



Building a new table **together.**

AN ADDENDUM ON PAY EQUITY AND HIRING PRACTICES





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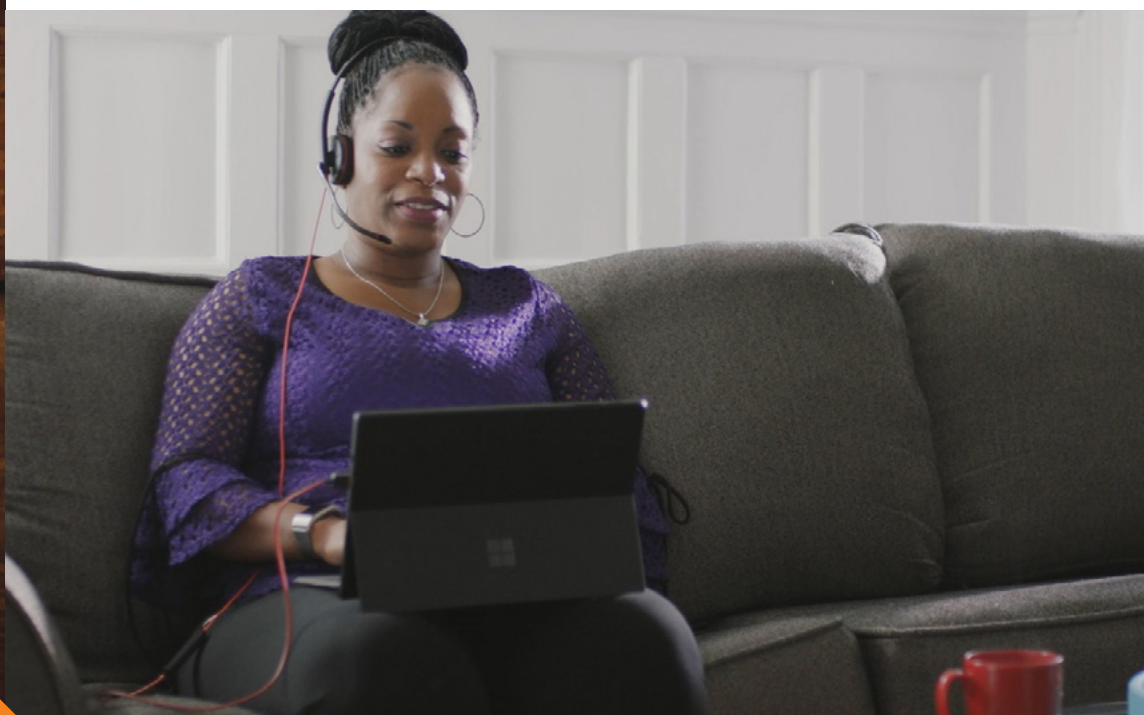
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welcome.

At Duquesne Light Holdings, Inc. (DLH), our vision is to deliver a clean energy future for all, by serving as a trusted partner for our customers and communities. Because diversity is closely linked with the innovation needed to make our vision a reality, we know equity and inclusion will play a critical role.

Companies with a diverse workforce are:

70%

**MORE LIKELY TO CAPTURE
NEW MARKETS**

&

75%

**MORE LIKELY TO GET
INNOVATIVE IDEAS TO MARKET**

with evidence suggesting diversity leads to overall improved business outcomes.

When we build a new table together and include diverse perspectives in that process, we are able to prioritize customer needs that reflect the communities we serve. Equity and inclusion are necessary to ensure that all voices are valued, heard and empowered.

In 2021, DLH released its first-ever Diversity, Equity and Inclusion (DEI) Report: Building a New Table Together, to celebrate our progress and to continue finding new opportunities to create a truly equitable and inclusive workplace, community, and customer experience. As we continue to benchmark our DEI journey, the following addendum to Building a New Table Together discusses the current challenges and opportunities facing our industry, and the results of our first-ever pay equity study, and additional insights into hiring.

As discussed below, we have made measurable progress on our journey to build a new table together and look forward to the opportunities ahead of us.

Energy and Utilities: Industry Challenges and Opportunities and the Importance of Diversity

According to the [U.S. Department of Energy](#) (DOE), the energy and utilities industry will continue to face workforce challenges, including:



While we face these challenges, we also see tremendous opportunities as an industry. There are several job pathways in renewable and sustainable energy, new information and communications technologies as well as high levels of investment in the evolving energy grid.

The DOE noted that although the energy and utilities industry as a whole has made progress on recruiting and developing workforce talent, industry forecasts still project the need for approximately

 **80,000**

**NEW WORKERS IN THE SMART GRID AND
ELECTRIC UTILITY INDUSTRY BY 2030**

As the energy and utilities industry faces these challenges, diversifying our talent pool will enhance business sustainability. Bringing diverse perspectives to the business challenges that face us will improve the company’s ability to deliver better, safer and more reliable energy services, improve worker safety and support the modernization of the energy system.



DLC’s 2020 Pay Equity Study: Process and Results

In 2020, as part of our continuing effort to ensure pay equity, Duquesne Light Company (DLC), DLH’s regulated electric utility entity, engaged an outside firm to assess the gender-based and race-and-ethnicity-based equity in the base annual salaries of the company’s non-bargaining unit employees.¹ The Pay Equity Study included statistical and non-statistical testing. In the study, 255 women and 480 men’s base annual salaries were reviewed alongside 85 racially and ethnically diverse employees and 733 white employees’ base annual salaries. Based on the third-party expert analysis, the study concluded:



Across all major indicators, after controlling for legitimate, salary-influencing factors, there was no association between salaries and either gender or race/ethnicity. Indeed, on average, there is near parity in the DLC pay data.

