**Case for Supplier Diversity**

A strong and dynamic supplier pipeline is fundamental to Cincinnati Children’s continued success and operation. Supplier Diversity is a fundamental strategy of our world-class procurement and supplier organization. We are committed to playing a key role. At Cincinnati Children’s we want to become a recognized leader in Supplier Diversity. We see this as a positive commitment that will benefit our business, as well as, the health of the local and U.S. economies. Supplier diversity is far more than moral imperative or societal goal. At Cincinnati Children’s supplier diversity is viewed as a sustainability strategy and a competitive advantage. Supporting diverse suppliers keeps us connected to our patient and employee base, enhances our role and reputation as an economic driver in the region and helps meet our corporate responsibility of giving back to the community.

Valuing and creating diversity among our suppliers is driven by two key business needs:

The first need is to support a supplier base that reflects our patients, employees and donors. As the Cincinnati community becomes increasingly more diverse, our continued success and positive reputation depends in part on our ability to meet the diverse expectations of our most important constituencies. From a marketplace and community aspect, a diverse supply chain becomes an excellent selling point to the local business community and builds greater trust, respect and valuable goodwill.

The second need relates to our supply chain management function of identifying and implementing creative initiatives that drive down costs and improve efficiencies. Investing in minority and women owned businesses encourages a competitive marketplace that benefits Cincinnati Children’s through increased choice and more competitive pricing. The best ideas are made possible through the diversity of thought and collaboration between buyers and suppliers of different backgrounds and perspectives.

Our commitment to creating a world-class supplier diversity program also provides a long-term strategic advantage to Cincinnati Children’s. Over time as the relationship with Cincinnati Children’s helps grow the capability, capacity and sophistication of our diverse supplier base, both our organization and community will benefit from a more dynamic group of diverse of businesses. These businesses will be able to competitively bid for and manage the most complex of jobs and projects.

With a strong internal commitment to supplier diversity, we are building a new type of competitive advantage that will enable us to more effectively leverage the value of a diverse supply base to achieve other internal objectives while enabling minority and women owned enterprises to grow and compete more effectively in the local marketplace.