmental Projects and Services Waste Minimization Team has an objective and focus to reduce and minimize company waste streams from ongoing operations, by conducting lessons learned and developing new practices to continuously improve. Currently, the team is developing a new 2024 goal of maintaining landfill or incineration diversion.

## PSE&G waste vendors and contracts

PSE&G contractors work with the Waste Minimization Team to identify opportunities for reuse/recycling. Contractors contractually agree to develop and advise PSE&G of new markets and marketing techniques to maximize marketability of our recyclable materials. Likewise, PSE&G personnel notify contractors of new segregated waste streams and assist to research new markets and marketing techniques that the utility plans to pursue. To achieve waste

minimization goals to the greatest extent practicable requires working closely with our contractors to use various facilities with the capacity and capability to convert waste into resources with market value.

## Waste Vendor Facility Audit Program

PSE&G strives to be one of the leaders in the public utility industry in training, communication and outreach on waste tracking, compliance and auditing.

For example, our forward-thinking approach led to the development of our Waste Vendor Facility Audit Program, which audits waste supplier facilities and was developed so that materials reach the appropriate end markets. The audits verify that the company's recyclers and waste management facilities are compliant with current environmental regulations and prevailing Best Management Practices established by PSE&G.

We maintain a public list of approved disposal facilities and suppliers that are required to be utilized when managing PSE&G waste streams.

## Waste management – operational compliance and governmental regulatory support

The Environmental Services team and Oversight program is housed within the utility and performs routine compliance inspections to monitor appropriate management of waste streams at operational facilities and projects locations.

Additionally, our utility Environmental Strategy team supports and participates in the process of working with government officials and stakeholder and industry groups to develop environmental regulations that have the potential to impact electric and gas utility operations related to our waste management practices.





## Nuclear waste

Nuclear safety is an essential element of operating the three plants that generate about 40% of New Jersey's electricity and 85% of its carbon-free power, as well as the Peach Bottom facility in Pennsylvania that is partially owned by PSEG. PSEG diligently manages our nuclear waste, low-level radioactive waste and spent nuclear fuel safely, securely and responsibly. We always adhere to the stringent requirements of the Nuclear Regulatory Commission (NRC), the federal Department of Energy and the EPA. The health and safety of our communities, employees and the environment is a top corporate priority.

### Low-level radioactive waste

Most of the radioactive waste produced by nuclear power plants is low-level radioactive waste (LLRW). It is safely packaged before being placed in specially designed, robust containers for storage and disposal. This waste includes paper, plastics, protective clothing, water purification supplies and other materials. These waste materials are accumulated on-site and disposed of at licensed permanent disposal facilities.

As part of the Atlantic Compact between New Jersey, Connecticut and South Carolina, New Jersey nuclear operators have access to South Carolina's Barnwell waste disposal facility. The Compact is an example of operators, state governments, and vendors working together to develop a sustainable solution for LLRW. We expect the Atlantic Compact will satisfy the Salem and Hope Creek plants' need for LLRW disposal through the end of their current licenses, including potential full decommissioning. Low-level radioactive waste is periodically shipped from Salem and Hope Creek to Barnwell. Additionally, on-site storage facilities at Salem, Hope Creek and Peach Bottom have the capacity for at least five years of temporary storage in each facility.

### Nuclear fuel disposal

The federal government has contracts with nuclear power plant operators to transport, store and dispose of spent nuclear fuel. The Nuclear Waste Policy Act allows plants to store the spent nuclear fuel in on-site storage pools or at independent spent fuel storage installations. We have on-site storage facilities that are expected to satisfy the storage needs of the Salem, Hope Creek and Peach Bottom plants through the end of their current operating licenses.



safety



## Biodiversity and natural resources



### *PSEG operates within a biologically diverse region of the world.*

The Northeastern United States – and New Jersey, in particular – offer a variety of habitats and migratory pathways for avian, aquatic and terrestrial wildlife, such as red knots, horseshoe crabs and golden-wing warblers.

New Jersey also is home to wildlife that requires special habitats in limited supply. Native species that rely on New Jersey's wetland areas include bog turtles, blue spotted salamanders, Pine Barrens tree frogs and swamp pink wildflowers, just to name a few.

Because of the complex ecosystems in the areas where PSEG operates, our efforts to protect the environment are integrated into our strategic planning. This includes longstanding initiatives such as our Estuary Enhancement Program, which has restored thousands of acres of marshlands in southern New Jersey and neighboring areas along Delaware Bay.

We continue to proactively partner with wildlife agencies and conservationists on research studies, best management practices, support programs and regulatory efforts designed to protect wildlife and their habitats. For example, we collaborate with New Jersey Audubon on evaluating our vegetation maintenance practices and potential effects on bird nesting habitat. Information gathered from this effort is used to develop sustainable maintenance practices to help balance the safety and reliability needs of the utility system while helping to preserve bird species diversity along our 1,200 miles of transmission right-of-way (ROW). Our planning processes aims to minimize potential impacts on regional biodiversity caused by maintenance, upgrades or new electric or gas distri-

bution and transmission projects. We take appropriate steps to protect local plant and animal wildlife.

For large transmission projects, planning starts years in advance to consider how we can incorporate solutions for the protection of wildlife and environmentally sensitive areas during construction and operation of our infrastructure. Once projects are underway, environmental monitors are routinely onsite to confirm these solutions are implemented and wildlife are out of harm's way. Upon completion, PSEG works hard to restore areas and implements a variety of tools, including using native seed mixes and biodegradable stabilization measures.

### PSEG's focus on biodiversity

PSEG is focused on promoting and enhancing biodiversity through natural resource conservation while continuing to operate in a safe and reliable manner. This focus is guided by our corporate Environment, Health and Safety policy. Not only do we focus on conserving biodiversity in our operations, we also continually work with external partnerships through corporate investment and philanthropy to support the enhancement of important biodiversity areas and habitats.

PSEG aims to:

- Address present and future considerations and competing objectives as part of strategic planning, avoiding and minimizing negative impacts on biodiversity and, when the impacts cannot be avoided, reducing damage and mitigating their effects.
- Assess impacts on biodiversity and habitats such as bird interactions with power lines, pollinator habitat loss, vegetation management practices and



construction activities; we will continuously adapt strategies and plans to address these issues.

- Engage with stakeholders such as local communities, academia, conservation non-profit organizations and regulatory agencies with expertise in biodiversity matters, where appropriate, when planning, building and operating energy infrastructure with the objective of addressing opportunities for protecting and enhancing biodiversity.
- In the case of residual impacts, implement mitigation strategies that respect the “no net loss” principle of biodiversity and, where possible, have a net positive benefit.
- As required, conduct environmental impact studies that provide an assessment of the effects on biodiversity.
- Report on performance, remain focused on continuous improvement in our biodiversity programs and share best practices when appropriate.



Doing our part to protect New Jersey’s diverse wildlife is just one reason PSE&G maintains a robust Environmental Projects and Services team. It is our mission to foster a harmonious balance so that plants and wildlife, large and small, can thrive while we safely maintain nearly 1,200 miles of electric transmission ROW to deliver safe and reliably energy. From building safe “critter crossings” near construction sites in environmentally sensitive areas to using special helicopters instead of trucks to transport crews and equipment in environmentally sensitive areas, we work to be good stewards of the environment while we carry out the essential work

of upgrading and maintaining our electric system. For example, for a wood turtle nest mound project, we created artificial mounds for turtle nesting where the natural nesting habitat was destroyed by storms. Installation of wildlife protection fencing minimizes the risk to the wildlife such as turtles and amphibians from road crossings or construction. In areas supporting New Jersey’s declining bat populations, we conduct vegetation management outside sensitive times of year and trim only trees that pose a danger to our distribution lines and leave behind those that provide roosting, maternity and hibernating habitats for various species of bats.



## Enticing birds to alternative nest sites

Various species of birds, including bald eagles and ospreys, have acclimated to nesting on our transmission towers or distribution poles. Nests built on utility poles can pose a threat to the birds and may cause outages and damage to electrical equipment. To safeguard both the birds and electrical infrastructure, PSEG installs nest platforms to provide safe nesting locations for the birds.

PSEG worked with the New Jersey Sports and Exposition Authority (NJSEA) to build and install osprey nest platforms in the Meadowlands where natural nesting habitat is hard to come by. As part of our Estuary Enhancement Program, PSEG works with the Nature Conservancy to help protect osprey habitats in Cape May and Cumberland counties in New Jersey. PSEG Long Island also partners with The Group for the East End to find alternative nest platforms in known osprey nesting areas that are taller than nearby lines to provide more attractive and safer nesting sites for the raptors. We



also work closely with communities and civic groups to help evaluate utility poles near high-quality osprey habitats, to identify alternative sites and to assist with building and installing safe osprey nest platforms.

As part of a strategic reliability project, PSE&G installed a nest platform for a pair of bald eagles that had been nesting for many years on a transmission tower that needed to be rebuilt. The bald eagles took to the platform and raised two eaglets, the first-ever successful bald eagle nest platform in the state. A live nest camera was installed to share the exciting events, provide an educational opportunity and raise awareness on the importance of the balance with our natural world.

## Right-of-way management

Providing safe, reliable and affordable energy to meet the needs of our customers requires maintenance of transmission and distribution lines that pass through local ecosystems. Vegetation on transmission ROWs must be managed regularly to facilitate safety and system reliability. PSE&G maintains a detailed rare, threatened and endangered species matrix for our electric transmission ROWs and follows state and federal fish and wildlife agency best management practices while conducting transmission and vegetation maintenance to protect these species and their habitats.

Managing these areas presents an opportunity to promote open, low-growing meadow habitats favored by certain plants and wildlife that are often rare in the matrix of forest, suburban and urban landscapes found in New Jersey. We work closely with experts from environmental non-governmental organizations and state and federal agencies to integrate biodiversity considerations and impact mitigation into our maintenance programs.

In partnership with the NJDEP's Endangered & Non-game Species Program and New Jersey Audubon, we

worked to find solutions to protect vital habitat for the golden-winged warbler, a species in severe decline. With over half of the state's golden-winged warbler population nesting and breeding on one of our ROWs, it was critical to adjust our vegetation management activities to preserve this critical habitat. We continue to work with these organizations to conduct yearly surveys for these birds and their nests and continue to look for ways to help safeguard the species' survival.

In partnership with Rutgers University, we participate in a long-term native bee study to evaluate how different vegetation management practices on our ROWs may influence pollinator habitats, species diversity and how ROWs supporting healthy and diverse populations of native bees and pollinators provide valuable pollinator services to local farms and agriculture.

Researchers recognize that electric transmission ROWs can provide important early successional habitats for pollinators (such as butterflies and bees) as well as an excellent source of food and cover for wildlife. PSE&G employs integrated vegetation management (IVM) strategies to promote sustainable early successional habitats on its ROWs for species that depend on meadow and grassland habitats. PSE&G does not conduct high-volume broadcast herbicide applications that can decimate all plants in a given area. Instead, we employ IVM strategies to remove only vegetation that poses a risk to our lines, allowing compatible native vegetation to thrive and spread. PSEG also does its part to aid in the control of invasive plant species. We practice invasive plant species management during maintenance and construction projects, such as eradication of invasive common reeds along our ROW within the Great Swamp Wildlife Refuge. PSE&G is continuing an initiative to voluntarily convert ROWs that are maintained lawns, which provide little to no wildlife benefit, into early successional habitats with specialized native plant seed mixes created by utility biologists.



## Nuclear biodiversity and natural resources

### Estuary Enhancement Program

Longstanding sustainability initiatives, like our Estuary Enhancement Program, are incorporated into our strategic vision. It is among the largest privately funded project for wetlands restoration and improvement in the country. In southern New Jersey and neighboring areas along Delaware Bay, it has restored, enhanced and preserved more than 20,000 acres of marshland.

Tidal wetlands are among the most productive ecosystems on earth. They perform many valuable functions: filtering impurities from storm water runoff, minimizing storm surge damage, providing shelter

and food for migrating birds and serving as spawning and breeding grounds for fish and wildlife – in essence, they are the base of the food chain.

In an effort of unprecedented scale, we began working in 1994 to restore and preserve portions of the Delaware Estuary in New Jersey and Delaware. The Estuary Enhancement Program is a true public/private partnership, as we work with independent scientists, environmental groups, natural resource and land management agencies, public officials and local communities.

Working with the local communities, PSEG has constructed parking areas, boardwalks and observation platforms, boat ramps and nature trails to facilitate environmental education and recreational activities. Our support of these efforts is demonstrated by efforts over the last three years to replace four of the original wooden observation platforms using more durable concrete and steel materials. These platforms are enjoyed by bird watchers, photographers and nature enthusiasts.

We are also focusing on the long-term sustainability of our facilities, specifically working to enhance their resiliency. In recent years around the country, nuclear plant operations have been specifically impacted by weather events, and we are working with our nuclear industry peers to prepare in advance of future climate change. Toward that effort, we are conducting a resiliency assessment to gauge the ability of our power plants to withstand extreme climate events. Ultimately, we will be evaluating how well we anticipate, absorb, adapt to and rapidly recover from not only extreme climate events but also supply chain issues and other evolving threats to ensure we continue to provide safe, reliable and clean electricity when our customers need it most.



*Supporting our people*  
and communities.





**In this section:**

- **Health, safety and security**
- **Stakeholder engagement**
- **Corporate Citizenship and Social Responsibility**
- **DEI and human rights**
- **Putting customers first, affordability and energy access**

At PSEG, “Public Service” is not just a name, but a philosophy. We aim to do right by our people, the communities we serve and our planet. From responding to the impacts of severe weather to the COVID-19 pandemic, providing critical utility services makes our employees first responders who play a vital role when crisis emerges in our communities.

And on blue sky days, we’re there with investment and support to keep our services reliable and affordable while lifting up the communities where we do business – helping to make New Jersey a better place to live and work.

The following section provides details of our vision for corporate citizenship, as well as programs that promote this vision.

## Our management approach to supporting our people and communities

PSEG’s leadership is focused on taking action to support our people and our communities that will build on our company’s 120-year legacy and maintain and build on the trust we have earned for years to come.

Regardless of how the world changes or what the future may hold, we understand that we have a role to play in supporting our communities and must do what we can as well as we can. Our customers can trust that our employees will keep doing the hard work necessary to keep their lives powered.

As our region transitions to a cleaner economy and as our industry undergoes the massive change that comes along with it, our customers, employees and communities cannot be left behind. We will transform together.

