



# 2024 State of Supplier Diversity Report

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Business. Opportunities. Data.



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# About this report

We've uncovered the latest trends that are impacting supplier diversity programs and identified what leaders are doing now and next.

# Introduction

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Welcome to Supplier.io's seventh annual State of Supplier Diversity Report. This year we surveyed over 350 supplier diversity professionals about business impact, executive support, program management, data, results, and more. We also asked questions about current issues impacting programs today and in the coming years.

While this report includes trends we've been tracking for years, it also contains insights into several recent developments:

- Changes in how leaders are partnering with business stakeholders
- New data being used to demonstrate value
- The impact of the economy and politics on programs
- The growing relationship between supplier diversity and ESG

This mix of ongoing trend tracking and current issues makes the 2024 State of Supplier Diversity Report both relevant and actionable. Our goal is to give you insights into how others are leading their programs so you can make data-driven decisions for where to focus and improve your own program. We hope you enjoy it.

# A message from the CEO

I am thrilled to share with you the 2024 State of Supplier Diversity Report.

This report captures the latest trends, challenges, and best practices in corporate supplier diversity and responsible sourcing programs. With our seventh annual edition, we have expanded our reach, drawing from over 60% more responses and interviews than last year, making this our most comprehensive survey yet. We hope you find the gathered insights helpful as you drive enhancements and innovations within your programs.

The landscape of supplier diversity has undergone transformative changes recently. Based on key findings from the report, more organizations are now reporting supplier diversity results directly to CEOs and Boards, reflecting the increasing recognition of its strategic importance. Consequently, supplier diversity has become integral not only to business ethics but also to competitive strategy, enhancing brand reputation, winning new business, and sharpening supply chain efficiencies. Furthermore, Environmental, Social, and Governance (ESG) initiatives have made strides in leveraging supplier diversity as a pillar for growth, all while leadership's focus is on managing risk and ensuring accurate data.

It's a critical time for supplier diversity leaders to focus on demonstrating the positive impacts of their programs. Engaging with executive sponsors, investing in high-quality data and robust tools, and considering global expansion are paramount.

With growth and success come new challenges. Expectations and accountability are higher, the risks are greater, and the strategic role of supplier diversity has increased. And just like any other business function, this means there is a need for continued progress.

Thank you for your interest in this report and for your continued support of the value that supplier diversity delivers. We are inspired by the accomplishments within supplier diversity and excited about the future. The spotlight is on us now more than ever, pressing us to show our commitment to ensuring accurate and reliable data, adding value, partnering with our ESG counterparts, and continuing to connect to the broader business value.

As we look forward, let this report serve as a catalyst for innovative thinking and bold action across industries. Together, let's shape the future, embrace challenges as opportunities, and drive meaningful impact through our collective endeavors.

“Companies are using programs as strategic levers to quantify impact, secure executive buy-in, and unlock new growth opportunities.”

