



Supplier Diversity Program

ESSA Sales & Distribution 2024



1. Purpose and Vision

ESSA Group Romania aims to build a sustainable, inclusive, and competitive supply chain by promoting diversity and equity among its suppliers.

The Supplier Diversity Program seeks to:

- Encourage participation from businesses owned and operated by underrepresented groups.
- Strengthen innovation and local economic development.
- Align with ESSA Group's ESG, DE&I, and sustainability goals.

Vision:

"To empower diverse local suppliers and foster equitable economic growth across Romania and the broader ESSA network."

2. Objectives

1. Increase supplier diversity representation in ESSA's procurement pipeline.
2. Build partnerships with local and minority-owned suppliers.
3. Enhance transparency and accountability in sourcing decisions.
4. Develop supplier capabilities through training and mentorship.
5. Report and celebrate measurable impact annually.

3. Definition of Diverse Suppliers

ESSA Group Romania recognizes as *diverse suppliers* those meeting one or more of the following criteria:

- At least 51% owned, managed, and controlled by individuals from underrepresented or disadvantaged groups, including:
 - Women-owned businesses
 - Youth-owned businesses (under 35)
 - Roma-owned businesses





- Persons with disabilities
- Rural entrepreneurs or micro-enterprises
- Social enterprises
- Veteran-owned businesses

4. Program Pillars

A. Identification and Outreach

- Build a Diverse Supplier Registry within ESSA's procurement system.
- Partner with local chambers of commerce, NGOs, and business associations
- Host "Supplier Diversity Days"—open calls for local vendors to present their capabilities.

B. Supplier Development

- Offer training workshops on procurement readiness, compliance, and sustainability.
- Create a Mentorship Program pairing diverse suppliers with ESSA procurement and operations experts.
- Provide access to microfinance or preferred payment terms to improve liquidity for small suppliers.

C. Inclusive Procurement

- Integrate diversity requirements into RFPs and supplier evaluations.
- Establish a target
- Encourage tier-2 supplier diversity—requiring ESSA's larger suppliers to include diverse sub-suppliers.

D. Measurement and Reporting

- Develop KPIs and dashboards to track:
 - % of spend with diverse suppliers
 - Number of diverse suppliers onboarded
 - Training hours delivered
 - Supplier satisfaction and performance scores
- Publish an annual Supplier Diversity Report as part of ESSA's ESG disclosures.





5. Governance and Accountability

- Appoint a Supplier Diversity Manager within the Procurement or Sustainability team.
- Create a Supplier Diversity Council including members from Procurement, HR, Sustainability, and Finance.
- Review progress quarterly and adjust strategies as needed.
- Report to ESSA Group's Executive Leadership and integrate results into the company's ESG performance.

6. Implementation Roadmap (2025–2027)

Phase	Timeline	Key Actions
Phase 1: Design & Alignment	Q1–Q2 2025	Internal stakeholder engagement, finalize definitions, build registry structure
Phase 2: Pilot Program	Q3–Q4 2025	Launch with 2–3 categories (e.g., packaging, logistics, facility services)
Phase 3: Scale & Integration	2026	Expand to all procurement categories, implement reporting system
Phase 4: Continuous Improvement	2027 onward	Set new targets, scale regionally within ESSA Group network

7. Expected Outcomes

- Stronger local supply base and reduced dependency on imports.
- Enhanced brand reputation through visible DE&I and ESG leadership.
- Increased innovation through engagement with agile, entrepreneurial suppliers.
- Positive socio-economic impact in underrepresented communities across Romania.

