

## EEI & AGA ESG/Sustainability Template – Version 2

### Dominion Energy

#### Sustainability Governance

Good corporate governance ensures that Dominion Energy remains a trustworthy steward of the resources entrusted to our care. This accountability goes hand-in-hand with our core values of safety, excellence, ethics, embrace change and One Dominion Energy and is essential to preserving the long-term sustainability of Dominion Energy for our shareholders, employees, customers, the communities in which we work and the natural environment in which we operate.

Our Board of Directors oversees the management of the company’s business and shareholder interests. As part of that oversight, our Board monitors the company’s environmental performance and sustainability initiatives, along with our long-term growth strategy.

We have a well-rounded and diverse Board in the broadest sense — one that reflects a diversity of gender, race, age, board tenure, professional experience, community involvement, skills and geography.

Importantly, our Board maintains a Sustainability and Corporate Responsibility Committee, which is responsible for:

- Overseeing strategies, activities and policies regarding environmental sustainability, human talent management, corporate social responsibility and public issues of significance that may affect the company’s stakeholders;
- Reviewing and discussing the company’s annual sustainability and corporate responsibility report and similar communications and reporting to stakeholders on environmental and social responsibility initiatives and activities; and
- Monitoring company sustainability targets and receiving progress reports on achieving those commitments.

#### *Risk Oversight*

We have robust enterprise risk management (ERM) processes embedded throughout the organization that help identify and manage risk. Our Board and its committees regularly discuss various risks with members of management, including the chief risk officer and chief information officer, who are involved in risk assessment and risk management on a daily basis. These discussions cover a wide range of topics including safety; environmental, employee and customer concerns; social responsibility; and financial

performance, economic issues and long-term strategy. We have also embedded sustainability risk factors into our project-level risk assessment process.

### *Cybersecurity Risk and Mitigation*

We employ an extensive system of rigorous cybersecurity protocols, overseen by experts who work directly in protecting against cyberattacks. We continuously improve our security controls, going beyond compliance with regulations to identify opportunities to improve our security posture.

We deploy cybersecurity systems using a defense-in-depth approach, continuously strengthening our posture to identify and prevent external attacks as well as insider threats. We revise the cybersecurity strategic plan at least annually and provide status updates and performance metrics to the Board of Directors and senior leadership. We educate employees about cybersecurity threats through security-awareness training and test them regularly. We conduct vulnerability scans and penetration tests to find weak points in our defenses. We take part in cybersecurity drills and simulations to make us better at responding to cybersecurity threats and events. We validate recovery procedures and system resiliency to ensure we can return critical systems to normal operating levels in a timely manner.

### *Identifying Opportunities*

Our analysis of climate risk is closely linked to opportunities — especially those related to Dominion Energy’s ongoing clean energy strategy and the benefits it provides to our customers and other stakeholders.

Our focus on these opportunities starts at the top. Our Innovation, Technology, and Sustainability (ITS) Council — chaired by our CEO — drives the execution of strategic programs across the company. The ITS Council seeks input from a variety of sources, including our internal Innovation team and third-party technical advisors. It then ensures that teams throughout the company are deployed to carry out development and execution of the initiatives.

Many of our programs are focused on the electrification of different sectors of the economy, where we see considerable opportunity. One example is the electrification of the transportation sector: Electric cars and trucks not only will sharply increase the demand for power generation, they also will need extensive refueling infrastructure.

Another opportunity involves the increasing need for utility-scale energy storage to support intermittent renewable generation sources such as solar and wind. Dominion Energy already operates the world’s largest rechargeable battery: a 3,003-megawatt pumped-storage power station in Bath County, Virginia. We are exploring the potential for an additional pumped-storage facility as well. We are also looking at opportunities involving distributed energy sources; have launched programs to provide smart thermostats to customers; are piloting a program to partner with home builders to design and build net-

zero homes; and are using our infrastructure to serve as a middle-mile provider of broadband internet service and partnering with builders to develop sustainable communities.

## Sustainability Strategy

### *Adapting to a Changing Business Environment*

Dominion Energy is determined to improve our customers' experience, exceed our stakeholders' expectations and position our company for sustainable, long-term success. One major way we intend to do that is through innovation. Our innovation strategy is designed to foster a growth culture inside our organization, which enhances the value of our assets and allows us to develop partnerships outside our organization.

