



# Diversity, Equity, Inclusion and Accessibility Report



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# Letter from CEO

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## Inclusion is at the heart of who we are at TVA.

Almost nine decades ago, TVA was created as a force for good, to lift up a struggling region of our nation. As we often say, “TVA was built for the people.” But TVA was created in an era when discrimination was prevalent throughout the nation. And while the country has made progress, tragically, discrimination and inequity are still undercurrents in American society today.

Across TVA, we are committed to being transparent, and in this — our first Diversity, Equity, Inclusion and Accessibility (DEIA) report — we document our work in this space.

Our work is only beginning, and there are no quick fixes. In 2020, we purposefully added Inclusion to our Core Values. These fundamental values — Safety, Integrity, Inclusion and Service — define how we interact with our customers, communities and — most importantly, each other.

We have created a Chief Diversity & Inclusion Officer position to elevate the importance and visibility of inclusion with diversity both internally and externally. Our People Advantage strategic focus is anchored on three pillars — Inclusion with Diversity, Talent and Engagement.

This report reiterates our commitment to these pillars and shares our progress toward our long-term goals. It highlights the actions we’ve taken, results achieved, and how we have and will continue to hold ourselves accountable.

Inclusion is at the heart of who we are at TVA. Our strength lies in our collective power and the perspectives that everyone brings to the table.

We are committed to a TVA that truly values inclusion with diversity, that treats people with respect and dignity, and where everyone can do their best work and be their best self every day.

After all, TVA was built for ALL of the people.

**Jeff Lyash**  
*President & CEO*



# Letter from CDIO

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## We are stronger in our diversity than we are in our sameness.

At TVA, people are at the center of everything we do. Whether we’re talking about our workforce and union partners, our other key partnerships or our communities, our collective power is strongest when we honor and value the uniqueness in each of us.

This is TVA’s inaugural Diversity, Equity, Inclusion and Accessibility (DEIA) report. In it, we tell our DEIA story — where we’ve been, how we’re doing and the ways we’re continually building on our commitment to improve.

DEIA requires each of us to be willing to learn, open our minds and listen to the experiences of others — whether that’s our team members, partners or communities. Our actions today and ongoing progress will position us to create a more just workplace for our teammates and to contribute to the broader shift across the nation and world.

Inclusion gets to the heart of making people feel comfortable, of helping them feel like they belong. Because when we feel like we belong, we bring our true selves to work each day.

Our employees — our greatest asset — do important work in our service territory. An inclusive workplace is critical to our performance, because people offer their best ideas and greatest energy and creativity when they feel seen, heard and encouraged.

We bring that same heart and focus to the work we do in our communities, working alongside our partners to meet the needs of ALL people. We are stronger together than we are as individuals. And we are stronger in our diversity than we are in our sameness. A more inclusive workforce will make TVA more successful in the delivery of our mission.

We aspire to be a TVA built by all the people and for all the people we serve. I am honored to serve as TVA’s first Chief Diversity & Inclusion Officer as we work together to achieve this end.

**Megan Flynn**  
*Vice President, Talent & Culture, and Chief Diversity & Inclusion Officer*



# Executive Summary

## About TVA

TVA is the largest public power provider in the United States and the third-largest electricity generator in the nation. We deliver low-cost, reliable and clean energy to approximately 10 million people across seven states.

Established by Congress in 1933, TVA was created to and has continued to build on a clear mission to benefit the public good. That mission includes:

- **Energy — providing low-cost, reliable and clean energy**
- **Environmental Stewardship — protecting and preserving the public lands, water and air**
- **Economic Development — attracting investment and creating jobs in the region**

Our unique, long-standing mission drives and inspires us daily to pursue new ideas and innovative solutions that improve our service to the communities and people we are privileged to serve. We are at the forefront of today's most innovative solutions, from building the energy system of the future to working with leading-edge partners as we aspire to reach net-zero carbon emissions.

At TVA, we have five Strategic Priorities: People Advantage, Operational Excellence, Financial Strength, Powerful Partnerships and Igniting Innovation. Our DEIA commitment plays a critical role in our ability to achieve these priorities. Our People Advantage priority is anchored on three pillars: Inclusion with Diversity, Talent and Engagement.

TVA's Core Values of Safety, Integrity, Inclusion and Service define how we interact with our customers, communities and — most importantly — each other. These values serve as institutional guideposts and help us sustain success.

## Our Values



### Safety

We are uncompromising in our commitment to the safety and well-being of our teammates and the communities we serve.



### Integrity

We are honest and straightforward—always doing the right thing with integrity.



### Inclusion

We treat everyone with dignity and respect—emphasizing inclusion by welcoming each person's individuality so we can reach our potential.



### Service

We are proud to be of service in the communities in which we live, work, and play.

## Building a Culture of Inclusion

At TVA, we are building a culture that truly values inclusion with diversity.

Diversity is what makes each of us unique. It's about appreciating our individual differences and bringing those together to make us stronger and to better reflect the communities we serve. The wider the breadth of experience and knowledge, the better we meet our mission of service across this region.

Inclusion is a sense of belonging. It is about each of us intentionally creating a welcoming environment so all individuals can thrive and fully contribute to our success.

Inclusion with diversity leads to better discussions, decisions and outcomes for the communities and people we serve. We are committed to a TVA that truly values inclusion with diversity, that treats people with respect and dignity, and where each of us can do our best work and be our best self every day.

TVA was built for the people ... ALL the people, and at TVA, everyone from our Board of Directors to our leadership to our newest employee plays a role in living out that mission.



## Our Transformational Journey

In the past couple years, we have made significant changes to strengthen our work across the diversity, equity, inclusion and accessibility spectrum.

For any organization to move forward, it must evaluate its past and current culture before looking toward its future. When we evaluated our Diversity & Inclusion program, we recognized we had more work to do to create real change — that we could not have sustainable diversity without first creating a culture of inclusion.

We elevated Inclusion as a Core Value and created a framework that includes the creation of a cross-functional Inclusion with Diversity (IwD) Council, which provides enterprise alignment between our D&I program and senior leadership. We also established Strategic Business Unit (SBU) Inclusion Councils that advance inclusion work within each of our six SBUs. The comprehensive, cross-functional structure has strengthened our focus and improved collaboration related to D&I across TVA. The framework enhances education, dialogue and engagement across the organization.

The IwD structure also includes our nine Employee Resource Groups (ERGs), which continue to play an important role in cultivating an inclusive culture. ERGs are employee-led volunteer organizations based on identity, experience or interests. They bring value to TVA and our employees by focusing on what we call the Three C's: Culture, Career and Community.

Our Chief Diversity & Inclusion Officer ensures that the organization's culture values DEIA and is committed to ongoing education and training to strengthen IwD at TVA. The CDIO serves as an organizational conscience with the ability to influence strategic priorities and is a visible advocate and resource for employees and a representative for the community.

