Bringing Nordic Digital Health Innovation to The World

Courage Ventures Management Oy
Courage Ventures Digital Health LLP

Version 1.0 Dated: Nov 17, 2021

ESG Responsible Investment Policy

Introduction

The business case for ESG is well established.[1] Companies that deliver on sustainability possess a competitive edge for motivated employees, have more satisfied customers, acquire less expensive loans, and deliver more compelling exit stories. As a result, sustainability attributes are increasingly becoming key purchasing criteria in any industry.[2]

At Courage Ventures we are committed to supporting the implementation of evidence-based ESG strategies within our operations and at each of our portfolio companies. We use ESG factors in our decision making and assist our portfolio companies to disclose and improve their performance on selected ESG topics.

We recognize that adaptability, creativity, and experimentation will remain at the core of this work as the ESG-related demands evolve over the course of the fund. We expect to learn from the industry leaders in our field and remain at the forefront of the ESG development. We are exploring various novel ESG reporting platforms and software solutions to support the

---

[1] Consolandi, Costanza et al. "How Material is a Material Issue? Stock Returns and the Financial Relevance and Financial Intensity of ESG Materiality." SSRN, 12 Apr. 2020.
[2] Seemann, Axel, et al. "The Expanding Case for ESG in Private Equity." Bain, 17 Mar. 2021.

monitoring and reporting of ESG indicators across the portfolio. In particular, we plan to collaborate with Zapflow to enable ESG reporting within their platform.

We believe that piloting various different practices will allow us to find Courage Fund's ESG modus operandi aligned with our vision and operations. The existing company portfolio (CVF I) allows us to start experimenting with the ESG related tasks in order to benefit from the candid feedback of founders we know well in adjusting our approach already prior to the first closing of the current fund. Subsequently we describe our current thinking in terms of classification of ESG related elements and how we envision to structure the related reporting. Yet, we fully recognize that e.g. the planned pilot experiments related to ESG Zapflow interface will provide us a necessary feedback loop to adjust our envisioned approach.

First we use the UN Principles for Responsible Investment to define "responsible investment" and identify the two main categories under which our ESG activities fall: ESG Incorporation and ESG Stewardship (Appendix A). This step provides a map for how we integrate ESG objectives into our organization and throughout the investment pipeline from due diligence to ownership to exit.

Second, we use the Sustainable Accounting Standards Board to identify the sustainability issues that are likely to have a material impact on the companies in our investment sector of Digital Health (Appendix B).[3] This helps to narrow our focus to the key ESG issues that matter most for our portfolio.

In order to follow and report on the ESG aspects related to managing the fund itself, we are looking to define our own (referring to fund management) sustainability goals and select KPIs, using a tool such as the UN SDG Compass. This provides objectives and key results (OKRs) for us to measure and report against on a recurring basis.[4] This component of our ESG strategy is in development and will be finalized in 2022 upon the successful completion of our first close.

Responsible Investment: ESG Incorporation and Stewardship

Responsible Investing is defined as "a strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions and active ownership."[5] We adhere to the UN Principles for Responsible Investment and are currently in the process of becoming a signatory.[6]

We use the PRI approach to structure the integration of ESG issues into our investment process, which can be broken into two areas: Incorporation and Stewardship.

---

[3] "SASB Materiality Map." Sustainability Accounting Standards Board, 2021.
[4] A good example of this type of approach is Balderton Capital's Sustainable Future Goals.
[5] "An introduction to responsible investment." PRI, 2021.
[6] "What are the Principles for Responsible Investment?" PRI, 2021.

ESG Incorporation
We systematically integrate ESG considerations into our due diligence process and valuation model to mitigate risks and improve returns. ESG risks and opportunities are identified through due diligence, and when deals are structured, ESG reporting is built into the term sheets to deliver on those opportunities.

We understand that early stage companies are likely to have early stage ESG plans. As a result, we primarily look for the sustainability potential of the business and the leadership team's willingness to make ESG a strategic priority.

