

Criticall Supplier  
Diversity Policy,  
Practice & Principles



# policy

*Criticall's Diversity Policy is to provide diverse businesses the opportunity to participate in all areas of Criticall's marketing, procurement, and contracting activities. The policy applies to all areas of expenditure, whether for products or services. As the Policy owner and primary budget owner, Criticall's CEO personally ensures that this policy is implemented and that there are defined programmes which ensure Criticall's performance against this commitment.*

Criticall recognizes that a diverse supplier base is integral to its profitability and strategic objectives, including those that relate to Corporate Social Responsibility (CSR). Criticall conducts its business operations in the interests of its stakeholders, continually mindful of the 'triple bottom line' of profit, people and planet. Within the wider context of its CSR ambitions, Criticall's supplier Diversity Programme expands purchasing opportunities for businesses owned and operated by minorities, women, veterans, service disabled veterans and disabled persons and is regardless of sexual preferences, declared or otherwise. Purchasing opportunities are also expanded for non-profit organizations hiring disabled persons and for HUBZone companies, where relevant.

Building and maintaining a community of diverse suppliers increases Criticall's opportunity to hear new ideas, apply different approaches, and gain access to additional solutions that respond to customer needs. Such collaboration helps Criticall fulfill its corporate objectives.

Minority owned businesses include, as a minimum, those being at least 51% owned and controlled by one or more individuals from any of the following ethnic groups: Black, Hispanic, Native (including Eskimo and Native Hawaiians) and Asian Americans; or is "minority controlled" by 30% of its voting stock, board of directors and management. However, in the global economy, this widely recognized approach is considered insufficient, being heavily USA-centric. Criticall therefore broadens its approach to companies globally, maintaining an ongoing policy of outsourcing activities to suitable Diverse Suppliers, wherever in the world they may be.

Women owned businesses are defined as being at least 51% owned and controlled by one or more women. GLBT owned businesses are defined as being at least 51% owned by one or more gay, lesbian, bisexual or transgendered individuals. Any suppliers that wish to have minority owned, women owned or HUBZone business designation within Criticall's systems must provide appropriate certification(s). Suppliers must acquire and maintain valid certification(s) from the following agencies and/or associations, as appropriate. Where multiple designations apply multiple certifications from multiple agencies/associations are required.

# Criticall Supplier Diversity Policy, Practice & Principles

- The NMSDC or its regional affiliate councils
- The SBA
- Other federal government agencies
- State or Local (county, city) government agencies
- The WBENC
- The NWBOC (National Women Business Owner's Council)
- NGLCC (National Gay and Lesbian Chamber of Commerce)

Criticall's ongoing commitment to diversity extends to all its stakeholders, including (but not limited to) its workforce, customer base and supply chain. From its outset, Criticall has maintained a Global and USA-compliant, rather than USA-specific, Supplier Diversity Programme. From a global perspective, the constituencies are the same but further defined as ethnic minority and native peoples, as defined on a regional or country basis. Each geography has established unique definitions for their diverse constituencies. Our goal is to advocate a programme that provides economic opportunities to traditionally disempowered diversity groups in each country in which we, our suppliers, or our clients operate.

## practice

### Commitment

Criticall's commitment to diverse suppliers is demonstrated by the significant proportion of its annual external spend that has consistently been allocated to diverse suppliers, or companies that maintain a recognised Diversity Programme themselves, since 2004. This is illustrated by Criticall's choice of preferred telecommunications service providers. Criticall's primary services provider, British Telecom (BT) publicly declares the following on its web site:

*"BT's visions, values and major business strategies are designed to help the organisation achieve world-wide success. Diversity as a core enterprise is a key element in the success of those strategies. People are our most important resource and the valuing of people and their cultural difference is inextricably woven throughout everything we do."*

Similarly, Criticall's alternate telecommunications services supplier, Global Crossing, publicly states in its Code of Ethics and Business Conduct (15/09/2008):

*"Diversity is an essential ingredient for a successful workplace environment. We should do everything possible to make everyone feel comfortable and welcome so that we can attract the best minds and talent to the Company. Clearly all employees should refrain from discriminating against anyone on the basis of sex, sexual orientation, race, color, nationality, marital status, religion, age, disability or other prohibited category."*



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## Ownership

Criticall's Programme Owner for Global Supplier Diversity is Ian Hammond, CEO. He retains corporate responsibility for implementing Criticall's Supplier Diversity Programme and measuring the ongoing success of this programme. Criticall's Supplier Diversity Programme spans the globe by promoting the utilization of diverse suppliers in every country where Criticall, its clients, or its suppliers operate. For our telecommunications services, this means every country in the world. At the same time, Criticall adheres to the relevant local laws and regulations regarding the implementation of global supplier diversity objectives.