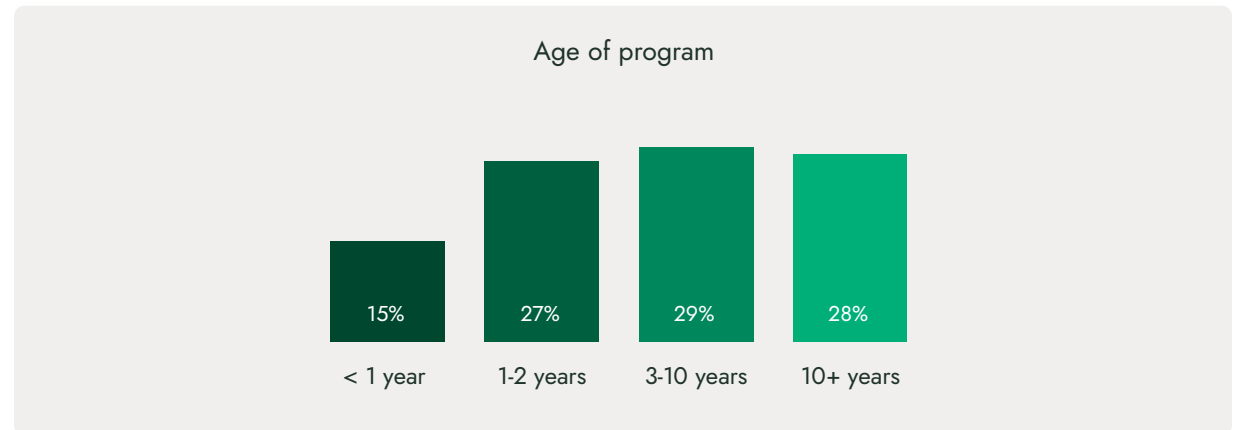
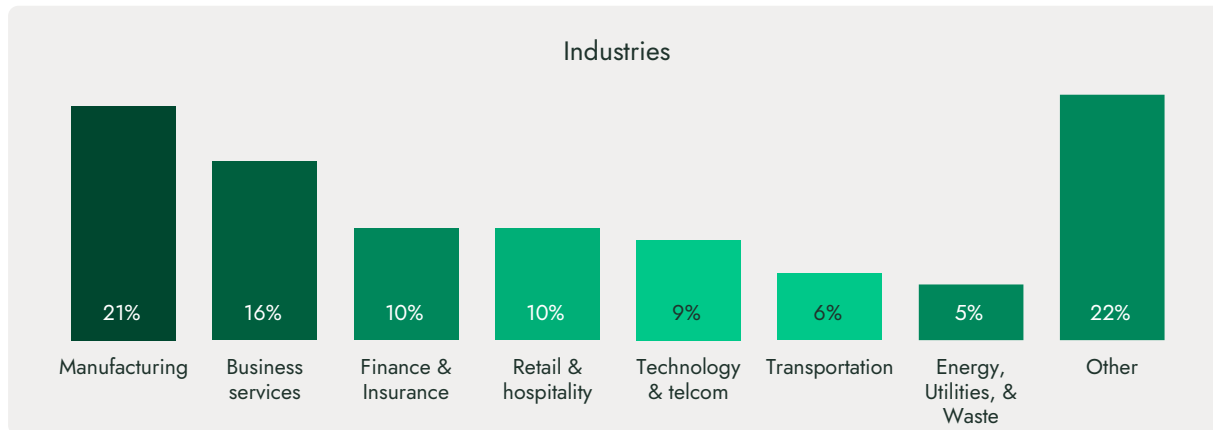
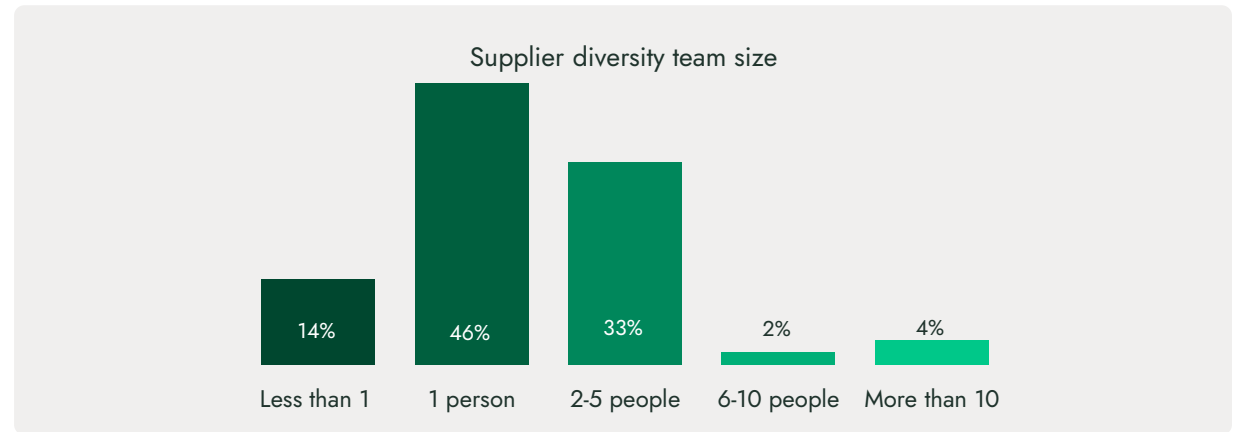
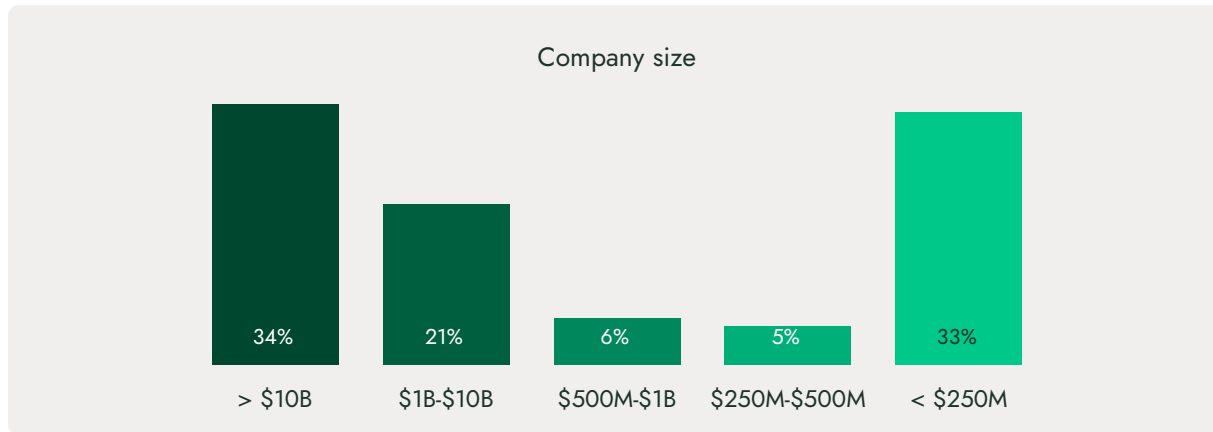


