



2022 SUPPLIER DIVERSITY REPORT AND 2023 PLAN

DIVERSITY DIVERSITY DIVERSITY

Utility Supplier Diversity Report to the California Public Utilities Commission (U-168-W)

PREPARED BY:
Timothy O. McLaughlin, CPSD
Director of Supplier Diversity
In response to CPUC General Order 156

Table of Contents

Message from Eric Thornburg, CEO San Jose Water

2022 ANNUAL REPORT

2022 Annual Report — Summary of Program and Highlights	1
9.1.1 Description of Program Activities during the Previous Calendar Year	6
9.1.2 Annual Results by Ethnicity	8
9.1.2 Direct Procurement by Product and Service Categories	10
9.1.2 Subcontractor Procurement by Product and Service Categories	11
9.1.2 Procurement by Standard Industrial Categories	12
9.1.2 Number of Suppliers and Revenue Reported to the Clearinghouse	14
9.1.2 Description of Number of Suppliers with California Majority Workforce	15
9.1.3 Program Expenses	15
9.1.4 Description of Progress in Meeting or Exceeding Set Goals	16
9.1.4 Results and Goals	16
9.1.5 Description of Prime Contractor Utilization of Subcontractors	17
9.1.5 Summary of Prime Contractor Utilization of Subcontractors	18
9.1.6 A List of Complaints Received and Current Status	19
9.1.7 Description of Efforts to Recruit Suppliers in Low Utilization Categories	19
9.1.8 Retention of all Documents/Data	19
9.1.11 Fuel Procurement	19

SAN JOSE WATER SUPPLIER DIVERSITY AWARDS/RECOGNITIONS 20

CALIFORNIA WATER ASSOCIATION TECHNICAL ASSISTANCE/ CAPACITY BUILDING PROGRAMS 21

2023 ANNUAL PLAN

10.1.1 Annual Short, Mid and Long-Term Goals	24
10.1.2 Description of Planned Program Activities for the Next Calendar Year	25
10.1.3 Plans for Recruiting Suppliers in Low Utilization Areas	26
10.1.4 Plans for Recruiting Suppliers Where Unavailable	27
10.1.5 Plans for Encouraging Prime Contractors to Subcontract Suppliers	27
10.1.6 Plans for Complying with Program Guidelines	27

Definitions 28

Procurement with:

WOMEN

MINORITY

DISABLED VETERAN

LESBIAN

GAY

BISEXUAL

TRANSGENDERED

PERSONS WITH DISABILITIES

Business Enterprises

This filing is in compliance with the requirements of California Public Utilities Commission (CPUC) General Order 156 and contains the 2022 Annual Report and the 2023 Annual Plan of SJWs Utility Supplier Diversity Program (USDSP). The annual report describes the program activities and results achieved by SJW for the period of January 1, 2022 through December 31, 2022.

Letter from our Chief Executive Officer



San Jose Water (SJW) had a successful 2022, with a continued commitment to delivering high-quality, reliable drinking water and service to our customers. As part of the foundation of our strategy, the company and its people are keenly focused on how we serve and bring value to our customers and the communities where we live and work. Included in this strategy is a commitment to be a leader in Environmental, Social and Governance (ESG) areas. This includes enhancing environmental and social justice, building resilience, fostering environmental stewardship, and supporting supplier responsibility.

A critical component of this is our commitment to supplier diversity. Once again, our results demonstrate our resolve to build strong communities and diversify our supply chain. As such, I am pleased and proud to submit the SJW 2022 Supplier Diversity Report and 2023 Annual Plan to the California Public Utilities Commission (CPUC).

SJW demonstrated continued progress in supplier diversity, achieving the best results to date, with \$46 million of diverse spend, representing 35.7% of addressable spend. The company also exceeded the CPUC sub-goals for minority-owned (27.8%), women-owned (5.1%) and disabled-veteran-owned businesses (2.6%). In our first year of required reporting, we spent over \$300K supporting Persons with Disabilities Business Enterprises (PDBEs), representing .26% of our overall spend.

As we move into 2023, we will continue to increase our efforts to support diversity, equity and inclusion. Our supplier diversity program will continue to evolve, as we build stronger relationships with diverse suppliers — especially those within the LGBT community — increasing their participation in our supply chain.

I am proud of the progress SJW has made in 2022 and I am confident that we will continue to make significant strides in 2023. Our commitment to supplier diversity remains steadfast, and we are dedicated to being a leader in this area. Thank you for the opportunity to submit this report.

A handwritten signature in black ink, appearing to read "Eric Thornburg". The signature is fluid and cursive.

Eric Thornburg
CEO, San Jose Water



ESG

2022 Annual Report — Summary of Program and Highlights

SJW is proud to report that its commitment to the CPUC’s Utility Supplier Diversity Program has continued to progress and deliver outstanding results in 2022. Through intentional focus on the supplier diversity program, including executive leadership, corporate Key Performance Indicators (KPIs) tied to supplier diversity, the Corporate Leadership Committee (CLC), Supplier Diversity Team, and the Prime Supplier Program, SJW has exceeded the CPUC’s diverse spend goal of 22.0% with a diverse business utilization percentage of 35.7%, our highest results to date. These results demonstrate the company’s commitment to providing access and opportunity to diverse businesses and supporting the diverse communities it serves.

Our total addressable spend increased by 8%, from \$120M to \$129M. While the pandemic and drought continued to cause some challenges, we were able to grow our total spend with diverse firms by 14% from \$41M to \$46M. Our direct spend with diverse companies increased by 20% from \$32M to \$38M; total minority (MBE) spend increased 20% from \$30M to \$36M; and our women-owned (WBE) spend increased by 8% from \$6.0M to \$6.5M. In addition, SJW expanded the number of direct diverse suppliers by 5%, from 42 suppliers to 44 suppliers; the total number of suppliers taking part in our prime supplier program, through subcontracting, increased by 9%, from 23 to 25 suppliers; and the total number of diverse suppliers within our supply chain grew by 3%, from 62 suppliers to 64 suppliers.

In addition to exceeding the CPUC diverse spend goal of 22.0%, we are very pleased to report that we exceeded three of the CPUC sub-goals:

- WBE spend was \$6.5M, representing 5.1% of our 2022 addressable spend;
- MBE spend was \$35.9M, representing 27.8% of our 2022 addressable spend; and,
- DVBE spend was \$3.3M, representing 2.6% of our 2022 addressable spend.



WBE

Women-Owned Business Enterprises

MBE

Minority-Owned Business Enterprises

WMBE

Women, Minority-Owned Business Enterprises

DVBE

Disabled Veteran-Owned Business Enterprises

LGBTBE

Lesbian, Gay, Bisexual, Transgender
Business Enterprise

PDBE

Persons with Disabilities Business Enterprises

2022 Annual Report — Summary of Program and Highlights *(cont'd)*

There was a slight decrease in DVBE spend, due in part, to reporting over \$300K in PDBE spend, which also qualified for DVBE spend. LGBT spend continued to be a challenge in 2022 and remains an area of focus in our 2023 supplier diversity plan.

The positive results outlined in 2022 continue to be possible through intentional focus on our Supplier Diversity Program in the following areas:



Executive Leadership

From our CEO, through the **Executive Leadership Team (ELT)** and all management, the importance of supplier diversity remains a priority. The company culture continues to shift through this enhanced focus on supplier diversity. There continues to be a significant increase in inquiries for diverse suppliers which match internal opportunities.



Corporate KPI's

The continued use of a corporate **Key Performance Indicators** for supplier diversity, drives supplier diversity. All corporate KPIs, including those for Supplier Diversity, are tied to employee objectives and the resulting employee compensation. This is a best practice within the supplier diversity industry.



Corporate Leadership Committee

CLC teams are set up each year to support various KPIs within the company. A **Supplier Diversity CLC Team** is identified in order to focus on specific supplier diversity goals within each SJW Group location including SJW, Connecticut Water, Maine Water and SJW TX. This cross-functional team has helped to advance the supplier diversity strategy at SJW and all companies within SJW Group.



