

ONCOR® 2021



CORPORATE SUSTAINABILITY OVERVIEW

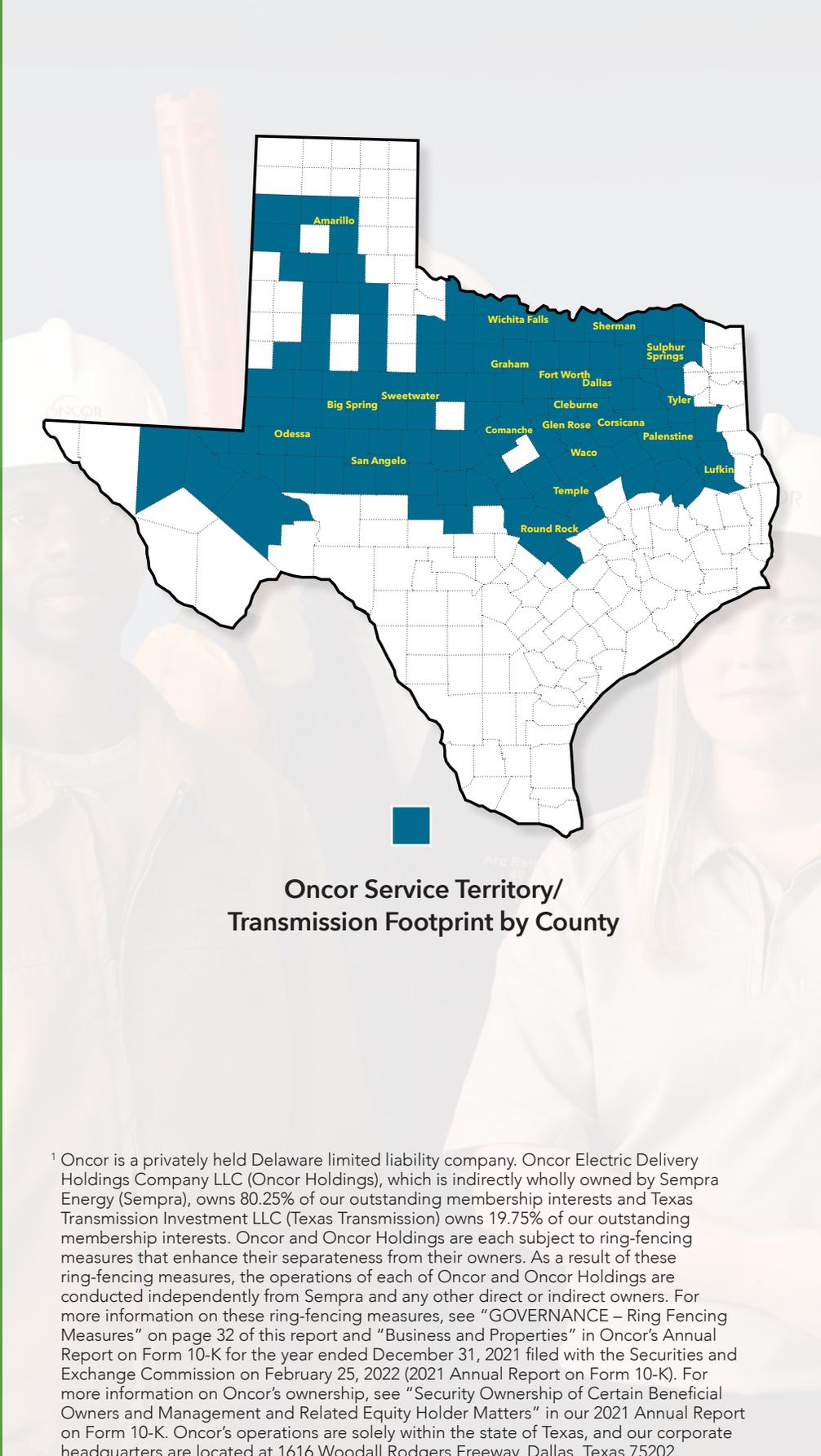


Our Business	3	Oncor Safety Principles	23
Sustainability Strategy	4	Safety Achievements	24
Sustainable Enterprise	4	Safety Excellence Award	24
Reporting Boundary.....	4	Contractor and Supplier Safety	25
A Message from our Chief Executive	5	Heroism and Life Saving Awards	25
Environmental	6	Focus on Community and Public Safety.....	26
Delivering Cleaner Energy.....	7	Live Well.....	26
Sustainably Supporting Texas Growth	7	Developing the Next Generation	27
Environmental Benefits of Advanced Meters	8	New Internship Opportunity – Oncor’s Secondary Education Outreach Program	27
Energy Efficiency Programs and Opportunities.....	8	Investments in Supplier Diversity.....	28
Advancing New Home Efficiency	9	Supporting Economic Development in Texas.....	28
Oncor and the Arbor Day Foundation.....	10	Area Managers Across the Territory.....	29
Environmental Policy.....	11	Community Partnerships and Charitable Giving	29
Annual Environmental Review of Line Miles	11	Oncor Cares Foundation	29
LiDAR for Vegetation Management	12	American Heart Association and the United Way.....	30
Hike and Bike Trails Around Transmission Rights-of-Way.....	13	Governance	31
Recycled and Repurposed Waste	13	Ring-Fencing Measures	32
Reducing Our Emissions.....	13	Board of Directors.....	32
Supporting Customer Electric Fleet Vehicle (EV) Growth	14	Core Values and <i>One Oncor</i>	34
Renewable Electricity Usage.....	14	Diversity, Equity, and Inclusion	34
Social	15	Cyber and Physical Security	34
Service Reliability	16	Sustainable Finance Reporting	35
Continuing to Enhance Reliability Through Investing in the Grid	16	Human Capital Development.....	36
Drones.....	17	Employee Engagement	37
Weather Preparedness	18	Culture of Procedures.....	37
Seasonal Preparedness.....	19	Good Governance Policies	38
Wildfires	20	Adoption of Human Rights Policy.....	38
Winter Storm Uri.....	21	Ethics and Compliance Hotline	38
Emergency Response and Mutual Assistance	22	United Nations Sustainable Development Goals... 39	
COVID-19	22	Appendix	41
Safety Vision	23	EEI Sustainability Reporting Template	41
		Forward Looking Statements	49

Oncor Electric Delivery Company LLC (Oncor)¹ has a long tradition of providing essential services to the people of Texas and being an active member of the communities we serve. We laid our first power lines at the beginning of the 20th century, and we do more than simply keep the lights on.

We operate the largest electric delivery system in Texas, and our approximately 4,500 employees support a service territory with a population of approximately 13 million Texans. We have invested significantly in infrastructure and advanced technologies to create a safer, smarter, more reliable power grid. And most importantly, we partner with the people of Texas – working with communities, businesses, government representatives, and non-profit organizations to help nurture the quality of life and economic well-being of the state.

We provide electric transmission and distribution services under regulations established by the Public Utility Commission of Texas (PUCT) and the Electric Reliability Council of Texas, Inc. (ERCOT). We solely deliver electricity and do not generate electricity for sale or purchase electricity for resale.



**Oncor Service Territory/
Transmission Footprint by County**

¹ Oncor is a privately held Delaware limited liability company. Oncor Electric Delivery Holdings Company LLC (Oncor Holdings), which is indirectly wholly owned by Sempra Energy (Sempra), owns 80.25% of our outstanding membership interests and Texas Transmission Investment LLC (Texas Transmission) owns 19.75% of our outstanding membership interests. Oncor and Oncor Holdings are each subject to ring-fencing measures that enhance their separateness from their owners. As a result of these ring-fencing measures, the operations of each of Oncor and Oncor Holdings are conducted independently from Sempra and any other direct or indirect owners. For more information on these ring-fencing measures, see “GOVERNANCE – Ring Fencing Measures” on page 32 of this report and “Business and Properties” in Oncor’s Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission on February 25, 2022 (2021 Annual Report on Form 10-K). For more information on Oncor’s ownership, see “Security Ownership of Certain Beneficial Owners and Management and Related Equity Holder Matters” in our 2021 Annual Report on Form 10-K. Oncor’s operations are solely within the state of Texas, and our corporate headquarters are located at 1616 Woodall Rodgers Freeway, Dallas, Texas 75202.



Our Mission

Empowering our customers' modern lives through safe, reliable and efficient delivery of electricity.



Our Vision

Be the electric company of choice for all customers and employees.



Our Goal

Be the premier electric delivery company in the country.

Sustainability Strategy

We are committed to building a business with long-term sustainable growth, and this has resulted in an expanding focus on environmental, social, and governance (ESG) matters.

We aim to:

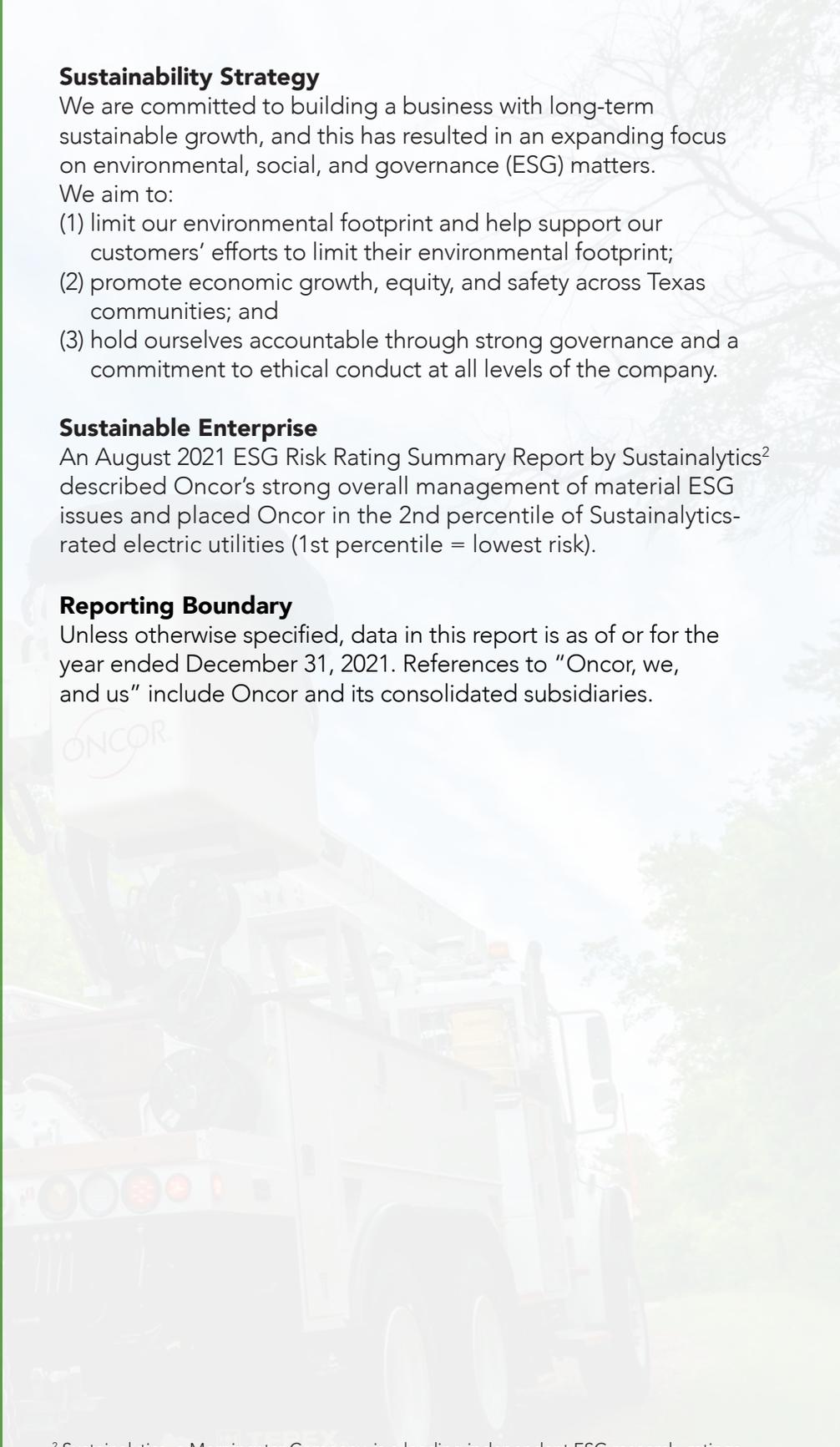
- (1) limit our environmental footprint and help support our customers' efforts to limit their environmental footprint;
- (2) promote economic growth, equity, and safety across Texas communities; and
- (3) hold ourselves accountable through strong governance and a commitment to ethical conduct at all levels of the company.

