

**All-Party Parliamentary Group  
for Responsible Business**

## **All-Party Parliamentary Group for Responsible Business Minutes for Roundtable on Diversity and Supply Chains**

**Monday 12 May 2025, 1:30pm – 3:00pm**

**Location:** Macmillan Room, Portcullis House

**Present: APPG members:** Dame Harriett Baldwin MP (Chair), Lord Aberdare (Co-Chair), Lady Wilcox of Newport (Vice Chair,) Alison Griffiths MP (Exec.)

**Business in the Community (Secretariat):** Gail Greengross (External Affairs Director), Laura Dunn (Head of Media and Public Affairs), Antoinette Blake (Race Campaign Manager), Grace Mehanna (Relationship Manager), Lesley Wolfenden (Company Secretary)

**Speakers:** Richard Iferenta – Vice Chair (Partner Indirect Tax KPMG and Chair, BITC Race Equality Leadership Board), Justin Onuekwusi (Chief Investment Officer, St James's Place), Patricia Mensah (Senior Supplier Inclusion Manager, Sky), Sandra Kerr CBE (Race Equality Director, BITC)

**Attendees:** Approximately 50 senior business leaders and representatives from industry.

### **1. Welcome from Lord Aberdare, Co-Chair of the APPG for Responsible Business**

- Lord Aberdare welcomed attendees to the meeting and noted his particular interest in hearing about how key barriers facing diverse-owned SMEs could be addressed, including access to finance, skilled labour, and visibility of opportunities.

### **2. Richard Iferenta, Vice Chair, Partner Indirect Tax KPMG and Chair, BITC Race**

- Explained that BITC Race Leadership Team has been looking at supply chain for a few years and therefore commissioned the Diverse and Inclusive Supply Chain report that highlighted supplier dissatisfaction and systemic barriers in corporate procurement.
- Called for greater transparency and for large firms to set targets to drive change.
- Emphasised inclusive supply chains as vital to wider economic growth and reduced reliance on welfare.
- Large business backing to mitigate financial restrictions for smaller businesses.

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### **3. Justin Onuekwusi, Chief Investment Officer, St James's Place**

- Linked diverse supply chains to cash flow, resilience, and fairness - diversified supply chains are what is needed to boost the economy.
  - Needs to be more resilient and robust so excluded areas of economy become included.
  - Solution needs to look at cash flow rather than access to capital
- 23% have targets on diversifying supply chain and only 13% of businesses are signed up to prompt payment code.
- Advocated for simplified contracts, intention-led data collection, and accessible digital procurement as well as opening networks to diverse SMEs.
- Reaffirmed importance of calls to action from Diverse and Inclusive Supply Chain Report:
  - Increased innovation and creativity, as diverse perspectives and experiences bring fresh ideas to the table.
  - Better understanding and connection with customers, tapping into a wider range of cultural and demographic insights.
  - Improved reputation, brand image and commitment to responsible business practices.

### **4. Patricia Mensah, Senior Supplier Inclusion Manager, Sky**

- Sky is a major contributor to UK economy with operations contributing £20 billion.
- Sky has developed an Inclusive Procurement Maturity Model (IPMM) to help organisations assess, improve, and embed supplier diversity within their procurement strategies. The model enables businesses to benchmark progress, identify areas for growth, and take practical steps towards building fairer and more inclusive supply chains. More than just a measurement tool – it supports collaboration across sectors for overall inclusion. IPMM will be launching soon for BITC members.
- Shared Sky's 10-year strategy, created in 2021, of treating suppliers as strategic partners and emphasised collaboration across diverse and non-diverse suppliers as well as the importance of tracking data and engaging multidiverse suppliers.

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### **5. Sandra Kerr CBE, Race Equality Director, BITC**

- Emphasised the need for granular data on ethnic minority-owned businesses.
- Cited BITC and YouGov Leadership, employment and procurement survey showing strong support for government-led data collection. Would like to see data presented by sector, trade and protected characteristics.
- Advocated for networks and government-backed platforms to facilitate access.
- Called for payment practices to be reviewed – explore 7-day payment terms for small businesses.
- Call for inclusion of enterprise skills in curriculum to boost confidence.

### **6. Parliamentarians**

#### **Dame Harriett Baldwin MP**

- Voiced frustration with public sector procurement frameworks limiting SME access.
- Asked panellists what their one-sentence elevator pitch for inclusive supply chains would be:
  - Diverse supply chains get different areas of Britain working.
  - Enhanced productivity.
  - Access to innovation and new ways of thinking.
  - Access to all gifts and talents and the opportunity to employ more people.

### **7. Contributions from Stakeholders**

#### **Veronica Heaven**

- Raised the issue of confidence among small businesses and the lack of access to procurement frameworks and opportunities.
- Highlighted inequities in venture capital funding for female and ethnically diverse business owners.
- Suggested skill registries to help businesses connect with opportunities.

