

2021

SUPPLIER DIVERSITY

ANNUAL REPORT

PEOPLES GAS® | NORTH SHORE GAS®

We Keep Life Moving





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I. Executive message



The Peoples Gas and North Shore Gas Supplier Diversity Initiative proved its ability to adapt and thrive in difficult circumstances in 2021, as the pandemic entered its second year and a large capital project phased down.

With COVID-19 slowing and then surging again last year, we worked closely with our suppliers to successfully navigate intermittent staffing shortages and persistent global supply chain issues. Despite those challenges, Peoples Gas and North Shore Gas kept all major initiatives on schedule and continued to meet our core mission to keep customers safe while delivering a reliable source of efficient natural gas.

Internally, our Supplier Diversity Initiative adjusted quickly as much of our Facilities of the Future project wrapped up. Facilities of the Future earmarks half of its spend for diverse suppliers and accounted for a significant portion of our diverse spend in recent years. Despite the reduction in spending related to Facilities of the Future, we maintained the same level of diverse spending relative to our overall procurement spend for 2021.

Some of the highlights of our Supplier Diversity Initiative in 2021 were:

- \$123.0 million spent with diverse suppliers, representing 25% of our total procurement spend
- \$74.1 million spent with diverse suppliers based in Illinois, representing 60% of our total diverse spend
- \$82.4 million spent with MBEs, representing 67% of our total diverse spend
- \$38.2 million spent with WBEs, representing 31% of our total diverse spend
- \$51.9 million spent with Tier I diverse suppliers, representing 42% of our total diverse spend
- \$38.0 million spent on professional services with diverse suppliers, representing 31% of our total diverse spend

The Peoples Gas System Modernization Program (SMP) remained a key driver of the Supplier Diversity Initiative in 2021:

- Diverse spending represented \$54 million of the \$177 million spent on procurement for SMP in 2021.
- The 2021 SMP diverse spend accounted for 44.2% of the total diverse spend for Peoples Gas and North Shore Gas.
- Over the next 18 years of the SMP, Peoples Gas expects to spend about \$52 million annually with diverse businesses — a total of about \$940 million.

The resiliency exhibited in 2021 speaks to the strength of our Supplier Diversity Initiative. More important, it bodes well for the program as we return to what hopefully will be a more predictable economy as COVID-19 loosens its grip on our day-to-day lives.

As we look forward to the remainder of 2022, the Peoples Gas and North Shore Gas Supplier Diversity Initiative is positioned for continued success. We look forward to continuing to work with the Illinois Commerce Commission, diverse businesses and our other stakeholders to increase economic opportunity, employment and quality of life throughout the communities we serve.

A handwritten signature in black ink that reads "Charles Matthews".

Charles Matthews
President and CEO
Peoples Gas and North Shore Gas

II. Dashboard

The companies were able to achieve an overall spending of



\$123,000,194

with diverse businesses in

2021

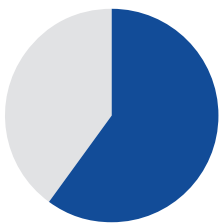
Procurement with diverse suppliers remained

25%

of total procurement spend in 2021

Tier I diverse spending was

\$51,920,260



In 2021

60.3%

was spent with Illinois-based firms.

310
suppliers

The number of diverse suppliers remained steady in 2021.

Spending in 2021:

**Women
Business
Enterprises**

\$38.2M

**Minority
Business
Enterprises**

\$82.4M

**Veteran
Business
Enterprises**

\$2.4M

**Professional
Services**

\$38.0M

III. Terms and definitions

The definitions of minority-, women- and veteran-owned business enterprises ("MWVBE") and small business enterprise 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.

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 percent 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).

III. Terms and definitions

TIER I SUPPLIER

A Tier I supplier is a contractor, supplier or professional service 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 being directly compensated 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.

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.

III. Terms and definitions

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 natural 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 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.

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 holding company of Peoples Gas, North Shore Gas and WBS.

IV. Summary of minority-, women- and veteran-owned business enterprise goals and spending

2021 Spend and vendor utilization

Company expenditures with all suppliers

Spend category	Total (in millions)				
Overall	\$497.4				
	Direct	Tier II	Total	Actual	Goal
MBE	\$36.2	\$46.3	\$82.4	16.57%	14.00%
WBE	\$14.6	\$23.5	\$38.2	7.67%	6.00%
VBE	\$1.1	\$1.3	\$2.4	0.49%	0.30%
Total M/W/VBE	\$51.9	\$71.1	\$123.0	24.73%	20.30%

Company expenditures with Illinois-based suppliers

Spend category	Total (in millions)				
Overall	\$242.3				
	Direct	Tier II	Total	Actual*	Goal
MBE	\$23.9	\$32.5	\$56.5	23.31%	14.00%
WBE	\$3.7	\$13.0	\$16.7	6.90%	6.00%
VBE	\$0.1	\$0.8	\$0.9	0.39%	0.30%
Total M/W/VBE	\$27.8	\$46.4	\$74.1	30.59%	20.30%

Note: Illinois actual percentage is expressed as a percentage of total spend with Illinois-based suppliers. Above numbers are subject to rounding.

