



Corporate Policy: Natural Resources Management

Policy Statement

Exelon will act with integrity and accountability as a steward of the environment by enhancing natural resources to benefit our customers, communities, and future generations. Exelon is committed to protecting species, habitats, and watersheds through conservation, restoration and sustainable management while maintaining safe, efficient and fully compliant operations. Natural resources such as air, water, soil, and biodiversity are essential for sustained operations. Natural resource conservation provides shareholder value and ecological services, as well as harder-to-quantify benefits such as improved aesthetics, enhanced stakeholder relationships, and opportunities for education and recreation.

Policy Intent

In furtherance of this policy, Exelon intends to:

- Continuously improve our management of natural resources and use strategic planning to balance competing demands and priorities;
- Comply with all applicable federal, state and local laws and regulations including and not limited to the Endangered Species Act, Migratory Bird Treaty Act, Bald and Golden Eagle Protection Act, Clean Water Act, and National Environmental Policy Act, with the objective of advancing beyond compliance to protect and create value;
- Adopt where applicable best management practices for natural resource management and conservation, including considering guidance and coordination with local land management authorities and other local stakeholders;
- Engage with communities and other stakeholders to address opportunities for protecting and enhancing natural resources, including on issues related to operational changes, development of strategic plans, and public policy;
- Continue to strive for industry leadership in addressing key natural resource issues such as utility avian protection, habitat degradation, integrated vegetation management, aquifer recharge, watershed protection, urban tree cover, and pollinator support, while balancing stakeholder interests and operational and economic considerations;
- Understand and evaluate natural and man-made impacts on natural resources;

- Promote a corporate culture that empowers employees to explore innovative ways to improve natural resources on Exelon land and in the communities we serve.

Implementation

Exelon intends to implement this policy by:

- Locating natural resources within our operational footprint, including areas that are home to at-risk species on national or regional conservation lists, and integrating that information into our project planning process;
- Periodically evaluating and assessing nature-related dependencies, impacts, risks, and opportunities;
- Setting and working toward annual nature-based performance targets and long-term natural resource management goals to drive performance improvements;
- Disclosing nature-related information that is meaningful to our stakeholders, to include publicly reporting on our water sources and consumption;
- Leveraging global standard frameworks such as Task Force on Climate-related Financial Disclosure (TCFD), Task Force on Nature-related Financial Disclosure (TNFD), and International Organization for Standardization (ISO) 14001 to inform our assessments and disclosures;
- Engaging with stakeholders, including local communities as envisioned by our Environmental Justice Policy, in assessing opportunities to reduce our impact on natural resources;
- Encouraging habitat enhancements on our rights-of-ways and other properties, in communities that we serve, and other areas where biodiversity may be enriched;
- Assessing alternative routes for new infrastructure or existing infrastructure to be rebuilt to meet our customers' needs and avoid or minimize impact on natural resources that may result from construction activities and operations;
- Assessing opportunities to minimize impacts and maximize benefits during site closure and remediation efforts, ensuring sufficient funds are set aside to cover closure and remediation;
- Continuously improving our procedures for avian and other wildlife protection on or near Exelon power lines, substations, and other facilities, including through Avian Protection Plans and evaluation of the causes of any detrimental effects on protected bird species.

- Continuously assessing and improving daily work planning, accountability and aiming in operations, construction and maintenance by identifying, evaluating, and reviewing regulatory requirements and mitigation plans to prevent or minimize impacts on protected wildlife and habitats during the life-cycle of our assets;
- Assessing and improving our stormwater management, wastewater treatment, spill control, hazardous materials and waste management to mitigate potential impacts on natural resources;
- Managing vegetation with a view toward soil conservation, diverse habitat, and aquatic ecosystems;
- Continuously assessing and enhancing biodiversity while reducing operational costs by practicing Integrated Vegetation Management in an environmentally sensitive, socially responsible, and financially viable manner. This will include assessing management strategies that minimize pesticide and herbicide use and identifying practices for culturing desirable native plant communities that enhance habitat for native pollinators while minimizing undesirable plants and reducing the spread of invasive species;
- Collaborating with local, state, and federal partners on vegetation management strategies to deliver greater ecological and operational benefits;
- Encouraging employee participation through volunteerism and partnerships with environmental and educational non-profit.

Applicability

- For the purpose of this policy, natural resources are defined to include water, air, land, forest and other vegetation, habitat, wildlife, wetlands, biodiversity, and the associated ecosystem;
- 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;
- The scope of this policy applies to all Exelon companies.