



Supplier Diversity

2020

ANNUAL REPORT

PEOPLES GAS® | NORTH SHORE GAS®

We Keep Life Moving



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I. Executive Message



With a global pandemic and civil and social issues, 2020 was a year that brought unprecedented challenges for everyone. Utilities, in particular, faced unique problems to solve to continue providing safe, reliable service to their customers.

You might expect procurement to lag at a time like this. Instead, Peoples Gas and North Shore Gas worked with its employees and contractors to find ways to work smart and stay safe while keeping key projects on schedule. The result was a record year for our Supplier Diversity Initiative as the program continued to expand opportunities for diverse businesses.

While I am always proud when we expand opportunities, it was particularly meaningful to set a new record in such a challenging year. The impact of the pandemic on minorities and a sharpened focus on inequities in our economic and social systems shined a spotlight on the importance of supplier diversity and other programs to increase opportunities for underserved communities.

I know the commission shares my hope that the lessons of 2020 will continue to inform the decisions of business leaders and policymakers as we look to the future and all it holds.

2020 RESULTS

- \$165.1 million spent with diverse suppliers, representing 25.21% of our total procurement spend — a record high spend and percentage
- \$40.5 million spent on professional services with diverse suppliers, an increase of 8.9% over 2019 — a record-high spend
- \$60.7 million spent with Tier I diverse suppliers, an increase of about 3.4% over 2019
- \$122.7 million spent with diverse suppliers based in Illinois, representing 74.3% of our total diverse spend
- \$52.2 million spent with WBEs, representing 32% of our total diverse spend
- \$110.8 million spent with MBEs, representing 67% of our total diverse spend

The Peoples Gas System Modernization Program (SMP) remained a key driver of the Supplier Diversity Initiative in 2020:

- Diverse spending represented \$56 million of the \$178 million spent on procurement for SMP in 2020.
- The 2020 SMP diverse spend accounted for 34% of the total diverse spend for Peoples Gas and North Shore Gas.
- Over the next 20 years of the SMP, Peoples Gas expects to spend about \$51 million annually with diverse businesses — a total of about \$1 billion.

FOCUS FOR 2021

The Peoples Gas and North Shore Gas Supplier Diversity Initiative is poised for continued success in 2021 as the nation begins to gain control over the COVID-19 pandemic.

We continue to partner with all diverse suppliers to identify new business opportunities and expand their capabilities. We also continue to develop our mentoring relationships with up and coming diverse suppliers.

We look forward to working with the Illinois Commerce Commission and our other stakeholders to increase economic investment, employment and the quality of life in the communities we serve as we continue to grow the program.

Thank you,

A handwritten signature in black ink that reads "Charles Matthews". The signature is fluid and cursive.

Charles Matthews
President & CEO
Peoples Gas and North Shore Gas

II. Dashboard

The companies were able to achieve an overall spending of



\$165,141,854

with diverse businesses at **25.2%** of the total procurement spend.

Overall procurement spend with diverse suppliers went up from

23.7%

to

25.2%

from 2019 to 2020.

Tier I diverse spending has increased by

3.4% TO **\$60,702,050**

from 2019 to 2020



In 2020
74.3%
was spent with Illinois-based firms.

A **12%** increase
in the number of diverse suppliers in
2020 brought the total number to

311

34 new diverse suppliers



Spending in 2020:

Women Business Enterprises

\$52.2M

Minority Business Enterprises

\$110.8M

Veteran Business Enterprises

\$2.1M

Professional Services

\$40.5M

III. Terms and Definitions

The definitions of minority-, women- and veteran-owned business enterprise (“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 percent owned by a minority individual or group(s) or, if a publicly owned, for-profit business, has at least 51 percent 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 percent owned by a woman or women or, if a publicly owned, for-profit business, has at least 51 percent 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 percent 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 within 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 in the Previous Calendar Year

2020 Spend and Vendor Utilization

Company Expenditures with All Suppliers**

Spend Category	Total (in thousands)				
Overall	\$654,977				
	Direct	Tier II	Total	Actual	Goal
MBE	\$41,594	\$69,229	\$110,823	16.92%	14.00%
WBE	\$17,842	\$34,341	\$52,183	7.97%	6.00%
VBE	\$1,266	\$870	\$2,136	0.33%	0.30%
Total M/W/VBE	\$60,702	\$104,440	\$165,142	25.21%	20.30%

Company Expenditures with Illinois-Based Suppliers**

Spend Category	Total (in thousands)				
Overall	\$351,372				
	Direct	Tier II	Total	Actual*	Goal
MBE	\$29,334	\$61,029	\$90,363	25.72%	14.00%
WBE	\$5,436	\$26,224	\$31,660	9.01%	6.00%
VBE	\$83	\$603	\$686	0.20%	0.30%
Total M/W/VBE	\$34,853	\$87,855	\$122,708	34.92%	20.30%

