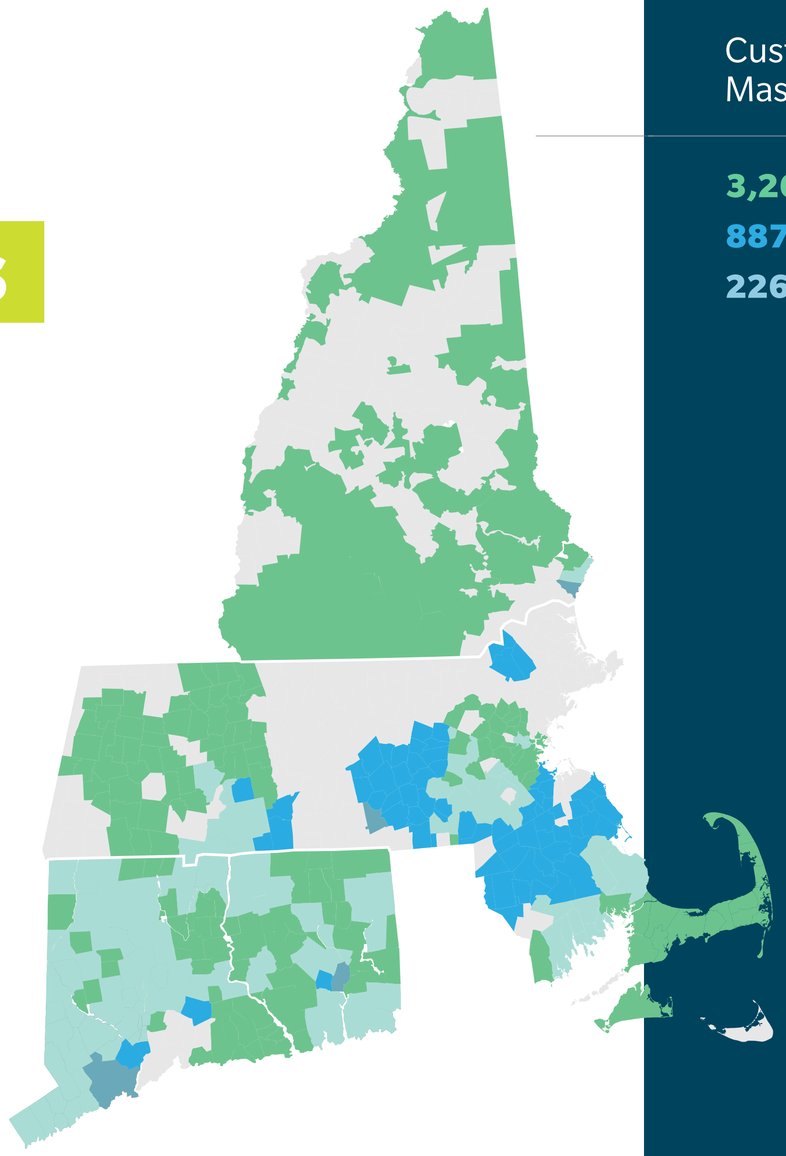
Serving Our Communities

EVERSOURCE AT A GLANCE

Eversource Energy (Eversource) is more than 9,200 people committed to the responsible delivery of vital electric, gas and water services to our customers in Connecticut, Massachusetts and New Hampshire. We do this with unwavering focus on safety, reliability, integrity, customer satisfaction and corporate responsibility.

We understand that a clean energy future only works if it's accessible to everyone. We are investing in new infrastructure and innovative solutions to meet the growing needs of our customers and communities to ensure a more sustainable and equitable future. Last year, we expanded our water business with the acquisition of the New England Service Company, and we continue to invest in renewable energy across our three-state service territory as we pursue a decarbonized grid.



Customers across Connecticut, Massachusetts, and New Hampshire

3,262,000 ..... electric
887,000 ..... gas
226,000 ..... water

582 communities served

4.4 million customers

9,200 employees

2021 highlights:

invested
$674 million
in customer energy efficiency programs

owned and managed
40,000 acres
of natural habitat

4,900 employees volunteered more than
23,700 hours
at company-sponsored events

small and diverse businesses collectively represented over
$675 million
of supplier spend

invested
$3.5 billion
in our energy and water delivery systems to make them more resilient and reliable

external hires
57% diverse

completed issuance of
$300 million
of green bonds

contributed
$5.8 million
to charitable organizations

Our Commitment to Sustainability

We strive to treat our customers like family — because in many cases they are. Sustainability is embedded in the way we conduct our business every day and touches all facets of our company. Environmental, social and governance (ESG) priorities guide our efforts in conducting our business with the utmost care for the environment and our communities. Our industry-leading ESG practices are fully integrated into our governing policies and principles. We value the opportunity to secure a positive future for our stakeholders as we strive to be the #1 energy company in the nation, while continuing to earn the trust of our customers, attract talented new employees, and demonstrate our shared responsibility to protect our planet and its people.

Environmental

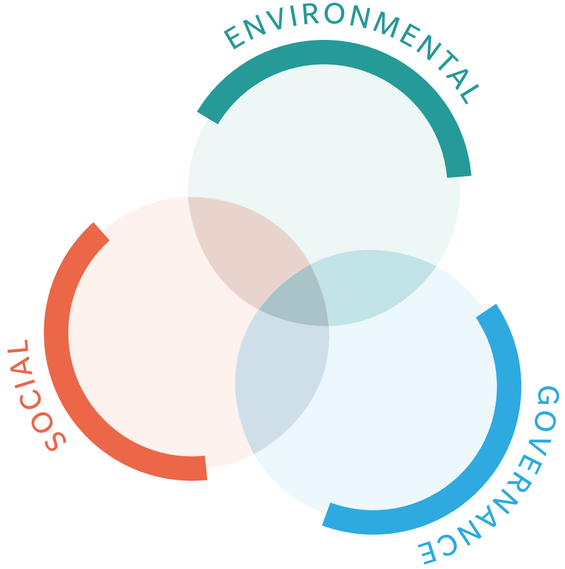
We are committed to environmental stewardship and minimizing our impact on the environment while addressing climate change.

Social

We have a responsibility to conduct our business in ways that bring value to our communities and embrace our differences.

Governance

We are dedicated to doing the right thing — acting with honesty and integrity and providing transparent information.



Message from Our CEO

“Our commitments to the environment, racial and social justice, community support, and customer service have not wavered.”

LETTER FROM JOE NOLAN

I’m honored and privileged to lead our talented and diverse team of 9,200 employees. They delivered electricity, natural gas and water safely and reliably to our 4.4 million customers while navigating challenges beyond our control that affected our company, our industry and our society—ranging from major storms and increasing energy costs to international political turbulence and the ongoing COVID-19 pandemic.

