



**BE IT RESOLVED:** Shareholders request that Exelon Corporation (Exelon) report to shareholders on the effectiveness of the Company's diversity, equity and inclusion efforts. The reporting should be done at reasonable expense, exclude proprietary information, and address outcomes, using quantitative metrics for recruitment, retention and promotion of employees, including data by gender, race, and ethnicity.

**SUPPORTING STATEMENT:** Quantitative data is sought so that investors can assess, understand, and compare the effectiveness of companies' diversity, equity, and inclusion programs and apply this analysis to investors' portfolio management and securities' selection process.

**WHEREAS:** Numerous studies by respected organizations such as *The Wall Street Journal*, Credit Suisse, Morgan Stanley, McKinsey, PwC and BCG have pointed to the material benefits of a diverse workforce.

Companies should look to hire the best talent. However, Black and Latino applicants face recruitment challenges. [Results of a meta-analysis study](#) of 24 field experiments, dating back to 1990, found that, with identical resumes, White applicants receive, an average of 36 percent more callbacks than Black applicants and 24 percent more callbacks than Latino applicants."

Promotion rates show how well diverse talent is nurtured at a company. Unfortunately, women and non-White employees experience "a broken rung" in their careers. For every 100 men who are promoted, only 86 women are promoted. [Non-White women are particularly impacted](#), comprising 17 percent of the entry-level workforce and only 4 percent of executives. Employees with the potential for advancement have a [higher retention rate](#).

[Morgan Stanley has found](#) that "[e]mployee retention that is above industry peer averages can indicate the presence of competitive advantage. This advantage may lead to higher levels of future profitability than past financial performance would indicate." Companies with [high employee satisfaction](#) have also been linked to annualized outperformance of over two percent.

Exelon has not shared sufficient recruitment, retention and promotion data by race and ethnicity to allow investors to determine the effectiveness of its human capital management programs.



Between September 2020 and September 2021, the number of S&P100 companies releasing recruitment rate data by gender, race and ethnicity increased by 234 percent, those companies releasing retention rate data increased by 79 percent, and those companies releasing promotion rate data increased by 379 percent.

American Water Works, Atmos Energy Consolidated Edison and DTE Energy all release more data on the effectiveness of their human capital management programs than Exelon does. Exelon is increasingly a laggard in its decision to continue to withhold these data sets.