



SUPPLIER DIVERSITY™

Growing Opportunities
Powered by Southwest Gas

2021 REPORT • 2022 PLAN

2021 FUEL PROCUREMENT REPORT - 2022 FUEL PROCUREMENT PLAN



SOUTHWEST GAS



Clean.
Affordable.
Natural Gas.

Table of Contents

2021 ANNUAL REPORT

A Message from John P. Hester	1
Executive Summary	2
9.1.1 Supplier Diversity Program Activities – Internal and External	4-7
Internal Activities	4
External Outreach Activities	5-6
Regulatory Participation	6
Community Recognition	7
9.1.2 Supplier Diversity Procurement 2020 Annual Results	8-14
Table 9.1.2 (A): Annual Results by Ethnicity – Prime Contracting and Subcontracting	8
Table 9.1.2 (B): Annual Results by Product and Service Categories – Direct	9
Table 9.1.2 (C): Annual Results by Product and Service Categories – Subcontracting	10
Standard Industrial Classification Code Reporting	11
Table 9.1.2 (D): Annual Results by Product and Service Categories Prime Contractor SIC CODES	12
Table 9.1.2 (E): Annual Results by Suppliers’ Gross Revenue Size	13
Descriptions of WMDVLGBTBEs with California Majority Workforce	14
9.1.3 Annual Program Expenses	14
Table 9.1.3: Program Expenses	
9.1.4 Annual Results and Goals	14
Table 9.1.4: Results and Goals	
9.1.5 Prime and Subcontracting Utilization of Diverse Suppliers	15
Table 9.1.5: Utilization of Women, Minority or Disabled–Veteran Contractors	
9.1.6 Diverse Supplier Complaints	16
9.1.7 Recruitment Efforts in Low-Utilization Areas	16-17
Financial Services	16
Legal Services	17
9.1.8 Document Retention	17
9.1.9 Renewable and Non-Renewable Energy	18

Table of Contents

(Continued)

2022 ANNUAL PLAN

10.1.1 Goals	20
Table 10.1.1: Annual, Short-, Mid- and Long-Term Goals	
10.1.2 Description of Planned Program Activities – Internal and External	21
Internal Outreach Activities	21
External Outreach Activities.....	21
California Outreach Organizations.....	21
10.1.3 Plans for Recruiting Diverse Suppliers in Low-Utilization Areas	22
10.1.4 Plans for Recruiting Diverse Suppliers Where Unavailable	22
10.1.5 Plans for Encouraging Prime Contractors to Engage Diverse Subcontractors	22
10.1.6 General Order 156 Compliance	22

2021 ANNUAL FUEL PROCUREMENT REPORT AND 2022 ANNUAL PLAN

9.1.11 Annual Fuel Procurement Report	24-25
Current Market Conditions	24
Outreach Efforts	24
Recruiting Diverse Suppliers in Low-Utilization Areas	24
Table 9.1.11: California Fuel Procurement Results for 2021	25
2022 Annual Fuel Procurement Plan	24

A MESSAGE FROM JOHN P. HESTER
President and Chief Executive Officer



We are in this together and realize that cultivating a diverse supply chain positively strengthens the local economies where we live and work. I am pleased to present our 2021 Supplier Diversity Annual Report and 2022 Annual Plan. It highlights our accomplishments and efforts to provide fair and equitable opportunities for diverse businesses.

In 2021, Southwest Gas made several notable strides that proudly demonstrate our commitment to diversity, equity and inclusion (DEI) and supplier diversity.

Our Company has a strong commitment to cultivating a diverse and inclusive workplace. This is a commitment we take seriously and have dedicated resources to deliver on this vision. We created a dedicated DEI department with deep leadership experience in DEI, developed a company DEI strategy, introduced diversity training companywide using DEI certified trainers, established an employee led DEI council, and introduced three employee resource groups. These initiatives allow us to infuse DEI and supplier diversity into every aspect of our organization while building a culture of belonging.

Additionally, in January 2022, our parent company, Southwest Gas Holdings, welcomed two new, highly qualified and experienced Board members: Ms. E. Renae Conley and Mr. Carlos Ruisanchez. Each augment the diversity, background and experience of our Board and ensure that we are well-positioned to create long-term value for the Company, our customers, stockholders, and the communities we serve.

I am proud of our Southwest Gas team and our company's steadfast commitment to DEI and supplier diversity. I look forward to growing our partnerships with the diverse business community and creating new opportunities that strengthen us all.

Sincerely,

A handwritten signature in black ink that reads "John P. Hester". The signature is written in a cursive, flowing style.

John P. Hester
President and Chief Executive Officer
Southwest Gas Corporation

2021

EXECUTIVE SUMMARY

Southwest Gas Corporation (Southwest Gas or Company) was founded in 1931 in Barstow, California, and for more than 90 years, has been proud to provide safe and reliable natural gas to communities in California, Arizona and Nevada. Southwest Gas serves approximately 200,000 customers in California, in Placer, El Dorado, Nevada and San Bernardino counties. This represents 11% of the Company's overall operations.

In 2021, Southwest Gas' procurement with Clearinghouse-Verified diverse suppliers in California totaled \$57,915,939 or 71.1 percent of the Company's total California procurement. Southwest Gas also spent an additional \$105,372,269 with Clearinghouse-Verified diverse suppliers in support of the Company's Arizona and Nevada operations. Companywide, Southwest Gas procured \$163,288,208 with diverse suppliers, affirming our commitment and reflecting the importance of supplier diversity throughout our organization.

