



# STAKEHOLDER ENGAGEMENT

Working with those we serve and do business with is a regular and essential part of how we operate

As a regulated energy provider, we can only be successful if we have insight into the needs and priorities of those who our business relies on and serves. Because of this, we regularly engage with our stakeholders and seek opportunities to better understand their interests, concerns and emerging trends. The feedback we receive from these interactions helps to inform our business plans and strategies.

Xcel Energy's stakeholders are those individuals and groups who affect or are affected by our business operations. They fall within the following general categories:

- Customers
- Employees
- Communities, including local government officials, nonprofits and community organizations, and advocacy groups
- Legislators and regulators
- Investors

Our stakeholder engagement is far-reaching and transparent, with regular, ongoing business interactions and special meetings, presentations and proceedings before state public utilities commissions. Our account management and state and local affairs and community relations teams engage with large customers, city and county governments, nonprofit organizations and individuals, as well as state

legislators and policy makers to discuss important service and energy-related issues and projects. We annually report on our lobbying and political contributions, which are governed by corporate policy. We also have a strong presence in our service territory through our community giving and volunteer support of community initiatives and programs.

### How We Engage

The table below outlines our regular, ongoing engagement with stakeholders and our response to stakeholder interests.

Stakeholder group	Engagement	Key interests	Our response
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Customer Contact Center</li> <li>• Key account managers</li> <li>• Personal account representatives for customers in need</li> <li>• Customer advocate process</li> <li>• Surveys and focus groups</li> <li>• Customer communications and account information</li> <li>• Special events and meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Energy service start and stop</li> <li>• Service reliability and timely outage response</li> <li>• Electric and natural gas safety</li> <li>• Energy affordability and money saving opportunities</li> <li>• Billing, online account management and other options that make doing business easy</li> <li>• Information privacy</li> <li>• Construction or repair work in neighborhoods</li> <li>• Renewable and clean energy</li> </ul>	<ul style="list-style-type: none"> <li>• Public safety materials, programs and advertising</li> <li>• Focus on the customer experience and technology</li> <li>• Extensive energy-saving programs and tips</li> <li>• Innovative renewable choice programs</li> <li>• Clean energy leadership and strategy</li> <li>• Online account management programs and the Xcel Energy app</li> <li>• Data privacy process</li> <li>• Online outage map and improved outage communications</li> <li>• Construction project communications</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Leadership meetings</li> <li>• Employee meetings and webcasts</li> <li>• Bargaining unit negotiations and communications</li> <li>• Employee surveys</li> <li>• Employee Communications</li> <li>• Quarterly performance connections</li> </ul>	<ul style="list-style-type: none"> <li>• Market-based compensation and benefits</li> <li>• Professional development</li> <li>• Work-life balance</li> <li>• Communication</li> <li>• Recognition</li> <li>• Community involvement</li> <li>• Engagement in energy policy</li> </ul>	<ul style="list-style-type: none"> <li>• Total Rewards statement and tools, such as My Financial Future planning tool</li> <li>• Connect4Performance performance management</li> <li>• Comprehensive professional development resources and tuition reimbursement</li> <li>• Progressive non-salary benefits</li> <li>• Year-end, I Deliver and Innovator recognition awards</li> <li>• New employee orientation</li> <li>• Print, electronic and video communications</li> <li>• Volunteer activities and paid-time-off program</li> <li>• United Way campaigns and matching gift program</li> <li>• Business Resource Groups</li> <li>• Diversity and inclusion education</li> <li>• Wellness programs</li> <li>• Grassroots political events and political action committees</li> </ul>

