Diverse is Who We Are

Southern California Edison (SCE) has more than 130 years of rich history, service, and support. As one of the nation's largest electric utilities, we serve more than 15 million customers in one of the most diverse regions in the nation. We employ more than 13,000 people of different backgrounds, ethnicities, and genders. We purchase more than $2 billion in goods and services from small and diverse business enterprises. We donate $20 million from shareholder funds annually to support education, public safety, civic engagement, and the environmental improvement. Our contributions help build and maintain a bright future for many California communities.

Diversity is an integral part of who we are and how we operate. Our employees reflect the rich diversity of Southern, Central and Coastal California, and we play an active role within the diverse communities around us. At SCE, the diversity of our workforce and the businesses with which we buy services and goods helps us – and the communities within our 50,000-mile service area – to succeed. Our embrace of and quest for diversity empowers our people and elevates the human spirit.
Supplier Diversity
A Business Imperative

Through our four decades of partnering with diverse firms, we know our supplier diversity and inclusion activities have a profound impact beyond our operations.

Engaging with diverse suppliers brings us the considerable benefit of broader viewpoints and backgrounds, and this helps us help make communities stronger and better. Diverse perspectives make businesses, including ours, more competitive and sustainable, leading to more jobs and a boost to local communities.

Furthermore, many of these businesses “pay it forward” by hiring and mentoring other diverse firms or providing support to organizations and communities.

We’re proud that more than 600 diverse suppliers have played a key role in helping us safely deliver reliable, affordable and clean electricity. We’re also excited about what lies ahead as our partners work alongside us while we focus on new opportunities in clean energy, efficient electrification, and building the grid of the future.

Supplier diversity continues to be good for our company, our customers and the communities we all serve, with wide-ranging effects felt every day.
We have been partnering with diverse firms for over four decades.

40 years

We engaged 650+ Tier 1 and Tier 2 Diverse businesses in 2019

We purchased $2.2 billion from Tier 1 and Tier 2 Diverse businesses in 2019

40.1% of our total corporate purchases in 2019 were from Diverse businesses
Our Purchases From Diverse Suppliers

**All WMDVLGBT Business Enterprises**
- 2017: $1.72B
- 2018: $2.13B
- 2019: $2.21B

**Women Business Enterprises**
- 2017: $582M
- 2018: $756M
- 2019: $883M

**Minority Business Enterprises**
- 2017: $1.08B
- 2018: $1.27B
- 2019: $1.22B

**Disabled Veteran Business Enterprises**
- 2017: $58M
- 2018: $100M
- 2019: $100M

**Lesbian, Gay, Bisexual, Transgender Business Enterprises**
- 2017: $1M
- 2018: $995K
- 2019: $876K

**Diverse Subcontracting**
- 2017: $329M
- 2018: $422M
- 2019: $540M
This report measures the economic benefits that arise from Southern California Edison’s purchases from small and diverse businesses in 2019, SCE relies on the contributions of businesses that are owned by individuals of diverse backgrounds in order to deliver the best products, with the greatest value, to an increasingly diverse marketplace. In recent years, the number of minority-, women-, disabled veteran- and LGBT-owned businesses has increased at a greater rate than the rest of the marketplace.

By utilizing Input-Output analysis model to evaluate economic impacts, in 2019, this report estimates that SCE’s engagement with small, minority-, women-, disabled veteran- and LGBT-owned businesses led to over $3.3 billion in contributions to the US economy and sustained more than 19,072 jobs. The impact is the sum of three effects: (i) direct purchases by SCE from its small, minority, women, disabled veteran and LGBT suppliers, (ii) indirect activities within these companies’ supply chains, and (iii) the induced effects that result as employees of these companies, and those of companies within their supply chains, spend their wages in the wider consumer economy*.

*This report does not include Tier2 subcontracting spend reported by SCE’s Tier 1 prime suppliers.
Supplier diversity programs help foster jobs and economic activity in underrepresented segments of the business and customer community. Inclusive procurement practices provide opportunities to diverse businesses, that in turn provide greater representation, employment and economic advancement for minority, women, veteran and LGBTBE communities. The benefits of working with a diverse supply chain go beyond just tracking diverse spend – there are notable impacts including GDP Production, Job creation, income and wage generation and positive tax impact from dollars spent with diverse businesses.

**Economic Impact through Supplier Diversity**

**PRODUCTION**

Purchases from small and diverse businesses support economic activity at these suppliers and creates a ripple effect of purchases through their supply chain.