We understand that this transition must be done in a way that is equitable and keeps affordability top of mind.

We will continue promoting diversity, equity and inclusion for our workforce, which is increasingly important as we strive to build a team that is best equipped to meet the changing needs of our business and our customers and communities. PSEG’s Chief Diversity Officer reports directly to the CEO and oversees efforts in this area. And – through the PSEG Foundation, which is an independent 501(c)(3) that operates independently from PSEG – we will continue to support social value including environmental sustainability, social justice, equity and economic empowerment.





# Health, safety and security

*At PSEG, we value the health, safety and security of our workforce, customers and communities.*

We believe that safety excellence enables operational excellence. Our vision for corporate safety is to establish and promote a strong safety culture. A safe and healthy workforce is a high-performing workforce.

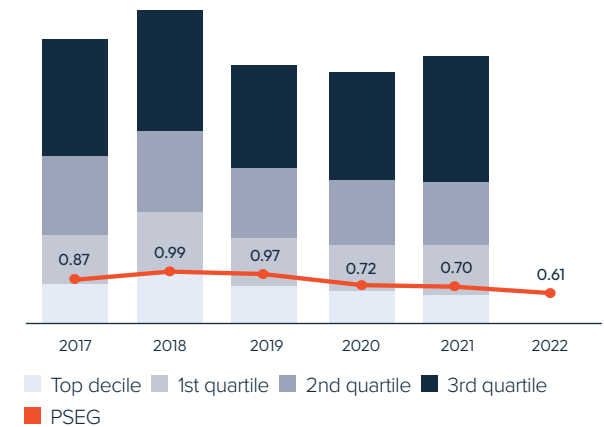
Our business requires managing sophisticated energy production and distribution operations involving commodities that are inherently hazardous. We manage the risks associated with those hazards through engineering controls, work processes, data analytics and continuous improvement goals, led by a highly trained and skilled workforce with a safety-first mindset.

## Our approach

The safety and security of our employees and the public is a top priority. We take many measures to provide employees and contractors with the proper knowledge, training and protective equipment to maintain their personal health and safety. We have built our culture around strong values, policies and practices that enable employee involvement, continuous learning, disciplined risk assessment, prioritization and control.

We put our processes and management systems and their implementation to the test through self-assessments, third-party audits and benchmarking activities inside and outside our industry.

## OSHA recordable incident rate



Notes: High level benchmarks are computed based on benchmarks for individual Business Units or Lines of Business (3-year average).

Our culture and safety management system illustrates our approach to safety throughout the company. The 12 components of our health and safety system provide the structure for promoting a culture built on trust, care, knowledge and communication. We also monitor recordable incident rates through the Occupational Safety and Health Administration (OSHA).

The full PSEG Environment, Health and Safety (EH&S) Policy is available [here](#).

We use a wide variety of safety tools and tactics to foster a culture of safety. This process starts with new hires who undergo safety awareness training.

Safety tools and tactics include:

- Work practices centered on situational awareness, e.g. pre-job briefs and two-minute drills;
- Open communications, e.g. our Stop the Job initiative; and





**PSEG employee lost time injury rates**

2019	2020	2021	2022
0.32	0.31	0.21	0.24

**OSHA DART (Days Away Restricted or Transferred) rate**

2019	2020	2021	2022
0.61	0.50	0.48	0.43

**Contractor lost time injury rates**

2019	2020	2021	2022
0.47	0.37	0.21	0.13

- Safety technologies, e.g. telematics and drive cameras to coach our field personnel.

Our Safety Information Management System (SIMS-AVA) is technology used to extended safety considerations throughout the organization. This tool is designed to standardize data collection, eliminate information silos and provide live data analysis with a focus on mitigating future risks. Features of the (SIMS-AVA) tool include tracking of live safety events, proactive safety system observations, advanced root cause analysis, job hazard analysis, and an audit module and contractor authorization.

**Contractor safety expectations**

PSEG provides contractors with safety program expectations so that work performed on company property and at company facilities is completed safely and without unnecessary risks and hazards. Contractors are selected, in part, by their OSHA-recordable incident rates and experience modification rates. Prospective contractors are required to provide a detailed explanation of their employee health and safety obligations, programs and safety record. Each prospective contractor’s safety performance is reviewed prior to awarding contracts.

**Stop the Job**

We strongly encourage employees to stop the job if they feel uncomfortable or have a concern in a situation. Our “Stop the Job” initiative is a part of our safety culture. There are many examples of employees successfully stopping the job for a safer and more positive outcome.

**Corporate Security**

PSEG Corporate Security functions as an independent and objective internal organization. The department is charged with:

- Protecting people and infrastructure to provide safe, reliable service.
- Providing best-in-class proactive and preemptive information, infrastructure and physical asset protection services to all PSEG subsidiaries, business units and divisions.

Additionally, our utility has obtained liability protections under the SAFETY Act from the U.S. Department of Homeland Security for implementing physical security measures to detect, deter, and recover from acts of terrorism. The Holistic Security Model is a customized anti-terrorism program that is designed to identify and reduce risks based on comprehensive planning processes and physical security measures at five PSE&G critical electrical sites.



During the spring refueling outage at our Salem nuclear plant, crews were working in a non-permit confined space inside the reactor cavity. Crew members received alarms on their personal 4-gas monitors

(required in all confined space entries at Nuclear). Crews stopped work, placed their work in a safe condition, and exited the confined space in accordance with the Confined Space Procedure. The group then notified the site’s fire department, who evaluated the space and found readings of carbon monoxide attributed to a diesel generator running outside. The diesel engine was secured, the confined space was ventilated and re-surveyed and the crews returned to work. This crew put safety above tight deadlines.



## Engaging with stakeholders

PSEG engages with a wide variety of stakeholders—investors, customers, suppliers, government leaders, trade union leaders, regulators and employees—and they present a wide variety of needs, concerns and opportunities. PSEG aims to listen to these varied stakeholders, communicate and work together to find solutions.

In 2023 for instance, PSEG engaged with local and county elected officials, including public officials at statewide stakeholder conventions. This provided the officials with an opportunity to meet and interact with members of PSE&G and PSEG’s Senior Leadership Teams and learn about current and planned infrastructure investments, clean energy programs and climate goals. Additionally, this small group

environment provided local and county leaders statewide an opportunity to share their thoughts and input on PSE&G and how we can better serve our constituents in the future.

The stakeholder engagement process is detailed and codified in a manual that details best practices for community engagement and interaction with stakeholder groups as varied as community groups, government officials, business groups, employees, regulators, customers, shareholders, the media and vendors. The manual also discusses how stakeholder engagement should take factors that are important to PSEG’s overall ethos and business strategy into account, including environmental justice, social justice and supplier diversity.





# Corporate Citizenship and Social Responsibility

At PSEG, we are proud of our long-standing corporate citizenship efforts and our demonstration of strong civic values. Our name, “Public Service,” and our core commitments—safety; integrity; continuous improvement; diversity, equity and inclusion (DEI); and customer service—drive much of the work we do every day.

We strive to be a positive force in a changing world by providing infrastructure to access safe, affordable, reliable and cleaner energy. By sharing our time, talent and financial resources, we make substantial investments to improve our communities and the lives of people who call them home.

For our communities to prosper, we must care about people and the planet. Through strategic partnerships, charitable giving, in-kind donations and a robust employee-giving program, we have built a strong framework of holistic and purpose-driven investments in our diverse communities. We leverage the considerable talents and knowledge of our diverse employees, members of the communities we serve, as we help support customers, grow the economy and partner with our neighbors on the issues that matter most to them.

PSEG aims to partner with people who lead positive change and transformation on issues impacting our communities and work toward collaborative solutions.

We provide corporate social investments to 501(c)(3) nonprofits in the communities we operate in through grant funding from the PSEG Foundation, a separate 501(c)(3) charitable organization, and corporate giving. We partner with nonprofits whose missions align with our strategic giving, as well as those that recognize and elevate the importance of volunteerism in our communities. For greater community impact, our employees take an active role in their communities,

## Our CSR and PSEG Foundation giving

500+ organizations supported

\$8M+ in PSEG Foundation giving      \$4M+ in corporate social investments

6,000 employees volunteered      30,000 hours

\$76K+ in volunteer grants      \$780K+ in matching gifts

\$190K in-kind giving\*

\* In-kind giving is CSR estimate

serving on nonprofit boards, volunteering their time and participating in our matching gift program. In 2022, our corporate social investments from both the company and foundation totaled over \$12 million.

Our Corporate Social Responsibility (CSR) corporate giving aims to unite and celebrate people whose contributions are empowering neighborhoods while

reflecting our priorities. Our sponsorships include award galas, walkathons, 5K runs, fairs, conferences, educational opportunities and workforce development events. We support organizations, such as NJ SHARES and the Community Food Bank of New Jersey that assist the communities we serve through education, advocacy and resources.

In addition, in 2022 approximately 6,000 employees volunteered over 30,000 community service hours with hundreds of local organizations.

### In-kind giving of products/services

Our products – electricity and natural gas – are regulated and cannot be donated.

### In-kind giving of materials/equipment

In 2022, CSR provided in-kind giving with a value of \$190,000. Donations to local nonprofits included: kitchen appliances, physics equipment, building materials, pallets, job training equipment, meals ready-to-eat (MREs) and trucks.

### The PSEG Foundation

The not-for-profit PSEG Foundation’s strategic pillars are environmental sustainability, social justice, and equity and economic empowerment. Through strategic collaborations, the PSEG Foundation aims to support initiatives that align with PSEG’s citizenship goals, drive toward achieving tangible, lasting results and constantly evolve to bring innovative solutions to the challenges facing our world.

In 2022 the Foundation exceeded its goal to increase giving to nonprofits focused on environmental sustainability by 22% of overall giving, achieving 27.85%. Partners such as the Nature Conservancy, Sustainable New Jersey and New Jersey Audubon work on a local level addressing the threats of



climate change while implementing measurable goals to protect land, restore rivers, green cities and improve conditions in underserved, environmental justice communities.

Our overarching strategy that connects each of our giving pillars focuses on removing barriers for the underrepresented to access quality education, providing exposure and pipelines to careers in STEM for an equitable, economic future. The Center for Aquatic Sciences' Community and Urban Science Enrichment Program provides students from Camden the chance to learn about aquatic animals and habitats while building employable job skills, receiving mentoring from industry professionals and serving as mentors to peers. Programs like Solar One help students from Newark Public Schools obtain internships and technical education in solar and climate education. Additionally, each year the PSEG Foundation sponsors the Neighborhood Partners Program which awards grants ranging from \$500 to \$15,000 to grassroots, community based organizations in areas focused on addressing the inequities and inequalities in under-recognized communities throughout PSEG's service and operating territory.

Universities have become lasting partners for the PSEG Foundation. These partnerships include Montclair University's PSEG Institute for Sustainability Studies and environmental programs at Stevens Institute of Technology. The PSEG Foundation also funds scholarships and other programs with a focus on students in STEM fields for traditionally underserved students at New Jersey Institute of Technology and Historically Black Colleges and Universities such as Hampton University, Howard University and North Carolina Agricultural and Technical State University.

The PSEG Foundation's social justice pillar seeks to empower diverse and inclusive communities, focus-



ing on addressing inequities and promoting diversity, equity, inclusion, and racial and cultural awareness. Volunteer Lawyers for Justice's Veterans Legal Wellness Program enables PSEG attorneys to both provide legal services and help advance New Jersey veterans' overall wellness and economic situations. The Citizens Campaign's *Newark Civic City 2.0* program engages citizens on the importance of actions such as voting, jury duty, volunteering in communities and taking positions on vital issues to improve society.

From grants to globally known organizations like Sesame Workshop and UNCF to over \$1 million in annual support to small and medium-sized nonprofits through our Neighborhood Partners Program, the

Foundation's investments are igniting meaningful change in the world. For instance, the Community Food Bank of New Jersey addresses food security, and the New Jersey Performing Arts Center's *Standing in Solidarity* programming addresses social justice matters and includes PSE&G's True Diversity Film Series, Social Justice learning series and more.

In 2022, the PSEG Foundation's matching gift program – open to employees, retirees and members of our Board of Directors – resulted in more than \$780,000 in additional gifts to nonprofits while the volunteer grant program awarded \$76,000 in grants for programs where our employees volunteer on their own time.



# Human capital management

## People are our business' most valuable resource.

We are utilizing our core commitments and reimagining ways to attract, develop and retain a high-performing, diverse workforce with the skillsets to succeed in a rapidly evolving environment, and build a culture of inclusive excellence in order to support a high-integrity, high-performance organization with a strong customer focus.

PSEG's pay-for-performance philosophy aligns employee compensation with individual performance as well as business unit and enterprise performance re-

sults, driving employee accountability and ownership. We conduct regular performance reviews so employees understand how they are performing, and they have access to a number of development programs so they can grow in their careers.

At our culture's center are our Core Commitments – safety, integrity, continuous improvement, customer service and DEI. These tenets help guide us towards excellence in everything we do, including in the areas of recruitment, employee development, retention, performance, safety and collaboration.

Our business is underpinned by our inclusive culture that supports and values employees, customers and

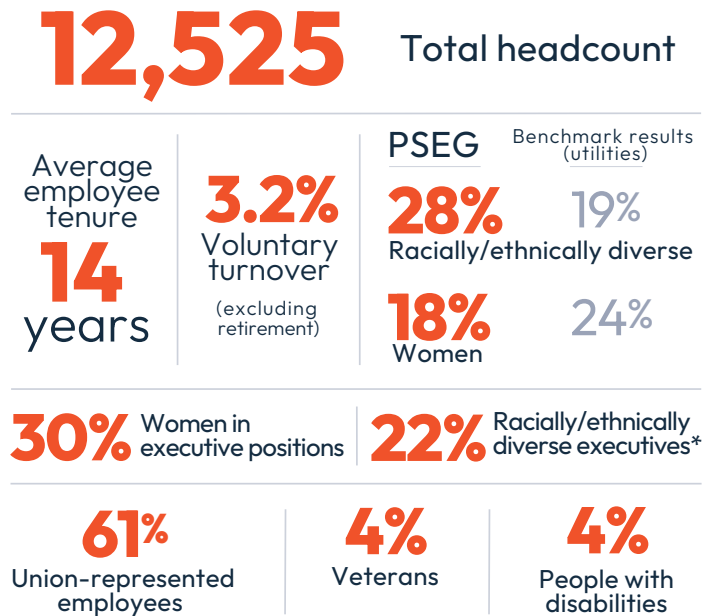
## Supporting our workforce

- ✓ Workplace stress management
- ✓ Health initiatives
- ✓ Flexible work-from-home arrangements
- ✓ Part-time working options
- ✓ Childcare support
- ✓ Breast-feeding/lactation facilities or benefits
- ✓ Paid resources for a primary or non-primary caregiver

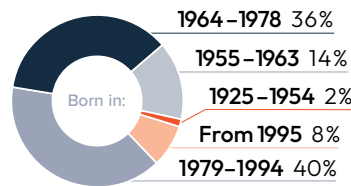
the many diverse communities we serve. We believe in treating people with dignity and respect, protecting each of our fundamental human rights, and we strive to maintain the high standards of ethical conduct on which our business and reputation have been built.

