Diversity, Equity and Inclusion

Edison International and Southern California Edison

August 2020

EDISON
INTERNATIONAL®
Energy for What's Ahead®

Committed to a diverse, equitable and inclusive environment

- Recognize our progress and remain **steadfast in our commitment to advance equity and inclusion for all**, with increased focus on opportunities for our Black colleagues and communities

- **Listen** to our employees, suppliers and communities; **understand** and gain insights from data and personal experiences; and then **act** by focusing our resources on the areas that will provide the greatest impact

- Take an additional step in **transparency and accountability** by sharing detailed data on our workforce, suppliers and community investment

Where we are today

Our Workforce

Diverse company with good representation throughout our workforce

- Nearly 70% of employees are female and/or racially diverse
- Generally meet or exceed labor market availability at all levels

Equal pay for equal work

- On average, employees in the same role get equal pay for equal work
- As in broader society, when looking at groups and not comparing roles, female, Black and Hispanic employees are paid less due to lower representation in higher-paying jobs

Low turnover may limit advancement opportunities

- Employee turnover is lower than benchmarks; robust competition for open positions may lead to employee dissatisfaction around growth and development opportunities

Strong culture and positive work environment

- Employee sentiment is generally positive and improving; importantly, however, Black employees report feeling less included than others
- Committed to cultivating a culture of inclusion

Where we are today

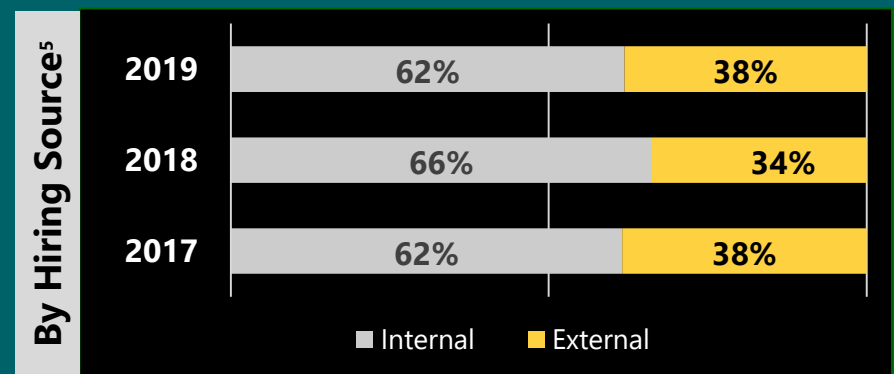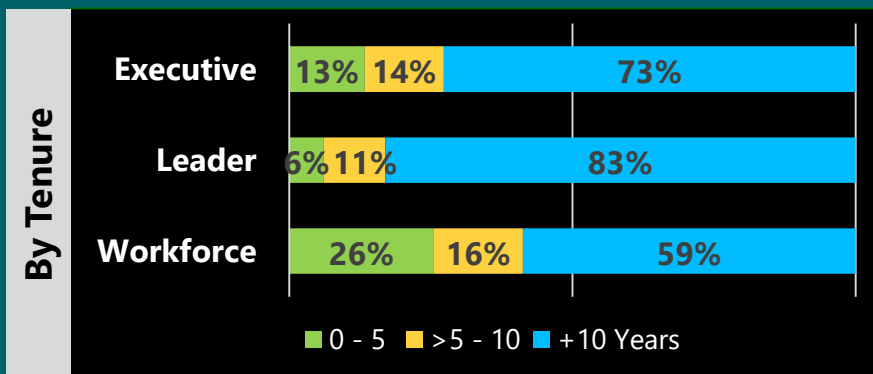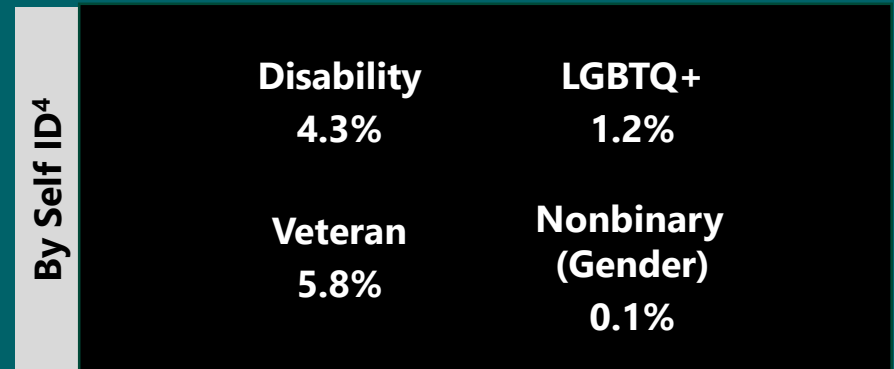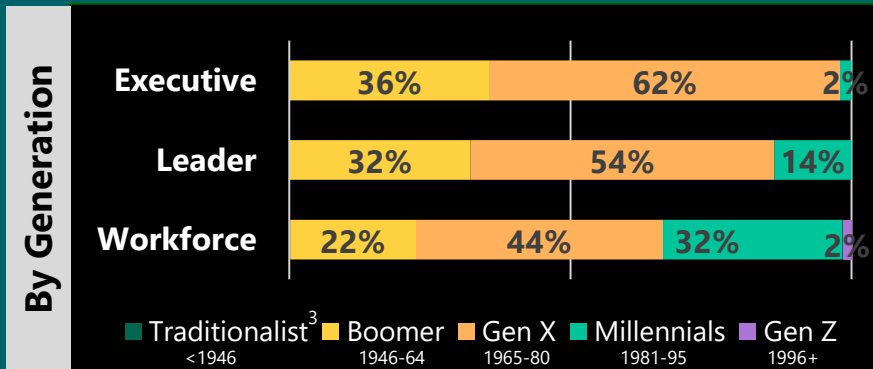|	
Our Business Partners	**Partnerships with diverse business enterprises** • Local economies supported by procurement of goods and services from diverse businesses, 40% of our $5.5 billion annual corporate spend • More than $1 million invested annually to sponsor and support technical assistance and capacity-building programs • More than 50 advocacy and community-based organizational partners to build awareness of our diverse supplier programs
Our Communities	**Investments and involvement to build stronger communities** • Annual shareholder-funded charitable investment of at least $20 million in nonprofits and higher education institutions, 80% targeted to diverse, underserved communities • 30 high school seniors receive $40,000 scholarships annually to support their STEM[1] studies; many are first in their families to attend college • Employees serve on nonprofit boards to advance their missions and support organizational growth and development; several are members of local/state government boards or serve in locally elected positions • Employees and retirees on average volunteer over 100,000 hours per year