## Supplier Selection Criteria

Criticall's day-to-day Operations are governed under its ISO 9001 Quality standards. Criticall follows a defined 'Key Supplier' quality process, including initial supplier selection, together with ongoing monitoring and management. Diversity is one of the defined criteria upon which selection between alternate Key Suppliers is based, as defined in Criticall's documented Supplier Selection Template. Criticall will favour suppliers who can demonstrate that they do the following:

- Define, deploy, and sustain a management system that addresses corporate social responsibility, including supplier conduct and environmental protection.
- Measure performance and establish voluntary, quantifiable environmental goals.
- Publicly disclose results associated with these voluntary environmental goals and other environmental aspects of their management systems.

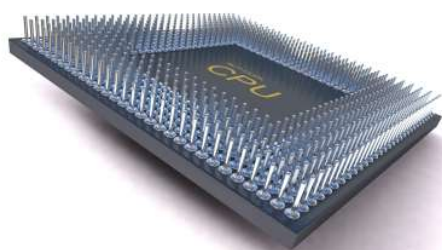
## Training

Criticall utilizes several methods for providing supplier diversity training to its workforce. First, new employees receive an introduction to Criticall's policies and practices concerning supplier diversity during mandatory induction training. An external supplier diversity course is available to all employees upon request. Finally, Criticall publicises its supplier diversity policies, practices, principles and performance through its web site.

## Goal Setting

Attainment of Criticall's supplier diversity goals is owned by Criticall's CEO. Criticall invests significantly in supplier diversity each year, with over 50% of its external spend allocated to Diverse Suppliers, or suppliers with publicised Supplier Diversity policies and programmes in place, over the last 3 financial years. Such spend now exceeds US\$250k annually. Criticall maintains 3 Diversity Programme goals:

1. Maintain external spend to Diverse Suppliers, or suppliers operating a public Diverse Supplier policy, at over 50% of total external spend
2. Maintain external spend to Diverse Suppliers, or suppliers operating a public Diverse Supplier policy, at over US\$250,000 annually
3. For all Criticall Key Suppliers, ensure they have in place, or encourage them to adopt, Supplier Diversity policies consistent with and supportive of Criticall's own.



## Commercial Mentoring Programme

Initiated in 2009, Criticall's Key Supplier Mentoring Programme is intended to serve each of Criticall's listed Key Suppliers, including (but not limited to) those recognised as Diverse Suppliers. Currently, there are ten such selected suppliers, each matched with a Criticall senior-level executive as their nominated mentor. All of the suppliers are current suppliers with long term relationships, but still able to benefit from the nurturing of a mentoring relationship. The mentoring programme is intended to equip the suppliers to be better suppliers to Criticall and its clients. In addition, each relationship involves Criticall's CEO as the company's Supplier Diversity Programme Manager.

## Supplier Facility Surveys

In at least 3 instances annually, senior Criticall management staff will conduct a Key Supplier Survey to proactively identify service delivery areas needing improvement and assist, as required. Criticall provides its Key Suppliers with timely feedback, in order to recognize success and identify areas where additional effort is needed to meet our business needs. Suppliers must maintain and provide access to relevant documentation, such as employment records, necessary to demonstrate compliance with Criticall's principles. Suppliers must also furnish reasonable access to production facilities and respond promptly to reasonable inquiries concerning the operation of facilities with respect to the principles.

## Supplier guidance

Criticall's suppliers are held responsible for complying with the company's Supplier Conduct Principles as they relate to CSR and Diversity. The guide aims to help Key Suppliers benchmark their existing performance against the principles and establish internal improvement plans. Furthermore, Criticall expects its suppliers to use the guidance (included herein) to implement their own comparable principles (where not already in existence) with their subcontractors and suppliers, including providers of contracted employees.

## Supplier improvement plans

Upon completion of an audit, Criticall requires its audited suppliers to create and submit for review a supplier improvement plan (SIP) to address non-compliance issues formally raised. The SIP is intended to address non-compliance in respect of provisions of the code of conduct principles, with priority given to major non-compliance. All SIPs must have an assigned "owner" responsible for implementation within the supplier organisation. The SIP is reviewed by Criticall's CEO. Criticall then works with the supplier, offering guidance regarding the proposed improvements and their likely impact on code compliance.