Southwest Gas' 2021 Supplier Diversity Program (Program) results are summarized in the table below.

	California	Arizona and Nevada	Total
Minority Men	\$ 11,523,671	\$ 23,840,032	\$ 35,363,703
Minority Women	\$ 659,733	\$ 3,136,126	\$ 3,795,859
Total Minority Business Enterprise (MBE)	\$ 12,183,404	\$ 26,976,158	\$ 39,159,562
Women Business Enterprise (WBE)	\$ 4,440,943	\$ 38,611,476	\$ 43,052,419
Subtotal Women, Minority Business Enterprise (WMBE)	\$ 16,624,347	\$ 65,587,634	\$ 82,211,981
Disabled Veteran Business Enterprise (DVBE)	\$ 41,290,456	\$ 39,763,525	\$ 81,053,982
LGBT	\$ 1,136	\$ 21,109	\$ 22,245
Total Clearinghouse-Verified WMDVBE Procurement	\$ 57,915,939	\$ 105,372,269	\$ 163,288,208
Agency-Certified Spend (Non Clearinghouse)	\$ 300	\$ 3,845,377	\$ 3,845,677
Total Net Procurement	\$ 81,411,281		
% Clearinghouse-Verified Procurement	71.1%		

2021 ANNUAL REPORT

9.1.1

Supplier Diversity Program Activities

Internal Activities

Southwest Gas has a long-standing pledge to working with women, minority, disabled veteran and LGBT owned businesses. Despite the work restrictions and COVID-19 challenges carried over from the previous year, our commitment remains strong and steadfast. Throughout 2021, Program staff continued to refine our strategies to adapt to the changed work environment.

In 2021, Program activities included the following:

- Partnered with internal stakeholders to identify procurement opportunities for diverse suppliers;
- Promoted diverse businesses by leveraging the Company's DEI efforts;
- Enhanced Program awareness through virtual committee and department presentations;
- Organized and participated in virtual meetings with diverse suppliers;
- Encouraged the use of diverse suppliers in under-utilized spend categories;
- Worked with Supply Chain personnel to increase Tier 2 subcontracting efforts;
- Provided opportunities for internal stakeholders to participate in virtual conferences and match-making events;
- Continued to identify and address issues affecting suppliers; and
- Collaborated with internal stakeholders to address the issues and provide comments on Rulemaking (R.) 21-03-010 to revise General Order (GO) I56.

Meet Courtney Moore

In 2021, Southwest Gas reinforced its commitment to supplier diversity through the hiring of Courtney Moore. Courtney is the Company's first Director of Diversity, Equity & Inclusion and is focused on leading the supplier diversity team to achieve greater success. By infusing supplier diversity with DEI efforts, Courtney has been able to emphasize the importance of supplier diversity as a core business strategy.



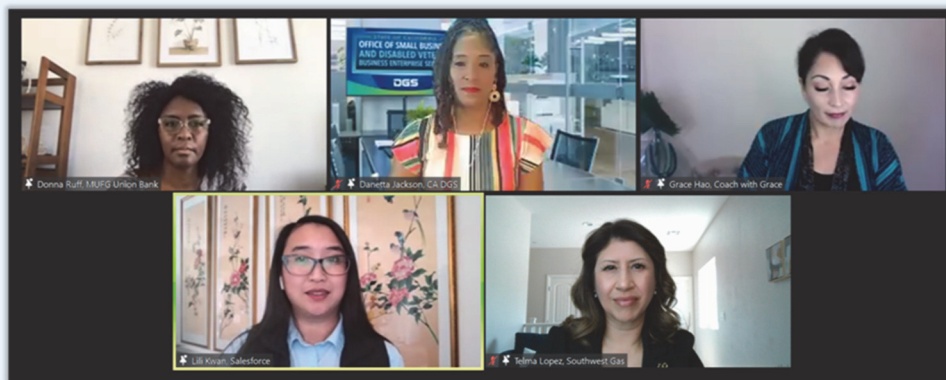
9.1.1

Supplier Diversity Program Activities

External Outreach Activities

In 2021, Program staff continued to collaborate with other utility partners and regional council/chambers on supplier diversity outreach events. In 2021, Southwest Gas participated and/or sponsored the following outreach activities:

- March 22 – Western Regional Minority Supplier Development Council (WRMSDC) Construction Day Matchmaking
- April 28 – Hispanics In Energy and California Public Utilities Commission (CPUC) Energy Virtual Summit
- April 28 – CPUC Spring Expo
- May 6 – WRMSDC Excellence in Supplier Diversity Awards
- May 20 – National Utilities Diversity Council (NUDC) Convo Day: Pace Setters - Best Practices in Supplier and Workforce Diversity
- May 27 – NUDC Chicago Re-Convening Virtual Conference
- July 13 – American Indian Chamber of Commerce (AICC) Expo
- August 19 – WRMSDC Multi-Industry Diversity Expo
- August 26 – WRMSDC Back in Time Supplier Diversity Expo
- September 28 – Long Beach Gay & Lesbian Chamber of Commerce (LBGLCC) Meet the Buyers Event
- October 24 – Southern California Black Chamber High Desert Black Business Expo
- October 27 – Commission Fall Expo
- November 8 – Veterans In Business Virtual Conference
- November 16 – WRMSDC Holiday Event
- November 17-19 – National Gay & Lesbian Chamber of Commerce Back to Business Summit
- December 2 – AICC Warrior Event



Program manager Telma Lopez serves as a panelist for the Women of Color discussion for WRMSDC Back In Time Multi-Industry Supplier Diversity Expo.

