



# Diversity, Equity & Inclusion

2020-2021  
REPORT

# Supporting diversity, equity & inclusion within PSEG and the communities we serve

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# About PSEG

**PUBLIC SERVICE ENTERPRISE GROUP (PSEG)** is a publicly traded (NYSE:PEG) diversified clean energy infrastructure-focused company headquartered in Newark, New Jersey, and one of the 10 largest electric companies in the United States. Established in 1903, the company has long had a key role in fueling the economy and supporting the quality of life in the states where we do business. PSEG is powered by a diverse, dedicated and highly skilled workforce. Its Powering Progress vision continues to be for a future in which people use less energy, and that energy is cleaner and delivered more reliably than ever.

**PUBLIC SERVICE ELECTRIC AND GAS CO. (PSE&G)** is New Jersey's largest provider of electric and natural gas service – serving 2.3 million electric customers and 1.9 million gas customers. Our service territory includes the state's six largest cities and approximately 300 suburban and rural communities, where 6.2 million people, or about 70% of the state's population, reside.

PSEG includes **PSEG POWER**, a generation portfolio of diverse, efficient assets located in the Northeast and Mid-Atlantic regions of the United States. In June 2021, PSEG Power retired its last coal-fired generating plant and completed the sale of its non-core Solar Source portfolio. In August 2021, PSEG agreed to sell its PSEG Fossil generating portfolio, furthering its transition to a clean energy-focused infrastructure company. PSEG owns and operates nuclear generating stations that provide nearly 40% of New Jersey's electricity and account for over 90% of the state's carbon-free electricity.

Another member of the PSEG family of companies, **PSEG LONG ISLAND**, operates the electric transmission and distribution system of the Long Island Power Authority, with 1.1 million customers.



## Core Commitments:

- Safety
- Integrity
- Continuous Improvement
- Customer Service
- Diversity, Equity & Inclusion





# Letter from our CEO

It is my privilege to present PSEG's inaugural Diversity, Equity and Inclusion (DEI) Report. This report tracks significant milestones in our efforts to recruit and develop diverse talent, to build a culture that respects and celebrates our approximately 13,000 unique employees, and to be a positive force for the many diverse communities we serve.

Since our company was founded more than 118 years ago, PSEG's purpose has been to improve the lives and opportunities of our customers, our employees and the world around us. Today, we are on a continuing journey to bolster our commitment to a diverse, equitable and inclusive workplace. With this report, we hope to share that journey with our many stakeholders.

PSEG's focus on DEI is multi-faceted.

We understand that diversity embraces the full breadth of all people, their ideas, thoughts and perspectives, and a vast blend of organizational and human characteristics, experiences, needs and traditions. As a leader in the energy sector, we know that reflecting, valuing and leveraging diversity is essential to attract, develop and retain people with different minds who bring us better ideas and the best solutions.

That is why in 2020, we launched Inclusion for All, our enterprise-wide DEI strategy through which we are taking concrete actions that we believe will lead to meaningful and sustainable change. Our overall

strategy also includes the launch of an inclusive leadership development program for our top 200 leaders, which I personally led. It also includes our decision to join with New Jersey Gov. Phil Murphy and the New Jersey CEO Council to commit to hire or train 30,000 residents by 2030, with a focus on underrepresented communities of color and other underserved communities, and to spend an additional \$250 million with state-based, diverse suppliers by 2025.

We also are committed to transparency and sharing with you the progress – and challenges – we face in moving the needle as quickly as we would like. But drive it we must if we are to achieve the goals that stand before us: the transition to a stronger clean energy economy, tackling climate change, preserving our nuclear fleet, modernizing critical energy infrastructure, and restructuring and reimagining our business and our culture.

I have no doubt we can achieve our goals if we come together and leverage the diversity among us. When we take on these challenges together, no achievement is beyond our reach.



**Ralph Izzo**  
Chairman, President and CEO, PSEG



# Q&A With Our Chief Human Resources and Chief Diversity Officer

**Q:** How would you describe the culture here at PSEG? In your experience, what makes PSEG special?

**A:** PSEG's culture straddles the best of two worlds: the opportunities for career development and advancement and other resources that come with being a Fortune 300 company, as well as the attention, camaraderie and care for one another you might typically associate with a small business. Our people managers understand the importance of relationships and how they treat people, as well as the value of a healthy work-life balance. We strive to ensure that every employee feels seen, heard and respected. Most of all, PSEG employees take enormous pride in the work they perform in service of our customers and communities. Our workforce recognizes that providing the essential energy that powers millions of homes and businesses places our company in a position of trust, and approaches that responsibility with respect and purposefulness. We're proud that the critical work we perform has a positive impact on our customers, our economy, our environment and our climate.

**Q:** Why is DEI one of PSEG's five Core Commitments?

**A:** We believe that an environment of diversity, inclusion and belonging fosters innovation, strengthens our workforce, and improves our ability to serve customers. But beyond that, we also recognize

that employees – especially those just entering the workforce – want to work for an organization that shares their own values, is purpose-led, and recognizes the importance of equity.

**Q:** What does a diverse workforce look like at PSEG? Is it more than gender and race?

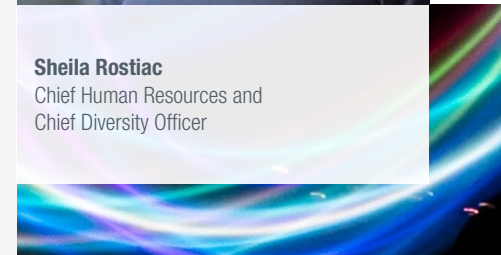
**A:** Diversity is multi-faceted and goes well beyond visible diversity such as gender, age, and ethnicity to include nationality, mental health, sexual orientation, socioeconomic status, disability and neurodiversity, religion, and parenthood. We are all shaped by many factors that together make us who we are. Data show that by focusing on the full spectrum of employee diversity, employers can create a stronger, more impactful culture of inclusion. I believe strongly that now is the time to build on our diversity, equity and inclusion experiences and skills to ensure no one is excluded. Our success depends on it.

**Q:** Where is PSEG in its DEI journey?

**A:** While we have seen movement in the right direction, we still have more work to do. That is why we have created our Inclusion for All roadmap against which we are holding ourselves accountable by making DEI part of our annual incentive program and reporting our performance to our board of directors and external stakeholders on a regular basis.



