



Corporate Policy: Climate Change

Policy Statement

Exelon affirms the scientific consensus that increasing concentrations of anthropogenic greenhouse gases (GHG) in the atmosphere cause climate change.

Climate change is an urgent issue affecting our operations, customers, communities, shareholders and other stakeholders; and our response to challenges and opportunities created by a changing climate is strategically important to our ability to create and sustain value.

Exelon has an important role to play in addressing climate change. As a transmission and delivery utility, Exelon is positioned to take meaningful action to mitigate GHG emissions and to provide innovative solutions that help customers reduce their emissions, while maintaining reliable, resilient, and affordable energy delivery systems.

Policy Intent

Exelon intends to:

- Sustain the GHG abatement progress that we have achieved through voluntary action and identify measures to continuously improve GHG emissions performance;
- Work to reduce the GHG emissions from our own operations in alignment with a 1.5 degree Celsius pathway while delivering reliable and affordable energy to our customers and sustainable value to our shareholders;
- Pursue investments in assets and innovative technologies that support the affordability, flexibility, sustainability, and resilience of our systems and enable our customers and communities to reduce their GHG emissions;
- Explore multiple pathways to decarbonization, and support our communities and jurisdictions in achieving their clean energy and emissions reduction goals;
- Engage with stakeholders with the objective of providing our communities with options and solutions to support the safe, clean, reliable and affordable delivery of energy; and
- Consider equity and environmental justice as we work both to mitigate climate change and to prepare for its increasing impacts.



Implementation

Exelon intends to implement this policy by:

- Annually tracking Scope 1, 2, and 3 GHG emissions consistent with standards and protocols provided by the World Resources Institute GHG Corporate Standard Guidance;¹
- Annually verifying and publicly reporting Scope 1, 2, and 3 GHG emissions;
- Establishing annual performance targets and interim and long-term GHG goals to drive improvement within our own operations, as well as support customers and communities in reaching their clean energy and emissions reduction goals;
- Annually assessing performance and adequacy of plans and resources to ensure our established targets and goals are met;
- Considering life-cycle GHG emissions associated with purchased products and services by assessing supply chain emissions;
- Exploring opportunities to develop and implement innovative emission mitigation technologies, electrification opportunities, alternative fuels, credible carbon removal and/or sequestration offsets, and other measures that can support long-term net-zero ambitions;
- Conducting long-term analysis of energy transition scenarios and physical adaptation scenarios to better understand potential outcomes and operating conditions, and to prepare our business for these possible futures;
- Continuously adapting strategies to reflect current understanding of the impacts of climate change, including physical risks to our assets and social and economic risks to our businesses;
- Collaborating with communities and other interested parties to address opportunities for improved reliability and resiliency and coordinated GHG mitigation;

¹ Exelon's Climate Policy and GHG management program rely upon the World Resources Institute for standards, protocols, guidance, and definitions. Available at: <https://www.wri.org/initiatives/greenhouse-gas-protocol>



- Communicating to both internal and external stakeholders on Exelon's efforts to mitigate GHG emissions, as well as the roles that employees, suppliers, customers, communities, and other stakeholders can play to achieve GHG emissions reductions;
- Endeavoring to support all our employees through the clean energy transition; and
- Advocating for public policy that increases equitable and affordable access to clean energy, encourages cost-effective GHG mitigation based on sound science, decarbonizes the energy supply, and improves resiliency.

Applicability

Exelon corporate policies are expressions of our values and intentions. Exelon is also subject to extensive legal requirements and regulatory approvals, and all our actions in furtherance of this policy must be carried out in compliance with applicable law and regulatory approvals.