



2022 SUPPLIER DIVERSITY
ECONOMIC IMPACT REPORT

SUPPORTING
PEOPLE,
PLANET, AND
CALIFORNIA'S
PROSPERITY



About the Report

This economic impact report highlights the benefits of Pacific Gas and Electric Company's (PG&E) Supplier Diversity Program in 2022. PG&E provides safe, reliable, clean and affordable natural gas and electricity to 16 million Californians covering a 70,000 square mile service territory. **In 2022, we spent an all-time high of \$4.79 billion in goods and services with more than 600 diverse suppliers. This all-time high spend represented 39.3 percent of our total procurement spend.**

Delivering for our hometowns is a key purpose for PG&E. This report details the economic impact of our purchases across key metrics that support our hometowns' production, jobs, income, and taxes. **More information about PG&E can be found in [PG&E's Corporate Sustainability Report](#).**

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Message from the CEO

For more than four decades, PG&E's Supplier Diversity Program has taken what we call our "triple-bottom line" approach to doing business – supporting People, the Planet and California's Prosperity. As evidence of our triple-bottom performance, PG&E's supplier diversity efforts have proved to be beneficial to our economy.

Our 2022 spend, with more than 600 diverse suppliers, of \$4.79 billion marked the fourth consecutive year of \$3 billion-plus spend. But our partnership with diverse suppliers is more than just bolstering local economies and creating jobs. Our diverse suppliers provide the necessary goods and services to support PG&E's daily operations as we deliver for our hometowns.

The success of PG&E's Supplier Diversity Program comes from our diverse suppliers themselves. We will never waver in our commitment to providing opportunities for them and helping their businesses grow as we work together to deliver for our hometowns while creating prosperity for all customers.



Patti Poppe
Chief Executive Officer
PG&E Corporation

Message from the VP and CPO

PG&E's supplier diversity program began more than 40 years ago, with a focus on providing the maximum practicable opportunity for small and diverse suppliers to participate in PG&E's procurement opportunities. Today, our longstanding commitment continues because we see the business value that small and diverse suppliers bring to our company and our communities. These suppliers provide safe, affordable, and innovative goods and services that help PG&E deliver for our hometowns.

One of PG&E's stands is that it is enjoyable to work with and for PG&E. PG&E's Supply Chain Responsibility team works to embody this stand for small and diverse businesses. It focuses on providing training and development opportunities that help small and diverse suppliers grow their business and increase their competitive advantage. It also facilitates outreach and mentoring programs to connect small and diverse suppliers that have interest in working with PG&E to PG&E's prime suppliers, coworkers, and executive leaders. The team appreciates the community-based organizations that partner with us in this work, helping share our tools and resources with their members.

We invite you to learn more about our supplier diversity activities, including events and training opportunities, at [pge.com/supplychainresponsibility](https://www.pge.com/supplychainresponsibility).



Brooke Reilly
**Vice President, Supply Chain and
Chief Procurement Officer**
Pacific Gas and Electric Company

About PG&E

PG&E focuses on providing safe, reliable, clean and affordable natural gas to our 16 million California customers in our 70,000 square mile service territory. We were incorporated in California in 1905 and today have approximately 25,000 employees that live and work in the communities we serve. **In 2022, PG&E delivered 95% greenhouse gas-free energy with nearly 40% renewable energy as part of the power mix.**

OUR PURPOSE: WHY we exist

Delivering for our hometowns
Serving our planet
Leading with love

OUR VIRTUES: WHO we need to be

Trustworthy
Empathetic
Curious
Tenacious
Nimble
Owners



OUR STANDS: WHAT we will deliver

PEOPLE

Everyone and everything is always safe.
Catastrophic wildfires shall stop.
It is enjoyable to work with and for PG&E.

PLANET

A healthy environment and carbon-neutral energy system shall be the reality for all Californians.

PROSPERITY

Our work shall create prosperity for all customers and investors.

Community Relations Programs

PG&E's Community Relations programs reflect our deep commitment to the safety and well-being of the communities we serve every day.

29,793 volunteer hours in 2022



518 community organizations supported



\$25M donated in 2022



965 grants:



93% Communities of Color
91% underserved communities

\$8.7M
in total contributions
from PG&E coworkers, retirees,
and matching gifts from the PG&E
Corporation Foundation



01

PG&E's Commitment to Supplier Diversity





Our Supplier Diversity Program

In 2022, PG&E spent a record amount of **\$4.79 billion** with business enterprises owned by LGBT, minorities, service-disabled veterans, and women. This represented a spend increase of **more than \$775 million more than 2021**. Results like this are possible through the hard work and engagement of PG&E coworkers and small and diverse suppliers.



