

depth interviews) and quantitative (online and telephone surveys) research to explore and validate stakeholder perspectives. Research has included key stakeholders, including customers, investors/analysts, communities, employees and policy leaders. One of the most important insights from the research is that the social and environmental expectations of our stakeholders are greater for us than for other consumer product companies. This is due to both our unique relationships with our customers and communities, as well as the “universality” of our utilities business. Our stakeholders view us as both a business that serves individual customers and as a public service to our communities. Therefore, we must balance the changing needs of customers with a commitment to address social and environmental challenges. The research identified four critical pillars to building deeper stakeholder relationships. Each pillar contains more specific, prioritized themes that contribute to meeting expectations: Customer Centricity; Health, Safety and Environment; Innovation Agenda; and Corporate Stewardship.

Through regular engagement with our stakeholders, we improve our understanding of emerging trends affecting our business and address stakeholder needs and concerns. We use stakeholder feedback to inform our sustainability strategy and business plans.

## C12.3

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

## C12.3a

**(C12.3a) On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify	Support	Direct communication with legislators and regulators, as well as broadly through our investor and stakeholder materials such as our Corporate	Exelon believes that a federal policy that places a value on carbon emissions would be the most efficient solution. Incorporating the cost of carbon emissions into the generation

Market-based Program to Value Carbon Meaningfully		Sustainability Report and other sustainability disclosures.	unit dispatch would be the most fair and cost efficient approach. This would allow for the most cost-efficient solutions to be selected before more expensive carbon abatement options. Until such time as markets reflect the cost of carbon, Exelon supports state programs, such as the Clean Energy Standard in New York and the Zero Emissions Standard in Illinois, that compensate nuclear units for their environmental attributes, similar to how renewables are compensated for their zero emissions attributes. As one example of our work to promote a sensible national approach to mitigating climate change, in 2019, Exelon joined the Climate Leadership Council (CLC) as a founding member with ongoing involvement through 2020. The objective of the CLC is to implement a national carbon dividend system to meaningfully reduce nationwide emissions while protecting the most vulnerable citizens. Consistent with our longstanding support for meaningful climate policy, our policy engagement over the course of 2021 has focused on new opportunities to encourage both legislative and regulatory approaches to reduce greenhouse gas emissions. This activity falls outside the scope of the relevant reporting period and therefore is not detailed here.
Clean energy generation	Support	Direct communication with legislators and regulators, as well as broadly through our investor and stakeholder materials such as our Corporate Sustainability Report and other sustainability disclosures.	Addressing the climate crisis is one of the single greatest things we can do to ensure that our communities remain strong, safe and prosperous. Volatile weather is fast becoming the norm in our communities and the physical stress and damage to energy infrastructure is something one can already see and measure. Policy and market designs must recognize the value of zero-carbon generation. Solutions must be affordable for all customers. Select examples of what we are doing include: <ul style="list-style-type: none"> <li>• We support state clean energy programs that maintain and</li> </ul>

			<p>expand emissions-free generation.</p> <ul style="list-style-type: none"> <li>• We participate in Federal and state efforts to cap or price carbon (RGGI, NYISO) to drive lower emission generation across states and regions.</li> <li>• We participate in state utility rate design proceedings to seek the right incentives and structures to support energy efficiency and reduction of GHG emissions via electrification.</li> </ul> <p>Consistent with our longstanding support for meaningful climate policy, our policy engagement over the course of 2021 has focused on new opportunities to encourage both legislative and regulatory approaches to reduce greenhouse gas emissions. This activity falls outside the scope of the relevant reporting period and therefore is not detailed here.</p>
Other, please specify Empowering Customers	Support	Participation in proceedings at our Public Utility Commissions and working with our jurisdictions on proper rate design.	<p>Customers must have the ability to choose clean energy from their suppliers. Market and regulatory structures need to evolve to allow customers the option to participate in a two-way power system with distributed energy resources, while continuing to reliably and affordably obtain power from the grid on demand. Select examples of what we are doing include:</p> <ul style="list-style-type: none"> <li>• Exelon Utilities participate in grid modernization proceedings at our commissions to advance options of interest to our customers, such as electric vehicles, distributed energy, microgrids and energy storage.</li> <li>• Exelon works with our jurisdictions on rate designs to ensure fairness for all customers as usage of the grid evolves over time, including protections for low- and moderate-income customers.</li> <li>• Exelon Utilities is guided by a vision of Creating a Smarter Power Grid where we create platforms to connect energy and other services to expand customer choice, create a smarter</li> </ul>

			<p>energy grid and enhance customers' lives.</p> <p>Consistent with our longstanding support for meaningful climate policy, our policy engagement over the course of 2021 has focused on new opportunities to encourage both legislative and regulatory approaches to reduce greenhouse gas emissions.</p> <p>This activity falls outside the scope of the relevant reporting period and therefore is not detailed here.</p>
Adaptation or resilience	Support	Working with states on policy development, and engaging Federal and State agencies in the development of tools and guidance on best practices for resiliency.	<p>Families and businesses require a power system that reliably delivers 24/7 electricity. Wholesale power markets need to evolve to select resources based on their true cost, including their ability to withstand fuel supply disruptions. Enhancing the resilience of electric infrastructure against severe weather and other threats is essential. Select examples of what we are doing include:</p> <ul style="list-style-type: none"> <li>• Our utilities are working with states to support policies focused on enhanced reliability and resilience.</li> <li>• Exelon supports the development of industry and regulatory guidance on best practices for resilience-based design standards and planning criteria.</li> <li>• We are leading the industry in work with EEI and EPRI to engage Federal and State agencies in developing tools to assess benefits of resilience-based investments.</li> </ul>
Other, please specify Market Design		Working with state agencies, Federal Energy Regulatory Commission (FERC) and independent system operators (ISOs), such as PJM, ERCOT, ISO-New England and NYISO, as well as customers to design electric markets that can help meet clean energy policy objectives.	<p>Wholesale and retail energy market designs must enable efficiently procured and reliable energy for customers, while at the same time recognizing state environmental preferences and allowing served communities to achieve their environmental and public policy priorities for energy. Electric markets, designed correctly, can play a critical role in helping states meet their clean energy policy objectives. Select examples of what we are doing include:</p>