Prime Supplier Program

The **Prime Supplier Program** continues to be an integral part of the SJW supplier diversity strategy. In 2022 there were 10 prime suppliers that contributed \$7.9M of diverse subcontracting, representing over 6% of SJWs overall supplier diversity results.

SJW continues its active participation in the **California Water Association Utility Supplier Diversity Program (CWA USDP)**. Under the CWA USDP, we have maintained our **Technical Assistance Program (TAP)**, **Meet the Primes Program** and supported numerous **Community Business Organizations (CBOs)** through participation in and/or sponsorship of events throughout California.

Supplier Diversity at a Glance



\$129M

ADDRESSABLE SPEND



\$35.7%

TOTAL DIVERSE SPEND PERCENTAGE



3 Years

EXCEEDING CPUC GOALS FOR
MBE, WBE AND DVBE



\$38.1M

TOTAL AMOUNT
OF DIRECT SPEND



\$7.9M

TOTAL AMOUNT OF
SUBCONTRACTING SPEND



44

TOTAL NUMBER OF
DIRECT DIVERSE
SUPPLIERS



25

TOTAL NUMBER OF
SUBCONTRACTING
DIVERSE SUPPLIERS



63

TOTAL UNIQUE DIVERSE
SUPPLIERS WITHIN THE
SUPPLIER DIVERSITY PROGRAM

SJW's 2022 USDP Highlights

CPUC GOALS

For the third consecutive year, SJW exceeded CPUC goals in the following categories:

OVERALL
GOAL: 22%
SPEND: 35.7%

MBE
GOAL: 15%
SPEND: 27.8%

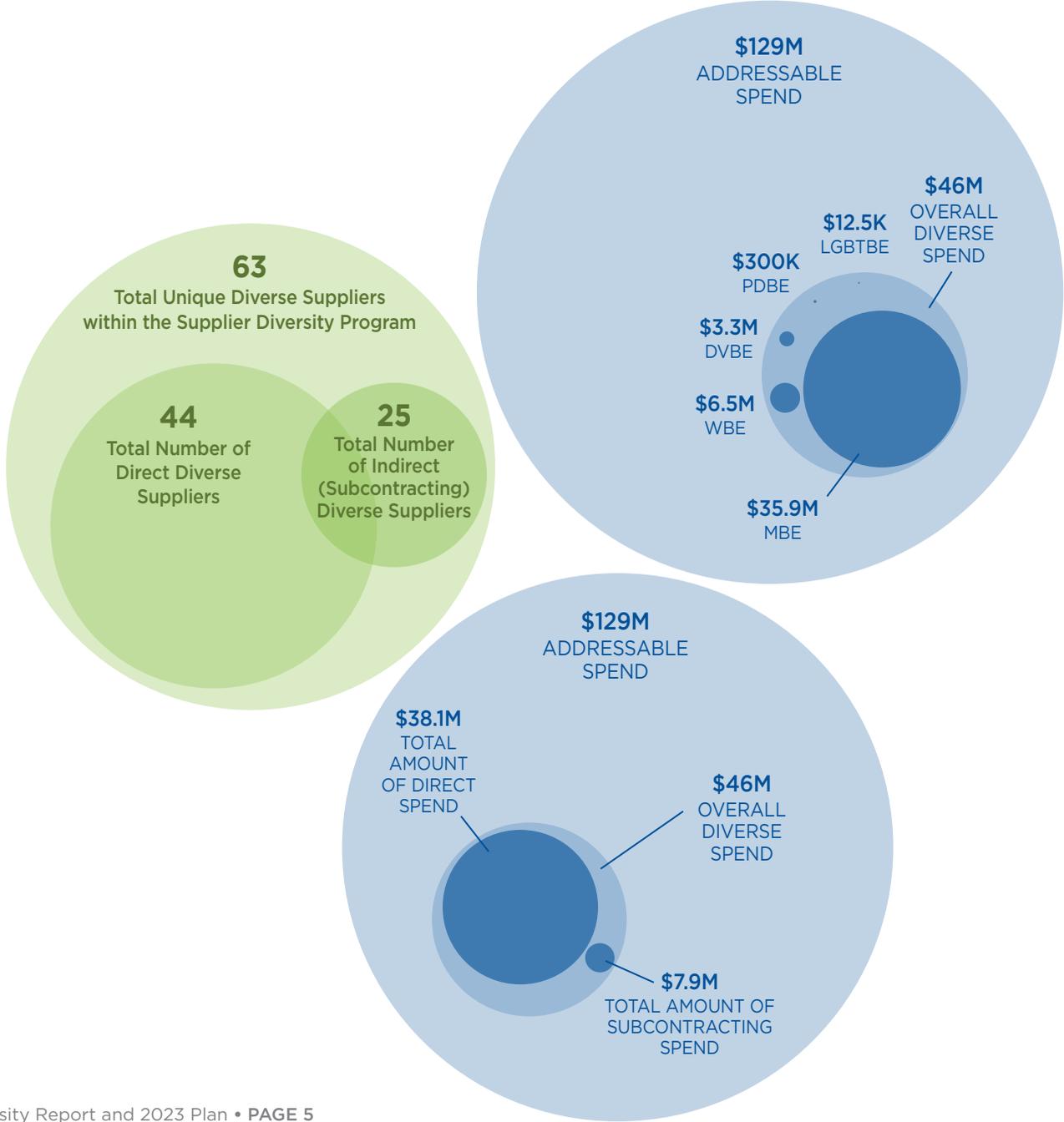
WBE
GOAL: 5%
SPEND: 5.1%

DVBE
GOAL: 1.5%
SPEND: 2.6%



Program Baseline Statistics

	2021	2022
TOTAL PROCUREMENT SPEND	\$338.7M	\$347.8M
Total addressable spend	\$119.8M	\$129M
Overall spend with diverse suppliers	\$40.5M	\$46.0M
Direct spend with diverse suppliers	\$31.7M	\$38.1M
Prime Supplier Program, subcontracting with diverse suppliers	\$8.8M	\$7.9M
Total Minority Business Enterprise (MBE) Spend	\$29.8M	\$35.9M
Total Women Business Enterprise (WBE) Spend	\$6.0M	\$6.5M
Total Disabled Veteran Business Enterprise (DVBE) Spend	\$4.7M	\$3.3M
Total Lesbian, Gay, Bisexual, Transgendered Business Enterprise Spend (LGBTBE) Spend	\$0.0M	\$12.5K
Total number of unique diverse suppliers within the SJW Supplier Diversity Program	61	63
Number of diverse suppliers doing business directly with SJW	42	44
Number of diverse suppliers doing business with SJW through subcontracting	23	25



9.1.1 Description of Program Activities during the Previous Calendar Year

2022 marked a year of transition as California utilities balanced another year of the pandemic, a historic drought, record inflation and continued supply chain issues. The year was also marked by significant changes to General Order 156, including a new .5% goal for LGBT spend and the addition of tracking and reporting on diverse spend with Persons with Disabilities Business Enterprises. The pandemic reminded us of the continued need to focus on the health and safety of our employees, suppliers and the communities we serve. As we transition out of the pandemic, **Community Based Organizations** balanced the benefits of virtual events with the need for personal interaction through face to face events. All of these factors required our organization to be resilient and steadfast in our approach to supplier diversity.

As we transition out of the pandemic, SJW capital improvements transitioned more toward pre-pandemic levels. Our addressable spend rose from \$120M in 2021 to \$129M in 2022, an 8% increase.

SJW continues to emphasize the importance of supplier diversity as a corporate KPI. As part of our corporate strategy, SJW continues to focus on Environmental, Social and Governance issues. Included in the ESG strategy is reduced carbon emissions, keeping people safe, fostering environmental stewardship, and supporting supplier diversity.

In 2022, we continued our Corporate Leadership Council Program including a team tasked with enhancing Supplier Diversity programs at our sister utilities in Texas, Maine and Connecticut. Through the efforts of our CLC Supplier Diversity Team, each utility created a unique plan, established a comprehensive supplier diversity strategy and leveraged resources across the organization.

SJW continued to drive diverse supplier registration through our 3rd party registration system — Avisare Corp., an African-American Women-Owned Business. This system allowed registrants to be seen by SJW and other corporations and organizations which use the same platform.

