



2021

**SUPPLIER DIVERSITY
ECONOMIC IMPACT
REPORT**



MESSAGE FROM BOB FRENZEL

STATEMENT ON SUPPLIER DIVERSITY

Xcel Energy's commitment to supplier diversity is based upon our belief that we will obtain the best products and services when we have a broad base of supplier relationships. This will also allow us to reduce overall costs while offering new, innovative solutions.

By doing business with diverse suppliers, we expand our supply lines and provide opportunities for everyone to participate and prosper, creating a multiplier effect that results in additional jobs across the economy and in our communities.

We are committed to ensuring that our employee base and our network of suppliers and contractors reflect the communities we serve. As such, we strive to offer diverse businesses* opportunities to compete in Xcel Energy's product and service procurement.

We continually seek ways to partner with diverse suppliers. If you are a certified, diverse business and would like to be considered for future opportunities at Xcel Energy, please contact us at supplierdiversity@xcelenergy.com.

Bob Frenzel
President and CEO
Xcel Energy

*Xcel Energy recognizes diverse suppliers as Minority, Women, Veteran, Service Disabled Veteran, Disabled-Owned, Disadvantaged, HUBZone, 8(a) and LGBT owned businesses.

Who We Are

Our Vision

We will be the preferred and trusted provider of the energy our customers need.

Our Mission

We provide our customers the safe, clean, reliable energy services they want and value at a competitive price.

Our Values

Our values reflect our core beliefs — who we are, how we conduct our business and the importance of our customers. They guide us in our work and in our interactions with each other. We are Committed, Connected, Safe and Trustworthy.



Our Commitment to Supplier Diversity

Our partnerships with small and diverse suppliers help us ensure that our products and services evolve to meet the needs of our customers.

In 2021, Xcel Energy's engagement with small and diverse businesses led to over \$2.9 billion in contributions to the US economy and supported 19,595 US jobs.

Xcel Energy spending with small and diverse suppliers supports job growth at these suppliers. It also triggers a multiplier effect that supports additional jobs in our supply chain and these suppliers' communities.



Economic Impact Methodology

The impact of spending with a company is greater than direct purchases made from the company. This is because money spent with the company is spent again on payroll, goods and services, and other suppliers in its supply chain. Employees use their salaries to purchase goods and services from other businesses. Downstream suppliers similarly use the proceeds from their sales on their employees and other businesses. A chain reaction of indirect and induced spending continues. This economic ripple effect is analyzed in an economic impact assessment.



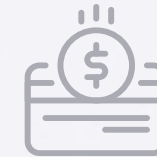
PRODUCTION

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



JOBS

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



INCOMES

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



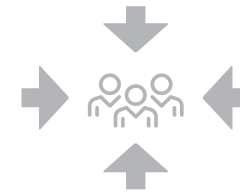
TAXES

Economic activities generate revenues for the government in the form of personal and business taxes. Taxes support government spending and investment within the community.

Economic Impact Channels

In conducting this analysis, supplier.io used the 2021 spending by Xcel Energy with its small and diverse businesses as the direct spending or "impact." An important note regarding assumptions for the geography of the impacts is that jobs are counted in the location of the employer. This assumption does not hold strongly for businesses with employees in other states. In such cases, the number of impacts attributed to the state should be considered an upper limit of the potential in the state. In reality, the impact is likely distributed across the states where the businesses have locations or provide service.

The study evaluates the impact of firms at the national, regional, and state levels. In general, the national impact of firms is greater than their regional impact. Input-output multipliers are regional and attempt to measure the impact of a company within that region. Therefore, multipliers for one state do not include the economic activity that may be generated in other states. National multipliers take into account the activity within each state and also the activities between states. The likelihood of finding goods and services required by a firm is greater nationally than it may be within its state. As a result, its activities generate greater jobs and associated activities when evaluated at a national level rather than at regional or state level.



Direct

The economic benefit of the company's operations and activities.



Indirect

The economic benefit and employment supported in the company's supply chain as a result of the procurement of goods and services.



Induced

The wider economic benefits that arise when employees of the company and its supply chain spend their earnings.



The Economic Impact Through Our Supplier Diversity Program in 2021

\$2.9 billion

Total Output

The cumulative revenues of all businesses impacted through the Supplier Diversity Program.

