

ESG PERFORMANCE REPORT



PSEG

December 2020



CONTENTS



OUR MANAGEMENT APPROACH



OUR DATA HIGHLIGHTS



OUR GOALS AND TARGETS

This ESG report should be used in conjunction with our existing Environmental, Social and Governance (ESG) disclosure and provides a data-driven summary of our sustainability performance

TO OUR ESG STAKEHOLDERS

We are pleased to introduce PSEG's Performance Report outlining our management approach to sustainability and Environmental, Social and Governance (ESG) matters. PSEG has long recognized the importance of sustainability and ESG factors by integrating these considerations into our strategic decision-making, allocation of capital and risk management.

This compilation of selected ESG metrics and goals is intended to assist the investment community and other key stakeholders in an assessment of PSEG's ESG performance over the past year and in the future. Consistent with our commitment to providing meaningful and accurate sustainability and ESG disclosure, we have included an updated Materiality Assessment and new diversity data within this report.

The year 2020 represented a continuation of our considerable progress at PSEG on the sustainability/ESG front. Highlights include:

- Essential Energy and Utility Services provided by approximately 13,000 dedicated PSEG employees to customers who rely on us to power their lives and livelihoods with safe, reliable utility service and maintain our critical energy infrastructure
- In 2020, since the start of the COVID-19 pandemic, PSEG Foundation and corporate giving initiatives and commitments totaling \$5 million were directed to

nonprofits and community organizations providing support for food security, pandemic response and relief efforts, and organizations working to confront and address systemic racism and advance social and economic equity for communities of color throughout our New Jersey and Long Island service areas; PSEG also donated tens of thousands of face masks and gloves to medical providers in the most challenging early days of the pandemic

- A \$1 billion expansion of PSE&G's energy efficiency programs to help customers save energy and save money, that is also designed to help improve air quality and public health by reducing New Jersey's carbon footprint, while creating more than 4,000 direct and indirect clean energy jobs
- Advancement of our Diversity, Equity and Inclusion efforts through new and ongoing initiatives to ensure all employees have access to the benefits and opportunities the company offers, and promoting equity in lower-income communities
- Reduction of methane emissions through PSE&G's Gas System Modernization Program, which is expected to modernize more than 875 miles of cast-iron and bare steel main and reduce emissions by up to 40,000 metric tons per year
- Elimination of coal from our fuel mix with the retirement of Bridgeport Harbor Unit 3 in June 2021



- Furthering our transformation into a primarily regulated and contracted company through the exploration of strategic alternatives for our non-nuclear fleet, PSEG is enhancing an already-compelling ESG profile. Through this evolution, we will uphold the principles of a Just Transition, and are committed to a fair, equitable and transparent approach to human capital management grounded in treating people with dignity and respect
- Preservation of New Jersey’s nuclear resource through an application for continued Zero Emission Certificates to secure the economic viability of our New Jersey nuclear generating units through May 2025
- Agreement to invest in offshore wind through the Ocean Wind project off the coast of New Jersey
- Production of our 2020 Climate Report consistent with the Task Force on Climate-Related Financial Disclosures (TCFD) framework and continued issuance of our Sustainability Report (to be combined in 2021)
- For the 13th consecutive year, PSEG was named to the Dow Jones Sustainability Index for North America

Each of these highlights is aligned with PSEG’s Powering Progress vision for a future in which we help all customers use less energy, ensure the energy they use is cleaner, and deliver that energy more reliably than ever before.

As New Jersey’s largest energy utility, our organization is committed to playing an important part in mitigating the potential impacts of climate change and to continuing our leadership role in transitioning toward a cleaner, more resilient energy future.

The following pages highlight many important initiatives that defined a tumultuous year -- one that prompted PSEG to take proactive steps to cushion the impact of a pandemic-hampered economy on our customers by imposing a residential shutoff moratorium, funding innovative policing studies in response to the social unrest following the death of George Floyd, doubling our donations to food resources to confront the significant rise in food insecurity across New Jersey and Long Island; and expanding paid leave time benefits for our employees impacted by or taking care of a loved one affected by COVID-19, or to care for a child.

PSEG values the input of our broad stakeholder community. Our responsibility extends to all our stakeholders – as an essential service provider, employer, taxpayer, community partner, philanthropic supporter, 113-year dividend payer, pension payer and more – we recognize that Public Service is more than just our name.



Ralph Izzo
Chairman, President
and Chief Executive Officer



Richard T. Thigpen
Senior Vice President
Corporate Citizenship



2020 ESG MATERIALITY ASSESSMENT

Our approach to Sustainability is framed around our material issues, where we have the greatest impact

A materiality assessment is an evidence-based approach to identifying the topics (or ‘material issues’) that are most important to PSEG’s business and our stakeholders.

In order to identify material and emerging issues to be addressed by our company, we performed a data-driven materiality analysis using **Datamaran** and its patented technology that offers real-time analytics on strategic, regulatory and reputational risks and opportunities. This process has strengthened our understanding of ESG, geopolitical, technology and emerging issues, and enhances our in-house capabilities to monitor their evolution, while ensuring alignment with both internal and external stakeholder expectations.



MATERIALITY MATRIX

The topics with the highest priority for stakeholders and the biggest estimated impact on our business appear in the matrix below



In 2020 we saw a significant increase in the amount of external interest and attention paid to Human Capital Management. This subject includes: conditions of employment, employee benefits Incentives, equal opportunities, labor rights, D&I, parental support etc.





OUR ENVIRONMENTAL PRIORITIES

PSEG's **Powering Progress** vision is a future in which we help all customers use less energy, ensure the energy they use is cleaner, and deliver that energy more reliably than ever before.

