

# CORPORATE COMPLIANCE AND BUSINESS CONDUCT PROGRAM

2021 Annual Report



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## Summary





# Introduction

Over the past year, the Xcel Energy team continued to deliver for our customers even under extraordinary circumstances and despite the difficulties presented by a global pandemic. Not only did we deliver day-to-day operational excellence, but we advanced initiatives important to our strategic priorities, all while remaining dedicated to our values of Connected, Committed, Safe and Trustworthy.

The Corporate Compliance and Business Conduct program also had another successful year, working in alignment with the company's drive to ensure a strong corporate culture. In 2021, Xcel Energy was recognized for the second year in a row, as one of the World's Most Ethical Companies. Xcel Energy is one of only nine honorees in the Energy & Utilities industry (one of only four energy companies in the U.S.) to receive this recognition. A tremendous honor that recognizes our commitment to an ethical culture.

And we are happy to say that we're continuing to find ways to improve the program. In 2021, for example, we focused on the Compliance Perceptions Survey results and met with senior leaders to discuss their results. We also created a new Code of Conduct training course, implemented a program to track casual factors in investigations, published Xcel Energy's first Supplier Code of Conduct and launched a new Compliance Risk Assessment.

Our strong foundation gives us something to be proud of—and something on which to build an even better future. In 2022, we intend to keep the momentum building with new initiatives that will help enhance our strong reputation and brand. We are excited about where our solid foundation and new initiatives will take us.

## Xcel Energy's Vision, Mission and Values

We recognize that our mission, vision, and values are the foundation of everything we do—from how we partner and work with each other to how we approach our relationships with our customers, our communities, our shareholders, and our business partners. They strengthen our teams and guide our actions, our behaviors, and our decisions.

### Vision

We will be the preferred and trusted provider of the energy our customers need.

### Mission

We provide our customers the safe, clean, reliable energy services they want and value at a competitive price.

### Values

Our values reflect our core beliefs — who we are, how we conduct our business and the importance of our customers. They guide us in our work and in our interactions with each other.



TRUSTWORTHY



CONNECTED



COMMITTED



SAFE



### Purpose

Xcel Energy's Corporate Compliance and Business Conduct (CCBC) program is a cornerstone of how we do business. At Xcel Energy, we are committed to conducting business in accordance with applicable laws, regulations, company policies and our shared values.

Our program follows the elements of an effective compliance program as outlined by the Federal Sentencing Guidelines and our strong culture of integrity and compliance is the framework. The focus of our program is to "Do What's Right: Report What Seems Wrong."

# CULTURE

- Oversight
- Policies
- Communications & Training
- Monitoring & Auditing
- Discipline & Incentives
- Due Diligence
- Appropriate Response
- Risk Assessment

This Annual Report is an overview of work done to help us effectively meet each of these elements and highlights key actions and additions to the program in 2021. All the programs and activities outlined in this document help ensure we are a company our employees are proud to work for and our customers trust doing business with us.

# Oversight

## Tone at the Top

A strong tone at the top is a critical component of any effective program. Xcel Energy’s chief executive officer (CEO) and entire executive team supports that tone in several ways, beginning with championing the company’s vision, mission, and values.

## Board of Directors

Xcel Energy’s board of directors has overall authority for the CCBC Program, including approval of the company’s Code of Conduct. The board is expected to comply with the Code of Conduct, as are all employees and contract workers.

The board delegates key elements of oversight to the Audit Committee and Governance, Compensation and Nominating Committee. Such responsibilities are outlined in committee charters.

## Audit Committee

The Audit Committee is the governing authority for the CCBC Program. As such, it is knowledgeable about the program and exercises reasonable oversight with respect to implementation and effectiveness.

The Audit Committee received updates on a quarterly basis in 2021 through the CCBC Program Quarterly Report. The reports contained information on key initiatives to enhance the program and organizational culture, actions related to compliance risks and data analytics and benchmarking information.

The Audit Committee also received updates through the CCBC Program Annual Report and presentation.

## Governance, Compensation and Nominating Committee (GCN)

While the Audit Committee is responsible for the overall CCBC Program, the Governance, Compensation and Nominating Committee (GCN) is responsible for overseeing corporate policies such as the Code of Conduct. The GCN Committee reviews proposed policy content changes and recommends board approval as appropriate.

## Chief Ethics and Compliance Officer (CECO)

The company’s CECO has overall responsibility for all compliance and business conduct matters and reports to the CEO and has a direct line to the board of directors.

