



POWERING PROGRESS Together

2019 Exelon Diverse Business
Empowerment Annual Report



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More Than
\$2 Billion
in Annual Diversity-Certified
Supplier Expenditures in 2019

Exelon Diverse Business Empowerment (EDBE) Mission Statement

At Exelon, we share a passion for diversity and inclusiveness that guides the way we work and do business. We realize competitive advantages from the energy and talents each of us brings to the workplace.

Exelon serves some of the nation's largest and most ethnically diverse metropolitan areas – including Baltimore, Chicago, Washington, D.C., and Philadelphia. This means our supplier base, as well as our workforce and culture, must reflect the diversity of our customers and our communities.

We view diversity-certified businesses as valued partners in our efforts to serve our customers, and we believe that partnership will help diverse business enterprises develop and grow.

Not only does this benefit Exelon, but it also empowers the community.

EDBE Glossary of Terms

Exelon Diverse Business Empowerment (EDBE)	Exelon's program to integrate supplier diversity with other business diversity processes and create value for Exelon
Diverse Supplier / Diversity-Certified Supplier	A business holding a diversity certification from an approved third-party certification organization
High-Margin Firm / Category	Professional services spend in the categories of advertising and marketing, business consulting, engineering and technical consulting, financial services, human resources services, information technology, legal and banking
Prime Contractor / Supplier	Any party or person (who is not an employee of the company) who enters into any agreement or arrangement with the company for the furnishing of supplies or services for the use of real or personal property that, in whole or in part, is necessary to the performance of any one or more contracts

TIER 0 (T0)	Prime contract spend with a non-diverse supplier
TIER 1 (T1)	Prime contract spend with a diverse supplier
TIER 2 (T2)	Subcontracted spend by a non-diverse prime contractor with a diverse supplier
Supply-Managed Spend	The dollar amount of spend managed by the Exelon Business Services Company (BSC) Supply Organization
WBE	Woman-Owned Business Enterprise
MWBE	Minority and Woman-Owned Business Enterprise
MBE	Minority-Owned Business Enterprise
Veteran	Veteran-Owned Business Enterprise
LGBT	Lesbian, Gay, Bisexual, and Transgender-Owned Business Enterprise
SDVOB	Service Disabled Veteran-Owned Business

Exelon Diverse Business Empowerment's Contribution to Economic Vitality

**\$9.9
BILLION**

Exelon's total diversity-certified supplier expenditures 2015-2019

**\$3.4
BILLION**

Exelon's corporate assets managed by minority money managers, community and diversity-certified banks in 2019

**\$2.4
BILLION**

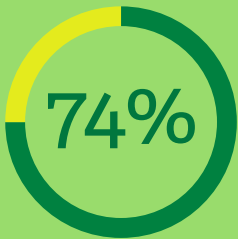
Exelon's total 2019 diversity-certified supplier expenditures

**\$194.5
MILLION**

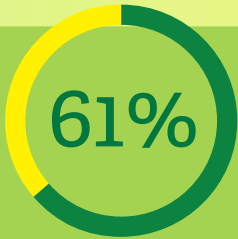
Increase over Exelon's 2018 Tier 1, diversity-certified supplier expenditures

**8%
INCREASE**

Exelon's total 2019 diversity-certified supplier expenditures increased by \$187M over 2018



Percent of Exelon's total diversity-certified supplier spend with Tier 1 contractors



Percent of Exelon's 2019 total diversity-certified expenditures spent with local suppliers in Exelon's key operating areas – IL, PA, MD, NJ, DE, DC, and TX – where our businesses are most heavily concentrated



Percentage increase in Exelon's total diversity-certified supplier expenditures, 2015-2019



David M. O'Brien
Senior Vice President
and Chief Supply Officer
Exelon Corporation

Powering Progress Together

Last year was another exceptional year for Exelon Diverse Business Empowerment. Despite a decrease in Exelon's total expenditures, our spend with diversity-certified suppliers increased by \$187 million, to approximately \$2.4 billion in 2019 – our highest level ever, and an 8 percent increase over 2018. Our progress was broad, with record diverse business spend at nearly all of Exelon's operating companies.

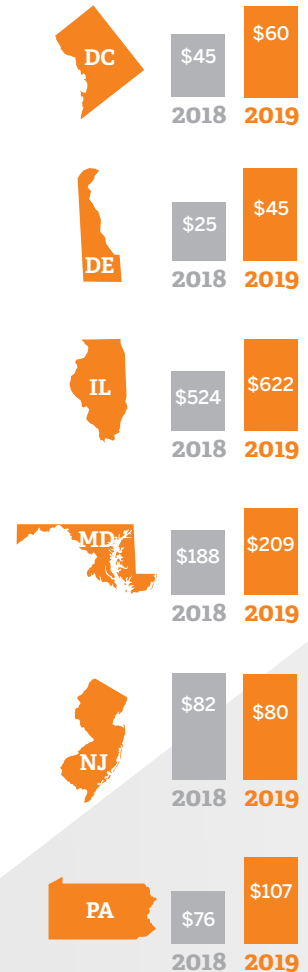
Those results kept us at the forefront of the energy industry, and amongst the leaders in supplier diversity across all industries. Beyond growing our overall diverse spend numbers, we remained laser-focused on ensuring that we continue to grow our relationships and spend with diverse business in the regions in which we operate. Our focus on diverse and local partnerships contributes directly to the communities where our employees and customers live and work; and we were successful in growing diverse business spend in nearly every state that we serve.

