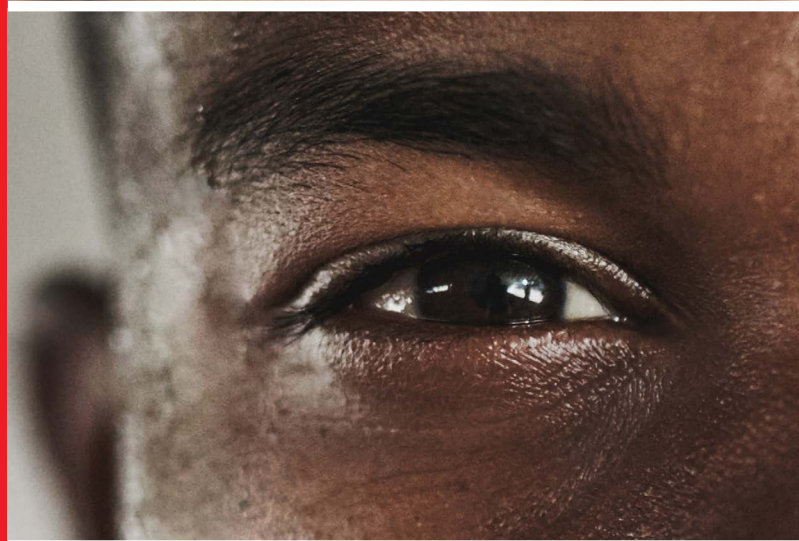


2022

THE
POWER
OF US

AEP Culture & Inclusion Report





A culture of inclusion is a core business value that creates understanding, sparks innovation and allows us to better serve customers. In addition to being a fundamental part of our company strategy, building a work culture that champions respect and belonging is simply the right thing to do.

At AEP, we celebrate our differences and use them as a strength to deliver for our customers. We've made significant strides to create a more inclusive culture, and our journey is not over. We must continue to evolve, so AEP is a place where everyone feels like they can succeed.

We carry over that commitment to the communities in which we live, work and serve. Our employees have dedicated countless hours to helping those in need, and the AEP Foundation has matched that impact through millions in charitable giving across our service territory to organizations addressing basic needs, education and safety and health.

I deeply believe that our company is better when everyone is included and working toward a common goal. We're committed to ensuring everyone at AEP has a voice and equal access to opportunity, and I look forward to working with our team to make it happen.

Julie Sloat
President & Chief Executive Officer

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WHERE WE STAND WITH EMPLOYEES



In 2022, we took a deeper look at how we are doing on our inclusion journey and conducted a pulse survey of our employees. The survey measured several key indicators, including Career Equity, DEI Initiatives and AEP's Culture of Inclusion. Each indicator, designed as an index, included a comprehensive set of questions to gauge employee perceptions.

It's important for us to know how our efforts to cultivate an inclusive workplace at AEP, are being received by employees. These results and insights will guide our ongoing pulse efforts, programs and future policies. These results also provided AEP with a baseline for measuring the future impacts of inclusion efforts.



