



Diversity, Equity and Inclusion

We aim to create an inclusive work culture where all employees are treated with respect and diversity is celebrated.

We strongly believe in the value that a diverse workforce brings and the importance of having employees who reflect the communities and customers we serve. We thoughtfully and intentionally work to provide an environment where all employees feel they can be themselves and genuinely are included and empowered to do their best work. Our most successful ideas and outcomes result from the collaboration between employees with a diverse set of experiences, backgrounds and perspectives. By viewing opportunities and challenges through multiple lenses, we are better able to leverage our strengths and achieve our strategic priorities.

Our leadership sets a strong example from the top of the organization by fostering an open and accepting work environment. This leadership extends beyond our company walls and guides how we communicate, interact and engage with our communities, suppliers and other stakeholders.

Every year, we set targets that will broaden our supplier base, encouraging businesses owned by women or veterans or whose owners are ethnically or racially diverse to participate in our procurement process. Through our community involvement programs, we have exponentially increased our support to educational and community organizations that address systemic racial injustice.

Governance

Xcel Energy's Board of Directors, as well as the board's Governance, Compensation and Nominating Committee, annually review and provide oversight of the company's workforce strategy, including its diversity, equity and inclusion (DEI) initiatives. Within the company, the CEO and other senior executive leaders set a strong example in championing DEI. The chief human resources officer has overall responsibility for DEI initiatives and reports directly to the CEO.

Reducing racial inequity is one of the most important things we can do to support the communities where we live, work and do business. Now and into the future, we will continue to listen and take meaningful action to be part of the solution.



HIGHLIGHTS

- Xcel Energy adopted a new index to measure progress on three specific aspects of diversity, equity and inclusion for the corporate scorecard in 2021. The aspects include the use of diverse interview panels in the hiring process, an improvement in our overall inclusion index as measured through the employee engagement survey, and active participation in the executive sponsorship program that supports career growth by pairing executives with employees who are diverse from themselves.
- Under Ben Fowke's leadership as chairman of the Edison Electric Institute, the CEOs of 57 power companies committed to address racial equity in their companies and communities, starting with four core principles: ensuring diversity, equity and inclusion efforts are driven from the top; removing barriers to entry and broadening talent pools; establishing strong community connections; and developing infrastructure academies and training programs.
- As a result of our commitment to diversity, female representation increased 4% and diverse representation increased 3% among Xcel Energy's senior leadership, including all vice presidents and above, over the past three years.
- Despite the pandemic and working virtually, we managed to support internship opportunities in 2020 for 158 college seniors, graduate students and law clerks, including 27 who joined us as full-time employees after completing their internships. Of the interns, 33% were women and 28% were ethnically diverse.
- By the end of the first quarter in 2021, 70% of Xcel Energy employees had completed Unconscious Bias and Microinequities training. Our goal is to train 100% of employees by year-end.
- The Human Rights Campaign again named Xcel Energy one of the Best Places to Work for LGBTQ Equality in early 2021, with a perfect score on its Corporate Equality Index for the fifth consecutive year.
- Xcel Energy is ranked 10th among 150 companies recognized by Forbes Magazine's inaugural list of America's Best Employers for Veterans, which is based on survey responses from employees who have served in the armed forces. We are also a Military Times' Best for Vets employer for the seventh consecutive year and received the Employer Support of the Guard and Reserve Patriot Award and the HIRE Vets Medallion award given to companies that display exceptional achievement in veteran employment.
- The company achieved a high score—90 of 100—on the Disability:IN survey, a comprehensive benchmarking tool for disability inclusion in the workplace.
- Through engagement with small and diverse suppliers in 2020, Xcel Energy contributed more than \$2.5 billion to the U.S. economy and supported nearly 18,000 jobs.

Board and Workforce Representation



Board by Gender and Ethnicity

Xcel Energy's Board of Directors in 2020 had 15 members.



