



2012-2013
Sustainability and Corporate
Citizenship Report

POWERING A SUSTAINABLE FUTURE

 Pepco Holdings, Inc

About This Report

Pepco Holdings, Inc. (PHI) is one of the largest energy delivery companies in the mid-Atlantic region of the United States, serving about two million customers in Delaware, the District of Columbia, Maryland and New Jersey. PHI is the parent company of three investor-owned utilities: Atlantic City Electric, Delmarva Power and Pepco, which provide regulated electricity service; Delmarva Power also provides natural gas service. PHI provides energy efficiency and renewable energy services through Pepco Energy Services, Inc., a leading supplier of comprehensive energy management solutions.

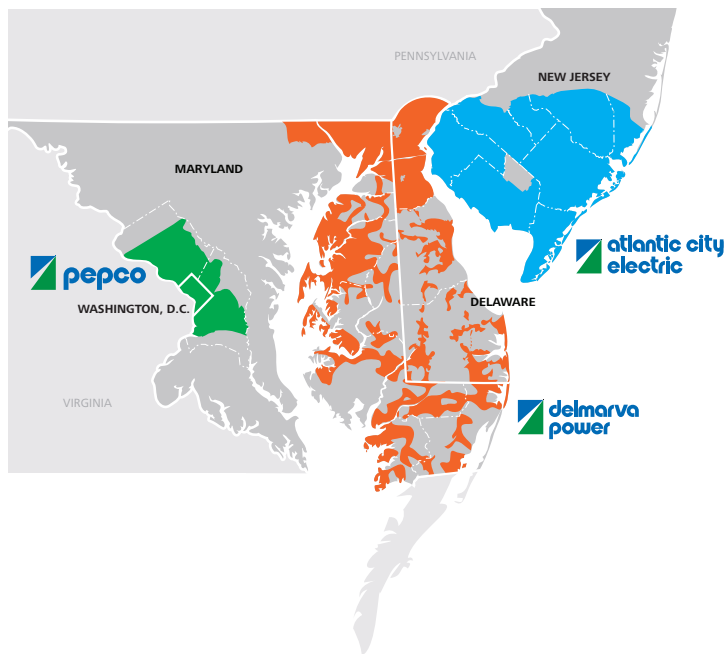
Our business strategy includes a strong commitment to enhancing the economic vibrancy and environmental sustainability of the communities we serve, which we accomplish through our business operations, corporate policies, citizenship and philanthropy.

Powering a Sustainable Future, our *Sustainability and Corporate Citizenship Report*, summarizes the progress made on this commitment between January 1, 2012, and December 31, 2012.

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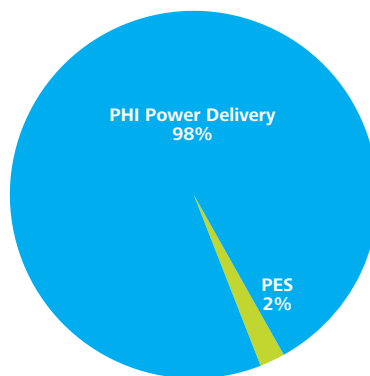
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Combined Service Territory



PHI's Primary Business is Power Delivery

Operating Income Forecasted 2013-2017



The World Is Changing— *We're Committed to Changing With It*



Joseph M. Rigby
Chairman, President and CEO

Events of 2012 demonstrated that the world is changing, and we at PHI are committed to changing with it.

Of particular note were two devastating storms that struck our service area in 2012—an unusual derecho storm that impacted states from the Midwest to the Northeast and Hurricane Sandy that made landfall on our New Jersey shore territory as a “post tropical cyclone.” Both of these powerful weather systems left millions of residents and businesses without electricity, destroyed property and caused fatalities. Weather experts are now calling these once-in-a-century storms the “new normal.” And a U.S. Department of Energy assessment in July 2013 raised concerns that our country’s aging energy infrastructure was at risk from the effects of climate change and could cost Americans billions of dollars.

Since 2010, we have made significant investments to improve the day-to-day reliability of our utilities’ electric distribution systems. These investments have already proven effective with our customers experiencing a more than 20 percent decline in the system average frequency and duration of outages in 2012 compared with 2011. Now we are taking our reliability improvements a game-changing step further, by hardening our electric grid to make it resilient to the impact of even the most severe storms. Much of this work is focused on moving selected overhead power lines underground. At the transmission level—the backbone of our electric system, we are looking to strategically replace wood poles with stronger steel poles as part of our broader plan to improve resiliency.