## TVA's Journey

### FOCUS: Improving diverse representation

#### 2013 - 2018

##### Building a Foundation through Employee-led Grassroots Efforts

- Created a dedicated D&I team
- Established Employee Resource Groups (ERGs), which are the backbone of our efforts to this day
- Built awareness and educated our workforce through required learning for all employees
- Established a D&I Executive Steering Committee and other related councils
- Developed enterprise competencies, one of which was leveraging diversity, and incorporated those enterprise competencies into performance reviews

**Focusing on improving diverse representation did not lead to sustainable change. We had to turn our focus inward to create a more inclusive culture.**

### FOCUS: Establishing a more inclusive culture

#### 2021

##### Expanded Ownership and Advocacy Across the Enterprise

- Formed an enterprise wide IwD Council, offering cross-agency visibility into the IwD strategies and plans of all six strategic business units
- Established a Supplier Diversity Advisory Council
- Identified core diversity metrics
- Restored the annual ERG Summit with focus on intersectionality and allyship
- Named our first Chief Diversity & Inclusion Officer
- Developed IwD strategies and plans for each strategic business unit

#### 2020

##### Established a Strong Tone at the Top

- Promoted the importance of inclusion with diversity throughout the agency with dedicated messaging from CEO and Enterprise Leadership Team
- Elevated the importance of people and inclusion through the People Advantage strategic priority
- Introduced Inclusion as a Core Value to the agency
- Engaged with D&I thought leaders to identify opportunities to improve
- Began taking a public stance on social issues

#### 2019

##### Refreshed Our Values

- Recognized the necessity of turning our focus inward to become a more inclusive and engaging environment for all employees
- Added inclusion as one of TVA's fundamental values

### FOCUS: Leveraging inclusion with diversity to generate sustainable results

#### 2022 and Beyond

##### Recognizing and Sustaining Diversity as an Imperative

- Implementing programs to strengthen our recruitment, selection and development processes
- Increasing transparency of diversity metrics through the deployment of a metrics dashboard
- Advancing union partnerships to build diverse talent pipelines throughout the region
- Enhancing Supplier Diversity program support
- Partnering with regional relations to advance Inclusion with Diversity in the communities we serve

## CDIO Engagement Landscape

### Enterprise Leadership Team

#### Chief Diversity & Inclusion Officer

#### IwD Council

Commissioned by the ELT in April 2021 to advise, champion, and oversee all IwD strategies and actions across the enterprise  
Council members also champion IwD within their respective SBUs



#### Diversity & Inclusion Team

Collaborates across the enterprise to unlock the potential of our diverse organization and move our culture forward  
The team also champions the fair and equitable application of our policies and practices for all employees at every level

#### ERGs

Employee-led, volunteer organizations established in 2015  
ERGs support and advocate for IwD enterprise wide, serving as a resource when needed and sounding board to voice concerns and solutions

#### SBU Inclusion Councils

Established in 2021 to provide insights on SBUs' inclusiveness and diversity  
The six SBUs include:

- Nuclear
- Operations
- External Relations
- Financial Services
- Office of the General Counsel
- Human Resources & Communications

#### Other

Equal Opportunity Compliance manages the Equal Opportunity process and partners with Ethics & Compliance and Office of the General Counsel to oversee investigations, decisions, and reporting  
Union partnerships advance DEIA efforts to increase pipeline diversity

### TVA Workforce

Treat everyone with dignity and respect, emphasizing inclusion by welcoming each person's individuality so we can reach our potential

## Delivering Strong Business Results

TVA's mission of service is to provide value for all the people of this region. Achieving that mission requires us to do our jobs well, whether we're working in power plants, testing water quality in the field, or working to ensure TVA has the financial strength to help people in times of need, such as during the COVID-19 pandemic and after natural disasters.

Research shows that a commitment to DEIA helps organizations achieve greater success. For example, diverse, inclusive teams bring different backgrounds and experiences and are more likely to explore ideas that are creative and move beyond the usual or standard. Inclusive and diverse organizations also have better collaboration, higher levels of team commitment, and empowered employees who make better decisions.

Organizations with inclusive cultures are more likely to retain experienced, highly engaged employees, because the individuals feel included and appreciated. Research also shows that diverse organizations demonstrate enhanced customer empathy, gain better customer and community insights, and increase favorable customer and community interactions.

To ensure we achieve these business successes, we have made — and continue to advance — substantial improvements in our internal processes for recruiting, hiring and retaining top diverse talent. We also are focused on enhancing our professional development, talent management and succession planning with diversity and inclusion in mind.

partner in order to meet our resource and environmental stewardship commitments and to help the region remain a top choice for business and industry.

In a region with some of our nation's most economically disadvantaged residents, we continue to work with community leaders, businesses and our customers to reduce energy burden. While TVA's energy costs are among the nation's lowest, we continue our commitment to help people use energy more efficiently, directly benefiting those we serve.

TVA recently shifted to a regional model that divides our service area into four quadrants (North, South, East and West). The change is helping us better identify local community needs and align our priorities and resources to match those needs.

TVA promotes economic prosperity in local communities and across its service territory, and we welcome businesses of all types — small, minority-owned, woman-owned, veteran-owned, service-disabled veteran-owned and those located in historically underutilized business (HUB) zones, among others.

Through our Diversity Alliance Program, we partner with advocacy organizations focused on supporting and growing qualified small and diverse businesses within our seven-state service area. We provide funds; actively assist small, diverse suppliers in qualifying for contract opportunities; and encourage joint ventures, partnerships and subcontracting relationships to aid in business development and growth.

## Our Commitment

Our mission of service is to provide value for the communities and people across the seven-state region. At TVA, in our communities and in our world, strength lies in our collective power. Each individual brings a diverse perspective that adds value to the work we do together. We are stronger when each of us feels included, supported and valued. At TVA, inclusion is not our end goal. It is our way.

## Supporting Our Communities and Diverse Suppliers

TVA serves the region through partnership with 153 local power companies, and a central principle of the public power model is local control. TVA also has a vast array of direct-served industrial customers, military facilities and a federal research facility that provide significant jobs and economic impact to the region. We are working to enhance our role as a community leader and trusted

# DEIA Within the Agency

## Creating an Inclusive Workplace Culture

TVA has been committed to Diversity & Inclusion for a long time, but in the past couple years, we recognized we were not making the substantial progress needed in this area. As a result, we turned our focus toward internal culture changes, with an eye on making significant improvements. We elevated Inclusion as a Core Value for our organization, created a Chief Diversity & Inclusion Officer senior management position, intensified efforts to focus on Inclusion with Diversity across TVA, and created initiatives — from councils, to training, to awareness programs — that enhanced education and engagement across the organization.

Our journey is about ensuring each person delivering TVA’s mission of service feels seen, heard and encouraged to give their best each day. Inclusion with Diversity is what motivates people in their work to make our region a better place to live.

In 2020, our Enterprise Leadership Team sent a letter to the entire organization about the importance of taking a stand against racial injustice. Part of the letter read, “There is no room for discrimination, harassment, or intolerance of any kind. We will not tolerate it and none of us can stand by quietly if we observe it. Now, more than ever, we must embrace the fundamental values that define us as a company. The importance of respect, diversity, inclusion and simply caring for each other cannot be overstated. These are more than just words ... we hold ourselves and each other accountable to these values each and every day.”