**Aylin Basom**

CEO, Supplier.io

# Respondent demographics

This year, we heard from over 350 respondents across a wide variety of industries, spend, and level of maturity with their program.



# 2024 supplier diversity leader survey results

350+ supplier diversity professionals shared insights into what they're doing to drive value in 2024 and beyond.

# Executive summary: 3 major findings

1

**Executive level awareness and reporting of results is growing**

Supplier diversity leaders are prioritizing more time with business leaders and looking for more ways to add value. There is increased awareness and reporting at the executive level and with business unit leaders across the company.

2

**Data and new tools are expanding to demonstrate value**

Data has always been key to programs. But many leaders are now shifting from just measuring spend to also proving value and impact. More business pressure is driving the need for more proven results.

3

**Increase in plans for global growth and connection to ESG**

Companies are asking for more from their supplier diversity teams—from growing outside the US to partnering with ESG counterparts—to measure diversity and sustainability of supply chains.



1

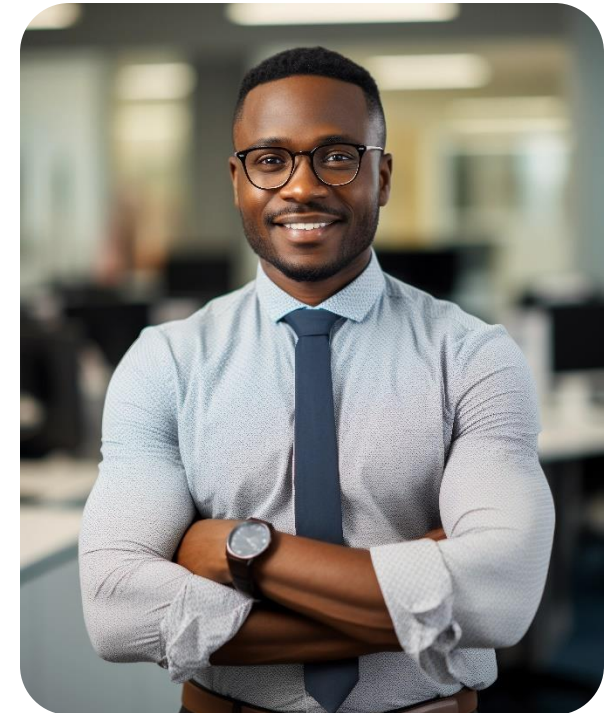
## Executive level awareness and reporting of results is growing

Supplier diversity and the broader business are more connected than ever before.

Executive engagement and business results are closely tied to supplier diversity

Supplier diversity used to be a “check box” or cultural item. Now it’s business critical and getting more executive visibility than ever. But it’s not just CEOs who are paying attention. Leaders are engaging with line of business (LOB) stakeholders and identifying more ways to add value, including:

- **Winning new business** is a new category we asked about this year. We learned almost half of all leaders use supplier diversity to win new business and respond to RFPs.
- **Brands are positively impacted** when both companies and consumers spend their dollars in alignment with their values.
- **Supply chain competitiveness** comes from more local, small, diverse, and nimble suppliers.



# Increased awareness and reporting at the executive level

## Executive support

CEO interest has increased in the past few years with more teams reporting regular updates to the C-suite and even the board.

## Business leader support

Results aren't just reported up. Many leaders now report results at the business unit level to line of business stakeholders.

## ESG partnership

Partnership with ESG teams has continued to grow with over 1/3 of supplier diversity leaders reporting results to their ESG counterparts. This continues the trend of ESG and supplier diversity better supporting each other over the last two years.