WOMEN, ON AVERAGE,²
ARE PAID
99.72%
OF WHAT MEN ARE PAID

UNDERREPRESENTED POPULATIONS
(ASIANS, AFRICAN AMERICANS AND
HISPANICS) ARE, ON AVERAGE, PAID
100.73%
OF WHAT WHITE EMPLOYEES ARE PAID

Ensuring fair and equitable pay for all employees is an essential part of our DEI journey. For all non-bargaining unit positions, employees are paid based upon factors such as career level, time in the role and with the company, performance and prior relevant work experience. Using DLC’s job structure, we can compare similar job roles within the company so that they are compensated equitably. Evaluating pay levels by applying a market-based pay structure, DLH determines salary ranges and pay grades based on a current market analysis of comparable positions and salaries within our field.

As expected, when a study of this sort is undertaken, less than 30 negative outliers were identified, and a further review was undertaken of the identified, individual salaries. Consistent with its compensation philosophy, DLC made adjustments where warranted.

¹Excluded from the analyses are personnel at DQE Communications LLC, and at The Efficiency Network, Inc., as well as bargaining unit jobs where pay is contractually set and administered. The corporate officers were also excluded since they are not in roles assigned a Market Reference Point (which is one of the key independent variables in the multiple regression models) and are otherwise not similarly situated from an analytical standpoint to the rest of the employee population.

²For purposes of the study, the term “average” is the sum of all salaries for a particular comparator group (such as women) divided by the number of employees in the comparator group.



DLH Hiring

Recognizing the importance of building a diverse workforce is the first step towards creating an equitable and inclusive environment. In 2020, the same year of our inaugural pay equity study, we were able to see tangible results of our efforts to hire qualified women and racially and ethnically diverse employees into a wide range of roles.

In 2020, 27.5% of DLH new hires were women:



40% were hired into STEM-related roles such as engineering, finance, information technology, operations, and analytics.



37.5% were hired into corporate roles such as innovation, business operations strategy/support, communications, compliance, customer operations, and project/process management.



22.5% were hired into our union workforce.



17.1% were hired into leadership roles.

In 2020, 20.8% of DLH new hires were Black, Indigenous, and people of color (BIPOC):

32.3% were hired into STEM-related roles such as engineering, information technology, and operations.

29% were hired into corporate roles such as innovation, customer operations, regulatory affairs, vendor management, and project/process management.

38.7% were hired into our union workforce.

16.1% were hired into leadership roles.



Demographic Snapshots

As we strive to reflect the communities we serve, we continue to focus on hiring and retaining diverse talent across our organization. We will continue to focus on connecting with our communities to encourage and support diverse students and professionals of all levels to pursue careers in energy and utilities.



Women



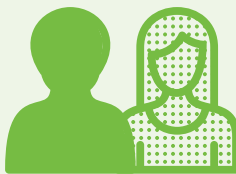
Utility and Energy Industry Benchmark[^]



Women at DLC



Allegheny and Beaver Counties^{^^}



People of Color



Utility and Energy Industry Benchmark[^]



POC at DLC^{*}



Allegheny and Beaver Counties^{^^}

The data referenced on this page shows progress in certain areas where we have grown the number of underrepresented communities hired into business support functions and STEM functions, while seeing slower growth in other areas. As our workforce becomes more reflective of the communities we serve, we want to retain diversity of thought at our company. By welcoming all employees to an accepting, inclusive environment where they are valued and compensated for their work equitably, we want their expertise to frame our future.

[^]CEWD on Utility Workforce Composition from a 2019 survey "Gaps in the Energy Workforce 2019 Pipeline Survey Results" which was presented on November 14, 2019.

^{^^}Percentages of Allegheny and Beaver Counties are reflective of the local population only, and do not reflect labor availability. The Hispanic/Latino population of Allegheny and Beaver counties is 2.24% of the total population. Hispanic/Latino is counted as an ethnicity by the U.S. Census and is an ethnic background of any race. Therefore, this 21% does not include the Hispanic/Latino population.

^{*}POC at DLC is defined as the following racial and ethnic demographics: Black/African American, Asian, Native Hawaiian or Pacific Islander, Native American or Alaska Native, Two or More Races, and Hispanic/Latino. 2.1% of employees did not disclose their race/ethnicity.

Continuing Our Journey

As job needs change, new employees are hired and market data shifts, monitoring pay equity with assessments every few years will continue to be an essential element of DLH's culture. Equal pay is one of several elements needed to create a truly equitable and inclusive environment, and we are striving to construct and meet goals in building a workplace where each person is respected and valued for their unique contributions.

In addition to monitoring and assessing pay equity, we will continue to develop and advance diverse leadership, offer trainings and resources to educate employees, enhance benefits and policies with inclusive perspectives, and build a workplace environment with appreciation for each of our unique talents and perspectives.

We are committed to a workplace where all employees feel comfortable bringing their whole selves to work, and are welcomed and valued by their peers and leaders in every part of DLH. As we continue to make progress, we acknowledge and thank each employee for working alongside us as we build a new table together. To learn more about our efforts, we invite you to read our full report, [Building A New Table Together](#).





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Follow us on:



Thank you for taking the time to read this report. We hope you enjoyed learning about our progress and welcome you to send any feedback to our team at ***inclusion@duqlight.com***.

Duquesne Light Holdings is comprised of DLC, TEN and DQE Communications. This report has been created with information from all three companies and refers to Duquesne Light Holdings as "Duquesne Light."

The photos taken in this report feature employees following company guidelines as related to COVID-19.