

Conduent Supplier Diversity Policy

PURPOSE:

This policy outlines the standards by which Conduent, Inc. and its wholly-owned subsidiaries (collectively, “**CONDUENT**” or “**Company**”) operating within the United States will strive to engage “**DIVERSE SUPPLIERS**”. Its purpose is to assist the Company with achieving a Diverse Supplier base by increasing the utilization of “**DIVERSE SUPPLIERS**” in CONDUENT’s procurement and customer solution networks. The ultimate goal is an inclusive Subcontractor and Vendor process which values and engages qualified and certified Diverse Suppliers consistent with the business requirements of CONDUENT.

“DIVERSE SUPPLIERS” - Includes, but may not be limited to the following categories:

- Minority-Owned Business Enterprises (MBE)
- Women-Owned Business Enterprises (WBE)
- Veteran-Owned Business Enterprises (VBE)
- Service Disabled Veteran-Owned Business Enterprises (SDVBE)
- LGBT-Owned Business Enterprises (LGBTBE)
- Small Business Enterprises (SBE)
 - Woman Business Enterprises (WOSB)
 - HUBZone Business Enterprises (HUB)
 - Disadvantaged Business Enterprises (DOSB)
 - Service Disabled Veteran Enterprises (SDVOSB)
 - Veteran Business Enterprises (VOSB)

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Version 1: December 9, 2019

POLICY STATEMENT:

1. CONDUENT Supplier Diversity Program

CONDUENT provides certified “**DIVERSE SUPPLIERS**” an opportunity to participate as a Subcontractor or Vendor consistent with this Policy. The CONDUENT Supplier Diversity Policy will ensure CONDUENT’s commitment to quality, customer service, and lowest total cost of ownership is maintained while recognizing corporate diversity goals. Per our client contractual requirements, **DIVERSE SUPPLIERS** are utilized to meet set percentage of spend.

The CONDUENT Supplier Diversity Policy is comprised of a number of elements that may include, but are not limited to:

Outreach: CONDUENT monitors and communicates with Certified **DIVERSE SUPPLIERS** through a variety of means.

As needed, Certified DIVERSE SUPPLIERS may be screened for capabilities in connection with filling specific work requirements on current and future CONDUENT prime contracts.

Mentoring: Periodically, CONDUENT may target select Certified DIVERSE SUPPLIERS for mentoring. Based on the CONDUENT resources available, the mentoring program may include the development of Subcontract or Vendor Contract opportunities, as well as assistance in market analysis, business development skills, strategic planning, access to CONDUENT management and establishing a business infrastructure.

Deployment: To the extent specific Subcontract opportunities for qualified and certified DIVERSE SUPPLIERS are contractually required, those opportunities will be identified and awarded in an effort to meet CONDUENT business needs and contractual obligations, while encouraging the development of a diverse Subcontractor base.

Assessment: CONDUENT will evaluate each DIVERSE SUPPLIERS Subcontractor's and Vendor's performance against contractual performance task metrics and provide feedback when appropriate. At the corporate level, CONDUENT may establish a Supplier Recognition Program to periodically recognize key DIVERSE SUPPLIERS business contributors.

Each Business Sector will be responsible for implementing CONDUENT's Supplier Diversity Policy within their respective Sector, including but not limited to tracking, monitoring, reporting DIVERSE SUPPLIERS utilization requirements.

2. Diverse Supplier Registration

CONDUENT purchases and contracts out a variety of products and services. Online registration is the first step for a DIVERSE SUPPLIERS to be identified in the CONDUENT workflow system. This system will allow certified DIVERSE SUPPLIERS to provide proof of their status within the internal CONDUENT workflow system.

3. Diversity Supplier Certification

Validation of a supplier's diverse status is required for participation in the CONDUENT Supplier Diversity Program. To be eligible to be designated as a Diverse Supplier within the CONDUENT workflow system, CONDUENT requires suppliers to provide a record of DIVERSE SUPPLIERS and/or HUB Zone certification from a recognized third party.

CONDUENT will accept certification documents from one or more of the following qualified certifying agencies:

- National Minority Supplier Development Council (NMSDC) and/or its regional affiliates (www.nmsdc.com)
- Small Business Administration (SBA) www.sba.gov
- Women’s Business Enterprise National Council (WBENC) and/or its regional affiliates (www.wbenc.org)
- Various Chamber of Commerce (i.e. National Gay Lesbian Chamber of Commerce – NGLCC, US Pan Asian American Chamber of Commerce – USPAACC, etc.)
- Veteran Business Enterprise Certifying Agencies
- City, State or Federal Certifying Agencies

In order to be placed in CONDUENT’s approved Diverse Supplier pool of potential suppliers, all suppliers indicating that they are DIVERSE SUPPLIERS will be required to provide CONDUENT with their certification number when they complete the CONDUENT invitation to register in Ariba.

