

A photograph of two industrial workers, a man and a woman, standing on a metal walkway at a power plant. They are both wearing hard hats, safety glasses, and work clothes. The man is holding a clipboard and looking at the woman, who is also holding a clipboard. In the background, there are large industrial structures, including a tall cylindrical tower with a ladder and various pipes and walkways. A large, glowing light fixture is visible in the foreground. The sky is overcast.

**CORPORATE COMPLIANCE
AND BUSINESS CONDUCT
PROGRAM**

2020 ANNUAL REPORT



CONTENTS

Introduction

Welcome from the CECO	1
Xcel Energy's Vision, Mission and Values	1
Purpose	2

Oversight

Tone at the Top.	3
Investigations Governance.	3
Board of Directors	4
Audit Committee	4
Governance, Compensation and Nominating Committee (GCN) .	4
Chief Ethics and Compliance Officer.	4
Director of Corporate Compliance	4
CCBC Council.	4
Investigations Governance Committee	5
VP Oversight Team	5
Compliance Tools.	5

Code of Conduct and Policies

Code of Conduct	6
Corporate Policies	6

Communications and Training

Communication Channels	7
Multi-Year Training Plan	7
Annual Training Plan	8

Monitoring and Auditing

Confidential Reporting	9
Anti-Retaliation.	10
Allegations of Wrongdoing	10
Significant Allegation Process	10
Investigation Data	10
Audit Services	10

Incentives and Discipline

Positive Discipline	12
Incentives.	12
Quarterly Connections.	12
Violating the Code of Conduct.	12

Due Diligence

Conflict of Interest Disclosure	13
Security Screening Program	13
Post-Hire Background Checks	13
Security Vendor Risk Assessment.	13
Foreign Corrupt Practices Act	13

Risk Assessment

Enterprise Risk Management	14
Compliance Risk Assessment	14

Summary	15
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INTRODUCTION

Like companies across the world, Xcel Energy faced unprecedented challenges presented by the COVID-19 pandemic in 2020—and we're proud to have responded in a way that demonstrated the ongoing resilience, agility and ingenuity of our employees and leaders. Employees who need to report to work sites have continued keeping energy flowing while taking new steps to keep themselves and others safe, and our workers who can effectively work from home have transitioned to do so, while exhibiting reliable productivity. Our Corporate Compliance program partnered with several stakeholders across the company to lay the foundation of policies that would provide strong guidance while being flexible enough for each work group to determine how to most successfully manage this transition.

Despite major disruptions to our regular routines, we not only ensured energy was available to our customers during the last several months but continued our longer-term efforts to lead the clean energy transition. Ben Fowke, our chairman and CEO, was elected chairman of the board of the Edison Electric Institute, the national association of investor-owned utilities, a position in which he has focused on guiding the industry through the challenges presented by COVID-19, the transition to clean energy technologies, and efforts to address racial injustice in the communities we serve. And Xcel Energy as a whole was recognized as one of only five energy companies—and one of just two in our peer group—to be named a 2020 World's Most Ethical Company by Ethisphere, a global leader in defining and advancing the standards of ethical business practices. That's strong recognition that we are following through on our commitment to do our work the right way.

That commitment requires effort and buy in from every employee in every part of this company. To help us measure success and identify opportunities to grow, in 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. These results will be used to establish our goals going forward. We also launched our new Code of Conduct training, highlighting the importance of living our values and applying the Code to our work every day. And behind all this, we continued improving our data analytics, tracking potential areas of concern and providing leaders with a fuller snapshot of their organization's mindsets and performance—all while transitioning Compliance leadership to Karen Hyde, our new chief ethics and compliance officer, following Judy Pofel's retirement last year.

In 2020 and since the year's close, Xcel Energy has proven to be an organization both solid in its core capabilities and ready to respond to changing demands. Our employees and our leadership are committed to building on those strengths to build an even better tomorrow, focusing on our values and looking to them for guidance in our decisions every day.

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. In 2020, we continued to use our values of Connected, Trustworthy, Committed and Safe, as a focus when building upon the various compliance program elements. For example, the 2020 Code of Conduct training, titled The Code and Our Values, included videos of Xcel Energy leaders, at varying levels, reinforcing a strong tone at the top. The leaders shared real issues they've faced and the outcomes. They also discussed the importance of living our values and applying the Code of Conduct to our work. With our values present in all we do, employees have aligned and consistent direction as we strive to deliver our vision and mission.

