

INTENTIONAL INCLUSION. MEASURABLE IMPACT.



CALIFORNIA AMERICAN WATER

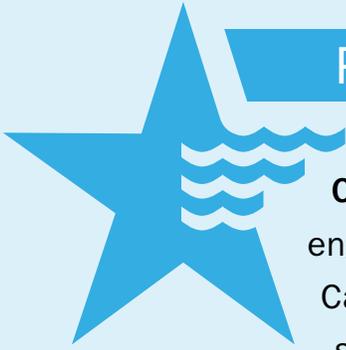
2026 Annual Report to the California Public Utilities Commission
(for 2025 results)

Women, Minority, Disabled Veteran, LGBT Business Enterprise Procurement
Pursuant to California Public Utilities Commission General Order 156 (U-60-W)



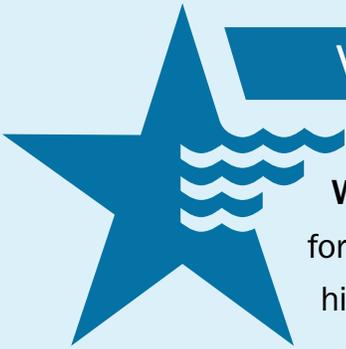
CALIFORNIA
AMERICAN WATER

WE KEEP LIFE FLOWING®



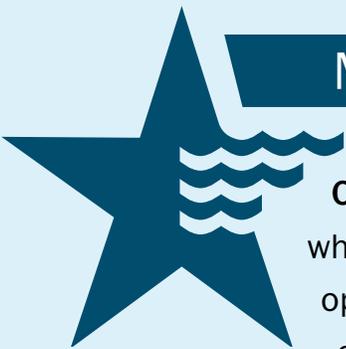
POLICY

California American Water recognizes the value of supplier engagement as a strategic business decision consistent with the California Public Utilities Commission’s goals. Our merit-based supplier procurement process does not provide preferences in the contracting process to any supplier classification or reserve contract opportunities for diverse suppliers. Instead, we are committed to identifying diverse suppliers and offering them an opportunity to compete for products and service contracts.



VISION

We create opportunities – including education and mentorship – for suppliers and strive to work with diverse suppliers who meet our high standards and work in our customers’ best interests.



MISSION

Our mission is to open business doors for diverse suppliers who otherwise would not have been knowledgeable of contract opportunities with California American Water. We are steadfast in our commitment to ensure that available contract opportunities are known and reviewed in an open and fair competitive business environment.

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SARAH LEEPER
President

President's Message

We are pleased to present California American Water's 2025 Annual Report pursuant to California Public Utilities Commission General Order 156. In 2025, our Supplier Diversity program continued to be a strategic driver in delivering safe, clean, reliable drinking water to the communities that we serve. By engaging diverse suppliers and small businesses as part of our merit-based procurement process, we enhanced our operational agility and supported our growth and performance goals.

Working with a broad range of qualified suppliers also brought specialized expertise and flexible solutions that supported cost-effective operations.

Equally important, our commitment to creating equal opportunity for all suppliers to compete for contracts reinforced our broader objectives around long-term value creation. Partnering with diverse and small businesses contributed to economic development, reduced risk through supplier base diversification, and strengthened our reputation with customers, partners, and stakeholders.

Thank you for your continued efforts, and let's keep the momentum going as we move into the new year.

SARAH LEEPER
PRESIDENT

Message from the Supplier Diversity Manager



ALEXUS RUSSELL
Supplier Diversity Manager

This year's theme was: Intentional Inclusion and Measurable Impact. These reflect our continued commitment to building an inclusive, resilient and competitive supplier ecosystem.

Over the past year, our engagement with diverse suppliers and small businesses has generated measurable economic value. Our spending with all of our suppliers in meeting the commission's targets not only supported business growth but also contributed to job creation, community investment, and economic stability.

Engagement is at the heart of our program's success. This year, we deepened relationships with external partners through targeted outreach and strategic matchmaking opportunities. These engagements not only strengthened supplier readiness but also aligned supplier capabilities with our core business objectives.

As we look ahead, we remain committed to evolving our strategy, expanding impact, and partnering with qualified suppliers who share our commitment to excellence, accountability, and growth.

I am proud of the progress we have made and grateful to our suppliers, internal teams, and partners who continue to champion this work. Together, we are building a stronger, more inclusive Supply Chain that supports business continuity today and sustainable growth for the future.

A handwritten signature in blue ink that reads "Alexus Russell". The signature is fluid and cursive.

ALEXUS RUSSELL
SUPPLIER DIVERSITY MANAGER

Our Approach to Diversity

Supplier Engagement and Development as a **Business Strategy**

Supplier Diversity is embedded in our sourcing strategy and selections are based on merit. Suppliers are considered across categories and sourcing events based on capability, value and competitiveness, ensuring business needs and goals move forward. We seek to create equal opportunity for all suppliers to compete for contracts as part of our sourcing and procurement activities because inclusive supply chains foster innovation, resilience, competition and long-term value creation.

In 2025, out of 35 sourcing events, at least one diverse supplier was invited to 26 sourcing events with 16 awarded to diverse suppliers based on the merit of their submissions.

Equitable Hiring and Recruiting

American Water believes that employees are at their best when they can bring their authentic selves to work every day. This belief is the central component of the Company's "Beautifully Different" philosophy, which recognizes, embraces and celebrates the uniqueness of its employees. The Company also believes that having employees with different ideas, viewpoints, experiences and backgrounds improves its ability to serve its customers. To this end, the Company is committed to attracting and retaining a workforce that understands the needs of the communities in which it serves.

Long-Term Partnerships

By fostering long-term partnerships, mentorships and collaboration, we help suppliers build capacity, improve performance and grow alongside our business. California American Water has long standing partnerships with many community-based organizations, chambers and community partners. To highlight a few, in 2025, we collaborated with the Southern California Black Chamber of Commerce to introduce regulated water utilities like us to their members. We also continued our partnership with Veterans in Business and participated in their BRAVO Mentor Protégé Program where we mentor a veteran business owner for six months. Lastly, we continued our partnership with Council for Supplier Diversity by sponsoring a diverse supplier to the High Performing Supplier Series in collaboration with University of San Diego. In 2026, we will continue to support local chambers, organizations and community partners to remove barriers, build capacity and create pathways that enable diverse businesses to compete, grow and thrive.

2026 Goals and Priorities

Looking forward, California American Water will prioritize identifying gaps in our procurement categories like electrical, well rehabilitation & drilling, and tank contractors to name a few, where there is an opportunity to broaden supplier inclusion in our procurement process. We will continue to integrate with our core business functions and commit to participating in and hosting intentional forums to expand our supplier base by increasing access, building relationships, and enabling diverse suppliers and small businesses to compete and grow.

Supplier Diversity

2025 at a Glance



\$221 million+

Total Procurement



\$110 million+

Diverse Spend



50.10%
TOTAL PURCHASES
WITH DIVERSE
SUPPLIERS



16 YEARS
CPUC GOAL SURPASSED



4 AMONG TOP 15
SUPPLIERS ARE DIVERSE FIRMS



10
NEW DIVERSE
FIRMS



45
DIVERSE SUPPLIERS
SPENT > \$100K



\$3.7 MILLION
COMMITTED CORPORATIONS
SPEND ON DIVERSE
BUSINESSES



232
TOTAL NUMBER OF
DIVERSE SUPPLIERS
IN OUR NETWORK OF
VENDORS



107
TOTAL NUMBER OF
DIRECT (PRIME) DIVERSE
SUPPLIERS WITH
SPEND IN 2025



122
TOTAL NUMBER OF DIVERSE
SUPPLIERS (PRIME &
SUBCONTRACTORS) WITH
SPEND IN 2025

2025 HIGHLIGHTS

SECTION 9.1.1 - Description of Supplier Diversity Program Activities During the Previous Calendar Year

In 2025, as part of our efforts in connection with the California Public Utilities Commission General Order 156, California American Water was successful in meeting the Commission’s diverse procurement goals by promoting and engaging our internal and external stakeholders – the following highlights display our activities throughout the year, including our participation in key events, meetings, and outreach events.