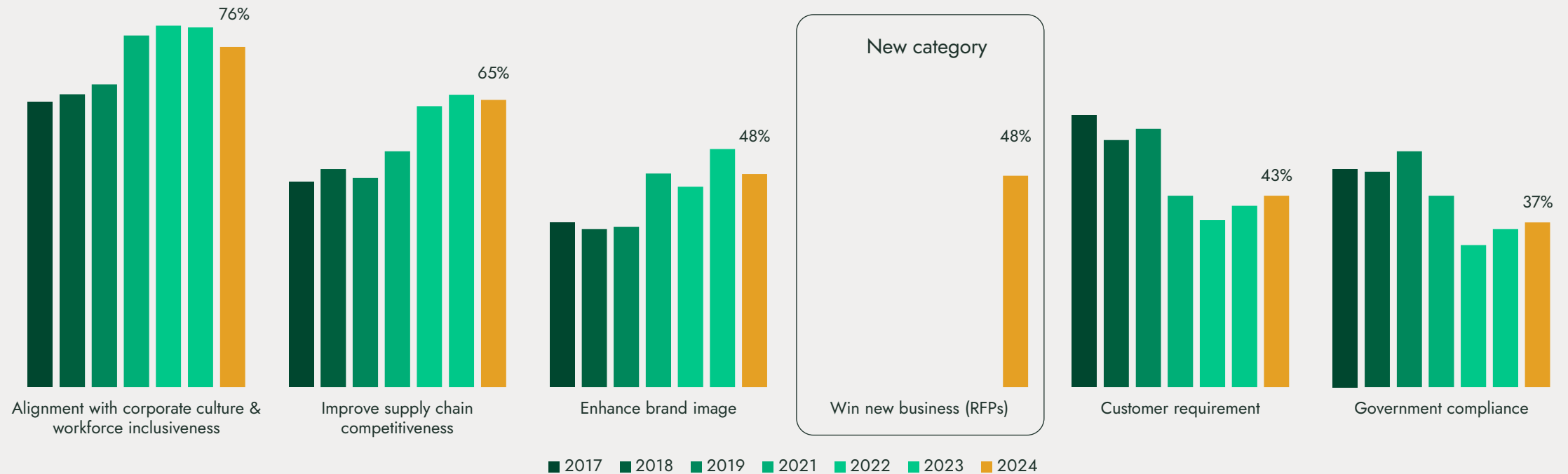
## Who do you report supplier diversity results to?



# Shifting program drivers from 2017 to 2024

This year we didn't just ask about culture, competitiveness, and brands. We also asked specifically about new business and winning RFPs. While most categories remained statistically flat, it's exciting to see that almost half of supplier diversity leaders are leveraging their supplier diversity programs and results to win new business.

% of respondents who identified key drivers of their program



2

## Data and new tools are expanding to demonstrate value

Supplier diversity leaders are seeking additional ways to report success.

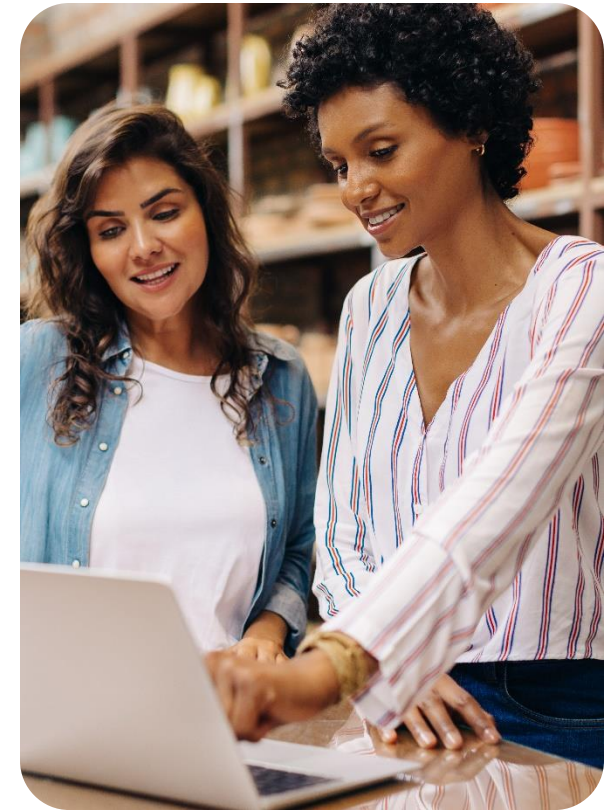
Organizations are pursuing new kinds of data

As most organizations have started to get a solid baseline of their direct (Tier 1) small and diverse spend, many have started to look for additional data sources and growth opportunities.

**Context**—One of the most fascinating insights from this year’s report is the additional data leaders are using to measure and track their programs. Leaders are going beyond just spend metrics—they’re also quantifying value, such as RFP wins and economic impact. Some are even tracking cost savings from their programs.

