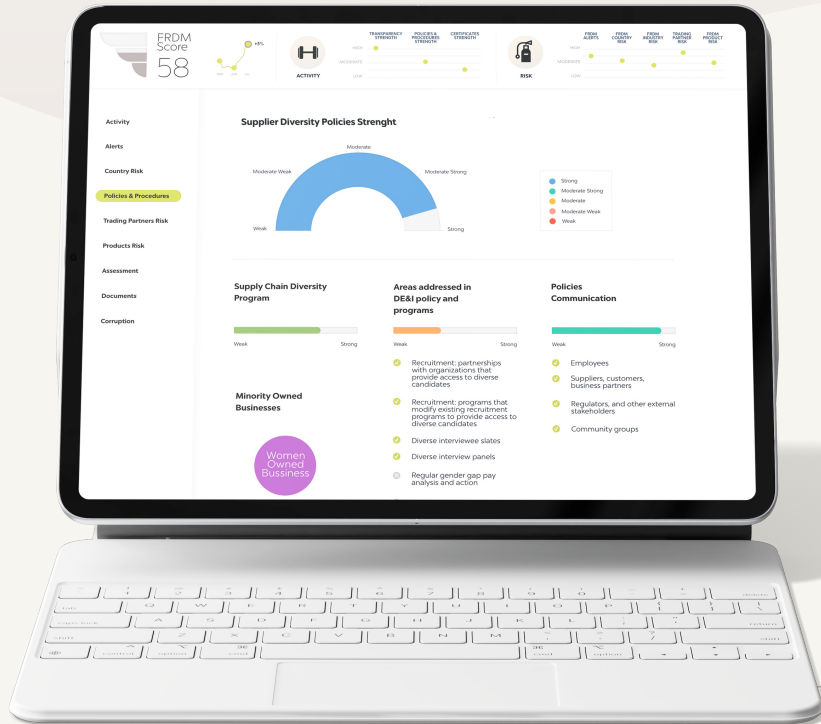


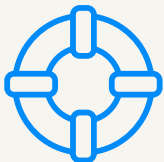
Supplier Diversity Module

OVERVIEW



Monitoring supplier diversity in the supply chain is crucial to mitigate various risks that can arise from a lack of equitable practices. Discrimination and unfair treatment of a supplier's employees based on factors such as race, gender, or ethnicity can lead to a myriad of challenges for buyers: legal issues, reputational damage, and loss of trust from stakeholders being a few. **FRDM's Supplier Diversity Module** allows businesses to proactively assess of discrimination or bias, address them promptly, and implement remediation workflows. By monitoring diversity, organizations can ensure an inclusive environment that encourages collaboration and innovation.

Benefits of Monitoring Supplier Diversity In Your Supply Chain



Mitigation of Operational and Reputational Risks:

Supply chains that lack diversity are exposed to various operational and reputational risks. A lack of diversity can lead to limited perspectives, hampering innovation and problem-solving capabilities. It

can also increase the likelihood of discriminatory practices, resulting in legal and compliance issues. Assessing supplier diversity in supply chains allows you to identify potential risks and take proactive measures to mitigate them. By ensuring equitable treatment, diverse representation, and inclusive practices throughout your supply chains, you can reduce the chances of discrimination, exploitation, and labor violations.



• **Drive Long-term Sustainability and Stakeholder Engagement:**

Incorporating supplier diversity principles into your supply chains aligns with the broader goals of sustainability and stakeholder engagement. Social sustainability encompasses fair and ethical practices, and supplier diversity is a fundamental aspect of this. By assessing and promoting supplier diversity, you contribute to building a sustainable supply chain ecosystem that respects human rights, promotes fair labor practices, and fosters inclusive economic development. This resonates with stakeholders such as investors, employees, and communities, who increasingly prioritize sustainable and responsible business practices.



• **Enhanced Brand Reputation and Market Positioning:**

By assessing and promoting supplier diversity in your supply chain, your business will significantly enhance its brand reputation and market positioning. In today's socially conscious world, consumers increasingly value and support companies that prioritize supplier diversity initiatives.

How it Works

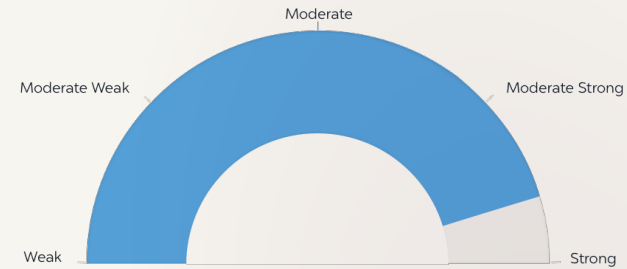
Each supplier gets a score based on FRDM's supplier diversity risk algorithm along with any assessment information the supplier chooses to provide.

The supplier diversity risk algorithm consists of multiple indicators such as the DEI Country Index and the **US Bureau Of Labor Statistics**. Each supplier loaded into FRDM gets risk scored for the industry(s) it works in, country(s) it operates in, products or services it provides, and trading partners it does business with (requires Trading Partners Module). In addition FRDM screens for any adverse media involving your supplier related to supplier diversity risk keywords.

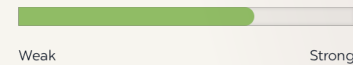
Suppliers can be invited to link to your dashboard via their own **SUPPLIER LINK DASHBOARD** which allows them to provide relevant certifications, policy assessments, and additional information about diversity practices.

Supplier's scores change accordingly based on the maturity of their certifications, policies, and additional information. FRDM aggregates all supplier scores into an impact page where you can track progress over time as well as generate reports for external use.

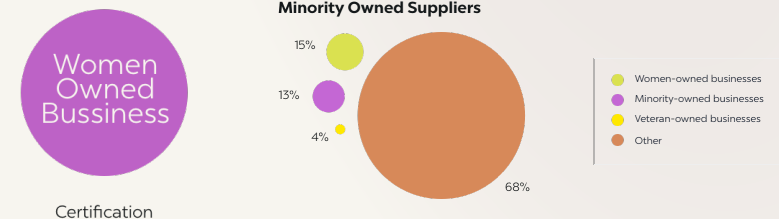
Supplier Diversity Policies Strength



Supply Chain Diversity Program



Minority Owned Businesses



Use Cases For Supplier Diversity Module

There are significant benefits for companies that prioritize buying from women and minority-owned businesses. Supporting women and minority-owned businesses helps foster economic empowerment, promote social equity, and contribute to the overall development and inclusivity of communities multiple **Sustainable Development Goals**.