Direct Reports to the CEO (Executive Team) by Gender and Ethnicity

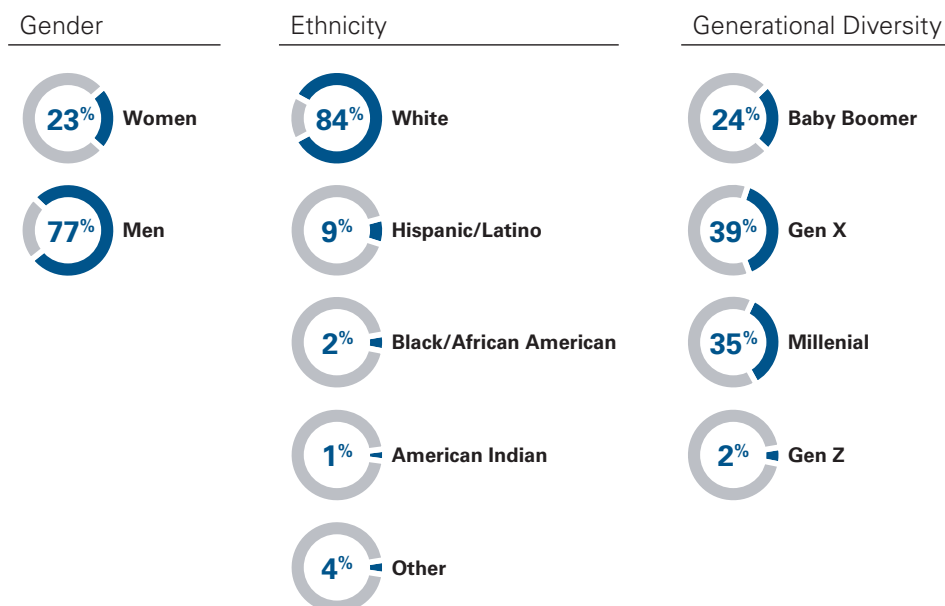


Management Diversity by Gender and Ethnicity



Total Workforce

As of year-end 2020, Xcel Energy had 11,161 full-time and part-time employees.



EEO-1 Report

Xcel Energy is committed to cultivating an equitable and inclusive work environment, with a skilled, engaged, and diverse workforce that reflects the communities we serve. We also believe in the value of transparency and disclosure. For interested stakeholders, we provide our [Equal Employment Opportunity Employer Information Report \(EEO-1\)](#). The EEO-1 Report is federally mandated and requires our workforce data to be categorized differently from how our company tracks and measures progress using the metrics published here.

Corporate Scorecard Metrics

We include a diversity, equity and inclusion metric as part of our annual corporate scorecard to drive diversity from the top of the organization, focus our efforts, ensure accountability and reward success in building a more diverse and inclusive workplace.

The metric measures our results in three areas:

- Our hiring practices to build a diverse workforce, including the use of diverse interview panels
- An inclusive workplace environment, as measured by employee feedback on six questions in our annual employee engagement survey
- Providing visibility, growth and development for our employees through an executive sponsorship program

Building a Diverse Workforce

At Xcel Energy, we believe in the value that a diverse workforce provides and have many initiatives in place to assist us in attracting and hiring employees that reflect the makeup of our communities.

2020 Hiring Representation

New Hires



Interns



Diverse Interview Panels

We use diverse interview panels in our hiring process, as they are proven to produce a more inclusive workplace. The panels include interviewers who are not all alike and reflect diversity of race, color, ability, national origin, sex, age, veteran status and other attributes. Diverse interview panels provide multiple perspectives on how a candidates' unique skills and experiences can provide long-term value to the company. Candidates who meet with a diverse set of interviewers personally experience our commitment to inclusion and are better able to see themselves working for Xcel Energy. Through this best practice, we are continuously building a workforce of top talent with values aligned to our own.

Community Outreach, Partnership and Training Programs to Build a Diverse Talent Pipeline

To reach prospective employees, we seek out targeted job fairs and employment events in our communities. We have partnerships with state workforce centers, Diversity Minnesota, and the online job network, Circa, and we maintain relationships with schools and organizations that specifically hold job fairs for diverse populations. To attract applicants for open positions, we also work with diverse student groups, including the National Society of Black Engineers, Society of Women Engineers, Society of Hispanic Professional Engineers, and Society of Asian Scientists and Engineers.

Through these partnerships, we continuously improve our candidate pool, reduce the need for candidate relocation and support our local economies. Approximately 38% of our recruiting events in 2020 were specifically focused on hiring diverse candidates.

In addition, we support the development of training and curriculum to prepare students for skilled jobs in the energy industry as a member of the Center for Energy Workforce Development (CEWD). We implemented CEWD's Legacy I-3 training program for high school students and young adults in the Twin Cities to build a pipeline of skilled, diverse candidates with a focus on power line worker positions.