- January 2021, the New Jersey Board of Public Utilities (BPU) approved PSE&G's **smart meter program**, part of the Energy Cloud – a system that will help transform PSE&G into a smart energy services company and change the way we serve our customers
- December 2020, PSEG entered into an agreement to acquire a 25% ownership interest in the 1,100-megawatt **Ocean Wind project**, New Jersey's first offshore wind farm
- September 2020, NJ BPU approved a \$1 billion investment in **Energy Efficiency** (EE), the centerpiece of PSE&G's Clean Energy Future (CEF) proposal. This is the largest commitment to energy efficiency ever in New Jersey; through year-end 2020, PSE&G has invested more than \$500 million in Energy Efficiency Programs
- July 2020, PSEG announced plans to explore strategic alternatives for PSEG Power's non-nuclear fleet



OUR

ENVIRONMENTAL PRIORITIES

continued

- July 2019, PSEG set a goal of cutting PSEG Power fleet's carbon emissions by 80%, from 2005 levels, by 2046 and announced it is aiming for **net-zero emissions by 2050**, assuming advances in technology and public policy, as well as changes in customer behavior
- **Gas System Modernization Program (GSMP)** focuses on modernizing and replacing cast iron and unprotected steel main, resulting in a reduction in methane leaks, safety enhancements and supports customer usage of high efficiency appliances
- PSE&G is NJ's largest investor in solar energy (Solar Loan, Solar 4 All®)
- Increasing system resiliency against severe weather events (Energy Strong)
- PSE&G is awaiting approval in pending Clean Energy Future programs, including Electric Vehicles and Energy Storage

More information:

[2020 Climate Report](#) • [2019 Sustainability Report](#) • [PSEG's Net Zero Commitment](#) • [EEL-AGA Template](#) • [PSEG's commitment to Health and Safety](#) • [EH&S Policy](#) • [Environmental Management System](#) • [PSEG's Powering Progress](#) • [Ocean Wind Project](#) • [Estuary Enhancement Program](#)

An aerial photograph of a rowing team in a scull boat on a dark body of water. The rowers are seen from above, each in their own seat, holding oars and working in unison. The boat is white with blue accents, and the water is dark blue/black.

OUR SOCIAL PRIORITIES

PSEG's central purpose is Public Service. Since 1903, we have been entrusted to deliver shared wins that benefit our shareholders, our communities, our customers and our employees for a sustainable future. Our focus on citizenship is grounded in the belief that we can do well as a company by doing good for the diverse people and communities we serve.

- **PSEG's Human Rights policy** is in effect and applicable to all employees, vendors and suppliers, signifying company's fundamental commitment to human rights and the highest standards of respectful and ethical conduct
- **New Jersey CEO Council**, a coalition of CEOs (including PSEG's CEO) selected from some of the state's largest companies, has pledged to hire or train more than 30,000 residents by 2030 and spend an additional \$250 million on procurement with state-based, diverse companies by 2025. Both efforts focus on underrepresented communities of color and other underserved communities
- **PSEG Foundation** provides approximately \$8 million in annual philanthropic grants and a robust matching gift program to help maximize support to nonprofit partners and our communities
- **PSEG Employee Crisis Fund** provides grants of up to \$5,000 per employee or eligible dependents for short-term, emergency support for catastrophic life events – including those related to the pandemic
- The PSEG Foundation has a strategic pillar dedicated to increase community investment in environment stewardship. The Foundation aims to increase support to 20% of annual giving by 2023

An aerial photograph of a rowing team on a dark blue water surface. The rowers are in a long, narrow boat, viewed from above. They are wearing dark athletic gear and are captured in the middle of a stroke, with their oars dipping into the water. The boat's structure is white and blue, and the oars have pink and blue accents. The background is a dark, calm body of water.

OUR SOCIAL PRIORITIES continued

- **Employee volunteerism** is supported with paid time off and grants to nonprofits for employee volunteerism
- PSEG is developing New Jersey's clean energy workforce through innovative training and pipeline development programs, emphasizing low- to moderate-income and underserved communities. PSE&G's \$1 billion energy efficiency program will create more than 4,000 direct and indirect clean energy jobs
- In 2020, PSEG was named to Forbes list of America's Best Employers for Diversity for the third consecutive year, as well as Forbes inaugural list of America's Best Employers for Veterans
- PSEG has maintained an unwavering focus on attracting, developing and retaining a robust talent pipeline for the future, from our frontline through our leadership ranks
 - Leadership development programs for new hires, new managers, and diverse leadership talent and digital, on-demand learning for all employees
 - Competitive total rewards offerings to employees
- As we transform our business through our strategic alternatives process, PSEG is committed to a fair, equitable and transparent approach to human capital management, one that is grounded in treating people with dignity and respect

More information:

[Corporate Citizenship](#) • [2019 Sustainability Report](#) • [PSEG Foundation](#) • [Careers at PSEG](#) • [Diversity and Inclusion](#) • [Human Rights Policy](#) • [Supplier Diversity](#) • [Employee Business Resource Group](#) • [Standards of Conduct](#)

An aerial photograph of a rowing team on a blue boat. The rowers are seen from above, each in their own station, holding oars and working in unison. The boat is on dark water, and the rowers are wearing various athletic gear. The image is positioned on the left side of the slide, partially overlapping the main text area.

OUR SOCIAL PRIORITIES

DIVERSITY, EQUITY & INCLUSION

- PSEG CEO is signatory to CEO Action for Racial Equity, the largest CEO-driven business commitment to advance diversity and inclusion and, as part of this commitment, has dedicated an employee to serve as a Fellow for one year working on a social justice project related to education. PSEG CEO also is signatory to The Valuable 500, a global movement that places disability on the business leadership agenda
- PSEG and the PSEG Foundation launched the Powering Equity and Social Justice Initiative with a \$1 million commitment to fight racial injustice and inequity
- PSEG committed to supplier diversity with a goal of achieving 30% of applicable supplier spend allocated to diverse suppliers by 2023
- PSEG added “equity” to our Diversity, Equity and Inclusion program across the company and developed and implemented a new DEI initiative: Inclusion for All – based on direct employee feedback, driving culture change at the local business level, and a focused effort on developing our managers to lead inclusively
- PSEG committed to and undertook a comprehensive equity review of employee policies, resulting in updates of programs supporting gender equity, including expanding PSEG’s paid parental leave policy

An aerial photograph of a rowing team in a blue boat on dark water. The rowers are wearing various colored shirts and are captured in the middle of a stroke, pulling their oars. The boat is white with blue accents.

OUR SOCIAL PRIORITIES continued

DIVERSITY, EQUITY & INCLUSION

- Immerse top 200 leaders in CEO-led, year-long inclusive leadership development program
- Pioneered a new, first-of-its-kind development program for Black professionals in the leadership pipeline designed to increase exposure opportunities and representation in executive leadership ranks
- Doubled the participation in women's leadership development program through virtual platform offerings in 2020
- Launched a reverse mentorship program to foster inclusive culture at PSEG
- Held an Action Summit designed to equip, empower, and engage Diversity Champions with tools required to foster a more inclusive workplace culture resulting in the creation of Local Inclusion Teams
- Launched Disability Inclusion Campaign in August 2020 resulting in a significant increase in the number of employees who have self-identified as disabled
- Implemented Relevant Conversation and Employee Spotlight series – two forums for employee discussion focusing on DEI topics
- Recognized Juneteenth holiday for the first time with a half-day off for employees
- Developed new partnerships and programs to increase the pool of diverse job applicants, including initiatives for women in skilled trades, historically black colleges and universities, and a work experience program with our community partners to give individuals practical, resumé building experience



OUR GOVERNANCE PRIORITIES

How we conduct our business is integral to the results and progress we achieve. We are guided by a code of conduct and integrity that emphasizes high ethical standards, accountability and transparency. Our board of directors provides effective oversight, and we focus on board diversity and refreshment. Governance, including a focus on enterprise risk management, cybersecurity, political contributions and executive compensation is a top priority.