## Reporting progress

Suppliers are expected to implement improvements in the manner and within the timelines agreed in the approved SIP and by the next formal Review at the latest. The supplier is required to keep Criticall informed of progress toward the



completion of SIP actions. Any changes to the approved SIP must be reviewed and approved by Criticall. The supplier is then re-audited within a year, to measure improvements and compliance. Continuous improvement and sustainability is required.

Since 2004, Criticall has conducted over 30 Key Supplier audits and reviews.

# principles of supplier conduct: diversity

## Non-discrimination

Criticall suppliers will not discriminate in hiring and employment practices on grounds of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, gender identity or expression, marital status, pregnancy, political affiliation or disability.

## Critical benchmarks

Criticall Supplier Conduct Principles stipulate that job candidates and/or employees be judged solely on their ability to perform the job they are applying for or are currently engaged in. This provision applies to all employment decisions, including recruitment, hiring, training, promotion and termination.

Supplier Assessment recommendations:

- Review hiring practices to determine whether classes of people are barred from employment.
- Determine whether people with certain characteristics are either channelled into certain jobs or barred from certain jobs.
- Be aware of, and have processes for complying with, local laws regarding pregnancy and pregnancy testing.
- Review procedures for employees to bring concerns of discrimination to the attention of management for resolution. This applies as well to situations where employees are working 'off-location', within Criticall locations, or within a client of Criticall.

Examples of actual or potential non-compliance:

- Discrimination in hiring, employing or terminating workers.
- Substantial differences in the demographics of supplier's workforce to other similar facilities close by may indicate discriminatory practices.
- Variations in pay, benefits or promotion based on grounds of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, gender identity or expression, political affiliation, or disability.
- Health tests, pregnancy testing or contraception used as a condition of employment.

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- Pregnant workers performing dangerous tasks.
- Withholding mandated benefits such as maternity leave.
- Lack of written hiring and employment policies.
- Lack of feedback system between employees and management.

Examples of good management practices:

- Periodically reviewing hiring practices to determine that there is no prohibited discrimination.
- Hiring agents and/or supplier management who are trained in non-discrimination and applicable non-discrimination laws.
- Periodically training managers on non-discrimination.
- Conducting interviews to determine that employees are being fairly compensated, including whether women workers are allowed to take maternity leave.
- Creating written job descriptions that focus solely on "occupational qualifications", not personal characteristics.
- Taking affirmative action to hire and promote a diverse workforce.
- Management communicates its written policies on non-discrimination to its employees.

## Respect & Dignity

Criticall Suppliers will treat all their employees with respect and will not use corporal punishment, threats of violence or other forms of physical coercion or harassment.

## Critical benchmarks

Criticall Supplier Conduct Principles prohibit suppliers from:

- Engaging in harassing or physically abusive discipline.
- Acting in a threatening way towards employees.
- Submitting employees to demeaning conditions.

## Examples of prohibited abuse:

- Threats to harm an employee's physical wellbeing.
- Physical contact intended to harass, hurt or harm.
- Comments which are understood by the employee to be harassing or demeaning.
- Harassment based on race, religion, age, nationality, social or ethnic origin, sexual orientation, gender identity or expression, political affiliation or disability.
- Sexual harassment of any kind.
- Discipline resulting in the withdrawal of basic physical comforts provided to other workers.

## Assessment recommendations

- Review personnel files for any records of disciplinary actions. Determine if discipline has been appropriate, based on the infraction.
- Determine that no cases of monetary fines are present.



- Ask whether managers and supervisors receive any training or education on appropriate discipline.
- Speak with management and assess their attitude with respect to discipline, harassment and abuse.
- Speak with workers to learn of instances when discipline was used by management.
- Consult with local organisations, including women's groups, to inquire into inappropriate treatment of workers.
- Review procedures for employees to bring concerns of abuse to the attention of management for resolution. This applies as well to situations where employees are working off-location, within Criticall locations, or within a client of Criticall.

### Examples of actual or potential non-compliance:

- Evidence of physical or sexual abuse or harassment.
- Evidence of wage deductions or monetary fines used as discipline.
- Lack of written policies prohibiting physical or sexual abuse or harassment.
- Lack of feedback system between employees and management.

### Examples of good management practices:

- Written policies and practices are in place prohibiting harassment and abuse.
- Supplier has established a training programme for management and supervisors delineating policies and disciplinary action regarding abuse and harassment.
- All disciplinary actions are clearly documented.
- The supplier has established a communication system or suggestion box where workers can raise issues of concern, including treatment by their supervisors or co-workers.
- Management communicates its written policies on respect and dignity to its employees.





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