THE SJW MISSION REMAINS:

Being trusted, passionate and socially responsible professionals delivering exceptional quality water and service to customers and communities while protecting the environment and providing a fair return to shareholders. We continue to focus on our core values while delivering to our stakeholders.



9.1.1 Description of Program Activities during the Previous Calendar Year *(cont'd)*

Internal Activities

The pandemic greatly affected how we conduct business, both internally and externally. In 2022, Community Based Organizations transitioned to balance virtual meetings with in-person meetings. As such, SJW's supplier diversity program managed resources that enabled us to continue to support CBOs through attending both virtual and in person events/meetings. The following represents internal focus in 2022:

- Continued focus on language in RFPs, contracts, POs and related documents, requiring primes to meet 25% diverse subcontracting.
- 2022 marked the first full year of supplier diversity being included in RFP scoring. This scoring system was adopted in 2021 for a variety of RFPs including those bids related to pipeline construction.
- Bi-weekly meetings of the Corporate Leadership Committee's Supplier Diversity team took place, resulting in over 20 meetings focused on Supplier Diversity projects associated with our KPIs. This committee was made up of representatives from each location (CA, Texas, Connecticut and Maine).

External Activities

SJW's Director of Supplier Diversity, held the following leadership positions in 2022:

- Advisory Council for The Diversity Advisors
- Board of Directors for the Women's Business Enterprise Council (WBEC) *Pacific*
- Board of Directors for the United States Pan Asian American Chamber of Commerce (USPAACC) *Western Region*

CBO Outreach — Tradeshow, Conference, and other Outreach Events

SJW continues the company's outreach efforts by participating in CBO events that include partnerships with DBEs, both locally and throughout the State of California. Building relationships and understanding the needs/capabilities of each CBO remains a critical success factor in increasing diverse spend at SJW. SJW also partners with other CWA Class A members as part of the CWA USDP committee. SJW often represents the CWA USDP at various CBO events, tradeshows, and matchmaking events. SJW's Director of Supplier Diversity, participated in many events through either financial support or as an attendee, panelist or presenter.

Organizations Supported:

American Indian Chamber of Commerce (AICOC)
CPUC (Small Business Expos)
Disabled Veteran Business Alliance (DVBA)
Elite Service Disabled Veteran Owned Business (SDVOB) Network
Golden Gate Business Association (GGBA)
Industry Council for Small Business Development (ICSBD)
National Gay & Lesbian Chamber of Commerce (NGLCC)
National Minority Supplier Development Council (NMSDC)
National Utility Diversity Council (NUDC)
Rainbow Chamber of Commerce Silicon Valley
Silicon Valley Black Chamber of Commerce
Silicon Valley Hispanic Chamber of Commerce
Southern California Minority Supplier Development Council (SMSDC)
The National Center for Native American Enterprise Dev. (NCAIED)
Veterans in Business (VIB) Network
Western Regional Minority Supplier Development Council (WRMSDC)
Women's Business Enterprise Council • Pacific (WBEC-Pacific)
Women's Business Enterprise Council • West (WBEC-West)
Women's Business Enterprise National Council (WBENC)

SJW's Director of Supplier Diversity is also participant in the CPUC joint utilities organization.

9.1.2 Annual Results by Ethnicity

		DIRECT SPEND ¹	SUB SPEND ²	TOTAL \$	%
Minority Male	African American	\$1,003,067	\$0	\$1,003,067	0.78%
	Asian Pacific American	\$660,795	\$41,630	\$702,425	0.54%
	Hispanic American	\$31,038,334	\$1,911,931	\$32,950,265	25.55%
	Native American	\$0	\$0	\$0	0.00%
	Total Minority Male	\$32,702,196	\$1,953,561	\$34,655,757	26.87%
Minority Female	African American	\$48,668	\$3,291	\$51,959	0.04%
	Asian Pacific American	\$825,735	\$211,029	\$1,036,764	0.80%
	Hispanic American	\$56,58	\$46,096	\$102,685	0.08%
	Native American	\$0	\$0	\$0	0.00%
	Total Minority Female	\$930,992	\$260,416	\$1,191,408	0.92%
Total Minority Business Enterprise (MBE)		\$33,633,188	\$2,213,977	\$35,847,165	27.79%
Women Business Enterprise (WBE)		\$4,006,036	\$2,530,810	\$6,536,846	5.07%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	\$12,535	\$12,535	0.01%
Disabled Veteran Business Enterprise (DVBE)		\$216,170	\$3,083,116	\$3,299,286	2.56%
Persons with Disabilities Business Enterprise (PDBE)		\$235,663	\$68,631	\$304,294	0.24%
8(a)*		\$0	\$0	\$0	0.00%
Total Supplier Diversity Spend		\$38,091,057	\$7,909,069	\$46,000,126	35.66%
Net Procurement**		\$128,980,386			

NOTES:

*Firms classified as 8(a) by the Small Business Administration include non-diverse.

**Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.

¹ Direct means Direct Procurement — when a utility directly procures from a supplier.

² Sub means Subcontractor Procurement — when a prime contractor, in contract with a utility, procures from a subcontractor to fulfill its contractual obligation(s).

% = Percentage of Net Procurement.

Totals may not add due to rounding.



9.1.2 Direct Procurement by Product and Service Categories

		Product		Service		Total	
		\$	%	\$	%	\$	%
Minority Male	African American	\$0	0.00%	\$1,003,067	0.78%	\$1,003,067	0.78%
	Asian Pacific American	\$0	0.00%	\$660,795	0.51%	\$660,795	0.51%
	Hispanic American	\$14,877	0.01%	\$31,023,458	24.05%	\$31,038,335	24.06%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Total Minority Male	\$14,877	0.01%	\$32,687,320	25.34%	\$32,702,197	25.35%
Minority Female	African American	\$48,668	0.04%	\$0	0.00%	\$48,668	0.04%
	Asian Pacific American	\$10,420	0.01%	\$621,917	0.48%	\$632,337	0.49%
	Hispanic American	\$0	0.00%	\$274,500	0.21%	\$274,500	0.21%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Total Minority Female	\$59,088	0.05%	\$896,417	0.70%	\$955,505	0.74%
Total Minority Business Enterprise (MBE)		\$73,965	0.06%	\$33,583,737	26.04%	\$33,657,702	26.10%
Women Business Enterprise (WBE)		\$2,866,468	2.22%	\$1,115,055	0.86%	\$3,981,523	3.09%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	0.00%	\$0	0.00%	\$0	0.00%
Disabled Veteran Business Enterprise (DVBE)		\$0	0.00%	\$235,663	0.18%	\$235,663	0.18%
Persons with Disabilities Business Enterprise (PDBE)		\$235,663	\$68,631	\$304,294	0.24%	\$0	0.00%
8(a)*		\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Supplier Diversity Spend		\$3,156,603	2.45%	\$34,934,455	27.09%	\$38,091,058	29.53%
Net Procurement**		\$128,980,386					
Net Product Procurement		\$3,156,603					
Net Service Procurement		\$34,934,455					
Total Number of Diverse Suppliers that Received Direct Spend		44					

NOTES:

*Firms classified as 8(a) by the Small Business Administration include non-diverse.

**Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.

1 Direct means Direct Procurement — when a utility directly procures from a supplier.

2 Sub means Subcontractor Procurement — when a prime contractor, in contract with a utility, procures from a subcontractor to fulfill its contractual obligation(s).

% = Percentage of Net Procurement.

Totals may not add due to rounding.