A diverse workforce from many different perspectives

Workforce Population: 13,270
- Diverse[2]: **69.6%**
- Female: **31.8%**
- Racially Diverse[2]: **60.6%**

By Generation

Executive	36%	62%	2%
Leader	32%	54%	14%
Workforce	22%	44%	32%	2%

■ Traditionalist[3] ■ Boomer ■ Gen X ■ Millennials ■ Gen Z
    <1946   1946-64   1965-80   1981-95   1996+

By Self ID[4]

Disability	**LGBTQ+**
4.3%	1.2%
Veteran	**Nonbinary (Gender)**
5.8%	0.1%

By Tenure

Executive	13%	14%	73%
Leader	6%	11%	83%
Workforce	26%	16%	59%

■ 0 - 5 ■ >5 - 10 ■ +10 Years

By Hiring Source[5]

2019	62%	38%
2018	66%	34%
2017	62%	38%

■ Internal ■ External

Positive trends in female and racially diverse representation at all levels; more to be done to increase female representation in leader roles

The Department of Labor requires companies to compare their workforce to labor market availability based on the latest census (currently 2010) of qualified talent for various positions.

Female Representation

Group[8]	Current		Internal Trend[6]	
	Edison	Labor Market Availability[7]	1 Year	3 Year
Executives	36.4%	34.9% (National)	⬆ +3.6%	⬆ +7.5%
Leaders	25.4%	27.7% (Local)	⬆ +0.7%	⬆ +1.6%
All Workforce	31.8%	29.2% (Local)	⬆ +0.9%	⬆ +0.9%

Racially Diverse Representation

Group[8]	Current		Internal Trend[6]	
	Edison	Labor Market Availability[7]	1 Year	3 Year
Executives	35.0%	19.8% (National)	⬆ +2.2%	⬆ +2.6%
Leaders	49.7%	46.7% (Local)	⬆ +0.9%	⬆ +3.7%
All Workforce	60.6%	52.8% (Local)	⬆ +1.3%	⬆ +3.2%

Source: Edison International and SCE data as of 6/30/2020, excludes interns and employees on leave of absences