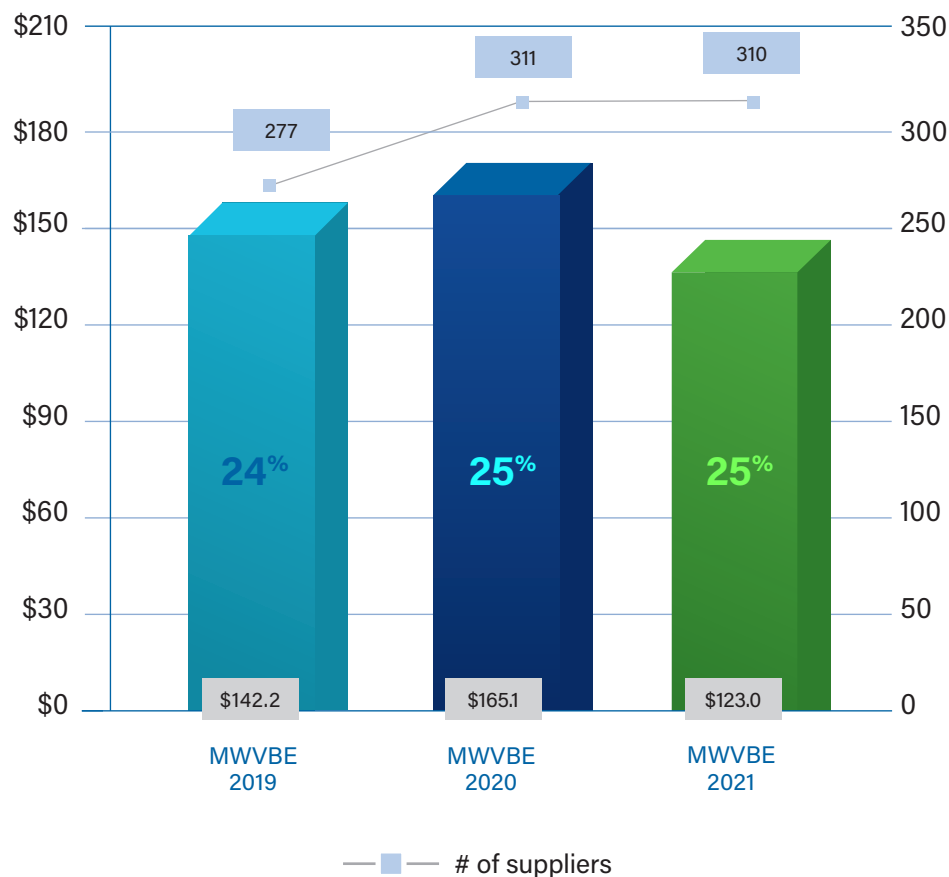
IV. Summary of minority-, women- and veteran-owned business enterprise goals and spending in the previous calendar year

Peoples Gas and North Shore Gas set the goal of achieving \$115.0 million in diverse spending for 2021, and the companies were able to achieve an overall spend of \$123.0 million with diverse businesses at 25% of the total procurement spend.

Of the \$123.0 million spent with diverse suppliers in 2021, \$74.1 million, or 60.3%, was spent with Illinois-based firms.

The table below depicts the 2019–2021 historical spend with diverse suppliers. A total of 310 diverse suppliers were utilized in 2021, about the same as in 2020.

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

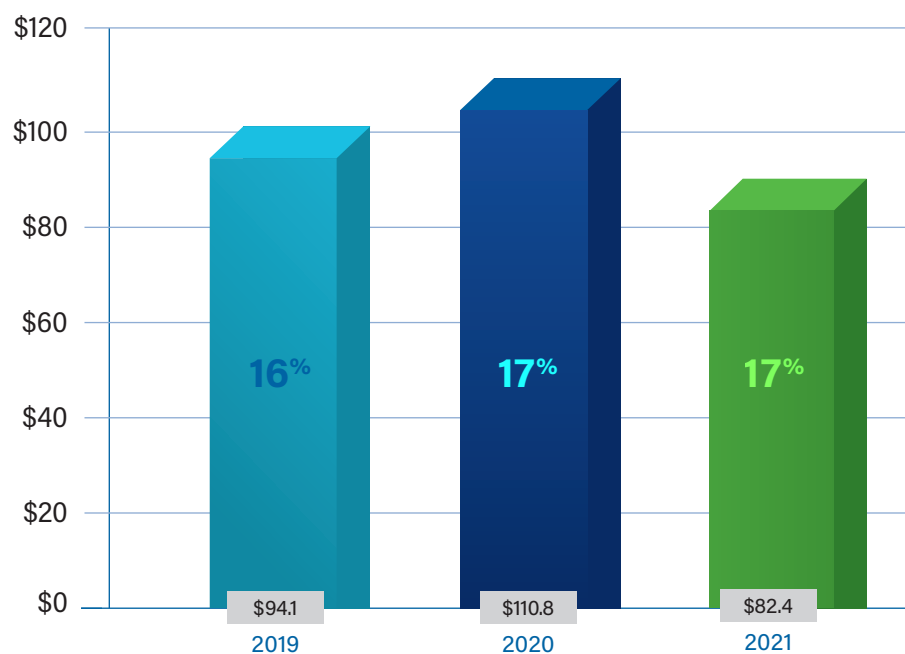


IV. Summary of minority-, women- and veteran-owned business enterprise goals and spending in the previous calendar year

MINORITY-OWNED BUSINESS ENTERPRISE (MBE)

Diverse spending in the minority-owned business enterprise (MBE) category totaled \$82.4 million, or 17% of the total procurement spend.

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

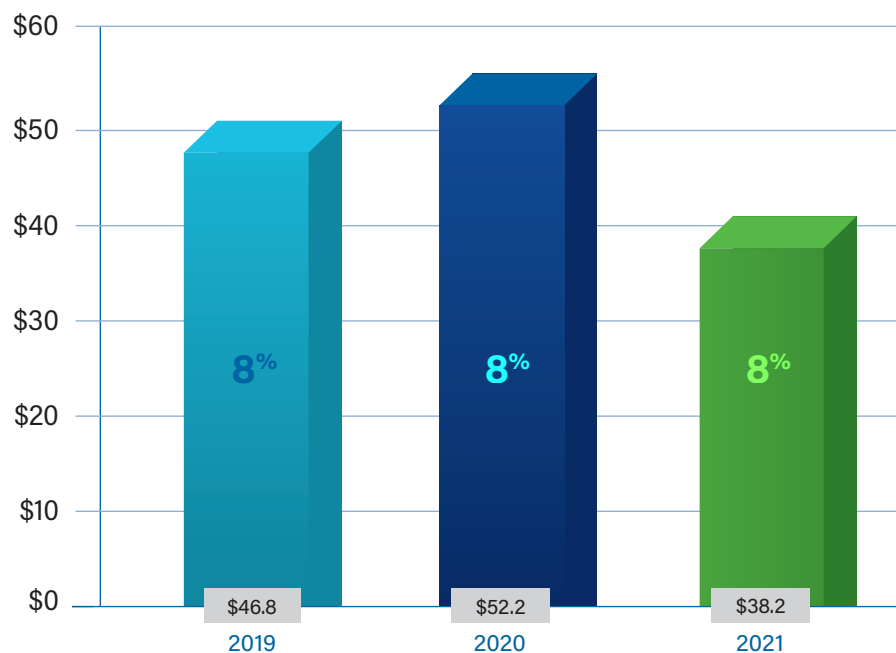


IV. Summary of minority-, women- and veteran-owned business enterprise goals and spending in the previous calendar year

WOMEN-OWNED BUSINESS ENTERPRISE (WBE)

In 2021, spending in the WBE category totaled \$38.2 million, or 8% of total procurement spend. Previously, the companies unbundled or reduced the size of contracts to enable more women-owned firms to compete based on their capacity and resources.

