

supplier diversity
working together towards a clean energy future

2019 ANNUAL REPORT | 2020 ANNUAL PLAN



contents

Chairman and CEO's Message	2
2019 Highlights	3
Procurement Results	4

2019 annual report

9.1 Program Activities	5
9.1.2 Summary of Purchases/Contracts	18
9.1.3 Program Expenses	18
9.1.4 Goal Progress	18
9.1.5 Subcontractors	19
9.1.6 Complaints	20
9.1.7 Exclusions	20
9.1.8 Diverse Suppliers in Underutilized Areas	20
Our Clean Energy Vision	24

2020 annual plan

10.1.1 Goals	26
10.1.2 Planned Activities	27
10.1.3 Recruitment Plans for Suppliers in Underutilized Areas	30
10.1.4 Exclusions	30
10.1.5 Subcontracting Plans	30
10.1.6 Program Compliance	31

2019 annual report

FUEL PROCUREMENT FOR NON-GENERATION

9.1.1 Program Activities	33
9.1.2 Summary of Purchases/Contracts	33
9.1.3 Program Expenses	34

2019 annual report cont.

FUEL PROCUREMENT FOR NON-GENERATION

9.1.4 Goal Progress	34
9.1.5 Subcontractors	34
9.1.6 Complaints	34
9.1.7 Exclusions	34
9.1.8 Efforts to Recruit Diverse Suppliers in Underutilized Areas	34
9.1.9 Retention of All Documents/Data	34
9.1.10A Participation Results by Fuel Category	34
9.1.10B Market Conditions and Outreach	34

2020 annual plan

FUEL PROCUREMENT FOR NON-GENERATION

10.1.1 Goals	36
10.1.2 Planned Activities	36
10.1.3 Recruitment Plans for Suppliers in Underutilized Areas	36
10.1.4 Exclusions	36
10.1.5 Subcontracting Plans	36
10.1.6 Program Compliance	36

chart addendums

9.1.2 Summary of Purchases/Contracts	37-43
9.1.10A Annual Energy Product Results by Ethnicity and WMDVLGBTBE Certification	44
9.1.2 Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse	45

supplier diversity

working together towards a clean energy future

As we imagine the possibilities of a clean energy future – one that involves an inclusive and innovative approach that considers all forms of energy and welcomes all ideas – we can't help but draw similarities to our Supplier Diversity Program.

Our program, which began over 40 years ago, was created out of a desire to be more inclusive and forward-thinking in our procurement activities. Our goal was to reflect the communities we serve but today, our supplier diversity activities are so much more than that.

Increasing purchases with diverse businesses has made us more innovative and also helped these firms become more successful and sustainable, leading to more jobs and stronger, healthier communities.

We're proud that our Supplier Diversity Program has helped women, minority, disabled veteran, lesbian, gay, bisexual, transgender and small disadvantaged businesses thrive and grow through our investments, development programs and partnerships.

Inclusion and innovation will continue to be a way of doing business as we create a clean, affordable and sustainable energy future.





chairman and ceo's message

“Inclusion” and “innovation” are part of our everyday lingo at SoCalGas®. They reflect our hiring and recruiting practices, procurement and philanthropic activities and clean energy strategy as we strive to become the cleanest gas utility in North America.

Supplier diversity is a perfect example of how inclusion and innovation have benefited our company and the community at large. Since we launched our Supplier Diversity Program in 1979, diverse suppliers have played an instrumental role in our mission to provide clean, affordable, safe, reliable and resilient energy to our customers.

Through our contracts, investments and development programs, we have watched these firms grow and succeed, with many adopting their own diverse supplier initiatives. And we know our supplier diversity activities bring economic benefits not only to our suppliers, but also the communities where they do business.

In 2019, we spent more than \$1.7 billion procuring goods and services. Of this amount, we spent \$726 million, or 41.77 percent, with women, minority, disabled veteran, lesbian, gay, bisexual, transgender and small disadvantaged businesses. This represents the 27th straight year we exceeded the California Public Utilities Commission's (CPUC) 21.5 percent goal.

During the year, our diverse suppliers worked on projects big and small and touched nearly every area of our company. As we work to advance California's bold goal to achieve carbon neutrality by 2045, we will rely on these firms to help us innovate and develop clean energy solutions.

Gas continues to play an important role in our sustainable clean energy future, and we see opportunities for diverse firms to work with us in new forms of clean energy solutions. These include reducing waste to create renewable gas, utilizing technology to convert excess solar and wind energy into stored renewable gas and capturing and using carbon from industrial and manufacturing processes.

In the following pages of this report, we highlight some of these exciting new areas and how diverse suppliers will be supporting our energy diversity activities. We also recognize some of our “champions” who have made inclusion and innovation a key part of their jobs and contributed to our supplier diversity achievements.

We are excited for what the future holds and look forward to working together with our partners and sharing our supplier diversity successes next year.

Bret Lane
Chairman and CEO

As we work to advance California's bold goal to achieve carbon neutrality by 2045, we will rely on diverse firms to help us innovate and develop clean energy solutions.

supplier diversity 2019 highlights



\$1.7B

TOTAL PROCUREMENT



\$726M

SPEND WITH DIVERSE FIRMS

41.77%

TOTAL PURCHASES WITH DIVERSE SUPPLIERS



552

DIVERSE SUPPLIERS WORKING WITH SOCALGAS



\$26.5M

IN SCORE PROGRAM SPEND

14 AMONG TOP 25

SO CAL GAS SUPPLIERS ARE DIVERSE FIRMS



27 YRS

CPUC GOAL SURPASSED



58

NEW DIVERSE FIRMS



91%

OF OUR DIVERSE SUPPLIERS ARE IN CALIFORNIA



319

DIVERSE PRIME SUPPLIERS



786

SUPPLIERS RECEIVED TECHNICAL ASSISTANCE

NEW MAJOR CONTRACTS WITH DIVERSE SUPPLIERS



INFORMATION TECHNOLOGY



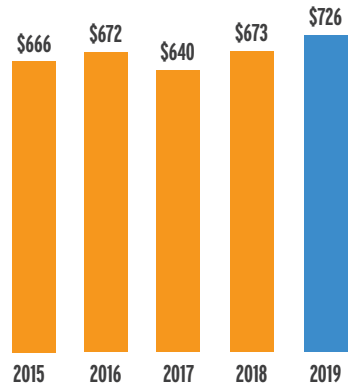
PIPELINE INSPECTION



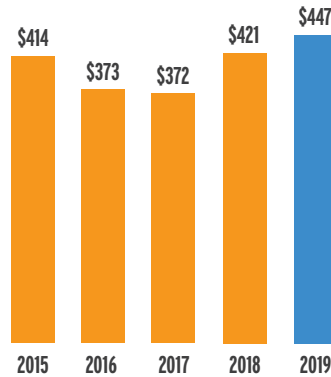
ENVIRONMENTAL SERVICES

procurement results

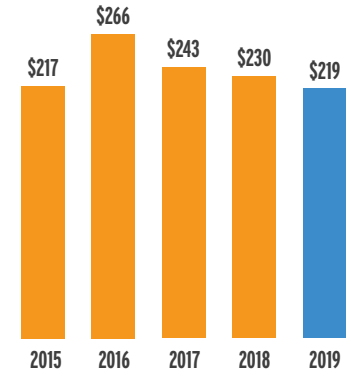
SOCALGAS SPEND 2015-2019



**Total Spend
with Diverse Suppliers**
(\$ IN MILLIONS)



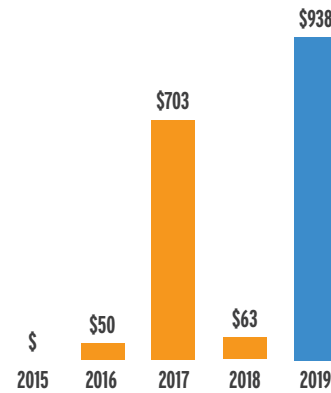
**Minority Business
Enterprises**
(\$ IN MILLIONS)



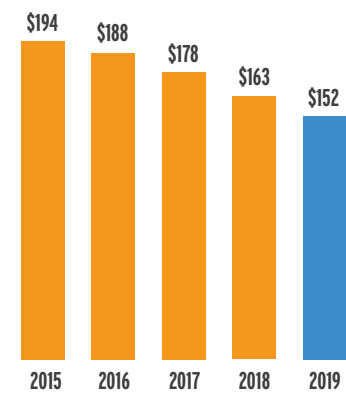
**Women Business
Enterprises**
(\$ IN MILLIONS)



**Disabled Veteran
Business Enterprises**
(\$ IN MILLIONS)



**Lesbian, Gay, Bisexual and
Transgender Enterprises**
(\$ IN THOUSANDS)



**Diverse
Subcontracting**
(\$ IN MILLIONS)

2019 annual report

9.1 PROGRAM ACTIVITIES

INTERNAL ACTIVITIES

Corporate Commitment

At SoCalGas, we have made supplier diversity a normal course of business along with employee safety, customer satisfaction and other operational goals. Supplier diversity is not just a program or a department, but an integral part of our strategy and a smart and effective way to run our business.

Our entire executive team supports increasing procurement opportunities with diverse suppliers, regularly reviewing our spend progress and leading companywide supplier diversity initiatives by example. Supplier diversity is an annual corporate goal, with executive and management compensation linked to our performance. This increases accountability within SoCalGas and drives us to find innovative ways to achieve our supplier diversity objectives.

Supplier Development/Technical Assistance

During the year, we offered several supplier development and technical assistance programs so diverse firms were prepared and “contract ready” to work with us and others. These programs were well attended and well received, attracting more than 68 diverse firms, with many participants stating they developed business plans that enhanced their operations and/or improved their bottom line. Our programs included:

- **Business Assessment**, a webinar-based program that assesses the condition of businesses, identifies areas for improvement, creates a plan to enhance performance and provides follow-up at specified intervals to monitor progress.
- **Elevate Entrepreneur Institute**, a three-part class that features topics such as strategic thinking and tactics to align goals to stay adaptable.
- **Organizational and Operations Strategy Program**, designed to teach integrated performance development models, setting business objectives and expectations and supporting systems processes. The

program seeks to enrich and expand the capabilities of smaller diverse business owners and help them assess their workforce and develop proper alignment of resources.

Smaller Contractor Opportunity Realization Effort

Our Smaller Contractor Opportunity Realization Effort (SCORE) program identifies procurement opportunities at SoCalGas and matches them with qualified smaller diverse suppliers with revenues under \$5 million and fewer than 25 employees.

These opportunities often lead to participation in a competitive bid with like-sized companies. Upon winning a contract, SCORE contractors receive on-the-job training, feedback from project managers and invitations to business boot camps designed to help them grow and build capacity.

In 2019, more than \$27 million was spent with SCORE contractors in engineering design, construction, transportation and inspection services. We also continued to expand SCORE opportunities in the areas of paving,



Suppliers attend a workshop on “Getting Contract Ready” sponsored by SoCalGas and hosted by the Greater Los Angeles African American Chamber of Commerce.



Ron Garnett leads a SCORE boot camp on organizational and operations strategy.

professional services, training and technical assistance, facility services and construction management, with a goal of reaching every area of the company.

Mentoring

SoCalGas continued to mentor smaller diverse firms and help them navigate through the utility procurement space. Supplier Diversity provided individual coaching and introductions to internal clients for potential business opportunities and offered tips on creating comprehensive capability statements and preparing for presentations with key decision makers.

The team also provided informal mentoring through collaborating with community-based organizations.

Supplier Relationship Management

Our Supplier Relationship Management (SRM) program allows us to better manage our interactions with prime suppliers while optimizing performance through safety, quality, pricing and diverse subcontracting and ensuring prompt payments for all suppliers. SRM has led to more open communication, customized process improvements and increased cost savings with our largest suppliers.

