



Supplier Diversity / Small Business Policy

Adtalem Global Education Inc. ("Adtalem") is a leading global education provider and the parent organization of American University of the Caribbean School of Medicine, Association of Certified Anti-Money Laundering Specialists, Becker Professional Education, Chamberlain University, EduPristine, Ross University School of Medicine, Ross University School of Veterinary Medicine, and OnCourse Learning.

Adtalem is proud to serve a culturally and ethnically diverse student population and our commitment to diversity extends to our supply chain. To this end, Adtalem creates an equal opportunity for all suppliers to participate in the procurement process and is committed to diversity and nondiscrimination in its business operations.

Supplier Diversity Program

All agreements with Suppliers are reviewed and managed by Adtalem's Supply Management Organization which defines **Diverse Suppliers** as self-reported Disability-, HUBZone-, LGBT-, Minority-, Veteran-, Woman-owned business enterprises. Adtalem actively encourages certification, which can be attained through government agencies and independent advocacy organizations. The list in Appendix A reflects the most common certification organizations.

Program initiatives include:

- Providing tools and resources to assist Adtalem departments and institutions in identifying Diverse Suppliers and Small Businesses
- Developing strategic relationships with Diverse Suppliers and Small Businesses
- Monitoring and reporting on Supplier Diversity / Small Business spend
- Ensuring Supplier Diversity / Small Business program awareness across the organization.

Tier I

Adtalem's Supply Management Organization provides Diverse Suppliers and Small Businesses with equal opportunities to be included in strategic sourcing and procurement processes. To this aim, all requests for proposal require at least one Diverse Supplier in the list of participants, where applicable. All companies that seek to do business with Adtalem must demonstrate the ability to add value, and provide high-quality goods and services that are competitively priced, reliable, and aligned with our superior level of service.

Tier II

Adtalem is dedicated to increasing the participation of Diverse Suppliers and Small Businesses in purchasing decisions and contractual business agreements. Adtalem provides additional opportunities for Diverse Suppliers by requiring Adtalem's Tier I strategic suppliers to participate in Tier II reporting requested March 1 and September 1 of each year. The Tier I Suppliers are responsible for collecting Diverse Supplier reporting from their supplier base. Tier II spend can be achieved in two ways:

- **Tier II Direct:** Products or services purchased from Diverse Suppliers on the behalf of Adtalem through a Tier I supplier. These purchases must be able to be directly traced back to a specific contract or purchase order with a Diverse Supplier.
- **Tier II Indirect:** Purchases through a Tier I supplier which are not made specifically in support of Adtalem's business, therefore are calculated by indirect allocation.

Example

1	Tier I Supplier's Total U.S. Sales/Revenue	\$ 1,000,000
2	Tier I Supplier's Total Sales to Adtalem (out of line 1)	\$ 200,000
3	Allocated Revenue: Total Sales to Adtalem (\$200K) divided by Total Revenue (\$1M)	20%
4	Tier I Supplier's Total Diversity Spend	\$ 50,000
5	Adtalem's Tier II Indirect Diverse Spend: Allocated % (20%) multiplied by Total Diversity Spend (\$50K)	\$ 10,000
6	Adtalem's Percent of Diverse Purchases to Sales (Line 5 divided by Line 2)	5%

Construction Projects

All Adtalem construction project requests for proposal (RFP) will include a requirement of at least 20% of the general contractor's total spend is subcontracted to Diverse Suppliers. General Contractors will provide spend breakdown in the RFP and report on the final project spend.

Goals

Each year Supply Management along with Adtalem leadership establishes a combined Supplier Diversity and Small Business spend target for the organization. The success of Adtalem's Supplier Diversity / Small Business program is measured against these internal targets. Bi-annual reporting captures the organization's progress in relation to the corporate goal. Supply Management will review supplier qualifications to maintain accuracy in reporting.

Appendix A

Supplier Diversity Policy

Definitions

Tier I Spend — Direct contracts with third parties that provide goods and services in support of Adtalem’s business operations.

Tier II Spend — Tier II spend equates to Adtalem’s suppliers’ contracts with their supply base.

