

**I. Company Policy**

As a Purpose-driven company, Cooper Tire believes that everyone deserves to travel through life's journeys with confidence. This means everyone. Cooper is a place where differences are embraced and we respect the culture and customs of all nations, act with integrity, are a good community citizen, and seek diversity of thoughts, experiences, and ideas. To this end, Cooper recognizes the importance of having a diverse supplier program to promote economic growth in diverse communities. This initiative is driven from senior management and is to be supported throughout the organization.

It is the policy of Cooper Tire & Rubber Company that diverse suppliers will have an equal opportunity to be included in our strategic sourcing and procurement process. All companies that seek to do business with Cooper must demonstrate the ability to add value, and provide high quality goods and services that are competitively priced, reliable, and aligned with our company goals and objectives.

Our Supplier Diversity Program will focus on the key groups of diverse suppliers identified below:

**Small Business**

To qualify as a small business for purposes of this program, a prospective supplier must meet all of the following criteria:

- It is organized for profit, having its place of business in the United States (US), operating primarily within the US, or making a significant contribution to the US economy through payment of taxes or use of American products, materials or labor.
- It is independently owned and operated. The business may be a sole proprietorship, partnership, corporation, or any other legal form.
- It is not dominant in its field on a national level.
- It meets the US Small Business Administration (SBA) "size standard" for its specific industry. Companies self-certify their small business status, and this can be validated through the SBA's "Office of Size Standards" website (<http://www.sba.gov>). Prospective suppliers asked to participate in a bidding opportunity will be asked to self-certify their status at that time.

**Minority Business Enterprise (MBE)**

To qualify as an MBE for purposes of this program, a prospective supplier must meet all

of the following criteria:

- It must be owned, capitalized, operated and controlled by a member of an identified minority group, and the business must be a for-profit enterprise which physically resides in the US or one of its territories. Members of an “identified minority groups” are generally defined as US citizens having an Asian, Black, Hispanic, East Asian Indian and/or Native American ethnic background.
- It is at least 51% owned by a member of an identified minority group or, in the case of a publicly-owned business, at least 51% of the stock is owned by one or more such individuals. Further, the management and daily operations of the business are controlled by such minority group member(s).

Certification by the National Minority Supplier Development Council (NMSDC) is encouraged, but independently documented and validated proof that the above requirements are met may also be accepted.

### **Women Business Enterprise (WBE)**

To qualify as a WBE for purposes of this program, a prospective supplier must meet all of the following criteria:

- It must be owned, capitalized, operated and controlled by a woman or group of women. The business must be a “for-profit” business which physically resides in the US or one of its territories. The business owner must be a legal US Citizen or legal resident alien.
- It is at least 51% owned by a woman or group of women or, in the case of a publicly-owned business, at least 51% of the stock is owned by one or more women. Further, such woman or women must control the management and daily operations of the business.

Certification by the Women’s Business Enterprise National Council (WBENC) is encouraged, but independently documented and validated proof that the above requirements are met may also be accepted.

### **LGBTQ-owned Business Enterprise**

To qualify as an LGBTQ-owned business for purposes of this program, a prospective supplier must meet all of the following criteria:

- It must be owned, capitalized, operated and controlled by a member or member(s) of the Lesbian, Gay, Bisexual or Transgender community. The

business must be a “for-profit” business which physically resides in the US or one of its territories. The business owner must be a legal US Citizen or legal resident alien.

- It is at least 51% owned by a member of the Lesbian, Gay, Bisexual or Transgender community or, in the case of a publicly-owned business, at least 51% of the stock is owned by one or more members of the Lesbian, Gay, Bisexual or Transgender community. Further, such individuals must control the management and daily operations of the business.

Certification by the National Gay and Lesbian Chamber of Commerce (NGLCC) is encouraged, but independently documented and validated proof that the above requirements are met may also be accepted.

### **HUBZone Business**

To qualify as a Historically Underutilized Business (HUB) for purposes of this program, a prospective supplier must be determined to be a “qualified HUBZone small business concern,” which requires that it meet all of the following criteria:

- It is small.
- It is located in a "historically underutilized business zone" (a HUB Zone).
- It is owned and controlled by one or more US Citizens.
- At least 35% of its employees reside in a HUBZone.