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

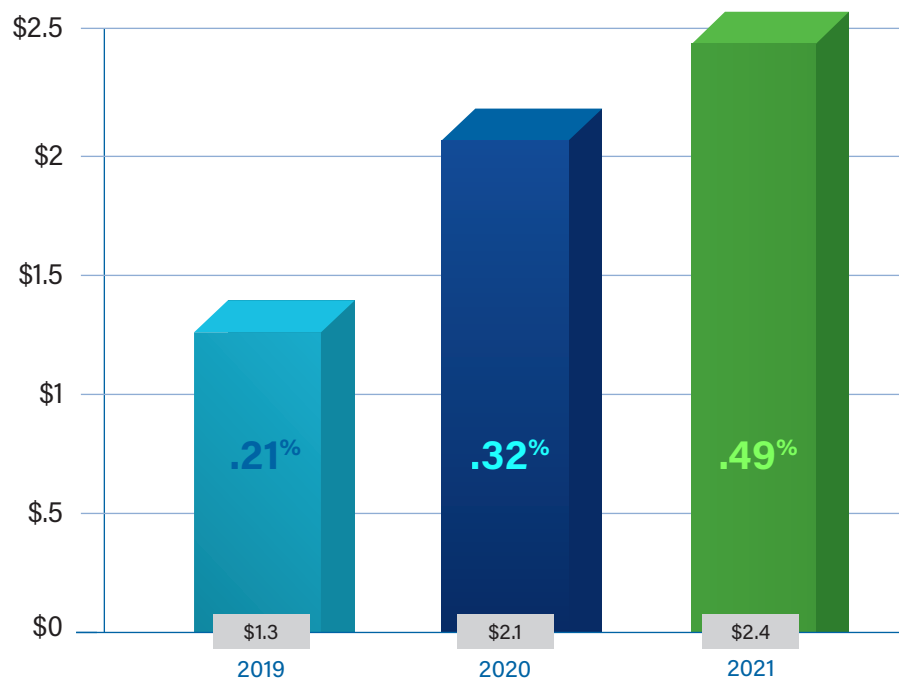


IV. Summary of minority-, women- and veteran-owned business enterprise goals and spending in the previous calendar year

VETERAN-OWNED BUSINESS ENTERPRISE (VBE)

In 2021, we accomplished spending of \$2.4 million with veteran-owned businesses.

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

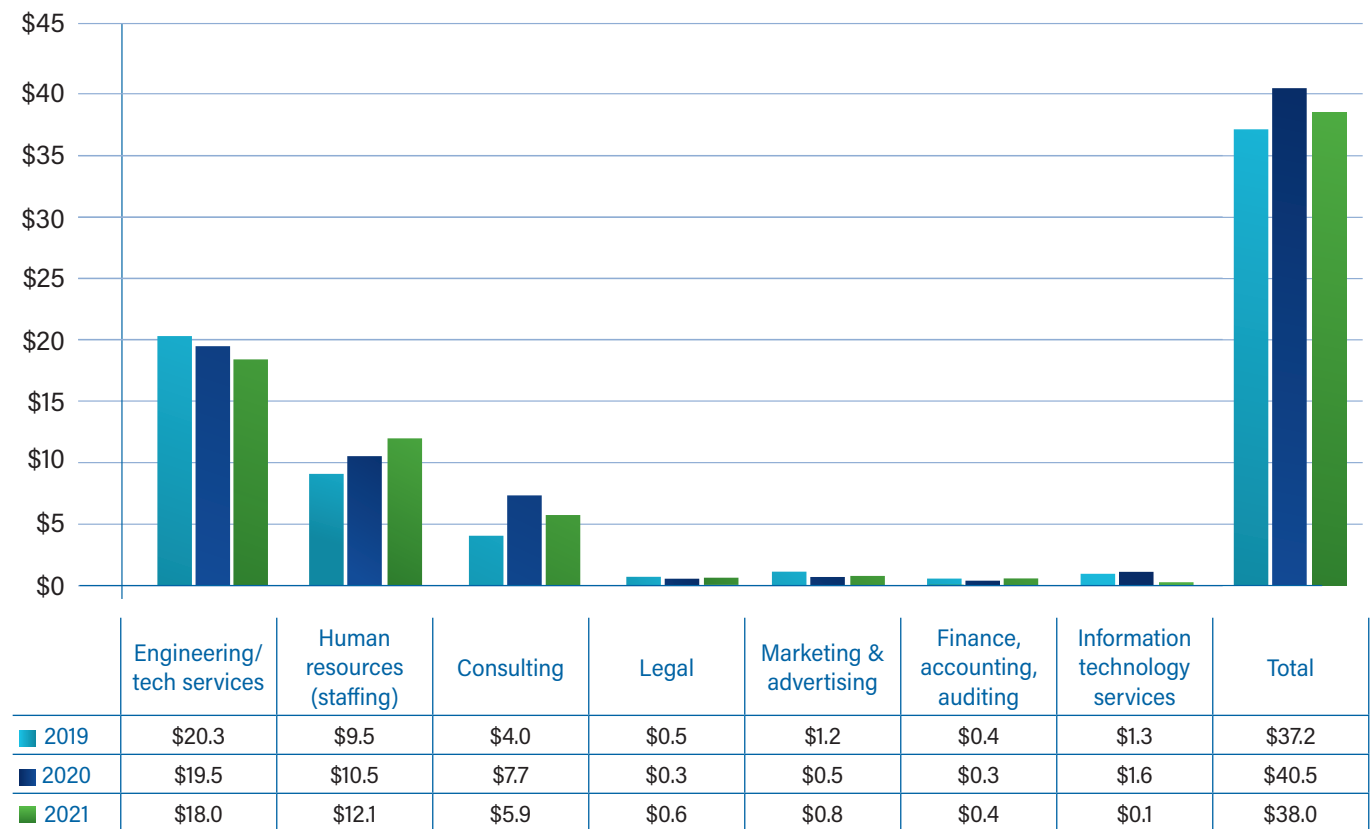


IV. Summary of minority-, women- and veteran-owned business enterprise goals and spending in the previous calendar year

PROFESSIONAL SERVICES SPENDING

Professional services spending totaled \$38.0 million in 2021. Engineering/tech services, human resources and consulting represented the top three spending categories, accounting for 95% of the total spending in this category.