Phil Ulrich

Executive Vice President and
Chief Human Resources Officer

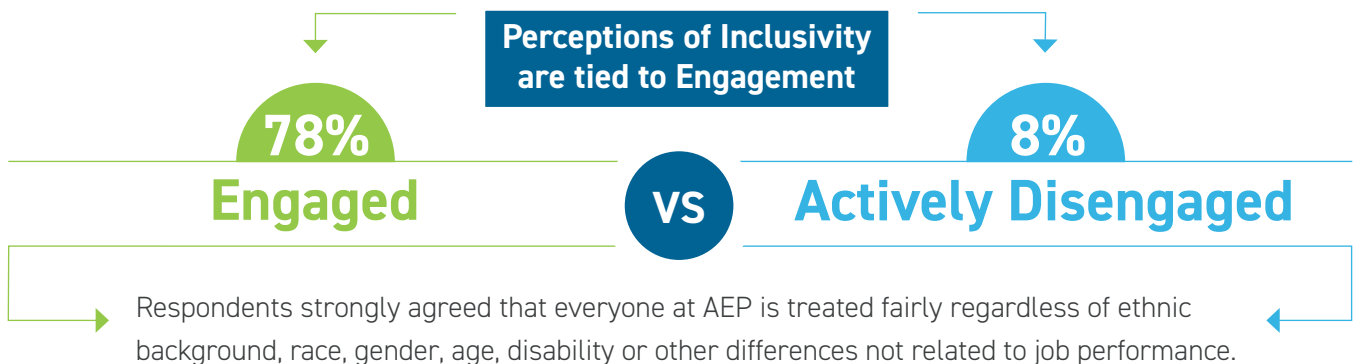


We'll continue to measure the impact of our efforts through future surveys, as we work to build a workplace that is welcoming and inclusive to people of all backgrounds.



Phil Ulrich

The results of the 2022 inclusion survey are consistent with those from AEP's separate culture survey, which AEP uses to better understand what employees are experiencing. Here are some of the key takeaways from the 2022 inclusion survey.

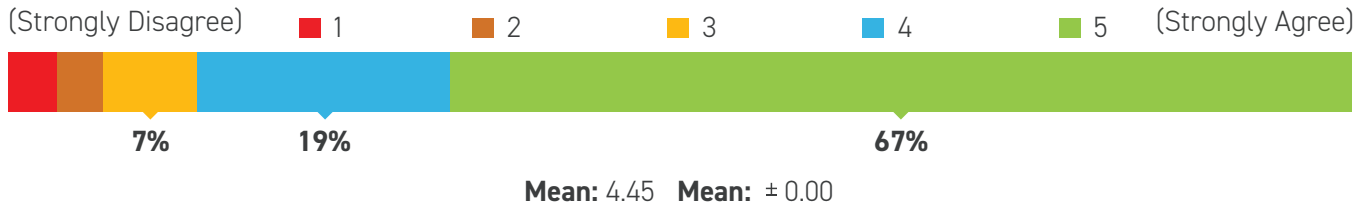


Engaged employees are seen as involved in the workplace and have generally positive experiences. Actively disengaged employees are seen as dissatisfied with unmet needs in the workplace.