**Data sources**—To fuel this growth and additional context, more organizations are turning to more reliable third-party data sources like Supplier.io. And this increased confidence in the data fuels the trust needed to share results publicly.

**Data scrutiny**—As the data comes under more rigorous inspection and stakeholders demand more proof, leaders are shifting how they handle reporting on things like self-certified suppliers.



# Leaders are using more metrics to demonstrate the value and impact of their supplier diversity programs

## Standard metric

Spend with diverse suppliers

92%

## Emerging metrics

Business impact such as RFP wins

47%

Economic impact on communities

37%

Up from 10% last year

Cost savings

28%

New innovations

18%

Brand impact

18%

For years organizations have tracked how much they spend with small and diverse suppliers (92%) as well as how many suppliers they work with.

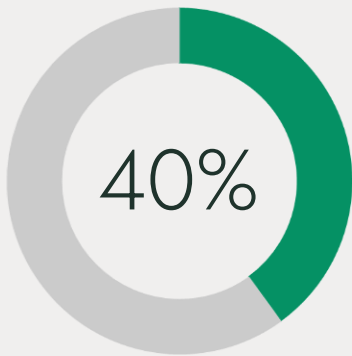
However, over the last few years we've seen a bigger focus on value and impact. Spend doesn't measure that. So leaders are adding supplementary data points like RFP wins (47%), cost savings (29%), and even economic impact.

In the last year we've seen a big increase in the number of companies doing economic impact analysis. Last year only about 10% of organizations measured economic impact. This year it's 37%.

# Leaders are shifting how they track and report diverse spend

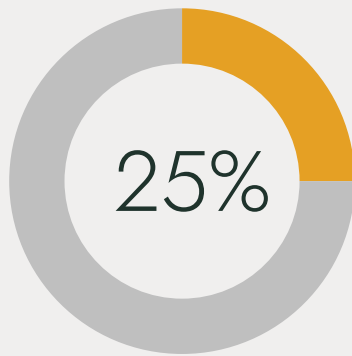
How do you track and/or manage “self-certified” suppliers?

Track and include in reporting



Down from 45% last year

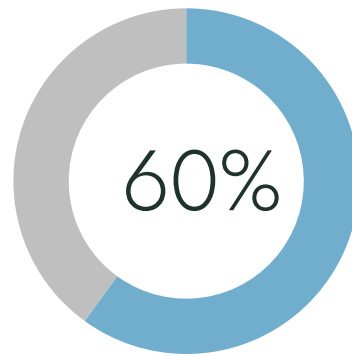
Track but don't include in reporting



Up from 17% last year

How do you track diverse suppliers?

Use third-party data services



↑ 28%  
up from 2021

Over the last year, as metrics are increasingly scrutinized, certification has become even more important. We see fewer programs reporting on self-certified spend and more organizations tracking and encouraging suppliers to get certified. Some leaders also report increased audits, making reliable and certified tracking even more important than ever.

It's clear leaders need reliable numbers they can trust and that withstand the pressure of an audit. Now over 60% of organizations are turning to more reliable third-party supplier data providers to track the highly volatile supplier diversity status and certification of organizations. Some third-party supplier data providers, like Supplier.io, validate source and registration data continuously, and are able deliver monthly updates for certifications and monthly alerts when suppliers do not renew certifications or are set to expire soon.

This trusted support is more important than ever, as 61% of respondents share their results publicly and know the data needs to be correct.

3

## Increase in plans for global growth and connection to ESG

Positive connections with the business and environment are being leveraged for overall success.

### Business leaders see supplier diversity as a value add

This year we really wanted to explore where leaders are growing their programs and with whom they're prioritizing their time. We see a growing relationship between supplier diversity leaders and their global, business, and ESG peers. Is supplier diversity a cultural, community, or business program? In truth it's all of these. But this year we see leaders leaning further into their positive business impacts and extending the influence of their programs.

**Global growth**—More leaders are looking for growth outside of the US with a focus on Canada and Europe.

**Business partnership**—When push comes to shove, supplier diversity leaders see their programs as a value add to the business (60%) and not just a cost of doing ethical business. Supplier diversity professionals are also spending more time with business leaders. As they improve their data and systems, they're prioritizing business stakeholders and identifying key champions across the business. These can be from Sales, Marketing, Government Affairs, or other lines of business.

**ESG**—The relationship between supplier diversity and ESG leaders specifically also continues to grow with more leaders taking responsibility for both. We're seeing more supplier diversity professionals being asked to track and monitor the diversity and sustainability attributes of suppliers.

