

## CEO Commitment

An important part of strength in any organization comes from diversity in all its meanings - racial, cultural, abilities, disabilities -- in our supplier base and customer base. Accordingly, Corporate Center and the Business Units are committed to actively seeking mutually beneficial business relationships with minority and women-owned businesses. Our efforts in this regard include large nationally known businesses, as well as smaller and locally owned businesses.

Our top management remains committed to this policy. We know, however, that the real key to the success of our Supplier Diversity Initiative is the proactive participation of everyone involved in decisions to purchase goods and services. We are directing all areas of the company to work with Supply Chain to ensure that minority-and women-owned businesses have the opportunity to compete for your business.

Over the past eight years, Cinergy has spent more than \$450 million with minority and women owned business enterprises (MWBE). We continue to explore and increase opportunities with a diverse range of suppliers. Through our supplier diversity office, we actively seek additional opportunities to meet new suppliers and to increase external outreach activities.

We have made a number of improvements to our Supplier Diversity Initiative. Foremost, we have increased the corporate goal for supplier diversity from 5 percent to 10 percent beginning in 2004. Included with this goal is an increased focus on minority-owned businesses. In 2002 minority-owned firms made up slightly less than 1 percent of our spend and vendor base. Therefore we will work as a corporation to increase activity with minority-owned businesses to 4 percent. To further develop suppliers and build revenue capacity, every effort must be made to include a minimum of one MWBE bidder on all commodities or services that go out for competitive bid where the contract or purchase order value is \$100,000 or greater.

Our Supplier Diversity policy encourages purchasing opportunities for minority and woman-owned businesses in a manner that promotes awareness, demonstrates Cinergy's core value of "Valuing Diversity" and exceeds governmental mandates. It also promotes opportunities that add value to the purchasing process while fulfilling the company's obligation to the communities we serve. Please refer to Cinergy's supplier diversity policy statement located on the [Supplier Diversity website](#).

Supplier Diversity is committed to recruiting qualified suppliers, however, they cannot do it alone. I am asking for your commitment to help achieve this 10 percent goal.

If you have questions or need assistance, please call Tammie Jones, manager, Supplier Diversity & Development, at 513-287-1929.

### **Our Vision**

To position Cinergy as a leading Supplier Diversity advocate and provide optimum access to all suppliers of quality, cost-effective products and services that add value to our shareholders.

### **Our Mission**

To create an inclusive purchasing environment; to build strategic relationships with minority and women-owned businesses that expand opportunities and foster growth; to provide Cinergy access to procurement opportunities which add value to the corporation and the community.

### **Cinergy's Corporate Policy on Supplier Diversity**

Cinergy is committed to developing successful and mutually beneficial business relationships with minority-and women-owned businesses through its Supplier Diversity Initiative. The goals of the Supplier Diversity Office are to:

- Add value to the Corporation by using a diverse base of suppliers
- Promote opportunities for minority-and women-owned businesses
- Recognize and support minority-and women-owned business communities
- Build awareness throughout the organization of the contribution that successful minority-and women-owned businesses can make to economic vitality

Although Coordination of Cinergy's Supplier Diversity Initiative is the responsibility of the Supply Chain, the commitment extends to every part of the company, and the effort encompasses all procurement activities. The success of the initiative requires the participation and support of every employee in seeking out and providing procurement opportunities to minority-and women-owned businesses.

The expectation is that a successful Supplier Diversity Policy will be demonstrated by the following actions and results:

- Increase in expenditures with minority-and women-owned businesses to achieve or exceed corporate goals
- Expansion of opportunities for minority-and women-owned businesses in non-traditional areas such as advertising, legal services, investment services, and other professional services
- Participation by Cinergy departments in Supplier Diversity initiatives, such as workshops, trade shows, and networking activities
- Recognition of departments and individuals for outstanding achievements in the area of Supplier Diversity