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

**Above numbers are subject to rounding.

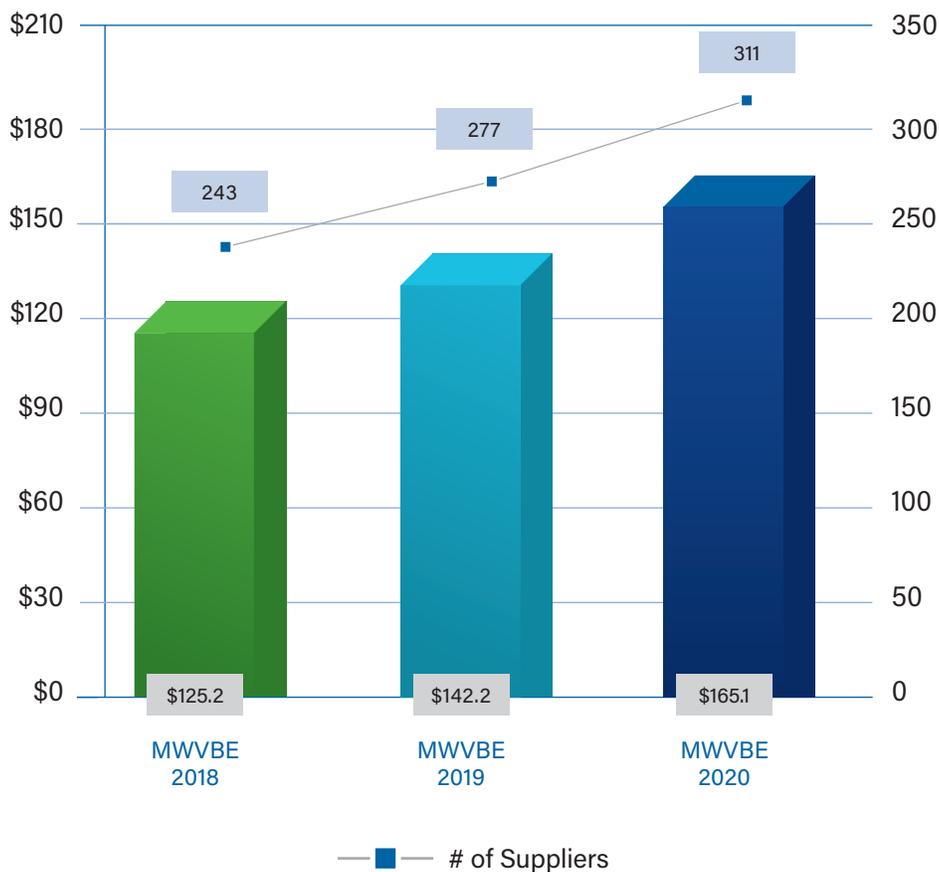
IV. Summary of Minority-, Women- and Veteran-Owned Business Enterprise Goals and Spending in the Previous Calendar Year

Peoples Gas and North Shore Gas set the goal of achieving \$115 million in diverse spending for 2020, and the companies were able to achieve an overall spend of \$165.1 million with diverse businesses at 25.21% of the total procurement spend. The 2020 total percentage represented the highest spend percentage achieved with diverse suppliers since the inception of the formalized supplier diversity process.

Of the \$165.1 million spent with diverse suppliers in 2020, \$122.7 million, or 74.3%, was spent with Illinois-based firms.

The table below depicts the 2018–2020 historical spend with diverse suppliers. A total of 311 diverse suppliers were utilized in 2020, an increase of 12% from 2019, all contributing to the \$165.1 million diverse spend.

Year-Over-Year SDI Comparison (\$ in Millions)

