

Gender- Responsive Procurement **Playbook**





Introduction

Since its inception in 2007, Women Win has been an advocate of best practices in gender equity and girls and women's economic empowerment¹, providing funding, consulting, training, and partnership-building services.

The movement to empower girls and women increasingly recognizes the need to drive capital² and control of that capital into their hands. With this in mind, and driven by the vision of a future where every woman and girl can exercise her rights and achieve full economic empowerment³, Women Win, supported by Plan International The Netherlands, has created this toolkit to help companies develop and apply a gender-responsive procurement⁴ strategy.

Grounded in the belief that we can drive change, large and small, through our purchasing power, we have aimed to capture best practices and outline some simple steps to help companies fully embrace the benefits of women's economic empowerment and develop effective gender-responsive procurement policies that are good for women and for business.

Procurement decisions are made with the goal of getting the best quality for the lowest price in a timely fashion. Some companies also have basic ethical procurement guidelines in place requiring transparency, integrity, fairness, and competition. Some even take social and environmental factors into consideration. Yet, surprisingly, few explicitly address how a corporation's purchasing power can simultaneously be used to advance its efforts to advance gender equality.

¹ A woman is economically empowered when she has both the ability to succeed and advance economically and the power to make and act on economic decisions.

² Five Capital Model - includes Natural, Social, Human, Financial, and Manufactured Capital.

³ Women's full economic empowerment is only achievable through a building-block approach in which a woman has: access to equitable and safe employment; access to education and training; access to and control over economic resources; voice in society and can influence policies; freedom from risk of violence; freedom of movement; access to and control over sexual & reproductive rights as well as control over family formation; the burden of unpaid care work addressed.

⁴ Gender-responsive procurement is the selection of services, goods and civil works that considers their impact on gender equality and women's empowerment.

By designing gender-responsive procurement policies and guidelines, companies can become active contributors to women's economic empowerment by amplifying support for, and driving more resources to, women-owned businesses and other suppliers which are working to advance gender equity. Moreover, as many have already discovered, expanding and diversifying company's suppliers can be a powerful tool to build a more competitive and robust supplier pool.

Of course, translating good intentions into practice is not always straightforward. Nonetheless, there are few simple steps that companies can take to design and implement procurement policies that incorporate a gender equity approach. Asking suppliers simple but important questions about their gender policies, consulting with publicly available resources that list and rank companies based on gender performance, seeking out women-owned businesses, and sharing strategies and tools for gender responsive procurement provide an important but underutilized opportunity to a change.

Economically empowering women is one of the most effective ways to promote prosperity and to fight poverty, and it simply cannot be achieved without the engagement of the private sector. Corporations are well positioned not only to promote gender equality and empower women in their workplaces and their communities, but also through their purchasing policies and practices. The size and volume of corporate purchasing gives companies the potential to influence the way suppliers and supply chains operate and to make a significant impact in empowering women globally.

Gender-responsive procurement strategies can also be powerful tools in raising awareness and influencing suppliers. By signalling a strong commitment to gender-responsive procurement and by making it visible on websites and in procurement policies and materials, companies can influence a broad range of suppliers to become more gender equitable, and support women in building their businesses and increasing their resources.

We hope this toolkit will convince you of the need to develop a gender-procurement approach and help to get you started!