Professional services SDI year-over-year comparison (\$ in millions)



IV. Summary of minority-, women- and veteran-owned business enterprise goals and spending in the previous calendar year

TIER II RESULTS

In 2021, the companies continued to execute on strategies to achieve the collective 20% goal that has been set for prime supplier spending with diverse companies. These efforts resulted in Tier II spending of \$71.1 million. This result was accomplished through relationship management with our prime supplier partners and ongoing improvements in metrics and reporting.

SYSTEM MODERNIZATION PROGRAM

For more than 170 years, Chicagoans have depended on Peoples Gas to deliver natural gas safely, reliably and affordably to their homes and businesses. The System Modernization Program (SMP) is critical to improving the long-term safety and reliability of Peoples Gas' infrastructure. In 2021, Peoples Gas spent over \$177.0 million, approximately 31% with diverse suppliers, completing work on the System Modernization Program and transmission projects. Diverse spend associated with system modernization continued to serve as the foundation of our supplier diversity program in 2021, accounting for over 44% of our total diverse spend.

PEOPLES GAS AND NORTH SHORE GAS 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 have continued to look into Tier II opportunities with diverse suppliers providing program marketing services or acting as trade ally partners performing in-house field services and energy audits.

IV. Summary of minority-, women- and veteran-owned business enterprise goals and spending in the previous calendar year

NEW SUPPLIERS

Although a small number of new suppliers were added, the total number of diverse suppliers remained flat from 2020. 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 successful outreach events during 2021:

- **January 14:** IUBDC All Committee Strategic Meeting
- **May 12:** Women's Business Development Center Spring Summit
- **June 5:** 54th Annual Chicago Business Opportunity Fair
- **July 14:** IUBDC Opportunities and Challenges in Environmental Services #1 Strategy Session
- **August:** ICC one-on-one meetings with commissioners
- **September 1:** IUBDC Diversity Week/Cyber Security Event
- **September 14:** ICC Policy Session
- **September 14:** Women's Business Development Center – Chicago Annual Women's Entrepreneurial Conference
- **September 14-15:** Illinois Black Chamber of Commerce State Convention
- **October 25-28:** National Minority Supplier Development Council (NMSDC) Annual Conference
- **November 17:** IUBDC Opportunities and Challenges in Environmental Services #2 Strategy Session

Internal initiatives

Due to safety precautions implemented as a result of the COVID-19 pandemic, Peoples Gas and North Shore Gas did not host internal supplier events of any kind in 2021. We continue to value face-to-face supplier engagement and consider it an important part of our supplier diversity program. These events will resume in 2022.

NEW INITIATIVES

Nurturing growth of black-owned, led and focused businesses

In 2021, Peoples Gas committed \$3.0 million to a private equity firm that partners with businesses owned by, led by or focused on African Americans. The firm, 5th Century Partners, provides capital and resources to accelerate growth for lower middle-market companies by:

- Building relationships with high-achieving founders and owners who are often overlooked
- Supporting experienced or high-achieving leaders to reach their full potential
- Channeling resources to positively impact African American stakeholders

5th Century Partners focuses their investment strategy on companies with stable cash flow, recurring demand for products/services and a diverse customer and product base in the areas of: healthcare; consumer products; business and consumer services; and niche manufacturing and distribution.

V. Policies and methodology

COMPANY SUPPLIER DIVERSITY POLICIES

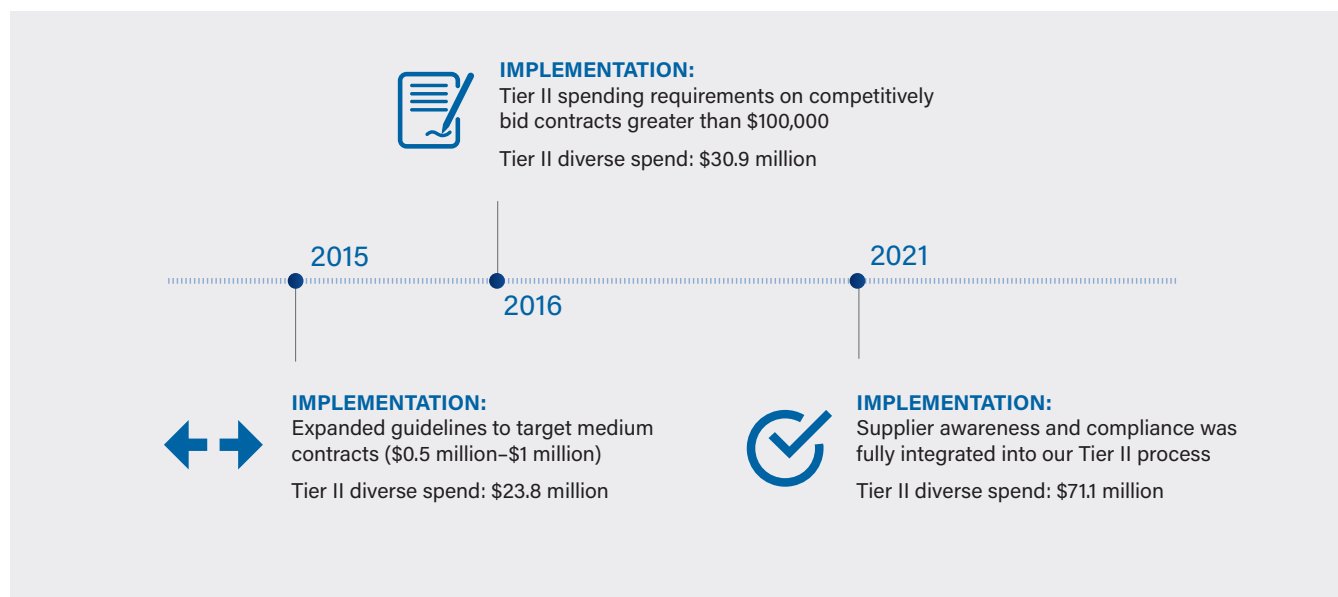
The companies' Supplier Diversity Initiative is governed by the corporate Supplier Diversity Policy statement. Detailed guidelines provide necessary structure to align procurement practices in order to encourage and promote the development, utilization and growth of minority-, women-, service-disabled-veteran- and veteran-owned businesses that want to provide quality products and services.