Program Highlights

Partnered with over
600 Diverse Suppliers
in 2022



Tier 1 and Tier 2 diverse supplier spend represented

39.3% of overall procurement



PG&E Tier 1 Diverse Spend

\$3.97 billion



Making An Economic Impact

We are committed to an inclusive supply chain with small and diverse suppliers that provides the highest value to our customers. Dollars spent with our diverse suppliers has an increased impact to the community as the supplier purchases materials to run their business, hire, pay taxes, and employee salaries.



Economic Impact Metrics

The economic impact assessment measures this activity through four metrics:



Production

Purchases from small and diverse businesses support economic activity directly with these suppliers and create a ripple effect of purchases through their supply chains.



Incomes

Employees holding these jobs earn incomes that help support their families and create additional spending.



Jobs

Suppliers increase staff to support additional sales. Procurement from diverse suppliers supports jobs at the diverse businesses, within their supply chains and in their communities.



Taxes

Economic activities generate government revenues through personal and business taxes, which support investment in the community.



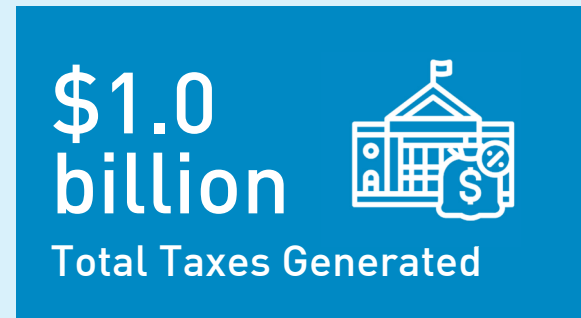
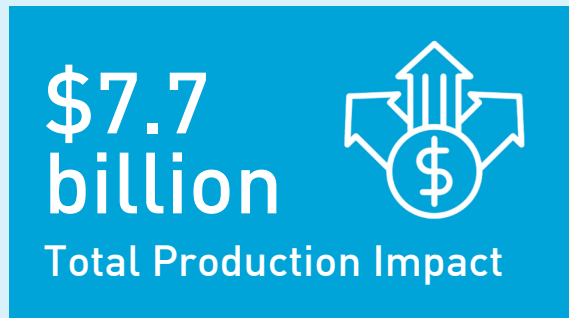
PG&E's Inclusive Supply Chain

PG&E worked with more than 600 diverse suppliers in 2022 to deliver safe, affordable, reliable, and clean energy. Our diverse supplier spend **delivered more than \$7.7 billion in production contribution, supported 38,661 jobs with \$3.1 billion in wages, and generated \$1.0 billion in taxes.**

Our supply chain provides maximum practicable opportunity to incorporate small and diverse businesses into our purchasing efforts. Diverse supplier outreach, development, mentoring, and prime supplier engagement are just a few of the ways we help diverse suppliers participate in our supply chain.



The Economic Impact of PG&E's Supplier Diversity Program



Economic Impact Channels

Our small and diverse spend is represented throughout all levels of our supply chain. **The impact to the economy is measured by direct, indirect, and induced impact.**



Direct Impact

The impact of our immediate suppliers in terms of increased revenue, jobs, and wages.