Sustainable Enterprise

An August 2021 ESG Risk Rating Summary Report by Sustainalytics² described Oncor's strong overall management of material ESG issues and placed Oncor in the 2nd percentile of Sustainalytics-rated electric utilities (1st percentile = lowest risk).

Reporting Boundary

Unless otherwise specified, data in this report is as of or for the year ended December 31, 2021. References to "Oncor, we, and us" include Oncor and its consolidated subsidiaries.



² Sustainalytics, a Morningstar Company, is a leading independent ESG research, ratings, and data firm and has provided the ESG Risk Rating research set forth in the ESG Risk Rating Summary Report available in the Investor Relations section of Oncor's website.



A MESSAGE FROM OUR CHIEF EXECUTIVE

From our founding more than 100 years ago to our current role as a 21st century electric delivery innovator, Oncor has prioritized how we can best serve the great state of Texas. We recognize that building an enterprise with awareness of environmental, social, and governance ESG matters is a key component of serving the state and our stakeholders, and we're committed to advancing these efforts across the company.

We also recognize that our sustainability activities go hand in hand with our long-standing commitment to providing safe, reliable, and affordable service to our customers. This third annual Corporate Sustainability Overview highlights our achievements and our continued focus on ESG areas in 2021.

We know that being good stewards of our environment and good partners to the communities we serve is not only critical to our operations, but also integral to building a safer, more reliable, more sustainable electric grid for Texas. That we have accomplished these things within an increasingly transparent and well-developed governance framework—affirmed by 2021 events such as adoption of Oncor's first-ever corporate Environmental Policy and naming of Mike Grable to the newly created role of Chief Sustainability Officer—makes me even prouder of our record this past year, and eager to see what more we can do.

A handwritten signature in black ink, appearing to read "Allen Nye". The signature is fluid and cursive, written over a white background.

Allen Nye
Oncor Chief Executive and Director

OVERVIEW



100%

We aim to fulfill 100% of new renewable energy requests for interconnection each year



~5,200

Linear Miles of right-of-way reviewed for threatened and endangered species habitat, cultural resources or other environmentally significant areas



65%

Percentage of operational waste recycled or repurposed in 2021



37.5M+

Number of service orders completed remotely through advanced meters from 2013-2021



~\$45M

Total amount of incentives provided to customers in 2021 through our energy efficiency programs

Delivering Cleaner Energy

Texas not only leads the nation in energy production, but also in wind-generated electricity. The state has an abundance of renewable energy resources, and in 2021 Texas installed more new renewable energy projects by megawatt (MW) capacity than any other state. We have consistently invested in facilities that bring these cleaner energy sources of generation to our customers. We aim to fulfill 100% of new renewable energy requests for interconnection each year.

As of December 31, 2021, Oncor interconnected approximately 80 renewable generators to the ERCOT grid, representing approximately 15,500 MW of renewable generation capacity, approximately 12,000 MW of which (through approximately 70 generators) had achieved commercial operation. Of this amount in commercial operation, nearly 10,000 MW is from wind interconnections, representing approximately 34 percent of all ERCOT wind generation.

At the end of 2021, we also had agreements in place with numerous generators – representing nearly 13,000 MW of new renewable and/or battery generation – that we expect to connect to our facilities and achieve commercial operation over the next few years, and we expect renewable and battery generation projects to continue to increase, particularly in the West Texas region.

Sustainably Supporting Texas Growth

Oncor’s service area includes three of the top 15 fastest growing cities and four of the top 10 fastest growing counties in America over the past decade. We maintained a strong operational tempo in 2021, constructing new projects that support growth across the state of Texas and reliability for the ERCOT market. In 2021, we built, rebuilt, or re-conducted approximately 1,800 miles of transmission and distribution lines and placed in service a total of 22 switching stations.

Our distribution system has grown an average of approximately 2% per year over the last five years, including 70,000 new premises added in 2021, and in 2021 we achieved year-end company records for both new and active transmission point-of-interconnection requests. Our facilities and expanding electric grid help oil and gas customers, such as those in West Texas’ Permian Basin, reduce their environmental impacts by displacing diesel generators, reducing natural gas flaring, and enabling expanded pipeline deliveries to customers and liquefied natural gas facilities.



Texas installed **more new renewable energy projects** by MW capacity in 2021 than any other state.

Environmental Benefits of Advanced Meters

Advanced meters have provided our customers with better information about their electric use, allowing customers to be more efficient and providing the foundation for customer benefits like “Time of Use” pricing from retail electric providers. These meters have provided significant environmental benefits since deployment was completed in 2013.

From 2013 through 2021 our advanced meters have made it possible for us to remotely complete more than 37.5 million service orders without dispatching personnel and vehicles. We estimate that this has eliminated the need to drive more than 188 million cumulative miles, including more than 17 million miles in 2021 alone.³ By our estimate, avoiding these truck rolls has saved approximately 16 million cumulative gallons of fuel, including approximately 1.5 million gallons in 2021⁴, and prevented more than 155,000 cumulative tons of carbon dioxide from being released, including over 14,000 cumulative tons of carbon dioxide in 2021.⁵

Energy Efficiency Programs and Opportunities

We spent more than \$945 million for our Take a Load Off, Texas[®] energy efficiency programs from 2002 through 2021, including approximately \$51 million in the last year alone. These programs have helped approximately one million customers reduce their energy usage since 2002. During 2021, we provided approximately \$45 million in incentives to low income, other residential, and commercial customers.

ADVANCED METERS ESTIMATED 2021 SAVINGS:

**17M+ miles
eliminated³**

**~1.5M
gallons
of fuel saved⁴**

**14,000+
tons of CO²
prevented⁵**



³Miles avoided are calculated assuming 5 miles per service order.

⁴Gallons of fuel saved are calculated assuming 12 miles to the gallon for each mile avoided.

⁵Cumulative tons of carbon dioxide avoided are calculated based on 19.5 lbs of carbon dioxide multiplied by each gallon of fuel saved, divided by 2,000 (lbs per ton). Calculation also assumes gasoline, not diesel fuel, and 19.5 lbs of carbon dioxide based on the U.S. Environmental Protection Agency (EPA)/Department of Transportation common conversion factor of 8,887 grams of carbon dioxide emissions per gallon of gasoline consumed.

Advancing New Home Efficiency

In 2021, we introduced the Oncor New Homes Program in our Take a Load Off, Texas energy efficiency program offerings. The Oncor New Homes Program provides incentives to participating home builders to construct ENERGY STAR® certified and Department of Energy Zero Energy Ready homes. The program aims to increase the efficiency of new homes' equipment and systems and lower customers' energy bills. To earn the ENERGY STAR certification, a home or apartment must meet strict program requirements for energy efficiency developed by ENERGY STAR's Residential New Construction program. These program requirements are based on extensive interaction with the nation's home-building industry, including builders, developers, verification professionals, and building scientists. According to ENERGY STAR, their certified homes and apartments are at least 10% more efficient than standard homes built to code and achieve a 20% improvement on average. Participating homes can also earn additional incentives for installing Solar PV, heat pump water heaters, EV chargers, and thermostats. Throughout the year, participating service providers assisted over 21,000 homeowners with insulation, weatherization, and new high efficiency air conditioning systems.



Find out more at:

TakeALoadOffTexas.com

Oncor and the Arbor Day Foundation

We have partnered with the Arbor Day Foundation’s Energy-Saving Trees Program since 2012 to annually give away thousands of free trees to customers across our service territory. The available trees represent species indigenous or adapted to Texas communities and are mailed directly to customers just in time for planting season in the fall. The Energy-Saving Trees Program not only helps educate customers on the best home planting location for energy efficiency, but also for safe locations away from electrical equipment. Properly chosen and sited, trees can help a homeowner save up to 20% on summer energy costs.

As of 2021, more than 76,000 trees have been provided at no cost to our customers through the program. This has resulted in the following 20-year projected cumulative environmental impact estimates, as estimated by the Arbor Day Foundation, and assuming trees were planted by customers as sited:

- Energy Savings (kWh): 142,499,181
- Storm Water Filtered (gal.): 1,184,795,710
- Carbon Sequestered/Avoided (lbs.): 309,325,325
- Air Pollutants Absorbed (lbs.): 762,275



76,00+
trees provided

ENERGY-SAVING TREES PROGRAM 2012-2021

142,499,181

Energy Savings (kWh)

1,184,795,710

Storm Water Filtered (gal.)

309,325,325

Carbon Sequestered/
Avoided (lbs.)

762,275

Air Pollutants Absorbed (lbs.)

Environmental Policy

Our longstanding commitment to environmental protection was strengthened by the adoption in June 2021 of our first formal Environmental Policy, setting forth our overall goals in the area of environmental protection, including monitoring and addressing our emissions and releases to air, water, and land, and compliance with relevant environmental laws and regulations. The policy outlines the company's focus on environmental sustainability, including: minimizing impact to our natural environment through a strong commitment to environmental protection; striving to reduce emissions, releases, and waste and use of water; continually reviewing environmental programs and assessing performance; regularly reporting on environmental progress and accomplishments, as well as opportunities; and engaging with employees and external stakeholders to ensure accountability.

In December 2021, the policy was updated to formalize our longstanding focus on biodiversity conservation. The policy language recognizes the value and importance of biological diversity within the ecosystems in which we operate. We strive to integrate biodiversity preservation and enhancement considerations into our processes as a part of minimizing our impact to these environmentally sensitive areas. We consider biodiversity conservation in the planning, construction, and maintenance of facilities, including in the identification of environmentally sensitive areas and implementation of our habitat conservation plan to avoid or minimize the impact to these areas.

We also engage with various community, government, and other stakeholders with biodiversity expertise on biodiversity matters, strive for transparency with respect to sharing our biodiversity challenges as well as our successes, and remain committed to improvement and the sharing of best practices with respect to biodiversity conservation.

