

Now That We Have Diversity, What Are We Going To Do With It?

April 1, 2015



Agenda

- Exelon's Diversity and Inclusion Story
- Overview of Diversity and Inclusion
- Why Organizations (Should) Care
- Characteristics of An Inclusive Environment

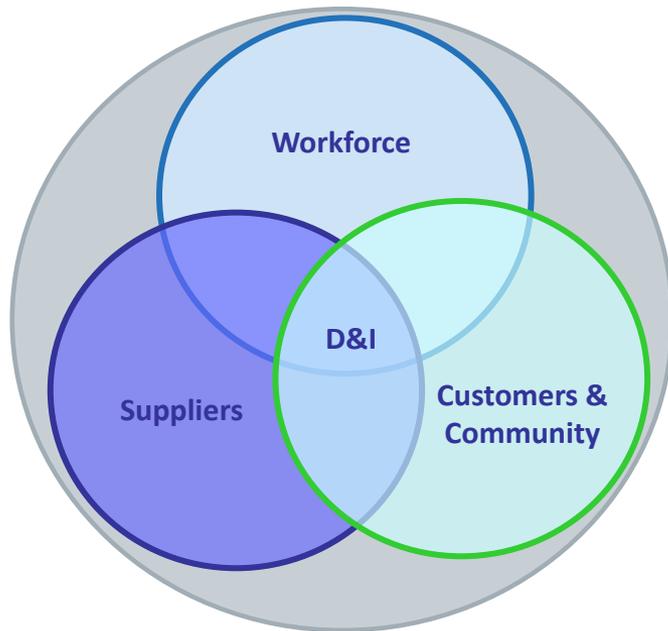
Exelon D&I Mission, Strategic Focus Areas and Goals

Exelon Diversity & Inclusion Mission Statement

Exelon operates in a world rich in diversity – in race, ethnicity, gender, sexual orientation, experience and thought. Diversity and inclusion at Exelon will strengthen our ability to achieve our Vision by:

- *Integrating diversity as a business imperative, core value and moral obligation;*
- *Attracting, retaining and advancing employees who will best serve and represent our customers, partners and communities; and*
- *Providing a workplace that ensures we respect one another and that each of us has the opportunity to grow and contribute at our greatest potential.*

Strategic Focus Areas



D&I Goals (Strategic Objectives)

Diverse & Inclusive Workforce

To attract, develop and retain talent of all backgrounds that reflects the realities of our marketplace, our communities and the relevant labor market

Inclusive Workplace

To create a culture of inclusion through consistent and sustained execution of the Exelon D&I Strategy, including progress measurement and accountability for results

Diverse Suppliers

Achieve a diverse range of suppliers, vendors and service providers

Community Relationships

Ensure that Exelon leadership has a significant reach and visible presence in a strategic core group of diverse community-based organizations (CBOs)

Leader in Diversity & Inclusion

To position Exelon to be recognized as a D&I leader by its employees; by local, regional and national thought leaders; and by the communities it serves

Diversity & Inclusion is a Business Value

Our Values

We are dedicated to safety.

We are committed to maintaining the highest standards of safety and reliability for our people, our customers and the communities in which we work. As a fundamental part of our culture and operations, every member of the Exelon team is dedicated to putting safety first.

We actively pursue excellence.

We are driven to excel. Recognizing the value of constant improvement, we reach beyond compliance to advance our processes and develop more efficient energy. In all we do, we passionately exceed the standards of our industry—and those we set for ourselves—creating value for our shareholders, customers and communities.

We innovate to better serve our customers.

We see every challenge as an opportunity to exercise our ingenuity and our competitive spirit. We encourage curiosity and exploration to develop better ways of delivering clean energy. We innovate with focus and intent, creating the solutions that matter most for our customers.

We act with integrity and are accountable to our communities and the environment.

We are committed to doing what's right. A deep connection to the communities we serve compels us to take responsibility for our work, and we actively look for ways to engage and give back. We value the environment and work to reduce our impact with future generations in mind.

We succeed as an inclusive and diverse team.

We foster an inclusive culture of trust, collaboration and performance. We welcome and respect people with different perspectives, backgrounds and traits because we know that diverse teams drive powerful outcomes.