We work continually to ensure we are accountable to these values. In April 2021, TVA established the Inclusion with Diversity (IwD) Council, which provides enterprise alignment between our D&I program and executive leadership. Comprised of executives and advisors representing every area of TVA, the IwD Council provides oversight, advisement and advocacy for enterprise and strategic business unit inclusion initiatives. The IwD Council is strengthening Inclusion with Diversity at TVA by increasing the focus on inclusion across the organization, working with the D&I Program Office to ensure alignment and collaboration with Employee Resource Groups (ERGs), and offering input to Executive Order responses and other key initiatives.

To ensure Inclusion with Diversity is a focus at every level of the organization, we created Strategic Business Unit (SBU) Inclusion Councils that advance inclusion work within each of our six SBUs. The SBU Inclusion Councils determine and work on the most pressing needs within their SBU. They give regular updates to the IwD Council, which provides support and guidance as needed. The comprehensive structure has strengthened our focus and improved collaboration related to inclusion across TVA.

The IwD structure also includes TVA’s ERGs, which are an important way we cultivate an inclusive culture. ERGs bring value to TVA and our employees by focusing on what we call the Three C’s:



- **Culture:** Creating education and awareness-raising initiatives for all employees
  - **Career:** Facilitating leadership and professional development opportunities, mentorship experiences and avenues for advocacy/visibility
  - **Community:** Enhancing community outreach and recruitment by cultivating relationships with community organizations
- In 2021, TVA launched updated inclusion initiatives such as:
- **Courageous Conversations**, which provides TVA leaders and the workforce the opportunity to share insights and experiences on workplace inclusion and related topics. Local, regional and nationally recognized external guests are invited to participate on panel discussions to provide best practices and external perspectives.
  - **Enhanced D&I training**, which has been updated to be more skill-based and to encourage open conversations around personal experiences and commitments. D&I training is mandatory at every level of our organization, both for individual employees and for leaders expected to advance Inclusion with Diversity with their employees.

- **Additional D&I learning experiences**, which are offered through ERGs, Let’s Talk Leadership Discussion Guides, our Leadership Fundamentals self-service program and LinkedIn Learning content.

Also in 2021, TVA contracted with Inclusive Performance Strategies (IPS), a national consulting firm that specializes in enhancing organizational performance through the lens of equity and inclusion. IPS is currently performing an independent third-party review to assess inclusiveness and any biases within our people policies and procedures. Results from that assessment are expected in late 2022.

TVA conducts regular surveys to measure how employees feel about their work at TVA, including if they feel engaged and included in the workplace. We know that employees who feel engaged in their work and included in their workplace are happier and more fulfilled, and they help TVA achieve higher overall performance. Focusing on inclusion also helps teams retain employees with critical skills and knowledge. TVA uses employees’ engagement survey responses to inform our strategies and take actions that improve our workplace for everyone.

Moving forward in 2022, we are requiring leadership and employees to set Inclusion Goals, which will be measured in specific ways, depending on the person's leadership position or job. While there is not one "right way" to approach Inclusion with Diversity, one thing is critical: being authentic. To that end, we are taking an honest approach that describes our flaws as well as our successes, are committed to being thorough and thoughtful as we move forward and are communicating with our employees and our communities to ensure we continue to listen and incorporate feedback effectively.

## Employee Resource Groups

### ABLED

**ABLED** (Awareness Benefiting Leaders & Employees about disAbilities): Seeks to engage, equip and elevate TVA's workforce on issues and barriers facing individuals with disabilities. ABLED exists to improve the workplace environment and community for individuals with disAbilities by creating a culture of access.

### ACTion

**ACTion** (the Asian Collaboration Team): Focuses on helping TVA become an employer of choice in the Asian-American community and to collaboratively build greater inclusion and diversity across the organization and within our communities.

### African American Voices

**African American Voices:** Provides a forum for employees to exchange ideas and to network within TVA and in the communities we serve. Seeks to engage, educate and mentor members, impact our diverse workforce, and support TVA's mission of service.

### IGNITE

**IGNITE:** Engages, empowers and educates our workforce in supporting creative thinking and advancing efforts to extract economic and social value from diverse knowledge, perspectives and experiences. IGNITE serves to advance an environment that promotes free thinking, an entrepreneurial spirit, and sustainable value creation across all levels and functions of the organization. By doing so, TVA can generate new or improved products, services, processes and solutions.

### New Employee Network

**New Employee Network:** Engages our team members from the beginning of their TVA experience. We connect new employees with networking, learning and career development opportunities while enabling organizational leaders to better understand emerging employee trends and needs.

### Spectrum

**Spectrum:** Seeks to engage, empower and educate TVA's workforce on lesbian, gay, bisexual, transgender, queer, intersex, and asexual (LGBTQIA+) issues relevant to our communities. Exists to improve the workplace environment by providing support and advocacy to ensure equal civil rights for all employees. Spectrum aspires to be a presence in our community, working to promote diversity and inclusion on behalf of TVA.

### Amigos

**TVA & Amigos:** Facilitates the growth of the Hispanic employee population in numbers, professional development and engagement within the company and community. Promotes awareness of and participation in Hispanic interests as part of TVA's commitment to a sustainable, diverse and inclusive workforce.

### Veterans Association

**TVA Veterans Association:** Supports a strong commitment to the brave men and women who have served — and continue to serve — our nation in the Armed Services. Strives to enhance TVA's reputation as one of the nation's most military-friendly employers, where veterans can continue to serve in a whole new way.

### Women Empowered

**Women Empowered:** Creates connections across the agency to foster professional and personal growth. Empowers advocacy and opportunities to help women contribute to the TVA mission and to our communities in unique, powerful ways.

## Workplace Representation

TVA strives to have a diverse workforce because it strengthens our business and improves our ability to achieve our mission of service. We establish goals using census information to understand the diversity of the available qualified workforce in our recruitment areas and develop programs that will expand diversity in our workforce.

Since Fiscal Year (FY) 2018, our overall workforce demographics for females have increased while our demographics for people of color have remained relatively flat. These numbers have yet to reflect the demographics of the qualified available workforce in our region.

Leader representation matters because, frankly, we cannot be what we cannot see. Diversity of leadership positions for both persons of color and females have reached the highest representation levels at TVA since at least FY 2018. However, we still have work to do to match the qualified available workforce. In FY 2021, 18.0 percent of our leaders were female, and 9.6 percent of our leaders were people of color. We are working to develop a culture in which employees feel comfortable self-identifying, and that will be an important part of assessing ourselves and setting goals for differently abled and LGBTQIA+ leadership.

### DIVERSE LEADERSHIP REPRESENTATION BY GROUP

| LEADERSHIP LEVEL            | Total        | Unique Rep   | Female       | POC         | Veteran      | Disabled*   |
|-----------------------------|--------------|--------------|--------------|-------------|--------------|-------------|
| Executive                   | 66           | 51.5%        | 27.3%        | 10.6%       | 12.1%        | 9.1%        |
| Director/General Manager    | 176          | 56.8%        | 27.8%        | 8.0%        | 19.3%        | 10.8%       |
| Middle Manager              | 370          | 51.1%        | 15.9%        | 8.9%        | 25.7%        | 8.6%        |
| First Line Manager          | 553          | 47.0%        | 23.0%        | 10.8%       | 15.2%        | 6.0%        |
| First Line Supervisor Craft | 318          | 42.8%        | 5.3%         | 9.1%        | 30.5%        | 6.9%        |
| <b>LEADERSHIP TOTAL</b>     | <b>1,483</b> | <b>48.5%</b> | <b>18.0%</b> | <b>9.6%</b> | <b>21.4%</b> | <b>7.6%</b> |

\*Self-identified

Diverse external hires are how we change our workforce composition and build a diverse talent pipeline. During FY 2021, our diverse external hires averaged 39.4 percent. 27.2 percent of those external hires were female, 15.7 percent were people of color and 3.1 percent were differently abled.