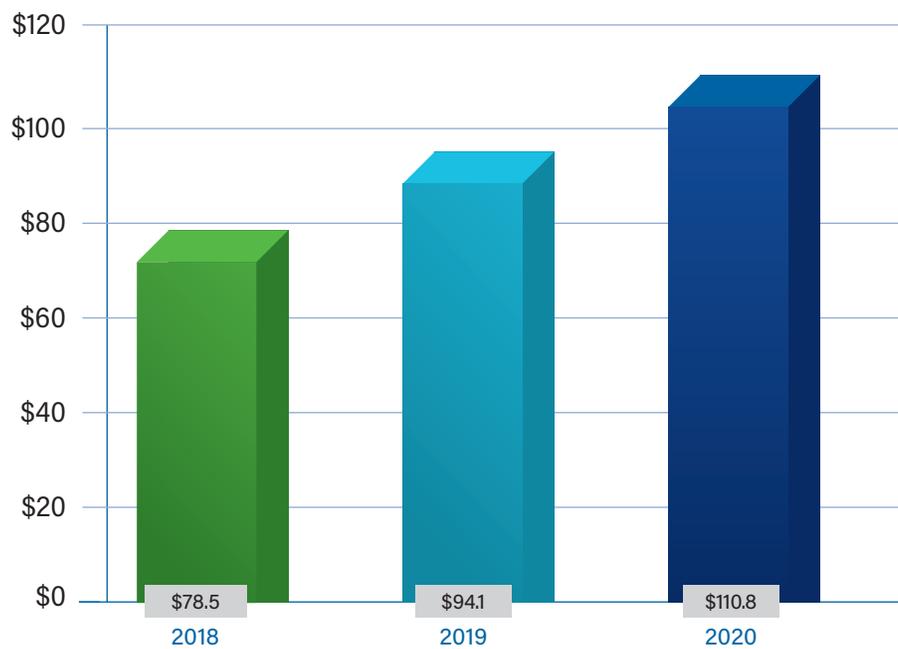


IV. Summary of Minority-, Women- and Veteran-Owned Business Enterprise Goals and Spending in the Previous Calendar Year

MINORITY-OWNED BUSINESS ENTERPRISE (MBE)

Diverse spending in the minority-owned business enterprise (MBE) category totaled \$110.8 million, or 16.92% of the total procurement spend.

MBE—Year-Over-Year (\$ in Millions)

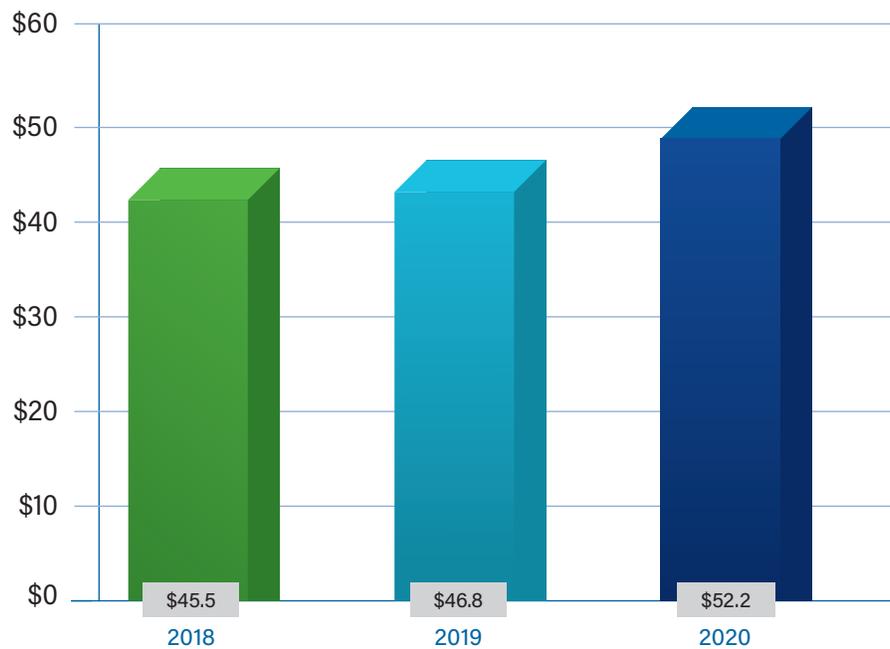


IV. Summary of Minority-, Women- and Veteran-Owned Business Enterprise Goals and Spending in the Previous Calendar Year

WOMEN-OWNED BUSINESS ENTERPRISE (WBE)

In 2020, spending in the WBE category totaled \$52.2 million, or 7.97% 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. The strategy has continued to contribute to a higher spend with women-owned businesses over the last three years.

WBE—Year-Over-Year (\$ in Millions)

