

**LUMEN CORPORATE
SUPPLIER DIVERSITY
SUBCONTRACTING PLAN AND SCHEDULE**

1. POLICY

Lumen's supplier diversity policy requires that Certified Diverse Suppliers have the maximum practicable opportunity to participate in providing deliverables, Products and Services to Lumen and its Affiliates consistent with efficient contract performance.

2. TERMS

Capitalized terms contained in this document and not defined in the agreement between Lumen and Supplier are defined in the enclosed definitions on pages 3-4 which includes general definitions related to Lumen's diversity requirements.

3. DIVERSITY SUBCONTRACTING PLAN

All Prime Suppliers that provide services/products to Lumen that will result in spend equal to or greater than \$700,000 in a calendar year must submit a Diversity Subcontracting Plan to Lumen Supplier Diversity at supplier.diversity@Lumen.com within 45 days of the effective date of the relevant agreement. A Diversity Subcontracting Plan may contain the following components:

- Supplier's Contract Number and/or Statement of Work (SOW) Number
- Supplier's Diversity policy statement
- Utilization Goals
- Description of operational services and/or supplies to be subcontracted.
- Methods used to identify and locate Certified Diverse Suppliers
- Methods used to develop Utilization Goals
- Efforts to provide subcontracting opportunities to Certified Diverse Suppliers
- Record keeping requirements
- Diversity Subcontracting Plan administrator's name and description of duties
- See attached Exhibit 1 – Diversity Subcontracting Plan Example

4. UTILIZATION GUIDELINES

Under the Diversity Subcontracting Plan, a Supplier should attempt to utilize small and minority owned businesses in support of its contract with Lumen whenever possible, with a percentage that is in line with their capability, not to produce harm to the Supplier.

Lumen strives to maintain a yearly average of 15% total diverse procurement controlled spend. The attached Exhibit 2 lists Lumen's Approved Diversity Certification Agencies.

5. GOOD FAITH EFFORT

Supplier must make a good faith effort to meet its Utilization Goals. If Supplier is not meeting its Utilization Goals, Supplier must provide to Lumen documentation of its efforts to obtain the Utilization Goals. If Lumen reasonably determines that Supplier has not made a good faith effort (i.e. willfully or intentionally failing to comply with its Diversity Plan), Lumen will provide Supplier written notice that Supplier is in material breach of this Schedule.

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6. REPORTING

Supplier will submit quarterly electronic reports of all spend provided by or through its Certified Diverse Suppliers using Lumen's Online Reporting Tool providing 2nd Tier Direct and/or Indirect Spend.

- a. The Direct 2nd Tier Spend Report will include the name, address, classification, and deliverable, Product or Service provided by each Certified Diverse Supplier during the relevant quarter.
- b. The Indirect 2nd Tier Spend Report involves a calculation to determine the Lumen share of Supplier's overall use of specific Certified Diverse Suppliers.
- c. Supplier shall maintain the following records, which must be open to Lumen's inspection or audit:
 - Documentation of subcontractor's diversity certification
 - Source lists for Certified Diverse Supplier firms
 - Organizations contacted for potential subcontracting relationship
 - Documentation to support award data

DEFINITIONS

The terms defined below are industry standard terms and the definitions are based on the definitions developed by the National Minority Supplier Development Council for the purposes of identifying minority-owned businesses and the Small Business Administration for purposes of identifying accepted small business enterprises.

1. Prime Supplier means a (1) for profit business, and (2) ethnically non-minority owned or controlled enterprise regardless of size, has headquarters and/or wholly owned subsidiaries that is physically located in the United States or its trust territories, and is owned, operated or controlled by an ethnically non-minority chairperson, president or chief executive or operating officer.
2. Ethnic Minority-Owned Business Enterprise (MBE) means a woman-owned business enterprise (WBE) or a service and/or disabled veteran-owned business enterprise (S/DVBE) that is a for-profit enterprise, regardless of size, physically located in the United States or its trust territories, owned, operated or controlled by persons with an ethnic minority, woman or service disabled veteran status with 51% ownership and control, whether the business is publicly or privately held. If publicly held, 51% of the stock must be held by the minority, women or service-disabled veteran members.
3. Ethnic Minority is an individual whose bloodline is at least one-quarter or 25% minimum of the following:

African American – US citizen having origins with any Black racial groups of Africa excluding Northern Africa and Persian Gulf regions

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Hispanic American – A US citizen of true-born Hispanic heritage, from any of the Spanish speaking areas of Central, South and Latin America, Mexico, and the Caribbean excluding Portugal and Spain

Native American – A person who is American Indian, Eskimo, Aleut or Native Hawaiian and regarded as such by the community of which the person claims to be a part. Native Americans must be documented members of a North American tribe, band or otherwise organized group of native people who are indigenous to the continental United States and proof can be provided through a Native American Blood Degree Certificate (i.e., tribal registry letter, tribal roll register number)

Asian-Pacific American – US citizen whose origin is Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, Samoa, the Philippines, Guam, the U.S. trust territories of the Pacific or the Northern Marianas.

Asian-Indian American – US citizen whose origin is India, Pakistan or Bangladesh

4. Woman and service and/or disabled veteran owned business enterprise must fall under the following definitions:

Woman-owned Enterprise – A business that is 51 percent owned and/or daily operations are controlled by one or more women that are U.S. citizens.

Service-Disabled Veteran-owned Enterprise – A business that is 51 percent owned and/or controlled by veterans with a disability that is service connected (disability was incurred or aggravated in the line of duty while active in military, naval or air service).

