



Social

Traders

A new era of supply chain

Unlocking social value with diverse suppliers



Image: Nairn Marr Djambana

Acknowledgement of Country

We acknowledge the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay respects to their Elders past, present and emerging. We extend that respect to all Aboriginal and Torres Strait Islander peoples.

We would also like to thank the various certified social enterprises for the use of their photos. Front cover image: Help Enterprises.

Supplier diversity is good business

With heightened scrutiny around ESG performance, supplier diversity has emerged as a powerful lever for creating business value and delivering social performance at scale. Despite increasing awareness, many organisations struggle to understand what supplier diversity means - and why it is a strategic imperative for businesses of all sizes.

At its core, supplier diversity refers to organisations purchasing goods and services from businesses that are majority owned and operated by underrepresented or marginalised groups. This can include Indigenous-owned businesses, women-owned enterprises, social enterprises, and businesses led by people with disability or from culturally diverse backgrounds.

These social benefit suppliers do more than provide products and services. They create:

Employment pathways – for disadvantaged Australians and build stronger communities. And increasingly, they offer corporates a critical pathway to meet their ESG goals, particularly the [often-overlooked “S” in ESG—social performance](#).

Better workplaces – their lived experience also provides insight for how companies can implement policies and processes to create workplaces that uphold fairness, respect and belonging.

Social innovation – through entrepreneurship, adaptability and bringing different perspectives in creating solutions, they help organisations stand out by meeting the evolving needs of customers faster.

Supply chain resilience – organisations can reduce over-reliance on certain number of suppliers or mitigate supply chain disruption such as geopolitical tensions or natural disasters, by embracing supplier diversity while supporting local businesses to create positive impact.

Embedding diverse suppliers is the future of good business.

Image: Soft Landing



The business case for supplier diversity

Recent research confirms what more and more procurement leaders are discovering: supplier diversity is just good business.

Indigenous business

According to Supply Nation's 2025 report, [The Sleeping Giant Rises](#), every dollar of revenue generated by Indigenous businesses equates to \$3.66 of economic and social value. Indigenous businesses create \$42.6 billion of social value each year for business owners, their employees, their households, and communities purely by being in business.

Women-led enterprise

Similarly, supporting women-led enterprises delivers out-sized social and economic impact. The number of Australian women operating their own businesses has steadily increased over the past 20 years, but they remain substantially under-represented as entrepreneurs. Gender equality is critical to building a fair, prosperous and healthy society.

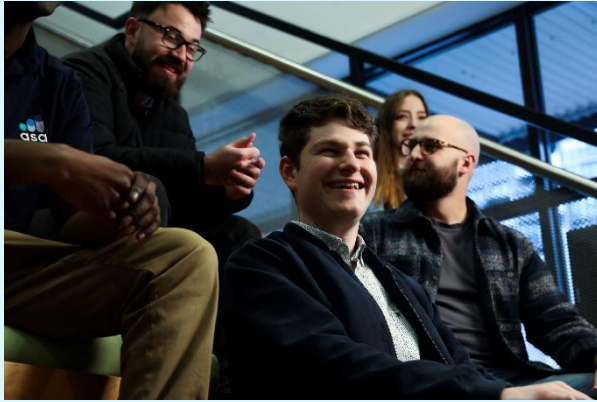
[A report by EY](#) on the value of advancing women-owned businesses stated that greater gender equality in the workforce: increases organisational performance; enhances the ability of companies to attract talent and retain employees and improves national productivity and economic growth among other benefits.

Certified social enterprise

There are about 12,000 social enterprises in Australia and over 760 are certified with Social Traders. Over the last seven years, Social Traders has been tracking the social spend between our business and government members with certified social enterprises. In FY24, a total of \$1.1 billion was spent with certified social enterprise over the last seven years. This cumulative spend has supported:

- 10,000+ employment outcomes
- 918K training hours for people otherwise shut out of work
- \$88.1 million spent on delivering affordable and accessible community services
- 56,500 tonnes of waste diverted from landfill
- \$13.1 million donated to charitable causes

These results show the power of the social enterprise model and how businesses can use their purchasing power to create impact.



Beyond economic metrics, diverse suppliers often bring lived experience that enriches workplace practices, products and service delivery. Take [Australian Spatial Analytics \(ASA\)](#), a certified social enterprise delivering advanced geospatial and engineering services. ASA looks to solve Australia's skills shortages in big data by accessing an untapped pool of talent by employing neurodivergent adults who may otherwise be unemployed.