Internship Programs

We invest in new talent and hire university interns to build the talent pipeline we need for our next generation of employees. We also partner with high schools and community organizations to place high school interns in positions across our business areas. A significant number of our high school interns come from our partnerships with Denver Public Schools' Launch, Minneapolis' Step Up, and Saint Paul's Right Track programs. Specific business areas also hire interns through community organizations, such as Genesys Works, Cristo Rey, Girls Inc., and Workforce Solutions Panhandle.

Military and Veteran Outreach

Our commitment to hiring veterans and those currently serving in the National Guard or Reserves remains strong, with veterans representing nearly 9% of new hires in 2020. We continue to build our strategic partnerships with military veteran organizations and support activities that maintain our visibility as a preferred employer for veterans. Last year, we participated in more than 30 job fairs and events targeted to military veterans and participated in the Department of Defense SkillBridge program, as well as the Hiring our Heroes Corporate Fellowship Program.

Approximately 10% of current employees are veterans. Many are actively involved in our Military Ombudsmen for Veterans and Employees (MOVE) business resource group and volunteer to help with veteran recruiting, as well as the development, retention and mentoring of current veteran employees.

Ensuring an Inclusive Workplace

We recognize the impact of systemic racial injustice in our society and openly face these challenges to drive positive, meaningful change within our company and beyond.

Our commitment starts with the Xcel Energy Board of Directors and extends through all levels of the organization, into the service we provide customers, and to our work with communities, including suppliers and other partners. We are building an inclusive culture that welcomes diversity of thought, background, experiences and ethnicity that can help us assess business risks and opportunities from different angles as well as elevate and nurture the best ideas. Recognizing and celebrating our differences and being inclusive makes a stronger organization, community and society.

Employee Training on Unconscious Bias and Microinequities

Mitigating the negative effects of unconscious bias is an important component to fostering an open, creative work environment and more inclusive culture. All Xcel Energy employees receive virtual training on unconscious bias and microinequities to help them better understand bias and provide them with the knowledge, insight and skills to mitigate its impact in the workplace. Additional, ongoing training on how to avoid bias is incorporated into all our talent processes—hiring, performance management, investment decisions, and succession planning.

Executive Sponsorships

Our executive sponsorship program provides senior leaders an additional avenue to contribute to our culture of inclusion. Executives are matched with employees who are diverse from themselves. Through reoccurring and meaningful engagements, the sponsored employees have opportunities for professional exposure, growth and development. At the same time, executives gain different perspectives and broaden their worldviews. Sponsorship is viewed as a triple win—providing value for sponsored employees, sponsors and the company.

Employee Feedback

One of the most important things we can do is listen to our employees and take meaningful action based on their feedback and ideas. In our employee engagement survey, six questions make up our Inclusion Index. These questions gather input about our work culture in appreciating differences, authenticity, belonging, empowerment, recognition and speaking up. The results help our organization understand where we are meeting employees' needs and where additional work is needed.

Crucial Conversations

In 2020, our chairman and CEO and the chief customer and innovation officer participated in the company's first crucial conversation webcast where they shared with all employees their own life experiences related to race and discussed the need for police reform, opportunities to improve the company's diversity recruitment and retention efforts, and how to make a meaningful difference in the workplace, community and industry. Since that initial discussion, leaders at all levels have held crucial conversations with their teams, and we are expanding those conversations over the next year.

Online Resources

Employees can increase their awareness around diversity, equity and inclusion, and learn ways to provide or ask for help on different topics by accessing our online resource hub created by employees. Leaders also are provided with unique online resources designed to help them lead inclusively.

In addition, more than 200 employees participated in a virtual 21-day Racial Equity and Social Justice Challenge in 2020 to help create dedicated time and space to build more effective social justice habits, particularly those dealing with issues of race, power, privilege and leadership.

Business Resource Groups and Council for Diversity and Inclusion

Our Business Resource Groups give employees an inclusive and supportive outlet for personal and professional growth. They offer opportunities for cultural exchange and community outreach. Additionally, through the Council for Diversity and Inclusion, leaders of our Business Resource Groups collaborate with business area leaders to solve business challenges and achieve goals. We currently have 11 Business Resource Groups, listed below.