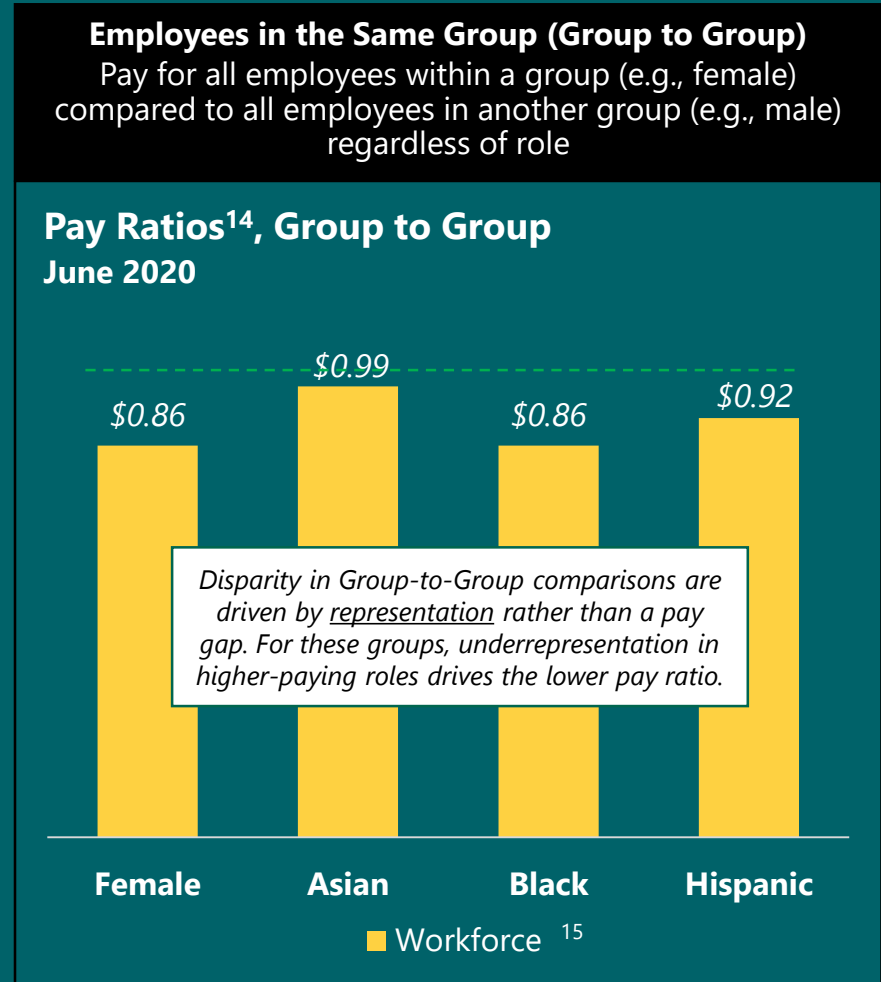# Diverse representation generally meets or exceeds labor market availability

In addition to labor market availability, we also look at the composition of the communities we serve. This comparison includes those who are not of working age and some who may not have the requisite skills, but it can be helpful in determining where we might help address larger societal issues, such as socioeconomic factors that can limit access to higher education. Over the long run, our efforts can contribute to changes in labor market availability that better reflect the communities we serve.

All Workforce (Inc. Executives & Leaders)	Edison	Labor Market Availability[9]	Our Communities[10]
Asian	13.8%	14.0%	11.0%
Black	6.5%	6.1%	7.0%
Hispanic	35.3%	29.7%	40.0%[11]
Other[12]	5.0%	3.0%	3.0%
White	39.4%	47.2%	39.0%

Executives	Edison	Labor Market Availability[9]	Our Communities[10]
Asian	13.3%	4.8%	11.0%
Black	6.3%	6.2%	7.0%
Hispanic	11.9%	7.0%	40.0%[11]
Other[12]	3.5%	1.8%	3.0%
White	65.0%	80.2%	39.0%

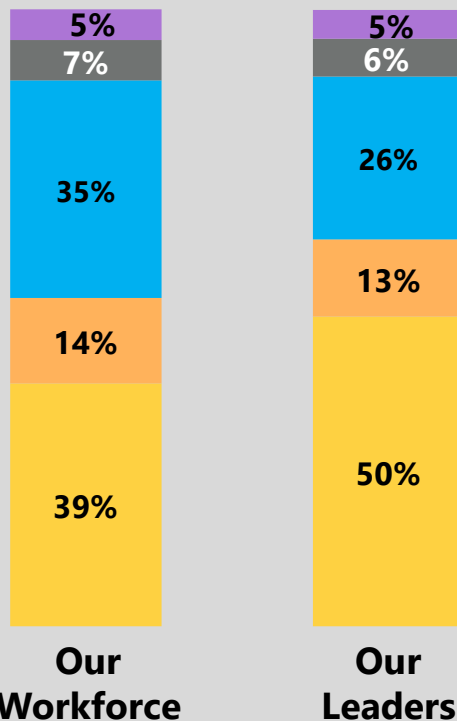| Leaders	Edison	Labor Market Availability[9]	Our Communities[10]
Asian	12.5%	14.6%	11.0%
Black	6.1%	4.9%	7.0%
Hispanic	26.4%	24.8%	40.0%[11]
Other[12]	4.7%	2.4%	3.0%
White	50.2%	53.3%	39.0%

