



2020 SUPPLIER DIVERSITY





President's Message

In 2020, Aqua's parent company, Essential Utilities, Inc., became one of the largest publicly traded water, wastewater, and natural gas providers in the U.S., serving approximately 5 million people across 10 states under the Aqua and Peoples brands. With a combined 250 years of operating experience and a shared commitment to rebuilding the nation's aging infrastructure, Essential also values diversity and inclusion within its workplace and with its relationships with contractors and suppliers.

At Aqua Illinois, this has strengthened our ability to partner with local vendors in the communities we serve and further establish and grow partnerships with diverse contractors and suppliers that have enhanced the supply chain and supported local economies.



This has had a direct impact on our ability to provide high-quality water and reliable service to our customers every day. While there is more to do, I am proud to report that we have met our 2020 goals resulting in substantial enhancements to our diversity policy and programs. Of the \$41 million total eligible spend, I am pleased to report that \$6.3 million or 15.5% was diverse spend and \$3.4 million or 8.4% was small business (SBE) for a total reportable spend of \$9.8 million.

Expanding our supplier diversity program has resulted in cost efficiencies through healthy competition—53 diverse suppliers and 9 new suppliers. These partnerships have further supported our commitment to provide quality water and reliable service to our customers.

At Aqua, we believe that our customers' communities are our communities, too. Creating and fostering a diverse environment where all are represented makes us a stronger socially responsible corporate citizen. I invite you to follow our 2020 accomplishments and continued progress in this report.

Vendor Classification	2020	% of Total*
MBE	\$368,018	0.9%
WBE	\$3,280,748	8.0%
VBE	\$2,740,357	6.7%
Total Diverse	\$6,389,123	15.5%
SBE	\$3,447,496	8.4%
Total Reportable	\$9,836,619	23.9%

*Percent of Total Eligible Spend

Craig Blanchette
President, Aqua Illinois

TOTAL DIVERSE SPEND

\$6.3 Million / 15.5%

TOTAL SBE SPEND

\$3.4 Million / 8.4%

TOTAL REPORTABLE SPEND

\$9.8 Million / 23.9%

NUMBER OF EMPLOYEES – 142 (includes Aqua call center, located in IL)

Diversity



Gender



Terms and Definitions

A diverse supplier is defined as any business that is owned by a U.S. Citizen and 51% owned, managed, and controlled by one of the following: (MBE) African American, Hispanic American, Native American, Asian American, or a (WBE) woman or (VBE) veteran. For purposes of this report, we are including (SBE) small business enterprise, which is a business that is defined by either the number of employees or average annual receipts of a business concern.

Aqua only recognizes and uses suppliers that are certified as diverse—MBE, WBE, or VBE.

Supplier Diversity Classification	
Minority Owned Business Enterprise (MBE)	A person or persons who is/are United States Citizens or lawful permanent residents and is/are African American, Hispanic American, Asian American, Native American
Women Owned Business Enterprise (WBE)	A woman or women who is/are United States Citizens or lawful permanent residents of the United States
Veteran Business Enterprise (VBE)	One or more veterans who is/are United States Citizens or lawful permanent residents of the United States