# Plans for global supplier diversity programs are on the rise

Many organizations have dreamed about growing their programs globally. However, concerns over certification, fewer suppliers, and organizational reach made it seem daunting.

This year we're starting to see a breakthrough—with 27% or more reporting plans to go global in the next year or two. With the growth of organizations like MSDUK and WEConnect, as well as improved tracking, reporting, and supplier registration portals, the time seems ripe for geographic expansion.

In 2021 only 6% of leaders were planning global growth

Where do you plan to have a supplier diversity program in the next 1–2 years?

Europe 27%

Up from 16% last year

Canada 27%

Up from 19% last year

Latin America 11%

Asia 12%

Africa 11%

Australia 8%

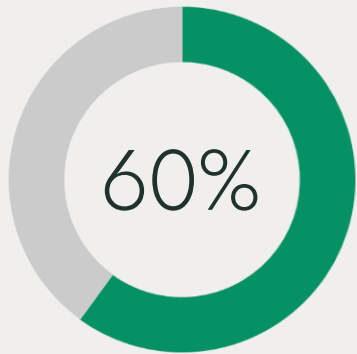




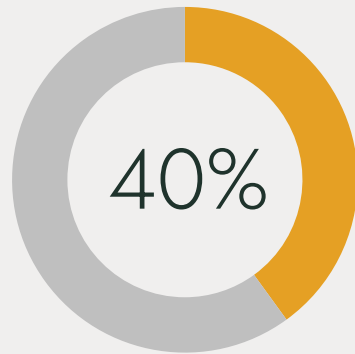
# Leaders see their programs as business drivers

How would you primarily categorize your program for the organization?

Primarily a business driver



Primarily a cost of doing business



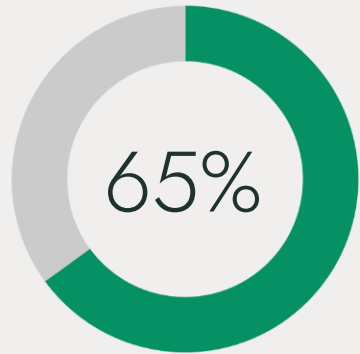
When asked to choose, the majority (60%) of supplier diversity leaders consider their programs as business drivers. One respondent summed it up nicely:

“

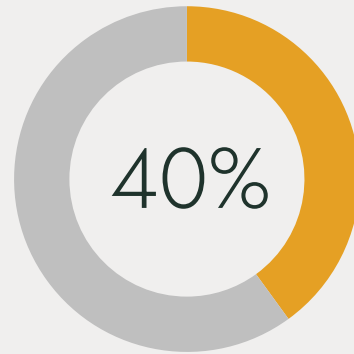
We are in early stages of the maturation of our supplier diversity program (2+ years), but we remain committed to it as a business initiative.

# Supplier diversity leaders are more actively involved across lines of business

Senior business owners (VP or higher) are actively engaged in supplier diversity initiatives



Senior CPOs are actively engaged in supplier diversity initiatives



Line of business leaders are highly engaged with company supplier diversity programs. About 2/3 of supplier diversity leaders reported active engagement with business counterparts. This is interesting when we only see about 40% of CPOs actively engaged. This speaks to the growing trend of the business impact of supplier diversity programs vs. their role simply as procurement programs.

Some respondents told us they spent more time with the CPO and Procurement teams early on. But as their program has matured, they now spend more time with line of business counterparts. "That's where the money is" one person commented.

One respondent summed it up:

“

I actively engage with other targeted lines of business leaders based on active procurement projects.

# Supplier diversity leaders prioritize time with business decision makers

Supplier diversity leaders are prioritizing more time with business stakeholders than procurement peers. 66% of respondents spend 50% or more time with their business counterparts.

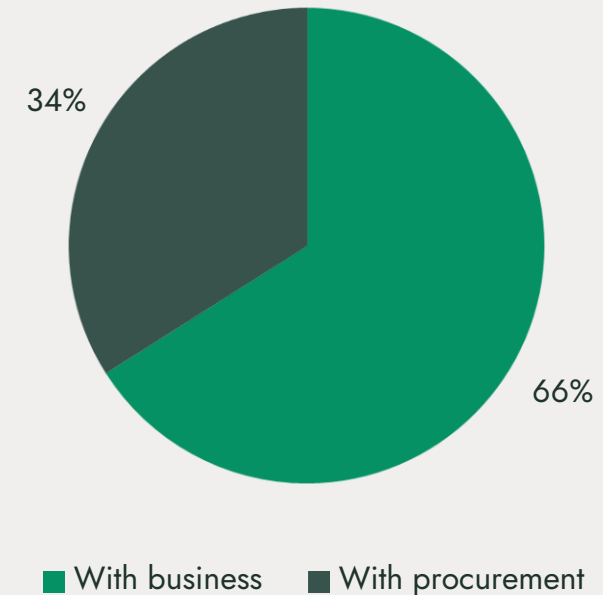
One respondent summarized it this way:

“

Early on we spent more time within procurement to help train everyone. Once we were up and running, we now focus on the business decision makers.