Indirect Impact

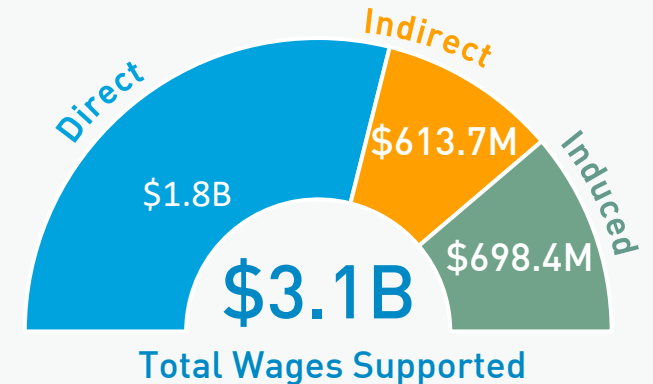
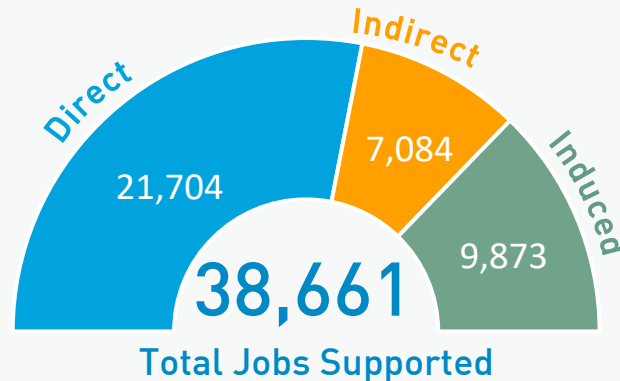
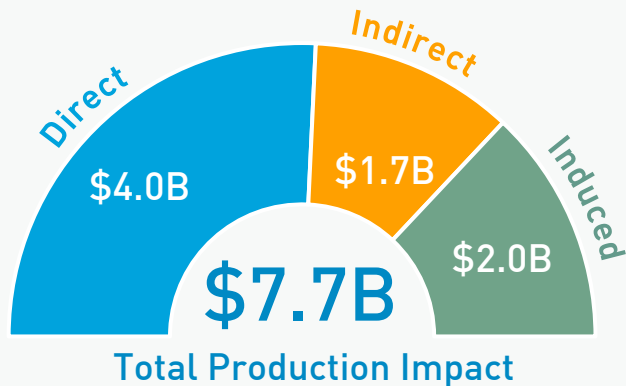
Indirect impacts result from spend with lower tier suppliers that also create jobs.



Induced Impact

The wider economic benefits that arise when employees of the company and its supply chain spend their earnings.

The multiplier effect of our diverse spending in the US economy



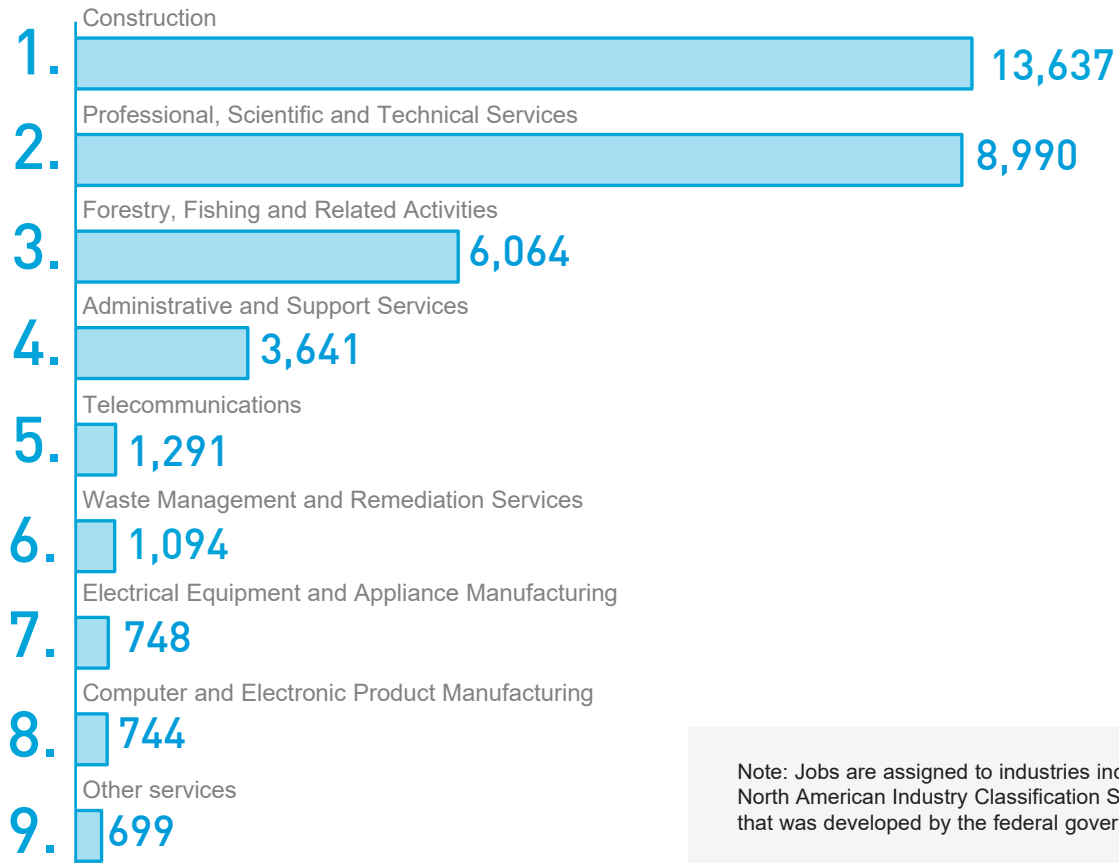
Direct Impact of PG&E Tier 1 Diverse Spend



