

PEOPLES GAS®
175 Years
1850-2025

NORTH SHORE GAS®
125 Years
1900-2025



2024

Supplier Diversity Annual Report

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LETTER FROM OUR PRESIDENT

At Peoples Gas and North Shore Gas this year, we're proud and excited to be celebrating 175 and 125 years of service to Chicago and the North Shore, respectively. As we celebrate these milestones, we reaffirm our deep, longstanding commitment to strengthening the communities we serve. A key part of this commitment is our Supplier Diversity Program, which confirms that diverse businesses — including minority-, women- and veteran-owned enterprises — have equitable opportunities to contribute to our success.

Supplier diversity is not just a business initiative. It is a reflection of our values and a critical component of our success. By partnering with diverse suppliers, we strengthen our supply chain, drive innovation and contribute to the economic vitality of northern Illinois. Over the years, we have increased access and business opportunities for diverse businesses in the communities we serve.

As we continue our commitment to Chicago, we are restarting our citywide infrastructure upgrades. The Illinois Commerce Commission recently directed us to prioritize the replacement of our aging pipes with safer, more reliable materials, enhancing the safety and efficiency of our natural gas delivery system. The new Pipe Replacement Program (PRP) focusing on the removal of aging pipes will replace the prior Safety Modernization Program (SMP). By continuing this essential work, we are investing in the long-term reliability of our energy infrastructure while also providing meaningful opportunities for local and diverse businesses to participate in our projects.

In 2025 and beyond, we look forward to deepening our relationships with diverse suppliers, advancing our infrastructure improvements, and continuing to lead with integrity and inclusivity by ensuring that our communities have access to safe and reliable energy for generations to come. Together, we can foster a brighter, more prosperous future for all.

Sincerely,

Maria Bocanegra
President — Peoples Gas and North Shore Gas



Supplier Diversity Program: 2024 and Beyond

Spending with diverse firms declined in 2024 due to a pause in the Peoples Gas Safety Modernization Program. With the new Pipe Replacement Program ramping up in 2025, we expect spending with diverse firms will return to levels similar to the period before the pause by 2026.

Highlights* from 2024 include:

- \$78.3 million spent with diverse suppliers, representing 22% of our total procurement spend
- \$48.9 million spent with diverse suppliers based in Illinois, representing 62.5% of total diverse spend
- \$39 million spent with WBEs, representing 49.8% of total diverse spend
- \$37.5 million spent with MBEs, representing 47.9% of total diverse spend
- \$45.6 million spent with Tier I diverse suppliers, representing 58.2% of total diverse spend
- \$20.4 million spent on professional services with diverse suppliers, representing 26.1% of total diverse spend

**Highlights only. Numbers are not cumulative.*

DASHBOARD



The companies were able to achieve an overall spending of

\$78,294,979

with diverse businesses in 2024



Tier 1 diverse spending was

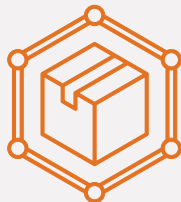
\$45,552,843



In 2024

62%

was spent with diverse Illinois-based firms.



Procurement with diverse suppliers was

22%

of total procurement spend in 2024.



In 2024, we worked with a total of

242

suppliers in our supplier diversity program.

SPENDING IN 2024



\$39.1M

Women Business Enterprises



\$37.5M

Minority Business Enterprises



\$1.7M

Veteran Business Enterprises



\$20.4M

Professional Services*

**Professional services are a component and further analysis of the total spend. See page 12 for additional details.*

TERMS AND DEFINITIONS

The definitions of minority-, women- and veteran-owned business enterprises ("MWVBE") and small business enterprises are derived from the U.S. Small Business Administration Code of Federal Regulations. Foreign-owned companies operating in or outside of the U.S. are not included. Supplier diversity goals are embedded in the overall corporate procurement policies and procedures as a standard part of all sourcing activities. The achievements of these objectives are aligned with management performance plans and incentives.

Minority-Owned Business Enterprise

"Minority-owned business enterprise" ("MBE") means a business enterprise (1) that is at least 51% owned by a minority individual or group(s) or, if a publicly owned, for-profit business, has at least 51% of its stock 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 herein. The business holds a certificate by a third party who determined on the basis of firm-provided information and the representations therein that the business is a bona fide MBE.



Women-Owned Business Enterprise

"Women-owned business enterprise" ("WBE") means a business enterprise (1) that is at least 51% owned by a woman or women or, if a publicly owned, for-profit business, has at least 51% of its stock owned by one or more women; and (2) whose management and daily business operations are controlled by one or more of those individuals. The business holds a certificate by a third party who determined on the basis of firm-provided information and the representations therein that the business is a bona fide WBE.

Veteran-Owned Business Enterprise

"Veteran-owned business enterprise" ("VBE") means a small business (1) that is at least 51% unconditionally owned by one or more veterans, or in the case of a publicly owned, for-profit business, has at least 51% of its stock unconditionally owned by one or more veterans; and (2) whose management and daily business operations are controlled by one or more veterans. The business holds a certificate by a third party who determined on the basis of firm-provided information and the representations therein that the business is a bona fide VBE.

Small Business Enterprise

A small business enterprise, as defined by the Small Business Act, is independently owned and operated, not dominant in its field and within the size standards established by the Small Business Administration (SBA).



TERMS AND DEFINITIONS

Tier I Supplier

A Tier I supplier is a contractor, supplier or professional services business that is considered a prime supplier, or one that has a direct contractual relationship with (a) Peoples Gas and/or North Shore Gas or (b) WEC Business Services LLC (WBS) and supports Peoples Gas or North Shore Gas. These companies are paid directly by Peoples Gas, North Shore Gas or WBS and are considered a direct contractor of Peoples Gas, North Shore Gas or WBS.

Tier II Supplier

A Tier II supplier is a contractor, supplier or professional services business that has a direct contractual relationship with or otherwise performs certain services or provides materials to a prime supplier and therefore is not paid directly by Peoples Gas, North Shore Gas or WBS.

Illinois-based Supplier

An Illinois-based supplier, for purposes of this report, is defined as a supplier whose remittance address is in the state of Illinois, regardless of where its corporate or sales office is located.

WEC Business Services LLC

WEC Business Services LLC (WBS) is a subsidiary of WEC Energy Group, Inc. (WEC). WBS provides support services such as human resources, finance, legal and governance, and supply chain to WEC's subsidiaries. The spending amounts indicated herein include WBS diverse spending for Peoples Gas and North Shore Gas projects.

Professional Services

The services offered in the tertiary sector of the economy requiring special training to provide support to businesses and provide management advice are referred to as "professional services." Service providers included in the professional services field are typically required to hold a professional license or advanced degree. The following commodities are considered professional services under the companies' Supplier Diversity Initiative: consulting, engineering/tech services (environmental), finance accounting/auditing (investment banking), human resources, information technology services, legal, marketing and advertising.

The Peoples Gas Light & Coke Company

The Peoples Gas Light & Coke Co. (Peoples Gas) is a regulated gas utility company serving the city of Chicago. Collectively, Peoples Gas and North Shore Gas may be referred to as the "companies."

North Shore Gas Company

North Shore Gas Co. (North Shore Gas) is a regulated gas utility company serving 54 communities in the northern suburbs of Chicago. Collectively, North Shore Gas and Peoples Gas may be referred to as the "companies."

WEC Energy Group, Inc.

WEC Energy Group, Inc. (WEC) is an energy holding company based in Milwaukee, Wisconsin. Its operating subsidiaries provide natural gas and electricity in regulated and nonregulated markets. WEC is the indirect or direct holding company parent of Peoples Gas, North Shore Gas and WBS.

