Our people and culture

At Xcel Energy, our business and workforce are changing while customer expectations are rising — a dynamic that is driving us to become more innovative, competitive and customer focused.

Our workforce strategy begins with a mission to proactively attract, retain and develop the highest quality talent. We take a proactive approach to workforce planning and are identifying the skills we need to prepare and meet our future energy objectives, aligning our talent strategies to build diverse pipelines and identifying opportunities to retrain or develop our workforce.

We know our people are our greatest strength. That is why once employees are part of our team, we offer extensive training and engagement opportunities to develop their skills and talents and help them grow professionally, in addition to recognizing their achievements. We are also improving our leadership development programs, tools and resources to help ensure our leaders are effective in our changing environment. Through these efforts, our objective is to develop inspirational and courageous leaders that hold employees accountable for achieving results.

2018 Results

- More than 96% of employees participating in Connect 4 Performance met with their leaders for Quarterly Connections to discuss job performance, professional development and alignment with company goals and priorities.
- Internal candidates successfully filled 41% of our 2,318 job postings, and of employees newly hired to the company, 56% came from within the states we serve and nearly 24% had ethnically diverse backgrounds.
• Xcel Energy was named a Top Veteran-friendly Company by U.S. Veteran’s Magazine for the fifth consecutive year, a Best for Vets employer by Military Times for the fourth consecutive year, and a Top-10 Military Friendly Employer by GI Jobs for the ninth consecutive year. We are included in Military Times’ Best for Vets Index, and are honored to be a Most Valuable Employer for Military, according to Recruit Military. More than 10% of our new hires were veterans.

• For the third consecutive year, we received a perfect score on the Human Rights Campaign Corporate Equality Index and the designation as one of the Best Places to Work for LGBTQ Equality.

• Through a collaborative process that included feedback from employees throughout the organization, we renewed and streamlined our corporate values to reflect our core beliefs — who we are, how we conduct our business and the importance of our customers. We are Committed, Connected, Safe and Trustworthy.

Workforce Profile

<table>
<thead>
<tr>
<th>Bargaining</th>
<th>Non-bargaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>43% Bargaining</td>
<td>5% Temporary Craft</td>
</tr>
</tbody>
</table>

As of year-end 2018, Xcel Energy had 11,691 full-time, part-time and temporary employees.

Generational Age

<table>
<thead>
<tr>
<th>Generation</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen X</td>
<td>54.5%</td>
</tr>
<tr>
<td>Millennials</td>
<td>27.4%</td>
</tr>
<tr>
<td>Baby Boomer</td>
<td>17.7%</td>
</tr>
<tr>
<td>Gen Z</td>
<td>0.38%</td>
</tr>
<tr>
<td>Traditionalist</td>
<td>0.02%</td>
</tr>
</tbody>
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Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>77.1%</td>
</tr>
<tr>
<td>Female</td>
<td>22.9%</td>
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</table>
The average employee turnover in 2018 was 9.9%. About 29.7% of turnover was the result of retirements, about 56.1% were resignations and the remaining 14.2% includes turnover for other reasons, such as unsatisfactory performance, misconduct, severance or death.

Our projections show that 27.9% of our workforce will be eligible for retirement over the next five years and 41% over the next 10 years. However, we do not expect all employees to retire once they become eligible.

**Workforce Planning and Analytics**

Our strategic workforce planning models and process support leaders in using the opportunities that arise as a result of changes in our business objectives, including the workers required to complete budgeted work and turnover. By leveraging data and analytics, we are able to more accurately determine what the organization will need in terms of size and skill sets to achieve its objectives. The strategic workforce plan supports a more intentional approach to deploying solutions that will address our changing workforce.

In conjunction with this effort, we provide a Human Capital Report that helps leaders make data-based decisions. It is a dashboard that includes standard measures related to employee cost, performance management, and headcount and attrition trends. This information, combined with consultation with business partners, informs our leaders about their current workforce and predictive and statistical analysis provides insights into future impacts.