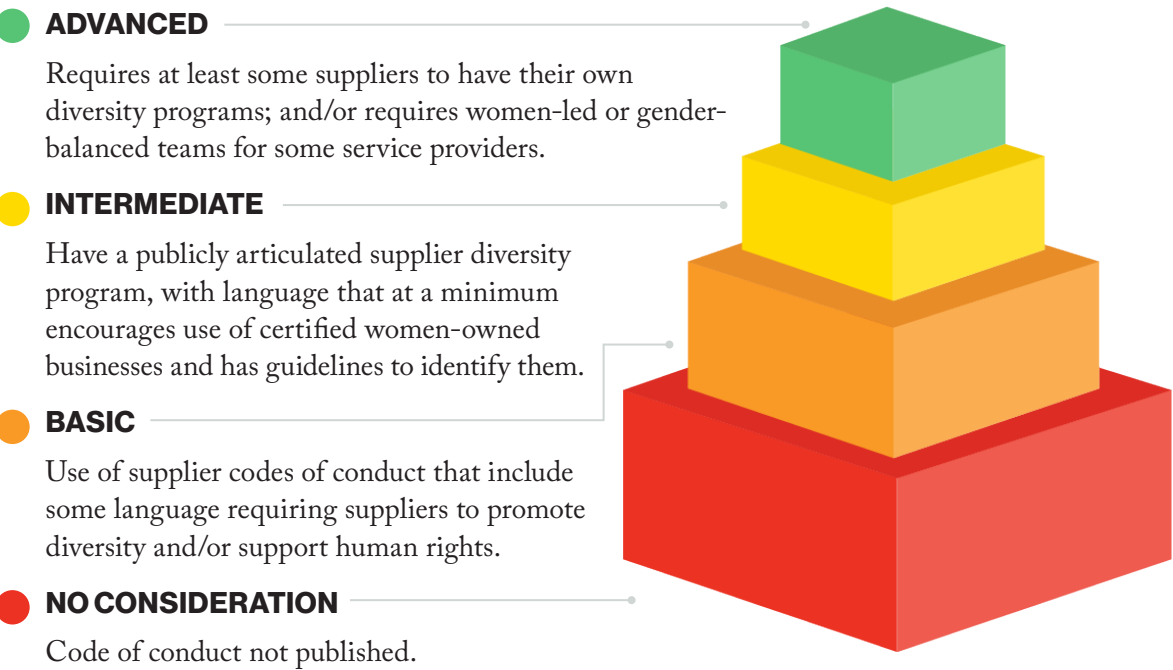
Gender-Responsive Procurement: Level of Sophistication

Women Win recently surveyed publicly available information on selected Dutch companies, some being signatories of the [Women’s Empowerment Principles](#) (WEPs), others being part of the 2019 Forbes List, to better understand how those organisations consider and use gender as criteria in procurement.

This research revealed four stages in the level of organisational sophistication around the use of gender criteria in procurement processes:

- 1. No evidence** related to consideration of gender in procurement practices.
- 2. Basic:** Use of supplier codes of conduct that include some language requiring suppliers to promote diversity and/or support human rights.
- 3. Intermediate:** Have a publicly articulated supplier diversity program, with language that at a minimum encourages use of certified women-owned* businesses and has guidelines to identify them.
- 4. Advanced:** Requires at least some suppliers to have their own supplier diversity programs; and/or requires women-led or gender-balanced teams for some service providers.

Benchmark Findings



(*) The definition and eligibility criteria for women-owned businesses should at a minimum include: (1) at least 51 per cent unconditional ownership by one or more women; (2) unconditional control by one or more women over both the long-term decision-making and the day-to-day management and administration of the business operations; and (3) independence from non-women owned businesses. 5

5 Criteria considered for WBE certification by WEConnect International

Some examples from the Dutch market

The previously mentioned research mentioned earlier focused on Dutch companies and highlighted some good practices that might serve as inspiration for others.

Unilever, a company long recognized as a global leader in its efforts to drive gender equity not only in its workplace but across its entire value chain, articulates its vision as “a world in which every woman can create the kind of life she wishes to lead, unconstrained by harmful norms and stereotypes.” See e.g., its 2017 [Opportunities for Women](#) report.

With respect to its procurement policies, Unilever has implemented a [Responsible Sourcing Policy](#) around 12 fundamental principles, including “Equal treatment with respect and dignity”. Through this principle, Unilever is asking its suppliers to implement specific and measurable targets for achieving equality between women and men and to take affirmative action to attain them. Unilever believes that helping women is good for the business. They indeed consider that empowered women can play a vital role in reaching their consumers and enabling their business to grow.

