

Summary of HSBC Supplier Diversity Journey

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What is Supplier Diversity and why should organisations care?

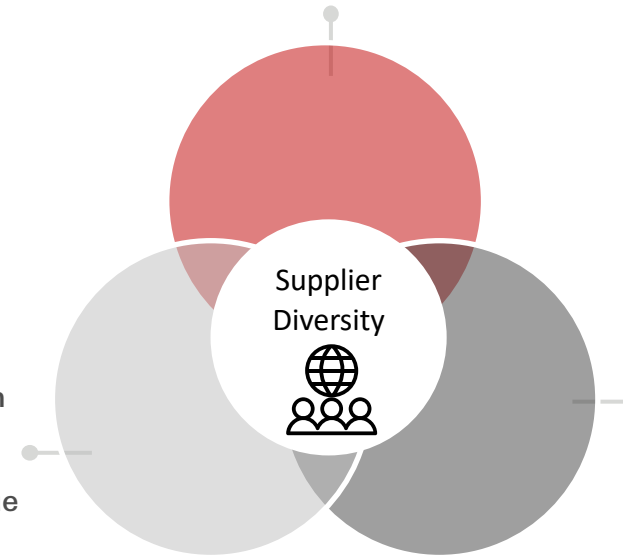
Strategic Procurement Services can improve HSBC's ESG performance and create a more inclusive economy by addressing Supplier Diversity within our processes and procedures.

This document focuses on the impact Strategic Procurement Services can make with respect to Supplier Diversity.

“Supplier Diversity is a process through which equal opportunities are provided to all businesses to compete”¹

It is the creation of a diverse supply chain to increase the inclusion of underrepresented groups in the procurement processes of organisations³

It can have a positive effect on an organisation's long-term growth and leads to long-term relationships that provide superior value in the supply chain³



It allows organisations to reflect the demographics of the community in which they operate³

Sources

¹ Supplier Diversity – A Guide for Purchasing Organisations, De Montfort University, CRÈME, 2006

² Why You Need a Supplier-Diversity Program Harvard Business Review Skills, 2020

³ Supplier Diversity: Unlocking Innovation, Driving Competitiveness and Enhancing Reputation, MSDUK, 2019

A diverse supplier is a business that is at least 51% owned and operated by an individual or group that is part of a traditionally underrepresented or underserved group² - for example a business 51% owned and operated by women (HSBC use the ECC which is a wholly female owned business for maternity transition coaching).

See <https://executive-coaching.co.uk/> for more information.

How we find, support and partner with a diverse range of suppliers

Supplier journey through HSBC sourcing process



Find

To increase Supplier Diversity we need to increase the number of diverse suppliers within our database.



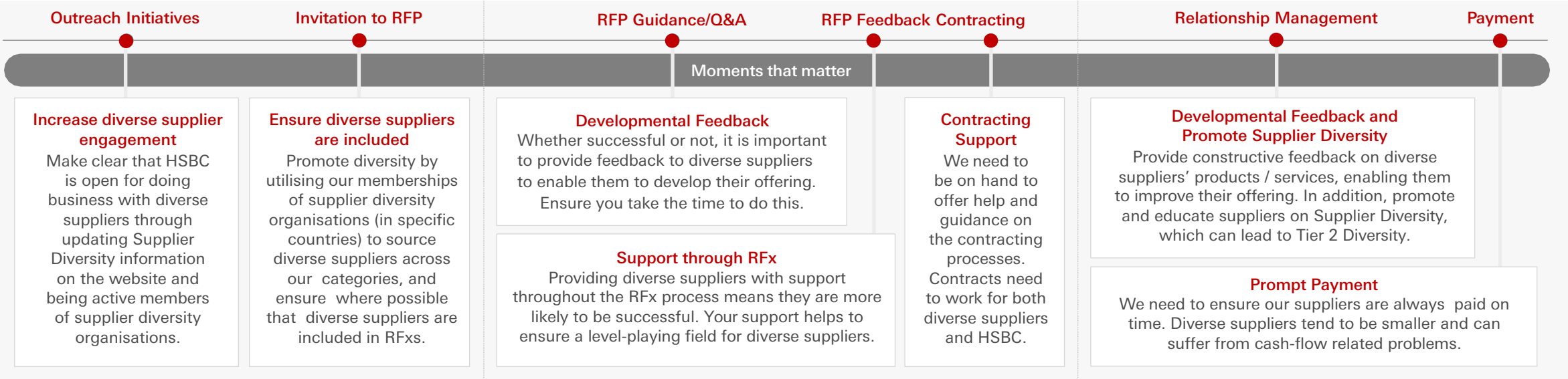
Support

Diverse suppliers need to be supported through our procurement process in order to be successful.



Partner

Once successful, HSBC need to partner with diverse suppliers and help them develop their offerings.



We are taking actions across these pivotal moments that matter.

What are the benefits of focusing on Supplier Diversity?

Innovation Source

- Thinking differently brings diversity of thought and innovation opportunities through new ideas, expertise, products and services. Something that has amplified due to Covid-19^{1,4}
- Entrepreneurial approach can boost business development⁴

Market Competitiveness

- Supplier Diversity has the potential to increase a firm's customer base by providing access to wider and more diverse markets ⁴
- More sourcing options brings new opportunities, flexibility and creativity to develop competitive differentiators and drive revenue
- Smaller diverse businesses can be more agile in cases, making supply chains more resilient¹

Lowers Costs

- Supplier Diversity widens the pool of potential suppliers promoting competition in the supply base, which can improve product quality and drive down costs^{1,2}

Supports Local Communities

- By doing business with diverse businesses, you directly support local economies and communities ²
- It allows organisations to reflect the demographics of the community in which they operate. Suppliers' knowledge can be leveraged to better understand and meet the needs of diverse groups

Enhances Brand

- 88% of customers want companies that are ethical and make a positive impact³
- Reporting upon initiatives and progress in Supplier Diversity can boost a brand's image^{1,4}

Sources: ¹Why You Need a Supplier-Diversity Program Harvard Business Review Skills, 2020 ²Supplier Diversity: Moving Beyond Compliance Drive Meaningful Value, The Hackett Group, 2019 ³The Good Life Goals, Futerra, 2018 ⁴Supplier Diversity: Unlocking Innovation, Driving Competitiveness and Enhancing Reputation, MSDUK, 2019

Thanks for reading our approach to Supplier Diversity

Whether you are a supplier or simply a passionate person on diversity, please get in touch with Bruce Cockrean to provide your feedback on:

- These potential future initiatives or suggestions on any additional initiatives you think that could be implemented to drive Supplier Diversity at HSBC.
- Any other sections of the document you are keen to discuss further.



Please email
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