From 2015 to 2019, Exelon's total diversity-certified supplier expenditures grew more than 75 percent. Our growth and progress are anchored by our partnerships — suppliers, Exelon leaders, and third-party advocacy organizations. Exelon representatives serve on the boards of some of the most influential regional organizations, including:

- The Chicago Minority Supplier Development Council
- The Women's Business Development Council of Chicago
- The Eastern Minority Supplier Development Council
- The Women's Business Enterprise Council - East
- The Capital Region Minority Supplier Development Council

These partnerships enhance our ability to power progress together with local diverse businesses and contribute to our collective success.

Exelon's Local and Diverse (T1) Spend 2018-19



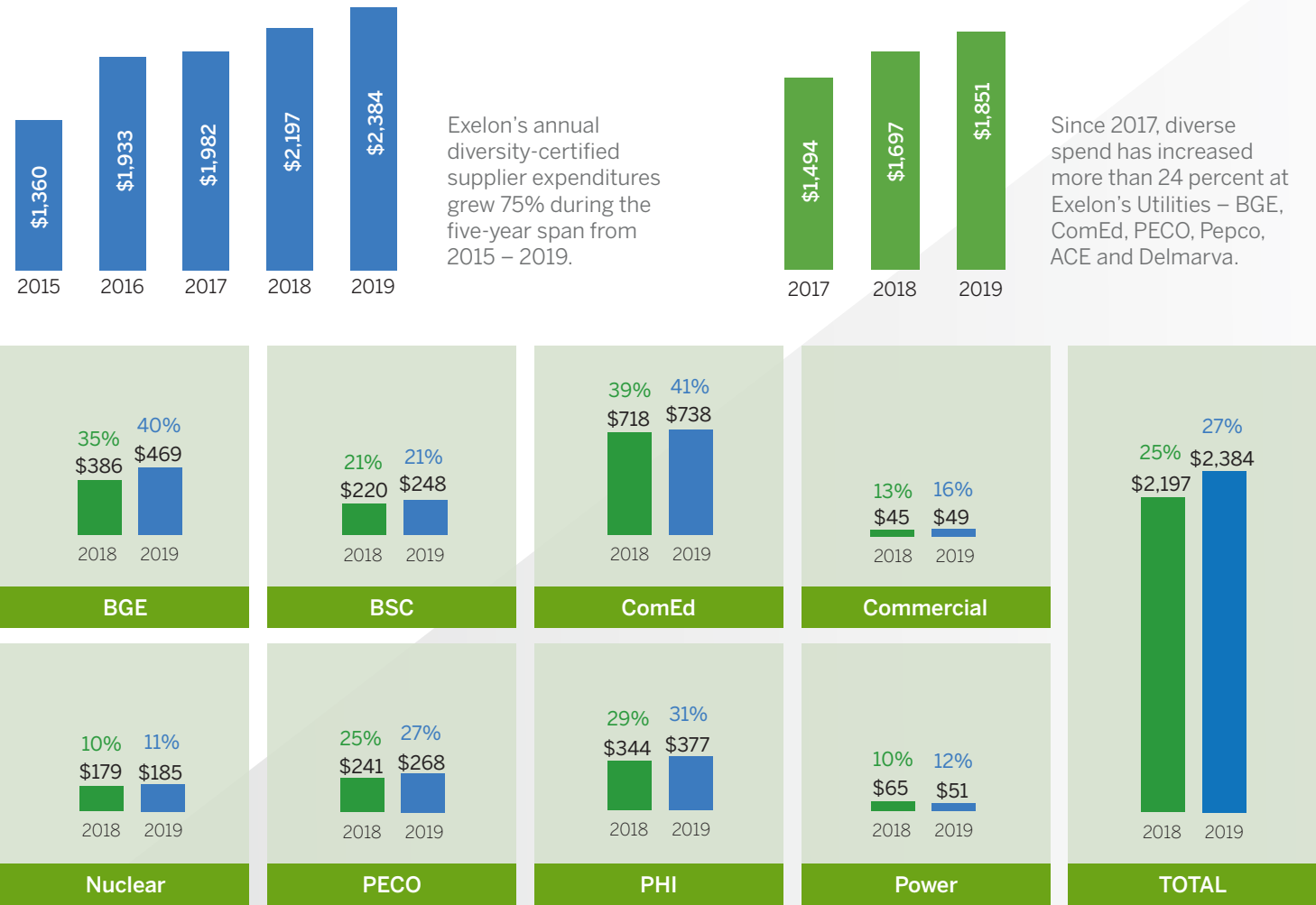
Reported figures are in millions

2019: A Year in Review

In 2019, Exelon surpassed its goals for including and expanding its relationships with diverse suppliers. The supply team, together with our internal stakeholders, ensured that Exelon remained committed to executing the Exelon Diverse Business Empowerment (EDBE) process.