9.1.2 Subcontractor Procurement by Product and Service Categories

		Product		Service		Total	
		\$	%	\$	%	\$	%
Minority Male	African American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Asian Pacific American	\$0	0.00%	\$41,630	0.03%	\$41,630	0.03%
	Hispanic American	\$0	0.00%	\$1,911,931	1.48%	\$1,911,931	1.48%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Total Minority Male	\$0	0.00%	\$1,953,561	1.51%	\$1,953,561	1.51%
Minority Female	African American	\$3,291	0.00%	\$0	0.00%	\$3,291	0.00%
	Asian Pacific American	\$0	0.00%	\$211,029	0.16%	\$211,029	0.16%
	Hispanic American	\$46,096	0.04%	\$0	0.00%	\$46,096	0.04%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	Total Minority Female	\$49,387	0.04%	\$211,029	0.16%	\$260,416	0.20%
Total Minority Business Enterprise (MBE)		\$49,387	0.04%	\$2,164,590	1.68%	\$2,213,977	1.72%
Women Business Enterprise (WBE)		\$58,367	0.05%	\$2,472,443	1.92%	\$2,530,810	1.96%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		\$0	0.00%	\$12,535	0.01%	\$12,535	0.01%
Disabled Veteran Business Enterprise (DVBE)		\$0	0.00%	\$3,083,116	2.39%	\$3,083,116	2.39%
Persons with Disabilities Business Enterprise (PDBE)		\$68,631	0.05%	\$0	0.00%	\$68,631	0.05%
8(a)*		\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Supplier Diversity Spend		\$176,385	0.14%	\$7,732,684	6.00%	\$7,909,069	6.13%
Net Procurement**		\$128,980,386					
Net Product Procurement		\$176,385					
Net Service Procurement		\$7,732,684					

NOTES:

*Firms classified as 8(a) by the Small Business Administration include non-diverse.

**Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.

1 Direct means Direct Procurement — when a utility directly procures from a supplier.

2 Sub means Subcontractor Procurement — when a prime contractor, in contract with a utility, procures from a subcontractor to fulfill its contractual obligation(s).

% = Percentage of Net Procurement.

Totals may not add due to rounding.

9.1.2 Procurement by Standard Industrial Categories

SIC CODE	AFRICAN AMERICAN		ASIAN PACIFIC AMERICAN		HISPANIC AMERICAN		NATIVE AMERICAN		MINORITY BUSINESS ENTERPRISE (MBE)	WOMEN BUSINESS ENTERPRISE (WBE)	LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	PERSONS WITH DISABILITIES BUSINESS ENTERPRISE (DBE)	8(a)*	TOTAL SUPPLIER DIVERSITY SPEND	TOTAL PROCUREMENT
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE								
7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$451,487
8	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%	0.00%	0.35%
13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,794
14	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%	0.00%	0.02%
15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,900
16	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%	0.00%	0.01%
17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,546,101
22	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%	0.00%	4.30%
23	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,609,754
25	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%	0.00%	\$57,396,599
26	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	44.50%
27	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%	0.00%	\$23,733
28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,500
29	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%	0.00%	\$2,329,725
30	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,112,660
32	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%	0.00%	0.86%
33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,845
34	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%	0.00%	0.01%
35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$57,783
36	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%	0.00%	0.04%
37	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
38	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%	0.00%	0.00%
39	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
42	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%	0.00%	0.00%
45	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
47	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%	0.00%	0.00%
48	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
49	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%	0.00%	0.00%
50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51	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%	0.00%	0.00%
52	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
53	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%	0.00%	0.00%
54	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	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%	0.00%	0.08%

9.1.2 Procurement by Standard Industrial Categories (cont'd)

SIC CODE	AFRICAN AMERICAN		ASIAN PACIFIC AMERICAN		HISPANIC AMERICAN		NATIVE AMERICAN		MINORITY BUSINESS ENTERPRISE (MBE)	WOMEN BUSINESS ENTERPRISE (WBE)	LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	PERSONS WITH DISABILITIES BUSINESS ENTERPRISE (DBE)	8(a)*	TOTAL SUPPLIER DIVERSITY SPEND	TOTAL PROCUREMENT
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE								
55	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$460,855
	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%	0.00%	0.36%
56,57	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,706
	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%	0.00%	0.03%
58	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,735
	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%	0.00%	0.01%
59	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$110,570
	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%	0.00%	0.09%
60	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,436
	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%	0.00%	0.00%
62	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$127,320
	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%	0.00%	0.10%
63	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17,950
	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%	0.00%	0.01%
64	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,279,991
	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%	0.00%	3.32%
65	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,539
	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%	0.00%	0.03%
67	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	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%	0.00%	0.00%
70	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,039
	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%	0.00%	0.00%
72	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$84,337
	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%	0.00%	0.07%
73	\$0	\$0	\$43,600	\$266,234	\$365,842	\$0	\$0	\$0	\$675,676	\$1,464,551	\$0	\$0	\$47,552	\$0	\$2,187,779	\$9,206,845
	0.00%	0.00%	0.03%	0.21%	0.28%	0.00%	0.00%	0.00%	0.52%	1.14%	0.00%	0.00%	0.04%	0.00%	1.70%	7.14%
75	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,331
	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%	0.00%	0.01%
76	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$257,676
	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%	0.00%	0.20%
79	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,222
	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%	0.00%	0.01%
80	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	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%	0.00%	0.00%
81	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$807,274
	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%	0.00%	0.63%
82	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	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%	0.00%	0.00%
83	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$46,600
	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%	0.00%	0.04%
86	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$41,700
	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%	0.00%	0.03%
87	\$0	\$0	\$327,892	\$138,853	\$0	\$14,270	\$0	\$0	\$481,015	\$537,734	\$12,535	\$0	\$42,370	\$0	\$1,073,654	\$9,690,972
	0.00%	0.00%	0.25%	0.11%	0.00%	0.01%	0.00%	0.00%	0.37%	0.42%	0.01%	0.00%	0.03%	0.00%	0.83%	7.51%
88,89	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$141,222	\$0	\$0	\$0	\$0	\$141,222	\$193,595
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.11%	0.00%	0.00%	0.00%	0.00%	0.001094911	0.15%
92	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,965	\$0	\$16,965	\$23,097
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.01%	0.02%
93	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	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%	0.00%	0.00%
94	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	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%	0.00%	0.00%
95	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	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%	0.00%	0.00%
96	\$0	\$0	\$0	\$23,650	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	\$1,003,067	\$48,668	\$0	\$0	\$0	\$0	\$0	\$0	\$1,051,735	\$434,108	\$0	\$0	\$167,578	\$0	\$1,653,421	\$27,180,135
	0.78%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.82%	0.34%	0.00%	0.00%	0.13%	0.00%	0.012819166	21.07%
Total	\$1,003,067	\$51,959	\$702,425	\$843,366	\$32,950,266	\$320,596	\$0	\$0	\$35,871,679	\$6,512,334	\$12,535	\$3,299,287	\$304,294	\$0	\$46,000,129	\$128,980,387
	0.78%	0.04%	0.54%	0.65%	25.55%	0.25%	0.00%	0.00%	27.81%	5.05%	0.01%	2.56%	0.24%	0.00%	35.66%	100.00%

Net Procurement \$128,980,386**

NOTES:
 *Firms classified as 8(a) by the Small Business Administration include non-diverse.
 **Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.
 1 Direct means Direct Procurement — when a utility directly procures from a supplier.
 2 Sub means Subcontractor Procurement — when a prime contractor, in contract with a utility, procures from a subcontractor to fulfill its contractual obligation(s).
 % = Percentage of Net Procurement.
 Totals may not add due to rounding.

9.1.2 Number of Suppliers and Revenue Reported to the Clearinghouse

NUMBER OF DIVERSE SUPPLIERS DATA														
Revenue Reported to the Supplier Clearinghouse								Utility-Specific 2022 Summary						
Number of Diverse Suppliers	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	TOTAL	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	TOTAL
Under \$1 million	7	10	0	1	4	0	22	17	21	0	1	2	0	41
Under \$5 million	5	5	0	0	0	0	10	0	2	0	0	0	0	2
Under \$10 million	1	0	0	0	0	0	1	0	0	0	0	0	0	0
Above \$10 million	5	6	0	0	0	0	11	1	0	0	0	0	0	1
TOTAL	18	21	0	1	4	0	44	18	23	0	1	2	0	44

REVENUE AND PAYMENT DATA														
Revenue Reported to the Supplier Clearinghouse								Utility-Specific 2022 Summary						
Revenue of Diverse Suppliers	Minority Business Enterprise (MBE)	Women Business Enterprise (WB)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	TOTAL	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	8(a)*	TOTAL
Under \$1 million	\$11,445,706	\$22,256,121	\$0	\$100,000	\$400,000	\$0	\$34,201,827	\$3,586,668	\$1,504,579	\$0	\$216,170	\$235,663	\$0	\$5,543,080
Under \$5 million	\$9,903,218	\$10,847,972	\$0	\$0	\$0	\$0	\$20,751,190	\$0	\$2,476,944	\$0	\$0	\$0	\$0	\$2,476,944
Under \$10 million	\$5,569,172	\$0	\$0	\$0	\$0	\$0	\$5,569,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Above \$10 million	\$140,110,986	\$10,530,486,486	\$0	\$0	\$0	\$0	\$10,670,597,472	\$30,071,033	\$0	\$0	\$0	\$0	\$0	\$30,071,033
TOTAL	\$167,029,082	\$10,563,590,579	\$0	\$100,000	\$400,000	\$0	\$10,731,119,661	\$33,657,701	\$3,981,523	\$0	\$216,170	\$235,663	\$0	\$38,091,057

NOTES:
 *Firms classified as 8(a) by the Small Business Administration include non-diverse.
 **Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.
 The tables above represent data for direct spend only.
 Totals may not add due to rounding.