As TVA works to increase the diversity of our workforce, we also seek to reduce voluntary attrition of diverse employees. While overall TVA voluntary attrition remains low at 1.5 percent, voluntary attrition of people of color and differently abled employees exceeds the overall average at 1.7 percent and 1.8 percent respectively.

## Unique Representation Across Workforce

**10,192**

Total Population

**47.4%**

Unique Representation

0.4% LGBTQIA+\*

7.6% Disabled\*

11.2% People of Color

17.9% Veteran

20.4% Female

\*Self-identified

## Partnering with our unions to recruit and hire a diverse workforce

### HELMETS TO HARDHATS:

Sponsored by the 15 international and national unions of North America's Building Trades Unions (NABTU), this nonprofit program connects transitioning active-duty military service members, veterans, National Guard and Reservists with skilled training and quality career opportunities in the construction industry. TVA's Chief People and Communications Officer is on the national board of directors, and we are an active participant and beneficiary of the program.

### APPRENTICE READINESS PROGRAM:

Union-led, TVA-funded partnership with NABTU to train and develop future union members and TVA employees with a goal of increasing diverse representation in skilled trades early in the career pipeline.

### LINEMEN INVESTING FOR TOMORROW (LIFT) PROGRAM:

A community partnership leveraging the TVA/IBEW relationship with a goal of developing a more diverse pipeline of newly skilled electrical line workers in the Memphis region. Participants will gain an understanding of the skills needed to work in the electrical line field through an all-expense-paid, four-week linemen bootcamp at a TVA training facility. Trainees will receive a stipend, and TVA will fully fund trainees' tuition for the North American Lineman Training Center upon completion of the boot camp.

## Recruiting a Diverse Workforce

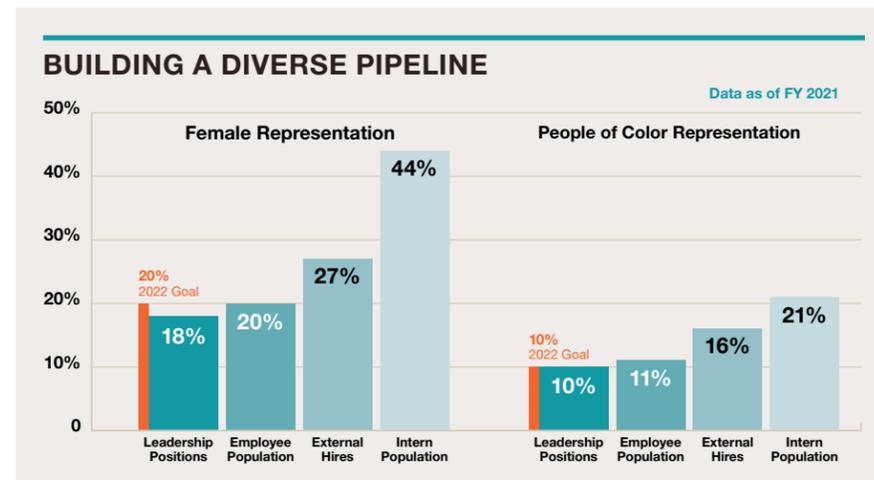
TVA is committed to a diverse workforce, because when people bring diverse perspectives and a wide range of experiences to the table, our work — and our ability to serve our region — improves. In recent years, we have become more intentional in our recruiting efforts.

We have formed numerous partnerships that help ensure we are recruiting a talented, diverse workforce. Our partnerships with professional organizations such as the National Association of Black Accountants, National Society of Black Engineers, Society of Women Engineers, Women in Technology, and Society of Hispanic Professional Engineers help us identify and recruit new talent. We also have a number of recruiting partnerships with historically black colleges and universities (HBCUs) in our service area, and we engage with diverse student organizations across our college and university recruiting pipeline.

Approximately 60 percent of our workforce is represented by labor unions. We are working closely with a total of 17 unions to place a high priority on developing a diverse pipeline of talent that reflects the makeup of the communities we serve.

Since increasing our focus on workforce diversity, our Early Career Programs have actively sought more diversity in the interns we hire. After their successful internships, many of our interns are recruited as full-time TVA employees.

Additionally, we partner with our nine Employee Resource Groups to help us better reach diverse communities and candidates throughout the region. Internal postings are shared with ERGs, and many ERGs and professional associations actively participate in our community outreach and recruiting programs.



## What is Inclusion with Diversity (IwD)?



Diversity is what makes each of us unique. It's about appreciating our individual differences and bringing those together to make us stronger and to better reflect the communities we serve.

Inclusion is a sense of belonging. It is about each of us intentionally creating a welcoming environment so that all individuals can thrive and fully contribute to our success.

They are both important. Sustainable diversity does not exist without inclusion. We can only realize the benefits of diversity if we have an inclusive and engaging environment. Inclusion is the lever that turns diversity into results.

This drives higher employee engagement, innovation, and improved financial and operational performance.

## Organizations we're partnering with to diversify our internship pipeline

### INROADS:

A non-profit organization that creates pathways to careers for ethnically diverse high school and college students across the country. TVA partners with INROADS through their Leadership Development Academy Program — a multi-year, blended learning model that combines salaried internships with year-round, comprehensive training, mentoring and leadership development.

### MOSAIC:

A multifaceted and comprehensive program developed to support the holistic needs of degree-seeking University of Tennessee Chattanooga students on the Autism Spectrum. TVA partners with Mosaic to provide paid internships that include intern housing accommodations.

*"Our Mosaic intern provides valuable business analytics skills that our team needs and our partnership with the Mosaic program is teaching us to think more broadly about how we approach creating an inclusive workplace for everyone."*

-Sharon Williams  
Director, Business Planning & Analysis

## A Focused Look at Diverse Hiring

At TVA, we are enhancing our hiring practices to be sure they are equitable for every candidate.

Researchers have found that organizations with inclusive and diverse cultures perform as much as 36 percent better than less diverse peers. Our financial strength is critical to our ability to provide key services, so a diverse and inclusive work environment benefits not only our employees but also everyone in the region.

Here are ways we are enhancing our hiring practices:

### DIVERSE INTERVIEW PANELS

We are piloting programs focused on ensuring there is diverse representation on our interview panels.

### “DIVERSE SLATE” APPROACH

We also are piloting a “diverse slate” hiring approach in which managers must ensure the pool, or slate, of candidates who are interviewed is diverse.

### DASHBOARD

TVA is developing a dashboard that will monitor the diversity of applicants, candidates, interviews and selections. The dashboard is expected to be rolled out by mid-2022.

