EXHIBIT 2 PG&E'S SUPPLY CHAIN RESPONSIBILITY POLICY

PG&E implemented the Supply Chain Responsibility Program as we understand that small business enterprises and women, minority, persons with disabilities, disabled veteran and lesbian, gay, bisexual, and transgender business enterprises ("**Diverse Suppliers**") play an important role in helping us deliver energy to our customers and fuel California and the nation's economy.

It is the policy of PG&E to provide Diverse Suppliers the maximum practicable opportunity to participate in direct and subcontracting opportunities.

PG&E's Supply Chain Responsibility Program aims to:

- Provide Diverse Suppliers with economic opportunities to supply products and services to PG&E;
- Encourage supply chain environmental responsibility, excellence and innovation to reduce environmental impacts in the goods and services PG&E purchases; and
- Promote ethical supplier performance in conformance with PG&E's Supplier Code of Conduct.

SUPPLIER AND ITS SUBCONTRACTORS OF ALL TIERS MUST COMPLY WITH PG&E'S SUPPLY CHAIN RESPONSIBILITY POLICY IN THE AWARD OF ALL SUBCONTRACTS.

Supplier and their Subcontractors shall comply with the following:

- 1. Supplier shall provide a copy of this Exhibit 2 to each Subcontractor.
- 2. For contracts exceeding \$500,000 for products and services; and \$1,000,000 for construction, Supplier is expected to develop a plan and establish goals for diverse supplier utilization. Suppliers are encouraged to consider diverse suppliers for all opportunities, regardless of value, where appropriate.
- 3. Supplier shall provide a separate signed Subcontractor and Supplier Utilization Plan (Exhibit 1A) even if Supplier does not plan to subcontract.
- 4. Suppliers and Subcontractors should have the following certifications to qualify for PG&E's Small Business and Supplier Diversity Program:
 - a. <u>Small Business Enterprises</u> must qualify under the Small Business Administration's (SBA) criteria based on size standards, revenue, number of employees and industry¹ by doing one of the following:
 - i. Register in the federal General Services Administration System for Award Management (SAM); or
 - ii. Submit PG&E a self-certification form attesting to their small business status.
 - b. Women, minority, persons with disabilities, and lesbian, gay, bisexual and transgender businesses must be certified by the California Public Utilities Commission's (CPUC) Supplier Clearinghouse; and
 - c. <u>Service-disabled veteran businesses</u> must be certified by the California Department of General Services and the CPUC Supplier Clearinghouse
- 5. No later than the 10th calendar day of each month, Supplier shall report all payments to CPUC-certified diverse subcontractors used for PG&E scopes of work. Suppliers may only report the actual payments to subcontractors net of discounts, hold-backs, voided transactions, markups, etc. PG&E reports the aggregate of these subcontractor payments to the CPUC each year.
- 6. These payments must be reported in PG&E's Supplier Diversity Management System (SDMS) at: https://pge.supplierone.co/. To establish an SDMS User ID, Supplier may submit a request via: Unitier@supplier.io

All SDMS-reported payments to diverse subcontractors are subject to audit and verification by a third-party auditing firm.

¹ See Exhibit 2A for PG&E's Policy Regarding Utilization of Small Business Concerns and Small Disadvantaged Business Concerns