Other Dutch companies, without a specific history of advancing gender equity, have also started to see the value of including a diversity component in their supplier management. One such company is Lidl. After scoring poorly on [Oxfam’s Supermarket Scorecard](#) which assesses and ranks 16 major supermarkets on four themes (Transparency, Workers, Farmer and Women), Lidl committed itself to protecting the rights of supply chain workers, published a new human rights policy, and now systematically tracks the gender profile of workers in their high-risk supply chains and the specific risks affecting women.

Overall, our research indicated that few companies included gender-based criteria in their supplier selection process. While there is growing interest in this area, the focus of most “supplier diversity programs” is still largely limited to the use of a supplier code of conduct that includes language requiring suppliers to promote diversity and/or support human rights.

Only a small portion of the companies included in our research actually made some efforts on sourcing from women-owned businesses through their supplier diversity programs. More commonly, companies encouraged sustainability programs for their suppliers, including social and environmental responsibility requirements in their procurement process, or focused their supplier diversity programs on non-gender aspects such as sourcing from small businesses.

From our sample survey, only one company, Unilever (also the only one that ranked in the Top 100 of the [2019 Equileap Global Report](#)) was identified as reaching what we designated as the “advanced” level of sophistication, asking its suppliers to develop their own supplier diversity programs. While this result may stem from the failure of some corporations to publicize their gender criteria for procurement, that in itself is a missed opportunity for those companies to make the case for women’s economic empowerment through sourcing policies.

The recently published [NL Equileap Report](#) presents an evaluation of 100 publicly companies listed on the Euronext Amsterdam Stock Exchange, ranking them based on their performance on gender equality. It also includes a deep-dive analysis of their performance on gender equality in their supply chains. While there appears to be an improvement in the performance of Dutch companies compared to research from previous years, this report highlights the opportunity for improvements for both gender equality in the workplace and throughout supply chains. The report also reveals that very few Dutch companies are proactively monitoring the gender diversity of their suppliers and proactively working with women-owned businesses.

While there has been some progress by Dutch companies in embracing the issue of women's economic empowerment and gender equity in the way they run their companies and do business, few have advanced beyond a basic level of sophistication with regard to gender-responsive procurement.

A better understanding of the benefits that adopting a gender-responsive procurement policy can bring to business is important to accelerate that development.

The business case for gender-responsive procurement

Numerous reports from global institutions⁶ have established that business benefits when companies promote gender equality across their value chains. Similarly, making procurement more gender-responsive has potential to benefit companies in a number of ways.

The contribution of women-owned businesses to the global economy is significant. It generates millions of new employment opportunities in addition to contributing to the local development. For companies, underutilizing women-owned businesses as suppliers in their supply chain also means missing a commercial opportunity. One McKinsey survey found that "34% of companies said working with women-owned suppliers had increased profits."

⁶ "Rethinking how companies address social issues". McKinsey Global Survey results, January 2010; "Diversity Matters". McKinsey report, February 2015; "The CS Gender 3000 in 2019: The changing face of companies". Credit Suisse, October 2019

WHY IS THIS THE CASE?

Integrating women-owned businesses into corporate supply chains helps expand and diversify markets, thereby mitigating risk. In addition, research has shown that female entrepreneurs introduce innovations (new products and services) in developed economies more frequently than male entrepreneurs.⁷ By increasing the number of women-owned businesses in supply chains, companies are likely to be fostering greater product innovation as well.

Finally, both men and women – particularly younger generations – are increasingly sensitive to a company's policies and programs to advance gender equality in the workplace and beyond. As an employer, supporting gender equality and women's economic empowerment through procurement policies is one way to "walk the talk" on these issues. Moreover, with women accounting for over \$20 trillion in consumer spending each year and being involved in 80% of purchasing decisions worldwide, the knowledge that your company is supporting women throughout its supply chain can help develop brand loyalty and enhance reputation in a highly competitive world.

As organisations with extensive sourcing needs, companies are well-positioned to advance gender equality and women's empowerment by making their procurement decisions more gender-responsive. This can be done in a number of different ways.

Below are some concrete steps and actions to get started!