## Director of Corporate Compliance

The director of Corporate Compliance has day-to-day operational responsibilities for the CCBC Office and CCBC Program. The director reports to the CECO and has direct access to the CEO and Audit Committee as needed.

## CCBC Council

The CCBC Council ensures a strong culture of compliance and ethics by assisting the CECO and the Audit Committee in overseeing the CCBC Program. The CCBC Council comprises leaders from a broad cross section of functional areas including Audit, Business Systems, Communications, Operations, Transmissions, Nuclear, etc. This is an important vehicle for good execution of the decentralized implementation of the overall program. The Council met quarterly in 2021 and leaders facilitated business area discussions with employees between meetings to ensure information and best practices flow well across the company.

BUSINESS AREAS REPRESENTED ON CCBC COUNCIL			
AUDIT	BUSINESS SYSTEMS	CCBC	COMMERCIAL OPERATIONS
COMMUNICATIONS	CUSTOMER CARE	DISTRIBUTION	ENERGY SUPPLY
ENTERPRISE SECURITY AND EMERGENCY MANAGEMENT	ENVIRONMENTAL SERVICES	FINANCIAL OPERATIONS	GAS
GENERAL COUNSEL	HUMAN RESOURCES	NERC/FERC	NUCLEAR
RISK MANAGEMENT	SAFETY	SUPPLY CHAIN	TRANSMISSION
REGULATORY AFFAIRS			





### Investigations Governance

The pyramid below depicts governance for Xcel Energy’s investigations process.



### Investigations Governance Committee

Xcel Energy’s Investigations Governance Committee oversees the company’s investigations process for allegations of wrongdoing.

In 2021, the committee included the chief ethics and compliance officer, general counsel, chief financial officer, and chief human resources officer. The committee met quarterly and reviewed investigations and results, discussed impact and learnings from external events and made recommendations to enhance the investigations process.

## VP Oversight Team

The VP Oversight Team includes the director of corporate compliance, deputy general counsel, chief audit officer, vice president of workforce relations and safety and the director of enterprise security and resilience. During monthly meetings, the team reviewed all claims of workplace violence, discrimination, harassment, including sexual harassment, retaliation and other significant allegations or subject and location patterns and worked collaboratively to implement improvements to the enterprise investigations process. For the past two years, the team also put a heightened focus on allegations related to COVID-19 and social injustice.

## KEY ACTIONS

In August 2021, Bob Frenzel officially began his tenure as president and CEO of Xcel Energy. Ben Fowke retired as CEO after exactly 10 years in the role. During the year, both supported a strong tone at the top, understanding that it is a critical component to any effective program.

For example, all employees heard a recorded message from the CEO at the beginning of the annual Code of Conduct training, reinforcing that our values should be front and center in our conversations, our meetings, and our work until they are second nature. Additionally, the CEO emphasized during the all-employee virtual calls and emails that we must live by our values each and every day.

Bob Frenzel also met with the Corporate Compliance Business Conduct Council in Q4 to give council members an opportunity to ask questions and to stress the importance of the Council's work. Throughout the year, Xcel Energy's CEO received updates from the chief ethics and compliance officer and general counsel on compliance matters, and regular messaging throughout the year from the CEO to his executive team conveyed the importance of modeling ethical behavior always.

Early 2022, the compliance team leadership will transition to Amanda Rome, EVP, General Counsel as she also assumes the role of chief ethics and compliance officer, following the retirement of Karen Hyde as the chief risk, audit and compliance officer. Additionally, the company's dedicated EEO investigators will join the corporate compliance team.





# Code of Conduct and Policies

Corporate policies outline employee expectations and provide the tools to help employees do the right thing.

## Code of Conduct

Xcel Energy's business and management practices build on a strong, ethical foundation: The Code of Conduct. Employees and their principled actions are at the heart of Xcel Energy. We expect employees at all levels, members of the board of directors and contract workers to apply the Code of Conduct to their work. The Code of Conduct alerts employees of their ethical responsibilities and holds them responsible for their actions. The board of directors reviews and approves any changes to our Code of Conduct.

In 2021, several key updates were made to the Code of Conduct. First, the opening letter was refreshed and signed by the new CEO, Bob Frenzel. We also included in the leader responsibilities the expectation that leaders become familiar with the Anti-Retaliation Policy, and if an employee raises a concern, leaders are required to treat them with courtesy, dignity and respect and continue to communicate with them as usual. Additionally, we also updated the safety section to align with the Safety Always culture and included information further describing expectations to combat phishing attempts.