Minority Business	Women Business	LGBT Business	Disabled Veteran Business	Persons With Disabilities Business	Small Business
\$2.5 billion PG&E Spend	\$1.8 billion PG&E Spend	\$6.9 million PG&E Spend	\$416.4 million PG&E Spend	\$390.9 million PG&E Spend	\$913.7 million PG&E Spend
14,904 Jobs Supported	8,505 Jobs Supported	34 Jobs Supported	2,349 Jobs Supported	2,293 Jobs Supported	4,313 Jobs Supported
\$1.2 billion Wages Supported	\$777.3 million Wages Supported	\$3.8 million Wages Supported	\$190.3 million Wages Supported	\$183.7 million Wages Supported	\$371.9 million Wages Supported

Notes: Suppliers are included in every category for which they qualify based on Supplier Clearinghouse diverse supplier certification and therefore, numbers may add up to greater than the total spend.
Small Business classification not based on Small Business Administration (SBA) guidelines. Small businesses reflected in this report are self-certified or registered as small by a local or national certifying agency.

Jobs Supported Through Each Industry-Tier 1 Diverse Level



Note: Jobs are assigned to industries included in the North American Industry Classification System (NAICS) that was developed by the federal government.



Prime Supplier Program

PG&E encourages prime suppliers to establish a supplier diversity program and report subcontracting results to PG&E monthly. Our Prime Supplier Program fosters diverse supplier connections and provides resources and training to promote a strong supply chain. **PG&E's prime suppliers reported spend over \$818 million with diverse subcontractors in 2022.**

Prime Supplier Academy and Supplier Development

PG&E's Supply Chain Responsibility team creates and delivers Prime Supplier Academy training for primes. These trainings help primes understand how to meet PG&E expectations in the areas of safety, environmental sustainability, ethical business, and more. Prospective suppliers both, diverse and non-diverse, are also eligible to participate in these training opportunities to increase their capabilities.

As part of PG&E's supplier development efforts, small and diverse suppliers can participate in mentoring and free training opportunities. Select small and diverse suppliers can even take advantage of several scholarships that are available at universities across the country.



Direct Impact of PG&E Tier 2 Diverse Spend



Minority Business	Women Business	LGBT Business	Disabled Veteran Business	Persons with Disabilities Business	Small Business
\$400.5 million PG&E Spend	\$444 million PG&E Spend	\$603.5 thousand PG&E Spend	\$46.6 million PG&E Spend	\$15.5 million PG&E Spend	\$108.1 million PG&E Spend
1,799 Jobs Supported	1,774 Jobs Supported	1 Job Supported	123 Jobs Supported	44 Jobs Supported	512 Jobs Supported
\$161.2 million Wages Supported	\$155.7 million Wages Supported	\$150.6 thousand Wages Supported	\$16 million Wages Supported	\$7.2 million Wages Supported	\$54 million Wages Supported

Notes: Suppliers are included in every category for which they qualify based on Supplier Clearinghouse diverse supplier certification and therefore, numbers may add up to greater than the total spend.
Small Business classification not based on Small Business Administration (SBA) guidelines. Small businesses reflected in this report are self-certified or registered as small by a local or national certifying agency.

02

California Impact



PG&E's Supplier Diversity California Impact

PG&E's small and diverse suppliers contribute to the economy with their purchasing power and increase the overall economic impact in the state and in our hometowns.



	PG&E Spend	Jobs Supported	Wages Supported
Minority Business	\$2.1 billion	11,286	\$1 billion
Women Business	\$1.6 billion	7,996	\$732.9 million
Small Business	\$760.7 million	3,667	\$326.5 million
Disabled Veteran Business	\$416.4 million	2,349	\$190.3 million
Persons with Disabilities Business	\$390.9 million	2,293	\$183.7 million
LGBT-Business	\$6.9 million	34	\$3.8 million

Note: Suppliers located in multiple locations are evaluated by the designated headquarters or purchase order remit to location, which may cause an over and/or underestimated impact in numbers.