*“Hiring the most-qualified candidates is critical to our success, and using diverse hiring practices helps us broaden our search.”*

*-John M. Thomas III  
Executive Vice President and  
Chief Financial Officer*



## Achieving Equity in Hiring Practices

TVA utilizes several tools to ensure we achieve equity in our hiring practices. For example, in the electric utilities industry, Edison Electric Institute (EEI) tests are used to screen candidates for aptitude for many operations and maintenance jobs. TVA has designed and grants access to self-paced EEI test preparation workshops to help alleviate barriers to entry for diverse candidates seeking entry level employment in our Operations and Maintenance organizations.

We provide guidance and training to hiring managers across our organization to ensure that through every step of the hiring process, they are using proactive recruiting strategies that will build diverse, high-performing teams. Our hiring managers take interview training that covers topics such as eliminating unconscious bias, selecting an inclusive interview panel, creating effective questions and scoring applicants.

We are integrating DEIA best practices in situations such as a reorganization or transformation, where there is opportunity to hire large numbers of employees and further diversify our workforce. To date, this has included removing degree requirements for some positions and re-evaluating our traditional geographic pool of candidates through more flexible and work-from-home options for new hires. For example, these methods have been

employed during an effort to recruit more than 200 full-time technology and innovation employees.

We are committed to enhancing workforce planning practices, including the identification of critical roles and pipeline development for future TVA needs, with enhanced diversity of those pipelines being a key element.



## Retention

TVA works just as hard to retain its employees as it does to recruit and hire them. An important aspect of developing a diverse workforce is creating a culture in which employees want to build long-standing careers at TVA. Focusing on inclusion helps teams retain employees with critical skills and knowledge, and the employees are more engaged because they feel included and appreciated.

TVA regularly measures employees’ engagement and sense of belonging and inclusion through Employee Engagement Surveys. We leverage these engagement surveys and listen — and respond — to employee feedback. We also are developing exit interview tools to help us learn from people who choose to leave TVA. These insights may help inform our future actions.

Benefits offered to employees also strengthen retention. The COVID-19 global pandemic impacted our employees, and we have responded with enhanced well-being services such as access to telemedicine and virtual behavioral health services, unlimited access to Employee Assistance Program sessions, online tutoring resources through tutor.com, and a well-being stipend to support employees’ needs due to the pandemic. We regularly provide well-being-related content on established and emerging topics through the agency intranet.

We are currently developing a caregiving benefit that will provide employees access to reliable, low-cost child, adult/elder and pet-care services when usual care is unavailable or in emergency situations. The program will provide employees with access to an array of services that enable their families to find, manage and pay for back-up care. As we look for ways to improve our offerings to employees, we are establishing routine meetings with ERGs to discuss and get feedback on employee benefits, and we are including diversity and inclusion in the development of the employee recognition strategy.

## Diversity Impact Award

Received 2021 Top 10 Diversity Action Award  
— Association of ERGs & Councils

## RECEIVED 2021 Military Friendly Top 10 Employer

FORBES AMERICA'S Best Large Employers  
#2 in Utility Industry  
Top 25% Overall

## Best-In-State Employers

3<sup>rd</sup> consecutive year Top 5 in Tennessee

RECOGNIZED BY NEWSWEEK Top 100 Most-Loved Workplaces®

## Inclusion by Design Award

Urban League of Greater Chattanooga

**We are committed to strengthening the inclusiveness of our talent identification.**

### Professional Development and Promotion

At TVA, we are strategic about developing diverse, talent-driven teams. We offer all employees professional development opportunities. We expect and reward behaviors that support a high-performing and inclusive culture, and our leaders are trained in areas such as reducing bias, embracing diversity and seeking out diverse perspectives. We also offer a library of self-directed classes for additional leader training on diversity and inclusion.

For our leadership development and training programs, we track diversity and develop class rosters based on several factors, including diverse representation. Our current Strategic Leadership Program (SLP), which accelerates a senior manager's readiness to become a director, is now 65 percent diverse. As we emphasize identifying talent and offering professional development, we are beginning to see positive growth in SLP diversity.

With the objective of fostering inclusion as a value for all leaders, training programs for leaders early in their careers include diversity and inclusion topics as well. In partnership with our unions, we have integrated diversity and inclusion elements into the leadership development and training program required for all foremen, the first level of skilled trade leadership and largest group of leaders at TVA.

Multiple high-performing TVA employees have been enrolled in the Urban League's Inclusion by Design Executive Leadership Program, which helps to prepare minority and female leaders for future executive roles. The program equips these future leaders with additional knowledge and skills to function successfully in an executive role and to navigate gender, racial and cultural biases.

### Talent Management and Succession Planning

Our commitment to increasing the diversity of our workforce includes strengthening the depth of our talent management program and succession planning. Internal vacancy postings are regularly shared with ERGs, which distribute them broadly. We require that all positions be posted internally so employees have access to developmental and/or promotional opportunities within the agency.

At the Strategic Business Unit level, mid-year and year-end talent reviews are conducted to ensure we have an inclusive view of talent and a focus on increasing diverse representation. Our Enterprise Leadership Team performs quarterly talent reviews with a focus on diversity, reviewing leadership team talent, succession plans and enterprise talent initiatives. They devote time in each meeting to diverse leadership team development, including evaluating coaching, mentorships, committees and development opportunities.



From accelerating the diversity of first-line talent to enhancing succession planning for senior leaders, we are committed to strengthening the inclusiveness of our talent identification.

These efforts have a positive impact on TVA and the entire region. How do we know? Because research shows that inclusive and diverse organizations have better collaboration, higher levels of team commitment and empowered employees who make better decisions.

### Performance and Compensation

In FY 2021, TVA introduced a values-awareness objective within our performance management process. Moving forward, in FY 2022, we are demonstrating our commitment to D&I by tying leaders' and Management & Specialist (M&S) employees' compensation directly to D&I performance. As of FY 2022, leaders and M&S employees must have an inclusion-focused goal as one of their performance objectives. This change conveys to employees that living our values and treating people with dignity and respect matter greatly to TVA.

TVA contracts with Willis Towers Watson to perform a third-party review of compensation plans, policies and practices to ensure alignment with market best practices. In FY 2023, Willis Towers Watson also will perform a comprehensive pay equity review for the enterprise.

TVA follows compensation guidelines and procedures that ensure equity and consistency for all employees. We provide pay guidelines for promotions and role changes to ensure fair and equitable application of increases across the organization. Additionally, we have pay placement guidance in place to ensure appropriate pay within the range based on criteria such as experience, time with the organization and career level. Each year, annual merit increases are analyzed to ensure pay equity.

Approximately 60 percent of our employees are represented by a union. Union wages are collectively bargained and the regular rigor and conversations between all parties is open and transparent, which reinforces the importance of sound, fair and equitable pay practices.

# Our Work in the Community

## Community Contributions Redesign

At TVA, we are committed to the communities we serve, and we strive to be a trusted neighbor through corporate giving, employee volunteer efforts, and programs that provide support and assistance to those in need.

