



2023 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 2023. 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 2023, we spent \$4.18 billion in goods and services with 577 diverse suppliers. This spend represented 36.6 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 2023 Corporate Sustainability Report](#).**

Contents

01

Pages 8 - 14

PG&E's Commitment to Supplier Diversity

02

Pages 15 - 25

California Impact



Message from the CEO

“When I joined PG&E three years ago, the consistent and nationally recognized success of our supplier diversity program was immediately impressive. What’s become even more impressive is the teamwork behind the success—the active collaboration that connects 577 diverse suppliers to our community-based partners to our teams throughout PG&E in delivering on our “triple-bottom line” approach to doing business, serving People, the Planet and California’s Prosperity.

The success of PG&E’s Supplier Diversity Program is rooted in teamwork—the partnership among diverse suppliers, our company and community-based organizations. With teamwork, we will continue to serve People, the Planet and California’s Prosperity. ”



Patti Poppe
Chief Executive Officer
PG&E Corporation

Messages from PG&E Leadership



Carla Peterman

**Executive Vice President, Corporate Affairs
Chief Sustainability Officer
PG&E Corporation**



Marlene Santos

**Executive Vice President,
Chief Customer & Enterprise Solutions Officer
PG&E**



Ramit Bajaj

**Senior Vice President,
Enterprise Service Delivery
PG&E**

“ Our supplier diversity program has always followed our Purpose, Virtues and Stands. Our diverse suppliers help us deliver for our hometowns, allow us to be nimble to meet the needs of our customers and create prosperity for our customers and investors. ”

“ PG&E serves an extraordinarily diverse territory across Northern California—from mountains to beaches, from forests to fields, from cities to farms. Our diverse supplier base brings us an unlimited supply of fresh ideas and innovations that help us strengthen our ties to the millions of customers and thousands of communities we serve. ”

“ Supplier diversity has been a core value of PG&E for more than four decades. We appreciate the role small and diverse suppliers play in helping us provide energy to our customers while fueling California’s and the nation’s economies. ”

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.

OUR PURPOSE:

Delivering for our hometowns
Serving our planet
Leading with love

OUR VIRTUES:

Trustworthy
Empathetic
Curious
Tenacious
Nimble
Owners



OUR STANDS:

PEOPLE

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

PLANET

Clean and resilient energy for all.

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.

35,000+ volunteer hours in 2023



50+ community organizations supported



\$26M donated in 2023



1,000+ grants:



91% underserved communities
77% Communities of Color

\$9M 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 2023, PG&E spent a record amount of \$4.18 billion with business enterprises owned by Lesbian, Gay, Bisexual and Transgender (LGBT), minorities, service-disabled veterans, persons with disabilities and women. Results like this are possible through the hard work and engagement of PG&E coworkers, supportive prime suppliers and small and diverse suppliers.



Program Highlights

Partnered with

577 Diverse Suppliers

in 2023



Tier 1 and Tier 2 diverse supplier spend represented

36.6% of overall procurement



PG&E Tier 1 Diverse Spend

\$3.4B



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 impact the communities through their purchases, wages and taxes.



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 577 diverse suppliers in 2023 to deliver safe, affordable, reliable and clean energy. Our diverse supplier spend **delivered more than \$6.6 billion in production contribution, supported 29,859 jobs with \$2.4 billion in wages and generated \$946 million 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

\$6.6B

Total Production Impact



29,859

Total Jobs Supported



\$2.4B

Total Wages Supported



\$946M

Total Taxes Generated



Economic Impact Channels

Our small and diverse spend is represented throughout all levels of our supply chain. **The effect on 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

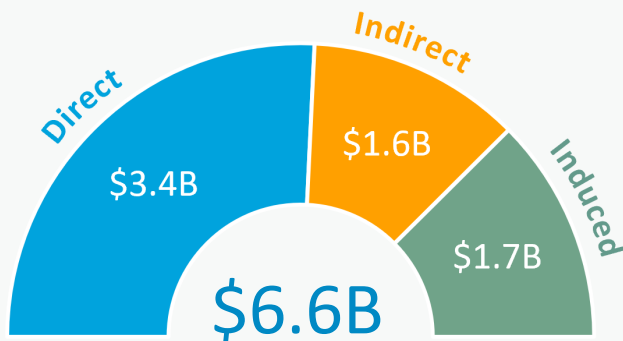
Indirect impacts result from spend with lower tier suppliers that also create jobs.