### *Sustainability Plans and Progress*

Our sustainability and corporate responsibility strategy includes the following four pillars:

#### I. Clean Energy

We are investing heavily in renewables such as solar and wind, along with no- and low-carbon support sources of energy and intensifying our focus on innovation so we can accelerate our progress toward a clean energy future. Here are a few key elements of our clean energy strategy:

- Investing in clean energy generation: We are making major investments in solar, wind and other forms of renewable energy. We already have the fourth largest solar fleet among utility holding companies and have committed to installation of an additional 3,000 megawatts of solar and on-shore wind in operations or development in Virginia by 2022. We have also committed to build a 2,640-MW offshore wind project in three phases about 27 miles off the coast of Virginia Beach, Virginia.
- Investing in infrastructure for clean energy: New kinds of energy require new ways to deliver them. We are upgrading the electric grid and our gas operations to better meet the next-generation energy needs of the communities we serve.
- Nuclear relicensing: We are seeking license renewals for our North Anna and Surry Power Stations in Virginia to ensure our customers benefit from the zero-carbon power these stations generate for years to come.
- Sustainable natural gas: Natural gas plays a major role in reducing greenhouse-gas and other emissions, enabling Dominion Energy to transition away from coal — which once made up roughly half our electric production, and in 2018 accounted for just 12 percent.<sup>1</sup> Our newest

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<sup>1</sup> The 2018 figure of 12 percent does not include legacy SCANA generation assets, as the Dominion Energy/SCANA merger was not effective until January 1, 2019.

state of the art natural gas generating fleet is among the most fuel efficient in the nation. We are investing in new equipment and technology to drastically reduce methane emissions in our system (more detail on those methane emissions reduction efforts is included below). And we are also reducing our customers' carbon footprints through innovative partnerships in modular liquefied natural gas (LNG) and renewable natural gas (RNG).

## II. [Environment](#)

From lowering greenhouse-gas emissions to protecting water quality and preserving wildlife habitat, we are constantly looking for ways to ensure that future generations will be able to enjoy the world around them. We have a robust environmental management system, which provides a framework to manage, track and improve Dominion Energy's record.

Here are a few of the key things we're doing in the major environmental categories:

- **Cleaner air:** We have committed to cut carbon emissions from our power stations by 55 percent between 2005 and 2030, and net zero emissions by 2050. The goal covers carbon dioxide and methane emissions, the dominant greenhouse gases, from our electricity generation and gas infrastructure operations.
- **Clean water:** Through the use of new technology and the expansion of our renewable-energy fleet, we are eliminating the need to use water in many cases and finding new ways to conserve the water we use. Our most recently constructed natural gas-fired generation facilities all use air-cooled condensers, which use significantly less water than once-through cooling systems and traditional wet cooling towers. Regarding water protection, we've adopted water body crossing methods specifically designed to avoid impacting sensitive aquatic species. We have also developed best-in-class construction and engineering techniques designed specifically to protect karst geology and incorporate storm water pollution prevention plans and spill prevention, control and countermeasures plans.
- **Reducing waste:** Dominion Energy is finding ways to re-use everything from coal ash to food scraps, applying a zero-landfill policy where we can and applying best practices to waste disposal that cannot be avoided. Several of our power stations produce electricity from recycled biomass fuels, including waste wood from tree tops and branches left behind in nearby forests by logging operations.
- **Habitat and wildlife protection:** We have adopted a variety of measures to protect birds, fish and other wildlife, and we partner with local communities and organizations in these efforts to ensure we have the right expertise in the geographical area. Dominion Energy is one of the first companies in the country to use aluminum-alloy nesting platforms to provide ospreys and bald eagles with an alternative to nesting on transmission towers; this protects the birds from harm and reduces power outages.

### III. [Serving Customers and Communities](#)

Providing energy to millions of customers safely, reliably and affordably is a critical part of what we do. We also strive to serve the common good in other ways — by engaging with our stakeholders so we can better understand their perspectives, by strengthening the communities in which we work and by supporting worthy causes through our charitable and volunteer programs.

- **Safety:** Every business unit at Dominion Energy has a comprehensive set of safety programs specific to its operations. We achieved full-year safety results in 2019 that are consistent with the record-setting performance of recent years.
- **Energy reliability and affordability:** Our rates are highly competitive, and we maintain energy-assistance programs for customers who need financial support; in fact, we've assisted 820,000 families with energy bills since 1982. We also operate a number of energy-efficiency programs to help customers conserve even more. We have a strong reliability record and are transforming our electric grid and gas pipeline systems to improve our performance even further.
- **Engaging communities and community development:** We have a formal environmental justice policy to guide our engagement with communities and ensure all people—regardless of race, color, national origin, or income—have a meaningful voice in our planning and development processes. And we see strengthening our communities as an essential part of our sustainability strategy; we contributed nearly \$35 million to social betterment and over 126,000 hours of employee volunteer time in 2018.

