



ADVOCACY BRIEF

PROCUREMENT'S STRATEGIC VALUE

Why gender-responsive procurement makes business sense

WOMEN'S
ENTREPRENEURSHIP
ACCELERATOR

 UN
WOMEN 

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Produced by the Economic Empowerment Section of
UN Women

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The contents of this report additionally do not necessarily reflect the views of NAMA Women Advancement and Mary Kay, Inc., UN Women's two strategic partners for the development of this report.

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Cover photo: A baker prepares bread for packing and distribution to schools in Kyrgyzstan, which purchase 600 of the 5,000 units of bread the bakery produces daily. UN Women/David Snyder.

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ECONOMIC EMPOWERMENT SECTION

UN WOMEN

New York, April 2022

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The ultimate goal of the initiative is to maximize the development impact of women's entrepreneurship in achieving the Sustainable Development Goals (SDGs) by creating an enabling ecosystem for women entrepreneurs around the world.

This publication is a contribution to UN Women's "Stimulating Equal Opportunities for Women Entrepreneurs" flagship programme, which champions gender-responsive procurement as a strategic lever for supporting women's entrepreneurship. UN Women thanks NAMA Women Advancement for its support of the flagship programme and Mary Kay, Inc. for its support of the WEA-affiliated activities that fall within the programme.

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ABBREVIATIONS AND ACRONYMS

B2B	Business-to-business
B2C	Business-to-consumer
BCG	Boston Consulting Group
CEO	Chief Executive Officer
CPO	Chief Procurement Officer
CSR	Corporate social responsibility
DE&I	Diversity, equity and inclusion
ESG	Environmental, social and governance
GDP	Gross domestic product
GEM	Global Entrepreneurship Monitor
GRP	Gender-responsive procurement
ILO	International Labour Organization
ITC	International Trade Centre
MCB	Marketing and consumer business
PPE	Personal protective equipment
RFPs	Request for proposals
SDGs	Sustainable Development Goals
SMEs	Small and medium-sized enterprises
WBENC	Women's Business Enterprise National Council
WEA	Women's Entrepreneurship Accelerator
WEPs	Women's Empowerment Principles

KEY DEFINITIONS

Gender-responsive procurement (GRP): The sustainable selection of services, goods or public works from women-owned or women-led enterprises and/or those having gender-responsive policies and practices for employees and supply chains.

Gender-responsive businesses: Businesses that meet criteria for integrating gender equality and women's empowerment tenets in their policies and practices that are in alignment with international norms and standards. To be considered gender-responsive, comprehensive compliance with the Women's Empowerment Principles (WEPs) and International Labour Organization (ILO) labour standards would be required.

Supplier diversity: A formal programme which promotes procurement from businesses that are at least 51 per cent owned and operated by a traditionally underrepresented or underserved individual or group.¹

Supply chains: The direct sequence of activities to produce goods, often from the perspective of buyers.

Tier 1 suppliers: Directly contracted suppliers that provide services, goods or public works to the business.

Tier 2 suppliers: A business' indirect suppliers, who are contracted by their direct, Tier 1 suppliers.

Value chains: "[T]he full range of activities that are required to bring a product or service from conception, through the intermediary phases of production (involving a combination of physical transformation and the input of various producer services), delivery to final customers, and final disposal after use".²

Women's Empowerment Principles (WEPs): The Women's Empowerment Principles are a set of principles offering guidance to businesses on how to promote gender equality and women's empowerment in the workplace, marketplace and community.

Women-owned business:³ A legal entity, that at a minimum: 1) is at least 51 per cent owned by one or more women; 2) is unconditionally controlled by one or more women over both long-term decision-making and the day-to-day management and administration of the business operations; and 3) is independent from non-women-owned businesses.

Women-led business: A legal entity in any field that has a minimum of 50 per cent women-identified representation in management with senior-level, strategic decision-making abilities.

1. Bateman, Barrington and Date 2020; Worthington 2009.

2. Kaplinsky 2004.

3. While various organizations have their own definitions of women-owned businesses, this publication uses the UN system's standard definition.

FOREWORDS

UN Women

The COVID-19 pandemic has exacerbated existing inequalities including gender inequalities. At the same time, the world is facing increasing economic insecurity, supply chain interruptions and accelerating climate and environmental crises.

We stand at a crossroads and the global community—including the private sector—now faces a choice, in the words of the UN Secretary-General, between “breakthrough or breakdown”. The world cannot continue business as usual, and the private sector must rethink traditional business models—not only to stay competitive, but also to contribute to a more sustainable future.

The Economic Empowerment Section of UN Women is proud to produce this report, which makes the evidence-based case that procurement can be a force for positive social and economic outcomes when gender-responsive policies and practices are adopted. It calls upon the private sector to take on gender-responsive procurement (GRP) as a way to embed and practise the values of the UN Sustainable Development Goals (SDGs) to not only strengthen their businesses but also promote women’s empowerment in the context of a changing world.

UN Women’s work leverages the transformative power of GRP while taking on a holistic approach in promoting women’s economic empowerment, especially aware of the breadth of challenges women entrepreneurs face. This approach underpins UN Women’s programmes and initiatives, including on decent work and entrepreneurship.

Achieving gender equality and the empowerment of women is the responsibility of everyone. UN Women cannot do this work alone. We call upon all, including the private sector, to step up for gender equality and women’s empowerment. We stand ready to support as partners those who want to start their GRP journeys.

New challenges require new solutions and supporting gender-responsive policies and programmes in all business functions, including in procurement, is a crucial way in which companies can strengthen their businesses and face today’s pressing issues.

Jemimah Njuki

Chief, Economic Empowerment Section, UN Women

NAMA Women Advancement

At a time when we must expand the pool of human resources and talents to tackle the long-term impacts of the COVID-19 pandemic, exacerbated climate change issues and stymied economic growth, it is unfortunate that the economic potential of women, one half of the world's population, continues to be unharnessed. Studies have highlighted time and again that economies built on a foundation of inclusivity power responsible and sustainable growth worldwide.

To ensure women entrepreneurs' rightful place in economic life and build an ecosystem that will fuel their economic empowerment,⁴ it is vital to offer equal opportunities to women-owned enterprises to access markets. As stated in the 2021 joint ILO–UN Women Report, *Rethinking Gender-Responsive Procurement: Enabling an Ecosystem for Women's Economic Empowerment*, both the public and private sectors' sourcing policies and practices, if shaped in a gender-responsive manner, can offer a strategic entry point to women entrepreneurs and women-owned businesses into local and global economies.

What would happen if organizations made concerted efforts to procure from women-owned businesses and engage in gender-responsive supply chain and investment practices? NAMA Women Advancement (NAMA)'s response took the form of funding UN Women's Flagship Programme Initiative, launched in June 2018, which has revealed the impact of such measures on inclusive and sustainable economic growth and employment.

The project, implemented in partnership with UN Women, governments, the private sector, investors, civil society, female entrepreneurs and women's enterprise associations, has had an impact especially in South Africa and the United Arab Emirates and has had an overwhelmingly global reach through high-level advocacy and dialogue for gender-responsive procurement and women's enterprise development.

Her Highness Sheikha Jawaher bint Sultan Mohammed Al Qasimi, Chairperson of NAMA and a global champion of equality, once beautifully encapsulated why the 2030 Agenda's promise to leave "no one behind" should be a strategic and collective goal: "Integrating women in the economic domain and investing in their development will create a ripple effect that will benefit not just individual women but families, communities and nations around the world."

Gender-responsive procurement is one of the many goals we need to achieve in this journey, for it not only improves the lives of women and girls around the world but also has a positive ripple effect on societies. It fuels an opportunity to expand into new markets, diversify supply chains, boost productivity and grow the economy. As we step up efforts to build long-term systemic changes, I call upon the private sector to integrate women into global value chains and make our shared goal of equality a reality.

H.E. Reem BinKaram
Director, NAMA Women Advancement

4. UN Women and International Labour Organization (ILO) 2021.

Mary Kay, Inc.

Gender-responsive procurement (GRP) is a powerful inclusion strategy that provides an opportunity to reshape the narrative around women's contributions to economy and society. Consider this:

- Women own one third of all businesses worldwide⁵ but make up just 1 per cent of global procurement of large corporations.⁶
- In 108 economies, women cannot run a business in the same way as men.⁷
- COVID-19 has disproportionately impacted women-owned businesses.

Despite these alarming facts, women entrepreneurs remain the solution for many challenges the world faces today. Data show that an increase in women entrepreneurship leads to economic growth, sustainable development and healthier social inclusion.

The world needs a greater understanding of GRP—it benefits all of us. That's why this report is so timely.

Mary Kay, Inc. is honored to co-sign this report. We believe the effects of GRP are far-reaching and span beyond women's economic empowerment. GRP also affects corporate profitability, risk mitigation, innovation and sustainability. When women entrepreneurs are excluded from the procurement pipeline, companies risk leaving a considerable amount of talent, creativity and expertise on the table.

GRP is a winning business strategy as well as a powerful catalyst for change.

Together with six United Nations Agency partners through the Women's Entrepreneurship Accelerator (WEA), we are seeking to create awareness and to call on the global business community to implement GRP strategies, and to commit to raising the percentage of women-owned and led businesses and gender-responsive businesses across value chains.

We can do better than 1 per cent. If every CEO or Chief Procurement Officer (CPO) reading this report commits to engaging just 2 or 3 per cent of procurement to women-owned businesses, imagine the multiplied impact—for women, businesses, communities and economies across the globe.

This is a historic opportunity. Women can't wait any longer. Our world can't wait any longer.

Let's do it!

Deborah Gibbins

Chief Operating Officer, Mary Kay, Inc.