Stakeholder group	Engagement	Key interests	Our response
<b>Communities</b>	<ul style="list-style-type: none"> <li>• Project-specific stakeholder meetings and open house events</li> <li>• Community relations representatives</li> <li>• Partnerships and local memberships</li> <li>• Franchise agreements</li> <li>• Presentations and speaking engagements</li> <li>• Sponsorships and community events</li> <li>• Volunteer projects</li> </ul>	<ul style="list-style-type: none"> <li>• Energy service start and stop</li> <li>• Service reliability and timely outage response</li> <li>• Electric and natural gas safety</li> <li>• Energy affordability and money saving opportunities</li> <li>• Billing, online account management and other options that make doing business easy</li> <li>• Information privacy</li> <li>• Construction or repair work in neighborhoods</li> <li>• Renewable and clean energy</li> </ul>	<ul style="list-style-type: none"> <li>• Public safety materials, programs and advertising</li> <li>• Focus on the customer experience and technology</li> <li>• Extensive energy-saving programs and tips</li> <li>• Innovative renewable choice programs</li> <li>• Clean energy leadership and strategy</li> <li>• Online account management programs and the Xcel Energy app</li> <li>• Data privacy process</li> <li>• Online outage map and improved outage communications</li> <li>• Construction project communications</li> </ul>
<b>Legislators and regulators</b>	<ul style="list-style-type: none"> <li>• Policy and legislative involvement</li> <li>• Governmental and regulatory staff</li> <li>• Regulatory filings and proceedings</li> <li>• Political action committees and grassroots employee events</li> <li>• Speaking engagements</li> </ul>	<ul style="list-style-type: none"> <li>• Affordable energy</li> <li>• Reliable energy service</li> <li>• Renewable and clean energy</li> <li>• Climate change and greenhouse gas emissions</li> <li>• Environmental protection</li> <li>• Responsible corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous improvement and cost management</li> <li>• Clean energy leadership and strategy</li> <li>• Renewable choice and energy efficiency programs</li> <li>• Corporate environmental policy and environmental management system</li> <li>• Voluntary emissions reduction initiatives</li> <li>• Highly rated corporate governance program</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Ongoing investor meetings and presentations</li> <li>• Financial disclosures, including Annual Report, 10-K, 10-Q and 8-K filings, proxy and press releases</li> <li>• Investor website, including ESG-related information and disclosures</li> <li>• Annual shareholder meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Stock appreciation and company growth prospects</li> <li>• Achievement of earnings and dividend growth objectives</li> <li>• Superior total shareholder return relative to peer group</li> <li>• Solid credit ratings</li> <li>• Financing needs, including green bond issuances</li> <li>• Favorable regulatory environment</li> <li>• Risks and mitigation efforts</li> <li>• Transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Proven strategy and ability to execute, including Steel for Fuel</li> <li>• Long track record of consistent earnings and dividend growth within target ranges</li> <li>• Superior total shareholder returns relative to EEI investor owned electric utilities and the S&amp;P 500</li> <li>• Premium utility assets</li> <li>• Transparent growth plan</li> <li>• Leading ESG profile, including long-standing history of environmental leadership</li> <li>• Strong financial profile</li> <li>• Effective investor relations communications</li> </ul>

## IDENTIFYING AREAS OF FOCUS FOR CORPORATE RESPONSIBILITY

In addition to our ongoing engagement with stakeholders, we review sustainability frameworks and research and participate in several sustainability forums, which help us to identify environmental, social and governance priorities for our industry and company. This includes work with the Edison Electric Institute, American Gas Association and the Electric Power Research Institute (EPRI). Specifically, EPRI's Energy Sustainability Interest Group has conducted research on sustainability issues facing the entire electric sector.

Based on this work and what we hear from stakeholders, we have identified 24 corporate responsibility issues for Xcel Energy. These issues are used as the foundation for our corporate responsibility reporting and sustainability efforts.

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### Xcel Energy's Corporate Responsibility Issues