4. CONDUENT DIVERSE SUPPLIERS Utilization Goal

The diversification of our supplier networks is a priority for CONDUENT. Our annual Supplier Diversity utilization goal varies due to annual spend, client requirements and business mergers and acquisitions.

5. CONDUENT Corporate Supplier Diversity Coordinator

A **Corporate Supplier Diversity Coordinator** monitors the CONDUENT Supplier Diversity Program and be responsible for maintaining the CONDUENT corporate process.

The Corporate Supplier Diversity Coordinator serves as the primary contact for CONDUENT DIVERSE SUPPLIERS monitoring their progress and identifying opportunities. The Corporate Supplier Diversity Coordinator will coordinate CONDUENT’ ongoing Outreach efforts.

Corporate Supplier Diversity Coordinator submits customer required Tier II Reporting.

6. Request for Proposals/Request for Information/Solicitations

Each business Sector will have an identifiable point of contact whenever Supplier Diversity information is required for a Request for Proposals (RFP), Request for Information (RFI), or similar customer solicitation. When required, Capture Managers and Solution Architects will work with the Corporate Supplier Diversity Coordinator to ensure correct and consistent supplier diversity information is provided to potential CONDUENT customers

7. DIVERSE SUPPLIERS Utilization Tracking/Record Keeping

When contractually required, Supplier Diversity utilization tracking and record keeping metrics are established for specific customer contracts. As appropriate, the Account Executive, designated for the specific customer contract, works with the Corporate Supplier Diversity Coordinator and be responsible for ensuring CONDUENT:

- A. Verifies certification of all DIVERSE SUPPLIERS working in support of a specific Conduent prime contract;
- B. Tracks and monitors prime contract specific DIVERSE SUPPLIERS utilization goals and performance against those goals;
- C. Maintains records documenting compliance with prime contract requirements, including documentation of good faith efforts, and monitoring CONDUENT's progress with respect to defined DIVERSE SUPPLIERS utilization goals as set forth in a contract.
- D. Makes good faith efforts to meet and exceed its prime contract DIVERSE SUPPLIERS utilization goals; and
- E. Submit all contractually required reports to customers, on a prescribed basis, detailing CONDUENT utilization of Diverse Suppliers, except for Quarterly Tier II Reports (which will be submitted by the Corporate Supplier Diversity Coordinator).

Copies of all Supplier Diversity contract language, as well as copies of a supplier's certification, will be sent to the Corporate Supplier Diversity Coordinator for centralized cataloging.

8. DIVERSE SUPPLIERS Compliance & Reporting

CONDUENT has developed a Diverse Supplier data collection system to best serve the Company's reporting needs. Each Sector Supplier Diversity Administrator facilitates the collection of their respective DIVERSE SUPPLIERS utilization data and its submission to the Corporate Supplier Diversity Coordinator, no later than the 20th day following the close of the previous Quarter. The Corporate Supplier Diversity Coordinator subsequently posts the previous Quarter's DIVERSE SUPPLIERS utilization data on the Supplier Diversity Dashboard. The Corporate Supplier Diversity Coordinator also prepares a quarterly DIVERSE SUPPLIERS utilization report for CONDUENT senior management.

Contractual supplier diversity utilization compliance and reporting metrics may be included in specific customer prime contracts. The Corporate Supplier Diversity Coordinator is responsible for submitting all contractually required reports to customers, on a prescribed basis, detailing CONDUENT's usage of DIVERSE SUPPLIERS. The respective Sector Supplier Diversity Administrator obtains the required data and should be copied on all DIVERSE SUPPLIER reporting.

CONDUENT's Supplier spend data is collected electronically through payments made from CONDUENT and Diverse Socio-Economic data provided by a 3rd party. CONDUENT provides its customers with all contractually required DIVERSE SUPPLIERS utilization reports no later than the date specified in the customer prime contract.

9. Compliance with Laws.

The CONDUENT Supplier Diversity Policy shall be conducted in accordance with all applicable laws and regulations.

10. Policy Revisions, Procedures Manual.

CONDUENT may at its sole discretion revise this policy from time to time to meet its evolving business needs.