5. World Bank 2020.

6. Vazquez and Sherman 2013.

7. World Bank 2021b.

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EXECUTIVE SUMMARY

While gender-responsive procurement is a growing practice, it is far from universal. Globally, 1 in 3 businesses are owned by women,⁸ but women only win an estimated 1 per cent of the procurement spend of large corporations.⁹

This is a missed opportunity. The private sector spends trillions in procurement, contributing to 72 per cent of GDP in OECD countries, with a staggering 58 per cent of capital flows being spent on supplier payments in corporations with revenue exceeding US\$1 billion.¹⁰

Meanwhile, the COVID-19 pandemic has exposed and exacerbated growing inequalities, shedding light on the precariousness of progress for women and women's entrepreneurship.

Gender-responsive procurement (GRP)—the sustainable selection of services, goods or public works from women-owned or women-led enterprises and/or those having gender-responsive policies and practices for employees and supply chains—is a strategic way forward for women and businesses alike.

UN Women engaged over 350 stakeholders in 2021, of which over 150 private sector companies were represented, to buttress the conversation on and create an evidence base for why businesses should adopt GRP.

The research found that companies are seeing six main benefits to their business:



1. Companies practising GRP benefit from **increased revenue and reduced procurement spend**, owing to a broader range of suppliers, many of which become customers.



2. Amid a challenging global context with increased supply disruptions, GRP gives companies the tools to build **greater supplier availability and resilience**.



3. GRP **strengthens companies' brands** to customers, peers, investors and employees, which drives business and brand loyalty.



4. GRP is correlated with **more innovation and adaptability**, allowing companies to better respond to customers' needs.



5. GRP helps spur the influx of new diverse talent, which can **improve service delivery**, i.e. increases in efficiency, customer service and productivity.



6. Companies adopting GRP principles contribute to **strengthened markets through economic development and inclusive growth**, leading to new and expanding business opportunities.

This report presents the business case for GRP through these six findings. It makes the case for companies to urgently rethink their procurement practices, framing GRP as a way to create social and economic value amid increasing economic uncertainty.

8. World Bank 2020.

9. Vazquez and Sherman 2013.

10. Manyika et al. 2021.

INTRODUCTION

Companies that promote gender equality through their policies and practices can contribute to advancing human rights and, as research increasingly demonstrates, improve their business at the same time. A key means to do this is through gender-responsive procurement (GRP), the sustainable selection of services, goods or public works from women-owned or women-led enterprises and/or those having gender-responsive policies and practices for employees and supply chains.

For far too long, the gendered impacts of corporate spending, which represents a sizeable portion of gross domestic product (GDP) and trillions of dollars, have been unrecognized. For example, the business sector in Organisation for Economic Co-operation and Development (OECD) countries contributes to 72 per cent of GDP, with a staggering 58 per cent of capital

flows being spent on supplier payments in corporations with revenue exceeding US\$1 billion.¹¹ Yet, women entrepreneurs are notably absent from private sector supply chains, representing a huge opportunity cost for women's economic empowerment and inclusive economic growth.

Globally, 1 in 3 businesses worldwide are owned by women,¹² but women only win an estimated 1 per cent of the procurement spend of large corporations.¹³ The potential of companies adopting GRP principles suggests this strategy could be an influential facet of 'building back better' as the world responds to the ongoing impact of COVID-19 and growing inequality including through re-examining business practices to recover and transform economies.

“Gender inequality is the overwhelming injustice of our age and the biggest human rights challenge we face.”

António Guterres, Secretary-General of the United Nations, remarks at the Observance of International Women's Day, 6 March 2020

Procurement's strategic value

While the market opportunities represented by procurement and sourcing have long been recognized as an engine for growth for small and medium-sized enterprises (SMEs), good practice in GRP has been largely undertaken by companies actively working for gender equality and is far from widespread. At the same time, corporations, small and large, are recognizing the

vulnerability of their supply chains due to practices that do not reflect their consumers' values of gender equality and sustainable development, are risking non-compliance with human rights and international standards (see [Box 1](#)) or are missing out on the substantial contribution that women's enterprises and gender-responsive enterprises can make to businesses.

11. Manyika et al. 2021.

12. World Bank 2020.

13. Vazquez and Sherman 2013.

Making and publicizing a business case could help convince more companies of all sizes to adopt GRP policies and practices. That is the purpose of this publication, which aims to advance the conversation around sustainable procurement and supply chain management by using quantitative and qualitative

evidence to show that businesses that adopt GRP stand to benefit in both financial and social equity terms. It provides businesses with a resource they can use to think and act beyond the status quo of conventional procurement policies and practices.

BOX 1

The Sustainable Development Goals and the private sector

The UN Secretary-General has called upon all stakeholders, including the private sector, to take urgent action to achieve gender equality, women's economic empowerment and support women entrepreneurs, most recently in [Our Common Agenda](#).¹⁴ The agenda builds upon the [Decade of Action](#), a renewed commitment to the Sustainable Development Goals (SDGs), and recognizes the present as an inflection point to envision and create a better future.

The global community is placing a spotlight on the choices and developments made by businesses and on forging multi-stakeholder partnerships for advancing sustainable development (SDG 17). Although 71 per cent of Chief Executive Officers (CEOs) agreed business can play a critical role in contributing to the SDGs, only 21 per cent of CEOs said they were doing so, according to a 2019 UN Global Compact and Accenture CEO survey.¹⁵

While business may view their own challenges as disconnected from those around the SDGs and gender equality, they are very much related. Inclusive and sustainable development is paramount for businesses seeking to both stabilize themselves in a volatile economy and benefit from its future growth. Widening gender inequalities hurt all companies, including women entrepreneurs vital to robust and resilient supply chains and the businesses that rely on them.

In fact, business needs are becoming more aligned with sustainable development as environmental, social and governance (ESG) issues attract more attention. The implementation of GRP allows companies to practise and institutionalize ESG values and importantly, contribute to women's empowerment and the SDGs. Through the adoption of GRP principles, businesses can make progress towards multiple goals, including gender equality (SDG 5) and reduced inequalities (SDG 10) in addition to responsible consumption and production (SDG 12), eliminating poverty (SDG 1) and decent work and economic growth (SDG 8).

For this report, UN Women gathered information from over 150 companies through interviews, surveys and a community of practice to hear the perspectives of those already undertaking GRP on how it supports women's entrepreneurship and the benefits received ([see Annex](#)

[for details of the research methodology](#)). It is the hope of UN Women that sharing practical experiences, examples and benefits in this report will encourage the private sector towards further uptake and use of GRP.

14. United Nations 2021.

15. UN Global Compact 2020.

This publication synthesizes the findings from UN Women’s research under six main themes, as discussed in the following chapters. First, companies reported that GRP increased revenue and reduced costs by expanding their customer base and increasing competition among suppliers, resulting in lower purchasing spend. Second, GRP resulted in larger and more diverse pools of suppliers, associated with increased supplier availability and lowered risk. Third, GRP strengthened brand reputation. Customers, peers, partners and employees have responded positively to companies’ uptake of GRP. Fourth, by sourcing from a wider range of suppliers, GRP increased companies’ innovation and adaptability, as women-owned businesses are often smaller and thus

more agile. Fifth, in line with this, companies reported that GRP improved service delivery due to this greater agility, but also because of aligned values and closer working relationships. Lastly, companies’ GRP practices and policies have contributed to local economic development and inclusive growth, strengthening the markets in which they work.

The six broad findings are complemented by case studies that further illustrate the benefits of practising GRP. The companies highlighted in the case studies represent a diverse range of industries, size and geographical regions.¹⁶



16. The case studies are not an endorsement of those companies or their policies and programmes by UN Women. They are intended to further the discussion of GRP by highlighting the voices, experiences and perspectives of the companies themselves.

Defining gender-responsive procurement

GRP took shape as companies began to pay attention to socially responsible policies and practices, including in sourcing and buying, and consequently consider gender equality and women's economic empowerment. GRP thus started as a means for companies to source from women-owned businesses with the aim of contributing to women's entrepreneurship by putting more money in the hands of women. It has now evolved to an understanding of procurement practices that consider the impact of companies on gender equality more broadly. This approach advocates for creating opportunities and outcomes not only for women-owned but also for women-led and gender-responsive businesses.¹⁷ A number of companies are paving the way for procurement's expanded influence in diversity, equity and inclusion (DE&I), including those highlighted in this report's case studies.

While no universal standard exists for businesses' gender-responsiveness, GRP should consider, for example, decent work standards such as fair wages, the percentage of women and men in senior management positions, whether the company has mechanisms to address and

respond to incidents of violence and harassment, and whether the bidding companies are signatories to the [Women's Empowerment Principles \(WEPs\)](#) (see [Box 2](#)). By weighing the gender-responsiveness of suppliers in procurement bids, companies can prioritize the growth of businesses that promote gender equality and women's economic empowerment, including better working conditions for all employees.

Applying GRP in the context of DE&I allows companies to support diverse people by, for example, not only using a gender lens in procurement policies and practices but also considering and taking positive action to rectify the various kinds of overlapping discrimination and disadvantage that people face on the grounds of gender, race, ethnicity, income, age, disability, and sexual orientation and gender identity, among other factors (noting that none of these factors are exclusive). Further, drawing on the words of an interviewee, "the inclusion of one to the exclusion of another is not inclusion". The practice of GRP should lead to expanding supplier diversity and broadening representation and inclusion.