Exelon's Strategic Platform

Leadership Engagement & Accountability

- Goal Setting and Performance
- White Male Engagement
- Leader Led Discussion and Training
- Executive Diversity Councils
- Executive Sponsored Action Learning Teams

Education and Awareness

- Unconscious Bias
- MicroInequities
- Inclusive Leadership
- Value of Mutual Respect
- Miss Representation (Gender Messaging Workshops)
- Quarterly Webinars
- D&I Toolkit
- Online learning

Enterprise Wide Initiatives

- Sourcing and Recruiting Diverse Talent
- Employee Resource Groups
- Disability Strategy
- LGBT Strategy
- Women's Leadership Development Initiative

Metrics and Reporting

- D&I Scorecard
- Diverse Slates
- Affirmative Action Plan
- Enhanced Human Capital Insights

D&I Annual Report

For more information on Exelon's Diversity and Inclusion initiative:

http://www.exeloncorp.com/assets/newsroom/docs/Diversity_Inclusion/index.html

Defining Diversity & Inclusion

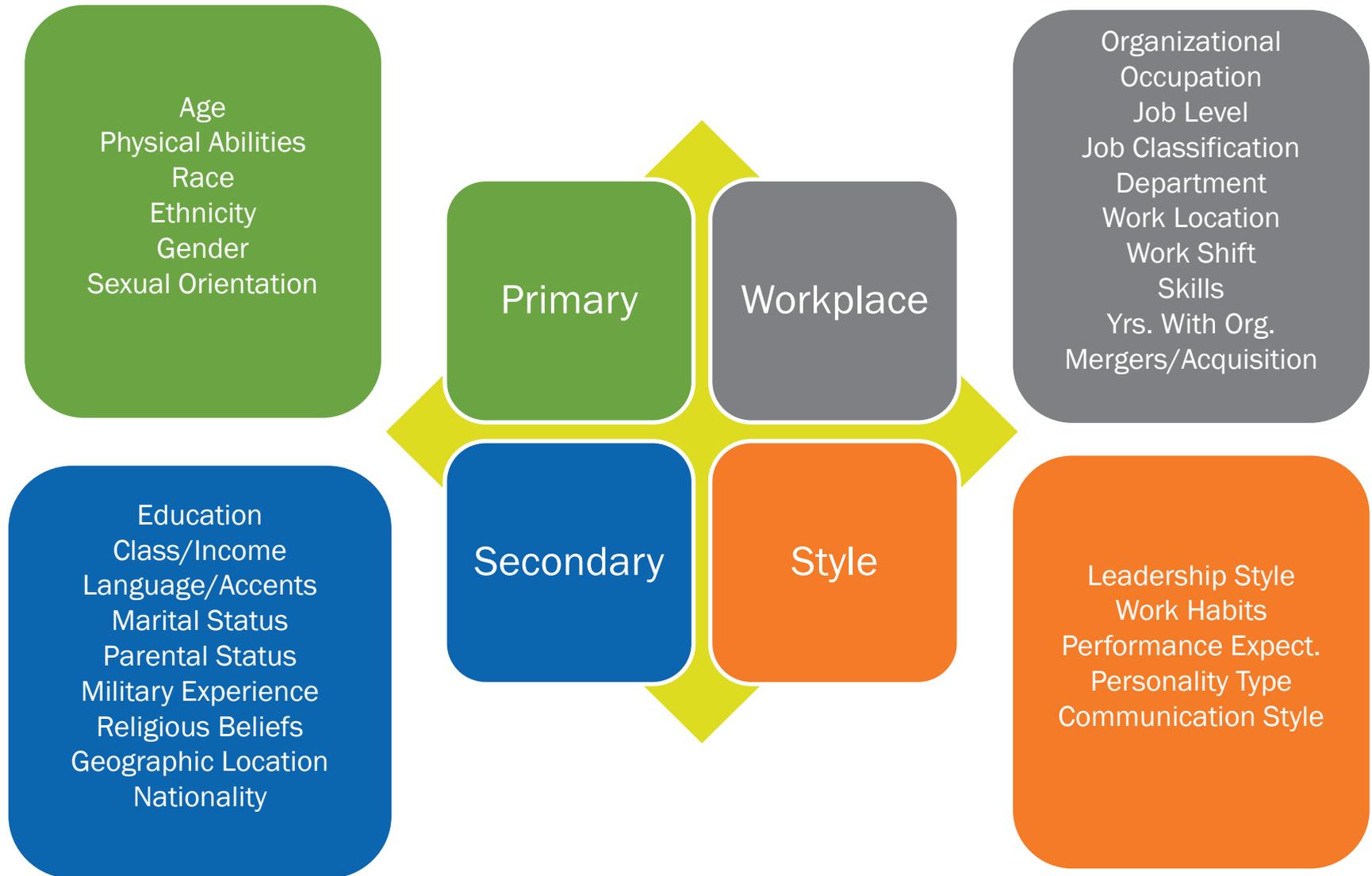
Diversity

- Those different characteristics that make each one of us unique – *Diversity is making the mix*