Prior to investing in any company, we conduct a thorough due diligence process that considers ESG issues alongside other factors to inform our investment decision. When an investment opportunity passes an initial screen and has been selected for review within our investment pipeline, we apply our Courage Ventures Assessment Matrix, which considers how sustainability issues affect the exit potential, financing requirements, and current deal environment for the investment opportunity.[7]

ESG Stewardship
While ESG Incorporation provides the basis for informing our investment decisions pre-transaction, we believe the greatest potential for impact occurs through ESG Stewardship post-transaction, where we work with founders to capitalize on evidence-based ESG strategies to improve performance and drive value.

We work with founders to ensure a basic level of ESG compliance across the portfolio, as well as a solid foundation for capitalizing on evidence-based ESG practices. ESG should be treated like any other core business strategy: leadership must set clear goals, define key metrics, and assign accountability for outcomes. We are committed to providing the necessary resources and tools to our portfolio companies to ensure that they have the capability of becoming leaders on ESG implementation and for sustainability to become a key value driver for their businesses.

The following list provides ESG actions we require of our portfolio companies post-transaction:

- CEO (or other Executive Leader) has articulated a clear set of organizational ESG commitments and values, visible both within and outside the organization
- Established measurable ESG goals for the organization with associated specific deadlines that span both internal and external domains (e.g., employee workforce, supply chain, customer experience, external partnerships)

---

[7] Our evaluation processes and tools are informed by the SERAF methodology, the leading source of early stage dealmaking tools, https://seraf-investor.com/. We have been working with the founders of SERAF for several years, and have adapted much of the training materials we use with our portfolio and other programs from SERAF.

- Have a system in place to regularly track and evaluate ESG progress toward defined goals using clear metrics and continually inform ESG strategy as needed
- Created multi-year action plan/roadmap for executing against these ESG goals
- Formally connected ESG strategy to your company's overall medium-long-term strategy (next three to five years)
- Measure the impact of ESG investments on your business outcomes and regularly embed these impacts into organization's business decision-making processes
- Established a regular ESG reporting function on the board agenda

We also require portfolio companies to report their ESG performance in a standardized questionnaire that we assist founders in filling out on an annual basis (Appendix B).[8] This questionnaire contains the relevant subset of ESG metrics from the SASB that we believe are likely to be financially material for Digital Health startups.

This questionnaire is intended to serve as an opportunity for us to discuss with founders how they can integrate ESG more effectively into their business models. Especially at the outset of a venture, laying a solid foundation is critical to ensuring future sustainability.

The standard set of metrics also enables us to track and report our own ESG performance more accurately and with evidence-based metrics that have been vetted by the SASB as financially material. We are aware of the formation of a new International Sustainability Standards Board (ISSB), and we will update our metrics accordingly when those standards are released.[9]

Key ESG Issues within Digital Health

Many if not most Digital Health innovations are born out of the necessity to replace inefficient and wasteful practices with sustainable solutions. As a result, Digital Health solutions have the ability to achieve ESG goals on multiple levels, for example, increasing access to care while reducing costs which helps to democratize health services and reduce the energy burden on the environment. This obvious alignment with the global sustainability agenda is a key motivational factor for the majority of founders and investors in Digital Health alike.

We support our portfolio companies in identifying indicators that measure their unique contribution toward sustainability targets and in communicating this progress annually. As a result, we have adopted the Sustainability Disclosure Topics and Accounting Metrics provided by SASB that are likely to be financially material for software companies (Appendix B).[10]

---

[8] See Appendix C: ESG Disclosure Topics and Metrics

[9] "IFRS Foundation announces International Sustainability Standards Board, consolidation with CDSB and VRF, and publication of prototype disclosure requirements." IFRS, 3 Nov. 2021.

[10] "SOFTWARE & IT SERVICES Sustainability Accounting Standard." SASB, Oct. 2018.

Founders are expected to report these metrics along with responses to a more comprehensive Diversity, Equity, and Inclusion (DEI) questionnaire (Appendix C) on an annual basis.

Classification of Courage Ventures Funds under Sustainable Finance Framework

We fully support and comply with the recent EU Sustainable Finance Disclosure Regulation (SFDR) that expressly states, "financial market participants and financial advisers should be required to disclose specific information regarding their approaches to the integration of sustainability risks and the consideration of adverse sustainability impacts."[11]

We consider Courage Ventures Funds II as a financial product promoting ESG characteristics under Article 8.[12] Information on what those characteristics are has been provided in this document, and we will report annually to our investors how those characteristics are met over the life of the fund.