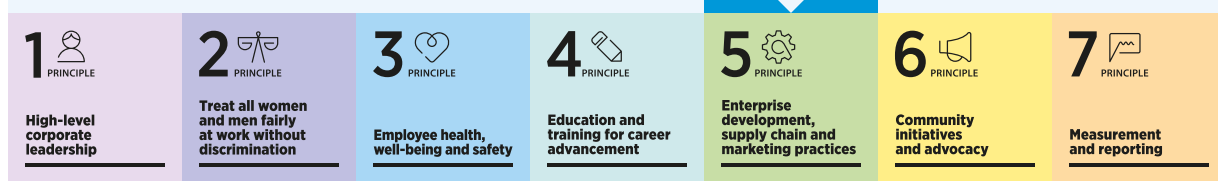
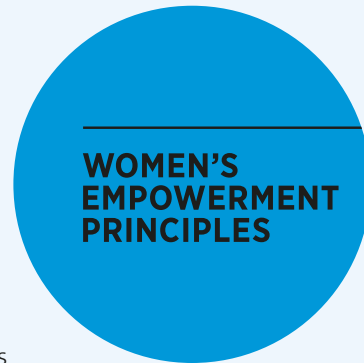
17. This discussion is advanced in UN Women and ILO's issues brief, *Rethinking Gender-Responsive Procurement: Enabling an Ecosystem for Women's Economic Empowerment*, UN Women and ILO 2021.

BOX 2

Introducing the Women's Empowerment Principles

The Women's Empowerment Principles are a set of seven principles [offering guidance](#) to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community. Established by UN Women and the UN Global Compact, the WEPs are informed by international labour and human rights standards and grounded in the recognition that businesses have a stake in, and a responsibility for, gender equality and women's empowerment. [Principle 5](#) on enterprise development, supply chain and marketing practices provides a set of suggested actions for companies to influence business partners through inclusive supply chain policies and standards of engagement.

The WEPs are a primary vehicle for the corporate delivery of gender equality dimensions of the United Nations 2030 Agenda for Sustainable Development. By joining the WEPs community, Chief Executive Officers signal a commitment to this agenda at the highest level of the company and to work collaboratively in multi-stakeholder networks to foster business practices that empower women. These include, for example, equal pay for work of equal value, gender-responsive supply chain practices and zero tolerance against sexual harassment in the workplace.



UN Women and gender-responsive procurement

UN Women has been working on gender-responsive procurement since its establishment in 2010, supporting both the public and private sectors, including governments, civil society, enterprises and businesses in advancing GRP. The WEPs, also created in 2010, laid the foundation for UN Women's engagement with the private sector, providing a framework for supply chain management through a gender lens. Procurement's significant potential to lead and drive change was further emphasized in 2015 by the Secretary-General's [High-level Panel on Women's Economic Empowerment](#), which convened experts

from around the world and identified action-oriented recommendations to improve economic outcomes for women. The recommendations were integrated within UN Women's flagship programme, "Stimulating Equal Opportunities for Women Entrepreneurs", which champions GRP as a strategic lever for women's empowerment (see [Box 3](#)). UN Women consolidated its work on GRP in a guidance manual, [The Power of Procurement: How to source from women-owned businesses](#), which provides the substantive basis for the present report.

BOX 3

UN Women's holistic approach to supporting women's entrepreneurship

UN Women works holistically, recognizing that women entrepreneurs face specific physical, social and time constraints within a larger gendered economic system characterized by structural inequalities and discrimination. The lack of procurement from women's enterprises is principally due to two factors: women's undervalued and underpaid labour in most value chains and discrimination embedded in procurement policies and practices that creates barriers to entry for diverse suppliers to participate on an equal footing.

UN Women promotes, advocates for and strategically leverages gender-responsive procurement (GRP) to create equal opportunities and outcomes for women, given its power to shape financial flows to favour sustainable development and women's economic empowerment. By doing this, UN Women contributes to creating a demand for goods and services supplied by women-owned, women-led and gender-responsive businesses. UN Women also works to create a robust supply by addressing the gender gap in access to entrepreneurial skills and finance. Such support enables women entrepreneurs to compete on an even playing field, for instance, through developing skills and capacity and providing equal access to financing, tools and resources.

This holistic work is being implemented as a key part of UN Women's Strategic Plan, through the framework of UN Women's flagship programme, "Stimulating Equal Opportunities for Women Entrepreneurs", implemented since 2018. This work has been further amplified and uplifted through the Women's Entrepreneurship Accelerator (WEA) since its inception in 2020.

UN Women's broader work in changing policies, systems and norms, such as those on care and domestic work, property rights and labour rights and standards, aligns with its work on GRP, together advancing women's empowerment and gender equality.

The *Power of Procurement* was timely; companies big and small are increasingly focusing on DE&I as well as ESG considerations. Many companies interviewed for this report highlighted the shift towards serious attention to social and gender issues spurred by the COVID-19 pandemic (see Box 4) as well as global social justice

movements, including #MeToo and Black Lives Matter. The pandemic has intersected with the climate and environmental emergency to expose the fragility of value chains and the urgent need to re-evaluate and revise procurement policies and practices and rethink traditional models of risk reduction.

BOX 4

The COVID-19 pandemic and women's entrepreneurship

The onset of COVID-19 halted economies, decreasing global GDP by 3.5 per cent in 2020¹⁸ and wiping out livelihoods across the world. While the effects of the pandemic are widespread, they are not equal. Inequalities have widened and groups already suffering marginalization and discrimination have been disproportionately affected, including rural, indigenous and minority women and their businesses. Women made up an estimated 47.6 per cent of job losses in 2020, despite accounting for only 38.9 per cent of global employment before the pandemic,¹⁹ and women-owned businesses were more likely to close and stay closed for longer during the pandemic and lay off more staff than those owned by men.²⁰ Companies interviewed by UN Women corroborated this trend; a number of companies saw a reduction in women's entrepreneurship activity during the pandemic, and 20 per cent of an East African company's women suppliers shut down operations.

This gender gap is further exacerbated by slowing growth rates in women's entrepreneurship; women started fewer businesses than men in 22 of the 35 economies measured by the Global Entrepreneurship Monitor (GEM),²¹ and the World Bank Enterprise Surveys found that in 41 countries, women-owned businesses were more than twice as likely than male-owned businesses to have financing applications rejected.²² Furthermore, the effects of the pandemic were uneven across different subsets of women entrepreneurs. Micro-enterprises reported less access to public support,²³ and black women were the least likely group in the United States to receive capital requested, despite being the country's fastest growing group of entrepreneurs.²⁴

Adding to these setbacks in women's entrepreneurship is that GRP initiatives have stalled due to changing priorities and paused business operations. One large logistics company indicated their plans for expanding supplier diversity to other countries were delayed as funds were diverted, and a food services company stated that the pandemic halted the implementation of a GRP programme. Some companies interviewed had to reduce their overall procurement spend, and more missed their internal diversity procurement targets, affecting small and diverse businesses. One global hospitality company's total spend was down 50 per cent during the pandemic, which disproportionately hurt diverse businesses as they were clustered in certain categories, like catering, which saw the largest drop in demand in 2020.

Given this disproportionate effect of the pandemic on women entrepreneurs, recovery efforts to 'build back better' should prioritize and revitalize GRP. Doing so will tap into a large potential for growth and promote a more equal and sustainable recovery.

Procurement has conventionally been measured by its delivery of uninterrupted supply of goods and services and cost savings. This publication makes the case that GRP allows companies to meet these objectives while promoting gender equality and women's economic

empowerment and entrepreneurship. In other words, companies that adopt GRP as a supply chain management strategy can accrue business benefits by engaging new and diverse business partners at the same time as advancing gender equality.

18. World Bank 2021a.

19. ILO 2021a.

20. Hyland et al. 2021.

21. Global Entrepreneurship Monitor (GEM) 2021.

22. World Bank 2020, cited by Hyland et al. 2021.

23. De Paz et al. 2021.

24. Rogers 2021.



INCREASED REVENUE AND REDUCED PROCUREMENT SPEND

Companies often look to procurement to generate profit through reduced margins, which has conventionally taken the response, at least in part, of consolidating spend. It may follow that diversifying spend would increase margins, but in reality, UN Women's research found that including more women enterprises through gender-responsive procurement can increase revenue and reduce procurement spend. While revamping procurement practices may involve increased investment,²⁵ a handful of interviewees indicated that their companies' GRP programmes were associated with increased revenue while a few others saw reduced purchasing spend in the longer-term, resulting in positive returns on investment.

In fact, GRP enables more women's enterprises and gender-responsive enterprises to compete for sustainable business opportunities, contributing to business development and growth. When businesses thrive, their owners and workers earn income that makes them not only attractive suppliers, but also potential customers. On the other side of the ledger, companies that adopt GRP to seek local, diverse businesses could see a reduction in costs through mechanisms such as increased competition and reductions in shipping, freight and labour costs. Indeed, all improvements in business practice represent an initial investment before a company can see returns, and GRP is no different.

Supporting women entrepreneurs through GRP can thus be a key driver of revenue growth as procurement from women business owners and gender-responsive businesses increases women's buying power, boosting their propensity to become future customers, which widens companies' sources of revenue.

Multiple case studies undertaken for this report illustrate this effect. One of the most clear-cut came from a global consulting firm which attributes their GRP programme's sustainability and continued success to the many women SMEs that became clients after having won a contract as a supplier. Several other companies interviewed, including a leading logistics and shipping company, a consumer goods giant and a financial services institution, similarly confirmed that many of their suppliers become their own customers. The consumer goods company, especially, saw that developing a large and diverse base of suppliers through GRP is a must, as women are often the predominant buyers of basic products for the family. The company found that their many women suppliers bought more consumer goods when their own business revenues grew. In their view, doing good is one thing, but GRP is essential to the business, as it will circle back as sales.

25. For example, investment in training procurement professionals on GRP and new software to track sex-disaggregated data.



CASE STUDY I

INVESTING IN GRP AND ITS IMPACT ON THE BOTTOM LINE: GULF AFRICAN BANK²⁶

Gulf African Bank has prioritized gender equality and inclusivity in its supply chain since 2017, resulting in both greater opportunities for women entrepreneurs and increased bank profits.