19,595

Jobs Supported

Jobs supported within Xcel Energy's Supplier Diversity Program and throughout the US.

\$1.0 billion

Wages Supported

Earnings of employees in jobs supported through Xcel Energy's Supplier Diversity Program.

\$1.5 billion

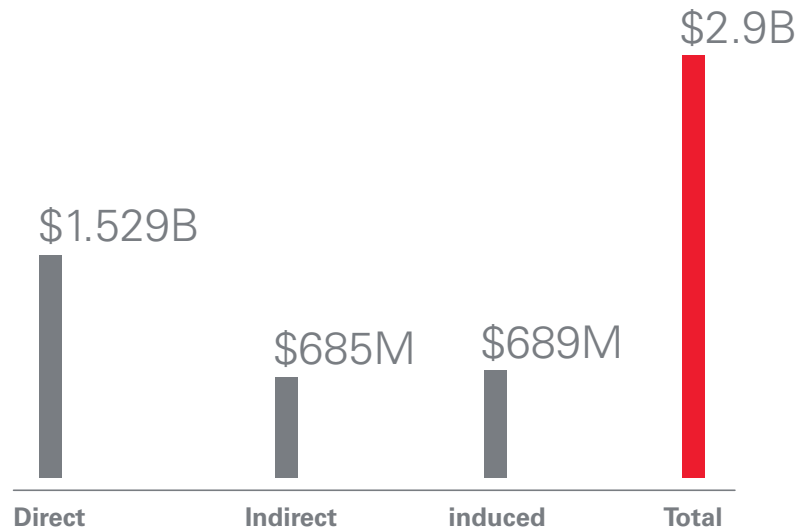
Small and Diverse Purchases

Xcel Energy's spending with small and diverse suppliers.

Our Numbers Tell the Story

GDP Contribution

\$2.9 Billion



Xcel Energy purchased \$1.529 billion from small and diverse businesses. This spending reflects the direct effect of the overall impact, creating indirect effects of \$685 million and induced effects of \$689 million.