**Attracting Top Talent**

To ensure a steady stream of qualified candidates for Xcel Energy’s available jobs, we proactively engage with community and educational organizations to prepare a future workforce. We are focused on helping military veterans make the transition to civilian jobs through targeted recruitment and participation in the Hiring our Heroes program. To ensure we can best support our customers’ needs, we are committed to having a diverse workforce that reflects the communities we serve.
Some of our targeted recruitment activities include:

**Educational Relationships**
We work with a number of colleges, universities and technical schools to provide an avenue to educate students on the opportunities for stable, well-paid jobs with energy providers like Xcel Energy. As a member of the Center for Energy Workforce Development (CEWD), we also help develop training and curriculum that prepares students for skilled jobs in the energy industry. Through our partnership with CEWD, we implemented the Legacy I-3 program for high school students in the Twin Cities to build a pipeline of diverse candidates.

**Internships**
Through internships we ensure a pipeline for our future workforce needs. We hired 26 college interns into full-time positions with the company in 2018. We work with high schools throughout our Texas and New Mexico service areas, where we have the greatest needs. In Colorado, we have four programs in partnership with Denver Public Schools and Jefferson County high schools. In Minnesota, we continue our partnership with Step-Up Achieve and Right Track to hire high school summer interns. Through these programs, we had 60 high school interns in 2018.

**Targeted Job Fairs**
We seek out employment events that help us successfully identify and hire qualified employees who are customer focused, curious and innovative. We maintain relationships with several schools and local organizations within our service territory that hold job fairs for diverse populations. Partnerships like this allow us to reach prospective employees to continuously improve our candidate pool.

**Search Engines**
Xcel Energy markets its jobs on several key sites, including Indeed, LinkedIn and other social media platforms. In partnership with Professional Diversity Network and other industry and skill-specific boards, we target diverse, local talent and individuals that have specialized skills. We also work with local, community-based organizations to reach candidates throughout our service areas, reducing the need for candidate relocation and supporting our local economies.

**Military and Veteran Outreach**
We remain focused on strengthening our strategic partnerships with military veteran organizations and engaging in activities that maintain our visibility as a preferred employer for veterans. Through military-specific marketing and communications efforts and participation in more than 35 job fairs that specifically target military veterans throughout our service territory, our commitment to hiring veterans and active duty reservists remains strong.

**Diversity Outreach**
Through our partnerships with workforce centers in Minnesota, Colorado, Texas and New Mexico, Local Job Network and Diversity Minnesota, we are able to reach diverse job seekers in the places where they live and work. We also engage with diverse student groups such as National Society of Black Engineers, Society of Women Engineers, Society of Hispanic Professional Engineers and Society of Asian Scientists and Engineers to attract diverse entry-level employees.
**Diversity and Inclusion**

We believe that a diverse and inclusive workforce makes our company stronger. Our commitment to diversity and inclusion goes beyond human resource policies and practices — it is an integral part of who we are, how we operate and how we see our future.

Our inclusive work culture embraces all employees and provides them with equal access to employment opportunities and development. To us, diversity is more than ethnicity, gender, age, race, national origin, disability, religion and sexual orientation. It includes differences in thought processes, educational backgrounds, work experiences, personalities, lifestyles and cultural backgrounds.

Each Xcel Energy employee is empowered to make a difference when it comes to creating an inclusive environment. We encourage our employees to remember that:

**Diversity Exists: Inclusion is My Responsibility.**

**Diversity and Inclusion Education**

Xcel Energy’s commitment to diversity and inclusion is instilled in employees from their first day on the job, as part of our new employee orientation program. Employees receive ongoing education in these areas, and in 2018, 813 employees and leaders throughout our service territory participated in a new half-day diversity and inclusion education session. The classes are designed to provide knowledge, insight and skills to manage diverse teams and create an inclusive culture. The company goal is to have 100% of employees through the program within three years.

**Business Resource Groups and the Council for Diversity and Inclusion**

Our 11 Business Resource Groups give Xcel Energy employees an inclusive and supportive venue to unite for personal and professional growth. They offer opportunities for cultural exchange and community outreach and helping solve business challenges. Additionally, through the Council for Diversity and Inclusion, leaders of our Business Resource Groups collaborate with leaders from our business areas to help address key challenges and achieve goals.