Gulf African Bank (GAB) began its journey with gender-responsive procurement in 2015, when it became a signatory of the Women's Empowerment Principles, signalling its commitment to inclusion and a desire to unlock the power of diversity. With the support of UN Women, GAB chose to champion WEPs Principle 5—inclusive supply chain policies and standards of engagement—as a way to accelerate their efforts around gender equality. GAB first looked inwards, performing a baseline study of their own supply chain, and the results prompted the bank's leadership to make a commitment to change. In March 2017, GAB publicly committed to increase sourcing from women-owned businesses from the baseline amount of 4.5 to a target of 20 per cent.

“Becoming a more inclusive organization has continued to serve us excellently. It has driven better performance internally and has enabled women-owned businesses banking with us to unlock their full potential. By signing up as a WEPs champion, we have been able to create real impact on the facet of gender equality through progressive and measurable actions. However, achieving these strides has not been devoid of challenges. We faced substantial setbacks in our journey to achieving gender diversity and realized that it was critical to ensure that everyone recognizes that diversity in the workplace is an asset for both our staff and customers and that varying perspectives form the fabric of a stronger, diverse institution.”

Saada Mohammed, Head of Commercial Banking

Over the past years, onboarding of women-owned businesses as suppliers to GAB has grown considerably. About 26 per cent of its procurement spend is with women-owned businesses, almost 6 times its rate in 2017. Most notably, gender-responsive procurement created a clear return on investment; it opened up opportunities for women banking clients who became suppliers of GAB and other businesses, and this led to the overall growth of the bank's balance sheet. In fact, the bank saw a notable increase in its returns after less than a year from the launch of the programme. Currently, the entire women's banking segment contributes to about 25 per cent of its overall asset and liability book of the bank. Gender-responsive procurement was truly a game changer.

^{26.} This case study shall not be construed as an expression of any opinion on GAB and its programmes or as an endorsement of the activities, products and/or services of GAB on the part of UN Women.

Yet this game-changing new model required tough work, including the revision of procurement policies through a 360-degree analysis of the market. As a starting point, the bank reduced the number of pages in its tender forms and removed the 1,000 Kenyan shillings charge. GAB also decided to shortlist women-owned businesses throughout the year so that women did not need to wait for procurement cycles. These efforts lowered the barrier to entry and streamlined the supplier application process. To attract more women suppliers, GAB worked with UN Women to hold forums to build their capacity. The bank coached around 700 women in 3 regions in Kenya on the actual tendering process and provided feedback while continuing communication through regular webinars and other discussions to create awareness of upcoming opportunities for suppliers. The bank also created internal awareness and buy-in for the programme. By the end of the 2017, the bank had onboarded 41 women entrepreneurs as prequalified suppliers, many of whom were then able to supply to other businesses as well.

In all, the programme created business opportunities for local women-owned businesses while growing the bank's own customer base, thereby also increasing women's financial inclusion with a number of new suppliers contracted and invited to open bank accounts. The bank also created a limited partnership financing product for women and youth, which provided credit to women-owned businesses that won bids with GAB and other buyers. This allowed promising start-ups that were previously hampered by a lack of access to credit to grow in partnership with the bank. Many women suppliers trained by GAB and UN Women have now become successful suppliers to other companies in the region.

Gender-responsive procurement was a win for both the bank and its women suppliers; the model has been introduced to other banks in East Africa. Indeed, the lessons learned and principles applied are useful not only for other banks of similar size, but by diverse companies across various industries.

*Thanks: **Gulf African Bank***

For further reading:

- [UN Women Eastern and Southern African Regional Newsletter](#)
- [Video: Gulf African Bank–UN Women Meet the Buyer Forum](#)

Photo: GAB. A procurement official walks women in business through the bank's tendering process during the bank's Meet the Buyer Forum.



The belief that diversifying suppliers necessarily increases costs has been debunked. A study by the Hackett Group found that companies with a heavy focus on supplier diversity programmes saw a 133 per cent greater return on procurement investments versus the average, in addition to average cost savings of 20 per cent on buying operations.²⁷ A number of companies interviewed indicated that by broadening their supplier base, they were able to find women-owned suppliers that were more cost efficient, and over 30 per cent of respondents in UN Women’s survey on GRP agreed or strongly agreed that GRP reduced their total costs.²⁸ So, contrary to some beliefs, it can be seen that diversity in suppliers can lead to cost savings in procurement spend.

One way this occurs is through creating competition. Widening and diversifying the availability of suppliers through GRP—assuming consistent demand—reduces prices. For example, one multinational cosmetics company shared that it awarded a large contract to a more cost-effective women-owned business after the company decided to reopen the contract for bids. Growth of SMEs spurred by GRP and investment in women’s entrepreneurship could contribute to a more competitive environment and a wider pool of suppliers, where efficiency and cost savings are prioritized. As one interviewee in media and entertainment stated, if the company always procured from the same vendors, it would not be giving opportunities to others that may be more cost efficient.

In addition, smaller firms, many of which are women-owned or led, can be more affordable when compared to those that are larger and more established. In other words, SMEs that do not yet have an established brand can sometimes successfully deliver for a lower cost, benefiting from increased agility due to less overhead and bureaucracy. In one UN Women interview, a woman and LGBTIQ+-owned management consulting firm recounted how the company won multiple contracts with a mobile telecommunication firm due to its competitive rates and successful service delivery, outcompeting larger and more expensive management consulting firms in the process, which allowed the company to grow and hire more employees while saving the telecommunication firm money. Another company specializing in infrastructure was able to save costs by outsourcing tasks previously done in-house to women-owned businesses the company had targeted and trained through its GRP programme.

Importantly, women-owned or led businesses are not inherently cheaper. Instead, companies interviewed shared how opening procurement processes through supplier diversity and GRP provided the opportunities to consider a wider range of proposals, including those from businesses that were more, equal and less expensive than their existing suppliers.

²⁷. Jones 2006.

²⁸. This is in contrast to the 13.1 per cent of respondents that strongly disagreed or disagreed that the adoption of GRP has reduced their company’s total costs.

“It can be difficult to obtain the necessary support to invest in supplier diversity programmes. Business leaders often worry that dedicating resources to this will impact procurement savings or even quality.

But our research clearly shows that this is not true.

Top performers are not seeing losses in efficiency, and quality often improves.

Overall, the risks to focusing on supplier diversity are quite low, and the potential upside is significant.

In fact, up to 10 per cent of sales come with supplier diversity requirements, suggesting that the lack of such a programme can even result in lost revenue.”

Ms. Laura Gibbons, Research Director, [The Hackett Group](#)

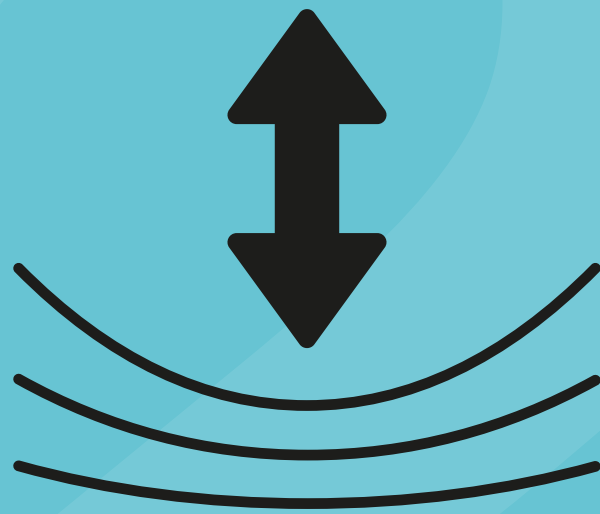
Lastly, data from this research suggest that suppliers found through GRP were more likely to be local. Thus, by increasing companies’ local pool of suppliers through GRP, companies could potentially reduce import, shipping and freight costs. Global value chains have long relied on cheap shipping to keep margins small, but recent events—including ship congestion and shortages of materials and labour—have upended supply channels, resulting

in shipping costs in 2021 up to 50 per cent higher than they were in 2020.²⁹ Bloomberg reported that “higher shipping costs are here to stay”,³⁰ yet even if transport costs do eventually reach a lower equilibrium, the reduced reliance on a small group of overseas suppliers could be a smart economic choice, as exogenous factors like severe weather events can always drive up demand and prices again.

^{29.} Ren 2021.

^{30.} Ibid.





GREATER SUPPLIER AVAILABILITY AND RESILIENCE

Gender-responsive procurement is an approach companies can leverage to adapt to the realities of an increasingly volatile world, by expanding, localizing and diversifying their current vendors and by gaining a deeper understanding of how suppliers operate. Data from this research suggest that companies practising GRP were able to find a more varied group of suppliers, mitigating risks caused by single source supply chains. Suppliers found through GRP were more likely to be local, making supply chains less likely to be impacted by extreme weather and other results of climate change. Finally, the GRP process requires that a company look more deeply into their suppliers' practices and business models, removing the focus on efficiency and cost reduction and uncovering potential vulnerabilities in the supply chain that can then be addressed. In short, GRP is a tool companies can use to make their supply chains more resilient and secure.