### IV. [Employee Experience](#)

A strong workforce makes for a strong company, and our employees who provide energy to our customers and communities make up one of our greatest strengths. Our employee strategy is three-pronged: Attracting, developing, and retaining talent.

Our recruitment program focuses on educational institutions, military resources, talent-pipeline resources, and employment branding through social media and other outlets. Our diversity recruitment efforts are key, and from 2013 to 2018 we raised our diverse hiring rate by 15 percentage points.

We have a comprehensive, integrated development program for leaders and emerging leaders, which is coordinated by our Employee Engagement and Development team. And we have also been modernizing our workspaces, which benefit existing employees and attract new ones; a number of our recent buildings meet LEED design standards.

### *Natural Gas Safety and Emissions Reductions*

Dominion Energy has made significant progress over the last two decades in reducing methane emissions from our natural gas infrastructure. Specifically—over the past decade—we have prevented approximately 250,000 metric tons of methane from entering the atmosphere, which is equivalent to taking over 1.3 million non-EV cars off the road or planting over 103 million new trees.

Dominion Energy continues to push for even greater transparency and accountability by integrating new, more representative methods and more comprehensive methane source inventories. For detail on the company's methane emissions inventory, please refer our [2019 Methane Reduction Report](#). Through the company's enhanced corporate inventory, more representative methods were applied to emission calculations in 2017 and 2018, and additional sources were inventoried and reported in 2018 than in prior years. Although the company saw a 9 percent increase between reported values in 2017 and 2018 due to the more inclusive inventory, we expect emissions will continue to decrease, starting in 2019.

Dominion Energy also completed new infrastructure projects in 2018 to serve growing population centers in the northeast, as well as completed several operation and maintenance (O&M) projects to ensure continued safe and reliable operations. For example, the New Market project in upstate New York relieved constraints on natural gas supply serving nearly 102,000 households on a single winter day and replacing the use of fuel oil and other more carbon intensive forms of energy. The addition of new facilities to Dominion Energy Transmission's existing interstate pipeline transmission system from projects such as this will ensure reliable natural gas service. As a result of capital projects and annual maintenance activities, the company calculated an increase in actual methane emissions between 2017 and 2018. However, the efficiency of the system improved between 2017 and 2018, with an increase in throughput of 41 percent and a decrease in corresponding methane intensity of 20 percent.

The company remains on a clear path toward achieving its goal of a 65 percent reduction by 2030 and 80 percent by 2040, compared with 2010 levels. To date, Dominion Energy has reduced methane emissions by more than 24 percent from 2010 levels to 2018. Building on the substantial progress we've made, Dominion Energy launched an industry-leading initiative in early 2019. This initiative together with the company's past efforts, will prevent more than 600,000 metric tons of methane from entering the atmosphere. There are three primary ways the company will achieve these reduction targets:

1) Reducing or eliminating gas venting during maintenance

- We are using pressure-reduction protocols and innovative equipment to limit, capture, recycle and reuse methane emissions to reduce operational venting. We have installed new air compressors and air dryers on devices at Dominion Energy Wexpro's compressor

stations, which eliminate the use of natural gas for these devices; this has reduced gas lost in the process by over 22 million cubic feet per year. And we are using Zero Emissions Vacuum and Compression (ZEVAC) technology, along with several other compressor technologies to ensure we cover the majority of our maintenance applications, to capture natural gas before maintenance or inspection so it can be recycled for later use.

## 2) Replacing infrastructure and equipment across the system with new, low-emission equipment

- We are replacing equipment such as bare-steel and cast-iron pipe, valves and fittings with new lower-emission equipment.

## 3) Expanding leak detection and repair programs

- Over the last decade, Dominion Energy implemented tools and techniques, such as the use of infrared cameras, to identify hard-to-detect minor emission sources.
- Our Cove Point liquefied natural gas (LNG) export facility in Maryland implemented the most aggressive and best-in-class leak detection and repair program in the state. In addition, an extensive flaring system was installed to reduce methane emissions from the liquefaction process.
- Beyond that, we have taken on an extensive, voluntary leak detection and repair (LDAR) program at our compressor stations, and we are now performing LDAR inspections on metering and regulating stations, as well as storage wells.

In addition, while we are lowering emissions from Dominion Energy systems, we are also helping other industries reduce their own methane emissions. Through our joint venture with Smithfield Foods and partnership with Vanguard Renewables, we expect to mobilize more than \$700 million of shared investment over the next decade to substantially reduce methane emissions from U.S. hog and dairy farms and provide carbon-beneficial energy to consumers across the country.