9.1.2 Description of Number of Suppliers with California Majority Workforce

In 2022, SJW conducted business directly with 39 diverse companies headquartered* in California with a total workforce of 1,392 employees and a total revenue of \$278M. The average revenue for a supplier within this dataset is \$7.1M. SJW spent \$35.5M with CA-based suppliers in 2022.

*Information for this report was taken from the CPUC Clearinghouse database as of 12/31/2022. It is assumed that suppliers listed in the Clearinghouse with California addresses, are California-based companies, and the number of employees listed for these suppliers are part of the California workforce.

9.1.3 Program Expenses

EXPENSE CATEGORY	YEAR (ACTUAL)
Wages	\$185,596
Other Employee Expenses	\$0
Program Expenses	\$45,900
Reporting Expenses	\$5,000
Training Expenses	\$0
Consultant Expenses	\$9,765
Other Expenses	\$20,632
TOTAL	\$266,893

9.1.4 Description of Progress in Meeting or Exceeding Set Goals

SJWs diverse business utilization for 2022 was 35.7%, a 5.6 % increase in spend percentage, when compared to 2021, exceeding the 22.0% overall goal established by the CPUC. SJW also met the CPUC sub-goals for WBE, MBE and DVBE spend.

There were several factors that affected our ability to meet the above mentioned goals, including:

- There continues to be a significant amount of spend with our largest diverse construction supplier, Lewis & Tibbitts.
- Our overall addressable spend increased by 8% in 2022, however, our diverse spend outpaced that, increasing by 14%.
- We experienced a modest increase in the number of direct diverse suppliers (5%) utilized and an increase in the total number of diverse suppliers within our supply chain (3%)
- SJW reached 5.1% WBE spend against a CPUC goal of 5%.
- Direct spend with diverse suppliers increased by 20%.
- Overall spend with diverse suppliers increased by 14%.
- 2022 marks the third consecutive year that a corporate KPI was established for Supplier Diversity. The Supplier Diversity KPI is part of several KPIs which tie our performance to compensation. This continues to strengthen SJWs commitment to our diverse community.

CATEGORY	2022 RESULT %	2022 GOAL %
Minority Male Business Enterprise	26.9%	7.5%
Minority Female Business Enterprise	0.9%	7.5%
Minority Business Enterprise (MBE)	27.8%	15%
Women Business Enterprise (WBE)	5.1%	5.0%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.01%	0.5%
Disabled Veteran Business Enterprise (DVBE)	2.6%	1.5%
Persons with Disabilities Business Enterprise (DBE)	0.2%	n/a
TOTAL	35.7%	22.0%

NOTE:
% = Percentage of Net Procurement.

9.1.5 Description of Prime Contractor Utilization of Subcontractors

In 2022, Prime Supplier subcontracting to diverse suppliers decreased from \$8.8M in 2021 to \$7.9M in 2022, a decrease of 10%. This was due mainly to a decrease in use of one of the largest DVBE suppliers. Prime Supplier subcontracting accounted for 6.1% of our overall results. The Supplier Diversity Director, Champions, and sourcing personnel continue to work with prime suppliers to increase utilization of diverse businesses. SJW encourages its prime suppliers to review their operations to identify areas suitable for diverse supplier participation.

Prime Supplier Matchmaking Events

SJW continued to collaborate with other CWA USDP members to sponsor and lead a Prime Supplier Matchmaking event which was held virtually on September 28, 2022. SJWs Director of Supplier Diversity took part as a presenter and panelist in this event. Please see a more detailed Meet the Primes report summary, later in this document.

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (PDBE)	8(a)*	Total Supplier Diversity Spend
Direct \$	\$32,702,196	\$930,992	\$33,633,188	\$4,006,036	\$0	\$216,170	\$235,663	\$0	\$38,091,057
Sub \$	\$1,953,561	\$260,416	\$2,213,977	\$2,530,810	\$12,535	\$3,083,116	\$68,631	\$0	\$7,909,069
TOTAL \$	\$34,655,757	\$1,191,408	\$35,847,165	\$6,536,846	\$12,535	\$3,299,286	\$304,294	\$0	\$46,000,126
Direct %	25.4%	0.7%	26.1%	3.1%	0.0%	0.2%	0.2%	0.0%	29.5%
Sub %	1.5%	0.2%	1.7%	2.0%	0.0%	2.4%	0.1%	0.0%	6.1%
TOTAL %	26.9%	0.9%	27.8%	5.1%	0.0%	2.6%	0.2%	0.0%	35.7%
Net Procurement**	\$128,980,386								

NOTES:

*Firms classified as 8(a) by the Small Business Administration include non-diverse.

**Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.

1 Direct means Direct Procurement – when a utility directly procures from a supplier.

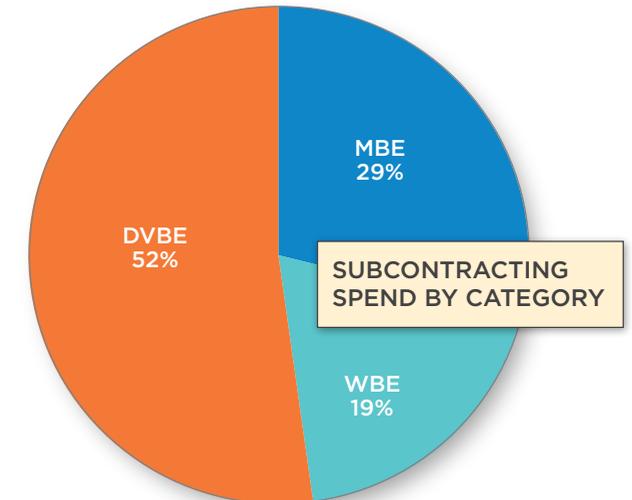
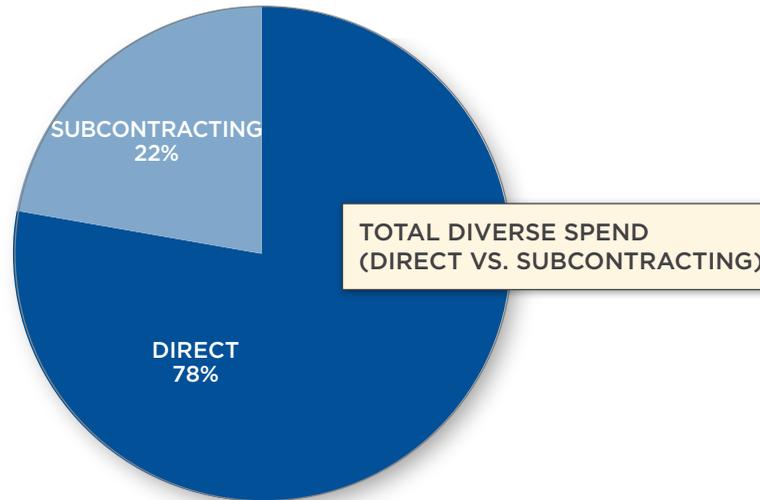
2 Sub means Subcontractor Procurement – when a prime contractor, in contract with a utility, procures from a subcontractor to fulfill its contractual obligation(s).

% = Percentage of Net Procurement.

