

# 2019

## SUSTAINABILITY REPORT

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### Executive Summary



**EVERSOURCE**

# EXECUTIVE SUMMARY

Our 2019 Sustainability Report highlights our progress on sustainability efforts and our ambitious plans for the future. The report focuses on four key aspects of these efforts — our environment, our business, serving our customers and supporting our employees. Because of significant developments in the first half of 2020, we have expanded this year's report to include our response to the COVID-19 pandemic, and a keener focus on social justice, as discussed in the CEO letter.

## Our Environment

As we work with policymakers to reduce carbon emissions in energy supply for our customers, we are also committed as a company to reducing emissions from our own operations as much as possible. A centerpiece of our environmental commitment is our dedication to the ambitious but attainable target to be carbon neutral from our operations by 2030 and to help our customers and our region reduce their carbon footprint.

**Eversource aims to be carbon neutral from our operations by 2030. This commitment reflects our desire to protect our environment and support a clean energy future for New England.**

How we'll get there:

- Improve the efficiency of our facilities.
- Reduce vehicle fleet emissions.
- Reduce sulfur hexafluoride (SF6) in gas-insulated substations and switchgear.
- Replace natural gas mains to eliminate methane leaks.
- Reduce line losses in the electric system.
- Invest in renewable resources.
- Offset any remaining emissions with other earth-friendly investments.

### Major Initiatives

- Through our partnership with Ørsted we are now a leading offshore wind developer, with approved contracts for about 1,700 megawatts (MW), including a contract signed in 2019 to provide 880 MW to New York electric consumers for 25 years.
- We are advancing innovative energy storage projects for our customers. Construction of our Provincetown, Massachusetts, first-in-the-nation community battery storage project, which will improve power quality and reliability for electric customers in communities on outer Cape Cod,

began in June 2020. In addition, our energy storage facility on Martha's Vineyard that offsets the utilization of diesel generators is under development.

- Our utility-owned solar installations are in service and producing renewable energy for the region. Eversource owns and operates 70 MW of solar generation that have the capacity to generate power for more than 11,000 homes. Additionally, Eversource has supported customers who have installed nearly 90,000 solar installations totaling about 1,570 MW.
- We are tripling the number of electric vehicle charging stations in Massachusetts through a \$45 million investment in infrastructure.

## Our Business

- We successfully completed our first issuance of “green bonds,” issuing \$400 million to support low-carbon clean energy initiatives. Also, we successfully sold approximately \$1.3 billion of new equity to support our projected \$17 billion of investments from 2019 through 2024 in our core business, while also helping to finance our offshore wind partnership.
- Our total return to shareholders in 2019 was 34.4 percent, compared with 25.8 percent for the EEI index and 31.5 percent for the S&P 500. This continues a trend of outperforming our peers on a short-, medium-, and long-term basis.
- Our core utility operations performed very well in 2019. We continue to deliver top-decile electric reliability, reducing the frequency and length of electric outages.
- Our natural gas operations are focused on safe, reliable service, including an ongoing program of gas line upgrades. While natural gas plays a critical role in New England's ambition to cut greenhouse gas emissions, we're also leading an innovative pilot project to develop geothermal energy, looking to incorporate responsible natural gas into our supply, and exploring how the region's gas infrastructure could facilitate greater use of hydrogen-based products in the future.

## Our Customers

- We remain the nation's #1 provider of energy efficiency programs, investing more than \$500 million in 2019 alone, to help customers save about 1 billion kilowatt-hours and over 10 million therms per year and reduce their energy costs by nearly \$200 million per year. Over the lifetime of 2019 measures, an estimated 3.2 million metric tons of CO<sub>2</sub> will be reduced. We announced new energy efficiency partnerships with many organizations and communities that will benefit from our proven and innovative energy-saving solutions. In response to the pandemic, we pivoted to virtual energy audits.

- We are consistently working to improve the customer experience, with new offerings like a mobile application, expanded outage-related communications, and upgrades to the process to start, stop, or transfer service.
- In recognition of the immediate impact of the pandemic on the communities we serve, we donated more than \$2 million through the Eversource Foundation to nonprofit organizations in Massachusetts, Connecticut and New Hampshire. These funds included our regular \$1.2 million annual donation to United Way agencies across all three states and an additional \$1 million to be dispersed to those and other agencies such as food pantries and health and human service organizations.
- We successfully rolled out “Plus One” training — a customer service initiative that focuses on improving the customer experience and our leaders’ efforts to sustain a culture of delivering superior customer experience — to approximately 3,500 customer-facing employees in 2019 for a total of 5,000 employees since inception. This included leader and peer-to-peer training, pulse culture surveys, and follow-up leader forums focusing on progress and opportunities. In 2019, we saw enhanced employee efforts to provide exceptional customer satisfaction that led to an increase in accolades from customers. Plans are being developed to roll out the Plus One Program to the remaining non-customer-facing employees in 2020.

## Our People

- As a company, we acknowledge the ongoing pain caused by racism and injustice in our society. Eversource and our employees support many programs and agencies that address racial and ethnic disparities in our own communities and beyond. We are also working to develop a workforce that fully reflects the diversity of the people and communities we serve.
- We emphasize diversity, from our Board development to our hiring practices. Our Board of Trustees has transformed itself over the last three years to be one of the most diverse in the utility industry. We encourage all employees to embrace different people, perspectives and experiences in our workplace and within our communities — no matter their race, gender, religion, sexual orientation or other personal qualities. Our commitment to diversity and inclusion is critical to building an empowered and engaged team that delivers great service safely to our customers. In 2020, 40 percent of our leadership promotions and new hires will be women or diverse candidates, and more than 50 percent of all new external hires will be women and diverse candidates.
- One of the many ways we empower employees is through our business resource groups (BRGs). These popular, well-resourced employee groups are open to all, and have executive sponsorship at the highest levels of the company and provide direct feedback and guidance on company policies. Eversource has six active BRGs currently in action: Multicultural, New Hire, Pride & Allies, Veterans, Women’s, and Young Professionals.

- Our many community partners again benefited from the generous support of Eversource and our employees. Our signature community events were well-attended and successful in 2019, benefiting both charitable organizations and communities. Many of our signature events are expected to be held virtually in 2020 to adapt to the disruption of the pandemic.
- In 2019 we provided \$18 million in donations and other support to community agencies, as well as more than 37,000 volunteer hours. Our United Way campaign again raised more than \$1 million in employee donations, and with matching funds our total impact was \$2.2 million.

