

Supplier Diversity & Inclusion Program Charter

1. About

This resource was developed by Fanny Ganti, **SPP Supplier Diversity Core Team Member**, and founder of **Transformative Procurement Change**. The Supplier Diversity and Inclusion Program Charter integrates practitioner expertise with rigorous international benchmarking, and has been reviewed and refined through feedback from the SPP Supplier Diversity Co-Chairs and Core Team members.

As a **living document**, the Charter is designed to evolve alongside our global community's shared learning and emerging practices. Contributions and insights are welcome to help advance diverse and inclusive and procurement.

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2. Purpose

The purpose of a procurement strategy or program charter is **to create a structured, credible, and actionable framework** that guides procurement activities. It aims to enable procurement teams to **secure approval, foster stakeholder alignment, and build confidence at any stage of their journey.**

This charter ensures that initiatives are **well-defined, aligned with organizational objectives**, and capable of **demonstrating credibility and value**. It clarifies **goals, scope, and key stakeholders**, facilitating support and informed decision-making.

Additionally, it promotes **transparency, accountability and adaptability**, allowing teams to **continuously refine and advance their strategies** effectively throughout the program lifecycle.



9-Step Guide to Building a Supplier Diversity & Inclusion Program Charter

1. Define the Program & Assign Leadership

2. Articulate Program Purpose & Strategic Alignment

3. Define Specific, Measurable Objectives

4. Determine Program Scope & Boundaries

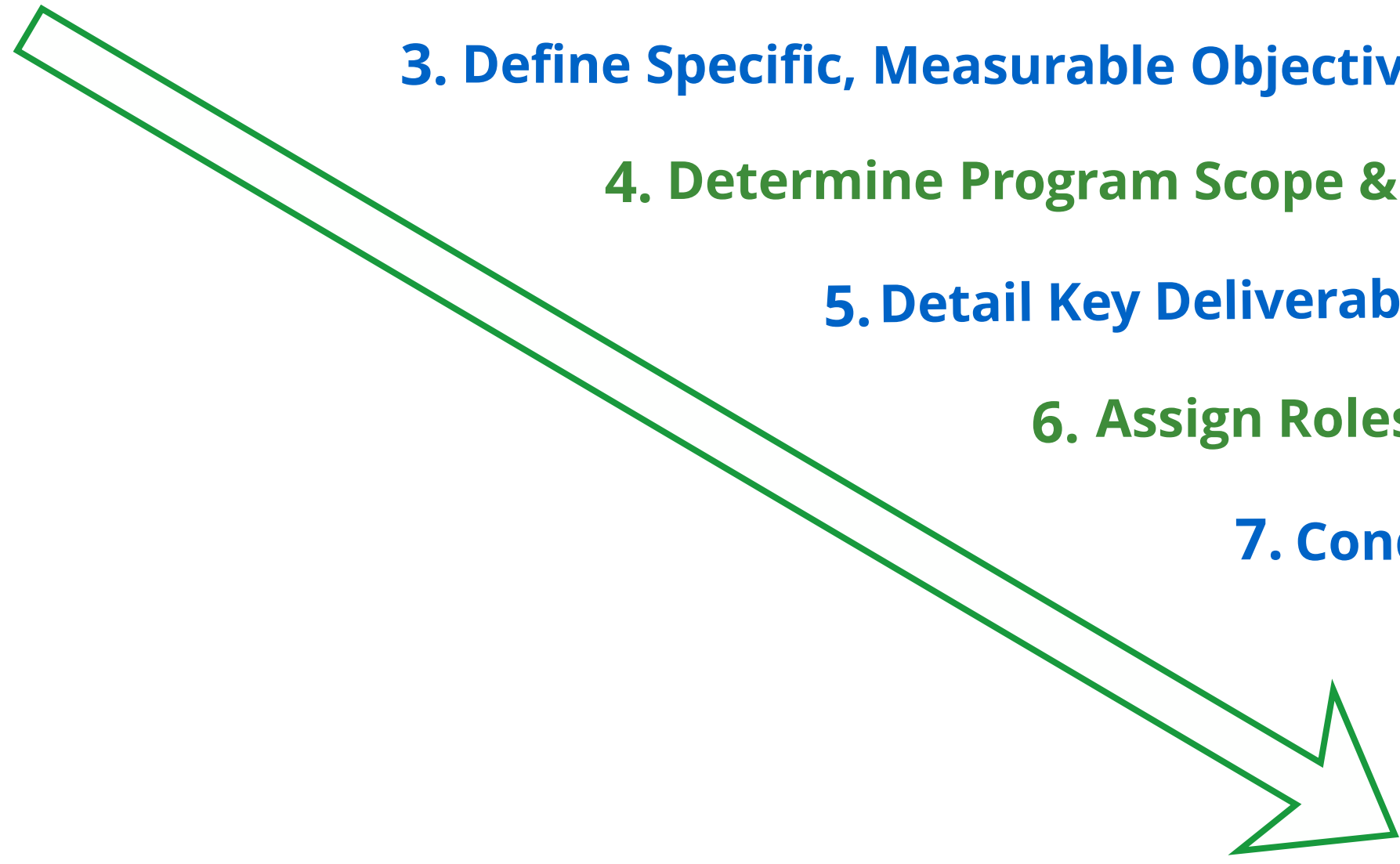
5. Detail Key Deliverables & Milestones

6. Assign Roles, Responsibilities, & Governance

7. Conduct Risk Assessment & Embed Mitigation Plans

8. Establish Success Criteria & Measurement Framework

9. Regularly Review & Adapt



9-Step Guide to Building a Supplier Diversity and Inclusion Program Charter

1. Identify the Program and Assign Leadership

- Clearly state the Program Name to establish identity.
- Designate the Executive Sponsor responsible for strategic oversight and securing organizational alignment.