9.1.1

Supplier Diversity Program Activities



Southwest Gas was proud to partner with the LBGGLCC for a virtual “Meet the Buyers” event for the 4th consecutive year. The event featured representatives from various utility sectors sharing procurement opportunities and Supplier Diversity Program information.

Regulatory Participation

In 2021, Southwest Gas participated in the following regulatory activities:

- March 18 – 1st Quarter Joint Utility Meeting
- June 4 – GO 156 Annual Report Meeting Commission/Southwest Gas
- June 17 – 2nd Quarter Joint Utility Meeting
- July 21 – R.21-03-010 to revise GO 156 - Public Virtual Workshop
- September 17 – 3rd Quarter Joint Utility Meeting
- October 14 – Commission 19th Annual Supplier Diversity En Banc
- December 16 – 4th Quarter Joint Utility Meeting

9.1.1

Supplier Diversity Program Activities

Community Recognition

In 2021, Southwest Gas received two distinct recognitions from the WRMSDC. In May, Program Manager Telma Lopez received the Warrior Award at the Impressions: Excellence in Supplier Diversity Awards for her dedication to diverse businesses. Additionally, in November, Southwest Gas was honored with the Impact Award for its ongoing partnership and authentic commitment to communities of color and positive community impact. Southwest Gas is truly honored to be recognized by our partners for the important and meaningful work to support diverse businesses.



Warrior Award given to Program Manager Telma Lopez at the WRMSDC Impressions: Excellence in Supplier Diversity event.



Sharon Braddy-McKoy, Vice President/Human Resources, virtually accepts the Impact Award on behalf of Southwest Gas.

9.1.2

Results by Ethnicity

Ethnicity		Direct	Sub	Total \$	%
Minority Male	Asian Pacific American	1,382,288	-	1,382,288	1.7%
	African American	8,324,646	-	8,324,646	10.2%
	Hispanic American	107,371	1,137,482	1,244,853	1.5%
	Native American	571,883	-	571,883	0.7%
	Other	-	-	-	0.0%
Total Minority Male		10,386,189	1,137,482	11,523,671	14.2%
Minority Female	Asian Pacific American	211,278	-	211,278	0.3%
	African American	-	616	616	0.0%
	Hispanic American	284	446,750	447,034	0.5%
	Native American	-	805	805	0.0%
	Other	-	-	-	0.0%
Total Minority Female		211,562	448,171	659,733	0.8%
Total Minority Business Enterprise (MBE)		10,597,751	1,585,653	12,183,404	15.0%
Women Business Enterprise (WBE)		4,186,623	254,320	4,440,943	5.5%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		-	1,136	1,136	0.0%
Disabled Veteran Business Enterprise (DVBE)		41,100,980	189,476	41,290,456	50.7%
Other 8(a)*		-	-	-	0.0%
TOTAL WMDVLGBTBE		55,885,354	2,030,585	57,915,939	71.1%
Net Procurement**		81,411,281			

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 Direct - DIRECT PROCUREMENT
 Sub - SUBCONTRACTOR PROCUREMENT
 % - PERCENTAGE OF NET PROCUREMENT
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

TABLE 9.1.2 (A)

9.1.2

Products and Services

Procurement by Product and Service Categories – Direct

Ethnicity		Product		Services		Total	
			\$	%	\$	%	\$
Minority Male	Asian Pacific American	Direct	\$ 1,183,173	34.2%	\$ 199,115	0.3%	\$ 1,382,288
	African American	Direct	\$ -	0.0%	\$ 8,324,646	10.7%	\$ 8,324,646
	Hispanic American	Direct	\$ -	0.0%	\$ 107,371	0.1%	\$ 107,371
	Native American	Direct	\$ -	0.0%	\$ 571,883	0.7%	\$ 571,883
	Other	Direct	\$ -	0.0%	\$ -	0.0%	\$ -
Total Minority Male		Direct	\$ 1,183,173	34.2%	\$ 9,203,016	11.8%	\$ 10,386,189
Minority Female	Asian Pacific American	Direct	\$ -	0.0%	\$ 211,278	0.3%	\$ 211,278
	African American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -
	Hispanic American	Direct	\$ 284	0.0%	\$ -	0.0%	\$ 284
	Native American	Direct	\$ -	0.0%	\$ -	0.0%	\$ -
	Other	Direct	\$ -	0.0%	\$ -	0.0%	\$ -
Total Minority Female		Direct	\$ 284	0.0%	\$ 211,278	0.3%	\$ 211,562
Total Minority Business Enterprise (MBE)		Direct	\$ 1,183,457	34.2%	\$ 9,414,294	12.1%	\$ 10,597,751
Women Business Enterprise (WBE)		Direct	\$ 675,025	19.5%	\$ 3,511,598	4.5%	\$ 4,186,623
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Direct	\$ -	0.0%	\$ -	0.0%	\$ -
Disabled Veteran Business Enterprise (DVBE)		Direct	\$ -	0.0%	\$ 41,100,980	52.7%	\$ 41,100,980
Other 8(a)*		Direct	\$ -	0.0%	\$ -	0.0%	\$ -
TOTAL WMDVLGBTBE		Direct	\$ 1,858,482	53.8%	\$ 54,026,872	69.3%	\$ 55,885,354
Net Diverse Procurement			\$ 57,915,939				
Total Product Procurement \$			\$ 3,456,331				
Total Service Procurement \$			\$ 77,954,949				
Net Procurement**			\$ 81,411,281				
Total Number of WMDVLGBTBEs that Received Direct Spend			26				