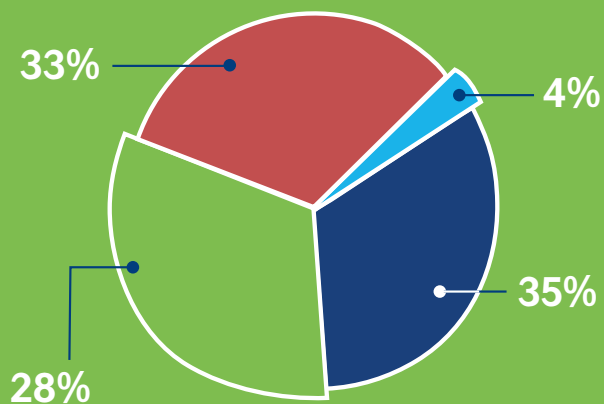
Summary of Spending/Activity

2020 Data by Reportable Category

2020			
Category	Diverse Spend	SBE	Total
All Other	\$0	\$19,460	\$19,460
Building & Grounds	\$15,315	\$3,190	\$18,505
Chemicals	\$69,504	\$44,609	\$114,113
Construction	\$4,967,433	\$2,040,771	\$7,008,204
Direct Material	\$53,601	\$64,836	\$118,437
Information Technology	\$22,793	\$42,137	\$64,930
Professional Services	\$1,206,614	\$100,049	\$1,306,663
Technical Services	\$45,902	\$758,110	\$804,012
Vehicles and Equipment	\$7,961	\$374,334	\$382,295
GRAND TOTAL	\$6,389,123	\$3,447,496	\$9,836,619

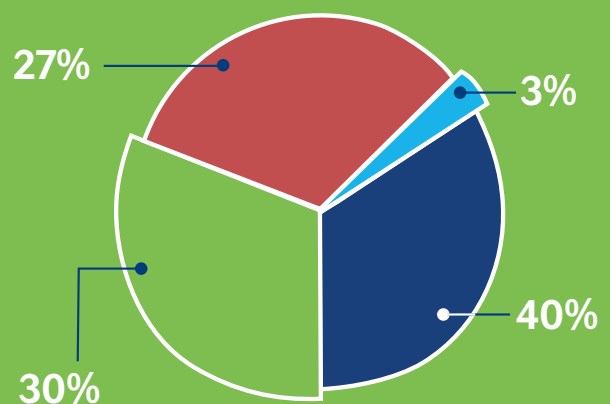
2020 Entity Totals

Vendor Classification	Spending	% of Diverse Spend and SBE
MBEs	\$368,018	4%
WBEs	\$3,280,748	35%
VBEs	\$2,740,357	28%
SBEs	\$3,447,496	33%



2020 Illinois Totals

Vendor Classification	Spending	% of Diverse Spend and SBE
MBEs	\$238,567	3%
WBEs	\$3,207,272	40%
VBEs	\$2,431,720	30%
SBEs	\$2,199,797	27%



Policies and Methodology

At Aqua, the principles of integrity, respect, and excellence are embedded within our business practice and our behavior. We proudly hold ourselves accountable to fair and transparent business practices and strive to operate as a socially responsible corporate citizen. We also expect our suppliers and contractors to demonstrate the same commitment to these values.

We recognize that Supplier Diversity is significantly important to our long-term procurement and supply chain process strategy. We have strategies in place to further build and enhance relationships with more diverse suppliers and encourage them to compete for materials and services throughout all of Aqua. It is the policy of Aqua to develop significant partnering relationships with diverse firms to:

- Enhance the supply chain via lower costs, increased response time, higher level of quality, etc.
- Provide a competitive advantage in building brand equity and retaining existing or generating increased market share.

Additionally, all employees with spending authority are encouraged to consider diverse businesses as Tier I suppliers, and to encourage Aqua's prime suppliers to do the same. Aqua encourages any certified diverse supplier who may have services of value to Aqua to apply as a supplier.

Aqua also submits an annual report of their diverse supplier spend to the Illinois Commerce Commission, which also tracks Aqua's Tier II spend dollar amount and percentage.

Aqua strongly encourages all of their prime suppliers to utilize diverse suppliers, as well as submit their diverse spend dollar amount and percentage (of Aqua project/contract) through Aqua's automated Tier II reporting tool, the Supplier IO UniTier Tier II Platform, on an annual basis, no later than January 31st.



Supplier Diversity Goals

Aqua continues to work with a supplier diversity consultant, Diversity Sourcing Solutions, to help identify and vet qualified diverse suppliers. That means enhancing our policy to not only strengthen our ability to increase overall diverse spend, but also to identify new categories of goods and services that may create opportunities for additional diverse suppliers.