- **Asian American and Pacific Islander Alliance:** Encourages Asian American and Pacific Islander employees to bring their full identities to the workplace and strive for professional success, engage in leadership roles and establish a sense of community within the company.
- **ECN (Employee Connection Network):** Connects new and existing employees and broadens employee understanding of Xcel Energy through networking and community service opportunities.
- **GROW:** Identifies and implements innovative ideas and strategies for recruiting, developing, promoting and retaining women in non-traditional work roles in our Energy Supply business area.
- **MOVE (Military Ombudsmen for Veterans and Employees):** Sustains awareness on issues of interest to veterans and active military employees in our workforce and promotes programs and policies that support the welfare of veterans and their families.
- **NAYGN (North American Young Generation in Nuclear):** Provides opportunities for nuclear enthusiasts to develop leadership and professional skills, create life-long connections, engage and inform the public, and inspire today's nuclear technology professionals to meet the challenges of the 21st century.
- **Pride Alliance:** Advocates for the company's leadership in and seeks to address issues related to sexual orientation and gender identification.
- **SOURCE (Strategic Organization Utilizing Resources for Career Enhancement):** Promotes career development, continued education, training and cultural awareness with a focus on African Americans.
- **Tribal Wind:** Supports diverse workforce initiatives and the Native American population through business initiatives such as recruiting, retention, professional development and cultural awareness.
- **WIN (Women's Interest Network):** Focuses on issues of interest to women, such as professional development and work-life balance.
- **!Xcelente:** Increases visibility of LatinX employees within the company and community while also promoting professional development and sharing LatinX culture through awareness, inclusion and celebration.
- **XE WiN (Women in Nuclear):** Explores and develops programs that help all employees working within our nuclear organization to expand their leadership skills, network and create positive visibility for the nuclear industry within the communities we serve.

Equal Employment and Anti-Discrimination

Xcel Energy respects the right of all people to be treated ethically, with dignity and without discrimination. We strive every day to demonstrate our commitment to those rights, as well as our core values of Connected, Committed, Safe and Trustworthy, as we conduct business and interact with our employees, customers, communities and other stakeholders.

Equal Employment Opportunity Policy

We recognize that our continued success depends on the unified strengths of our employees. As an equal opportunity employer, Xcel Energy's policy is to provide equal opportunity in hiring, promotion and other terms and conditions of employment, without regard to race, color, religion, creed, national origin, sex, age, disability, veteran status, sexual orientation, gender identity, genetic information or any other protected class status in accordance with applicable federal, state and local laws. We seek to attract qualified job applicants and candidates who reflect the diversity of the qualified labor market. We base our selection of successful candidates upon merit, qualifications and other job-related criteria.

Anti-Discrimination

Xcel Energy stands steadfast against racism, intolerance, discrimination and harassment, as stated in our [Human Rights Position statement](#), which affirms our long-standing commitment to the advancement and protection of human rights throughout our operations, consistent with all U.S. human rights laws and the general principles set forth in the International Labour Organization Conventions.

Our [Code of Conduct](#) applies to every employee and promotes inclusion, diversity and respect and prohibits harassment or discrimination and retaliation against an employee who reports a violation or suspected violation of the law, Code of Conduct or any other policy, participates in an investigation, or exercises any other lawful right. The process for reporting and investigating concerns is provided in the [Corporate Compliance and Business Conduct brief](#) in Xcel Energy's Sustainability Report.

Supplier Diversity Program

We have always believed that it's in our best interest to encourage a broad base of supplier relationships. That's why for more than two decades, we have actively encouraged diverse suppliers to participate in our procurement process, including businesses owned by women or veterans or whose owners are disabled, racially or ethnically diverse, or lesbian, gay, bisexual or transgender.