Our board exercises oversight, supported by each committee, as reflected in their charters:

- Corporate Governance Committee - holds the primary responsibility of overseeing matters related to sustainability and our ESG practices (including climate change) and enterprise risk management
- Audit Committee - ethics and compliance (Standards of Conduct), financial reporting, internal controls and associated risks
- Industrial Operations Committee (IOC) - cybersecurity and safety
- Finance - finance and investment risks, commodity/credit/liquidity, tax and pension risks
- Organization and Compensation Committee - human capital management
- Board diversity: 50% of the board is gender and/or ethnically diverse; PSEG's Lead Director is an ethnically diverse woman. Four board committees are chaired by a women (Audit, IOC) or an ethnically diverse director (Governance, Finance)
- Board refreshment: Seven new directors in last ten years (including four new directors since 2018), four of the seven directors are women or ethnically diverse



OUR

GOVERNANCE PRIORITIES continued

- Continued enhancement of cybersecurity governance including elevating the CISO position to a direct report of the COO and establishing the Cybersecurity Excellence Oversight Board consisting of outside experts
- Robust political contributions disclosure and process controls. Ranked first tier in the 2020 CPA-Zicklin index
- Achievement of our ESG goals is a component of annual compensation for senior executives and employees throughout the organization. The Organization and Compensation Committee provides oversight on the alignment of sustainability goals with compensation metrics
- Extensive program for continuing Board education, including “lunch and learns” and topical information sessions with management, deep-dives, outside speakers and external courses

More information:

[Leadership and Governance](#) • [Corporate Governance Principles](#) • [Political Contributions Practice](#) • [Political Contributions Report 2019](#) • [2019 Annual Report](#) • [2019 Form 10-K](#) • [2020 Proxy Statement](#) • [Our Board of Directors](#) • [Standards of Conduct](#)



OUR COMMITMENT TO TRANSPARENCY & DISCLOSURE

Current Standings and Recognition*	
MSCI	AA
Bloomberg Disclosure	57
Institutional Shareholder Services (ISS)	3E 2S 3G
Sustainalytics	71

*Scores as of 12/31/20

Frameworks and Guidance



PSEG ESG DATA HIGHLIGHTS

Performance with a
continuous improvement mindset



Metric/Indicator

PSEG's Performance and Progress

Alignment with the [Global Reporting Initiative \(GRI\)](#)

Definition and distinctions to the specific datapoint



Metric	SDG Goal(s)	2016	2017	2018	2019	GRI Standard	Definition/Comments
Gross Direct (Scope 1) GHG Emissions (Metric tons CO₂ equivalent)	3.9, 13.2, 15.2	13,090,960	12,052,151	13,623,965	13,378,214	305-1	PSEG's Scope 1/Direct Greenhouse Gas (GHG) Emissions. Scope 1 emissions are those emitted from sources owned or controlled by the company. PSEG divested its ~23% ownership stake in Keystone & Conemaugh generating stations; emissions for these units are included through September 2019
Gross Indirect (Scope 2) GHG Emissions (Metric tons CO₂ equivalent)	3.9, 13.2, 15.2	1,013,141	971,109	965,720	865,741	305-2	PSEG's Scope2/Indirect Greenhouse Gas (GHG) Emissions. Scope 2 emissions are those emitted as a consequence of the activities of the company including line losses, purchased facility electricity and natural gas use (for electric and gas consumption of PSE&G only)
Scope 1 + Scope 2 Emissions (Metric tons CO₂ equivalent)	3.9, 13.2	14,104,101	13,023,260	14,589,685	14,243,955	305	PSEG's total CO ₂ emissions

Specific [SDG](#)

PSEG is contributing to per category

[Link to a SDG Global Indicator](#) as a subset of its respective goal

HOW TO READ THESE CHARTS



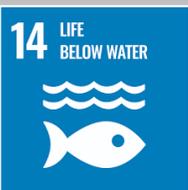
PSEG proudly contributes to 11 of the 17 UN Sustainable Development Goals (SDGs) through its initiatives and operations.



Metric	SDG Goal(s)	2016	2017	2018	2019	GRI Standard	Definition/Comments
Gross Direct (Scope 1) GHG Emissions (Metric tons CO₂ equivalent)	3.9, 13.2, 15.2	13,090,960	12,052,151	13,623,965	13,378,214	305-1	PSEG's Scope 1/ Direct Greenhouse Gas (GHG) Emissions. Scope 1 emissions are those emitted from sources owned or controlled by the company. PSEG divested its ~23% ownership stake in Keystone & Conemaugh generating stations; emissions for these units are included through September 2019
Gross Indirect (Scope 2) GHG Emissions (Metric tons CO₂ equivalent)	3.9, 13.2, 15.2	1,013,141	971,109	965,720	865,741	305-2	PSEG's Scope2/Indirect Greenhouse Gas (GHG) Emissions. Scope 2 emissions are those emitted as a consequence of the activities of the company including line losses, purchased facility electricity and natural gas use (for electric and gas consumption of PSE&G only)
Scope 1 + Scope 2 Emissions (Metric tons CO₂ equivalent)	3.9, 13.2	14,104,101	13,023,260	14,589,685	14,243,955	305	PSEG's total CO ₂ emissions
Methane Emissions (CH₄) (Metric tons CO₂ equivalent)	3.9	835,111	757,829	666,655	625,833	305-1	PSEG's direct methane (CH ₄) emissions; Includes PSE&G natural gas system and PSEG Power coal pile methane
SF₆ Emissions (Metric tons CO₂ equivalent)	9.4, 13.2	62,135	33,568	24,150	18,882	305-1	PSE&G's direct sulfur hexafluoride (SF ₆) emissions; Includes emissions from substations and circuit breakers
Carbon Intensity (lbs. /MWh)	9.4, 15.2	508	469	494	479	305-5	PSEG's carbon dioxide emitted per unit of production