PG&E's Regionalization

2022 Total Diverse Spend
\$3.0 billion
 This is the combined diverse spend from PG&E Tier 1 and Tier 2 suppliers in PG&E's regions.

2022 Total Tier 1 Spend
\$2.6 billion
 This is the spend with PG&E Tier 1 diverse suppliers who employ people to support their sales.

2022 Total Tier 2 Spend
\$441.1 million
 This is the diverse spend collected from our Tier 1 suppliers who also employ people and hire other suppliers to support their sales.

Since 2021, PG&E has operated with a Regional Service Model to better meet the needs of our customers. There are five regions with counties grouped together based on similar operation, risk, and safety profiles.

PG&E diverse suppliers based in each of these regions again make up that multiplier effect in their local communities.

PG&E's Regions are:

NORTH COAST

Humboldt, Lake, Marin, Mendocino, Napa, Siskiyou, Sonoma, and Trinity

NORTH VALLEY & SIERRA

Butte, Colusa, El Dorado, Glenn, Lassen, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra, Solano, Sutter, Tehama, Yolo, and Yuba

BAY AREA

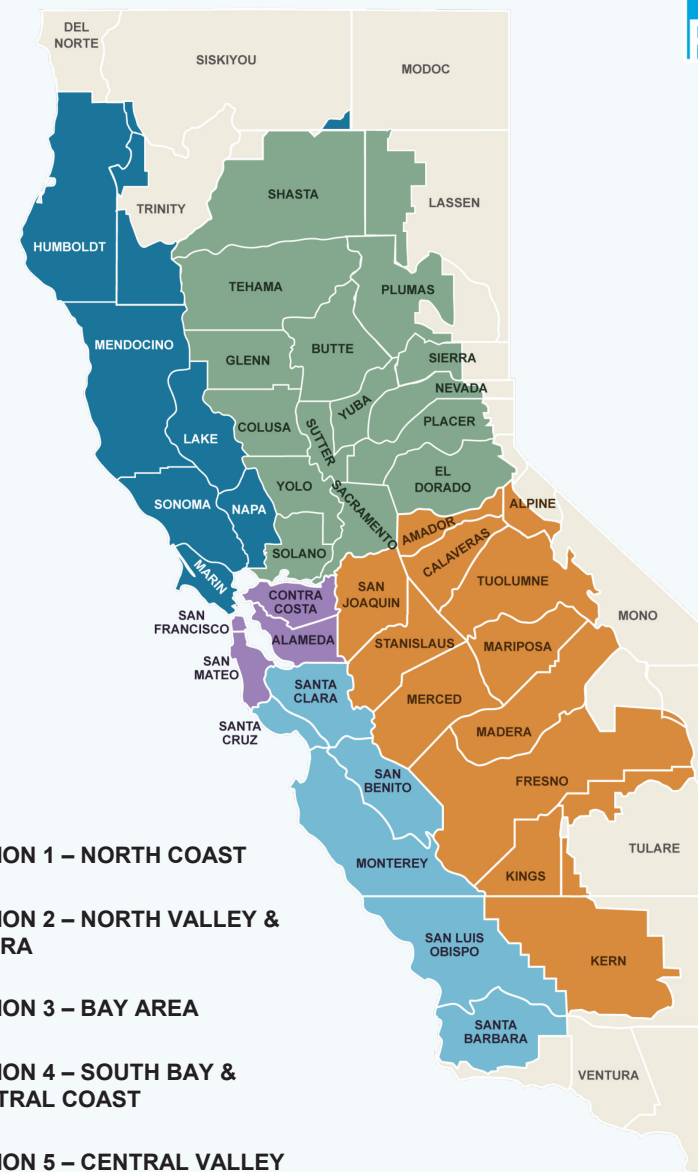
Alameda, Contra Costa, San Francisco, and San Mateo