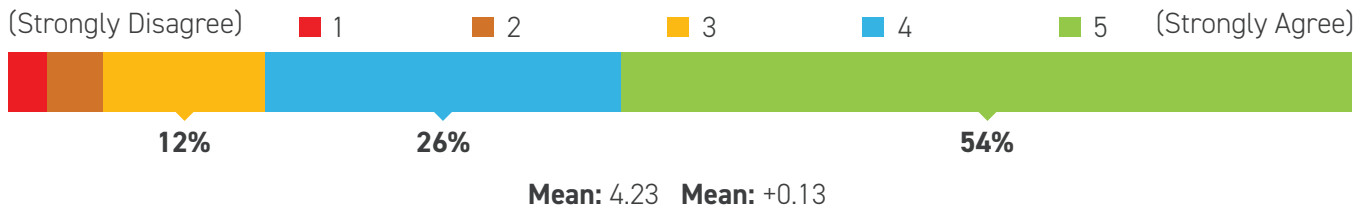


Inclusion Survey Results

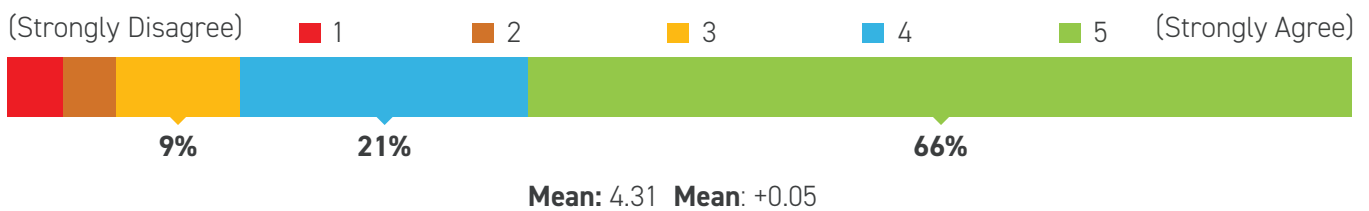
1 - Trusting and Open



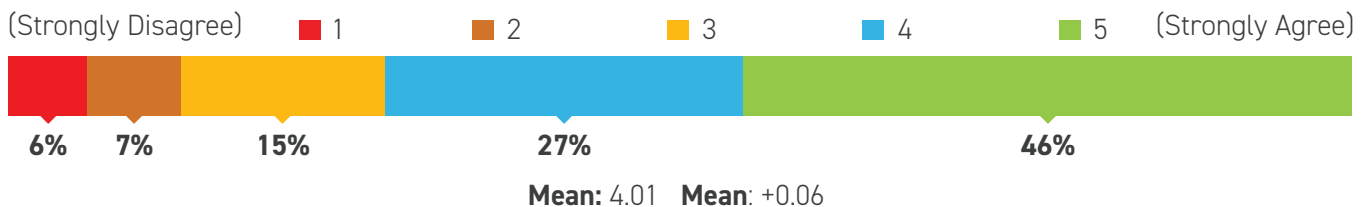
2 - Diverse Opinions/Ideas



3 - Everyone Treated Fairly



4 - Trust to Be Fair



Note: AEP is using these results and insights to shape future inclusion efforts, programs and policies. These results also provided AEP with a baseline for measuring the impact of inclusion efforts in the future.



Ethnicity Reporting Impact

	Reporting Impact	White Employees	Hispanic Employees	Black Employees	Asian Employees
	Size	11,099	1,225	789	341
1	Trusting and Open	4.45 (-0.02)	4.45 (+0.05)	4.38 (+0.04)	4.45 (-0.05)
2	Diverse Opinions/Ideas	4.24 (+0.13)	4.38 (+0.07)	4.01 (+0.04)	4.26 (+0.05)
3	Everyone Treated Fairly	4.33 (+0.04)	4.39 (-0.01)	3.88 (±0.00)	4.27 (±0.00)
4	Trusted to Be Fair	4.01 (+0.06)	4.19 (±0.00)	3.76 (+0.01)	4.16 (+0.01)

Opportunities

- Experiences for women present significant areas of opportunity. While there is variation by race/ethnicity, the largest gaps emerged for Black and Asian women and other minority women.
- Some of the largest gaps appeared in the Awareness and Improvement of DEI Initiatives index. This was especially true for Black employees. Items within this index that generated the largest sentiment gaps included: "Issues of race openly discussed" and "My organization is committed to improving racial justice or equality at work".
- All Black, Indigenous and people of color (BIPOC) populations (except Hispanic/Latino men) feel underrepresented in leadership positions at AEP. Addressing the issue is crucial in creating hope that people of color can advance.
- Concerns about career equity emerged for multiple BIPOC populations (except for Hispanic/Latino population and other minority men). Gallup has seen a similar trend within other organizations.

- Female executives/senior level officials have meaningfully lower results on a majority of indexes compared with their male peers. The exceptions are in career equity (trending toward meaningful) and sponsorship (not meaningful).

VS

Positives

- Women and men are at parity when asked about whether they have sponsorship at AEP. This indicates AEP has made progress on career advancement, but there is still work to be done in this area with Asian and Black women.
- When asked about inclusion and belonging at AEP, women and men both indicated positive sentiment, with women only slightly lower on the scale.
- Women, LGBTQ+, Veterans and Disabled employees all had higher than average sentiment, when asked to rate AEP's support of the communities we serve.