We saw a similar trend when we asked what their top priorities are. And while tracking and reporting remain number one, meeting with the business was just slightly behind it.

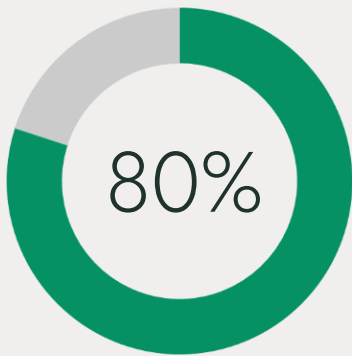
Where do you spend 50% or more of your time?



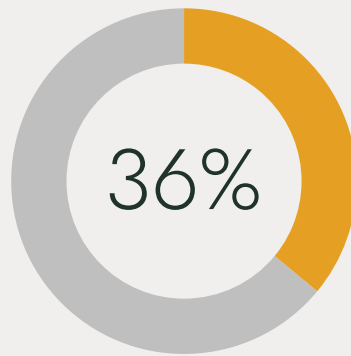
# Connection to ESG has grown

## Support and partnership with ESG

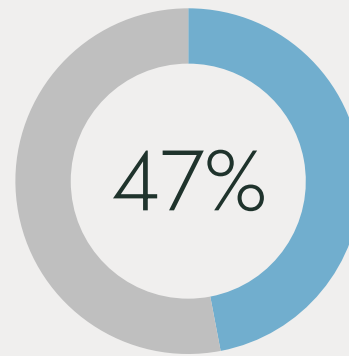
ESG helps or neutral for  
supplier diversity program



Report to the same  
organization



Manage and report spend on  
social and sustainable suppliers



Environment, Social, and Governance (ESG) programs continued to be a positive influence and big opportunity for many leaders, with 80% saying ESG helped their programs or had no impact. We also saw continued growth in supplier diversity and ESG reporting to the same organization (36%), and almost half of supplier diversity leaders now manage and report spend on both social and sustainable programs (47%).

One respondent put it this way:

“

I'm a member of the core ESG team and support their efforts. Supplier Diversity is increasingly playing a larger role in the ESG space as it relates to the 'S' in 'ESG.'

# Outlook on supplier diversity

Leaders are staying positive in 2024, following a challenging 2023.

## Supplier diversity leaders and their programs are well positioned

Last year, the Supreme Court affirmative action ruling and subsequent legal developments sent shockwaves through the supplier diversity community. There was considerable concern that political and cultural shifts would curtail programs.

More than a year later, these programs not only remain intact but also continue to receive strong leadership support. It seems clear that more organizations see the business value of a competitive and inclusive supply chain.

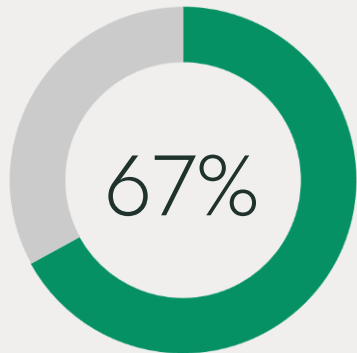
However, leaders are acutely aware of the evolving pressures and challenges. In response, some have adjusted their strategies, including altering the messaging, renaming programs, or modifying the level of public promotion. Despite these changes, the commitment to these programs is stronger than ever, underscoring their importance and resilience.



# Impact of Politics and Economy on Programs

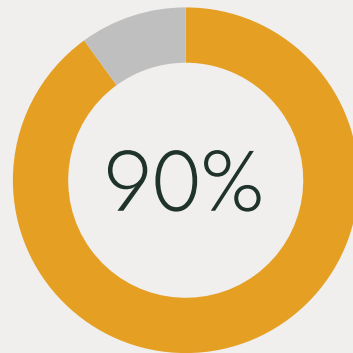
## Supplier Diversity continues to receive support despite the headwinds

The economy is not having an impact



Up from 59% last year

Politics has not had an impact



Up from 80% last year

We asked leaders about the level of company and executive support they have for their programs, and the impact that the economy and politics are having as well.