A supported workforce is key to our business' success. We understand that not only is each employee unique, but the ways in which they need support is unique to their own situation. We offer an array of programs designed to support our employees with the tools, information and training they need to excel inside and outside of work. We prioritize employee well-being, and have resources to support employees' physical, mental and financial health. We recognize the importance of life events and time away from work, and offer various leaves of absence to support our employees. This includes paid parental leave for eligible employees to care for a newborn, newly adopted or foster child.

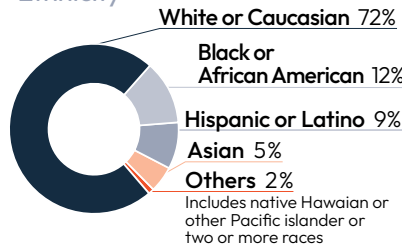
## 2022 WORKFORCE AT A GLANCE



### Generational Breakdown



### Ethnicity



Data as of 12-31-22. \* Employees classified as Vice President and above.



# Diversity, Equity and Inclusion

Today’s world is dynamic and rapidly changing. In the face of these changes, people want to be seen, heard and understood for who they are. This includes veterans, those in the disability community, women and talent across all dimensions of diversity.

PSEG recognizes this and that employees want to work for an organization that shares their values, is purpose-led and recognizes the importance of equity. Our DEI efforts –led by our Chief Diversity Officer—include extensive listening sessions with employees. We couple their feedback with quantitative data to drive our DEI strategies, under our core initiative, Inclusion for All.

We believe that an environment of diversity, inclusion and belonging fosters growth, strengthens our workforce, and improves our ability to serve customers. That’s why our efforts start at the beginning of our employee life cycle by recruiting and developing a diverse talent pipeline through several community and nonprofit partnerships, including our strong [partnerships with HBCUs](#) (Historically Black Colleges and Universities) and HSI (Hispanic- Serving Institutions). In 2023 we expanded our “externship” program, which was launched in 2022, to include first-year HSI students in addition to HBCU students.

In 2021 and 2022, we averaged more than 2,000 hires each year, with approximately 30% of the roles being filled by internal candidates.

PSEG’s LGBTQ+ employee awareness campaign “Acceptance for All. Respect for All. Inclusion for All.” was launched to create empathy for the LGBTQ+ community with the goal of mak-

ing PSEG a safe place where employees feel a sense of belonging. The key components of the campaign include PSEG’s LGBTQ+ Inclusion Pledge; a Transgender Resource Guide for employees and people managers; and a voluntary self-serve option for employees to select their gender identity, sexual orientation, and pronouns as a part of their employee profile. This self-identification capability allows us to better target our DEI programming to the needs of our employees.

Since everyone is responsible for DEI and workplace culture, employees have many opportunities to influence our work environment, let their voices be heard and become leaders, including through 12 Employee Business Resource Groups (EBRGs) and approximately 50 Local Inclusion Teams. These engagements have built meaningful connections through community outreach, volunteerism, mentorship and professional development; elevate diverse perspectives; support key business goals and priorities, including driving culture change at the local level; create safe spaces for employees to learn from each other; and reward and recognize employees.

Because we aim for programs to be accessible to all, we launched our Relevant Conversations series, a virtual social issues forum to engage employees in guided, diversity-focused discussions. Topics have ranged from inclusivity and race to what it means to be an effective ally for the LGBTQ+ community. We introduced a cultural celebrations calendar for employees to add to their online calendars, which also reminds managers of cultural events that members of their teams may be celebrating. In 2023, we launched our DEI podcast, accessible to the entire work-

## External hiring diversity trend

Demographics	2020	2021	2022
<b>Women</b>			
Including temporary employees	19%	19%	23%
Excluding temporary employees	14%	17%	19%
<b>Racially/ethnically diverse</b>			
Including temporary employees	32%	30%	40%
Excluding temporary employees	35%	31%	35%

## Voluntary employee self-ID\*

Gender identity	Sexual orientation	Pronouns	LGBTQ+	Heterosexual
711	374	479	30	344
5.5%	2.9%	3.7%	0.2%	2.7%

\*Percentages based on approximate 12,500 employee headcount



force and covering topics like generations in the workplace and being an immigrant at work.

To measure the effectiveness of our DEI and workplace culture efforts, we often solicit feedback from employees through focus groups, listening sessions and our employee experience survey. On our 2022

Employee Experience Survey, we saw improvements in many areas, including comfort speaking up, belonging, and manager relationships, with an overall engagement category score of 82%.

PSEG also offers leadership development programs to help attract, develop and retain high performing

employees and a diverse workforce such as the Joule Leadership Program and GROW Program.

A comprehensive look at our DEI program is available in our DEI report: [www.PSEG.com/DEI](http://www.PSEG.com/DEI)





# Human rights

We believe in treating all people with dignity and respect and strive to uphold the high standards of ethical conduct that built our business and reputation as outlined in [PSEG’s Human Rights Practice](#). This policy applies to all PSEG employees, contractors and anyone doing business with us. This policy is our promise to minimize any adverse effects our infrastructure or operations may have on people and communities.

Respect is part of our culture. Our employees take annual training on PSEG’s Standards of Conduct

that addresses everyone’s responsibility to create a workplace free from discrimination and harassment. Employees are also trained to recognize and prevent sexual and gender-based harassment. Additionally, we encourage all employees to speak up if they believe our Standards of Conduct or labor laws have been violated. Reports are taken seriously and investigated as appropriate.

We believe that company operations should not interfere with employees’ freedom of association and collective bargaining, and we are focused on continued compliance with:

- Forced and compulsory labor laws
- The rights of indigenous people, and
- Child labor laws.

We support compliance with federal and state laws through continuous monitoring and auditing of our internal processes, such as vendor oversight, community and stakeholder engagement, freedom of association and workplace safety and security.

We hold ourselves to certain standards and set expectations with our suppliers and other entities we work with that we expect similar conduct from them.





## Putting customers first, reliability, customer service, and affordability

### Creating a customer-centric experience and customer privacy

PSEG is proud of our strong tradition of reliability and customer service, both of which are critical to creating a positive customer-centric experience. We also understand that the service and value our customers expect continues to change and evolve. We strive to meet our customers' needs today and into the future. Safe, secure and reliable service is key to meeting customer needs.

We capture customer information in order to provide energy services. We take seriously our obligation to safeguard customer data through the implementation of training, controls and other procedures both at the business level and with the oversight of our cybersecurity team in IT. Our aim is for customer data to be secure and for access to be restricted to only those authorized. We do not sell any of our customers' information and only some authorized vendors have limited access to customer information based on the work they are performing. For more information on cybersecurity, see the "Cybersecurity" section on page 79 of this report.

### Reliability

Reliability is the cornerstone of excellence in our industry. PSE&G has an aggressive capital plan that includes statewide electric reliability improvements to upgrade its utility infrastructure. These upgrades will increase both electric service reliability and system redundancy to help us provide safe and reliable electric service to our customers.

In 2022, for the 22nd consecutive year, PA Consulting honored PSE&G with the ReliabilityOne® Award

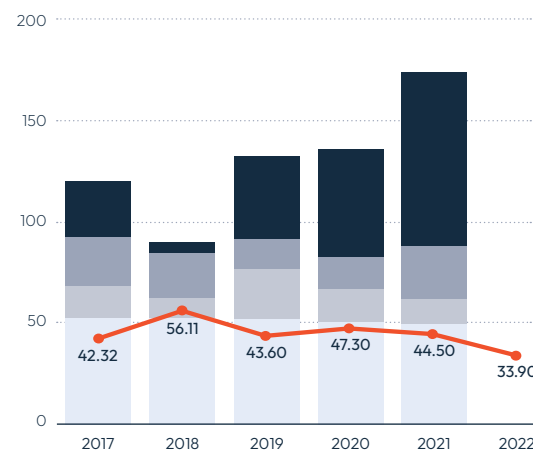
for Outstanding Reliability Performance in the Mid-Atlantic Metropolitan Service Area. The award recognizes PSE&G's outstanding reliability performance, our year-round storm preparation, and our significant infrastructure improvements and dedicated employees.

### Customer service

Every year, we set quantitative targets for customer satisfaction. Our Transactional Satisfaction Surveys measure the overall average of customer satisfaction of core utility customer-facing processes. The J.D. Power Survey measures the CSI (Customer Satisfaction Index) in four segments: Residential Gas, Residential Electric, Business Gas and Business Electric. We also use a monthly survey measuring customer communication effectiveness, as well as ad hoc online panel surveys. Findings from these surveys are reviewed by internal teams who are working to improve the customer experience.

In 2022, J.D. Power named PSE&G number one in customer satisfaction for both residential electric and natural gas service in the East among large utilities. The J.D. Power 2022 Electric and Gas Utility Residential Customer Satisfaction Studies examine customer satisfaction across several factors, such as price, power quality, safety and reliability, corporate citizenship, communications, customer care and billing and payment. This research has been instrumental in helping us identify customer expectations, improvement opportunities and successes. We are honored to be recognized by our residential customers and we are proud of the efforts of all of our employees.

### SAIDI



Top decile 1st quartile 2nd quartile 3rd quartile PSE&G

Sustained top decile performance in electric reliability results



## Affordability

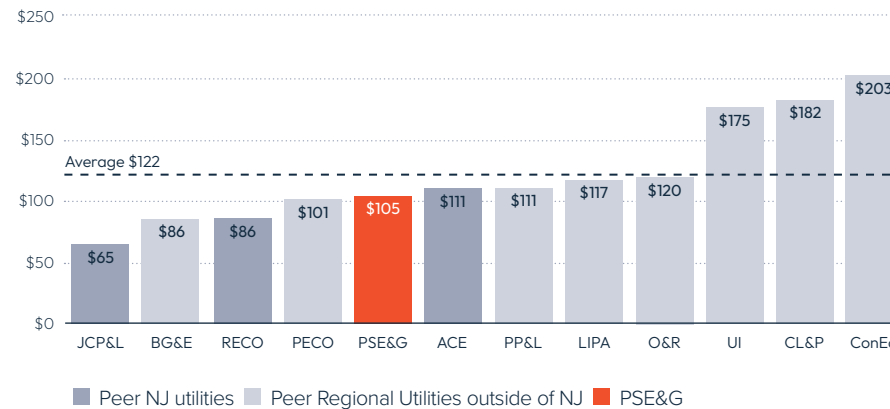
We work hard to keep energy costs affordable, as low and as manageable as possible. PSE&G’s gas rates are typically among the lowest and its electric rates are below average in the northeast region of the country. Even with volatility in the natural gas commodity market in 2022, our average residential gas customer’s bill was approximately 34% lower than in 2008, and 47% lower when allowing for inflation. In fact, PSE&G has lowered gas rates multiple times in 2023. Our hedging program (buying a certain amount of gas ahead of each season to protect against price volatility) helped to limit this increase.

We recognize affordability is critical to the comfort and well-being of our customers, and we work hard to help to provide affordable access to services. Since 2017, PSE&G’s combined gas and electric bills have been under 3% of median New Jersey income. For low income customers that figure is under 2% of the low income threshold after available payment support programs.

PSE&G takes steps to inform customers who are having difficulty paying their bills of the payment options and financial assistance available to them. Following the layered impacts of COVID-19, we launched a payment assistance outreach campaign to educate customers about available assistance programs and expanded program eligibility due to increased income limits, and flexible payment arrangement options.

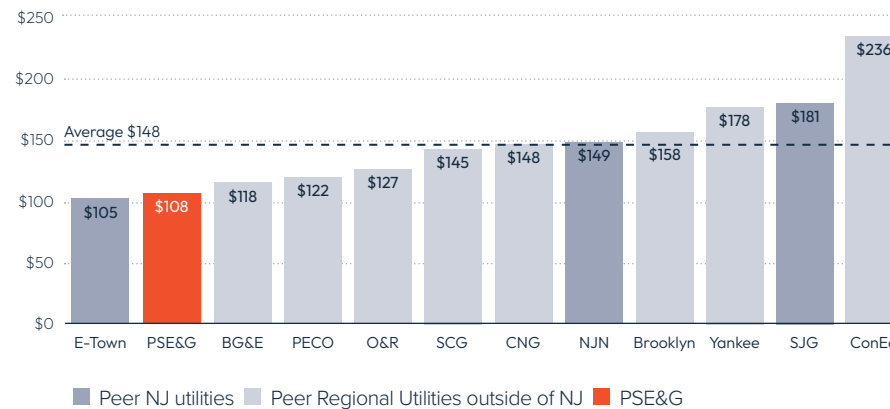
Campaign communications to increase awareness of payment assistance options included radio, billboards, transit ads, social media, email, direct mail, newsletters and more. Grassroots efforts involved

## Monthly electric bills



PSE&G’s Residential Electric bills are lower than regional average

## Monthly gas bills



PSE&G’s Residential Gas bills are among the lowest in the region

Based upon a calculation of monthly bills for an electric customer using 500 kilowatt-hours using rates as of June 1, 2023 and a gas customer using 100 therms using rates as of October 1, 2023. Rates sourced from public company documents.



working closely with social service agencies, foodbanks, municipalities and houses of worship to provide information to their constituents.