TABLE 9.1.2 (B)

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 Direct - DIRECT PROCUREMENT
 Sub - SUBCONTRACTOR PROCUREMENT
 % - PERCENTAGE OF NET PROCUREMENT
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

9.1.2

Products and Services

Procurement by Product and Service Categories – Subcontracting

Ethnicity		Product	Services	Total				
		\$	%	\$	%	\$	%	
Minority Male	Asian Pacific American	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	African American	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Hispanic American	Sub	\$ 18,841	0.0%	\$ 1,118,641	1.4%	\$ 1,137,482	1.4%
	Native American	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	Other	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Total Minority Male		Sub	\$ 18,841	0.0%	\$ 1,118,641	1.4%	\$ 1,137,482	1.4%
Minority Female	Asian Pacific American	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
	African American	Sub	\$ -	0.0%	\$ 616	0.0%	\$ 616	0.0%
	Hispanic American	Sub	\$ 446,750	0.0%	\$ -	0.0%	\$ 446,750	0.5%
	Native American	Sub	\$ 805	0.0%	\$ -	0.0%	\$ 805	0.0%
	Other	Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Total Minority Female		Sub	\$ 447,555	0.0%	\$ 616	0.0%	\$ 448,171	0.6%
Total Minority Business Enterprise (MBE)		Sub	\$ 466,396	13.5%	\$ 1,119,257	1.4%	\$ 1,585,653	1.9%
Women Business Enterprise (WBE)		Sub	\$ 163,032	4.7%	\$ 91,288	0.1%	\$ 254,320	0.3%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)		Sub	\$ -	0.0%	\$ 1,136	0.0%	\$ 1,136	0.0%
Disabled Veteran Business Enterprise (DVBE)		Sub	\$ -	0.0%	\$ 189,476	0.2%	\$ 189,476	0.2%
Other 8(a)*		Sub	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
TOTAL WMDVLGBTBE		Sub	\$ 629,428	18.2%	\$ 1,401,157	1.8%	\$ 2,030,585	2.5%
Net Diverse Procurement			\$ 57,915,939					
Total Product Procurement \$			\$ 3,456,331					
Total Service Procurement \$			\$ 77,954,949					
Net Procurement**			\$ 81,411,281					
Total Number of WMDVLGBTBEs that Received Subcontract Spend			16					

TABLE 9.1.2 (C)

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 Direct - DIRECT PROCUREMENT
 Sub - SUBCONTRACTOR PROCUREMENT
 % - PERCENTAGE OF NET PROCUREMENT
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

9.1.2

Products and Services – Standard Industrial Classification Code Reporting

Standard Industrial Classification Code Reporting

Pursuant to Decision (D.) 05-12-023, Southwest Gas reports diverse supplier procurement results by Standard Industrial Classification (SIC) Code. The following is a list of SIC codes and detailed descriptions of the products and/or services that Southwest Gas obtained from Clearinghouse-Verified diverse suppliers throughout 2021. These SIC codes are also utilized in the table on the following page, which provides a breakdown of the dollars spent in each category.

SIC Code	Code Description	Product or Service Provided
16	Underground Utility Contractor	Underground Utility Contractor
17	Special Trade Contractor	Special Trade Contractor
23	Apparel & Other Finished Products	Protection Clothing
26	Chemicals and Allied Products	Industrial Products
27	Printing, Publishing & Allied Industries	Business Services
33	Primary Metal Industries	Wholesale Goods
34	Fabricated Metal Products	Valves and Pipe Fittings, NEC
35	Industrial And Commercial Machinery And Computer Equipment	Special Trade Contractor
38	Instruments and Related Products	Industrial Instruments
47	Transportation Services	Logistics Service
50	Wholesale Trade Durable Goods	Industrial supplies, including meter paint and coating, electrical apparatus and equipment wiring suppliers and construction materials
51	Wholesale Trade Durable Goods	Wholesale goods, chemical and construction products
52	Building Materials	Building materials
73	Business Services, NEC	Business Services; Computer Integrated Systems Design & Computer Related Services, Guard Services
87	Engineering & Management Services	Pipeline Engineering Services
89	Services, NEC	Interior Plant Design