Through this period, Eversource’s commitments to the environment, racial and social justice, ethical and responsible business practices, community support, and customer service have not wavered. In fact, we have worked to deepen and strengthen them. In the past year, we have:

- *Worked hard on our industry-leading goal to achieve carbon neutrality in our operations by 2030. We have reduced our greenhouse gas footprint to13% since 2018 and are on track to achieve our goal by focusing on key operational areas that offer the greatest opportunities for reduction.*
- *Strengthened our existing commitment to social and environmental justice and equity for communities. This included the creation of an internal pro-equity advisory team to guide our efforts to advance equity in our communities.*
- *Further evolved our commitment to diversity, equity and inclusion through continued learning, initiatives and events that focused on a strong leadership commitment to building a diverse, equitable and inclusive workplace.*
- *Refined hybrid work policies that provided employees and the public with greater safety and flexibility during COVID-19 without compromising customer service. We continue to work with regulators to offer flexible bill payment options, recognizing the ongoing economic impact of the pandemic, and collaborate with community agencies to ease the impact.*
- *Advanced clean energy technologies with the strong potential to help our states meet their emissions reduction goals. These technologies include offshore wind, solar, energy storage, electric vehicle charging stations and geothermal.*
- *Offered our view on how to decarbonize the natural gas network in Massachusetts’ Future of Gas regulatory proceeding.*
- *Continued our focus on environmental, social and governance (ESG) issues at the highest levels of management through our Board of Trustees’ Governance, Environmental and Social Responsibility Committee.*
- *Maintained our generous charitable giving and volunteer programs to help underserved and vulnerable communities in our service areas, including our successful signature events and United Way campaign, which had strong participation from employees and retirees.*
- *Met our publicly stated financial goals and delivered solid results and dividend growth for our shareholders.*
- *Expanded our water delivery business, Aquarion, through strategic acquisitions, including the New England Service Company.*

This report summarizes our achievements in these and other areas. I hope you find it useful and informative. In a separate Diversity, Equity and Inclusion Report, we have also enhanced disclosures on our workforce demographics based on the racial, ethnic and gender identifications of employees from EEO-1 reports.

My friends and colleagues at Eversource are already hard at work advancing and surpassing our 2021 achievements. I look forward to continuing our momentum and sharing our accomplishments a year from now.

Joe Nolan

Innovating for the Future

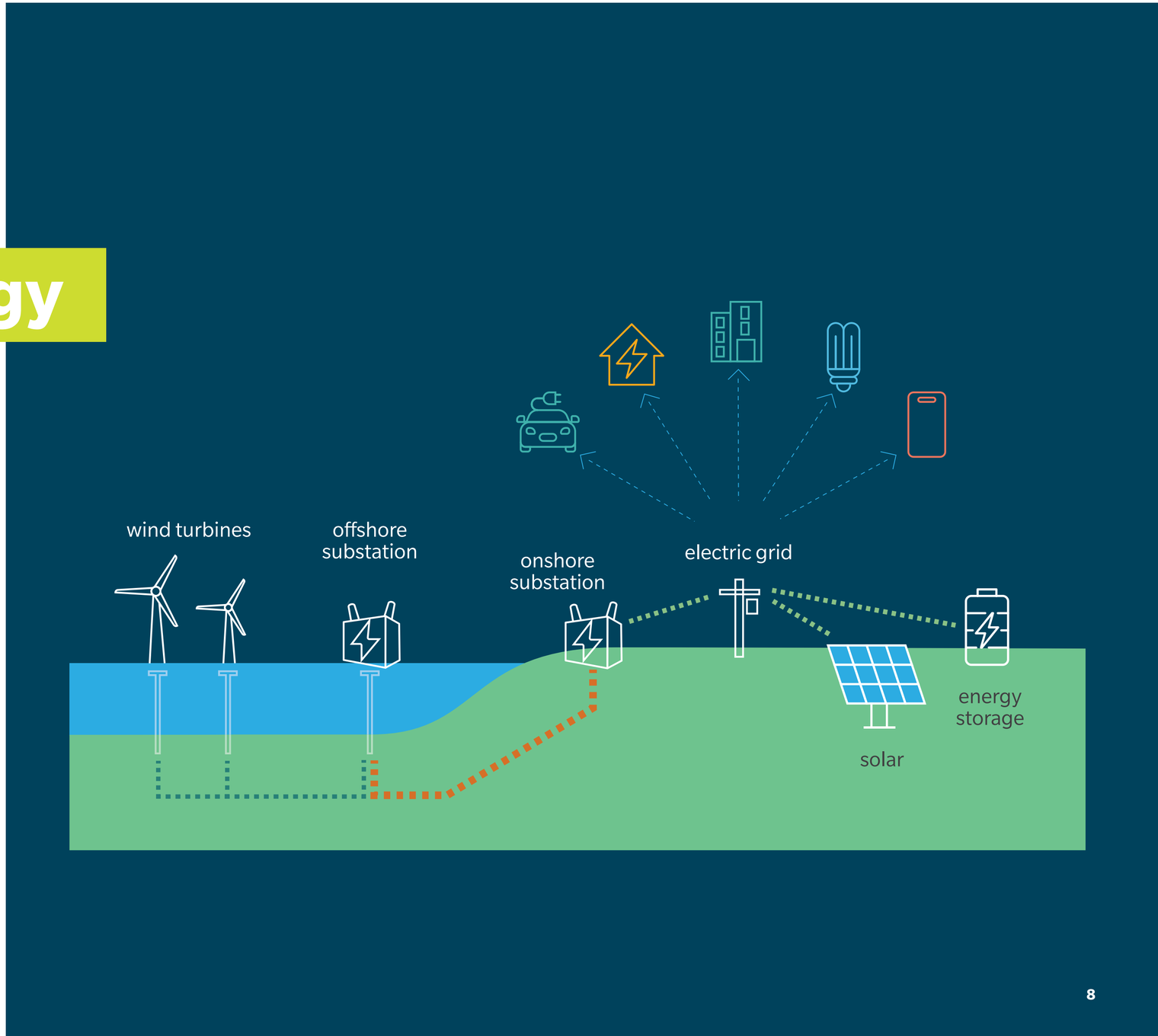
Integrating Clean Energy

We are delivering innovative solutions to lower emissions, improve reliability and integrate clean energy resources into our system. We bring this commitment to our work every day, challenging ourselves to continuously improve.

DELIVERING A CLEAN ENERGY FUTURE

We want to do our part in combating climate change. We are supporting the three states we serve in their aggressive GHG emission reduction goals as we invest in projects that will enable a cleaner grid. We are supporting the development of offshore wind, solar and energy storage — as well as innovative solutions like networked geothermal — as a potential alternative to fossil fuel heating and cooling.

The planning and permitting process for infrastructure is complex. Our goal is to ensure all neighbors in the communities impacted by our projects have an opportunity to engage in the decision-making process. We are committed to proactively connecting with our customers and communities in a variety of ways to provide transparent, engaging communications. We continue to modernize the grid and find ways to make the transition to clean energy work for everyone. We are providing more opportunities for our customers to participate in the clean energy transition by offering them opportunities to adopt new technologies, such as electric vehicles, and helping them lower their energy use.



Offshore Wind

In partnership with Ørsted, the world's leading developer of offshore wind, we have secured at least 4,000 megawatts (MW) of offshore wind development opportunity in the Northeast. As a culmination of a multi-year effort, in January 2022, South Fork Wind received final approval to begin construction of New York's first offshore wind farm, which is expected to be complete in late 2023. This was only the second utility-scale federal approval in the country. We are currently leading onshore construction of this 130 MW offshore wind project, which will power approximately 70,000 homes once completed.