ON THE PATH TO NET-ZERO

Reducing Greenhouse Gas (GHG) Emissions

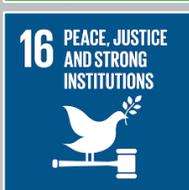


Metric	SDG Goal(s)	2016	2017	2018	2019	GRI Standard	Definition/Comments
Total Waste Generated (Metric tons)	3.9, 12.2, 13	1,389,978	1,221,820	851,973	593,582	306-2	Total amount of waste PSEG discards, both hazardous and non-hazardous. Includes data from all Business Units (PSE&G, PSEG Power and Nuclear)
Recycled Material (Metric tons)	3.9, 12.2	1,325,957	1,197,653	818,065	571,915	306-2	Total amount of waste that PSEG recycles. Includes data from all business units (PSE&G, PSEG Power and Nuclear)
Total Hazardous Waste Generated (Metric tons)	3.9	8,178	8,344	8,298	6,695	306-2	Amount of hazardous waste PSEG discards. Includes data from all business units (PSE&G, PSEG Power and Nuclear)
NOx Emissions (Metric tons)	3.9, 14.3, 15.2	7,341	4,535	4,718	4,366	305-7	Total amount of nitrogen oxide (NOx) emitted by PSEG Power. PSEG divested its ~23% ownership stake in Keystone & Conemaugh generating stations; emissions for these units are included through September 2019
SO₂ Emissions (Metric tons)	3.9, 14.3	7,009	7,319	7,550	5,187	305-7	Total amount of sulfur dioxide (SO ₂) emitted by PSEG Power in thousands of metric tons. PSEG divested its ~23% ownership stake in Keystone & Conemaugh generating stations; emissions for these units are included through September 2019
Mercury Emissions (Hg) (Metric tons)	13	0.0179	0.0109	0.0095	0.0102	305	Total amount of mercury (Hg) emitted by PSEG. Data from the “stack or point” (Section 5.2) air emissions releases reported on PSEG’s Toxic Release Inventory (TRI) submissions to align with publicly reported data; Nuclear facilities are exempt from TRI reporting. PSEG divested its ~23% ownership stake in Keystone & Conemaugh generating stations; emissions for these units are included through September 2019

Note: PSEG Nuclear’s 50% co-owned interest in Peach Bottom is not included in the data above

LONGSTANDING ENVIRONMENTAL STEWARDSHIP

Minimizing the impact of natural resources usage (water, waste, land use, air emissions & pollution)



Metric	SDG Goal(s)	2016	2017	2018	2019	GRI Standard	Definition/Comments
Particulate Matter (PM) (Metric tons)	3.9	649	747	784	830	305-7	Total amount of particulates emitted by PSEG Power's generation fleet. PSEG divested its ~23% ownership stake in Keystone & Conemaugh generating stations; emissions for these units are included through September 2019
Total Electricity Consumption (KWh)	7.2	53,462,847	52,120,594	56,100,849	57,096,147	302-2	Total electricity directly consumed by the organization for operations besides generation. Reflects PSE&G facilities and PSEG HQ only
Total Gas Consumption (Therms)	7.2	1,668,259	1,650,798	1,719,657	1,513,214	302-1	Total gas directly consumed by PSE&G facilities for operations
Spills (#)	3.9, 6.3, 14.1, 15.1	52	58	115	60	306-3	Total number of recorded significant spills reported by PSEG at the federal level
Water Consumption (Million cubic meters)	3.9, 6.3, 14.1	8.5	7.3	7.2	7.2	306-1 303-4	Total net water used by PSEG Power for purposes of generation and that is not returned to the original water source after being withdrawn, including evaporation to the atmosphere
Water Withdrawal (Million cubic meters)	3.9, 6.3, 14.1	82.3	17.7	8.6	8.3	306-1	Fresh water withdrawn and consumed by PSEG Power for purposes of generation
Water Recycled (Million cubic meters)	3.9	73.8	10.4	1.4	1.1	306-1	Water used by PSEG Power for purposes of generation and that is returned to the source of extraction at similar or higher quality
Environmental Fines/Violations	16.3	1	6	0	0	307-1	Number of significant environmental fines paid by the company during the reporting period. "Significant" fines or penalties are defined as those exceeding \$10,000 USD. Note: Fines/Violations are reflected the year in which the incident occurred, not in the year in which responsibility was determined and a fine was paid

LONGSTANDING ENVIRONMENTAL STEWARDSHIP

Minimizing the impact of natural resources usage (water, waste, land use, air emissions & pollution)



Metric	SDG Goal(s)	2016	2017	2018	2019	GRI Standard	Definition/Comments
Renewable Energy Generated (MWh)	7.2	638,309	893,724	857,162	791,130	302-1	Amount of renewable electricity generated at PSEG Power-owned on-site or off-site installations. These installations include renewable energy sources such as solar, wind, biomass, biogas, geothermal and hydro
Fuel Used (MWh)	7.2	4,383,347	4,483,173	5,317,963	3,658,418	302-1	Non-renewable fuels except for nuclear fuel purchased and consumed during the year for generation purposes by PSEG Power
Energy Efficiency Investments	7.3	\$28,201,722	\$39,265,277	\$24,258,713	\$41,734,820	302-1	Investments by PSE&G including Residential Home Energy Reports Pilot program, multifamily sub-programs and Commercial Direct Install sub-program and hospital sub-program
Energy Efficiency Savings (MWh)	7.3	46,366	54,856	33,776	20,283	302-4	Incremental Annual Electricity Savings from EE measures. For PSE&G this includes Residential Home Energy Reports Pilot program, multifamily sub-program and Commercial Direct Install Sub-program and hospital subprogram
Total Electricity Sold (Million KWh)	7.3	41,590	40,749	41,899	40,694	302-2	Total electricity delivered by PSE&G to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers in millions of kwh
Total Gas Sold (Million Therms)	7.3	404,508,351	344,640,686	375,027,009	341,964,284	302-2	Quantity of natural gas delivered by PSE&G to end users in thousands of standard cubic feet
Distribution Reliability (%)	7.a, 7.b, 9.5	N/A	99.5	99.4	99.5	EU-29	PSE&G System performance measured with the System Average Interruption Duration Index (SAIDI)

CUSTOMER- FOCUSED

Helping customers use less energy and reduce their direct impact



Metric	SDG Goal(s)	2016	2017	2018	2019	GRI Standard	Definition/Comments
Total Number of Employees	5.1, 8.5, 10.3	13,065	12,945	13,145	12,992	102-8	Total number of PSEG employees at the end of the reporting period
Union (Represented) Employees (%)	8.8, 10.3	62.5	61.8	62	61.6	102-41, LA4	The number of PSEG employees that belong to a labor union as a percentage of the total number of employees
Female Employees (%)	5.1, 5.5, 10.3	17.6	18.3	17.9	18	405-1	The number of women employed at PSEG as a percentage of the total number of company employees
Minorities Employee Population (%)	5.1	24	24.6	25.3	26	401-1	The number of ethnic minorities employed at PSEG as percentage of the total number of employees
Female Employees in Management (%)	5.1, 10.3	13.6	13.9	14.1	14.9	404-3	Percentage of female population in supervisor and management positions including upper management at PSEG
Minority Employees in Management (%)	5.1	17.8	18.5	18.8	19.7	405-1	Number of minorities employed in management positions at PSEG as a percentage of total employees
Employee Engagement Trends (%)	5, 8, 10	72	N/A	72	73	402	Percentage of actively engaged employees based on PSEG's scaled employee engagement survey