2024 SPEND AND VENDOR UTILIZATION

Company Expenditures with All Suppliers*

Overall Total (in millions) \$355.0					
Spend category	Direct	Tier II	Total	Actual	Goal
MBE	\$31.0	\$6.5	\$37.5	10.56%	10.00%
WBE	\$13.7	\$25.4	\$39.1	11.01%	5.50%
VBE	\$0.8	\$0.9	\$1.7	0.49%	0.50%
Total M/W/VBE	\$45.6	\$32.7	\$78.3	22.05%	16.00%

Company Expenditures with Illinois-based Suppliers*

Overall Total (in millions) \$144.7					
Spend category	Direct	Tier II	Total	Actual	Goal
MBE	\$23.1	\$3.9	\$27.0	18.65%	10.00%
WBE	\$9.3	\$12.0	\$21.2	14.66%	5.50%
VBE	\$0.2	\$0.6	\$0.7	0.51%	0.50%
Total M/W/VBE	\$32.5	\$16.4	\$48.9	33.82%	16.00%

Note: Illinois actual percentage is expressed as a percentage of total spend with Illinois-based suppliers.

*Above numbers are subject to rounding.

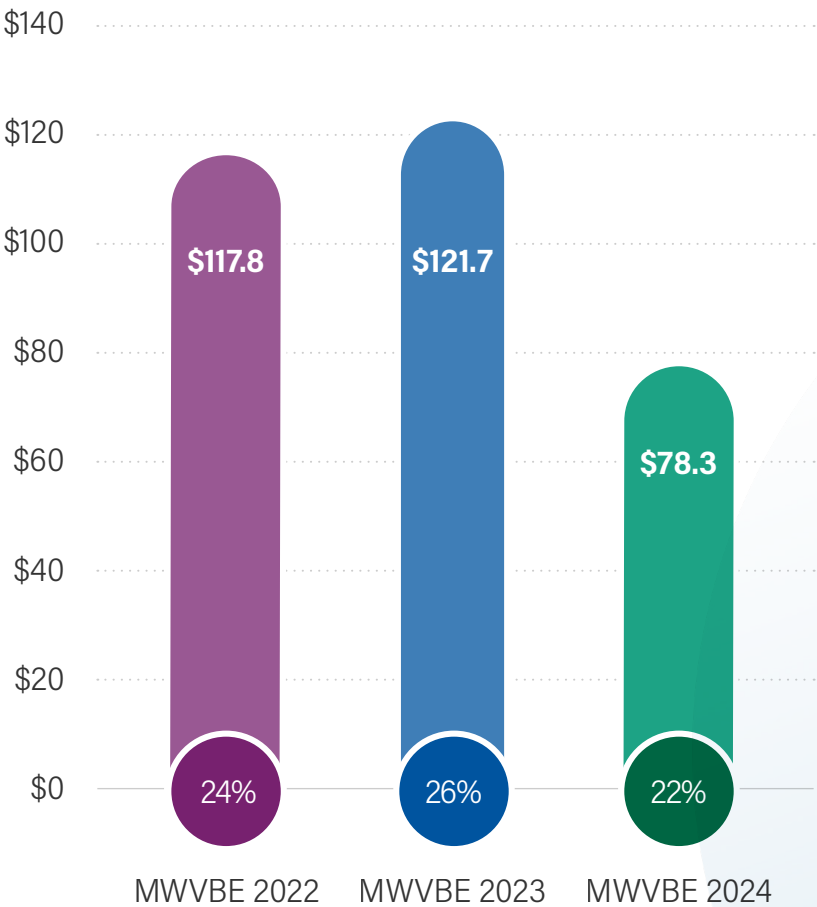


SUMMARY OF MINORITY-, WOMEN- AND VETERAN-OWNED BUSINESS ENTERPRISE GOALS AND SPENDING IN THE PREVIOUS YEAR

OVERVIEW OF SPEND WITH DIVERSE SUPPLIERS

Peoples Gas and North Shore Gas set the goal of achieving \$50 million in diverse spending for 2024, and the companies exceeded the goal with an overall spend of \$78.3 million with diverse businesses at 22% of the total procurement spend. Of the \$78.3 million spent with diverse suppliers in 2024, \$48.9 million, or 62%, was spent with Illinois-based firms. The table below depicts the 2022–2024 historical spend with diverse suppliers. A total of 242 diverse suppliers were utilized in 2024.

Year-over-year SDI comparison (\$ in millions)



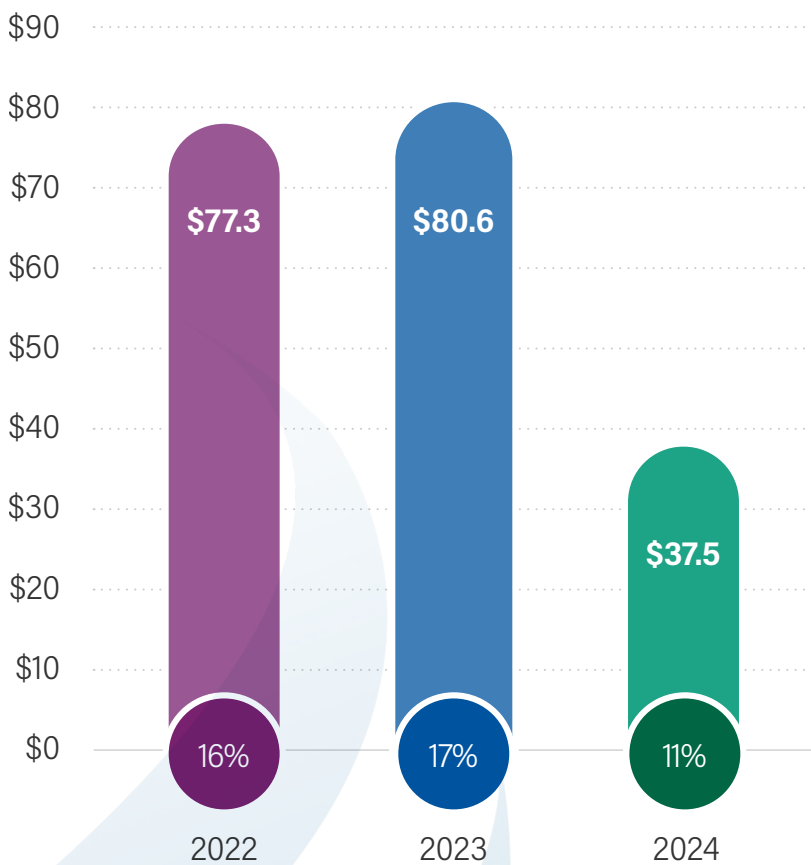
Note: SMP, an ICC approved program, was paused between 2023 and 2024.



MINORITY-OWNED BUSINESS ENTERPRISE

In 2024, diverse spending in the minority-owned business enterprise (MBE) category totaled \$37.5 million, or 11% of the total procurement spend.

MBE year-over-year (\$ in millions)



Note: SMP, an ICC approved program, was paused between 2023 and 2024.



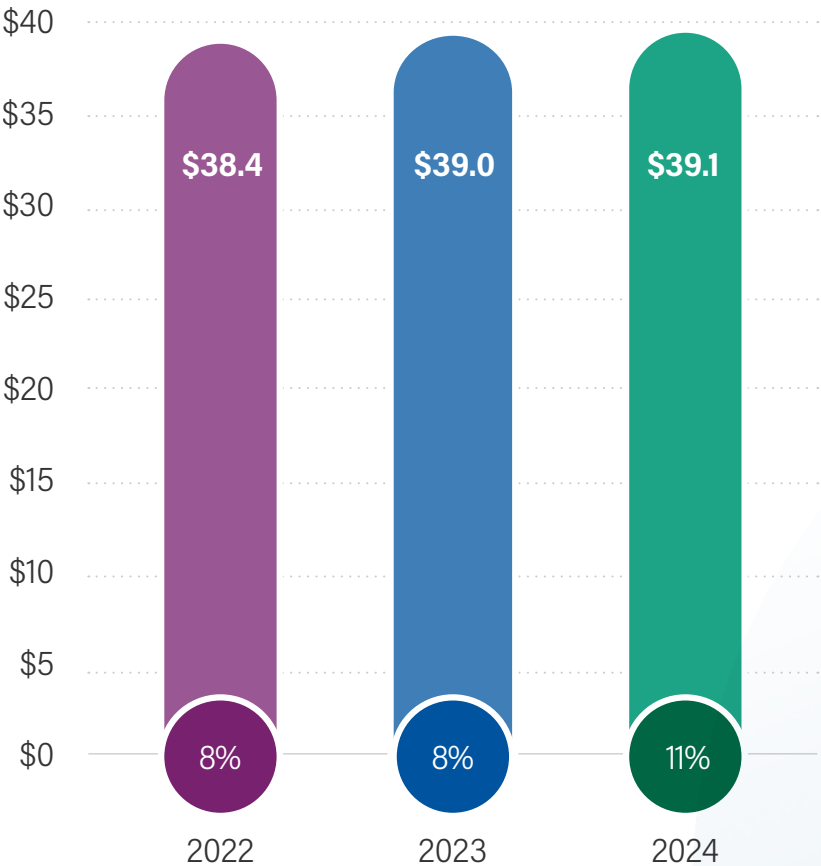
SUMMARY OF MINORITY-, WOMEN- AND VETERAN-OWNED BUSINESS ENTERPRISE GOALS AND SPENDING IN THE PREVIOUS YEAR



WOMEN-OWNED BUSINESS ENTERPRISE

In 2024, spending in the WBE category totaled \$39.1 million, or 11% of total procurement spend.

