



TealBook Tier 2 Program

Quick User Guide



Why TealBook?

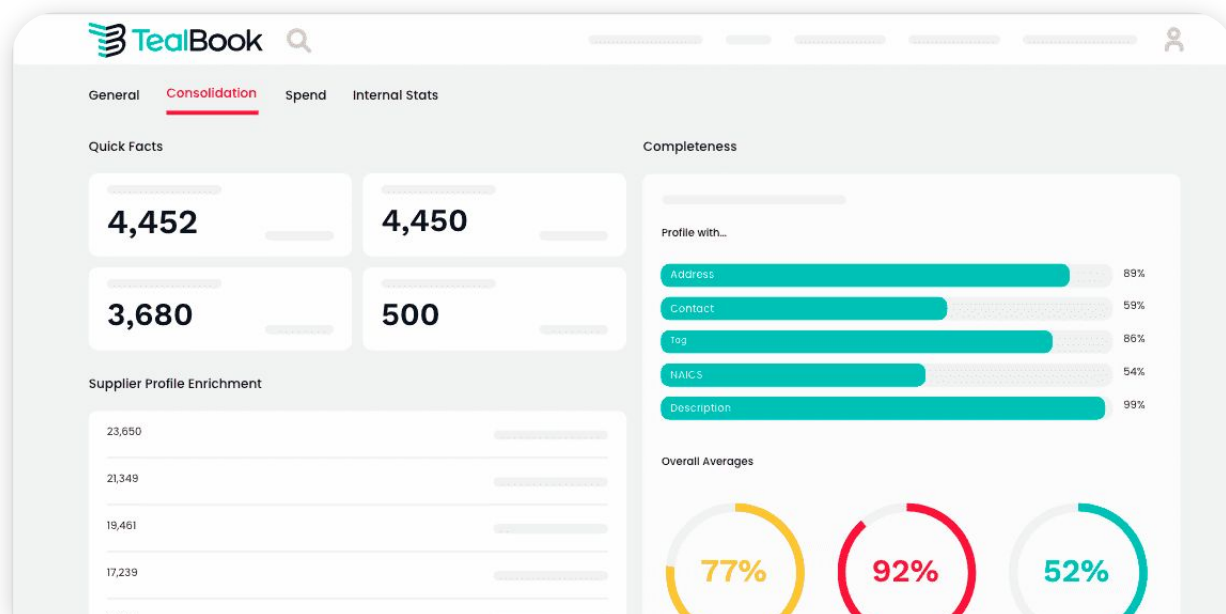
- TealBook uses advanced machine learning to deliver supplier data that far surpasses traditional, self-reported, and manually maintained sources—empowering decision-makers with real-time, accurate insights to drive supply chain agility.
- Our proprietary five-step AI and machine learning process continuously gathers, validates, and enhances supplier data for maximum accuracy and relevance.
- TealBook helps uncover additional qualified diverse suppliers within your existing vendor base—suppliers you are already working with but whose diversity status may have gone unrecognized.
- Our technology identifies all suppliers with valid diversity certifications, typically increasing recognized diverse spend by 30% to 200%.
- We also offer a high-touch Tier 2 concierge service, which regularly identifies an additional 20% to 30% in qualified diverse spend from your Tier 2 suppliers.

Our Success Story

TealBook has been adopted by Fortune 100 companies across diverse industries and recognized with numerous prestigious awards, including Spend Matters' 50 Vendors to Watch, Gartner's Cool Vendor, CIX Most Innovative Company, and C100 Most Upside Potential.

Supplier Data Platform

770k+ Diverse supplier records accessed | 2M+ Qualified diverse certifications



Tier 2 Diversity Reporting

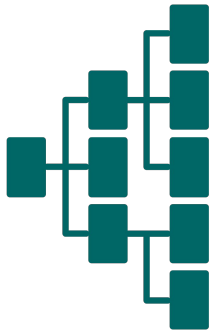
Why is Diversity Reporting Important?

When selecting suppliers or implementing a strategic supplier program, large organizations place significant importance on doing business with companies that promote equality, innovation, and sustainability.

What is Tier 2 Diversity Reporting?

Tier 2 Diversity Reporting is a process where non-diverse suppliers can allocate a portion of their diverse spend to their vendors. This process allows buyer organizations to recognize the effect of their spend with suppliers who engage with diverse vendors.

How can TealBook help with Tier II Diversity Reporting?



- ✓ TealBook's support for Tier 2 reporting allows all companies, even those without diversity programs, to help their suppliers meet their diversity spending goals.
- ✓ Suppliers simply upload their diverse spend once per quarter using TealBook's secure platform.
- ✓ TealBook's technology identifies the diverse suppliers from the uploaded spend data and generates a free summary-level diversity reporting for the participating supplier.
- ✓ On average, TealBook discovers 30% - 50% more diverse spend that is overlooked by other solutions.
- ✓ TealBook combines all the allocated diverse spend data from all participating suppliers into a consolidated Tier 2 Diversity Report for the participating customer.

TIER 2 DIVERSITY: TealBook Managed Service & Expectations

INITIAL TIER 2 PROGRAM SETUP

Kick-Off

The customer and TealBook discuss goals, participation behaviour, communication strategy and timeline.

Requirements

Customer provides TealBook with list of suppliers and contact information so that TealBook can generate the required unique access links.

Initial Communication Sent

Customer sends initial communication, which is followed by TealBook's outreach (including training materials and access links).