We recognize that the world is changing in other ways as well. A prime example is customers’ increased expectation that we leverage advanced technology to serve them better. We have responded deliberately and strategically—developing industry-leading mobile apps to enhance customer communications, launching online tools for customers to better manage their energy use and creating an electric system that can often automatically “heal” itself after power interruptions, using advanced digital sensors and controls. As an indicator of our technological progress, in 2012 we installed our one millionth smart meter that will improve energy use management and make power restoration efforts significantly more efficient.

As a Fortune 500 company serving the mid-Atlantic region, we understand the critical impact we have on the sustainability of the economy, the environment, our communities and our workforce. This *Sustainability and Corporate Citizenship Report* provides a summary view of the challenges we faced and the successes we achieved in 2012. I invite you to learn more by exploring our comprehensive Web-based version of this report found at www.pepcoholdings.com.

I’m proud of the progress we have made toward powering a more sustainable future. PHI’s greenhouse gas emissions continue to trend down; our 2012 emissions were 28 percent lower than the previous year; and I’m pleased to report that PHI was ranked first in 2012 among S&P utilities for carbon management and performance by the internationally respected Carbon Disclosure Project.

I look forward to continuing our journey toward enhanced sustainability in collaboration with local, state and federal governments; the communities and customers we serve; and our valued employees.

Sincerely,

Joseph M. Rigby
Chairman, President and Chief Executive Officer
November 2013



Sustaining the Economy

Pepco crews install new underground cable in the District of Columbia to improve reliability.

As a Fortune 500 company serving the mid-Atlantic region, our economic impact is powerful. We are making unprecedented investments in improving electric system reliability, deploying a smarter grid, enhancing the customer experience, expanding our energy services and undertaking renewable energy projects to benefit the communities we serve.

Our compensation to employees and retirees, dividend payments to shareholders, relationships with our suppliers and the taxes we pay directly affect the economies of the cities, towns and states in our service area and beyond. In addition, the reliability of our electric transmission and distribution infrastructure is a critical factor in attracting businesses to the mid-Atlantic region, maintaining their presence and enabling their growth. PHI added more than \$2.7 billion of value to the U.S. economy in 2012.

Investing in Critical Infrastructure

To serve our customers better, PHI is executing the largest five-year power delivery construction budget in our history—\$5.899 billion from 2013 through 2017 (as of March 2013.) Not only do these investments positively impact the reliability and quality of customers' electric and gas services, they also boost area employment and the economic vibrancy of the region.

Our work is producing tangible results. Across PHI, our customers experienced a 24 percent decrease in the system's average number of power outages and a 26 percent decrease in their average duration in 2012 as compared with 2011. Every PHI utility experienced at least a 20 percent system average improvement in reliability, which is tremendous progress of which we are proud.

It is important to note that the reliability work described above is geared toward improving day-to-day service. However, this work cannot prevent damage to our electric system due to major storms such as hurricanes and severe thunderstorms.

As a result, we are exploring other steps we can take to harden the electric system and make it resilient even to the most severe weather. In 2012, we partnered with the District of Columbia government to develop a \$1 billion plan to underground 60 overhead feeders most prone to outages during major storms. We expect final approval of this program in the first quarter of 2014.

We also are exploring plans to harden portions of our transmission system, particularly along the New Jersey shore, which is subject to hurricane-force winds.

In addition to improving reliability, we are transforming our electric system into a "smart grid," a sophisticated network of automated digital devices capable of communicating vast amounts of real-time information. In total, we are deploying

1.3 million smart meters across our Delmarva Power and Pepco service areas.

Installing smart meters provides many benefits including increasing the efficiency of meter-reading, generating detailed energy usage information for customers to better manage their energy budget, enabling special pricing options for customers to save on their energy bills, and facilitating the integration of renewable energy and plug-in electric vehicles into the electric system.

In addition, communicating with smart meters enables us to identify individual outages, which during power restoration speeds repairs, reduces call-backs to customers and limits the unnecessary dispatch of crews.