## Corporate Policies

Employees are responsible for knowing and following not only the Code of Conduct but other corporate policies in areas such as Legal and Regulatory, Human Resources, Sourcing, and Information Technology.

All corporate policies are available on XpressNET, the company's intranet. Certain policies are available externally, on [xcelenergy.com](https://www.xcelenergy.com).

## KEY ACTIONS

Through an internal risk assessment, benchmarking with peers, and investor surveys, we identified the need of a stand-alone Supplier Code of Conduct. Therefore, a cross-functional team with members from CCBC, Supply Chain, Sustainability/ESG, Investor Relations, and Legal drafted a Supplier Code of Conduct that outlines legal and ethical expectations for third parties, which adds value to Xcel Energy by helping to reduce risk introduced by third party partners.

The Supplier Code of Conduct applies to all the suppliers of goods and services who support Xcel Energy, its subsidiaries, joint ventures, divisions, or affiliates. In the document, we define Suppliers as consultants, contractors, suppliers, vendors and their employees, agents, or subcontractors. Suppliers are required to comply with the expectations in the Supplier Code, and compliance with the Code is a requirement for becoming or remaining a Supplier with Xcel Energy. The expectations are intended to highlight or supplement, but not replace requirements established by agreement or purchase order. Example topics covered in the Supplier Code of Conduct are nondiscrimination, conflicts of interest, health and safety practices, data privacy, labor and human rights, protection of company assets and more.



# Communications and Training

We embed content from corporate policies in communications and training courses to help employees understand expectations and to communicate Xcel Energy's commitment to ethical business behavior.

## Communications Channels

The Corporate Compliance office published regular, consistent communication to employees about company values, the Code of Conduct, policies, and training requirements to help employees Do What's Right. We used a variety of channels to reach employees across teams:

- Various CEO platforms, including leadership meetings, webcasts, XpressNET articles and emails.
- Managing Ahead emails, distributed to inform leaders of policy-related news they should share with their employees.
- Policy news stories, focusing on the details of different policies by using real world examples so that it is meaningful for all employees.
- Compliance Matters, a publication that provides high-level summaries of real investigations and their results to employees. The examples showcase both positive and negative employee actions and demonstrate that when there is confirmed wrongdoing, the Company takes appropriate action. The intent is to demonstrate to employees that when they report an issue (whether observed or directly experienced), it will be properly addressed.
- Conversations and other discussion between members of the CCBC Council and employees in their business area.
- Digital signage to promote policy updates.
- Knowledge Fairs, that are hosted across the company, give employees a chance to interact, network and learn more about the Corporate Compliance and Business Conduct department and our programs.

## Multi-year Training Plan

Xcel Energy's multi-year Corporate Compliance Training Plan outlines required training for employees, contract workers and members of the board of directors. Key drivers for required training include regulatory requirements and sound business practices.

Some training courses, like the Code of Conduct course, are required annually. Employees and directors are required to complete Code of Conduct training, and other required courses, within 30 days of being hired and annually thereafter. Included in the Code of Conduct training course is a statement of commitment.

Other training courses are required at least every three years as specified by corporate policies, laws, regulations and/or business practices. Courses are assigned as applicable to individual learning plans in the Xcel Energy Learning Management System.

Additional courses that are required based on job function or business area are communicated separately.





### Annual Training Plan

Training courses in 2021 were designed to help employees understand expectations and make good decisions every day. We packed training courses with information that was presented in an engaging manner. Our employees used information from training courses to work in ways that protected the company's brand and reputation by working safely, effectively and complying with the many policies, laws, regulations, and expectations governing our work.

In 2021, the Corporate Compliance curriculum included six courses:

- Critical Infrastructure Protection
- Discrimination, Harassment and Other Unacceptable Behaviors
- Enterprise Security Awareness
- FERC Standards of Conduct
- The Code of Conduct
- Information Security for CRS/AFS Users

The goal for required training is 100-percent completion by the due date. Training completion percentages are monitored weekly. Leaders are responsible for making sure employees complete required training on time.

If training is not completed on time, leaders can partner with Human Resources to administer appropriate discipline.