⁷ "The Business Case for Global Supplier Diversity and Inclusion". WEConnect International. 2017

Gender-Responsive Procurement: Three Tools

The purpose of this section is to guide you through gender-responsive procurement and help you implement it in your company. The ultimate objective is to make sure that, moving forward, your procurement team is able to thoughtfully consider whether it has, or can find, suppliers who are aligned with the mission of advancing gender equity, while at the same time meeting the need for timely delivery of high-quality goods and services at a competitive price.

There are **three principal tools** to use when assessing the gender-responsiveness of your procurement policies:

1. Sourcing from Women-Owned Businesses

Is the supplier a women-owned business defined in way to incorporate not only formal ownership, but also functional management and control. WEConnect International use the following definition in its certification program: To be considered a women-owned business, a business must have (a) at least 51 per cent unconditional ownership by one or more women; (b) unconditional control by one or more women over both the long-term decision-making and the day-to-day management and administration of the business operations; and (c) independence from non-women owned businesses.

If the business is certified as a women-owned business, one simply needs to confirm that fact and that the definition that the certifying organisation is using is acceptable to your company. If there is no such certification, it will be necessary to ask the supplier for information as to ownership, management and control of the business.

Your company can also proactively look for women-owned suppliers by using existing platforms, such as [WEConnect International](#), which identifies, educates, registers and certifies women-owned businesses outside the United States, and connects them with qualified buyers around the world. WEConnect International members are global, regional and local companies and other organisations. Members have access to a global database and other resources to help them develop and leverage a diverse and inclusive global value chain. While [corporate membership](#) is fee-based, to assist in global efforts addressing the challenges of COVID-19, WEConnect International put together an open-source [listing of women-owned businesses](#), by region.

For a deeper dive into benefits and challenges of sourcing from women-owned businesses, see also [the UN Women's 2017 corporate guide to sourcing from women-owned businesses](#).

2. Evaluating the Gender Policies of a Supplier

More broadly, figuring out if a supplier is supportive of gender equality and seeks to advance women in its workplace, supply chain and the communities in which it operates can be difficult, but there are some tools to help a company make judgements on these issues.

EXAMINING PUBLIC RANKINGS

When a supplier is a large multinational company – such as many banks, hotels, information and technology suppliers – it is possible to consult published “gender equality” indices and rankings which list companies based on their performance on a number of disclosed gender criteria. Those with the most extensive publicly available criteria are [Equileap’s Gender Equality Reports](#) and [Bloomberg’s Gender Equality Index](#).

EDGE Strategy also works directly with companies and other organisations to provide three levels of [EDGE certification](#) based on workplace measures of gender equality. These are built around four pillars: strong gender balance at all levels of the organisation; proactive management of pay equity; a solid framework of effective gender equality policies and practices; and an inclusive culture, based on employee ratings. While EDGE is generally viewed as a rigorous workplace certification (e.g. being EDGE certified is one criterion in the Bloomberg ranking), the EDGE criteria and methodology for certification are not public.

Companies might consider as a minimum requirement that large corporate suppliers are signatories to the [Women’s Empowerment Principles](#) (WEPs). The WEPs are a set of seven principles developed by UN Women and the UN Global Compact, adapted from the Calvert Women’s Principles. Over 2000 companies are now signatories to the WEPs, but those companies are not assessed to see if, or how, they are working to implement these principles. (While our research indicated that a number of WEPs signatories did not have any specific gender-responsive procurement programs in place, they seemed to be doing better than non-WEPs signatories, the majority of which had, at best, a supplier code of conduct mentioning diversity.)

CREATING YOUR OWN CHECKLIST FOR SUPPLIERS

When considering smaller and more local businesses as suppliers – those which are not ranked in the major gender equity indices mentioned above – you can build your own list of key gender-responsive procurement questions to ask potential suppliers. Purchasing from local women-owned businesses for everyday needs and seeking their insights is an easy way to get started as you develop your policies.

Does the supplier have – or seem to be striving for – gender balance in management and leadership? Does it have policies and programs in place to support recruitment, retention and advancement of women equally with men? Does it have effective policies addressing sexual harassment and parental leave? These are some of the questions asked by the organisations like Equileap and Bloomberg that build the gender rankings and lists of large companies referred to above. Your organisation can ask them too!