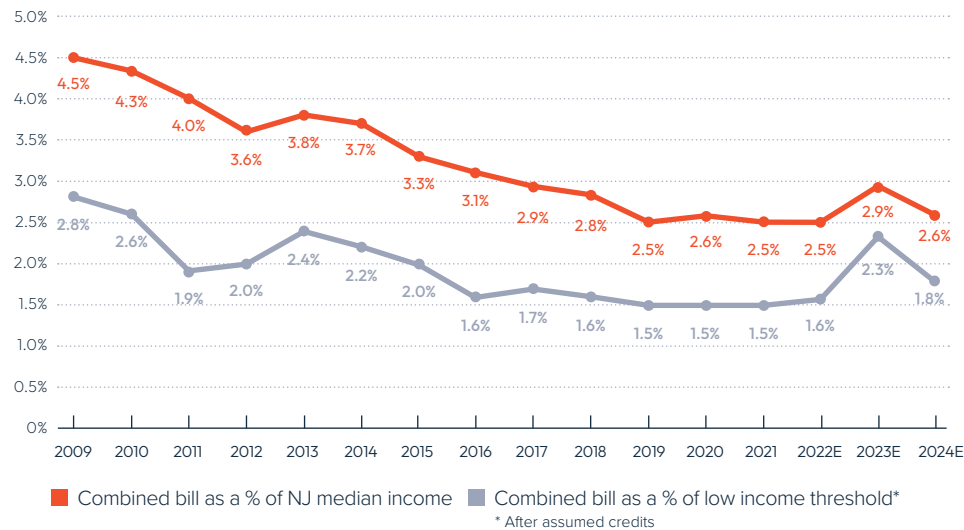
The multi-channel outreach campaign was successful in increasing assistance program participation, as well as increasing enrollment in flexible payment arrangements. Our utility was instrumental in helping 220,000 customers in need receive over \$450 million in payment assistance funds in 2022 through state and federal programs.

In addition to providing payment assistance information, we actively promote ways customers can reduce energy use and help to make bills more manageable with energy tips, tools and programs, including no- or low-cost home energy audits and rebates on a variety of energy efficiency products.

Our energy efficiency initiative, the largest commitment to energy efficiency ever in New Jersey, includes programs designed to provide environmental benefits and reduce customer bills while creating jobs and boosting the state's economy.

PSE&G received a National Energy Equity Award from the Smart Energy Consumer Collaborative (SECC) for its Clean Energy Jobs Program, an initiative that has placed more than 2,400 people from underrepresented communities into well-paying jobs, supporting New Jersey's clean energy goals. The Energy Equity Award was created by the SECC to acknowledge a provider that's advancing a more equitable energy system. The award recognizes the work we are doing to meet the growing need for skilled workers in New Jersey's energy efficiency industry.

### PSE&G electric and gas combined bills



- Affordability of the combined bill has improved by ~40% since 2009 for median and low-income customers
- NJ 2022 electric residential rates year-over-year increase is 4th lowest among 50 stated and Washington, DC

Under 3% of median NJ income, favorable "Share of Wallet" vs. lower-cost regions

(1) Based on a typical residential electric customer using 740 kilowatt-hours per summer month and 6,920 kilowatt-hours on an annual basis using rates as of June 1 for each year and a typical residential gas heating customer using 172 therms per winter month and 1,040 therms on an annual basis using rates as of January 1 of each year, March 1 for 2023.

(2) Source: Data provided by S&P Global Market Intelligence.

Notes: [NJ Median income source](#). 2023E and 2024E are not available, therefore assume 3% annual increase per year over 2022. Income level of USF, the lowest threshold of the three low-income programs, is 175% of the Federal Poverty Line. Assumes the customer also qualifies for LIHEAP and Lifeline. 2022 results were adjusted to normal levels of customer assistance, which was elevated in 2022 due to funds received through the American Recovery Plan.



## Working with suppliers



### A sustainable supply chain

PSEG's partnerships with more than 4,000 suppliers play an important role in efforts to sustainably deliver energy in a way that benefits our customers, communities, employees, shareholders and the environment. We diligently engage and evaluate suppliers to monitor our supply chain and proactively identify and address potential issues and risks. Beyond managing our supply chain from risk and performance perspectives, we strive to align our procurement practices with our environmental responsibility, supplier diversity and local economic development goals.

A building block of our sustainability strategy is partnering with suppliers to leverage emerging technologies that enable the clean energy transition. Through its participation in the Industry Sustainable Supply Chain Alliance (SSCA), PSEG will gain a better understanding of how its suppliers are considering and managing environmental impacts. The intent is to leverage this information, identify opportunities to reduce scope 3 emissions and create a more sustainable supply chain.

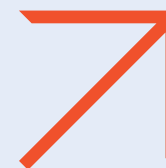
As part of that effort, we joined the SSCA in 2022. The Alliance brings utilities and suppliers together to share sustainable best practices in utility supply chain activities and supplier networks.

In another step toward creating a supply chain that supports the energy transition, PSEG joined Energy Impact Partners (EIP) in 2022. EIP is a venture fund that invests in companies focused on optimizing energy consumption and decarbonizing the global economy. Through EIP, PSEG will have access to innovative technologies and emerging trends including decarbonization technology that can potentially be integrated into our operations to address climate challenges and achieve emissions reduction targets.

### Supply chain continuity

Resiliency is a cornerstone of our organization. Our customers depend on us to provide the energy they need regardless of the weather and other factors.

Our ability to meet customers' expectations depends on our supply chain continuity. PSEG's procurement strategy includes optimizing its logistics network and strengthening relationships with suppliers. Improved demand planning and forecasting, and strong supplier relationships allowed us to react quickly to the market shortage and develop strategies to mitigate the issues caused by the COVID-19 pandemic.



Our response to the global shortage of transformers in the aftermath of COVID-19 demonstrates the value of our approach.

Transformers are essential equipment for keeping electricity flowing and connecting new customers. We partnered with existing vendors to accelerate production and delivery schedules, diversified our sourcing network by adding additional suppliers including in South Korea, met with component manufacturers to expedite deliveries to our transformer suppliers, and expanded our refurbishment program. These steps minimized customer impacts.



## Diversity in the supply chain

Diversity, equity and inclusion are part of our mission and one of our core commitments. PSEG's spending is a valuable tool to grow and diversify local economies in the communities we serve.

We are doing more business with certified minority-, women-, LGBTQ+-, veteran- and service-disabled veteran-owned businesses (MWVBEs). PSEG achieved its goal to spend 30% with diverse suppliers by 2023 in 2021, two years ahead of schedule.

During 2022, PSEG spent more than \$1 billion on goods and services from diverse suppliers, a 35% increase from 2021. This represented more than 33% of our purchases. Over the past two years, our procurement organization added more than 200 certified MWVBEs to our active vendor list.

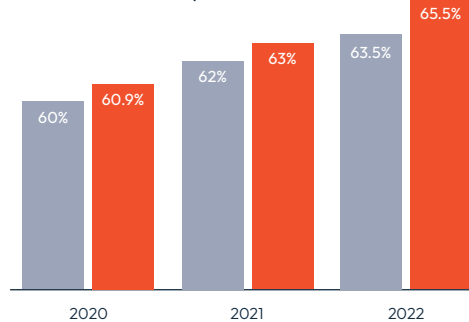
During the past two years, we have overseen a 78% increase in prime suppliers' business with diverse subcontractors.

We conducted \$2.1 billion worth of business with New Jersey-based companies in 2022, approximately 65% of our total spend, helping boost the state's economy. That includes \$748 million in spending with businesses based in Newark, our home city.

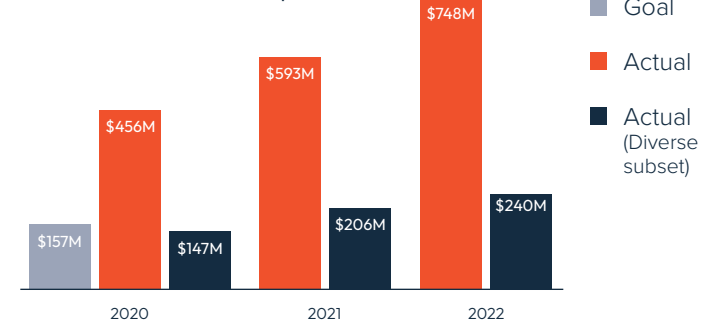
## Supply chain governance

We have adopted practices and processes to help our suppliers operate safely and in compliance with all regulations, laws, and relevant internal policies

PSEG NJ Spend



PSEG Newark Spend



and standards. This includes a Supplier Standards of Conduct that was implemented in 2021.

Adherence to the PSEG Supplier Standards of Conduct is a condition of doing business with us. These Standards support PSEG's sustainability and ESG efforts, providing guidelines that spell out acceptable conduct and practices. In addition, the Standards apply to suppliers' subcontractors for work directly related to a PSEG contract. The Standards include the review and approval process applicable to engaging firms or suppliers with connections to prominent political figures. We require firms or suppliers that perform lobbying activities or political consulting not to subcontract work without our approval.

A rigorous pre-bid qualification review precedes the award of key contracts. In conjunction with

our Health and Safety team, our procurement group monitors supplier performance after contracts are signed. A third-party compliance auditor also verifies health and safety compliance with regulatory and PSEG standards. Most key supplier contracts include metrics for grading performance.

We review concerns involving vendors, including those raised by vendors or against vendors as appropriate. In addition, allegations of a violation of company policy or law are investigated with appropriate corrective action being taken as appropriate, which may include disallowing the contractor from providing us with services.

*Governance.*





**In this section:**

- **Our Board**
- **Risk management**
- **Cybersecurity**

PSEG’s Vision, Mission and Core Commitments are the foundation of our culture and track record of delivering strong financial and operational performance. PSEG believes that strong corporate governance practices serve the long-term interests of all stakeholders, strengthen the Board and management and further enhance the public trust PSEG has earned during our 120-year history.

The Board of Directors, led by our chair, president and CEO along with the independent Lead Director, sets our strategic direction. We aim for managers, employees and contractors to execute on our vision and strategy each day with integrity and dedication.

To maintain responsible operations, we continue to take environmental impact and stakeholders into account and implement strong corporate governance practices that contribute to long-term stockholder value.

Recently, we have undergone some governance enhancements to align our values with governance best practices. In 2023, in order to enhance the Board evaluation process, the Board retained an independent third party to conduct an effectiveness assessment of the Board and its Committees. This independent, third party assessment will take place at least every five years. Also, in February 2023, in response to stockholder interest, we amended our By-Laws to reduce the threshold needed to call a special meeting of the stockholders from a majority of holders entitled to cast votes to 25% of holders entitled to cast votes.

## Board of Directors

The PSEG Board consists of a majority of Independent Directors, as required by our Corporate Governance Principles and the New York Stock Exchange.

Our Corporate Governance Principles place great emphasis on Board diversity, including a broad set of factors such as race, ethnicity, gender, background experience, leadership positions, skills, accomplishments, financial expertise, professional interests, personal qualities and other traits desirable for achieving an appropriate group of qualified individuals. As of publication, our Board includes four women and three racially/ethnically diverse directors. Our independent Lead Director is a woman.

In addition to the chair, president and CEO, our leadership and governance structure is designed to rely on the contributions of our Lead Director. The Lead Director is an Independent Director designated annually by the Independent Directors with the expectation that they will typically serve in that capacity for four years. The Lead Director serves as the key conduit for communicating the Board agenda and works with the other Independent Directors on obtaining information from management; additionally, the Lead Director ensures a robust Board self-evaluation.

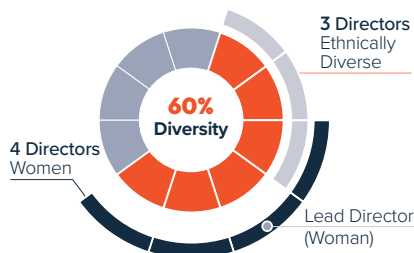
Our Directors have an active role in overseeing the company’s business both at the Board and committee levels, bringing fresh and differing viewpoints.

Board tenure and refreshment is important to provide new perspectives and ideas while ensuring sufficient experience and institutional knowledge to help mitigate risk. As of November 1, 2023, the average tenure of the independent Directors was approximately 4.6 years and there were six new independent Directors added to the Board since the start of 2019.

Our Board takes an active role in overseeing sustainability, ESG and corporate citizenship issues, including climate strategy and the associated political, lobbying, and trade association expenditures. The Board’s GNS Committee holds the primary responsibility, as enumerated in its charter, of overseeing sustainability and climate strategy matters for our enterprise and will be responsible for overseeing our transition to a net-zero emissions future.

As a provider of reliable and efficient electric and gas services to our customers and a large producer of zero-carbon electricity, PSEG’s business strategy includes elements related to climate change. We seek to preserve carbon-free nuclear generation, as well as modernize utility distribution systems to strengthen them against the extreme weather effects of climate change. In that sense, the Board understands that its continued oversight of our company’s commitment to principles of sustainability is of increasing importance to stockholders and other constituencies.

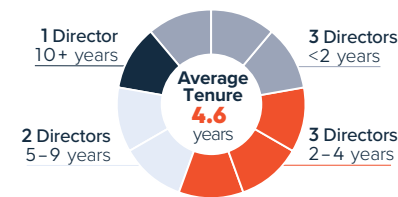
### Board diversity – gender, race and ethnicity



### Board independence



### Tenure of independent directors



Charts reflect the Board as of November 1, 2023.



## Our standards, values and core commitments

### Our Standards of Conduct

One of PSEG's priorities is creating an environment where employees can thrive and do their best work. To that end, PSEG's Standards of Conduct reflect the Company's commitment to acting with integrity and outline the laws, regulations, and company policies for employees to follow.

Approved by the Board, the Standards apply to how we interact with investors, customers, coworkers, suppliers, government officials, and other third parties. All employees are to complete annual training on these Standards. All managers, administrative staff, supervisors, and technical associates must also certify that they understand their obligations and that they have reported any potential violations.

Our Standards clearly define responsibilities, reflect our Core Commitments, and encourage employees to speak up with questions or concerns – all of which we believe leads to long-term success and sustained value.

The full Standards of Conduct are online at: <https://corporate.pseg.com/aboutpseg/leadershipandgovernance/standardsofconduct>

### Reinforcing our Core Commitments

Having a good reputation is more than just a source of pride—it also gives us credibility to operate in the marketplace, the communities where we operate, and among current and potential employees.

In today's ever-changing business environment, we understand the importance of continuously reinforcing the guiding principles that define our company and guide the actions of our approximately 12,500 employees.

#### Core Commitments

- Safety
- Integrity
- Continuous improvement
- Customer service
- Diversity, equity and inclusion



# conduct



## Public policy engagement and political contributions



PSEG strives to have a positive impact on the communities we serve, meet the needs of customers and be a trusted corporate citizen.