[11] "Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector." Official Journal of the European Union, 27 Nov. 2019.
[12] Courage Ventures Fund I is categorised under Article 6 as it did not promote ESG factors or specific objectives.

Appendix A: What is Responsible Investing?

<table>
<tr><th colspan="3">CONSIDERING ESG ISSUES WHEN BUILDING A PORTFOLIO
(known as: ESG incorporation)</th><th colspan="2">IMPROVING INVESTEES' ESG PERFORMANCE
(known as: active ownership or stewardship)</th></tr>
<tr><td colspan="3">ESG issues can be incorporated into existing investment practices using a combination of three approaches: integration, screening and thematic.</td><td colspan="2">Investors can encourage the companies they are already invested in to improve their ESG risk management or develop more sustainable business practices</td></tr>
<tr><th>Integration</th><th>Screening</th><th>Thematic</th><th>Engagement</th><th>Proxy voting</th></tr>
<tr><td>Explicitly and systematically including ESG issues in investment analysis and decisions, to better manage risks and improve returns.</td><td>Applying filters to lists of potential investments to rule companies in or out of contention for investment, based on an investor's preferences, values or ethics</td><td>Seeking to combine attractive risk return profiles with an intention to contribute to a specific environmental or social outcome. Includes impact investing.</td><td>Discussing ESG issues with companies to improve their handling, including disclosure, of such issues. Can be done individually, or in collaboration with other investors.</td><td>Formally expressing approval or disapproval through voting on resolutions and proposing shareholder resolutions on specific ESG issues.</td></tr>
</table>

Source: PRI. "What is Responsible Investing?" Accessed Oct 8, 2021 at:
https://www.unpri.org/an-introduction-to-responsible-investment/what-is-responsible-investment/4780.article

Appendix B: SASB Accounting Metrics: Software & IT Services

SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TC-SI-130a.1
	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m^3), Percentage (%)	TC-SI-130a.2
	Discussion of the integration of environmental considerations into strategic planning for data center needs	Discussion and Analysis	n/a	TC-SI-130a.3
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	Discussion and Analysis	n/a	TC-SI-220a.1
	Number of users whose information is used for secondary purposes	Quantitative	Number	TC-SI-220a.2
	Total amount of monetary losses as a result of legal proceedings associated with user privacy[2]	Quantitative	Reporting currency	TC-SI-220a.3
	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	Quantitative	Number, Percentage (%)	TC-SI-220a.4
	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring[3]	Discussion and Analysis	n/a	TC-SI-220a.5
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected[4]	Quantitative	Number, Percentage (%)	TC-SI-230a.1
	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion and Analysis	n/a	TC-SI-230a.2
Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore[5]	Quantitative	Percentage (%)	TC-SI-330a.1
	Employee engagement as a percentage[6]	Quantitative	Percentage (%)	TC-SI-330a.2
	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees[7]	Quantitative	Percentage (%)	TC-SI-330a.3

[2] Note to **TC-SI-220a.3** – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

[3] Note to **TC-SI-220a.5** – Disclosure shall include a description of the extent of the impact in each case and, where relevant, a discussion of the entity's policies and practices related to freedom of expression.

[4] Note to **TC-SI-230a.1** – Disclosure shall include a description of corrective actions implemented in response to data breaches.

[5] Note to **TC-SI-330a.1** – Disclosure shall include a description of potential risks of recruiting foreign nationals and/or offshore employees, and management approach to addressing these risks.

[6] Note to **TC-SI-330a.2** – Disclosure shall include a description of methodology employed.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations[8]	Quantitative	Reporting currency	TC-SI-520a.1
Managing Systemic Risks from Technology Disruptions	Number of (1) performance issues and (2) service disruptions; (3) total customer downtime[9]	Quantitative	Number, Days	TC-SI-550a.1
	Description of business continuity risks related to disruptions of operations	Discussion and Analysis	n/a	TC-SI-550a.2

Table 2. Activity Metrics

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
(1) Number of licenses or subscriptions, (2) percentage cloud-based	Quantitative	Number, Percentage (%)	TC-SI-000.A
(1) Data processing capacity, (2) percentage outsourced[10]	Quantitative	See note	TC-SI-000.B
(1) Amount of data storage, (2) percentage outsourced[11]	Quantitative	Petabytes, Percentage (%)	TC-SI-000.C

[7] Note to **TC-SI-330a.3** – The entity shall describe its policies and programs for fostering equitable employee representation across its global operations.