Since 2019, these efforts have directly resulted in many advancements made to the supplier diversity program, including:

- Increased Diverse Spend to \$6.3M or 15.5% of Total Eligible Spend of \$41.1M
- Increased Reportable Spend (MBE, VBE, WBE, SBE) by 60% or \$3.67M
- Increased Tier II Spend by 171%
- Increased WBE spend by 15% - nearly \$3.3M
- Increased VBE by 165%
- Increased SBE by 186%
- Increased Technical Services by 24%, including SBE
- Construction continues to be our biggest category of Reportable Spend at \$7M, an increase of 122% or \$3.85M, including SBE
- Held statewide virtual supplier diversity workshop and follow up individual meet and greets
- Implemented Essential's diverse supplier onboarding assistance initiative
- Implemented UniTier Tier II reporting

Aqua has also taken action internally to increase its work with diverse suppliers in the procurement process. This includes:

- Updating its internal purchasing website to include our Supplier Diversity Policy, which establishes guidelines for buyers to follow regarding the use of diverse suppliers, advises buyers of their role and responsibility to support the program by contracting with diverse suppliers or including them in Request for Proposals whenever possible.
- Promoting the use of diverse suppliers in its Supplier Code of Conduct
- Regular review of purchase requisitions to expand the use of diverse vendors





Areas of Procurement for the Next Calendar Year

In 2021, Aqua Illinois has committed to exceeding our 2020 diverse spend. This goal is supported by category managers' creation of a Supplier Diversity Operating Plan and commitment to a spend target in all categories (MBEs, WBEs, VBEs, and SBEs).

In the supplier selection/bid evaluation process, Aqua considers not only price effectiveness, competitive nature, and service, but also diverse suppliers in order to meet its goals. Buyers are encouraged to search for opportunities to use diverse suppliers whenever possible.

In 2021, Aqua's parent company Essential Utilities, Inc. joined the National Minority Supplier Development Council (NMSDC) to further help Aqua Illinois identify and partner with minority-owned businesses. In addition, Aqua began tracking ethnicity to further enhance its reporting capabilities.

Additional goals for supplier diversity in 2021 include:

- Increase professional and technical services category spend
- Enhance Aqua's WBE, MBE, and VBE program and policies
- Implement a new supplier diversity dashboard for real-time reporting and tracking
- Increase minority spend by identifying current and new opportunities
- Standardize minority supplier process and protocols across all functions
- Further enhance diversity philosophy and culture throughout the organization
- Conduct in-person/virtual outreach events in all three regions Aqua serves in Illinois



Challenges and Opportunities

Aqua Illinois continues to identify new opportunities to expand its diversity spend and increase the number of diverse suppliers available in its pool of potential contractors.

Aqua has identified potential diverse suppliers in a number of categories. Once the suppliers are vetted, several will be invited to present their capabilities:

- Technical Services
- Professional Services
- Water Chemicals
- Engineering Services
- Legal
- Treasury
- Testing Laboratories
- Wastewater Residuals Management

Other efforts to identify diverse suppliers include plans for a Supplier Diversity Workshop with our prime suppliers to connect them with MBEs, WBEs, VBEs, as well as utilizing the Supplier IO database of 1.5 million suppliers. Aqua is also working with local resource and regional partner organizations to identify additional qualified certified suppliers. We also continue to connect with and develop relationships with SBE suppliers.

Certifications Accepted

State or local government certifying agencies and the following:

National Minority Supplier Development Council (NMSDC)

1359 Broadway
Suite 1000
New York, NY 10018
Telephone: (212) 944-2430
www.nmsdc.org

National Veteran Business Development Certification (NVBDC)

325 E. Crescent Lane
Detroit, MI 48207
Telephone: 888-CERTIFIED
www.nvbdc.org

Women's Business Enterprise National Council (WBENC)

1120 Connecticut Ave., NW
Suite 1000
Washington, DC 20036
Telephone: (202) 872-5515
www.wbenc.org

Women's Business Enterprise Center (WBEC)