50.10%
2025 Diverse Spend

DIVERSE SPEND
for the past **5 YEARS**

Year	Net Procurement	Total WMDVLGBTBE Spend	Percentage
2025	\$221,032,655	\$110,747,536	50.10%
2024	\$171,655,221	\$83,015,100	48.64%
2023	\$136,107,301	\$68,723,249	50.49%
2022	\$135,691,414	\$62,318,559	45.93%
2021	\$100,796,029	\$48,201,459	47.82%

Community Impact

California American Water’s commitment to supplier engagement and development is a powerful engine for economic growth across California. We generated over \$146 million in economic output, supported more than 673 jobs and contributed over \$55.2 million to Californian income across the state.



10

New Diverse Suppliers in 2025

In 2025, we added 10 new diverse suppliers to our California American Water purchasing system:

- ★ AllModular Systems, Inc.
- ★ Applied Enterprise Management Corporation
- ★ DocuEvidence
- ★ Ergo Works, Inc.
- ★ Harris Group International
- ★ J. De Sigio Construction, Inc.
- ★ Komotion Group
- ★ Lewis and Tibbitts, Inc.
- ★ Monument Row
- ★ Super Catering Group, LLC

Capacity Development

California American Water tracks our vendor spend annually to identify the vendors with whom we have spend of \$100K or more during the year. We are proud to highlight the following results.

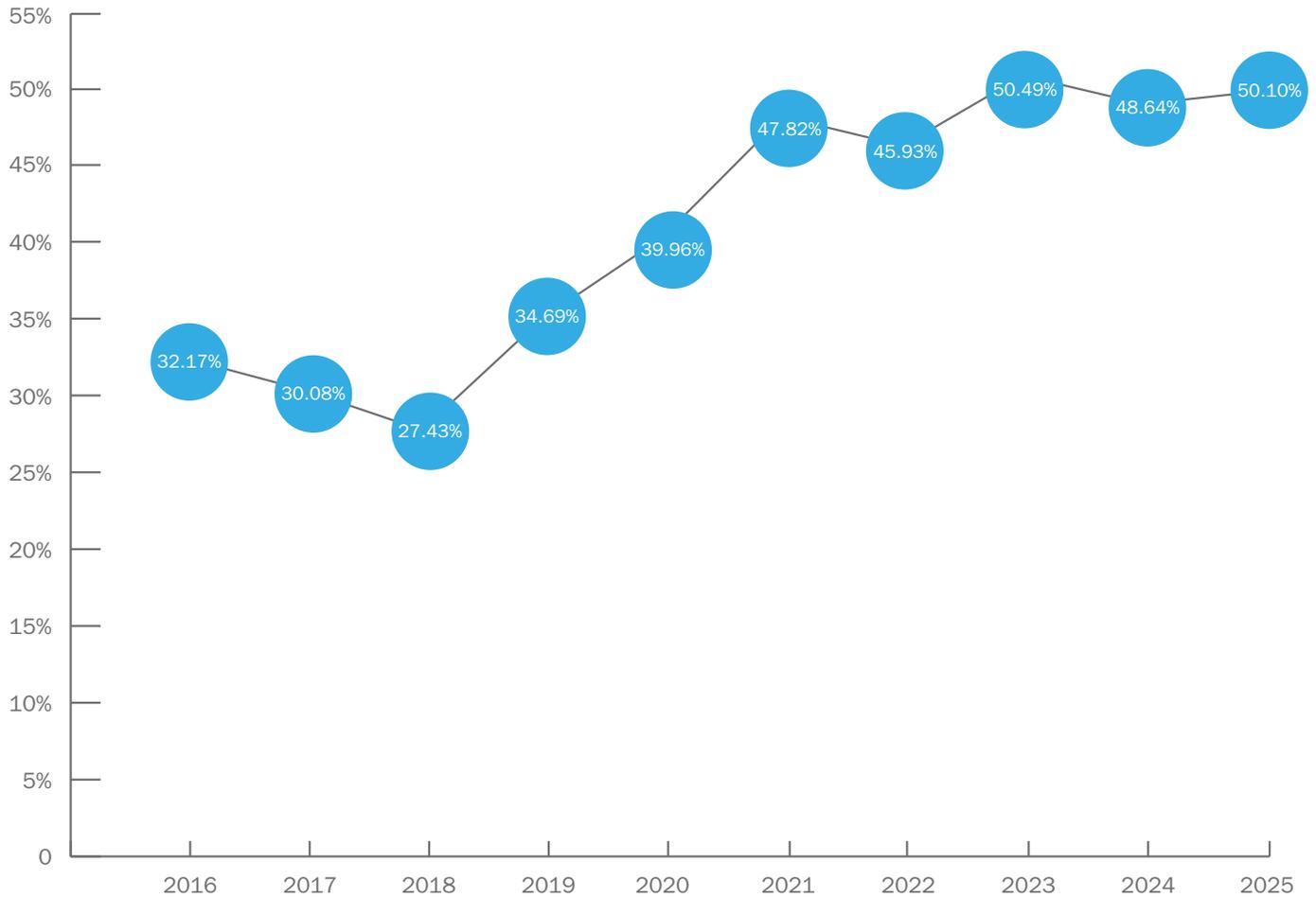
Top 10 Diverse Suppliers with over \$1 million in spend for 2025 (in order of highest spend):

- | | |
|--|------------------------------|
| 1. Florez Brothers, Inc. dba Florez Paving | 6. SR Diversified, LLC |
| 2. Robert Brkich Construction | 7. Doty Brothers Equipment |
| 3. Covenant Technical Solutions* | 8. Innocenti Construction |
| 4. Automotive Rentals | 9. Rawles Engineering |
| 5. TNT Industrial Contractors, Inc. | 10. ARL General Engineering* |

*Covenant Technical Solutions and ARL General Engineering are two new diverse suppliers added to our Top 10 Diverse Suppliers list.

Ten-Year Supplier Diversity Results

2025 = 50.10%



2025 Activities and Outreach

At California American Water, we are committed to establishing internal and external outreach activities to create a more sustainable sourcing ecosystem.

2025 Plan Accomplishments

- Reached a 50.10% diverse spend, meeting the supplier procurement target established by the California Public Utilities Commission.
- Strengthened our supplier engagement strategy and process with Procurement and leadership that we presented to Procurement leadership.
- Partnered with a new community-based organization.
- Introduced a new LGBTBE chemical supplier to our National Category Team.
- In the category of male Native American-owned businesses, we increased our spend from 3.12% to 4.78%.
- In 2025, California American Water helped create the content and host the three session W.A.T.E.R. 1.0 Cohort with California Water Association's Utility Supplier Development Program. The Cohort included presentations on topics like Access to Capital, Branding, Rate Case Making, Cyber Security and Future Trends and Opportunities in the Water Industry. This flagship capacity building and technical assistance program is a collective effort to better expand opportunities to newly diverse and small businesses looking to work in the water industry.
- We participated in the Veterans in Businesses BRAVO Mentor Protégé Program for the third year. The program was over the course of six months, and we were paired with a Disabled-Veteran Business Owner to help develop their capabilities statement, pitch presentation deck, and give them insights into doing business with utilities. We hope to continue our partnership with Veterans in Business.