9.1.2

Annual Results by Product and Service Categories Prime Contractor by SIC Codes

SIC Category	Asian Pacific American		African American		Hispanic American		Native American		Minority Business Enterprise (MBE)	Women Minority Business Enterprise (WMBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)**	Total WMDVLGBTBE	Total Dollars
	Male	Female	Male	Female	Male	Female	Male	Female							
16 - Underground Utility Contractor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,100,980	\$ 41,100,980
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 50.5%	% 50.5%
17 - Special Trade Contractor	\$ -	\$ -	\$ 8,324,646	\$ -	\$ 1,118,641	\$ -	\$ -	\$ -	\$ 9,443,287	\$ 806,864	\$ -	\$ 189,476	\$ -	\$ 10,439,627	\$ 10,439,627
	% 0.0%	% 0.0%	% 10.2%	% 0.0%	% 1.4%	% 0.0%	% 0.0%	% 0.0%	% 11.6%	% 1.0%	% 0.0%	% 0.2%	% 0.0%	% 12.8%	% 12.8%
23 - Apparel & Other Finished Products	\$ 8,548	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,548	\$ 4,052	\$ -	\$ -	\$ -	\$ 12,600	\$ 12,600
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%
26 - Apparel & Other Finished Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181	\$ -	\$ -	\$ -	\$ 181	\$ 181
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%
27 - Printing, Publishing & Allied Industries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 380	\$ -	\$ -	\$ -	\$ 380	\$ 380
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%
33 - Primary Metal Industries	\$ -	\$ -	\$ -	\$ -	\$ 18,841	\$ 20,272	\$ -	\$ -	\$ 39,113	\$ 130,324	\$ -	\$ -	\$ -	\$ 169,438	\$ 169,438
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.2%	% 0.0%	% 0.0%	% 0.0%	% 0.2%	% 0.2%
34 - Fabricated Metal Products	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,114	\$ -	\$ -	\$ -	\$ 68,114	\$ 68,114
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.1%	% 0.0%	% 0.0%	% 0.0%	% 0.1%	% 0.1%
35 - Industrial and Commercial Machinery And Computer Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,804	\$ -	\$ -	\$ -	\$ 10,804	\$ 10,804
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%
38 - Instruments and Related Products	\$ -	\$ 211,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,278	\$ -	\$ 1,136	\$ -	\$ -	\$ 212,414	\$ 212,414
	% 0.0%	% 0.3%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.3%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.3%	% 0.3%
47 - Transportation Services	\$ 1,183,173	\$ -	\$ -	\$ -	\$ -	\$ 426,762	\$ 8,661	\$ 805	\$ 1,619,401	\$ 92,230	\$ -	\$ -	\$ -	\$ 1,711,631	\$ 1,711,631
	% 1.45%	% 0.00%	% 0.00%	% 0.00%	% 0.00%	% 0.52%	% 0.01%	% 0.00%	% 1.99%	% 0.11%	% 0.00%	% 0.00%	% 0.00%	% 2.10%	% 2.10%
50 - Wholesale Trade Durable Goods	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 548,105	\$ -	\$ -	\$ -	\$ 548,105	\$ 548,105
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.7%	% 0.0%	% 0.0%	% 0.0%	% 0.7%	% 0.7%
51 - Wholesale Trade Durable Goods	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,974	\$ -	\$ -	\$ -	\$ 19,974	\$ 19,974
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%
52 - Building Materials	\$ -	\$ -	\$ 616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 616	\$ 2,203,937	\$ -	\$ -	\$ -	\$ 2,204,553	\$ 2,204,553
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 2.7%	% 0.0%	% 0.0%	% 0.0%	% 2.7%	% 2.7%
73 - Business Services	\$ 190,567	\$ -	\$ -	\$ -	\$ 107,371	\$ -	\$ 563,222	\$ -	\$ 861,161	\$ 309,042	\$ -	\$ -	\$ -	\$ 1,170,203	\$ 1,170,203
	% 0.2%	% 0.0%	% 0.0%	% 0.0%	% 0.1%	% 0.0%	% 0.7%	% 0.0%	% 1.1%	% 0.4%	% 0.0%	% 0.0%	% 0.0%	% 1.4%	% 1.4%
87 - Engineering & Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 240,910	\$ -	\$ -	\$ -	\$ 240,910	\$ 240,910
	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.0%	% 0.3%	% 0.0%	% 0.0%	% 0.0%	% 0.3%	% 0.3%
89 - Services, NEC															
TOTAL	\$ 1,382,288	\$ 211,278	\$ 8,325,262	\$ -	\$ 1,244,853	\$ 447,034	\$ 571,883	\$ 805	\$ 12,183,404	\$ 4,440,943	\$ 1,136	\$ 41,290,456	\$ -	\$ 57,915,939	\$ 57,915,939
	% 1.7%	% 0.3%	% 10.2%	% 0.0%	% 1.5%	% 0.5%	% 0.7%	% 0.0%	% 15.0%	% 5.5%	% 0.0%	% 50.7%	% 0.0%	% 71.1%	% 71.1%

Total Product Procurement	\$ 3,456,331
Total Service Procurement	\$ 77,954,949
Net Procurement***	\$ 81,411,281

NOTE: * FIRMS WITH MULT MINORITY OWNERSHIP STATUS
 ** FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
 *** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 TOTAL DOLLARS - TOTAL PROCUREMENT DOLLAR AMOUNT IN THE SPECIFIC SIC CATEGORY
 % - PERCENTAGE OF TOTAL DOLLARS
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

TABLE 9.1.2 (D)

9.1.2

Annual Results by Suppliers' Gross Revenue Size

Data on Number of Suppliers

#WMDVLGBTBEs	Revenue Reported to CHS					Grand Total	Utility - Specific 2021 Summary					Grand Total
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*		MBE	WBE	LGBTBE	DVBE	Other 8(a)*	
Under \$1 million	3	0	1	1	0	5	12	23	1	1	0	37
Under \$5 million	1	7	0	0	0	8	2	1	0	0	0	3
Under \$10 million	1	5	0	0	0	6	1	0	0	0	0	1
Above \$10 million	10	12	0	1	0	23	0	0	0	1	0	1
Total	15	24	1	2	0	42	15	24	1	2	0	42

