



2023

DIVERSE BUSINESS ENTERPRISE (DBE) SPEND REPORT

WHY TRACK DBE SPEND?

Cascade's Supplier Diversity Program supports our commitment to DEIA. We provide this annual accounting of diverse supplier spend for clarity and accountability within that program. We compare our stated goals with actual results and analyze both our successes and our challenges. In alignment with our company values of *Do the Right Thing, Put Others First, and Seek Shared Success*, Cascade is committed to using our market power to boost small and diverse enterprises in our business community while working towards our mission of making industrial energy efficiency and decarbonization happen in smart, measurable, and sustained ways.

ANNUAL DBE SPEND SNAPSHOT

Cascade Energy is committed to supporting diverse suppliers and creating opportunities for businesses run by those with historically marginalized identities. As a part of that commitment, we annually track and report on our company's spending with diverse business enterprises (DBE)¹.

In 2023, Cascade Energy increased the number DBE suppliers we partnered with for program delivery, but we did experience a slight drop in the number of DBE suppliers for internal operations. The number of DBEs supporting program delivery increased from 16 to 19, and the number of DBEs supporting internal operations decreased from 11 to 8. The drop in internal vendors was largely due to an administrative change in purchasing - some spending transitioned from invoicing to our corporate credit card, and the latter is not tracked in this report.

¹ Diverse Business Enterprise (DBE) – A for-profit business where socially and/or economically disadvantaged individuals own at least 51% interest and/or control management and daily business operations. Cascade Energy recognizes DBEs as businesses owned by individuals from historically marginalized groups, including but not limited to women, veterans, LGBTQ+ individuals, individuals with disabilities, and/or individuals from underrepresented racial or ethnic groups. Please note that our clients and partners may define DBE differently. These definitions can be determined wholly by our contracting partners, by federal or state programs, or by independent certification bodies.

The following table titled **Annual DBE Spend** summarizes our DBE spend data since 2020. Overall, our corporate spending with DBE suppliers and vendors has continued to increase each year. In 2023, we saw our DBE spending increase, drastically improving our DBE spend as a percentage of Total Spend and increasing our DBE spend as a percentage of Total Spend minus Excluded Spend. You can find definitions of each spending category in the footnotes associated with the chart. We will continue our work to improve DBE Spend in both program and internal categories by increasing efforts to identify and partner with DBE vendors on new and expanded work.

Identifying DBE suppliers in internal and fixed overhead categories is based on limited survey responses. Several internal and program teams are working to improve reporting accuracy in these categories.

ANNUAL DBE SPEND	2020	2021	2022	2023⁶
Spend² Total				
DBE % of Total Spend	17.5%	19.4%	15.8%	25.9%
DBE % of Total Spend minus Excluded Spend	26.9%	26.6%	32.7%	37.1%
Program Spend³				
Program % of Total Spend	46.4%	40.0%	42.6%	63.1%
DBE % of Program Spend	35.3%	46%	31.5%	39.9%
Program Total DBE Count	9	7	16	19
Internal Spend⁴				
Internal % of Total Spend	18.4%	31.4%	57.4%	6.7%
DBE % of Internal Spend	6.0	3.1%	5.0%	10.9%
Internal Total DBE Count	10	7	11	8
Excluded Spend⁵				
Excluded % of Total Spend	36.5%	28.8%	48.2%	40.2%

2 Spend – Money paid to a vendor, contractor, or subcontractor during the annual fiscal year.

3 Program Spend – Business expenses used to directly fulfill contractual obligations rather than general operating expenses or overhead.

4 Internal Spend – Costs that support our internal needs, are required for ongoing business operations, and help us deliver work but cannot be directly attributed to a specific business product or service. For example: human resources, accounting, legal, software and computers, etc.

5 Excluded Spend – Overhead expenses that are immutable or extremely difficult to shop for on the open market in a way that would allow us to seek DBE providers. For example: rent, insurance, membership in trade organizations, etc.

6 For 2023, we are calculating 'Internal Spend' separately from 'Excluded Spend. Due to this change in how we portray our data, percentages for 2023 spend will now add up to 100% and increase data legibility.

REVIEW OF THREE-YEAR DBE SPEND GOALS | 2021–2023

In 2021, Cascade set three goals for our Supplier Diversity Program to achieve by the end of 2023. The table below shows the status of the goals, along with some brief commentary:

THREE-YEAR (2021–2023) DBE SPEND GOALS		Status
<p>Objective Increase total Program Spend with DBEs to 40%</p> <p>Results We are at just about 40% of our Program Spend being allocated to DBEs, reaching our objective.</p>	ACHIEVED	
<p>Objective Maintain 40% of top 10 highest spend subcontractors as DBEs</p> <p>Results We surpassed this goal, with 50% of our top 10 highest spend subcontractors being DBEs. One additional subcontractor within the 10 top is a women-led nonprofit organization, bringing us to 60%.</p>	ACHIEVED	
<p>Objective Double the total number of diverse suppliers for internal spend from 10 to 20</p> <p>Results We did not achieve this goal outright, with our number of DBE suppliers for internal spending decreasing to 8. However, this is largely due to an administrative change in how we categorize internal spending, so we may be undercounting DBE suppliers for internal spending.</p>	NOT ACHIEVED	

