Supplier Diversity Update

2012 Supplier Conference

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In 2011, PG&E spent over $1.6B with CPUC-certified diverse suppliers.
Prime Suppliers = key to PG&E’s supplier diversity goal achievement and to expanding opportunities for DBEs

Prime Suppliers = 46.2% of SD Results via subcontracting and business solution alliances

2011 PG&E Supplier Diversity Spend

46.2% was accomplished through our prime suppliers

$744.6M

$1.65B
Chris Johns spoke at CPUC Supplier Diversity En Banc 10-year anniversary

Celebrating $32 billion DBE spend

CPUC asked CA Utilities to help expand supplier diversity leadership across other industries

...is expanding

AB-53 requires insurance firms to report SD results to the CA Insurance Commission

Illinois requires energy utilities to report supplier diversity performance

NMSDC Utility Industry Group

EEI Supplier Diversity Group
Increasing Focus on PSP Performance

- Are you building aggressive Supplier Diversity goals into your contracts?
- Have you submitted a robust Supplier Diversity plan?
- Are you reporting your Tier 2 Supplier Diversity performance?
- Are you meeting your Supplier Diversity goal?
- What is your forecasted year-end performance?
Prime Supplier Program :: Goals

Goal: Prime Supplier development and utilization of DBEs throughout entire value chain with PG&E

Sub-contracting goal management
- >$500k goal validation
- Monthly 2&3 Tier reporting
- Annual audit

VAR and Business Solution Partnership Development

Engage All Primes

Dashboard Reporting & Metrics

>$500K Primes required to report

Contract Goal Setting & Tracking

1-2-3 Tier

Diversity Inclusion Plans

Vendor Analysis

Iterative Analytics

Source of Record

Compliance

PSP
The Value of Diverse Supplier Development

- Innovation & Leadership
- Economic Development & Job Creation
- Supply Chain Optimization
- Customer Satisfaction
- Sales & Brand Enhancement
How do you achieve your Supplier Diversity goals?

- Investing Resources
- Collaboration & Engagement
- Supplier Development & Mentorship
Supplier Development Program

- Executive Mentorship
- Cross-Functional Team support from Sourcing, Supplier Diversity and Line of Business
- Value Chain and Business SWOT Analysis
- Customized Business Development Plan
Technical Assistance Program

- **DBE Trade Missions to Industry Tradeshows**
  - [Image of trade show]

- **UC Advanced Technology Management Institute**
  - Engaging DBEs in the Smart Grid future

- **PG&E Signature Initiatives**
  - Diverse Suppliers Go Green
  - Diverse Suppliers Go Global
  - Diverse Suppliers Are Safe

- **External Community Partnerships**
  - UCLA Management Development Program
  - Inner City Advisors 10-Week Business Development Program
  - Small Business Administration
Join us in Supplier Development

SEVEN Areas to Increase Your Participation:

1. Set supplier diversity goals of at least 37.3% and report subcontracting results monthly
2. Mentor DBEs by sharing operational experience and technology transfer
3. Support development and execution of opportunity gap-closing strategic initiatives to build DBE capacity
4. Financial sponsorship of DBEs for technical assistance training programs and attendance at trade show missions
5. Assist in finding diverse business partners and business solutions to fill a gap or add value to the supply chain
6. Engage with DBEs by participating in diversity trade shows (matchmaking, booth, table sponsorship, etc.)
7. Become corporate members in supplier diversity organizations like SDVOB Elite, NMSDC, WBENC, WE Connect International, etc.
Supplier Diversity is an Ongoing Strategic Initiative

We are grateful to all those suppliers that are fully engaged with us!