SOUTH BAY & CENTRAL COAST

Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Clara, and Santa Cruz

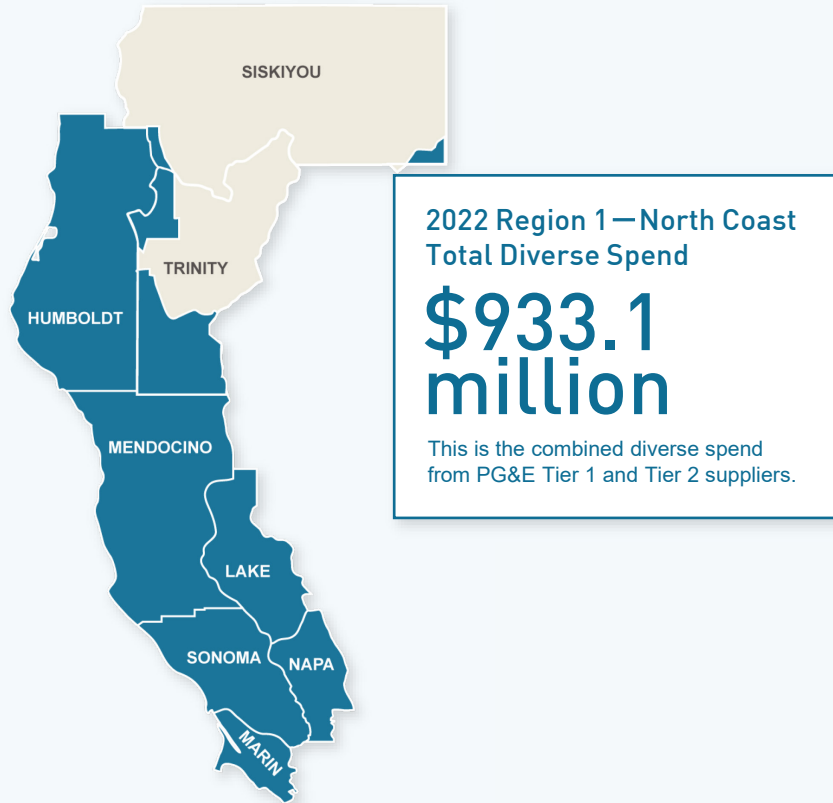
CENTRAL VALLEY

Alpine, Amador, Calaveras, Fresno, Kern, Kings, Madera, Mariposa, Merced, San Bernardino [Gas Only], San Joaquin, Stanislaus, Tulare, and Tuolumne



Regionalization: Total Diverse Spend

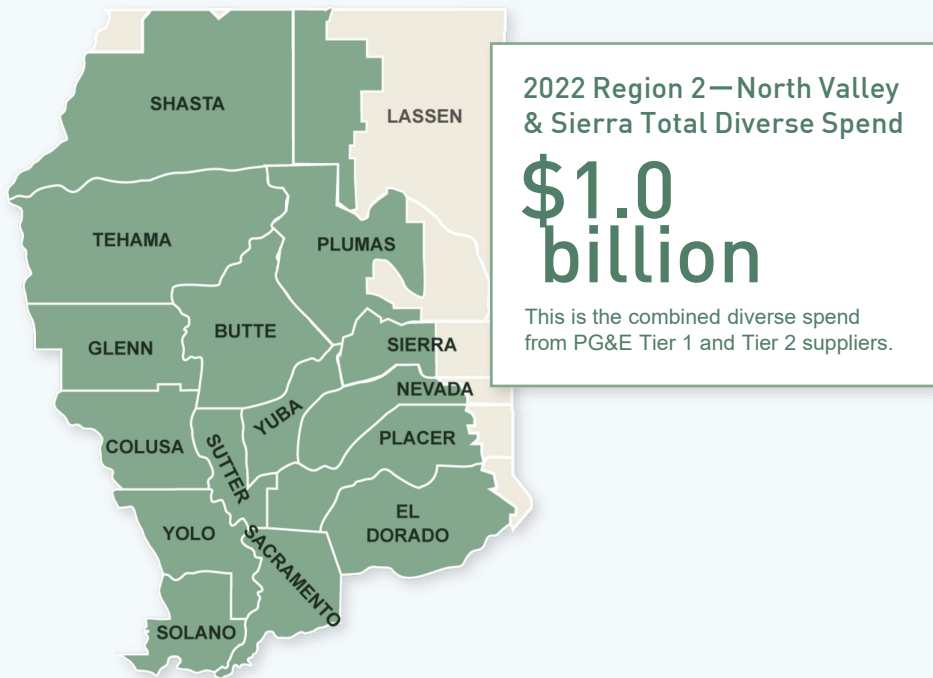
REGION 1 – NORTH COAST



	Tier 1 Spend	Tier 2 Spend
Diverse Spend	\$838.1 million	\$95.0 million
Jobs	4,676	449
Incomes	\$463.6 million	\$38.1 million