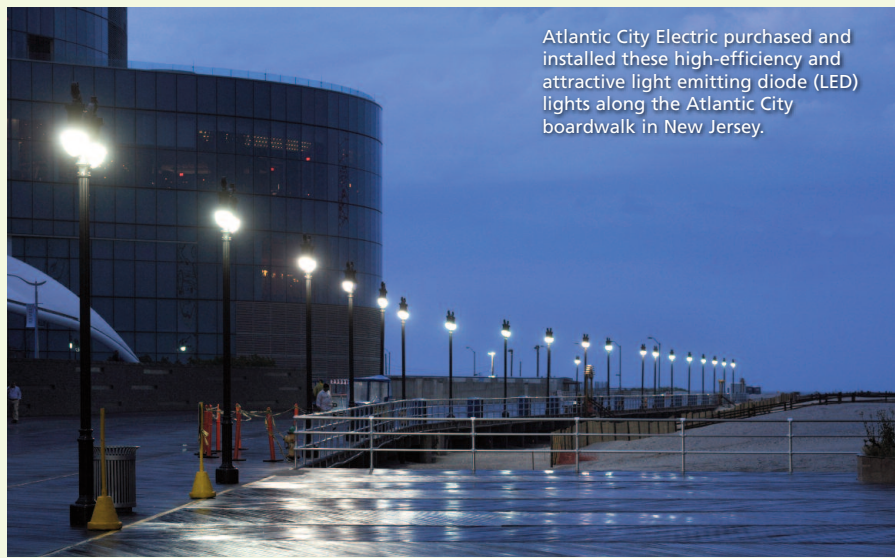
Fostering Energy Efficiency

PHI believes that the most cost-effective and environmentally friendly kilowatt-hour of electricity is the one that's never produced. We are in the sixth year of implementing our program to help customers improve their management of energy use and costs. To achieve this, we operate energy efficiency campaigns and engage in partnerships with retailers and energy efficiency

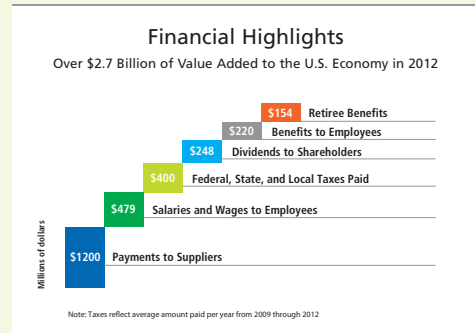
Unnecessary Orders Canceled Because of Smart Meter Technology		
	Derecho Storm in June 2012	Hurricane Sandy in October 2012
Delmarva Power Delaware	202	2,013
Pepco Maryland	2,556	338
Pepco DC	796	222

service providers. In 2012, nearly 250,000 megawatt-hours of electricity were saved through activation of our energy efficiency programs.

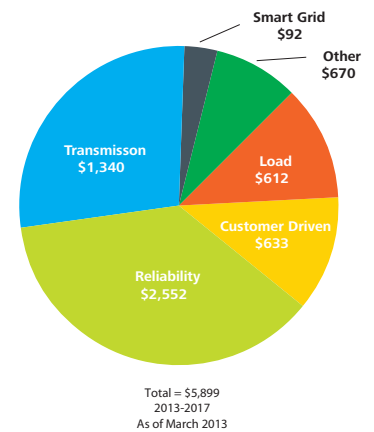
In addition to the utility programs, PHI's competitive arm, Pepco Energy Services, offers a wide range of retail energy management solutions primarily to government and institutional customers. Of note, Pepco Energy Services signed an agreement with DC Water to design, build and operate a combined heat and power plant at DC Water's Blue Plains Advanced Wastewater Treatment Plant. The Blue Plains plant has a capacity of 370 million gallons per day and is the largest advanced wastewater treatment facility in the world.



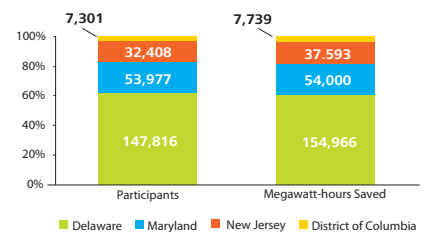
Atlantic City Electric purchased and installed these high-efficiency and attractive light emitting diode (LED) lights along the Atlantic City boardwalk in New Jersey.



A Five-Year Plan to Invest in Infrastructure to Better Serve Our Customers (in millions)



Direct Load Control Has Generated Significant Customer Savings



Sustaining the Environment

Our commitment to environmental stewardship guides our approach to business operations, regulatory compliance and resource conservation. Our environmental strategy also accounts for the risks and opportunities of climate change and is focused on meeting the challenges of rising energy costs, concerns about environmental sustainability and government energy reduction goals.