Equal pay for equal work in role-to-role comparison; like society, gaps in group-to-group comparisons due to lack of representation in higher-paying roles[13]
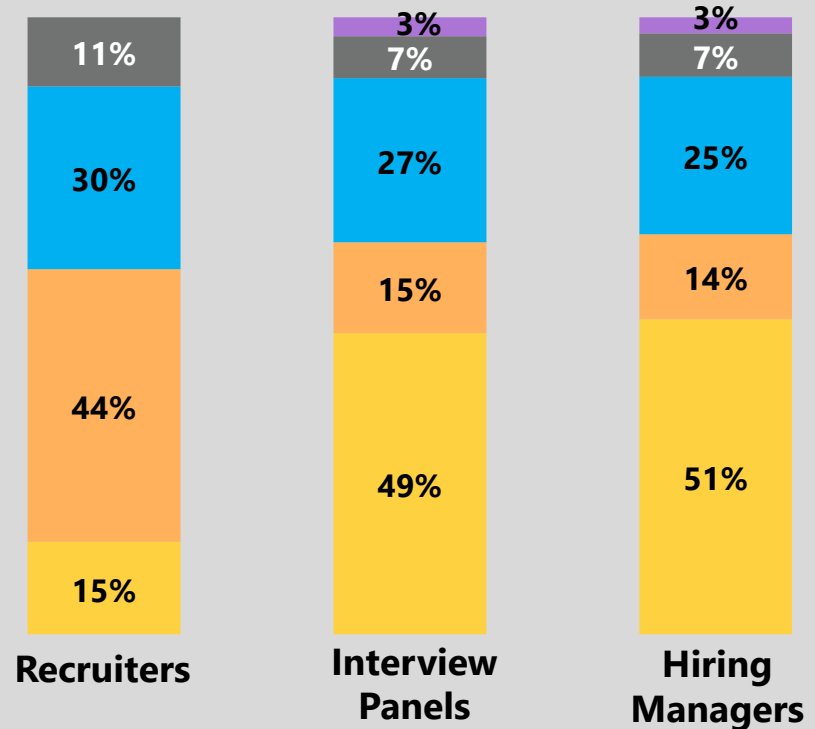
Employees in the Same Role (Role to Role)
Pay for employees in the same role doing the same work compared across groups (e.g., female relative to male, Asian relative to White)

Pay Ratios[14], Role to Role
June 2020

$1.00 — Female
$1.00 — Asian
$1.00 — Black
$0.99 — Hispanic

Female   Asian   Black   Hispanic

■ Workforce [15]

Employees in the Same Group (Group to Group)
Pay for all employees within a group (e.g., female) compared to all employees in another group (e.g., male) regardless of role

Pay Ratios[14], Group to Group
June 2020

$0.86 — Female
$0.99 — Asian
$0.86 — Black
$0.92 — Hispanic

Disparity in Group-to-Group comparisons are driven by representation rather than a pay gap. For these groups, underrepresentation in higher-paying roles drives the lower pay ratio.

Female   Asian   Black   Hispanic

■ Workforce [15]

Source: Edison International and SCE employee salary and base pay data as of 6/30/2020. Pay study conducted by external consulting company

Hiring process includes a diverse set of decision-makers; reflective of leader and workforce demographics

Leader and Workforce Representation[16]

	Our Workforce	Our Leaders
Other	5%	5%
Black	7%	6%
Hispanic	35%	26%
Asian	14%	13%
White	39%	50%

Representation by Decision-Makers[17,18]

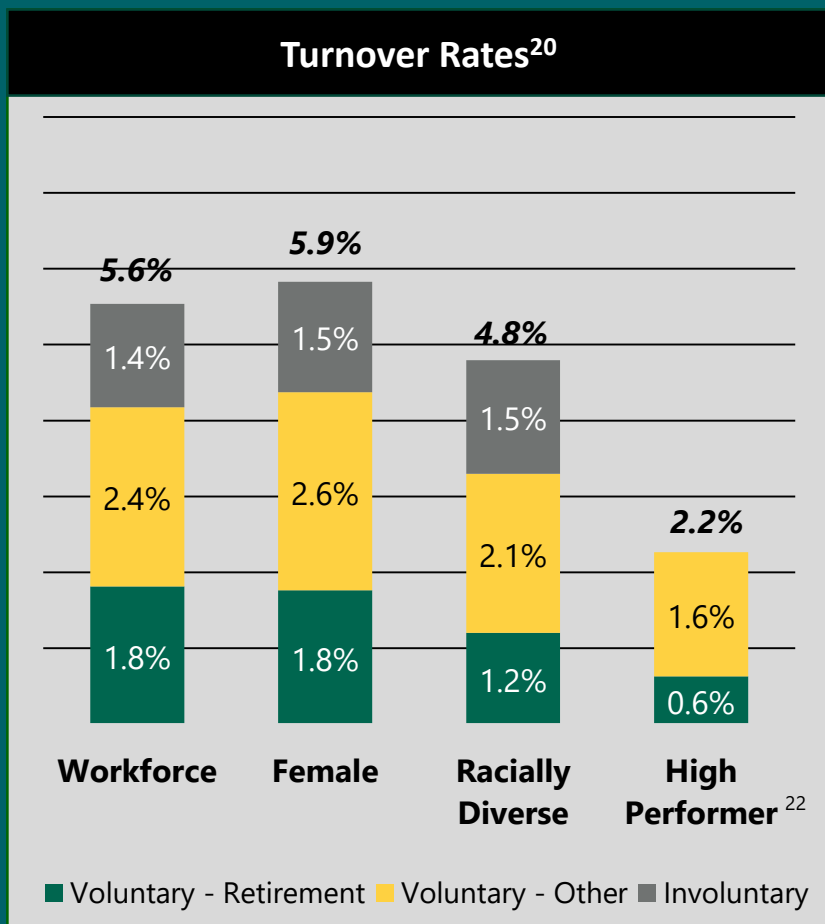|	Recruiters	Interview Panels	Hiring Managers
Other		3%	3%
Black	11%	7%	7%
Hispanic	30%	27%	25%
Asian	44%	15%	14%
White	15%	49%	51%