[8] Note to **TC-SI-520a.1** – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

[9] Note to **TC-SI-550a.1** – Disclosure shall include a description of each significant performance issue or service disruption and any corrective actions taken to prevent future disruptions.

[10] Note to **TC-SI-000.B** – Data processing capacity shall be reported in units of measure typically tracked by the entity or used as the basis for contracting software and IT services, such as Million Service Units (MSUs), Million Instructions per Second (MIPS), Mega Floating-Point Operations per Second (MFLOPS), compute cycles, or other. Alternatively, the entity may disclose owned and outsourced data processing needs in other units of measure, such as rack space or data center square footage. The percentage outsourced shall include On-Premise cloud services, those that are hosted on Public Cloud, and those that are residing in Colocation Data Centers.

[11] Note to **TC-SI-000.C** – The percentage outsourced shall include On-Premise cloud services, those that are hosted on Public Cloud, and those that are residing in Colocation Data Centers.

Appendix C: Diversity, Equity, and Inclusion Questionnaire

Diversity, Equity, and Inclusion (DEI) refer to the set of organizational practices seeking to improve rates of recruitment, increase representation, increase feelings of engagement, and increase rates of retention and internal promotion.

The following 10 questions have been adapted from a tool published by Bain and Grads of Life.[13] The full explanation for these questions and the evidence supporting their use can be found online.[14]

1. **DEI strategy:** Which of the following has your leadership team done to establish DEI as a strategic priority? Select all that apply

    a. CEO (or other Executive Leader) has articulated a clear set of organizational DEI commitments and values, visible both within and outside the organization

    b. Established measurable DEI goals for the organization with associated specific deadlines that span both internal and external domains (e.g., employee workforce, supply chain, customer experience, external partnerships)

    c. Have a system in place to regularly track and evaluate DEI progress toward defined goals using clear metrics and continually inform DEI strategy as needed

    d. Created multi-year action plan/roadmap for executing against these DEI goals

    e. Formally connected DEI strategy to our organization's overall medium-long-term strategy (next three to five years)

    f. Measure the impact of DEI investments on our business outcomes and regularly embed these impacts into organization's business decision-making processes

    g. Other - please specify

    h. None of the above

    i. I don't know

    "When a CEO sets the strategy and frequently communicates DEI progress, a company is 6.3 times more likely to have a diverse leadership team—and to be an industry leader."

2. **Pre-baccalaureate skills-based hiring:** What does your organization do to facilitate skills-based hiring and identify roles that can be filled by candidates who do not have a four-year degree? Select all that apply (Competencies are knowledge, abilities, skills, experiences, and behaviors that an individual must have or demonstrate to do a specific job role well.)

---

[13] "Diversity, Equity, Inclusion: Where Your Company Stands." Bain, 11 Aug. 2021.
[14] "10 Proven Actions to Advance Diversity, Equity, and Inclusion." Grads of Life, 2021.

a. Provide practical training on skills-based interviewing for hiring teams (e.g., recruiters, hiring managers, and interview panels)

b. Use a competency map that distinguishes between required and preferred competencies to determine which roles can be filled by diverse/underrepresented candidates who do not have a four-year degree

c. Eliminate degree requirements and other credentials that are not necessary for the job

d. Revise job descriptions to focus on competencies and skills required for the position

e. Work with nontraditional recruiting partners (e.g., community-based training organizations, community colleges, trade schools) to source pre-baccalaureate candidates for specific roles that match their skills

f. Conduct structured, skills-based interviewing with standard questions and scoring rubrics

g. Reduce bias in hiring through masking candidate names and diverse candidate slates

h. Other - please specify

i. None of the above

j. I don't know

"A landmark 2003 experiment and multiple subsequent studies have found that, when applying for a job with the same qualifications, applicants with "white-sounding" names received 50% more callbacks for interviews than those with "Black-sounding" names. In addition, leaders can guarantee that each candidate slate includes at least two applicants from underrepresented groups, significantly increasing the likelihood of hiring a diverse candidate."