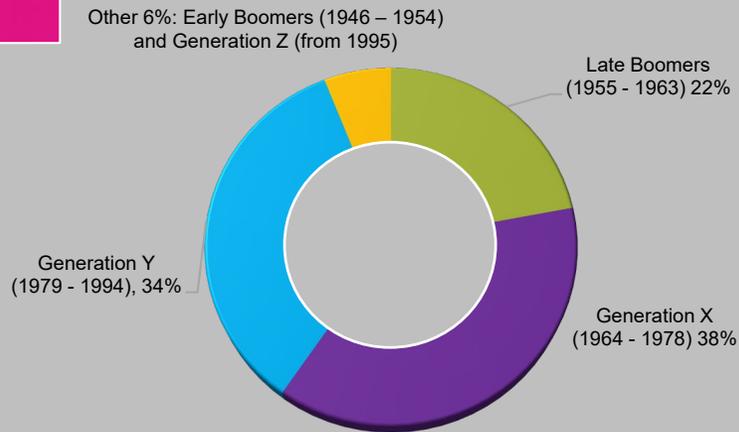
SUPPORTING A THRIVING AND DIVERSE WORKFORCE

Prioritizing Human Capital Management (HCM) and Diversity, Equity & Inclusion (DEI)

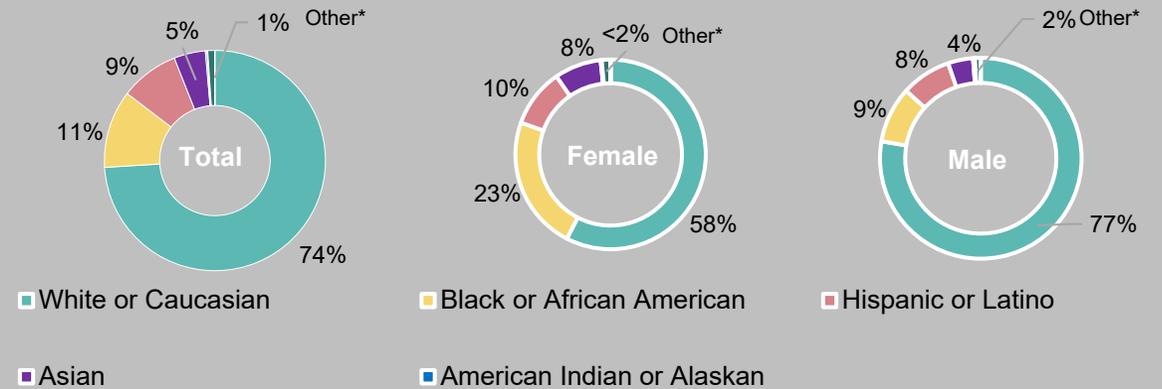


Metric	SDG Goal(s)	2016	2017	2018	2019	GRI Standard	Definition/Comments
Employee Turnover Rate – Total (%)	5.1, 8.5, 10.3	6.4	8	5.2	6.4	401-1	Number of PSEG employees that left the company within the past year expressed as a percentage of the average total number of employees
Employee Turnover Rate – Voluntary Including Retirements (%)	5.1, 8.5, 10.3	4.5	6.3	3.9	5	401-1	Number of PSEG employees that voluntarily left the company within the past year expressed as a percentage of the average total number of employees. Includes employees that retired during the year
Employee Turnover Rate – Voluntary Without Retirements (%)	5.1, 8.5, 10.3	1.7	2	1.8	1.9	401-1	Number of PSEG employees that voluntarily left the company within the past year expressed as a percentage of the average total number of employees

2019 PSEG Headcount by Generation (%) - (GRI EU 15)



2019 PSEG Headcount by Ethnicity (%)



*Other: Two or more races, American Indian or Alaskan Native, Native Hawaiian or other Pacific Islanders or unknown

SUPPORTING A THRIVING AND DIVERSE WORKFORCE

Prioritizing Human Capital Management (HCM) and Diversity, Equity & Inclusion (DEI)



Metric	SDG Goal(s)	2016	2017	2018	2019	GRI Standard	Definition/Comments
Size of Board of Directors	16.6	11	11	11	10	102-25	Number of directors on the company's Board, as reported by PSEG. Full time directors only (deputy members of the Board are not be counted)
Gender Diversity of the Board	5.1, 5.5	2	2	2	3	405-1	Number of female directors on the company board, as of the fiscal year end wherever available, otherwise as at date of latest filing. Where the company has a two-tier board, this field refers to the supervisory board
Ethnic Diversity of the Board	5.1, 5.5	4	4	4	3	405-1	Number of ethnically-diverse directors on the company board, as of the fiscal year end wherever available, otherwise as of date of latest filing. Where the company has a two-tier board, this field refers to the supervisory board

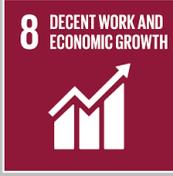
AIMING FOR A BALANCED GOVERNANCE STRUCTURE



Metric	SDG Goal(s)	2016	2017	2018	2019	GRI Standard	Definition/Comments
Employee Fatalities	3.3, 8.8	0	0	0	1	403-10a, EU 16	Number of employees who have died on a company site or on a company facility or as a result of a company's operations
Employee Recordable Incident Rate (%)	3.3, 8.8	0.90	0.87	0.99	0.97	403-10a EU 16	Number of injuries or illnesses x 200,000 (equivalent of 100 full time employees) / Number of employee labor hours worked
Employee Lost Time Injury Frequency Rate	3.3, 8.8	0.36	0.38	0.37	0.32	403 EU 16	Number of lost time injuries occurring in a workplace per 1 million hours worked
Lost Time Days	3.3	13.49	14.29	14.48	11.87	EU 16	Lost time days rate
Average Training Time Provided to Employees (Hours)	4, 8.2, 8.5	N/A	34	35	53	404-1, EU 14, LA 10	Hours the company spent on employee training during the reporting period as reported by the company
DART Rate	3.3, 8.8	0.67	0.53	0.60	0.61	EU 16	Any OSHA recordable workplace injury or illness that results in time away from work, restricted job roles, or an employee's permanent transfer to a new position