The corporate Supplier Diversity Policy statement resides on various WEC company websites, including: www.peoplesgasdelivery.com/sdi and www.northshoregasdelivery.com/sdi.

METHODOLOGY

The corporate Supplier Diversity Policy 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.



V. Policies and methodology

Tier II plans (diversity utilization plans) are required during the request for proposal (RFP) process as part of the competitive bidding practice. The plans submitted by invited bidders also are used to formulate realistic targets for diversity spending, monitor supplier spend achievement and utilize diverse subcontractors. If a Tier I supplier does not fulfill its commitments to the agreed-upon subcontracting plan terms outlined in its contract with the companies, the following action will be taken:

- Communicate the expectations with the Tier I supplier and confirm that the results to date are not meeting expectations/goals.
- Hold meetings to identify the barriers that are making it difficult to achieve the goals.
- Collaborate with Tier I supplier to identify additional Tier II suppliers and/or any other needed assistance.

If the companies do not see improvement after initial communication and follow-up with the Tier I supplier, future work may be reallocated to another Tier I supplier with a proven track record of successfully meeting the committed diversity goals. The companies will also consider the Tier I supplier's inability to meet its subcontracting targets in future contracting opportunities.

SCHEDULE OF EXCLUSIONS

Payments made for the goods and services listed below are not considered "expenditures" and, therefore are not included in any of the calculations made in this report.

Employee expenses (salary, benefits, expense reimbursements, performance awards, petty cash, etc.)

Parent, associated and/or subsidiary companies (charges for services rendered to the parent, e.g., accounting, engineering, tax, advertising costs, etc.)

Government agencies (taxes, street opening fees, license fees, etc.)

Other fees for utility services (natural gas, electric, water and phone)

Fines

Purchases from foreign-owned companies outside of the United States

Charities and philanthropic contributions

U.S. Postal Service

Power or commodity purchases (natural gas and/or electricity for resale or nuclear fuels)

Damages

V. Policies and methodology

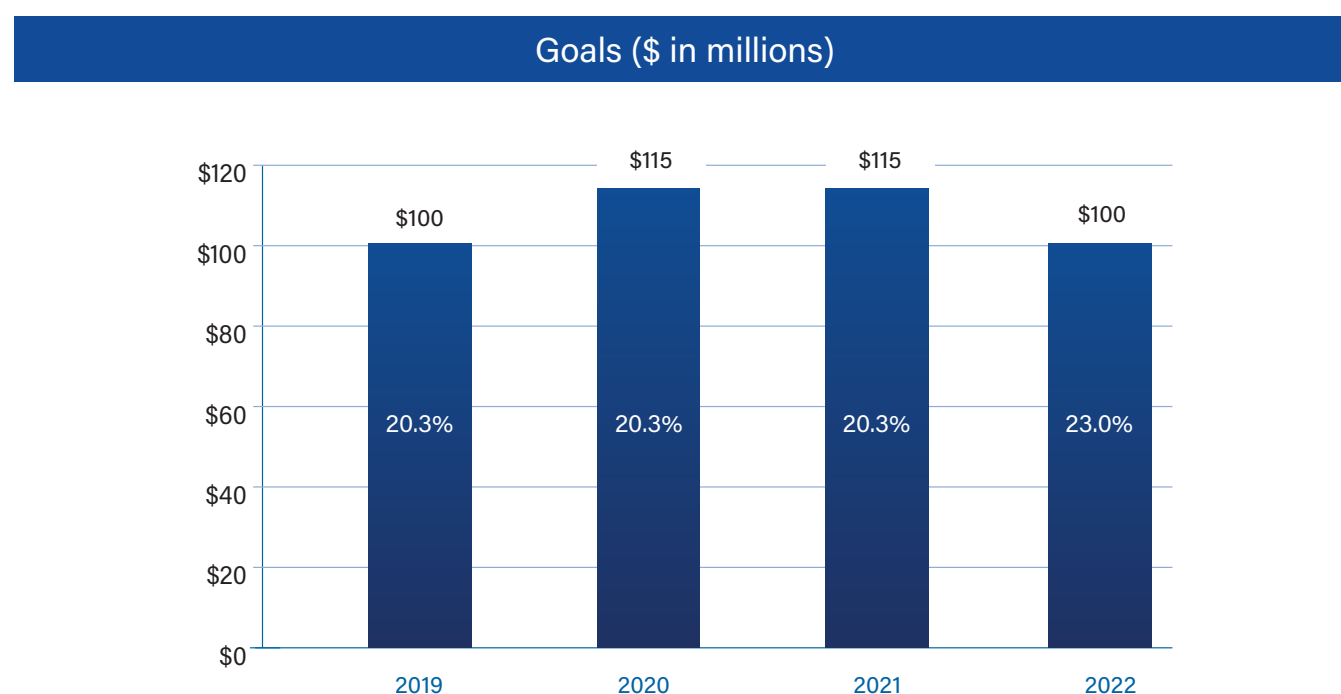
SCHEDULE OF EXCLUSIONS (cont.)

Lease buyouts
Easements
Garnishments
Tuition to colleges and universities
Memberships
Inter-entity payments
Revenue accounts (refunds due customers)

VI. Supplier diversity business goals

2022 GOALS

Peoples Gas and North Shore Gas set a 2022 goal of \$100.0 million or 23% with minority, women and veteran-owned businesses. A reduced overall forecast is anticipated, pending the resumption of our Facilities of the Future project. The hold placed on this project in 2021 resulted in less spending through our Supplier Diversity Initiative, although the portion of diverse spending relative to our overall procurement spend remained steady at 25%. Additionally, we anticipate continued supply chain shortages resulting from the pandemic in 2022.