Additional projects in the permitting stage of development include Sunrise Wind and Revolution Wind, both of which will be built off the coasts of Massachusetts and Rhode Island. Together, these projects will provide approximately 1,760 MW of clean, renewable energy — enough to power more than 1 million homes across the region.

We continue to evaluate opportunities to maximize the value of our wind investments in partnership with states throughout the Northeast, and currently have the ability to more than double our commitment to offshore wind capacity within our existing lease areas — providing enough clean, renewable energy to power up to 2 million homes. Our leases offer significant competitive advantages, which include close proximity to the shore with shallow water and interconnection points in New England and New York. In addition to these projects, many additional offshore wind projects in New England are planning to interconnect to our transmission system, allowing us to provide customers with even more clean, renewable energy while decarbonizing the electricity sector to meet state climate goals.

Our projects are supporting economic development, leading the way to revolutionize clean energy in New England:

Our offshore wind projects offer many benefits that go beyond the delivery of clean energy to the grid. They also generate valuable economic impacts, such as the development of innovative technology, new manufacturing and job creation that includes local, union labor.

South Fork will use the first American-made, utility-scale offshore wind substation, and will create 350 jobs across three states to support its fabrication.

We are building a **new facility** at the Port of Providence in Rhode Island, which will soon be used to support the fabrication of advanced foundation components integral for our portfolio of offshore wind farms.

Sunrise Wind will be the first to use high-voltage direct current technology, which is more efficient over long distances than alternating current.

We have partnered with **Sea Services North America**, a fishing consortium, to support safe navigation in and around our offshore wind farms.

We have signed an $86 million supply chain contract with **Riggs Distler & Company, Inc.,** to construct advanced foundation components for Sunrise Wind's wind turbines at New York's Port of Coeymans.

Eversource and Ørsted announced an agreement to charter Dominion Energy's **Charybdis**, the first Jones Act-qualified offshore wind turbine installation vessel built in the U.S. Charybdis is expected to be sea-ready by late 2023 and will first be deployed out of New London harbor in Connecticut to support the construction of Revolution Wind and Sunrise Wind.

Solar

Our first projects to harness the power of the sun were installed more than 10 years ago, and today our 70 MW solar portfolio generates enough electricity to power more than 11,000 homes. Recent legislation in Massachusetts has expanded utility solar ownership opportunities and we are assertively pursuing them. We are committed to educating our communities on solar power generation and helping our customers understand the potential that solar generation represents for infusing the grid with renewable energy. We are optimistic in forging partnerships with the communities we serve to develop, own and operate solar projects paired with energy storage — a dynamic solution for supporting community climate resilience and reducing peak demand.

We also manage solar incentive programs for developing photovoltaic systems, which can lower energy costs for participating customers and support the region's climate goals. To date, Eversource customers have installed panels generating 1.9 gigawatts of solar energy. We work proactively to support policies in our states to sustain the growth of the solar market through long-term system planning and cost-effective investments. To this end, we are launching a community solar program in Connecticut and have proposed a new community solar initiative in Massachusetts to help lower barriers to solar access for low-income customers.

Today, our 70 MW solar portfolio generates enough electricity to power more than 11,000 homes

We believe a portfolio of solutions will be impactful for efficiently decarbonizing the heating sector

Decarbonizing the Heating Sector

Decarbonization of the heating sector is necessary if we are to achieve economy-wide emission reduction targets. We are supporting this transition by maintaining a safe and reliable natural gas system as we explore technologies, such as networked geothermal, while waiting for large-scale wind and solar projects to come online. We are collaborating with a diverse group of stakeholders to evaluate all pathways to cleaner fuel sources, considering important factors like environmental benefits, reliability, costs to customers, social and environmental justice, and the need to train our workforce to support these new resources. In addition to electric heat pumps, we believe, renewable natural gas and other biogas options may have an important role to play in decarbonizing the heating sector, especially for those commercial and industrial customers that may be difficult to electrify.

We are working with the states we serve as they evaluate electrification strategies targeted at the heating sector and we are piloting a networked geothermal project in Massachusetts to provide heating and cooling to customers from an interconnected system.

We are also assisting customers who use oil or propane as their primary heating fuel in the transition to lower-emitting options, such as high-efficiency electric heat or natural gas. In 2021, by providing cleaner-burning natural gas as their primary fuel source, we enabled nearly 10,000 residential customers to reduce their GHG emissions. Customers continue to request natural gas due to its reliability, convenience and environmental benefit compared to other heating options.

Research and development for emerging cleaner fuels, such as hydrogen, continues to advance. As we work to transition to a cleaner energy future with the integration of increased large-scale renewable energy resources, natural gas will continue to provide a safe and reliable heating option for customers.

Working With the States We Serve

We are deeply committed to supporting the region's decarbonization efforts and recognize the importance of meeting the challenges presented by climate change. We support the three states we serve in examining the options to decarbonize the natural gas system to achieve our shared commitment to reduce GHG emissions. As an example, we are participating in the Massachusetts' Department of Public Utilities Docket #20-80 "Future of Gas" proceeding to decarbonize our operations and help achieve the Commonwealth's 2050 net zero emissions goal.

As part of this proceeding, Eversource, other Massachusetts gas utilities and interested environmental, business, labor and consumer advocacy groups participated in a robust stakeholder engagement process that included meetings, one-on-one sessions and a website to share information and feedback to help inform the utilities' decarbonization plans. In March 2022, we submitted our individual long-term decarbonization plan and expect Department approval by the end of the year.

In Connecticut, we are actively participating in the development of the state's new 2022 Competitive Energy Strategy, which will examine the future energy needs of Connecticut while identifying strategies to reduce costs, ensure reliability, affordability and equity, and reduce environmental impacts.

We're making geothermal work on a whole new level

Geothermal

Geothermal technology uses the stable temperature of the Earth to efficiently warm buildings in the winter and cool them in the summer through a series of shared piping, wells and heat pumps. While geothermal heating and cooling is not a new technology, this networked approach will be the first for a U.S. utility to undertake.

Working with our neighbors in Framingham, Massachusetts, we're rethinking how the Northeast can keep warm in the winter and cool in the summer. Once we received regulatory approval in 2020 to begin a pilot program and select a neighborhood to start this project, we received approval for Framingham — an environmental justice community — and the ability to begin construction in 2022. Service will be provided to a wide, cross-section of approximately 100 residential, apartment and commercial properties. A mix of current fuel sources will be included to help understand the emissions reductions and other benefits to customers who currently receive delivered fuels (oil or propane) or who use electric resistance and gas heating.

The pilot will be in operation for two heating and cooling seasons to gather sufficient data on the operational feasibility and customer response to this innovative project. The pilot will also help inform the possibility of rolling out a larger geothermal program as an alternative energy source to other areas in our three-state service territory.