DEFINITIONS:

1. **“Corporate Supplier Diversity Coordinator”** - See Paragraph 5 above.
2. **“Diverse Suppliers”** – See Page 1 above.
3. **“First Tier Supplier”** - A Diverse Supplier that works directly for CONDUENT and is paid by CONDUENT and in which the parties do not have an employer/employee relationship or parent/subsidiary/affiliate relationship.
4. **“HUBZone Business Enterprise”** – A business concern located in the U.S. which is certified by the SBA based on the following criteria:
 - A. It is a small business.
 - B. It is located in a "historically underutilized business zone."
 - C. It is owned and controlled by one or more U.S. Citizens.
 - D. At least 35% of its employees reside in a HUBZone.
5. **“Large Business”** - a business concern located in the U.S. that does not meet the small business size standards per the definition of “Small Business” as set forth below.
6. **“Minority-Owned Business Enterprise”** – a business concern that is located in the U.S., which is:
 - at least 51% owned by one or more **“socially and economically disadvantaged individuals”** who are U.S. citizens; or, in the case of any publicly-owned business, at least 51% of the stock of which is owned by one or more **“socially or economically disadvantaged individuals”** who are U.S. citizens;
 - **“Socially and Economically Disadvantaged Individuals”** include:
 - African-Americans
 - Native Americans (American Indians, Eskimos, Aleuts, and Native Hawaiians)
 - Hispanic Americans (U.S. citizens whose origins are from Mexico, Puerto Rico, Cuba, Central America, South America, the Caribbean, and the Iberian Peninsula, including Portugal)
 - Asian-Pacific Americans (U.S. citizens whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam,
 - and whose management and daily business operations are controlled by one or more such individuals who are U.S. citizens.
7. **“Second Tier Supplier”** - a Diverse Supplier that works directly for a First Tier Supplier of CONDUENT in support of its business with Conduent and in which the First Tier Supplier and Second Tier Supplier do not have an employer/employee relationship or parent/subsidiary/affiliate relationship.

8. **“Tier II Reporting”** – Direct (associated with customer contract) and/or Indirect (all diverse supplier spend) reporting of all spend associated with CONDUENT DIVERSE SUPPLIERS sent to Customers on a quarterly basis.

9. **“Service Disabled Veteran-Owned Business Enterprise (SDVBE)”** -- A business concern that is located in the U.S., is at least 51% owned by a Service Disabled Veteran who is a U.S. citizen and who also controls and operates the business
 - "Control" in this context, means exercising the power to make policy decisions.
 - Operate" in this context, means actively involved in the day-to-day management.

10. **“Small Business”** - A small business concern, including its affiliates, which is located in the U.S., is independently owned and operated, is not dominant in the field of operation in which it is competing and can further qualify under the criteria concerning the number of employees, average annual receipts, or other criteria as defined by the Small Business Act and relevant regulations promulgated pursuant thereto. (See Code of Federal Regulations, Title 13, Part 121, as amended, which contains detailed industry definitions). There are various sub-categories of Small Businesses that CONDUENT recognizes as a diverse supplier:
 - Woman Business Enterprises (WOSB)
 - HUBZone Business Enterprises (HUB)
 - Disadvantaged Business Enterprises (DOSB)
 - Service Disabled Veteran Enterprises (SDVOSB)
 - Veteran Business Enterprises (VOSB)

11. **“Subcontracts”** - is defined at Category 3 of the Conduent Approval Matrix and as otherwise defined in a specific customer prime contract.

12. **“U.S. Citizen”** - means a person born or naturalized in the United States. Note that resident aliens and holders of permanent visas are not considered U.S. citizens.

13. **“Vendor Contracts”** – is defined at Category 3 of the Conduent Approval Matrix.

14. **“Veteran-Owned Business Enterprise”** - A business concern that is located in the U.S., is at least 51% owned by a Veteran who is a U.S. citizen and who also controls and operates the business.
 - "Control" in this context, means exercising the power to make policy decisions.
 - "Operate" in this context, means actively involved in the day-to-day management.

15. **“Women-Owned Business Enterprise”** - A business concern located in the U.S. that is at least 51% owned by a woman or women who are U.S. citizens and who also control and operates the business. Women as a class are not considered to be socially and economically disadvantaged.
- “Control” in this context, means exercising the power to make policy decisions.
 - “Operate” in this context, means actively involved in the day-to-day management.
16. **“LGBT Owned Business Enterprise”** – A business concern that is located in the U.S. and is at least 51 % owned by a person who identifies as LGBT and who is a U.S. Citizens and controls and operates the business.
- “Control” in this context, means exercising the power to make policy decisions.
 - “Operate” in this context, means actively involved in the day-to-day management.

REFERENCES:

This Supplier Diversity Policy is supplemented by a number of other CONDUENT policies and procedures, which include but are not limited to:

1. Conduent Global Procurement Policy
2. Conduent Ethics Policy
3. Conduent Code of Business Conduct