In 2019, our major prime suppliers continued to contract with diverse companies and provide support and technical assistance that helped prepare them for larger roles and possible prime supplier opportunities. We also focused on more two-way communication between SoCalGas and our supplier base.

Supplier Diversity Business Showcases

Our business showcases are strategic platforms that allow diverse suppliers to present their capabilities to our internal managers and prime suppliers for potential direct and subcontracting opportunities.

Diverse suppliers have 30 minutes to present their capabilities, knowledge, past experience and expertise to internal managers, owners and managers from our prime suppliers. These showcases also encourage diverse suppliers to meet and form potential business relationships or alliances with other diverse companies.

In 2019, Supplier Diversity teamed up with Major Projects for a supplier showcase in which 25 diverse firms had an opportunity to present and highlight their capabilities with four of our prime suppliers. These prime suppliers had subcontracting opportunities in more than 20 areas, including painting/insulation, fire protection, electrical, pipe installation and cathodic protection.

Supplier Diversity also collaborated with SoCalGas Facilities and held a business showcase with 12 pre-vetted diverse contractors. The department's director, along with 10 project managers, met with contractors during individual 30-minute appointments, allowing contractors to present their qualifications and ask questions. There are plans to work with nearly all of the participating contractors in 2020.

Supplier Segmentation Strategy

Our Supplier Segmentation Strategy continued to align our technical assistance programs and opportunities with our suppliers' needs by placing diverse suppliers into four categories based on spend with SoCalGas. This provided a more customized approach for technical assistance, mentoring and on-the-job training opportunities.

LAURA GOMEZ

Helping smaller firms SCORE

When the Smaller Contractor Opportunity Realization Effort (SCORE) program launched in 2011, the goal was to identify procurement opportunities at SoCalGas and match them with qualified smaller diverse suppliers.



Laura Gomez and Albert Tene

Laura Gomez, project manager for the SoCalGas Infrastructure Protection Project, became an early champion to help diverse firms compete to win contracts along like-sized companies and receive on-the-job training, feedback and invitations to business boot camps designed to help them grow.

“We are required to protect our natural gas facilities and because of these diverse firms, we’re able to do what needs to be done,” she says. “They perform efficiently, professionally and go above and beyond what’s required.”

In 2019, more than \$26.5 million was spent with SCORE contractors, including Access General Contracting, a Hispanic American-owned general engineering firm that has installed bollards and other protective materials around natural gas facilities and meters at commercial buildings.

“We’re grateful for the opportunity,” says Albert Tene, who owns the Westminster, Calif.-based company with his sister, Elizabeth. “Too many times, big companies don’t want to give smaller companies a shot, but Laura and SoCalGas have helped us grow from four employees to nearly 40.”

“They’ve been true champions in our development,” Tene adds, noting he and Elizabeth attended SCORE boot camps and SoCalGas sponsored their attendance at the UCLA Management Development for Entrepreneurs program, “which led to the expansion of our federal construction and industrial divisions.”

“SCORE contractors have branched out into other areas,” says Gomez. “They’ve taken and embraced the tools we’ve given them and have gone further. That’s the concept behind SCORE.”

continued from page 6

Key components of our strategy included:

- **Discover** - New suppliers found through outreach efforts that can provide goods and services in traditionally low-utilization categories.
- **Develop** - Companies with spend up to \$5 million that can benefit from programs such as SCORE, development of a strategic growth plan, mentoring and training.
- **Grow** - Businesses with spend \$5 million to \$10 million, with a focus on building capacity and sustaining growth to transition from a SoCalGas subcontractor to a prime supplier.
- **Sustain** - Suppliers with spend greater than \$10 million, with a goal to develop true strategic partners with competitive pricing, reduced risk and best industry practices.

Contractor Safety Congress

SoCalGas hosted our annual Contractor Safety Congress at our Energy Resource Center with more than 200 small and large contractors in attendance. Superintendents and safety managers from several of SoCalGas' large gas pipeline construction firms made presentations and led group discussions on safety-related topics, including safe excavation practices around natural gas pipelines, backhoe safety basics and grinder safety.

Also attending were several members of our leadership team, including SoCalGas Chairman and CEO Bret Lane, Vice President of Construction Cedric Williams and Director of Safety Wallace Rawls.

Supplier Diversity Champions

SoCalGas supplier diversity champions are key to our supplier diversity success. In 2019, these individuals helped identify diverse firms for potential contract opportunities, vetted suppliers, introduced these businesses to others at SoCalGas and supported companywide activities to advance and promote supplier diversity.

We recognized 40 of these internal champions for their supplier diversity contributions at our annual year-end celebration. These champions represented business units and departments across our organization.



Supplier Diversity team members Rodney Potts and Yolanda Padilla talk to suppliers at the CPUC Small Business Expo.



Our supplier diversity champions received recognition at our annual Supplier Diversity year-end celebration.

Supplier Payment Programs

We continued to offer a number of programs and practices to help ensure our suppliers are promptly paid and payment disputes are resolved in a timely manner.

These included:

- **Supplier Quick Pay Program** - SoCalGas offers electronic payments with modified payment terms of net 15 to smaller diverse firms with \$5 million or under in annual revenue and no more than 25 employees. There were 39 program enrollees in 2019.
- **Accounts Payable** - Suppliers can contact an Accounts Payable representative directly via email to get questions answered on pending invoices.
- **SRM** - Participants can work through our program to resolve such issues as payments, performance and contracts.
- **Supplier Diversity Team** - When notified, advisors can resolve contract issues dealing with pay, performance, complaints and more.
- **Late Payment Resolution Team** - A team comprised of representatives from Procurement, Supplier Diversity and Accounts Payable works to determine and resolve the root cause of late payments.
- **Vendor Management System** - The system provides timely payments to our suppliers and helps with compliance, time tracking, budgeting and detailed descriptions of work performed.
- **Bank of America Mastercard** - This card offers prompt payment for smaller vendor purchases.
- **Invoice Processing Education** - Representatives from Accounts Payable conduct invoice processing education workshops to current and potential vendors to minimize delayed payments.

Major Projects

Our Major Projects construction team specializes in managing procurement, sourcing, contracts management, planning and execution of high risk/high visibility and/or high dollar projects, such as the Pipeline

Safety Enhancement Plan (PSEP), compressor station modernization, Mobilehome Park Utility Upgrade and pipeline integrity.

These include testing and replacing natural gas pipelines throughout our transmission system, upgrading equipment at our compressor stations and replacing third-party-owned, aging master meter/sub-meter energy distribution systems at mobile home parks.

In 2019, we continued to exceed our diverse supplier spend goal of 40 percent, with diverse suppliers performing inspection, mapping, surveying, engineering design, material and equipment supplies and construction services. Although we are surpassing our internal goal, we are constantly looking for direct and subcontracting opportunities with diverse suppliers in these areas.

Ethnic/Community Media

During the year, we communicated natural gas safety, company programs and other key messages to multicultural audiences, spending 29 percent of our media budget on ethnic media.



Joe Chow of Supplier Diversity (left) presents an award to SoCalGas' Major Projects team for their commitment to supplier diversity. Also pictured: Emma Riascos, Lily Otieno, Evelyne Recano and Erica Ortega.

Our activities included advertisements in 24 publications, 31 radio stations, and two TV stations for Hispanic, Chinese, Vietnamese, Korean, Filipino and African American audiences; targeted email campaigns; social, digital and outdoor advertising; radio and TV partnerships and media talent to create awareness and advocacy through station-produced vignettes; live TV integrations; and community affairs interviews.

Communications and Awareness

To increase awareness of our Supplier Diversity Program, Supplier Diversity partnered with Communications to promote companywide supplier diversity and outreach events and keep supplier diversity top of mind.

Articles were published on SoCalGas' intranet site and supplier success stories were featured on the company's website and other media outlets. Additionally, our communications taskforce has been a resource to engage new diverse suppliers interested in working with SoCalGas.

Our Employee Diversity Council – made up of seven Local Diversity Councils – also complemented our efforts to celebrate supplier and cultural diversity and inclusion and increase employee awareness and sensitivity.

Monitoring/Auditing/Reporting

Our monitoring, auditing and reporting tools helped us track, analyze and evaluate our progress and adjust or modify our strategy, as needed. These included:

- **Dashboard** – Displays diverse direct procurement and subcontracting results by department on a monthly or year-to-date basis
- **Subcontracting portal** – Used by prime suppliers to input and track their monthly subcontracting results
- **Subcontracting audit** – Performed by an independent firm to evaluate and verify diverse subcontracting expenditures from our prime suppliers
- **Ad-hoc analysis and reporting** – Provides deeper analysis and understanding of spending trends

Strategic Sourcing Successes

Our Supplier Diversity team is included in all strategic sourcing and major Request for Proposal (RFP) events to enhance our diverse purchasing activities, increase efficiencies and lower operating costs.

Here are a few examples of our strategic sourcing activities with diverse firms in 2019:

Integrity Inspection Remediation

Eleven bidders participated in an RFP to repair or replace sections of our high-pressure gas pipeline and install and remove launchers, receivers and associated valves and piping. This \$240 million project was awarded to one diverse firm and three non-diverse suppliers with a 40 percent diverse subcontracting goal.

Pipes, Valves and Fittings

Six suppliers were included in a competitive bid to streamline the purchasing of gas pipe, flanges, fittings and various types of valves. One contract was awarded and resulted in \$7 million in diverse subcontracting spend.



SoCalGas Chairman and CEO Bret Lane (left) addresses CPUC commissioners at the 2019 Supplier Diversity En Banc, along with San Diego Gas & Electric Chairman and CEO Kevin Sagara and California American Water President Richard Svindland.

Information Technology

A total of \$77 million in contracts was awarded to diverse firms to purchase software and provide data and product support, licensing and related services.

Environmental Services

We completed the final phases of three major sourcing initiatives launched in 2018 by awarding and executing agreements for various disciplines, including asbestos, lead and paint abatement and pipeline recycling. Of the six prime suppliers receiving contracts valued at \$80 million, five were diverse firms. The one non-diverse prime contractor committed to a 40 percent diverse subcontracting plan.

Facilities

A \$2 million contract to upgrade and modernize a fleet training building at our Pico Rivera location was awarded to a diverse construction contractor.

Fleet Vehicles

A diverse firm was the successful bidder for an \$8 million Master Service Agreement, providing purchasing, fabrication and quality control services for our fleet vehicles.

Supplier Diversity Team

Our Supplier Diversity team is critical to our supplier diversity success. Working with Supply Management and other groups, the team leads our supplier diversity initiatives, engaging with internal and external groups to promote diverse firms.

As in previous years, Supplier Diversity was included in all strategic sourcing and major RFPs to help ensure the inclusion of diverse suppliers in SoCalGas contracting opportunities.

Here's a summary of activities in 2019:

- Developed annual diverse supplier procurement business plans for SoCalGas senior management teams and reviewed and monitored results
- Conducted presentations for business units and tracked department/division goals and performance



Senior Supplier Diversity Advisor Rodney Potts (left) accepts a certificate of appreciation from Chinese American Construction Professionals board member David Tsau during their technical assistance training workshop.

- Participated in strategic sourcing initiatives for SoCalGas' major capital projects
- Organized supplier showcase forums to highlight diverse contractors
- Identified and developed qualified diverse suppliers and evaluated their contract readiness
- Worked with diverse firms to obtain certifications and arranged meetings with Procurement and internal clients
- Promoted activities and opportunities at conferences, seminars and business networking events
- Met with prime contractors and verified and monitored subcontracting plans
- Engaged in processes that facilitate prompt payments
- Resolved issues with contract and performance requirements

supplier diversity champion

BRIAN HOFF

Engineering diverse business success

“If there is one specialty where diverse suppliers have made a significant contribution to SoCalGas, it’s in engineering,” says Brian Hoff, senior category manager for Storage Operations, Transmission Operations and Engineering.