5. **Small Disadvantaged Business (SDB)** – A business that is 51 percent unconditionally owned by one or more individuals who are both socially and economically disadvantaged (ethnic minority/ physically disabled) AND qualifies as a small business under the size standards in 13 CFR part 121.
6. **Certified 8 (a) firm** – A firm owned and operated by socially and economically disadvantaged individuals AND eligible to receive federal contracts under the Small Business Administration's 8(a) Business Development program.
7. **Certified Hub-Zone** – A firm operating in a government certified historically under-utilized business zone.
8. **"Certified Diverse Supplier"** means a supplier that has been certified by a qualified independent third party agency as a "minority-owned small business", "service-disabled veteran owned small business," a "HUB Zone small business," a "small disadvantaged business," an "LGBT-owned business," a "women-owned small business" or a small business that is controlled by one or more "socially and economically disadvantaged individuals," as those terms are used in 48 C.F.R. 2.101, 13 C.F.R. 124.1003 or California General Order 156.

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9. **“Direct 2nd Tier Spend Report”** is used when Supplier can directly relate payments made to a Certified Diverse Supplier to the deliverables, Products or Services being provided under the Agreement.
10. **“Diversity Subcontracting Plan”** is a plan to carry out the policy of providing Certified Diverse Suppliers the maximum practicable opportunity to participate in providing deliverables, Products and Services to the fullest extent consistent with efficient contract performance.
11. **Indirect 2nd Tier Spend Report”** is used when Supplier cannot directly relate payments made to a Certified Diverse Supplier to the Deliverables or Services being provided under the Agreement.
14. **“Utilization Goals”** means Supplier’s internal target goal percentages for Supplier’s use of Certified Diverse Suppliers) in providing Deliverables and Services.
15. **“LGBT”** means a Lesbian, Gay, Bisexual or Transgendered-owned business enterprise. Under these rules, an LGBT person owning such an enterprise must be either a U.S. citizen or legal alien with permanent residence status in the United States.

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**Exhibit 1
LUMEN DIVERSITY
SUBCONTRACTING PLAN EXAMPLE**

Contract/SOW #

Business Unit

Supplier Name _____ Sourcing Manager _____

Will utilize minority/women/service and/or disabled veteran owned businesses (MWDVBE's) in the execution of this SOW or contract.

Check box if your company is a minority/woman/service-disabled veteran-owned business

****(exempt from plan requirement with proof of certification status)***

Suggested subcontracting goal for Certified Diverse Supplier utilization is at least 5% of total contract value. Supplier strives to provide expanded and new opportunities to increase total expenditures with Certified Diverse Suppliers.

Name/address/phone number of Supplier's Diversity/AP Finance Administrator:

Supplier agrees to identify Certified Diverse Supplier subcontractors by utilizing the certifying agencies in their region and maintain on file Certified Diverse Supplier utilization data, records and reports for a minimum period of three (3) years from the date of termination/expiration for the above referenced contract.

To assist Lumen in complying with its diversity subcontracting goals, if Supplier currently provides any reports tracking the use of Certified Diverse Suppliers in the provision of products, goods or services, to any other customer, subject to confidentiality or other legal/contractual obligations or requirements, Supplier will provide these reports to Lumen when requested. Supplier will also access Lumen's online Tier 2 report system to electronically provide the requested data on a quarterly basis.

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**Exhibit 2
Lumen's Approved Diversity Certification Agencies**

This list contains agencies approved by Lumen for diversity certification. Lumen prefers Minority Business Enterprise (MBE) certifications from affiliates of the **National Minority Supplier Development Council (NMSDC)*** and Women Business Enterprise (WBE) certifications from affiliates of the Women's Business **Enterprise National Council (WBENC)**** and Service Disabled Veteran Enterprise (SDVE) certifications from the **Association of Service Disabled Veterans. The National Gay and Lesbian Chamber of Commerce (NGLCC) provides certifications for lesbian, gay, bisexual and transgender (LGBTBE).** The list of preferred affiliates is below.

Lumen accepts pre-existing certification from other agencies provided the evaluation criteria complies with Lumen's definitions of Minority-Owned Business, Woman-Owned Business and Service-Disabled Veteran-Owned Business.

Please note that for the **Corporate** Supplier Diversity Program, Lumen does **NOT** accept self-certification forms.

California PUC supplier certification www.cpuc.ca.gov/PUC/aboutus/bizcommunity.htm	415-703-5245	
National Association of Women Business Owners	800-556-2926	www.nawbo.org/
National Gay and Lesbian Chamber of Commerce	202-234-9181	www.nglcc.org
National Minority Supplier Development Council www.nmsdc.org	212-944-2430	(Headquarters)
Office of Small and Disadvantaged Business/Minority Resource Center www.osdbu.dot.gov	800-532-1169	
Small Business Administration SBA 8(a) Program Region VII (MO,KS) www.sba.gov	816-426-4840	
Small Business Administration SBA 8(a) Program Region VIII (CO,UT,WY) www.sba.gov	303-844-0500	
Women's Business Enterprise National Council www.wbenc.org	202-872-5515	(Headquarters)
National Veterans Owned Business Association (NaVOBA) (Headquarters) navoba.org/	724-362-8622	

LUMEN Supply Chain has a strategic initiative for including CERTIFIED DIVERSE SUPPLIERS in the strategic sourcing of goods and services. Our supply chain organization has two major teams: 1) supporting network requirements and 2) operational services. For inquiries regarding CERTIFIED DIVERSE SUPPLIER utilization and/or interest in participating in upcoming RFPs/RFIs, please send email to supplier.diversity@Lumen.com