- **ECN (Employee Connection Network):** Connects new and existing employees and helps broaden all employees’ understanding of Xcel Energy through networking opportunities, meet ups and community service events.
- **GCEEE (General Counsel Employee Excellence and Equality Committee):** Aids the general counsel in fostering a spirit of inclusiveness throughout the company.
- **GenNext:** Aims to support employees through employee education, collaboration and development.
- **GROW:** Identifies and implements innovative ideas and strategies for recruiting, developing, promoting and retaining women in non-traditional work roles in our Energy Supply business area.
- **MOVE (Military Ombudsmen for Veterans and Employees):** Sustains awareness on issues of interest to veterans and active military employees in our workforce and programs and policies that support the welfare of veterans and their families.
- **SAGE (Supportive Association for Gay/Lesbian/Bisexual/Transgender Employees):** Works to help the company become and remain a leader in this area of workforce diversity by addressing issues relating to sexual orientation and gender identification.
- **SOURCE (Strategic Organization Utilizing Resources for Career Enhancement):** Promotes career development, continued education, training and cultural awareness with a focus on African Americans.
- **Tribal Wind:** Supports diverse workforce initiatives and the Native American population through business initiatives such as recruiting, retention, professional development and cultural awareness.
- **WIN (Women’s Interest Network):** Focuses on issues of interest to women, such as professional development and work/life balance.
- **!Xcelente:** Increases visibility of Latino employees within the company and community while also promoting professional development and sharing Latino culture through awareness, inclusion and celebration.
• **XE WiN (Women in Nuclear):** Explores and develops programs that help all employees working within our nuclear organization to expand their leadership skills, network and create positive visibility for the nuclear industry within the communities we serve.

**Performance Management**

Last year was the third year for Connect 4 Performance, our performance management approach for non-bargaining employees who make up over half of our workforce. Connect 4 Performance enables employees to align their individual goals with the priorities of Xcel Energy through simple, meaningful and frequent conversations with their leaders. Throughout the year, employees and leaders work together to identify opportunities that support employee professional development while helping achieve the company’s strategic priorities. Employees are encouraged to record their development goals and regularly update and discuss progress and ideas with their leaders.

**Employee Engagement**

After pausing from our traditional approach to measuring engagement through an annual survey, Xcel Energy spent 2018 developing a comprehensive plan to measure our employee engagement and sentiment. In 2019, we are introducing a new platform that allows employees to provide feedback digitally giving leaders real-time results. This new approach will provide us the flexibility to gather employee feedback at different career points and conduct pulse surveys on engagement.

We help employees stay engaged through a number of channels, including regular webcasts with our senior leadership team, an intranet site that is updated daily, a regular company news magazine for employees and retirees, rewards and recognition programs, company-sponsored volunteer opportunities and our annual Day of Service.

Employees are continuously encouraged to offer feedback to Xcel Energy leadership through a variety of methods. They can submit anonymous comments and questions during regular leadership webcasts and face-to-face meetings, and respond to blogs and articles that our leaders publish throughout the year.

**Workforce Relations**

Xcel Energy is committed to providing all employees with a safe, rewarding workplace that values their contributions and ensures fair treatment. We respect our employees’ right to organize if desired, and approximately half of our workforce is currently represented by unions.

While each collective bargaining agreement is negotiated with a specific local union, we include equal opportunity clauses in all our bargaining contracts. We also operate in compliance with the policies and regulations established by the National Labor Relations Board, the statutes of the National Labor Relations Act and the guidance of the federal Department of Labor.

Xcel Energy recognizes that all parties benefit by coming together to achieve mutual goals, so we meet frequently with our unions to discuss new and ongoing issues. Employee safety is a mutual focus for both bargaining units and the company. Bargaining unit employees fully support and participate in the company’s safety advisory councils, committees, training and other programs.

Interim bargaining has been used for the past 18 years to improve union relations and promote collaboration on business challenges that impact our operations and workforce. We also hold regular meetings between management and labor unions to address grievances with the goal of resolving issues between the parties.

In early 2018, Xcel Energy (Public Service of Colorado) reached an agreement with the International Brotherhood of Electrical Workers (IBEW), Local 111 the Union representing our employees in Colorado.