From: Peevey, Michael R. Sent: 7/9/2010 2:40:11 PM

To: Cherry, Brian K (/O=PG&E/OU=CORPORATE/CN=RECIPIENTS/CN=BKC7)

Cc: Bcc:

Subject: Re: Advancing a Diverse and Inclusive Culture

Are you sure of the date? I thought it was previous week. In any case, I will not be in SF on the 16th.

From: Cherry, Brian K [mailto:BKC7@PGE.COM]

Sent: Fri 7/9/2010 2:33 PM **To:** Peevey, Michael R.

Subject: RE: Advancing a Diverse and Inclusive Culture

Speaking of that, Peter was wondering if you will be at the Speakers Series on August 16 to welcome him. I told Tom I thought you'd be at Sea Ranch but would check.

From: Peevey, Michael R. [mailto:michael.peevey@cpuc.ca.gov]

Sent: Friday, July 09, 2010 2:32 PM

To: Cherry, Brian K

Subject: RE: Advancing a Diverse and Inclusive Culture

Its nice to see the "good PG&E."

From: Cherry, Brian K [mailto:BKC7@PGE.COM]

Sent: Fri 7/9/2010 2:27 PM **To:** Peevey, Michael R.

Subject: FW: Advancing a Diverse and Inclusive Culture

Mike - some reflections on Chris' diversity perspective that was sent to all employees.

From: A Message from Chris Johns **Sent:** Friday, July 09, 2010 12:11 PM

To: All PG&E Mail Recipients; All PGE Corp Employees **Subject:** Advancing a Diverse and Inclusive Culture

As I travel through the service territory every month, I am always struck by the strength of our diverse employee base and impressed with the great results that diversity brings. From creative customer solutions like the 5 Star Model that was developed at the Cinnabar Service Center (which I mentioned in an April message) to workforce development initiatives like our nationally recognized PowerPathwayTM program, we are making tremendous strides in creating a diverse and inclusive culture that will help us realize our vision. I'm also struck by how often I hear from employees that one of the reasons they are proud of PG&E is because of the diversity and inclusion in our workplace.

I mention this because as we continue to develop the roadmap toward being the leading utility by 2014, it is obvious that our commitment to diversity and inclusion is key to our success. And it's clear that as we continue to focus on the goals and metrics we will use to measure our success, we must also continue to model the behaviors and create an environment that will be foundational to our success, including having a diverse workforce that reflects the communities we serve and having an inclusive culture in which we can all thrive.

When we talk about diversity and inclusion at PG&E, it is so much more than race and gender. It includes our educational backgrounds, parental and marital statuses, geographic location, upbringing and more.

I like to think of diversity as the "what": our unique voices, based on differences in experience, talents, perspectives and points of view. As you all know, I credit my own upbringing and the lessons I learned from my parents as shaping my perspectives and the way I approach my work every day. I see this everywhere throughout our service territory. The richness in backgrounds and experiences is incredible. I learn from each of you every day.

Inclusion, on the other hand, is the "how": ensuring our voices are heard and valued. This means listening to one another, understanding our differences and getting to know the people we work with, as well as our customers, so we can serve them more effectively. This is an area where we still have some work to do. We have many employees who are more than willing to speak up and be heard, and most do so in a constructive way. Others provide their input in a more, shall I say, boisterous and less-flattering manner. Although I don't encourage the second method, the important lesson for each of us is to listen for understanding and communicate back that understanding. There will be differences of opinion, but that's what makes for better decisions and alignment.

Creating an inclusive environment doesn't just "happen"—it takes conscious effort. Take time to learn about new team members, take time to learn something new about team members you've worked alongside for years, and ask if someone has a different perspective. I've been amazed at some of the fascinating backgrounds and experiences our employees have had. Some of them have been similar to my own and others are completely different. In every instance, though, learning more about a colleague has helped me gain a better understanding and connection with that person. By creating an inclusive environment, we build trust and become comfortable with asking questions and offering dissenting points of view. This is essential to our success.

Through the course of this year, we've faced a number of challenges, including questions about our SmartMeter™ program and the outcome of the recent election. As we look ahead to a General Rate Case decision and other issues like carbon constraints, distributed generation and an ever-changing global marketplace, our diversity of skills and perspectives will enable us to meet those challenges with innovative solutions.

In September, we will formally recognize PG&Eers who are working to sustain this kind of culture with the 2010 President's Diversity Champion Award. The award recognizes employees who have taken the initiative to promote diversity in the workplace, are passionate about creating an inclusive environment and serve as active champions for diversity through their actions. Past recipients have been actively involved in Employee Resource Groups, worked with nonprofits that advocate for diverse communities and helped develop diversity policies within the company. To learn more about the award and how to nominate one of your colleagues, click here.

When I became president last year, I indicated that diversity and inclusion would be one of my top three areas of focus. I continue to believe that it strengthens and empowers us to anticipate, understand and respond more effectively to the needs of our customers. And all of us have a role to play to advance our values and success in this area.