We purchased approximately \$2.4 billion in goods and services from diverse suppliers, which represents 27 percent of total supply-managed spend and a \$187 million, or 2 percentage point, increase over our 2018 EDBE spend.

Exelon Diverse Business Empowerment Spend (in Millions)



The graph above provides information on the total prime diverse contractor (Tier 1) and diverse subcontractor (Tier 2) year-over-year expenditures for each Exelon operating company.

PHI spend includes Atlantic City Electric, Delmarva Power and Pepco. PHI diversity-certified supplier spend included for 2016, 2017, 2018 and 2019 only; PHI merger completed in May 2016. Reported figures are rounded values (to the nearest million); as a result totals may vary.



An Exelon Company

BGE achieved its highest-ever diverse spend in 2019, with a record \$469 million going to diversity-certified suppliers. BGE continued developing diverse partners by partnering with Johns Hopkins University and other leading corporations through BLocal, an initiative focused on increasing capacity for and spend with diverse businesses in the region.

BGE exceeded its BLocal commitments by spending more than \$25 million with local businesses. Another output of BGE's commitment to develop local and diverse partners is its supplier development program, which welcomed a fifth class of diverse partners in 2019. Since its launch five years ago, the program has graduated more than 50 diverse-owned companies — most based in BGE's service territory.

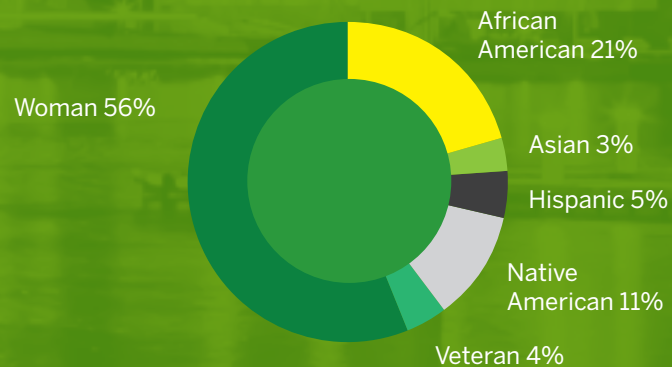
"BGE's Focus Forward program was like an elite MBA education packed into 12 months. As an auditor, I appreciated the rigor and process it offered, but also valued the connection to other diverse businesses in the Maryland region. We learned from Exelon and we learned from each other. In fact, we're still learning."

—Graylin Smith, Founder, SB & Company, African American-owned accounting firm based in Owings Mills, Md.

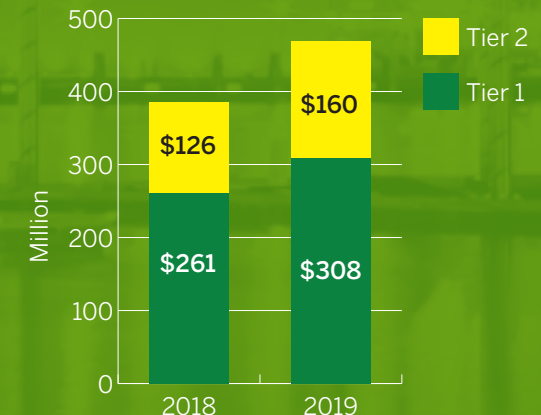
2018-2019 BGE Maryland Spend



2019 Tier 1 Diverse Spend by Certification



Total Diverse Spend 2018-2019



Reported figures are rounded values (to the nearest million). As a result, totals may vary.

In 2019, ComEd nearly completed construction on its new Chicago North Redevelopment Project, powered by its partnership with diversity-certified suppliers. A tri-venture that included local diverse businesses led the general construction, and more than 60 percent of the subcontractors were women-owned and/or minority-owned businesses.

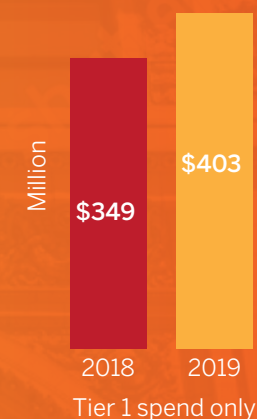
ComEd spent \$738 million in 2019 with diversity-certified suppliers. More than 50 percent, or \$403 million, was Tier 1 spend with Illinois-based diverse suppliers.

ComEd also continued its commitment to develop a strong network of diverse suppliers and graduated the first class from its supplier-development program, which was created in 2018 to mentor and support Illinois-based diversity-certified businesses.