UNDERSTANDING OUR VALUES



At AEP, we believe in doing the right thing every time for our customers and each other. We recognize inclusion helps us better serve our employees, customers, suppliers and other key stakeholders.

As a strategic priority, our inclusion efforts are guided by four principles:

Principle		Priority	Objectives
Leadership		Business Unit Objectives & Metrics	<p>Establish leadership accountability around culture and inclusion outcomes</p> <ul style="list-style-type: none"> • Continue to measure representation, talent development, and movement at the enterprise and business unit level • Refresh talent planning and review process • Increase communication across the enterprise about inclusion progress
Diverse Workforce		Talent Retention & Recruitment	<p>Build and maintain a workforce that reflects the communities we serve</p> <ul style="list-style-type: none"> • Increase the number of diverse leaders within development programs and successor pools
Inclusion		Employee Engagement	<p>Promote an inclusive culture where all employees can thrive</p> <ul style="list-style-type: none"> • Increase engagement through programming, mentoring and development • Measure Employee Resource Group participation and effectiveness • Measure inclusion progress through annual employee culture survey
Community		Community Visibility	<p>Support the communities we serve so they will prosper</p> <ul style="list-style-type: none"> • Increase volunteerism and amplify community impact stories across service territories • Increase spend with small and diverse businesses in our communities.



ESTABLISHING LEADERSHIP ACCOUNTABILITY

Leaders set the tone for how their teams approach vital issues. Especially, when it comes to issues of inclusion.

In 2023, AEP began work to ensure our company's values and culture are reflected in our changing business, marketing and workforce. Leaders across AEP will have objectives and expectations around inclusion to drive accountability and the company will launch a refreshed talent review and succession planning process that ensures the integration of diverse candidates.

CULTURE & INCLUSION COUNCIL

We launched the Culture and Inclusion Council in 2022. The group consists of decision makers from across the company who will lead our culture strategy.

A key focus for the council will be prioritizing our Culture & Inclusion guiding principles.

Judith Talavera, president and chief operating officer, AEP Texas, chairs the council. Talavera is confident that the council's work will benefit AEP employees and strengthen AEP's talent retention and acquisition efforts.



Judith Talavera

Chief Operating Officer, AEP Texas



Our industry needs to re imagine the future of energy and it starts with making sure we are diverse, inclusive, and committed to being a great place to work for everyone. The Culture & Inclusion council will focus on ensuring that AEP is industry-leading for workplace diversity and that our workforce reflects the communities we serve.



Judith Talavera



REFLECTING THE COMMUNITIES WE SERVE

Inclusion is important to ensuring that AEP has the best talent to move our company forward and achieve business objectives.

We've made progress in this area, specifically at our highest levels of leadership.

In September 2022, we launched the Access to Opportunity standard to enhance AEP's efforts to increase diverse representation within AEP leadership.

The initiative standardizes hiring practices ensuring that minority and female candidates are on hiring slates and that hiring managers use interview panels consisting of diverse leaders.

This framework allows us to measure how our hiring actions are supporting our strategy.

AEP's Executive Leadership Team

40%
▲
Female

20%
▲
Minority

The Board of Directors

46%
▲
Female

30%
▲
Minority



DIVERSITY IN LEADERSHIP

In 2022, AEP's leadership team became more diverse. Julie Sloat was named AEP's next president and CEO, and Sara Martinez Tucker became the lead director of AEP's Board of Directors. Tucker is optimistic for the next generation of female leaders at AEP, and grateful for the work done by Sloat and former AEP Chair and CEO Nick Akins to build an inclusive environment for all employees.



Sara Martinez Tucker

Lead Director, AEP Board of Directors



For me there is a tangible difference between the past and what we're doing now, which is embracing that AEP should be a place where everyone feels valued. Our employees need it and want it, and so will the workers of the future for AEP.