In an effort to better fulfill that goal, we recently reorganized our External Relations organization and created a Public and Community Engagement Team to be more deliberate in outreach to local-level, community-based organizations. This team is responsible for our outreach to nonprofits, civic interest groups and community organizations as well as for tracking and reporting community contributions across the enterprise.

We also established a governance framework to ensure a more consistent and equitable approach to financial giving and adopted Giving Pillars and Giving Principles to guide future contributions.

### GIVING PRINCIPLES

Giving Principles are foundational to guiding TVA's decisions around community contributions and helping establish a common point of view and priority when allocating resources. This focus helps ensure our charitable contributions support TVA's mission, incorporate broad stakeholder input and are impactful. We want to be sure we give resources equitably to communities across our service area.



### Giving Principles

|                  |  |
|------------------|--|
| <b>Aligned</b>   | With TVA's mission, Giving Pillars, values, strategic goals  |
| <b>Balanced</b>  | Considering annual donation across Giving Pillars, urban and rural areas, and customer segments          |
| <b>Impactful</b> | Quantifiable local impact - Impact per dollar or hour of giving; effectiveness of recipient organization |
| <b>Engaging</b>  | Prioritize broad customer / stakeholder input, joint customer or BU efforts                              |
| <b>Scalable</b>  | Start small with established end date to avoid over-commitment   |

### GIVING PILLARS

The new Public and Community Engagement Team evaluated how industry peers distribute community gifts. Based on that evaluation, we moved from three to seven giving pillars, allowing resources to reach more people in specific community segments that may have been less visible. Community segments target a range of serious problems from food insecurity to supporting arts and education. This broad focus reflects an understanding of the many opportunities and challenges faced in our communities.

TVA allocated \$7 million to our Giving Pillars for FY 2022, with increases planned in each of the following two years. In addition, the team created a supporting process for community stakeholders to request resources and stay informed throughout the decision and distribution processes. The redesigned process increases visibility into contributions and those affected. Improved data analysis tools enable more informed decisions and better

understanding of what drives the most significant impact in communities. This new approach to community support strengthens a key component of TVA's mission to improve life for the people in our region, and it puts funding, energy and time behind one of our core values — Inclusion.

### COMMUNITY CARE FUND

People in our region have relied on TVA for nearly 90 years to support the community and make life better for the people who call it home. This commitment became more critical with the onset of the COVID-19 pandemic in 2020, which created hardship for many of the communities we serve. In response, we have partnered with local power companies through the Community Care Fund by making available over \$9 million in TVA matching funds to support local initiatives that address hardships created by the COVID-19 pandemic. Funding levels are aligned to the Giving Pillars and are based on local power company size (i.e., based on number of customers served).

### TVA's Seven Giving Pillars

|   |   |  |
|---|---|--|
|  | <b>Education</b>                                | Includes contributions to K-12 schools, colleges and boards of education; priority given to STEM & robotics  |
|  | <b>Diversity &amp; Inclusion</b>                | Includes contributions to affinity groups and supplier diversity efforts (note: supplier diversity efforts are funded through TVA Supply Chain budget)                 |
|  | <b>Health, Hunger, &amp; Housing</b>            | Includes contributions to health organizations, food banks, and shelters; for health, priority given to broad organizations rather than disease-specific organizations |
|  | <b>Workforce Development &amp; Training</b>     | Includes contributions for workforce development and training of non-TVA employees in the Valley   |
|  | <b>Community Enrichment</b>                     | Includes contributions to community events, community spaces, parks and recreation   |
|  | <b>Arts &amp; Culture</b>                       | Includes contributions to support visual and performance art as well as events and exhibits highlighting the diverse cultures represented in the Tennessee Valley      |
|  | <b>Disaster Relief &amp; Emergency Response</b> | Includes contributions to local communities affected by disaster   |



## Community Enhancing Programs

Since our inception in 1933, TVA has always worked to be a good neighbor and improve the quality of life in our region. Since 2018, we have initiated several new programs that target energy efficiency, community legal support and the expansion of technology to benefit communities.

### EMPLOYEE VOLUNTEER HOURS

Community service is important to TVA employees and our culture. Our volunteer program connects employees' passion for volunteering with tangible public and community service efforts. Employees may participate in approved programs of their choice or those that TVA plans and organizes with not-for-profit and community organizations.

In an effort to strengthen community support, TVA is bringing greater awareness to TVA-led volunteer opportunities and clarity on what employee-identified organizations qualify for TVA resources. Our goal is to encourage TVA employees to give their time and talent to organizations they feel positively impact their communities.

More than two dozen vice presidents and executives lead by example and serve on 56 non-profit boards in TVA communities.

As we look to the future, the goal of our Public and Community Engagement Team is simple — to increase access, transparency and reach to improve life for the people we serve.

*“My time serving on the Ronald McDonald House Charities (RMHC) Board has been rewarding in so many ways. More than 10,000 Chattanooga families have been served by RMHC since its opening in 1990. I am very proud to work for a company with such a rich mission of service and one that encourages us to serve in our own communities.”*

*-Melanie Farrell  
Vice President, External Strategy & Regulatory Oversight*

## HOME UPLIFT

Energy burden — the percentage of gross income spent on energy costs — can be significant for residents most in need. While the median energy burden in our region is 4.4 percent, these households typically spend 10 percent of their disposable income on energy. Even with TVA's low energy costs, that burden can be heavy for many households in our service territory, where 67 percent of the communities are classified as disadvantaged. Of the 185 counties in TVA's service area, 124 are designated as economically distressed Special Opportunity Counties.

Recognizing this challenge, TVA is currently partnering with over 50 local power companies to provide the Home Uplift program to qualified low-income homeowners who live in houses that are in need of energy upgrades. Additionally, each year, new local power company partners enroll in the program and help expand its reach. More than 2,700 homes have been upgraded so far, with more than 750 families positively impacted in 2021 alone.

Since 2018, TVA, local power companies and community partners have pledged almost \$40 million combined donations to Home Uplift. Improvements made through the

### First Home Uplift Recipient

program save homeowners an average of \$500 per year by installing energy upgrades such as weatherization, air sealing, high-efficiency heat pumps and air conditioners, duct replacement/repairs, ENERGY STAR windows and appliances, insulation, high-efficiency lighting, heat pump water heaters, and/or whole-house ventilation.

Beyond the energy savings, the upgrades help to reduce thermal stress, as well as improve the air quality, health and safety of those living in the renovated homes.

We are continuously looking for ways to expand Home Uplift's reach to better meet the needs of the diverse communities we serve. The program has predominantly served African American and Caucasian communities; however, we are expanding relationships with community partners to gain insight and develop additional tools that also increase participation in Asian, Hispanic, Latino and Middle Eastern communities. We want to achieve participation that is reflective of the communities where the program is offered. Additionally, we are also seeking funding partners throughout the region to better reach rural communities in need.

To diversify participation, we are simplifying the application process and offering applications in multiple languages. We are implementing a cross-referral program to expand awareness to areas of the community previously missed, and we are working with a growing number of community and corporate partners to gain access to additional grants. Our goal is to expand the program throughout the region, thus improving resources offered to the communities we serve.