Annual Environmental Review of Line Miles

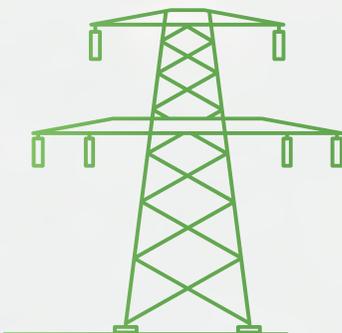
In 2021, we evaluated approximately 5,200 linear miles of transmission and distribution right-of-way to assess for the presence of federally listed threatened and/or endangered species habitat, cultural resources, or other environmentally significant areas.

LiDAR for Vegetation Management

Routine vegetation management helps ensure the integrity of electrical service, avoid high maintenance and repair costs, and prevent hazardous electrical clearance violations by allowing access to the lines for routine maintenance. Tree pruning, mowing, and herbicide applications to control growth are essential to long-term grid reliability, and Oncor's team of vegetation management experts, including certified arborists and line-clearance qualified tree service providers, work diligently to oversee these efforts.

One tool used by our vegetation management team is LiDAR, which stands for Light Detection and Ranging. LiDAR is a remote sensing method that uses light in the form of a pulsed laser to measure distances and create a computerized representation of the surveyed environment. LiDAR reports are able to display and classify electric infrastructure, surrounding trees and foliage, and nearby buildings or objects, as well as their proximity to electric lines. Reports can also be programmed to evaluate potential tree fall-ins, ground clearance and line sway.

The use of LiDAR allows our personnel to quickly and accurately identify priority vegetation encroachments through analysis of data gathered without a truck roll, and also aids in long term vegetation management planning/analysis. While vegetation inspections were previously completed solely by visual inspections from the air and/or ground, LiDAR data has been shown to improve survey accuracy, efficiency and availability of common data. In 2021, our vegetation management team used LiDAR to evaluate more than 3,000 miles of transmission lines.



In 2021, our vegetation management team used LiDAR to evaluate

3,000+ miles of transmission lines.

Hike and Bike Trails Around Transmission Rights-of-Way

We have developed guidelines for cities to utilize certain Oncor transmission rights-of-way for recreational hike and bike trails, including native and low-maintenance landscape designs. These trails provide many benefits: enhancing safety and reliability of service by ensuring electrical clearance requirements around the transmission lines; preserving our ability to access facilities for ongoing inspection, operations and maintenance needs; providing communities with unique outdoor recreational spaces while promoting local health and fitness opportunities; and enabling the planting of native grasses, wildflowers, shrubs and plants compatible with power lines, which also benefit pollinators, birds, and butterflies.

Because each right-of-way is unique, Oncor personnel work hand-in-hand with local officials to design the hike and bike trail paths, suitable vegetation and landscaping, and safe structure locations, such as benches and rest areas, which meet the community's unique needs while still maintaining line safety and reliability. Localities are generally responsible for maintaining landscaping and any facilities within the right-of-way encompassed by the trail while we are responsible for the operation, maintenance, and safety of the lines.

Recycled and Repurposed Waste

We continue to integrate environmental considerations into our business planning and decision making, working with regulatory authorities and other stakeholders to avoid or minimize environmental impacts to the maximum extent practicable. In 2021, approximately 65%⁶ of operational waste we generated—such as oil, poles, and other electrical equipment—was recycled or repurposed.

Reducing Our Emissions

Oncor is an electric delivery provider and does not own or operate grid-connected electric generation facilities, or conduct any other operations that would be responsible for carbon emissions on the scale that would be expected from electric utilities that generate power from coal or even natural gas. However, sulfur hexafluoride (SF₆) is both a potent greenhouse gas and a necessary component of certain electric-delivery operations.

Therefore, although we must continue to use SF₆, we have made great strides in reducing our rate of emissions: in 2021 our SF₆ emissions rate was 0.5%. Since 2016, our SF₆ emissions have been 1% or less. Moreover, in November 2021, we made an update to our switching and protection standards to eliminate certain uses of SF₆ in the future. We plan to work to achieve additional emission reductions as we continue to upgrade existing systems and embrace advances in technology.

We are also taking steps to reduce emissions from our vehicle fleet by incorporating electric and hybrid vehicles. The largest emissions producers in our fleet are bucket trucks, and while fully electric bucket trucks were not available to us in 2021, we began reducing our bucket truck emissions by incorporating partially electric bucket trucks in our fleet. In 2021 we entered into a sustainability-linked credit facility that uses the number of partial electrification bucket trucks (as defined in the credit facility) in our fleet as a key performance indicator (KPI), with increasing numbers of such trucks necessary to meet the KPI thresholds over time.

⁶ Calculated as total pounds of recycled operational waste divided by the sum of total pounds of incinerated, recycled, and landfilled operational waste.

Supporting Customer Electric Fleet Vehicle (EV) Growth

In late 2021, we expanded our strategy organization with the addition of an electrification manager to specifically support the EV market. The electrification manager's group will continue to build on the development of an industry leading green fleet planning tool capable of forecasting EV impact on localized transmission and distribution infrastructure five to seven years out and beyond.

This will allow us to continue to proactively engage with customers, learn of their potential fleet electrification activities, and incorporate that data into our transmission and distribution system planning so we can prepare to meet future EV fleet power infrastructure needs.

Renewable Electricity Usage

In June 2021, we negotiated a three-year agreement with a retail electric provider to provide 100% renewable electricity at all Oncor facilities. We have contracted for 100% renewable electricity at all company facilities since June 2020.

**Oncor facilities
have contracted
for 100%
renewable
electricity.**



OVERVIEW



165+

Super Safe Kids safety shows at schools and community events since program launch in 2018



10

Oncor employees recognized with the Heroism or Life Saving Award in 2021



~\$2.5B

Oncor capital investment during 2021 to modernize the grid and strengthen reliability



10M

Safe work hours completed with no lost-time injuries between December 2019 and January 2021

Service Reliability

Our top priority as a company is to provide our customers safe, reliable, and affordable electric service. On the reliability front, we are near meeting our goal of achieving top quartile reliability on the industry’s primary benchmark for reliability, system average interruption duration index (SAIDI-nonstorm). Our performance in the twelve months ended December 31, 2021 compared to the twelve months ended December 31, 2020 showed continued improvement, and the target remains to be in the top quartile by the 2022 benchmarking cycle. Also, as of the end of 2021, we were halfway through a planned 10-year, approximately \$700 million distribution automation (DA) program. DA is smart grid technology that allows individual devices to automatically sense local operating conditions to make adjustments that optimize performance, including identifying faulted areas of the network and rerouting power to quickly restore service. More automated devices covering the Oncor distribution grid are scheduled to be installed by 2026, leading to increased reliability, greater situational awareness, and advanced analytical capabilities.⁷

Continuing to Enhance Reliability Through Investing in the Grid

We are creating a safer, smarter, and more reliable power grid through capital investments in transmission and distribution infrastructure, new technology and innovation. We’ve invested more than \$10 billion in our infrastructure from 2017 through 2021, including approximately \$2.5 billion in 2021 alone. These investments have helped modernize the grid and strengthen reliability, as well as address the needs of our growing state and service territory. The dynamic growth across our service territory demonstrates the rapid growth taking place in Texas and the continued opportunity to deploy capital to grow and enhance the Oncor system. In November 2021, we announced a five year capital plan that would invest approximately \$15 billion⁸ between 2022 and 2026.

To help ensure our capital investments are consistent with customer and market needs, we utilize an investment strategy framework that allows the company to prioritize our many capital needs to meet the most critical ones first. We then regularly monitor and adjust those programs and projects as necessary based upon changing business, operational, security, and technology environments to provide customers with a modern electric grid in an efficient and cost-effective manner.



**\$10B+ investment
in our infrastructure
from 2017-2021**

⁷ DA forecasts are estimates and actual results could differ materially.

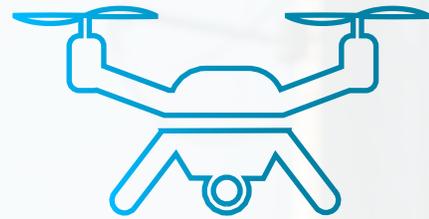
⁸ Capital plan amounts are estimates and actual results could differ materially.

Drones

While we have used contracted drone services for several years, we have recently focused on growing our own drone fleet and increasing the number of employees certified to fly them. Personnel worked with the Unmanned Safety Institute to draft operating procedures and requirements for safely using drones. As of the end of 2021, we had 26 drone aircraft and 34 certified pilot employees. Drones are used to: support construction activities; complete regularly scheduled inspections of rights of way, equipment, and lines; and perform damage assessments after severe weather events. While flooding, downed vegetation, or other severe-weather damage can hinder personnel access on foot, the vantage point provided by drones allows us to more quickly inspect areas that may be out of reach. We can then identify where to focus recovery efforts as well as determine the types of repairs and resources needed, ultimately resulting in faster restoration times for customers. All of our drones are registered with the Federal Aviation Administration.

**26 drone
aircraft**

**34 certified
pilot employees**



Weather Preparedness

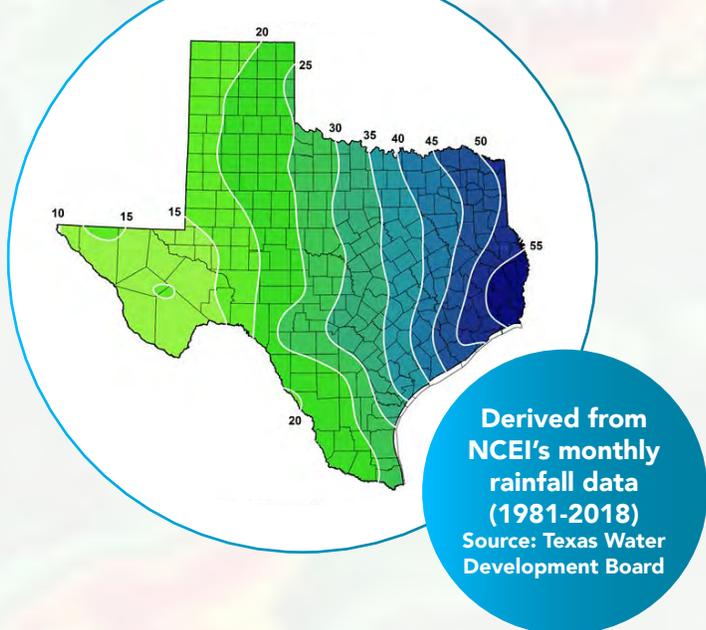
Severe weather can develop quickly in Texas. Oncor’s service territory covers nearly one-third of the state and includes a highly variable range of geographic, climatic, and vegetative regions. This can result in a diverse possibility of extreme weather conditions, including extreme heat and extreme cold, thunderstorms, tornadoes, ice storms, wildfires, floods, and hail events.

We do not have any facilities located within a hurricane evacuation zone, as defined by the Texas Division of Emergency Management. However, the company does commonly perform hurricane recovery efforts in the service areas of neighboring utility partners through the use of our mutual assistance partnerships. For more information on mutual assistance, see page 22.

We have contracted with private weather information providers and we use the National Weather Service (NWS) public information and broadcast news networks to review available weather information. Weather monitoring occurs 24 hours a day, seven days a week, and is available to field locations through a secure web based application. We also utilize predictive weather modeling and historical weather and outage data to estimate potential damage locations and outage impacts ahead of severe weather events.