- Identify the Program Manager accountable for operational delivery, coordination, and program governance.
- Define the program timeline and estimated budget.

2. Articulate Program Purpose and Strategic Alignment

- Summarize the rationale behind the program, framing it within the organization's strategic objectives such as embedding supplier diversity, fostering innovation, and/or advancing supply chain resilience.
- Provide measurable outcomes or impact goals that justify the program's importance.

3. Define Specific, Measurable Objectives

- Establish SMART goals that quantify what success looks like over defined timelines (e.g., 15% increase in spend with diverse suppliers within three years).
- Include objectives for 1st tier and/or 2nd tier supplier inclusion efforts.

4. Determine Program Scope and Boundaries

- Specify procurement categories, spend levels, supplier tiers, and any geographic or operational limits pertinent to the program.
- Clarify inclusions and exclusions to ensure focus and avoid scope creep.

5. Detail Key Deliverables and Milestones

- List essential outputs including supplier diversity policies, evaluation tools, capacity-building programs, supplier registries, and dashboards for performance tracking.
- Assign timelines or milestones for delivering these outputs to maintain momentum.

6. Assign Roles, Responsibilities, and Governance

- Map out detailed responsibilities for all leadership and supporting functions, including procurement teams, prime suppliers, legal and compliance offices, and supplier diversity advocates.
- Define approval processes, decision-making authorities, and escalation paths within the governance framework.

7. Conduct Risk Assessment and Embed Mitigation Plans

- Anticipate potential challenges, including supplier capacity limitations, internal resistance, data quality issues, and compliance risks.
- Develop and document mitigation strategies such as phased rollouts, contractual incentives for compliance, dedicated training initiatives, and systematic audit procedures.

8. Establish Success Criteria and Measurement Framework

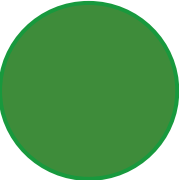
- Define clear metrics and KPIs to evaluate progress, such as policy adoption rates, database completeness, training completion, and reporting accuracy.
- Outline mechanisms for monitoring and reporting these metrics to stakeholders regularly.