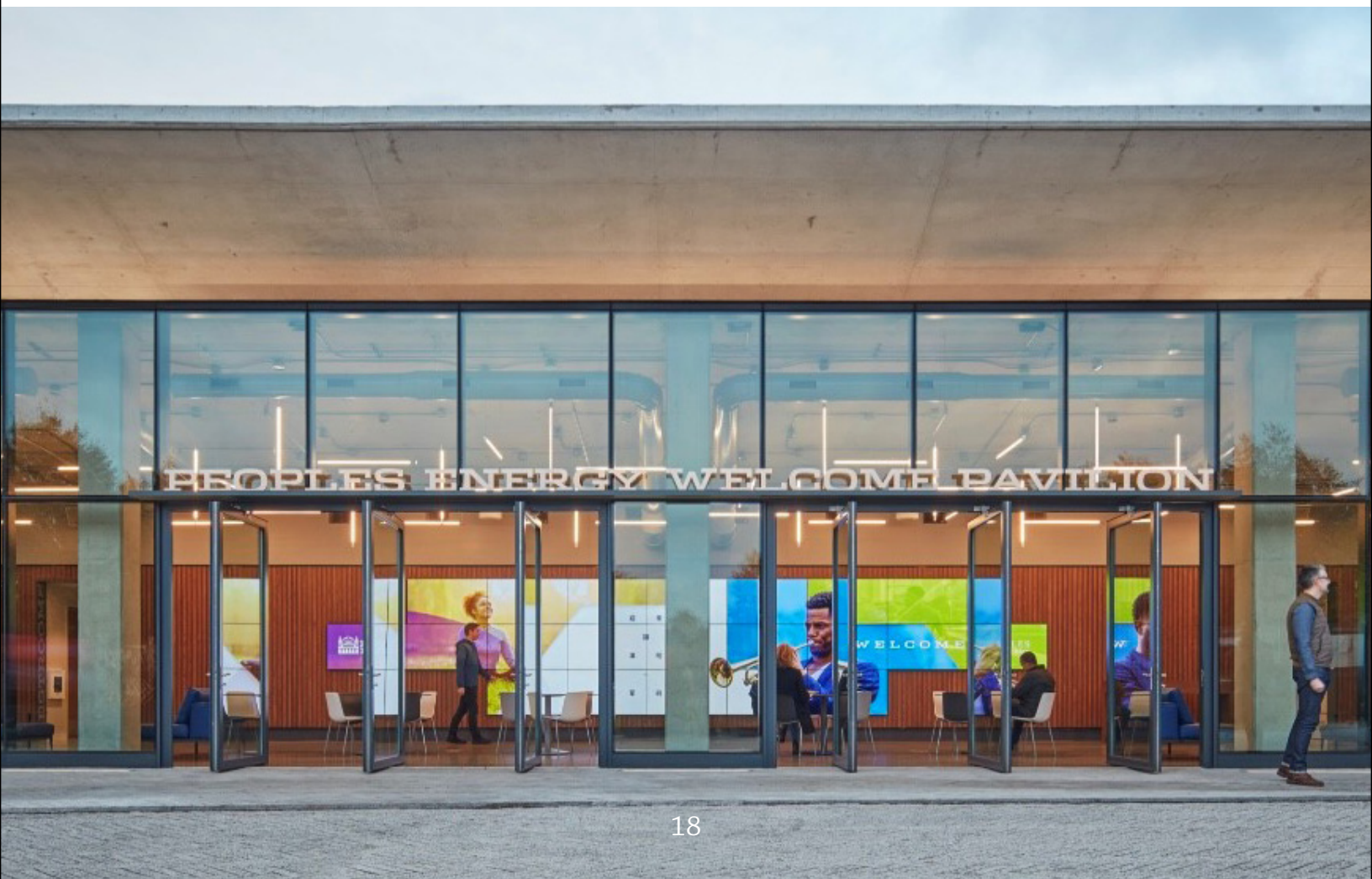
Supplier diversity goals are embedded in the overall corporate procurement policies and procedures as a standard part of all sourcing activities. The achievements of these goals are aligned with management performance plans and incentives.

VI. Supplier diversity business goals

The companies' procurement goals 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 goals 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 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.



VI. Supplier diversity business goals

ENGAGEMENT AND GROWTH

Supplier engagement

We continued to engage previously vetted suppliers in 2021 by providing access to our strategic buyers through the standard practices of our Supplier Diversity Initiative. 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. Resumption of our annual in-house supplier event may take place depending on the prevailing climate of the pandemic.

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.



Advocacy engagement

Additionally, the companies continue building relationships with local and national advocacy organizations to increase outreach and continue defining the organization's short- and long-term plans to filter the procurement opportunities.

The companies will continue to partner with several diversity advocacy organizations in 2022, including the following:

- Chicago Minority Supplier Development Council
- ELITE SDVOB Network
- Federation of Women Contractors
- Hispanic American Construction Industry Association
- Illinois Black Chamber of Commerce
- Illinois Hispanic Chamber of Commerce
- National Association of Minority and Women Owned Law Firms
- 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.

VI. Supplier diversity business goals

ENGAGEMENT AND GROWTH

Chicago United – Five Forward: A program to cultivate a thriving minority business community

We will continue to engage and partner with Chicago United to:

- Expand growth in the number of MBE launches and partnerships. By collaborating with external partners, which will aid in building capacity to help scale MBEs.
- Connect MBEs to external collaborative partners that can assist with financial assistance, grant opportunities, and leadership development.
- Facilitate networking and partnership opportunities among MBEs and corporations, which sets the foundation for future partnering and business opportunities.



The Chicago United Five Forward Initiative

The Chicago United Five Forward Initiative™ engages the corporate community in our common goal of strengthening the local economy and enhancing job creation by supporting a stronger Chicagoland minority business enterprise community.

Committed corporations partner with local MBEs on a rolling basis for a minimum of five years. The Chicago United team will guide the corporations through a process of MBE partnership creation and results reporting. As local MBEs grow and enhance their position to compete for corporate contracts outside of Five Forward, the corporate community benefits from a more competitive pool of diverse businesses.

Supporting MBE success

Chicago United assists corporations in creating a customized development plan with a vision and goal to help each MBE sustain growth and profitability. The Five Forward program is strengthened by including stakeholder groups with common goals. Collaboration between corporate and MBE communities, Chicago area advocacy organizations, nonprofits, public sector agencies, and other technical assistance agencies will allow MBEs to perform to their maximum potential.

VII. Areas of procurement for 2022

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



- Building construction
- HVAC

- Plumbing
- Paving

VIII. 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 that see diverse suppliers as potential threats in a competitive market
- 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. These and other efforts will resume as COVID-19 safety protocols are lifted allowing for more effective communication and strategic planning with our supplier partners, both diverse and prime suppliers. This program provides the structure for Tier I partners to mentor Tier II suppliers.

IX. 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)

X. Point of contact



Walter Gore

Manager – Supplier Diversity
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(312) 240-4267



Danielle Bly

Vice President – Supplier Diversity
danielle.bly@wecenergygroup.com
(414) 221-4836

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.