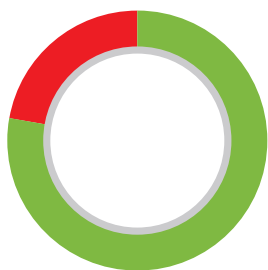
Sara Martinez Tucker

AEP Employee Representation

As of December 31, 2022

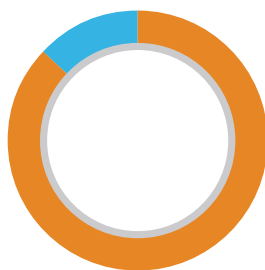
	Employees	Females	%	Minorities	%
Total Employment	16,974	3,455	20%	3,433	20%
Officials & Manager	3,124	556	18%	440	14%
Professionals	5,859	1,673	29%	1,283	22%

Executive /Senior Leadership Diversity - 2022

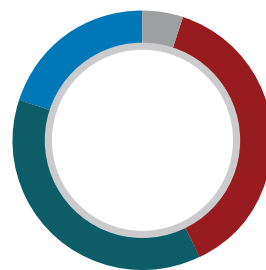


● 76% Male
● 24% Female

AEP Workforce Demographic -2022



● 87% White
● 13% Minority



● 37% Gen X
● 5% Gen Z
● 38% Millennials
● 20% Baby Boomers



SUPPLIER DIVERSITY

Supplier diversity is a key way that AEP can support businesses in the communities we serve. Through our Supplier diversity program, we seek out and support local businesses that reflect our employees, customers and the communities. Supplier diversity also fosters competition in the marketplace and allows AEP to partner with growing and innovative businesses.

AEP recognized diverse business classifications include the following:

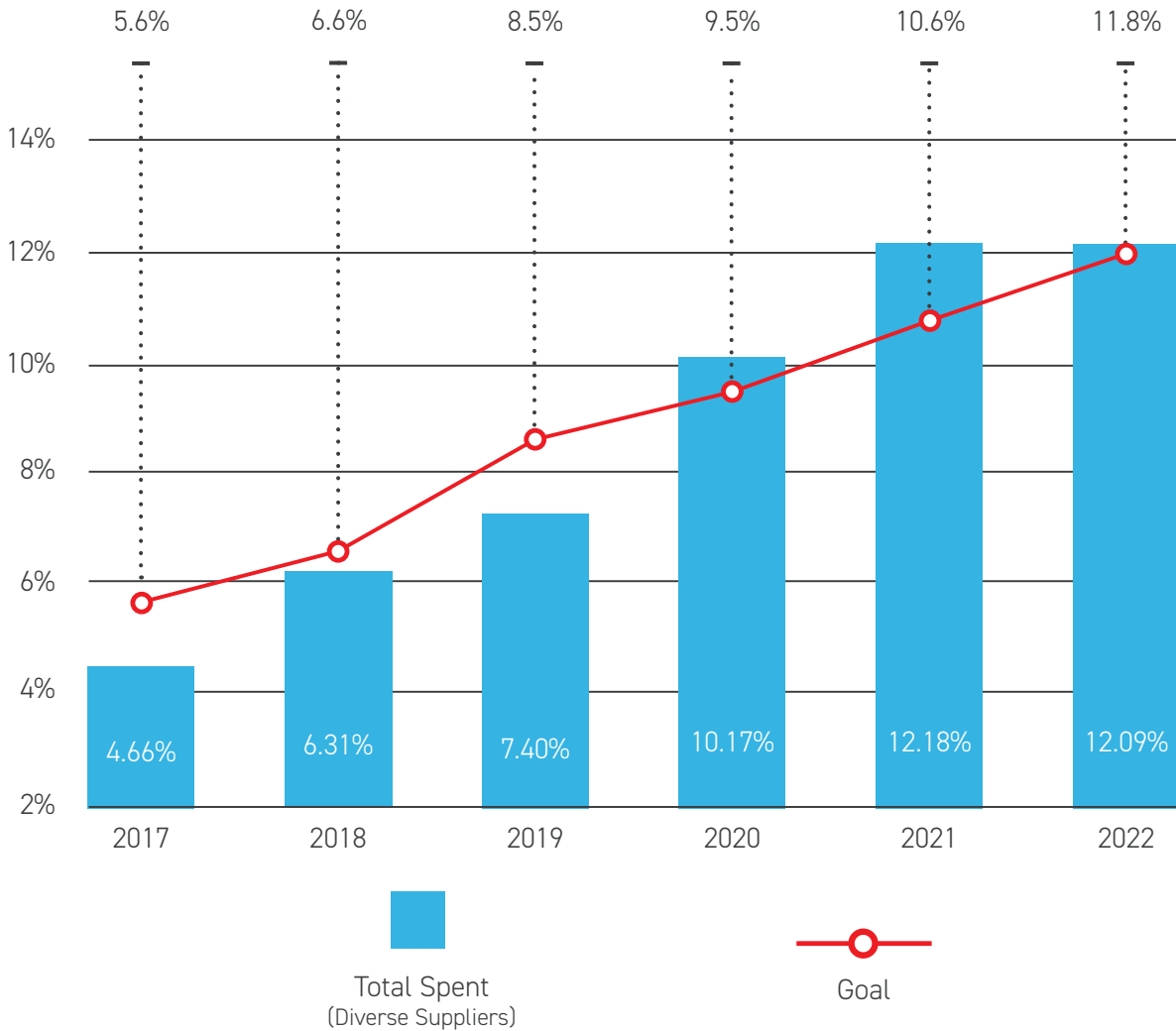
- Minority-owned and controlled (51% or more)
- Woman-owned (51% or more)
- Veteran-owned (51% or more)
- Service-Disabled Veteran-owned (51% or more)
- LGBTQ-owned (51% or more)
- Historically Underutilized Businesses (HUBZone Certified)
- Disadvantaged businesses