“We have a great supplier base, with diverse firms bringing real value to the company,” says Hoff, who works with internal business units to increase diverse supplier participation and is active in supplier outreach. “Engineering is one area diverse firms have been very well represented, some of them in subcontracting positions and others in prime contractor roles.”

He adds that, with SoCalGas’ priority on clean energy, more firms are looking to work with the utility. “We’re always looking for qualified suppliers. Diverse firms, both small and large, offer a lot of different perspectives that lead to great solutions. Building our supplier base is an ongoing process that helps us and helps small and diverse businesses grow and contribute to their local economies.”

Among those companies is Asian American-owned E2 Consulting Engineers, whose relationship with SoCalGas began about seven years ago providing project management support for the Pipeline Safety Enhancement Plan.

The working relationship has since expanded to include pipeline integrity management, project delivery, project controls, engineering retrofit, design and construction management and inspection. E2’s elevation from subcontractor to prime supplier in 2014 resulted in 50 new employee hires and the opening of a new Los Angeles office.

“We have had an excellent relationship with SoCalGas and Brian, who’s been a mentor and a supporter of E2 and other diverse suppliers,” says E2 CEO Hersh Saluja. “Their commitment to diversity is inspiring and continues to be fundamental to the success of minority businesses.”

EXTERNAL ACTIVITIES

Supplier Development/Technical Assistance

We continued to collaborate with business and community organizations to help diverse firms grow and become more successful. Our activities in 2019 included:

- Holding a two-part boot camp on business acumen, revenue analysis and social networking. The Trifecta Approach workshop addressed the physical, mental and financial aspects of operating a business.
- Collaborating with Asian Business Association – Los Angeles (ABA-LA) to offer workshops on business development.
- Sponsoring one of our diverse suppliers in Southern California Minority Supplier Development Council's (SCMSDC) CEO Academy, a nine-month executive leadership program designed to help minority business enterprises expand beyond core capabilities.
- Sponsoring the National Latina Business Women Association's Emerging Latinas Leadership Program, a four-week class that covers such topics as leadership, negotiations and social media.
- Awarding 10 scholarships to UCLA's Management Development for Entrepreneurs program, which helps business owners enhance their management skills, develop a business improvement plan and gain access to the greater UCLA Anderson School of Management alumni network.
- Funding development programs for Women's Business Enterprise Council-West (WBEC-West) Platinum Supplier Program, ABA-LA Business Advocacy Small Business Workshop, Greater Los Angeles African American Chamber of Commerce (GLAAACC) Value Proposition Workshop and Veterans In Business (VIB) Network Mentoring Business Protégé Program.
- Our funding supported workshops to assist smaller diverse business owners with business plan writing, bookkeeping, capabilities statement development, social media, branding, business tax filing and California Public Utilities Commission (CPUC) certification.



SoCalGas Vice President of Construction Cedric Williams (left) participates in a fireside chat with more than 200 veteran business owners at a Veterans In Business Network conference.

External Outreach

During the year, we worked with 31 organizations and attended more than 55 events to meet and identify diverse suppliers for potential business opportunities. We also participated in local, regional and national trade fairs and conferences and served on corporate advisory boards and committees.

Disabled Veteran Business Enterprises

We have been committed to identifying viable ways to help disabled veteran business enterprises (DVBES) gain access to contract opportunities and enter SoCalGas' procurement process.

In 2019, Supplier Diversity joined with peer utilities to host an all-day Joint Utilities Veterans Forum. The forum, which attracted more than 70 DVBEs, provided attendees a chance to learn about business opportunities in the areas of engineering, process improvement, construction, and more. It also allowed five prime suppliers to showcase their businesses and meet with subcontractors for potential opportunities.

We also continued to collaborate with VIB Network to provide mentoring assistance, workshops and networking for DVBEs. We sponsored VIB's networking conference, where more than 300 DVBEs sought training

and technical assistance and connected with key decision makers in construction, engineering and information technology.

In addition, we attended Elite SDVOB Network's national conference, where we met with over 40 suppliers with expertise in energy efficiency, consulting services, janitorial and facilities management. The conference placed a strong emphasis on relationship management, financial acumen and utilities procurement.

Lesbian, Gay, Bisexual and Transgender Business Enterprises

Since the CPUC expanded General Order 156 to include lesbian, gay, bisexual and transgender business enterprises (LGBTBEs) in 2014, we have been actively engaging with LGBT organizations to introduce them to our supply chain and Supply Management.

Over the years, we have increased our presence at local and national LGBT chambers. In 2019, we again attended the National Gay & Lesbian Chamber of Commerce's (NGLCC) International Business and Leadership Conference and participated in matchmaking sessions and the business expo. At the event, we met with multiple suppliers in such areas as legal, human resource management, accounting and consulting services.

We also participated in LGBT workshops where we shared information about the certification process and understanding scope of work. Our activities included meeting over 100 business owners at a workshop hosted by the Golden Gate Business Association and serving on a panel and meeting 50 potential suppliers at an NGLCC event.

SoCalGas co-hosted an LGBT supplier workshop along with Frontier Communications, California Water Company and the Los Angeles Gay & Lesbian Chamber of Commerce (LAGLCC). Suppliers were invited to attend a three-hour workshop to learn about upcoming contract opportunities and how to prepare and participate in the RFP process of each participating company. Suppliers were also asked to present their capabilities and were provided constructive feedback on their presentations.

During the year, we also served on the board of the LAGLCC and helped develop an Advisory Council specifically designed to assist in strengthening

their infrastructure and membership base. Collectively, we met with over 100 LGBTBE firms in 2019.

Korean Business Outreach

We joined with Pacific Asian Consortium Employment (PACE) and presented a special seminar aimed at helping Korean business owners do business with SoCalGas and other utilities.

Hosted by the Consulate General of the Republic of Korea in Los Angeles, the event featured a keynote address by Chief Operating Officer Jimmie Cho, who shared his Korean heritage and SoCalGas' supplier diversity commitment, as well as advice on how to get in the door with utilities.

The seminar attracted about 170 attendees and 22 exhibitors. Highlights included CPUC representatives and supplier diversity professionals discussing certification requirements and accessing contract opportunities; Korean business owners sharing their successes for working with utilities; and networking with exhibitors and business owners.

Participating organizations included Southern California Edison, Metropolitan Water District of Southern California, Frontier Communications, Sprint, Verizon Wireless, Northrup Grumman, AT&T, CPUC and Supplier Clearinghouse.

Supplier Recognition

We take pride in recognizing our outstanding diverse suppliers by nominating them for internal, local and national awards. In 2019, we nominated eight minority-owned firms for SCMSDC's Supplier of the Year Awards for their outstanding work with us and one of them – a construction services firm – received the prestigious award.

In addition, at Sempra Energy's Diversity and Inclusion Awards luncheon, two suppliers – a prime supplier with outstanding diverse subcontracting results and a diverse transportation firm – received SoCalGas' Supplier of the Year awards.

Additionally, we continued to promote diverse suppliers on our website, in our Supplier Diversity Annual Report and at various forums and events.

CEDRIC WILLIAMS

Creating pathways for diverse construction firms

For SoCalGas Vice President of Construction Cedric Williams, diversity in thought and background translates to smarter approaches and solutions. That's why he wants to bring in more diverse firms to work on the company's construction projects.



"Diverse suppliers tend to bring in different ways of approaching problem solving," says Williams, who oversees the execution of planned natural gas system capital investments and construction management capabilities. "They have different ways of getting to the right answer."

Last year, Williams, a Marine veteran, participated in Veterans In Business Network's national conference and offered tips on how veteran-owned firms can obtain contracts with SoCalGas. He has also introduced diverse subcontractors to the utility's prime contractors to encourage business collaborations.

"Cedric introduced us to several prime contractors, which led to a few contracts at SoCalGas facilities," according to Gene Hale, founder of G&C Corp., an African American-owned procurement services and construction materials and supplies company based in Gardena, Calif. "These introductions also led to other non-SoCalGas contracts."

In 2019, the utility's major construction projects continued to exceed 40 percent diverse spend, with diverse suppliers performing inspection, surveying, engineering design services and more. Future projects, including those supporting the company's clean energy strategy, will also have opportunities for diverse suppliers.

"Over the course of our current rate case, the portfolio of construction projects is larger than it's ever been," says Williams. "We'll need more players to deliver on the capital work and it will require diversity of thought and approach to tackle emerging challenges."

organizations supported by SoCalGas

- American Indian Chamber of Commerce of California
- Asian Business Association – Los Angeles*
- Asian Business Association – Orange County*
- Asian/Pacific Islander Chamber of Commerce and Entrepreneurship
- Black Business Association – Los Angeles
- California Asian Chamber of Commerce
- California Black Chamber of Commerce
- California Hispanic Chamber of Commerce
- Chinese American Construction Professionals
- Desert Business Association
- Elite SDVOB Network – National
- Golden Gate Business Association
- Greater Los Angeles African American Chamber of Commerce*
- Langston Bar Association
- Latin Business Association*
- Los Angeles Gay & Lesbian Chamber of Commerce*
- Los Angeles Latino Chamber of Commerce*
- National Association of Women Business Owners – California
- National Association of Women Business Owners – Los Angeles*
- National Gay & Lesbian Chamber of Commerce



1



2

1. Attending the American Indian Chamber of Commerce of California's EXPO 2019 conference are (from left) Rodney Potts and Yolanda Padilla, Supplier Diversity; Daisie Cristobal Sanchez, Community Outreach; Deborah McGarrey, Public Affairs; and Vaughn Williams, Supplier Diversity. **2.** Senior Supplier Diversity Advisor Rodney Potts (at podium) presents scholarship awards to high school graduates at the Greater Los Angeles African American Chamber of Commerce's 20th Anniversary Ed Fund Scholarship Awards.

- National Association of Minority Contractors – Southern California*
- National Latina Business Women Association – Inland Empire
- National Latina Business Women Association – Los Angeles*
- National Minority Supplier Development Council
- National Utilities Diversity Council*
- Recycling Black Dollars
- Southern California Minority Supplier Development Council*
- Women's Business Enterprise Council – West*
- Veterans In Business Network

*Board position held by SoCalGas representative

2019 awards

SoCalGas was recognized for our best practices and leadership in supplier diversity. Awards included:

- American Indian Chamber of Commerce of California – Turquoise Member Recognition
- Asian Business Association – Orange County – Eagle Award
- Chinese American Construction Professionals – Appreciation of Support Award
- Elite SDVOB Network – SDVOB Supporter Award
- Greater Los Angeles African American Chamber of Commerce – Utility of the Year Award
- National Latina Business Women Association Advocate Award
- Latin Business Association – Women of the Year Award
- National Asian American Coalition – Support Award
- National Association of Women Business Owners – Los Angeles – Public Corporation of the Year Award
- Southern California Minority Supplier Development Council – Corporation of the Year Award
- Southern California Minority Supplier Development Council – Corporate Advocate of the Year Award
- Veterans In Business Network – Corporation of the Year Award
- Women’s Business Enterprise Council – Western Region – Community Impact Recognition



1



2



3



4

1. SoCalGas receives the Corporation of the Year Award from the Veterans In Business Network. From left are Supplier Diversity team members Rodney Potts, Yolanda Padilla and Joe Chow. **2.** SoCalGas receives the Greater Los Angeles African American Chamber of Commerce’s Utility of the Year Award. From left, Joe Chow and Rodney Potts, SoCalGas; Maurice Ortega, AM Ortega Construction; Gillian Wright, SoCalGas; Gene Hale, GLAAACC; and Vaughn Williams and Trisha Muse, SoCalGas. **3.** SoCalGas receives Southern California Minority Supplier Development Council’s Corporation of the Year Award. From left, Chief Operating Officer Jimmie Cho and Supplier Diversity team members Vaughn Williams, Yolanda Padilla, Rodney Potts and Joe Chow. **4.** SoCalGas Chief Operating Officer Jimmie Cho receives Southern California Minority Supplier Development Council’s Corporate Advocate of the Year Award.

