



Corporate Policy: Climate Change

Policy Statement

Climate change is an issue that affects our customers, shareholders and other stakeholders, and it is strategically important to our ability to create value sustainably. It is Exelon's position that there is compelling scientific evidence that increasing greenhouse gas (GHG) concentrations in the atmosphere are causing climatic changes and that the energy industry has a significant role to play in addressing this issue. As one of the nation's largest producers of low-carbon energy, Exelon is uniquely positioned to meet the needs of its customers and create value for its shareholders while taking meaningful action to mitigate GHG emissions in the energy sector, providing innovative solutions to help customers reduce their carbon footprints and maintaining reliable and resilient energy delivery systems.

Policy Intent

Exelon shall:

- Sustain the GHG abatement progress that it has achieved through voluntary action and identify measures to continuously improve its GHG emissions performance from operations in balance with delivering reliable and affordable energy to its customers and sustainable value to its shareholders;
- Pursue investments in assets and innovative technologies that further its future competitive advantage as a low-carbon energy company and contribute to reducing overall emissions from the energy sector; and
- Engage with stakeholders and communities to understand how climate change will affect the economy, communities and Exelon operations, with the objective of establishing measures that will ensure the safe, clean, reliable and affordable delivery of energy.

Implementation

Exelon shall implement this policy by:

- Establishing annual performance targets and long-term GHG management goals to drive performance improvement within our own operations as well as those of our customers;
- Analyzing overall electric grid level impacts of Exelon businesses, with the objective of driving overall emissions reductions at the grid level;
- Understanding natural and man-made impacts of climate change, including physical risks to our assets and social/economic risks to our businesses, and continuously adapting strategies and plans to address these issues;
- Integrating GHG considerations into the life-cycle of operations, products and services (i.e., design, supply chain, operations, customer interfaces, maintenance and de-commissioning) to avoid, mitigate or improve overall GHG emissions associated with energy supply;
- Annually tracking, verifying and publicly reporting on corporate direct and indirect GHG emissions;
- Employing Best Management Practices (BMP) and standards to improve life-cycle electric generation and energy supply services to reduce overall sector emissions;
- Raising the awareness of employees, suppliers and other key stakeholders of the strategic importance of GHG management to sustain operations, communities and the ecosystem;
- Advocating for energy public policy that allows all low-carbon generation to compete equitably and encourages cost-effective GHG mitigation based on sound science and competitive markets; and

- Building goodwill and enhancing the Exelon brand by collaborating with communities and other interested parties to address opportunities for improved resiliency or coordinated GHG mitigation efforts.