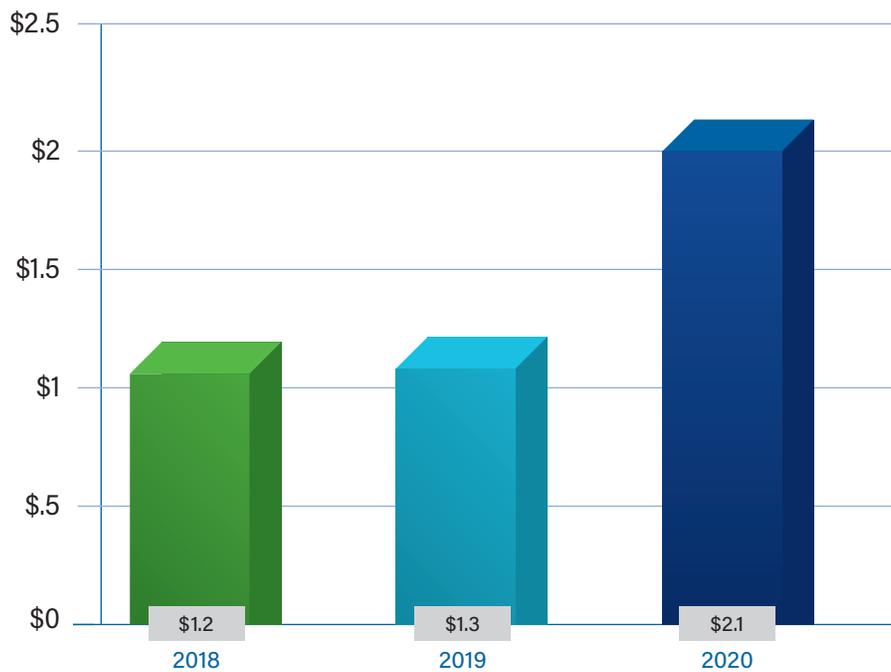


IV. Summary of Minority-, Women- and Veteran-Owned Business Enterprise Goals and Spending in the Previous Calendar Year

VETERAN-OWNED BUSINESS ENTERPRISE (VBE)

In 2020, we accomplished spending of \$2.1 million with veteran-owned businesses.

VBE—Year-Over-Year (\$ in Millions)

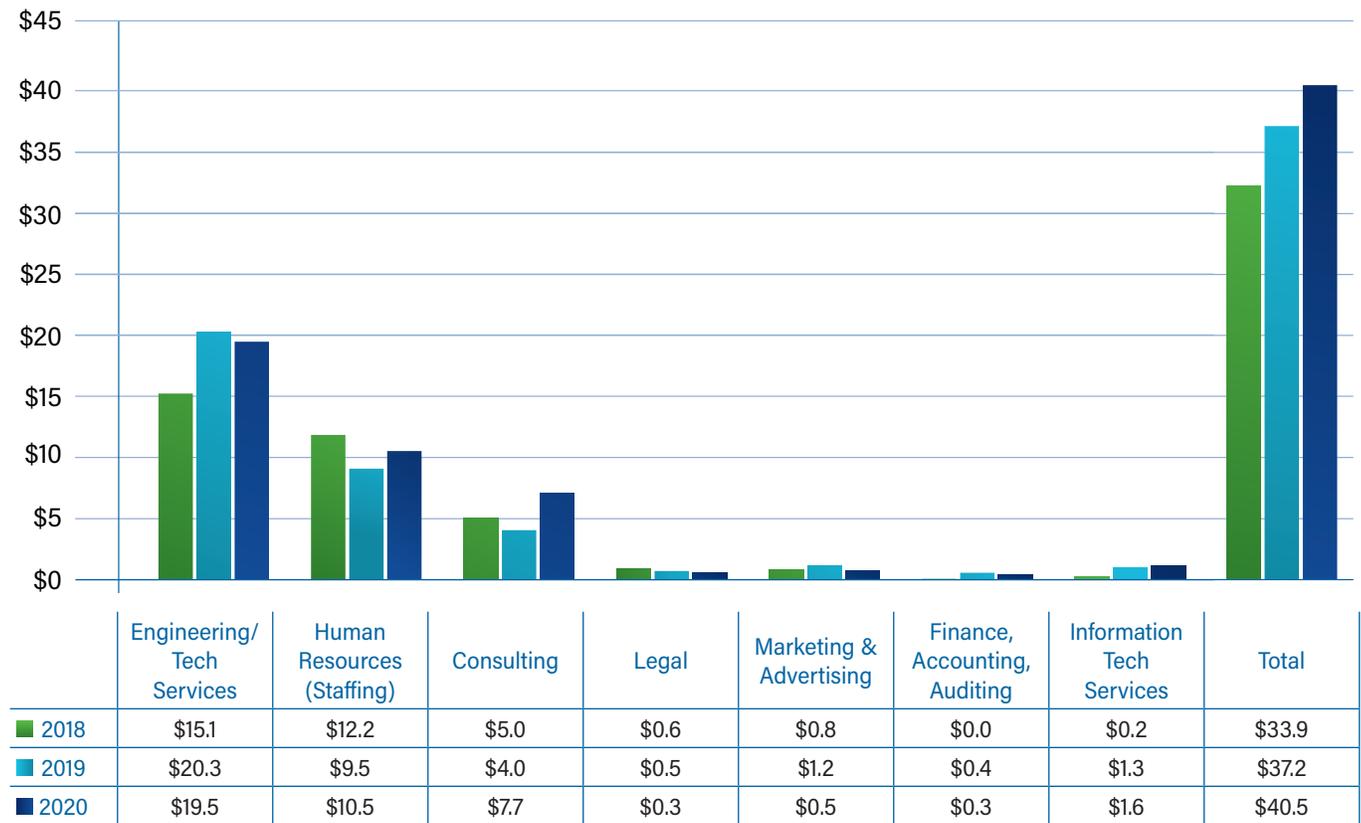


IV. Summary of Minority-, Women- and Veteran-Owned Business Enterprise Goals and Spending in the Previous Calendar Year

PROFESSIONAL SERVICES SPENDING

Professional services spending totaled \$40.5 million in 2020, an increase of 8.9%. Human Resources, Engineering Tech Services and Consulting represented the top three spending categories, accounting for 93% of the total spending in this category.