**JOBS**

Suppliers ramp up staff to support additional sales. This supports jobs at the diverse suppliers, within their supply chain and in their communities.

**WAGES**

Employees that hold these jobs earn wages that help support their families and create additional spending.

**TAXES**

Economic activities generate revenues in the form of personal and business taxes. Taxes support government spending and investment within the community.
Economic Impact Channels
SCE’s supplier diversity purchases drive economic activity at three levels:

**Direct**
The economic benefit of the diverse suppliers’ operations and activities.

**Indirect**
The economic benefit and employment supported in the lower tier supply chain as a result of purchases by SCE’s diverse suppliers.

**Induced**
The wider economic benefits that arise when employees of diverse suppliers and their supply chain spend their wages.
Working with a large and diverse supplier base is critical to our mission of safely delivering reliable, affordable, and clean power to our customers and communities. As we focus on opportunities in clean energy, efficient electrification, and building the grid of the future while making our operations more sustainable, we continue to work with our internal and external partners to identify opportunities for small and diverse businesses and help them develop capabilities in areas where we have the greatest need.

The Economic Impact of Our Supplier Diversity Program

- **Production**: $3.3B
  - The total economic production supported through SCE’s supplier diversity spending
- **Jobs Supported**: 19,072
  - Total jobs supported through SCE’s supplier diversity spending
- **Wages Earned**: $1.2B
  - Employee earnings through the jobs in SCE’s supply chain
- **Taxes**: $1.2B
  - Federal, state and local taxes generated due to the economic activity
In total, SCE’s supplier diversity purchases contributed $3.3 billion to US gross domestic product in 2019. This total contribution represents the sum of three types of impacts – direct, indirect, and induced. With a GDP multiplier of 2, for every $10 in purchasing directly by SCE's diverse suppliers, $20 is created across the economy as a whole.

**GDP CONTRIBUTION**

$3.3 Billion

- Direct: $1.67B
- Indirect: $829M
- Induced: $802M
- Total: $3.30B

**JOBS SUPPORTED**

19,072

- Direct: 8,516
- Indirect: 4,892
- Induced: 5,644
- Total: 19,052

**WAGES EarnED**

$1.2 Billion

- Direct: $540M
- Indirect: $358M
- Induced: $291M
- Total: $1.2B

SCE purchased $1.7 billion from small and diverse businesses. This spending reflects the direct effect of the overall impact, creating indirect effects of $829 million and induced effects of $802 million.

SCE's Supplier Diversity spending supported an estimated 8,516 jobs at its small and diverse suppliers. Additionally, 4,892 jobs were supported by the indirect effect and 5,644 jobs from the induced effect.

Contracts to SCE helped support jobs at its diverse suppliers. Employees earned an estimated $540 million in wages and benefits through these jobs. Employees in jobs created through the indirect and induced effects earned an estimated $358 million and $291 million respectively.
## Our Supplier Diversity Impact By Category

<table>
<thead>
<tr>
<th>MBE</th>
<th>WBE</th>
<th>DVBE</th>
<th>LGBTBE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top 5 Job Industries Supported by MBE Suppliers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>4,196</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional, Scientific and Technical Services</td>
<td>2,489</td>
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<td></td>
</tr>
<tr>
<td>Internet and Other Information Services</td>
<td>1,065</td>
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<td></td>
</tr>
<tr>
<td>Computer and Electronic Product Mfg</td>
<td>903</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Trade</td>
<td>450</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

MBEs tend to hire more minorities than average

### Our Supplier Diversity Impact By Category

- **$956.3 million** Purchases
- **3,847** Jobs
- **$266.9 million** Wages

Our Supplier Diversity Impact By Category

Top 5 Job Industries Supported by WBE Suppliers

- Construction: 5,167 jobs
- Administrative and Support Services: 2,056 jobs
- Professional, Scientific and Technical Services: 1,323 jobs
- Internet and Other Information Services: 108 jobs
- Retail Trade: 82 jobs

$651 million Purchases

4,399 Jobs

$255.3 million Wages
Our Supplier Diversity Impact By Category

Top 5 Job Industries Supported DVBE Suppliers

<table>
<thead>
<tr>
<th>Industry</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>509</td>
</tr>
<tr>
<td>Administrative and Support Services</td>
<td>48</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>26</td>
</tr>
<tr>
<td>Professional, Scientific and Technical Services</td>
<td>17</td>
</tr>
<tr>
<td>Internet and Other Information Services</td>
<td>3</td>
</tr>
</tbody>
</table>