2025 HIGHLIGHTS

2025 Events

CWA Women in Water Seminar

March 11, 2025 - Downey, CA

California American Water was honored to attend and co-chair the 2nd Annual Women in Water Seminar hosted by California Water Association in Downey, CA at SoCal Gas' Energy Resource Center. This event focused on networking with other women in the water industry, insights on being a confident water professional and career development tips from an esteemed panel of women in the industry.



Veterans in Business Express Connect

April 24–25, 2025 - Washington, D.C

We attended the Veterans in Business Express Connect Conference this year in Washington, DC. This conference is a more compact agenda centered around giving veterans and disabled veterans insight into working with corporations and governmental agencies.



California American Water Supplier Diversity Showcase

May 5–6, 2025 - Monterey, CA

California American Water hosted a two-day Supplier Diversity event in Monterey in honor of our Monterey Peninsula Water Supply Project (MPWSP). The first day centered around partnerships. We invited our trusted partners (both diverse and non-diverse suppliers) and congratulated and recognized them for their commitment to our Supplier Diversity program. The second day's content was in collaboration with our Prime supplier for the MPWSP, CDM Smith, to discuss potential sourcing as well as intentional networking and future opportunities. This event was open to all suppliers.



American Water Supplier Diversity Summit

May 19–20, 2025 - Camden, NJ

The National Supplier Diversity Team for American Water hosted a two-day Supplier Diversity event at our Headquarters in Camden, New Jersey, included discussion about Supplier Diversity in utilities with representatives from other state's commissioners, Laurie Dowling from NUDC, and other partners from gas and electric utilities.

CWA Spring Symposium

May 21–22, 2025 - Sacramento, CA

We were honored to attend California Water Association's Spring Symposium held at The Kimpton Sawyer Hotel in Sacramento, California. The theme of the conference was "The Price of a Drop – CWA's Spring Policy Symposium on Water Affordability". This symposium brought together industry professionals, regulators and policy makers to explore the state of water affordability in California, as well as strategies to mitigate cost increases and cost solutions for a sustainable future.



NUDC Motown Momentum Medley

May 28, 2025 - Detroit, MI

NUDC hosted a one-day forum at DTE Energy in Detroit, Michigan. This event featured roundtable discussions with thought leaders, industry professionals and commissioners. Alexis Russell participated on a panel with Executive Director of California Water Association, Jennifer Capitolo that explored how utilities can reframe and position themselves to attract and retain talent from younger generations.

WBENC National Conference

June 23–26, 2025 - New Orleans, LA

Alexis Russell attended WBENC National Conference and participated in sessions centered around leading practices, data-driven strategies and candid dialogue with corporate and diverse suppliers.

2025 HIGHLIGHTS

American Indian Chamber Annual Expo

July 14–15, 2025 - Rancho Mirage, CA

Tribes, Tribal Enterprises, Native American businesses and industry professionals gather for the Tribal Leader Summit, Plenary Sessions and intentional networking. This trade show and expo give corporations insight and access to Native-American-owned businesses hoping to showcase their entrepreneurial skillsets. Lastly, panel discussions around procurement and opportunities rounded out the agenda to give Native American businesses insights into how to do work with the organizations in attendance.



Trailblazers: Women Innovation Pitch Competition

August 1, 2025 - Irvine, CA

This event, sponsored by CalAsian Chamber of Commerce, National ACE, Ace Next Gen and the CalAsian Foundation provided a platform to spotlight women entrepreneurs who are pushing boundaries, solving real-world problems, and redefining innovation. This event builds on the powerful legacy of Minority Women Lead initiative to amplify innovative women in entrepreneurship.

NGLCC National Conference

August 19–22, 2025 - Las Vegas, NV

While attending the NGLCC National Conference, Alexis Russell participated in the Procurement Council meeting, which provided roundtable discussion around important updates, benchmarking and best practice sharing. The conference reinforced the importance of visibility, allyship, and intentional collaboration that drives equitable access and long-term supplier development.

Edison Electric Institute Best Practices

September 22–25, 2025 - San Ramon, CA

This seminar gathered Supplier Diversity and procurement professionals from the utilities sector. As a first-time attendee, this seminar was valuable in benchmarking with fellow professionals on how to frame Supplier Diversity and our strategy in making lasting impact focused on value rather than metrics.

California Public Utilities Commission Small and Diverse Business Expo and En Banc

October 7–8, 2025 - Carson, CA

California American Water attended the Small and Diverse Business Expo and the Supplier Diversity En Banc in Carson, California. These events educate small and diverse businesses on the benefits of obtaining their certification through the California Clearinghouse.

The next day we attended the Annual G0156 Supplier Diversity En Banc. This is a great yearly opportunity where we can listen to leaders of California’s investor-owned utilities discuss their own Supplier Diversity programs. It was a great honor to have California American Water recognized as the only participating utility to surpass the Commission’s 23% goal, including meeting all four category goals.



CWA Meet the Primes

October 14, 2025 - Pico Rivera, CA

This flagship technical assistance and capacity building event that the California Water Association’s Utility Supplier Diversity Program (USDP) hosts every year got a revamp again in 2025. This year, we included the graduates of our 2025 W.A.T.E.R. 1.0 cohort to participate in a pitch competition with our trusted partners, prime suppliers, supplier network and internal stakeholders in attendance. We also invited our primes to participate in a panel, which gave valuable insights to the suppliers in the room about upcoming partnering opportunities with Tier 2 programs. Lastly, we enacted a new award in 2025.

2025 HIGHLIGHTS

Southern California Chamber of Commerce: Unity in Business Summit

October 16–17, 2025 - Ontario, CA

The 3rd Annual Unity in Business Summit, presented by the Southern California Black Chamber of Commerce, was a two-day event designed to uplift and empower entrepreneurs at every stage of their business journey. California American Water participated in two panel discussions on Supplier Diversity and Procurement. We also lead a workshop on “Doing Business with Regulated CA Water Utilities.” We are interested in working with this organization again to bring awareness of the utility industry to the Southern California Chamber of Commerce’s members.

California Water Association Annual Conference

October 27–29, 2025 - Monterey, CA

California American Water attended California Water Association’s annual conference focusing on water affordability in California. California Water Association’s Utility Supplier Diversity Program Chair gave a Supplier Diversity Year in Review presentation that mentioned California American Water’s accomplishments.

NMSDC National Conference

November 3–6, 2025 - Miami, FL

The NMSDC National Conference included sessions like “Scaling Impact Through Unity”, “ROI of Supplier Diversity” and “Small Supplier Sourcing,” providing ideas to strengthen California American Water’s Supplier Diversity Program.

Veterans in Business National Conference

November 12–13, 2025 - San Diego, CA

The Veterans in Business Network seeks to educate and provide resources to Veterans around how to work with government organizations, private and public corporations, and utilities. There was an array of Veteran businesses in attendance across numerous industries. We have worked closely with this organization over the past several years to mentor disabled veteran businesses and will continue each year. This conference also serves as the kick-off meeting for the BRAVO Mentor Protégé Program where we meet with our protégé for the first time.

Utility Supplier Diversity Program Retreat - California American Water Corporate Office

December 9–10, 2025 - San Diego, CA

California American Water hosted a two-day retreat at our corporate headquarters in San Diego that included strategy, budgeting, and planning sessions for the year.