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 2020. 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

Strong tone at the top is a critical component of any effective program. In 2020, Xcel Energy's chairman and chief executive officer (CEO) supported that tone in several ways.

The CEO spoke to all employees through a recorded message 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, he emphasized during the CEO Town Halls and All Employee Emails that we must live by our values each and every day and sent an email to all employees asking them to provide feedback in the Compliance Perceptions survey while highlighting the shared importance of doing the right thing, looking out for each other and protecting our reputation.

He also met with the Corporate Compliance Business Conduct Council to discuss lessons learned from external events, sharing that compliance and ethical conduct must never be compromised and stressed the importance of the Council's work.

Throughout the year, the 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.

Lastly, the CEO is committed to advancing diversity and inclusion within the workplace. Along with his continued pledge to the CEO Action for Diversity and Inclusion, in 2020, he joined more than two dozen of Minnesota's CEOs to stand united against acts of racism and violence. The CEO signed a letter committing to making substantive change in the organization and communities to address racial inequities and social injustice.

Investigations Governance

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



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 2020 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 has a direct reporting line to the chair of the Audit Committee of the board of directors.

Director of Corporate Compliance

The director of Corporate Compliance has day-to-day operational responsibilities for the CCBC Office (four employees) 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, Transmission, Nuclear, etc. This is an important vehicle for good execution of the decentralized implementation of the overall program. The Council met quarterly in 2020 and leaders facilitated business area discussions with employees between meetings to ensure information and best practices flow well across the company.

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 Committee

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

In 2020, 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

This year, the VP Oversight Team comprised the director of corporate compliance, deputy general counsel, chief ethics and compliance 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. During the year, the team also put a heightened focus on allegations related to COVID-19, social injustice, political activity and other current events.

Compliance Tools

Compliance groups across the company are committed to using technology to track compliance requirements and findings. Xcel Energy worked in 2020 toward fully deploying RSA Archer as an eGRC platform. RSA Archer has capabilities to improve tracking, monitoring and reporting associated with compliance requirements and findings and it enhances visibility to key risk areas and findings across the company.

KEY ACTIONS

In 2020, following Judy Poferi's retirement, Karen Hyde, chief audit and risk officer, was appointed chief ethics and compliance officer as well. The Corporate Compliance function now sits in the Risk, Audit, and Compliance business unit.

During the year, to improve and gauge perceptions of the CCBC Council, we issued a survey to all members. Following the completion of the survey, we also conducted interviews with each member to learn more about how we can engage and better utilize the council. We learned that all saw value in having cross-functional leaders meet regularly. Most members thought they were the right person to represent their business area, but we received feedback that some areas were not adequately represented. With that, we added new representatives from Safety, Supply Chain and Regulatory Affairs. In addition to updating the member list, we revised the charter, and created a Teams site to share materials, meeting actions, external compliance events, policy updates and concise takeaways for leaders. These updates will allow leaders to facilitate business area discussions with employees between meetings to ensure information and best practices flow well across the Company.



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 2019, we refreshed our Code of Conduct, focusing on aligning it with our company values that the Board adopted in August 2018. Key content changes included significantly expanding the Conflicts of Interest and Gifts and Entertainment provisions. We also updated the leader responsibilities section to outline the important role leaders play in modeling our code and our values, maintaining a positive and inclusive work environment, fostering a speak up culture, responding to requests for guidance, and reporting wrongdoing. In 2020, we reviewed the content of the Code of Conduct and updated the opening letter to introduce Karen Hyde as the chief ethics and compliance officer.