Group Training

Bi-weekly webinars are hosted by TealBook for suppliers to ask questions or assistance with uploading their diverse spend.

Ongoing Tier 2 Program Management

Supplier Assistance, Quarterly Reminders, Engagement Report

Tier 2 is a Managed Program in TealBook – support includes:

Tier 2 Strategy & Approach

Communication Collaboration

Reporting

In-Tool Support

Tier 2 Best Practices



The TealBook Process for Suppliers



1. Accept Invitation

Accept the invitation in the “Diversity” tab within your supplier profile.



2. Load and Publish Spend

Load, Review and **Publish** your spend for each calendar quarter within the “Load” tab.



3. Share Customer Allocation

Enter the “Share” tab to complete the process of **allocating your diverse spend** to your customer(s).



4. Generate Diversity Report

Under the “Your Diverse Spend” tab, you can review your **Supplier Diversity Report**.

Once you click “**Share**”, the customer’s allocation is immediately reflected on the Tier 2 Diversity Report in TealBook.

Frequently Asked Questions

How do I calculate my Indirect Allocation Factor (%)?

Indirect spend refers to payments made to diverse suppliers for subcontracting activities not directly tied to the customer contract. These expenditures are proportionally allocated using the Indirect Allocation Factor formula (see below).

$$[\text{Total Quarterly Sales to Customer} / \text{Total Quarterly Company Sales}] \times 100 = \text{Indirect Allocation Factor (\%)}$$

What are the recognized Diverse Supplier Categories?

To qualify as a Diverse Supplier, a company must be at least 51% owned, controlled, and operated by one or more individuals recognized in our Diverse Category Table (see next slide).

How secure is the data I am providing and how will it be used?

TealBook will only share summarized diverse spend information once you, the supplier, explicitly choose to share it with a specific customer. If you opt to share, the customer will see only a quarterly summary of the total diverse spend attributed to them. We do not share details about your suppliers with your customers.

My company does not track diverse expenditures. How should I proceed?

No problem! Knowing your diverse spend is not required to participate. You will simply provide TealBook with your complete spend data and vendor master. Using machine learning, TealBook will match your detailed spend file against our global database of diverse suppliers. In return, you will receive your own Tier 1 Diversity Report for future use.



Diverse Supplier Categories

TITLE	CODE	SUBCATEGORIES
Minority Business Enterprise	MBE	African American, Asian American, Asian Pacific American, Hispanic American, Iberian Peninsula American, Minority Institution, Portuguese American, Subcontinent American, Native Hawaiian, Asian Indian American, Tribally Owned, Native American, Alaskan Native Corporation
Woman Owned Business	WBE	
Small Business Enterprise	SBE	Micro, Small and Medium Enterprises
Veteran Business Enterprise	VBE	
Disabled Veteran Business Enterprise	DVBE	
Service Disabled Veteran Business Enterprise	SDVBE	
LGBT Business Enterprise	LGBTBE	
Certified Aboriginal Business	CAB	Alaskan Native Corporation, Tribally Owned
HUBZone Certified	HUB	Native American, Hispanic American, African American, Asian American, Asian Pacific American
People with Disability	PWD	
Disadvantaged Business Enterprise	DBE	Native American, Asian American, Portuguese American, Asian Pacific American, Subcontinent American, African American, Hispanic American, 8A
Women Led Business Enterprise	WLE	
Labor Surplus Area	LSA	



Additional Resources

SUPPORT

If you have questions at any stage of the process **OR** if you cannot provide detailed information in order to participate, please contact suppliersupport@tealbook.com.

TIER 2 DIVERSITY SPEND TEMPLATE

TealBook makes it simple to share your diverse spend. Simply complete the spreadsheet template and upload it into TealBook [\(download here\)](#).

TEALBOOK'S TIER 2 INSTRUCTIONAL VIDEO

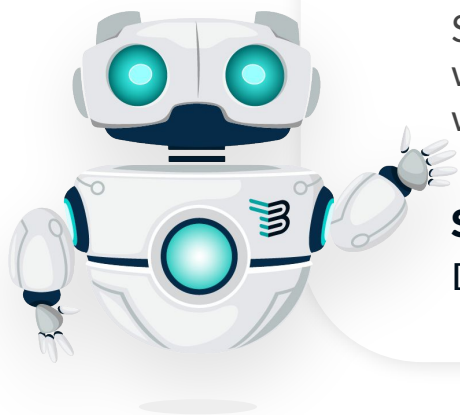
Check out our five-minute instructional video which shows you how to upload your data into TealBook and generate your diversity report [\(view here\)](#).

WEBINAR REGISTRATION

Should you have any questions regarding Tier 2, please use [this link to register](#) for a webinar during TealBook's office hours. Please bring your questions to the session where one of our team members will be there to assist you.

STEP-BY-STEP TIER 2 USER GUIDE

Download our detailed user guide [here](#).



Protecting Our Customers' Data

As a data company, we know that trust is paramount. At TealBook, we utilize enterprise-grade best practices to protect our customer's data.



Continuous Security Control Monitoring

Drata's automation platform is used to continuously monitor 100+ internal security controls across the organization against the highest possible standards. Automated alerts and evidence collection allows us to confidently prove our security and compliance posture any day of the year while fostering a security-first mindset and culture of compliance across the organization.

Employee Trainings

Security is a company-wide endeavor. All employees complete an annual security training program and employ best practices when handling customer data.

Data Encryption

Data is encrypted both in-transit using TLS and at rest.