Emergency material staging and storage sites are maintained across the service area to ensure quick deployment of resources and predictive weather monitoring often allows for sites to be pre-staged so that material and equipment is in place and ready for use as soon as weather conditions allow restoration work to safely begin. And pursuant to new legislation passed during the 2021 Texas legislative session, we have begun leasing mobile-generation equipment that can be deployed during certain emergency power conditions.

Average Annual Precipitation in Texas (inches)



Seasonal Preparedness

To prepare our facilities for extreme temperatures during both summer and winter weather, Oncor has developed robust preparation measures to help ensure our facilities are ready to serve during these times. These preparation measures are completed months before the hot or cold seasons begin, with general seasonal planning occurring year-round. Examples of these comprehensive preparation measures include:

- Performing ground inspections (on-foot patrols) and aerial inspections (specialty equipment alongside drones, helicopters, and airplanes) of thousands of electrical facilities, including stations and main feeder lines;
- Utilizing forecasting and predictive analytics to identify potential high load areas so equipment upgrades or replacements can be completed before failures might occur;
- Increasing material inventory and securing additional contract resources to ensure full availability of supplies and support ahead of potentially severe weather;
- Performing personnel and personal protective equipment (PPE) checks for employee safety; and
- Completing regular emergency preparedness training sessions to ensure staff are familiar with company practices and prepared to quickly and safely respond to potential disaster events.

We also undertake annual system planning assessments and seasonal preparedness studies to ensure adequate facilities to support a wide range of temperatures, and in 2021, we began implementing substation additions and upgrades to support an expanded temperature range, now extending from 10F to 110F.

Wildfires

We have a proactive wildfire mitigation approach for our transmission and distribution system. Across our system, we perform periodic facility inspections of our transmission facilities. Oncor proactively addresses transmission structures and other components in need of repair or replacement, and potential hazards, including wildfire hazards, discovered during those inspections are remediated. Through the implementation of our various proactive maintenance programs and through our reactive maintenance efforts, we also inspect various equipment on our distribution system. During that work, we may identify and address equipment issues. While the purpose of those inspections is not to identify potential wildfire hazards, we proactively address any wildfire hazards discovered during that work.

We also have vegetation management practices in place to prune and remove vegetation away from our facilities. We use concrete or steel structures when constructing new transmission lines and are systematically replacing wooden crossarms on existing transmission structures with upgraded steel crossarms. Additionally, on an annual basis, our employees attend safety and information meetings to receive briefings on wildfire mitigation procedures.

The National Oceanic and Atmospheric Administration via the NWS issues red flag warnings by county when the National Fire Danger Rating System identifies a high to extreme fire danger level, an average sustained wind speed of 15 mph or greater, and a relative humidity of less than or equal to 25%. When a red flag warning has been issued for any part of our service territory, our system operators and other appropriate personnel are alerted of the condition to increase awareness of the fire danger and ensure proper measures are taken to mitigate the risk of igniting a wildfire.

We also have an automated process that utilizes NWS broadcast warnings and incorporates them with enterprise data to allow us to evaluate potential responses across our service territory. This analysis updates when new NWS information is available, which allows our operational teams to make decisions based on current conditions that will minimize fire hazards and mitigate exposure to the ignition and rapid spread of wildfires. During active wildfire events, highly trained fire teams may be deployed to protect Oncor facilities by traveling ahead of the fire to clear around and to wet the poles.

Winter Storm Uri

In February 2021, Oncor, the ERCOT market, and the state of Texas experienced an unprecedented winter weather event (Winter Storm Uri) and period of short generation supply. Texas transmission and distribution utilities, including Oncor, were directed to shed an unprecedented amount of load to offset the short supply of generation. This load-shed requirement was the cause of the vast majority of our customer power outages throughout the course of the event.

Oncor did not experience any transmission asset outages during Winter Storm Uri that impacted customers or limited generation deliverability, and our quick actions to shed load as directed by ERCOT helped to successfully stabilize the Texas power grid and prevent an uncontrolled black out.

While Oncor does not own, operate, or control grid-connected power generation plants or facilities, the company has been working to identify innovative transmission and distribution solutions that could minimize the impacts of, or even avoid, third-party generation-shortfall events such as occurred in Winter Storm Uri in the future.

First, we have begun a five-year program to expand remotely controlled voltage-reduction capabilities to certain substation transformers, with potential to enable this capability at more than 100 locations in 2022. Once complete, we believe this program has the potential to reduce demand by approximately 500 MW during peak load conditions. Second, we have established processes to spread rotating-outage burdens among a greater number of customers while still maintaining the flow of power to critical community-service and energy-generation customers. The purpose of this is to increase customer equity while also reducing reliability risks.

We have also reviewed our process for planning and building assets ahead of projected constraints, including extreme weather conditions, and implemented communication improvements based on lessons learned from Winter Storm Uri. These communication improvements include hardening technology to better perform in high call volume events, increasing the frequency of proactive updates and communications to local partners and customers during inclement weather, and meeting with city leaders, emergency managers, and other stakeholders to better understand unique community needs during weather events.



Emergency Response and Mutual Assistance

Addressing emergency conditions in a safe and reliable manner is paramount for Oncor. We maintain detailed emergency response plans, which are overseen by executive leadership and members of our Mutual Assistance and Emergency Preparedness group, in order to be prepared to implement the appropriate response whenever severe weather events or other emergencies impact our transmission and distribution system. Moreover, various company leadership and personnel have been assigned the responsibility of maintaining open communication with external stakeholders across our service territory during emergency drills or events.

We actively participate in several organizations and associations aimed at furthering best practices in the utility industry, including emergency response and mutual assistance efforts. Through these programs, we are able to request emergency labor and material assistance from other participating utilities when a storm or other disaster within the company's service territory is of such a great magnitude that we need assistance to restore power quickly. Not only do participating utilities provide each other with on-hand spare inventory when possible, they also share supplier contacts and other leads that contribute to more efficient acquisition of material and equipment in emergency situations.

In 2021, we adopted new processes for mutual assistance communications, which has greatly increased the number of mutual assistance partner responses and helped reduce the time from initial request to response. Our employees also often take leadership roles within mutual assistance groups and industry associations. Our mutual assistance partnerships and related industry association memberships include: the Association of Edison Illuminating Companies, the Texas Mutual Assistance Group, Southeastern Electric Exchange, Midwest Mutual Assistance Group, Edison Electric Institute (EEI), Association of Edison Illuminating Companies, Electricity Subsector Coordinating Council, and All Hazards Consortium.

COVID-19

We established our Pandemic Plan in 2007, and we have regularly reviewed and updated the plan as necessary over the past decade. The plan includes more than 15 guidelines on topics such as Emergency Operations, Mutual Assistance, Safety, Sanitizing, Security, Redeployment, and Return to Workplace and, as a result of the COVID-19 pandemic, has remained activated since January 2020. Oncor's Pandemic Response team, which is comprised of leadership members and subject matter experts from across the company, has continued to oversee COVID-19 monitoring and response efforts throughout the pandemic— both to sustain essential services for customers and to minimize potential virus transmission. As a critical infrastructure provider, we have continued to maintain full operational capabilities throughout the COVID-19 pandemic and we continue to monitor pandemic safety policies in order to uphold our vital role of powering Texas communities.

Safety Vision

Oncor's Safety Vision is **"Safety Excellence – Going Beyond Zero."** We continue to make positive strides in our safety performance with many locations achieving zero incidents each year. We also remain steadfast in building on our successes and remaining focused to **"go beyond zero"** to further strengthen our safety programs and culture.

The following objectives guide our path to Safety Excellence:

Safety Culture – Ensuring that a vibrant safety culture is pervasive throughout the company based on Oncor core values, safety principles, and team and personal accountability.

Process Standardization – Standardizing safety programs and practices to ensure consistency across the company to proactively manage current and emergent safety risks and achieve performance goals.

Continuous Learning & Improvement – Achieving industry-leading safety programs and performance by implementing innovative safety improvements and strategic initiatives aimed to position Oncor ahead of the curve in safety.

Safety Performance – Achieving and maintaining industry-leading safety performance in safety and health and preventing Life-Changing Events involving employees, contractors, and the public.

Oncor Safety Principles

Oncor's safety principles are a foundational part of our overall safety culture, and include: Actively Caring, Safety Always, and Teamwork.



Actively Caring

is watching out for one another, being your brother's and sister's keeper with the mutual goal of ensuring everyone goes home safely every day. Demonstrating mutual respect, accountability, and operational discipline (doing the right thing, the right way, every time) are ways we create a culture of actively caring.



Safety Always

no matter the task, the setting, or the workgroup. We perform our work as soon as safely possible and we take the time to pause and evaluate the situation, ask questions, and better understand the hazards to ensure we perform our tasks safely and successfully.



Teamwork

is essential for achieving our mission to safely deliver reliable electric service to our customers, and the only way teams truly work collaboratively and effectively is when there is trust – among peers, subordinates, managers/supervisors, and leaders. The safety theme for the 2021 annual safety conference was **"Power in Our Hands,"** which served to remind employees that, as individuals, we have the power to make a meaningful difference in safety – and when that power is harnessed by our teams, we can further achieve extraordinary outcomes.

Safety Achievements

Safety is at the very core of everything Oncor employees do. We continued our excellent safety record in 2021, with top decile industry performance⁹ for both non-COVID Lost-Time Injuries (LTIs) and preventable vehicle accidents (PVAs). We also hit a new milestone of 10 million safe work hours completed with no LTIs in an uninterrupted stretch between December 2019 and January 2021, continuing our trend of reducing lost time and recordable incident rates and PVA rates. Lastly, we further increased our commitment to safety in 2021 by incorporating an employee safety-related performance metric in our sustainability-linked credit facility. The credit facility metric is calculated based on a three-year rolling average Days Away, Restricted, or Transferred (DART) rate, as defined in the credit facility and specifically excluding COVID-19 cases. For purposes of the credit facility, as of December 31, 2021 this three-year rolling average DART rate performance was 0.35, which surpassed the threshold rate set forth in the credit facility.

Employees are regularly educated and trained on safety issues and receive regular communication, including daily safety meetings at each field location. In addition, employees are incentivized to work in a safe manner through our annual incentive plans, which at both the executive¹⁰ and non-executive levels include a safety performance metric that increases or decreases incentive payouts based on the level of performance. Additionally, all of our employees have and are expected to exercise Stop Work Authority (SWA) in any situation that potentially impacts the safety of a worker, the public, our equipment and system, or the environment. The SWA card and process, which is provided to all new employees and regularly referenced in continued safety training, provides a mechanism for any employee to ask questions when in doubt and proactively stop potentially unsafe work practices and behaviors.

Safety Excellence Award

In 2021, we introduced the inaugural Spirit of Innovation - Safety Excellence Award. The award recognizes individual employee or team projects or initiatives that exemplify the Oncor Safety Principles and Core Values, and yield positive impacts to safety performance locally or company-wide. Five individuals or teams were recognized with the award during the inaugural year for their commitment to continuous safety improvement regarding temporary protective grounding, di-electric testing process, cyber security system protection controls, weather advisory automation, and overall safety culture.

MILESTONE:
10M
 safe work hours
 completed with
 no lost-time injuries
 Dec 2019 - Jan 2021



⁹ Based on preliminary industry data.

¹⁰ For more information on executive compensation, including our compensation philosophy and incentive program details, please see "Executive Compensation" in our 2021 Annual Report on Form 10-K.