Corporate Policies

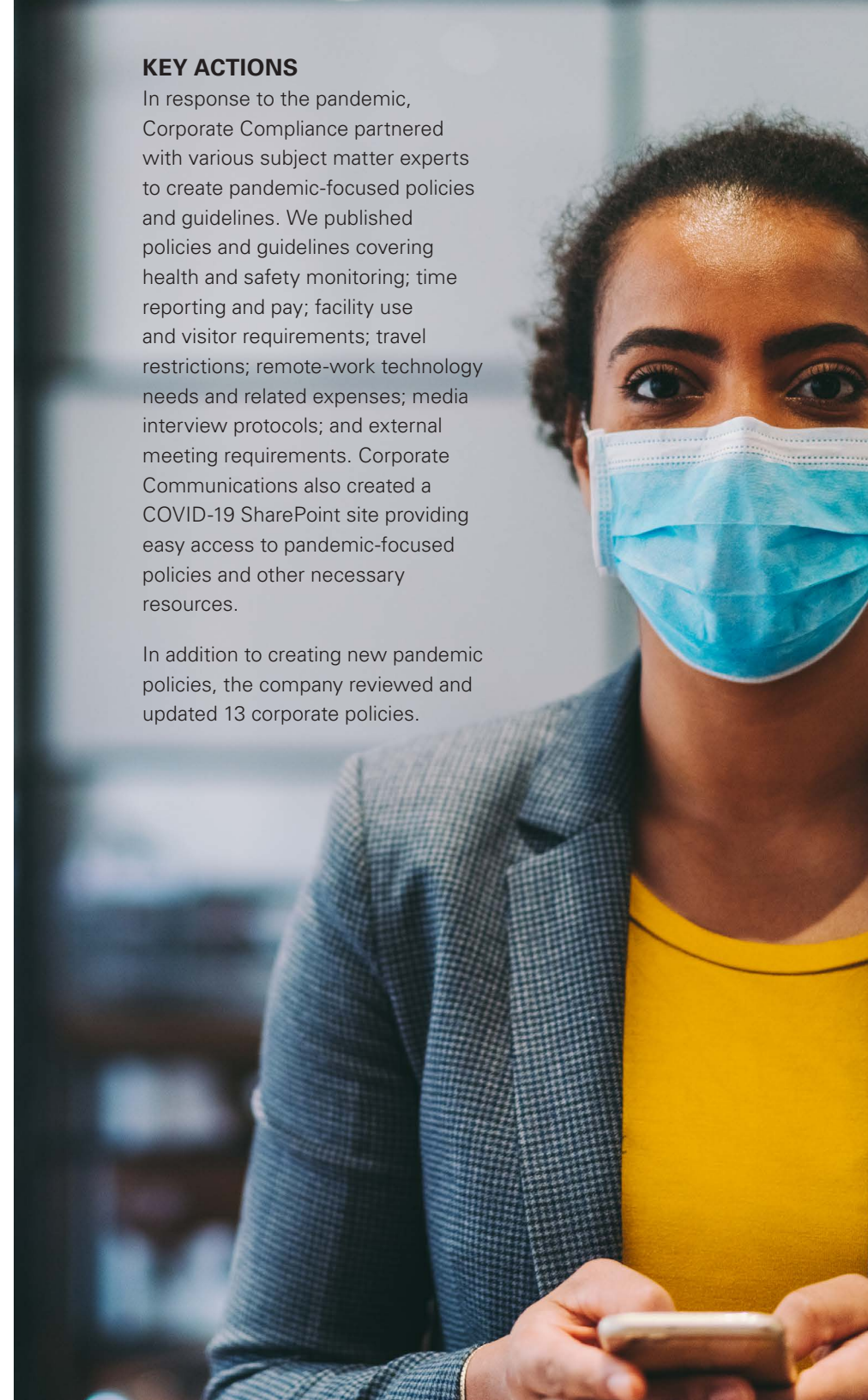
Employees are responsible for knowing and following not only the Code of Conduct but other corporate policies in categories such as Legal and Regulatory, Human Resources, Sourcing and Information Technology.

All corporate policies are available on XpressNET, the company's intranet. Certain policies are available externally, on xcelenergy.com.

KEY ACTIONS

In response to the pandemic, Corporate Compliance partnered with various subject matter experts to create pandemic-focused policies and guidelines. We published policies and guidelines covering health and safety monitoring; time reporting and pay; facility use and visitor requirements; travel restrictions; remote-work technology needs and related expenses; media interview protocols; and external meeting requirements. Corporate Communications also created a COVID-19 SharePoint site providing easy access to pandemic-focused policies and other necessary resources.

In addition to creating new pandemic policies, the company reviewed and updated 13 corporate policies.



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 use a variety of channels to reach employees across teams, including:

- 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 2020 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 2020, the Corporate Compliance curriculum included seven courses:

- Critical Infrastructure Protection
- Enterprise Security Awareness
- FERC Standards of Conduct
- The Code and Our Values
- Compliance Refresher for Leaders
- Information Management
- 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 partner with Human Resources to administer appropriate discipline.