SECTION 9.1.2A – Supplier Diversity Procurement Results By Category

UTILITY Supplier Diversity PROGRAM 2025 RESULTS BY CATEGORY

	ETHNICITY	DIRECT \$ ¹	SUB \$ ²	TOTAL \$	%
MINORITY MALE	African American	\$1,551,797	\$40,809	\$1,592,606	0.72%
	Asian-Pacific American	\$377,077	\$2,220	\$379,297	0.17%
	Hispanic American	\$30,253,765	\$790,113	\$31,043,878	14.04%
	Native American	\$10,569,300	\$0	\$10,569,300	4.78%
	TOTAL MINORITY MALE	\$42,751,939	\$833,142	\$43,585,081	19.72%
MINORITY FEMALE	African American	\$489,745	\$159,588	\$649,333	0.29%
	Asian-Pacific American	\$484,070	\$11,100	\$495,170	0.22%
	Hispanic American	\$3,767,882	\$316,933	\$4,084,815	1.85%
	Native American	\$0	\$0	\$0	0.00%
	TOTAL MINORITY FEMALE	\$4,741,697	\$487,621	\$5,229,318	2.37%
Total Minority Business Enterprise (MBE)		\$47,493,636	\$1,320,763	\$48,814,400	22.08%
Total Women Business Enterprise (WBE)		\$36,774,378	\$1,401,707	\$38,176,085	17.27%
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$10,677,634	\$53,156	\$10,730,790	4.85%
Total Disabled Veteran Business Enterprise (DVBE)		\$12,040,521	\$985,739	\$13,026,260	5.89%
Total Persons with Disabilities Business Enterprise (PDBE)		\$0	\$0	\$0	0.00%
Total Other 8(a)*		\$0	\$0	\$0	0.00%
Total Supplier Diversity Spend		\$106,986,169	\$3,761,365	\$110,747,536	50.10%
Net Procurement**		\$221,032,655			

NOTES: * 8(a) - Firms classified as 8(a) by the Small Business Administration include non-WMDVLGBTBPDBE. Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.

¹ Direct means Direct Procurement: when a utility directly procures from a supplier.

² Sub means Subcontractor Procurement: when a prime contractor, in contract with a utility, procures from a subcontractor to fulfill its contractual obligation(s).

% - Percentage of Net Procurement.

2025 HIGHLIGHTS

SECTION 9.1.2B – Supplier Diversity Direct Procurement Results By Product & Service Categories

UTILITY Supplier Diversity PROGRAM 2025 RESULTS BY PRODUCTS & SERVICES – DIRECT

	ETHNICITY	PRODUCT		SERVICES		TOTAL	
		\$	%	\$	%	\$	%
MINORITY MALE	African American	\$3,366	0.00%	\$1,548,431	0.70%	\$1,551,797	0.70%
	Asian-Pacific American	\$60,434	0.03%	\$316,642	0.14%	\$377,076	0.17%
	Hispanic American	\$7,777	0.00%	\$30,245,987	13.68%	\$30,253,764	13.69%
	Native American	\$0	0.00%	\$10,569,300	4.78%	\$10,569,300	4.78%
	TOTAL MINORITY MALE	\$71,577	0.03%	\$42,680,360	19.31%	\$42,751,937	19.34%
MINORITY FEMALE	African American	\$1,984	0.00%	\$487,762	0.22%	\$489,746	0.22%
	Asian-Pacific American	\$0	0.00%	\$484,070	0.22%	\$484,070	0.22%
	Hispanic American	\$393,158	0.18%	\$3,374,724	1.53%	\$3,767,882	1.70%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	TOTAL MINORITY FEMALE	\$395,142	0.18%	\$4,346,556	1.97%	\$4,741,698	2.15%
Total Minority Business Enterprise (MBE)		\$466,719	0.21%	\$47,026,916	21.28%	\$47,493,635	21.49%
Total Women Business Enterprise (WBE)		\$557,564	0.25%	\$36,216,815	16.39%	\$36,774,379	16.64%
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)		\$0	0.00%	\$10,677,634	4.83%	\$10,677,634	4.83%
Total Disabled Veteran Business Enterprise (DVBE)		\$6,789	0.00%	\$12,033,732	5.44%	\$12,040,521	5.45%
Total Persons with Disabilities Business Enterprise (PDBE)		\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Other 8(a)*		\$0	0.00%	\$0	0.00%	\$0	0.00%
Total Supplier Diversity Spend		\$1,031,072	0.47%	\$105,955,097	47.94%	\$106,986,169	48.40%

Net Procurement**	\$221,032,655
Net Product Procurement	\$1,031,072
Net Service Procurement	\$105,955,097
Total Number of Diverse Suppliers that Received Direct Spend	107

NOTES: * 8(a) - Firms classified as 8(a) by the Small Business Administration include non-WMDVLGBTPDBE. Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.

Direct means Direct Procurement: when a utility directly procures from a supplier.

% - Percentage of Net Procurement.

SECTION 9.1.2C – Supplier Diversity Subcontractor Procurement Results By Product & Service Categories

UTILITY Supplier Diversity PROGRAM 2025 RESULTS BY PRODUCTS & SERVICES – SUBCONTRACTORS

	ETHNICITY	PRODUCT		SERVICES		TOTAL	
		\$	%	\$	%	\$	%
MINORITY MALE	African American	\$40,809	0.02%	\$0	0.00%	\$40,809	0.02%
	Asian-Pacific American	\$0	0.00%	\$2,220	0.00%	\$2,220	0.00%
	Hispanic American	\$531	0.00%	\$789,582	0.36%	\$790,113	0.36%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	TOTAL MINORITY MALE	\$41,340	0.02%	\$791,802	0.36%	\$833,142	0.38%
MINORITY FEMALE	African American	\$0	0.00%	\$159,588	0.07%	\$159,588	0.07%
	Asian-Pacific American	\$0	0.00%	\$11,100	0.01%	\$11,100	0.01%
	Hispanic American	\$0	0.00%	\$316,933	0.14%	\$316,933	0.14%
	Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%
	TOTAL MINORITY FEMALE	\$0	0.00%	\$487,621	0.22%	\$487,621	0.22%
Total Minority Business Enterprise (MBE)	\$41,340	0.02%	\$1,279,423	0.58%	\$1,320,763	0.60%	
Total Women Business Enterprise (WBE)	\$52,368	0.02%	\$1,349,339	0.61%	\$1,401,707	0.63%	
Total Lesbian, Gay, Bisexual or Transgender Business Enterprise (LGBTBE)	\$0	0.00%	\$53,156	0.02%	\$53,156	0.02%	
Total Disabled Veteran Business Enterprise (DVBE)	\$1,008	0.00%	\$984,731	0.45%	\$985,739	0.45%	
Total Persons with Disabilities Business Enterprise (PDBE)	\$0	0.00%	\$0	0.00%	\$0	0.00%	
Total Other 8(a)*	\$0	0.00%	\$0	0.00%	\$0	0.00%	
Total Supplier Diversity Spend	\$94,716	0.04%	\$3,666,649	1.66%	\$3,761,365	1.70%	

Net Procurement**	\$221,032,655
Net Product Procurement	\$1,031,072
Net Service Procurement	\$105,955,097
Total Number of Diverse Subcontractors	32

NOTES: * 8(a) - Firms classified as 8(a) by the Small Business Administration include non-WMDVLGBTBDBE. Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.

Direct means Direct Procurement: when a utility directly procures from a supplier.

% - Percentage of Net Procurement.