Because the priority in procurement is to guarantee supply, using new businesses could be adding risk. Yet within the context of climate change, COVID-19 and other supply disruptions, it is a risk in itself to not diversify and expand suppliers. CVM Solutions found that the majority of Fortune 500 companies' procurement spend is allocated to a dangerously small group of suppliers, representing a huge risk if any one of the suppliers unexpectedly terminates or even simply stalls activity.³¹

Moreover, manufacturing production centres are now predominately concentrated in select geographical areas as a means to minimize costs, yet these areas may be more vulnerable to shocks like climate change—representing another layer of potential weakness to supply chains.³²

This fragility became evident at the start of the pandemic, due to the global dearth of personal protective equipment (PPE), which further intensified as COVID-19 swept through the globe. The Deloitte 2021 Global Chief Procurement Officer (CPO) Survey found that 56 per cent of firms' key suppliers went bankrupt or were severely hampered in the previous year.³³ In the spring of 2021, supply chains confronted yet another disruption as traffic froze in the Suez Canal due to the lodged ship [Ever Given](#). The crisis showed how global trade has become increasingly reliant on transportation through a small number of choke points, critical narrow passages for maritime trade, which—along with ports—are further threatened with increase extreme weather events and rising sea levels.³⁴

31. Foggin 2010, cited by UN Women 2017.

32. Woetzel et al. 2020.

33. Kilpatrick et al. 2021.

34. The Economist 2021a.



In fact, supply chain disruptions will become even more common as climate change increases the frequency and severity of extreme weather events, and the effects will vary by supply chain. For example, McKinsey Global Institute predicts that hurricanes, with the potential to disrupt semiconductor supply chains in the Asia-Pacific region will become two to four times more likely by 2040, while disruption of heavy rare earths production

from extreme rainfall may increase two to three times by 2030.³⁵ Whatever the industry, it is clear that all businesses will need to contend with weather-induced supply disruption. Indeed, after decades of spend consolidation, with procurement's heavy focus on cost reduction and efficiency while deprioritizing resiliency, vulnerability to shocks have increased and will continue to do so.

“Averaging across industries, companies can now expect supply chain disruptions lasting a month or longer to occur every 3.7 years, and the most severe events take a major financial toll.”

McKinsey Global Institute

GRP could be integrated into companies' efforts to build resilience and diversify risk, increasing the available suppliers to which companies have access and resulting in reduced supply chain risk and more alternate suppliers when needed. UN Women's survey found that over 70 per cent of companies that practise GRP agreed or strongly agreed that it increased supplier diversification. Several companies also stated that larger vendor lists and networks are beneficial for expanding their available pool of suppliers, especially during crises. Companies credited the Women's Business Enterprise National Council (WBENC) and other diverse business networks with connecting them to suppliers open to business when their usual vendors were unavailable in 2020, and many others credited their existing women and diverse suppliers with their ability to have continued production.

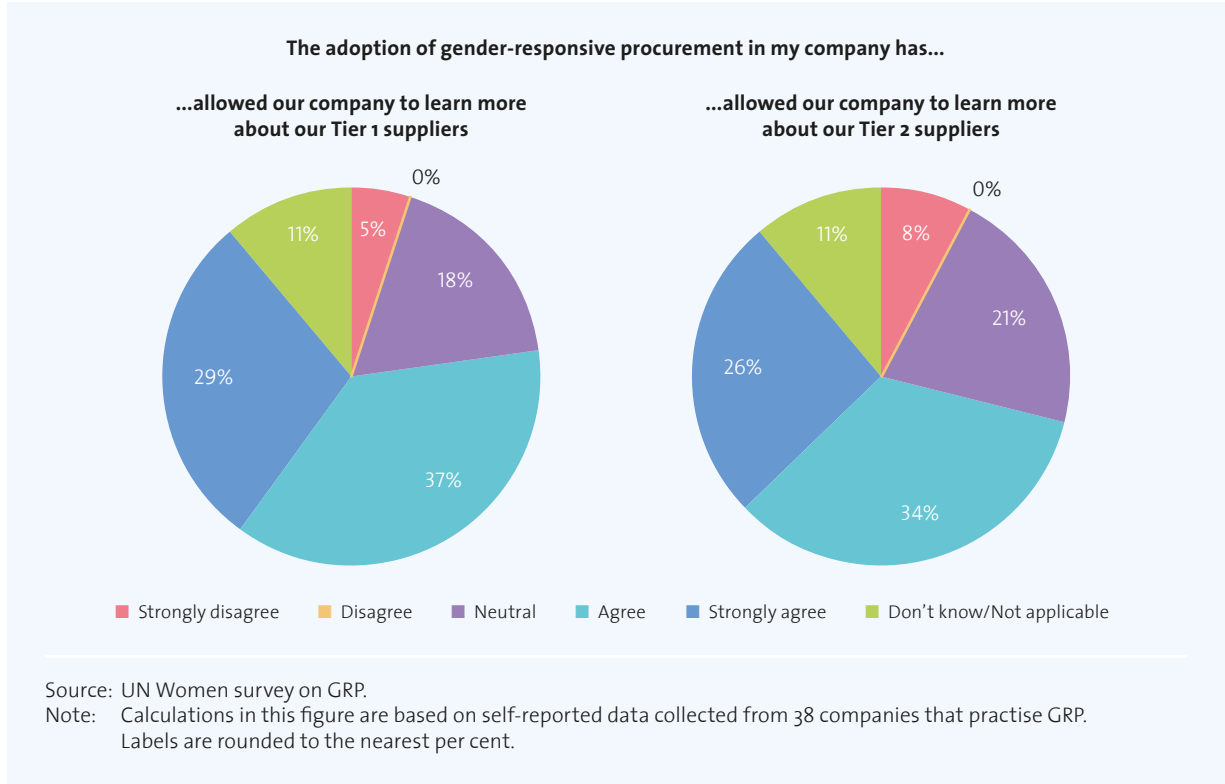
Another way in which GRP can reduce risk is by promoting transparency and information-gathering from suppliers. The majority of respondents to UN Women's survey on GRP agreed or strongly agreed that GRP allowed them to learn more about their Tier 1 and 2 suppliers (see Figure 1), suggesting that GRP can be used as a strategy to uncover potential risks, a pressing need for many companies. In fact, only 22 per cent of CPOs surveyed as part of Deloitte's 2021 Global Chief Procurement Officer Survey were able to identify and predict risk arising from their suppliers "to a large extent" or "completely".³⁶ Deeper review or baseline analysis of companies' current supply chains with an ESG lens can, for example, help identify if key suppliers are located in proximity to climate hazards. As well, by determining whether a business is gender-responsive, companies can learn more information about Tier 2 suppliers' safety practices, policies on sexual harassment and more, uncovering potential social and governmental risks (see Case Study IV for an example).

35. Woetzel et al. 2020.

36. Kilpatrick et al. 2021.

FIGURE 1

Proportion of companies which reported that GRP contributed to increased knowledge of their Tier 1 and 2 suppliers



While finding and integrating new suppliers, including manufacturers, into supply chains is a considerable undertaking, the benefits of more diverse and local suppliers can outweigh the risks of having limited and geographically concentrated suppliers. In fact, diversifying suppliers by contracting local women-owned and led

businesses and gender-responsive businesses can have knock-on effects like economic development. Sourcing from more local and regional suppliers can also be better for the environment due to reduced emissions and energy usage from transportation and storage.



CASE STUDY II

LEVERAGING GRP TO BUILD RESILIENCE: BRISTOL MYERS SQUIBB ³⁷

BMS's commitment to diversity proved to be a competitive advantage during the pandemic, allowing the company to access personal protective equipment and continue operations.

Bristol Myers Squibb (BMS), a global biopharmaceutical company dedicated to transforming patients' lives through science, believes that diversity drives innovation and transformative business results. It is this premise that drives the global growth of its supplier diversity programme, established 25 years ago; the programme has grown from the United States to the United Kingdom, Ireland, Canada and Brazil, and is now expanding to other markets. In 2020, spurred by social justice movements in the United States, the company announced a set of commitments to accelerate its robust equity and diversity and inclusion (D&I) efforts, including a commitment to increasing its worldwide spend to US\$1 billion with diverse-owned suppliers, including women-owned businesses, by 2025.

At BMS, supplier diversity and gender-responsive procurement is truly integrated in the business and is a shared objective across the enterprise. For example, senior managers are held accountable to BMS's commitment of spend with diverse suppliers, including women-owned businesses. BMS also asks (if applicable) whether their Tier 1 suppliers have their own supplier diversity programme, a question that is factored into their requests for proposals (RFPs) and allows BMS to hold itself and its suppliers accountable. Moreover, to ensure its company's diverse and youth voices are heard, the supplier diversity team works closely with the company's eight people and business resource groups (PBRGs), including the BMS Network of Women (B-NOW), the Black Organization for Leadership and Development (BOLD), Differently Abled Workforce Network (DAWN) and the PRIDE Alliance. The PBRG model connects diversity and inclusion indicators to business performance; supplier diversity commitments are a part of the PBRG's business plans. The teams collaborate on raising awareness of the value of diverse suppliers across the company, promoting the inclusion of diverse suppliers in sourcing activities, driving capacity and capability-building initiatives of diverse suppliers, and implementing a programme to connect directly with suppliers from underrepresented and underserved communities through skills-building, STEM education and more.

³⁷ This case study shall not be construed as an expression of any opinion on BMS and its programmes or as an endorsement of the activities, products and/or services of BMS on the part of UN Women.

BMS's many investments in its diverse suppliers have translated into concrete benefits for the business, and this was evidenced during the COVID-19 pandemic. BMS, like many, made a mad scramble for PPE in early 2020 to keep their employees safe and essential operations running to continue delivering medicines to its patients. Stock was hard to come by, including from larger and more established suppliers, but BMS's extensive and diverse supplier network, resulting from its enterprise-wide commitment to D&I, became a competitive advantage.

“Our supplier diversity programme has not only made BMS better able to compete in the marketplace and discover, develop and deliver breakthrough therapies for patients in the US and around the globe, it has made us a more inclusive and open-minded company and a more attractive place for the best and the brightest to build their careers.”