**We are investing more than \$7 million in public K-12 schools over the three-year pilot.**

### SCHOOL UPLIFT

Launched in 2020, School Uplift is a 12-month training program that uses behavior-based techniques to help public schools make smart energy choices that improve the classroom learning environment and save money through decreased energy use.

We are investing more than \$7 million in public K-12 schools over the three-year pilot. We have already helped a total of 60 schools during the first two years of School Uplift, with a target of reaching an additional 100 schools in the 2022-23 school year.

On average, participating schools saved nearly 15 percent on their annual energy bills. These savings may then be reinvested in educating students. Alvin C. York Institute (Jamestown, Tennessee) led the first-year School Uplift participants in energy savings, reducing the high school's power bill by \$43,000 annually. Student engagement has been a critical factor in the success of the program.

In addition, schools may benefit from School Uplift by competing to earn energy upgrade grants that further improve energy efficiency and reduce energy bills through building upgrades such as heating and cooling units, lighting and building automation. Schools in economically distressed areas are prioritized for grants to further reduce energy costs through upgrades to aging buildings and systems. TVA is also partnering with state agencies and other funding partners to create additional grants to benefit more schools. As an example, the state of Tennessee's Energy Efficient Schools Initiative has committed \$1.89 million in matching grant funds for the pilot period.

Three schools have already been awarded \$400,000 grants and six schools have been awarded \$100,000 grants to install efficient energy technologies. Grants for the second-year School Uplift participants will be announced in Spring 2022.

### GENERATING JUSTICE PRO BONO PROGRAM

Prior to the pandemic, more than 60 million Americans had family incomes below 125 percent of the federal poverty level, and more than 86 percent of low-income individuals did not have access to a lawyer for civil legal services. Many more families during the pandemic continue to face legal issues involving consumer law, debt relief, discrimination issues, family law, family violence, elder law, housing and evictions, and public benefits.

In 2020, TVA's Office of the General Counsel through its Pro Bono Committee started Generating Justice, TVA's first voluntary pro bono initiative. We joined more than 50 federal agencies with pro bono programs to assist lower-income individuals and organizations that serve communities at no charge. The committee connects attorneys and other professionals with legal service organizations that serve lower-income individuals, and volunteers participate in organized events or on their own time.

Generating Justice's Pro Bono Committee hosted more than 15 training sessions and six legal clinics collaborating with local legal aids and non-profits to serve lower-income individuals. These clinics include partnering with local power companies, legal aids and civic organizations to host events across the region. We also volunteered at eight monthly virtual legal clinics in Shelby County, Tennessee. Several of these clinics focused on providing non-conviction expungements to lower-income individuals in collaboration with local legal aid organizations that resulted in about 50 expungement orders.

The American Bar Association (ABA) recognized Generating Justice as a Pro Bono Leader for participation in ABAFreeLegalAnswers, a virtual legal advice platform run by the ABA. Generating Justice committee members and volunteers also hosted more than 15 lunch clinics to serve lower-income people on ABAFreeLegalAnswers.

Generating Justice volunteers have impacted nearly 300 individuals in the first two years of the program. The initiative facilitates greater equity by serving under-represented communities. It helps advance racial, gender, disability, rural vs. urban, and other substantial equity disparities, and enhances TVA's mission of service. As the initiative matures and as additional resources become available, we expect increased participation from employees and community partners.



RECOGNIZED AS A  
**2020 Champion of Justice**  
by the Memphis Bar Association's Access to Justice Committee

RECOGNIZED AS A  
**Pro Bono Leader**  
by the American Bar Association





### CONNECTED COMMUNITIES

Today’s social and environmental challenges highlight the need for innovative tools that address urgent community needs and create long-term positive benefits. Connected communities are towns, main streets, neighborhoods and cities that use data and technology-driven innovations to offer new and improved services to people and businesses.

Together with our partners, we are funding solutions that help make the region a better place to live, work and play. We have been researching best practices to better understand challenges in the region and to build a roadmap for the future. TVA’s current work seeks to identify leading connected community concepts, facilitate collaboration, conduct pilots and scale learnings to support communities in meeting the most critical needs of the communities we serve.

We organized a diverse group of partners to identify connected community opportunities, leading us to three initial focus areas for our efforts and funding — equitable access to services, economic empowerment, and energy and environmental justice.

To further encourage connections across the region, we issued a call for community organizations and non-profits to submit pilots that met the objective for one of the three

focus areas. We received 40 submissions requesting \$20 million in funding. After review, a short list of pilots was selected for recommendation to TVA leadership for a total funding request of \$3.3 million for all programs.

As a result:

- **Equitable Access to Services** pilots are addressing the digital divide and gaps in broadband connectivity, including increasing access to online platforms and services, internet-enabled devices, and tools to help build digital literacy and empowerment.
- **Economic Empowerment** pilots are helping communities increase awareness of and access to emerging career pathways to next-generation jobs and equipping the workforce with the technology and data skills needed to make Connected Communities possible.
- **Energy and Environmental Justice** pilots are finding new ways to promote grid-interactive technologies, maximize access to and adoption of clean energy technologies, and address environmental and public health outcomes through digitally connected devices, sensors and data analytics.

Today, we are working with teams to shepherd projects through applicable governmental reviews to move all toward contracts to begin work. Resources and the pilots are intended to help communities develop and implement strategies to leverage technologies to address emerging challenges at a local level.

### COMMUNITY CENTERED GROWTH

Community Centered Growth (CCG) is a targeted pilot offering that began in 2020. It is intended to bring communities together by improving relationships, attracting sustainable businesses and stimulating existing small businesses. CCG partners with local power companies to target economically distressed, community-based small businesses.

This initiative is new and expanding. Community selections are based on program availability and community classification. The communities eligible for CCG fall within National Opportunity Zones — these are underserved areas identified by census data and factors such as income and population. These zones can represent whole communities or small pockets within larger cities.

Local power company participants work with community leaders to identify 10 small businesses within their service territories to participate. Factors considered include no recent major renovations, occupancy length and size. To date, CCG has partnered with Cookeville Electric, Erwin Utilities, City of Florence Electricity Department, Huntsville Utilities, Knoxville Utility Board, Nashville Electric Service and Tupelo Water & Light. More than 70 small businesses have received upgrades or are in the process of receiving upgrades. Forty-four of the participants are woman- or minority-owned businesses.

An engineering inspection is performed on each location identifying potential energy upgrades. TVA upgrades these technologies free of charge to the customers up to a specified budget amount. The most common energy upgrades are indoor lighting, security lighting, HVAC and kitchen equipment.



### Investing in a Diverse Future

In 2021, through the Tennessee Valley Authority Asset Retirement Trust, our Corporate Investments team partnered with Energy Impact Partners (EIP) to invest in the Elevate Future Fund (Elevate).

EIP is a global investment platform that brings together entrepreneurs and the world’s most forward-looking corporations to advance innovation. Elevate seeks to achieve significant, positive social impact and an attractive return on capital by increasing diversity in the broader energy transition industry and supporting pathways toward a more inclusive venture capital ecosystem.

As we reshape the low-carbon economy of the future, it is important that this future is equitable, diverse and inclusive. Elevate focuses on investing in companies founded or run by diverse talent that drive innovation and advance the low-carbon economy, including supply decarbonization, electrification, tech-enabled infrastructure, reliability and resilience, and intelligent demand.