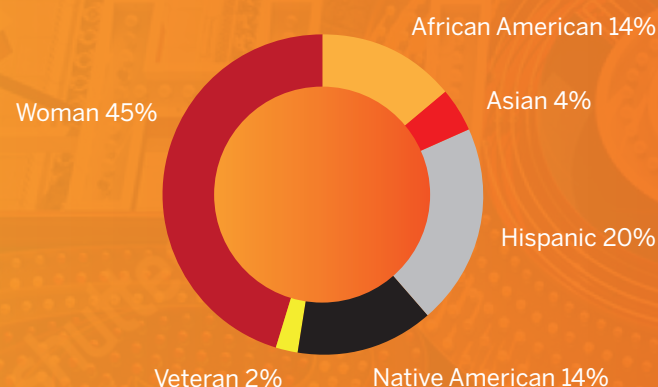
“We started our path at ComEd as a subcontractor to a construction company and now we directly partner with ComEd on multiple projects, improving internal change management processes. At each level of the organization, there are people willing to teach you every step of the way.”

—Lynn Sutton, Managing Principal and Founder, Kairos Consulting Worldwide, African American-owned process engineering company based in Chicago, Ill.

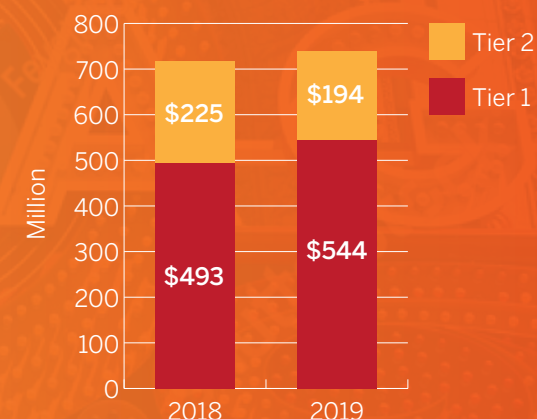
2018-2019 ComEd Illinois Spend



2019 Tier 1 Diverse Spend by Certification



Total Diverse Spend 2018-2019





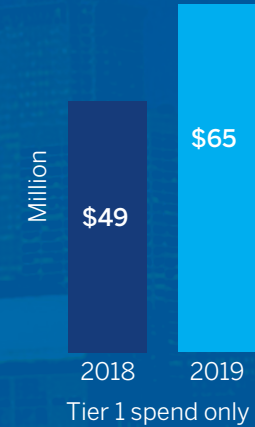
In 2019, PECO expenditures with diversity-certified suppliers reached a record high. The utility spent \$268 million with diverse suppliers, up \$27 million from the previous year. Diverse supplier spend now accounts for 27 percent of PECO's total supply chain expenditures.

To ensure that supplier diversity and diverse supplier spend remain priorities in all facets of its business, in 2019 PECO graduated its second Power 25 Diverse Supplier Development Program class and hosted a Tier 2 Institute to provide diverse suppliers the tools and relationships critical to effectively compete for work as prime contractors and subcontractors.

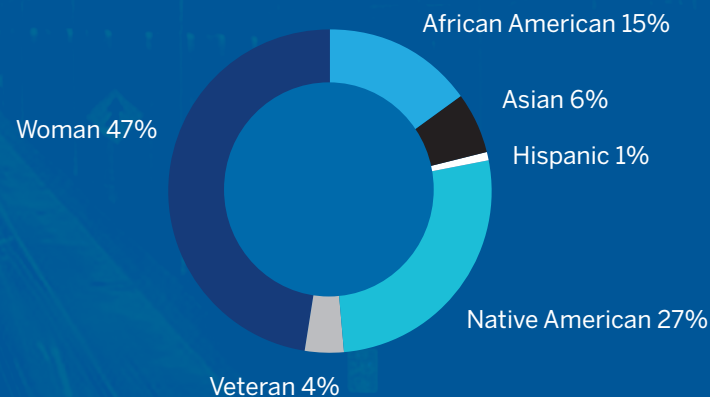
“Two years ago, I built a concrete plant and also began working with PECO on landscaping projects. Now the partnership has evolved, and we were awarded a paving and restoration contract. Because we are partnering with PECO, we can hire and retain the best people in Philadelphia. We can pay them what they deserve and make a long-term commitment to them.”

—John Haye, President, Haye Construction Services, African American and veteran-owned paving and landscaping company based in Philadelphia, Pa.