2025 HIGHLIGHTS

SECTION 9.1.2D – Supplier Diversity Procurement Results By Standard Industrial Classification (SIC) Codes

SIC CODE	CATEGORY	AFRICAN AMERICAN		ASIAN-PACIFIC AMERICAN		HISPANIC AMERICAN		NATIVE AMERICAN	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
0781	Horticulture Architectural Services	\$				\$310,433			
		%				0.14%			
0851	Forestry Services	\$				\$13,928			
		%				0.01%			
1081	Geophysical Surveying and Mapping	\$							
		%							
1442	Construction Sand and Gravel	\$							
		%							
1521	General Contractors: Single-Family Houses	\$	\$1,322,152				\$60,712		
		%	0.60%				0.03%		
1541	General Contractors: Industrial Buildings and Warehouses	\$			\$421,072			\$8,941,335	
		%			0.19%			4.05%	
1542	Nonresidential Construction, NEC	\$				\$56,077			
		%				0.03%			
1611	Highway and Street Construction	\$							
		%							
1623	Water, Sewer and Pipelines	\$				\$24,971,772	\$2,237,481		
		%				11.34%	1.01%		
1629	Heavy Construction, NEC	\$				\$23,030			
		%				0.01%			
1711	Plumbing, Heating and AC	\$				\$690			
		%				0.00%			
1731	Electrical Work	\$	\$12,459			\$4,138,276	\$999,777		
		%	0.01%			1.87%	0.45%		
1742	Plastering, Drywall, Acoustical, and Insulation Work	\$							
		%							
1781	Water Well Drilling	\$							
		%							
1795	Wrecking and Demolition Work	\$		\$2,220					
		%		0.00%					
1796	Installing Building Equipment, NEC	\$				\$2,463			
		%				0.00%			
1799	Special Trade Contractors, NEC	\$	\$11,178			\$715,329			
		%	0.01%			0.32%			
2326	Men's and Boy's Work Clothing	\$							
		%							
2385	Waterproof Outerwear	\$				\$942			
		%				0.00%			
2759	Commercial Printing, NEC	\$							
		%							

2025 HIGHLIGHTS

TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	TOTAL WOMEN BUSINESS ENTERPRISE (WBE)	TOTAL LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	TOTAL DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	TOTAL PERSONS WITH DISABILITIES BUSINESS ENTERPRISE (DBE)	OTHER 8(a)*	TOTAL WMDVLGBTBE
\$310,433						\$310,433
0.14%						0.14%
\$13,928						\$13,928
0.01%						0.01%
	\$46,950					\$46,950
	0.02%					0.02%
			\$11,821,562			\$11,821,562
			5.35%			5.35%
\$1,382,864						\$1,382,864
0.63%						0.63%
\$9,362,407						\$9,362,407
4.24%						4.24%
\$56,077						\$56,077
0.03%						0.03%
	\$13,625		\$40,123			\$53,748
	0.01%		0.02%			0.02%
\$27,209,252	\$17,306,112	\$9,808,312	\$972,466			\$55,296,142
12.35%	4.79%	4.44%	0.44%			22.01%
\$23,030						\$23,030
0.01%						0.01%
\$690	\$27,000					\$27,690
0.00%	0.01%					0.01%
\$5,150,512	\$1,700,053		\$22,334			\$6,872,899
2.33%	0.77%		0.01%			3.11%
	\$25,916					\$25,916
	0.01%					0.01%
	\$938,029					\$938,029
	0.42%					0.42%
\$2,220						\$2,220
0.00%						0.00%
\$2,463						\$2,463
0.00%						0.00%
\$726,507	\$7,996					\$734,504
0.33%	0.00%					0.33%
	\$32,105					\$32,105
	0.01%					0.01%
\$942						\$942
0.00%						0.00%
	\$10,401					\$10,401
	0.00%					0.00%

SIC CODE	CATEGORY	AFRICAN AMERICAN		ASIAN-PACIFIC AMERICAN		HISPANIC AMERICAN		NATIVE AMERICAN	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
2869	Industrial Organic Chemicals, NEC	\$							
		%							
2899	Chemicals and Chemical Preparations	\$					\$317,026		
		%					0.14%		
3432	Plumbing Fixture Fittings and Trim	\$							
		%							
3498	Fabricated Pipe and Pipe Fittings	\$					\$30,027		
		%					0.01%		
3559	Special Industry Machinery, NEC	\$							
		%							
3646	Commercial, Industrial and Institutional Electric Lighting Fixtures	\$				\$265,066			
		%				0.12%			
3826	Laboratory Analytical Instruments	\$							
		%							
4581	Aircraft Servicing and Repair	\$				\$90,715			
		%				0.04%			
4712	Freight Forwarding	\$	\$201,286						
		%	0.09%						
4789	Transportation Services, NEC	\$				\$92,511	\$114,520		
		%				0.04%	0.05%		
5021	Furniture	\$							
		%							
5039	Construction Materials, NEC	\$	\$40,809						
		%	0.02%						
5044	Office Equipment	\$							
		%							
5063	Electrical Apparatus and Equipment	\$							
		%							
5084	Industrial Machinery and Equipment	\$							
		%							
5085	Industrial Supplies	\$							
		%							
5112	Stationery and Office Supplies	\$		\$60,434					
		%		0.03%					
5113	Industrial and Personal Service Paper	\$				\$1,434			
		%				0.00%			
5172	Petroleum and Petroleum Products Wholesalers	\$				\$5,402			
		%				0.00%			
5812	Eating Places	\$	\$66.00						
		%	0.00%						
6411	Insurance Agents, Brokers and Service	\$							
		%							
7291	Tax Return Preparation Services	\$				\$60,708			
		%				0.03%			
7311	Advertising Agencies	\$	\$1,984						
		%	0.00%						

TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	TOTAL WOMEN BUSINESS ENTERPRISE (WBE)	TOTAL LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	TOTAL DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	TOTAL PERSONS WITH DISABILITIES BUSINESS ENTERPRISE (DBE)	OTHER 8(a)*	TOTAL WMDVLGBTBE
	\$125,073					\$125,073
	0.06%					0.06%
\$317,026						\$317,026
0.14%						0.14%
	\$28,546					\$28,546
	0.01%					0.01%
\$30,027						\$30,027
0.01%						0.01%
	\$142,895					\$124,895
	0.06%					0.06%
\$265,066						\$265,066
0.12%						0.12%
	\$51,291		\$1,008			\$52,299
	0.02%		0.00%			0.02%
\$90,715						\$90,715
0.04%						0.04%
\$201,286						\$201,286
0.09%						0.09%
\$207,031						\$207,031
0.09%						0.09%
	\$155,344					\$155,344
	0.07%					0.07%
\$40,809			\$6,758			\$47,567
0.02%			0.00%			0.02%
	\$965					\$965
	0.00%					0.00%
	\$120,153					\$120,153
	0.05%					0.05%
	\$5,122					\$5,122
	0.00%					0.00%
	\$70,320					\$70,320
	0.03%					0.03%
\$60,434						\$60,434
0.03%						0.03%
\$1,434						\$1,434
0.00%						0.00%
\$5,402	\$523					\$5,925
0.00%	0.00%					0.00%
\$66						\$66
0.00%						0.00%
	\$13,041					\$13,041
	0.01%					0.01%
\$60,708						\$60,708
0.03%						0.03%
\$1,984	\$702,175					\$704,159
0.00%	0.32%					0.32%