Elevate has a funding target of \$120 million and is currently estimated at \$70 million, of which the Tennessee Valley Authority Asset Retirement Trust contributed \$2.5 million. Success will be measured in the diversity of Elevate investments and the impact on the community. Twenty percent of Elevate’s profits will be given to philanthropic groups focused on diversity.

In addition to its direct investments, the Elevate team is forming partnerships with technology accelerators and universities, including historically black colleges, to nurture talent, promote infrastructure and support systems to retain talent from underrepresented groups. By partnering with EIP, the Tennessee Valley Authority Asset Retirement Trust is working closely with the Elevate team to identify potential beneficiaries of the fund.

# Diversifying Our Supply Chain

## Supplier Diversity

TVA's Supplier Diversity program was established to fulfill TVA's mission of making lives better by supporting small, local and diverse companies. We are committed to connecting suppliers to our business units and providing equitable opportunities to compete. The Supplier Diversity program serves to procure products and services at competitive prices from underserved communities.

We are committed to connecting suppliers to our business units and providing equitable opportunities to compete through intentional spending strategies that include underserved communities. By increasing the diversity of our suppliers, we seek to help them grow, which generates economic prosperity in the communities we serve.

Suppliers play an integral role in helping TVA deliver on our mission of service. In seeking to do business with firms that offer quality products and services at competitive prices, TVA strives to maximize the utilization of businesses that are small, minority-owned, women-owned, veteran and service-disabled veteran owned, and those located in historically underutilized business (HUB) zones.

**We are committed to connecting suppliers to our business units and providing equitable opportunities to compete.**

TVA works to ensure that small, diverse businesses have the maximum practicable opportunity to participate in TVA direct contract and subcontracting opportunities. Some of the ways we work to fulfill our diversity commitment include:

- Inviting small and diverse businesses to participate in competitive bidding opportunities
- Promoting partnerships and subcontracting relationships to aid business development
- Offering small and diverse businesses support services, including guidance through the inquiry and bid process
- Encouraging our large prime suppliers to mirror TVA's diversity commitment
- Engaging in outreach initiatives to identify suppliers, including building partnerships with business development organizations, government agencies, distributor partners and congressional offices

Supplier Diversity Success Stories

## SUPPLIER DIVERSITY STAKEHOLDER ADVISORY COUNCIL

As a first step, we established a Supplier Diversity Stakeholder Advisory Council. The Council is comprised of executives from across the agency and is responsible for developing and enforcing policies and practices to strengthen supplier diversity strategies. Members serve as supplier diversity champions by participating in supplier outreach events and serving as liaisons between TVA and external stakeholders, businesses and partner organizations. This work increases shared ownership across TVA and maximizes sourcing inclusion.

The Supplier Diversity Stakeholder Advisory Council sets expectations, reviews performance quarterly, and provides greater visibility to upcoming opportunities for small and diverse suppliers. Process standardization supports consistent behavior, so we updated our project review process to make diverse supplier inclusion part of the review.

## 'RULE OF ONE' INCLUSION METRIC

Access is an important step toward change. We implemented the "Rule of One" inclusion metric to encourage at least one diverse supplier to be invited to participate in every competitive bid. The expectation is that over time, the "Rule of One" will result in diverse suppliers occupying more seats at the competition table and subsequent increased spending with diverse suppliers. Since implementation, we have seen a steady increase in diverse supplier participation. While inclusion compliance varies month-to-month with a current high of 73 percent compliance, the average compliance since program inception (16 months) is 45 percent. Ensuring seats are available for diverse suppliers is a necessary step for inclusion but does not address potential suppliers' preparedness to do business with TVA.

## SUPPLIER MENTORING PROGRAM

A new Supplier Mentoring Program was established and is intended to enhance specific skills (e.g., inventory management, technology integration, accounting practices, program implementation, continuous improvement) of diverse suppliers. Having these skills will better prepare diverse suppliers to participate in TVA's contracting and procurement processes. The program is designed to eventually support up to eight diverse supplier participants. At the end of the program, diverse suppliers will have insight into the TVA contracting process, a clear understanding of expectations, and experience supporting a project with TVA.

**Mid-South Minority Business Council Continuum's 2021 Corporation of the Year Award**

**Military Friendly® Top 10 Supplier Diversity Program**  
Top 10 designation two years in a row

**Southern Region Minority Supplier Development Council Leader**  
2021 Regional Corporation of the Year



**SEEING THE OPPORTUNITY: INCREASED VISIBILITY INTO SUBCONTRACTOR DIVERSITY METRICS**

Prime suppliers provide a significant amount of goods and services to TVA. One avenue for increased diversity is setting higher diversity expectations with our prime suppliers and monitoring their progress. Working under the direction of prime suppliers can be an effective way for diverse suppliers to gain valuable experience and access to additional opportunities.

We have manually tracked diversity performance with prime suppliers for some time, but metrics were not always easily generated or widely reported. TVA modified its procurement system to enable tracking diverse spending at a more granular level, allowing us to establish baselines and provide insight into areas where improvement is needed. In addition, a new dashboard enables consistency and automation, so prime suppliers' performance is more easily ascertained and widely reported. These advancements allow leadership to hold the organization accountable for meeting our goals.

Accountability on progress is vital for continued growth. We track spending and measure inclusion rate and economic impact. We also track the results achieved by our Diversity Alliance Program Partners, including jobs created, contracts earned and investments made. Moving forward, TVA will commission an annual economic impact report that measures the economic benefits that arise from TVA's purchases from small and diverse businesses.

To further strengthen our impact, TVA has contracted with Inclusive Performance Strategies (IPS), a national consulting firm specialized in enhancing organizational performance through the lens of equity and inclusion. IPS is currently performing an independent third-party review of TVA's supplier diversity policies and processes to identify bias and opportunities for improvement. Results from the assessment are expected in late 2022. Our journey with diverse supplier inclusion is ongoing but has tremendous internal and community support. We look forward to continued growth and broad community impact.



**Conclusion**

The strength of TVA is its people, committed — each and every day — to improving the quality of life for the communities and people we are privileged to serve. Our teams provide reliable, affordable community energy; protect the environment; and bring jobs and capital investment to the communities we serve.

We couldn't achieve these results without commitment to our Core Values — Safety, Integrity, Inclusion and Service. We hold ourselves accountable to these standards every day. Our Core Values underscore the obligations inherent in our mission.

At TVA, we have always been dedicated to Diversity, Equity, Inclusion and Accessibility. In the past couple years, we have advanced our efforts to an even higher level — one that more strategically and more intentionally weaves DEIA into our daily lexicon and decision-making processes.

We have elevated Inclusion to our Core Values and have put in place new frameworks and programs across TVA to ensure we live up to that value. When it comes to treating others with fairness, dignity and respect, we will set the example.

We are better — as a workforce, as an agency and as a community partner — for this focus.

We are here to serve, and we are proud to carry out our mission of service and create a TVA “Built for ALL the people.”

**We are here to serve, and we are proud to carry out our mission of service and create a TVA “Built for ALL the people.”**



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