### KEY ACTIONS

To increase transparency and communicate the results of the ethical culture survey, the CCBC team created a Compliance Perceptions Survey SharePoint website for all employees to access. The website shows the 2016 and 2020 results for each question asked. It also highlighted key takeaways and resources available such as policies, reporting options, manager toolkits, discussion guides, ethical scenario exercises, videos, and more.

In 2021, we also partnered with the Enterprise Learning Organization to refresh the Compliance for Leaders course that covers key policy expectations specific to Xcel Energy leaders. In response to the Compliance Perceptions Survey, we expanded the anti-retaliation section of the training, providing leaders with additional tips on how to treat employees after a concern is reported. We also added a new section covering key details from the new Telecommuting Policy. Other sections of the course cover a leader's duty to respond to employee concerns, proper recording of accruals, available disability and absence programs, proper time reporting and more.



# Monitoring & Auditing

## Confidential Reporting

Employees have a responsibility to “Report What Seems Wrong,” as outlined in the Code of Conduct. While reporting takes time and effort, it gives the company a chance to investigate issues that otherwise may not be known and take action as needed. Xcel Energy commits to provide employees with numerous reporting options, effective and efficient investigations, appropriate response, and protection from retaliation. These commitments are in place to support the continuance of a culture of compliance and sustain Xcel Energy’s brand and reputation.

### Employees may:

- Contact EEO, Employee Relations or Workforce Relations
- Speak with a leader or another member of management
- Contact Legal Services
- Visit [XcelEnergyComplianceHotline.com](https://www.xcelenergy.com/en-us/compliance) or call the Compliance Hotline at 800-555-8516
- Contact Xcel Energy’s Compliance and Business Conduct Office at 612-215-5354
- Report concerns to any Xcel Energy board member

### Additional reporting options for nuclear:

- Complete a Nuclear Corrective Action Request form
- Report nuclear safety issues to the Employee Concerns Program at 866-327-4662
- Contact the Nuclear Regulatory Commission at 800-695-7403



## Five-Step Reporting Process

Our five-step infographic, from our Code of Conduct, outlines what happens after an employee makes a report to the Compliance Hotline.

### The Reporting Process





## Anti-Retaliation

As part of our commitment to living our corporate values, Xcel Energy empowers employees to speak up without fear of retaliation when they see or suspect misconduct and to feel secure when cooperating with internal investigations of any matter while providing honest, truthful, and complete information. In 2021, Xcel Energy continued our commitment of ensuring that our employees are free to exercise their lawful rights without fear of retaliation. We reinforced our Anti-Retaliation policy, which indicates that all forms of retaliation are prohibited and will not be tolerated, through multiple channels including our Code of Conduct training.

## Allegations of Wrongdoing

Xcel Energy takes seriously all allegations of wrongdoing. In 2021, all concerns were entered into an integrated case management system, allowing for a complete view of all the allegations of wrongdoing throughout the company. Once entered, the CCBC office assigned the investigation to the appropriate business function based on allegation type. Investigations were assigned to functions such as EEO/Employee Relations, Workforce Relations, Legal, Audit or Security.

## Significant Allegations Process

Xcel Energy's Significant Allegations process governs oversight of higher-risk allegations, including when to escalate certain allegations to the Chair of the Audit Committee. An allegation is considered significant if it could have a material impact on financial statements of the company, especially if the allegation is substantiated.

## Investigation Data

In 2021, we received 3.0 reports per 100 employees. Over half of our reports were in workplace conduct which includes harassment, discrimination, and other unacceptable behaviors (such as bullying, hazing and horseplay), as well as unprofessional conduct and unfair treatment. This data is similar to 2020. In the last two years case volume has gone down after shifting many of the workforce to a work from home model, due to the pandemic.

Overall, like 2020, in 2021 corrective action (ranging from counseling through termination) resulted in just over a third of all investigations. We remained committed to providing clear expectations of what we require from our employees and what behaviors are simply not tolerated.

## Audit Services

Xcel Energy's Audit Services department conducts periodic audits to confirm compliance with applicable laws and regulations, corporate policies and compliance and business conduct best practices. In 2021, 32 audit engagements were completed and 12 confidential investigations.