Addressing Climate Change

At PHI, we recognize the benefits of reducing global greenhouse gas emissions and are taking action to reduce our carbon footprint through solutions that seek to protect the environment while minimizing the economic impact to families and businesses. Of note, climate change has influenced our business strategy through its potential impacts on electrical infrastructure resulting from physical risks such as extreme weather. See the *Sustaining the Economy* section for



PHI has been transforming its vehicle fleet through environmentally sustainable technologies such as plug-ins, hybrids and alternatively fueled vehicles that help to reduce our carbon footprint.

information on this strategy.

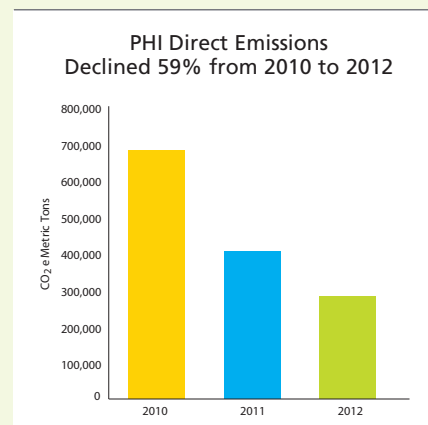
PHI has many strategies in place to stabilize and gradually reduce our greenhouse gas emissions (GHG) through deploying cost-effective, emission-reducing technologies throughout our operations. These emission reduction initiatives include installing energy efficiency technologies in our facilities; investing in alternatively fueled, hybrid electric and plug-in vehicles in our vehicle fleet; and replacing older electric and gas distribution equipment to reduce fugitive emissions of SF₆ and methane.

In 2012, our GHG emissions totaled approximately 1.3 million metric tons of CO₂ equivalents (CO₂E). This is 58 percent lower than our emissions in 2010. Our direct GHG emissions (Scope 1) equaled 279,837 metric tons of CO₂E. This represents a 59 percent reduction in our direct emissions from 2010 levels. These reductions are a primary result of our decreasing SF₆ fugitive emissions.

In 2012, we focused on our carbon footprint by conducting a thorough and complete emissions inventory using tools developed by the World Resources Institute and the World Business Council for Sustainable Development to identify

sources of greenhouse gas emissions from our operations, and to track progress in reducing emissions over time. We also obtained independent third-party verification of our corporate GHG emissions inventory.

In 2012, PHI was named the top utility in the Carbon Disclosure Project's annual carbon performance and disclosure ratings for the S&P 500. The index placed us first among S&P 500 utility companies for both carbon management and performance. These results provided further validation that we have made significant strides in identifying and managing our carbon footprint.



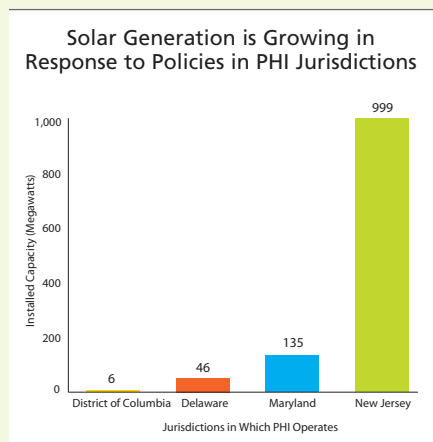
PHI supports renewable energy and partners with our customers to ensure safe and efficient integration of solar and other renewable energy into the electric grid. This house with solar panels is located in Mays Landing, N.J.



Supporting Renewable Energy

PHI supports renewable energy and partners with both renewable energy developers and our customers to facilitate developing new renewable energy resources and to ensure their safe and efficient integration into the electric grid.

Atlantic City Electric, Delmarva Power and Pepco operate in jurisdictions that have state renewable portfolio standards (RPS), which mandate that the electricity supply contain a specified percentage of renewable energy that increases over time. Each PHI utility meets compliance with state RPS programs.



Our utilities include a significant portion of cost-effective wind energy in their renewable energy supply portfolios, and to a lesser extent solar. That's because the solar market is still relatively small, although it is growing.

To support the growth of solar, Atlantic City Electric and Delmarva Power purchase Solar Renewable Energy Credits (SRECs) and in 2012 completed solicitations for SRECs from customers in New Jersey and Delaware. These purchases will provide financial certainty to allow for developing more than 250 distributed solar facilities, providing up to 24 megawatts of clean renewable energy.

Most recently, fuel cells have become part of Delmarva Power's renewable energy mix in Delaware. Fuel cells are devices that convert fuel into electricity through a clean electro-chemical process rather than combustion. Fuel cells manufactured by Bloom Energy and located at our Brookside Substation began providing up to 3 megawatts of electricity (which can power 3,000 homes for an entire year) in June 2012. Another 5.7 megawatts of Bloom Energy fuel cell generation capacity was brought online at our Red Lion Substation in December 2012.