Totals may not add due to rounding.

Summary of Prime Contractor Utilization of Subcontractors

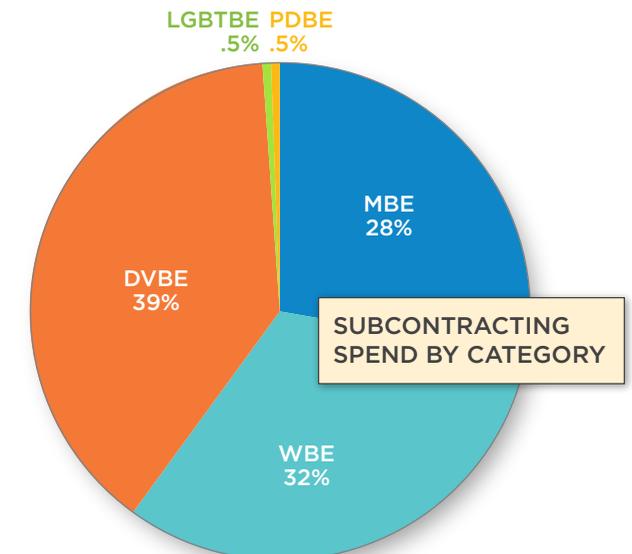
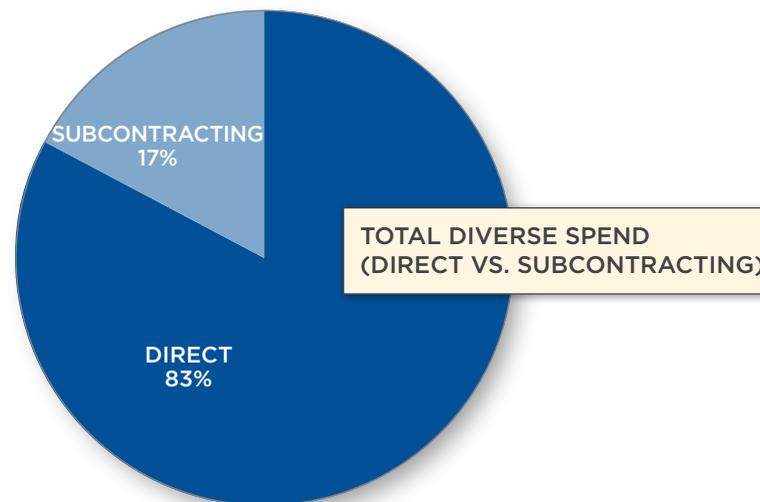
2021



2022

- DVBE (Disabled Veteran)
- LGBTBE (Lesbian, Gay, Bisexual, Transgender)
- MBE (Minority-Owned)
- PDBE (Persons with Disabilities)
- WBE (Women-Owned)

All percentages below .5% have been rounded up to .5%



9.1.6 A List of Complaints Received and Current Status

SJW did not receive any formal complaints about the USDP in 2022.

9.1.7 Description of Efforts to Recruit Suppliers in Low Utilization Categories

Diverse Suppliers in Underutilized Areas

Opportunities in these areas are limited, however, we are committed to identifying qualified diverse suppliers in the above areas, should an opportunity arise.

During 2022, SJW continued our focus to increase diverse spend in areas in which such supplier utilization has traditionally been low. Discussions regarding potential opportunities to engage DBEs continue to focus on the following functional areas:

- Legal Services
- Financial Services
- Accounting

9.1.8 Retention of all Documents / Data

SJW has retained all documents and data necessary for the preparation of the Utility Supplier Diversity Report to the CPUC. Documents and data are retained for either the longer of 3 years or as per the requirement of the SJW document retention policies. Documents and data are available at the request of the CPUC.

9.1.11 Fuel Procurement

Not applicable.



SJ Water Awarded the Prestigious 2022 Institute for Supply Management (ISM) Supply Chain Trailblazer Award as a Diversity Champion

The **ISM Supply Chain Trailblazer Awards** celebrate organizational programs that set new standards, drive new possibilities, and exceed expectations. According to ISM, those honored set the bar and help to advance the supply management profession.

In 2021, SJW achieved \$40.5M of diverse spend (33.8% of total spend), a 41% increase in diverse dollars spent, when compared to 2020. The total number of diverse suppliers within the SJW supply chain increased by 13%. The number of diverse suppliers doing business directly with SJW increased by 24%.

For the second year in a row, SJW met all three diversity spend sub-goals for minority, women, and disabled-veteran suppliers, as outlined in the Company's latest ESG Report:

- **Minority-owned Business Enterprise (MBE)** spend was \$29.8M, representing 24.9% of 2021 addressable spend;
- **Women-owned Business Enterprise (WBE)** spend was \$6.0M, representing 5% of 2021 addressable spend; and,
- **Disabled Veteran-Owned Business Enterprise (DVBE)** spend was \$4.7M, representing 3.9% of 2021 addressable spend.

SJW sets goals at the corporate level and reports on progress towards the Company's ongoing Environmental Social and Governance (ESG) business efforts on an annual basis, including diverse supplier spend.

SJW supplier diversity efforts have also been recognized by the **California Public Utilities Commission** and **U.S. Veterans Magazine**.



We are honored to have been recognized by the ISM and this award. It validates our success in efforts to expand our vendor partnerships and champion new possibilities. San Jose Water's success in this area reflects our unwavering commitment to the communities we serve. I am proud of the progress SJW continues to make in diversifying our supply chain.

ANDY GERE
SAN JOSE WATER PRESIDENT AND COO



California Water Association Technical Assistance/Capacity Building Programs

CALIFORNIA WATER ASSOCIATION UTILITY SUPPLIER DIVERSITY PROGRAM

CWA W.A.T.E.R. 2022 Summary Report

The California Water Association’s annual CWA W.A.T.E.R. vendor training cohort has been instrumental in helping 15 highly-qualified vendors increase their capacity to earn contracts in the water industry.

The CWA Utility Supplier Diversity Program (USDP) hosted our annual CWA W.A.T.E.R. (Water Acumen Training Entrepreneur Refinement) training cohort to prepare diverse vendors for opportunities in the water industry. Vendors were selected based on their potential to contribute to upcoming projects. This mentoring forum provided insights into how to navigate industry procurement standards. In a surprising twist for the 2022 cohort, an open forum discussion turned into a “joint venture” with the graduates preparing to collaborate to pursue a major water infrastructure project.

Vendors received intensive mentorship from Supplier Diversity and Inclusion professionals. The CWA Utility Supplier Diversity Program (USDP) is proud of the accomplishments from their growing W.A.T.E.R. alumni base. One of the first cohort members, David Ramil with Pivotal Adaptive Services, not only earned lucrative contracts in California, but he also expanded into other states and countries.

Our training cohort officially began in March 2022 with an overview of the California water industry presented by expert Alison Loukeh, a consultant with experience in multiple facets of the industry. She provided dire statistics about drought conditions and the need for innovation in conservation. Throughout the cohort, we discussed best practices for responding to bids and how to propose new solutions. After this foundation was established, vendors were introduced to buyers and Primes (primary contractors) who evaluated them for potential collaborations.

Our intensive CWA W.A.T.E.R. curriculum gave vendors an edge that could not be found elsewhere in the industry. Melanie Rae, Chief Learning Designer and founder of Guided Business Plan, designed, produced and facilitated the cohort. Guided Business Plan is an entrepreneur education firm based in Los Angeles.



In addition to technical knowledge, vendors also gained invaluable networking opportunities. During graduation, vendors discussed ways in which they could work together on larger projects such as a multi-million dollar construction project or a complex infrastructure project requiring multiple teams from many industries working together seamlessly. By leveraging their collective strengths and experience, these entrepreneurs are discussing a powerful “joint venture” that could compete for contracts more effectively than any single entity could do alone.

Our CWA W.A.T.E.R. is a technical assistance program as part of California’s General Order 156 that has led to millions of dollars in contract wins for our graduates. We are excited about the economic impact throughout the state with job creation and local re-investment.



PARTICIPANT QUOTE:

What was the most helpful section today?

The input from the utilities, a refresher on disaster recovery and business continuity and getting to know some of my fellow cohorts.