3. **Diversifying pipeline: Work-based experiences:** How does your organization use work-based experiences (WBE) to develop a diverse talent pipeline of candidates who are not enrolled in or have not graduated from a bachelor's or master's degree program? Some examples of WBEs are paid internships and formal federally funded apprenticeship programs. Select all that apply.

    a. Candidates who do not hold a bachelor's or master's degree and are not currently enrolled in a bachelor's or master's degree program are eligible for WBE programs at our organization

    b. WBE programs for these types of candidates provide at least a living wage

c. WBE programs are used as a formal strategic talent pipeline for hiring candidates who lack degrees into our entry-level and middle-skill workforce

d. We use WBE programs with the intention of converting graduates from these programs into full-time employees

e. Other - please specify

f. None of the above

g. I don't know

"Registered apprenticeships offer robust "learn and earn" opportunities, allowing people to access high-paying jobs without incurring student debt. For the duration of their apprenticeship, which can be years, apprentices earn money and work experience and receive training in the skills employers seek."

4. **Career advancement: Equitable and accessible career pathways:** Which of the following practices does your organization use to establish clear and accessible career pathways for staff? Select all that apply.

    a. Define clear career pathways from entry-level to middle-management to executive level

    b. Communicate internally the pathways and related competencies necessary for promotion and salary increases for all role types

    c. Hold managers accountable for co-creating professional development plans and regularly conducting career progression discussions with their direct reports (e.g., tracked and reported on via our human capital system of record)

    d. Post all new roles internally to allow any interesting employee to apply to mitigate bias and favoritism

    e. Design career advancement programs that are customized for specific diverse/underrepresented groups (e.g., women, Black talent, LGBTQ talent) based on their observed and stated needs

    f. Part-time and hourly employees have access to all of these career advancement supports

    g. Other - please specify

    h. None of the above

    i. I don't know

"For all employees, the opportunity to advance and earn higher wages is a key factor in satisfaction and an indicator of job quality. Clear career paths are particularly important for diverse and underrepresented workers, who disproportionately feel more isolated and uncertain at work compared with their white peers. When an organization documents its career paths and the skills needed to advance, making the information transparent to all, there is less room for racial or gender bias to inform promotion decisions."

5. **Career advancement: Mentoring and sponsorship:** Which of the following types of programs do you have in place to support career advancement among staff? Select all that apply.

    a. Off formal mentoring for underrepresented employees by someone at a higher career stage, focused on advice and general support

    b. Offer formal sponsorship programs for underrepresented employees at all levels, in which someone with significant influence in the organization is advocating for and protecting their professional advancement

    c. Provide training and "curriculum" for sponsors to anticipate common challenges and provide support at key moments of truth (e.g., performance reviews, promotion points)

    d. Proactively identify diverse/underrepresented, high-potential talent and foster their development

    e. Part-time and hourly employees have access to all of these career advancement supports

    f. Other - please specify

    g. None of the above

    h. I don't know

"On average, mentoring programs boost the representation of Black, Hispanic, and Asian-American women, and Hispanic and Asian-American men, by 9% to 24%. What's more, one study shows that people of color who advance the furthest in their careers share a single attribute: a network of mentors and sponsors who have advocated for them along the way."

6. **Upskilling and professional development:** Which of the following professional development resources/benefits do full-time employees have access to? Select all that apply.

    a. Consistent opportunities for upskilling to prepare for advancement (e.g., through cross-training, job shadowing, or other trainings) for all employees

b. Reskilling and/or outplacement support for people in roles that are being phased out
c. Tuition assistance with up-front reimbursement or paid directly by organization
d. Allocated budget for external professional development opportunities (e.g., conference attendance, online trainings)
e. Free access to internal trainings and upskilling resources
f. Free career coaching and advice provided by a third party or dedicated organization resource
g. Part-time employees also have access to these resources/benefits
h. Other - please specify
i. None of the above
j. I don't know

"Investing in upskilling low-wage workers can dramatically expand economic opportunity for the people who need it most. It also helps solve an increasingly urgent business challenge: According to the World Economic Forum, companies estimate that by 2024, nearly 40% of workers will need up to six months of upskilling."