Inclusion

- Creating an environment that engages all employees and encourages them to deliver their best work – *Inclusion is making the mix work*

Dimensions of Diversity



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Diversity and Inclusion Continuum

Don't Know What They Don't Know	Compliance	Beyond Compliance	The Business Case	Integrated Diversity	Engaged Workforce/"Employer of Choice"
<p>These organizations are not motivated to pursue equity in the workplace and don't see any problems with that.</p> <p>Adapted from the work of Trevor Wilson, <i>Diversity at Work</i> based on the work of Felize Schwartz</p>	<ul style="list-style-type: none"> • Reactive Approach • Avoid negative consequences of non-compliance • External pressures to implement 	<ul style="list-style-type: none"> • Do the "right thing" for disadvantaged groups • Enhance public image • Isolated diversity initiatives on high visibility programs or actions • Appointment of "minorities" and women to high visibility positions • No integration into broader aspects of HR management and organizational culture 	<ul style="list-style-type: none"> • Recognition that managing diversity can yield positive business benefits • Moving in a direction to attract and retain the best, diversified workforce • Identifying barriers to diversity and developing HR strategies that encourage and support a diverse workforce • Benchmark and adopt best practices 	<ul style="list-style-type: none"> • Internalized diversity as a core value • Diversity as an essential element of continued growth • Integrates diversity into all aspects of the organization • All employees consider themselves responsible for creating an inclusive and equitable environment • Commitment to diversity is not affected by economic trends 	<ul style="list-style-type: none"> • Grasps and exhibits the connection between talent development, employee engagement, an inclusive culture and business result achievement • Focus shifts from "doing" to "being" • Actively developing people is a core accountability for all leaders • Leaders hold a vision of greater possibilities that inspires and engages workforce • Organization is a talent magnet

Diversity and Inclusion as a Business Imperative

“A diverse and inclusive workforce is necessary to drive innovation, foster creativity, and guide business strategies. Multiple voices lead to new ideas, new services, and new products, and encourage out-of-the-box thinking.

Today, companies no longer view diversity and inclusion efforts as separate from their other business practices, and recognize that a diverse workforce can differentiate them from their competitors by attracting top talent and capturing new clients.”

Forbes Insights: *Global Diversity and Inclusion Fostering Innovation Through a Diverse Workforce*

Projected Percentage Change in Civilian Labor Force between 2010-2020

Race and Ethnicity

Total	6.8%	↑
Hispanic/Latino	34.0%	↑
Asian	30.1%	↑
Black/African American	10.2%	↑
White Non-Hispanic	(1.5%)	↓

Gender

Total	6.8%	↑
Male	6.3%	↑
Female	7.4%	↑

Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, Labor Force Projections to 2020

Bureau of Labor Statistics, U.S. Department of Labor, *Employment Outlook: 2010–2020*, Labor force projections to 2020: A More Slowly Growing Workforce

Cost of Disengagement

Gallup Employee Engagement Index – August 2014*

30% Engage in their jobs

50% Disengaged

20% Actively Disengaged

* Gallup Normative Data from Global Companies in 175 Countries and 17 million employees

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Estimated Annual Cost of
Disengaged Workers for U.S.
Businesses: **\$500 Billion**

The Three Types of Employees

Engaged

Employees work with passion and feel a profound connection to their company. They drive innovation and move the organization forward.