Rondu Vincent, Executive Director, Supplier Diversity & Sustainability, Bristol Myers Squibb

ICE Safety Solutions, a woman and minority-owned business based in California, struggled during the start of the pandemic like many businesses and had to lay off almost all of its staff. Despite this, the company was agile and able to pivot their business to supplying PPE, which BMS successfully procured. BMS's US\$100,000 purchase was reinvested, keeping ICE Safety Solutions afloat, which went on to supply urgently needed PPE for the National Basketball Association (NBA) Bubble,³⁸ Twitter and other large corporations. In the end, BMS credits their ability to source and secure PPE during the start of the pandemic to their expansive network and strong relationships with diverse suppliers with diverse capabilities, including ICE Safety Solutions.

The benefits of BMS's investment in their diverse and women-owned suppliers is further demonstrated by their supplier liquidity programme, introduced at the start of the pandemic. For procurement teams, the top priority is consistent supply and successfully executed contracts, which COVID-19 threatened as businesses struggled. The supplier liquidity programme was thus quickly instituted at the beginning of the pandemic to help ensure supplier's financial health and continued production. BMS reduced payment terms in some cases, resulting in a reduction of pay periods to 30 days or less if suppliers qualified. This represented a win-win for BMS and their smaller suppliers, many of whom were diverse and women-owned, as it kept businesses afloat while minimizing supply chain disruption. The programme thus helped ensure continuous supply of medicines to patients, while allowing BMS to continue supporting medical relief efforts around the world and research of effective treatments.

³⁸. The NBA Bubble congregated basketball players, coaches and staffers across the association together for three months in Orlando, isolating them from the outside world and COVID-19 to continue the 2019–2020 season.



“Supplier diversity is not something we just check off on our to-do list. Our programme and the goals we’ve set for ourselves reflect who we are as an organization and the role we want to play in society.”

Rondu Vincent, Executive Director, Supplier Diversity & Sustainability, Bristol Myers Squibb

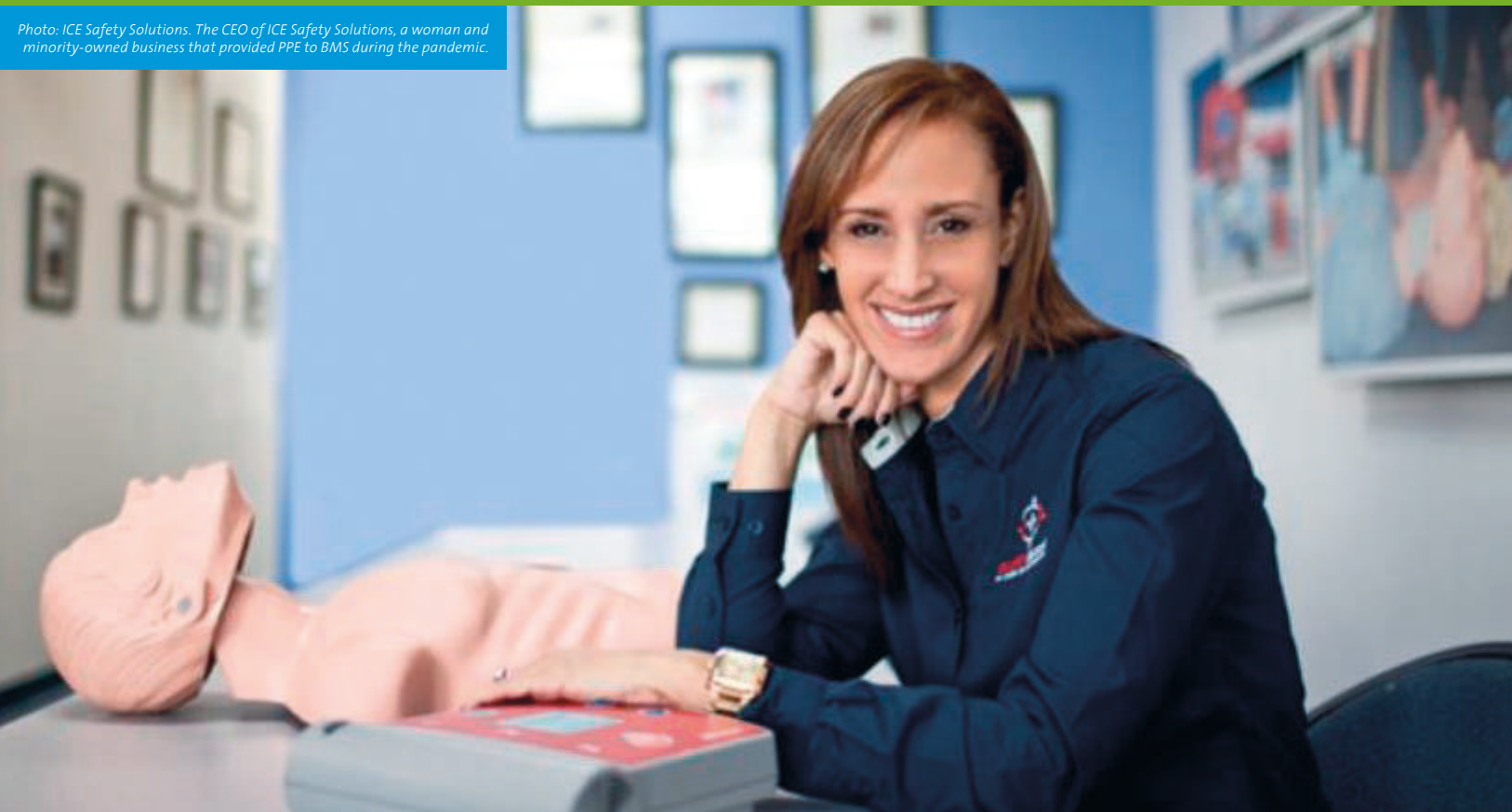
The business case for BMS’s work in pursuing and undertaking gender-responsive procurement is clear: partnerships with diverse and women-owned companies propel the business forward, even in times of turbulence, and as a result, diversity and inclusion will continue to be part and parcel of the company’s culture. Supplier diversity for BMS is more than checking off a box, it is centred on partnering with purpose: championing economic empowerment through wealth and job creation in the community, while fostering inclusive innovation and a supply chain that reflects the company’s values, patients and diverse communities. Through meaningful partnerships that lift up the people and communities in which BMS works, gender-responsive procurement is making an impact while building trust and supplying change for both BMS’s community and its business.

*Thanks: **Bristol Myers Squibb***

For further reading:

- [Diversity beyond the workforce – How supplier diversity can benefit business, suppliers and more: BMS program drives innovation and equity, helping patients and communities](#)
- [Reflecting on the first anniversary of our BMS Commitments in diversity, inclusion and health equity](#)

Photo: ICE Safety Solutions. The CEO of ICE Safety Solutions, a woman and minority-owned business that provided PPE to BMS during the pandemic.



A few companies interviewed shared that they are localizing their supply chains as part of their efforts to build resilience. One multinational consumer goods company is reducing overreliance on a few suppliers in the Asia-Pacific region by decentralizing their supply chain, while using GRP as a tool to find more suppliers. For them, the cost of losing customers from a lack of supply—who may or may not rebuy their brand after finding alternates—is more than the savings they could get from sourcing cheaply. A chemicals company in South America, meanwhile, implemented a programme on single source management to identify where only one supplier provides a certain service or good. The programme is actively developing new suppliers and products that can act as replacements or alternatives, when needed.

It is within this context that companies can integrate a gender perspective, ensuring that both resilience and women's empowerment are built into value chains. For example, many companies have implemented capacity-building and training sessions for potential local and diverse suppliers, as part of their GRP and supplier localization initiatives. This type of investment has proven useful for both buyers and suppliers, often demonstrating that women's empowerment can advance hand in hand with supply chain and business development and greater supplier availability. By training women's cooperatives in Latin America on better recycling practices, for example, one multinational food and beverage company increased the quality and availability of raw materials, strengthening its packaging supply chain and reducing the risk of supplier shortages.





STRONGER BRAND REPUTATION

As ESG issues are receiving more attention, companies are finding that they can strengthen their brand through gender-responsive procurement, resulting in increased business and brand loyalty from internal and external stakeholders, including customers, peers, investors and employees. In fact, there is a growing cost to companies who are not adapting to the public's expectations around corporate responsibility. In the digital age when all information is a click away, companies' supply chains are coming under increased scrutiny. Business practices should align with how their brand presents itself to the world and who their customers want to support. In short, supplier diversity and GRP have become a reputational issue, where it is often a prerequisite for partnerships, growth and employee satisfaction, and adopting GRP is a way to meaningfully move forward with a whole-of-organization approach on gender equality and women's empowerment.

Putting customers first is putting diversity first; companies' ecosystems, including suppliers, should reflect buyers, within which women are a key and growing demographic. It is estimated that women accounted for US\$31.8 trillion in global consumer spending in 2019,³⁹ and women often shoulder the responsibility for household spending, with 89 per cent of women reporting having primary or shared responsibility for daily shopping needs versus 41 per cent of men.⁴⁰ McKinsey & Company predicts that US\$30 trillion will shift into the control of women in the next three to five years in the United States,⁴¹ and UBS projects that women will drive a US\$5.3 trillion consumer boom in the next 10 years in China.⁴²

The choices involved with buying services and goods are shifting and are not solely driven by price. Some discerning customers, including women, prefer companies that support women-owned businesses. WBENC found that 78 per cent of women will try a company's products or services and 80 per cent will solidify their brand loyalty if they are aware of the company's support to women-owned businesses. Moreover, over half of women will give a company a second chance if expectations were initially not met.⁴³ As more women are increasing their buying power, companies must ensure that they are catering to consumers in all their diversity; one way to do this is to source from women and gender-responsive suppliers.