WBE year-over-year (\$ in millions)



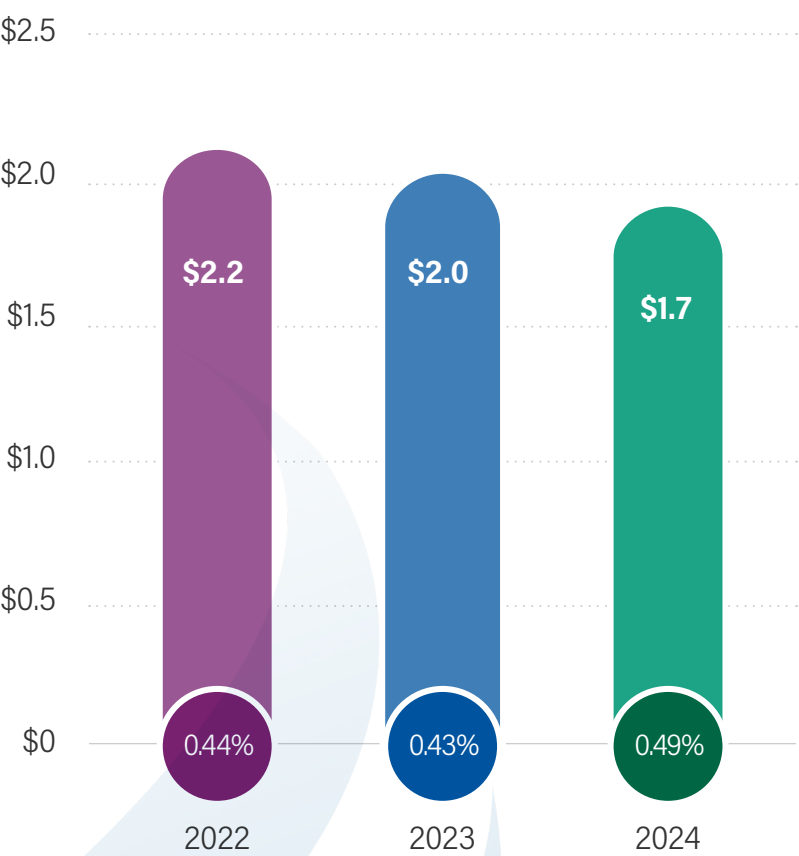
Note: SMP, an ICC approved program, was paused between 2023 and 2024.



VETERAN-OWNED BUSINESS ENTERPRISE

In 2024, we accomplished spending of \$1.7 million with veteran-owned businesses.

VBE year-over-year (\$ in millions)



Note: SMP, an ICC approved program, was paused between 2023 and 2024.



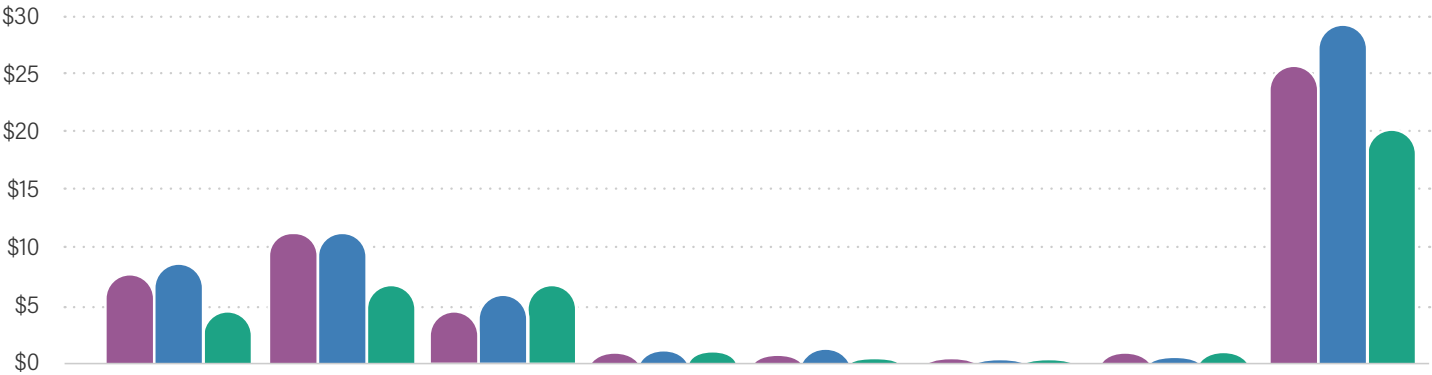
SUMMARY OF MINORITY-, WOMEN- AND VETERAN-OWNED BUSINESS
ENTERPRISE GOALS AND SPENDING IN THE PREVIOUS YEAR



PROFESSIONAL
SERVICES SPENDING

Professional services spending with diverse vendors totaled \$20.4 million in 2024. Consulting services, human resources and engineering/tech services represented the top three categories, accounting for about 90% of the combined category total. Despite an overall reduction in spending, we achieved increases in the areas of consulting and information technology services.

Professional Services year-over-year comparison (\$ in millions)



2022
2023
2024

Engineering/ tech services	Human resources (staffing)	Consulting	Legal	Marketing & advertising	Finance, accounting, auditing	Information technology services	Total professional services
\$7.0	\$11.5	\$4.4	\$0.8	\$0.6	\$0.3	\$0.8	\$25.4
\$8.2	\$11.3	\$5.9	\$1.1	\$1.3	\$0.2	\$0.4	\$28.3
\$4.8	\$6.3	\$6.9	\$1.0	\$0.3	\$0.2	\$0.9	\$20.4



TIER II RESULTS

In 2024, the companies continued to execute on strategies to achieve the collective 20% spending with diverse companies. These efforts resulted in Tier II spending of \$32.7 million. This result was accomplished through relationship management with our prime supplier partners and ongoing improvements in metrics and reporting.

INFRASTRUCTURE UPGRADE PROGRAM

Note: On Feb. 20, 2025, the ICC issued guidance regarding the future of the Safety Modernization Program (SMP) with a directive to prioritize cast iron and ductile iron pipeline replacement. Beginning in 2025, the Pipe Replacement Program (PRP) is the new program consistent with that directive. This report reflects infrastructure upgrades completed in 2024 under SMP.

Investing in Safety, Communities and Sustainability

In 2024, the Safety Modernization Program continued to drive opportunities for diverse companies as the largest contributor to our Supplier Diversity Program. With 31.4% of all diverse spending, the program directed \$24.6 million to diverse businesses out of a total \$64.5 million in procurement, demonstrating our strong commitment to inclusion and economic empowerment.





SUMMARY OF MINORITY-, WOMEN- AND VETERAN-OWNED BUSINESS ENTERPRISE GOALS AND SPENDING IN THE PREVIOUS YEAR



Enhancing Safety Across Chicago

Our infrastructure upgrade programs make Chicago's neighborhoods safer and more resilient. By replacing aging infrastructure with modern plastic gas mains, we're significantly reducing leaks and improving reliability. These upgrades provide peace of mind for residents and businesses while strengthening Chicago's energy infrastructure for the future.