KEY ACTIONS

For the 2020 plan, we partnered with the eLearning design team to refresh our Code of Conduct training. The course, titled *The Code and Our Values*, was made up of micro-learning videos. The videos included Xcel Energy leaders, at varying levels, sharing real issues they've faced and the outcomes. They also reinforced a strong tone at the top by discussing the importance of living our values and applying the Code of Conduct to our work. The course outlined the importance of speaking up, raising concerns and intervening as a bystander to a potential violation or concern. We also used this opportunity to include commitments from leaders to listen to employees when they speak up, helping to reinforce trust in our processes.

We also introduced a new course titled *Compliance Refresher for Leaders* that takes multiple topics and combines them into a modular course. The course outlined compliance and HR responsibilities and covered the tools and resources available to leaders. Content included the accrual process, available disability and absence programs, the building incident response plan guidelines, overtime pay and time reporting requirements, personnel action form responsibilities, and the conflict of interest provisions. We believe this approach will be more efficient and effective than individual training modules on each topic.

Related to communications, the team developed and executed a formalized communications plan and shared over 40 communications through a variety of channels. To introduce the new chief compliance officer, we featured a personalized video message emphasizing the importance of looking out for one another and reporting wrongdoing. The accompanying article titled *How We Show Up for One Another* described the role of a bystander, covered options for speaking up when employees experience, see or suspect behavior that goes against our values, and included personal stories of employees raising concerns.



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 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

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 2020, 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 2020, 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 2020, 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. It should be noted that 2020 was an unusual year; case volume went down after shifting many of the workforce to a work from home model, due to the pandemic. While there were a few spikes related to social justice concerns and political activity/the presidential election, overall, the number of investigations was down.

Overall, similar to 2019, in 2020 corrective action (ranging from counseling through termination) resulted in just over a third of all investigations. Through our work on refreshing training and finding ways to communicate to employees, we remained committed in 2020 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 2020, 33 audit engagements were completed and 12 confidential investigations.