SIC CODE	CATEGORY	AFRICAN AMERICAN		ASIAN-PACIFIC AMERICAN		HISPANIC AMERICAN		NATIVE AMERICAN	
		MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
7331	Direct Mail Advertising Services	\$					\$141,236		
		%					0.06%		
7334	Photocopying and Duplicating Services	\$				\$4,482			
		%				0.00%			
7349	Building Cleaning and Maintenance Services, NEC	\$			\$62,997				
		%			0.03%				
7359	Equipment Rental and Leasing, NEC	\$				\$531			
		%				0.00%			
7371	Computer Programming Services	\$	\$4,655						
		%	0.00%						
7373	Computer Integrated Systems Design	\$				\$4,142			
		%				0.00%			
7374	Computer Processing and Data Preparation and Processing Services	\$							
		%							
7389	Drafting Service	\$	\$41,866				\$20,712		
		%	0.02%				0.01%		
7513	Truck Rental and Leasing	\$							
		%							
8099	Other Health and Allied Services	\$							
		%							
8111	Legal Services	\$		\$316,642					
		%		0.14%					
8711	Engineering Services	\$			\$11,100	\$143,388	\$25,395	\$1,627,965	
		%			0.01%	0.06%	0.01%	0.74%	
8712	Architectural Service	\$							
		%							
8713	Surveying Services	\$							
		%							
8721	Accounting, Auditing, and Bookkeeping Services	\$				\$42,200			
		%				0.02%			
8734	Testing Laboratories	\$					\$137,930		
		%					0.06%		
8741	Construction Management Services	\$							
		%							
8742	Administrative and General Management Consulting	\$	\$605,484			\$44,850			
		%	0.27%			0.02%			
8743	Public Relations Services	\$							
		%							
8748	Business Consulting Services, NEC	\$				\$55,509			
		%				0.03%			
8999	Environmental Consultants	\$							
		%							
9512	Land, Mineral, Wildlife and Forest Conservation	\$							
		%							
TOTAL		\$	\$1,592,605	\$649,334	\$379,296	\$495,169	\$31,043,878	\$4,084,815	\$10,569,300
		%	0.72%	0.29%	0.17%	0.22%	14.04%	1.85%	4.78%
Net Procurement**		\$221,032,655							

TOTAL MINORITY BUSINESS ENTERPRISE (MBE)	TOTAL WOMEN BUSINESS ENTERPRISE (WBE)	TOTAL LESBIAN, GAY, BISEXUAL, TRANSGENDER BUSINESS ENTERPRISE (LGBTBE)	TOTAL DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)	TOTAL PERSONS WITH DISABILITIES BUSINESS ENTERPRISE (DBE)	OTHER 8(a)*	TOTAL WMDVLGBTBE
\$141,236						\$141,236
0.06%						0.06%
\$4,482						\$4,482
0.00%						0.00%
\$62,997	\$408,590					\$471,587
0.03%	0.18%					0.21%
\$531						\$531
0.00%						0.00%
\$4,655	\$118,090					\$122,745
0.00%	0.05%					0.06%
\$4,142						\$4,142
0.00%						0.00%
		\$5,390				\$5,390
		0.00%				0.00%
\$62,578	\$5,493					\$68,071
0.03%	0.00%					0.03%
	\$9,460,323					\$9,460,323
	4.28%					4.42%
	\$2,936					\$2,936
	0.00%					0.00%
\$316,642	\$92,310					\$408,952
0.14%	0.04%					0.19%
\$1,807,848	\$1,530,575	\$921,957				\$4,260,380
0.82%	0.69%	0.42%				1.93%
	\$66,717					\$66,717
	0.03%					0.03%
	\$960,557		\$4,900			\$965,457
	0.43%		0.00%			0.44%
\$42,200						\$42,200
0.02%						0.02%
\$137,930						\$137,930
0.06%						0.06%
	\$3,006,461		\$157,078			\$3,163,539
	1.36%		0.07%			1.43%
\$650,334	\$215,083					\$865,417
0.29%	0.10%					0.39%
	\$295,625					\$295,625
	0.13%					0.13%
\$55,509	\$111,652	\$521	\$31			\$167,713
0.03%	0.05%	0.00%	0.00%			0.08%
	\$262,144					\$262,144
	0.12%					0.12%
	\$110,503					\$110,503
	0.05%					0.05%
\$48,814,400	\$38,176,085	\$10,730,790	\$13,026,260	\$0	\$0	\$110,747,534
22.08%	17.27%	4.85%	5.89%	0.00%	0.00%	50.10%

NOTE: *8(a) - Firms classified as 8(a) by the Small Business Administration include non-WMDVLGBTBDBE. Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

**Net procurement includes purchase order, non-purchase order, and credit card dollars.

\$: Total procurement dollar amount in the specific SIC category.

#: Percentage of row Total Procurement.

2025 HIGHLIGHTS

Section 9.1.2E – Number of Diverse Suppliers and Revenue Reported to the Supplier Clearinghouse and California American Water

Data on Number of Suppliers Revenue Reported to Supplier Clearinghouse							
# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	PDBE	Other 8(a)*	Total
< \$1 million	20	23	2	12	0	0	57
< \$5 million	17	12	0	0	0	0	29
< \$10 million	4	6	0	0	0	0	10
\$10 million+	21	11	1	0	0	0	33
TOTAL	62	52	3	12	0	0	129

Revenue and Payment Data Revenue Reported to Supplier Clearinghouse							
WMDVLGBTBE \$M	MBE	WBE	LGBTBE	DVBE	DBE	Other 8(a)*	Total
< \$1 million	\$7,036,956	\$3,499,570	\$382,598	\$0	\$0	\$0	\$10,919,124
< \$5 million	\$35,282,415	\$31,598,221	\$0	\$0	\$0	\$0	\$66,880,636
< \$10 million	\$24,430,549	\$40,144,881	\$0	\$0	\$0	\$0	\$64,575,430
\$10 million+	\$1,060,560,882	\$369,920,908	\$15,000,000	\$0	\$0	\$0	\$1,445,481,790
TOTAL	\$1,127,310,802	\$445,163,580	\$15,382,598	\$0	\$0	\$0	\$1,587,856,980

NOTE: *Firms classified as 8(a) of Small Business Administration include non-WMDVLGBTBE. Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

Data on Number of Suppliers | California American Water 2025 Summary

# WMDVLGBTBEs	MBE	WBE	LGBTBE	DVBE	PDBE	Other 8(a)*	Total
< \$1 million	52	44	2	10	0	0	108
< \$5 million	8	6	0	1	0	0	15
< \$10 million	1	2	1	1	0	0	5
\$10 million+	1	0	0	0	0	0	1
TOTAL	62	52	3	12	0	0	129

Revenue and Payment Data | California American Water 2025 Summary

WMDVLGBTBE \$M	MBE	WBE	LGBTBE	DVBE	DBE	Other 8(a)*	Total
< \$1 million	\$6,651,683	\$5,701,591	\$922,478	\$1,204,698	\$0	\$0	\$14,489,450
< \$5 million	\$18,544,893	\$16,742,302	\$0	\$2,718,557	\$0	\$0	\$38,005,751
< \$10 million	\$7,428,505	\$15,723,192	\$9,808,312	\$9,103,005	\$0	\$0	\$42,063,014
\$10 million+	\$16,189,319	\$0	\$0	\$0	\$0	\$0	\$16,189,319
TOTAL	\$48,814,400	\$38,176,085	\$10,730,790	\$13,026,260	\$0	\$0	\$110,747,534

NOTE: *Firms classified as 8(a) of Small Business Administration include non-WMDVLGBTBE. Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

Section 9.1.2F – Description of Supplier Workforce

California American Water conducted an email supplier outreach for SB1177 and received **responses from 141 suppliers**. Of these, **114 suppliers** indicated that they have a California headquarters and/or operating locations, underscoring strong instate coverage. **Sixty (60)** reported that **100%** of their workforce resides in California, while **eight (8)** reported **0%** California residency.