Contractor and Supplier Safety

Our commitment to safety also extends to our contractor and supplier workforce. Our contractor safety program provides contractors access to company-specific safety and health information, including safety orientation and training materials, construction standards, emergency response information, transmission and distribution contractor safety handbooks and rules, mutual assistance restoration plans and other safety-critical information and resources. The program also includes quarterly review meetings with contractors that perform electrical line and substation maintenance and vegetation management services to review performance and incidents, share best practices, and review safety initiatives and objectives. Our Supplier Code of Business Conduct also outlines our expectations that suppliers provide a safe working environment that supports accident prevention and minimizes exposure to health risks, and are responsible for knowing and understanding the health and safety laws and regulations impacting the goods and services they provide. Suppliers have an obligation to report any conduct of an Oncor employee or another supplier that a supplier honestly believes may constitute a violation of Oncor's policies or, with respect to a supplier, a violation of our Supplier Code of Business Conduct, by either notifying their primary Oncor relationship manager or by contacting Oncor's Ethics and Compliance Helpline.

Heroism and Life Saving Awards

For more than 30 years, we have recognized and celebrated employees that perform heroic or life-saving acts on or off the job. In 2021, 10 Oncor employees were recognized with the Heroism or Life Saving Award for using the skills and training learned in Oncor's safety training to provide critical assistance to aid other individuals, including family members, neighbors, or members of the public. Recognitions included an employee who rescued a child from a pool and performed CPR until first responders arrived and multiple employees who pulled individuals from a burning vehicle after spotting the accident scene.



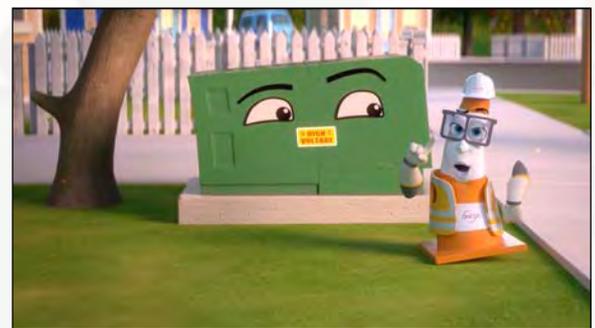
**10 Oncor employees
received the Heroism or
Life Saving Award in 2021**

Focus on Community and Public Safety

To help bridge the gap in electric safety education for Texas students, we created the Super Safe Kids program, a traveling show that teaches students about electric safety in 2018. Since the program’s launch, Oncor employees and a cast of animated characters have presented more than 165 Super Safe Kids safety shows at schools and community events, reaching more than 85,000 kids in our service territory. While in-person events were put on hold in 2020 due to COVID-19, we continued to offer virtual demonstrations, online resources, and printable materials that teachers and parents could access to help keep electric safety top of mind until the traveling roadshow’s safe return.



In February 2021, we released our second animated public service announcement (PSA) related to children’s electric safety education. The new PSA, titled “Respect the Box,” features original Super Safe Kids character Stripe the Safety ConeSM offering an important warning about respecting the green padmount transformer boxes often found in residential areas. “Respect the Box” joined our original PSA, “Keep Away From Power Lines,” on PBS Kids and is aired on local affiliate stations across our service area. Since the original PSA launch in 2018 through 2021, the two safety messages have been viewed more than 51 million times.



Live Well

Oncor’s Live Well brand focuses on employee health and wellness through engagement initiatives and community outreach programs. The Live Well team spearheads our health and wellness initiatives for employees through insurance benefits, retirement and savings programs, community fitness event sponsorships throughout our service territory, on-site exercise space, and monetary incentive programs that encourage employees to adopt healthy living habits. In 2021, employees were offered quarterly wellbeing challenges to earn Live Well incentive funding. The new personal challenges focused on wellbeing areas such as rest, gratitude, balance, purpose and relationships, and were able to be completed and documented remotely. Incentive funding was also offered to encourage COVID-19 vaccinations.

In 2021, we also began offering employees and eligible family members enrolled in certain medical options a new exercise therapy program to help reduce chronic back, knee, hip, neck, and shoulder pain. The program provides in-home, 15-minute therapy sessions using a tablet computer and wearable sensors provided to the participant at no cost. More than 240 employees and their family members participated in the program.

Developing the Next Generation

We maintain a multi-faceted recruiting strategy with a strong commitment to diversity, equity, and inclusion (DEI) to help attract, develop, retain, and enable innovation and sustained growth for generations to come. This includes leveraging several higher education partnerships established across our service territory, helping higher education and technical institutions develop line worker schools and courses, and regularly deploying recruiting teams to college campuses. We also actively recruit former members of the U.S. Armed Services, many of whom have the experience and training to fill critical and highly specialized functions. Lastly, we often seek to “grow our own” by developing and promoting qualified internal employees when opportunities become available.

New Internship Opportunity – Oncor’s Secondary Education Outreach Program

For five years, Oncor has maintained strategically built partnerships with Wilmer-Hutchins High School and Fort Worth Independent School District Collegiate High School through our Secondary Education Outreach Program (SEOP), which supports Oncor recruitment and helps students learn about electrical safety and careers in the utility industry. In 2021, we welcomed our inaugural class of SEOP interns. The one-year internship will allow eligible high school students to attend the Electrical Line Technician Program, offered through a partnership with Tarrant County College, and obtain an Electrical Line Technician certification. Oncor will cover tuition, books, PPE, and other required tools, and interns will be compensated for the hours they work during the internship (including attending classes). In addition, interns will participate in regular engagements with Oncor to learn the company’s policies, procedures, and commitment to safety. Once interns obtain their Electrical Line Technician Certifications and successfully complete all other requirements established by this program, they will become eligible for employment with Oncor as line workers.



NEW INTERNSHIP IN 2021

Allows eligible high school students to attend the Electrical Line Technician Program, and obtain an Electrical Line Technician certification with expenses paid by Oncor.

Investments in Supplier Diversity

Oncor's Supplier Diversity initiative has support from the highest levels of leadership and has become a core part of company culture. Our commitment to supporting and working with minority- and women-owned business enterprises has not only helped create strong supplier partnerships for our company, but has also helped further economic development and business growth in the communities where we live, work, and serve. This initiative invested approximately \$327 million in spending with women- and minority-owned businesses in 2021. Since its creation in 2007, this initiative has invested more than \$2.9 billion with these companies.

Supporting Economic Development in Texas

Economic development is one of our core competencies, and helping to bring new jobs, facilities, and investment is one of the best ways we partner with the communities we serve. Oncor's Economic Development Office includes a team of dedicated economic development professionals who support community interests by working directly with local, regional, and state economic development offices and community stakeholders across the company's service territory.

Team members respond to local requests for information on electric infrastructure, attend site visits for potential business locations, and help educate out-of-state partners on Texas' restructured electricity market – all with a commitment to accurate, timely, and confidential service. This commitment provides us the opportunity to discuss energy and electric service needs early in the site-selection process, which is a crucial selling point for bringing new business to Texas.

New economic development projects were up 31% in 2021 compared with 2020, and economic development requests for information were up 48% in 2021 compared with 2020. Various companies also announced major new investments in the state in 2021, including a \$17 billion semiconductor fabrication plant in Taylor, Texas, and a \$30 billion semiconductor fabrication plant in Sherman, Texas, both in our service territory.

ECONOMIC DEVELOPMENT 2021 VERSUS 2020



31%

**New
Economic
Development
Projects**



48%

**Economic
Development
Requests for
Information**

Area Managers Across the Territory

Oncor recognizes the importance of connecting with local residents, local officials, and local business and industry representatives. Leading many of our stakeholder engagement efforts are our more than thirty Area Managers, who have been deployed to live and work in various regions across our service territory to help ensure every city we serve has at least one dedicated individual familiar with the specific needs of their assigned region.

These Area Managers represent the company in all local government, civic, and community related initiatives and assist with a variety of local issues, including energy service and delivery needs, economic development projects, and public education opportunities. Area Managers are also active members or leaders within various local organizations, such as Chambers of Commerce, Economic Development Foundations, Home Builders Associations, and Rotary Clubs.

Community Partnerships and Charitable Giving

In 2021, Oncor contributed more than \$2.4 million to local education, economic development, and community programs, events, sponsorships, and membership organizations.

Oncor Cares Foundation

In June 2020, Oncor established the Oncor Cares Foundation (the Foundation), a 501(c)(3) private foundation to help expand our charitable giving and support for the many communities where we work and live. Among other activities, the Foundation gives to 501(c)(3) charities which actively aid, on an equitable and inclusive basis, the health, education, safety, and general welfare of Texans across the territory we serve.

In line with the Foundation's mission, in 2021, the Foundation approved grants totaling \$247,000 and benefiting a diverse group of charities serving communities in Oncor's service territory. And from a governance perspective, the Foundation board welcomed new membership from our service territory and unaffiliated with Oncor's owners, directors, officers, or employees.

\$2.4M+ 
CHARITABLE GIVING

**Local
Education**

**Community Programs,
Events, Sponsorships, and
Membership Organizations**

**Economic
Development**

American Heart Association and the United Way

In 2021, Oncor celebrated ten years of service and partnership with the American Heart Association (AHA) by participating in the second virtual Heart Walk. A post-walk virtual celebration allowed employees to come together and share heart health stories, join a conversation with senior leaders, and participate in various digital 'rooms' showcasing different wellness opportunities.

We recruited nearly 2,500 virtual Team Oncor participants, and employees raised approximately \$75,000 for the AHA, once again ranking in the top three fundraising companies in North Texas. With additional support from our generous suppliers who donated over \$400,000, along with Oncor's platform sponsorship, our grand total for 2021 reached more than \$600,000. Overall, since 2012, together with our suppliers, we've raised approximately \$7 million for education, research, and AHA programs that combat heart disease and stroke.

Oncor also hosts an annual month-long employee giving campaign with the United Way to help support the creation and maintenance of programs that strengthen education, income, and health across Texas. Our annual Volunteer Week also takes place during this campaign, giving employees additional opportunities to actively support their local communities. Our United Way Volunteer Team compiles a list of current volunteer opportunities by service district so interested employees can easily participate, with virtual volunteer options also available. In 2021, our United Way volunteers helped raise more than \$706,000.

AHA Team Oncor
~\$75K

Supplier Donations
\$400K+
with Oncor's platform sponsorship
Grand Total

\$600K+

United Way
Team Oncor
helped raise
\$706K+

OVERVIEW



100%

Oncor employees required to complete annual Code of Conduct training



100%

Suppliers expected to commit to following the Supplier Code of Business Conduct as well as applicable laws and regulations



7 out of 13

Oncor Board members qualifying as independent directors for New York Stock Exchange purposes



5

Employee Resource Groups launched in 2021 for various employee communities as part of officer-led DEI initiatives

Ring-Fencing Measures

Oncor is subject to a ring fence that was put in place to enhance our credit quality and financial stability and our separateness from our owners. Our limited liability company agreement and PUCT orders set forth specific measures with respect to the ring-fence. Among other ring-fencing measures, we are managed by a board of directors with a majority of our board required to consist of members who qualify as independent in all material respects under New York Stock Exchange standards from any direct or indirect owners of Oncor. These directors are referred to as disinterested directors. As a result of the ring-fence, we operate independently of and are not liable for the debts or other obligations of our owners, and we are prohibited from paying dividends to our owners in certain circumstances, including if a majority of our disinterested directors or a director appointed by our minority interest owner determines that it is in Oncor's best interest to retain those amounts to meet our expected future requirements.