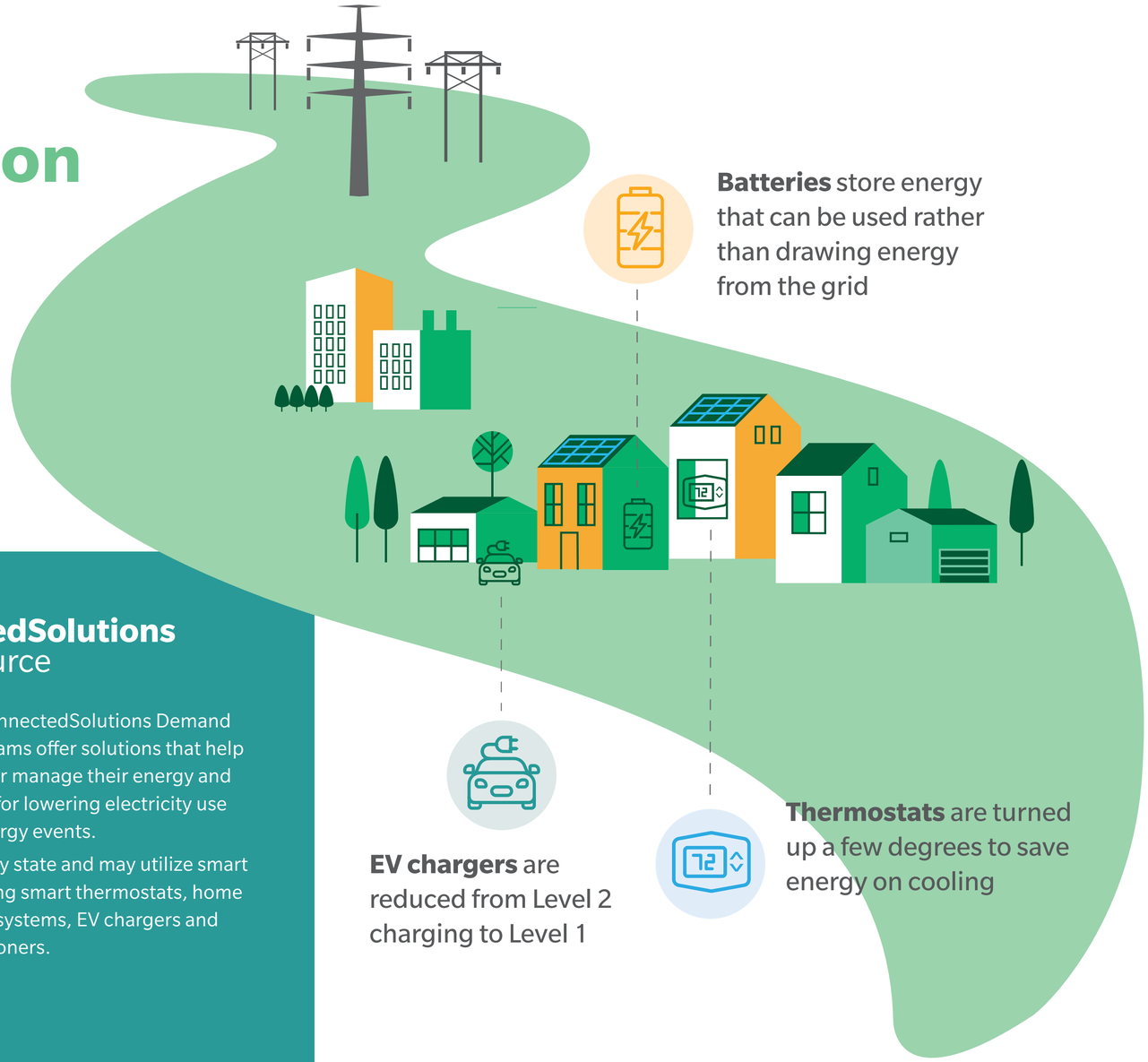
The clean energy transformation requires energy storage

Energy Storage

Energy storage can be used in a stand-alone configuration or in combination with other energy sources, such as renewable generation. This technology provides opportunities for increased adoption of clean energy and improved reliability and resiliency. It can also serve as an alternative to traditional distribution solutions when feasible.

In 2021, we introduced Energy Storage Solutions, a battery storage program for residential, commercial and municipal customers in Connecticut. Like our ConnectedSolutions program, it offers access to affordable backup energy storage to help customers be more prepared during storms. Participation in our battery demand response program rewards customers for drawing power from their battery system during times of high demand, lessening the strain on the electric grid. In many cases, this energy is drawn from batteries storing energy produced by our customers' solar panels.

We are also piloting an industry-leading, first-of-its-kind Battery Energy Storage System (BESS) in Provincetown, Massachusetts. The BESS is designed to improve system reliability and provide clean backup power during outages on the single distribution line that serves more than 10,000 customers in Provincetown, Truro and Wellfleet. We are constructing a 24.9 MW state-of-the-art lithium-ion battery system that will be capable of providing 1.5 to 3 hours of backup power in summer "peak" conditions and up to 10 hours at other times of the year when most major outages have historically occurred. This project will also strengthen reliability in the area by adding upgraded equipment that will create a "smart grid" to supply power to the Outer Cape towns on a continuous basis, not just when the storage system is called upon to operate.



ConnectedSolutions at Eversource

Eversource's ConnectedSolutions Demand Response programs offer solutions that help customers better manage their energy and earn incentives for lowering electricity use during peak energy events.

Programs vary by state and may utilize smart devices, including smart thermostats, home battery storage systems, EV chargers and Wi-Fi air conditioners.

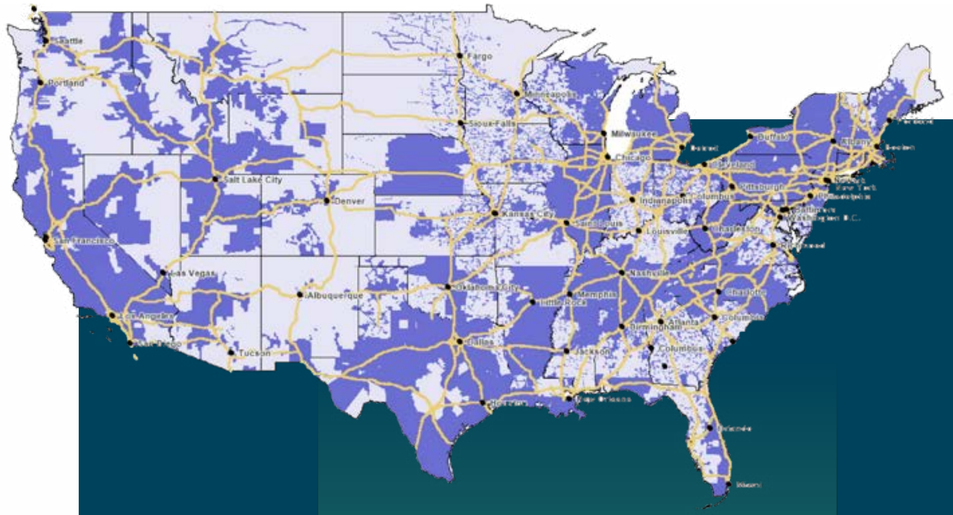
Leading the charge in electric vehicle infrastructure

Electric Vehicle Infrastructure

Transportation represents the largest contribution to the region's GHG footprint, and we are helping to combat this source of emissions by working closely with the three states we serve and other utilities. Our investment in local grid upgrades to support additional electric vehicle (EV) charging stations and the related educational resources we provide to our customers play a significant role in promoting the adoption of EVs.