**Sheila Rostiac**  
Chief Human Resources and  
Chief Diversity Officer

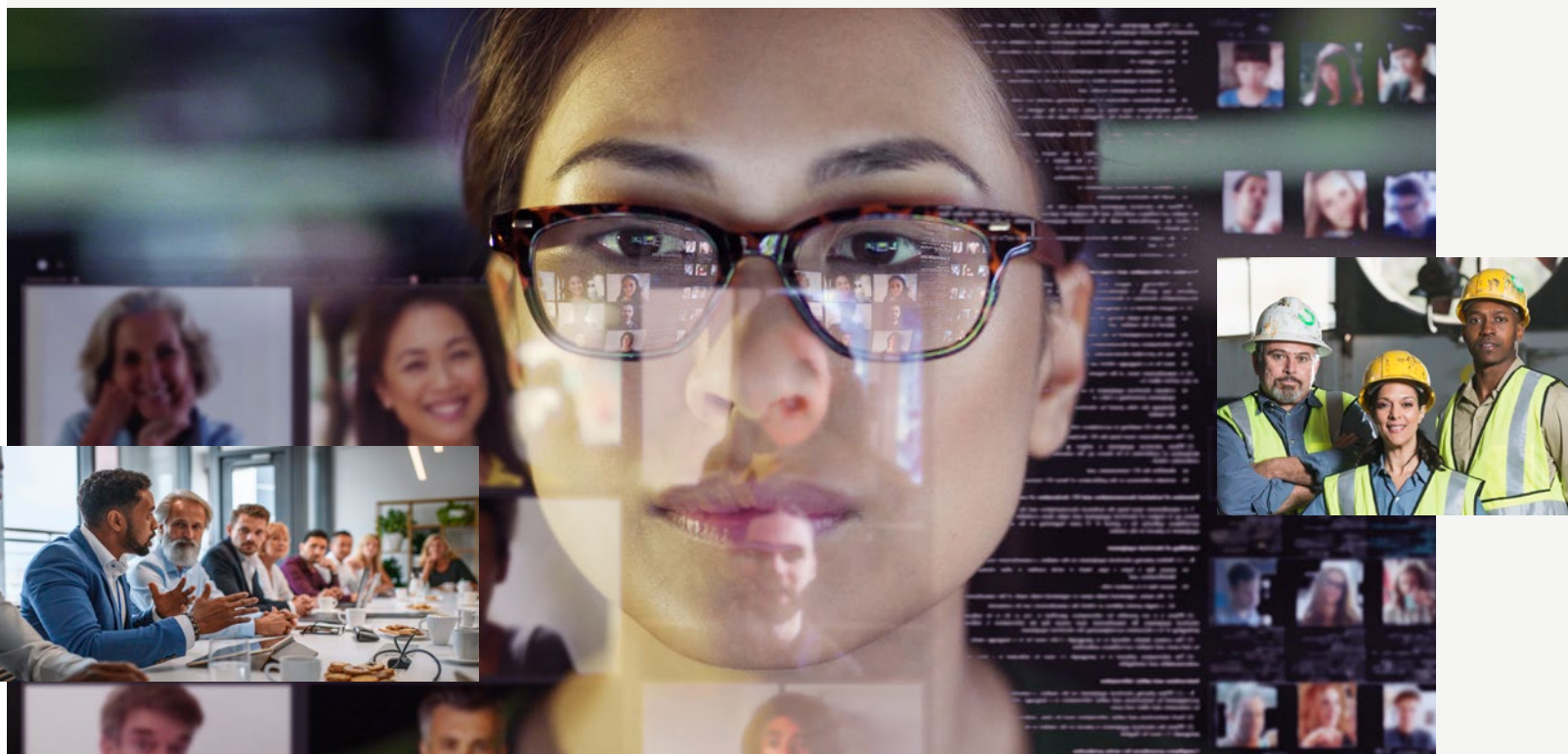


**Q:** How does PSEG engage employees in this work?

**A:** While we are fortunate to have tremendous leadership support, progress would be impossible without grass roots efforts led by employees across the organization. Dedicated Local Inclusion Teams are serving as change ambassadors at PSEG sites and departments across the enterprise. So too is our Employee Business Resource Group (EBRG) network, which is helping us have the difficult but important conversations we need to have to better understand one another. A third and just as crucial partner are our unions. They have stepped right up to support the company's goals and, together, we are developing customized ways to raise awareness and commitment among union employees.

**Q:** As society continues to embrace diversity, what role do allies play?

**A:** When I think about allyship, the key words for me are support, advocate and challenge. An ally is someone who voices support, who demonstrates value and respect for another person and their experience, and who looks for what they can do to help. You may not understand everything about another person's history, background or life experience, but you push through any fears of difference and choose to stand up for and alongside them to fight any injustice against them – even if you can't fully understand it and even if the issue doesn't personally affect you. No individual group can achieve equality until all groups have equality. It's about valuing someone else's needs, perspectives and freedoms, and doing something about it.





# Supporting Diversity, Equity and Inclusion in Our Workforce





# Supporting Diversity, Equity and Inclusion in Our Workforce

We are committed to fostering a culture of belonging and equity within PSEG, where diversity is celebrated, and inclusion is the norm. While we are proud of the progress we have made, we know there is always more work to do, and we are excited for those challenges and opportunities.

## Our Approach

Diversity, equity and inclusion (DEI) has always been a top priority at PSEG and one of our Core Commitments. On Jan. 1, 2020, to help ensure we continue to address the needs of our ever-changing society and workplace, we launched the next phase of our DEI work – Inclusion for All.

Inclusion for All is our enterprise-wide multi-year DEI strategy focused on driving change and achieving our ambitions to:

- Increase the representation of people of color and women in the workforce, particularly within management and union-represented roles.



- Sustain an inclusive and equitable workplace where employees are engaged, feel psychologically safe, and can innovate and effectively achieve the company's business priorities.

The Office of DEI within PSEG is responsible for executing the strategy, which is based on four strategic pillars:

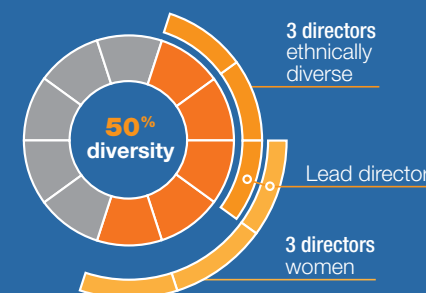
- Inclusive leadership
- Driving change at the local level
- Equitable policies and practices
- Union partnership

## Building inclusive leadership

In 2020, we launched a CEO-led inclusive leadership development program for our top 200 leaders designed to teach and reinforce the skills necessary to create an inclusive workplace. The program included formal learning sessions on how to incorporate DEI into all aspects of the talent life cycle and be an inclusive leader, as well as e-forums for open discussions. Participants were required to complete written assignments including the development of a personal DEI action plan for their team, and worked as cohorts to support one another's DEI work. In 2021, we expanded the program to all people managers and added a coaching and mentoring component.

At PSEG, diversity starts at the top with our board of directors.

- 50% of our board is gender and/or ethnically diverse
- Four of six board committees are chaired by a woman or an ethnically diverse director







We also turned to a non-traditional learning opportunity: reverse mentorship. Launched in 2021, this program flips the typical mentoring relationship and allows senior leaders to gain insights, skills, knowledge and understanding from junior employees on topics such as bias, stereotypes, work/life balance, school challenges and communication preferences.

## Driving change at the local level

In 2020, we started the year with a two-day Action Summit to prepare leaders in the organization to serve as local DEI partners. The result: the creation of more than 50 local inclusion teams, including teams within

many of our business units and field locations. Together with their DEI partners, teams are responsible for advancing a culture of inclusion focused on DEI awareness and appreciation, employee recognition, career growth and development, and volunteerism.