Boosting Local Jobs and Economic Growth

Beyond infrastructure improvements, our upgrade programs are powerful economic engines, creating:

- 1,200 direct jobs at peak construction season, plus 4,800 indirect jobs through its economic ripple effect
- \$1 billion in additional wages for local workers
- An over-a-decade-long training partnership with Gas Workers Local 18007, the City Colleges of Chicago and the Utility Workers Union of America (UWUA) Power for America Training Trust leading to careers for more than 550 veterans through the Utility Military Assistance Program (UMAP)

Through job creation and workforce development, we are fueling long-term prosperity for our communities.

Driving Environmental Progress

Our infrastructure upgrade projects are playing a key role in reducing methane emissions and contributing to a cleaner, more sustainable Chicago. Since joining the U.S. EPA's Methane Challenge Program in 2017, our pipeline replacement efforts have reduced methane emissions by over 1,500 metric tons, the equivalent of removing over 8,000 gasoline-powered cars from the road for a year. By replacing outdated pipes, we are contributing to a safer, more efficient energy network, benefiting Chicago's residents and the environment.



ENERGY EFFICIENCY PROGRAMS

The Peoples Gas and North Shore Gas Energy Efficiency Programs provide residential and business customers with free and discounted products, energy assessments and incentives to encourage the adoption of energy efficiency improvements in homes and buildings. Customers can reduce their energy use, save money on energy costs and make their environments more comfortable by taking advantage of energy efficiency incentives. The companies' energy efficiency programs expanded their Tier I contracting in the current four-year cycle by adding a diverse supplier as their program administrator. Further, the companies continue to add Tier II impacts by engaging diverse suppliers for their marketing and outreach activities and supporting diverse suppliers acting as trade ally partners performing in-house field services and energy audits.

In 2024, our Market Development Initiative (MDI) through the Peoples Gas and North Shore Gas Energy Efficiency Programs provided funding and resources to develop a diverse and thriving workforce in the energy efficiency sector. The MDI program launched a website with information and resources for job candidates, community partners and diverse-owned businesses. Over 500 candidates have visited the website and worked with a career coach to learn about available training and job opportunities within the energy efficiency sector. A virtual three-part training is offered to help candidates learn about careers in energy efficiency and opportunities for energy savings in residential homes. A diverse business academy was also launched in 2024 to offer training and support to diverse-owned businesses and has enrolled 12 businesses and helped two complete applications to become diverse certified.

PEOPLES GAS*
NORTH SHORE GAS*
ENERGY EFFICIENCY PROGRAMS

We are partnering with local organizations to support and train a diverse workforce for the clean energy industry.

Your Career Pathway

1
Coaching

2
Training

3
Resources

4
Assistance

5
Employment

Scan the QR code to get started.

FUEL YOUR FUTURE

Take the first step towards your new career

PeoplesGasDelivery.com/JobsEE

NorthShoreGasDelivery.com/JobsEE

2024 Supplier Diversity Annual Report

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SUMMARY OF MINORITY-, WOMEN- AND VETERAN-OWNED BUSINESS ENTERPRISE GOALS AND SPENDING IN THE PREVIOUS YEAR

NEW SUPPLIERS

The overall change in our supplier population decreased due to the pause in our Safety Modernization Program. However, with the start of our new infrastructure upgrade program in 2025, PRP, we expect the number of suppliers to return to a higher level. These suppliers represent a wide variety of categories, such as construction, marketing and advertising, consulting services, environmental services and legal services.

EXTERNAL INITIATIVES

The companies participated in the following outreach events during 2024:

- February 29 – Clean Energy Business Summit
- March 5–6 – Illinois Utility Business Development Council Legislative Reception and Board Meeting
- March 7 – Hispanic American Construction Industry Association Annual Awards Banquet
- April 16 – Chicago Business Opportunity Forums Annual Conference
- May 2 – Hispanic American Construction Industry Association Cinco de Mayo Event
- May 8 – Chicago Minority Supplier Development Council Leadership Awards
- May 16 – National Association of Minority Contractors Utility Infrastructure Symposium
- June 5 – Federation of Womens Contractors Annual Awards Reception
- June 25 – Illinois Utility Business Development Council Q2 Board Meeting
- June 27 – Illinois Hispanic Chamber of Commerce Annual Scholarship Golf Outing
- July 1–5 – Illinois Hispanic Chamber of Commerce One-on-one Meetings
- July 24 – Illinois Hispanic Chamber of Commerce Breakfast Networking Event
- August 5–8 – Illinois Black Chamber of Commerce Annual Conference
- August 10 – Illinois Hispanic Chamber of Commerce Rooftop Event
- September 10 – Illinois Utility Business Development Council Board Meeting
- September 19 – Chicago United Workforce Development and Risk Reduction Symposium
- October 3 – Illinois Hispanic Chamber of Commerce Annual Expo
- October 28 – Illinois Utility Business Development Council Supplier Showcase
- November 6 – Illinois Utility Business Diversity Council Strategic Planning Session
- November 21 – Chicago United Bridge Awards
- December 4 – Illinois Utility Business Diversity Council Board Meeting and Awards Event
- December 18 – Chicago Business Opportunity Forums Committee Meeting

INTERNAL INITIATIVES AND COMMUNITY ACTIVITIES

Veterans Training

In 2012, Peoples Gas partnered with Gas Workers Local 18007, the Utility Workers Union of America's Power for America Training Trust Fund and City Colleges of Chicago to create the Utility Workers Military Assistance Program (UMAP) to train veterans to prepare for careers in the natural gas industry. The seven-month program includes classroom instruction and in-field training. Graduates receive 52 college credits for an associate degree, as well as a Gas Utility Worker Advanced Certification at Dawson Technical Institute, a satellite site of Kennedy-King College. UMAP has helped boost diversity in the Peoples Gas workforce, and about 500 veterans who graduated from the program have gone on to jobs as utility workers at the company.

Career Development

The company supports nine Business Resource Groups (BRGs) that provide all employees with opportunities for networking, career and leadership development, and community engagement. Examples of BRG activities in 2024 included: volunteering for Ronald McDonald House and After School Matters; coordinating a virtual food drive with the Greater Chicago Food Depository; hosting résumé review workshops and mock interviews; educational sessions on company initiatives; holding speed mentoring sessions; and offering training to inform leaders and employees about disability awareness, etiquette, disclosures, accommodations and accessibility.

Peoples Energy Training Center

The state-of-the-art facility provides annual training to more than 1,600 utility workers and fire officials across the region. The 100,000-square-foot training center, located at 4228 W. 35th Place in Chicago, features indoor and outdoor training areas, including a fully functioning natural gas delivery system with 20 structures for training in system maintenance, natural gas leak investigation, excavation and directional drilling. The campus also

includes an area for fire prevention training with the Chicago Fire Department and an area for commercial driver's license training.

Educating Chicago's Youth

The Bright Start U program is a utility training partnership between Chicago Public Schools (CPS) and Peoples Gas. The program is designed to introduce high school juniors and seniors to entry-level positions at Peoples Gas that could result in an offer of employment after graduation (assuming their selection upon successful completion of the program). It is divided into three phases:

Explore — Introduces students to the natural gas utility industry and Peoples Gas.

Experience — Provides a paid summer internship.

Apply — Offers job-specific training for a potential career with Peoples Gas.



SUMMARY OF MINORITY-, WOMEN- AND VETERAN-OWNED BUSINESS ENTERPRISE GOALS AND SPENDING IN THE PREVIOUS YEAR

Energizing Student Potential (ESP) Program

A partnership between area utilities and the **National Energy Education Development (NEED)** project, the **Energizing Student Potential (ESP)** program works to develop the future scientists and engineers of Illinois. ESP brings together standards-based classes for use in the classroom or afterschool programs for students in grades five through eight. The program provides tools for students and teachers to learn about and teach their communities about energy.