Revenue and Payment Data

#WMDVLGBTBE \$M	Revenue Reported to CHS					Grand Total	Utility - Specific 2021 Summary					Grand Total
	MBE	WBE	LGBTBE	DVBE	Other 8(a)*		MBE	WBE	LGBTBE	DVBE	Other 8(a)*	
Under \$1 million	\$ 1	\$ -	\$ 1	\$ 1	\$ -	\$ 3	\$ 1,556,944	\$ 2,399,329	\$ 1,136	\$ 189,476	\$ -	\$ 4,146,885
Under \$5 million	\$ 2	\$ 15	\$ -	\$ 3	\$ -	\$ 19	\$ 2,301,814	\$ 2,041,615	\$ -	\$ -	\$ -	\$ 4,343,429
Under \$10 million	\$ 8	\$ 36	\$ -	\$ -	\$ -	\$ 44	\$ 8,324,646	\$ -	\$ -	\$ -	\$ -	\$ 8,324,646
Above \$10 million	\$ 1,249	\$ 777	\$ -	\$ 214	\$ -	\$ 2,240	\$ -	\$ -	\$ -	\$ 41,100,980	\$ -	\$ 41,100,980
Total	\$ 1,259	\$ 828	\$ 1	\$ 218	\$ -	\$ 2,306	\$ 12,183,404	\$ 4,440,943	\$ 1,136	\$ 41,290,456	\$ -	\$ 57,915,939

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE

CHS: SUPPLIER CLEARINGHOUSE

REVENUE AND PAYMENT DATA MAY REFLECT ROUNDING DIFFERENCES

TABLE 9.1.2 (E)

9.1.2

WMDVLGBTBEs with California Majority Workforce

Based on available information, approximately 60 percent of Southwest Gas' Clearinghouse-Verified diverse suppliers have a majority of their workforce in California.

9.1.3

Annual Program Expenses

Expense Category	2021
Wages	\$ 99,280
Other Employee Expenses	\$ 497
Program Expenses	\$ 39,013
Reporting Expenses	\$ -
Training	\$ -
Professional Services	\$ 8,333
Other (Includes participation and/or sponsorship and outreach activities, i.e. trade fairs, awards events, etc.)	\$ 8,472
Total	\$ 155,595

9.1.4

Annual Results and Goals

Southwest Gas' 2021 procurement with Clearinghouse-Verified diverse suppliers reached nearly \$58 million dollars. This represents just over 71 percent of the Company's total procurement in California. Although this meets the Commission's overall goal of 21.5 percent, Southwest Gas remains focused on achieving the goals for each individual category.

Category	Goals	2021 Results*
Minority Business Enterprise (MBE)	15.0%	15.0%
Women Business Enterprise (WBE)	5.0%	5.5%
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0.5%	0.0%
Disabled Veteran Enterprise (DVBE)	1.5%	50.7%
Total WMDVLGBTBE	22.0%	71.1%

* Percentages may reflect rounding differences

9.1.5

Prime and Subcontracting Utilization of Diverse Suppliers

Southwest Gas encourages its prime contractors to provide opportunities to diverse subcontractors throughout their supply chains and on Company projects. In 2021, Program staff worked closely with our Supply Chain partners to identify Tier 2 subcontracting spend with several prime suppliers. As a result, subcontracting spend was reported by seven prime suppliers and 16 diverse subcontractors (57% and 50% increases over the previous year, respectively) totaling \$2,030,585. In 2022, Southwest Gas will continue to expand partnerships and grow diverse subcontracting spend by our prime suppliers.

	Minority Male	Minority Female	Minority Business Enterprise(MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veteran Business Enterprise (DVBE)	Other 8(a)*	Total WMDVLGBTBE
Direct \$	\$ 10,386,189	\$ 211,562	\$ 10,597,751	\$ 4,186,623	\$ -	\$ 41,100,980	\$ -	\$ 55,885,354
Subcontracting \$	\$ 1,137,482	\$ 448,171	\$ 1,585,653	\$ 254,320	\$ 1,136	\$ 189,476	\$ -	\$ 2,030,585
Total \$	\$ 11,523,671	\$ 659,733	\$ 12,183,404	\$ 4,440,943	\$ 1,136	\$ 41,290,456	\$ -	\$ 57,915,939
Direct %	12.8%	0.3%	13.0%	5.1%	0.0%	50.5%	0.0%	68.6%
Subcontracting %	1.4%	0.6%	1.9%	0.3%	0.0%	0.2%	0.0%	2.5%
Total %	14.2%	0.8%	15.0%	5.5%	0.0%	50.7%	0.0%	71.1%
Net Procurement**	\$ 81,411,281							

NOTE: * FIRMS CLASSIFIED AS 8(a) OF SMALL BUSINESS ADMINISTRATION INCLUDES NON-WMDVLGBTBE
 ** NET PROCUREMENT INCLUDES PURCHASE ORDER, NON-PURCHASE ORDER, AND CREDIT CARD DOLLARS
 Direct - DIRECT PROCUREMENT
 Sub - SUBCONTRACTOR PROCUREMENT
 % - PERCENTAGE OF NET PROCUREMENT
 PERCENTAGES AND PROCUREMENT DOLLARS MAY REFLECT ROUNDING DIFFERENCES

9.1.6

Diverse Supplier Complaints

Southwest Gas did not receive any formal supplier diversity-related complaints during 2021.