1315 Walnut Street
Suite 1116
Philadelphia, PA 19107
Aqua Contact - Elizabeth Walsh
Email: ewalsh@wbeceast.com
Telephone: (215) 790-5060
https://wbeceast.com/

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ICC Website

www.icc.illinois.gov

Success Stories

Building Crossroads of America



**CONCRETE ASPHALT
DEMOLITION EXCAVATING**

CNB Construction has been in business for 10 years. It started with one man, his son, and one truck, and has grown into an enterprise of over 18 employees, 26 semi-trucks, bulldozers, low boys, excavators, payloaders, and more. In the beginning, it was just a concrete business with the goal of providing excellent customer service and an impeccably finished product. Our business has now grown to include concrete, asphalt, trucking, excavation, and demolition but our focus remains the same—to give the customer the best quality product and optimal experience. CNB currently holds diversity certifications in Disadvantaged Business Enterprise (DBE) and Minority Business Enterprise (MBE).

“

We have been lucky to partner with Aqua Illinois on several trucking jobs and we hope to expand our relationship with them further. Working with Aqua Illinois and their commitment to partnering with diverse businesses has helped my smaller company with growth, development and stability. We appreciate Aqua Illinois's dedication to providing opportunities to everyone.”

- Carlos Bernal, Owner

Morreale Communications



Morreale Communications is a female-owned public relations firm that delivers customized solutions that shape perception, build momentum, and ignite change. Our diverse team of experts excels at solving challenges where people, government, and policies intersect. We work with clients in the public and private sectors to define goals and objectives and then leverage our relationships and experience to deliver measurable and powerful results. We have successfully guided governors, mayors, agency leaders, and CEOs through times of opportunity, change, and crisis. Morreale is a certified WBE/WBENC celebrating its 15-year anniversary in 2021.

“

As a mid-sized firm with a 90-percent female and minority workforce, and 100-percent female leadership team, it's refreshing to work with a company that understands the value and innovation that is achieved when diverse voices, backgrounds, and perspectives are at the table. Aqua's commitment to not only partnering with diverse businesses, but empowering them to make an impact has laid the foundation for us to continue to grow our footprint within the utilities space. They are a great corporate partner.”

- Kim Morreale, President & CEO

Uniform Appendix Aqua Illinois (Tier I and Tier II Diverse Suppliers)