SUBCONTRACTING AND CERTIFICATION

Twenty-three (23) suppliers referenced subcontractor use or certification status in their responses. Where dollar amounts were explicitly provided, we identified a **combined spend of \$5,740,280** to certified subcontractors (e.g., one supplier explicitly listed two certified firms and amounts). Most remaining respondents indicated **no subcontracting** or provided **N/A**.

WORKFORCE DIVERSITY DATA

Many suppliers did not provide detailed demographic data. However, 136 did share some details in regard to demographic certifications (e.g., WBE, MBE, DVBE, LGBTBE, and gender splits).

- SUPPLIER 1 (HQ Phoenix; CA office in Carmel) reported 23% of their workforce is in California and confirmed certified subs Denise Duffy & Associates (\$260,461.75) and Polaris Land Surveying (\$291,385).
- SUPPLIER 2 (San Diego) reported 100% CA workforce and identifies as LGBTBE/WBE/SBE.
- SUPPLIER 3 (IL HQ; Hayward, CA, tolling facility) noted WBE certification (Supplier Clearinghouse) and no California subs.
- SUPPLIER 4 (Santa Rosa) indicated MBE and SBE registration and typically no subs.
- SUPPLIER 5 (Benicia/Suisun/Monterey) reported 100% California workforce and 50% female/25% LGBTBE.
- SUPPLIER 6 (City of Industry) reported 100% California workforce and MBE.

Section 9.1.3 – Supplier Diversity Program Expenses

EXPENSE CATEGORY	AMOUNT
Wages	\$122,500
Other Employee Expenses	\$0
Program Expenses	\$47,956
Reporting Expenses	\$9,500
Training Expenses	\$4,000
Consultant Expenses	\$13,954
Other	\$30,842
TOTAL	\$228,752

Section 9.1.4A – Description of Progress in Meeting or Exceeding Set Goals

In 2025, our Supplier Diversity performance reflects both measurable progress and continued opportunity. We do not provide preference in the contracting process for any supplier classification and do not reserve contract opportunities for diverse suppliers. However, by providing opportunities for an inclusive procurement process, including through education and outreach, our spend of 50.10% for 2025 exceeded the Commission’s goal.

- **MBE – 22.08%** (increase from 16.15% in 2024)
- **WBE – 17.27%** (decrease from 21.85% in 2024)
- **LGBTBE – 4.85%** (decrease from 5.92% in 2024)
- **DVBE – 5.89%** (increase from 1.59% in 2024)

This result-driven approach reinforces our commitment to accountability, continuous improvement and aligning supplier outcomes with our overall business objectives. All four category goals in General Order 156 were met because of the internal and external highlights noted in the previous pages. In 2026, we are expanding our partnerships and external outreach to continue to source new DVBE and LGBTBE firms and ensure they are available as subcontractors to our primes.

California American Water has met the CPUC’s percentage goal for 16 consecutive years, and we look forward to continuing this progress with purpose and intention.

Section 9.1.4B – Supplier Diversity Results Compared to Set Goals

CATEGORY	RESULTS (Net procurement add up to the diverse spend actual of 50.10%)	GOALS (Net procurement percentages add up to the diverse spend goal of 23%)
MINORITY MEN	19.72%	
MINORITY WOMEN	2.37%	
MBE	22.08%	15.00%
WBE	17.27%	5.00%
LGBTBE	4.85%	1.50%
DVBE	5.89%	1.50%
PDBE		
TOTAL	50.10%	23%

*Minority Men + Minority Women + WBE + LGBTBE + DVBE = 50.10%

2025 HIGHLIGHTS

Section 9.1.5A – Description of Prime Contractor Utilization of Diverse Subcontractors

In 2025, our prime suppliers spent \$3.7M with diverse subcontractors, which was 3.43% of our spend. Our prime contractors continued to include diverse subcontractors in their work. In 2026, we are collaborating with internal teams on sourcing practices that elevate diverse subcontractors as trusted partners.

Section 9.1.5B – New Diverse and Subcontractor Utilization

CATEGORY	NEW PRIME CONTRACTORS	NEW SUBCONTRACTORS
Minority Male Business Enterprise	4	0
Minority Female Business Enterprise	3	2
Total Minority Business Enterprise (MBE)	7	2
Women Business Enterprise (WBE)	3	3
Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	0	1
Disabled Veteran Business Enterprise (DVBE)	0	2
Persons with Disabilities Business Enterprise (PDBE)	0	0
8(a)	0	0
TOTAL	10	8

Section 9.1.5C – Summary of Diverse Contractor Utilization

TOTAL PRIME CONTRACTOR UTILIZATION OF DIVERSE SUBCONTRACTORS									
	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Other 8(a)*	TOTAL Supplier Diversity Spend
Direct \$	\$42,751,938	\$4,741,698	\$47,493,636	\$36,774,378	\$10,677,634	\$12,040,521	\$0	\$0	\$106,986,169
Subcontracting \$	\$833,142	\$487,621	\$1,320,763	\$1,401,707	\$53,156	\$985,739	\$0	\$0	\$3,761,365
Total	\$43,585,080	\$5,229,319	\$48,814,400	\$38,176,085	\$10,730,790	\$13,026,260	\$0	\$0	\$110,747,534
Direct %	19.34%	2.15%	21.49%	16.64%	4.83%	5.45%	0.00%	0.00%	48.40%
Subcontracting %	0.40%	0.22%	0.62%	0.63%	0.02%	0.45%	0.00%	0.00%	1.73%
Total %	19.72%	2.37%	22.08%	17.27%	4.85%	5.89%	0.00%	0.00%	50.10%
Net Procurement**									\$221,032,655

IN-STATE PRIME CONTRACTOR UTILIZATION OF DIVERSE SUBCONTRACTORS (CALIFORNIA DOMICILED)

	Minority Male	Minority Female	Minority Business Enterprise (MBE)	Women Business Enterprise (WBE)	Lesbian, Gay, Bisexual, Transgender Business Enterprise (LGBTBE)	Disabled Veterans Business Enterprise (DVBE)	Persons with Disabilities Business Enterprise (DBE)	Other 8(a)*	TOTAL Supplier Diversity Spend
Direct \$	\$42,751,938	\$4,424,672	\$47,176,610	\$26,073,967	\$10,677,634	\$12,040,521	\$0	\$0	\$95,968,732
Subcontracting \$	\$886,571	\$487,621	\$1,374,192	\$1,276,590	\$53,156	\$985,739	\$0	\$0	\$3,689,677
Total	\$43,638,509	\$4,912,293	\$48,550,802	\$27,350,557	\$10,730,790	\$13,026,260	\$0	\$0	\$99,658,409
Direct %	19.34%	2.00%	21.34%	11.80%	4.83%	5.45%	0.00%	0.00%	43.42%
Subcontracting %	0.40%	0.22%	0.62%	0.58%	0.02%	0.45%	0.00%	0.00%	1.67%
Total %	19.74%	2.22%	21.97%	12.37%	4.85%	5.89%	0.00%	0.00%	45.09%

Net Procurement**	\$221,032,655
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NOTES: * 8(a) - Businesses owned and controlled by persons found to be disadvantaged by the U.S. Small Business Administration pursuant to Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637 (a)) or the U.S. Secretary of Commerce, pursuant to Section 5 of Executive Order 11625 (GO 156 Section 1.3.13).

** Net Procurement includes purchase orders, non-purchase orders, and credit card dollars.

Direct means Direct Procurement: when a utility directly procures from a supplier.

Sub means Subcontractor Procurement: when a prime contractor, in contract with a utility, procures from a subcontractor to fulfill its contractual obligation(s).

% - Percentage of Net Procurement.