Regionalization: Total Diverse Spend

REGION 2—NORTH VALLEY & SIERRA



	Tier 1 Spend	Tier 2 Spend
Diverse Spend	\$878.2 million	\$164.8 million
Jobs	4,379	805
Incomes	\$378.5 million	\$68.8 million

Regionalization: Total Diverse Spend

REGION 3—BAY AREA



2022 Region 3—Bay Area
Total Diverse Spend

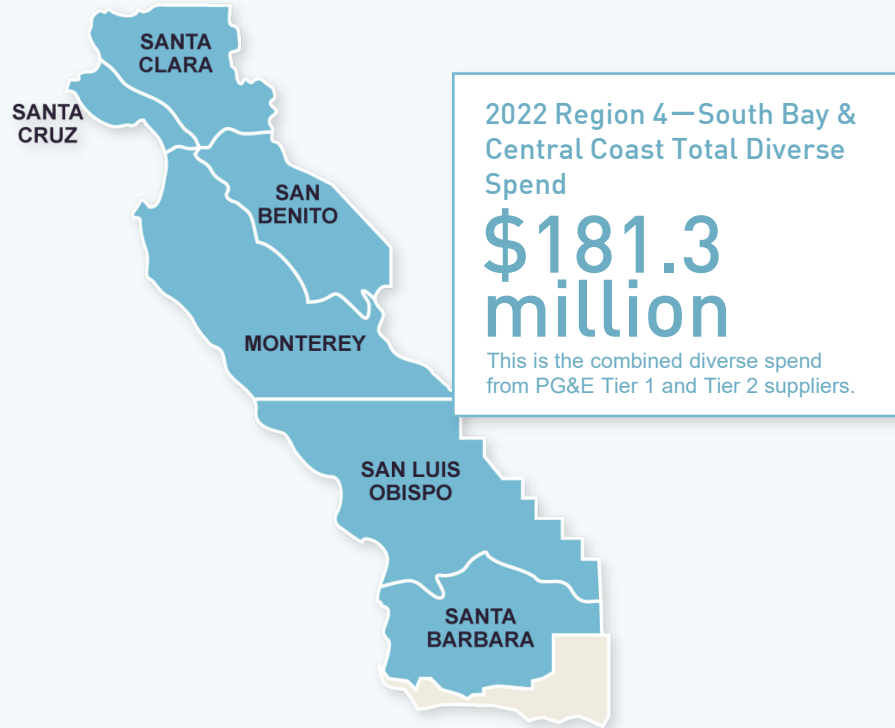
\$520.9 million

This is the combined diverse spend from PG&E Tier 1 and Tier 2 suppliers.

	Tier 1 Spend	Tier 2 Spend
Diverse Spend	\$460.4 million	\$60.5 million
Jobs	2,125	293
Incomes	\$192.7 million	\$27.8 million

Regionalization: Total Diverse Spend

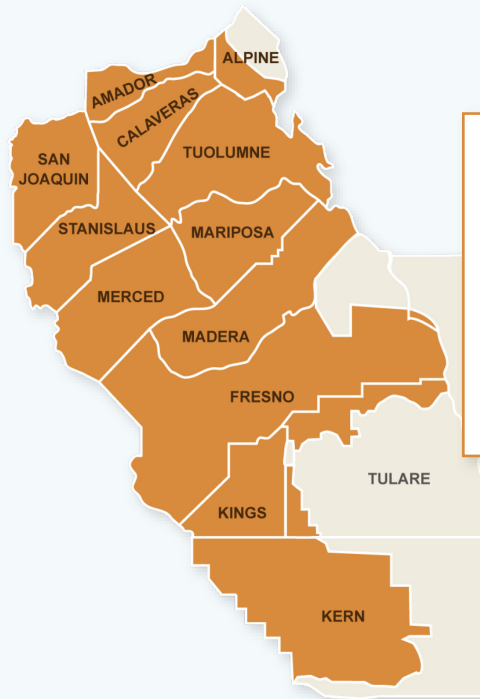
REGION 4—SOUTH BAY & CENTRAL COAST



	Tier 1 Spend	Tier 2 Spend
Diverse Spend	\$142.2 million	\$39.1 million
Jobs	755	137
Incomes	\$63.4 million	\$13.0 million

Regionalization: Total Diverse Spend

REGION 5—CENTRAL VALLEY



2022 Region 5—Central Valley
Total Diverse Spend
\$394.7 million
This is the combined diverse spend from PG&E Tier 1 and Tier 2 suppliers.