TAKING CARE OF OUR EMPLOYEES

Protecting what matters



Metric	SDG Goal(s)	2016	2017	2018	2019	GRI Standard	Definition/Comments
Charitable Contributions PSEG Foundation	11, 8, 13	\$7,991,083	\$8,379,865	\$8,107,365	\$7,447,812	413-1	
Charitable Contributions Corporate Contributions	11, 8, 13	\$2,672,743	\$3,162,800	\$3,417,825	\$3,063,980	413-1	
Supplier Diversity (%)	5.2	17	19	20	23	414-2	Percentage of total spending that is allocated to diverse suppliers by PSEG as a percentage of the total spend. Diverse suppliers include minority-, women- and veteran-owned suppliers
Energy Strong (ES)	8.3, 11.5, 13.1	ES I 2013 \$1 billion			ES II Extension \$0.8 billion		Increasing system resiliency against severe weather events
Gas System Modernization Program (GSMP)	8.3, 11.5	GSMP I 2015 \$0.9 billion			GSMP II Extension \$1.9 billion		Modernizing energy infrastructure and reducing methane leakage
Energy Efficiency (EE)	7.3, 8.3	EE I, II, III 2009-2020 \$0.5 billion					Moving customers towards using less energy, that is cleaner, highly reliable and connected; \$1 billion CEF-EE was approved in 2020

DRIVING SUSTAINABLE ECONOMIC GROWTH

OUR ESG
GOALS
AND TARGETS



Metric (Established in 2019 PSEG Sustainability Report)	Goal to 2023	Notes
Safety – Fatalities: Achieve zero work-related fatalities	0	PSEG experienced one fatality in 2019
OSHA Recordable Incident Rate: Achieve a meaningful reduction in Employee Total Incident Case Rate (TICR) below current level. Number of injuries or illnesses x 200,000 (equivalent of 100 full-time employees) / Number of employee labor hours worked	0.71	On track
OSHA Days Away from Work Rate (DART): Achieve a meaningful reduction in the total number of DART incidents x 200,000 (equivalent of 100 full time employees) / Number of employee labor hours worked. A DART incident is one in which there were one or more lost days; one or more restricted days and/or job transfer due to work related injuries or illnesses	0.16	On track
Diversity & Inclusion: Aim to increase the representation of people of color and women in the workforce	Continuous Improvement	On track
SAIDI: Maintain as “first decile” PSE&G’s comparative reliability performance. Measured with the System Average Interruption Duration Index (SAIDI). Expressed in minutes	First Decile	On track
Supplier Diversity: Increase the percentage of total spending that is allocated to diverse suppliers. Diverse suppliers include minority-, women- and veteran-owned suppliers	30	On track
CSR: Increase community investment in the PSEG Foundation’s “Clean Earth” strategic pillar. “Clean Earth” is defined as: the nonprofits and programs that are aligned with Sustainable Development Goal #13 (Climate Action), or whose primary goal is conservation and biodiversity of wildlife habitats and natural resources, environmental justice, green and open space, and environmental sustainability clean energy	20	On track

ESG LONG-TERM GOALS

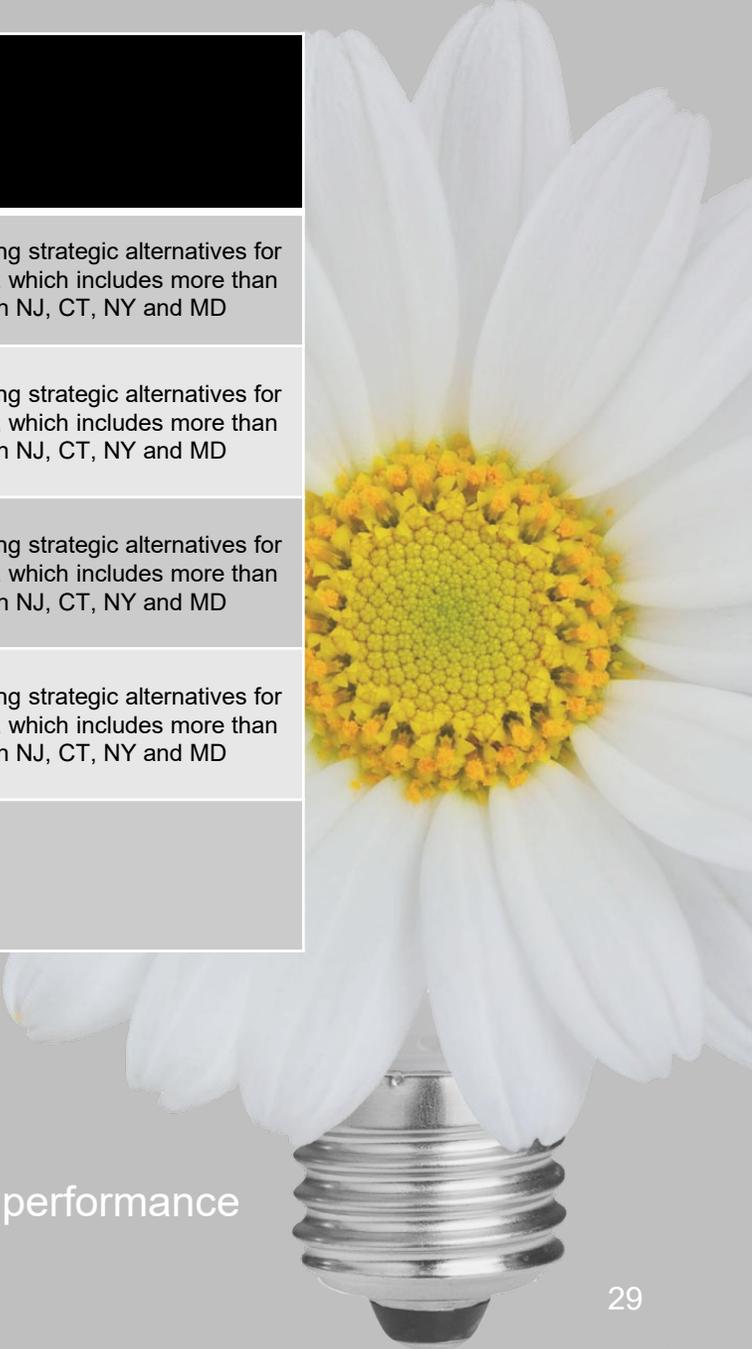
Accountability as a key to better performance