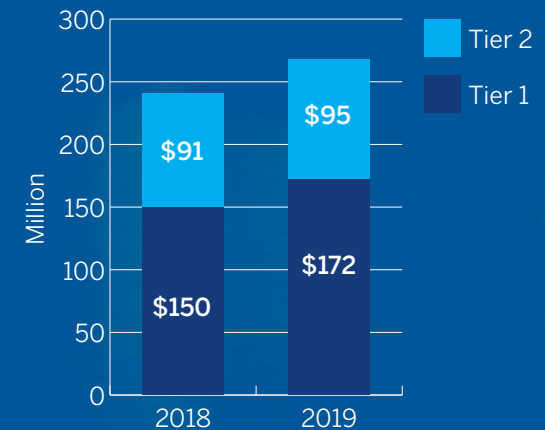
2018-2019 PECO Pennsylvania Spend



2019 Tier 1 Diverse Spend by Certification



Total Diverse Spend 2018-2019



Reported figures are rounded values (to the nearest million). As a result, totals may vary.



An Exelon Company

ACE ended 2019 with its highest-ever diversity spend. The utility spent \$82 million with diversity-certified suppliers, an increase of \$11 million or 15 percent.

ACE's significant increase in spend with New Jersey-based diverse suppliers in 2019 is inextricably tied to its supplier development programs. ACE graduated its first diverse-supplier development program class, created for diverse firms in the Mid-Atlantic region, and provided the class with the tools needed to compete effectively for new business opportunities.

ACE also hosted a supplier-development workshop to encourage business partnerships between non-diverse and diversity-certified suppliers.

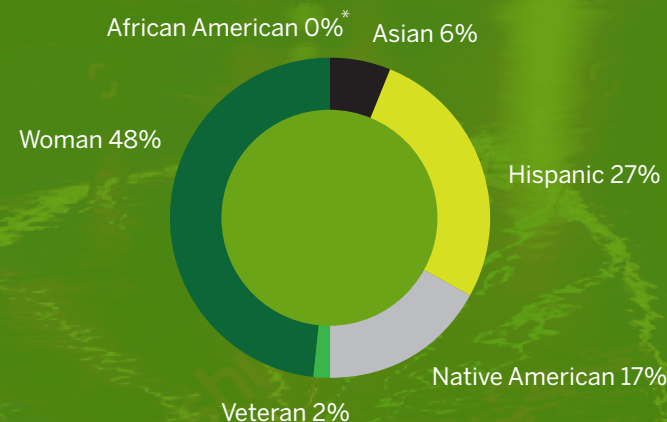
"Our partnership with Exelon has evolved from three years ago, when Valiant Energy Services was selected as a Contractor of Choice for overhead transmission and distribution lines. Contributing to our partnership and growth at Exelon is the support and coaching its teams provide diverse suppliers. They want to see you succeed."

—Nelson Ferreira, CEO, Valiant Energy Services, Hispanic-owned electrical contractor based in Allentown, Pa.

2018-2019 ACE
New Jersey Spend



2019 Tier 1 Diverse Spend by Certification



* = Figures less than 1%

Total Diverse Spend 2018-2019





An Exelon Company

Delmarva Power purchased \$73 million in 2019 from diversity-certified suppliers, or 25 percent of its total spend.

Delmarva Power continued to provide executive mentorship and guidance to local and diverse companies. To ensure that its non-diverse suppliers had access to a talented, diverse supplier network that reflects its customer base, Delmarva Power hosted a one-day development workshop that connected the two supplier groups for potential partnership opportunities.

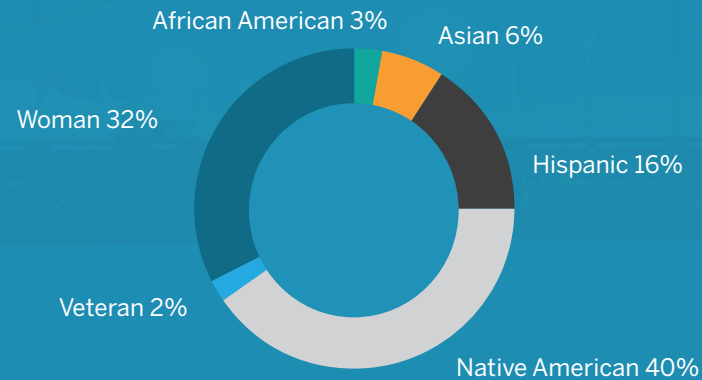
“My sister and I started Battaglia more than a decade ago, and thanks to the EDBE supplier development program, we built a stronger professional network. It’s critical that we learn from our clients. It helps improve our business as we continue to employ people in the Delaware region.”

—Christine Meyer, President, Battaglia Associates, woman-owned utility construction firm based in New Castle, Del.