Dig into Energy with Peoples Gas

Since 2017, Peoples Gas has supported programming for Chicago teenagers at **After School Matters**. For the past four summers, Peoples Gas has sponsored a program that engages teens in science, technology, engineering and mathematics (STEM). The program exposes teens to various disciplines of engineering through project-based, hands-on learning. In addition to their projects, students learn about natural gas and energy careers in fun ways. The curriculum includes Peoples Gas employees teaching the students about natural gas safety and maintaining the company's delivery system.

Cubs Reviving Baseball in Inner Cities Scholars Program

Peoples Gas supports **Cubs Charities' RBI Scholars Program** for student athletes. Approximately 140 students across several Chicago high schools and the Cubs RBI league participate in RBI Scholars every year. The program helps student athletes develop the skills needed to succeed in school, maintain game eligibility and maximize potential for earning college scholarships.

Project SYNCERE

The mission of **Project SYNCERE** (Supporting Youth's Needs with Core Engineering Research Experiments) is to prepare the minds of under-represented students and create pathways for them to pursue careers in STEM. Peoples Gas supports the **ENpowered Games** middle school engineering competition. The program runs for 10 weeks during the school year, twice a week with one-hour classes, providing students with 20 hours of enrichment to strengthen their understanding of STEM careers. The aim is to help build students' awareness, confidence and skills in STEM while promoting their continued study in the field.

Project Worker to Utility Worker Program

In 2022, Peoples Gas and Gas Workers Local 18007 created a new training program to give seasonal project workers, who largely perform compliance work such as inspections, an opportunity to upgrade their energy careers by transitioning to full-time utility worker jobs. As a utility worker, they grow through a structured step progression and expand their expertise to include a broad range of activities to operate, maintain and build the natural gas delivery system.

Project workers volunteer to participate in the 11-week Project Worker to Utility Worker program that includes classroom instruction and hands-on practice in how to complete a gas meter change, service turn-on and other responsibilities of entry-level utility workers. This training takes place in the evening, after the project workers have completed their workday. Upon successfully meeting all program requirements, they move into their new utility worker role.



COMPANY SUPPLIER DIVERSITY POLICIES

The companies' Supplier Diversity Program is governed by the corporate Supplier Diversity Commitment. Detailed guidelines provide necessary structure to align procurement practices in order to encourage and promote the development, utilization and growth of minority-, women-, service-disabled-veteran- and veteran-owned businesses that want to provide quality products and services. The corporate Supplier Diversity Policy Commitment resides on various WEC company websites, including www.peoplesgasdelivery.com/sdi and www.northshoregasdelivery.com/sdi.

METHODOLOGY

The corporate Supplier Diversity Program continues to focus on improving overall supplier performance with the certified diverse firms that we do business with through the following strategies:

- We have developed supplier performance scorecards for critical suppliers as a mechanism to ensure our suppliers receive timely feedback on their overall performance.
- We are meeting with our prime suppliers on a quarterly basis and our new suppliers semiannually to communicate their performance against the service-level expectations.
- Tier II spending and subcontractor development is a criterion and part of the scorecard.



2015 IMPLEMENTATION

Tier II spending requirements on competitively bid contracts greater than \$100,000

Tier II diverse spend:
\$30.9 million



2016 IMPLEMENTATION

Expanded guidelines to target medium contracts (\$0.5 million–\$1 million)

Tier II diverse spend:
\$23.8 million



2017–2024 IMPLEMENTATION

Supplier awareness and compliance was fully integrated into our Tier II process

Tier II diverse spend:
\$32.7 million in 2024

SUPPLIER DIVERSITY BUSINESS GOALS

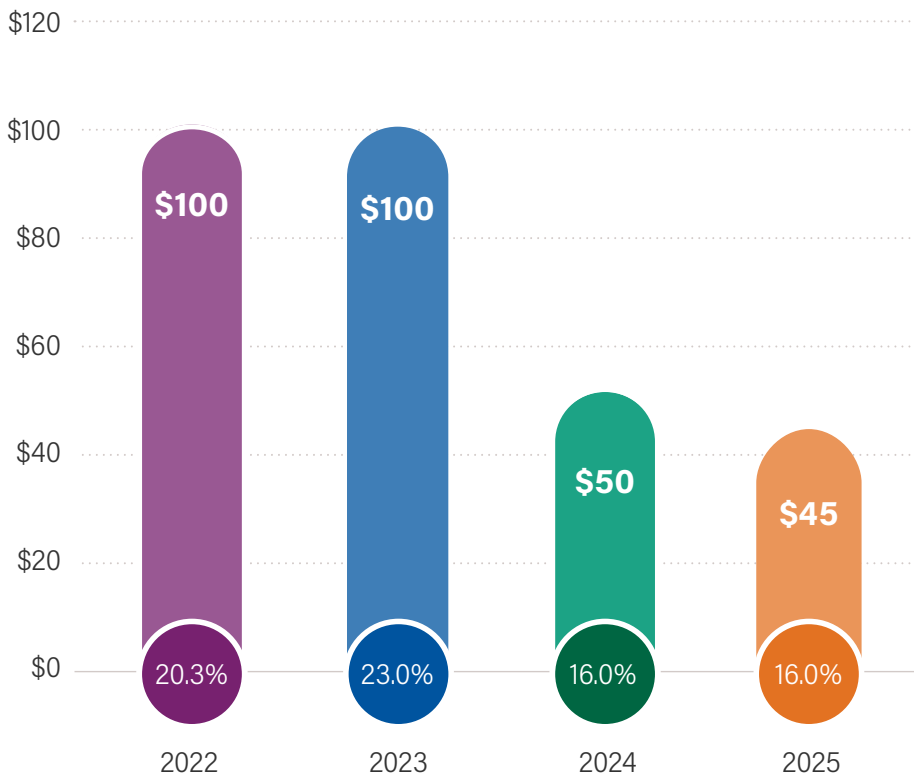
2025 GOALS

Peoples Gas and North Shore Gas have set a 2025 goal of \$45 million or 16% with minority-, women- and veteran-owned businesses.

This reduced target is predicated by our reduction in spending in two key categories: Facilities of the Future Program, which is the renovation of our field service centers, and the start of our new infrastructure upgrade program, Pipe Replacement Program (PRP). It will take time to get this program up and going to reflect spending at prior levels, which will impact our Supplier Diversity results.

Supplier diversity goals are embedded in the overall corporate procurement program as a standard part of all sourcing activities. The achievement of these goals is aligned with management performance plans and incentives.

Goals (\$ in millions)



The companies' procurement objectives are developed during the annual budgeting process for long-term capital projects, operations and maintenance projects, as well as required services for internal departments that support the companies' operations functions. The annual diversity objectives are based on the following factors:

- Past-year budget to actual-spend performance
- Current-year budgeted activities
- Contract expiration dates
- Existing Tier II contract commitments and achievement relative to commitments
- Prior contract savings rates versus current market pricing
- Limited pool of diverse suppliers for competitive bidding opportunities
- Exclusion of one-time events that occurred in previous annual budgeted year
- Inclusion of one-time events that are forecasted to occur and are budgeted in the future year

Considering all of the above, the procurement and supplier diversity goals are determined with year-over-year performance metrics to calculate the overall percentage of increase or decrease in any given year.

SUPPLIER ENGAGEMENT

We continued to engage previously vetted suppliers in 2024 by providing access to our strategic buyers through the standard practices of our Supplier Diversity Program. Providing transparent information, formal and informal mentoring, and ongoing access to buyers and end users is a practice that will continue to be developed and institutionalized throughout our organization.



The companies continue to partner with other Illinois utilities through the Illinois Utilities Business Diversity Council (IUBDC), collaborating to host events focused on growth initiatives, prime supplier engagement and accountability, providing uniform and streamlined access to all Illinois utilities, and facilitating access to buyers and decision-makers within our respective organizations.

SUPPLIER DIVERSITY BUSINESS GOALS

ADVOCACY AND ENGAGEMENT

The companies plan to continue to build relationships to enhance procurement opportunities. The companies plan to partner with several diversity advocacy organizations in 2025 including the following:

- Chicago Minority Supplier Development Council
- ELITE Service Disabled Veteran Business Enterprise Network
- Federation of Women Contractors
- Hispanic American Construction Industry Association
- Illinois Black Chamber of Commerce
- Illinois Hispanic Chamber of Commerce
- National Minority Supplier Development Council
- Women's Business Development Center — Chicago

At the local level, the supplier diversity team communicates the companies' supplier diversity and long-term goals through speaking engagements at monthly advocacy group member meetings and events.