■ White   ■ Asian   ■ Hispanic   ■ Black   ■ Other [19]

Note: All numbers are for 2019. Percentages on chart may not sum to 100% due to rounding

Low employee turnover and robust competition for roles

Our lower-than-utility benchmark turnover results in fewer opportunities and is combined with a significant increase in competition for open positions; in the last two years, on average, the number of applicants for open positions increased by almost one-third.
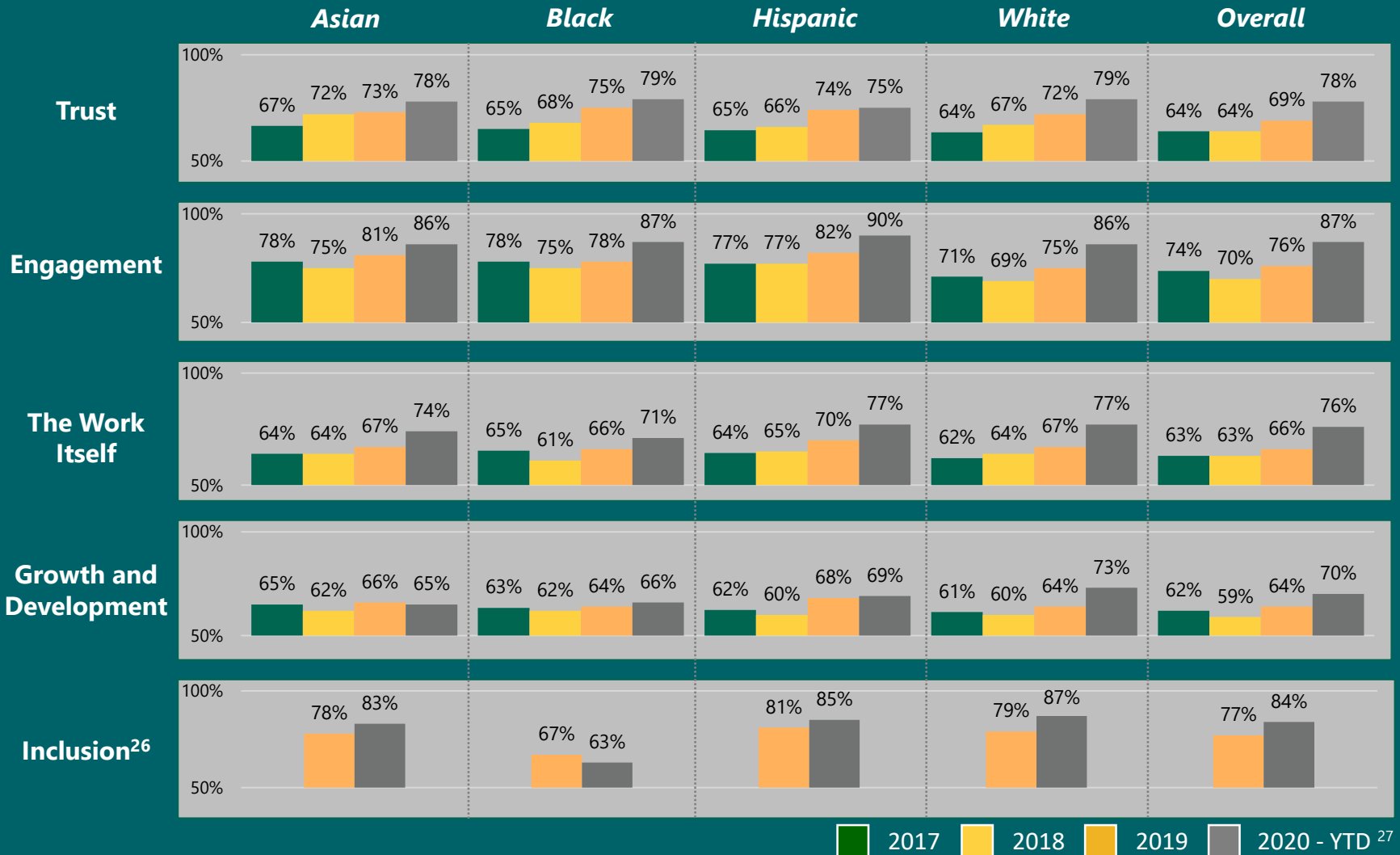
Turnover Rates[20]

	Voluntary - Retirement	Voluntary - Other	Involuntary	Total
Workforce	1.8%	2.4%	1.4%	5.6%
Female	1.8%	2.6%	1.5%	5.9%
Racially Diverse	1.2%	2.1%	1.5%	4.8%
High Performer[22]	0.6%	1.6%		2.2%

Legend: ■ Voluntary - Retirement ■ Voluntary - Other ■ Involuntary

Applications per Filled Position[21]