As part of that effort, we take an active role in the political process by communicating with government agencies and officials, participating in trade associations and other tax-exempt organizations, making political contributions and expenditures, and engaging in other activities to advance the interests of PSEG and its stakeholders.

Our goals are to contribute constructively to the formulation of public policy and to develop relationships of mutual trust with public officials, regulators, customers, community and NGO leaders, industry and business colleagues, shareholders and other important stakeholders. Our political spending is guided by these goals as well as our vision of a future where people use less energy, and the energy they use is cleaner, safer, and delivered more reliably than ever.

Our company's political engagement activities are also regulated by a Corporate Political Participation Practice, [publicly disclosed on our website](#). For example, per the practice, corporate contributions to trade associations, social welfare organizations, ballot measures, independent expenditures and other forms of political spending are disclosed annually on the corporate website. The Corporate Political Par-

ticipation Practice also details corporate governance over political spending, including the approvals that must be obtained before certain contributions are made. For instance, any corporate contribution to a 501(c)4 social welfare organization undergoes a robust review and must be approved by the senior vice president for Corporate Citizenship and the executive vice president and general counsel, as well as notification to the GNS Committee or its chair, as spelled out in the practice. With regard to trade associations, we request that organizations to which we pay total annual payments of \$50,000 or more identify the portion of dues or payments received from PSEG that were used for expenditures or contributions that, if made directly by PSEG, would not have been deductible under Section 162(e)(1)(B) of the Internal Revenue Code (IRC). The annual corporate political spending report is available here: <https://investor.pseg.com/governance/governance-overview/default.aspx>.

There is also a robust review, approval, and reporting process applicable to retention of firms and hiring of employees with ties to prominent political figures. Vendors or suppliers who perform lobbying activities or political consulting are held to strong governance measures, including a requirement that they regularly detail services performed and a prohibition against subcontracting work without our prior review and approval.



# Enterprise risk management



PSEG works to achieve our business objectives while keeping risk at an acceptable level. This effort is overseen by PSEG’s ERM program that helps manage risks across the company. The program looks at different types of risks, including strategic, financial, operational, climate-related, environmental, health and safety, legal and reputational. For more information on our approach to risk management and climate change, see the section on page 28 of the report.

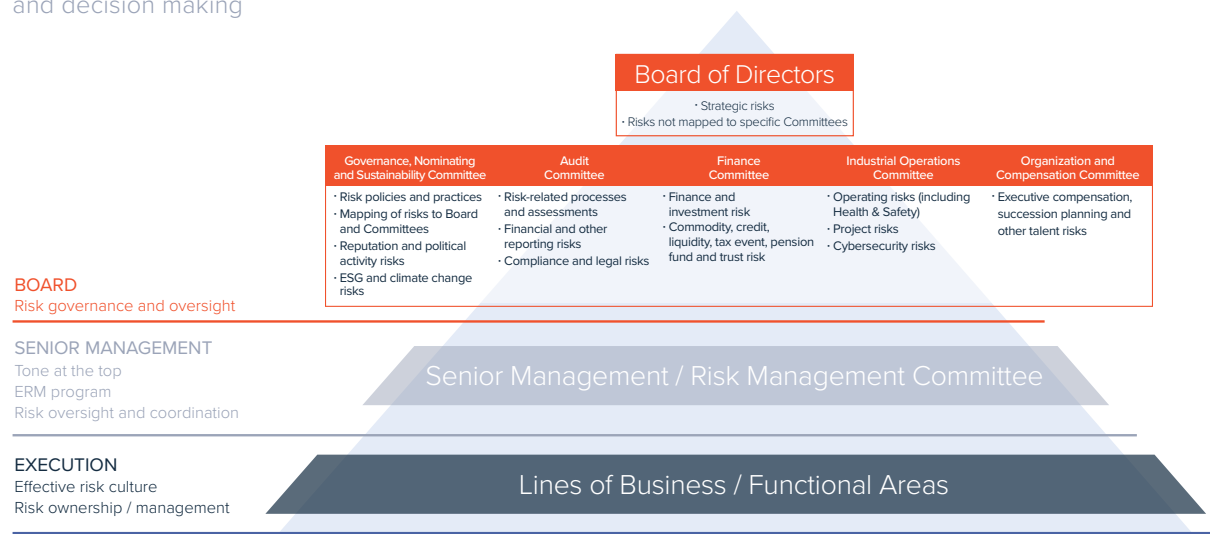
There are several important parts of the ERM program. First, we have a structure in place to oversee and manage risks, from the Board to senior management and employees. We encourage a culture where everyone feels responsible for identifying and

communicating them. We make decisions and set objectives based on a good understanding of risks. We regularly identify and assess risks, and review and monitor how we respond to them. Finally, we have processes in place for reporting and communicating risks.

The Board oversees the ERM program. Risks are assigned to different committees or handled at the full Board level. Throughout the year, there are scheduled updates and reviews of risks during Board and committee meetings. The Board and each committee receives a summary of relevant risk updates at every Board meeting. The executive level has a Risk Management Committee (RMC) chaired by the SVP of Audit, Risk & Compliance who is the company’s

## ENTERPRISE RISK MANAGEMENT

Supports risk-informed escalation and decision making





Chief Risk Officer (CRO). The RMC includes executives reporting to the CEO, the CRO, the treasurer and the Chief Commercial Officer. The RMC meets regularly throughout the year and reports the results to the GNS Committee and the Audit Committee. PSEG's ERM team, led by the CRO, is independent of the business lines and reports directly to the General Counsel.

The CRO maintains responsibility for the Risk Management Policy, which includes a framework for identifying, assessing and mitigating risks in categories such as financial, operations, political/regulatory, legal and compliance, strategic, reputational, environmental and health and safety.

The ERM team leads an effort to update the view of enterprise-level risks and emerging risks, informed by consultations with a broad swath of company representatives, external scanning, as well as similar risk assessments conducted by individual operating businesses. That update is done at least annually. The aggregate view of enterprise-level risks is

discussed both with senior management, including at the corporate RMC and with the Board and Audit Committee and GNS Committees. This annual report safeguards that there is consensus on the overall risk picture, risk management priorities and potential opportunities. Throughout the year, deeper reviews of individual risks are conducted, including analyses of underlying risk causes, reviews of current risk mitigation and response activities, and discussions of whether additional risk responses are needed.

The ERM program supports a culture of risk awareness. During the new employee onboarding process, there is a training section on risk and the Enterprise Risk Management (ERM) process. "Everyone is a Risk Manager" training is provided on the enterprise risk management process and risk awareness periodically to targeted employees. This training is also available to employees via the company's learning management system. Further, participants in the

ERM life cycle identification and assessment process receive training where the ERM foundation is covered. In the training, risk awareness, risk reporting and escalation guidance is emphasized.

Several other management committees and councils focus on topics related to risk management, including the Business Interruption Management Committee, the Compliance Committee, the Cybersecurity Council, and a number of committees focused on financial risks.

respond



## Cybersecurity

Cybersecurity is a critical component of PSEG's risk management program. Keeping systems and information safe is a fundamental expectation that customers, employees, vendors, regulators and investors all share.

Our cybersecurity risk management practice is a component of our overall risk program. Our cybersecurity program is built on a "defense in depth" approach focused on people, processes and technology measures to detect, protect against, respond to and recover from cyber threats to our systems and information. Our cybersecurity program focuses on the following areas:

- **Governance:** Overarching cyber policies and practices.
- **Risk management:** Identification and assessment of cyber risks.
- **Training and awareness:** Regular training and testing of employees and contractors.
- **Technical safeguards:** Technology-focused controls aligned with NIST cybersecurity framework.
- **Vendor risk management:** Robust security contractual provisions and assessment of vendor cyber risk.
- **Incident response plans:** Maintaining and testing our cybersecurity incident response plans.

A central element of our governance is our Cybersecurity Council, which is composed of senior management. The council meets regularly to discuss emerging issues, reviews our practices and scorecard, and facilitates the flow of essential information required for proper oversight and timely communication of risks to senior management, our Industrial Operations Committee and the Board.



The Board, the Industrial Operations Committee, and the Audit Committee receive regular reports on various aspects of cybersecurity, such as the adequacy of resources to address threats, advancements in cybersecurity protection, evolving threats in our industry, incident response plans, and compliance with regulatory requirements for cybersecurity. Our Chief Information Security Officer regularly meets in executive session with the Industrial Operations Committee, with no other members of management present. We also collaborate with intelligence and enforcement agencies and industry groups to stay informed about threats.

Employees are encouraged to also keep cybersecurity at the forefront not just with regular training and testing, but also through a dedicated cybersecurity topic on our internal communications platform that contains news, cyber safety tips and featured stories of employee cyber advocates who have demonstrated great judgment in protecting against cyber attacks. We also focus on Cybersecurity Awareness Month every October.

PSEG also works with retained consultants and legal experts to supplement our security in areas including technical defense prevention. Additionally, we have cybersecurity insurance to protect our company in the event of a cyberattack or data breach.

*Appendix.*





# GRI disclosures

## → GENERAL DISCLOSURES

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
<b>The organization and its reporting practices</b>			
GRI 2	2-1 Organizational Details	<ul style="list-style-type: none"> <li>a. Public Service Enterprise Group Inc.</li> <li>b. An investor-owned energy company consisting primarily of a regulated electric and gas utility and a nuclear generation business.</li> <li>c. Newark, NJ</li> <li>d. PSEG operates exclusively in the United States.</li> </ul>	
GRI 2	2-2 Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> <li>a. Public Service Electric and Gas Co. (PSE&amp;G), PSEG Power LLC.</li> </ul>	<p>Our other direct wholly owned subsidiaries are: PSEG Energy Holdings L.L.C. (Energy Holdings), which holds our legacy portfolio of lease investments and interests in an offshore wind lease area; PSEG Long Island LLC (PSEG LI), which operates the Long Island Power Authority's (LIPA) electric transmission and distribution (T&amp;D) system under a contractual agreement; and PSEG Services Corporation (Services), which provides us and our operating subsidiaries with certain management, administrative and general services at cost.</p> <p>PSEG LI is not included in our sustainability reporting.</p>
GRI 2	2-3 Reporting period, frequency and contact point		
GRI 2	2-4 Restatements of Information	PSEG had no significant restatements to report in 2022.	
GRI 2	2-5 External Assurance	External assurances for this report have not been conducted.	
<b>Activities and workers</b>			
GRI 2	2-6 Activities, value chain and other business relationships	<a href="#">Company Overview</a>	
GRI 2	2-7 Employees	<a href="#">Human Capital Management</a>	



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
GRI 2	2-8 Workers who are not employees	PSEG does not disclose this information.	
<b>Governance</b>			
GRI 2	2-9 Governance structure and composition	<a href="#">2023 Proxy Statement</a> , pg 8-9, 11-21	
GRI 2	2-10 Nomination and selection of the highest governance body	<a href="#">2023 Proxy Statement</a> , pg 10	
GRI 2	2-11 Chair of the highest governance body	<a href="#">2023 Proxy Statement</a> , pg 16	
GRI 2	2-12 Role of the highest governance body in overseeing the management of impacts	<a href="#">How We Manage Sustainability and Governance 2023 Proxy Statement</a> , pg 23-30	
GRI 2	2-13 Delegation of responsibility for managing impacts	<a href="#">How We Manage Sustainability and Governance 2023 Proxy Statement</a> , pg 23-26	
GRI 2	2-14 Role of the highest governance body in sustainability reporting	<a href="#">How We Manage Sustainability and Governance Governance, Nominating and Sustainability Committee Charter</a>	
GRI 2	2-15 Conflicts of Interest	<a href="#">2023 Proxy Statement</a> , pg 30-32 <a href="#">Standards of Conduct</a> , pg 31-32	
GRI 2	2-16 Communication of critical concerns	<a href="#">2023 Proxy Statement</a> , pg 23 <a href="#">Enterprise Risk Management</a>	
GRI 2	2-17 Collective Knowledge of the highest governance body	<a href="#">2023 Proxy Statement</a> , pg 17	
GRI 2	2-18 Evaluation of the performance of the highest governance body	<a href="#">2023 Proxy Statement</a> , pg 17	
GRI 2	2-19 Remuneration Policies	<a href="#">2023 Proxy Statement</a> , pg 33-36, 40-53	
GRI 2	2-20 Process to determine remuneration	<a href="#">2023 Proxy Statement</a> , pg 40-43	
GRI 2	2-21 Annual total compensation ratio	<a href="#">2023 Proxy Statement</a> , pg 68	



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
<b>Strategy, policies and practices</b>			
GRI 2	2-22 Statement on sustainable development strategy	<a href="#">Messages from CEO and Senior Vice President of Corporate Citizenship</a>	
GRI 2	2-23 Policy Commitments	<a href="#">Human Rights Practice Standards of Conduct</a>	
GRI 2	2-24 Embedding policy commitments		
GRI 2	2-25 Processes to remediate negative impacts		
GRI 2	2-26 Mechanisms for seeking advice and raising concerns	<a href="#">Standards of Conduct</a> , pg 7-8	
GRI 2	2-27 Compliance with laws and regulations	<a href="#">PSEG 2022 10-K</a> – Note 15. Commitments and Contingent Liabilities, pg 115 - 121	
GRI 2	2-28 Membership Associations	<a href="#">2022 Political Contributions Report for Public Service Enterprise Group and its Subsidiaries (“PSEG”)</a>	
<b>Stakeholder engagement</b>			
GRI 2	2-29 Approach to Stakeholder Engagement	<a href="#">Climate Advocacy</a> <a href="#">Just Transition and Environmental Justice (EJ)</a> <a href="#">Our Management Approach to Supporting our People and Communities</a> <a href="#">Engaging with Stakeholders</a>	
GRI 2	2-30 Collective Bargaining Agreements	<a href="#">2023 Proxy Statement</a> , pg 26, 29	



## GRI disclosures (cont.)

### ➔ MATERIAL TOPICS

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
<b>Disclosures on material topics</b>			
GRI 3	3-1 Process to determine material topics	<a href="#">Sustainability and PSEG’s business priorities</a>	
GRI 3	3-2 List of material topics	<a href="#">Sustainability and PSEG’s business priorities</a>	
<b>Economic performance</b>			
GRI 3	3-3 Management of material topics: Economic Performance	<a href="#">Financial Strength and Value Proposition</a> <a href="#">PSEG Impact</a> <a href="#">Working with Suppliers</a>	
GRI 201	201-1 Direct economic value generated and distributed	<a href="#">Financial Strength and Value Proposition</a> <a href="#">PSEG 2022 10-K</a> , pg 34-45	
GRI 201	201-2 Financial implications and other risks and opportunities due to climate change	<a href="#">Strategy and Climate Vision</a> <a href="#">PSEG 2022 10-K</a> , pg 18-20, 23, 35	
GRI 201	201-3 Defined benefit plan obligations and other retirement plans	<a href="#">PSEG 2022 10-K</a> , pg 23, 106-115, <a href="#">2023 Proxy Statement</a> , pg 50	
GRI 201	201-4 Financial assistance received from government	<a href="#">PSEG 2022, 10-K</a> , pg 6-7, 28, 37, 84, 138	
<b>Market presence</b>			
GRI 3	3-3 Management of material topics: Market Presence	<a href="#">PSEG Careers/Why PSEG</a> , <a href="#">PSEG Careers/Benefits</a> , <a href="#">2023 Proxy Statement</a> , pg 26-29	
GRI 202	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	PSEG hires all employees, including interns, at a rate significantly above minimum wage.	
GRI 202	202-2 Proportion of senior management hired from the local community	PSEG does not actively keep track of this metric. However, hiring and promotion is based on merit, not whether a candidate is from a particular locality.	