Our utilities purchase renewable energy credits from wind turbines such as these to meet Renewable Energy Standards.

Pepco Energy Services also supports renewable energy, delivering approximately 4,822 megawatt-hours of renewable electricity in 2012 to customers in the mid-Atlantic region. In addition, Pepco Energy Services assists customers with purchasing Renewable Energy Credits as well as designs and develops solar photovoltaic installations, such as the 505 kilowatt photovoltaic solar canopy system located on the roof of Baltimore/Washington International Thurgood Marshall Airport's Daily Parking Garage.



PHI monitors sediments after the successful cleanup of a mineral oil release along the Potomac River in Alexandria, Va.

Ensuring Environmental Compliance

Compliance with environmental requirements is a critical element of PHI's business. Our environmental management system embeds environmental planning and analysis into processes across the company, and holds our employees at all levels responsible and accountable for environmental performance. In addition, our environmental management system helps set priorities for action. As a result, we have developed a number of proactive, fully compliant and sustainable solutions to

the environmental challenges we face.

Through our green purchasing program, we select and acquire products and services that most effectively minimize any adverse environmental impacts over their life cycle of manufacturing, transportation, use and recycling or disposal.

Through our innovative waste prevention, recycling and reuse program, we reduce, recycle or reuse commodities, including more than 105,703 tons of waste materials in 2012.

We also seek to conduct PHI's operations in full compliance with all applicable regulatory and permitting requirements. However, in 2012, PHI was issued 15 regulatory citations of which 11 were related to the 2011 Potomac River Substation mineral oil release incident. We continue to coordinate with regulatory agencies to sample and test soil, river sediment and water quality and are prepared to carry out additional remediation and mitigation as may be required.

To reduce environmental risks, prevent incidents and foster continuous improvement, we conduct Environmental Compliance Audit and Self-Assessment

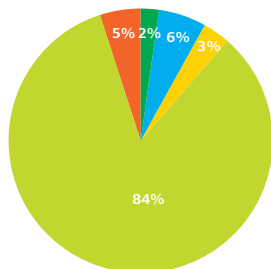


Each year, various PHI facilities hold employee electronics recycling events.

programs, designating an environmental compliance officer for each of our facilities.

Also of note, we are committed to mitigating and minimizing environmental impacts of our construction activities. In 2012, we continued implementing a third-party Environmental Monitoring Program to ensure compliance with environmental plans, permits and other regulatory compliance requirements for construction projects located throughout PHI's service territory.

PHI Recycled Commodities by Type in 2012



- Construction, Soil and Yard Waste (84%)
- Used Oil, Solvents and Other Recyclable Liquids (6%)
- Electric Equipment and Associated Commodities (5%)
- Scrap Metals (3%)
- Fleet and Facilities Commodities (2%)



In the fall of 2012, we partnered with the U.S. Fish and Wildlife Service's Coastal Program and the Maryland Department of Natural Resources to restore species diversity to more than 240 acres of tidal marsh located along the Nanticoke River in Wicomico County, Md.

Sustaining Our Land and Water

At PHI, we are committed to maintaining the health of the environment by conserving, protecting and enhancing natural resources. We fulfill this commitment in a number of ways, starting with conducting our business activities with respect and care for the environment.

Sustaining the animal, bird and plant life of the thousands of acres we own and traverse is a key consideration in our environmental management plan. We recognize the importance of trees to communities and are committed to protecting tree canopies to the extent possible, while achieving important clearance requirements. Each utility has received annual recognition as a Tree Line USA® utility by the Arbor Day Foundation for superior vegetation management on each of their rights of way. In addition, each of our utilities has implemented Energy Saving Trees™ programs to promote energy conservation through planting shade trees.

PHI also has an avian protection program that is designed to minimize the potential for bird electrocution or collision with the company's overhead towers, poles and wires infrastructure.

Throughout 2012, we implemented a number of recommendations to reduce the risk to birds and improve the understanding of avian issues in the utility industry. We delivered 10 training sessions to a diverse set of stakeholders across our service territory.

Protecting habitats and promoting biodiversity are also important factors in our business. Our environmental and engineering teams work together to design new, or redesign existing, electric facilities to protect sensitive habitats. To effectively develop our strategies, we collaborate with regulatory agencies and engage with landowners, public agencies, nonprofit and community organizations, and other stakeholders who share our commitment to protect and preserve the natural environment.