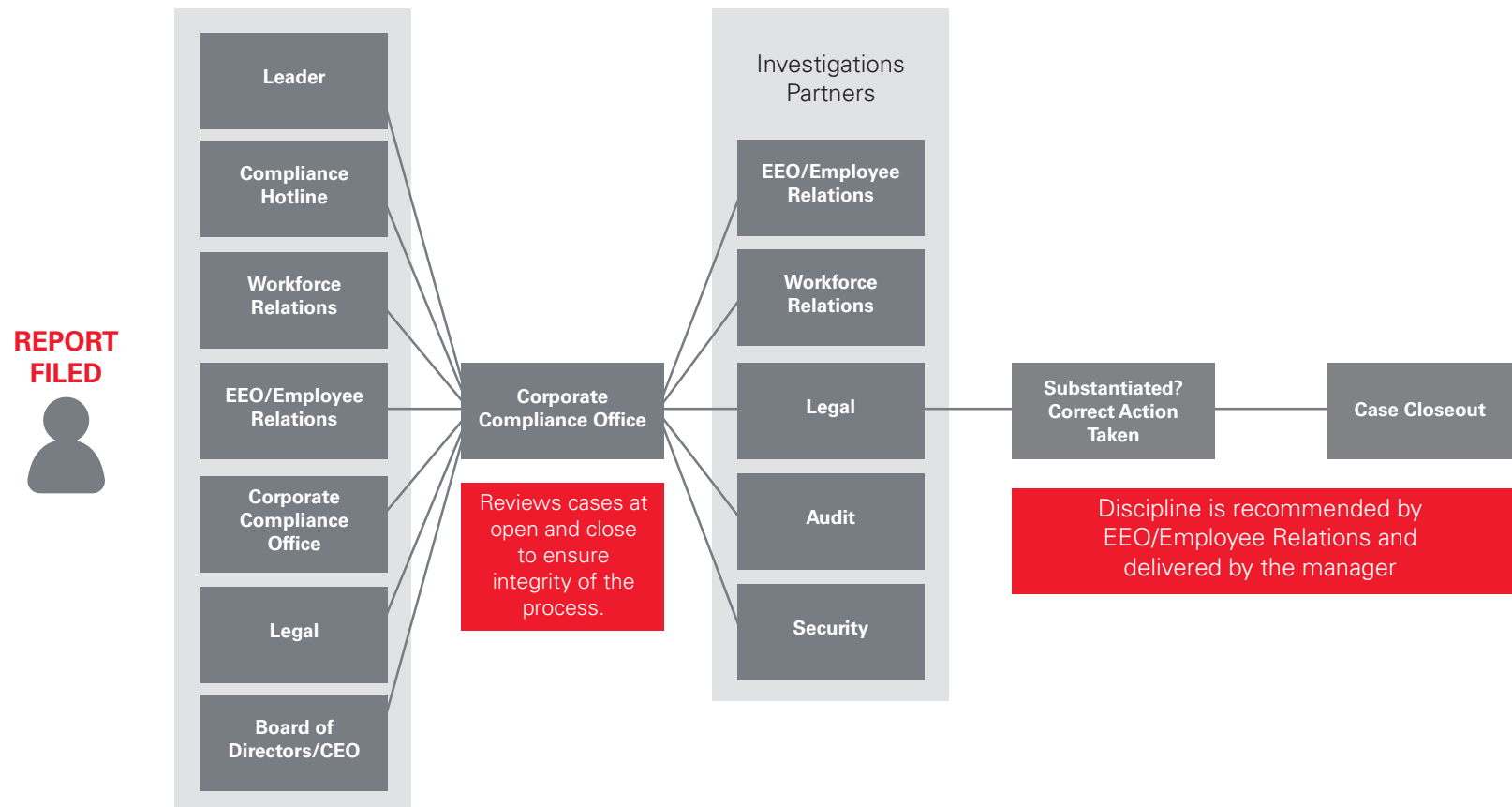


KEY ACTIONS

We are committed to using data analytics to prevent, detect and respond to misconduct. In 2020, the CCBC office continued to analyze complex measures, such as volume and issue types by location, business unit, bargaining and non-bargaining, and by leader and produced quarterly, year-end and business unit specific dashboards. This work has provided insights into potential areas of concern or where there may be cultural issues in the organization. It also allowed us to provide leaders with a more intelligent snapshot of their organization and to then better prioritize and target resources or tailor education and communications.

Another key action taken in the last quarter of 2020 was launching the Compliance Perceptions survey to all employees. Through this survey we can evaluate the ongoing effectiveness of communications, training, and compliance efforts. We can also gain insights into whether employees are raising concerns – and to whom. Results will be compared to the last survey Xcel Energy launched in 2016 and a customized benchmark of companies, helping the Corporate Compliance team establish its 2021 goals and initiatives.

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 are 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 2020, 13 individuals were terminated for violations of the Code of Conduct.

KEY ACTIONS

To have an ethical culture we must be an organization of shared values and they must be rooted in all aspects of our business. Our corporate values are incorporated into the XCelebrate recognition tool that helps employees recognize a co-worker's positive effect or celebrate their accomplishments.

When sending an eCard, employees can select whether the recognized coworker exhibited our values of connected, committed, safe or trustworthy. Over the Thanksgiving season, Xcel Energy launched a Recognition/Gratitude Challenge asking employees to take a moment to thank a peer, team member or leader. 886 eCards or emails were sent during the challenge.



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 2020, 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.