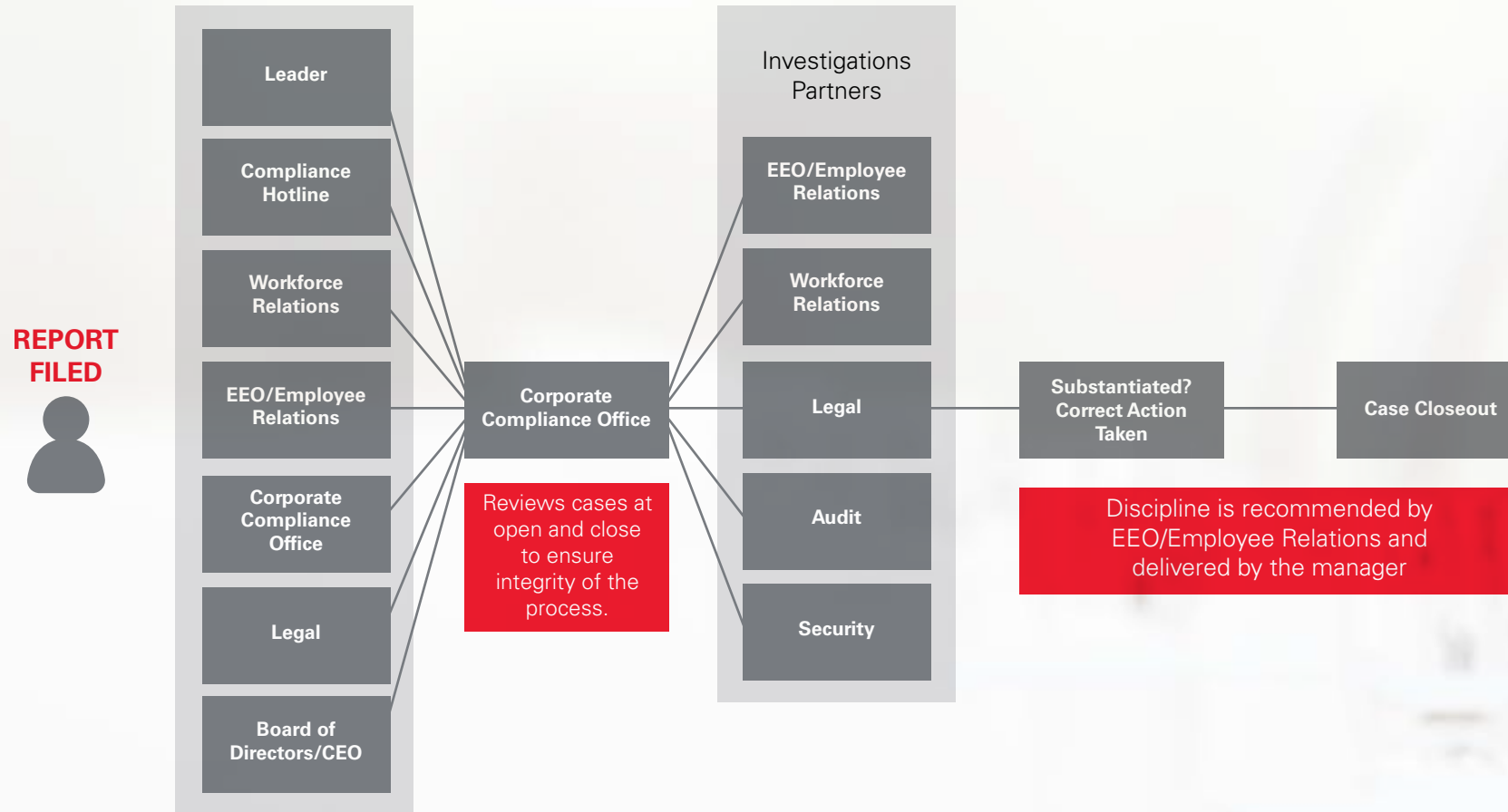
## KEY ACTIONS

To help us measure success and identify opportunities to grow, at the end of 2020, we launched a Compliance Perceptions Survey to all employees to evaluate their perceptions of effectiveness of our compliance efforts and gain insights into whether employees are raising concerns—and with whom. During the first part of 2021, we met with business area leaders to discuss the results of their survey and worked closely with groups to address lower scoring areas. Following the results read out, we conducted several focus groups to better understand the results of the survey. The goal of the focus groups was to encourage discussion and identify thoughts, feelings, and perceptions around some of the lower scoring areas from the Compliance Perceptions Survey, like organization justice and non-retaliation. For example, through the focus groups, we learned that some employees do not have a full understanding of how the investigation process works and believe there is room for the company to be more transparent with investigation trend data. Therefore, we partnered with the Enterprise Learning Organization to develop a new Code of Conduct course that focused on the investigation process and improving organizational justice. The course launched to all employees January 2022.