Board of Directors

Oncor is governed by a board of directors consisting of seven disinterested directors, two directors designated by Sempra through Oncor Holdings, two directors designated by Texas Transmission, and two former or current officers of Oncor (these two directors currently consist of our Chief Executive, Mr. Nye, and our non-executive Chairman, Robert S. Shapard, who formerly served as our Chief Executive until his retirement in 2018.)¹¹

In March 2021, as required by our limited liability company agreement, two disinterested directors rolled off of our board of directors and Alice L. Rodriguez and W. Kelvin Walker were selected as their successors. Each was appointed to a four-year term on our board of directors in accordance with the nomination and appointment provisions of our limited liability company agreement.

"Alice Rodriguez and Kelvin Walker are both noted leaders in the Dallas community and beyond, and bring a diversity of expertise and perspective that will strengthen Oncor's accountability and commitment to our customers. Their biographies illustrate their balance of business and equity concerns, and a commitment to ensure that all communities have a voice and an opportunity to succeed. I am proud that we can welcome two such exemplary leaders to our board and benefit from their knowledge and expertise."

– Robert S. Shapard, Oncor non-executive Chairman

¹¹ For more information on our board of directors, executive officers and corporate governance, including our board committees and the nomination and appointment process for disinterested directors, please see "Directors, Executive Officers and Corporate Governance" in our 2021 Annual Report on Form 10-K.

Ms. Rodriguez currently serves in a senior advisor role with JPMorgan Chase & Co. (JPMorgan), a position she has held since April 2022. Ms. Rodriguez has been with JPMorgan and its predecessors for 35 years, and transitioned to the senior advisor role in connection with her planned retirement from the firm. From August 2020 until April 2022, Ms. Rodriguez served as head of the community impact organization and managing director of JPMorgan. While head of the community impact organization and managing director of JPMorgan, she focused on JPMorgan’s community engagement initiatives and localization strategy and led JPMorgan’s \$30 billion initiative committed to advancing racial equity. From July 2017 to August 2020, she served as managing director and head of JPMorgan’s community and business development organization and was responsible for developing a strategy to drive the growth and profitability of a portfolio of approximately \$6 billion and a national customer base of 8 million households. From 2015 to July 2017, she served as managing director and consumer and Chase wealth management executive, responsible for consumer and wealth business in the greater Texas metro markets. From 2012 to 2015, she served as executive vice president and business banking executive for the California region, responsible for business banking clients with annual sales of up to \$20 million. Ms. Rodriguez currently serves on the board of directors of Oncor Holdings, is the chair of the board of directors of the United States Hispanic Chamber of Commerce and also serves on the boards of various non-profit organizations.



Alice L. Rodriguez

Mr. Walker has served since March 2019 as Chief Executive Officer of the Dallas Citizens Council, a non-profit organization made up of over 150 chief executive officers and other top business leaders in North Texas that focuses on advancing public policy issues impacting the Dallas area. Prior to joining the Dallas Citizens Council, Mr. Walker served as a Managing Director of RLJ Equity Partners LLC, a private equity fund, from July 2015 to March 2019. Prior to that, he was a Managing Partner of 21st Century Group, LLC, a private equity firm, from January 1999 to June 2015. Mr. Walker currently serves on the board of directors of Oncor Holdings and Reflekt Me, an online retail personalization and engagement technology company, as well as various non-profit organizations.



W. Kelvin Walker

Core Values and One Oncor

Our Core Values of excellence, intensity, ethical conduct, respect, and innovation inform our Mission and Vision and provide the foundation for everything we do as a company. These values also provide the context for our *One Oncor* framework, which encourages all employees to share a “one team, one outcome” mentality to deliver value for our customers. Additionally, every Oncor employee – from entry level to senior leadership – is required to complete annual Code of Conduct training to help ensure that our people understand and practice the highest ethical and legal standards.

Diversity, Equity, and Inclusion

Oncor has continued our commitment to DEI that starts with our CEO and executive officers, whom we refer to collectively as our senior leadership team. Under the leadership of the company’s vice president for DEI and an officer-level steering committee, we launched various DEI initiatives in 2021, including the rollout of employee resource groups (ERGs), which are voluntary, employee-led networks open to all employees. In 2021, ERGs for Black, Asian, LGBTQIA+, Hispanic, and Women communities and allies were established, with plans for additional ERGs in 2022. In addition, in 2021 a series of small group discussions regarding racial equity and a study focused on the development and experiences of women at Oncor were completed. The company also implemented a pilot diverse interview panel program for certain mid-level and above positions, which aims to help reduce the effects of implicit bias in the interview process and help ensure diverse perspectives are represented. The goal is to expand the program across the entire enterprise.



INSPIRASIAN PI
ONCOR EMPLOYEE RESOURCE GROUP



OWN
ONCOR EMPLOYEE RESOURCE GROUP

Cyber and Physical Security

We work hand in hand with local, state, and federal industry and law enforcement partners to ensure continued vigilance and preparedness against emerging and evolving physical and cyber security risks. Due to the sensitive nature of our efforts to protect and maintain our electric grid, we do not publicly discuss specific security measures. However, we continue to maintain an aggressive monitoring and response to vulnerabilities and potential threats as part of our over 100-year commitment to providing safe, reliable, and affordable energy to Texans.

We have instilled a culture of cyber-safety that continually monitors risk. We develop and implement protective measures to reduce risk, manage incidents, and sustain security improvements. We are implementing aggressive and proactive energy delivery systems security improvements over the long term and have an enduring commitment of resources, clear incentives, and close collaboration with our stakeholders. Implementing this strategy is important because we believe that collaboration between industry, academia, and government will ensure cybersecurity advances.

Sustainable Finance Reporting

Our sustainable finance efforts are overseen by a committee consisting of officers and other management representatives from various departments across the company. In September 2021, we released our Eligible Projects Spend Report relating to the company's first sustainability bond, which was issued in 2020. As described in that report, which is available on the Investor Relations section of Oncor's website, the approximately \$443 million in net proceeds from the bond issuance were allocated to finance/refinance expenditures with minority- and women-owned business suppliers made during the full year 2020 and the months of May-December 2019 (the MWBE Spend). According to third party economic impact studies issued for each of the year 2020 and the 2019 period included in the MWBE Spend, the estimated economic impact on an aggregate basis of the MWBE Spend included \$831 million in production contribution to the economy (cumulative output of all businesses engaged directly or indirectly because of such spending), 5,037 total jobs supported within Oncor's supply chain and in the broader economy and \$285 million in total wages and benefits earned through supported jobs for the periods covered by such spending. The Eligible Projects Spend Report was issued pursuant to the Oncor Sustainable Bond Framework that governed the 2020 sustainability bond issuance.

In November 2021, we replaced our existing \$2.0 billion revolving credit facility with a new sustainability-linked revolving credit facility. The new credit facility includes two sustainability-related KPI metrics that can increase or decrease the pricing under the credit facility. The first metric is an employee safety metric, calculated based on a three-year rolling average DART rate defined in the credit facility (which excludes COVID-19 cases). As of December 31, 2021, this three-year rolling average DART rate performance was 0.35, which surpassed the threshold rate set forth in the facility. The second metric is an environmental metric, calculating the number of bucket trucks in our fleet that qualify as partial electrification bucket trucks, with increasing numbers of such trucks necessary to meet annual KPI thresholds and targets over time. At December 31, 2021, we had 4 such bucket trucks in our fleet, which surpassed the threshold amount under the credit facility.

Human Capital Development

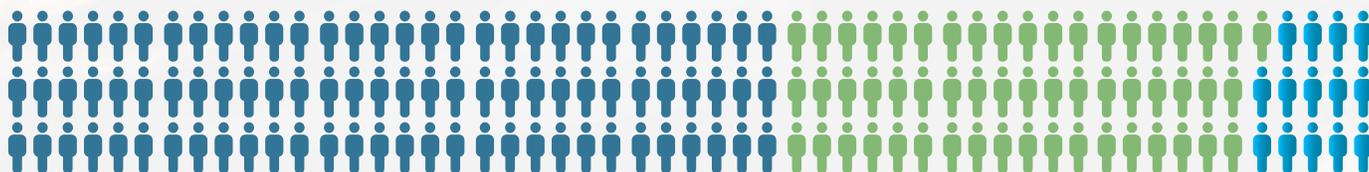
Oncor maintains robust leadership and workforce development programs to provide for employees' continued professional growth. Various available programs have been designed to enhance employees' overall company knowledge, strengthen leadership skills, and expand employees' professional networks. In 2021, 110 first-time people managers were trained through a management orientation program. We also prioritize continuing education opportunities, including offering employees up to \$10,000 reimbursement per calendar year for tuition and other eligible expenses for certain higher education, degrees, professional certifications, and professional licenses that enhance and improve performance and role development. In 2021, more than 160 Oncor employees utilized the education reimbursement program; approximately 90 pursued undergraduate degrees and approximately 55 pursued graduate level degrees.



110
first-time people managers trained in management orientation program

Oncor offers \$10,000 reimbursement per calendar year for tuition and other eligible expenses for certain higher education, degrees, professional certifications, and professional licenses that enhance and improve performance and role development.

In 2021



160+
Oncor employees reimbursed for education

~55
pursued graduate-level degrees

~90
pursued undergraduate degrees

Employee Engagement

Oncor partnered with workplace survey firm Gallup to conduct a company-wide employee engagement assessment, with the initial survey completed in November 2021. Results from the initial survey will be used to develop an action plan focused on facilitating a company-wide engagement conversation, advancing innovations and processes, and strengthening relationships — all of which also are expected to improve business outcomes and employee retention.

Culture of Procedures

In the first quarter of 2021, Oncor began a “Culture of Procedures” effort to begin to pivot away from a psychology of relying only on institutional knowledge gathered by employees over decades to a new, more sustainable framework in which all practices are documented, standardized, and formalized. Factors such as employee retirement or other turnover risk help continue high performance going forward. By implementing a culture of procedures, we encourage consistency and mitigate risk, leaving us better prepared for the reality of a changing workforce.

Procedures are to be incorporated into initial and refresher training for long term acceptance. Annual training sessions will incorporate discussions around new and substantially changed procedures so that all impacted personnel are educated. Employees are expected to understand respective procedures within their job positions and make updates occur when they are needed. In this way, we hope to empower employees to act on and be accountable for the processes and procedures that they “own.” By instituting a more sustainable approach to processes and procedures, we help ensure our teams are knowledgeable, up to date, and ready when inevitable change occurs.

Good Governance Policies

Oncor continuously reviews company policies to identify, develop and ensure responsible governance practices. This includes maintaining a **Supplier Code of Business Conduct**, which we expect all suppliers to commit to following; a **Stakeholder Engagement Policy** to help ensure the development and maintenance of relationships with stakeholders across the service area; an **Oncor Compliance Charter**, which describes our intent to ensure that the company is proactively identifying, monitoring, and mitigating significant compliance risks and that our compliance goals are met; and a policy related to **lobbying expenditures, political activities and contributions**, which ensures official employee activities remain guided by the Code of Conduct, company ethical standards and our commitment to conducting all activities with the highest regard for applicable laws, rules, and regulations. We also actively monitor and **manage potential risks to the company**, including through a quarterly risk management forum led by the Chief Risk Officer, where members of management review and discuss risks facing the company; key risks are also discussed quarterly with the audit committee of our board of directors, and annually with the full board of directors.