Today, 80% of ASA's staff are neurodivergent (e.g. autism, ADHD, dyslexia). ASA uses this lived experience to train other leading organisations on how to build more neuro-inclusive workplaces. For corporates navigating workforce inclusion targets, that kind of insight is invaluable.

Forward-thinking leaders are focusing on impact

[Research out of the US](#) shows more business leaders are recognising the impact of diverse and sustainable suppliers on corporate culture (76%), supply chain competitiveness (65%), and meeting customer or government requirements (80%). In an environment increasingly shaped by stakeholder expectations, that matters.

[Research by SEC Newgate](#) found that 57% of Australians expect businesses to play a more active role in society. Investors are watching too.

As the pressure mounts for companies to demonstrate meaningful action - not just well-worded policies - diverse suppliers offer an authentic and transparent way to show progress. Not only do these partnerships support community engagement and job creation, they also align with emerging Australian and international sustainability standards which are legally required of companies.

Too often, supplier diversity is misunderstood as a cost, compliance burden or outside of the typical procurement function. But viewed through a commercial lens, it's a value-creating strategy.

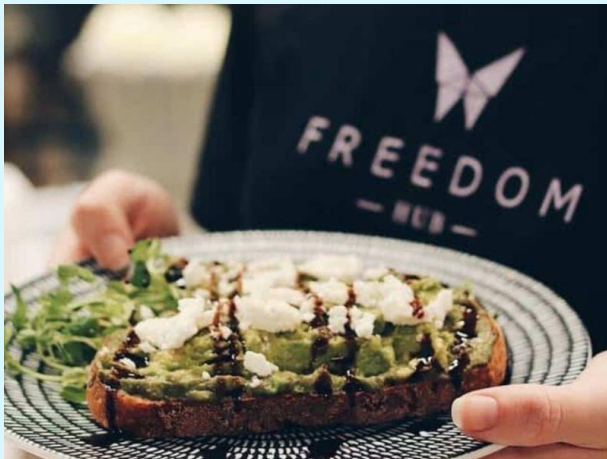
Supplier diversity is more than social procurement

Supplier diversity is broader than social procurement alone. It's not just about spending more with social enterprises, or achieving a specific target with Indigenous suppliers, rather, it's about rethinking who you do business with and why.

It is why [Social Traders has partnered with Supply Nation and WEConnect International](#) to deliver a unified approach to supplier diversity in Australia. Together, we're working towards a shared goal: driving greater economic engagement that strengthens our communities and the economy.

Whether through job creation, support for women-owned businesses, or sustainable product innovation, we believe supplier diversity should be embedded as part of the overall business strategy and operations - not siloed to ESG, social impact or procurement teams or relegated to ad hoc initiatives.

Having supplier diversity is good business. It's not about comparing certifications - it's about supporting high-quality, values-aligned suppliers that can help you meet both your business needs and your social impact goals.



[Freedom Hub](#) is a café, catering and events venue hire certified social enterprise supports victims of modern slavery by providing a safe place of employment. It provides rehabilitation support for survivors as well as modern slavery advisory to corporates – helping businesses build an ethical, compliant and responsible value chain. This dual model demonstrates how supplier partnerships can help companies walk the talk on ethical leadership.

Scaling social value, together

As the ESG conversation evolves, many companies are looking to demonstrate impact beyond their own operations. This is where supplier partnerships provide a critical link, allowing companies to extend their influence, generate measurable social return, and build credibility with customers, employees, investors and regulators alike.

If you're beginning your supplier diversity journey, start with a conversation.

Understand who you're currently spending with. Set realistic goals. And reach out to certified supplier diversity partners who can help you find the right suppliers, develop internal capability, and build momentum.

If you're already on the path, consider how you can scale your impact.

Are you diversifying across more categories? Are you building long-term partnerships with diverse suppliers, not just ticking boxes for the short-term? Are you capturing the stories and lived experiences of your suppliers to enhance your own internal practices?

The opportunity is clear. The economic and social value is proven. And the expectations are only growing.

The time is now. Drive your social performance further with our support.

[Get in touch.](#) We're here to help.

Image: Blaze Your Trail



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