$62.1 million Purchases

269 Jobs

$16.7 million Wages
Our Supplier Diversity Impact By Category

<table>
<thead>
<tr>
<th>Category</th>
<th>MBE</th>
<th>WBE</th>
<th>DVBE</th>
<th>LGBTBE</th>
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</thead>
<tbody>
<tr>
<td>Professional, Scientific and Technical Services</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Job Industries Supported by LGBT Suppliers

- **Purchases**: $384,800
- **Jobs**: 3
- **Wages**: $179,300
Economic Impact on California

Total Impact

$3.1B Total Production Supported
17,980 Total Jobs Supported
$1.1B Total Wages Supported

Impact on Diverse Suppliers

$1.5B SCE Purchases
7,919 Jobs Supported
$506M Wages Supported

Top 5 Job Industries Supported by Diverse Suppliers

- Construction: 9,872
- Professional, Scientific and Technical Services: 3,243
- Administrative and Support Services: 2,375
- Internet and Other Information Services: 1,129
- Computer and Electronic Product Mfg: 902
## Economic Impact on California

98% of Southern California Edison's total economic impact is within the state of California.

<table>
<thead>
<tr>
<th>Minority-owned businesses</th>
<th>Women-owned businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$821M SCE purchases</td>
<td>$633M SCE purchases</td>
</tr>
<tr>
<td>3,355 Jobs</td>
<td>4,314 Jobs</td>
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</table>

<table>
<thead>
<tr>
<th>Disabled Veteran-owned businesses</th>
<th>LGBTE-owned businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$62M SCE purchases</td>
<td>$264K SCE purchases</td>
</tr>
<tr>
<td>269 Jobs</td>
<td>2 Jobs</td>
</tr>
</tbody>
</table>
### National Impact at Diverse Suppliers

<table>
<thead>
<tr>
<th>STATE</th>
<th>TOTAL OUTPUT</th>
<th>TOTAL JOBS</th>
<th>TOTAL WAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA</td>
<td>$3,079,579,826</td>
<td>17,980</td>
<td>$1,128,420,740</td>
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<tr>
<td>WA</td>
<td>$81,309,362</td>
<td>232</td>
<td>$10,141,032</td>
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<tr>
<td>NJ</td>
<td>$34,409,750</td>
<td>216</td>
<td>$15,950,323</td>
</tr>
<tr>
<td>MO</td>
<td>$32,492,638</td>
<td>126</td>
<td>$4,357,496</td>
</tr>
<tr>
<td>PA</td>
<td>$19,555,101</td>
<td>119</td>
<td>$7,086,614</td>
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<tr>
<td>AL</td>
<td>$16,197,338</td>
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<td>$6,971,173</td>
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<tr>
<td>CO</td>
<td>$6,867,507</td>
<td>36</td>
<td>$2,228,336</td>
</tr>
<tr>
<td>TX</td>
<td>$6,822,076</td>
<td>48</td>
<td>$3,049,584</td>
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<tr>
<td>NV</td>
<td>$5,870,246</td>
<td>45</td>
<td>$2,545,673</td>
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<tr>
<td>IL</td>
<td>$5,754,814</td>
<td>38</td>
<td>$2,671,581</td>
</tr>
<tr>
<td>AZ</td>
<td>$3,388,730</td>
<td>26</td>
<td>$1,440,929</td>
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<tr>
<td>NY</td>
<td>$2,019,328</td>
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<td>UT</td>
<td>$1,852,654</td>
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<td>TN</td>
<td>$1,145,452</td>
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<tr>
<td>ID</td>
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<tr>
<td>OR</td>
<td>$896,723</td>
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<tr>
<td>MI</td>
<td>$894,179</td>
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<td>VA</td>
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<td>$175,272</td>
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<td>OK</td>
<td>$308,825</td>
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<td>$85,055</td>
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<tr>
<td>GA</td>
<td>$300,640</td>
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<td>$135,023</td>
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<tr>
<td>NC</td>
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</table>
MSA: Supplier Diversity Impact By Category: Los Angeles/Long Beach/Anaheim

$1.1 billion
ECONOMIC OUTPUT

5,190
Total Jobs

$309 million
Total Wages Earned

$635 million
Total spending with diverse suppliers

The ability of our nation to meet the great economic, social, and environmental imperatives of our time rests largely on the health and vitality of metropolitan areas.