Totals may not add due to rounding.

Section 9.1.6 – List of Supplier Diversity Complaints Received and Current Status

In 2025, California American Water received one complaint from a diverse supplier.

Section 9.1.7 – Description of Efforts to Recruit Diverse Suppliers in Low Utilization Categories

In 2025, we strategized on ways that suppliers in California who have the capacity to service our footprint can be included in upcoming opportunities, such as our chemical supply agreements and our technology initiative to increase efficiency along our operating footprint.

In 2026, we will continue to attend outreach events to ensure we are remaining focused on these low utilization categories. Additionally, we will be developing a Supplier Development Program that will seek to build capacity of current suppliers in our ecosystem to support our operations or develop new ones. Finding qualified suppliers in specialized construction trades (e.g., tank repair and well rehabilitation) will be our focus as those projects also support our capital program.

SECTION 10.1.1 – Supplier Diversity Short-, Mid-, and Long-Term Procurement Goals

Supplier Diversity is a well-established pillar of our procurement strategy and a proven driver of our sustainable growth. In the near term, we are focused on refining and optimizing our existing processes by enhancing data quality, strengthening supplier insights and removing barriers for participation. Over the mid-term, we will scale impact by deepening strategic partnerships with our suppliers and expanding the contracting opportunities for diverse suppliers and small businesses within high-value and growth categories. Looking ahead, our long-term goal is to further elevate our Supplier Diversity program, leveraging it as a fully integrated, measurable source of business value, community impact and competitive advantage.

MBE FOCUS – In 2025, we achieved 22.08% in spend. This was an increase from 2024’s result of 16.15%, and we exceeded the CPUC goal of 15.00%. Although the overall result is positive, we will continue to focus on outreach to suppliers and small businesses of underserved ethnic categories of Asian Pacific and Native American.

WBE FOCUS – In 2025, we achieved 17.27%, which exceeded CPUC’s goal of 5.00%. This was a decrease from 2024’s result of 21.85%. Although we have attained success in this category, we will continue to identify ways to provide opportunities for new women-owned businesses to participate in our procurement process. In particular, African American, Native American and Asian American women-owned businesses.

LGBTBE – In 2025, we achieved 4.85% in spend. While this surpasses the CPUC’s goal and is a huge accomplishment, we noticed a decrease from 2024’s spend of 5.92%. We will continue to support and engage with the CBOs who support and represent LGBT business enterprises.

DVBE FOCUS – Our spend increased in this category with a finish at 5.89% compared to 2024’s spend of 1.59%. We hope to continue developing this category with our involvement with the BRAVO Mentor Protégé Program being facilitated by Veterans in Business organization. Additionally, we plan to source new vendors in this category to create robust options for our supply chain.

Short-, Mid- and Long-Term Goals

The Supplier Diversity short-, mid-, and long-term procurement goals set by California American Water in the following table are pursuant to General Order 156.

CATEGORY	Current CPUC Goal	Short-Term Goals (2026–2028)	Mid-Term Goals (2028–2029)	Long-Term Goals (2029–2031)
Minority Business Enterprises (MBE)	15.00%	15.00%	15.00%	15.00%
Women Business Enterprises (WBE)	5.00%	5.00%	5.00%	5.00%
Lesbian, Gay, Bisexual and Transgender Business Enterprises (LGBTBE)	1.50%	1.50%	1.50%	1.50%
Disabled Veteran Business Enterprises (DVBE)	1.50%	1.50%	1.50%	1.50%
TOTAL	23.00%	23.00%	23.00%	23.00%

SECTION 10.1.2 – Description of Supplier Diversity Program Activities for the Next Calendar Year

Our focuses for 2026 will include:

- This year, we will continue as a member of the Corporate Advisory Board to the Veterans in Business organization. We will also participate for a third year with the BRAVO Mentor Protégé Program to develop DVBE businesses to work with corporations and/or utilities.
- We will collaborate with our internal business partners to create effective, consistent communication between the Supplier Diversity team and internal partners to deepen a shared understanding of the value of creating opportunities for all suppliers to participate as part of the procurement process. By proactively aligning agreements and sourcing practices, goals, category strategies, and business needs, we will equip internal stakeholders with the insights, tools, and guidance needed to meaningfully engage diverse suppliers and small businesses.
- We will continue to evaluate and strengthen our partnerships so that our sponsorships evolve alongside a changing business environment, enabling us to better support and serve our diverse suppliers and small businesses and work to establish partnerships with new CBOs to expand our community outreach.
- In 2025, we hosted an internal Supplier Diversity showcase. In 2026, we hope to continue this endeavor and focus the programming on development and partnerships for new and current partners.
- As a USDP member, collaborating with other CPUC Regulated Utilities, we have a full calendar of events throughout the year. Some events include:
 - » Sponsoring outreach/technical assistance programs.
 - » Supporting a “Meet the Primes” event along with the California Water Association.
 - » Attending small business expositions sponsored by CPUC.
 - » Supporting and attending events sponsored by various community-based organizations. These events offer opportunities to meet and connect with diverse businesses who can potentially become partners.

SECTION 10.1.3 – Plans for Recruiting Diverse Suppliers in Low Utilization Categories

As previously mentioned, underutilized services, such as computer/technical-related services and chemical supplies, are often procured through our parent company, American Water. In 2025, we evaluated ways for our California suppliers to support the initiatives of our national footprint. Additionally, as we work to create our supplier development program in 2026, we will focus on establishing new suppliers who can support our business strategy of providing safe, reliable, and clean drinking water. Suppliers who can help support us installing and replacing infrastructure are a core focus, and we will work to develop targeted outreach to accomplish that goal.

SECTION 10.1.4 – Plans for Recruiting Diverse Suppliers Where Unavailable

Efforts to identify the best qualified suppliers and recruit for all categories of suppliers pursuant to the General Order is ongoing at California American Water. Our 2026 plan is to conduct a regular category level assessment to identify areas with limited to no diverse representation and prioritize the categories based on growth potential and opportunity for supplier development. Then, we will leverage community-based organizations, regional and national certifying bodies and industry associations to identify emerging and non-traditional diverse suppliers, as well as expand our outreach beyond incumbent networks. As mentioned, in 2026 we have a priority to create and invest in our Supplier Development program that will focus on mentorship and technical assistance. We will continue to encourage prime suppliers to include diverse subcontractors and second-tier partners are part of their selection process where direct sourcing is not yet feasible. Lastly, we will share learnings and success stories internally to reinforce commitment and demonstrate progress over time.

SECTION 10.1.5 – Plans for Encouraging Prime Contractors to Subcontract with Diverse Suppliers

In 2026, we plan to revise our agreements and sourcing practices to clearly articulate how subcontracting with diverse suppliers supports both business outcomes and shared values. In doing so, we also hope to make it easier for primes to engage with diverse suppliers by continuing to facilitate introductions and hosting matchmaking sessions. Lastly, we will continue to track second-tier spending and supplier growth and start tracking retention and progression into prime-ready roles.

SECTION 10.1.6 – Plans for Complying with Supplier Diversity Program Guidelines

California American Water is committed to meeting all Supplier Diversity compliance standards set by the California Public Utilities Commission. We continue to hold our team accountable to the highest level of integrity as we develop best practices and administrative processes that provide all suppliers with fair and equitable inclusion in pursuit of contract opportunities. We are confident that this will deliver the best quality products and services to the communities we serve.

Acknowledgement of Exclusions: *As noted in General Order 156, categories excluded from our gross procurement include purchased water, purchased power, pump taxes, all taxes, franchise fees, postage, all other non-sourceable categories, and affiliate transaction expenses.*

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