9.1.7

Recruitment Efforts in Low-Utilization Areas

Financial Services

Investment Banking

Southwest Gas has developed and continues to grow and strengthen relationships with diverse investment banks. Since 2012, Southwest Gas has had seven public debt issuances. In all seven issuances, including one in 2021, Southwest Gas appointed diverse investment banks as co-managers as reflected in the table below.

Issue Date	Maturity Date	Gross Principal Offered	Allocated to WMDVBES	
			Principal	Percent
3/23/2012	4/1/2022	\$ 250,000,000	\$ 44,000,000	17.6%
10/4/2013	10/1/2043	\$ 250,000,000	\$ 44,000,000	17.6%
9/29/2016	9/29/2046	\$ 300,000,000	\$ 60,000,000	20.0%
3/15/2018	4/1/2028	\$ 300,000,000	\$ 60,000,000	20.0%
5/31/2019	6/1/2049	\$ 300,000,000	\$ 60,000,000	20.0%
6/4/2020	6/15/2030	\$ 450,000,000	\$ 110,000,000	24.4%
8/20/2021	8/15/2051	\$ 300,000,000	\$ 48,000,000	16.0%
		<u>\$ 2,150,000,000</u>	<u>\$ 426,000,000</u>	<u>19.8%</u>

Asset Management

In 2021, Southwest Gas continued its more than 19-year relationship with a diverse asset manager for the Company's 401k plan.

Leasing Services

Southwest Gas has and continues to seek new diverse businesses for lease financing opportunities.

9.1.7

Recruitment Efforts in Low-Utilization Areas

Legal Services

Southwest Gas is committed to diversity and inclusion in all aspects of its business, including the procurement of legal services. Southwest Gas believes that a robust supplier diversity program contributes to the Company's growth, competitiveness, and ability to provide enhanced services to our customers. During 2021, the Company continued to provide opportunities for women, LGBT, and minority attorneys in non-diverse law firms. A number of women and minority attorneys who are members/partners of majority-owned law firms serve as lead counsel representing Southwest Gas in a wide range of legal matters. Further, the Southwest Gas Legal Affairs Department, through pro bono work, partners with organizations that advocate on behalf of underserved minority communities and other vulnerable groups. Southwest Gas remains committed to the advancement of diversity and inclusion throughout the organization and the communities it serves, and to meeting its legal needs by partnering with and promoting women, LGBT and minority-owned attorneys and law firms.

9.1.8

Document Retention

Pursuant to GO 156, Southwest Gas retains all data in preparing its annual report for a minimum of three years.

9.1.9

Renewable and Non-Renewable Energy

Southwest Gas' fuel procurement is reflected in the Company's 2021 Annual Fuel Procurement Report.

In 2021, Southwest Gas was honored to partner with the Victor Valley Wastewater Reclamation Authority (VWVRA) on its first renewable natural gas (RNG) project in California. The VWVRA facility will introduce RNG to Southwest Gas' system. In January 2022, Southwest Gas was joined by partners from VWVRA and other key stakeholders to commission the facility.



Representatives from the VWVRA, SoCal Biomethane, Southwest Gas and community stakeholders are pictured above at the commissioning event.



The new facility at the VWVRA will convert raw biogas to pipeline-quality RNG.



Barstow Mayor Dr. Paul Courtney (left) and Brad Harris, Southwest Gas Vice President California & Northern Nevada Divisions (right) are pictured above at the VWVRA commissioning event.

2022 Annual Plan

10.1.1

Goals

Southwest Gas is resolute in its determination to meet or exceed the goals of GO 156. The Company continues to cultivate and strengthen relationships with partners who are in alignment with this mission. Southwest Gas' short, mid and long-term product and service category goals support those of GO 156, as reflected in the tables below. For 2022, Southwest Gas' diverse procurement goal will again include a 0.50 percent goal for procurement with LGBTBEs.

Overall WMDVLGBTBE Procurement Goal
44.0%

Products

Short-Term 2022			
MBE	WBE	LGBTBE	DVBE
15.00%	5.00%	0.50%	1.50%

Mid-Term 2024			
MBE	WBE	LGBTBE	DVBE
15.00%	5.00%	1.50%	1.50%

Long-Term 2026			
MBE	WBE	LGBTBE	DVBE
15.00%	5.00%	1.50%	1.50%

Services

Short-Term 2022			
MBE	WBE	LGBTBE	DVBE
15.00%	5.00%	0.50%	1.50%

Mid-Term 2024			
MBE	WBE	LGBTBE	DVBE
15.00%	5.00%	1.50%	1.50%

Long-Term 2026			
MBE	WBE	LGBTBE	DVBE
15.00%	5.00%	1.50%	1.50%

10.1.2

Description of Planned Program Activities

Internal Outreach Activities

In 2022, Southwest Gas will continue to build on our Program accomplishments and work towards achieving success in areas of opportunity. Program staff’s efforts will focus on the following activities:

- Engage internal stakeholders through increased Program awareness and education;
- Promote the Program through new and established channels of communication;
- Leverage DEI resources to track and analyze data efficiently;
- Utilize supplier diversity best practices to refine Program policies to deliver greater success and sustainability;
- Collaborate with Supply Chain personnel to increase Tier 2 subcontracting spend;
- Connect internal stakeholders to diverse businesses, with added emphasis on underspent categories;
- Work to incorporate changes to GO 156 into Program strategies that may be adopted in R.21-03-010; and
- Promptly address issues impacting diverse suppliers.