Since the launch, teams have executed more than 350 events, programs and initiatives. For example, our Customer Operations team launched a monthly club called “On the Same Page,” which discusses a book, movie, or documentary dealing with an issue related to DEI. Our South Plainfield, NJ, team introduced a “Tough Conversation Series,” which provides safe spaces for employees to discuss difficult topics and current events.

## Employee Business Resource Groups

Our Employee Business Resource Groups (EBRGs) help build meaningful connections through community outreach and volunteerism, mentorship, and professional development; elevate diverse perspectives; support key business goals and priorities; and create spaces for employees to learn from each other.

They bring our company culture to life through programs such as the International Women’s Day Conference, Veterans Day Recognition event, and a Racial Trauma Workshop Series.



**Christa D. Newsom**  
Enterprise Culture Manager

“It is not just a core DEI team that promotes an inclusive culture at PSEG. This work is driven through our leadership teams and associates. In addition, our EBRGs and Local Inclusion Teams are made up of employees committed to improving our culture and ensuring that each person feels respected, valued, and heard.”

## Supporting DEI with PSEG Unions

To further increase partnership with our union-represented employees, in 2021, we established the PSEG Union DEI & Culture Council comprised of more than 40 union-represented employees from each union across the enterprise, the Office of DEI, and line of business leadership. Together, the council seeks to advance an inclusive workplace culture through behaviors, systems and practices.

Our enterprise-wide EBRGs include:

- ABLE (*People with Disabilities*)
- Adelante (*Hispanic/Latinx*)
- Aspire (*Pan-Asian*)
- BALANCE (*Parents & Caregivers*)
- Level Up (*New Hires*)
- PRIDE (*LGBTQ+*)
- ProLiFic (*Pan-African*)
- Rise Up (*All Employees*)
- VETS (*Veterans and Military Families*)
- Women’s Leadership Alliance (*Women*)



# Attracting, Recruiting and Developing a Diverse Workforce

We are working to attract a wide diversity of people from different backgrounds, cultures, education experiences and religions because we know that a workforce that reflects the diversity of our customers and communities will bring more innovative thinking and better ideas and solutions to our business.

In October 2020, PSEG [joined with New Jersey Gov. Phil Murphy and the New Jersey CEO Council](#), a coalition of some of the state's largest companies, to commit, together, to hire or train 30,000 residents with a focus on underrepresented communities of color and other underserved communities by 2030.

We work with historically black colleges and university (HBCUs) and Hispanic-serving institutions that offer curriculum aligned to our recruitment needs through career fairs, networking panels, internships, and other activities. One of our key partners is North Carolina Agricultural and Technical State University (A&T), where PSEG guest lecturers provide insights on the energy sector and discuss decarbonization technologies including advances in wind and solar. We are also working with Hampton University, Howard University and several Hispanic-serving institutions, such as Montclair State University, and will continue to explore additional opportunities.

We are also rolling out programs to support the development and increase advancement and retention of diverse, high-performing employees as well as reviewing and, where necessary, changing hiring practices to eliminate unconscious bias. Recent examples include:

- Reviewed and rewrote job descriptions to ensure education and experience requirements are necessary for the job with a goal of increasing the applicant pool (See story on [page 10](#))
- Trained hiring managers and recruiters on how to promote equity and eliminate bias in the hiring process
- Introduced “Inclusion Interrupters” in calibration sessions to help ensure leaders make objective decisions when evaluating employee performance (See story on [page 10](#))
- Launched a new program that randomly selects a sampling of year-end manager assessments and evaluates them for potential of unconscious bias. Additional training is provided on mitigating bias where needed.





# Memberships and Partnerships

We work with a variety of partners to help accelerate our efforts to attract and hire a diverse range of employees. We have collaborated with many of these partners for multiple years, helping to bring a pipeline of high-talent candidates into PSEG. We've also added new partners recently to align with our goal of expanding our diversity efforts to make sure our workforce reflects the communities we serve and all of the dimensions of diversity represented in those communities, including disability, parental status, LGBTQ+, and those with socioeconomic challenges.



Mayor's Office of Employment & Training  
City of East Orange







**Charlie Hatton**

Distribution Manager — Overhead Construction  
Central Division, Electric Operations

## Challenging traditional job requirements to broaden candidate eligibility

For Charlie Hatton, a U.S. military veteran who joined PSEG as a project quality assurance/quality control specialist in 2015, showing how his military experience could transfer to a specific role was initially difficult.

“I applied for a job that I thought I was a good fit for, although I realized that the person screening the resumes might not agree because of my military background,” Hatton said. “It turned out I was right, and I didn’t get the interview.”

After that experience, Hatton reached out to PSEG’s Accelerated Mobility team. Launched in 2020, the program seeks to broaden the candidate pool eligible for roles within PSEG and help employees achieve their career goals.

A key part of the program is reviewing job descriptions before they are posted to analyze and, often, adjust education and job experience requirements that may unnecessarily limit the scope of qualified candidates. For example, some roles historically required a bachelor’s degree.

Prior to posting, the program team works with the hiring manager to determine if the degree requirements can be broadened or if candidates can qualify for the role with experience in lieu of a degree.

“In the past, we may have required a very specific degree or experience in the job description for a posted role,” said Joyce Heckman, director of Talent Acquisition and lead for the Accelerated Mobility program. “We realized that this was too limiting. By changing how we approach job qualifications, we are enabling more individuals to be considered.”

The program also supports employees through the hiring process. After Hatton was turned down for the interview, through the Accelerated Mobility program he received 1:1 coaching and guidance on how to strengthen his resume and translate his military experience into concrete skills relevant to a hiring manager. He also participated in an interview prep webinar. The result: The next time he applied for a position, he got the interview – and the job.

Watch [this video](#) to hear more from Hatton and the Accelerated Mobility program.

## Supporting inclusion through interruption

In 2020, we introduced “Inclusion Interrupters,” trained Human Resources professionals who participate in calibration sessions to help managers make objective performance decisions. Inclusion Interrupters pause conversations and discuss statements they recognize as potentially biased and give every participant equal chance to speak and share their perspective.

For example, a statement such as, “She comes across as abrasive when interacting with her peers and customers,” may be challenged by the PSEG Inclusion Interrupter who will suggest that the manager making the comment revisit performance criteria and validate that their sentiment is based on tangible evidence, not instinct or inclination. They also look out for keywords that suggest a problem with who someone is, such as, “Since he came back from medical leave, he just doesn’t care as much about the work.” In this example, an Inclusion Interrupter may ask for the manager to consider more concrete examples of the behavior and focus on work performance.



## Leading industry efforts

PSEG works with industry groups to create more diverse pipelines. One key partner is the Center for Energy Workforce Development, a non-profit consortium of energy companies, contractors, associations, unions, educators and business partners. Steve Fleischer, senior director of DEI and Talent Acquisition & HR Operations at PSEG, is on the steering committee of the center's DEI Community of Practice. The Community of Practice is working with the National Utilities Diversity Council and other nonprofits to create pilot programs at three minority-serving institutions: California State Polytechnic University at Pomona, Jackson State University and Spelman College. Each program will connect students with mentors from the energy sector.