XI. Success stories

Pipe Strong

Pipe Strong is a locally-based MBE focused on pipeline construction projects for natural gas utilities. Pipe Strong was established in 2018 and has an excellent track record for quality, safety and customer satisfaction.



Since 2020, Pipe Strong has worked closely with Peoples Gas to build a sustainable relationship. Peoples Gas has helped guide Pipe Strong through its extensive onboarding process that ensures its contractors are of the highest caliber.

“As a result of the mentoring provided by Peoples Gas management, we understand the importance of an established and effective safety culture, providing quality services, and what it means to be a diversified supplier,” said Pipe Strong President Doug Chidley. “We are committed to growing our business to become a trusted supplier of services to the natural gas industry.”

In 2021, Pipe Strong supported crews upgrading service lines on the Peoples Gas delivery system. Peoples Gas continues to work with Pipe Strong to help it expand its expertise, capabilities and business.

“As we look toward a more normal construction environment this year and beyond, we will certainly be seeking further opportunities to engage with Pipe Strong. We’re currently in discussions with Pipe Strong’s sister company, H10, as a potential vendor for our cross bore safety inspection program.”

Charlie Graham
Director – Field Support Services
Peoples Gas

XI. Success stories

NPL

NPL has been a critical partner for the Peoples Gas Supplier Diversity Initiative. Over the past several years, NPL has well exceeded the 20% minimum diverse spending goal Peoples Gas sets for all of its contractors.

The partnership with NPL allowed Peoples Gas to increase the amount of work provided to diverse suppliers and bring new diverse companies on board over the past several years as several projects ramped up. NPL has subcontracted with diverse vendors in areas such as trucking, backfill material, restoration, traffic control, safety and quality auditing, and GPS data collection, among others.

NPL established a resource group called the NPL Partner Alliance that brings together executives and owners of diverse companies to connect and engage with NPL, Nicor Gas and other prime contractors. These connections have allowed NPL to consistently deliver high quality work for Peoples Gas. NPL also developed their own diverse contractor job fair to meet potential new partners and pair them with prospective suppliers.

“NPL has shown a true commitment to increasing its partnerships with small and diverse companies and integrating them into its day-to-day operations. But just as important, NPL has focused its partnerships on firms that have the same dedication to safety and quality work as they do.”

Bala Kattappuram
Director – Planning and Project Management
Peoples Gas

NPL is a member of many organizations and programs focused on expanding opportunity for diverse suppliers, including CONSTRUCT @ YWCAChicago, Quad County Urban League, Federation of Women Contractors, National Latino Education Institute, Illinois Hispanic Chamber of Commerce, Illinois Utilities Business Diversity Council, and many national organizations.



XII. 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, <http://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.

[Home](#) / [Office of Diversity and Community Affairs](#) /

Annual Utility Supplier Diversity Reports

Applies to: Gas, Electric, and Water Companies and Energy Suppliers

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, as well as suppliers of wind energy, solar energy, hydroelectricity, nuclear energy, and any other supplier of energy 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.

The ICC requests that "suppliers of wind energy, solar energy, hydroelectricity, nuclear energy, and any other supplier of energy within this State" complete this [Supplier Diversity Report Form](#) and 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](#)

Filings Accepted in 2021

Filings Accepted in 2021

[Bishop Hill Energy II LLC](#)

[Dominion Energy Solutions, Inc.](#)

[d/b/a Dominion Energy Solutions](#)

[d/b/a Nicor Electric](#)

[EDF Energy Services, LLC](#)

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APPENDIX A

Expenditures by product/service category and ethnicity/gender

Minority men (\$ in thousands)*

	Direct	Subcontractor	Total \$	Total % to total purchases
Asian Pacific American	\$0.5	\$0.8	\$1.4	0.28%
Asian Indian American	\$3.6	\$0.5	\$4.1	0.83%
African American	\$15.3	\$20.9	\$36.2	7.27%
Hispanic American	\$13.2	\$19.2	\$32.4	6.50%
Native American	\$0.3	\$0.2	\$0.5	0.10%
Total: minority men	\$33.0	\$41.6	\$74.5	14.99%

Minority women (\$ in thousands)*

	Direct	Subcontractor	Total \$	Total % to total purchases
Asian Pacific American	\$0.6	\$0.0	\$0.6	0.13%
Asian Indian American	\$0.0	\$0.0	\$0.0	0.00%
African American	\$0.1	\$1.9	\$1.9	0.39%
Hispanic American	\$2.5	\$2.8	\$5.3	1.07%
Native American	\$0.0	\$0.0	\$0.0	0.00%
Total: minority women	\$3.2	\$4.7	\$7.9	1.58%

*Above numbers are subject to rounding.

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Total expenditures (\$ in thousands)*

	Direct	Sub-contractor	Total \$	Total
Minority Business Enterprise—MBE	\$36.2	\$46.3	\$82.4	16.57%
Women Business Enterprise—WBE	\$14.6	\$23.5	\$38.2	7.67%
Subtotal MBE & WBE	\$50.8	\$69.8	\$120.6	24.24%
Veteran Business Enterprise—VBE	\$1.1	\$1.3	\$2.4	0.49%
Total: MBE, WBE, VBE	\$51.9	\$71.1	\$123.0	24.73%

*Above numbers are subject to rounding.

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APPENDIX B

Tier 1 & Tier II	African American		Asian		Hispanic		Native American	
Product service description	Men	Women	Men	Women	Men	Women	Men	Women
Analysis & testing	\$6,312,098		\$105,647					
Automotive	\$61,797							
Building services	\$424		\$888		\$2,436			
Building supplies								
Computer & office						\$99,342		
Construction	\$22,153,021	\$907,325	\$1,205,836		\$18,918,482	\$2,806,515	\$175,194	
Consulting	\$402,633	\$47,071	\$3,519,923		\$1,290,648			
Credit & collections	\$194,006							
Energy efficiency								
Engineering/tech services	\$6,748,695	\$966,318	\$187,662	\$626,101	\$1,256,127		\$289,194	
Equipment rental								
Equipment repair								
Finance, accounting, auditing	\$216,734				\$62,266			
Freight services								
Gas distribution								
Gas storage			\$83,738		\$27,188	\$2,415,578		
Human resources (staffing)	\$20,034				\$6,533,053			
Information tech services							\$15,927	
Legal	\$71,435							
Marketing & advertising		\$897			\$94,110	\$36		
Printing services								
Restoration			\$425,028		\$3,573,205			
Safety					\$69,767			
Security								
Software maintenance								
Tools								
Trucking/ transportation								
Vehicle maintenance								
Waste disposal					\$529,876			
Other								
Grand total \$	\$36,180,878	\$1,921,611	\$5,528,722	\$626,101	\$32,357,157	\$5,321,434	\$480,315	\$0
Grand total %	7.27%	0.39%	1.11%	0.13%	6.50%	1.07%	0.10%	0.00%