Around the world, responsible sourcing is gaining attention. Consumers are more likely to buy from purpose-driven brands, especially younger customers, which view companies' suppliers as part of the brand. A global Nielsen survey found that 55 per cent of respondents stated that they would pay more for products and services from companies committed to positive social and environmental impacts.⁴⁴ Meanwhile, a McKinsey & Company survey in Brazil of Gen Z consumers found that 70 per cent of respondents try to purchase products from what they consider to be ethical companies and, notably, 65 per cent try to learn more about the origins of their purchases, including where and how they were made.⁴⁵ Indeed, locally produced products have become a large driver of purchases and brand loyalty.

39. World Data Lab 2020, MarketPro, cited by Catalyst 2020.

40. Nielsen 2019.

41. Pooneh et al. 2020.

42. UBS 2021.

43. Vazquez and Sherman 2013.

44. Nielsen 2014.

45. Francis and Hoefel 2018.



GRP and responsible sourcing practices are tactics that build brand reputation and loyalty. Many companies interviewed cited growing customer sophistication coupled with greater attention to ESG initiatives, and the large majority of respondents (73.7 per cent) in the UN Women survey on GRP agreed or strongly agreed

that GRP strengthened their companies' reputation. One multinational technology corporation reported an increase in customer satisfaction as its supplier diversity programme expanded and another software company interviewed believes that their GRP practices contributed to their sustained growth over the past decade.

CASE STUDY III

ACHIEVING PRODUCT DIFFERENTIATION THROUGH WOMEN'S EMPOWERMENT: ARREDO AND MEDIAPILA ⁴⁶

Arredo is investing in its supply chain by collaborating with Mediapila to empower women seamstresses, resulting in a unique product line that resonates with the company's socially conscious shoppers.

Arredo, a retail company established over four decades ago, with stores in Argentina and Uruguay, is a B2C (business-to-consumer) company focused on home textiles, small furniture and decorative objects. Within the company's DNA is a commitment to the welfare of their employees, stakeholders and society; human rights and the promotion of an inclusive society are fundamental values of Arredo, and the company is committed to gender equality both within the company and through its supply chains.

To promote women's economic autonomy and close economic gaps, Arredo began a partnership with Mediapila in 2018, a non-profit organization that promotes the employment of socially and economically vulnerable women through technical training and coaching. What began as a collaboration to donate leftover textiles to Mediapila's workshops and classes grew into a larger programme focused on creating jobs and workplace inclusion through its cooperative.

**“Donating is easy, but Arredo wanted to go further than that ...
to build women's skills to create more sustainable work.”**

Fernanda Manuel, Arredo

Arredo's "Economic Strengthening Programme for Women Entrepreneurs" focuses on investing in women entrepreneurs and integrating them into its supply chain. It promotes the labour force participation of Argentinian women from lower socioeconomic classes through its partnership with Mediapila, which provides skills-building and personal development by building women's capacity in entrepreneurial skills such as agile production methods, budget creation and price-setting.

It is important to note that the integration of women seamstresses into Arredo's supply chain required a high initial investment; the costs of home goods from Mediapila were much higher than its competition, a key consideration for any retail company when considering new sourcing possibilities.

⁴⁶. This case study shall not be construed as an expression of any opinion on Arredo and Mediapila and their programmes or as an endorsement of the activities, products and/or services of Arredo and Mediapila on the part of UN Women.



Nevertheless, Arredo's commitment to women's economic empowerment kept the company at the negotiating table. In the end, Arredo made the decision to pay a higher cost for these products while providing training on more cost-effective practices. The company also decided to absorb the extra cost, selling the products at a competitive price with reduced margins and including their range of products in their everyday line. By doing this, Arredo showed that it had decided to factor in social in addition to financial gains into their business model.

Arredo now has a permanent production line through Mediapila's seamstresses and has since seen numerous benefits not only to its business, but to society at large. All the women that were trained by Mediapila increased their earnings by 40 per cent to 50 per cent, with 8 out of 15 women increasing their earnings by an average of 72 per cent in 2019. By becoming seamstresses and producing home goods for Arredo, a number of women have been able to make the transition from informal to formal work with a reliable salary.

Moreover, in 2019 alone, more than 16,000 home goods were placed in four of Arredo's flagship stores, which sold well due to their unique and captivating story. In fact, all the products sold under this project have a special tag that tells the tale of their production. The home goods are particularly attractive to Arredo's socially conscious customers and during key dates such as Mother's Day.

Arredo's journey has shown the value of gender-responsive procurement, and that their practices and principles can be followed by others who are interested in developing added socioeconomic value for their businesses, women entrepreneurs and the community.

*Thanks: **Arredo and Mediapila***

For further reading:

- [Arredo: Programa de Igualdad \(Equality Programme\)](#)
- [Mediapila: Nuestro Trabajo \(Our Work\)](#)

Photo: Mediapila. Women taking part in Arredo's "Economic Strengthening Programme for Women Entrepreneurs."



Gender-responsive procurement has been shown to be a strategic marketing tactic for companies, which can help them reach new customers and differentiate themselves from competitors. Attention to corporate social responsibility (CSR) within procurement is growing. According to Deloitte's 2021 Global CPO Survey, CSR has become a main priority in procurement and is now more likely to be formally measured within businesses.⁴⁷

One marketing team showcases the new women-owned businesses it procures from as part of its public relations strategy on DE&I. Another company interviewed explained how its women suppliers became 'guerrilla marketers': new suppliers spread the word about their success with the company, attracting more potential women entrepreneurs, who previously had not applied to requests for proposals. Word of mouth similarly became a powerful advertisement for one bank in East Africa: the positive culture for women arising from its GRP practices gave the bank increased visibility and drove traffic; women entrepreneurs would walk into the bank to inquire about its GRP programme and services.

Importantly, the benefits of GRP to brand reputation extend to both business-to-consumer (B2C) and business-to-business (B2B) sales. Companies are increasingly being asked by their peers and potential clients about the sustainability and social impact of their business practices; one hospitality company interviewed stated that a growing number of its clients are asking about Tier 1 and Tier 2 reporting, while another pharmaceutical firm has been asked about its diversity spend by over

100 companies and counting. To these companies and many others interviewed, the recent and stronger pull to make progress on ESG issues has translated to the need to scale up supplier diversity and GRP.

It is clear that more clients are seeking firms that practise GRP, giving them greater market access and more opportunities for business. Multinational companies headquartered in North America and Europe in particular spoke of the growing obligation from corporate customers and governments on sharing spend with women-owned and diverse suppliers along with ESG ratings, such as [EcoVadis](#),⁴⁸ before winning their business. Procuring from women-owned, women-led and gender-responsive businesses thus opens the door to more markets, including the European Union, whose countries have high standards in ethical and sustainable sourcing.⁴⁹ Investors are also looking more often at companies' procurement practices. One smaller consulting firm shared with UN Women that to stay competitive larger consulting firms are acquiring SMEs that are diverse to broaden their appeal, as more and more customers are looking to hire diverse firms.

Purpose-driven companies are more often seeking to work with other companies whose values align with theirs, recognizing that their mutual work will be more effective. Several companies interviewed commented that partnering with suppliers that are not striving for the same goals, such as gender equality, would mitigate their own actions.

47. Kilpatrick et al. 2021.

48. EcoVadis provides business sustainability ratings, with over 75,000 rated companies.

49. IFC 2017.



CASE STUDY IV

DRIVING BRAND LOYALTY THROUGH RESPONSIBLE SOURCING: GANNI⁵⁰

The fashion house GANNI has experienced continued growth, even during the pandemic, by putting its commitment to gender-responsive procurement into action.

At the heart of Copenhagen-based fashion brand GANNI's business is a focus on planet, product, people and prosperity. The company has vowed to do better, recognizing the inherent contradiction between fashion consumption and sustainability and the prevalence of gender inequality and discrimination in the garment industry, where women account for approximately 80 per cent of the workforce.⁵¹ GANNI committed to targets set out by the Sustainable Development Goals, namely SDG 5 on gender equality, SDG 12 on responsible consumption and production and SDG 13 on climate action. As part of its commitment to the SDGs, the company signed the Women's Empowerment Principles in August 2020, which provided the company with a formal framework for action, including the road map on how to implement supply chain practices that empower women according to WEPs Principle 5.

**“We don't identify as a sustainable brand.
We recognize the inherent contradiction between
the current fashion industry that thrives off newness and consumption,
and the concept of sustainability.
So instead, we're focused on becoming the most responsible version of ourselves.
Committed to making better choices every day across the business
to minimize our social and environmental impact.
We see this as our moral obligation.”**

GANNI's responsibility statement

In spite of this, the journey ahead in gender-responsive procurement was difficult. Fashion value chains are convoluted and opaque; there could be over 10 suppliers per garment produced. Therefore, a first step to start promoting socially responsible sourcing was to learn more about suppliers

^{50.} This case study shall not be construed as an expression of any opinion on GANNI and its programmes or as an endorsement of the activities, products, and/or services of GANNI on the part of UN Women.

^{51.} ILO 2019a.

within its supply chain; GANNI aimed in 2020 to have 100 per cent traceability in Tiers 1, 2 and 3 by 2021. The company reached out to its 144 suppliers in these tiers with 21 social, environmental and geographical questions, but responses were difficult to attain and each round of questionnaire distribution saw a decrease in responses. The company reassessed the situation and decided to simplify the questionnaire with a focus on geographical locations so that its tracing could move forward. As a result of this strategic follow-up, GANNI now has 100 per cent geographical traceability in four tiers of its supply chain with plans to trace down to Tier 5 (raw materials) next. As the process continues, GANNI will investigate employee representation and ownership in its factories.

The company will use this information to perform country risk assessments with a gender focus, e.g. utilizing gender-based harassment statistics, which will drive GANNI's geographical priorities. GANNI will work first with suppliers to find solutions to risks but will end relationships if necessary. In doing so, GANNI will scale up its engagement with non-profit organizations in order to conduct trainings on gender equality in the workplace and implement women's empowerment programmes, helping its suppliers become more gender-responsive by promoting women in leadership positions.