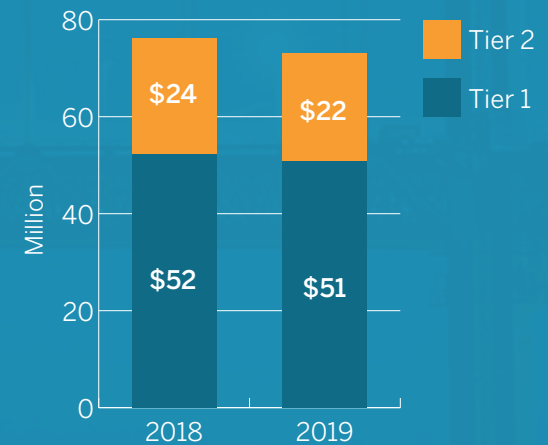
2018-2019 DPL Delaware Spend



2019 Tier 1 Diverse Spend by Certification



Total Diverse Spend 2018-2019





An Exelon Company

In 2019, Pepco exceeded its goal of increasing the purchase of goods and services from diversity-certified suppliers. The company spent a record \$222 million, or 37 percent of its total utility spend, with diversity-certified businesses. Nearly 50 percent of that spend was with Tier 1 diverse businesses based in either Washington, D.C. or Maryland.

Pepco hosted its inaugural Tier 2 Institute in 2019, which provided a forum to develop both its diverse and non-diverse business partners. More than 50 suppliers attended the event, which included networking and updates from Pepco business leaders on key projects.

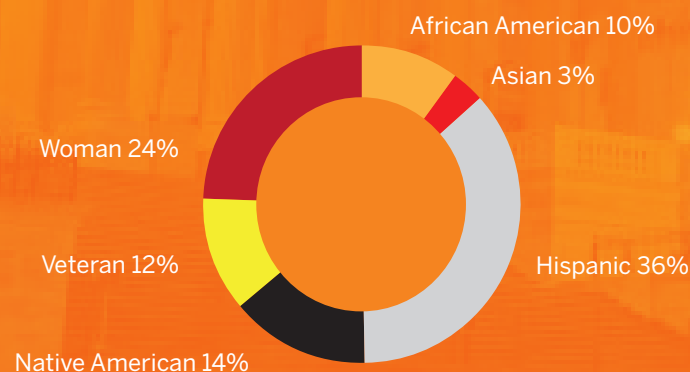
“We started as a subcontractor, and now we provide services as a prime contractor to multiple Exelon Utility clients – including Pepco. Our experience has helped us change and grow our company. We were so inspired by Exelon’s values and leadership that Shah started a minority internship program”

—Shreedhar Shah, Former President, Shah & Associates, Asian-owned electrical engineering company based in Gaithersburg, Md.

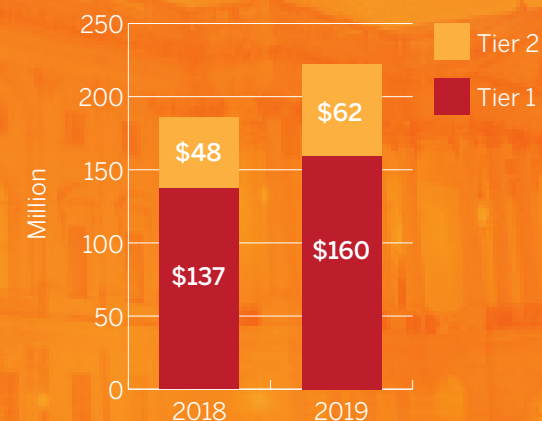
2018-2019 Pepco District of Columbia Spend



2019 Tier 1 Diverse Spend by Certification



Total Diverse Spend 2018-2019



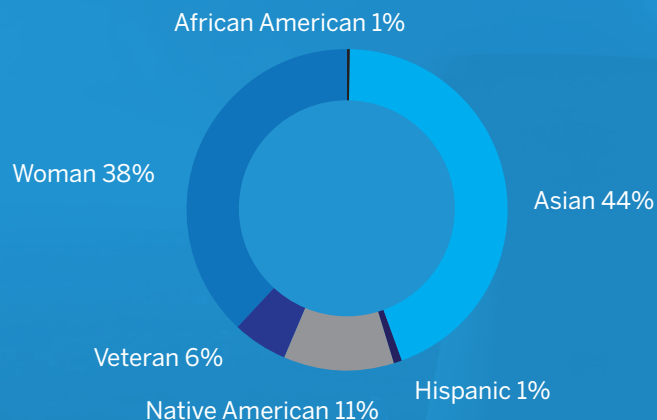


Exelon Nuclear made major strides building on its relationships with diversity-certified suppliers in 2019. Both Tier 1 and Tier 2 spending increased as Exelon Nuclear spent \$185 million with diverse suppliers.

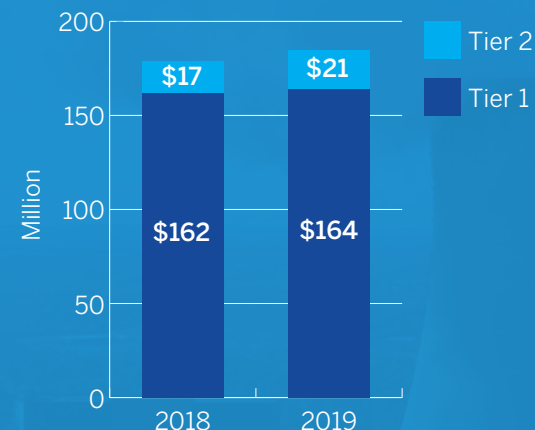
Exelon's Generation Supply team has hosted workshops designed to promote partnerships between Generation's prime contractor community and diversity-certified subcontractors.