AEP's 2022 diverse business spend surpassed the company's goals, and we have more than doubled our diverse supplier spend in just five years.

Procurement Supplier Diversity Spending %



Procurement Spending

\$887,177,017*

on goods and services
from diverse suppliers

*As of 2022



PROMOTING AN INCLUSIVE CULTURE

AEP's Employee Resource Groups (ERGs) support an inclusive culture where all employees can thrive. They focus on mentoring and providing programming as well as professional development and community volunteerism opportunities for members. They're also a valued resource for identifying root causes of issues related to company culture and participating in diversity recruiting efforts.

As COVID restrictions lifted in 2022, our ERGs worked to bring employees back together for the first time in several years.

The groups re launched their efforts to engage with employees at in-person events. Formal and informal networking events provided opportunities for current ERG members to reconnect. And they introduced themselves to new employees hired during the pandemic, through ERG showcase events.



- In 2022, approximately 15% of all employees were members of at least one of AEP's eight ERGs. AEP has an established goal of 20% of all employees being members in at least one ERG by 2025.
- A task force of ERG leaders reviewed analysis of Gallup Culture Survey results. The analysis helped leaders understand the disparities between the results of white males, women and minority employees.
- Our ERGs helped to shape the development of a new employee recognition platform and a new sponsorship program.

In addition to getting reacquainted with AEP's employees in a meaningful way, AEP's ERGs convened for the first ENERGY Experience August 8. The event, which was led by AEP's Culture & Inclusion team and included leadership from each ERG, focused on giving the groups a platform to share initiatives, collaborate and learn about professional development resources.



Patricia A. Williams

Black Employee Resource Group Chair



It's not often that we're able to bring ERG members, leaders and executive sponsors together. We were able to learn and hear from each other and get inspiration as well. Having this forum was helpful on many levels.



Patricia A. Williams



LAUNCHED INCLUSION, DIVERSITY, EQUITY AND ACCESSIBILITY SUMMIT (I.D.E.A)

AEP held its first Inclusion, Diversity, Equity and Accessibility (I.D.E.A.) Summit in 2022. The event provided education and tools to leaders to drive inclusion within their teams.