9.1.2 SUMMARY OF PURCHASES/CONTRACTS

SoCalGas had a total of 552 diverse suppliers, with 319 serving as prime suppliers (see Chart Addendums A1-A5 starting on page 37).

9.1.3 PROGRAM EXPENSES

Supplier diversity expenses included CPUC Supplier Clearinghouse program costs, technical assistance, capacity-building events, office support services and other expenses.

Expense Category	2019 Expenses (in thousands)
Wages	\$498
Other Employee Expenses	-
Program Expenses ¹	\$323
Reporting Expenses ²	-
Training Expenses	-
Consultants ³	-
Other	-
Total	\$821

¹Includes reporting and other employee expenses

²Included in Program Expenses

³Includes IT costs

9.1.4 GOAL PROGRESS

Category	SoCalGas 2019 Results	CPUC 2019 Goals
Minority Business Enterprise (MBE)	25.7%	15.0%
Women Business Enterprise (WBE)	12.6%	5.0%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.1%	TBD
Other 8(a)	0.0%	TBD
Disabled Veteran Business Enterprise (DVBE)	3.4%	1.5%
Total WMDVLGBTBE	41.8%	21.5%

Last year, procurement with diverse suppliers reached more than \$726 million, or 41.77 percent, of our total procurement. Here are a few highlights:

- For the 20th straight year, we exceeded the CPUC's 15 percent minority business enterprise (MBE) goal, with spend totaling nearly \$447 million.
- Our purchases with women business enterprises (WBEs) were surpassed for the 31st consecutive year, reaching \$219 million. This category represented nearly 13 percent of all procurement and services purchased by SoCalGas.
- We had 58 new diverse contractors, representing more than \$14 million in new spend.
- We achieved \$59 million in spend, or 3.39 percent, with DVBEs.
- We also had nearly \$1 million in spend, or .05 percent, with LGBTBEs.

Summary of Prime Contractor Utilization of WMDVLGBTBE Subcontractors

2019 SoCalGas	Minority Men	Minority Women	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Women, Minority Business Enterprise (WMBE)	Disabled Veteran Business Enterprise (DVBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Other 8(a)	Total (WMDVLGBTBE)
Direct \$	\$297,102,874	\$61,568,599	\$358,671,473	\$176,449,485	\$535,120,958	\$38,831,084	\$4,382	-	\$573,956,424
Subcontracting \$	\$70,257,381	\$17,782,955	\$88,040,336	\$42,841,106	\$130,881,442	\$20,089,983	\$933,552	-	\$151,904,977
Total \$	\$367,360,255	\$79,351,554	\$446,711,809	\$219,290,591	\$666,002,400	\$58,921,067	\$937,934	\$-	\$725,861,401
Direct %	17.10%	3.54%	20.64%	10.15%	30.80%	2.23%	0.00%	0.00%	33.03%
Subcontracting %	4.04%	1.02%	5.07%	2.47%	7.53%	1.16%	0.05%	0.00%	8.74%
Total %	21.14%	4.57%	25.71%	12.62%	38.78%	3.39%	0.05%	0.00%	41.77%

Percentages may not equal total due to rounding

Total Procurement	\$1,737,675,687
--------------------------	------------------------



SoCalGas' Joe Chow (right) and American Honda's Charles Harman (left) present a Supplier of the Year award to Elizabeth and Albert Tene, owners of Access General Contracting, at Southern California Minority Supplier Development Council's Supplier of the Year Awards.

9.1.5 SUBCONTRACTORS

In 2019, we actively worked with prime suppliers to increase their use of diverse subcontractors.

We're pleased to report that our prime suppliers subcontracted more than 8 percent with diverse businesses, for a total of more than \$151 million. To increase diverse subcontracting opportunities, we continued our practice of:

- Requesting all primes, during the RFP process, to complete a Subcontracting Goal Form and include diverse subcontractors for each bid
- Developing and helping diverse subcontractors by providing project opportunities, technical assistance, mentoring and coaching through our supplier diversity and SRM programs
- Providing subcontractors with the visibility and experience needed to compete and win major bids against other large non-diverse contractors

- Holding quarterly strategy meetings with our largest prime suppliers and monitoring their subcontracting goals
- Identifying subcontracting opportunities through meetings with Supply Management
- Sharing listings of diverse firms for prime suppliers' consideration for subcontracting activities and attending pre-bid meetings
- Meeting with prime suppliers to provide training and access to our subcontracting portal
- Introducing prime suppliers to diverse firms
- Sharing monthly subcontracting results with Procurement and SoCalGas key stakeholders
- Working with diverse subcontractors to become CPUC Clearinghouse-certified
- Inviting diverse contractors to participate in business showcases so they can share their capabilities with prime suppliers and SoCalGas project managers



Veteran suppliers attend the 2019 Utilities-Based Service-Disabled Veterans Summit at SoCalGas' Energy Resource Center.

9.1.6 COMPLAINTS

There were no formal complaints or lawsuits filed against SoCalGas regarding our Supplier Diversity Program.

9.1.7 EXCLUSIONS

General Order 156 ended exclusions, resulting in specific categories no longer being deducted from the base procurement.

9.1.8 DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS

Increasing opportunities with diverse suppliers in traditionally low-utilization categories remains a high priority. In 2019, we continued to pursue diverse firms that could provide assistance in legal and finance. Our attorneys and accounting staff participated in trade shows, industry conferences, workshops and other venues to strengthen our diverse spend in these areas.



Jimmie Cho, SoCalGas chief operating officer (second from left) receives a certificate of appreciation for serving as keynote speaker at the Pacific Asian Consortium Employment's "Doing Business with the Utilities" conference. Also pictured from left are Kerry Doi, Erin Pak and Korean Consul General Wan Joong Kim.

Legal

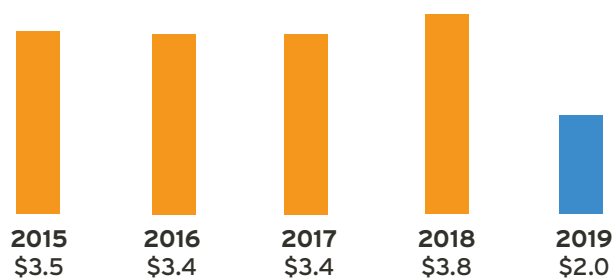
SoCalGas' Law Department regularly seeks and engages diverse firms to provide legal services in employment and labor law, general and business litigation, personal injury, commercial, environmental, real estate, workers' compensation and recovery claims. In addition, the department employed diverse resources for various support services, such as court reporting.

Although we continued to incur significant outside counsel costs related to the 2015 Aliso Canyon facility natural gas leak, which dilutes overall spending with diverse firms as a percentage of overall legal costs, we have employed goals to engage diverse firms on nearly all other new litigation matters.

Through our participation in the California Minority Counsel Program Annual Conference, SoCalGas' in-house attorneys interviewed existing and emerging diverse law firms for potential opportunities and networked with diversity leaders from leading companies, law firms and agencies.

Several attorneys and Law Department staff were involved with various local, regional and national diverse bar associations and other nonprofit organizations, either as board or advisory members, executive members, speakers and/or volunteers.

Such associations and organizations included Asian Americans Advancing Justice, Breathe California of Los Angeles County, California Bar Foundation, California Minority Counsel Program, Center Theatre Group, Corporate Counsel Women of Color, Filipino-American Lawyers of Orange County, Foundation for Women Warriors, Go For Broke National Education Center,



LEGAL
2015 to 2019 (\$) in millions

INTAR, Japanese American Cultural & Community Center, Japanese American Optimist Club, LGBTQ Bar Association, Mexican American Legal Defense and Educational Fund, National Association of Minority and Women-Owned Law Firm, National Bar Association, National Filipino American Lawyers Association, Nisei Week Foundation, Philippine American Bar Association, Thurgood Marshall Bar Association, Women on Boards and Women's Leadership Conference.

In addition, Law Department lawyers, paralegals and staff provided pro bono legal assistance in the areas of immigration, homelessness and affordable housing for veterans and minorities.

SoCalGas attorneys were also members of the 2019 Sempra Energy Employee Diversity and Inclusion Council.

Diverse Attorney Work Within Majority Law Firms		Total (\$)
Minority Men	Asian Pacific American	\$126,617
	African American	\$104,785
	Hispanic American	\$292,667
	Native American	\$0
	Multi-Ethnic	\$494,895
	Total Minority Men	\$1,018,964
Minority Women	Asian Pacific American	\$1,027,531
	African American	\$11,300
	Hispanic American	\$215,845
	Native American	\$18,740
	Multi-Ethnic	\$677,980
	Total Minority Women	\$1,951,396
Total Minority		\$2,970,360
Non-Minority Women		\$9,836,251
Non-Minority Men		\$15,443,723
Disabled Veteran		\$0
Lesbian, Gay, Bisexual and Transgender		\$0
Other 8(a)		\$0
Grand Total, All Minority/Non-Minority		\$28,250,334

Note: Figures are estimated

Diverse Paralegal Work Within Majority Law Firms		Total (\$)
Minority Men	Asian Pacific American	\$27,245
	African American	\$3,442
	Hispanic American	\$194,523
	Native American	
	Multi-Ethnic	\$63,940
Total Minority Men		\$289,150
Minority Women	Asian Pacific American	\$12,209
	African American	
	Hispanic American	\$231,669
	Native American	
	Multi-Ethnic	\$246,540
Total Minority Women		\$490,418
Total Minority		\$779,568
Non-Minority Women		\$294,794
Non-Minority Men		\$1,181,690
Disabled Veteran		\$0
Lesbian, Gay, Bisexual, and Transgender		\$0
Other 8(a)		\$0
Grand Total, All Minority/Non-Minority		\$2,256,052

Note: Figures are estimate

Financial

Our financial diverse spend results for 2019 totaled \$1.2 million, or 6.8 percent, with overall spending increasing compared to 2018. During the year, we continued to identify opportunities for diverse firms across a wide variety of key financial services.

Our activities involved seeking diverse suppliers in such areas as pension and trust investments, investment banking, insurance and bonding services, cash management and audit services.

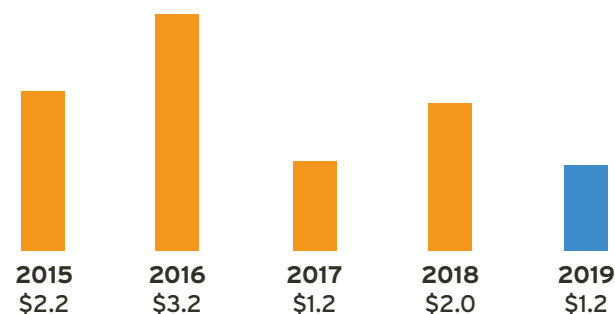
SoCalGas issued \$350 million of 30-year first mortgage bonds with three diverse firms (Hispanic American-, woman- and minority-owned) in which we provided one firm with its first opportunity in a lead book-runner role and the other two firms in joint book-runner roles.

Pension and Trust Investments

To execute trading activity for our pension fund, our investment managers established working relationships with five approved brokerage firms. Our pension staff also identified diverse investment managers for potential investment opportunities.

Outreach

We continued to focus activities on expanding our diverse supplier base in the financial area. SoCalGas executives, Finance directors and managers frequently met with diverse financial firms to discuss business opportunities. We also participated in meetings, outreach events and other forums to identify diverse financial firms. Among the many suppliers we met with, several were included in bid opportunities.



FINANCE
2015 to 2019 (\$) in millions

MARK AGUIRRE

Working together to improve lives

SoCalGas Customer Programs Manager Mark Aguirre has seen firsthand how the company's Energy Savings Assistance Program changes the lives of program recipients, as well as the 40 diverse suppliers contracted to perform no-cost weatherization services.