Professional Services SDI Year-Over-Year Comparison (\$ in Millions)



TIER II RESULTS

In 2020, 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 \$104.4 million. This result was accomplished through relationship management with our prime supplier partners and ongoing improvements in metrics and reporting.

IV. Summary of Minority-, Women- and Veteran-Owned Business Enterprise Goals and Spending in the Previous Calendar Year

SYSTEM MODERNIZATION PROGRAM

For 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. Peoples Gas spent over \$178 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 2020 accounting for over 34% of our total diverse spend.

PEOPLES GAS AND NORTH SHORE GAS ENERGY EFFICIENCY PROGRAM

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

The companies contracted with a net total of 34 new diverse suppliers in 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 2020:

- **Quarterly:** Illinois Utilities Business Diversity Council (IUBDC) Board of Directors Sessions
- **March 4:** IUBDC Legislative Reception
- **April 23:** WBDC SBA Disaster Loan Supplier Seminar for small diverse businesses
- **May 7:** IUBDC OEM Tier I Supplier Workshop
- **August 2020:** ICC one-on-one meetings with Commissioners
- **August Virtual Event:** Chicago Minority Supplier Development Council Annual Business Opportunity Fair (CBOF)
- **September 16:** ICC Policy Session
- **September 17:** Women's Business Development Center – Chicago Annual Women's Entrepreneurial Conference
- **October 26-29:** National Minority Supplier Development Council (NMSDC) Annual
- **December 15-16:** Illinois Black Chamber of Commerce Annual Statewide Convention

Internal Initiatives

Due to safety precautions that were implemented as a result of the 2020 COVID-19 Pandemic, Peoples and North Shore Gas did not host internal supplier events of any kind. We continue to value face-to-face supplier engagement and consider it an important part of our supplier diversity program. These events will resume at the appropriate time.

V. Policies and Methodology

COMPANY SUPPLIER DIVERSITY POLICIES

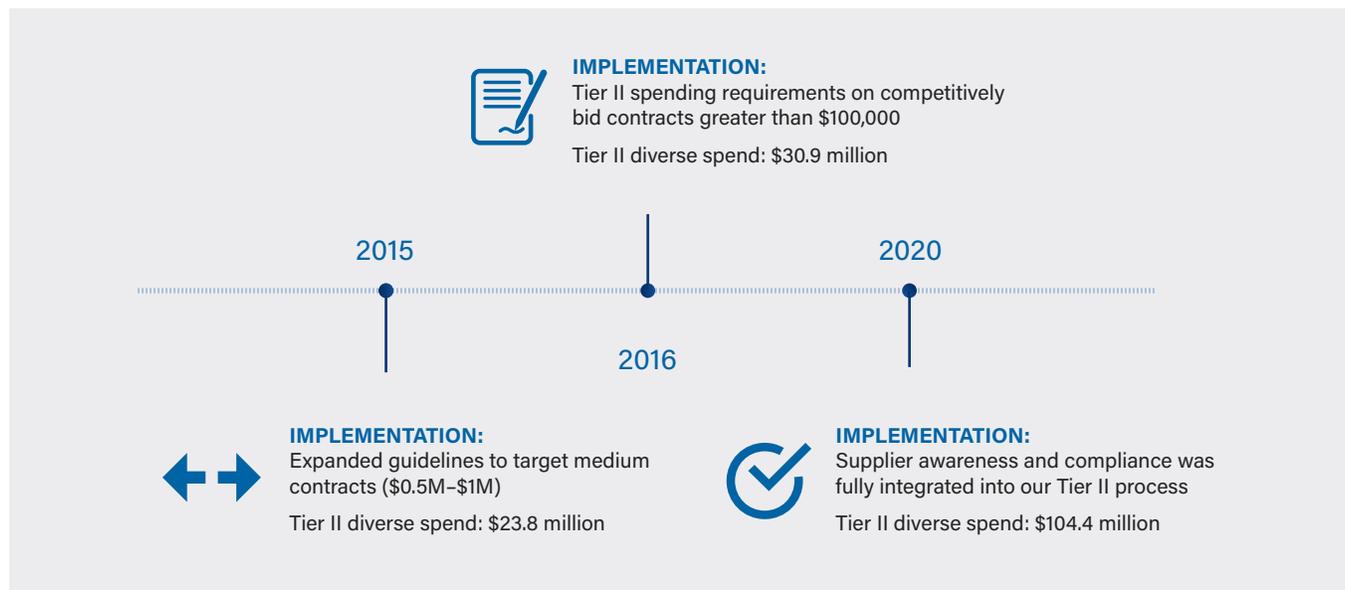
The companies' Supplier Diversity Initiative (SDI) is governed by the Corporate Supplier Diversity Policy Statement. Detailed guidelines provide necessary structure to align procurement practices in order to encourage and promote the development, utilization and growth of minority-, women-, service-disabled-veteran- 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 to meet the 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

PLAN TO INCREASE PARTICIPATION

Chicago United

The companies continued to engage our prime suppliers in the Five Forward initiative as “Champion Circles” to extend the concepts of strategic partnerships and sustainable mutual growth by strengthening their own relationships with five minority partners.