PHI continues to focus on preventing and mitigating our environmental impacts. We use an interdisciplinary, proactive approach both to avoid and minimize cultural and natural resource impacts to the maximum extent practical. Following a thorough planning process, we develop project plans and approaches that balance our responsibility to provide reliable, safe electricity



During construction of our Glasgow to Mt. Pleasant 138 kV transmission line right-of-way project, we took measures to protect the federally threatened Bog Turtle from potential impacts of construction activities.

with natural resource protection. Whether it's enhancing, conserving, restoring or managing natural resources, we perform the work from project inception to completion with potential environmental impacts in mind.



Sustaining Our Workforce

Robert Grasty, Director, Talent Management & Diversity, addresses employees in PHI's mentoring program, which enables experienced employees to share their insight, guidance and support with both newer and long-term employees through one-on-one interaction.

At PHI, our most valuable assets walk out the door at the end of every work day. They are our employees, and their knowledge and skills are what make it possible to operate all aspects of our businesses and continually improve the service we provide our customers. It makes sense, therefore, that recruiting and retaining a high-quality, high-functioning workforce is one of our top priorities.

As of December 31, 2012, PHI had a total of 5,040 employees. Of these employees, 2,321 (46 percent) were management employees and 2,719 (54 percent) were union employees. In 2012, a total of 316 employees were hired (excluding Pepco Energy Services), down from 459 in 2011, due to a managed hiring freeze because of uncertainty over the outcome of rate case proceedings under way at that time. Just more than half of those new hires were union employees. The turnover rate in 2012 decreased



Dave Velazquez, Executive Vice President, Power Delivery, greets employees participating in one of PHI's award-winning *Foundations of Supervision* classes.

to 6.11 percent (excluding Pepco Energy Services) compared with 9.47 percent in 2011.

Fostering Employee Safety and Wellness

PHI's number one core value is safety. In 2012, we achieved a major milestone in reducing employee injuries. In the first quarter of the year, we realized our aspiration of being in the first quartile of our Southeast Electrical Exchange peer group. We finished the year just short of the first quartile, and were well represented in the second quartile. In addition to the reduction in the number of injuries, we also experienced a significant reduction in the number of lost time days, reducing lost time days from 2,256 in 2011 to 1,074 in 2012, which represented more than a 50 percent reduction. Although the company experienced an increase in preventable motor vehicle accidents when compared to our best year performance in 2011, we still maintained first quartile performance for preventable motor vehicle accidents when compared to our Edison Electric Institute peers in 2012.

We are also committed to promoting a healthy workforce through healthier lifestyles. Our comprehensive wellness program offers a number of options to employees to help them get and stay healthy.

Supporting Diversity, Inclusion and Equal Opportunity

PHI is committed to achieving a diverse and inclusive workforce. We recognize that retaining a high performing, well trained and accountable workforce is the outcome of a successful diversity and inclusion initiative.

Diversity and inclusion at PHI encompasses acceptance and respect. It means recognizing our individual differences and understanding that each individual is unique. The exploration of these differences in a safe, positive and nurturing environment fuels innovation, inspires ideas and ultimately contributes to our company's success.

In 2012, we had a culture team in place that focused on PHI's aspiration, values and culture—all of which directly aligned with our key business drivers. PHI plans to continue to focus heavily on its culture transformation in 2013.

As stated in our corporate governance business policies, the company requires equal employment

opportunity in all aspects of the employer-employee relationship. In addition, PHI has an Affirmative Action Plan that assists in achieving its equal employment opportunity objectives, including the full utilization of minorities and women, and the employment and advancement of qualified persons with disabilities, special disabled veterans, veterans of the Vietnam War era and other veterans.

Developing Our Workforce

PHI's integrated planning process addresses the challenges of building and maintaining a higher performing workforce.

This process includes integrating our talent management initiatives to ensure we have the right people, with the right skills, at the right time to achieve PHI's business objectives.

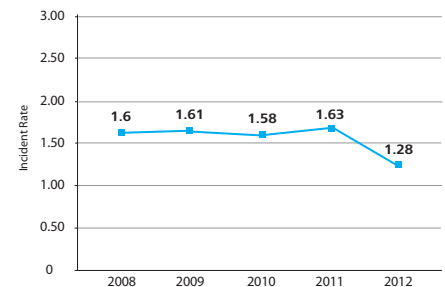
The company puts a lot of energy into its leadership development programs. We are highly ranked among large U.S. companies for our efforts because of our *Foundations of Supervision* program for front-line supervisors. We also offer *Leading Through The Future*, a significant company-wide initiative providing formal development to middle managers. Since its inception in November 2009 through the end of 2012, 148 PHI managers have graduated from this program.