Richard Villaseñor (left) and Mark Aguirre

The Energy Savings Assistance Program annually provides 100,000 low-income renters and homeowners with no-cost attic insulation, window and door weather stripping, furnaces, water heaters and high efficiency clothes washers to help conserve energy and reduce natural gas bills.

It also offers Energy Savings Assistance Program suppliers the opportunity to work closely with diverse neighborhoods and perform work installing energy-saving measures at customer homes throughout SoCalGas' service area.

"Our diverse contractor network of trusted community-based nonprofit organizations and private companies has been key to the program's success," according to Aguirre, who's active with supplier development programs sponsored by local chambers of commerce and community-based organizations.

"Going door-to-door and promoting this program is a tough job," he adds. "But these suppliers are from the diverse communities we serve, and they truly care about their communities. They're able to overcome the trust barriers that others would face from the outside. It's a key reason we chose them."

Ontario, Calif.-based TELACU Weatherization is part of that network and one of the program's largest contractors. "At the beginning, we were working on 3,000 homes a year in Los Angeles County," says company president Richard Villaseñor. "We're now doing 30,000 homes every year in four counties."

He adds, "It's been a great working relationship that's continued to grow as they identify more communities needing our services."

Working together, we can create measurable progress towards a carbon-neutral future

To achieve a dramatic decrease in greenhouse gas emissions, leaders in California's private and public sectors must dramatically shift their thinking and foster an environment that will fuel breakthrough innovation. We need to use all technologies available to us today and should not close the door on potential technology pathways that may lead to exponential emissions reductions in the future.

Creating a clean, decarbonized and sustainable energy future requires an inclusive technology strategy if California is going to meet its climate goals and maintain system resiliency. Implementing a balanced energy approach allows California to minimize disruption, manage cost and preserve consumer choice.

Our Vision

To be the cleanest gas utility in North America, delivering affordable and increasingly renewable energy to our customers.

Our Goals

2022

Replace 5% of SoCalGas' core natural gas supply with renewable natural gas

2030

Replace 20% of SoCalGas' core natural gas supply with renewable natural gas

"As we look for ways to reduce greenhouse gas emissions in support of the state's climate goals, we will need to develop cost-effective technologies that can capture and use CO₂ to prevent it from reaching the atmosphere. In particular, SoCalGas is actively collaborating with the scientific community through our research, development and demonstration program, supporting the development of a broad range of innovative carbon capture and sequestration/utilization technologies. As our activities advance these technologies toward their commercialization, we will work with our suppliers and contractors to design and build demonstration projects showcasing them."

– **Yuri Freedman**, SoCalGas Senior Director of Business Development

2020 annual plan

We see opportunities for diverse suppliers to work with us in utilizing technology to convert excess solar and wind energy into stored renewable gas and capturing and using carbon from industrial and manufacturing processes. We look forward to their innovations so that together, we can provide clean, affordable, safe and reliable energy to our customers.

2020 annual plan

10.1.1 GOALS

SoCalGas' supplier diversity corporate goal is to meet the requirements of General Order 156. Our focus has been to continue to exceed our 38 percent total spend with diverse firms, while concentrating on strengthening our relationships, targeting our outreach and expanding our diverse supplier base.

In 2019, we established and met our internal LGBTBE goal of .05 percent.

PRODUCTS

	Short-Term (2020)					Mid-Term (2022)					Long-Term (2024)				
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDV LGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDV LGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDV LGBTBE
Products	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD
Subtotal	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD

SERVICES

	Short-Term (2020)					Mid-Term (2022)					Long-Term (2024)				
	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDV LGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDV LGBTBE	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	WMDV LGBTBE
Services	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD
Subtotal	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD

	Short-Term (2020)					Mid-Term (2022)					Long-Term (2024)				
TOTAL	15.00%	5.00%	0.00%	1.50%	21.50%	15.00%	5.00%	TBD	1.50%	TBD	15.00%	5.00%	TBD	1.50%	TBD

10.1.2 PLANNED ACTIVITIES

Major Projects

SoCalGas has a number of capital infrastructure projects and initiatives to improve safety, customer service and enhance operational efficiencies and diverse suppliers represent an important part of this work. In 2020, we have several opportunities to engage with diverse suppliers, including:

Compressor Modernization Project

We will continue efforts to include diverse suppliers in our Compressor Modernization project to support operational reliability. We are committed to achieving a 40 percent diverse subcontracting goal and expect diverse suppliers to be involved in such areas as demolition, inspection, painting/insulation, fire protection, electrical, pipe installation and commissioning services.

Terra Bella Pressure Betterment Project

As a result of growing industrial demands on our system in the San Joaquin Valley, SoCalGas will need to increase the amount of pressure in our pipeline infrastructure. We will achieve this through our Terra Bella Pressure Betterment project.

The project, with an estimated cost of \$20 million, will be completed in two phases. The first phase involves the installation of seven miles of 12-inch diameter high pressure pipeline and a regulator station. The second phase includes the installation of an additional three miles of 16-inch diameter high-pressure pipeline.

We have set a 40 percent diverse spend goal for diverse firms to assist in grounds maintenance, private security and patrol, pipe and fittings supply, dump truck and equipment rental, trenching, excavating, backhoe, bobcat and traffic control services.

Pipeline Safety Enhancement Plan

PSEP, the largest natural gas pipeline testing and replacement plan in SoCalGas' history, has been underway for the past several years with some phases nearing completion.

Among them, PSEP's Phase 1A, which addresses higher priority pipelines, has remediated 211 out of 217 miles of pipeline (97 percent complete). For valve projects, 170 out of 283 base valves have been retrofitted (60 percent complete).



SoCalGas Supplier Diversity Manager Joe Chow (right) participates in a panel discussion on how to do business with utility companies at the CPUC's Joint Utilities Business Expo. Also pictured are Dennis Thurston (left) of Southern California Edison and Sydney Furbush of San Diego Gas & Electric.

Phase 1B – which covers pipeline segments that are difficult to inspect due to extreme bends or changes in diameter and installed prior to 1946 – is underway; 40 out of 251 miles have been remediated (16 percent complete). Phase 2A, which addresses pipelines located in less populated areas, is also in progress; 27 out of 683 miles have been remediated (four percent complete).

Throughout the project, we have remained committed to achieving our 40 percent diverse subcontracting goal while providing suppliers with mentoring and technical assistance. We will continue to participate in outreach events and engage with diverse companies in construction, engineering and design, inspection and other support services. We will also continue to pursue additional opportunities with diverse suppliers providing pipeline ancillary services.

Mobilehome Park Utility Upgrade

We began working with six diverse prime suppliers on our Mobilehome Park Utility Upgrade program last year and this work will continue through 2021. We plan to spend \$20 million on the project, which involves the conversion of natural gas master-metered service at mobile home parks and manufactured housing communities to direct service.

VERONICA PADILLA

Expanding win-win relationships

SoCalGas' Community Language Efficiency Outreach (CLEO) program provides energy efficiency education, training and other services for low- and middle-income customers, including those whose primary languages are Chinese, Hindi, Korean, Vietnamese and Spanish. More broadly, though, it's a great example of a win-win for everyone.



"From a conservation perspective, we're helping our customers save on their natural gas bills - and every little bit helps," explains Customer Programs Advisor Veronica Padilla, who's managed the program for nearly half of her 14-year career at SoCalGas.

"From a business perspective, we're receiving the most cost-effective services available, which is a win for customers. In terms of supplier diversity, we're providing growth opportunities to smaller vendors that may not be able to compete with larger companies. It's a commitment that's always in the back of our minds."

Diamond Bar, Calif.-based Global Energy Services, a minority-, disabled veteran- and small business-certified energy engineering and energy efficiency marketing education and outreach company, is one of those smaller suppliers.

As the sole contractor for the CLEO program for the past decade, the firm recently expanded its services to include installation of NEST thermostats, low-flow shower heads and other energy-efficient devices. And that has helped the company increase its workforce.

"As a minority-owned firm ourselves, we're proud to work with SoCalGas in providing a valuable service to our minority and underserved communities," says Global Energy Services President Basu Mukherjee. "It's been a fruitful relationship both in the support we receive from Veronica and her team and the new business opportunities it's provided. We're extremely bullish about the future."

INTERNAL ACTIVITIES

We will continue to collaborate with employees throughout the company to build on our foundation of supplier diversity excellence. Key areas of focus will include:

- Engaging with Supplier Diversity Champions at their quarterly meetings
- Evaluating the effectiveness of our technical assistance programs
- Gauging the impact our Supplier Diversity Program on the communities we serve
- Expanding and strengthening relationships with our internal organizations
- Promoting and increasing supplier diversity participation in our strategic planning efforts



The Supplier Diversity team at the National Association of Women Business Owners - Los Angeles' annual Leadership and Legacy Awards luncheon and conference. From left, Rodney Potts, Yolanda Padilla, Vaughn Williams and Joe Chow.

- Providing opportunities for SCORE and new smaller contractors and continuing our mentoring efforts with diverse firms
- Promoting supplier diversity through online communication, internal dialogue sessions and our Supplier Diversity Champions program
- Meeting quarterly with our prime suppliers to monitor their diverse spend activities
- Engaging in capacity-building activities with other organizations
- Working with Market Development and other internal groups to identify potential diverse firms that provide clean energy services to reduce CO₂ emissions

EXTERNAL ACTIVITIES

SoCalGas will continue to work with community organizations, peer utilities and others to keep supplier diversity at the forefront.

Our plans include:

- Identifying SCORE opportunities for small diverse suppliers
- Recruiting certified LGBTBEs into our supply chain through networking events and individual meetings
- Exploring other potential relationships in which high-capacity diverse firms can be recruited and developed in new and emerging areas
- Strategically targeting and developing diverse suppliers in areas of low utilization, such as legal and financial services
- Maintaining a strong presence at local and national LGBT chambers
- Reaching out to certified and non-certified LGBTBEs and introducing them to our supply chain and Supply Management
- Anticipating new developments in the natural gas industry and finding opportunities for diverse suppliers in the areas of renewable natural gas

10.1.3 RECRUITMENT PLANS FOR SUPPLIERS IN LOW UTILIZATION AREAS

In 2020, we plan to increase procurement opportunities in low utilization areas by:

- Targeting high-potential diverse firms for opportunities
- Fostering strategic relationships with diverse firms positioned to secure contracts in areas such as legal and financial services
- Inviting company procurement agents and key decision makers to attend networking events and workshops with potential diverse contractors and subcontractors
- Participating in planning and pre-bid meetings to promote diverse supplier participation
- Attending industry-related conferences to meet potential suppliers in underutilized areas
- Contacting diverse suppliers who are not certified and encouraging them to seek certification

Legal

We will participate in conferences and workshops and remain involved with bar associations and legal organizations that promote diversity to identify and expand new opportunities for diverse law firms. Additionally, SoCalGas' Law Department will take on a more active role to increase the number of diverse law firms doing business with us. Please refer to the legal section on page 21.

Finance

We will continue to identify qualified diverse financial firms through our outreach activities, including participating in CPUC/Utility Chief Financial Officer forums and holding internal meetings with high-capacity diverse firms.

Our plans for 2020 include investing in minority area-focused community finance institutions, identifying and utilizing high-potential diverse firms to manage pension and specialty funds, engaging qualified diverse auditing

firms for employee benefit and other specialty audits and searching for specific subcontracting opportunities with majority-owned banking and financing institutions.

10.1.4 EXCLUSIONS

General Order 156 ended exclusions, resulting in specific categories no longer being deducted from the base procurement.

10.1.5 SUBCONTRACTING PLANS

We plan to enhance diverse subcontracting opportunities by:

- Developing a subcontracting “watch list” to assist prime suppliers with their subcontracting goals. This list will bring awareness to Supply Management and prime contractors that are not meeting their subcontracting goals.