In Massachusetts, we installed charging stations at more than 400 customer sites through the end of 2021 and built out a $55 million allocation with 3,500 public EV charging ports. Through this work, we maintained a strong focus on equity, with 19% of EV charging sites installed in environmental justice communities, exceeding our goal of 10%. We partnered with the City of Boston, E4TheFuture and Nuestra Comunidad to bring charging stations and the Good2Go car sharing program to Bartlett Station in Roxbury, Massachusetts, offering equitable clean transportation options to this neighborhood. We also worked with our regulators in 2021 to seek approval for expanding this program.

In 2021, Connecticut regulators approved an expansive nine-year EV program that we are managing, offering rebates for eligible charging stations and the associated installation at homes, businesses and public spaces. We will also be managing a program to address peak demands of at-home EV chargers. The program supports the state's transportation electrification goals and provides incentives for EV charging in a range of residential, commercial and publicly accessible locations, including underserved communities.



National Electric Highway Coalition

We are proud to partner with more than 50 of the nation's leading utility companies in the National Electric Highway Coalition (NEHC), which will enable EV drivers access to uninterrupted travel across much of the country. Each utility will provide EV charging solutions within its service territory, connecting major highway systems across the country. Charging stations will provide universal DC fast chargers capable of getting drivers back on the road in approximately 20-30 minutes, and NEHC has committed to implementing the chargers by the end of 2023.

AstraZeneca EV Charging Upgrade

As part of an ambitious goal to eliminate GHG emissions from its sites and fleets by 2025, AstraZeneca partnered with Eversource and the state of Massachusetts to upgrade its facilities in the Boston area to expand employee access to EV charging stations. The global biopharmaceutical company's massive 250-port EV charging hub, located in Waltham, Massachusetts, is the largest of its kind on the East Coast.

Energy Efficiency

We are proud to be consistently recognized as a leader in energy efficiency by national industry organizations, including the American Council for an Energy-Efficient Economy. In 2021, we invested approximately $674 million in customer energy efficiency programs, leading to lifetime reductions in electricity consumed by 8,776 gigawatt hours (GWh) and natural gas consumption by 220 million therms.

Our energy efficiency programs help our electric and gas customers use less energy and save money. These programs include discounts, rebates and incentives for energy-saving products and services, professional energy assessments, tools to help customers better understand their energy use, and easy energy-saving tips.

As we implement energy efficiency solutions across our region, we are increasing engagement and providing additional support to customer groups that historically have had low participation. Economically stressed families and businesses that participate in our income-eligible programs are now benefiting from the long-term savings that follow these improvements.

We are leading the nation with our carbon-focused plans, representing a transformation of energy efficiency programs that aligns with our three-state service territory's aggressive GHG reduction and environmental justice goals. Our 2022-2024 plan in Massachusetts includes an intensive focus on electrification and replaces customers' fossil fuel heating equipment with high-efficiency electric equipment. Rebates provided through the Mass Save® programs for electrification are some of the highest in the country.

In 2021, as a sponsor of the energy saving collaborative Mass Save, we launched the Clean Energy Pathways program. This workforce development initiative seeks to boost the energy efficiency workforce and increase access to opportunities for individuals historically underrepresented in the industry, including women, people of color, LGBTQI+ people and first generation and/or multilingual individuals residing in environmental justice communities. This three-month internship program has the goal of placing 120 diverse recruits into the energy efficiency workforce while providing an hourly wage, professional development training, and other services and resources to support new recruits.

Our **Main Streets** energy efficiency program helps small businesses reduce their energy costs and environmental impact. Authorized contractors schedule no-cost energy assessments, answer questions about energy efficient equipment upgrades, and can provide some improvements on the spot. Larger projects, such as new HVAC equipment or energy efficient motor controls, are scheduled for future installation and may qualify for incentives and interest-free financing to offset the cost of upgrades. In Massachusetts, 2021 proved to be a very successful year, with nearly 54,000 small and micro businesses contacted across 37 communities and more than 1,200 energy assessments completed, leading to more than 16 GWh saved.

More than 113,000 Eversource customers installed distributed generation facilities

Distributed Generation

An increasing number of customers are exploring distributed energy resources (DERs), which refers to the production of electricity from small-scale energy sources, including solar, wind, fuel cells and micro turbines. We are enabling the safe interconnection of these assets to our electric distribution system, supporting our common vision for a safe, reliable and cleaner power grid. By the end of 2021, more than 113,000 Eversource customers installed distributed generation facilities totaling more than 2,959 MW of customer-owned energy resources now connected to our electric distribution system.

Protecting and Preserving

OUR RESPONSE TO CLIMATE CHANGE

Climate change is one of the greatest challenges facing the globe, and we know that timely action is needed to protect the future of our planet, communities and business. We are already seeing these impacts and have taken action to strengthen our infrastructure and work with our communities and other stakeholders to ensure we are collectively prepared to respond to more frequent and severe weather events. While our priority continues to be the safe delivery of essential services our customers depend upon, we are also in a unique position to help mitigate climate change through aggressive emission reduction measures from our own operations and beyond.

In support of our region's goals to realize a low-carbon future, we are proud to serve as a catalyst for clean energy to lower regional emissions from the electric, heating and transportation sectors, and to serve a critical role in achieving aggressive state climate goals. Our system hardening and grid modernization programs will also mitigate the impact of severe weather events due to climate change. In addition, we continue to bolster the reliability of the regional electric system with strategic initiatives to make the grid more resilient to New England's increasingly unpredictable weather.

We are also working with customers to reduce their carbon footprint through solutions such as energy efficiency programs, enabling renewable energy interconnection, and advancing EV infrastructure and energy storage capabilities. We will continue to build on these achievements as we identify additional opportunities to mitigate and adapt to climate change impacts.

Eversource and the **University of Connecticut**

In 2021, we extended our joint commitment with the University of Connecticut (UConn) by investing an additional $14 million to maintain the Eversource Energy Center through 2028. The Eversource Energy Center got its start in 2015 and has been a dynamic partnership between UConn faculty, students and Eversource in which state-of-the-art research, technology and software aim to solve real-world challenges for electric customers where weather, climate and energy intersect. Current research areas include projects on storm outage forecasting, tree and forest management, electric grid reinforcement, resiliency, climate change and flooding, geomagnetic disturbances, integration of renewable generation, and cybersecurity. The extended partnership includes a commitment to engage underrepresented and diverse undergraduate students in all areas of sustainable research, aligning with our increased focus on racial and social justice.

CARBON NEUTRALITY GOAL

One of Eversource's most important initiatives is to achieve carbon neutrality in our operations by 2030. This is an aggressive goal requiring support from all areas of the company to reduce our GHG emissions to as close to zero as possible. For emissions that cannot be avoided, we are preparing to invest in credible offsets.

Since our base year of 2018, our GHG footprint has declined by 13%. Much of this success is due to the dedicated projects associated with our carbon neutrality goal, which are driving reductions in our operational emissions. However, the extent to which we can directly influence these emissions varies. One key example of this is the scope 2 emissions associated with line loss, or the energy lost through the transmission and distribution of electricity delivered to our customers. Due to the regulatory environments under which we operate, state law precludes us from owning generation other than specific exceptions, such as a limited amount of solar in Massachusetts. Therefore, the emissions associated with energy generation and subsequent line loss are largely outside our control. The more that fossil fuels are used to generate energy over cleaner sources like renewable energy, the higher the emission intensity becomes for electricity and line loss.