Diversity Attributes	Company Name	State	Amount	Category
MBE	CNB Construction, LLC	IN	\$71,040.00	Construction
MBE	Milhouse Engineering & Construction, Inc.	ILLINOIS	\$60,162.50	Professional Services
MBE	Cavalry Maintenance & Cleaning	ILLINOIS	\$7,500.00	Professional Services
MBE	Accurate Environmental	ILLINOIS	\$7,050.00	Technical Services
MBE	EF Design Group, Inc.	ILLINOIS	\$3,420.54	Building & Grounds
MBE	Dixon Engineering, Inc.	MI	\$3,250.00	Technical Services
MBE	MFG Solutions, Inc.	N/A	\$136.68	Direct Material
MBE	Tenco Excavating Indirect	N/A	\$16,279.49	Construction
WBE	M & J Underground	ILLINOIS	\$1,650,740.90	Construction
WBE	Morreale Communications	ILLINOIS	\$639,297.46	Professional Services
WBE	Berger Excavating Contractors	ILLINOIS	\$214,987.16	Construction
WBE	Alexander Chemical Co.	ILLINOIS	\$64,868.69	Chemicals
WBE	Safeguard Business Systems, Inc.	ILLINOIS	\$44,341.94	Professional Services
WBE	Paige Marketing Communications Group, Inc.	NY	\$42,410.75	Professional Services
WBE	Digital Highway, Inc.	MI	\$17,277.88	Information Technology
WBE	Jay M. Heap & Associates, Ltd.	ILLINOIS	\$12,000.00	Professional Services
WBE	National Power Rodding Corporation	ILLINOIS	\$7,731.00	Professional Services
WBE	Martin Equipment of Illinois	ILLINOIS	\$6,183.55	Direct Material
WBE	Carus, LLC	ILLINOIS	\$4,635.25	Chemicals
WBE	Corporate Claims Management	PA	\$3,094.19	Vehicles and Equipment
WBE	Call One, Inc.	OH	\$2,401.42	Information Technology
WBE	Gordon Electric Supply	ILLINOIS	\$2,313.28	Direct Material
WBE	Bain Enterprises	OH	\$1,843.80	Professional Services
WBE	Video Visions, Inc.	PA	\$1,533.82	Professional Services
WBE	Jean's Septic, Inc.	ILLINOIS	\$1,457.50	Professional Services
WBE	Bulk Equipment Corporation	IN	\$691.71	Direct Material
WBE	Aquatic Control, Inc.	IN	\$600.00	Professional Services
WBE	Helsel-Jepperson	ILLINOIS	\$343.39	Building & Grounds
WBE	Glesco Electric, Inc.	ILLINOIS	\$254,858.00	Construction
WBE	Schomburg & Schomburg Construction, Inc.	ILLINOIS	\$261,018.85	Construction
WBE	EJ Equipment, Inc.	ILLINOIS	\$19,837.51	Vehicles and Equipment
WBE	Hughes Circuits, Inc.	N/A	\$4.49	Direct Material
WBE	Lem Products, Inc.	N/A	\$0.84	Direct Material
WBE	Shi Corporation	N/A	\$546.10	Direct Material
WBE	Technical Maintenance, Inc.	N/A	\$14.37	Direct Material
WBE	Tenco Excavating Indirect	N/A	\$3,055.59	Construction
WBE	Work Zone Safety, Inc.	ILLINOIS	\$22,658.00	Construction

Continued

Diversity Attributes	Company Name	State	Amount	Category
MBE VBE	EMA Design Automation, Inc.	N/A	\$58.88	Direct Material
MBE WBE	Diversity Sourcing Solutions	ILLINOIS	\$133,434.00	Professional Services
MBE WBE	Civil Design, Inc.	MO	\$35,602.12	Technical Services
MBE WBE	Wyn-Win Communications, Inc.	ILLINOIS	\$23,000.00	Professional Services
MBE WBE	Terra Engineering, Ltd.	ILLINOIS	\$4,000.42	Professional Services
MBE WBE	Shi International Corporation	TX	\$3,083.79	Information Technology
VBE	Gene Wren Construction, LLC	ILLINOIS	\$2,321,422.72	Construction
VBE	Whitt Sturtevant LLP	OH	\$234,800.59	Professional Services
VBE	Water Services Company	ILLINOIS	\$80,125.90	Construction
VBE	Danville Tile and Drainage	ILLINOIS	\$28,680.46	Direct Material
VBE	Satellite Shelters, Inc.	MN	\$2,560.00	Building & Grounds
VBE	Fire For Effects, LLC	ILLINOIS	\$1,491.14	Building & Grounds
VBE	Creative Security Systems, Inc.	N/A	\$13.05	Information Technology
VBE	Digital Computations, Inc.	N/A	\$10.17	Information Technology
VBE	Quality Vision Services, Inc.	N/A	\$7.22	Information Technology
VBE	Structured Solutions, LLC	IN	\$71,246.00	Construction