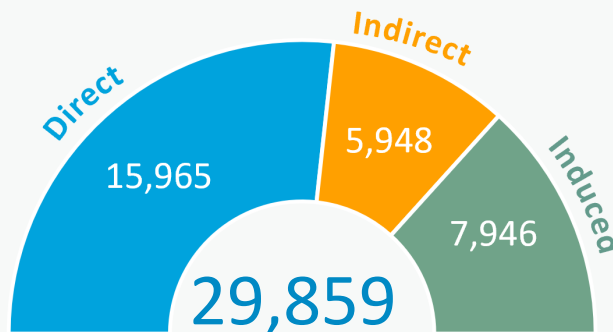
Induced Impact

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

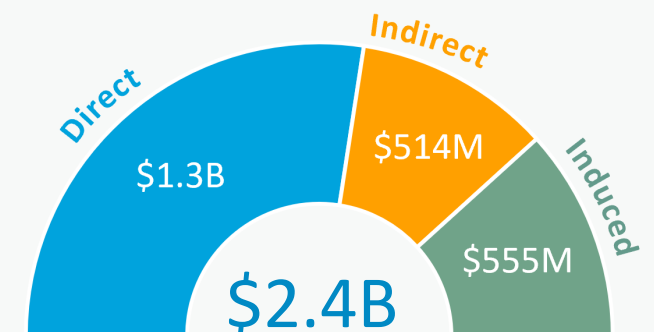
The multiplier effect of our diverse spending in the US economy



Total Production Impact



Total Jobs Supported



Total Wages Supported

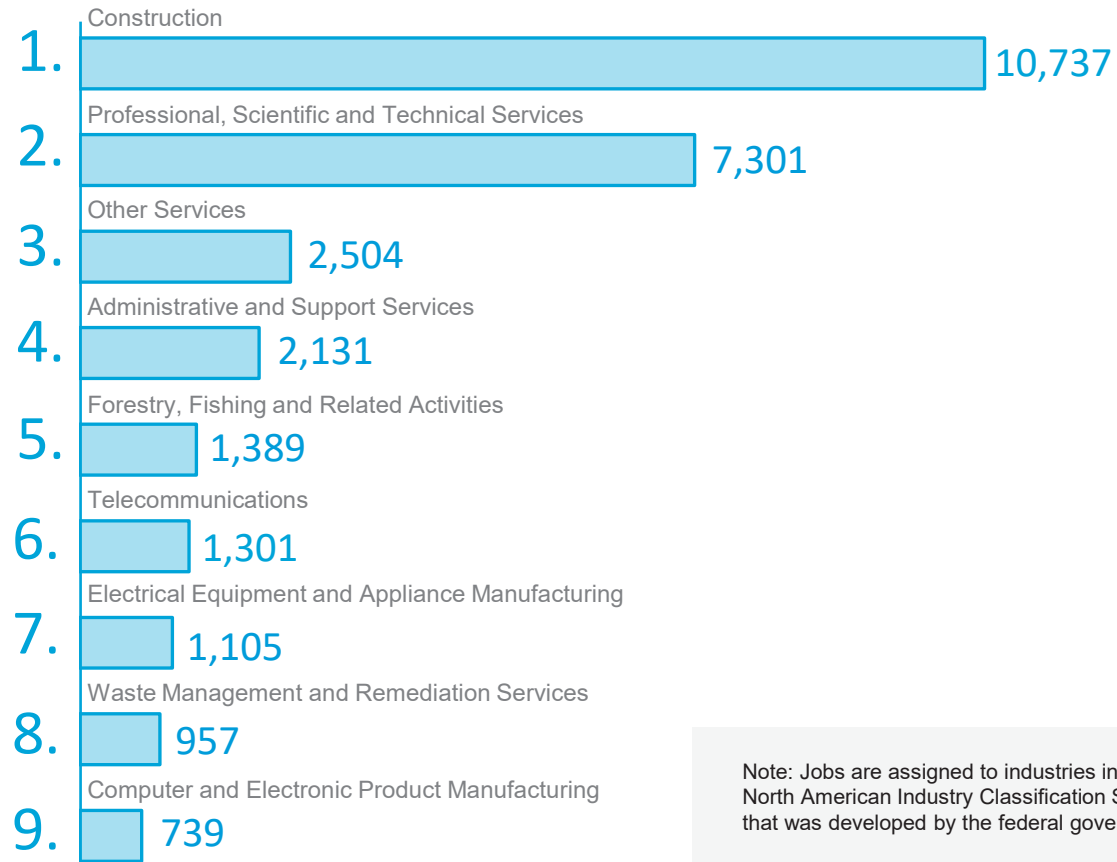
Direct Impact of PG&E Tier 1 Diverse Spend