Dr. Robert Livingston, one of the country's leading experts on bias and racism in organizations, delivered the keynote address. Dr. Livingston utilizes a science-based approach to examine how businesses can create social change in their companies.

"I think during conversations, people come in with more conviction than curiosity. They're there to convince the other side that they're right, and the other side is wrong," Livingston said. "And I don't think that's a productive way to have a conversation.

You have to keep in mind that these conversations are (supposed to be) more about solving the problem than attacking the person," Livingston said.

AEP leaders received strategies and a framework on how to have conversations on bias and racism. Following the summit, Dr. Livingston's presentation was shared with employees across the organization, and his materials were used to help develop new training at AEP.

"Bringing together leaders across AEP to hear from Dr. Livingston on bias and inclusion will only make AEP stronger," said Janelle Coleman, vice president, Community Engagement & Inclusion and president, AEP Foundation.

"The takeaways from this initial I.D.E.A. Summit will continue to impact AEP's inclusion efforts for many years to come," said Coleman.





SUPPORTING THE COMMUNITIES WE SERVE



For almost two years, the pandemic limited opportunities for our employees to safely serve and engage with those in need. In 2022, we focused on getting back out into the communities we serve, and employee volunteerism rebounded to pre-pandemic levels.

- Brandon Webber, manager, station system services, received the 2022 Matt Burtelow Award from Big Brothers and Big Sisters of Oklahoma. The award honors an individual whose contributions of time, energy and/or resources have promoted the idea of adult-child mentoring in a significant way. Webber began working with his 'little,' Ty'Wjuan (Nunu) Campbell when he was 10 years old. Campbell and Webber were the longest-running active pairing when Campbell turned 18 and graduated high school in 2022.
- Ashley Savieo, director, Economic Development, took advantage of a unique opportunity to raise thousands of dollars for Habitat for Humanity of Greater Fort Wayne. Savieo volunteered as one of 10 women to help raise money for Habitat's Women Build program. Each participant, was challenged to select an item from ReStore – Habitat's nonprofit home improvement store – and re-purpose it "into something fabulous." Savieo and her team, which included AEP's Kelly Rentschler, transformed an old cabinet into a one-of-a-kind Big Green Egg Grilling Cart, complete with grilling utensils and accessories for cooking, eating and drinking.

The cart was auctioned off for \$3,500 and the team raised close to \$12,000 for charity.

- In 2022, 60 AEP riders participated in Pelotonia's annual bike ride, which raises funds for cancer research. AEP is one of just 23 original Peloton teams still competing in the event. In 2022, the AEP team raised more than \$133,000 for Pelotonia, and employees have raised more than \$1.5 million for the organization since its inception in 2008.
- Longtime AEP leader Charles Patton retired in 2022, leaving behind a legacy of excellence at AEP and of service to others. AEP honored Patton's legacy by establishing the Charles Patton Volunteer of the Year. The award recognizes an employee or team that best reflects the spirit of Patton's service. SWEPCO employee Dan Lancaster received the award in 2022, having logged more than 300 hours of service in his community. Lancaster's service included home building and repairing vehicles that are then donated to underserved women in east Texas. AEP committed a \$2500 contribution to the charity of Lancaster's choice.



Over \$4 Million

In employee giving support non-profits



10%

Total of AEP employees to volunteer in 2022



200

AEP leaders served on non-profit boards



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Path Together





AEP FOUNDATION - EMPOWERING COMMUNITIES

The AEP Foundation is a charitable private foundation of American Electric Power Company, Inc. and its operating subsidiaries. The foundation provides a permanent, ongoing resource for charitable initiatives in the communities served by AEP and initiatives outside of AEP's 11-state footprint.