7. **Family-sustaining wages and benefits:** Roughly what portion of your full-time, part-time, and temporary/contract employees do you pay at least a living wage? For this purpose, living wage is defined as the amount a family of four (two working adults, two children) would need to cover their basic needs in the metropolitan area or county in which your organization operates.

a. We pay all of our employees (including full-time, part-time, and contract workers) a living wage
b. We pay most of our employees a living wage
c. We pay some of our employees a living wage
d. None of our employees receive a living wage
e. Other - please specify
f. I don't know

"Higher wages lead to healthier, happier workers."

8. **Employee sentiment and listening:** Which of the following actions does your organization employ to understand and address employee sentiment and inclusion? Select all that apply.

    a. Conduct an employee sentiment/engagement survey once a year or more

    b. Conduct focus groups or employee listening tours to better understand employee sentiment for specific employee groups

    c. Deploy external social listening tools (e.g., monitoring employee rating sites such as Glassdoor) to gauge employee sentiment

    d. Disaggregate all employee sentiment data by race/ethnicity, gender, and other diversity vectors to understand differences among specific employee groups

    e. Have a system in place to flow insights from employee sentiment analysis into overall DEI strategy

    f. Other - please specify

    g. None of the above

    h. I don't know

    "A sense of belonging and engagement is part of the foundation of a good job for anyone—and the ultimate goal of every DEI effort. When employees are engaged and feel heard and respected, they contribute more meaningfully at work. And Bain has found that companies with highly engaged workers grow revenue 2.5 times faster than companies with low worker engagement levels."

9. **DEI education and training:** How does your organization equip all employees to improve their understanding of diversity, equity, and inclusion? Select all that apply.

    a. Make available regular DEI trainings and education sessions for employees to take part in on a voluntary basis

    b. Provide funding and resources for employees to pursue additional DEI education (e.g., self-service modules such as reading resources, online self-education trainings completed at own pace)

    c. A senior leader (e.g., chief human resources officer, chief diversity officer) owns DEI educational content and training curricula and is empowered to manage and adjust based on organizational needs

    d. DEI training and education sessions occur within existing employee teams (vs. only organization-wide)

    e. DEI training and education curricula are tailored by region

f. DEI training and education curricula are tailored by role

g. Other - please specify

h. None of the above

i. I don’t know

“Research shows that voluntary DEI training improves racial and ethnic representation within companies, leading to 9% to 13% increases in Black men, Hispanic men, and Asian American men and women in management after five years. This is in contrast to mandatory training, which has been proven to backfire.”

10. **Supplier diversity: Actions to promote diverse suppliers:** Which of the following describes your organization’s approach to promoting diversity within your supplier base? Select all that apply.

    a. Have an official supplier diversity program in place with a clearly articulated definition of “diverse suppliers,” including eligibility requirements, that intentionally seeks to direct procurement spending toward these defined supplier groups

    b. Have set and publicly disclosed spending targets for specific diverse supplier groups defined

    c. Have dedicated head count and financial resources allocated to supplier diversity initiatives

    d. Actively partner with diverse supplier member organizations (e.g., the National Minority Supplier Development Council or the US Small Business Administration) to more easily source and vet diverse vendors

    e. Have clearly defined supplier diversity metrics that are reviewed on an ongoing basis at the Tier 1 supplier level

    f. Have clearly defined supplier diversity metrics that are reviewed on an ongoing basis at the Tier 2 (or beyond) supplier level

    g. Have a program in place to build capabilities among diverse supplier partners (e.g., mentoring and training programs, networking events)

    h. Actively encourage all Tier 1 suppliers (both diverse and nondiverse) to run their own diverse supplier programs and/or meet other DEI practices thresholds

    i. Other - please specify

    j. None of the above

k. I don't know

"Companies that diversify their supplier bases tap into the economy's full potential and enjoy stronger business outcomes: Those in the top quartile of spending on diverse suppliers save an additional 0.7 percentage points in total procurement expenditures. Diverse procurement can also help companies strengthen their ability to serve as well as their connections with critical growing customer bases: People of color will account for as much as 70% of the total increase in purchasing power from 2020 to 2045. Finally, when a company diversifies its supplier base, it has powerful ripple effects: Minority-owned businesses employ 2.2 million Americans, and revenue earned by business owners of color spurs critical economic development within their communities."