	Internal Applicants	External Applicants
2017	53	15
2018	67	11
2019	79	11

Legend: ■ Internal Applicants ■ External Applicants

Source: Turnover - Edison International and SCE employee data, excludes interns and employees on leave of absences;
Applications per Filled Position - Edison International and SCE applicant data, excludes interns and union-represented internal moves

Employees proud to work at Edison; strongly stated company vision and values with skill gaps in leadership

Key Takeaways	Supporting Evidence from Pulse (Employee Sentiment) Survey[23]	2020 Edison[23]	2019 Edison[24]	2019 Benchmark[25]
Employees are committed to the company and aligned with the company vision	Employees are proud to work for Edison	93%	85%	68%
	Employees are excited about the way in which their work contributes to company success	83%	72%	61%
Leaders need to better motivate and inspire employees	"When I do an excellent job, my accomplishments are recognized" is second lowest scoring individual question	62%	56%	57%
	"Receiving ongoing feedback" is the third lowest scoring individual question	67%	60%	56%
Leaders do not always invest in driving employee growth and development	Growth and Development as a full category was the lowest scoring across our employee survey (yet it is stronger than benchmark and has improved)	70%	64%	57%

Source: Sample from 2019 and 2020 Pulse Survey data for Edison International and SCE; scores 70% and higher for Pulse are generally seen as strengths; 2019 CultureIQ U.S. Utility Benchmark

Positive trends for all races except in Inclusion for Black employees; more work to be done on Growth and Development, likely impacted by low turnover and robust competition for roles

	Asian	Black	Hispanic	White	Overall
Trust	67% 72% 73% 78%	65% 68% 75% 79%	65% 66% 74% 75%	64% 67% 72% 79%	64% 64% 69% 78%
Engagement	78% 75% 81% 86%	78% 75% 78% 87%	77% 77% 82% 90%	71% 69% 75% 86%	74% 70% 76% 87%
The Work Itself	64% 64% 67% 74%	65% 61% 66% 71%	64% 65% 70% 77%	62% 64% 67% 77%	63% 63% 66% 76%
Growth and Development	65% 62% 66% 65%	63% 62% 64% 66%	62% 60% 68% 69%	61% 60% 64% 73%	62% 59% 64% 70%
Inclusion[26]	78% 83%	67% 63%	81% 85%	79% 87%	77% 84%

Legend: ■ 2017 ■ 2018 ■ 2019 ■ 2020 - YTD [27]

Source: Sample from 2017-2020 Pulse Survey data for Edison International and SCE; scores 70% and higher for Pulse are generally seen as strengths

11

Networkers Space4Dialogue[28] sessions further focused on improvement opportunities in the work environment for Black colleagues

In 2019, our employee Business Resource Group, Networkers[27], partnered with our officers and held 11 listening sessions, facilitated by an external expert, to get a deeper understanding of what was seen in the employee sentiment survey.

Themes from Space4Dialogue sessions:

- Perceptions that our commitment goes in cycles and is not always consistent

- Feelings of symbolic inclusion versus actual inclusion

- Expressed experiences of bias and insensitivity to employees' race

- Pockets of low-level effectiveness of managers

- Areas where "who you know" seemed to matter more than performance

- Perceptions of being asked to do the work but not the opportunity to move up

- Reported physical manifestations of stress and anxiety from racial battle fatigue

- Fear of speaking up

- Concerns that HR and Ethics are protecting the company versus supporting employees

Several diversity, equity and inclusion actions were already underway

- Data analysis for any potential pay disparity

- Diverse candidate slates and interview panels

- Employee Business Resource Groups to attract diverse talent

- Diversity in high-potential programs

- Mentoring programs

- Unconscious bias training

- Dedicated assistance to Transmission and Distribution employees in field locations to help improve the work environment

- Physically and psychologically safe culture through activities linked to our corporate values (e.g., Safety Stand-Ups, Pledges, Leading with Heart, Leading with Courage on Inclusion and Culture Congress[29])

- Corporate goal on Diversity, People & Culture

- Signatory on public commitments, such as Paradigm for Parity and CEO Action for Diversity & Inclusion

Strengthening commitment with additional actions based on reviewing data and listening to Black employees

Internal Actions	Timing and Expected Outcomes
Greater Data Transparency/Dashboard Share data regarding representation, pay, turnover and employee sentiment and create officer-level dashboard for continued visibility	• Data shared through this August 2020 presentation • Standard people metrics dashboard created and deployed by Q2 2021
Inclusion and Cultural Literacy Training Expand current training to include content on anti-racism and microaggressions for all employees	• Train all employees in 2021 and monitor for expected increase in Inclusion index of employee sentiment survey over the following year
Talent Accelerator Accelerate talent movement by pairing officers with high-potential talent[30]; start with Black employees with plans to expand the initiative	• First assignments determined by end of Q4 2020; track and measure results by employee development over the next 2-3 years
Talent Pipeline Increase Black scholarship awardees and internships (see external actions for additional scholarships)	• Measure success rate of converting more Black interns and scholars to full-time employees
Career Counseling Hire career counselors to help employees navigate their careers at Edison, starting with a pilot for the Networkers[28] membership	• Hire new career counselor and pilot program by end of Q4 2020 • Create metrics to determine efficacy of career counselor program and impact on employee career paths over 18-36 months
Audit for Potential Bias in HR/Ethics Processes Engage external third party to audit HR and Ethics policies and processes for biases such as racial and gender and improve based on findings	• Complete audit of three key HR/Ethics processes by end of Q4 2021

Drive advancement in racial equity in our communities

Our broad and deep presence in Southern California enables opportunities to address the impacts of systemic racism on a regional scale, with initial increased focus on our Black communities.