	Minority Business	Women Business	LGBT Business	Disabled Veteran Business	Persons With Disabilities Business	Small Business
PG&E Spend	\$2.1B	\$1.7B	\$7M	\$332M	\$353M	\$814M
Jobs Supported	10,183	6,616	33	1,831	2,046	3,721
Wages Supported	\$866M	\$634M	\$4M	\$138M	\$153M	\$310M

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 each month. Our Prime Supplier Program fosters diverse supplier connections and provides resources and training to promote a strong, flexible supply chain. **PG&E's prime suppliers reported spend of \$755 million with diverse subcontractors in 2023.**

Prime Supplier Academy and Supplier Development

PG&E's Supply Chain Responsibility team creates and delivers Prime Supplier Academy training for direct suppliers. 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
PG&E Spend	\$365M	\$368M	\$2M	\$50M	\$67M	\$20M
Jobs Supported	1,748	1,670	4	156	238	77
Wages Supported	\$141M	\$135M	\$447K	\$17M	\$24M	\$9M

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	\$1.7B	8,705	\$774M
Women Business	\$1.5B	6,118	\$589M
Small Business	\$676M	3,235	\$272M
Disabled Veteran Business	\$333M	1,831	\$138M
Persons with Disabilities Business	\$353M	2,046	\$153M
LGBT-Business	\$7M	32	\$4M

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



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

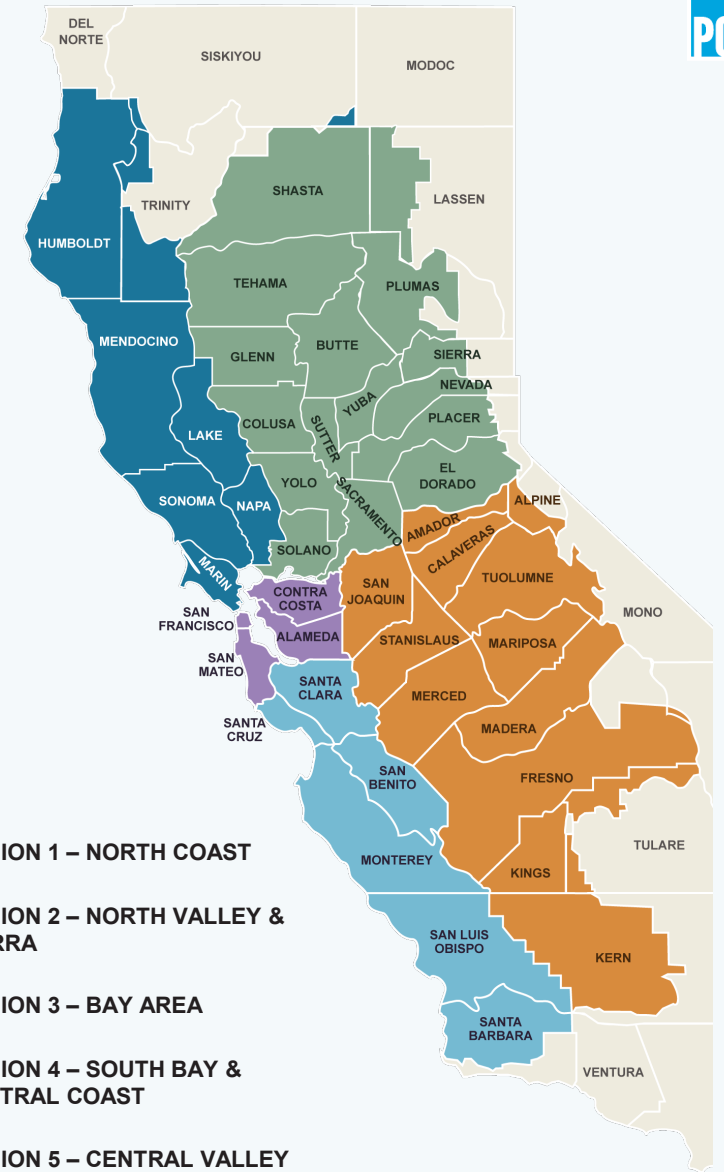
Alameda, Contra Costa, San Francisco and San Mateo