The companies continue to adhere to the Chicago United Five Forward initiative process to strengthen their internal sourcing process and enhance the relationships with MBE partners that have potential to build scale and become regionally and nationally competitive. The Five Forward process ensures that the relationship is formulated around the mutual alignment of success metrics on projects that will have substantial impact on the companies’ and suppliers’ overall progress.



IMPROVED ENGAGEMENT AND REPORTING

Five Forward Committed Corporations are actively engaged in Chicago United programming with other member companies that prioritize diverse business partnerships. The programming enhances the skill set around managing business diversity programs by forming a community of practitioners from a wide array of industries to share best practices. Chicago United has also enhanced the reporting and technology related to Five Forward to bring greater visibility to each Committed Corporation’s year-over-year spend with their partners to easily identify trends and areas of opportunity.

VI. Supplier Diversity Business Goals

PLAN TO ENGAGE AND ENCOURAGE POTENTIAL SUPPLIERS

Supplier Engagement

We continued to engage previously vetted suppliers in 2020 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.

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.



ILLINOIS UTILITIES BUSINESS
DIVERSITY COUNCIL

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 2021, including the following:

- Chicago Minority Supplier Development Council
- Edison Electric Institute
- 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 continues to communicate the SDI and long-term goals through speaking engagements at monthly advocacy group member meetings and events.

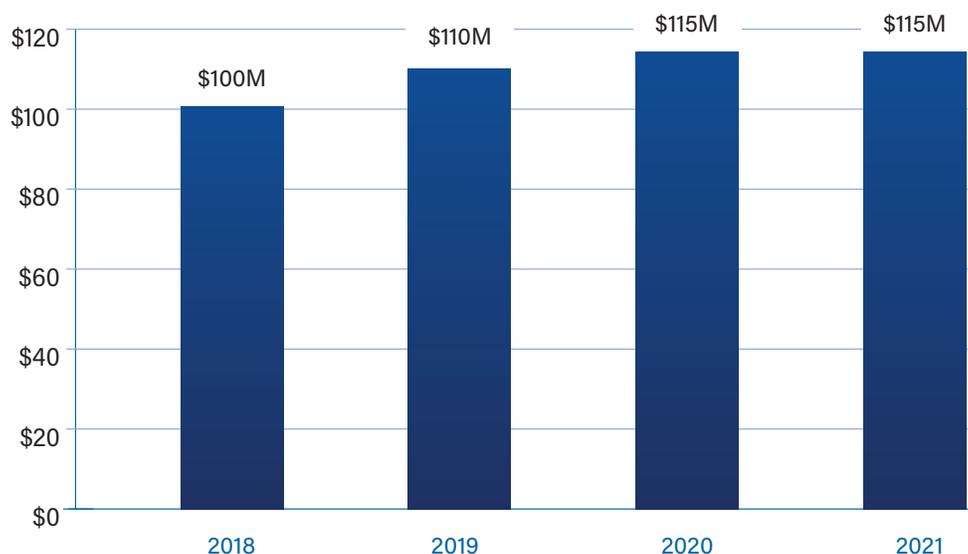
VI. Supplier Diversity Business Goals

PLAN TO MEET COMPANY GOALS

2021 Goals

Peoples Gas and North Shore Gas retained last year's goal of \$115 million with minority-, women- and veteran-owned business enterprises in 2021. Our 2021 spend goal remained flat due to the substantial completion of our Facilities of the Future Building Project. This project was positioned to have a positive impact on our Supplier Diversity spend and exceeded our expectations, resulting in more than \$40 million in diverse spend in 2020.

Goals (\$ in Millions)



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.

The companies' procurement goals are developed during the annualized budgeting process for long-term capital projects, annual 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 commitment and achievement relative to commitment
- Prior contract savings rates versus current market pricing

VI. Supplier Diversity Business Goals

- 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.



VII. Areas of Procurement for 2021

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:



- Construction services (e.g., SMP Project)
- Professional services (IT, HR, Consulting, Legal, etc.)
- Energy Efficiency Marketing services
- Restoration services (Hard & Soft)
- Inspection services

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 who 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. To complement the companies' partnership with Five Forward, the companies have implemented the "Champion Circle," a Chicago United mentoring initiative. 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

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(312) 240-4267



Danielle Bly

Vice President, Supplier Diversity
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(414) 221-4836

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

XI. Success Stories

Utility Resource Group, LLC

Utility Resource Group, LLC is a full-service, nationally certified, minority-owned utility contractor, providing a variety of service solutions to utilities and municipalities. Headquartered in Troy, Michigan with over 600 employees with 15 offices in ten states, including two offices in Illinois, we specialize in underground utility locating, gas leak surveying, meter services and sewer cross bore inspections.