Each year, the AEP Foundation provides more than \$20 million to nonprofit organizations across AEP's footprint. These funds help to sustain nonprofits, benefit the communities we serve and provide opportunities for the underserved

In 2020, the AEP Foundation established the Social Justice Grant program "Delivering on the Dream" with an initial five-year, \$5 million investment in organizations working to dismantle systemic racism and injustices in our communities.

Since that time, more than \$4 million has been granted to 30 organizations working to dismantle systemic issues impacting our communities.

In 2022, the AEP Foundation distributed more than \$2 million in grants as part of this initiative. Grant recipients included historically black colleges and universities (HBCUs), mentorship programs for children, and legal representation services for underserved communities.

2022 DELIVERING ON THE DREAM RECIPIENTS	STATE
AppalReD Legal Aid	Ashland, KY
Boys & Girls Club In Texas	Austin, TX
Community Legal Aid Services Inc.	Canton, OH
Our Lady of Guadalupe Center – Catholic Social Services	Columbus, OH
YWCA Columbus	
YMCA of Central Ohio	
YWCA Corpus Christi	Corpus Christi, TX
United Front in Ft. Wayne – The Community Foundation of Greater Fort Wayne	Fort Wayne, IN
Jarvis Christian College	Hawkins, TX
CASA of Central Virginia	Lynchburg, VA
Wiley College	Marshall, TX
The Delta Dental of Virginia Foundation	Roanoke, VA
Roanoke Higher Education Center Foundation	
Rogers Development Foundation	Rogers, AR
Southern University at Shreveport Foundation	Shreveport, LA
Youth Services of Tulsa	Tulsa, OK



The Rogers Development Foundation of Rogers, Ark., received \$50,000 in funding from the Delivering on the Dream initiative in 2022. The foundation supports the Rogers-Lowell Area Chamber of Commerce, which established the Leadership, Education, Advancement & Development (L.E.A.D.) project.

L.E.A.D provides local students with opportunities for academic advancement and tools for students who wish to enter the job market.

Funds provided to L.E.A.D. are dedicated to the engagement of Hispanic/Latino high school students in the Rogers school district. Funds enable the school district and area chamber to work on efforts to increase Hispanic/Latino graduation rates and to help them develop career pathways.

The AEP Foundation also committed a three-year, \$75,000 Delivering on the Dream grant to The African American Leadership Academy (AALA) at the Tulsa Community Foundation. AALA was launched by several African American leaders in Tulsa, Oklahoma. The AALA provides training, tools and resources to aid in the career development of a pool of mid-level and higher leaders, who are recognized as capable and civic-minded African American professionals.

Peggy Simmons, executive vice president, Utilities, and former President and COO of PSO, was an advocate for the AALA grant's approval.



Peggy Simmons

Executive Vice President, Utilities



This community-based program strengthens the Tulsa leadership landscape by providing the skills, resources and teamwork power to mid-level and above African American leaders. By helping those who are already demonstrating excellence and giving them the connections and opportunities to accelerate their careers, AALA can make a lasting, positive impact on the Greater Tulsa community.



Peggy Simmons



WE'RE ON THIS PATH TOGETHER

Dr. Martin Luther King Jr. said, "The arc of history is long, but it bends towards justice." Likewise, the cultural journey at our workplace is long and winding, but it moves toward inclusiveness and belonging. There is still more work to be done. We are prepared and excited to tackle the challenges as they come. Our commitment to getting better shines brighter through every step we take together on this path:

- Leaders across the company are more committed than ever to building an AEP that reflects the communities where we live and work
- Eight employee resource groups are working to build a culture of inclusion and understanding through learning and engagement
- Actively encouraging community engagement through employee volunteerism and support of community organizations through the AEP Foundation



Janelle Coleman

Vice President, Community Engagement, & Inclusion and President, AEP Foundation



We are committed to delivering the best service possible for our customers. We can only achieve that commitment with a diverse and inclusive workforce and culture. Our story continues to unfold. We're moving. Onward and forward.



Janelle Coleman



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