MINORITY BUSINESS PARTNERSHIP

FIVE FORWARD™

Through The Five Forward Initiative™, we continue to engage the corporate community in our common goal of strengthening the local economy and enhancing job creation. We work with five businesses to assess and develop customized plans that support their diversity goals.

1

Supporting Success with Minority Businesses

The Five Forward Initiative™ is strengthened by including stakeholder groups with common goals. Collaboration between corporate and Minority Business Enterprise (MBE) communities, Chicago-area advocacy organizations, nonprofits, public sector agencies and other technical assistance agencies assist MBEs in performing to their maximum potential.

2

A Direct Approach and Customized Plan for Each Partnership

Creating a customized development plan with a vision and goal helps each MBE sustain growth and profitability. Quarterly meetings provide the platform to help expand the strategic relationship and identify needs for improvement between the committed corporations and the selected MBEs.

3

Connecting MBEs to Business Development Resources

Programs hosted by corporations and MBEs are curated with relevant and meaningful topics, led by the subject matter experts. The objective is to facilitate networking and partnership opportunities between MBEs and corporations, setting the foundation for future contracts.

We are proud of our successful, long-term relationship with our Five Forward Partners:



AREAS OF PROCUREMENT FOR 2025

To ensure the overall procurement strategy is securing goods and services at the most economical prices, Peoples Gas and North Shore Gas will continue to engage in competitive bidding, and engage diverse suppliers in that process, for the following:



CONSTRUCTION



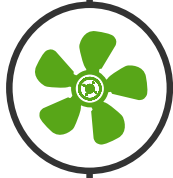
BUILDING CONSTRUCTION

The Facilities of the Future project is on hold in 2025. Additional information will be shared whenever there is a change in status.



PIPE CONSTRUCTION

The RFP is expected to be issued at a time to be determined in 2027.



HVAC

Contract has been extended through 2027. The next RFP is scheduled for release at a time TBD in 2026.



PLUMBING

Contract extended, no further opportunities.



SURVEY AND STAKING

The RFP is expected to be issued at a time to be determined in 2027.



CROSS BORE INSPECTION

RFP to be released Q2 2025.



DAMAGE PREVENTION/LOCATING

The next RFP for these services is tentatively scheduled for release during Q3 2026.



HARD AND SOFT RESTORATION

The next RFP is targeted for release during Q3 of 2026 (for 2027 contract).

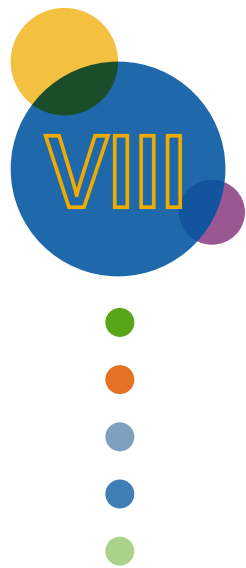


ENGINEERING SERVICES

The next RFP is scheduled for release during Q3 of 2025 (for 2026 contract year pending an extension of the current contract).

Note: Projects and dates referenced above are not guaranteed and are subject to change due to changes in priorities and other business purposes.

CHALLENGES AND OPPORTUNITIES



The companies face several paramount challenges in finding qualified vendors that are not impeded by capital constraints, a less-than-skilled workforce, or the stringent safety and operational requirements of the utilities sector.

Additionally, many diverse business owners have significant internal business operational risks, such as:

- Changes in business ownership status when acquisitions by majority firms occur
- Balancing relationships and partnerships with larger majority firms
- Limited experience in the natural gas utility and pipeline industry, e.g., gas pipe installation and hard restoration

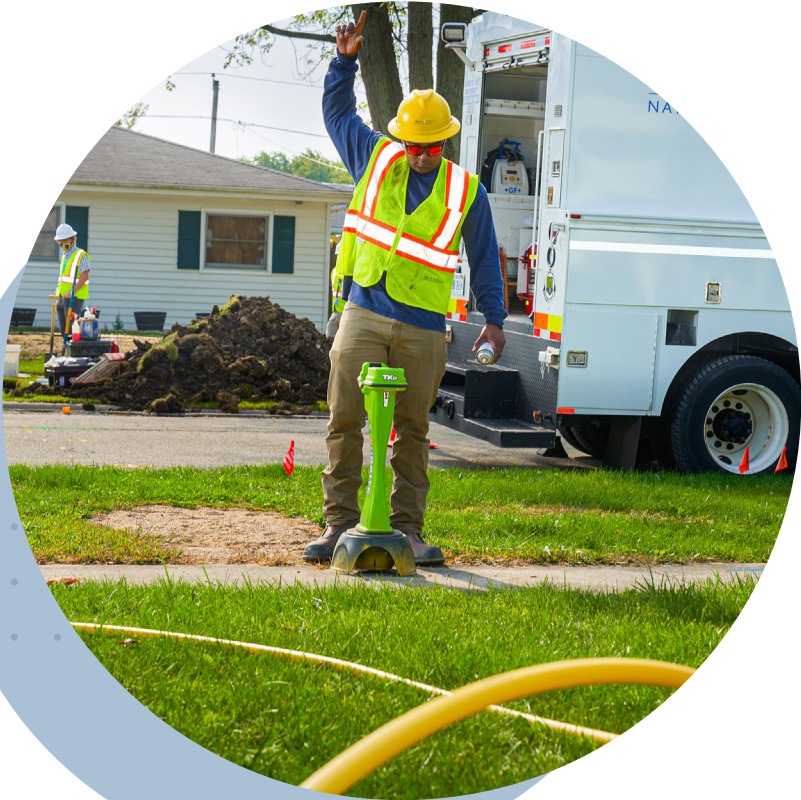
The companies are continuing efforts to attract new suppliers and improve the efficiency and scale of existing suppliers. This program provides the structure for Tier I partners to mentor Tier II suppliers.



CERTIFICATIONS ACCEPTED

The companies accept the following diverse business certifications:

- National Minority Supplier Development Council (NMSDC) and its regional Affiliate Councils
- Women Business Enterprise National Council (WBENC) and its partner organizations
- National Association of Women Business Owners (NAWBO)
- U.S. Small Business Administration 8(a) Program
- U.S. Department of Veterans Affairs
- State of Illinois Central Management Services Business Enterprise Program
- State of Illinois Department of Transportation Disadvantaged Business Enterprise
- Cook County Illinois Office of Compliance Supplier Diversity Program
- City of Chicago Certification and Compliance
- National Veteran Business Development Council (NVBDC)
- National Veteran Owned Business Association (NaVOBA)



POINTS OF CONTACT



Danielle Bly
Vice President — Supplier Diversity
danielle.bly@wecenergygroup.com
414-221-4836



Walter Gore
Manager — Supplier Diversity
walter.gore@wecenergygroup.com
312-240-4267

For additional information on how to register as a MWVBE with Peoples Gas and North Shore Gas, visit the Supplier Diversity Initiative page at www.peoplesgasdelivery.com/sdi or www.northshoregasdelivery.com/sdi.





SUCCESS STORIES

THE XCHANGE PROGRAM WITH SDI PRESENCE



The Xchange Program is an innovative economic development initiative designed to create equitable IT career opportunities in the City of Chicago's underserved South and West Side communities. The program creates IT apprenticeships that fast-track into family-sustaining, full-time employment. Launched in 2023, civic-minded corporate leaders like WEC Energy Group — Peoples Gas / North Shore Gas have leaned in and secured the services of six Xchange apprentices (as of March 2025) to work on their Enterprise Asset Management Application Implementation and Network Refresh Programs, with a stated goal of securing 20 total apprentices by the end of 2026. Other corporate entities in Chicago have also participated in the Xchange

Program, resulting in 41 new IT jobs created in Chicago in 2024.