All claims of HUBZone Business Enterprise status will be validated through the US Small Business Administration Web site:

(<http://www.sba.gov/hubzone/general/internet/findout.cfm>). Companies asked to participate in a bidding opportunity will be asked to certify their HUBZone Business Enterprise status, if applicable, at that time.

### **Disabled Veteran Businesses (DVBE)**

To qualify as a DVBE for purposes of this program, a prospective supplier must meet all of the following criteria:

- It is a sole proprietorship, partnership or corporation at least 51 percent owned by one or more disabled veterans or, in the case of a publicly owned business, with at least 51 percent of its stock owned by one or more disabled veterans; a subsidiary which is wholly owned by a corporation in which at least 51 percent of the parent company’s voting stock is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture’s management, control and earnings are held by one or more disabled veterans.
- One or more disabled veterans control the management and daily control of the daily business operations, although the disabled veteran(s) exercising management and control need not be the same disabled veteran(s) who own the firm.

- It is a sole proprietorship, partnership or corporation with its home office located in the US and is not a branch or subsidiary of a foreign corporation, firm or business.

Disabled Veterans Business Enterprise Certification is encouraged, but independently documented and validated proof that the above requirements are met may also be accepted. For purposes of the criteria listed above, a “disabled veteran” is defined as a US military, naval or air service veteran with a service related disability of at least 10 percent.

## **II. Corporate Program Structure**

Cooper Tire & Rubber Company will use its best effort to achieve an aspirational goal of 5% of its total supply base, measured as a percent of total spend dollars, being attributable to qualifying diverse suppliers. The purchasing organizations will have ultimate responsibility for achieving this aspirational goal, and will be fully committed to the program.

This percentage will be reported no less than annually to a Diversity Steering Committee, Championed by the Vice President of Global Procurement and further comprised of representatives from:

- Purchasing
- OE Sales
- Marketing
- Legal
- Operations
- HR
- Corporate Communications

## **III. Supplier Diversity Business Objectives**

- Continuous Improvement in measurable spend for diverse suppliers.
- Continuous Improvement in diverse vendor business opportunities, driven thru the bidding process.
- Whenever reasonably feasible, including at least one diverse vendor (either existing or a new potential supplier) in any Request for Proposal (RFP).
- Corporate participation in advocacy organizations, such as:
  - Ohio Chapter of National Minority Supplier Development Council
  - National Association of Women Business Owners.
  - National Gay and Lesbian Chamber of Commerce

These advocacy groups will also serve as our primary sources for identifying additional diverse vendors to participate in sourcing RFPs and expand our base of diverse vendors.

- Internal Communication and education on Cooper’s supplier diversity program and its impact on commitments and decision-making.

- Internal and External Communication on Cooper’s supplier diversity program, its growth, and its achievements.

IV. **Future Focus (2 to 3 year window)**

- Set up Supplier website for information sharing with suppliers
  - Introduction of Cooper’s program
  - Identifying requirements
  - Filing certifications
  - Requesting meetings with appropriate buyers
- Establishment of a Second Tier Program
  - Work with Cooper’s suppliers to achieve supplier diversity at multi-tiered levels within our supply chain
- Award Program and Recognition
  - For outstanding employee efforts in advancing this program
  - Recognition of outstanding performance of diverse supplier base

V. **Tracking Data Methodology**

- “Diversity Spend” is captured and tracked in SAP by way of a diversity code data field and active date. This is queried via the “Business Intelligence” tool. All spend with each vendor is captured and totaled for the applicable time period.
- “Total Spend” is PO spend for Cooper-US (Company 1000) only, less certain exclusions for funded expenditures. The excluded vendor classifications are detailed below. The spend data is captured and tracked in SAP by the normal means of the ERP design. This data is queried via the “Business Intelligence” tool and totaled for the applicable time period.
- Total Spend Excluded Vendor Classifications:

Tire (finished goods)	Wheels (finished goods)
Banks	Charitable Contributions
Corporate Insurance	Dealer Incentives
Director’s Fees	Employee Insurance
Healthcare Services	Insurance – Workers Comp
Pension	Relocation
Sponsorship	Taxation & Regulatory
Water & Sewer	Electricity