Given that supplier diversity is a proven business strategy, it's no surprise that the economy is having a bigger impact on supplier diversity programs than politics. However, the impact of the economy has lessened since last year, with 67% of leaders saying the economy has not impacted their programs, up from 59% last year.

Even more respondents (90%) say that politics isn't impacting their program. This is up from 80% last year. When we spoke with leaders, they made it clear that their main focus is adding value and partnering with the business, not getting mixed up in politics. When asked about the challenge from politics, one leader said:

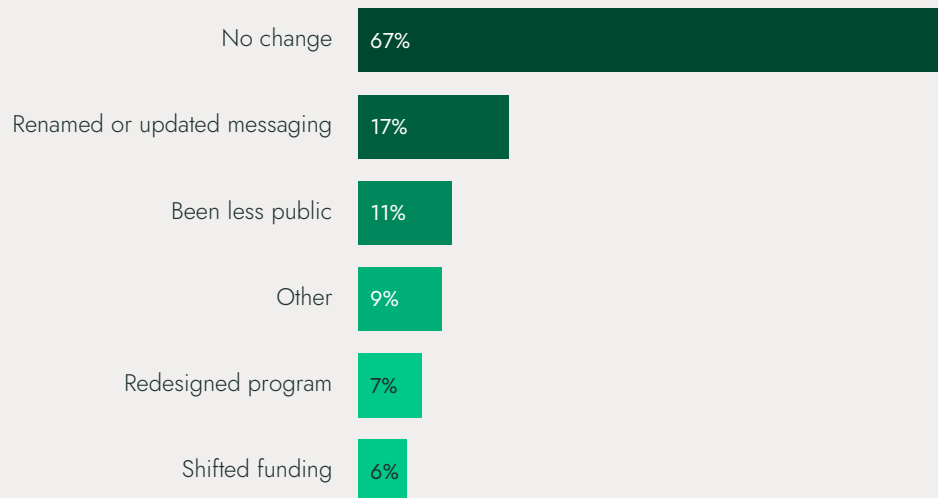
“

It's business as usual inside the organization. I reached out to leadership to ask about the possible impact of politics on our program. Every level of leadership reinforced that this program is important to our business and no changes were planned.

# Most programs remain unchanged while some made minor refinements

Programs remain strong, but leaders are responding to potential risks

How has your program changed this year?



We dug a little deeper to understand how leaders were managing the political and economic headwinds, as well as what they see as potential risks going forward. Most programs remain unchanged (67%), but a few are renaming their programs (17%) or being less public (11%).

When asked about the future, 40% of leaders do see continued political and cultural risks from cultural shifts (25%) and the upcoming presidential election (15%). But the other big risks fall more in the “business as usual” category, including the economy (19%) and shifting internal company priorities (18%).

One respondent commented:

“

In the past we made public comments of dollar and percentage of diverse spend. Now we no longer make public commitments. We still have ambitions but will not be sharing publicly.



# Opportunities for your supplier diversity program

Good news: Supplier diversity is changing—  
and leaders are well positioned to act.

## 5 data-driven ways to enhance your program

- 1 Demonstrate positive impacts**  
Go beyond procurement and spend time with your business stakeholders. Find champions to promote the value of your program.
- 2 Engage with executive sponsors**  
Continue to engage with senior leaders and make sure they know how your program connects to key business strategies and goals.
- 3 Invest in data quality and tools**  
Ensure your data is reliable enough to hold up to scrutiny. Start investing in additional data points to prove value like economic impact.
- 4 Partner with your ESG counterpart**  
Meet with ESG leaders. Identify opportunities to leverage your insights into suppliers to support greater supply chain visibility.
- 5 Think about global growth**  
Start planning now for growth via Tier 2 or geographic expansion.

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# Ready to take the next step? We can help.

Feel free to reach out to speak to one of our supplier diversity experts:  
708-236-2000 or <https://supplier.io/talk-to-an-expert>

Supplier.io is the market-leading data and SaaS provider dedicated to optimizing and scaling companies' sustainability and supplier diversity initiatives. We deliver innovative SaaS solutions for transparent and responsible sourcing within the global supply chain. Our mission is to connect buyers with diverse and sustainable suppliers, empowering businesses with critical supplier intelligence to maintain resilient supplier bases and effectively mitigate risk.

Serving most Fortune 500 companies, we power the most successful responsible sourcing programs worldwide. We help organizations track and grow business with diverse, small, social, and environmental suppliers to decrease supply chain risk, meet reporting requirements, and advance Environmental, Social, and Governance (ESG) goals—creating positive economic and environmental impacts.

For more information, visit [www.supplier.io](http://www.supplier.io).



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