**Nevdon Hylton**  
Manager – Project Engineering,  
PSE&G Asset Management



## Joule Professional Development Program

To support the advancement of people of color within our workforce, in 2020, we launched a leadership development program called Joule. The program includes curated speaking opportunities, personal certified executive coaching, and support from PSEG senior leaders serving as advisers. The program's first cohort included nine Black professionals, of which eight moved on to new positions or took on additional responsibilities within six months of their participation. In 2021, the program supported its second cohort (18 employees) with a focus on Hispanic employees. In 2022, the program will focus on the development of Asian employees.

“The Joule program helped me unveil why I need to bring my full self to everything I do, not just at work, but by being myself and allowing my full potential to be shared with everyone,” said Nevdon Hylton, Joule graduate and manager of Project Engineering for PSE&G Delivery, Projects and Construction. “It also gave me a deeper understanding of the energy and talents we possess, and how to use my energy positively and effectively to influence those around me. Basically, know your superpowers and use them intentionally to make a positive impact.”



## Focus on our goals: Increasing women in our workforce and management

Going back more than 100 years, the energy and utility sector was predominantly male. Today, that is changing through efforts to bring more women into the sector and provide opportunities for them to advance and thrive.

While PSEG has been working to accelerate the recruitment of women for many years, we took another step forward in 2020 by launching our Women-in-Skilled-Trades initiative to increase recruitment of women specifically within union-represented roles. Activities included partnering with organizations such as Non-traditional Employment for Women to identify qualified women applicants and hosting our first Strategic Alliance Virtual Open House. The event brought in new community partners to connect with PSEG hiring opportunities.

As U.S. activist Marian Wright Edelman said, “You can’t be what you can’t see.” The initiative also highlights PSEG women (such as Amanda Mitchell and Pradnya Joglekar, to the right) working in operational roles through articles on our website, while PSEG “brand ambassadors” speak with female students at local high school and college recruiting events. Based on our efforts, the percentage of women in union-represented roles has increased, particularly within PSE&G.

### Employee Profile: Amanda Mitchell

In March 2021, in honor of Women in Construction Week and Women’s History Month, PSEG Long Island recognized Amanda Mitchell, a master meter technician. More than 30 years ago, Mitchell became the first woman in her department to test meters in the field rather than in the shop. Mitchell also is vice president of the IBEW Local 1049 Electrical Workers Minority Caucus. In addition, she participates in community service projects to build homes, fight cancer and mentor young people across Long Island. Watch a video [here](#) on how Mitchell is helping to pave the way for other women in the industry.



### Employee Profile: Pradnya Joglekar

When [Pradnya Joglekar](#) was growing up in Nagpur, a city in central India, her father would often stress the importance of the “three D’s” – discipline, determination and dedication. These were, he taught his daughter, the keys to success. Today, Joglekar is a PSEG senior project manager and leads a team that manages multi-million-dollar capital projects for approximately 85 facilities (at more than 55 sites) in New Jersey.

Looking back at her nearly 20 years in design and construction, she notes: “It took me a lot of time, perseverance and diligence to establish a reputation for myself because there traditionally haven’t been many women – especially South Asian women – in the construction industry. Fortunately, that is changing.”



Read other examples from our series of women in skilled trades on our [PSEG Energize! Blog](#) and in [this video](#).





We also support leadership development of women through GROW (Growing and Reaching for Opportunities for PSEG Women). In 2020, participation in GROW doubled from 15 to 30 women, and increased further in 2021 to 44 women. More than a third of women who have participated have moved into new positions within the organization, including Priya Varma.



Varma was an analytics and planning manager within PSEG's Human Resources team when she started the program. Shortly after completion, she took on a new role in Talent Management before being promoted in 2021 to director of Strategic Initiatives.

"The program opened the doors for self-discovery and taught me that there may be detours or lateral steps you need to take. That is exactly what I did and landed the role to which I aspired."

## Employee Profile: Kim Hanemann becomes first woman to lead PSEG's utility business in the organization's 118-year history

Kim Hanemann remembers a family picnic when she was still a college student.

"An uncle asked my father, a proud union construction leader, 'Why are you wasting your money by sending your daughter to engineering school?'" she recalled. "My father looked at him and said, 'She can be anything she wants to be.'"

In 1986, she brought that goal to PSEG, where she started in field operations, gas electric distribution transmission, as an associate engineer. Through the years, Hanemann continued to hone her skills and build her professional network, ultimately being named in June 2021 as President and Chief Operating Officer of PSE&G.

"PSEG is committed to building a culture where talented employees can be anything they aspire to be – I am proof of that," Hanemann says. "As a leader, I am passionate about supporting other women in ensuring they have the same opportunities I did through career development, mentoring and on-the-job opportunities."



**Kim Hanemann**  
President and COO – PSE&G

*"She can be  
anything she  
wants to be."*



# Advancing Equitable Policies and Practices

Equity is a critical component of our strategy to help ensure we make benefits and opportunities accessible to all employees.

In 2020, PSEG undertook a comprehensive equity review of its employee policies and programs. Among the resulting changes were an expansion of our paid parental leave policy to provide six weeks of fully paid leave and an update to our incentive program (annual bonus) to allow greater flexibility for employees who take extended disability leave, including maternity leave.

We also perform pay equity reviews to help ensure employees are being paid appropriately based on legitimate business factors and that gender or race are not factors in any pay decision. If pay gaps are identified, we work to close them.



## Mitigating equity risks within our reimagined hybrid workforce

Hybrid workplaces can lend themselves to inequities: An online meeting ends and people in the room stay behind and continue the meeting; a manager gives a new work assignment to the person sitting next to them rather than to an employee working virtually.



Proximity bias is the idea that employees with close physical proximity to you are better workers (e.g., you see they are working so they must be productive), which can lead to greater opportunity and advancement. As part of our Responsible Re-Entry Playbook developed in 2021, we are working to combat proximity bias and help managers focus on the quality and quantity of their employees' work — not where and when they are working. Through our new hybrid work approach, we are offering employees greater flexibility of where and when to work — recognizing that it doesn't need to be the same for each employee.



## Creating a Culture of Inclusion

At PSEG, we believe a culture of inclusion is one in which PSEG employees – irrespective of gender, race, ethnicity, nationality, language, age, cognitive or physical ability, sexual orientation, education, religion, socioeconomic situation, or background:

- Feel welcomed, trusted, respected, and valued as people and business partners.
- Can bring their authentic selves to work and feel safe to express aspects of themselves and perspectives that may be different from their peers.
- Will not look the other way when someone is not being treated equally or with respect.

While we have made progress in our journey, there is further to go.



**Janeen Y. Johnson**  
Enterprise DEI Manager

“The Relevant Conversation series harnesses the power of personal storytelling as a principle for building a sense of belonging and trust in the workplace. Sharing one’s lived experiences builds empathy, empathy creates awareness, and awareness inspires advocacy for change.”