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
<b>Indirect economic impacts</b>			
GRI 3	3-3 Management of material topics: Indirect Economic Impacts		
GRI 203	203-1 Infrastructure investments and services supported	<a href="#">Strategy and Climate Vision</a> <a href="#">PSEG 2022 10-K</a> , pg 35	
GRI 203	203-2 Significant indirect economic impacts	<a href="#">Strategy and Climate Vision</a> <a href="#">Just Transition and Environmental Justice (EJ)</a> <a href="#">Working with Suppliers</a>	
<b>Procurement practices</b>			
GRI 3	3-3 Management of material topics: Procurement Practices	<a href="#">Working with Suppliers</a>	
GRI 204	204-1 Proportion of spending on local suppliers	<a href="#">Working with Suppliers</a>	
<b>Anti-corruption</b>			
GRI 3	3-3 Management of material topics: Anti-Corruption	<a href="#">Standards of Conduct</a> <a href="#">Corporate Political Participation Practice</a>	
GRI 205	205-1 Operations assessed for risks related to corruption	All business units are subject to corruption risks analysis.	
GRI 205	205-2 Communication and training about anti-corruption policies and procedures	All employees receive regular anti-corruption training as well as training on a variety of important policies and procedures. PSEG's Standards of Conduct, which highlights certain key policies and procedures, can be accessed online here at any time.	
GRI 205	205-3 Confirmed incidents of corruption and actions taken	PSEG does not publicly disclose this information.	
<b>Anti-competitive behavior</b>			
GRI 3	3-3 Management of material topics: Anti-Competitive Behavior	<a href="#">Standards of Conduct</a>	
GRI 206	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	PSEG does not publicly disclose this information.	



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
<b>Materials</b>			
GRI 3	3-3 Management of material topics: Materials	<a href="#">Working with Suppliers</a> - A Sustainable Supply Chain <a href="#">Reducing, reusing, and recycling: our waste management practices</a>	
GRI 301	301-1 Materials used by weight or volume	PSEG reports fuel consumed and waste generated. Total waste generated and recycled is reported in the <a href="#">ESG Data Matrix</a> .	
GRI 301	301-2 Recycled input materials used	PSEG does not capture this information but we continue to investigate opportunities to incorporate recycled materials in our operations.	
GRI 301	301-3 Reclaimed products and their packaging materials	PSEG does not actively track this information.	
<b>Energy</b>			
GRI 3	3-3 Management of material topics: Energy	<a href="#">Strategy and Climate Vision</a> <a href="#">Update to our Net-Zero Goal. Other metrics.</a> <a href="#">Electrification, Decarbonization and the Future of Natural Gas</a>	
GRI 302	302-1 Energy consumption within the organization	a. 6,188,548 MWh b. 3,198 MWh c. 52,422 MWh (corporate electricity consumption) d. 40,816 GWh (electricity sold) e. 6,191,746 MWh	b. The amount of renewable energy consumed is calculated based on the share of renewable resources on the PJM system for the corresponding year multiplied by the volume of PSEG corporate consumption. d. The electricity sold reflects the electricity delivered to end-use customers. e. The calculation reflects the fuel burned as an input for power generation (converted into MWhs) plus the corporate consumption of electricity (in MWhs) and natural gas of PSEG (converted into MWhs).
GRI 302	302-2 Energy consumption outside of the organization	Electricity Delivered to End-Users: 40,816 GWh Natural Gas Delivered to End-Users: 3,540 MM Therms	The data reported reflects the electricity and natural gas sold to customers.



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
GRI 302	302-3 Energy intensity	Fuel Input for Power Generation: 6,094,116 MWh (converted from MMBtus) Total Electricity Generated: 34,175 GWh (nuclear + fossil + solar) Energy Intensity: 0.178	The total generation output reported here reflects the sum of the generation from PSEG Nuclear, PSE&G Solar4All, the Kalaeloa Cogeneration Facility, and approximately two months of output from the PSEG Fossil fleet before the completion of the sale.
GRI 302	302-4 Reduction of energy consumption	<a href="#">Strategy and Climate Vision</a> <a href="#">Update to our Net-Zero Goal. Other metrics.</a> <a href="#">Electrification, Decarbonization and the Future of Natural Gas</a>	
GRI 302	302-5 Reductions in energy requirements of products and services	<a href="#">Strategy and Climate Vision</a> <a href="#">Electrification, Decarbonization and the Future of Natural Gas</a>	
<b>Water and effluents</b>			
GRI 3	3-3 Management of material topics: Water and Effluents	<a href="#">Water Resources</a>	
GRI 303	303-1 Interactions with water as a shared resource	<a href="#">Water Resources</a>	
GRI 303	303-2 Management of water discharge-related impacts	<a href="#">Water Resources</a>	
GRI 303	303-3 Water withdrawal	<a href="#">Water Resources</a> 2022 Data Total Municipal Water Supplies (or other water utilities): 1,107 ML Total Fresh Surface Water Withdrawal: 491 ML Total Fresh Ground Water Withdrawal: 1,049 ML	
GRI 303	303-4 Water Discharge	<a href="#">Water Resources</a> Total Water Returned to the Source of Extraction at similar or higher quality as raw water: 147 ML	
GRI 303	303-5 Water Consumption	<a href="#">Water Resources</a> Total Net Freshwater Consumption: 2,500 ML	



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
<b>Biodiversity</b>			
GRI 3	3-3 Management of material topics: Biodiversity	<a href="#">Biodiversity and Natural Resources</a> <a href="#">Nuclear Biodiversity and Natural Resources</a>	
GRI 304	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 and Natural Resources</a> <a href="#">Nuclear Biodiversity and Natural Resources</a>	
GRI 304	304-2 Significant impacts of activities, products and services on biodiversity	<a href="#">Biodiversity and Natural Resources</a> <a href="#">Nuclear Biodiversity and Natural Resources</a>	
GRI 304	304-3 Habitats protected or restored	<a href="#">Biodiversity and Natural Resources</a> <a href="#">Nuclear Biodiversity and Natural Resources</a>	
GRI 304	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		
<b>Emissions</b>			
GRI 3	3-3 Management of material topics: Emissions	<a href="#">Strategy and Climate Vision</a> <a href="#">Update to our Net-Zero Goal. Other metrics.</a> <a href="#">Electrification, Decarbonization and the Future of Natural Gas</a>	
GRI 305	305-1 Direct (Scope 1) GHG emissions	2022 total Scope 1 GHG Emissions: 1,878,390 mt CO <sub>2</sub> e (includes CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> ) The Scope 1 GHG emissions were calculated using IPCC AR4 GWP factors and an equity share approach.	
GRI 305	305-2 Energy indirect (Scope 2) GHG emissions	2022 total location-based Scope 2 GHG emissions: 990,221 mt CO <sub>2</sub> e The Scope 2 GHG emissions were calculated using IPCC AR4 GWP factors and an equity share approach.	



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
GRI 305	305-3 Other indirect (Scope 3) GHG emissions	2022 Scope 3, Category 3: 16,803,359 mt CO <sub>2</sub> e (PSEG-owned electricity and natural gas) 2022 Scope 3, Category 11: 10,377,934 mt CO <sub>2</sub> e (excludes third-party supply) These two categories represent more than 95% of our Scope 3 emissions. The Scope 3 GHG emissions were calculated using IPCC AR4 GWP factors and an equity share approach.	
GRI 305	305-4 GHG emissions intensity	2022 Aggregate Scope 1 and 2 GHG Emissions: 2,868,611 mt CO <sub>2</sub> e 2022 Aggregate Power Generation Output: 34,175 GWh (includes nuclear, remaining fossil, and solar) 2022 Scope 1 and 2 GHG Intensity: 0.084 mt CO <sub>2</sub> e/MWh	
GRI 305	305-5 Reduction of GHG emissions	<a href="#">Strategy and Climate Vision</a> <a href="#">Update to our Net-Zero Goal. Other metrics.</a> <a href="#">Electrification, Decarbonization and the Future of Natural Gas</a>	
GRI 305	305-6 Emissions of ozone-depleting substances (ODS)		
GRI 305	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<a href="#">Strategy and Climate Vision</a>	
<b>Waste</b>			
GRI 3	3-3 Management of material topics: Waste	<a href="#">Reducing, reusing and recycling: our waste management practices</a>	
GRI 306	306-1 Waste generation and significant waste-related impacts	<a href="#">Reducing, reusing and recycling: our waste management practices</a>	
GRI 306	306-2 Management of significant waste-related impacts	<a href="#">Reducing, reusing and recycling: our waste management practices</a>	
GRI 306	306-3 Waste generated	a. Total Solid Waste Generated: 631,312 mt; Total Hazardous Waste Generated: 1,438 mt <a href="#">Reducing, reusing and recycling: our waste management practices</a>	



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
GRI 306	306-4 Waste diverted from disposal	Total Solid Waste Recycled: 580,135 mt; Total Hazardous Waste Recycled: 2 mt	
GRI 306	306-5 Waste directed to disposal	Total Solid Waste Recycled: 51,177 mt; Total Hazardous Waste Recycled: 1,436 mt	
<b>Supplier environmental assessment</b>			
GRI 3	3-3 Management of material topics: Supplier Environmental Assessment	<a href="#">Working with Suppliers</a> <a href="#">Supplier Code of Conduct</a>	
GRI 308	308-1 New suppliers that were screened using environmental criteria	<a href="#">Working with Suppliers</a>	
GRI 308	308-2 Negative environmental impacts in the supply chain and actions taken	<a href="#">Working with Suppliers</a>	
<b>Employment</b>			
GRI 3	3-3 Management of material topics: Employment	<a href="#">Human Capital Management</a>	
GRI 401	401-1 New employee hires and employee turnover	<a href="#">PSEG 2022 10-K</a> , pg 9 <a href="#">2023 Proxy Statement</a> , pg 26-28	
GRI 401	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">2023 Proxy Statement</a> , pg 26-28	
GRI 401	401-3 Parental leave	<a href="#">2023 Proxy Statement</a> , pg 26-28	
<b>Labor/Management relations</b>			
GRI 3	3-3 Management of material topics: Employment	<a href="#">PSEG 2022 10-K</a> , pg 9-10 <a href="#">2023 Proxy Statement</a> , pg 26-29	
GRI 402	402-1 Minimum notice periods regarding operational changes	Notice periods vary by collective bargaining agreement. We comply with applicable laws, regulations and collective bargaining agreements.	



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
<b>Occupational health and safety</b>			
GRI 3	3-3 Management of material topics: Occupational Health and Safety	<a href="#">Health, Safety and Security</a> <a href="#">Our Commitment to Health &amp; Safety</a> <a href="#">PSEG Environment, Health and Safety Program Guide</a>	
GRI 403	403-1 Occupational health and safety management system	<a href="#">PSEG Environment, Health and Safety Program Guide</a> <a href="#">Health, Safety and Security</a>	
GRI 403	403-2 Hazard identification, risk assessment, and incident investigation	<a href="#">PSEG Environment, Health and Safety Program Guide</a>	
GRI 403	403-3 Occupational health services	<a href="#">PSEG Environment, Health and Safety Program Guide</a>	
GRI 403	403-4 Worker participation, consultation, and communication on occupational health and safety	<a href="#">PSEG Environment, Health and Safety Program Guide</a>	
GRI 403	403-5 Worker training on occupational health and safety	<a href="#">PSEG Environment, Health and Safety Program Guide</a> <a href="#">Health, Safety and Security</a>	
GRI 403	403-6 Promotion of worker health	<a href="#">PSEG Environment, Health and Safety Program Guide</a> <a href="#">Health, Safety and Security</a>	
GRI 403	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">PSEG Environment, Health and Safety Program Guide</a> <a href="#">Health, Safety and Security</a>	
GRI 403	403-8 Workers covered by an occupational health and safety management system	<a href="#">PSEG Environment, Health and Safety Program Guide</a> <a href="#">Health, Safety and Security</a>	
GRI 403	403-9 Work-related injuries	<a href="#">ESG Data Matrix</a> , Social worksheet	
GRI 403	403-10 Work-related ill health	<a href="#">ESG Data Matrix</a> , Social worksheet	
<b>Training and education</b>			
GRI 3	3-3 Management of material topics: Training and Education		
GRI 404	404-1 Average hours of training per year per employee	<a href="#">ESG Data Matrix</a> , Social worksheet	