Our Responsibility	**Leverage Resources**	**Our Commitment**
Edison can impact pressing issues from climate change, to local food insecurity, to addressing systemic racism, **and it is our responsibility to act**	We will continue to **leverage our presence** as a philanthropic funder, business partner and contracting entity **in the areas where we have the most impact**	We **focus** our efforts in multiple areas **to reduce disparities in our communities,** starting with **education, workforce and marketplace development** in the energy sector

Long history of addressing foundational community needs and providing many business opportunities every year

Our 2019 community partnership efforts by the numbers:

$21M
of the **$23M** philanthropic funding focused on programs for **diverse and underserved communities**

$4.2M[31]
directed to support STEM and fire tech scholarships specifically targeted at **underrepresented college students**

$1M[32]
donated for career and vocational developmental training for **underserved populations**

$2.2B
of **$5.5B** spent with diverse firms, representing **40%** of total annual purchases

$540M
in subcontracting spend with **diverse firms**, reported by Edison's prime contractors

650+
diverse business suppliers support key projects or workstreams

Immediate focus on expanding education, workforce and marketplace opportunities in the Black community

External Actions	Timing and Expected Outcomes
Greater Data Transparency • Issue annual economic impact report highlighting contributions of supplier diversity spend (e.g., jobs, wages, taxes) • Provide annual community impact report providing details of philanthropic contributions and featuring nonprofit partners	• Issue economic impact report for 2019 spend in Q3 2020 • Issue 2020 community impact report in Q2 2021
Industry/External Partnership and Allyship • Join the American Association of Blacks in Energy (AABE) Energy Equity campaign • Commit incremental $1 million shareholder funding over next five years to advance racial equity in our communities	• Become AABE Energy Equity partner in Q3 2020 • Award initial $100,000 contribution to Black Equity Collective and $25,000 to African American Alliance Fund[33] in Q3 2020
Skilled Craft Scholarship Program • Commit $1 million shareholder funding to pilot four-year $250,000 annual scholarship program supporting line worker students to expand diversity in the skilled craft workforce pipeline, with an initial focus on attracting Black participants	• Launch effort by end of Q2 2021
Marketplace Development & Supplier Diversity • Commission marketplace study to assess availability of diverse businesses in procurement categories where SCE has needs; use findings to inform access and spend targets, with an emphasis on Black-owned businesses	• Launch effort in Q4 2020; issue study Q2 2021 (issue date dependent upon third-party supplier engagement)

Where we are going

- Remain committed to diversity, equity and inclusion with emphasis on supporting our Black colleagues, suppliers and communities

- Recognize our progress, and continuously look for ways we can be better as a company and as a catalyst for change within our industry and society

- Continue transparency for greater accountability with annual updates through our Sustainability Report

Continue to listen, understand and act

APPENDIX

Definitions for purposes of this document

- **Ally** is any person who supports, empowers or stands up for another person or a group of people.

- **Empathy** is the ability to understand and share the feelings of another, to genuinely understand the other person's perspective.

- **Ethnicity** is defined as groups of people classed according to common racial, national, tribal, religious, linguistic or cultural origin or background.

- **Equity** is the fair treatment, access, opportunity and advancement for all people, while at the same time striving to identify and eliminate barriers that have prevented the full participation of some groups.

- **Justice** is the use of power as appointed by law, honor or standards to support fair treatment and due reward.

- **Microaggressions** are subtle words, cues and/or behaviors that intentionally or unintentionally insult and/or exclude others, particularly others in a culturally marginalized group.

- **Privilege** is an advantage granted or available only to a particular person or group.

- **Psychological Safety** is when team members feel accepted and respected. It is a condition in which people feel included, safe to learn and safe to contribute.

- **Race** is a category of humankind that shares certain distinctive physical traits. Throughout this document, "racially diverse" is defined as all races/ethnicities that are not White.

- **Racism** is a belief that race (or ethnicity) is the primary determinant of human traits and capacities and that racial differences produce an inherent superiority of a particular race.

- **Respect** assumes best intentions, not motives, recognizes the contributions of others and fosters a positive and open environment.

- **Trust** is the assured reliance on the character, ability, strength or truth of someone or something, and one in which confidence is placed to do the right thing.

- **Unconscious Bias** is a social stereotype that people form outside their own conscious awareness.