During 2021, we also created dashboards covering business area investigations data and met with select executive leaders to review their case activity for their respective organizations. In addition to analyzing case activity data, we compared their data to the results from the Compliance Perceptions Survey. In doing so, we were able to provide a more detailed analysis of the leader's case activity and provide recommendations to help foster a positive work environment/culture.

In December 2021, we made enhancements to our case management system that included adding two new fields in response to the survey results. These include the investigator's acknowledgement of reaching out to known reporters when the investigation is complete and adding causal factor selections. The causal factor selections will be a useful addition to our data analytics, with this new data point we will be able to see potential gaps and room for improvement. For example, one causal factor is the "lack of or inadequate policy or guidance". If this causal factor is selected, we would be able to take action by providing training, updating a policy, etc.. We will begin using these new fields in 2022.

This graphic illustrates the reporting process. All concerns, whether they are made through the Compliance Hotline or through any other available reporting options, are entered into the case management system and reviewed by the Corporate Compliance office. The Corporate Compliance office then assigns the investigation to the appropriate business function, such as EEO/Employee Relations, Workforce Relations, Legal, Audit or Security.





# Incentives and Discipline

## Incentives

Recognizing and rewarding great work is key to our success.

Employee recognition is powerful. It reinforces what's important, builds trust, engages employees, and improves productivity — all contributing to improved bottom-line results. Our recognition programs are geared toward employees and teams who go above and beyond to serve customers and surpass expectations. Such programs range from no-cost ways to thank employees to awarding points that can be redeemed for merchandise that is selected by the employee.

At the heart of our pay for performance process is differentiating investments to ensure top performers receive the highest rewards based on company and individual performance. Leaders make incentive pay and base pay decisions for individual performance based on contributions and impact. These decisions include considering whether employees conducted themselves in a manner consistent with our values, including honest and ethical behavior.

## Quarterly Connections

We believe that frequent conversations between employees and their leaders is one of the best ways to make sure that our employees and the company is set up for success. Through our Connect 4 Conversations program, employees and leaders meet formally on a quarterly basis to discuss notable successes, work impact, career development, goals and how expected core behaviors were demonstrated. During the Connect 4 Conversation, employees are asked, "What have you done this past quarter to demonstrate Xcel Energy's values?" This question puts our values in the forefront of such conversations and gives leaders an opportunity to recognize their employees for living our values.

## Positive Discipline

Xcel Energy's Positive Discipline program is a system that emphasizes employees' responsibility for their own behavior. It focuses on communicating an expectation of change and improvement in a positive way while maintaining concern for the seriousness of the situation. Each type of discipline is a reminder of expected performance, attendance or conduct. The type of discipline, if any, is based on the violation and determined after consultation with management, Human Resources and Legal Services.

## Violating the Code of Conduct

An employee who violates the law, Xcel Energy's Code of Conduct or any other Xcel Energy policy will be subject to disciplinary action, up to and including termination of employment. Additional actions may include reassignment of work duties and limitation in future job opportunities. Violations of law may be referred to local law enforcement authorities for prosecution. In 2021, 13 individuals were terminated for violations of the Code of Conduct.

## KEY ACTIONS

We firmly believe that defining and communicating our discipline standards and procedures, and then enforcing them consistently, helps build trust with our employees. For that reason, CCBC, HR and Legal partnered in 2021 to review the Discipline Guidelines document that is available to all employees. This policy explains the positive discipline program and the company's approach to determining appropriate discipline. While no significant changes were made to the content, the document was cleaned up and streamlined to clarify expectations and make the document easier to understand and the policy updates were communicated to all employees.

# Due Diligence

Xcel Energy has built its strong reputation in part by conducting its business in an honest and ethical manner. All employees play a crucial role in helping us protect that reputation.

## Conflict of Interest Disclosure Questionnaire

At Xcel Energy, we periodically require leaders to complete a Conflict of Interest Disclosure Questionnaire that asks about conflicts or potential conflicts of interest. The compliance and legal departments review the disclosures and follow up as needed. This process supplements the annual questionnaire that is in place for officers and members of the board of directors, and the ad hoc conflict of interest reporting process, which is available throughout the year. Additionally, we maintain a monitoring program for conflict of interest reports that are approved with restrictions, whereby employees verify annually that they are abiding by the restrictions.