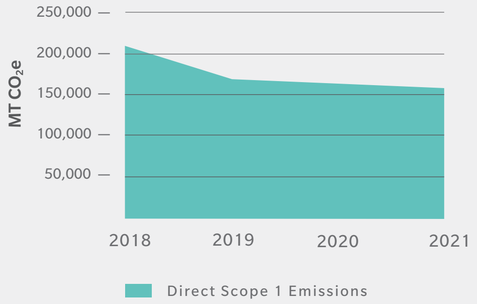
This is precisely what has happened in New England as increased use of fossil fuels has been required to meet growing demands for energy until large-scale renewable energy projects in the region have a chance to catch up with this demand. As a result, the emission factors used to calculate our line loss have shown a significant increase, and since line loss accounts for the greatest portion of our overall emissions, we have seen a 5% increase in our GHG footprint from 2020 to 2021. This upward trend in emissions for line loss may continue in the near term. Our investments and programs to enable more solar and wind energy in our region will reduce the emission intensity of the grid and subsequently show a decline in emissions associated with our own energy use and line loss.

Importantly, we've been successful in decreasing all other sources of our scope 1 and 2 emissions in the past year, indicating that our dedication to driving emissions down where we have the greatest ability to do so is showing favorable results. We are improving the efficiency of our facilities, adopting more hybrid vehicles in our fleet, and implementing maintenance and system upgrade projects to cut fugitive emissions of methane from our natural gas pipes and services and sulfur hexafluoride (SF_6) leaks from our electrical insulating equipment. These and future emission reduction projects are all made possible due to strategic planning and implementation along with the full support of Eversource employees across the company.

As we look to 2030, we know there is still a lot of work to do, and we will continue to test innovative technologies and explore all options to cut emissions. A dedicated internal governance structure is in place to execute the initiatives needed to achieve this goal, and employees from across the company are deploying emission-reduction plans, engaging internal and external stakeholders, and preparing to offset emissions that cannot be avoided with credible investments. We are also looking to complete a comprehensive evaluation of indirect scope 3 emissions from our value chain, quantify these sources as best we can, and develop a strategy for how we can reduce these indirect emissions. These efforts underscore our commitment to join the states where we operate, our customers, our employees, our investors and others in combating climate change.

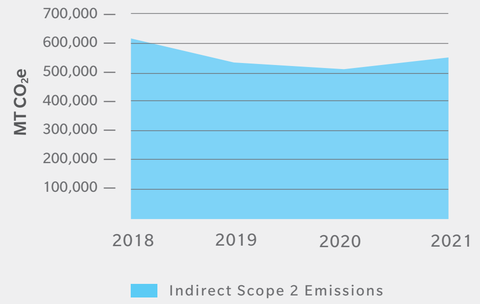
2021 Reductions in All Direct Emission Sources

4% decrease from 2020 to 2021 driven by projects to cut fossil fuel use and fugitive emissions



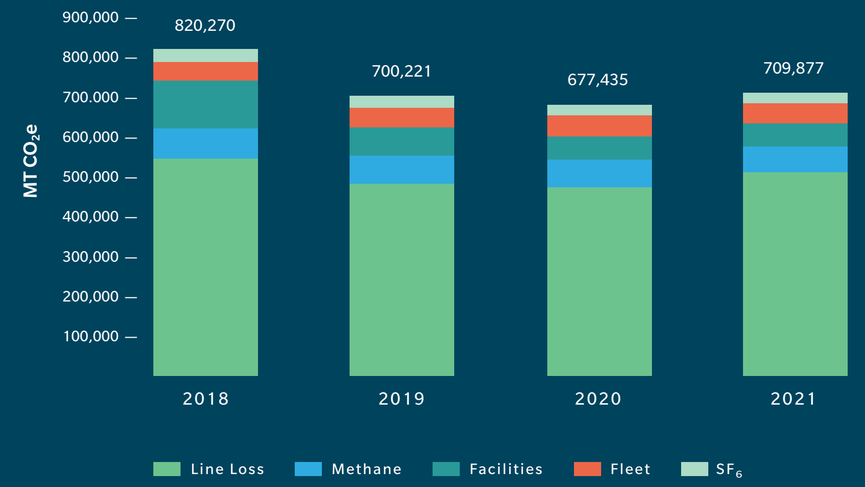
Scope 1 emissions reflect the CO2e of stationary and fleet combustion of fossil and biofuels as well as direct (fugitive) emissions of methane and SF_6.

10% increase from 2020 to 2021 driven by more carbon intensive regional grid emissions



Approximately 90% of the scope 2 emissions stems from line loss, with the remainder associated with the electricity used at Eversource facilities and a very small amount of district heating and cooling at a single facility.

13% Reduction in Total Emissions Since 2018



We are focused on achieving our carbon neutral goal by reducing emissions in five key operational areas.

Line Loss

The energy lost when power is transmitted and distributed across the grid, known as line loss, is one of the electric industry's biggest sources of indirect emissions. Collaborating with state and regional efforts to incorporate a cleaner mix of energy within the grid is the most effective way to minimize impacts associated with line loss. We are also implementing distribution infrastructure projects that will enhance system efficiency. These include projects to interconnect distributed energy resources and projects that replace inefficient distribution transformers.

Methane

By replacing aging, bare-steel and cast-iron natural gas pipelines, we are not only reducing methane emissions but also enhancing the safety of the network. Since 2018, we have replaced more than 447 miles of aged, leak-prone natural gas distribution infrastructure, including 125 miles in 2021 alone. Looking ahead, we plan to exceed historical upgrades with more than 140 miles of pipe replacements in 2022. We also remain focused on pursuing long-term solutions such as evaluating electrification options and decarbonizing natural gas for our customers by exploring low- or no- carbon gases that can be blended with natural gas or used as an eventual replacement. These alternatives include renewable natural gas, which is created from landfills, wastewater treatment facilities and farms, and possibly hydrogen, which can be produced from clean energy resources like offshore wind.

Facilities

We continue to pursue aggressive strategies aimed at reducing electricity and fuel use at our facilities. We are evaluating and upgrading HVAC equipment with more efficient models, including electric heat pumps. Our successful efforts to replace energy-intensive lighting with LEDs at the majority of our facilities have now been expanded to target converting all facilities by the end of 2022, including Eversource Gas of Massachusetts (EGMA) facilities (former Columbia Gas facilities), which we acquired in 2020. Similarly, we are implementing measures to lower our energy use with control system upgrades and space optimization, by improving building envelopes, and by integrating renewable energy when feasible. In 2021, we sourced over 52,000 MWh of renewable energy for our facilities and completed the installation of a rooftop solar system at our Aquarion customer service center in Monroe, Connecticut.