We are involved with a number of initiatives to foster workforce development and planning. For example, a cross-PHI employee mentoring program enables experienced employees to share their insight, guidance and support with both newer and long-term employees through one-on-one mentoring in leadership and professional development. In 2012, there were a total of 345 participants in the mentoring program.

Mentoring Program Participation Continues to Grow



PHI OSHA Recordable Incident Rate 2008 to 2012





Volunteers from the Atlantic City Electric region and their families and friends walked in support of the American Heart Association's mission to help fight heart disease.

Sustaining Our Communities

PHI's more than 5,000 employees are connected to the communities we serve, and that connection goes far beyond the lines that deliver the power. In 2012, our employees volunteered more than 7,107 hours of their time in the regions we serve and live.

Corporate Giving

Our spirit of giving is reflected in our corporate giving. In 2012, PHI donated about \$5.3 million to more than 500 charities and nonprofit organizations in our service area.

PHI bases its corporate contributions on six pillars of giving:

1. Youth and education
2. Business initiatives and workforce development
3. Social, health, safety and emergency services
4. Environment and energy
5. Civic engagement
6. Arts and culture



Pepco volunteers were on hand each evening at ZooLights to provide tips on simple ways customers can save energy and money in their homes.

We are also proud of our Pepco Edison Place Gallery, a community art venue and meeting space for charitable and nonprofit organizations. Use of the gallery is an in-kind donation that was valued at more than \$1 million in 2012.

Fundraising

PHI engaged in a number of major fundraising campaigns in 2012.

Atlantic City Electric, Delmarva Power and Pepco each organized their annual golf classic tournaments under the PHI Community Foundation fundraising umbrella. In 2012, these events raised about \$432,000, which was distributed to local charities in each utility's service territory.

PHI employees and retirees once again supported the 2012-2013 United Way campaign, pledging more than \$821,000. With the addition of funds raised through special fundraisers and company matching donations, the campaign generated approximately \$1.5 million.

Our employees also participated in the 2012 March of Dimes, March for Babies campaign to help prevent premature births, infant mortality and birth defects, raising more than \$46,500. And for our 2012 American Heart Association's fundraising drive, employees across all three PHI regions raised about \$124,000.

Regional Events

We also participated in a number of regional events to support our communities:

- Employees and their families partnered with the Anacostia Watershed Society and other area volunteers to help clean up the Anacostia River in the Washington metropolitan area. The 2,320 volunteers from organizations throughout the area removed 41.5 tons of debris from the river and its tributaries.
- PHI volunteers helped pick up approximately 18,000 pounds of trash from beaches and rivers throughout Delaware and Maryland during the 26th annual Coastal Cleanup in September 2012. The event, co-sponsored by Delmarva

Power, attracted more than 2,100 volunteers.

- Employees, family and friends from our Atlantic City Electric region helped remove trash and debris from the beach in Atlantic City, N.J., during the 27th annual Beach Sweeps. In 2012, 6,926 volunteers from groups across New Jersey removed and tallied 350,000 pieces of debris.
- PHI sponsored the Nation's River Bass Tournament, which is run by Living Classrooms of the National Capital Region for more than 250 local middle students.

ZooLights

For the sixth consecutive year, Pepco was the lead sponsor of ZooLights, an all LED holiday light show at the National Zoo in Washington, D.C. Our volunteers were on hand each evening at the zoo to provide tips on simple ways customers can save energy and money in their homes.

Emergency Services Partnership Program

Atlantic City Electric, Delmarva Power and Pepco have funded and managed the Emergency Services Partnership Program (ESPP) to build relationships with key stakeholders like police, fire and emergency management personnel who work alongside our employees when disasters strike.

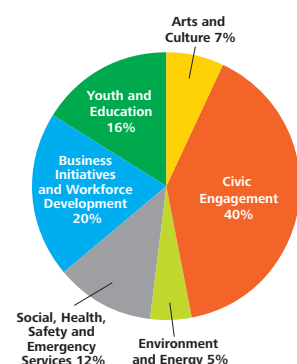
ESPP uses a multilevel approach to relationship management including

Utility	Regular Smoke Alarms	Special Needs Smoke Alarms	Carbon Monoxide Alarms
Atlantic City Electric	21,000	720	
Delmarva Power	17,000	1,045	1,650
Pepco	24,750	1,000	



A PHI environmental scientist discusses our avian protection program with a customer at an Earth Day event held at the Russell W. Peterson Wildlife Refuge in Wilmington, Del.