Metric (Established in 2019 PSEG Sustainability Report)	Goal to 2023	Notes
<p>CO₂ Emissions: Reduce the carbon dioxide (CO₂) emissions from PSEG Power's generation fleet by 80% from the 2005 level by 2046 (equates to a reduction from 26 million metric tons to 5.2 million metric tons). All Scope 1 and 2 reported in metric tons of CO₂ equivalent</p>	80% by 2046	PSEG announced July 2020 that it is exploring strategic alternatives for PSEG Power's non-nuclear generating fleet, which includes more than 6,750 MW of fossil generation located in NJ, CT, NY and MD
<p>Nitrogen Oxide (NOx): Reduce the nitrogen oxide (NOx) emissions from PSEG Power's generation fleet by 80% from the 2005 level by 2023. In accordance with state and federal reporting requirements, measured in metric tons and using 2005 as a baseline</p>	80%	PSEG announced July 2020 that it is exploring strategic alternatives for PSEG Power's non-nuclear generating fleet, which includes more than 6,750 MW of fossil generation located in NJ, CT, NY and MD
<p>Sulfur Dioxide (SO₂): Reduce the sulfur dioxide emissions from PSEG Power's generation fleet by 90% from the 2005 level by 2023. In accordance with state and federal reporting requirements, measured in metric tons and using 2005 as a baseline</p>	90%	PSEG announced July 2020 that it is exploring strategic alternatives for PSEG Power's non-nuclear generating fleet, which includes more than 6,750 MW of fossil generation located in NJ, CT, NY and MD
<p>Mercury Emissions (Hg): Reduce the mercury (Hg) emissions from PSEG Power's generation fleet by 95% from the 2005 level by 2023. In accordance with state and federal reporting requirements, measured in metric tons and using 2005 as a baseline</p>	95%	PSEG announced July 2020 that it is exploring strategic alternatives for PSEG Power's non-nuclear generating fleet, which includes more than 6,750 MW of fossil generation located in NJ, CT, NY and MD
<p>Methane Emissions (CH₄): 21.7% reduction of absolute CH₄ emissions from 2018 to the completion of GSMP II at the end of 2023. As reported to EPA under 40 CFR 98, Subpart W</p>	21.7%	On track

ESG LONG TERM GOALS

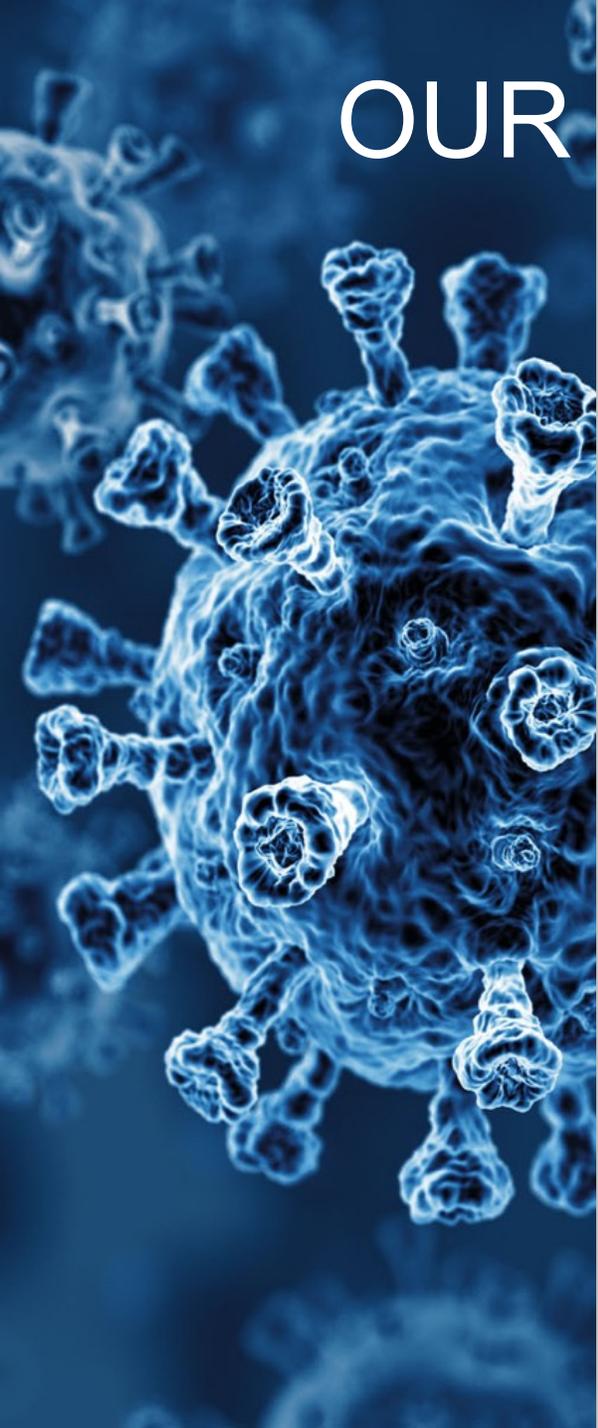
Accountability as a key to better performance



Metric (Established in 2019 PSEG Sustainability Report)	Goal to 2023	Notes
Energy Efficiency: Aligned with New Jersey's Clean Energy Act (2018) that set 2% / 0.75% electric and gas savings by 2023	Aligned with NJ framework	Updated and on track. NJ regulators approved \$1 billion of EE spend over four years, designed to help NJ achieve its updated framework for EE and Peak Demand Reduction programs, setting five-year savings targets of 2.15% for electric distribution and 1.10% for gas distribution companies
Water Withdrawal: 90% reduction of fresh water withdrawn by our generation fleet by 2023. Cubic meters using 2015 as a baseline. (Fresh water includes water sourced from fresh surface water, groundwater, rain water, and fresh municipal water; does not include recycled, reclaimed, or gray water)	90%	On track. PSEG announced July 2020 that it is exploring strategic alternatives for PSEG Power's non-nuclear generating fleet, which includes more than 6,750 MW of fossil generation located in NJ, CT, NY and MD
Water Consumption: 50% reduction of water that is not returned to the original water source after being withdrawn, including evaporation to the atmosphere, by 2023. Cubic meters using 2015 as a baseline	50%	On track. PSEG announced July 2020 that it is exploring strategic alternatives for PSEG Power's non-nuclear generating fleet, which includes more than 6,750 MW of fossil generation located in NJ, CT, NY and MD
Total weight of waste that is landfilled and incinerated, as a percentage of all waste generated by PSE&G. Excluded from this goal is the waste soil generated by the Gas System Modernization Program (GSMP), hazardous and PCB waste 1, waste managed by third-party contractors and wastewater shipped to Publicly Owned Treatment Works (POTW)	4.78%	Updated. New target in 2021
Increase the percentage of renewable energy generated: Solar Source, PSE&G	Continuous Improvement	On track. PSEG announced July 2020 that it is exploring strategic alternatives for PSEG Power's non-nuclear generating fleet, which includes more than 6,750 MW of fossil generation located in NJ, CT, NY and MD, as well as the 467-megawatt DC Solar Source portfolio located in various states
Driving Change: Electrifying Our Vehicle Fleet: By reducing vehicle emissions through the electrification of our own fleet, PSEG hopes to set an example for others	By 2030	New target in 2021: Convert all passenger vehicles, such as sedans and SUVs, 62% of medium duty vehicles and 90% of heavy-duty vehicles by 2030 to battery electric vehicles, plug-in hybrids or anti-idle job site work systems