SOUTH BAY & CENTRAL COAST

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

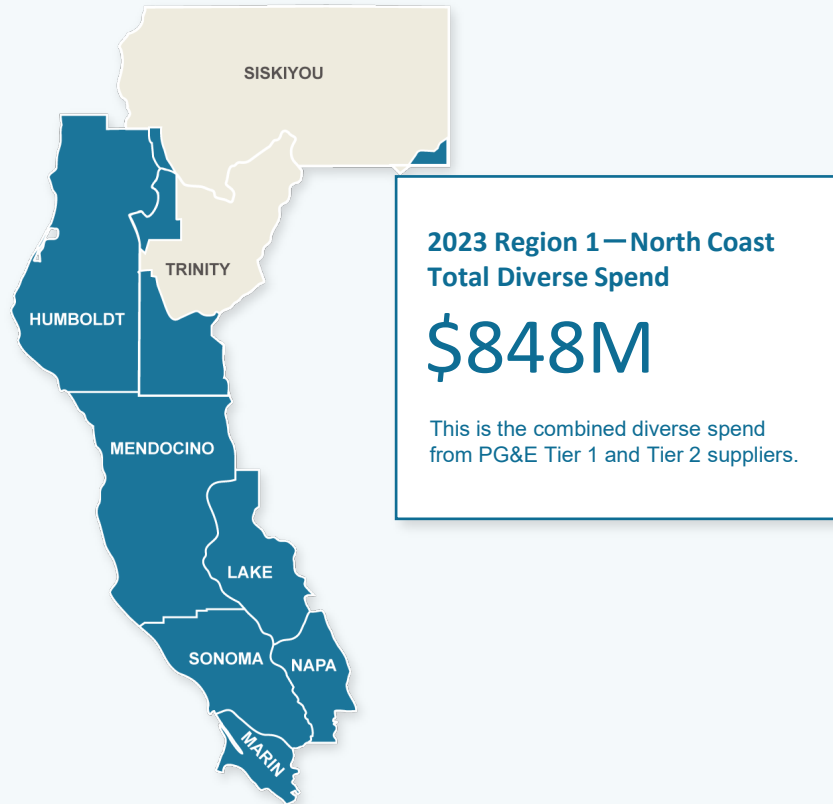
CENTRAL VALLEY

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



Regionalization: Total Diverse Spend

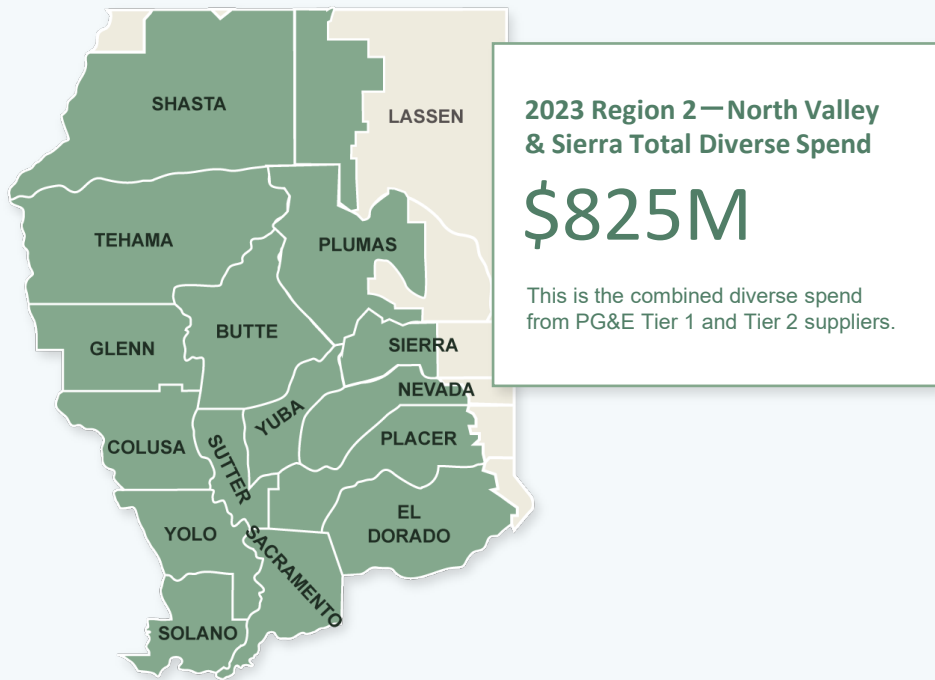
REGION 1 – NORTH COAST



	Tier 1 Spend	Tier 2 Spend
Diverse Spend	\$754M	\$95M
Jobs	3,918	593
Incomes	\$382M	\$43M

Regionalization: Total Diverse Spend

REGION 2—NORTH VALLEY & SIERRA



	Tier 1 Spend	Tier 2 Spend
Diverse Spend	\$618M	\$207M
Jobs	3,360	1,077
Incomes	\$273M	\$81M

Regionalization: Total Diverse Spend

REGION 3—BAY AREA



2023 Region 3—Bay Area
Total Diverse Spend

\$545M

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

	Tier 1 Spend	Tier 2 Spend
Diverse Spend	\$487M	\$58M
Jobs	2,268	268
Incomes	\$188M	\$24M

Regionalization: Total Diverse Spend

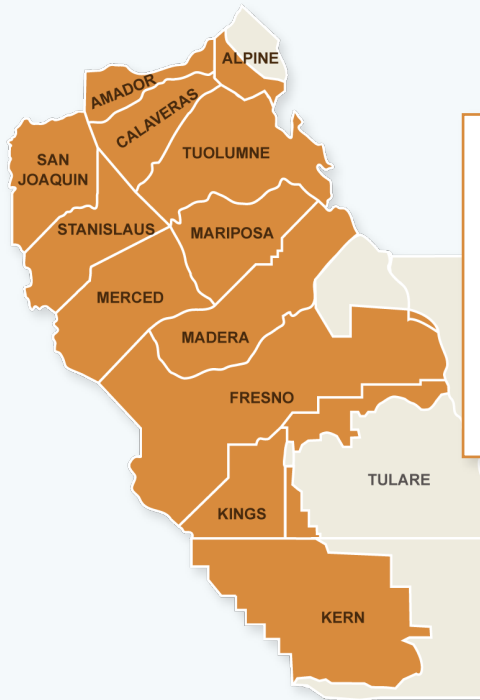
REGION 4—SOUTH BAY & CENTRAL COAST



	Tier 1 Spend	Tier 2 Spend
Diverse Spend	\$117M	\$23M
Jobs	610	74
Incomes	\$49M	\$7M

Regionalization: Total Diverse Spend

REGION 5—CENTRAL VALLEY



2023 Region 5—Central Valley
Total Diverse Spend
\$276M
This is the combined diverse spend
from PG&E Tier 1 and Tier 2 suppliers.

	Tier 1 Spend	Tier 2 Spend
Diverse Spend	\$204M	\$72M
Jobs	1,011	283
Incomes	\$88M	\$26M

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.



Oakland,
California

\$14M

Tier 1 Spend



\$1M

Tier 2 Spend

\$22M

Tier 1 Total Production Impact



\$2M

Tier 2 Total Production Impact

78

Tier 1 Total Jobs Supported



13

Tier 2 Total Jobs Supported

\$6M

Tier 1 Total Wages Supported



\$809K

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).

2023 Highlights



43

PG&E sponsored/ participated in supplier diversity events.



10

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 codes, 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](#)



2023 SUPPLIER DIVERSITY ECONOMIC IMPACT REPORT