Fleet

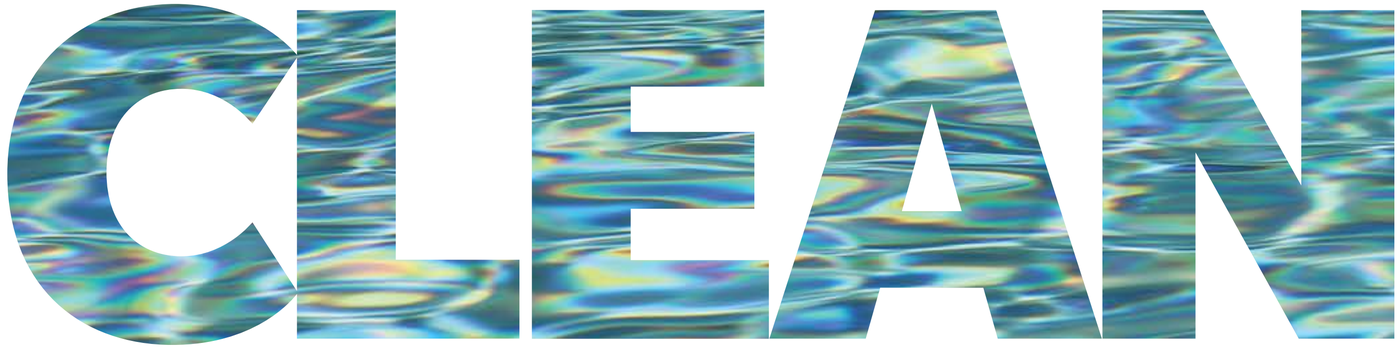
A key focus for our fleet operation is to reduce emissions from fuel consumption. To this end, we continue to adopt hybrid vehicles and incorporate alternative fuel sources to diesel and gasoline, such as biodiesel. In 2021, we were able to replace more than 36% of our fleet diesel with a biofuel blend. We have also established partnerships with vendors that are developing innovative technologies, such as AltecJEMS® and XL Fleet, that specialize in emission-reducing tools and technology to help reduce idle time and improve fuel efficiency. Looking ahead, we aim to complete the procurement we began in 2021 to expand our fleet with hybrid vehicles, and we will continue to explore emerging fuel sources like renewable diesel and hydrogen as possible alternatives to fossil fuels. By 2030, our goal is to have 100% of our bucket trucks utilizing hybrid technology.

SF_6

We have made great progress in reducing sulfur hexafluoride (SF_6) gas emissions from our existing electric equipment through strong maintenance practices and the successful implementation of a detailed SF_6 gas tracking and inventory program. We are working with industry partners to research and test solutions to reduce the dependency on SF_6 gas in high-voltage electrical equipment, which includes piloting SF_6-free equipment. In 2020, we began planning our first pilot project utilizing SF_6 alternative technology at a substation in Preston, Connecticut, and we expect it to be in service by the end of 2022. In anticipation of non-SF_6 solutions coming to market, we have designed certain equipment, including a substation in Cambridge, Massachusetts, to be ready to accommodate these alternative gases.

8%↑	5%↓	1%↓	3%↓	1%↓

Progress from 2020 to 2021



PROTECTING WATER

Water Management

We are committed to protecting and conserving water as a natural resource throughout our operations. The largest contribution to our water footprint is associated with our water utility, Aquarion Water.

We use high-tech and boots-on-the-ground methods to find leaks in our distribution system. In 2021, we replaced 22 miles of water main to reduce the likelihood of leaks and main breaks.

We encourage customers to join us in responsible water use. Despite a wet year in 2021, we expanded our water conservation programs to include proactive communication with high water users, and added additional towns to a twice-weekly irrigation schedule. Demand management is an important tool as we seek to climate-proof our water utility.

Drinking Water Quality

As stewards of the environment, we promote sustainable practices and habitat management. This includes actively monitoring reservoir ecosystems throughout our Aquarion Water company. We have a long history of monitoring the quality of the water in our watershed and reservoirs to optimize treatment. In 2021, we completed a multi year effort to map the presence and density of invasive aquatic plants in all our Aquarion reservoirs. These plants crowd out native species, affecting light levels, the food chain and water quality, and contribute to increased organic loading in our treatment facilities. In addition to the mapping effort, we conducted an invasive species management pilot at Laurel Reservoir in Stamford, Connecticut, to remove hydrilla and Eurasian milfoil. The reservoir's biomass was mapped before and after removal efforts and will be assessed again in 2022 to measure the efficacy of the different removal methods. This pilot program will help us determine the most effective and economical method of invasive species removal.

Safe, clean drinking water is our highest priority; to this end, we performed over 175,000 water quality tests in 2021

Aquarion's water barrel program helps customers conserve water and reduce their water bills

Safe, clean drinking water is our highest priority, and we performed over 175,000 water quality tests in 2021. Samples are collected from a variety of locations as we continually monitor water from our reservoirs, wells, treatment facilities and distribution systems for more than 100 compounds, including:

- *Microbial contaminants from septic systems, agriculture and livestock operations, and wildlife.*
- *Inorganic contaminants, such as salts and metals that can naturally occur or result from urban stormwater runoff, industrial or domestic wastewater discharges, or farming.*
- *Pesticides and herbicides from sources such as agriculture, urban stormwater runoff and residential uses.*
- *Organic chemical contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes.*
- *Naturally occurring radioactive contaminants*
- *Lead and other contaminants as required by the EPA.*

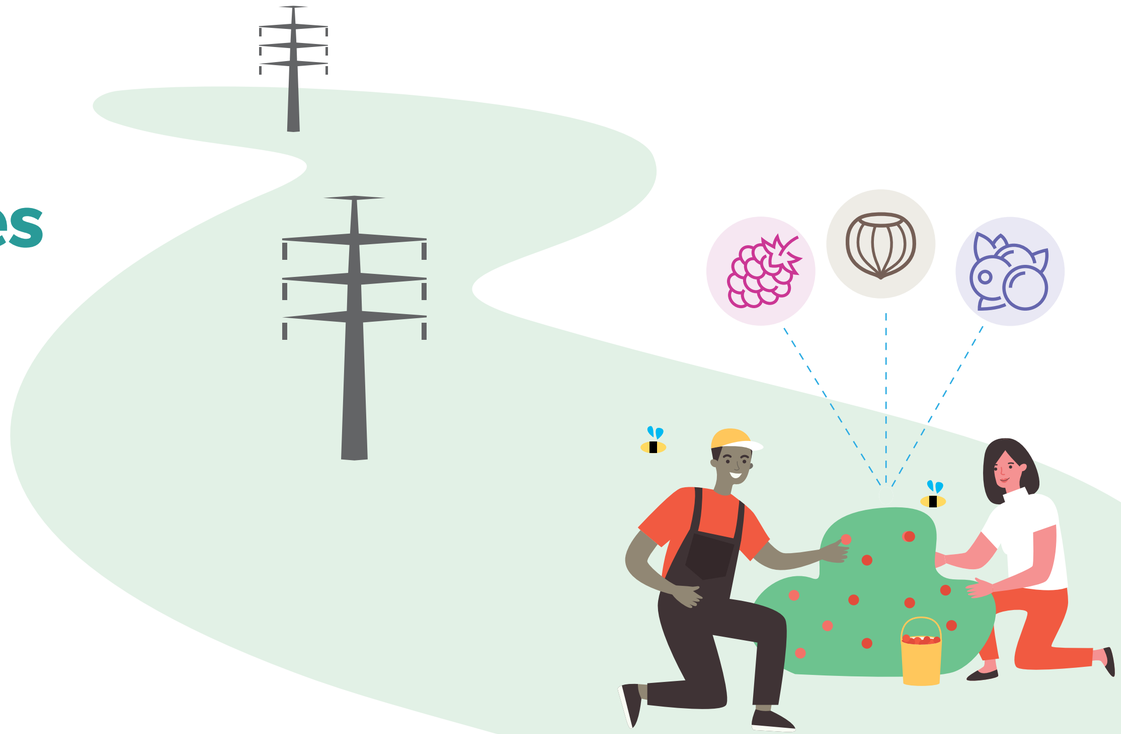
Throughout New England and across the nation, state and local officials, health departments, and water utilities have focused their attention on PFAS, a group of man-made chemicals that have been detected in drinking water. PFAS can enter drinking water through industrial and commercial releases to water or air, discharges from sewage treatment plants; leaching from septic systems and landfills; land application of wastewater treatment biosolids; and the use of fire-fighting foam. We are monitoring our water systems for PFAS and make our sampling results available on the Aquarion website, aquarionwater.com.

