

## LII SUPPLIER DIVERSE U.S. BUSINESS DEFINITIONS

### Examples of Certified U.S. Diverse Businesses

As part of our Environmental, Social and Governance goals, we are committed to diversity and inclusion throughout our business operations, including our Supply Chain. We will include at least one Diverse Business on every RFP candidate slate, whenever possible. The Diverse Business definitions below are not exhaustive, and we encourage all diverse and minority-owned businesses to partner with us. However, to be formally considered a Diverse Business candidate for LII, each enterprise must be certified by a reputable agency or association.

### Diverse U.S. Business Certifications

#### Minority Business Enterprise (MBE)

To be considered an MBE, a business must be at least 51% owned by members(s) of a minority group who have control of management and daily operations. In addition, the entity must be for-profit and operate within the United States, and owners must be legal residents or citizens of the U.S. Visit the [National Minority Supplier Development Council](#) for more information.

Minority groups include the following:

- **Black:** populations who are African American or who originate from Africa
- **Hispanic or Latin American:** populations from Spanish-speaking areas and populations with origins in Mexico, Puerto Rico, Cuba, Central and South American
- **Native American:** populations who are Natives of Alaska or Hawaii or members of a recognized Indian Tribe
- **Asian Pacific:** populations with origins from the Asian Pacific region, including Pacific Islands, China, Taiwan, Korea, Japan, Thailand, Burma, Cambodia, Vietnam, Malaysia, Indonesia, Singapore and the Philippines
- **Subcontinent Asian:** populations with origins in India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka

#### Woman-Owned Business Enterprise (WBE) or Women Owned Small Business (WOSB)

- AWBE is at least 51% owned by a woman or women who control both management and daily operations and make long-term decisions for the enterprise. In addition, the entity must be for-profit and operated within the U.S., and owners must be legal residents or citizens of the U.S. Please see the [Women's Business Enterprise National Council](#) for more information.
- To be considered a WOSB, an entity must be at least 51% owned by a woman or women who control both long-term management and daily operations. Women owners must be citizens of the U.S. The business must qualify as a small business per the Small Business Administration's size requirements for its industry. Visit the [Office of Small Business Programs](#) for more information.

#### LGBT Business Enterprise (LGBTBE)

An LGBTBE must be at least 51% owned, operated, managed, and controlled by an LGBT individual or individuals who are U.S. citizens or permanent residents. The enterprise must be independent from any non-LGBT businesses, and its primary business operations must be located in the U.S. It must also be a U.S. legal entity. LGBTBE certification is available through the [National LGBT Chamber of Commerce](#).

#### Veteran Business Enterprise (VBE)

To be considered an VBE, a business must be at least 51% owned by a U.S. veteran or veterans who have served active duty (without dishonorable discharge). They must also control the entity's management and daily operations. Visit [National Veteran Owned Business Association](#) or [National Veteran Business Development Council](#) for more information.

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### **Disabled Veteran Business Enterprise (DVBE) or Service-Disabled Veteran-Owned Small Business (SDVOB)**

- To be considered an DVBE, a business must be at least 51% owned by a U.S. veteran or veterans with a Service-Connected Disability rating of at least 10% from the U.S. Department of Veteran Affairs. They must also be a resident of California. Daily business operations and management must be controlled by a veteran or veterans with a disability. Limited liability companies must be fully owned by a veteran or veterans with a disability. Additionally, the business must be headquartered in the U.S. Visit [Cal eProcure](#) for more information.
- A SDVOB is at least 51% owned by a U.S. veteran or veterans with a Service-Connected Disability rating from the U.S. Department of Veteran Affairs. The business must also be recognized as a small business by the Small Business Association and meet Federal Small Business Requirements for its industry. See the [Office of Small Business Programs](#) for more information.

### **Small Business Enterprise (SBE)**

To be considered a SBE, a business must meet size standards for its industry defined by the Small Business Administration. It must be a for-profit business that is independently owned and operated as well as located within the U.S. or its territories (businesses outside the U.S. may qualify if they have operations in the U.S. that significantly support economic growth). More information and size standards are available on the [Small Business Administration](#) website.

### **Small Disadvantaged Business (SDB)**

A SDB must be at least 51% owned and controlled by a person or people with social and economic disadvantages. Socially disadvantaged groups include those who have experienced racial or ethnic prejudice or cultural bias because they identify as members of a marginalized cultural group. It must also be a small business that meets size standards defined by the Small Business Administration. Full criteria is available on the [Small Business Administration](#) website.

### **Historically Underutilized Business Zone Small Business (HUBZone)**

For a business to be considered a HUBZone by the Small Business Administration, it must be a small business that meets size standards defined by the Small Business Administration. It must be at least 51% owned and controlled by U.S. citizens, a Community Development Corporation, an agricultural cooperative, an Alaska Native corporation, a Native Hawaiian organization, or an Indian tribe.

Its primary office must be located in a HUBZone, and at least 35% of its employees must live in a HUBZone. HUBZones are located in distressed rural and urban areas where median household incomes are usually low or/and unemployment is high. HUBZones are determined based on data gathered by the Department of Housing and Urban Development and other national bureaus. Visit the [Small Business Administration](#) website for more details.