Adoption of Human Rights Policy

In 2021, we adopted our Human Rights Policy, which sets forth our commitment to respecting human rights in our operations and business relationships. Per this policy, which was adopted with guiding support from our board of directors and senior leadership team, we will work to prevent, mitigate, and account for potential human rights risks and impacts that could arise from our activities.

Ethics and Compliance Hotline

Oncor's Ethics and Compliance Helpline is available via phone or web for company employees and contractors to anonymously report unethical behavior and policy violations securely, 24 hours a day, seven days a week. The helpline is monitored by an independent third party service, making it a private and confidential reporting outlet. When making a report, helpline professionals collect all of the pertinent information and turn it over to an Oncor ethics and compliance resource member for further review and follow up. Reporting individuals will remain anonymous unless they choose to be identified.



The United Nations launched Sustainable Development Goals (UN SDGs) in 2015 to focus global efforts in 17 key areas to protect the planet, end poverty and help create a more sustainable world by 2030. We believe many of our activities work towards and support certain of the UN SDGs. In particular, the UN SDGs that we believe are directly and indirectly supported by Oncor actions are as follows:



UN SDG	Goal Statement	Oncor Actions
	<p>Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> • Approximately thirty percent of Oncor’s senior leadership team is female. • After a careful review of the experiences of women within the company, we formed Oncor Women’s Network, an ERG with the goal of offering networking opportunities, speakers, and a mentoring program.
	<p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<ul style="list-style-type: none"> • We’ve spent more than \$945 million for our Take a Load Off, Texas energy efficiency programs from 2002 through 2021 and helped approximately one million customers reduce their energy usage during that time. • We have, as of December 31, 2021, connected approximately 15,500 MW of renewable generation capacity, approximately 12,000 MW of which had achieved commercial operation. • We have as of December 31, 2021 agreements in place with numerous generators to interconnect nearly 13,000 MW of additional renewable generation that we expect to connect to our facilities and achieve commercial operation over the next few years.
	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all</p>	<ul style="list-style-type: none"> • Our employees are empowered and expected to exercise SWA anytime work may result in injury or damage to equipment or the environment. • We celebrated 10 million hours with no lost-time injuries between December 2019 and January 2021. • We incorporated a safety-related performance metric into our sustainability-linked credit facility.
	<p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<ul style="list-style-type: none"> • We use distribution automation to identify power outage locations and reroute power delivery if possible to restore service. • In 2021, Oncor built, rebuilt, or re-conducted approximately 1,800 miles of transmission and distribution lines and placed in service a total of 22 switching stations. • We use advanced meters to read energy consumption remotely, resulting in fewer truck rolls, which we estimate saved 16 million gallons of fuel and prevented 155,000 tons of carbon dioxide from being released from 2013 to 2021.



UN SDG	Goal Statement	Oncor Actions
	<p>Reduce inequality within and among countries</p>	<ul style="list-style-type: none"> • Our Supplier Diversity initiative invested \$327 million with women and minority-owned businesses in 2021. • We launched five ERGs for Black, Asian, LGBTQIA+, Hispanic and Women communities, which empower employee-led networks. • We started a pilot Diversity Interview Panels program to help reduce implicit bias in the interview process with a goal of implementing the program enterprise-wide. • We adopted our Human Rights Policy in 2021, which sets forth our commitment to human rights in our operations and business relationships.
	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<ul style="list-style-type: none"> • We added an Electrification Manager in our Strategy Division to specifically support the EV market. • We maintain detailed emergency response plans and remain prepared to appropriately respond to severe weather events or other emergencies.
	<p>Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> • We recycled or repurposed 65% of our operational waste in 2021. • We have provided reusable or optional biodegradable supplies to our employees and eliminated single use water bottles and Styrofoam in our headquarters and Fort Worth offices.
	<p>Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> • We are decreasing emissions by eliminating the use of SF6 in certain equipment. • We are working to identify and implement innovative transmission and distribution solutions that would improve grid stability, including ways to reduce demand when necessary and increase customer equity with respect to rotating outages.
	<p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss</p>	<ul style="list-style-type: none"> • We consider biodiversity conservation in the planning, construction, and maintenance of all facilities and minimize impacts to these areas where possible. • We inspected approximately 5,200 linear miles of transmission and distribution rights-of-way for endangered species habitats, cultural resources or environmentally-significant areas. • We have made transmission rights-of-way available to cities as hike-and-bike trails and other recreational areas featuring native and low maintenance landscaping which are compatible with power lines and also benefit the environment and biodiversity.

EI SUSTAINABILITY TEMPLATE: QUALITATIVE SECTION

The Edison Electric Institute (EEl) and the American Gas Association (AGA) have created a voluntary ESG/sustainability reporting template for regulated electric and gas companies. As the largest electric delivery provider in Texas, Oncor is proud to be among the utilities using the EEl/AGA voluntary ESG reporting template for discussing our sustainability governance, recent achievements, and strategies to further build on those successes in the future.¹²

As highlighted in the foregoing Annual Sustainability Overview (the Overview), we are committed to building a business with long-term sustainable growth. We aim to: (1) limit our environmental footprint and help support our customers' efforts to limit their environmental footprint; (2) promote economic growth, equity, and safety across Texas communities; and (3) hold ourselves accountable through strong governance and a commitment to ethical conduct at all levels of the company. We believe the Overview describes the practices, programs, and initiatives designed to support that strategy. We particularly highlight certain Environmental, Social, and Governance matters below.

Environmental

Because Oncor is solely a transmission and distribution utility and does not generate electricity for sale or purchase electricity for resale to customers, our environmental footprint is naturally much smaller than that of the vast majority of electric utilities. This does not mean, however, that we are not finding and implementing ways to reduce that footprint. For example, 2021 was the first full year that we contracted for 100% renewable energy for use in all of our own facilities. We also are in the heart of the energy transition for the entire ERCOT grid, and in 2021 alone Oncor facilities connected 1,223 MW of new renewable and battery capacity to the grid that went into commercial operation during the year.

Our commitment to the environment is further reflected in our sustainability-linked credit facility that we entered into in the fourth quarter of 2021. The sustainability-linked credit facility uses the number of partial electrification bucket trucks in our fleet as a KPI, with increasing numbers of such bucket trucks necessary over time to meet annual performance thresholds and targets. Also in November 2021, we made an update to our switching and protection standards to eliminate certain uses of SF₆ in the future.

Finally, our environmental commitments are not limited to greenhouse gas topics. We have also developed a robust plan to conserve wildlife and animal habitat following the U.S. Fish and Wildlife Service (USFWS) Incidental Take Permit process. We recognize the importance of safeguarding endangered species, cultural resources, and habitats, and therefore review all new construction projects, retrofits, and vegetation management trimming cycles to ensure preservation of biodiversity in the area. We also are in the heart of the energy transition for the entire ERCOT grid, and in 2021 alone Oncor facilities connected 1,223 MW of new renewable and battery capacity to the grid that went into commercial operation during the year.

¹² Information provided is pursuant to Version 3 of the EEl and AGA ESG/sustainability template.



Social

Oncor has a long tradition of close partnership with the more than 400 incorporated municipalities that we serve, and in 2021 we continued our safety commitment to every employee, customer, and location in our service territory. Last year, we achieved top decile industry performance¹³ for both LTIs¹⁴ and PVAs. We are also invested in the safety of our communities, and to help bridge the gap in electric safety education for Texas students, we created the Super Safe Kids program in 2018, a traveling show that teaches students about electric safety. Since the program's launch, Oncor employees and a cast of animated characters have presented more than 165 Super Safe Kids safety shows at schools and community events, reaching more than 85,000 kids in Oncor's service territory. Education is another key area where our commitment to our communities is evident. We maintain a multi-faceted recruiting strategy with a strong commitment to DEI to help attract, develop, retain, and enable innovation and sustained growth for generations to come. This includes leveraging several higher education partnerships established across our service territory, helping higher education and technical institutions develop line worker schools and courses, and regularly deploying recruiting teams to college campuses. Through our longstanding partnership with Wilmer-Hutchins High School and Fort Worth Independent School District Collegiate High School, we launched our SEOP internship in 2021. Participating students are provided with tuition and supplies, compensated for hours worked, and given the opportunity to obtain their Electrical Line Technician Certifications and become eligible for employment as Oncor line workers.

Governance

Two developments in 2021 highlight Oncor's continued intent to be a leader in establishing good-governance practices: one at the level of day-to-day procedures, and the second at the level of corporate policies. The former initiative is Oncor's Culture of Procedures effort, which began in early 2021 and will continue for multiple years as an ongoing effort to document, standardize, and improve our operations. So far, hundreds of procedures have been adopted or updated as part of the effort. Second, Oncor adopted a number of binding corporate policies during 2021. The substance of these policies largely reflects what already were longstanding Oncor intentions and practices, but formalizing these topics into policies strengthens ownership and accountability, often by indicating clear ownership of topics at the board committee and officer levels, and it reinforces Oncor's commitments in ways that all employees, and other key stakeholders, can review and understand. Among the 2021 policy adoptions and revisions include:

- Supplier Code of Business Conduct;
- Stakeholder Engagement Policy;
- Environmental Policy (adopted in mid-2021 and updated later in 2021 to also adopt language specifically governing biodiversity preservation and enhancement); and
- Human Rights Policy.

¹³ Based on preliminary industry data.

¹⁴ Exclusive of COVID-19-related lost time.



Focusing specifically on our employees, two groundbreaking events during 2021 stand out. The first is the launch of the first five ERGs for Black, Asian, LGBTQIA+, Hispanic, and Women communities and allies, which provide voluntary, employee-led networks for programming and networking. The second is our partnership with workplace survey firm Gallup to conduct a company-wide employee engagement assessment, with the initial survey completed in November 2021. Results from the initial survey will be used to develop an action plan focused on facilitating a company-wide engagement conversation, advancing innovations and processes, and strengthening relationships — all of which also are expected to improve business outcomes and employee retention.

Conclusion

Oncor's sustainability goals and strategies are closely aligned with our overall corporate goals and strategies. For more publicly available information on Oncor generally, please see our annual, quarterly and other periodic reports and information with the SEC under File No. 333-100240. Please see Oncor's Annual Report on Form 10-K for information that is traditionally found in an issuer's proxy statement. These SEC filings are available to the public over the Internet at the SEC's website at www.sec.gov. Information about Oncor is also available on our website at **www.oncor.com**. The information on the SEC's website, Oncor's website, or available by hyperlink from Oncor's website does not constitute part of and is not incorporated herein.



EEl SUSTAINABILITY TEMPLATE: QUANTITATIVE SECTION

Note: Oncor provides electric transmission and distribution services under regulations established by the PUCT and ERCOT. Oncor is solely a transmission and distribution utility and does not generate electricity for sale or purchase electricity for resale to customers.

