The Supplier Diversity Initiative Report

July–September 2011
The Supplier Diversity Initiative Report—July 2011–September 2011

According to the 2007 U.S. Census Bureau Survey of Business Owners, minority and women owned business enterprises (MWBEs) are the fastest growing segment of new business in the United States. MWBEs are the growth engine of the U.S. economy and Nielsen is seizing the opportunities they provide through our Supplier Diversity efforts.

MWBEs are a fresh group of quality, diverse suppliers that compete for procurement opportunities and provide Nielsen with “out of the box” approaches. MWBEs in our supply chain make positive contributions to our bottom line through cost savings while upholding our standard of excellence to exceed client expectations.

We report our quarterly MWBE activity to eleven clients and this year, Nielsen’s Supplier Diversity team provided RFP responses to six winning bids. As we know, satisfying the client is rule number one for client retention and expansion and we’re proud that Supplier Diversity has a role in that effort.

When we support diverse businesses, we help stimulate job creation and contribute to the economic development of those communities we count on for business. At Nielsen we embrace and support Supplier Diversity efforts because Supplier Diversity is good for business.

Spend Trends
Nielsen MWBE Combined Tier 1 & 2 Cumulative Annual Comparison 2010/2011

The total MWBE spend through Q3 2011 is $25 million which represents 5% of our total U.S. sourceable spend. Overall, the MWBE spend increased 29% over the same period in 2010.

Goals & Accomplishments:
- Supplier Diversity Communication
  - Featured diverse supplier in the Supplier Diversity radio ad on WVON 1690 AM
- Hosted a minority business workshop & competition with Walmart and the Chicago Minority Supplier Development Council
- Sponsored “Breaking through the Barriers of Small Business Finance” webinar series for 40 MWBE attendees
Best Practices: Supplier Diversity Development Guidelines

Nielsen has implemented the following guidelines established by The National Minority Supplier Development Council (NMSDC). They are a common set of building blocks, tasks, practices and processes necessary to help corporations successfully establish supplier diversity programs.

Goal 1: ESTABLISH CORPORATE POLICY AND TOP CORPORATE MANAGEMENT SUPPORT
Rationale: Corporate executive management defines and documents minority supplier policy, including annual performance goals, accountability and corporate commitment to increasing minority supplier utilization.

Goal 2: DEVELOP A CORPORATE MINORITY SUPPLIER DEVELOPMENT PLAN
Rationale: The corporate minority supplier development plan acts as a means of ensuring that there is corporate-wide commitment to supplier diversity.

Goal 3: ESTABLISH COMPREHENSIVE INTERNAL AND EXTERNAL COMMUNICATIONS
Rationale: The procurement staff has established and maintains methods for communications about minority supplier development planning, execution and accomplishments.

Goal 4: IDENTIFY OPPORTUNITIES FOR MBES IN STRATEGIC SOURCING AND SUPPLY CHAIN MANAGEMENT
Rationale: Analysis of total corporate spend (by business unit/department) to determine opportunities is critical. Supplier diversity staff has established and maintains methods for identifying, recruiting and developing MBES.

Events: The Supplier Diversity team actively participates in conferences and networking events hosted by diverse business development councils.

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<tr>
<th>Date</th>
<th>City</th>
<th>Event</th>
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<tr>
<td>August 31</td>
<td>Chicago, IL</td>
<td>CPG Multicultural Workshop &amp; Competition with Walmart and ChicagoMSDC</td>
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<tr>
<td>September 14</td>
<td>Chicago, IL</td>
<td>Chicago Women’s Business Development Center Entrepreneurial Conference</td>
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<td>October 31</td>
<td>Atlanta, GA</td>
<td>National Minority Supplier Development Council Conference and Business Fair</td>
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Supplier Diversity Spotlight
Thai Lee, President, Software House International (SHI)

Driven by the industry’s most experienced and stable sales force and backed by software volume licensing experts, hardware procurement specialists, and certified IT services professionals, SHI delivers custom IT solutions to Corporate, Enterprise, Public Sector, and Academic customers. With over 1,700 employees worldwide, SHI is the largest Minority and Woman Owned Business Enterprise (MWBE) in the U.S. and is ranked 19th among Everything Channel’s VAR 500 list of North American IT solution providers.

“The Nielsen data allowed us to see a year’s worth of category trends in terms of dollar and unit movement. This has helped us make the case for the strength of the categories we compete in, especially the trend of Sugarless desserts.”

– Amy Hilliard, Founder and CEO, ComfortCake
Glossary of Supplier Diversity Terms

MWBE
Minority and women owned business enterprise

Sourceable
All spend for products and services that could be sourced from a minority and/or woman business

First Tier
A first tier supplier is a supplier that invoices Nielsen for goods and services rendered directly by that supplier

Direct Second Tier Purchases
A second tier supplier is one whose products and services can be identified directly to Nielsen, but who invoices a First Tier supplier

Indirect Second Tier Purchasing
A second tier supplier is one whose products and services cannot be identified in support of specific Customer requirements, but who invoices a First Tier supplier

(MBE) Minority Business Enterprise
Any for-profit enterprise, regardless of size, in the United States of America or trust territories, which is at least 51% owned, operated, and controlled by a member of a minority group and targets other businesses as customers. The minority ownership and control shall be real and continuing, and not solely to take advantage of special set-aside programs aimed at minority business development. Members of minority groups must be U.S. Citizens. Minority ethnic groups are defined as the following:
- African American
- Asian American (Pacific and Indian)
- Hispanic American
- Native American

Woman Business Enterprise (WBE)
Any for-profit enterprise, regardless of size, in the United States of America or trust territories, which is at least 51% owned, operated, and controlled by one or more women and targets other businesses as customers. The women ownership and control shall be real and continuing, and not solely to take advantage of special set-aside programs aimed at women business development. Women business owners must be U.S. Citizens.