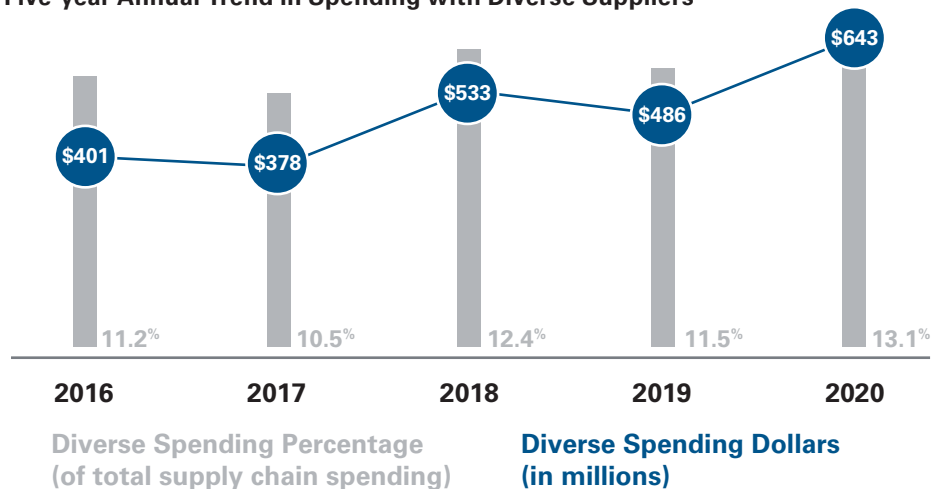
By doing business with diverse suppliers, we expand our supply lines and provide opportunities for everyone to participate and prosper, creating a multiplier effect that results in additional jobs across the economy and in our communities. We purchased \$1.3 billion in goods and services from small and diverse businesses in 2020, including \$643 million from diverse suppliers. As a result, we estimate our supplier diversity program supported nearly 18,000 jobs, providing employee earnings of approximately \$906.8 million. Considering the cumulative revenues of all businesses impacted, the program produced a total economic impact of \$2.5 billion across the economy. Full results are published in our [2020 Supplier Diversity Economic Impact Report](#).

Our corporate supplier diversity policy underscores our commitment and assures that we develop and strength our relationships with diverse suppliers by:

- Conducting outreach efforts to seek, identify and encourage supplier diversity in our procurement processes
- Facilitating alliances and partnerships
- Educating businesses about our procurement and business processes
- Identifying and encouraging subcontracting (tier two) opportunities with major suppliers when direct participation is not possible

We are an active member of the Edison Electric Institute's Supplier Diversity Best Practices Group, as well as the Mountain Plains and North Central Minority Supplier Development councils, the Women's Business Enterprise National Council, the National Veteran-Owned Business Association, National Veteran Business Development Council, National Gay and Lesbian Chamber of Commerce, Disability:IN, and most local diverse chambers of commerce in our service area.

Five-year Annual Trend in Spending with Diverse Suppliers



For the past several years, diverse suppliers played a major role in helping construct new wind energy projects on our system, which increased our spending in 2018 and again in 2020 by more than \$250 million. For 2021, we have set a goal to spend approximately \$460 million with diverse suppliers or roughly 10% of total anticipated supply chain spending.

Community Leadership

The nation saw searing images of civil unrest in communities across the country in 2020, but among the most notable were in the Twin Cities, only a few miles from Xcel Energy's headquarters, following the death of George Floyd in police custody. It was an awakening for many people and organizations across the country, including Xcel Energy. This past year, we renewed our commitment to addressing racial equity and social justice within our society and have engaged with local community organizations to support this change. From the sale of our Mankato Energy Center in 2020, we earmarked proceeds of \$20 million to go toward short- and long-term corporate giving, which includes funding for COVID-19 recovery, as well as racial equity and social justice.

In fall of 2020, we donated \$300,000 to help fund North Star Learning Pods, an innovative program to help reduce the achievement gap for Black and other racially or ethnically diverse students. Located at local churches and community centers, learning pods feature tutoring, enrichment experiences and reliable internet connections for hundreds of students to make distance learning more effective in a school year disrupted by the COVID-19 pandemic.

Additionally, the Xcel Energy Foundation and company donated more than \$760,000 to nonprofit programs focused on racial equity and rebuilding communities following civil unrest. The funding is on top of nearly \$1 million in giving through established partnerships as part of our normal grant process.

Some highlights from the additional funding include:

- Xcel Energy and its foundation were among the first to support the Minneapolis Community Safety Innovation Fund established in late 2020 to support community-driven health and social service innovations with the goal of improving public safety in the city. We also donated \$350,000 in grants to 14 nonprofit organizations to fund racial equity programs and rebuild communities in Minneapolis and St. Paul.
- We contributed an additional \$76,800 to six Colorado organizations and programs that advance equity and social justice within the state by advocating and supporting students, empowering low-income families, and promoting economic security.
- Through our strong, existing partnership with the University of Wisconsin-Eau Claire, Xcel Energy became a founding supporter of the university's new Center for Racial and Restorative Justice, which provides a forum for western Wisconsin communities to evaluate these issues and better prepare students to foster equity throughout society.
- In Amarillo, Texas, the Black Historical Cultural Center has played a central role in preserving Black culture and history while bringing together increasingly diverse citizens in common cause. We are helping renew the center's programs and its facility, which serves as an important venue for community gatherings.