SoCalGas celebrated Black History Month at the Black Business Association's awards dinner. Attending were (from left) Mark Moore, Anne Muchiri and Vaughn Williams, SoCalGas; former Assemblywoman Gwen Moore; Joe Chow, SoCalGas; State Senator Holly Mitchell; and Rodney Potts, SoCalGas.

- Conducting meetings with top prime suppliers to increase their subcontracting performance
- Creating targeted showcases that introduce prime firms to diverse suppliers for future business opportunities
- Utilizing an internal reporting tool to identify subcontracting opportunities and challenges
- Making sure that RFPs and final contracts contain diverse vendor subcontracting plans
- Monitoring subcontracting efforts and performance
- Participating in planning and pre-bid meetings to promote diverse supplier participation
- Providing monthly subcontracting results to Procurement staff and division leaders
- Introducing potential diverse subcontractors to larger prime suppliers for strategic sourcing initiatives
- Developing, implementing and monitoring diverse business sourcing plans for major capital projects
- Collaborating with Procurement to create a contractor's checklist and manage diverse vendor subcontracting plans
- Inviting prime contractors to attend networking workshops with potential diverse subcontractors, as well as company procurement agents and key decision makers
- Contacting diverse subcontractors that are not certified and encouraging them to seek certification

10.1.6 PROGRAM COMPLIANCE

SoCalGas will continue efforts to meet or exceed all requirements established by General Order 156.



Vice President of Supply Management and Support Services Denita Willoughby shares her appreciation with internal champions at the Supplier Diversity Champions luncheon.



Supplier Diversity Project Manager Vaughn Williams discusses procurement opportunities with a potential supplier at Southern California Minority Supplier Development Council's Minority Business Opportunity Day.

2019 annual report 2020 annual plan

FUEL PROCUREMENT FOR NON-GENERATION



2019 annual report

FUEL PROCUREMENT FOR NON-GENERATION

\$73M = 6.29%

NATURAL GAS
PROCUREMENT WITH
DIVERSE FIRMS

OF TOTAL NATURAL
GAS PURCHASES

9.1.1 PROGRAM ACTIVITIES

INTERNAL ACTIVITIES

Gas Acquisition managers continued to identify and engage qualified diverse firms in purchasing transactions and have been actively involved with our Supplier Diversity Champions program. They have also kept Supplier Diversity and others abreast of any changing trends in natural gas procurement.

In addition, Gas Acquisition collaborated with Supplier Diversity to coordinate and develop relationships with energy marketers and diverse suppliers.

EXTERNAL ACTIVITIES

We participated in activities to increase supplier diversity in the energy market as part of our ongoing efforts to develop and promote a national utility supplier diversity program supported by the National Association of Regulatory Utility Commissioners (NARUC).

9.1.2 SUMMARY OF PURCHASES/CONTRACTS

Purchases with federally recognized tribes (sovereign nations) and Native American-owned natural gas suppliers rose due to an increase in their natural gas production.

Fuels for Non-Generation Purchases

	Dollars	Volume (Billion BTUs)
Canadian Source Natural Gas	\$24,488,320	18,841,740
Domestic On-Shore Natural Gas Purchases from Non-Diverse Suppliers	\$1,059,283,584	413,557,135
Domestic On-Shore Natural Gas Purchases from Diverse Suppliers	\$72,766,360	32,590,158
Natural Gas Purchases/Payments - Other Utilities	\$0	0
Total Natural Gas Purchased	\$1,156,538,264	464,989,033



SoCalGas worked with Pacific Asian Consortium Employment and presented a special seminar aimed at helping Korean business owners do business with utilities. The seminar attracted about 170 attendees and 22 exhibitors.

9.1.3 PROGRAM EXPENSES

Program expenses are included in Section 9.1.3 Program Expenses on page 18 in the 2019 Product and Services Procurement Results.

9.1.4 GOAL PROGRESS

SoCalGas purchased 6.29 percent of our natural gas supplies from diverse firms, totaling \$72.7 million. Below is a breakdown of our natural gas purchases:

Nature Gas Suppliers by Ethnicity		
Federally recognized tribes (sovereign nations) and Native American-owned	\$14,261,772	1.2%
African American-owned	\$22,265,664	1.9%
Hispanic American-owned	-	0.0%
Asian Pacific American-owned	\$4,678,691	0.4%
Women-owned	\$15,780,311	1.4%
SDVBE-owned	\$15,779,922	1.4%
LGBT-owned	-	0.0%

9.1.5 SUBCONTRACTORS

There were no subcontractor opportunities available.

9.1.6 COMPLAINTS

There were no formal diverse supplier complaints or lawsuits filed in 2019 against SoCalGas.

9.1.7 EXCLUSIONS

General Order 156 ended exclusions, resulting in specific categories no longer being deducted from the base procurement.

9.1.8 EFFORTS TO RECRUIT DIVERSE SUPPLIERS IN UNDERUTILIZED AREAS

Our outreach efforts remains challenging, but we are slowly bringing on new diverse suppliers, as well as getting former diverse suppliers back into the West Coast market. Credit concerns remain, but the participation of MUFG Union Bank has brought some stability back into the market. We will continue to sponsor supplier development activities as we strive to increase the number of diverse suppliers in the market.

9.1.9 RETENTION OF ALL DOCUMENTS/DATA

SoCalGas will continue to comply with all required document retention regulations.

9.1.10A PARTICIPATION RESULTS BY FUEL CATEGORY

Please refer to Chart Addendum A6 on page 44 for participation results by fuel category.

9.1.10B MARKET CONDITIONS AND OUTREACH

We continued to reach out and develop diverse suppliers utilizing our supplier relationships. New opportunities are emerging at a slow pace, but renewed interest in becoming diverse natural gas supplies has emerged.

As new natural gas suppliers enter the West Coast market, the prospects for diverse firms to collaborate with larger natural gas businesses increase as well. We are confident in the future growth of diverse natural gas suppliers going forward.

ANNE MUCHIRI

'An instrument of advocacy for diverse firms'

When Anne Muchiri, project manager, Planning and Project Support, Environmental Services, became a contract delegate and started reviewing contract opportunities for her group in 2008, she wondered why there was a lack of diverse suppliers submitting bids.



"First, I thought there was a shortage of qualified diverse suppliers in this area. Then, I realized that wasn't the case. We just needed to go out and find them," says Muchiri, whose responsibilities include ensuring environmental discipline reviews are completed on SoCalGas projects and all activities are in compliance with applicable agency regulations and permits before, during and after construction.

She has made it her mission to increase opportunities for diverse environmental services firms by educating colleagues and contractors about the importance of supplier diversity, introducing diverse suppliers to other business units utilizing environmental contracts, attending outreach events and more.

With Muchiri's leadership, diverse spend with environmental services contractors increased from 35 percent in 2012 to over 65 percent in 2018. She has brought on board diverse consulting firms to perform a wide

array of environmental services, including asbestos abatement, biological monitoring and hazardous waste disposal.

Aline LaBar, president and CEO of SNEI-California, a woman-owned firm specializing in mitigation services for sensitive, threatened and endangered species, attended a SoCalGas pre-bid conference in 2017, where she met Muchiri, who introduced her to Supplier Diversity.

SNEI, with offices in Las Vegas and Victorville, Calif., went through the bid process and received a large contract for desert tortoise and environmental compliance.

"Anne is an amazing instrument of advocacy for diverse firms," says LaBar, a SoCalGas scholarship recipient to the UCLA Management Development for Entrepreneurs program. "She has introduced us to others, including PSEP project leads, which led to another contract. She's been instrumental in my journey and my relationship with SoCalGas."

2020 annual plan

FUEL PROCUREMENT FOR NON-GENERATION

10.1.1 GOALS

SoCalGas will continue to work toward meeting short-, mid- and long-term goals of 21.5 percent, which also supports the CPUC goal.

10.1.2 PLANNED ACTIVITIES

Internal Activities

We will continue to work diligently to increase our diverse natural gas supplier base in 2020. This includes providing mentoring and other assistance to high-potential emerging suppliers and having Gas Acquisition staff, managers and senior management collaborate with buyers and diverse firms to monitor goals and progress.

External Activities

To increase participation of diverse natural gas suppliers, we will:

- Provide diverse firms support to access financing and credit institutions
- Work with key organizations to identify and develop diverse suppliers
- Participate in energy industry fairs to promote diverse supplier opportunities
- Reach out to emerging diverse natural gas firms through industry and business associations
- Offer mentoring, business development and educational opportunities
- Encourage major energy companies' participation in trading with diverse businesses
- Serve in a leadership role on the National Utilities Diversity Council

10.1.3 RECRUITMENT PLANS FOR LOW WMDVLGBTBE UTILIZATION

SoCalGas plans to participate in trade fairs to recruit and engage diverse suppliers in all markets and encourage them to take part in natural gas procurement programs. We will continue to consider competitive offers from natural gas companies originating in all markets, including Canadian and offshore markets.

10.1.4 EXCLUSIONS

General Order 156 ended exclusions, resulting in specific categories no longer being deducted from the base procurement.

10.1.5 SUBCONTRACTING PLANS

There are no subcontractor opportunities currently available.

10.1.6 PROGRAM COMPLIANCE

SoCalGas will continue outreach activities to diverse firms and strive to either meet or exceed all requirements established by General Order 156.



Supplier Diversity team member Vaughn Williams shares tips on how to do business with SoCalGas at Asian Business Association - Orange County's "BizCon."

A1 9.1.2 SoCalGas WMDVLGBTBE Annual Results by Ethnicity - 2019

		Direct	Sub	Total \$	%
Minority Male	African American	35,921,992	12,565,227	48,487,219	2.79%
	Asian Pacific American	45,000,060	3,974,163	48,974,222	2.82%
	Hispanic American	181,926,800	49,347,182	231,273,982	13.31%
	Native American	34,254,022	4,370,810	38,624,832	2.22%
	Total Minority Male	\$297,102,874	\$70,257,381	\$367,360,255	\$21.14%
Minority Female	African American	9,526,504	2,023,750	11,550,254	0.66%
	Asian Pacific American	16,665,390	2,292,755	18,958,145	1.09%
	Hispanic American	35,341,269	13,466,451	48,807,719	2.81%
	Native American	35,437	-	35,437	0.00%
	Total Minority Female	\$61,568,599	\$17,782,955	\$79,351,555	4.57%
Total Minority Business Enterprise (MBE)		358,671,473	88,040,337	446,711,810	25.71%
Women Business Enterprise (WBE)		176,449,485	42,841,106	219,290,592	12.62%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		4,382	933,552	937,934	0.05%
Disabled Veteran Business Enterprise (DVBE)		38,831,084	20,089,983	58,921,067	3.39%
Other 8(a)*		-	-	-	0.00%
TOTAL WMDVLGBTBE		\$573,956,424	\$151,904,978	\$725,861,403	41.77%
Net Procurement**		\$1,737,675,687			

NOTE:

Firms classified as 8(a) by Small Business Administration includes non-WMDVLGBTBE
 ** Net procurement include purchase order, non-purchase order and credit card dollars
 Direct - direct procurement
 Sub - subcontractor procurement
 % - percentage of net procurement

A2 9.1.2 SoCalGas WMDVLGBTBE Procurement by Product and Service Categories - Direct - 2019

