

## 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. Small Business Enterprises must qualify under the Small Business Administration's (SBA) criteria based on size standards, revenue, number of employees and industry<sup>1</sup> 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. Service-disabled veteran businesses 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](mailto:Unitier@supplier.io)

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

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