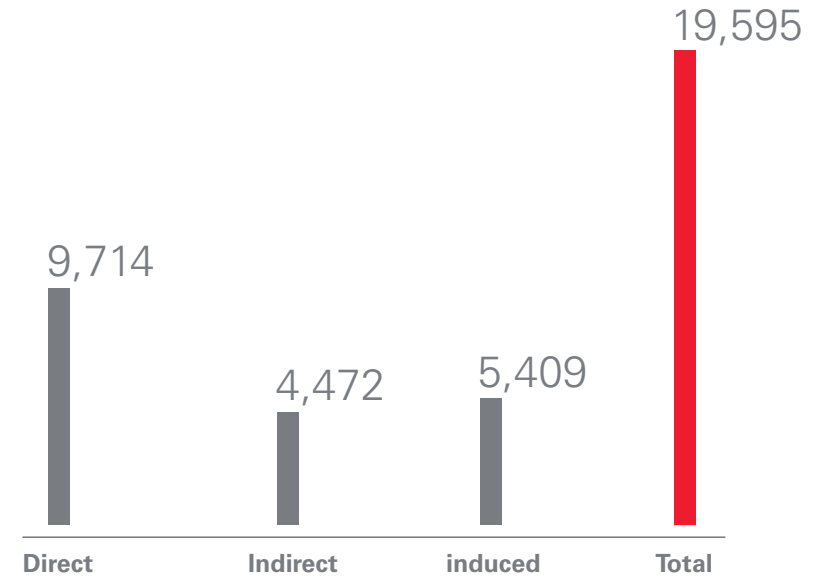




Our Numbers Tell the Story

Jobs Supported

19,595

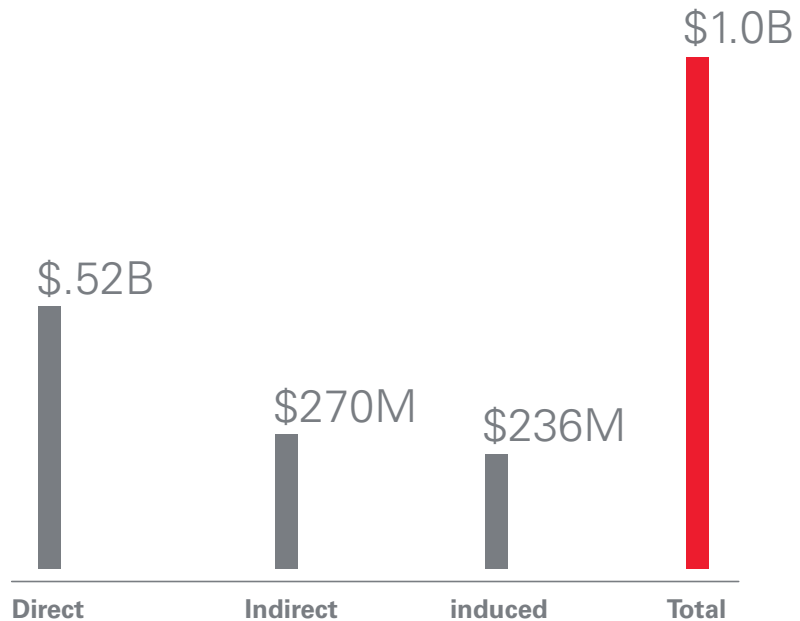


Xcel Energy's Supplier Diversity spending supported an estimated 9,714 jobs at its small and diverse suppliers. Additionally, 4,472 jobs were supported by the indirect effect and 5,409 jobs from the induced effect.

Our Numbers Tell the Story

Wages Earned

\$1.0 Billion



Sales to Xcel Energy helped support jobs at its small and diverse suppliers. Employees earned an estimated \$0.52 billion in wages and benefits through these jobs. Employees in jobs created through the indirect and induced effects earned an estimated \$270 million and \$236 million respectively.



Impact by Diversity Category

Xcel Energy's spending with small and diverse businesses fosters job creation and direct economic improvement in local communities.