9. Regularly Review and Adapt

- Schedule formal charter reviews aligned with organizational planning cycles or in response to significant program developments.
- Incorporate feedback and adapt elements such as scope, objectives, or governance as needed to maintain alignment with organizational priorities.



Supplier Diversity & Inclusion Program Charter Template (with some examples)

Program Name:	<i>Supplier Diversity & Inclusion Program</i>	Start:	
Sponsor:	<i>Chief Procurement Officer (CPO) / Executive Sponsor</i>	End:	
Program Manager:	<i>Supplier Diversity Manager</i>	Budget:	
Purpose / Background:	<i>To foster equitable opportunities and measurable participation for diverse businesses, both 1st tier and 2nd tier across all procurement activities, promoting innovation, resilience, and inclusion throughout the supply chain in one or multiple countries</i>		
Objectives:	<ul style="list-style-type: none"> • Increase direct (1st tier) procurement spend with certified diverse suppliers by 15% within 3 years • Enable and monitor 2nd tier (subcontractor-level) diverse spend through main contractors • Build and maintain a dynamic database of diverse suppliers and 2nd tier spend tracking • Embed diversity criteria across all procurement processes and supply chain partner evaluations • Deliver capacity-building and training for diverse suppliers, procurement teams and contractors • Ensure transparent assessment, reporting, and continuous improvement mechanisms for both tiers 		
Scope:	<ul style="list-style-type: none"> • All procurement categories, prioritized by spend, volume and diversity opportunity • Engage prime contractors in reporting and supporting their own use of diverse subcontractors (2nd tier) • Include all 3rd party diverse verified suppliers • Involve partnerships with third party certification/verification bodies, diverse supplier networks, employment agencies and contractors. 		
Key Deliverables:	<ul style="list-style-type: none"> • Formal Supplier Diversity policy covering both 1st and 2nd tier requirements • Diverse supplier database, with 2nd tier spend tracking, certification or legal status/mark/label membership information • Inclusive procurement and subcontracting templates, plus supplier evaluation tools • Training programs for procurement teams, main suppliers, and diverse suppliers • Regular dashboards and reports for both 1st and 2nd tier diversity metrics • 2nd tier diversity engagement guidelines and requirement for all major contracts 		
Governance Roles & Responsibilities:	<ul style="list-style-type: none"> • Executive Sponsor: Strategic oversight and resources • Supplier Diversity Manager: Lead execution, coordinate among procurement, main and diverse suppliers • Procurement Teams: Integrate supplier diversity in sourcing, track 1st and 2nd tier activity • Main Suppliers: Report 2nd tier diversity spend and engagement; support diverse subcontractors • DEI (or equivalent) Office: Advise on diversity strategy and ensure compliance • Legal: Ensure contractual obligations are included • Suppliers (1st & 2nd Tier): Participate in the program and provide feedback 		
Risks and Mitigations:	<ul style="list-style-type: none"> • Limited supplier capacity —> Mitigate via development programs and phased category roll-out. • Prime supplier resistance / low engagement -> Addressed with clear contractual requirements, incentives and support. • Resistance to change —> Engage leadership and provide training. • Data accuracy —> Implement strong data validation and ongoing updates. • Data quality for 2nd tier —> regular audits, standardized reporting templates 		
			
<h2>Success Criteria</h2>			
<ul style="list-style-type: none"> • Achieving both 1st and 2nd tiers targeted diverse spend percentages. • Demonstrate growth in both 1st tier/2nd tier supplier utilization and contracting • Positive feedback from mains, suppliers and stakeholders. • Transparent, timely reporting and continuous improvements • Business Outcomes: revenue growth, market expansion, innovation, resilience 			

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Objectives:			 Success Criteria
Scope:			
Key Deliverables:			
Governance Roles & Responsibilities:			
Risks and Mitigations:			