Disengaged

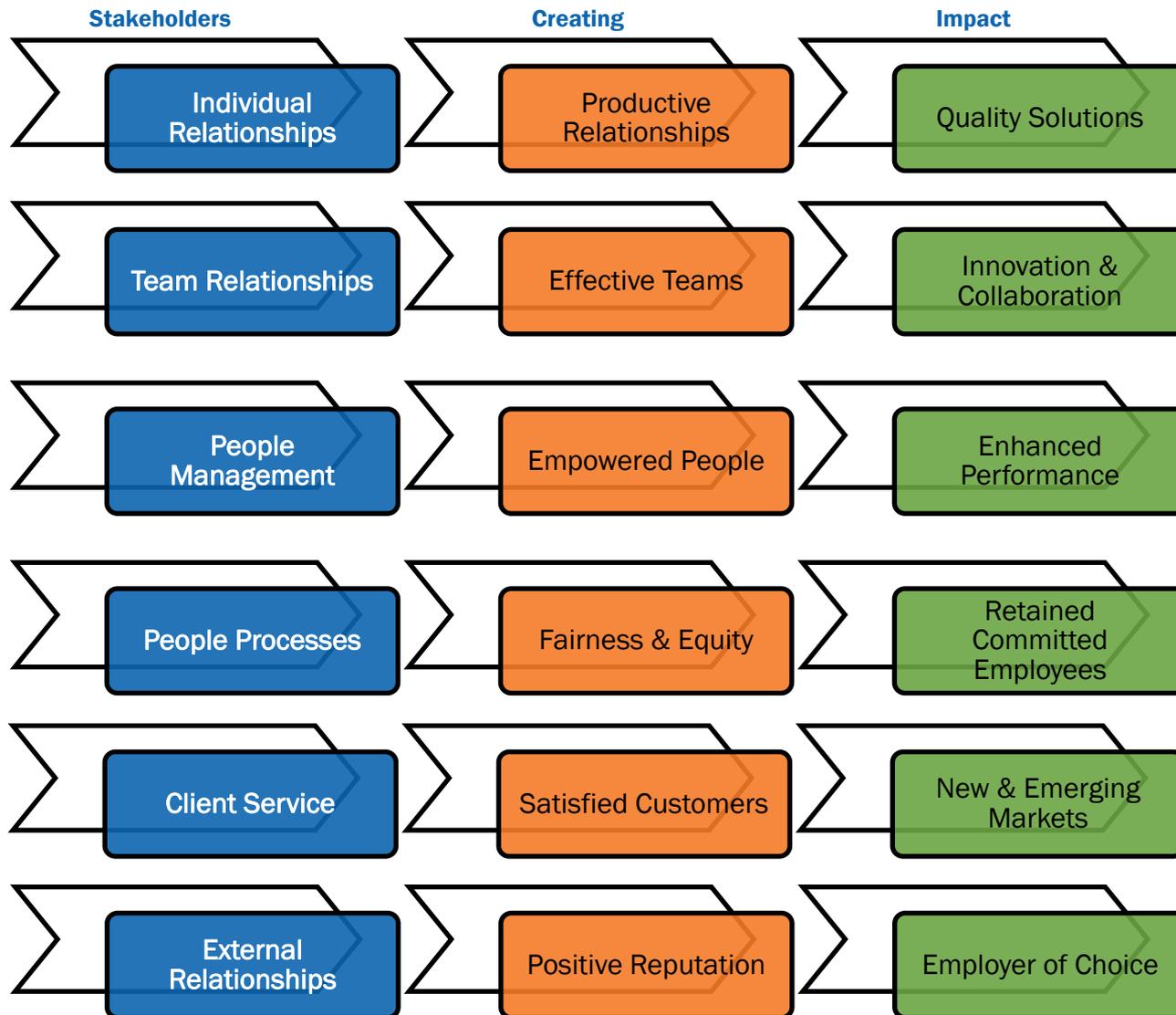
Employees are essentially “checked out.” They’re sleepwalking through their workday, putting time – but no energy or passion – into their work.

Actively Disengaged

Employees aren’t just unhappy at work; they’re busy acting out their unhappiness. Every day, these workers undermine what their engaged coworkers accomplish.

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Benefits of Inclusion



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Characteristics of an Inclusive Environment

- Employees are treated dignity and respect
- Issues of discrimination and/or sexual and racial harassment are addressed immediately
- Leaders talk about the importance of D&I to their business
- D&I performance is included in leaders expectations and performance evaluations
- Leaders seek out different opinions and perspectives
- Employee insights and suggestions are sought through employee groups or action learning teams
- There is transparency around career paths and growth opportunities
- There is visible diversity in the workforce
- The organization is agile and can respond to changing business conditions
- Employee feedback is obtained through leadership engagement, employee surveys