Roughly 2.6 million of SCE's customers live within the Los Angeles, Long Beach, and Anaheim areas, which is the second largest metropolitan service area in the country. Additionally, SCE invested more than $12 million in philanthropic dollars to support communities within this same area.
America's metropolitan areas are the engines of national prosperity.

SCE has seen first-hand how contracting with small and diverse firms has made us better, stronger, and more successful. These productive partnerships contribute to more robust economies and healthier communities. This is critically important as a large number of California's disadvantaged communities are in our service area.
Impact Beyond Our Supply Chain

Sustainability
We’re deepening our commitment to sustainability as we begin tracking progress on long-term, measurable goals related to clean energy, transportation electrification, diversity and inclusion, and safety. Among these are delivering 100% carbon-free power to SCE customers by 2045 in accordance with California law, expanding electric vehicle infrastructure throughout SCE’s service area, and electrifying SCE’s fleet, including 100% of SCE’s light-duty vehicles by 2030. We’ve also begun mapping our contributions to the U.N. Sustainable Development Goals and affirmed our commitment to our stakeholders as a signatory to the Business Roundtable Statement on the Purpose of a Corporation.

Environmental and Social Justice
A significant portion of SCE customers live in environmental and social justice (ESJ) communities, which are vulnerable to climate change and other threats, and face more challenges than other communities in accessing clean energy. We believe a clean energy future is for everyone and prioritize support for ESJ communities through customer program incentives, earmarked funds in green technologies, and targeted community outreach.

Living Wages
We recognize and reward employee contributions with competitive pay and benefits. Eligible employees may receive variable, performance-based pay linked to achievement of corporate- and job-specific goals. All full-time employees are also offered benefits, including a selection of health plans, life insurance plans and short- and long-term disability plans. Part-time employees are also offered a select range of benefits.

Corporate Philanthropy
In 2019, 92% of our philanthropic giving went to support underserved communities – we contributed $23 million to support nonprofits in SCE’s service area. We focus our efforts in four areas aligned with our strategy: environment, education, public safety and emergency preparedness, and civic engagement.

Inclusion and Gender Parity
To underscore our commitment to inclusion, we are pleased to be part of the CEO Action for Diversity & Inclusion™ campaign, pledging to advance diversity and inclusion in the workplace, along with the Paradigm for Parity, a coalition of organizations committed to addressing the gender gap in corporate leadership positions by 2030.

Actions to Advance Diversity
Innovation happens when diverse minds come together. Diverse and inclusive workplaces lead to better business decisions and an environment where every employee feels supported and empowered. That’s why we’re committed to developing a team that reflects the broad diversity of the customers and communities we serve and to creating an environment that reflects our values.
Appendix: Economic Impact Modeling

Economic impact modeling is a standard tool used to quantify the economic contribution of an investment or company. This modeling uses an “Input-Output” economic model to estimate the number of times each dollar of “input,” or direct spending, cycles through the economy in terms of “indirect and induced output,” or additional spending, personal wages, and employment.¹

There are several Input-Output models used by economists to estimate multiplier effects. supplier.io employed the IMPLAN input-output model in developing estimates of spending, wages and employment impacts. This model, initially developed by the U.S. Department of Agriculture, examines inter-industry relationships in local, regional, and national economies.

An Input-Output model uses a matrix representation of a nation's interconnected economy to calculate the effect of changes in spending by consumers, by an industry, or by others, on other industries and the entire economy. This matrix representation and the related Input-Output tables ultimately measure “multiplier effects” of an industry by tracing the effects of its inter-industry transactions – that is the number value of goods and services that are needed (inputs) to produce each dollar of output for the individual sector being studied. In essence, an Input-Output model is a table which shows who buys what from whom in the economy.²

This report is based on an analysis of data provided by Southern California Edison using IMPLAN’s Input-output multipliers, and the supplier diversity information in supplier.io’s database of nearly 1.6 million active certifications.

supplier.io

ABOUT SUPPLIER.IO
SUPPLIER.IO is redefining supplier diversity solutions. By providing comprehensive, accurate data in near real time, we help our customers get information they need to grow their supplier diversity program. To learn more, visit https://supplier.io.

References:
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2019 SUPPLIER DIVERSITY ECONOMIC IMPACT REPORT