On the following page, you will find a checklist example to assess the approach of suppliers towards gender balance and women’s economic empowerment. Feel free to use them and customize them to meet your needs.

Even if you choose to use suppliers who do not meet all your criteria, by asking key questions, having a conversation with the potential supplier, and conditioning future business on improvements in certain areas, you can influence suppliers in your ecosystem to be more gender equitable.

Example of a
Gender-Responsive Procurement Checklist

| QUESTION | Type of Answer |
|--|------------------------|
| 1 Is your company a women-owned business? NB: The definition for women-owned businesses includes at the minimum the following elements: (1) at least 51 per cent unconditional ownership by one or more women; (2) unconditional control by one or more women over both the long-term decision-making and the day-to-day management and administration of the business operations; and (3) independence from non-women owned businesses. | Yes or No |
| 2 Are you a <u>certified</u> women-owned business? If yes, please provide name of certifying organisation and attach a copy of your most recent certification. | Yes or No |
| 3 What are the number and percentages of men and women in your total employee workforce? | Free text |
| 4 What are the number and percentages of men and women on your company’s board of directors or equivalent governing body? | Free text |
| 5 What are the number and percentages of men/women in your company’s senior management and executives? | Free text |
| 6 Is there a written corporate policy that describes your company strategy in regard to gender equity and women’s empowerment? If yes, please provide detailed information or attach documents. | Yes or No Free text |
| 7 Does your company have a policy regarding non-discrimination and equal opportunity in recruitment and promotion processes? If yes, please describe. | Yes or No Free text |
| 8 Does your company offer an equal compensation to women and men? | Yes or No |
| 9 Does your company offer paid maternity leave? If yes, please attach policy or describe. | Yes or No Free text |
| 10 Does your company offer paid paternity leave? If yes, please attach policy or describe. | Yes or No Free text |
| 11 Does your company have written policies supporting and facilitating the work/life balance of all employees? If yes, please attach or describe. | Yes or No Free text |
| 12 Does your company have a written policy to secure an environment free of violence and verbal, physical & sexual harassment? If yes, please attach or describe. | Yes or No Free text |
| 13 Has your company developed a gender-responsive procurement approach or a supplier diversity program (aiming at increasing spend through women-owned businesses)? If yes, please describe and attach relevant documents. | Yes or No Free text |

3. Requiring Women-Led Teams

A third powerful tool that can be used to advance gender equity is to require service providers to field diverse teams that are women-led and gender-balanced. Starting with teams who ‘pitch’ services, in hiring consultants, web designers, creative agencies, accountants or lawyers, make sure you include the importance of a diverse, women-led team in any request for bids or proposals. In this regard, note that diversity alone is not enough, as many suppliers are savvy enough to field diverse teams. What is equally important, is that the team is woman or women-led. Your insistence will help make your suppliers more sensitive to the need to advance women in their own workplaces. It is also a powerful way to get a range of new perspectives and ideas.

Conclusion

Procurement can become a strategic lever in corporate efforts to empower women. It has been an underutilized tool in driving capital to women and influencing a broader ecosystem of suppliers to consider action that can improve the lives of women. The procured value of goods and services by governments, companies and non-governmental organisations amounts to trillions of dollars globally. Yet, less than 1% of women-owned businesses access the procurement market and are awarded the contracts.⁸

Building a consistent gender-responsive procurement strategy is a process, but it presents a unique opportunity to unleash the tremendous potential for women’s economic empowerment and gender equity represented by women-owned businesses and women-led teams. To date, little attention has been paid to how procurement policies and procedures can unlock this potential, despite a growing body of evidence that shows gender equality and women’s empowerment are pivotal to sustained economic growth and attaining development goals. Gender-responsive procurement can be a win for both corporations and the women entrepreneurs.

Moreover, gender-responsive procurement strategies are crucial to raise awareness and to influence suppliers. By signalling a commitment to gender-responsive procurement and by making it visible on your website and in materials, your company can influence a broad range of suppliers to become more gender equitable, and support women in building their businesses and increasing their resources.