## Security Screening Program

Xcel Energy continued using its security screening program to ensure the dependability and trustworthiness of its employees and contract workers. The purpose of screening is to gain knowledge of an individual's general character and reliability. All Xcel Energy employees, contract workers and members of the board of directors must successfully complete a security screening. In addition, positions involving unescorted access to company or customer property, or access to any computer system supporting our business, also require successful completion of a security screening.

## Post-Hire Background Check

To ensure a strong culture of compliance and mitigate risk associated with senior leaders in key positions, we conduct ongoing post-hire background checks for such employees. Rescreening is planned every five years and occurs prior to employee promotions to key senior roles.

## Security-focused Vendor Risk Assessments

In 2021, the Enterprise Security and Emergency Management organization continued to manage the Security-focused Vendor Risk Assessment (SVRA) process. The process provided insights into security-related risks associated with vendor product and service arrangements. Among other goals, the SVRA process helped confirm vendors' commitment and ability to comply with data privacy and security laws and regulations associated with the products and services provided to Xcel Energy.

## Foreign Corrupt Practice Act (FCPA) Governance Committee

The Foreign Corrupt Practices Act (FCPA) Governance Committee oversees the Company's compliance program related to anti-bribery and anti-corruption. The committee provides oversight with respect to program implementation and effectiveness and reviews the company's policies and practices; recommends actions to ensure compliance with laws, regulations, and policies; and discusses best practices, external trends, and implications, if any, to the company's business operations.

The FCPA Committee held its annual meeting in 2021 to hear a report on the program. While a few opportunities to improve the program were identified and implemented, overall, the program is strong, and risk of violation is low.

## KEY ACTIONS

Our conflict of interest monitoring processes reinforce our expectation of employees to be transparent in their relationships and seek guidance to avoid and manage conflicts of interest situations. As part of our 2021 Code training, all leaders were asked to fill out an Annual Disclosure Form. This disclosure requirement ensures the Company is aware of any potential conflict that may exist, such as family member or close friend relationships, board participation, outside employment or having personal financial interest in a company that does business with Xcel Energy. Of the 4217 total forms received, 590 required additional evaluation and follow up review by compliance, human resources and/or legal. Additionally, the Corporate Compliance team reviewed all conflict of interest disclosures that were previously "Approved with Restrictions" to validate the restrictions put in place are still being followed. Of the 39 employees we followed up with, 16 cases were closed, and all were updated in our case management system. Throughout the year, we also reviewed and provided guidance to approximately 60 employees who disclosed or asked a question about a conflict of interest or a gift, meal, or entertainment situation on the Compliance Hotline.

# Risk Assessment

## Enterprise Risk Management

The Enterprise Risk Management (ERM) organization conducts an annual Enterprise Risk Assessment. The ERM team has a robust process for identifying, evaluation and managing risk. Any compliance issues identified are shared with Corporate Compliance. Identified risks are disclosed with both our investors and the board of directors.

## Compliance Risk Assessments

Xcel Energy's Compliance Program Maturity Assessment is conducted annually. Through a survey, respondents are asked to assess the maturity of their respective programs using a 10-point scale focused on the Federal Sentencing Guidelines elements of oversight, risk analysis, policies, monitoring and training and communications. This assessment provides a roadmap for continued improvement and shows us where we need to continue to devote time and resources to lowering compliance risk. In addition to the Program Maturity Assessment, in 2021 we introduced a new risk assessment utilizing tools available by Gartner.

## KEY ACTIONS

This year, for the first time, we supplemented our maturity assessment with a cross-cutting assessment that identified and prioritized existing or potential threats related to legal or policy noncompliance—or ethical misconduct—that could lead to fines or penalties, reputational damage, or the shutdown of key businesses or facilities by regulators. 26 leaders with compliance as part of their job role participated. Each participant was asked to assess 30 risk areas across 15 risk categories, including risks that fall outside their area of expertise. This cross-cutting assessment captured perception risk using a 5-point scale to measure impact and likelihood. The scale includes multiple dimensions to reduce bias in responses. Results of the survey were communicated to leaders and informed our 2022 compliance training plan topics.







## Summary

We believe that in 2021 the elements of our CCBC program demonstrate our ongoing commitment to ensuring a strong culture of compliance and ethics. Several actions taken this year build on the program's solid foundation, enhance our efforts and drive progress toward the strong corporate culture we want to achieve. We look forward to delivering on our values and making further progress in 2022.

