

Supplier Diversity at Cupertino Electric



Supplier Diversity Program Vision:

To lead in supplier diversity engagement in the markets where we perform work, starting with renewable, utility, commercial and data center markets

Supplier Diversity Program Mission

At every level within our organization, we will strive to continuously improve our supplier diversity engagement by employing innovative solutions that incorporate our company goals and the goals of our partners. By creating sound, diverse business relationships, we create economic opportunities and strengthen the viability of our partner and supplier ecosystem by remaining competitive and innovative.

Corporate Commitment to Supplier Diversity

Cupertino Electric, Inc. (CEI) management is committed to supplier diversity, as it is fundamental to our ability to deliver on our vision of providing power and possibilities to customers and the community. Inclusiveness provides real business opportunities to suppliers who are under-utilized and diversifying our vendor base enhances competition among suppliers, which drives innovative solutions, improved reliability, and lower cost. We believe that supplier diversity and inclusion is integral to our overall procurement and corporate sustainability efforts. CEI's leadership team will continue to make identifying, qualifying and mentoring new diverse suppliers and partners a top priority.

Policy Statement

It is CEI's policy to ensure that certified Minority, Women and Disabled-Veteran Business Enterprises (MWDVBE), Disability-owned Business Enterprises (DOBE) and Lesbian, Gay, Bisexual, Transgender Business Enterprises (LGBTBE) maximize their participation as partners and suppliers to CEI, while delivering quality, service and price using the highest ethical and professional standards.

We will continue to grow mutually-beneficial business relationships with diverse businesses that can meet or exceed CEI's requirements for products and services.

We believe that to remain competitive, we must seek out new ideas, technologies, products and alliances. The energy and creativity generated by diverse companies helps maintain our competitive advantage. Helping diverse business partners succeed fuels our success.

All procurement personnel have been empowered to carry out the practices outlined in this policy and have personally committed to integrating this diversity approach into our business strategies, procedures and community outreach efforts.

Performance Targets

We believe setting objectives and benchmarks for supplier diversity is crucial to the growth and success of our program at Cupertino Electric. Developing targets strengthens our commitment to supplier diversity and helps us assess our progress and improvement. Our goals are maintained on an annual basis and will be published in the Spring of each year.

Year	WBE	MBE	DVBE	Total
2014 (corporate)	0.4%	2.8%	0.8%	4%
2015 (corporate)	1.4%	0.6%	2.1%	4.1%
2016 (Calif. utility project target)	3%	4%	35%	42%

Reporting and Monitoring

Cupertino Electric measures and analyzes corporate-wide diversity spend across our divisions with varying levels of granularity. Data is collected in our vendor management and purchase order systems, which is how we measure progress against our diversity goals and identify opportunities for improvement. This information is used to educate employees, diverse suppliers and the community on our supplier diversity achievements.



Generation Supplier of the Year Award

In 2011, Cupertino was awarded Pacific Gas and Electric's "Generation Supplier of the Year" for its strategic thinking, safety, quality, customer focus, diversity and commitment to sustainability.

Continuous Improvement

Continuous improvement is a cornerstone of our business. On a quarterly basis, our management team assesses our supplier diversity performance and adds or extends goals as necessary to foster continued growth of the program. We set annual targets based on trends related to our performance to push our organization to greater levels of success.



Certification Requirements

Cupertino Electric requires that diverse firms provide evidence of their diverse status by a third-party certification agency. Accepted certifying agencies vary depending on the sourcing category a vendor is applying for. Preferred certifying agencies include:

- **Calif. Public Utilities Commission Clearinghouse:**
<http://suppliernetwork.net/>
- **California Department of General Services:**
<http://www.dgs.ca.gov/>
- **National Minority Supplier Development Council:**
www.nmsdc.org
- **Women's Business Enterprise National Council:**
www.wbenc.org
- **US Business Leadership Network:**
www.usbln.org
- **Department of Veterans Affairs:**
www.vetbiz.gov

Program Goals

- Include diverse suppliers as a part of our strategic sourcing and procurement process to meet internal goals and the supplier diversity goals of our customers.
- Expand our database of qualified diverse suppliers capable of meeting our standards of safety, quality and competitive pricing.
- Increase the number of diverse supplier relationships by actively seeking out certified diverse companies that can provide safe, competitive, high-quality services and materials using business models that align with our business strategy.
- Mentor and assist our diversity suppliers with accelerating their growth and profitability by investing in diverse partner relationships.
- Promote the development and growth of diversity suppliers so that they can enhance their ability to succeed in the marketplace.
- Communicate the success and value of our supplier diversity program internally and externally.
- Recognize and reward our employees and diverse partners for their contributions that allow us to achieve our goals.
- Routinely monitor our program results and drive new strategies to ensure continuous improvement.