In 2020, we launched our Relevant Conversations series, a virtual social issues forum to engage employees in guided, diversity-focused discussions. Since June 2020, we have held seven 90-minute forums with an average of 650 employee participants.

Topics have ranged from inclusivity and race following the murder of George Floyd to what it means to be an effective ally for the LGBTQ+ community. And in 2022, we will host a Relevant Conversation focused on white males and how our DEI work applies to them as a critical part of our workforce.

We are also introducing a cultural celebrations calendar for employees to add to their online calendars. It will remind managers of cultural events that members of their team may be celebrating and provide links to more information.

## Celebrating Juneteenth

In 2020 and 2021, PSEG recognized the Juneteenth holiday – which commemorates the emancipation of enslaved people in the United States – with paid time off for nearly 13,000 employees, providing an opportunity for reflection, education and community involvement.

In 2021, during the Juneteenth celebration, PSEG welcomed our newest enterprise EBRG, the Pan-African Leadership Forum, or ProLiFic. The choice of the term “Pan-African” for the name of this new EBRG is significant because it is inclusive of all people of African descent, whether they were born in North America, South America, the Caribbean, the continent of Africa or elsewhere. The mission of the ProLiFic EBRG is to cultivate leaders among our employees of African descent, to inspire excellence, empower the communities we serve, and foster a culture of belonging. The Juneteenth holiday honors the resiliency of enslaved people, while the ProLiFic EBRG was founded to support resiliency throughout our workforce.

## Creating allies for gender inclusion

In 2021, we launched Men Advocating Real Change (MARC) at PSEG in partnership with our global non-profit partner Catalyst to inspire men to be advocates for equity and inclusive workplaces. Ralph LaRossa, PSEG Chief Operating Officer, and Sheila Rostiac, our Chief Human Resources and Chief Diversity Officer, serve as executive sponsors. In its first year, 60 senior leaders participated in the program.





## Disability Inclusion: Raising awareness and recognizing our strengths



In 2020, PSEG CEO Ralph Izzo joined more than 300 CEOs by signing [The Valuable 500](#), a global movement that is putting disability on the business agenda. In support of this commitment, PSEG will:

- Continue our efforts to create an inclusive workplace where our employees feel comfortable self-identifying as disabled.
- Work to ensure accessible practices, policies and technologies are in place, and that employees are aware of them.
- Provide the accommodations and support employees with disabilities need to succeed at PSEG.
- Increase our efforts to recruit people with disabilities by developing new partnerships and programs.
- Continue the work of our EBRG focused on employees with disabilities and their caregivers to build a culture of awareness and respect for people with disabilities.

In August 2020, we launched an enterprise-wide Disability Inclusion Campaign to raise awareness of employees living with disabilities and their contributions to PSEG success, as well as to help employees feel comfortable to self-identify. It included

spotlights on employees in our internal and external communications and a Relevant Conversations event with employees who shared their own experiences about living with a disability and providing care for a loved one with a disability. Panelists also shared advice on how to make people living with disabilities feel included, respected and valued. At the end of the campaign, we measured if we had moved the needle. What we found surprised us: There was an increase of more than 300% in the number of employees who self-identified as living with a disability between August and December 2020.



### Neurodiversity Works at PSEG

In late 2021, as the next phase in our journey, we launched a neurodiversity program — Neurodiversity Works — which seeks to address unconscious and conscious bias within the workforce of individuals with developmental disabilities. The program will also support qualified applicants living with neurodiverse conditions such as Tourette syndrome, dyslexia or autism to apply for careers at PSEG.

Starting with a pilot in our Customer Operations department, we are partnering with external organizations and local universities to recruit qualified candidates and providing training to hiring managers to help them effectively work with neurodiverse individuals. Members of our ABLE EBRG will provide support to new employees once on board.

“Neurodiverse individuals are an underrepresented community of talent who can bring great strengths to our workforce,” said Jane Bergen, Director of Billing, Revenue & Controls, PSE&G. “Through Neurodiversity Works, PSEG is striving to break down the barriers that often limit these individuals from being considered for employment.”



**JoAnn Koon-Smith**  
Manager Strategic Sourcing & EEO  
& Accessibility Programs

“Disability inclusion is about more than hiring people with disabilities. It involves creating a workplace where employees with disabilities are valued for their strengths and have the same opportunities to succeed, to grow professionally and to advance.”



## Marking the 30th anniversary of a historic milestone

2020 marked the 30th anniversary of the Americans with Disabilities Act (ADA), landmark legislation that prohibits discrimination against individuals with disabilities. The ADA was a catalyst for sweeping transformation in employment and transportation, public accommodations, commercial facilities, and other areas. PSEG was a proud sponsor of the National Organization on Disability's Annual Forum in August 2020, which leveraged the anniversary to raise awareness about the importance of ensuring equal opportunity for all. Listen to a message from PSEG CEO Ralph Izzo about the ADA [here](#).



Photo courtesy of The George Bush Presidential Library and Museum.

## Living with an invisible disability



**Robert Cordrey**  
Shift Operations Manager

Nearly 50 million Americans have significant hearing loss, often called an “invisible disability” because it’s not obvious to the casual observer.

At PSEG, employees with hearing loss work in some of the company’s most demanding jobs. Robert Cordrey is one of them. He is a shift operations manager at PSEG’s Salem nuclear power plant, where he supervises the plant and helps ensure it operates safely.

U.S. President George H.W. Bush signed [The Americans with Disabilities Act \(ADA\)](#) in 1990, marking not only the world’s first comprehensive declaration of equality for people with disabilities, but also a historic milestone in the fight for civil rights.



## Creating an inclusive environment for LGBTQ+ employees doesn't end with PRIDE month

PSEG is working to create a culture in which employees feel comfortable identifying as LGBTQ+, from selecting their pronouns to attending our [PRIDE and PRISM EBRG](#) events to talking about their personal lives at work like any of their colleagues.

In 2021, we published a formal LGBTQ+ Inclusion Pledge that outlines how we will create a sense of belonging for our LGBTQ+ community members beyond the requirements of the law. To support people managers, we provided a resource guide on how to reflect the pledge within their teams.

We also launched an enterprise-wide LGBTQ+ campaign. Through a combination of education, experiences and activities, our goal is to build empathy and create psychological safety. To kick-off the campaign, we held a Relevant Conversations event during which LGBTQ+ employees shared actions that allies and the organization can take to support LGBTQ+ colleagues and the communities we serve.

In 2022, we intend to expand self-identification options for gender, including non-binary, and sexual orientation in employee forms.

PSEG has offered medical benefits to LGBTQ+ spouses since 2016; previously, benefits were offered to domestic and civil union partners.