California Water Association Technical Assistance/Capacity Building Programs

CALIFORNIA WATER ASSOCIATION UTILITY SUPPLIER DIVERSITY PROGRAM

CWA R.I.S.E. 2022 Summary Report

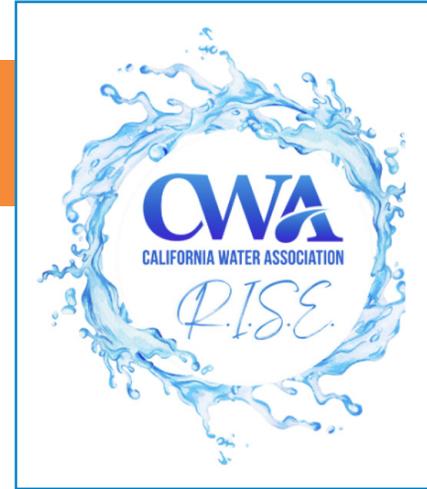
The CWA Utility Supplier Diversity Program team can be credited with fueling the growth of hundreds of businesses through their ongoing diverse vendor mentoring and business matchmaking events.

One of their programs, CWA RISE, targeted Black-owned businesses in the Golden State to introduce them to contracting opportunities within the water industry.

In 2022 the Utility Supplier Diversity Program piloted a new approach to reach a broad audience on an ongoing basis. They sponsored GUIDED Capabilities Statement Feedback Sessions to help vendors create the document that is generally requested by procurement buyers. It is important to have the best version of a Capabilities Statement available to capture attention of prospective buyers. Hosted on Thursdays, these free Feedback Sessions are a chance for businesses to learn about procurement in the water industry.

Guided Business Plan, the host of these sessions, reached out to Black chambers of commerce throughout the state to introduce the program. Representing thousands of business owners, CWA RISE will promote industry opportunities each week as it continues into 2023.

One attendee has a landscaping business that helps residential customers conserve water with native plants. She had not considered approaching water companies to offer her services to their facilities and potentially offer classes to their rate payers.



CWA RISE FACILITATOR:
Melanie Rae
*Founder and Chief
Learning Designer*
Guided Business Plan

HERE IS A BRILLIANT SUCCESS STORY:

Que Alicea attended CWA RISE in early 2021 and remained memorable as she asked the question “I’m new to the industry...how do I meet people?” Almost two years later, Que’s QA Consulting environmental risk mitigation is known to many.

CWA RISE facilitator, Melanie Rae, founder of Guided Business Plan, reached out to Que to invite her to attend additional cohort-based training. Since completing CWA RISE, Que now holds a position on a BART transportation advisory board; graduated from CWA W.A.T.E.R. (a year-long cohort); was selected to attend NIKE’s Diverse Supplier Academy; and graduated from WBEC-Pacific’s WE-Xcel, a cohort for women pursuing corporate contracts. In December 2022 Que was awarded WBE Supplier of the Year — Class 1 from WBEC-Pacific. Her company serves as a Prime and Sub on various environmental risk projects.

CWA RISE opened these doors of opportunity for her and other businesses.

California Water Association Technical Assistance/Capacity Building Programs

CALIFORNIA WATER ASSOCIATION UTILITY SUPPLIER DIVERSITY PROGRAM

Meet the Primes Summary Report

The CWA Meet the Primes event is crucial in building relationships between Prime contractors and qualified diverse businesses to ultimately advance economic equality.

Diverse businesses had the opportunity to:

- Learn about upcoming contracting opportunities
- Hear success stories from Prime contractors about how they have partnered with subcontractors
- Pitch to the Primes in breakout rooms
- Complete Connect to Primes forms for post-event engagement

Meet The Primes – Highlights:

- Almost 500 RSVPs due to a 2-month marketing campaign coordinated by Guided Business Plan who will have access to the Replay and detailed reference materials
- 188 attendees which equated to ~150 non-staff/speaker attendees which was a dramatic increase from the average number of companies that participate in a CWA USDP event
- The USDP was excited about the number of first-time attendees – 77% of RSVPs had not attended a CWA Meet the Primes before



“
Everything about this event was well worth the time! CWA always knocks it out of the park!!! Another Grand Slam!!
”

- The registration survey showed that 40% were exploring contracts in the water industry; 31% were already aware of opportunities and wanted to make connections; and 21% have or had water industry contracts
- Our marketing efforts resulted in high exposure primarily across LinkedIn and The Supplier Clearinghouse database
- We had 14 Primes participate – 12 of them participated in the pre-recording and/or attended the actual event
- We created two multimedia online worksheets: 1.) Prep to Meet the Primes and 2.) Meet the Primes that streamlined how diverse vendors connect to Primes
- We designed a process where diverse vendors can complete a form that is automatically routed to their desired Prime who can use it to pre-screen each submission – saving hundreds of hours with scheduling and meeting with prospects who are not a good match for their opportunities
- The team has hundreds of “new to the industry” vendors to reach out to for opportunities
- We held a debrief with Primes and the USDP team right after the event to share standout vendors and connections made – the smaller Primes were extremely grateful that it was a mix of small and large Primes
- Participants feedback gave the event an average rating 4/5.

10.1.1 Annual Short, Mid, and Long-Term Goals by Product and Service Category

SJW has instituted tracking and reporting of PDBEs but has not yet established a goal for PDBE spend. It is expected to take several years of tracking before a formal goal is put in place.

Short-term, mid-term and long-term goals are identified at the level called out by GO 156, and are subject to change from year to year. Although breaking down goals by SIC code is not practical, SJW has shown a consistent profile of nearly 50% of spend in the construction, engineering, and construction services categories. For a detailed view of current and future purchase profiles by SIC code, please refer to tables contained within section 9.1.2.

CATEGORY	2022 RESULTS	SHORT TERM GOALS**	MID TERM GOALS**	LONG TERM GOALS**
Minority Men	26.9%	7.5%	7.5%	7.5%
Minority Women*	0.9%	7.5%	7.5%	7.5%
Minority Business Enterprise (MBE)	27.8%	15.0%	15.0%	15.0%
Women Business Enterprise (WBE)	5.1%	5.0%	5.0%	5.0%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.0%	1.0%	1.5%	1.5%
Disabled Veteran Business (DVBE)	2.6%	1.5%	1.5%	1.5%
Persons With Disabilities (DBE)	0.2%	0.0%	0.0%	0.0%
TOTAL DIVERSE SPEND	35.7%	22.5%	23.0%	23.0%

NOTES:

*Target goals each year are to meet the CPUC defined goals. Stretch goals are still being defined as of the date of this publication.

**All WMBE's were counted as WBE's for purposes of this report.

% = Percentage of Net Procurement.

PDBEs
In our first year of required reporting:

\$300K
2022 SPEND

.24%
OF
ADDRESSABLE
SPEND

10.1.2 Description of Planned Program Activities for the Next Calendar Year

Internal Activities

Major areas of focus for the 2023 Supplier Diversity Program include:

- Restructuring the Supplier Diversity Champions Program.
- Increased focus on low spend categories, particularly LGBT and PDBE spend.
- Revise standard Prime Supplier reporting templates for easier results calculation.
- Continued focus on the CPUC audit of the SJW 2021 Annual Report and 2023 Annual Plan.
- Incorporate actions to address any findings from the CPUC audit of the SJW 2021 Annual Report and 2022 Plan
- Enhance new supplier intake process to ensure efficiencies and reliable input of supplier diversity data.
- Lead cross-functional, multi-location Supplier Diversity Program within the SJW Corporate Leadership Committee (CLC).
- Examine strategy, policy and guidelines regarding the use of Value Added Resellers (VAR) and Managed Service Providers (MSP).
- Consider a strategy to address supplier diversity of “directed purchase,” depending on dollar value.
- Contemplate internal supplier diversity recognition program.
- Complete annual review of supplier diversity website and make appropriate changes/updates.
- Increase buyer participation at various CBO events.