**Minority-owned
businesses**

297.9 million
Xcel Energy purchases

1,857
Jobs

\$99.4 million
Wages

**Women-owned
businesses**

\$166.7 million
Xcel Energy purchases

1,112
Jobs

\$61.1 million
Wages

**Veteran-owned
businesses**

\$43.5 million
Xcel Energy purchases

317
Jobs

\$18.0 million
Wages

**LGBTQ-owned
businesses**

\$514.6 thousand
Xcel Energy purchases

7
Jobs

\$295.9 thousand
Wages

**Small
businesses**

\$1.2 billion
Xcel Energy purchases

7,341
Jobs

\$391.0 million
Wages



Spending in MN, ND, SD

Minority-owned
businesses

\$47 million
purchases

254
Jobs

Women-owned
businesses

\$21 million
purchases

126
Jobs

Veteran-owned
businesses

\$12 million
purchases

82
Jobs

LGBTQ-owned
businesses

\$0
purchases

0
Jobs

Small
businesses

\$117 million
purchases

801
Jobs

Spending in WI, MI

Minority-owned
businesses

\$430 thousand
purchases

2
Jobs

Women-owned
businesses

\$2 million
purchases

5
Jobs

Veteran-owned
businesses

\$574 thousand
purchases

4
Jobs

LGBTQ-owned
businesses

\$0
purchases

0
Jobs

Small
businesses

\$181 million
purchases

1,047
Jobs

Spending in CO

Minority-owned
businesses

\$97 million
purchases

547
Jobs

Women-owned
businesses

\$38 million
purchases

338
Jobs

Veteran-owned
businesses

\$10 million
purchases

89
Jobs

LGBTQ-owned
businesses

\$515 thousand
purchases

7
Jobs

Small
businesses

\$254 million
purchases

2,689
Jobs

Spending in TX, NM

Minority-owned
businesses

\$62 million
purchases

343
Jobs

Women-owned
businesses

\$83 million
purchases

487
Jobs

Veteran-owned
businesses

\$14 million
purchases

88
Jobs

LGBTQ-owned
businesses

\$0
purchases

0
Jobs

Small
businesses

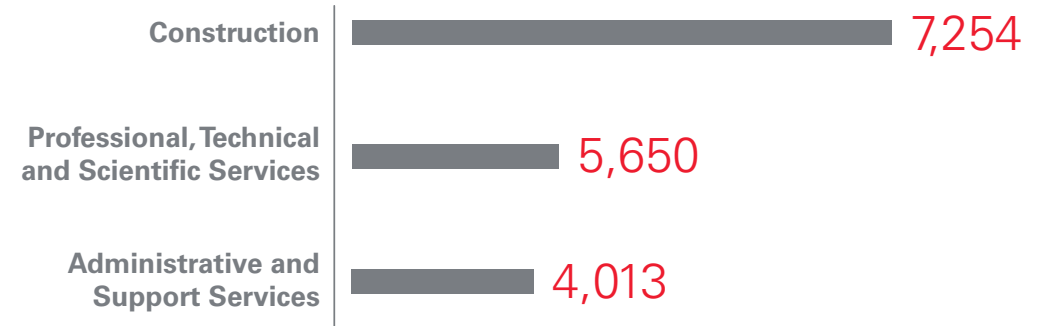
\$319 million
purchases

1,143
Jobs



Small and Diverse Business Spending

Xcel Energy's spending with small and diverse businesses fosters job creation and direct economic improvement in local communities.



\$1.5 billion
Spending with small and diverse suppliers



National Impact of Small and Diverse Suppliers

State	Total Output	Total Jobs	Total Incomes
Alabama	\$7,073,862	49	\$2,373,007
Arkansas	\$186,132	2	\$75,521
Arizona	\$1,564,194	11	\$612,707
California	\$32,033,403	148	\$10,846,196
Colorado	\$584,055,530	4,858	\$227,435,155
Connecticut	\$996,512	6	\$443,172
District of Columbia	\$125,983	1	\$71,115
Florida	\$26,870,721	193	\$9,058,623
Georgia	\$327,953,099	2,547	\$116,340,379
Iowa	\$75,712,750	569	\$28,678,418
Idaho	\$106,420,194	854	\$39,519,609
Illinois	\$30,558,574	185	\$10,984,218
Indiana	\$941,455	4	\$202,650
Kansas	\$10,060,916	75	\$3,870,799
Kentucky	\$818,244	6	\$284,504
Louisiana	\$1,577,075	9	\$530,133
Massachusetts	\$7,859,194	34	\$2,634,422
Maryland	\$3,100,627	21	\$1,441,201
Maine	\$127,784	1	\$52,393
Michigan	\$5,299,670	38	\$1,853,451
Minnesota	\$229,437,112	1,519	\$84,002,360
Missouri	\$41,347,666	280	\$13,430,934
Mississippi	\$604	0	\$71
Montana	\$15,789	0	\$6,122
North Carolina	\$1,914,714	18	\$710,604

State	Total Output	Total Jobs	Total Incomes
North Dakota	\$207,750,328	1,294	\$76,649,352
New England	\$850,575	5	\$238,803
New Hampshire	\$158,263	1	\$60,959
New Jersey	\$9,137,867	94	\$4,583,791
New Mexico	\$77,948,455	524	\$24,855,264
Nevada	\$1,425	0	\$618
New York	\$3,780,550	22	\$1,723,188
Ohio	\$12,533,152	95	\$5,108,243
Oklahoma	\$13,292,483	73	\$3,667,693
Oregon	\$1,361,967	12	\$588,648
Pennsylvania	\$12,469,636	73	\$4,596,553
Rhode Island	\$3,609	0	\$1,597
South Carolina	\$717,188	6	\$289,929
South Dakota	\$1,614,502	9	\$397,649
Tennessee	\$10,209,269	73	\$4,223,727
Texas	\$276,245,911	1,763	\$102,093,707
Utah	\$11,896,373	77	\$3,826,754
Virginia	\$7,598,667	35	\$2,318,994
Vermont	\$120,488	1	\$28,237
Washington	\$4,737,119	37	\$1,942,139
Wisconsin	\$323,552,925	2,216	\$113,473,265
West Virginia	\$52,920	0	\$13,727
Wyoming	\$1,518,997	13	\$625,655

Grey denotes Xcel Energy service territory

Appendix: Economic Impact Modeling

In conducting this analysis, supplier.io used the 2021 spending by Xcel Energy with Economic impact modeling is a standard tool used to quantify the economic contribution of an investment or company. This modeling uses an "Input-Output" economic model to estimate the number of times each dollar of "input," or direct spending, cycles through the economy in terms of "indirect and induced output," or additional spending, personal income, and employment.¹

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

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

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

supplier.io

ABOUT SUPPLIER.IO

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

References:

1 US Government Revenues: http://www.usgovernmentrevenue.com/total_2014USrt_17rs1n

2 United States GDP: <http://www.tradingeconomics.com/united-states/gdp>



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