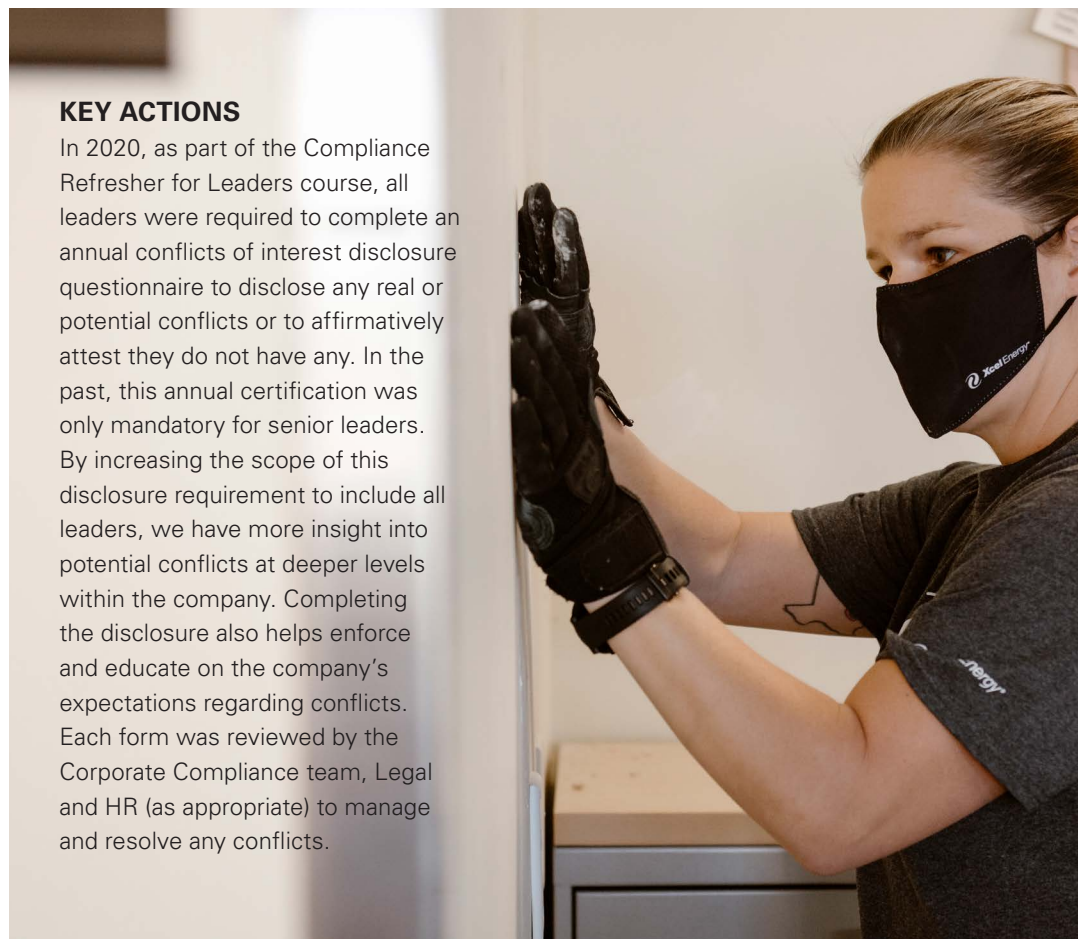
Foreign Corrupt Practice Act (FCPA) Governance Committee

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 2020 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

In 2020, as part of the Compliance Refresher for Leaders course, all leaders were required to complete an annual conflicts of interest disclosure questionnaire to disclose any real or potential conflicts or to affirmatively attest they do not have any. In the past, this annual certification was only mandatory for senior leaders. By increasing the scope of this disclosure requirement to include all leaders, we have more insight into potential conflicts at deeper levels within the company. Completing the disclosure also helps enforce and educate on the company's expectations regarding conflicts. Each form was reviewed by the Corporate Compliance team, Legal and HR (as appropriate) to manage and resolve any conflicts.



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 Assessment

Xcel Energy's Compliance Risk Assessment is conducted annually and identifies existing and emerging compliance risks across the enterprise. The assessment methodology includes consideration of maturity and impact. 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.

KEY ACTIONS

In 2020, we deployed the compliance risk assessment in RSA Archer. We assessed a total of 20 programs. The state of programs remains strong and programs, both mature and newer, are continually trying to identify ways to improve. Environmental, Customer Care, Nuclear, Physical Security and Sarbanes Oxley have the most mature programs. In addition, all individual risk elements scored a 7 or above (10-point scale). Policies continued to be the highest scored element, and the second highest element was oversight. While still relatively mature, risk analysis and follow-up to compliance gaps had the lowest average score among the elements assessed. As the company continues to utilize RSA Archer as an eGRC tool we should see improvement in both framework elements.



SUMMARY

We believe that in 2020 the elements of our CCBC program demonstrate our ongoing commitment to ensuring a strong culture of compliance and ethics. We took a number of actions to 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 2020.

Do What's Right: Report What *Seems* Wrong

You have numerous reporting options:

EEO/Employee Relations/Workforce Relations

Your leader or another member of management

Legal Services

Xcel Energy's Corporate Compliance and Business Conduct Office, 612-215-5354

Compliance Hotline at XcelEnergyComplianceHotline.com or 800-555-8516, available 24 hours a day and with the option to remain anonymous

Xcel Energy Inc. Board member

Additional reporting options for nuclear employees include:

Complete a Nuclear Corrective Action Request form

Report nuclear safety issues to the Employee Concerns Program, 866-327-4662

Nuclear Regulatory Commission, 800-695-7403