All water delivered to residents and businesses in Connecticut, Massachusetts and New Hampshire meets regulatory standards and guidelines. In some cases, we have discontinued the use of individual wells due to the presence of PFAS. In these instances, we are investing in treatment systems to ensure the resilience of our water supply and the safety of our drinking water.

Aquarion's **Water Barrel Program**

Aquarion offers its customers rain barrels to help them conserve water by collecting and storing rainwater. The 60-gallon barrels are designed to fit under downspouts to catch rainwater runoff and are offered to customers at discounted prices. These upcycled barrels help direct water away from home foundations and include a kit to connect to drip irrigation, soaker and garden hoses.

We own and maintain approximately 40,000 acres of land throughout our service territory



ENVIRONMENTAL STEWARDSHIP

We are committed to environmental stewardship and take great care to preserve biodiversity, promote conservation and protect wildlife and natural and cultural resources. We are also committed to evaluating and reducing the potential impacts of our operations on the environment.

Land Preservation

We foster the long-term vitality of the land we manage and we strive to promote diverse, native habitats. Our Eversource Land Trust consists of nearly1,000 acres of permanently protected open space in Connecticut, much of which is open to the public for recreational use. We also own and maintain approximately 40,000 acres of land throughout our service territory, along with more than 15,000 acres of protected watershed land managed by a partnership with the Connecticut Department of Energy and Environmental Protection, The Nature Conservancy, and Aquarion. Through this partnership, we work to protect the many functions and resources of forested land. Our stewardship activities include helping our partners route and maintain recreational trails, preventing erosion and shielding critical habitat, enforcing usage regulations and state laws, and acting as a good neighbor to adjacent landowners.

Food Forest Initiative of Cape Cod and Eversource

We are teaming up with the Food Forest Initiative of Cape Cod and the Harwich, Massachusetts, Water Department to plant edible and pollinator shrubs within a powerline easement. The collaboration will create a sustainable landscape comprised of various edible plant species, including raspberry, blueberry and hazelnut, accessible to the public and compatible with the existing distribution ROW.

Bobcat Study on Eversource Land

Gillian is a bobcat living on Eversource-owned land in Connecticut. She is named after Gillian Carroll, Eversource's Land Management Administrator who is partnering with Connecticut's Department of Energy and Environmental Protection's (CT DEEP) Wildlife Division and UConn biologists to support bobcat studies within urban areas. These studies can tell scientists more about the bobcats' movements and resource needs and how they interact with the landscape. The collaboration with CT DEEP's Wildlife Division is a part of our environmental stewardship initiative to build upon existing relationships with regulators and environmental stakeholders, such as land trusts and nonprofits that promote species conservation.

Wildlife and Habitat Protection

In partnership with our transmission, distribution and vegetation management divisions, we strive to minimize the impacts of our operations on habitat that sustains a variety of species within our ROW. Through management of our ROW for early successional habitat, we are able to provide a niche habitat, which is essential to the conservation of many protected species of insects, plants, birds, amphibians and reptiles.

We often work in partnership with state and federal environmental agencies and other external stakeholders on stewardship.

2021 initiatives included:

- *Installing a new pole and platform to welcome a pair of returning osprey to a new nesting location at a busy construction site in Branford, Connecticut. Osprey, which often mate for life, return to the same nest each year.*
- *Partnering with the CT DEEP Wildlife Division in Connecticut to study bobcat habitat use on eight Eversource-owned land parcels. The data collected on these properties, which represent only a portion of the total study area, will be used to determine the abundance and distribution of bobcats in the state.*

We work in partnership with state and federal environmental agencies on stewardship initiatives

Osprey Management

Osprey are often attracted to utility structures as a place to perch and nest, which can be dangerous for the birds and cause service reliability issues for customers. To help manage this issue, we install deterrent devices to discourage osprey from building nests in locations that are likely to cause them harm, and we follow strict guidelines set by the United States Fish & Wildlife Service and Migratory Bird Treaty Act when maintaining our electric system around osprey nests that are already established. These rules include not disturbing active nests that contain an egg or a flightless chick, unless the life or viability of the egg or chick is threatened by the nest's continued presence on the utility structure. Should the nest need to be removed, we will relocate the nest or work with our wildlife rehabilitator partners to ensure birds are prepared for release back into the wild. We also encourage the public to report nest locations through an online form on the Eversource website.

Given the abundance of osprey nesting on our utility poles on Cape Cod, we've developed the Cape Cod Osprey Management Plan (CCOMP) through close collaboration with environmental stakeholders including Mass Audubon, Wild Care, Inc., New England Wildlife Centers, the Towns of Barnstable and Falmouth, and the Commonwealth of Massachusetts Division of Fisheries and Wildlife. Guided by our Avian Protection Plan, the CCOMP was developed to protect osprey and reduce osprey-related power outages and service interruptions.

WASTE MANAGEMENT

We are minimizing waste through reuse, recycling and investment recovery practices. In 2021, our programs prevented nearly 20,000 metric tons of material from going to landfills. A formal assessment of all waste streams is underway to identify opportunities to reduce volume and ensure waste is managed or recycled in the most environmentally appropriate manner.

We also look for opportunities to avoid creating waste. Our employees are encouraged to avoid printing documents whenever possible, and when necessary, to print double-sided. In 2021, we avoided the use of more than 820,000 sheets of paper by restricting certain printing. As of the end of 2021, more than 37% of our customers have chosen to participate in paperless billing. Our goal is to have over 40% of our customers enrolled by the end of 2022, reducing paper use and improving convenience.

Sustainability is a key focus of our robust investment recovery program, focused on recouping the value of assets and reducing waste by repurposing materials through sale, auction and donation. Materials we target for investment recovery include scrap metal, distribution and substation transformers, batteries, generators, inventory overstock, vehicles, office furniture, computers, and warehouse equipment. To limit their impact on natural resources, we are having some of our electric system transformers rebuilt to new standards.