Company: ONCOR ELECTRIC DELIVERY COMPANY LLC

Business Type(s): Transmission & distribution only

State(s) of Operation: Texas

State(s) with RPS Programs: Texas

Regulatory Environment: Regulated

Report Date: June 30, 2022

Ref. No.	Refer to the 'EEI Definitions' tab in the EEI Sustainability Template for more information on each metric	Last year 2020	Current year 2021
1	Owned Nameplate Generation Capacity at end of year (MW)		
1.1	Coal	N/A	N/A
1.2	Natural Gas	N/A	N/A
1.3	Nuclear	N/A	N/A
1.4	Petroleum	N/A	N/A
1.5	Total Renewable Energy Resources	N/A	N/A
1.5.1	Biomass/Biogas	N/A	N/A
1.5.2	Geothermal	N/A	N/A
1.5.3	Hydroelectric	N/A	N/A
1.5.4	Solar	N/A	N/A
1.5.5	Wind	N/A	N/A
1.6	Other	N/A	N/A
2	Net Generation for the data year (MWh)		
2.1	Coal	N/A	N/A
2.2	Natural Gas	N/A	N/A
2.3	Nuclear	N/A	N/A
2.4	Petroleum	N/A	N/A



Ref. No.	Portfolio	Last year 2020	Current year 2021
2.5	Total Renewable Energy Resources	N/A	N/A
2.5.1	Biomass/Biogas	N/A	N/A
2.5.2	Geothermal	N/A	N/A
2.5.3	Hydroelectric	N/A	N/A
2.5.4	Solar	N/A	N/A
2.5.5	Wind	N/A	N/A
2.6	Other	N/A	N/A
3	Capital Expenditures and Energy Efficiency (EE)		
3.1	Total Annual Capital Expenditures (nominal dollars)	\$2,540,000,000	\$2,497,000,000
3.2	Incremental Annual Electricity Savings from EE Measures (MWh) ¹⁵	295,496	309,849
3.3	Incremental Annual Investment in Electric EE Programs (nominal dollars) ¹⁶	\$48,828,260	\$50,025,895
4	Retail Electric Customer Count (at end of year)¹⁷		
4.1	Commercial ¹⁸	495,108	506,788
4.2	Industrial	10,625	10,610
4.3	Residential	3,220,740	3,284,921

Ref. No.	Emissions	Last year 2020	Current year 2021
5	GHG Emissions: Carbon Dioxide (CO₂) and Carbon Dioxide Equivalent (CO₂e)		
5.1	Owned Generation		
5.1.1	Carbon Dioxide (CO ₂)	N/A	N/A
5.1.1.1	Total Owned Generation CO ₂ Emissions (MT)	N/A	N/A
5.1.1.2	Total Owned Generation CO ₂ Emissions Intensity (MT/Net MWh)	N/A	N/A
5.1.2	Carbon Dioxide Equivalent (CO ₂ e)	N/A	N/A
5.1.2.1	Total Owned Generation CO ₂ e Emissions (MT)	N/A	N/A
5.1.2.2	Total Owned Generation CO ₂ e Emissions Intensity (MT/Net MWh)	N/A	N/A

¹⁵ As reported on U.S. Energy Information Administration Form 861.

¹⁶ 2020 data has been updated from the previously reported amount to include \$108,889 related to research & development spend.

¹⁷ As reported on U.S. Energy Information Administration Form 861.

¹⁸ Commercial customer count includes 1 transportation customer for both 2020 and 2021, which was excluded in the previously reported 2020 commercial customer count.



Ref. No.	Emissions	Last year 2020	Current year 2021
5.2	Purchased Power		
5.2.1	Carbon Dioxide (CO ₂)	N/A	N/A
5.2.1.1	Total Purchased Generation CO ₂ Emissions (MT)	N/A	N/A
5.2.1.2	Total Purchased Generation CO ₂ Emissions Intensity (MT/Net MWh)	N/A	N/A
5.2.2	Carbon Dioxide Equivalent (CO ₂ e)	N/A	N/A
5.2.2.1	Total Purchased Generation CO ₂ e Emissions (MT)	N/A	N/A
5.2.2.2	Total Purchased Generation CO ₂ e Emissions Intensity (MT/Net MWh)	N/A	N/A
5.3	Owned Generation + Purchased Power		
5.3.1	Carbon Dioxide (CO ₂)	N/A	N/A
5.3.1.1	Total Owned + Purchased Generation CO ₂ Emissions (MT)	N/A	N/A
5.3.1.2	Total Owned + Purchased Generation CO ₂ Emissions Intensity (MT/Net MWh)	N/A	N/A
5.3.2	Carbon Dioxide Equivalent (CO ₂ e)	N/A	N/A
5.3.2.1	Total Owned + Purchased Generation CO ₂ e Emissions (MT)	N/A	N/A
5.3.2.2	Total Owned + Purchased Generation CO ₂ e Emissions Intensity (MT/Net MWh)	N/A	N/A
5.4	Non-Generation CO₂e Emissions of Sulfur Hexafluoride (SF₆)		
5.4.1	Total CO ₂ e emissions of SF ₆ (MT) ¹⁹	27,050	24,562
5.4.2	Leak rate of CO ₂ e emissions of SF ₆ (lbs/Net MWh)	N/A	N/A
6	Nitrogen Oxide (NO_x), Sulfur Dioxide (SO₂), Mercury (Hg)		
6.1	Generation basis for calculation	N/A	N/A

¹⁹ Oncor is a member of the EPA's SF₆ Emission Reduction Partnership for Electric Power Systems and annually reports emissions in accordance with requirements found in the Greenhouse Gas Reporting Rule, 40 CFR Part 98 Subpart DD, Electric Transmission and Distribution Equipment Use. For purposes of this Electric Company ESG/Sustainability Quantitative Information, CO₂e is calculated using global warming potentials (GWPs) from the IPCC Fourth Assessment Report. For SF₆, the GWP is 22,800.



Ref. No.	Emissions	Last year 2020	Current year 2021
6.2	Nitrogen Oxide (NOx)		
6.2.1	Total NOx Emissions (MT)	N/A	N/A
6.2.2	Total NOx Emissions Intensity (MT/Net MWh)	N/A	N/A
6.3	Sulfur Dioxide (SO2)		
6.3.1	Total SO2 Emissions (MT)	N/A	N/A
6.3.2	Total SO2 Emissions Intensity (MT/Net MWh)	N/A	N/A
6.4	Mercury (Hg)		
6.4.1	Total Hg Emissions (kg)	N/A	N/A
6.4.2	Total Hg Emissions Intensity (kg/Net MWh)	N/A	N/A

Ref. No.	Resources	Last year 2020	Current year 2021
7	Human Resources		
7.1	Total Number of Employees (average number over the year)	4,312	4,410
7.2	Percentage of Women in Total Workforce	19%	19%
7.3	Percentage of Minorities in Total Workforce ²⁰	34%	35%
7.4	Total Number on Board of Directors/Trustees	13	13
7.5	Percentage of Women on Board of Directors/Trustees	7%	15%
7.6	Percentage of Minorities on Board of Directors/Trustees	15%	31%
7.7	Employee Safety Metrics ²¹		
7.7.1	Recordable Incident Rate	0.78	0.95
7.7.2	Lost-time Case Rate ²²	0.00	0.08
7.7.3	Days Away, Restricted, and Transfer (DART) Rate ²²	0.20	0.38
7.7.4	Work-related Fatalities	0	0

²⁰ Includes employees who have identified as being a member of a minority group or as being of two or more races.

²¹ All employee safety metrics reported in 7.7.1-7.7.4 are exclusive of COVID-19 cases.

²² 2020 employee safety metrics do not include an employee injury that occurred in December 2020 as that injury did not result in any lost-time in 2020. However, the employee subsequently incurred lost-time in February 2021 due to the injury and as a result the injury and related lost time are included in 2021 metrics.



Ref. No.	Resources	Last year 2020	Current year 2021
8	Fresh Water Resources used in Thermal Power Generation Activities		
8.1	Water Withdrawals - Consumptive (Millions of Gallons)	N/A	N/A
8.2	Water Withdrawals - Non-Consumptive (Millions of Gallons)	N/A	N/A
8.3	Water Withdrawals - Consumptive Rate (Millions of Gallons/Net MWh)	N/A	N/A
8.4	Water Withdrawals - Non-Consumptive Rate (Millions of Gallons/Net MWh)	N/A	N/A
9	Waste Products		
9.1	Amount of Hazardous Waste Manifested for Disposal (MT)	0.00318	0.0009
9.2	Percent of Coal Combustion Products Beneficially Used	N/A	N/A



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Forward-Looking Statements: This Corporate Sustainability Overview (this Overview) is dated as of June 30, 2022. The information and statements contained in this Overview speak only as of June 30, 2022, and Oncor undertakes no obligation to update any such information or statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events. This Overview contains forward-looking statements relating to Oncor within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risks and uncertainties. All statements, other than statements of historical facts, that address activities, events or developments that Oncor expects or anticipates to occur in the future, including such matters as projections, capital allocation, future capital expenditures, business strategy, competitive strengths, goals, future acquisitions or dispositions, development or operation of facilities, market and industry developments and the growth of our business and operations (often, but not always, through the use of words or phrases such as "intends," "plans," "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "should," "projection," "target," "goal," "objective" and "outlook"), are forward-looking statements. Although Oncor believes that in making any such forward-looking statement its expectations are based on reasonable assumptions, any such forward-looking statement involves risks, uncertainties and assumptions. Factors that could cause actual results to differ materially from those projected in such forward-looking statements include: legislation, governmental policies and orders, and regulatory actions; legal and administrative proceedings and settlements, including the exercise of equitable powers by courts; weather conditions and other natural phenomena, including any weather impacts due to climate change; acts of sabotage, wars, or terrorist or cyber security threats or activities; health epidemics and pandemics, including the evolving COVID-19 pandemic and its variants and its impact on Oncor's business and the economy in general; loss of key technology platforms; economic conditions, including the impact of a recessionary environment, inflation, supply chain shortages, and labor availability and cost; unanticipated population growth or decline, or changes in market demand and demographic patterns; ERCOT grid needs; changes in business strategy, development plans or vendor relationships; changes in interest rates or rates of inflation; unanticipated changes in operating expenses, liquidity needs and capital expenditures; inability of various counterparties to meet their financial obligations to Oncor, including failure of counterparties to perform under agreements; general industry trends; significant decreases in demand or consumption of electricity delivered by Oncor, including as a result of increased consumer use of third-party non-wires alternatives or other technologies; hazards customary to the industry and the possibility that Oncor may not have adequate insurance to cover losses resulting from such hazards; changes in technology used by and services offered by Oncor; significant changes in Oncor's relationship with its employees, including the availability of qualified personnel, and the potential adverse effects if labor disputes or grievances were to occur; changes in assumptions used to estimate costs of providing employee benefits, including pension and retiree benefits, and future funding requirements related thereto; significant changes in accounting policies or critical accounting estimates material to Oncor; commercial bank and financial market conditions, access to capital, the cost of such capital, and the results of financing and refinancing efforts, including availability of funds in the capital markets and the potential impact of any disruptions in U.S. credit markets; circumstances which may contribute to future impairment of goodwill, intangible or other long-lived assets; financial and other restrictions under Oncor's debt agreements; Oncor's ability to generate sufficient cash flow to make interest payments on its debt instruments; actions by credit rating agencies; and Oncor's ability to effectively execute its operational strategy.

Further discussion of risks and uncertainties that could cause actual results to differ materially from management's current projections, forecasts, estimates and expectations is contained in filings made by Oncor with the U.S. Securities and Exchange Commission. Specifically, Oncor makes reference to the section entitled "Risk Factors" in its annual and quarterly reports. New factors emerge from time to time, and it is not possible for Oncor to predict all of them; nor can it assess the impact of each such factor or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statement. As such, you should not unduly rely on such forward-looking statements.

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