Xchange apprentices gain hands-on experience under SDI Presence's mentorship, supported by wrap-around services from Xchange co-founding partners P33 and the Comer Foundation. Graduates either transition to corporate IT roles or continue with SDI, building sustainable careers in IT. Xchange's triple-bottom-line impact includes diversifying the City's IT workforce, empowering local MBEs and revitalizing Chicago neighborhoods like Grand Crossings, where SDI's new IT Managed Services call center will further anchor economic growth.

"Elevating economic opportunity across every part of Chicago is a key priority at Peoples Gas. We're excited to partner with Xchange Chicago to meet our IT needs while offering good-paying tech jobs to people who live on the city's South Side. It's a win for our customers, these talented young professionals, the community and our overall business. The first group of apprentices coming in is already impressing us."

Polly Eldringhoff
*Vice President —
Operational Performance*
Peoples Gas and
North Shore Gas

"WEC Energy Group and their subsidiaries Peoples Gas and North Shore Gas have relied on SDI Presence as their trusted partner for IT solutions services since 2018. This partnership extends out of the IT server room and into our shared community. WEC Energy Group was the first customer of SDI's Xchange Chicago program, which leverages corporate technology purchasing to drive IT job creation, diverse-owned business growth and neighborhood revitalization. As of early 2025, the company has leaned in to support six full-time apprentice jobs and provides critical feedback and support to grow the initiative that will be housed in Chicago's Grand Crossing neighborhood, further driving economic development on the South Side. We are proud to work with the WEC Energy Group teams to meaningfully contribute to the prosperity and well-being of our communities."

Hardik Bhatt
CEO
SDI Presence LLC

"IT Services has the privilege of working with two apprentices from the Xchange Program. It continues to be a great experience as we build relationships and help with the development of both technical and soft skills. Our relationship with Xchange is very unique and has proven to be a valuable experience for everyone involved. I look forward to the continued relationship and for the possibility of transitioning the current apprentices to full time employees at WEC Energy Group companies."

Steve Liegl
*Director — Infrastructure
and Operations, IT Services*
WEC Energy Group



Driving a more inclusive economy through innovative workforce solutions

World class IT managed services that a CIO can trust, with a triple bottom line:



Job training & creation for
DIVERSE TALENT at scale



Capacity building & growth for
local **MBE DIVERSE SUPPLIERS**



New business anchors in Chicago's
DIVERSE NEIGHBORHOODS



WEC Energy Group – Peoples Gas / North Shore Gas Partnered with SDI Presence for Onshore IT Delivery Services – Uplifting Chicago's South Side

Fulfilling your IT Services needs through Xchange Chicago delivers significant benefits to WEC Energy Group – Peoples Gas / North Shore Gas while uplifting Chicago's communities.



Reliable IT services



Leverages diverse suppliers



Cost-competitive



Builds your diverse talent pipeline



Onshore talent and delivery



Creates economic impact on Chicago's South Side



Proximate to your workforce

Since our launch in 2024:

6

Apprentices deployed
at WEC Energy Group
as of March 2025

20

Apprentices to be placed by 2026 –
competitive salary, benefits and the
support that comes with being part of
the SDI Team.



UNITED SCRAP METAL

United Scrap Metal (USM) was founded by Marsha Serlin in 1978 with \$200 and a rented truck. As a single mother with two children, the odds were stacked against succeeding in a tough competitive landscape. Through Marsha's determination and ability to see opportunity when others doubted, USM has evolved into an award-winning market leader with 11 locations and 700 dedicated team members. The relationship with Peoples Gas and WEC Energy Group spans 25 years while being instrumental in success achieved within the utility market. A large investment has been made in an economically challenged area, with significant job creation over the span of 44 years. USM facilitates a comprehensive recycling program that handles metal, paper and plastic generated from all the Peoples Gas locations throughout the Chicagoland area. Diverting materials from

landfills supports the sustainability mission of Peoples Gas and WEC Energy Group. The containers are stationed at reporting centers and deployed to job sites, capturing the materials that are being generated in the ongoing operations plus project work. Materials are recycled at the USM Facility and supplied to mills and foundries throughout the country. Many of these consumers are located within Illinois, which creates an economic benefit while preserving the earth's natural resources. Peoples Gas is proud of the recycling partnership with USM who is also an active contributor within the community and extensively involved in over 25 charitable endeavors. United's mission of making a positive impact in the lives of others is one that is aligned with all stakeholders of Peoples Gas and WEC Energy Group.

"Every business can be a success; it just takes hard work, long hours and there is no easy way out. You have to be better than all your competition."

Marsha Serlin

Founder and CEO

United Scrap Metal, Inc.

Source: *Entrepreneur.com*

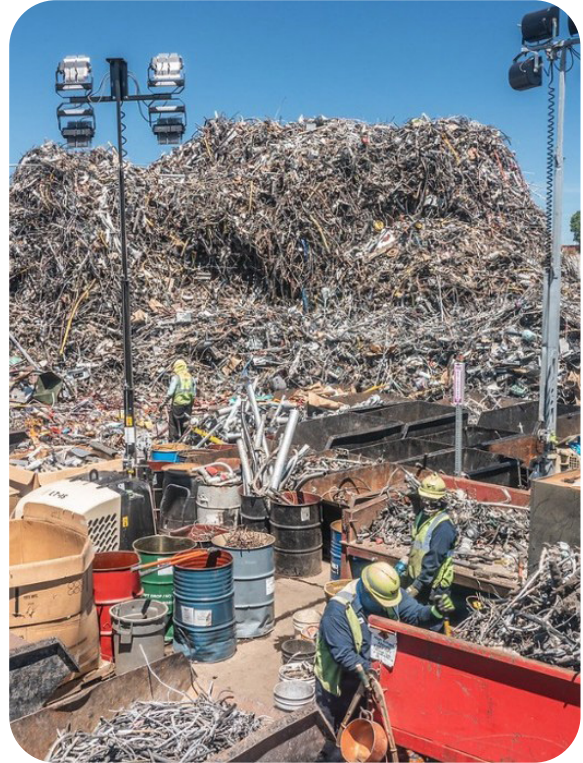
"Our partnership with United Scrap is defined by their exceptional customer service and prompt responsiveness, fostering trust and efficiency. Together, we achieve seamless collaboration with outstanding results."

Nicole V.

Sr. Data Management Analyst

WEC Energy Group





ILLINOIS COMMERCE COMMISSION WEBSITE

As required in Section 5-117(f) of the Public Utilities Act 220 ILCS 5/5-117, the Illinois Commerce Commission (ICC) Supplier Diversity webpage, www.icc.illinois.gov/filings/mwvs, will provide links to the following information:

- List of points of contact as noted in Section X of this report
- Annual reports for a period of five years
- List of certifications recognized and accepted as noted in Section IX of this report

The annual reports required by Section 5-117 are due annually on April 15.

Consumers Public Utility Transportation About

Search text Go

Home / Office of Diversity and Community Affairs /

Annual Utility Supplier Diversity Reports

Applies to: Gas, Electric, and Water Companies

Section 5-117 of the Public Utilities Act [220 ILCS 5/5-117](#), as amended by Public Act 99-0906, "require[s] all gas, electric, and water companies with at least 100,000 customers under its authority within this State, to submit an annual report by April 15, 2015 and every April 15 thereafter, in a searchable Adobe PDF format, on all procurement goals and actual spending for female-owned, minority-owned, veteran-owned, and small business enterprises in the previous calendar year," and the utilities' plan for implementing and realizing their goals for the following year. Section 5-117 also requires the ICC and participating entities to hold an [Annual Policy Session](#) that is open to the public on the subject of supplier diversity. The policy session follows the submission of the Supplier Diversity Reports each year.

Follow the [instructions](#) to file it electronically.

Section 10 of the Railroad Supplier Diversity Act, effective January 1, 2018, states that Class I railroads may submit to the Commission an annual report on supplier diversity, and requires the Commission to hold an annual workshop to hear from the railroads and/or advocates about solutions to improve supplier diversity. The Commission has also invited other organizations not required to file annual supplier diversity reports pursuant to Section 5-117 to do so voluntarily.