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
GRI 404	404-2 Programs for upgrading employee skills and transition assistance programs	<a href="#">Human Capital Management</a>	
GRI 404	404-3 Percentage of employees receiving regular performance and career development reviews	PSEG’s expectations are that all eligible employees receive an evaluation of their skills and performance on an annual basis. We have formal performance appraisal processes that cover 100% of eligible active, full-time and part-time employees	
<b>Diversity and equal opportunity</b>			
GRI 3	3-3 Management of material topics: Diversity and Equal Opportunity	<a href="#">Diversity, Equity and Inclusion</a>	
GRI 405	405-1 Diversity of governance bodies and employees	<a href="#">2023 Proxy Statement</a> , pg 3, 26-28 <a href="#">PSEG 2022 10-K</a> , pg 9 <a href="#">Diversity, Equity and Inclusion</a>	
GRI 405	405-2 Ratio of basic salary and remuneration of women to men		
<b>Non-discrimination</b>			
GRI 3	3-3 Management of material topics: Non-Discrimination	<a href="#">Standards of Conduct</a> <a href="#">Diversity, Equity and Inclusion</a> <a href="#">Human Rights</a>	
GRI 406	406-1 Incidents of discrimination and corrective actions taken		
<b>Freedom of association and collective bargaining</b>			
GRI 3	3-3 Management of material topics: Freedom of Association and Collective Bargaining	<a href="#">Human Rights</a> <a href="#">Human Rights Practice</a>	
GRI 407	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">Standards of Conduct</a> <a href="#">Supplier Standards of Conduct</a>	



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
<b>Child labor</b>			
GRI 3	3-3 Management of material topics: Child Labor	<a href="#">Human Rights</a> <a href="#">Human Rights Practice</a>	
GRI 408	408-1 Operations and suppliers at significant risk for incidents of child labor	<a href="#">Standards of Conduct</a> <a href="#">Supplier Standards of Conduct</a>	
<b>Forced or compulsory labor</b>			
GRI 3	3-3 Management of material topics: Forced or Compulsory Labor	<a href="#">Human Rights</a> <a href="#">Human Rights Practice</a>	
GRI 409	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">Standards of Conduct</a> <a href="#">Supplier Standards of Conduct</a>	
<b>Security practices</b>			
GRI 3	3-3 Management of material topics: Security Practices	<a href="#">Health, Safety and Security</a>	
GRI 410	410-1 Security personnel trained in human rights policies or procedures		
<b>Rights of indigenous peoples</b>			
GRI 3	3-3 Management of material topics: Rights of Indigenous Peoples	<a href="#">Human Rights</a>	
GRI 411	411-1 Incidents of violations involving rights of indigenous peoples		
<b>Local communities</b>			
GRI 3	3-3 Management of material topics: Local Communities	<a href="#">Our Management Approach to Supporting our People and Communities</a> <a href="#">Engaging with Stakeholders</a>	
GRI 413	413-1 Operations with local community engagement, impact assessments, and development programs	<a href="#">Our Management Approach to Supporting our People and Communities</a> <a href="#">Engaging with Stakeholders</a>	
	413-2 Operations with significant actual and potential negative impacts on local communities		



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
<b>Supplier social assessment</b>			
GRI 3	3-3 Management of material topics: Supplier Social Assessment		
GRI 414	414-1 New suppliers that were screened using social criteria		
GRI 414	414-2 Negative social impacts in the supply chain and actions taken		
<b>Public policy</b>			
GRI 3	3-3 Management of material topics: Public Policy	<a href="#">Public Policy Engagement and Political Contributions</a>	
GRI 415	415-1 Political contributions	<a href="#">2022 Political Contributions Report for Public Service Enterprise Group and its Subsidiaries ("PSEG")</a>	
<b>Customer health and safety</b>			
GRI 3	3-3 Management of material topics: Customer Health and Safety	<a href="#">Putting Customers First, Reliability, Customer Service, and Affordability</a> <a href="#">Safety and Reliability</a> <a href="#">Safety and Preparedness</a> <a href="#">Emergency Preparedness</a>	
GRI 416	416-1 Assessment of the health and safety impacts of product and service categories		
GRI 416	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		
<b>Marketing and labeling</b>			
GRI 3	3-3 Management of material topics: Marketing and Labeling	<a href="#">Putting Customers First, Reliability, Customer Service, and Affordability</a> <a href="#">Safety and Reliability</a> <a href="#">Savings Overview</a> <a href="#">WorryFree Overview</a> <a href="#">Business and Contractor Services</a>	



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
GRI 417	417-1 Requirements for product and service information and labeling		
GRI 417	417-2 Incidents of non-compliance concerning product and service information and labeling		
GRI 417	417-3 Incidents of non-compliance concerning marketing communications		
<b>Customer privacy</b>			
GRI 3	3-3 Management of material topics: Customer Privacy	<a href="#">Putting Customers First, Reliability, Customer Service, and Affordability</a>	
GRI 418	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		
<b>Electric utility sector disclosures</b>			
GRI EU	EU1 - Installed capacity, broken down by primary energy source and by regulatory regime	<a href="#">PSEG 2022 10-K</a> , pg 31	
GRI EU	EU2 - Net energy output broken down by primary energy source and by regulatory regime	Nuclear: 31,264,000 MWhs Natural Gas: 2,119,000 MWhs Oil: 609,000 MWhs Solar: 182,000 MWhs	
GRI EU	EU3 - Number of residential, industrial, institutional and commercial Customer accounts	Residential: 2,019,210 (E), 1,728,739 (NG) Commercial & Industrial: 317,509 (E), 165,520 (NG) Street Lighting: 10,828 (E),16 (NG)	
GRI EU	EU4 - Length of above and underground transmission and distribution lines by regulatory regime	Electric Transmission: 2,157 network circuit miles Electric Distribution: 22,706 network miles Natural Gas Distribution: 18,179 network miles	
GRI EU	EU5 - Allocation of CO <sub>2</sub> e emissions allowances or equivalent, broken down by carbon trading framework	PSEG does not publicly disclose this information.	



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
GRI EU	EU10 - Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	<p>With the completion of the sale of the PSEG Fossil portfolio in February 2022, PSEG’s last remaining fossil generation plant was the Kalaeloa Partners, L.P. Cogeneration Facility in Hawaii. PSEG sold its interest in the Kalaeloa Cogeneration facility on July 31, 2023. The sale of the Kalaeloa cogeneration facility completes the divestiture of PSEG’s fossil generating fleet.</p> <p>As of December 31, 2022, PSEG Power’s 3,766 megawatt generating portfolio is comprised of five carbon-free, base load nuclear units: the 100% PSEG-owned Hope Creek station and the 57% PSEG-owned Salem units 1 and 2 located in New Jersey and operated by PSEG Nuclear as well as the 50% PSEG-owned Peach Bottom units 2 and 3 in Pennsylvania operated by Constellation Energy Generation, LLC. (<a href="#">PSEG 2022 10-K</a>, pg 31)</p> <p>As of December 31, 2022, PSE&amp;G owned 158 MW-dc of installed PV solar capacity throughout New Jersey. (<a href="#">PSEG 2022 10-K</a>, pg 31)</p>	
GRI EU	EU11 - Average Generation Efficiency of Thermal Plants by the Energy Source and by Regulatory Regime	With the completion of the sale of the PSEG Fossil portfolio in February 2022, PSEG’s last remaining fossil generation plant was the Kalaeloa Partners, L.P. Cogeneration Facility in Hawaii. PSEG sold its interest in the Kalaeloa Cogeneration facility on July 31, 2023. The sale of the Kalaeloa cogeneration facility completes the divestiture of PSEG’s fossil generating fleet.	
GRI EU	EU12 - Transmission and Distribution Losses as a percentage of total energy	5.665% (measured as system losses along the T&D network)	
GRI EU	EU13 - Biodiversity of offset habitats compared to the biodiversity of the affected areas	<a href="#">Biodiversity and Natural Resources</a>	
GRI EU	EU15 - Percentage of employees eligible to retire in the next 5 years and 10 years broken down by job category and by region		



## GRI disclosures (cont.)

GRI Standard	Disclosure	2022 Response	Omissions/Exceptions/Notes
GRI EU	EU17 - Days worked by contractor and subcontractor employees involved in construction, operation, and maintenance activities	PSEG does not disclose this information.	
GRI EU	EU18 - Percentage of contractor and subcontractor employees that have undergone relevant health and safety training		
GRI EU	EU22 - Number of people physically or economically displaced and compensation, broken down by type of project	PSEG does not disclose this information.	
GRI EU	EU25 - Number of injuries and fatalities to the public involving company assets, including legal judgment, settlements, and pending legal cases of diseases	PSEG does not disclose this information.	
GRI EU	EU26 - Percentage of population unserved in licensed distribution or service areas	PSEG does not disclose this information.	
GRI EU	EU27 - Number of residential disconnections for non-payment, broken down by duration of disconnection and by regulatory regime	PSEG does not disclose this information.	
GRI EU	EU28 - Power outage frequency	SAIFI: 0.53	
GRI EU	EU29 - Average power outage duration (mins)	SAIDI: 32.7	
GRI EU	EU30 - Average plant availability factor by energy source and by regulatory regime	<a href="#">PSEG 2022 10-K</a> , pg 31	



## PSEG – SASB chart


 SUSTAINABILITY DISCLOSURE

## Topics &amp; metrics: EU

Topic	Code	Metric	2022 Value
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	(1) Scope 1 GHG Emissions: 1,878,390 mt CO <sub>2</sub> e
Greenhouse Gas Emissions & Energy Resource Planning	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	<p>PSEG is a regulated electric and natural gas utility that provides supplier of last resort service in a competitive retail electricity environment. PSEG Power is an energy supply company which operates in a deregulated wholesale market.</p> <p>Direct GHG emissions from power generation: 1,275,825 mt CO<sub>2</sub>e            Indirect GHG emissions associated with default electricity service line losses: 569,125 mt CO<sub>2</sub>e            Upstream GHG emissions from default electricity service (BGS Supply): 10,913,910 mt CO<sub>2</sub>e</p>
Greenhouse Gas Emissions & Energy Resource Planning	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	<a href="#">Strategy and Climate Vision</a> <a href="#">Update to our Net-Zero Goal. Other metrics</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	(1) NO <sub>x</sub> : 1,271 mt (2) SO <sub>x</sub> : 1,280 mt (3) Particulate matter: 306 mt (5) Mercury: 0.004 mt
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	(1) 2.65 million m <sup>3</sup> (2) 2.5 million m <sup>3</sup>
Water Management	IF-EU-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	0
Water Management	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	<a href="#">Water Resources</a>



## PSEG – SASB chart (cont.)



Topic	Code	Metric	2022 Value
Coal Ash Management	IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	N/A - PSEG Power closed its last coal generation plant on May 31, 2021.
Coal Ash Management	IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	N/A - PSEG Power closed its last coal generation plant on May 31, 2021.
Energy Affordability	IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	
Energy Affordability	IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	
Energy Affordability	IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	PSEG does not disclose this information.
Energy Affordability	IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	<a href="#">Putting customers first, reliability, customer service, and affordability</a>
Workforce Health & Safety	IF-EU-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Employee Recordable Incident Rate: 0.61
End-Use Efficiency & Demand	IF-EU-420a.2	Percentage of electric load served by smart grid technology	PSEG does not disclose this information.
End-Use Efficiency & Demand	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	Total Annualized Incremental Electricity Energy Efficiency Savings: 866,925 MWhs
Nuclear Safety & Emergency Management	IF-EU-540a.1	Total number of nuclear power units, broken down by results of most recent independent safety review	Name: Ownership Share Hope Creek: 100% Salem 1 & 2: 57% Peach Bottom 2 & 3: 50%
Nuclear Safety & Emergency Management	IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	<a href="#">Nuclear Waste</a> <a href="#">Nuclear Biodiversity and Natural Resources</a> PSEG Nuclear LLC webpage ( <a href="https://corporate.pseg.com/aboutpseg/companyinformation/thepsegfamilyof-companies/psegnuclearllc">https://corporate.pseg.com/aboutpseg/companyinformation/thepsegfamilyof-companies/psegnuclearllc</a> )
Grid Resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical or cybersecurity standards or regulations	PSEG does not disclose this information



## PSEG – SASB chart (cont.)



Topic	Code	Metric	2022 Value
Grid Resiliency	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	(1) SAIDI: 32.7 mins (2) SAIFI: 0.53 (3) CAIDI: 62

## Activity metrics: EU

Metric	Code	2022 Value	Notes
Number of: (1) residential, (2) commercial, and (3) industrial customers served <sup>5</sup>	IF-EU-000.A	Average Annual Customers - (1) Residential: 2,019,210 (2) Commercial & Industrial: 317,509 (3) Street Lighting: 10,828	
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	IF-EU-000.B	Electric Sale - (1) Residential: 13,975,000 MWhs (2) Commercial & Industrial: 26,508,000 MWhs (3) Street Lighting: 333,000 MWhs	
Length of transmission and distribution lines	IF-EU-000.C	Transmission: 3,471 km Distribution: 36,542 km	
Total electricity generated, percentage by major energy source, percentage in regulated markets	IF-EU-000.D	Nuclear: 31,264,000 MWhs Natural Gas: 2,119,000 MWhs Oil: 609,000 MWhs Solar: 182,000 MWhs	
Total wholesale electricity purchased	IF-EU-000.E	BGS Supply: 24,331,303 MWhs	As reported in FERC Form 1

## Topics &amp; metrics: GU

Topic	Code	Metric	2022 Value
Energy Affordability	IF-GU-240a.1	Average retail gas rate for (1) residential, (2) commercial, (3) industrial customers, and (4) transportation services only	
Energy Affordability	IF-GU-240a.2	Typical monthly gas bill for residential customers for (1) 50 MMBtu and (2) 100 MMBtu of gas delivered per year	
Energy Affordability	IF-GU-240a.3	Number of residential customer gas disconnections for non-payment, percentage reconnected within 30 days	PSEG does not disclose this information.