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Tier 1 & Tier II	Veteran	WBE	Total MBE	Total WBE	Total veteran	Total diverse spend	Total non-diverse prime	Total spend	Professional services?
Product service description									
Analysis & testing	\$4,762	\$848	\$6,417,745	\$848	\$4,762	\$6,423,355	\$921,096	\$7,344,451	Yes. Under Engineering/Tech Services
Automotive		\$1,096,575	\$61,797	\$1,096,575		\$1,158,372	\$4,785,011	\$5,943,383	
Building services	\$966,880	\$3,334,695	\$3,748	\$3,334,695	\$966,880	\$4,305,323	\$3,963,606	\$8,266,930	
Building supplies		\$3,256		\$3,256		\$3,256	\$615,575	\$618,831	
Computer & office		\$137,952	\$99,342	\$137,952		\$237,294	\$1,528,501	\$1,765,795	
Construction	\$1,441,568	\$21,093,029	\$45,166,374	\$21,093,029	\$1,441,568	\$68,700,971	\$157,585,557	\$226,286,528	
Consulting		\$645,910	\$5,260,275	\$645,910		\$5,906,186	\$34,745,986	\$40,652,172	Yes
Credit & collections		\$115,324	\$194,006	\$155,324		\$309,330	\$4,801,211	\$5,110,541	
Energy efficiency									
Engineering/tech services	\$19,672	\$1,523,317	\$10,074,097	\$1,523,317	\$19,672	\$11,617,086	\$18,744,798	\$30,361,884	Yes
Equipment rental		\$574,399		\$574,399		\$574,399	\$3,686,420	\$4,260,819	
Equipment repair		\$245,908		\$245,908		\$245,908	\$1,298,858	\$1,544,766	
Finance, accounting, auditing		\$143,067	\$279,900	\$143,067		\$422,067	\$2,203,583	\$2,625,650	Yes
Freight services									
Gas distribution		\$20,229		\$20,229		\$20,299	\$79,820,125	\$79,840,354	
Gas storage		\$13,484	\$2,526,503	\$13,484		\$2,539,987	\$885,714	\$3,425,701	
Human resources (staffing)		\$5,580,921	\$6,553,087	\$5,580,921		\$12,134,008	\$6,316,844	\$18,450,852	Yes
Information tech services		\$71,439	\$15,927	\$71,439		\$87,366	\$11,300,383	\$11,387,749	Yes
Legal		\$500,695	\$71,435	\$500,695		\$572,130	\$5,361,528	\$5,933,658	Yes
Marketing & advertising		\$748,841	\$95,007	\$748,841		\$843,848	\$1,132,137	\$1,975,985	Yes
Printing services		\$138,321		\$138,321		\$138,321	\$545,768	\$684,089	
Restoration		\$943,088	\$3,998,233	\$943,088		\$4,941,321	\$2,610,068	\$7,551,379	
Safety		\$30,547	\$69,767	\$30,547		\$100,314	\$1,338,083	\$1,434,396	
Security							\$6,307,948	\$6,307,948	
Software maintenance									
Tools		\$1,030,933		\$1,030,933		\$1,030,933	\$835,645	\$1,866,578	
Trucking/transportation		\$158,316		\$158,316		\$15,316	\$3,698,376	\$3,847,692	
Vehicle maintenance									
Waste disposal			\$529,876			\$529,876	\$14,182,598	\$14,712,474	
Other							\$5,213,796	\$5,213,796	
Grand total \$	\$2,432,883	\$38,151,093	\$82,416,218	\$38,151,093	\$2,432,883	\$123,000,194	\$374,420,205	\$497,420,398	
Grand total %	0.49%	7.67%	16.57%	7.67%	0.49%	24.73%	75.27%	100.00%	

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APPENDIX C: DEFINITION OF SUPPLY CHAIN PROCUREMENT CATEGORIES

Category	Description
Analysis & testing	Services related to analysis or testing (e.g., water, soil)
Automotive	Any material related to the repair or maintenance of automotive fleet
Building services	Services related to the repair or maintenance of our buildings or offices
Building supplies	Any material related to miscellaneous building supplies (e.g., paint, lumber, filters)
Computer & office	Any material related to computer and office supplies (e.g., computer hardware/software, envelopes, forms, office furniture)
Construction	Services related to underground construction
Consulting	Consulting services related to information technology, financial, human resources
Credit & collections	Services related to credit and collections of customer accounts
Energy efficiency	Services related to the delivery of energy efficiency (e.g., in-house field services and energy audits)
Engineering/tech services	Services for engineering/technical work (e.g., design work, surveying)
Equipment rental	Rental of equipment
Equipment repair	Repair of equipment
Finance, accounting, auditing	Services related to finance, accounting and auditing
Freight services	Services related to the transport of material
Gas distribution	Any material directly related to the repair or maintenance of the gas distribution system
Gas storage	Any material directly related to the repair or maintenance of the gas storage system
Human resources	Services related to staffing
Legal	Services related to providing legal counsel

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Marketing & advertising	Services related to marketing and advertising (e.g., media and print ads)
Printing services	Services related to the printing of company material (e.g., bill inserts)
Restoration	Services provided related to landscaping or paving
Safety	Any material related to safety protection (e.g., personal protective equipment, signs, spill containment)
Security	Services related to providing security protection (e.g., guard services)
Software maintenance	Services related to providing software maintenance (i.e., software renewals)
Tools	Miscellaneous tools (e.g., hand/power tools, flashlights, batteries, welding supplies)
Training services	Services related to providing training seminars
Vehicle maintenance	Services provided for vehicle maintenance that cannot be done in-house (e.g., body repair, windshield replacement)
Waste disposal	Services related to the disposal of hazardous and non-hazardous material
Other	Miscellaneous materials and services that do not fall into any of the categories above