External Activities

- In compliance with Ordering Paragraph No. 4 of CPUC D.11-05-019 (in R.09-07-027), SJW will continue to work closely with the CWA and its members to participate in the Tier 1 capacity building and technical assistance programs. Continue to support previous graduates of the CWA W.A.T.E.R. program through 2023.
- In 2023, SJW will continue to work with the CWA and its member companies to host Business Opportunity Fair meetings, encouraging prime suppliers to increase sub-contracting participation. One Meet the Primes event is tentatively scheduled to take place in June of 2023.
- Enhance outreach strategy to supplier diversity Community Business Organizations (CBO). Address potential funding of CBOs outside of CWA Utility Supplier Diversity Program (USDP) Committee. Consider potential national memberships when appropriate.
- SJW will continue to participate in and attend a variety of outreach activities with various CBO tradeshows, conferences and matchmakers.
- Consider external supplier diversity recognition program.

10.1.3 Plans for Recruiting Suppliers in Low Utilization Areas

SJW will focus on increased communication and partnerships with local organizations in the following categories:

MBEs

The primary CBO's utilized will be the Western Regional Minority Supplier Development Council (WRMSDC) and the United States Pan Asian American Chamber of Commerce - Western Region (USPAACC — Western Region). Note that SJW's Director of Supplier Diversity, Tim McLaughlin, is on the Board of USPAACC — Western Region.

WBEs

Primarily through continued partnership with the Women's Business Enterprise Council — Pacific (WBEC-Pacific). Note that SJW's Director of Supplier Diversity, Tim McLaughlin, is on the Board of WBEC-Pacific.

DVBEs

In association with the Veterans in Business (VIB) Network and the Elite Service Disabled Veteran Owned Business (SDVOB) Network.

LGBTs

SJW will increase participation with the Rainbow Chamber — Silicon Valley and the Golden Gate Business Association (GGBA). This is critical to increasing LGBT spend and meeting the 2023 CPUC LGBT goal of 1%.

We will continue to participate in outreach to CBOs through matchmaking, panels, technical assistance, and mentoring, including but not limited to organizations found in section 9.1.1.

During 2023, SJW will continue our efforts to increase diverse spending in areas in which such supplier utilization has traditionally been low. Discussions regarding potential opportunities to engage DBEs will continue in the following functional areas:

- Legal Services
- Financial Services
- Accounting

10.1.4 Plans for Recruiting Suppliers Where Unavailable

SJW's primary focus is on recruiting diverse suppliers in categories where diverse suppliers are available. However, we remain committed to identifying diverse suppliers in categories which have historically shown few, if any, diverse suppliers. The method of outreach will remain the same as outlined in section 10.1.3.

10.1.5 Plans for Encouraging Prime Contractors to Subcontract Suppliers

In 2023, we will strive to maximize the number of prime suppliers reporting subcontracting. We will continue our work to ensure policy and procedure documents are included in the new, centralized supply chain organization. This includes contract and RFP supplier diversity language standards, prime supplier diversity tracking and reporting requirements, standard supplier diversity weighting on all RFP bid evaluation forms, and SJW-specific supplier diversity requirements for centralized purchasing.

Based upon lessons learned in 2022, including any CPUC audit findings of our 2021 report, we will increase our communication with prime suppliers around reporting rules and requirements. This includes revising standard Prime Supplier reporting templates for easier reporting. SJW will require prime suppliers to submit subcontracting reports on a quarterly basis, at a minimum. Some suppliers will continue to report on a monthly basis.

10.1.6 Plans for Complying with Program Guidelines

SJW will comply with all provisions and revisions of General Order 156. SJW works cooperatively with the Commission and its staff in the implementation of program objectives.

The USDP Program Director will continue to pro-actively work with USDP Champions to review, streamline, and improve policies that implement department goals and contract language to include diverse suppliers in all procurement. Actions plans will be created for any findings within the CPUCs audit of our 2021 report.

GO 156 Section 1.3 Definitions*

ACRONYM	TERM	DEFINITION	CERTIFICATION
MBE	Minority-Owned Business Enterprises	Minority-owned business means (1) a business enterprise (a) that is at least 51% owned by a minority individual or group(s) or (b) if a publicly owned business, at least 51 % of the stock of which is owned by one or more minority groups, and (2) whose management and daily business operations are controlled by one or more of those individuals. The contracting utility shall presume that minority includes, but is not limited to, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and other groups, as defined in the GO 156.	Supplier Clearinghouse
WBE	Women-Owned Business Enterprises	Women-owned business means (1) a business enterprise (a) that is at least 51% owned by a woman or women or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more women; and (2) whose management and daily business operations are controlled by one or more of those individuals.	Supplier Clearinghouse
WMBE	Women, Minority-Owned Business Enterprises	WMBE means a women-owned and/or minority-owned business enterprise.	Supplier Clearinghouse
LGBTBE	Lesbian, Gay, Bisexual, Transgender (LGBT) Business Enterprise	GBT-owned business means (1) a business enterprise (a) that is at least 51% owned by a lesbian, gay, bisexual, or transgender person or persons or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more lesbian, gay, bisexual, or transgender persons; and (2) whose management and daily business operations are controlled by one or more of those individuals.	Supplier Clearinghouse
WMLGBTBE	Women, Minority, and/or LGBT-Owned Business Enterprises	WMLGBTBE means a women-owned, minority-owned and/or LGBT-owned business enterprise. Under these rules, a woman, a minority and/or an LGBT person owning such an enterprise must be either U.S. citizens or legal aliens with permanent residence status in the United States.	Supplier Clearinghouse
PDBE	People with Disabilities Business Enterprise	PDBE means (1) a business enterprise (a) that is at least 51% owned by a person or persons with a disability or (b) if a publicly owned business, at least 51 % of the stock of which is owned by one or more persons with a disability; and (2) whose management and daily business operations are controlled by one or more of those individuals.	Supplier Clearinghouse

*These definitions are not proposed amendments to Section 1.3 of GO 156. The purpose of these definitions is to provide convenient reference in preparing O 156 reports.

ACRONYM	TERM	DEFINITION	CERTIFICATION
DVBE	Disabled Veteran-Owned Business Enterprises	<p>Disabled Veteran-owned Business (1) is a sole proprietorship at least 51% owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51% of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation, but only if at least 51% of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51% of the joint venture's management and control and earnings are held by one or more disabled veterans. (2) the management and control of the daily business operations are by one or more disabled veterans. And (3) it is a sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.</p> <p>Disabled veteran refers to a veteran of the military, naval or air service of the United States with a service connected disability and who is a resident of the State of California.</p>	DGS
MBE	Asian Pacific American	Asian Pacific Americans-persons having origins in Asia or the Indian subcontinent, including, but not limited to, persons from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, Taiwan, India, Pakistan, and Bangladesh.	Supplier Clearinghouse
MBE	African American	Black Americans-persons having origins in any black racial groups of Africa.	Supplier Clearinghouse
MBE	Hispanic American	Hispanic Americans-all persons of Mexican, Puerto Rican, Cuban, South or Central American, Caribbean, and other Spanish culture or origin.	Supplier Clearinghouse
MBE	Native American	Native Americans-persons having origin in any of the original peoples of North America or the Hawaiian Islands, in particular, American Indians, Eskimos, Aleuts, and Native Hawaiians.	Supplier Clearinghouse
8(a)	Other 8(a)	Other groups, or individuals, found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of Small Business Act as amended (15 U.S.C. 637(a)), or the Secretary of Commerce pursuant to Section 5 of Executive Order 11625. May include non-WMDV/LGBTBEs firms.	U.S. Small Business Administration
Tier 2 (Tier 3, etc. when applicable)	Subcontracting	<p>"Subcontract" means any agreement or arrangement between a contractor and any party or person (in which the parties do not stand in the relationship of an employer and an employee):</p> <ol style="list-style-type: none"> 1. For the furnishing of supplies or services for the use of real or personal property, including lease arrangements, which, in whole or in part, is necessary to the performance of any one or more contracts; or 2. Under which any portion of the contractor's obligation under any one or more contracts is performed, undertaken or assumed. 	Supplier Clearinghouse, DGS & U.S. Small Business Administration



OUR STRENGTH IS IN OUR DIVERSITY

 SAN JOSE WATER

110 West Taylor Street
San Jose, CA 95110
(408) 512-4760
www.sjwater.com