These workshops have helped the company increase spending with Tier 1 and Tier 2 diverse suppliers in Illinois by 179 percent and 1,030 percent, respectively, between 2016 and 2019.

2019 Tier 1 Diverse Spend by Certification



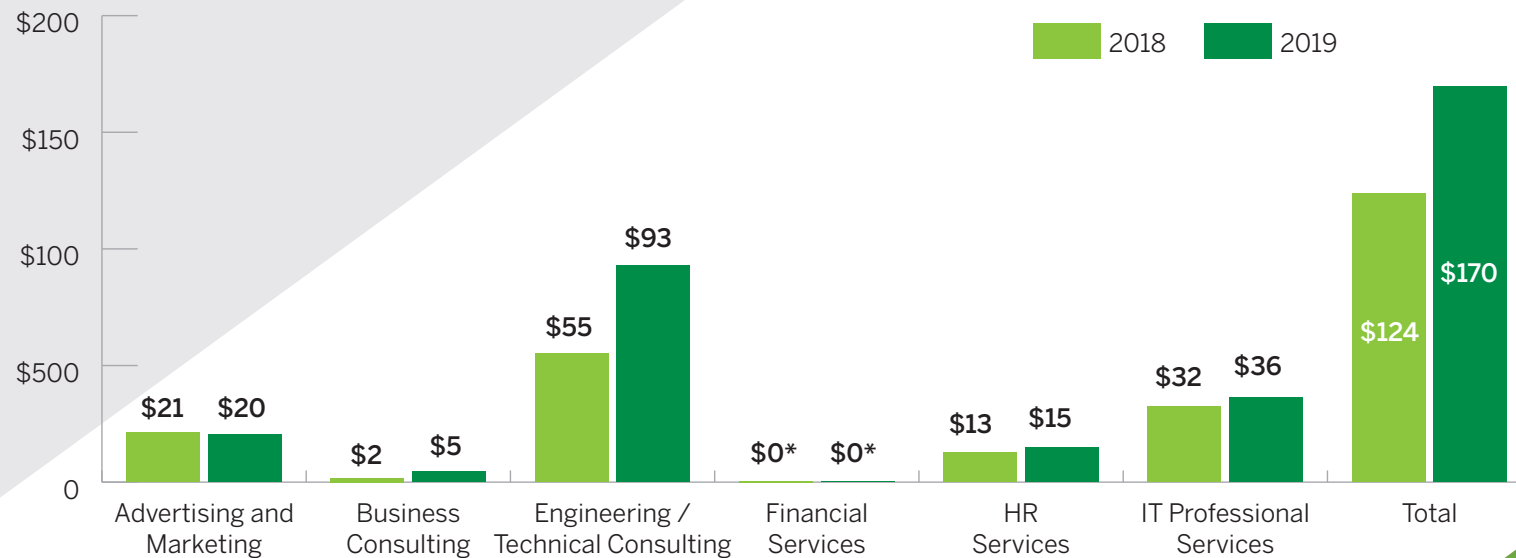
2018-2019 Total Diverse Spend



The Generation Supply team hosted their 3rd annual Tier 2 Institute in Illinois.

The one-day seminar brought together more than 100 non-diverse prime and diversity-certified suppliers with the goal of helping them build relationships and partnerships. When Exelon's prime suppliers spend significant dollars with small diverse businesses in local markets, it can lead to significant revenue growth for that business and foster job creation and community development in local markets.

For Exelon, it also means creating a pipeline of qualified diverse suppliers who can become familiar with our culture and our system. As the relationship develops, the Tier 2 supplier can become a prime or Tier 1 partner to Exelon.



Exelon High-Margin Spend represents Tier 1 spend only.
 Reported figures are rounded values (to the nearest million). As a result, totals may vary.
 *Figures less than \$1M

2019 Exelon's Legal Department Spend

2019 Professional Services Firms / High-Margin Strategy

The Exelon high-margin strategy is regarded as an industry best practice. In 2019, high-margin spend with diverse-certified suppliers was \$170 million, a \$46 million increase over last year.

Exelon's Legal Department promotes diversity and inclusion in the legal profession by utilizing minority-owned and/or women-owned law firms and diverse individuals at majority law firms on Exelon matters. In 2010, Exelon was one of 11 corporations that launched the Inclusion Initiative, whose members committed to spending at least \$1 million annually with minority-owned and/or women-owned law firms. Exelon has exceeded this commitment every year since inception. For the past five years, more than 35 percent of Exelon's total spend with its preferred majority law firms has been with diverse individuals.