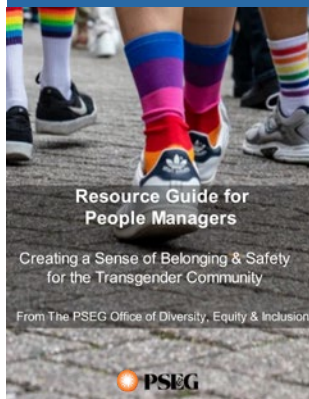


**Steve Fleischer**

Senior Director – DEI, Talent Acquisition & HR Operations  
and member of the LGBTQ+ community

“When I joined the company in 2007, LGBTQ+ issues generally weren’t discussed at either the corporate level or one-on-one. Now, fast-forward 14 years and we’ve made visible progress, but there is more that we can do. Everyone can play a part, especially allies. How? Get involved. Attend events focused on the LGBTQ+ community. Listen to your friends, family and colleagues. Speak up if you see someone being treated in a way that you are not comfortable with, even if it’s unintentional. We can’t change and ensure everyone is safe if people stay silent.”

## Creating a sense of belonging and safety for the transgender community



In 2021, we published a resource guide for people managers at PSEG to help them support transgender employees. The guide outlines steps managers should take in partnership with the transitioning employee and Human Resources to create a transition plan, including:

- The date the employee will change their gender expression, name and pronouns.
- How the transitioning employee would like to make their colleagues aware of their transition.
- Dates of any leave that may be needed for pre-scheduled medical procedures.
- How and when to change official employment records to reflect the employee’s new name and gender.
- Next steps for updating their name change and photographs, including email addresses (if applicable).

Managers also work with Human Resources to ensure the transitioning employee is aware of all transgender health benefits, which PSEG has offered since Jan. 1, 2017. Coverage includes medically necessary gender reassignment services for employees or their eligible dependents enrolled in a PSEG medical plan. Covered gender reassignment services include mental health services, gender reassignment surgery and hormone therapy.





## Accountability and Performance

At its core, our Inclusion for All strategy is intended to improve the day-to-day experience for all employees. To ensure accountability, our DEI priorities (see page 6) are embedded in our corporate scorecard. The results of our efforts impact the performance incentive awards for all non-union-represented employees.

Our Chief Human Resources and Chief Diversity Officer, who reports directly to our CEO, provides quarterly progress updates against the scorecard to our Executive Officer Group and an annual update to the Organization & Compensation Committee of the PSEG Board of Directors.

## Performance

### Employee engagement

- Achieved 7% increase in participation in annual employee engagement survey in 2021, from 51% in 2020 to 58% in 2021. This also includes a 10% increase in responses from our union-represented population.
- Achieved an engagement score of 84%, with 70% of the workforce reporting they are “highly engaged.”

### Demographics

- Representation of people of color has increased .9% since 2019.
- Representation of people of color is 4.7% above utility benchmark.
- Retention of people of color has improved by 3.9% since 2019.
- Retention of women has improved 8.3% since 2019.

- Representation of women overall has remained flat and is 6.9% below utility benchmark.
- The percentage of women in union-represented roles has increased since the beginning of 2021, and will continue to be a focus for PSEG moving forward.
- In 2020, our goal to increase the representation for people of color was exceeded.

	2017	2018	2019	2020	2021*
People of color employee population (%)	24.6	26.3	26.0	26.4	26.9
Female employees (%)	18.3	17.9	17.8	17.7	17.7
People of color in management (%)	18.5	18.8	19.7	20.6	20.9
Female employees in management (%)	13.9	14.1	14.9	15.6	16.0

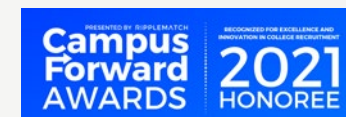
\* Projected as of December 1, 2021.

You can read our complete EEO-1 disclosures through the following links: [PSEG EEO-1 Data 2019](#); [PSEG EEO-1 Data 2020](#)

## Awards & Recognition

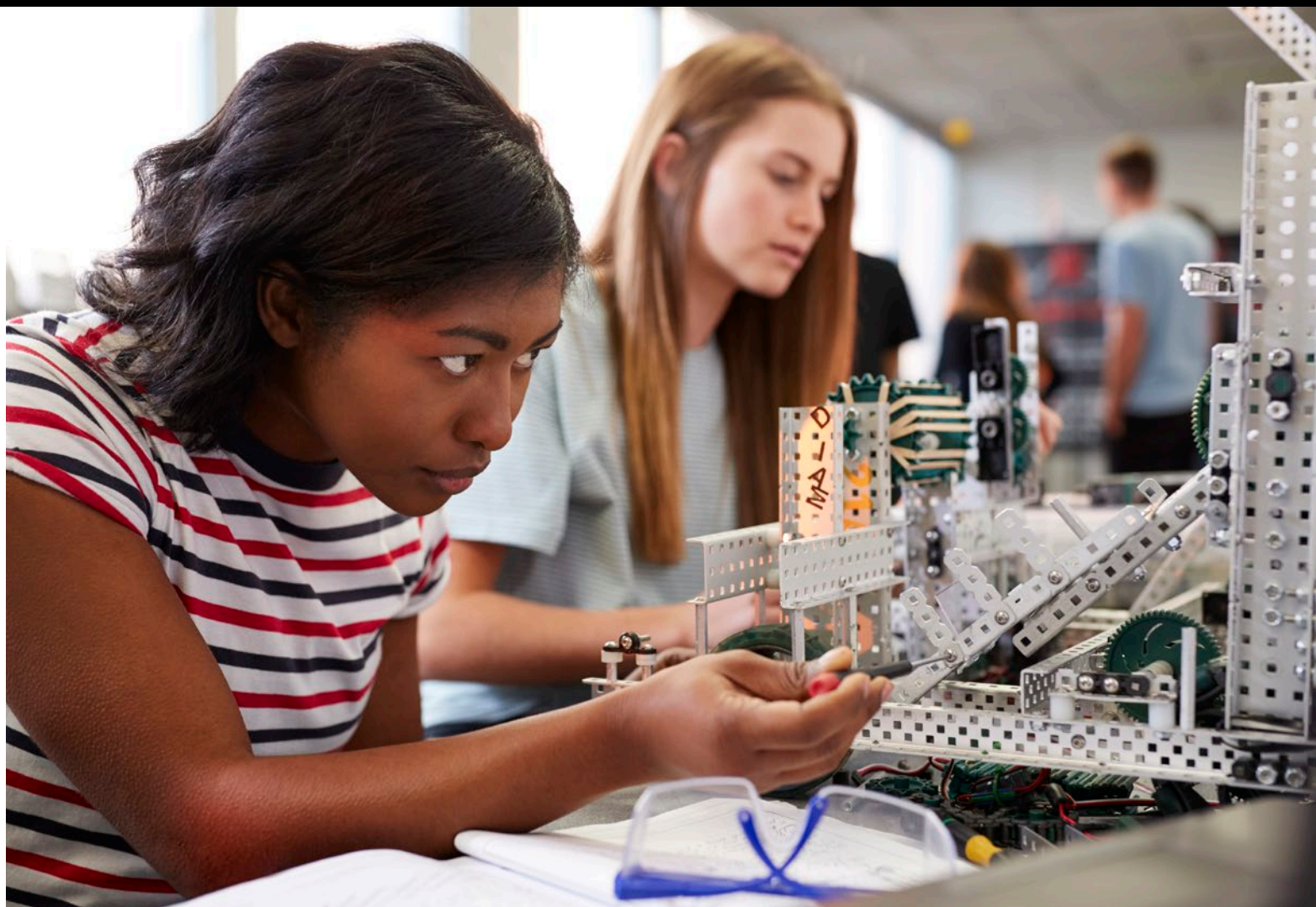
- Forbes list of America’s Best Employers for Diversity
- Forbes list of America’s Best Employers for Veterans
- Forbes list of America’s Best Large Employers
- Forbes list of Best Employers by State
- Seramount Best Places for Multi-Cultural Women
- Campus Forward Award – Recognized for Excellence and Innovation in College Recruitment
- Military Friendly® Employer
- National Organization of Disability Leading Disability Employer