DVBE — *Disabled Veteran Business Enterprise* – This term is used by the State of California, public utilities, and many private corporations to designate a company that is owned (at least 51%) and controlled by a Veteran with a Service-Connected Disability rating of at least 10% from the Department of Veterans Affairs. Additionally, the Veteran must reside in the state of California.

DOBE - *Disability-Owned Business Enterprise* – This certification is granted to businesses that are at least 51% owned, operated, controlled, and managed by a person with a disability.

HUBZone — *Historically Underutilized Business Zone* — a small business with its principal office located in and at least 35% of its employees living in a [HUBZone](#).

LGBT — *Lesbian, Gay, Bisexual, and Transgender (LGBT)-owned businesses*. Majority (at least 51%) owned, operated, managed, and controlled by an LGBT person or persons.

MBE — *Minority Business Enterprise*— minority group members who are U.S. citizens and least one quarter Asian, Black, Hispanic, or Native American. Minority business status requires 51% or greater ownership by minorities as well as management and control of daily business operations, with experience or technical expertise directly related to the primary product or service of the business.

SBE — *Small Business Enterprise* — The U.S. Small Business Administration (SBA) has established two widely used size standards: 500 employees for most manufacturing and mining industries and \$7.5 million in average annual receipts for many nonmanufacturing industries.

SDVOB — *Service Disabled Veteran Owned Small Business*—a small business that is owned (at least 51%) and controlled by a Veteran with a Service-Connected Disability rating from the Department of Veterans Affairs.

VOSB — *Veteran Owned Small Business* — a small business that is majority owned (at least 51%) and managed by a veteran who is directly involved in the day-to-day operations.

WBE— *Women’s Business Enterprise*— non-minority women who own 51% or more of the business as well as management, control and technical expertise as stated above.

Certifying Organizations

NGLCC — *National Gay & Lesbian Chamber of Commerce* — the exclusive third-party organization for the certification of LGBT Business Enterprises.

NMSD — *National Minority Supplier Development Council* — certifies minority-owned businesses through its regional purchasing councils. www.nmsdc.org

SBA— *Small Business Administration* — small business assistance and certification

VA OSDBU — *US Department of Veterans Affairs* — mission is to enable Veterans to gain access to economic opportunity by leveraging the federal procurement system and expanding participation of procurement-ready small businesses.

WBENC— *Women’s Business Enterprise National Council* — the largest certifier of women-owned businesses in the U.S. and a leading advocate for women business owners and entrepreneurs.

WBOC — *Women’s Business Ownership Corporation* — a national certification program for women-owned businesses.

Government Certifications — State, City, Local Government Municipalities

Government Assistance Agencies

MBDA—*Minority Business Development Agency*, U.S. Department of Commerce—the only Federal Agency created specifically to foster the creation, growth and expansion of minority-owned businesses in America.

MBDC—*Minority Business Development Center*—regional centers providing business development assistance.

NWBC—*National Women’s Business Council*—a non-partisan federal advisory council created to serve as an independent source of advice and counsel to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners.

SBA—*Small Business Administration* — The U.S. Small Business Administration has delivered millions of loans, loan guarantees, contracts, counseling sessions and other forms of assistance to small businesses.

- **8(a) Program:** Federal business development program for firms that are owned and controlled at least 51% socially and economically disadvantaged individual(s).
- **WOSB** — *Women-Owned Small Business* — Federal Contract Program allows set-asides for WOSBs in industries where firms are underrepresented. WOSBs must be at least 51% owned and controlled by women.
- **HUBzone** — *Historically Underutilized Business Zone* — Program allows federal contract set-asides for small businesses in economically depressed communities.

SBDC—*Small Business Development Center*—regional centers providing counselling, managerial and technical assistance to existing and prospective small businesses.

Associations

ABA— *Asian Business Association*

BBA—*Black Business Association*

LBA—*Latin Business Association*

NAWBO—*National Association of Women Business Owners*

NGLCC — *National Gay & Lesbian Chamber of Commerce* — the largest global not-for-profit advocacy organization dedicated to expanding economic opportunities and advancements for LGBT

NMSDC—*National Minority Supplier Development Council*—organization of major corporations for creating business opportunities for minority-owned businesses. www.nmsdc.org

USHCC—*US Hispanic Chamber of Commerce*