#### **Jason Roberts - Kaleida**

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- Emphasised confidence as a major barrier for small and diverse businesses entering procurement spaces.
- Cited four years of measurement indicating that access, not spend is the most critical factor in determining supplier inclusion.
- Highlighted that most small businesses thrive on transactions under £30,000 and struggle to access Requests for Proposal (RFP) over £20,000; focus should be on RFQs and RFIs.
- Shared that many small firms don't know where to find opportunities and called for platforms that proactively market such access.
- Encouraged large organisations and networks like BITC and John Lewis Partnership to use their platforms to unlock these access barriers.
- Highlighted the value that a potential 3% market share could be gained through inclusion, along with innovation, superior service, and broader economic participation.

### Reshma Sheik – MSDUK

- The oldest certification body in the UK focused on connecting ethnic minority-owned businesses to corporate supply chains.
  - Currently works with over 125 certified businesses.
  - 70% of their partnerships are with US-based companies, and 30% with UK government and public sector.
- Barrier in the UK: Unlike the US, there's no formal certification recognition, so businesses often don't know if their supplier is ethnically diverse.
- Emphasised that supplier diversity isn't about charity; it's about accessing the best talent, innovation, and creativity in the market.
- Cited McKinsey research to back the business case, noting that diverse management can increase performance by over 10%.
- Advised that many assume diverse businesses are all small, but some are scaling significantly (her own business won its first contract after three years, with major growth within five).
- Critiqued Tier 1 spending language in procurement, arguing that commitments to diverse suppliers need more accountability, not just intention.
- Called for integration of social value and diversity in procurement beyond voluntary measures.
- Suggested a missed opportunity if government and business don't act boldly and embed these principles in contracts and evaluation.

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### **Kahlia - Lloyds Bank:**

- Would like examples of best practice on diverse and inclusive supply chains.

### **Neraline Cornelius – Queen Mary University London**

- Re-education of procurement managers is essential.
- Public Sector real barrier to diverse and inclusive supply chains due to rigid frameworks.
- Dialogue needed between corporate and public sector bodies.

### **Syreeta - Greater London Authority**

- Highlighted the GLA's strategic commitment to diversity in supply chains, especially in the context of broader social policy themes within London.
- Mentioned collaboration with MSDUK, data-driven stakeholders, and Tier 1 suppliers to improve visibility and action.
- GLA has conducted an end-to-end audit of their procurement, resulting in 64 recommendations for enhancing diverse supplier engagement.
- Emphasised the importance of a central digital platform that allows suppliers to self-identify and share data.
- Advised that many contracts fall below the threshold for mandated reporting, but the GLA still seeks to track spend and improve transparency.
- Uses PNS tools (Procurement Networking Services) to support target-setting and performance monitoring.
- Cited use of Policy Procurement Notice 05/21 to reserve contracts for diverse and smaller suppliers where appropriate.
- Emphasised commitment to Fair Payment Code, aiming to pay within 10 days and pushing Tier 1 suppliers to do the same.
- Acknowledged they're not fully there yet, but improvements are happening.
- Recognised that it's not only about contract award, but also about supporting suppliers to be procurement-ready, including within a highly regulated environment.

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### **Rebecca Derbyshire – Co-op**

- Shared that supply chain diversity is embedded in team objectives.
- Described practices such as including social value in tenders, supplier management check-ins, and mentoring schemes for smaller suppliers.

### **Jacob Gibson**

- Procurement managers need to educate business leaders about diversity's value, as they are the ones that make the final decisions.

### **Natalie Gregory-Skeete – HSBC**

- Shared her work in supporting entrepreneurship through university programmes.
- Highlighted the value of integrating education, mentorship, and entrepreneurship to support diverse business growth.
- Asked how universities could further contribute to inclusive procurement initiatives

### **Diana – The Learning Nuggets**

- Spoke from the small business perspective, expressing frustration at how difficult it is to identify and access contract opportunities
- Emphasised a lack of centralised clear procurement information.
- Called for simpler processes and better access to opportunities - suggested the need for a national platform to help SMEs, particularly diverse-led businesses, navigate and locate public and private sector tenders.

### **Matt Glass – Enterprise:**

- Shared their perspective as a family-owned business - Highlighted that family-owned companies like theirs see diversity as part of their DNA and community support role.
- Stated their inclusive supply chain commitment comes from values, not just compliance – “doing this as it’s the right thing to do, we were all small businesses at one time”.
- Emphasised their support for MSDUK and similar organisations that enable corporate-small business relationships.

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### 8. Closing remarks from Panel and Dame Harriett Baldwin MP, Co-Chair

- **Richard:** Need for shared best practice forums to discuss the barriers, challenges and opportunities and greater awareness of what exists.
- **Justin:** Need business leaders buy-in - Leadership education is essential.
- **Patricia:** Awareness – businesses to share what they are doing and how suppliers can help them to achieve it. IPMM can be used to set what good practice is and can support businesses in how to get there and measuring progress in improving supplier diversity.
- **Sandra:** Data platforms and networks will be key to unlocking opportunity.
- **Dame Harriett Baldwin MP:** Private sector is working towards the solution; public sector must now raise its game. Did not hear private sector say they wanted more in terms of regulations. Need to share examples from this discussion to inform future policy with Procurement Minister.

### 9. Next Steps

- BITC to collate and circulate best practice examples.
- Advocate for baseline measurement and accessible tools to support SMEs.
- BITC to draft Letter to Georgia Gould, Procurement Minister with summary of the meeting and examples from this discussion to inform future policy.