**Forbes**





# Supporting Diversity, Equity and Inclusion in Our Communities





# Supporting Diversity, Equity and Inclusion in Our Communities

## Accelerating our commitment to supplier diversity

By supporting and expanding our work with diverse suppliers, we are strengthening the economic base of our communities and better reflecting the diversity of our customers.

**OUR GOAL:** Increase our business with diverse suppliers to at least 30% of our total applicable supplier spend by 2023. Already, in the past decade, PSEG has done more than \$1 billion of business with diverse suppliers.

**In 2020, PSEG joined with the New Jersey CEO Council, a coalition of CEOs from some of the state's largest companies, which, together, pledged to spend an additional \$250 million on procurement with state-based, diverse companies by 2025.**

**OUR APPROACH:** PSEG's supplier diversity process has been in place for more than 30 years, utilizing a number of processes and initiatives to grow business relationships and expenditures with certified minority-, women-, LGBTQ+-, veteran- and service-disabled veteran-owned businesses.

Our approach includes encouraging our prime suppliers to create their own supplier diversity strategies and goals to enable us to provide opportunities to diverse businesses at both Tier I and Tier II levels.

## Supporting diversity throughout our supply chain



Milhouse Engineering and Construction, Inc. – one of the largest Black-owned engineering firms in the Midwest – began its work with PSEG on a substation

control design project in 2018 as a Tier II supplier after attending a PSEG supplier diversity fair. At the event, they met PSEG prime engineering supplier Burns & McDonnell, which began a collaborative relationship leading to their first project together.

“We understood the technology required to support PSEG, but we needed the experience of working with an established supplier to learn the PSEG way of how to design and implement this technology into the PSEG system,” recalls Bob Smith, Senior Vice President of Power at Milhouse. “It was enormously helpful to work alongside an established PSEG supplier to get our feet wet. Burns & McDonnell and PSEG were – and continue to be – invested in our success.”

Milhouse was able to learn the PSEG way through multiple projects and, by 2020, had earned their own prime contract with PSEG. Since then, the company has expanded its office in Newark, New Jersey, dedicated to its growing PSEG portfolio.

“Our goal is to become a *premier* prime supplier for PSEG,” Smith says. “And we are on our way.”





PSEG’s primary outreach initiative is hosting PSEG-sponsored external supplier diversity procurement fairs. The venues give us the opportunity to connect and interview qualifying businesses for potential procurement opportunities with PSEG’s Procurement organization and PSEG leadership.

Participants also have the chance to network with PSEG’s top prime suppliers, New Jersey regulated utilities, and other New Jersey corporations. In 2020 and 2021, PSEG held virtual procurement fairs due to the COVID-19 pandemic.

In 2021, we launched a supplier diversity mentorship pilot with Rutgers Business School and our Renewables and Energy Solutions team. The program helps suppliers get certified and prepares them to work with us and other large companies in New Jersey and beyond.

# Partners

- African American Chamber of Commerce of New Jersey
- Commerce and Industry Association of New Jersey
- Diversity Plus Magazine
- Eastern Minority Supplier Development Council
- Edison Electric Institute’s Supplier Diversity Committee
- National Hispanic Business Group
- National Minority Supplier Development Council
- National Veteran-Owned Business Association
- New Jersey Association of Women Business Owners

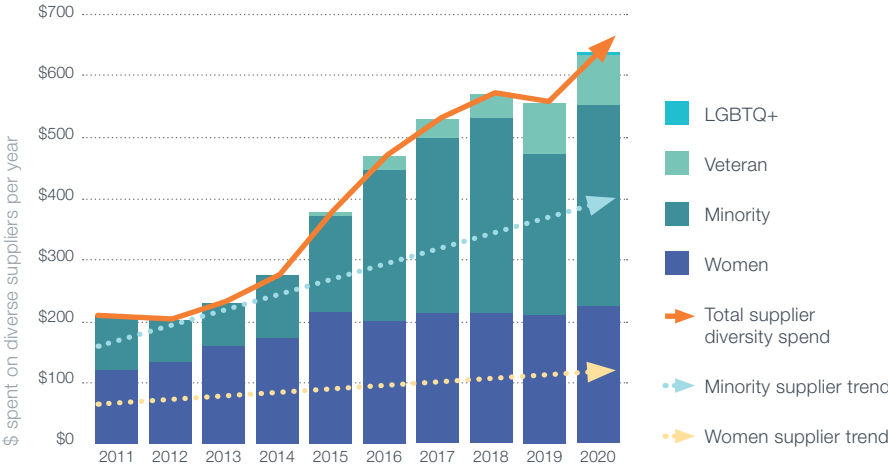
- New Jersey Board of Public Utilities Supplier Diversity Development Council
- New Jersey Small Business Development Center
- New York & New Jersey Minority Supplier Development Council, Inc.
- NJ State Veterans Chamber of Commerce
- Regional Alliance for Small Contractors
- Statewide Hispanic Chamber of Commerce of New Jersey
- Women’s Business Enterprise Council

# Our performance

During 2020, PSEG set a new company record for the sixth consecutive year of supplier diversity spend, buying more than \$644 million worth of goods and services from diverse suppliers, a 15% increase over 2019. More than 28% of our purchases were with diverse vendors – 2% away from our 2023 goal.

In 2020, PSEG added 67 new certified diverse-owned businesses to our Tier I and II active vendor list.

Supplier Diversity Spend





# Investing in the Communities We Serve

The PSEG Foundation and PSEG are committed to working with community leaders and non-profits to address deeply rooted barriers to economic prosperity, equity and social justice.

PSEG is part of the fabric of the communities in which we serve. We live and work here, as do our customers and business partners. When one of us is treated unjustly or discriminated against, we are all impacted.

Together, we are working to support opportunities for underserved populations and eradicate inequities and injustice.

## Creating opportunity in education and work experience



We believe that education is a key tool to combat racial and economic inequities. That is why the PSEG Foundation works hand-in-hand with partners to support the education of people of color in STEM-related fields including UNCF, the Thurgood Marshall College Fund and New Jersey-based Stevens Institute of Technology.