2019 Diversity-Certified, Investment Banking Services Providers

In 2019, Exelon arranged \$141.5 million in credit lines with 22 community and minority-owned banks in Illinois, Maryland, New Jersey and Pennsylvania, reinforcing the company's commitment to invest in local communities. These transactions help grow local businesses as well as the local economy and are critical to communities that remain challenged in current economic conditions. Exelon's minority and community banking program, which began in 2003, is unique to the energy industry. Administered by JP Morgan Chase since its inception, the program now has 22 participating banks across the country – almost three times the original number.

Exelon Corporation currently has \$3.4 billion in pension, employee savings plan, nuclear decommissioning and retiree health-care assets invested with 27 diversity – certified investment firms. In addition, another 18 minority investment firms participated in or co-managed \$3 billion in corporate bond deals.



2019 Investment Management

- \$3.4 billion of diverse assets under management
- 59% African American-owned firms
- 11% Hispanic-owned firms
- 11% Asian/Indian American-owned firms
- 47% woman-owned firms



2019 Certificates of Deposit & Cash Management Program

- \$24.5 million in deposits
- 19% African American-owned banks
- 19% Asian American-owned banks



2019 Credit Facilities

- \$141.5 million under management
- 18% African American-owned banks
- 18% Asian American-owned banks

2019 “Honor Roll” of Top Banks, Insurance, Professional Services Firms and IT Services Companies for Diversity and Inclusion Efforts

In July 2019, Exelon named 21 banks, insurance companies, professional services organizations and information technology (IT) services companies to its annual diversity and inclusion “honor roll” for demonstrating their dedication to these values in 2018. The annual program, now in its ninth year, seeks to enhance the quality of service Exelon receives by encouraging its business partners to increase contributions from minorities and women.

The honor roll program challenges participating financial services and IT partner firms to expand the diversity of their teams by evaluating the level of contributions made by women and minorities on the teams that serve Exelon, while providing them with incentives to improve their performance by demonstrating a shared commitment to diversity and inclusion. The program also evaluates diversity and inclusion initiatives at the companies as well as their year-to-year improvement.

In a sign that the program is helping companies improve their diversity, the number of firms named to Exelon’s honor roll has more than doubled in just seven years. In 2019, Exelon recognized TD Bank as “most improved” because of its significant efforts over the past year to increase female and minority representation on the account teams working with Exelon.



Left – William Von Hoene, Jr. (Sr. Executive Vice President and Chief Strategy Officer, Exelon)
Right – John W. Rogers, Jr. (Chairman, Co-CEO and Chief Investment Officer, Ariel Investments)

Left – Alan Liu (Managing Director, Goldman Sachs)
Middle – Lisa Graham (Vice President and Treasurer, Exelon)
Right – Isabelle Voler (Investment Banking Associate, Goldman Sachs)



**Emmett T. Vaughn
(1956-2019)**

Emmett T. Vaughn Tribute

We remember Emmett T. Vaughn for many things, but the passion of his advocacy for diverse businesses pushed Exelon Corporation to become a nationwide leader in supplier diversity.

“Every organization he touched, he became a transformational leader,” Ralph Moore, president of Ralph G. Moore & Associates in Chicago told the Chicago Business News. “And he shared his success with others.”

Emmett was a giant in supplier diversity. It was both his life's calling and his mission. He was an unabashed proponent and larger than life advocate for minority and women-owned businesses. In one interview, Vaughn called himself “an acquired taste.” He continued, “Some people may not appreciate the edge with which I've chosen to push the envelope, in the spirit of affecting change.”

Emmett received a rousing standing ovation when he was presented with the 2019 Lifetime Achievement Award by the Chicago Minority Supplier Development Council. He had earlier been recognized with that organization's Anders C. Rasmussen Jr. Award for his outstanding contributions to the supplier diversity community. Other awards included the Lifetime Achievement Award by the U.S. Department of Commerce and Best Supplier Diversity Professionals of the past decade by Minority Business News Magazine USA.

“He inspired an entire generation of minority and women entrepreneurs, says M. Bridget Reidy, Executive Vice President and COO, Exelon BSC. “His determined commitment pushed Exelon to the top echelons of supplier diversity in Corporate America.”

EDBE Team

Keisha J. Parker

Director, Diverse Business Empowerment

Nikki Y. Bigelow

Associate Specialist, Diverse Business Empowerment

Kanisha Brown

Supply Business Analyst, Supply Business Operations and Technical Support

Michael Cabrera

Manager, Diverse Business Empowerment

Wendy Mann Flores

Sr. Analyst, Diverse Business Empowerment

Keli Hearon

Manager, Diverse Business Empowerment

Frank U. Kelly

Manager, Diverse Business Empowerment

Vernice K. Lewis

Sr. Manager, Diverse Business Empowerment

Yennaira Ortiz

Sr. Specialist, Diverse Business Empowerment

Adrian Van Wimberly

Sr. Supply Business Analyst,
Supply Business Operations and
Technical Support