We began our relationship with Peoples Gas in 2011. At the time, URG was providing locating services for the City of Chicago. Peoples Gas asked us to bid on an RFP that they were putting out for their locating services and we were awarded one of the areas. Since that beginning, we have expanded our territory to include the South and Central shops. Our relationship with Peoples Gas has also helped us win other work in Illinois with other utility companies, including Ameren Illinois, North Shore Gas and Nicor, bringing our full-time Illinois employee headcount to over 100 and growing.

The relationship with Peoples Gas has been a true partnership and we are extremely appreciative. They have mentored us and supported us, to help us get to where we are today. It started with John Just and Joe Carlstrom initially giving us a chance. Saul Lopez, Billy Houghton, Vip Kapur and Dan Germeraad then supported our growth within Peoples Gas and, today, Saul Lopez and Ed King continue to work with our team. Also, from the beginning, Dan Cempel has been a valued resource and counselor who has worked with every level of our organization to help us be better. In addition, Peoples Gas has helped us connect with members of the Construct Program, which provides training to inner city residents for jobs in the energy sector. By doing so, we have access to individuals interested and trained in our work and connecting them with employment opportunities at our company — a win/win scenario.

“The relationship with Peoples Gas has been a true partnership and we are extremely appreciative. They have mentored us and supported us, to help us get to where we are today. We look forward to continuing to build our partnership with Peoples Gas in 2021 and beyond.”

XI. Success Stories



Tegrete Corporation

Tegrete Corporation is a full-service integrated facilities management company operating across the U.S. Our mission is to ensure the safety, appearance and longevity of facility assets for shareholders, employees and visitors. Tegrete has been a strategic partner of Peoples Gas since 2006 and of WEC Energy Group since 2016. We provide local Relationship Management support for facility inspections, emergency response and service provider management.

In 2020, COVID-19 created an urgent, unprecedented need for Peoples Gas and Tegrete to implement new cleaning and disinfecting protocols to ensure the safety of employees and facility visitors. Tegrete extended its services to include Electrostatic Cleaning, Spatial Planning, Return-to-Work guidance, Thermal Scanning Machines, Post-Positive Test Disinfecting and much more.

Tegrete shares WEC Energy Group's strategic commitment to supplier diversity. Tegrete is a certified, women-owned business. Our female CEO is actively involved in all critical business decisions. Equally important, Tegrete has established a Second Tier Diversity Program for our subcontractors. The program seeks diverse subcontractors for projects and assists them with the certification process, which can have complexities. Through these efforts, Tegrete is proud to report that during the fourth quarter of 2020, more than 20 percent of Peoples Gas' spend with our company went to certified Second Tier subcontractors. This exceeded the goal WEC Energy Group established for us. Almost all of the Second Tier dollars can be attributed to subcontractors based in Illinois.

Tegrete is honored to support Peoples Gas and WEC Energy Group today and into the future. More information about Tegrete is available at www.Tegrete.com.

“With frequent communication, rapid response time, innovative solutions and continuous monitoring of industry recommendations, Tegrete helped Peoples Gas keep our facilities open and provide a sense of security for our employees and visitors.”

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 companies' 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 is 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

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	Sub-Contractor	Total \$	Total % To Total Purchases
Asian Pacific American	\$166	\$1,246	\$1,413	0.22%
Asian Indian American	\$5,168	\$3,599	\$8,767	1.34%
African American	\$12,836	\$28,848	\$41,684	6.36%
Hispanic American	\$18,986	\$27,092	\$46,079	7.04%
Native American	\$1,490	\$154	\$1,644	0.25%
Total: Minority Men	\$38,647	\$60,940	\$99,587	15.20%

Minority Women (\$ in Thousands)*

	Direct	Sub-Contractor	Total \$	Total % To Total Purchases
Asian Pacific American	\$924	\$1	\$925	0.14%
Asian Indian American	\$0	\$38	\$38	0.01%
African American	\$59	\$1,658	\$1,716	0.26%
Hispanic American	\$1,964	\$6,592	\$8,557	1.31%
Native American	\$0	\$0	\$0	0.00%
Total: Minority Women	\$2,947	\$8,289	\$11,236	1.72%

*Above numbers are subject to rounding.

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Total Expenditures (\$ in Thousands)*

	Direct	Sub-Contractor	Total \$	Total
Minority Business Enterprise—MBE	\$41,594	\$69,229	\$110,823	16.92%
Women Business Enterprise—WBE	\$17,842	\$34,341	\$52,183	7.97%
Subtotal MBE & WBE	\$59,436	\$103,570	\$163,006	24.89%
Veteran Business Enterprise—VBE	\$1,266	\$870	\$2,136	0.33%
Total: MBE, WBE, VBE	\$60,702	\$104,440	\$165,142	25.21%

*Above numbers are subject to rounding.