Endnotes (1/2)

Slide 4

1) Science, Technology, Engineering and Math

Slide 5

2) Diverse defined as all employees who are not 'White' and 'male'. Racially diverse defined as all races/ethnicities that are not 'White'
3) Traditionalists are 0.2% of total workforce; does not show on chart due to scale
4) In 2019, employees were asked to self-identify on a broader scope of diversity attributes; data includes interns. Veterans includes non-protected and protected status under the legal definition (disabled veteran, recently separated veteran, active duty wartime or campaign badge veteran or Armed Forces service medal veteran). Nonbinary refers to a gender identity which is not strictly female or male. LGBTQ+ stands for lesbian, gay, bisexual, transgender and queer or questioning and refers to the diversity of sexual orientation and gender identity
5) Hiring source shows all hires across Edison International and SCE excluding interns; internal hires include union-represented transfers

Slide 6

6) 1 year is a comparison between June 30, 2019 and June 30, 2020; 3 years is a comparison between June 30, 2017 and June 30, 2020
7) Labor market availability is based on the number of the working-age population within an area (based on the latest census – 2010), with an occupational census code that aligns with the skills of our employee population. Relevant availability for executives is national. For leaders and workforce, relevant availability is local
8) Executives includes officers and directors. Leaders include principal managers, senior managers, managers, senior supervisors and supervisors. Workforce is all employees, including leaders and executives

Slide 7

9) Labor market availability is based on the number of the working-age population within an area (based on the latest census – 2010), with an occupational census code that aligns with the skills of our employee population. Relevant availability for executives is national and local for leaders and workforce, based on where we typically source candidates
10) Our communities are the ZIP codes in SCE's service area. Data shown is from the latest census – 2010
11) Population who selected "Yes" for "Hispanic Origin" on Question #5 of 2010 census
12) "Other" includes American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander and Two or More Races

Slide 8

13) Higher-paying roles include attorney/senior attorney, senior advisors, senior project manager, senior engineer and manager positions (principal manager, senior manager and manager)
14) Data shows female compared to male, and Asian, Black and Hispanic compared to White; the overall wage ratio is based on an average of wage ratios from three groups: Edison International, SCE and executives
15) Workforce is all employees, including leaders and executives

Slide 9

16) Edison International and SCE employee data as of June 30, 2020
17) Edison International and SCE 2017–2019 applicant tracking data, excludes interns and union-represented internal moves
18) Shows racial representation across internal applications, rather than by number of individuals (e.g., some recruiters may screen more applications than others and some hiring managers may have multiple hires)
19) "Other" includes American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander and Two or More Races

Endnotes (2/2)

Slide 10

20) Turnover is when an employee leaves the company by voluntary (retirement), voluntary (other) or involuntary reasons. Turnover (voluntary and involuntary) rates for race: Asian – 5.4%, Black – 4.8%, Hispanic – 4.5%, Other – 6.9%, White 6.7%; data shown for full year 2019. Utility involuntary benchmarks are unavailable. Voluntary turnover at Edison is below utility benchmark for all groups, average annual voluntary turnover for Workforce – 5.4%, Females – 5.3%, Racially Diverse 4.3%, High Performer – 2.8% (Source: PwC Saratoga 2019)
21) Applications per filled position is an average of all applications to filled positions for the year
22) High performers are defined as employees in the top zone of performance in their goals and how they demonstrate the company's values and competencies in their role

Slide 11

23) The Pulse Survey is an employee sentiment survey of about 23 questions within seven categories administered to rotating samples of the employee population to measure their reactions to key aspects of the work environment. Source is 2020 year-to-date survey with 1,182 responses. Due to the inability to administer the survey in person to some field employees during the pandemic, some of the population who often score their sentiment lower are not included in 2020 results. However, 2020 results remain the highest of any period on a comparable basis (i.e., if you remove this same population from other results and compare).
24) Source is 2019 Pulse Survey with 5,075 responses
25) Source is 2019 CultureIQ U.S. Utility Benchmark

Slide 12

26) Inclusion dimension added to the 2019 employee sentiment survey (Pulse)
27) 2020 Pulse Survey results are year-to-date and do not include some field employees due to inability to administer the survey in person during the pandemic

Slide 13

28) Networkers is an employee Business Resource Group (BRG) dedicated to the Black employee experience. Space4Dialogue sessions, originally created in 2017 by Networkers, is an open conversation forum designed to engage employees in discussions around work environment challenges, external factors impacting work and other personal experiences

Slide 14

29) The Culture Congress is a group of employees representing critical aspects of our culture (Safety, Ethics & Compliance, Diversity & Inclusion, etc.) who function as a think tank to propose and drive innovative solutions to address key cultural opportunities

Slide 15

30) A high-potential employee is defined as someone who performs well and has the competencies, aspiration, capability and drive to be successful at higher organizational levels

Slide 17

31) Based on 2019 corporate philanthropy budget. Fire tech scholarships support building a workforce pipeline in the firefighting trades.
32) Included as part of $23M philanthropic funding total

Slide 18

33) Black Equity Collective is a public-private partnership focused on strengthening the capacity and infrastructure of Black-led and Black-empowering social justice organizations in Southern California. The African American Alliance Fund was established to raise awareness about systemic racism and support programs that advance the Black community within Orange County and surrounding area.