			Product		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	African American	Direct	4,776,665	1.73%	31,145,327	2.13%	35,921,992	2.07%
	Asian Pacific American	Direct	12,284,498	4.45%	32,715,562	2.24%	45,000,060	2.59%
	Hispanic American	Direct	11,499,085	4.17%	170,427,715	11.66%	181,926,800	10.47%
	Native American	Direct	1,721,755	0.62%	32,532,267	2.23%	34,254,022	1.97%
	Total Minority Male	Direct	\$30,282,003	10.97%	\$266,820,871	\$18.25%	\$297,102,874	17.10%
Minority Female	African American	Direct	67,312	0.02%	9,459,192	0.65%	9,526,504	0.55%
	Asian Pacific American	Direct	3,287,111	1.19%	13,378,279	0.92%	16,665,390	0.96%
	Hispanic American	Direct	23,714,468	8.59%	11,626,800	0.80%	35,341,269	2.03%
	Native American	Direct	-	0.00%	35,437	0.00%	35,437	0.00%
	Total Minority Female	Direct	\$27,068,891	9.81%	\$34,499,708	2.36%	\$61,568,599	3.54%
Total Minority Business Enterprise (MBE)		Direct	57,350,894	20.78%	301,320,579	20.61%	358,671,473	20.64%
Women Business Enterprise (WBE)		Direct	45,169,513	16.37%	131,279,972	8.98%	176,449,485	10.15%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	82	0.00%	4,300	0.00%	4,382	0.00%
Disabled Veteran Business Enterprise (DVBE)		Direct	-	0.00%	38,831,084	2.66%	38,831,084	2.23%
Other 8(a)*		Direct	-	0.00%	-	0.00%	-	0.00%
TOTAL WMDVLGBTBE		Direct	\$102,520,489		\$471,436,017	32.25%	\$573,956,506	33.03%
Total Product Procurement \$			\$275,968,668		NOTE: Firms classified as 8(a) by Small Business Administration includes non-WMDVLGBTBE ** Net procurement include purchase order, non-purchase order and credit card dollars Direct - direct procurement Sub - subcontractor procurement % - percentage of net procurementt			
Total Service Procurement \$			\$1,461,707,019					
Net Procurement**			\$1,737,675,687					
Total Number of WMDVLGBTBEs that Received Direct Spend			319					

A3 9.1.2 SoCalGas WMDVLGBTBE Procurement by Product and Service Categories - Subcontracting - 2019

			Product		Services		Total	
			\$	%	\$	%	\$	%
Minority Male	African American	Sub	553,862	0.20%	12,011,365	0.82%	12,565,227	0.72%
	Asian Pacific American	Sub	373,858	0.14%	3,600,304	0.25%	3,974,163	0.23%
	Hispanic American	Sub	4,300,177	1.56%	45,047,004	3.08%	49,347,182	2.84%
	Native American	Sub	35,561	0.01%	4,335,248	0.30%	4,370,810	0.25%
	Total Minority Male	Sub	\$5,263,459	1.91%	\$64,993,922	4.45%	\$70,257,381	4.04%
Minority Female	African American	Sub	-	0.00%	2,023,750	0.14%	2,023,750	0.12%
	Asian Pacific American	Sub	1,071,657	0.39%	1,221,098	0.08%	2,292,755	0.13%
	Hispanic American	Sub	1,635,286	0.59%	11,831,165	0.81%	13,466,451	0.77%
	Native American	Sub	-	0.00%	-	0.00%	-	0.00%
	Total Minority Female	Sub	\$2,706,942	0.98%	\$15,076,013	1.03%	\$17,782,955	1.02%
Total Minority Business Enterprise (MBE)		Sub	7,970,401	2.89%	80,069,936	5.48%	88,040,337	5.07%
Women Business Enterprise (WBE)		Sub	10,450,306	3.79%	32,390,800	2.22%	42,841,106	2.47%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	916,897	0.33%	16,654	0.00%	933,552	0.05%
Disabled Veteran Business Enterprise (DVBE)		Sub	142,005	0.05%	19,947,979	1.36%	20,089,983	1.16%
Other 8(a)*		Sub	-	0.00%	-	0.00%	-	0.00%
TOTAL WMDVLGBTBE		Sub	\$19,479,609	7.06%	\$132,425,368	9.06%	\$151,904,978	8.74%
Total Product Procurement \$			\$275,968,668		NOTE: Firms classified as 8(a) by Small Business Administration includes non-WMDVLGBTBE ** Net procurement include purchase order, non-purchase order and credit card dollars Direct - direct procurement Sub - subcontractor procurement % - percentage of net procurement			
Total Service Procurement \$			\$1,461,707,019					
Net Procurement**			\$1,737,675,687					

A4 9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories - Products - 2019

SIC Category	African American		Asian Pacific American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Minority Business Enterprise (WMBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total \$
	Male	Female	Male	Female	Male	Female	Male	Female							
23 - Apparel & Oth Finished Prods Made From Fabric	-	-	99,025	-	-	-	-	-	99,025	10,151	-	-	-	109,176	456,417
	0.00%	0.00%	21.70%	0.00%	0.00%	0.00%	0.00%	0.00%	21.70%	2.22%	0.00%	0.00%	0.00%	23.92%	
26 - Paper & Allied Prods	-	-	-	-	882,497	-	-	-	882,497	30,421	-	2,637	-	915,555	987,200
	0.00%	0.00%	0.00%	0.00%	89.39%	0.00%	0.00%	0.00%	89.39%	3.08%	0.00%	0.27%	0.00%	92.74%	
28 - Chemicals & Allied Prods	-	-	-	-	-	5,914	-	-	5,914	-	-	-	-	5,914	5,758,959
	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%	0.00%	0.00%	0.10%	0.00%	0.00%	0.00%	0.00%	0.10%	
29 - Petroleum Refining & Related Industries	-	-	-	-	-	389,233	-	-	389,233	61,696	-	-	-	450,929	1,588,339
	0.00%	0.00%	0.00%	0.00%	0.00%	24.51%	0.00%	0.00%	24.51%	3.88%	0.00%	0.00%	0.00%	28.39%	
30 - Rubber & Misc Plastics Prods	-	-	2,039	-	-	-	-	-	2,039	-	-	-	-	2,039	1,461,055
	0.00%	0.00%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.00%	0.00%	0.00%	0.00%	0.14%	
32 - Stone, Clay, Glass & Concrete Prods	-	-	-	-	6,363	-	-	-	6,363	-	-	-	-	6,363	320,618
	0.00%	0.00%	0.00%	0.00%	1.98%	0.00%	0.00%	0.00%	1.98%	0.00%	0.00%	0.00%	0.00%	1.98%	
33 - Primary Metal Industries	-	-	12,250,715	-	-	-	-	-	12,250,715	158,858	-	-	-	12,409,572	26,013,669
	0.00%	0.00%	47.09%	0.00%	0.00%	0.00%	0.00%	0.00%	47.09%	0.61%	0.00%	0.00%	0.00%	47.70%	
34 - Fabricated Metal Prods, Exc Machinery	-	-	1,954	-	2,864,359	-	2,964	-	2,869,277	436,409	-	-	-	3,305,686	13,334,593
	0.00%	0.00%	0.01%	0.00%	21.48%	0.00%	0.02%	0.00%	21.52%	3.27%	0.00%	0.00%	0.00%	24.79%	
35 - Industrial & Commercial Machinery & Computer Equip	3,916,655	-	-	-	-	117	43,073	-	3,959,845	995,591	-	-	-	4,955,436	22,962,889
	17.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%	0.00%	17.24%	4.34%	0.00%	0.00%	0.00%	21.58%	
36 - Electronic & Oth Elec Equip & Components	-	-	-	-	59,299	-	-	-	59,299	44	-	-	-	59,344	20,168,212
	0.00%	0.00%	0.00%	0.00%	0.29%	0.00%	0.00%	0.00%	0.29%	0.00%	0.00%	0.00%	0.00%	0.29%	
37 - Transportation Equip	-	-	-	-	8,142,667	-	-	-	8,142,667	274	-	-	-	8,142,941	8,335,569
	0.00%	0.00%	0.00%	0.00%	97.69%	0.00%	0.00%	0.00%	97.69%	0.00%	0.00%	0.00%	0.00%	97.69%	
38 - Measuring, Analyzing & Controlling Instruments	-	-	-	-	268,039	-	-	-	268,039	3,879,678	-	-	-	4,147,717	22,534,054
	0.00%	0.00%	0.00%	0.00%	1.19%	0.00%	0.00%	0.00%	1.19%	17.22%	0.00%	0.00%	0.00%	18.41%	

A4 9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories - Products (CONTINUED)

SIC Category	African American		Asian Pacific American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Minority Business Enterprise (WMBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total \$
	Male	Female	Male	Female	Male	Female	Male	Female							
39 - Misc Manufacturing Industries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,787,918
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
50 - Wholesale Trade; Durable Goods	878,642	25,318	304,624	4,282,344	1,033,109	24,712,104	1,709,728	-	32,945,869	11,480,541	916,897	99,253	-	45,442,561	83,398,014
	1.05%	0.03%	0.37%	5.13%	1.24%	29.63%	2.05%	0.00%	39.50%	13.77%	1.10%	0.12%	0.00%	54.49%	
51 - Wholesale Trade; Nondurable Goods	535,230	41,994	-	76,424	1,998,025	-	-	-	2,651,673	36,067,414	-	40,114	-	38,759,201	58,088,278
	0.92%	0.07%	0.00%	0.13%	3.44%	0.00%	0.00%	0.00%	4.56%	62.09%	0.00%	0.07%	0.00%	66.72%	
52 - Bldg Matls, Hardware, Garden Supply	-	-	-	-	7,901	-	-	-	7,901	19,948	-	-	-	27,848	1,682,112
	0.00%	0.00%	0.00%	0.00%	0.47%	0.00%	0.00%	0.00%	0.47%	1.19%	0.00%	0.00%	0.00%	1.66%	
55 - Automotive Dlr & Gasoline Service Stations	-	-	-	-	151,898	-	1,552	-	153,450	801,403	-	-	-	954,853	2,867,922
	0.00%	0.00%	0.00%	0.00%	5.30%	0.00%	0.05%	0.00%	5.35%	27.94%	0.00%	0.00%	0.00%	33.29%	
57 - Home Furniture, Furnishings & Equip Stores	-	-	-	-	-	-	-	-	-	1,264,247	-	-	-	1,264,247	1,308,714
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	96.60%	0.00%	0.00%	0.00%	96.60%	
58 - Eating & Drinking Places	-	-	-	-	1,667	-	-	-	1,667	413,144	82	-	-	414,811	1,067,815
	0.00%	0.00%	0.00%	0.00%	0.16%	0.00%	0.00%	0.00%	0.16%	38.69%	0.01%	0.00%	0.00%	38.85%	
59 - Misc Retail	-	-	-	-	383,437	242,386	-	-	625,823	-	-	-	-	625,823	1,846,321
	0.00%	0.00%	0.00%	0.00%	20.77%	13.13%	0.00%	0.00%	33.90%	0.00%	0.00%	0.00%	0.00%	33.90%	
Total Product Procurement	5,330,527	67,312	12,658,356	4,358,768	15,799,262	25,349,754	1,757,317	-	65,321,296	55,619,819	916,979	142,004	-	122,000,099	275,968,668
	1.93%	0.02%	4.59%	1.58%	5.73%	9.19%	0.64%	0.00%	23.67%	20.15%	0.33%	0.05%	0.00%	44.21%	

Total Product Procurement \$	\$275,968,668
Total Service Procurement \$	\$1,461,707,019
Net Procurement**	\$1,737,675,687

NOTE:
 Firms classified as 8(a) by Small Business Administration includes non-WMDVLGBTBE
 ** Net procurement include purchase order, non-purchase order and credit card dollars
 Direct - direct procurement
 Sub - subcontractor procurement
 % - percentage of net procurement