**Irene Muldowney**  
HR Strategy Manager – Talent Acquisition & Diversity

## Working for racial equity: One employee's experience

In October 2020, PSEG's Irene Muldowney temporarily stepped away for one year from her role on PSEG's Environmental Health & Safety team to help address systemic racism and social injustice as an Action for Racial Equity fellow. Her fellowship was part of PSEG's commitment to [CEO Action for Racial Equity](#), which is focused on improving the lives of the 47+ million Black Americans through advocacy and advancement of public policies that will root out and end systemic racism in four areas: education, health care, economic empowerment and public safety.

During the fellowship, Muldowney joined with professionals from more than 100 organizations to bring their diverse talents, experience, perspectives and ideas to the table. After an initial ideation phase, during which teams analyzed gaps in society and proposed solutions, she joined a team focused on increasing engagement among companies and HBCUs.

For Muldowney, the fellowship also provided important learnings she has brought back with her to PSEG.

"Whatever I think I know about the reach and impact of systematic racism there is always more to understand," she says. "While I am a person of color who has experienced struggle, I was reminded again and again that each person's experience in this country can be very different from another person. Not everyone is coming from the same place and that is important to understand so that we can meet people where they are at, and we can all work to build a better future with each other."



In 2020, we launched a work experience program to provide practical experience and corporate skill building to individuals from our community. Through assignments of up to one year, individuals gain experience in functions such as human resources, renewables and asset management. We work with local partners including the Edison Job Corp Center, the Newark Development Board, and the National Association of African Americans in Human Resources (NAAHR New Jersey) to identify eligible candidates, such as Kiesha Lee.



"I am honored to have been chosen as one of the newest members of the PSEG team by way of the Work Experience Program. As a graduate student studying industrial/organizational psychology, this experience has been a fantastic

continuum for growth and development as it relates to my career goals. I am gaining more practical skills in human resources across the enterprise, turning learned theory into practice through the work that I am doing and collaboration with internal and external constituents."

In March 2021, the PSEG Foundation announced [\\$1 million in grants to three HBCUs](#) – Hampton University, Howard University and North Carolina A&T. The universities will use the funding for scholarship programs, with a focus on students in STEM fields.

## Supporting environmental justice

Climate change is affecting all of us. But, like many other challenges in society, it's hurting communities of color the most. Research shows that historically underserved communities have fewer resources and less support to prepare and recover from extreme weather events driven by climate change, including excessive heat, flooding and air pollution.

As a leader in sustainability, PSEG supports environmental justice and believes that everyone has a right to a clean and healthy environment and the benefits of a decarbonized future. As part of our commitment, we are engaging with local communities to build a better understanding of their needs, particularly those who face disproportionate burdens from the impacts of climate change and yet are least able to afford the transition to a clean energy future. With this deeper understanding, we are working to develop solutions that not only address the needs of overburdened communities and customers, but also achieve environmental goals to preserve our planet and allow PSEG to continue providing safe, reliable, economic and greener energy and infrastructure.

We are also supporting policy action through our involvement with American Association of Blacks in Energy (AABE). Rick Thigpen, Senior Vice President of Corporate Citizenship at PSEG and Chairman of the PSEG Foundation, is a member of the board of directors of AABE, which engages in discussions on environmental and energy policies that impact people of color.



**Rick Thigpen**

Senior Vice President of Corporate Citizenship  
and Chairman of the PSEG Foundation







## Dismantling long-standing barriers to equality and justice

In 2020, the PSEG Foundation committed \$1 million toward the launch of the Powering Equity and Social Justice Initiative. This support spans a diverse range of causes and partnerships that bolster the history, arts and culture of underrepresented communities; revitalizing communities from racial and economic injustices; building bridges between law enforcement and communities; and addressing social determinants of health.

One of the first major recipients of this commitment was the Rutgers University Center on Policing, which will use this support to establish the Community Engagement Police Reform Program, an initiative that will allow police departments to review their current policies and procedures and work with



experts to design practices that foster community policing and de-escalation. The program will include educational initiatives alongside other New Jersey law enforcement agencies, community-specific assessments that focus on identifying local needs, and intensive workshops that will help individual police departments formulate strategies for improvement.

Other PSEG partners include the New Jersey Institute for Social Justice (NJISJ) (see story to the right) and

Salvation & Social Justice. We also work through broad coalitions to raise the visibility of important issues and enact policy change in areas such as voter rights, a key tenet of a strong, flourishing democracy and an important tool to achieve true social justice.

## Taking action to advance social justice

PSEG and the PSEG Foundation have supported the [New Jersey Institute for Social Justice \(NJISJ\)](#) since 2007 and its work to identify, analyze and address the underlying causes of social and economic disparities that constrain Black and other communities of color in New Jersey.

“Our work is to empower people of color in New Jersey so that everyone can thrive,” says Ryan Haygood, NJISJ’s president and CEO.

Part of PSEG’s support is helping NJISJ keep young people out of isolated youth prisons and in communities where they can receive appropriate guidance and care. With support from the PSEG Foundation and others, NJISJ is conducting research and raising awareness of policy reforms needed to ensure young people receive appropriate support and services in schools and through local child welfare agencies and community organizations. Such support has proven more effective in rehabilitation than costly youth prisons that separate youth at critical development stages from families and loved ones.

The PSEG Foundation also has provided support to help NJISJ staff travel to Selma, Alabama, to commemorate [Bloody Sunday](#), a defining moment of the U.S. civil rights era. In addition, the pilgrimage supported professional development for NJISJ staff to better understand ways to enhance voter participation, another critical component of their activities.



**Ryan P. Haygood**, President and CEO  
The New Jersey Institute for Social Justice



**Susanna Chiu** (right)  
Director – Energy Services,  
PSEG

## Building bridges to combat Asian American violence

Chinese American Susanna Chiu, director of Energy Services at PSEG, says the foundation of her 35-year career at the utility is problem-solving. It also is a skill she applied to address the [anti-Asian comments and violence](#) that swept through the country in 2020 and 2021.

As an active member of the Human Relations Council in her town, Chiu hosted a community event in the aftermath of the killing of eight people in 2021 – including six Asian women – in the Atlanta, Georgia, area to discuss the growing wave of anti-Asian racism. She continues to be a strong voice in her community against racism and violence, as well as through the Asians and Pacific Islanders Reaching for Excellence (ASPIRE) EBRG at PSEG.

“Many friends, neighbors and co-workers have been saddened by the violence against Asian Americans, and aren’t necessarily aware of how the community is feeling and the concerns we have,” Chiu said. “It is so important that the community works together and supports each other.”



## Conclusion

At PSEG, we recognize that the work required to foster a culture of diversity, belonging and equity within our organization and the communities in which we live and work will never be complete. But it is imperative that we move forward with passion and determination on our journey and hold ourselves accountable to our commitments.

As we do, we pledge to be transparent, sharing our progress – and challenges – with our employees and stakeholders.

For more information, please visit us online or contact us at [PSEG-Inclusion-for-All@pseg.com](mailto:PSEG-Inclusion-for-All@pseg.com).



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