<b>Advanced Grid, Cybersecurity, Physical Security</b>	Upgrading the power grid with advanced technologies to improve reliability and security; protecting important systems and infrastructure from unauthorized access or attack; drilling emergency scenarios both with and without external stakeholders to ensure effective response to potential events
<b>Air Quality</b>	Reducing air emissions other than greenhouse gases from our operations, including nitrogen oxides, sulfur dioxide, mercury and particulate matter, both through emissions controls and fleet transformation
<b>Climate Change and Greenhouse Gas Emissions</b>	Managing and reducing the greenhouse gas emissions from our operations, including carbon dioxide, methane and sulfur hexafluoride (SF6) through fleet transformation
<b>Community Giving and Volunteerism</b>	Giving both time and money to local nonprofit organizations; supporting energy assistance programs for customers in need
<b>Corporate Governance, Ethics and Compliance</b>	Ensuring adherence to the rules, practices and processes that direct and control our company; setting ethical expectations and values and monitoring adherence to applicable laws and regulations
<b>Customer Engagement and Satisfaction</b>	Working with customers to understand their needs and improve the service and products we provide; ensuring a positive customer experience with interactions that are focused, simple and transparent
<b>Employee Safety</b>	Adopting, enacting and promoting effective programs that protect the health and safety of employees and contractors
<b>Energy Affordability</b>	Ensuring electricity and natural gas bills are affordable for consumers
<b>Energy Efficiency</b>	Providing programs to help customers take control of their energy usage and save money, including traditional rebate programs and advanced home solutions
<b>Energy Reliability and Emergency Preparedness</b>	Providing electricity and natural gas with few to no interruptions; being prepared to quickly repair outages caused by storms or other incidents
<b>Fuel Diversity</b>	Minimizing dependence on any one energy source by using a diverse mix of sources to generate electricity
<b>Innovative Energy Programs and Options</b>	Offering programs that give customers choice over their energy sources, such as helping them access more wind and solar power or helping them fuel electric or natural gas vehicles
<b>Labor Practices</b>	Adopting responsible practices related to employee pay, benefits and equal opportunity

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**Xcel Energy's Corporate Responsibility Issues**

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<b>Local Economic Development and Jobs</b>	Working with the community to attract and support new business development and economic growth
<b>Nuclear Generation, Safety and Waste Management</b>	Maintaining Xcel Energy's nuclear fleet that provides reliable, carbon-free electricity, in a way that ensures safety and emergency preparedness; safely handling and storing solid waste from nuclear generation
<b>Procurement Practices</b>	Doing business with responsible, local and/or diverse suppliers for the equipment, materials and services we purchase
<b>Public Policy Engagement</b>	Engaging and collaborating with policy makers and providing input on proposed legislation and regulations
<b>Public Safety</b>	Providing education to prevent accidental contact with electric power lines and natural gas pipelines; protecting the public around our facilities and facility operations; ensuring effective emergency response to public safety issues around our facilities
<b>Renewable and Advanced Clean Technologies</b>	Increasing electricity generation from clean, renewable energy sources, including wind farms and solar power plants; deploying advanced technologies to deliver 100% carbon-free electricity by 2050
<b>Technology Research and Demonstration</b>	Participating in projects to test advanced energy technologies that have potential for providing customers with new products and services in the future; supporting industry research efforts through financial contributions, staff involvement and demonstration projects
<b>Waste Management</b>	Preventing and reducing waste produced from our operations, including coal ash; reusing or recycling waste instead of disposing of it in landfills; operating power plants fueled by waste
<b>Water Quality, Availability and Management</b>	Ensuring the availability of water for electricity generation and all other users; protecting water quality
<b>Wildlife Protection and Biodiversity</b>	Avoiding or minimizing impacts to protect species and their habitats; supporting raptor habitat and providing education and conservation opportunities on raptors
<b>Workforce Development</b>	Maintaining a workforce of the right size and skill profile, includes our talent management strategy and diversity and inclusion efforts; engaging in community efforts to develop pipeline of future employees; providing competitive employment opportunities and supporting diverse business resource groups

## Corporate Responsibility Report Survey

To better understand our local stakeholders and their priorities related to environmental, social and governance issues, we conducted an online survey in early 2017. Using the Global Reporting Initiative methodology to guide us, we surveyed stakeholders to understand the issues most important to them or the organizations they represent.

The corporate responsibility survey was developed internally and designed to have stakeholders identify their top priorities among Xcel Energy's 24 corporate responsibility issues. To understand our internal priorities, Xcel Energy executive leadership was also given the survey. Altogether, it was distributed to nearly 1,000 internal and external stakeholders across our eight-state service territory. Approximately 26% of potential respondents participated, representing a cross section of stakeholders in the states we serve. Survey results are shown below with priorities highlighted in red.

## XCEL ENERGY CORPORATE RESPONSIBILITY SURVEY RESULTS