A5 9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories - Services

SIC Category	African American		Asian Pacific American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Minority Business Enterprise (WMBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total \$
	Male	Female	Male	Female	Male	Female	Male	Female							
07 - Agricultural Svcs					522,851				522,851	274,578				797,429	1,931,139
	0.00%	0.00%	0.00%	0.00%	27.07%	0.00%	0.00%	0.00%	27.07%	14.22%	0.00%	0.00%	0.00%	41.29%	
13 - Oil & Gas Extraction				7,958,684				6,285,855	14,244,538	423,333				14,667,872	93,876,052
	0.00%	0.00%	0.00%	8.48%	0.00%	0.00%	6.70%	0.00%	15.17%	0.45%	0.00%	0.00%	0.00%	15.62%	
15 - Bldg Const-General Contractors	18,797				20,123,004	2,150	12,699,183		32,843,134	4,226,454		16,985,807		54,055,395	63,750,496
	0.03%	0.00%	0.00%	0.00%	31.57%	0.00%	19.92%	0.00%	51.52%	6.63%	0.00%	26.64%	0.00%	84.79%	
16 - Heavy Const Oth Than Bldg Construction	456,942				85,984,675	6,952,783	1,319,780		94,714,180	6,032,116		35,903,537		136,649,832	365,369,413
	0.13%	0.00%	0.00%	0.00%	23.53%	1.90%	0.36%	0.00%	25.92%	1.65%	0.00%	9.83%	0.00%	37.40%	
17 - Const-Special Trade Contractors	6,853,017		3,798,630	108,250	31,174,106	4,387,317	6,928,798		53,250,119	35,430,177		3,505,304		92,185,600	229,208,121
	2.99%	0.00%	1.66%	0.05%	13.60%	1.91%	3.02%	0.00%	23.23%	15.46%	0.00%	1.53%	0.00%	40.22%	
27 - Printing, Publishing & Allied Industries			6,370		22,553	6,005			34,927	1,089,656				1,124,584	3,651,692
	0.00%	0.00%	0.17%	0.00%	0.62%	0.16%	0.00%	0.00%	0.96%	29.84%	0.00%	0.00%	0.00%	30.80%	
42 - Motor Freight Transportation & Warehousing	1,958,568	342,210			9,134,318	5,909,525			17,344,620	5,571,565		374,310		23,290,496	27,635,924
	7.09%	1.24%	0.00%	0.00%	33.05%	21.38%	0.00%	0.00%	62.76%	20.16%	0.00%	1.35%	0.00%	84.28%	
45 - Transportation By Air	38,580								38,580					38,580	70,409
	54.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	54.79%	0.00%	0.00%	0.00%	0.00%	54.79%	
47 - Transportation Svcs	1,251,377							69,461	1,320,838					1,320,838	3,707,533
	33.75%	0.00%	0.00%	0.00%	0.00%	0.00%	1.87%	0.00%	35.63%	0.00%	0.00%	0.00%	0.00%	35.63%	
48 - Communications										3,848				3,848	2,163,854
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.18%	0.00%	0.00%	0.00%	0.18%	
49 - Electric, Gas & Sanitary Svcs	620,174				9,523,791	171,293			10,315,258	176,966				10,492,224	18,629,171
	3.33%	0.00%	0.00%	0.00%	51.12%	0.92%	0.00%	0.00%	55.37%	0.95%	0.00%	0.00%	0.00%	56.32%	
60 - Depository Institutions															764,801
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
61 - Nondepository Credit Institutions															151,565
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
62 - Security & Commodity Brokers, Dirs, Exchanges	107,188				413,438				520,625					520,625	11,655,174
	0.92%	0.00%	0.00%	0.00%	3.55%	0.00%	0.00%	0.00%	4.47%	0.00%	0.00%	0.00%	0.00%	4.47%	
64 - Insurance Agents, Brokers & Svcs		13,504							13,504					13,504	1,293,208
	0.00%	1.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.04%	0.00%	0.00%	0.00%	0.00%	1.04%	

A5 9.1.2 WMDVLGBTBE Procurement by Standard Industrial Categories - Services (CONTINUED)

Products	African American		Asian Pacific American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Minority Business Enterprise (WMBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total \$
	Male	Female	Male	Female	Male	Female	Male	Female							
65 - Real Estate	3,113,409								3,113,409	797,773				3,911,182	5,430,013
	57.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	57.34%	14.69%	0.00%	0.00%	0.00%	72.03%	
73 - Business Svcs	27,895,831	7,963,540	6,597,341	2,182,865	13,326,465	4,683,573	8,363,931	35,437	71,048,983	62,501,502	4,300	782,479		134,337,264	301,799,208
	9.24%	2.64%	2.19%	0.72%	4.42%	1.55%	2.77%	0.00%	23.54%	20.71%	0.00%	0.26%	0.00%	44.51%	
75 - Automotive Repair, Svcs & Parking					43,323	37,102			80,425	37,337				117,762	13,770,430
	0.00%	0.00%	0.00%	0.00%	0.31%	0.27%	0.00%	0.00%	0.58%	0.27%	0.00%	0.00%	0.00%	0.86%	
76 - Misc Repair Svcs										594,343				594,343	3,566,019
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.67%	0.00%	0.00%	0.00%	16.67%	
80 - Health Svcs				811,111					811,111					811,111	1,167,598
	0.00%	0.00%	0.00%	69.47%	0.00%	0.00%	0.00%	0.00%	69.47%	0.00%	0.00%	0.00%	0.00%	69.47%	
81 - Legal Svcs	176,333		75,514	581,158					833,004	1,131,478				1,964,482	30,901,250
	0.57%	0.00%	0.24%	1.88%	0.00%	0.00%	0.00%	0.00%	2.70%	3.66%	0.00%	0.00%	0.00%	6.36%	
87 - Engrg, Accounting, Research, Mgmt & Rela	666,477	3,163,688	25,757,926	2,957,310	45,170,331	136,951	1,200,508		79,053,191	29,277,052	16,654	1,025,513		109,372,410	242,568,017
	0.27%	1.30%	10.62%	1.22%	18.62%	0.06%	0.49%	0.00%	32.59%	12.07%	0.01%	0.42%	0.00%	45.09%	
89 - Svcs, Not Elsewhere Classified			80,085		35,866	1,171,267			1,287,218	16,102,594		202,112		17,591,924	38,645,935
	0.00%	0.00%	0.21%	0.00%	0.09%	3.03%	0.00%	0.00%	3.33%	41.67%	0.00%	0.52%	0.00%	45.52%	
Total Service Procurement	43,156,692	11,482,942	36,315,866	14,599,377	215,474,720	23,457,965	36,867,515	35,437	381,390,515	163,670,772	20,954	58,779,062		603,861,303	1,461,707,019
	2.95%	0.79%	2.48%	1.00%	14.74%	1.60%	2.52%	0.00%	26.09%	11.20%	0.00%	4.02%	0.00%	41.31%	

Total Product Procurement \$	275,968,668
Total Service Procurement \$	1,461,707,019
Net Procurement**	1,737,675,687

NOTE:
 Firms classified as 8(a) by Small Business Administration includes non-WMDVLGBTBE
 ** Net procurement include purchase order, non-purchase order and credit card dollars
 Direct - direct procurement
 Sub - subcontractor procurement
 % - percentage of net procurement

A6 9.1.10A Annual Energy Product Results by Ethnicity and WMDVLGBTBE Certification - 2019

Product ¹		Results by Ethnicity and Gender															Results by WMDVBE Certification				Total WMDVLGBTBE Procurement Spend	Total Procurement Spend		
		Asian Pacific American			African American			Hispanic American			Native American			Other Minority ²			Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Service Disabled Veteran Business Enterprise (DVBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)				
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total								
Unit																								
NATURAL GAS	Short-term	\$	\$-	\$4,678,691	\$4,678,691	\$19,129,398	\$-	\$19,129,398	\$-	\$-	\$-	\$14,261,772	\$-	\$14,261,772	\$-	\$-	\$-	\$38,069,861	\$3,515,706	\$3,515,710	\$-	\$45,101,278	\$571,822,233	
		%	0.0%	0.8%	0.8%	3.3%	0.0%	3.3%	0.0%	0.0%	0.0%	2.5%	0.0%	2.5%	0.0%	0.0%	0.0%	6.7%	0.6%	0.6%	0.0%	7.9%		
	Long-term	\$	\$-	\$-	\$-	\$3,136,265	\$-	\$3,136,265	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$3,136,265	\$12,264,605	\$12,264,212	\$-	\$27,665,082	\$584,716,030	
		%	0.0%	0.0%	0.0%	0.5%	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	2.1%	2.1%	0.0%	4.7%		
	Total Natural Gas	\$	\$-	\$4,678,691	\$4,678,691	\$22,265,664	\$-	\$22,265,664	\$-	\$-	\$-	\$14,261,772	\$-	\$14,261,772	\$-	\$-	\$-	\$41,206,127	\$15,780,311	\$15,779,922	\$-	\$72,766,360	\$1,156,538,264	
%	0.0%	0.4%	0.4%	1.9%	0.0%	1.9%	0.0%	0.0%	0.0%	1.2%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%	3.6%	1.4%	1.4%	0.0%	6.3%			
LPG	Short-term	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
	Long-term	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
		%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Total Natural Gas	\$	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Overall Total		\$	\$-	\$4,678,691	\$4,678,691	\$22,265,664	\$-	\$22,265,664	\$-	\$-	\$-	\$14,261,772	\$-	\$14,261,772	\$-	\$-	\$-	\$41,206,127	\$15,780,311	\$15,779,922	\$-	\$72,766,360	\$1,156,538,264	
Overall Total %			0.0%	0.4%	0.4%	1.9%	0.0%	1.9%	0.0%	0.0%	1.2%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%	3.6%	1.4%	1.4%	0.0%	Overall WMDVLGBTBE%: 6.3%		

NOTE:

Short-term: The term of the deal is no longer than one calendar month

Long-term: The term of the deal is greater than one calendar month but less than one calendar year

¹ Excludes purchases from the CAISO, other IOUs, utilities, Federal entities, State entities, Municipalities and cooperatives

² Includes Non-WMDVLGBT firms classified as 8(a) by Small Business Administration

A7 9.1.2 Number of WMDVLGBTBE Suppliers and Revenue Reported to the Clearinghouse - 2019

# WMDVLGBTBEs	Data on Number of Suppliers											
	Revenue Reported to CHS						Utility-Specific 2019 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1M or Unknown	117	55	3	26	0	201	249	161	4	23	0	437
Under \$5 million	72	59	0	0	0	131	43	32	0	3	0	78
Under \$10 million	32	33	1	1	0	67	14	6	0	0	0	20
Above \$10 million	96	56	0	1	0	153	11	4	0	2	0	17
TOTAL	317	203	4	28	0	552	317	203	4	28	0	552

\$ WMDVLGBTBEs	Revenue and Payment Data											
	Revenue Reported to CHS						Utility-Specific 2019 Summary					
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total	MBE	WBE	LGBTBE	DVBE	Other 8(a)*	Grand Total
Under \$1M or Unknown	29.6	21.3	0.8	0.0	0.0	51.7	38.5	23.6	0.9	4.0	0.0	67.0
Under \$5 million	192.4	156.9	0.0	0.0	0.0	349.3	94.9	76.5	0.0	4.8	0.0	176.2
Under \$10 million	228.7	228.4	5.3	5.6	0.0	468.0	108.3	43.9	0.0	0.0	0.0	152.1
Above \$10 million	34,217.4	8,975.2	0.0	16.0	0.0	43,208.6	205.0	75.4	0.0	50.1	0.0	330.5
TOTAL	34,668.0	9,381.8	6.1	21.6	0.0	44,077.5	446.7	219.3	0.9	58.9	0.0	725.8

NOTE:

*Firms classified as 8(a) by Small Business Administration includes non-WMDVLGBTBE
 CHS: Supplier Clearinghouse



SoCalGas® Supplier Diversity Program
vendorrelations@semprautilities.com

For more information, visit socialgas.com (search "*SUPPLIER DIVERSITY*")

This document is made available solely for informational purposes. Although SoCalGas has used reasonable efforts to assure the accuracy of the information at the time of its inclusion, no express or implied representation is made that it is free from error or suitable for any particular use or purpose. This document includes predictions, estimates or other information that might be considered forward-looking. While these forward-looking statements represent our current judgment on what the future holds, actual results may differ materially. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this document's publication. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events.