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APPENDIX B

Tier 1 & Tier II	African American		Asian		Hispanic		Native American	
	Men	Women	Men	Women	Men	Women	Men	Women
Product Service Description								
Analysis & Testing	\$6,422,557		\$259,056					
Automotive	\$270,214							
Building Services	\$3,025				\$42,055			
Building Supplies								
Computer & Office			\$608			\$182,138		
Construction	\$24,454,920	\$449,015	\$4,422,504	\$38,441	\$24,293,521	\$6,592,361	\$153,995	
Consulting	\$307,114	\$16,117	\$4,534,477	\$396	\$1,403,569			
Credit & Collections	\$281,997							
Energy Efficiency								
Engineering/Tech Services	\$5,795,040	\$1,208,208	\$814,148	\$924,134	\$2,201,851		\$14	
Equipment Rental								
Equipment Repair								
Finance, Accounting, Auditing	\$152,732							
Freight Services								
Gas Distribution	\$21,435				\$9,579			
Gas Storage	\$521,954		\$149,246		\$5,476	\$1,782,113		
Human Resources (Staffing)		\$42,088			\$5,482,351			
Information Tech Services							\$1,490,202	
Legal	\$84,352							
Marketing & Advertising		\$1,027				\$36		
Printing Services								
Restoration					\$9,393,692			
Safety					\$31,685			
Security								
Software Maintenance								
Tools	\$10,877							
Trucking/Transportation	\$3,357,535				\$243,952			
Vehicle Maintenance								
Waste Disposal					\$2,971,235			
Grand Total \$	\$41,683,752	\$1,716,454	\$10,180,039	\$962,971	\$46,078,965	\$8,556,648	\$1,644,211	\$0
Grand Total %	6.36%	.26%	1.55%	.15%	7.04%	1.31%	0.25%	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	\$5,062	\$666	\$6,681,614	\$666	\$5,062	\$6,687,342			Yes. Under Engineering/Tech Services
Automotive		\$3,176,916	\$270,214	\$3,176,916		\$3,447,130			
Building Services	\$1,178,830	\$2,713,226	\$45,080	\$2,713,226	\$1,178,830	\$3,937,136			
Building Supplies		\$135,844		\$135,844		\$135,844			
Computer & Office		\$22,508	\$182,746	\$22,508		\$205,254			
Construction	\$761,268	\$31,132,631	\$60,404,757	\$31,132,631	\$761,268	\$92,298,656			
Consulting		\$1,417,870	\$6,261,673	\$1,417,870		\$7,679,542			Yes
Credit & Collections		\$173,738	\$281,997	\$173,738		\$455,734			
Energy Efficiency									
Engineering/Tech Services	\$26,361	\$1,871,976	\$10,943,394	\$1,871,976	\$26,361	\$12,841,731			Yes
Equipment Rental	\$81,730	\$241		\$241	\$81,730	\$81,971			
Equipment Repair		\$154,776		\$154,776		\$154,776			
Finance, Accounting, Auditing		\$164,673	\$152,732	\$164,673		\$317,405			Yes
Freight Services									
Gas Distribution		\$1,730	\$31,014	\$1,730		\$32,744			
Gas Storage	\$81,794	\$555,572	\$2,458,789	\$555,572	\$81,794	\$3,096,156			
Human Resources (Staffing)		\$5,021,560	\$5,524,439	\$5,021,560		\$10,545,999			Yes
Information Tech Services		\$133,078	\$1,490,202	\$133,078		\$1,623,281			Yes
Legal		\$226,646	\$84,352	\$226,646		\$310,999			Yes
Marketing & Advertising		\$467,285	\$1,063	\$467,285		\$468,348			Yes
Printing Services		\$155,281		\$155,281		\$155,281			
Restoration		\$2,801,622	\$9,393,692	\$2,801,622		\$12,195,314			
Safety		\$482,292	\$31,685	\$482,292		\$513,977			
Security									
Software Maintenance									
Tools	\$1,020	\$142,015	\$10,877	\$142,015	\$1,020	\$153,912			
Trucking/Transportation		\$1,230,601	\$3,601,487	\$1,230,601		\$4,832,088			
Vehicle Maintenance									
Waste Disposal			\$2,971,235			\$2,971,235			
Grand Total \$	\$2,136,065	\$52,182,749	\$110,823,040	\$52,182,749	\$2,136,065	\$165,141,854	\$489,835,131	\$654,976,985	
Grand Total %	.33%	7.97%	16.92%	7.97%	0.33%	25.21%	74.79%	100%	

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APPENDIX C: DEFINITION OF SUPPLY CHAIN PROCUREMENT CATEGORIES

Category	Description
Analysis & Testing	Services related to the 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