External Outreach Activities

- Southwest Gas will continue to promote the Program through virtual and in-person outreach events.
- Southwest Gas will remain focused on providing opportunities for diverse businesses to connect with internal stakeholders and help facilitate productive conversations.
- Southwest Gas intends to strengthen our commitments with diverse chambers of commerce and professional associations that support the development of diverse suppliers.
- Southwest Gas will target diverse businesses in minority female, LGBT and service-disabled veteran categories to increase opportunities for diverse spend.

10.1.2

Planned Internal and External Program Activities

California Outreach Organizations	
African American Chamber of Commerce	Los Angeles Gay & Lesbian Chamber of Commerce
American Indian Chamber of Commerce	National Utilities Diversity Council
CalAsian Chamber of Commerce	Southern California Black Chamber
California DVBE Alliance	Southern California Minority Supplier Development Council
California Hispanic Chamber of Commerce	Veterans In Business
High Desert Hispanic Chamber	Western Regional Minority Supplier Development Council
Long Beach Gay & Lesbian Chamber of Commerce	Women’s Business Enterprise Council

10.1.3

Plans for Recruiting Diverse Suppliers in Low-Utilization Areas

Expanding opportunities for diverse businesses in areas with lower utilization remains a priority for Southwest Gas. Each year, Program staff evaluates procurement activity to identify opportunities for development. In 2022, Program staff will diligently work with internal stakeholders to grow spend in categories with low-utilization. Program staff will focus on the following activities:

- Collaborating with other utility partners to reach a greater cross-section of diverse suppliers;
- Working with prime suppliers to develop relationships and identify opportunities for diverse suppliers in targeted areas;
- Increasing our commitment to business organizations that support the development of diverse suppliers in underspent categories; and
- Enhancing outreach efforts in minority female, LGBT and disabled veteran business enterprise categories.

10.1.4

Plans for Recruiting Diverse Suppliers Where Unavailable

Pursuant to D.03-11-024, Southwest Gas does not include exclusions in its procurement reporting.

10.1.5

Plans for Encouraging Prime Contractors to Engage Diverse Subcontractors

In 2022, Southwest Gas Program Staff will continue to engage internal and external stakeholders, including prime contractors, to identify and increase opportunities for diverse subcontractors to achieve Southwest Gas spend goals. Program activities will include the following:

- Encouraging internal stakeholders to promote diverse subcontractor throughout the supply chain;
- Developing and strengthening partnerships with prime contractors;
- Educating prime contractors on GO 156 requirements and providing assistance where needed;
- Improving efforts to collect and track Tier 2 subcontracting spend data; and
- Identifying new ways for prime contractors to connect with diverse subcontractors.

10.1.6

General Order 156 Compliance

Southwest Gas is firm in its commitment to promoting the continued growth of diverse suppliers and adhering to the guidelines established in GO 156. Southwest Gas further intends to integrate revisions to GO 156 in its business practices and continue to deliver positive outcomes for diverse businesses.

2021 Annual Fuel Procurement Report and 2022 Plan

2021 Annual Fuel Procurement Report and 2022 Plan

In 2021, Southwest Gas did not make any natural gas purchases from Clearinghouse-Verified diverse suppliers to support its operations in California (*see Fuel Purchases Chart*). Although no Clearinghouse-Verified diverse suppliers were successful participants in the Company's natural gas solicitations, Southwest Gas remains committed and steadfast to include diverse businesses in its gas supply solicitations.

Current Market Conditions

The Company's Gas Supply Department secures natural gas supplies to serve Southwest Gas' sales customers in California, Nevada and Arizona. Southwest Gas meets these requirements through a combination of firm contract purchases, monthly spot market purchases, and daily spot market purchases. Southwest Gas purchases gas supplies in the most economic manner from a wide variety of sources and ever-changing number of potential suppliers. Southwest Gas acquires the necessary gas supplies on a competitive price basis, also taking into consideration the reliability and assured performance of potential gas suppliers, as well as the reliability of the actual sources of supply. Diverse suppliers have an opportunity to compete directly with the Company's other natural gas suppliers. Southwest Gas has a longstanding commitment to doing business with diverse suppliers and will provide opportunities when possible and economic.

Southwest Gas actively solicits both firm and spot market gas supply offers from diverse suppliers. Whether daily, monthly, or long term, the Company encourages diverse suppliers to participate when it seeks offers for natural gas supplies. Southwest Gas may receive responses to its solicitation programs from various diverse suppliers, some of whom become successful in the competitive process.

Outreach Efforts

Southwest Gas reviews proposals from prospective diverse gas suppliers and provides those potential suppliers with information and the opportunity to participate in all bidding programs. Additionally, the Company's Gas Supply Department fields calls directly from prospective suppliers, accepts referrals from industry contacts, and pursues contacts provided by Supplier Diversity Program staff.

Recruiting Diverse Suppliers in Low-Utilization Areas

In 2022, Southwest Gas will continue its efforts to increase procurement in areas of low utilization.

Supplier Diversity Program Fuel Procurement Annual Plan for 2022

In 2022, the Company's Gas Supply department will endeavor to find and develop new diverse suppliers and encourage existing diverse suppliers to participate in Southwest Gas' various natural gas supply solicitation opportunities. Gas Supply employees will also meet with prospective diverse suppliers to discuss natural gas supply requirements, existing supply arrangements, and settlements for gas purchased. Southwest Gas will continue to engage and welcome Clearinghouse-Verified diverse natural gas suppliers that offer cost-competitive natural gas supplies to the Company.