Donations in 2012 Continue our Commitment to the Community



education, communication and partnerships where we donate regular and special needs (for the hearing impaired) smoke and carbon monoxide alarms to state and county organizations throughout our service areas.

Awards



A highlight in 2012 was receiving the Emergency Recovery Award from the Edison Electric Institute for our exemplary efforts restoring power to our customers after the derecho storm and Hurricane Sandy.

From being recognized for our contributions to the environment to receiving honors for our commitment to diversity, PHI received numerous awards in 2012. PHI takes pride in the many commendations we receive from governmental, nonprofit and industry leaders.

Leadership Awards

- *Electric Light & Power* named Joseph M. Rigby, PHI Chairman, President and CEO, as CEO of the Year for his strong leadership on cybersecurity measures on behalf of PHI's customers, employees, stakeholders and our nation's capital.
- Mr. Rigby also was presented the 2012 Corporate Leadership Award by Boys & Girls Clubs of Greater Washington that recognizes PHI's commitment to corporate responsibility and community service.
- Kenneth J. Parker, PHI Senior Vice President, Government Affairs and Public Policy, was named Father of the Year by the Father's Day Council National Capital Area in recognition of his community and corporate leadership.



Joseph M. Rigby, PHI Chairman, President and CEO, was presented the 2012 Community Achievement Award by B'nai B'rith International for his and PHI's commitment to industry innovation, philanthropy, humanitarian assistance and leadership in promoting tolerance.

Diversity Awards

- For the eighth consecutive year, *Black Enterprise* magazine selected PHI as one of the "40 Best Companies for Diversity." The award was based on employee base, senior management, supplier diversity and board of directors.
- For the sixth consecutive year, *HispanicBusiness* magazine included PHI in their "2012 Diversity Best Companies." It is an annual list determined by variables that measure a company's commitment to Hispanic hiring, promotion, marketing, philanthropy and supplier diversity.
- *Diversity/Careers in Engineering & Information Technology* magazine named PHI a "Best Diversity Company 2012" for supplier diversity.
- *Minority Business News USA* recognized PHI as a "101 Companies Supplier Diversity Best in Class" for 2012.
- *Black EOE Journal* named PHI in its "Best of the Best" list for top diversity employers in 2012.
- *Professional Woman's* magazine named PHI as a "Best of the Best" diversity hiring company in 2012.
- *Hispanic Network* magazine named PHI as one of the "Best of the Best" for diversity hiring in 2012.
- The Pennsylvania-New Jersey-Delaware Minority Development Council named PHI a "Regional Corporation of the Year" for its diversity hiring practices in 2012.
- The Prince George's County, Maryland, Supplier Development and Diversity division, named PHI as an "Outstanding Supplier Diversity Operations" company in 2012.



PHI's Edison Place headquarters features a 'green roof' that filters pollutants before runoff joins Washington, D.C.'s water system.

Environmental Awards

- PHI's corporate headquarters, Edison Place, received the first U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED®) for Existing Buildings Award granted to a building in the District of Columbia.
- PHI in 2012 was named one of the top firms in the Carbon Disclosure Project's (CDP) annual carbon performance and disclosure ratings. The index placed PHI first among S&P 500 utility companies for carbon management and performance.
- PHI received the Platts 2012 Global Energy Award of Excellence in the Energy Stewardship Category for its EmPOWER Maryland Programs designed to reduce customer electricity use.
- Pepco Energy Services was honored with the Maryland Quality Initiative's 2012 Green Sustainability Environmental Award of Excellence. The award was bestowed in recognition of recent solar energy improvements at the Baltimore/Washington International Thurgood Marshall Airport.
- The Arbor Day Foundation recognized Atlantic City Electric, Delmarva Power and Pepco as Tree Line USA® companies. The award recognizes utilities that educate customers, celebrate Arbor Day and follow best management practices in utility arboriculture.

Powering a Sustainable Future 2012-2013 Sustainability and Corporate Citizenship Report Pepco Holdings, Inc.

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To view PHI's full Sustainability and Corporate Citizenship Report, please visit www.pepcoholdings.com/sustainability.



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Atlantic City Electric
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 Mays Landing, NJ 08330
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Pepco Energy Services
 1300 North 17th Street
 Suite 1600
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