## PSEG – SASB chart (cont.)



Topic	Code	Metric	2022 Value
Energy Affordability	IF-GU-240a.4	Discussion of impact of external factors on customer affordability of gas, including the economic conditions of the service territory	<a href="#">Electrification, Decarbonization and the Future of Natural Gas</a> <a href="#">Putting customers first, reliability, customer service, and affordability</a>
End-Use Efficiency	IF-GU-420a.2	Customer gas savings from efficiency measures, by market	Total Annualized Incremental Gas Energy Efficiency Savings: 1,832,799 MMBtu
Integrity of Gas Delivery Infrastructure	IF-GU-540a.1	Number of (1) reportable pipeline incidents, (2) corrective actions received and (3) violations of pipeline safety statutes	PSEG does not disclose this information.
Integrity of Gas Delivery Infrastructure	IF-GU-540a.2	Percentage of distribution pipeline that is (1) cast or wrought iron and (2) unprotected steel	Cast or Wrought Iron: 4,386 km (includes cast, wrought, and reconditioned cast iron) Unprotected Steel: 1,312 km (includes bare and coated unprotected steel)
Integrity of Gas Delivery Infrastructure	IF-GU-540a.3	Percentage of gas (1) transmission and (2) distribution pipelines inspected	PSEG does not disclose this information.
Integrity of Gas Delivery Infrastructure	IF-GU-540a.4	Description of efforts to manage the integrity of gas delivery infrastructure, including risks related to safety and emissions	<a href="#">Electrification, Decarbonization and the Future of Natural Gas</a>

### Activity metrics: GU

Metric	Code	2022 Value
Number of: (1) residential, (2) commercial, and (3) industrial customers serve	IF-GU-000.A	(1) Residential: 1,728,739 (2) Commercial: 159,380 (3) Industrial: 6,140 (4) Street Lighting: 16
Amount of natural gas delivered to: (1) residential customers, (2) commercial customers, (3) industrial customers, and (4) transferred to a third party	IF-GU-000.B	Residential: 149,700,000 MMBtu Commercial & Industrial – Firm: 107,000,000 MMBtu Commercial & Industrial – Non-Firm: 256,700,000 MMBtu
Length of gas (1) transmission and (2) distribution pipelines	F-GU-000.C	Gas Distribution Network: 29,256 km



# Task Force on Climate-related Financial Disclosures (TCFD)



## Governance

Overview	Recommended Disclosures	Response
Disclose the organization’s governance around climate-related risks and opportunities	a) Describe the board’s oversight of climate-related risks and opportunities.	<a href="#">How We Manage Sustainability and Governance</a> <a href="#">Climate Governance</a> <a href="#">Board of Directors</a>
	b) Describe management’s role in assessing and managing climate-related risks and opportunities.	<a href="#">How We Manage Sustainability and Governance</a> <a href="#">Climate Governance</a> <a href="#">Climate-Related Risks</a> <a href="#">Climate Advocacy</a>

## Strategy

Overview	Recommended Disclosures	Response
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<a href="#">Strategy and Climate Vision</a>
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	<a href="#">Strategy and Climate Vision</a> <a href="#">Electrification, Decarbonization and the Future of Natural Gas</a> <a href="#">Just Transition and Environmental Justice (EJ)</a>
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<a href="#">Strategy and Climate Vision</a> <a href="#">2020 Climate Report</a>

## Strategy

Overview	Recommended Disclosures	Response
Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization’s processes for identifying and assessing climate-related risks.	<a href="#">How We Manage Sustainability and Governance</a> <a href="#">Sustainability and PSEG’s business priorities</a> <a href="#">Climate Governance</a> <a href="#">Climate-Related Risks</a> <a href="#">Enterprise Risk Management</a>
	b) Describe the organization’s processes for managing climate-related risks.	<a href="#">How We Manage Sustainability and Governance</a> <a href="#">Climate Governance</a> <a href="#">Climate-Related Risks</a> <a href="#">Enterprise Risk Management</a>
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	<a href="#">Sustainability and PSEG’s business priorities</a> <a href="#">Climate Governance</a> <a href="#">Climate-Related Risks</a> <a href="#">Enterprise Risk Management</a>



## Task Force on Climate-related Financial Disclosures (TCFD) (cont.)



### Strategy

Overview	Recommended Disclosures	Response
<p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<p>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p><a href="#">Updates and Our Year in Review</a> <a href="#">Strategy and Climate Vision</a> <a href="#">Update to our Net-Zero Goal. Other metrics</a></p> <p><a href="#">ESG Data Matrix</a> <a href="#">Strategy and Climate Vision</a></p> <p><a href="#">Strategy and Climate Vision</a> <a href="#">Update to our Net-Zero Goal. Other metrics</a></p>



# Climate Advocacy

## Climate-related associations and alignment

Pursuant to our 2022 Political Contributions Report, the following are trade associations to which PSEG paid \$50,000 or more in 2022

Trade Associations	PSEG Involvement	Climate Change Position	Paris Agreement Position	Net-Zero Position	Alignment with Organization
Nuclear Energy Institute (NEI)	In 2022, PSEG was a member of NEI and Ralph Izzo served as Chairman of the NEI Board of Directors. In addition, subject matter experts from the company actively participated in various committees.	“We need deep decarbonization to hit our climate goals. Nuclear power can get us there. As our largest source of carbon-free energy, nuclear power is critical to reducing greenhouse gas emissions. Wind, solar and geothermal are on the rise, but the smartest policies will ensure these technologies complement, not replace, nuclear’s clean energy production. Protecting and growing our use of nuclear technologies are important ways to dramatically reduce greenhouse gases and help us make meaningful progress to address climate change.”[1] NEI was a leading advocate for the production tax credit for existing nuclear plants and the technology neutral carbon-free tax credit.	The U.S. has taken the important step to rejoin the Paris Agreement. NEI looks forward to working with the Biden administration and Congress on the development and implementation of federal policies and legislative proposals needed to meet our national commitments as defined by the agreement. The climate crisis is a global problem and requires a global solution. We are proud to be part of that solution.[2]	“Nuclear energy is critical to the decarbonization equation because it is carbon-free and the key component that makes net zero affordable. Study after study has confirmed nuclear’s potential to lower system costs, which, ultimately lowers energy costs for ratepayers.”[3]	Partial Alignment: NEI champions the role of nuclear and policies that support existing nuclear such as the production tax credit, as well as policies to develop advanced nuclear reactors. The trade association has not endorsed an economy-wide price on carbon which has been a key position for PSEG for many years.
American Gas Association (AGA)	In 2022 PSEG was a Board member of AGA and the President of PSE&G serves on the AGA executive committee and board of directors. In addition, subject matter experts from the company actively participate in various operational, regulatory, and legislative committees.	“The American Gas Association is committed to reducing greenhouse gas emissions through smart innovation, new and modernized infrastructure, and advanced technologies that maintain reliable, resilient, and affordable energy service choices for consumers.”[4]	No specific statement issued.	In support of emissions reductions, the AGA has published “Net-Zero Emissions Opportunities for Gas Utilities,” a study which “provides a comprehensive and rigorous analysis demonstrating the multiple pathways that exist to reach a net-zero future, and the role natural gas, gas utilities and delivery infrastructure will play in advancing decarbonization solutions.”[5] These pathways include modernizing natural gas pipelines and the inclusion of renewable natural gas (RNG) and hydrogen as part of an emissions reduction and decarbonization strategies.	Partial Alignment: PSEG has supported a national price on carbon not supported by AGA, and we submitted for validation science based targets across all three emission scopes, which will include advocacy for policies that encourage reductions in customer use of natural gas, which is not supported by AGA. Partnering with EEI, AGA has introduced the “Natural Gas Sustainability Initiative protocol details a methodology for companies to consistently calculate and report methane emissions intensity. The protocol is intended to support voluntary reporting by companies operating within the natural gas supply chain in the United States from onshore production through distribution.”[6]



# Climate Advocacy (cont.)

Trade Associations	PSEG Involvement	Climate Change Position	Paris Agreement Position	Net-Zero Position	Alignment with Organization
Edison Electric Institute (EEI)	In 2022 PSEG was a member of EEI and the CEO of PSEG served on the executive committee and on the board of directors. In addition, subject matter experts from the company actively participate in various committees.	“Climate change presents one of the greatest energy and environmental policy challenges this country – and the world – has ever faced. EEI member companies are committed to being part of the solution to climate change and have undertaken many initiatives over the last 30 years to reduce, avoid, or sequester greenhouse gas emissions.”[7]	“EEI and our member companies—America’s investor-owned electric companies—welcome the Biden administration’s initial actions on climate change, including rejoining the Paris Agreement. Across our nation, EEI’s member companies are leading the clean energy transformation and are committed to getting the energy they provide as clean as they can as fast as they can, without compromising the reliability and affordability that our customers and communities value.”[8]	“Dozens of EEI’s member companies have announced ambitious long-term carbon-reduction targets, including net-zero targets, showing the path forward.”[9]  “In addition, EEI is a partner in the Carbon-Free Technology Initiative which “aims to achieve net-zero emissions in the U.S. electricity sector by promoting policies to ensure the commercial availability of affordable, carbon-free, 24/7 power technologies by the early 2030s.”[10]	Partial Alignment: PSEG differs from EEI in that we have argued for more aggressive regulation of power plant emissions by the Environmental Protection Agency, and we have supported a national Clean Energy Standard and federal legislation imposing a price on carbon, which the trade association does not support.
American Clean Power Association (ACP)	In 2022 PSEG was a member of the ACP Offshore Wind Council.	“The extreme weather events we are witnessing around the globe show that climate change is well underway and accelerating. Climate change is a global threat that requires international collaboration and the findings released today by the IPCC note there are policies and government action that can be enacted to drastically reduce carbon emissions...Sensible policies such as clean energy standards and federal incentives to continue the rapid deployment of renewable energy projects and infrastructure are essential to meeting the goals of the Paris Agreement... The American Clean Power Association and our member companies are ready to address these challenges today and are determined to achieve these important goals.”[11]	“Economic recovery and combating climate change go hand in hand, and President Biden has made these critical issues some of his top priorities upon taking office. Climate change is a global threat that requires international collaboration to address, and American Clean Power applauds the Biden-Harris Administration for re-asserting America’s place in the Paris Agreement. For the world to overcome this challenge, our country must do more than simply play a part; we must lead. America’s clean energy industries stand ready to invest in U.S. communities and the U.S. workforce as we work together to achieve a more prosperous and lower-carbon future.”[12]	“The Biden administration has set a goal of achieving 100% clean electricity for the power sector by 2035 and net-zero carbon emissions economy-wide by 2050. Rapidly scaling up American clean energy is a cornerstone of meeting these targets.”[13]	Partial Alignment: PSEG supports an electricity grid grounded on carbon-free energy. We also advocate for the infrastructure investments needed to upgrade and modernize the transmission system to accommodate the clean energy grid of the future.  However, we also believe that along with solar, wind, storage, and transmission, nuclear energy plays an essential role in the transition to a decarbonized future by providing clean, reliable, safe, and affordable energy.



## Climate Advocacy (cont.)

Trade Associations	PSEG Involvement	Climate Change Position	Paris Agreement Position	Net-Zero Position	Alignment with Organization
Alliance for Action	PSEG is a contributor to the organization whose missions is to “improve New Jersey’s economy through the promotion of environmentally friendly capital construction and infrastructure investment.”[14]	No specific position statement on climate change.	No specific position statement on the Paris Agreement.	No specific statement on Net-Zero. However, the Alliance for Action is a strong proponent for wind power, including the creation of the New Jersey Wind Port, the nation’s first purpose-built offshore wind marshaling port, promising to position New Jersey as a hub for the U.S. offshore wind industry. The Alliance for Action is also supported of electric vehicles: “We are excited to bring together some of the most influential and knowledgeable speakers on EVs for this inaugural event,” NJ Alliance for Action President Jerry Keenan said. “We believe EVs are not only good for the environment but also good for our state’s economy and workforce. We want to showcase the potential of EVs to create jobs, spur innovation, and improve mobility for all New Jerseyans.”[15]	Partial Alignment: PSEG supports infrastructure investments that support the economy and creates jobs for the people of New Jersey. The organization, however, is not specifically oriented to clean energy, net-zero or climate change and has not made taken specific positions regarding climate change.
New Jersey Chamber of Commerce	PSEG is a member of the association.	No specific position statement on climate change.	No specific position statement on the Paris Agreement.	No specific position statement on the Paris Agreement.	Partial Alignment: PSEG supports infrastructure investments that support regional economic development in New Jersey. Many of these investments will also support the state’s clean energy transition and climate goals. The organization has taken a cautious position about a NJ executive order that requires certain physical risks associated with climate change to be considered during the permitting process for buildings and infrastructure: “Michael Egenton, the New Jersey Chamber of Commerce’s executive vice president for government relations, said his organization planned to be involved in the process as a stakeholder. ‘After Superstorm Sandy, we have to think smarter and more strategically about where we’re going to build,’ Egenton told CNN. ‘The devil’s in the details – we’re open to the process.’”[16]



## Climate Advocacy (cont.)

Trade Associations	PSEG Involvement	Climate Change Position	Paris Agreement Position	Net-Zero Position	Alignment with Organization
WIRES	PSEG is a member of the non-profit trade association whose mission is to promote “investment in the North American electric transmission system, robust and effective transmission solutions to economic, environmental, and reliability challenges, and the reduction or elimination of uneconomic barriers to transmission development.” A PSEG deputy general counsel serves as a vice-president of the organization.	The organization has been vocal on the need for infrastructure investments in transmission if the U.S. is to meet its goals for decarbonizing the power grid.[17] In addition, the organization sponsored a study advocating transmission investment as a means of promoting economic stimulus and supporting decarbonization.[18]	No specific statement on the Paris Agreement.	No specific statement on their Net-Zero Position. However, the organization emphasizes that further transmission investments are needed to facilitate the continued integration of renewable resources into the power grid and to support an increasingly electrified economy: “President Biden and his policy team acknowledge that transmission investment is an integral part of the commitment to rebuild America’s infrastructure, while getting to a net-zero carbon economy by 2035. Transforming the grid to utilize zero carbon natural resources effectively is already a cornerstone of many utility and ISO/RTO transmission plans. For example, over \$1.2 billion of planned transmission investments in NYISO in the next few years is related to the integration of renewable sources to achieve the state’s energy goals. Without the necessary transmission infrastructure, some renewable and clean energy generation investment will simply not happen. As such, transmission investment also serves as a catalyst for additional generation investment by the private sector, which creates its own set of direct, indirect, and induced benefits.”[19]	Aligned: PSEG supports transmission investments that promote reliability, resiliency, and decarbonization.
New Jersey Utility Shareholders	PSEG is a contributor to the organization.	While the organization does not have a specific position statement regarding climate change, the organization has noted the following in comments filed with the NJ Board of Public Utilities: “... NJUSA members pay attention to the signals Wall Street sends and receives as to which companies are making prudent investments in the face of ever-clearer evidence of climate change nationwide. When state regulators reward utilities for working as partners to mitigate climate change, investors benefit, and in turn, rate-payers benefit through the financial strength of the electric utilities.”[20]	No specific position statement on the Paris Agreement.	While the organization does not have a specific position statement on net-zero, the organizations advocates for policies and programs that generally support decarbonization, including energy efficiency and renewable energy.	Aligned : The organization has been supportive of several PSEG programs, including the ZEC program and various Clean Energy Future programs.



## Climate Advocacy (cont.)

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