



CORPORATE COMPLIANCE AND BUSINESS CONDUCT

For decades, we have fostered a culture of compliance and ethical business conduct, striving to earn and maintain the trust of our stakeholders.

Four simple words — Committed, Connected, Safe and Trustworthy — define who we are as an organization and how we work together to deliver energy to the customers and communities we serve. Our corporate values influence all that we do, guiding the decisions and actions of our employees and contractors, company leaders and board of directors, alike. They provide a common set of ideals to ensure we hold ourselves to the highest ethical standards.

Building upon this, our comprehensive corporate compliance and business conduct program provides a management system tailored to meet the organization's needs, with full support from the senior executive team, CEO and board. Through our commitment to living our values and doing what is right, we continue building a reputation that instills pride among our employees and gives customers confidence in doing business with us.



HIGHLIGHTS

- Xcel Energy was named one of the 2020 World's Most Ethical Companies®. We are honored to be among 132 global companies selected by Ethisphere, a leader in defining and advancing the standards of ethical business practices. According to Ethisphere, its listing is reserved for a small number of companies that prioritize ethical behavior and understand the correlation between values-based leadership and overall business success.
- We refreshed the company's Code of Conduct in 2019 to better align with our values and make important content changes, such as expanding the responsibilities of leaders. After the board of directors approved the document and the revised Code of Conduct was launched, we used various channels throughout the year to promote it among employees, increasing visibility and awareness of the company's expectations.
- 100% of active employees completed annual Code of Conduct training in 2019. To target the right training by audience, we created two versions — one for company leaders and one for employees. Both courses present scenarios on sexual harassment, workplace violence, bullying and retaliation, and then allow participants to choose their own path to learn from their choices. The course for leaders also highlights their responsibility to respond to employee concerns and escalate Code of Conduct violations.
- For transparency, we publish the annual report on our Corporate Compliance and Business Conduct program on xcelenergy.com. The report provides an overview of our work for 2019, including highlights and additions to the program.
- We are committed to ensuring employees understand and can easily determine Xcel Energy's expectations of them. With that in mind, we revamped the process for establishing and maintaining our policies and updated the Policy on Policies. We also began using RSA Archer as a policy management tool for better governance over the policy change, review and approval process.
- We use data analytics to prevent, detect and respond to misconduct, and in 2019, enhanced our capabilities to analyze more complex measures that provide greater insight into potential areas of concern. Leaders now have a more sophisticated view of their organizations to better prioritize and target training and communication resources.

ETHICAL FOUNDATION: CODE OF CONDUCT

We have one Code of Conduct that applies to all employees — from executive leaders to part-time workers — as well as contractors and suppliers. It is foundational to our success as an organization and guides everything we do — how we work together, make business decisions and interact with stakeholders. Our Code of Conduct also provides direction for making tough judgement calls and speaking up if something seems wrong.

The board of directors reviews and approves the Code of Conduct, ensuring top-level ownership for this foundational resource. All employees are responsible for knowing, understanding and adhering to the Code of Conduct, and are required to complete annual training that includes signing a statement of commitment. While contract workers and suppliers are not required to take Code of Conduct training, they are required to perform services in accordance with our Code of Conduct as specified in the terms of their agreements with Xcel Energy.

CORPORATE COMPLIANCE AND BUSINESS CONDUCT PROGRAM

The focus of Xcel Energy's Corporate Compliance and Business Conduct program is to:

DO WHAT'S RIGHT: REPORT WHAT SEEMS WRONG.

Sound Governance Practices

Xcel Energy's Board of Directors has overall authority for the Corporate Compliance and Business Conduct program, with key elements of oversight delegated to the Audit Committee and the Governance, Compensation and Nominating Committee. Our Corporate Compliance and Business Conduct Council is comprised of leaders from across the company and ensures engagement with all employees.

The company's CEO sets a strong tone at the top by championing our corporate values when he speaks to employees and work teams, helping ensure the values play a prominent role in guiding our work. The chief compliance officer, who reports to the CEO, is responsible for all compliance and business conduct matters and has direct access to the board of directors as needed.

Policies, Training and Communications

Company policies, training and communications help employees understand expectations in order to make good decisions every day. Information on policies, our values and company expectations is routinely shared to make sure it is a regular part of every employee's work experience.

Employees are responsible for knowing and following not only the Code of Conduct but also multiple other corporate policies associated with Corporate Compliance and Business Conduct. Training courses include content from corporate policies and other information that demonstrate how our values guide the way we do business. Employees use training information to ensure their actions protect and enhance the company's brand and reputation by working safely and effectively and complying with the many policies, laws, regulations and expectations governing our work.

Regular, consistent communications are designed to help employees do what is right. We use a variety of channels to reach employees across teams, such as emails, posters, videos, digital signage, roadshows, news articles and in-person discussions.

Reporting Issues, Investigations and Actions

When things do not seem right, employees are encouraged to seek help. We know reporting a potential issue can be difficult, so we offer multiple reporting options that include contacting:

- The Equal Employment Opportunity and Employee Relations or Workforce Relations departments
- An employee's next level of management
- The Compliance Hotline, available 24 hours a day, with the option to remain anonymous
- Our Corporate Compliance and Business Conduct Office
- Legal Services
- Xcel Energy's Board of Directors

Employees working at our nuclear generating plants have additional reporting options that include completing a Nuclear Corrective Action Request form, reporting issues to the Employee Concerns program or contacting the Nuclear Regulatory Commission.

Our Compliance Hotline also offers employees the opportunity to ask questions about decisions they are unsure about.

As we follow up on reports, we conduct effective and timely investigations, take appropriate action and ensure employees are safe from retaliation. The Investigations Governance Committee oversees the investigation process and is comprised of the chief compliance officer, general counsel, chief financial officer and chief human resources officer.

When concerns are reported through the Compliance Hotline, the Corporate Compliance and Business Conduct Office assigns them to the appropriate business function to investigate based on allegation type. Business functions include Equal Employment Opportunity and Employee Relations, Workforce Relations, Legal, Security or Audit. These business functions also receive and investigate concerns reported through other channels. All reports are tracked and processed through a case management system that provides the company with a comprehensive view of allegations.

We received 3.3 reports per 100 employees in 2019. Over half of the reports were on workplace conduct, which includes harassment, discrimination and other unacceptable behaviors, such as bullying, hazing or horseplay, as well as unprofessional conduct and unfair treatment. We received zero reports of bribery or corruption. Overall, just over one-third of all investigations required corrective action, ranging from counseling through termination.

XCEL ENERGY'S COMPLIANCE REPORTING PROCESS