[View railroad and voluntary filing reports](#)

The Office of Diversity and Community Affairs produces an annual report that analyzes the data contained in the annual reports submitted by the five public utilities with the largest number of customers in Illinois.

[View ICC Supplier Diversity Annual Reports](#)

[Illinois Utilities Business Diversity Council \(IUBDC\) 2017 – 2020 Economic Impact Report](#)

Filings Accepted in 2023

[Ameren Illinois Company](#)
[d/b/a Ameren Illinois](#)
[Aqua Illinois, Inc.](#)
[Commonwealth Edison Company](#)
[Commonwealth Edison Company](#)
[Illinois-American Water Company](#)

APPENDIX A

Expenditures by Product/Service Category and Ethnicity/Gender

Minority Men (\$ in millions)*

Spend category	Direct	Subcontractor	Total	Total % to total purchases
Asian Pacific American	\$0.0	\$0.3	\$0.3	0.08%
Asian Indian American	\$1.0	\$0.1	\$1.1	0.30%
African American	\$7.7	\$2.9	\$10.6	2.99%
Hispanic American	\$19.2	\$2.8	\$22.0	6.20%
Native American	\$0.0	\$0.1	\$0.1	0.04%
Total: Minority Men	\$27.9	\$6.2	\$34.1	9.61%

Minority Women (\$ in millions)*

Spend category	Direct	Subcontractor	Total	Total % to total purchases
Asian Pacific American	\$0.1	\$0.0	\$0.1	0.04%
Asian Indian American	\$0.1	\$0.0	\$0.1	0.03%
African American	\$0.6	\$0.1	\$0.7	0.20%
Hispanic American	\$2.3	\$0.1	\$2.4	0.67%
Native American	\$0.0	\$0.0	\$0.0	0.01%
Total: Minority Women	\$3.1	\$0.3	\$3.4	0.95%

*Above numbers are subject to rounding.



APPENDIX A

Expenditures by Product/Service Category and Ethnicity/Gender

Total Expenditures (\$ in millions)*

Spend category	Direct	Subcontractor	Total	Total % to total purchases
Minority Business Enterprise—MBE	\$31.0	\$6.5	\$37.5	10.56%
Women Business Enterprise—WBE	\$13.7	\$25.4	\$39.1	11.01%
Subtotal MBE & WBE	\$44.7	\$31.8	\$76.6	21.56%
Veteran Business Enterprise—VBE	\$0.8	\$0.9	\$1.7	0.49%
Total: MBE, WBE, VBE	\$45.6	\$32.7	\$78.3	22.05%

*Above numbers are subject to rounding.

APPENDIX B

Tier 1 & Tier II	African American		Asian		Hispanic		Native American		Total MBE
Product Service Description	Men	Women	Men	Women	Men	Women	Men	Women	
Analysis & Testing									
Automotive	\$1,178,225								\$1,178,225
Building Services	\$44,482	\$2,858			\$8,497				\$55,837
Building Supplies	\$1,539								\$1,539
Computer & Office			\$1,353			\$70,986			\$72,339
Construction	\$672,315	\$447,112	\$146,348		\$10,322,154				\$11,587,929
Consulting	\$47,143	\$177,240	\$472,390		\$2,532,115				\$3,228,888
Credit & Collections	\$186,786								\$186,786
Engineering/Tech Services	\$1,873,504	\$53,000	\$728,461	\$129,842	\$1,229,701			\$22,871	\$4,037,379
Equipment Rental		\$1,163							\$1,163
Equipment Repair									
Finance, Accounting, Auditing	\$35,594								\$35,594
Gas Distribution	\$1,306,058	\$24,080							\$1,330,138
Gas Storage						\$2,057,449			\$2,057,449
Human Resources (Staffing)	\$4,342,953				\$1,204,200	\$132,035			\$5,679,189
Information Tech Services	\$1,816			\$9,846					\$11,661
Legal	\$108,856				\$244,115				\$352,971
Marketing & Advertising									
Printing Services									
Restoration	\$19,685				\$5,098,464				\$5,118,149
Safety				\$26,327	\$229,220		\$10,581		\$266,127
Security									
Software Maintenance									
Tools	\$55,789								\$55,789
Trucking/Transportation	\$324,714				\$888,970	\$132,287			\$1,345,971
Waste Disposal									
Other	\$425,583			\$85,535	\$245,914		\$124,236		\$881,267
Grand Total \$	\$10,625,043	\$705,453	\$1,348,552	\$251,549	\$22,003,351	\$2,392,757	\$134,817	\$22,871	\$37,484,392
Grand Total %	2.99%	0.20%	0.38%	0.07%	6.20%	0.67%	0.04%	0.01%	

APPENDICES

APPENDIX B

Tier 1 & Tier II Product Service Description	Total MBE	Total WBE	Total Veteran	Total Diverse Spend	Total Non-Diverse Prime	Total Spend	Professional Services
Analysis & Testing		\$19,267	\$55,649	\$74,917	\$813,237	\$888,154	Yes. Under Engineering/ Tech Services
Automotive	\$1,178,225	\$333,549		\$1,511,774	\$1,201,004	\$2,712,778	
Building Services	\$55,837	\$437,053	\$644,028	\$1,136,918	\$988,831	\$2,125,750	
Building Supplies	\$1,539	\$38,678		\$40,217	\$1,143,122	\$1,183,338	
Computer & Office	\$72,339	\$43,675		\$116,014	\$3,092,284	\$3,208,298	
Construction	\$11,587,929	\$25,479,865	\$773,741	\$37,841,536	\$82,235,766	\$120,077,302	
Consulting	\$3,228,888	\$3,621,352	\$131,824	\$6,982,064	\$60,655,880	\$67,637,944	Yes
Credit & Collections	\$186,786	\$37,399		\$224,185	\$7,950,068	\$8,174,253	
Engineering/ Tech Services	\$4,037,379	\$672,949	\$34,931	\$4,745,259	\$16,218,932	\$20,964,191	Yes
Equipment Rental	\$1,163	\$1,022,430		\$1,023,593	\$2,775,451	\$3,799,043	
Equipment Repair		\$83,783		\$83,783	\$2,017,754	\$2,101,537	
Finance, Accounting, Auditing	\$35,594	\$144,459		\$180,053	\$10,135,676	\$10,315,729	Yes
Gas Distribution	\$1,330,138	\$2,005,170		\$3,335,308	\$31,402,803	\$34,738,111	
Gas Storage	\$2,057,449			\$2,057,449	\$2,067,354	\$4,124,802	
Human Resources (Staffing)	\$5,679,189	\$567,637		\$6,246,826	\$5,444,646	\$11,691,472	Yes
Information Tech Services	\$11,661	\$840,608		\$852,269	\$10,293,392	\$11,145,662	Yes
Legal	\$352,971	\$614,163		\$967,134	\$5,626,442	\$6,593,576	Yes
Marketing & Advertising		\$337,722		\$337,722	\$1,446,921	\$1,784,643	Yes
Printing Services		\$242,610		\$242,610	\$1,051,056	\$1,293,666	
Restoration	\$5,118,149	\$1,361,319		\$6,479,469	\$7,196,384	\$13,675,853	
Safety	\$266,127	\$21,537		\$287,664	\$1,361,857	\$1,649,521	
Security					\$5,778,928	\$5,778,928	
Software Maintenance					\$77,490	\$77,490	
Tools	\$55,789	\$487,315	\$113	\$543,218	\$436,635	\$979,852	
Trucking/ Transportation	\$1,345,971	\$83,705		\$1,429,676	\$2,940,522	\$4,370,199	
Waste Disposal		\$3,297		\$3,297	\$8,330,472	\$8,333,769	
Other	\$881,267	\$576,021	\$94,738	\$1,552,026	\$4,056,490	\$5,608,517	
Grand Total \$	\$37,484,392	\$39,075,563	\$1,735,024	\$78,294,980	\$276,739,398	\$355,034,378	
Grand Total %	10.56%	11.01%	0.49%	22.05%	77.95%	100.00%	

PEOPLES GAS®
175 *Years*
1850-2025

NORTH SHORE GAS®
125 *Years*
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