Continued Small Business Suppliers

Diversity Attributes	Company Name	State	Amount	Category
SBE	Sal Chemical	WV	\$20,499.08	Chemicals
SBE	JCI Jones Chemicals, Inc.	AL	\$7,542.00	Chemicals
SBE	Bornquist, Inc.	ILLINOIS	\$40,168.11	Direct Material
SBE	Conserve Fs	ILLINOIS	\$2,950.80	Construction
SBE	Seiler Instrument & Mfg Co.	MO	\$3,189.55	Building & Grounds
SBE	Black & Company	ILLINOIS	\$24,222.11	Professional Services
SBE	West Side Tractor Sales	ILLINOIS	\$8,286.28	All Other
SBE	Rogers Supply Co., Inc.	ILLINOIS	\$69.85	Direct Material
SBE	Geocon Professional Services	ILLINOIS	\$4,675.00	Technical Services
SBE	DTI Office Solutions	ILLINOIS	\$111.76	Construction
SBE	Faulkner Buick, Inc.	PA	\$132,576.62	Vehicles and Equipment
SBE	Arro Laboratory, Inc.	ILLINOIS	\$1,393.60	Technical Services
SBE	Tomco2 Systems Company	GA	\$5,664.62	All Other
SBE	M.E. Simpson Co., Inc.	IN	\$5,002.76	Construction
SBE	Tank Industry Consultants	IN	\$24,085.00	Direct Material
SBE	AHW, LLC	ILLINOIS	\$11.76	Construction
SBE	R & R Construction	ILLINOIS	\$1,112,661.56	Construction
SBE	Dorner Products, Inc.	WI	\$9,350.00	Professional Services
SBE	Track Star International, Inc.	NC	\$6,455.40	Information Technology
SBE	Cornwell Engineering Group	VA	\$697,063.16	Technical Services
SBE	Marc Kresmery Construction, LLC	ILLINOIS	\$18,218.76	Construction
SBE	Flow-Technics, Inc.	ILLINOIS	\$54,978.46	Technical Services
SBE	Applied EHS Management, Inc.	PA	\$1,945.45	Professional Services
SBE	Olson Service Company	ILLINOIS	\$397.46	Construction
SBE	Midwest Asphalt Company	ILLINOIS	\$4,966.50	Construction
SBE	Daniel L. Ribbe Trucking	ILLINOIS	\$51,859.12	Construction
SBE	Calumet City Plumbing Co., Inc.	ILLINOIS	\$116,109.60	Construction
SBE	Utility Equipment Company	IA	\$513.12	Direct Material
SBE	Lai, Ltd.	ILLINOIS	\$1,852.40	All Other
SBE	Sparling Instruments, LLC	CA	\$1,526.81	All Other
SBE	Weldstar Company	ILLINOIS	\$2,130.10	All Other
SBE	Excel Communications Worldwide	PA	\$1,820.27	Information Technology
SBE	Intercon Truck Equipment, Inc.	PA	\$5,207.78	Vehicles and Equipment
SBE	Midwest Salt, LLC	ILLINOIS	\$16,567.82	Chemicals
SBE	Chamlin & Associates, Inc.	ILLINOIS	\$948.00	Construction
SBE	Bullseye Telecom, Inc.	MI	\$33,860.93	Information Technology
SBE	Whitman, Requardt and Associates, LLP	MD	\$216.00	Construction
SBE	Nucar Connection	DE	\$236,549.91	Vehicles and Equipment
SBE	Drennan Septic Service, Inc.	ILLINOIS	\$6,491.95	Construction
SBE	Iroquois Paving Corporation	ILLINOIS	\$1,055.74	Construction
SBE	Northern Illinois Service Co.	ILLINOIS	\$1,464.28	Professional Services
SBE	Level One, LLC	PA	\$54,631.22	Professional Services
SBE	Steve Spiess Construction, Inc.	ILLINOIS	\$719,769.61	Construction
SBE	Trotter And Associates, Inc.	ILLINOIS	\$8,436.41	Professional Services

About Aqua Illinois

At Aqua Illinois, we care about the people and communities we serve – 250,000 people through 66,000 water connections and 16,500 wastewater connections in 13 counties. It's why we continually invest in our systems to ensure we meet state and federal environmental regulations and support local waterways. Aqua Illinois is committed to purchasing from suppliers that strive to improve the environmental quality of its water and wastewater operations, and that use reasonable efforts to minimize pollution and improve environmental protection and sustainability.



AQUASM

An  Essential Utilities Company

To learn more about Aqua, please call 877.987.2782, or visit:

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