ESG LONG-TERM GOALS

Accountability as a key to better performance



OUR COVID-19 RESPONSE & SUPPORT

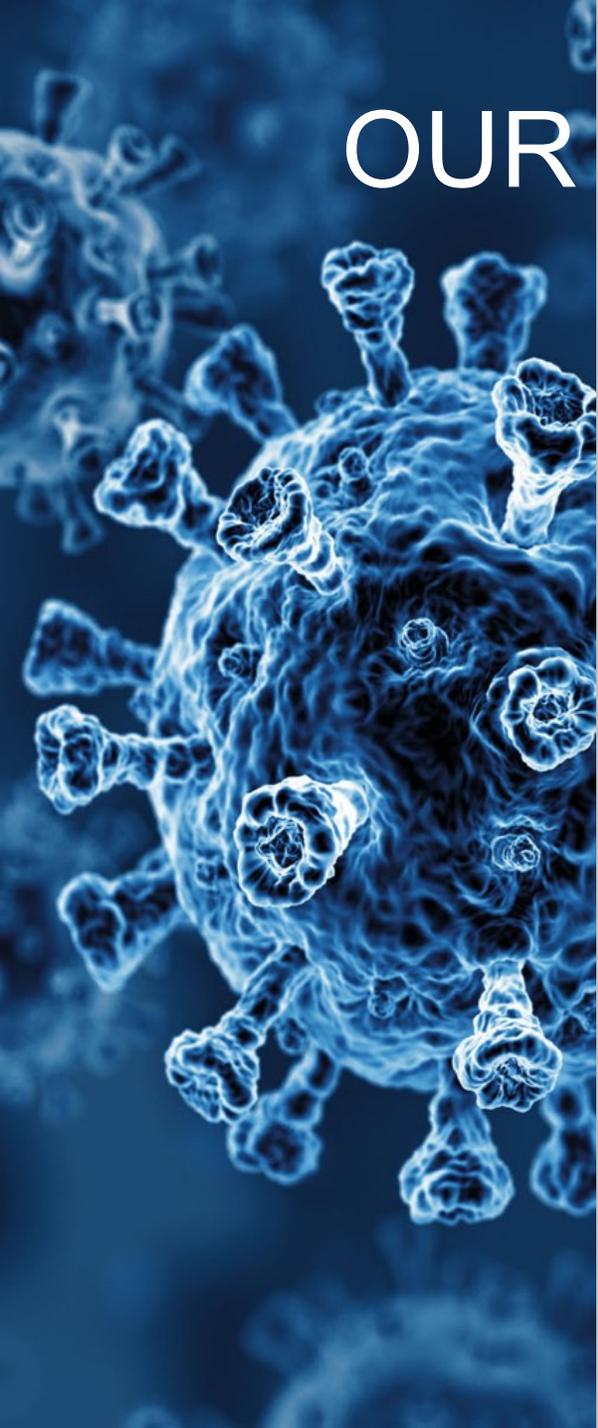
PSEG activated its pandemic response plan to enact new work practices, employee and customer safety protocols, and expand community outreach in light of the national emergency that began after the World Health Organization declared a pandemic on March 11, 2020. By providing essential electric and natural gas service to over 3.5 million customers in New Jersey and Long Island, NY - two states that saw the highest early positivity and morbidity rates - PSEG delivered more than just heating and lighting to homes, businesses, and essential emergency services. These essential services have proven to be more critical than ever in powering the communication infrastructure enabling the work from home economy, keeping us connected to our loved ones and maintaining the critical energy infrastructure that supports economic activity in our service territories.

Community

- \$4 million in support in 2020; PSEG Foundation pledged \$2.5 million; includes \$1 million to NJ Pandemic Relief Fund and major support to food banks; \$1.5 million end-of-year donation to New Jersey and Long Island nonprofits based on their core area of support in alignment with critical needs arising as a result of the pandemic with food insecurity remaining the primary area of consideration. Support was subsequently awarded to nonprofits providing social services
- Donated 50K N95 masks & 200K pairs of gloves to New Jersey health care organizations
- PSEG sponsored the COVID-19 testing site in Salem County, and continues to support local food and community organizations and events to ease the financial hardship in the Salem community

Customers

- Voluntarily suspended shutoffs of service due to non-payment; worked cooperatively with customers needing payment flexibility
- Maintained full customer service staffing and hours of availability via phone
- WorryFree Tech-Talk Appliance Repair introduced to remotely assist appliance repair customers
- Provided assistance with electricity provisioning for emergency medical facilities construction



OUR COVID-19 RESPONSE & SUPPORT

The health and safety of our employees and customers has guided PSEG's comprehensive response to the COVID-19 pandemic. We continually update our operating procedures with best industry practices and ensure that proper personal protective equipment (PPE) is worn by all employees in the field and at our worksites

Employees

- Maintained workforce levels and employee benefits
- Provided remote access and implemented remote work practice for all employees where job could be performed remotely
- Expanded paid time off for employees to take care of themselves and family members, and navigate school and daycare closures due to COVID-19
- Expanded childcare resources, including discounted home and remote placement services, expanded referrals and tutoring support
- Enhanced bereavement leave allotments to accommodate any employee suffering a loss of a family member
- Provided frequent education to front line managers and the workforce by PSEG's medical director and Health and Safety teams
- Pandemic response hotline exclusive for PSEG employees to guide them through questions on their health and safety, contact tracing for employee COVID-19 exposure, clinical assessments to determine quarantine needs and appropriate return to work procedures
- Increased leadership communication platforms, including "The Link" employee social media channel and ongoing pulse surveys during the critical period of the pandemic to ensure employee well-being and engagement
- Designing Responsible Reentry approach and playbook for future business practices



To email PSEG with
ESG comments
or questions:

sustainability@pseg.com