	Tier 1 Spend	Tier 2 Spend
Diverse Spend	\$312.9 million	\$81.8 million
Jobs	1,382	286
Incomes	\$132 million	\$31.3 million

Impact in Oakland, California

PG&E's diverse spend impact in our headquarter city of Oakland is a direct demonstration of delivering for our hometowns. We increased our Tier 1 spend from \$10.6 million in 2021 to \$14.7 million in 2022.



Oakland,
California

\$14.7 million

Tier 1 Spend



\$494.1 thousand

Tier 2 Spend

79

Tier 1 Total Jobs Supported



6

Tier 2 Total Jobs Supported

\$22.7 million

Tier 1 Total Production Impact



\$832 thousand

Tier 2 Total Production Impact

\$5.5 million

Tier 1 Total Wages Supported



\$294.5 thousand

Tier 2 Total Wages Supported

Engaging with Our Diverse Communities

PG&E partners with community-based organizations to engage with small and diverse suppliers through training and outreach activities. These local and national community-based organizations help share PG&E resources and opportunities.

Technical Assistance Program



PG&E delivers free online training and resources via our Learning Management System, www.pgetap.com. Current and prospective suppliers can register and take courses at their own pace to learn how to meet PG&E's supplier expectations. In addition to training courses, registrants on the pgetap.com system can participate in a community platform to engage with fellow businesses and share best practices.

PG&E also offers virtual and in person workshops to help suppliers increase their competitiveness. PG&E's upcoming events can be found at [Events \(pge.com\)](http://Events.pge.com).

2022 Highlights



80

Technical assistance and outreach events



18

University program scholarships awarded to small and diverse businesses

Supplier Diversity supports economic vitality across our communities and remains a strategic business initiative at PG&E.



Appendix: Economic Impact Modeling

Economic impact modeling is a standard tool used to quantify the economic contribution of an investment or company. This modeling uses an “Input-Output” economic model to estimate the number of times each dollar of “input,” or direct spend, cycles through the economy in terms of “indirect and induced Output,” or additional spend, personal income, and employment.

There are several Input-Output models used by economists to estimate multiplier effects. supplier.io employed the IMPLAN input-Output model in developing estimates of spend, income and employment impacts. This model, initially developed by the U.S. Department of Agriculture, examines inter-industry relationships in local, regional, and national economies.

The Input-Output multipliers are derived from a comprehensive and complex set of inputs based on the collection of business and employment data. Indirect impacts of economic activity in a targeted geographic area are calculated by applying multiplier coefficients to the direct impact spending. Since most of the businesses in the study are considered as local businesses, each supplier was assumed to have operations primarily in one state. These multipliers consider an amount of “leakage” from the state economy because some Incomes and expenditures will be spent outside of the state. The economic activity is calculated by state and these state-level results are aggregated to determine the national totals.

Analysis performed by supplier.io

Assumptions

This analysis relies on the following assumptions:

For suppliers that have multiple locations, all impact is evaluated at the headquarters location. This may overestimate the impact in the headquarters state and underestimate the impact in other states.

For suppliers that provide services in multiple NAICS code, unless otherwise indicated, all impact is calculated using the supplier's primary NAICS code.

A supplier impact is assumed to be localized within a state.

The model predicts impact results based on industry averages and is an aggregate across all companies. The calculations cannot be applied to individual companies and may differ from actual jobs and Incomes at specific companies.

References

This report is based on an analysis of data provided by the customer and information from the following sources:

[US Government Revenues](#)

[Office and Administrative Support Occupations: Occupational Outlook Handbook: U.S. Bureau of Labor Statistics](#)

[United States Output](#)

[Input-Output Models for Impact Analysis: Suggestions for Practitioners Using RIMS II Multipliers](#)

[What is NAICS](#)

[IMPLAN](#)

[Multipliers Changing Over Time – IMPLAN - Support](#)

[Generation and Interpretation of IMPLAN's Tax Impact Report](#)

[Taxes: How the Pandemic Ruined My Tax Results – IMPLAN - Support](#)

[Pandemic: Analyzing the Economic Impacts of the Coronavirus – IMPLAN - Support](#)



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