			<ul style="list-style-type: none"> <li>• Exelon is working with states and customers on adapting to potential changes in capacity market rules that would otherwise undermine state clean energy objectives and increase costs to consumers.</li> <li>• Exelon continues to work with the Federal Energy Regulatory Commission (FERC) and independent system operators (ISOs), such as PJM, ERCOT, ISO-New England and NYISO, to support energy market price reforms to more accurately reflect the value of all units serving load, including their environmental benefits.</li> <li>• Exelon is developing additional opportunities for industrial and commercial customers to procure clean and affordable energy. Consistent with our longstanding support for meaningful climate policy, our policy engagement over the course of 2021 has focused on new opportunities to encourage both legislative and regulatory approaches to reduce greenhouse gas emissions. This activity falls outside the scope of the relevant reporting period and therefore is not detailed here.</li> </ul>
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### C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

### C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

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Trade association



Edison Electric Institute

**Is your position on climate change consistent with theirs?**

Mixed

**Please explain the trade association's position**

Global climate change presents one of the biggest energy and environmental policy challenges this country has ever faced. EEI member companies are committed to addressing the challenge of climate change and have undertaken a wide range of initiatives over the last 30 years to reduce, avoid or sequester GHG emissions. Policies to address climate change should seek to minimize impacts on consumers and avoid harm to U.S. industry and the economy.

**How have you influenced, or are you attempting to influence their position?**

Exelon consistently supports an effective price on carbon emissions and use of competitive markets to value carbon equally across all technologies and would do so in this forum as well. Exelon supports regulatory efforts to price carbon emissions properly. Also, in conjunction with EEI, we support efforts to better inform and evolve infrastructure standards for resilience to extreme events (including cyber, physical attacks and natural disasters). We also support the development of a common methodology for applying details of potential impacts to utility infrastructure planning given the uncertainty of future projections and potential scenarios and the need to balance cost of investment with public benefits achieved. See our public policy discussion for more information on our efforts with peer and industry groups and state and federal agencies. From July 2019 through June 2020, our CEO Chris Crane was the Chairman of EEI and established two strategic initiatives. The first focused on workforce development and the second on grid resilience and the value of proactive, resilience-based investment on behalf of our customers.

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**Trade association**

Nuclear Energy Institute

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**



Reducing carbon dioxide emissions, while fostering sustainable development, is a major global challenge of the 21st century. Nuclear energy is a vital source of electricity that can meet the nation's growing energy needs with a secure, domestic energy supply that also protects our air quality.

**How have you influenced, or are you attempting to influence their position?**

Exelon consistently supports an effective price on carbon emissions and use of competitive markets to value carbon equally across all technologies and would do so in this forum as well. Exelon supports regulatory efforts to price carbon emissions properly and has encouraged NEI to be more vocal on these issues.

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**Trade association**

Center for Climate and Energy Solutions

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The Center for Climate and Energy Solutions is as a non-profit, non-partisan, and independent organization dedicated to providing credible information, straight answers, and innovative solutions in the effort to address global climate change. The Center engages business leaders, policy makers, and other key decision makers at the international, national, regional, and state levels to advance meaningful, cost-effective climate policy and action.

**How have you influenced, or are you attempting to influence their position?**

Exelon consistently supports an effective price on carbon emissions and use of competitive markets to value carbon equally across all technologies and would do so in this forum as well. Exelon supports regulatory efforts to price carbon emissions properly.

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**Trade association**

U.S. Chamber of Commerce

**Is your position on climate change consistent with theirs?**

Mixed

**Please explain the trade association's position**

The Chamber's "Approach to Climate Change" states that, inaction on climate is not an option. The U.S. has led the world in greenhouse gas emissions reductions, but more must be done, and we welcome the Biden Administration's efforts to restore international leadership on this critical issue. We are calling for reducing emissions as low as we can as fast as we can, while ensuring that any national targets and timetables are realistic, achievable, appropriately account for U.S. economic interests and work to address impacts to trade-exposed, hard-to-adapt and energy intensive sectors. We are hopeful that targets are developed through a thoughtful and collaborative effort that identifies a clear path to achievement and garners the support of businesses, consumers, and other stakeholders necessary to ensure political durability.

**How have you influenced, or are you attempting to influence their position?**

Exelon has worked with other Chamber members to adopt a more forward-looking and constructive position on climate change, and the Chamber has come out in support of market-based approaches to accelerate greenhouse gas emissions reductions. The Chamber also outlined their "Principles and Priorities" for the Biden Administration to consider as it developed a revised Nationally Determined Contribution (NDC) under the Paris climate agreement. While the Chamber's positions do not completely align with Exelon's position on climate issues, we continue to work to encourage constructive engagement that will result in Chamber support for specific legislative, regulatory, or executive actions to meaningfully address the climate crisis.

**C12.3d**

**(C12.3d) Do you publicly disclose a list of all research organizations that you fund?**

No

**C12.3e**

**(C12.3e) Provide details of the other engagement activities that you undertake.**

Each year Exelon produces a comprehensive Corporate Sustainability Report that brings together the details of our business with the material issues of sustainability. Exelon's commitment to sustainability is central to our mission of providing clean, reliable, affordable and innovative energy products and