The information GANNI gathers will allow it to better prioritize women-led and gender-responsive businesses, as well as those that are more environmentally sustainable. GANNI currently utilizes a scorecard with a section on responsible sourcing, which weighs heavily in its decision on whether or not to move forward with a partnership; if a supplier has no social or environmental policy, for example, they will not procure from that supplier, even if it proposes the best cost.

While this may seem counter to the bottom line, in reality, the company's values have benefited the business in many ways. The work GANNI has done in ensuring 100 per cent traceability and the procurement of more sustainable materials has differentiated the brand in a crowded field. There is weight and a real commitment behind GANNI's words and in fact, the company did not decrease sustainability spend during the pandemic. Customers responded positively; the brand did well, gained momentum and grew, despite the global decline of consumer spending in apparel and fashion companies during the COVID-19 pandemic. Moreover, GANNI believes its values have increased employee retention and made the company more attractive as an employer, especially with younger generations like Gen Z, which prioritize working for purpose-led companies.

“Consider supplier relationships like you do your friendships. You wouldn't spend time and energy with people that don't share your values and have a similar mindset, and supplier relationships are similar. It's easier to align and grow with those who share your values.”

Lauren Bartley, Head of Sustainability and Corporate Social Responsibility, GANNI



GANNI's sustainable and responsible vision has also incentivized suppliers to scale up or continue their gender-responsive practices, knowing that GANNI values and prioritizes gender-responsive suppliers. For example, GANNI's relationship has continued to grow with their supplier Sutek in Turkey—a fellow WEPs signatory that provides trainings and other programmes targeted at its women garment workers—due to the two companies' shared visions and goals for the garment industry. This alignment between businesses increases efficiency and sustains long-term relationships.

As today's consumers become more conscious of the social and environmental impacts of their purchasing power, GANNI has proven that staying ahead of the curve, prioritizing planet, product, people and prosperity is a business advantage that will pay social, environmental and financial dividends.

Thanks: **GANNI**

For further reading:

- [GANNI: Responsibility Report 2020](#)
- [WEPs in Action: Creating gender equality in fashion](#)

Images: GANNI. Campaign images used to promote transparency within GANNI's supply chain.



GRP is a valuable way to exhibit real commitment to DE&I within business networks and communities, including employees. GRP is associated with greater employee satisfaction, which affects retention and recruitment. One European-based firm, citing younger generations' desire to work for a purpose-led company, attributes its attractiveness as an employer to their DE&I initiatives, of which GRP is a main pillar. Millennials and Gen Zs want to work for companies that are aligned with their own values and have a purpose beyond profit, and in fact, 15 per cent of those surveyed within Deloitte's Global 2021 Millennial and Gen Z Survey either left their jobs or started new careers after reflecting on their values and aspirations in the context of the pandemic.⁵²

A handful of other companies shared their employees' enthusiasm and buy-in for GRP, with one stating that its supplier diversity programme had helped it increase employee retention and talent, while another shared how GRP broke the glass ceiling for women in a traditionally male-dominated company, boosting and motivating women employees who saw women suppliers' impact and equal footing in critical meetings. This follows findings from UN Women's survey on GRP, where over 76 per cent of respondents agreed or strongly agreed that GRP had enhanced employee satisfaction.

^{52.} Deloitte 2021.





MORE INNOVATION AND ADAPTABILITY

Procurement from women-owned, women-led and gender-responsive companies through gender-responsive procurement can drive innovation and adaptability, two factors essential to business sustainability, competitiveness and growth. Women entrepreneurs and business leaders have a wealth of underutilized perspectives and expertise from which firms can benefit. In the face of new risks, such as COVID-19 and climate change, companies need to continually innovate and adapt to better serve and respond to clients' changing needs; GRP is a key way in which companies can do so.

There is a wealth of evidence that diversity brings greater innovation due to differing perspectives and approaches. For example, a study of over 4,000 companies found that gender diversity generates dynamics that leads to radical innovation,⁵³ and a Boston Consulting Group (BCG) study of over 1,700 companies demonstrated a strong correlation between management teams' diversity and innovation, with more diverse teams deriving greater total revenue from new products and services, signalling innovation and adaptability.⁵⁴

The connection between supplier diversity and innovation also emerged as a prominent theme in UN Women's research. One food producer has come to rely on a woman-owned supplier whose innovative recipes have allowed the company to cater to its more health-conscious customers, e.g. by reducing sugars without sacrificing taste. Another company in health services is currently piloting the use of windowed face masks as PPE, produced by one of its diverse suppliers, which enables those with hearing impairments to read lips. Meanwhile, over two thirds of respondents to UN Women's survey on GRP reported that GRP increased innovative solutions

within their companies (see Figure 2). Although women are not intrinsically more innovative, UN Women's research found that supplying from more women and diverse companies through GRP allows buyers to take advantage of a greater range of talent that otherwise would not have been tapped.

For several interviewees, larger suppliers with long-established relationships tend to become complacent and less able to look beyond the ways things have always been done. Instead, companies reported that newer suppliers recruited through GRP programmes were more likely to introduce new ideas into businesses. This point was emphasized in the few interviews UN Women conducted with companies working in the technology industry, where start-ups are frequently tapped for innovation. A large computer manufacturer credited their diverse suppliers for coming up with innovative solutions that satisfy their global client base.

Indeed, increased diversity allows companies to stay competitive and ultimately better serve their clients. Women-owned, women-led and gender-responsive businesses possess a critical perspective on how to target and sell to women consumers, for example, and suppliers representing diverse backgrounds can likewise help companies understand and address differing customer needs. Research found that "a team with a member who matches the ethnicity of the team's client ... is 152 per cent more likely to understand their client than a team lacking that representative."⁵⁵ It is with this understanding that some companies interviewed purposefully contract diverse teams, knowing that they will be more responsive to the diverse needs of customers.

53. Díaz-García et al. 2013, cited by International Finance Corporation (IFC) 2017.

54. Lorenzo et al. 2018.

55. Hewlett et al. 2013.



CASE STUDY V

HARNESSING DIVERSITY FOR A GLOBAL BRAND: MICROSOFT ⁵⁶

Microsoft is creating change within its ecosystem by spearheading a more holistic view of procurement, resulting in a stronger and more innovative brand that represents its diverse customers.

Microsoft's supplier diversity programme has grown exponentially since its inception in 2006; at the end of 2020, the company had spent US\$6 billion with diverse suppliers—including US\$426 million with women-owned businesses—up from US\$600 million just 12 years before. The company also recently committed to doubling the number of approved suppliers owned by Black and African Americans and spending an additional US\$500 million with those companies over the next three years.

To achieve this success, Microsoft modified its supplier policies and practices, ensuring inclusion of diverse-owned business in all requests for proposals and end-to-end procurement processes. As part of this, the company is also re-evaluating its supplier selection processes and boosting market assessment and outreach. These efforts are significantly expanding the number and breadth of diverse suppliers in Microsoft's ecosystem and deepening connections with existing suppliers, resulting in longer-term and cross-company supplier relationships.

Microsoft's ambition goes beyond solely empowering diverse and women business owners; it is using its purchasing power through its multiyear supplier relationships to drive diversity, equity and inclusion (DE&I) in the industry as a whole. Indeed, Microsoft's company ethos is predicated on creating the holistic societal change it envisions.

“Focusing solely on supplier diversity puts money in a few wallets and doesn't affect the specific industries you want to change, especially industries that are dominated by large companies like advertising and media. This is why Microsoft started looking at our suppliers' employee representation to ensure the teams working directly on our business were as diverse as the customers we want to reach.”

Kathleen Hall, Chief Brand Officer, Microsoft

⁵⁶. This case study shall not be construed as an expression of any opinion on Microsoft and its programmes or as an endorsement of the activities, products and/or services of Microsoft on the part of UN Women.

In 2014, Microsoft began tracking its suppliers' employee representation, surveying its marketing and consumer businesses (MCB) on the composition of their employees by seniority (i.e. executive, mid-level, professional and support), gender and race. While no diversity targets were formally established between Microsoft and its MCB suppliers, the survey started a conversation and conveyed the value Microsoft ascribes to its suppliers' diversity, equity and inclusion. Microsoft shared best practices including making DE&I top of mind, both in front of the camera (i.e. casting of non-actors and diverse talent) and behind the camera, including collaborating with writers, producers, directors and film- and videomakers through an ongoing dialogue with its core creative and media agencies, as well as quarterly reporting on the representation of its teams.

The data Microsoft collected from its MCB suppliers were then compared with the industry averages from census reports, to determine Microsoft's impact on the industry over time. Microsoft's advertising and media suppliers in the United States are now on average 6 points ahead of the industry in women's representation, and over the past 7 years, there has been a 10-point increase in women's representation at the executive level. In all, this work has proved the power of collective, coordinated and strategic action to create change, and importantly, it has also allowed larger companies that may be male-owned to participate and be part of the solution in the call for companies to improve their environmental, social and governance (ESG) impact.

Greater supplier DE&I has repeatedly proven its business value at Microsoft; work produced by diverse suppliers has more impact, contributing to brand loyalty and increased sales. Microsoft's commitment to DE&I has also set it apart in the tech world, helping the company attract and retain top talent. In fact, Microsoft's stock has grown over six times its worth since 2014, when the initiative began. While increased profit cannot be solely ascribed to the company's diverse MCB suppliers, it is clear that Microsoft's vision and work around DE&I are resonating, and the company's story corroborates the value of procuring not only from women- and diverse-owned businesses but diverse companies themselves.

A cornerstone Microsoft commercial produced by a supplier's diverse team was incredibly well-received on social media due to its feature of two Black college students with natural hair—a styling choice that would not necessarily have been taken without having both diverse talent and leadership. It was work like this created by Microsoft's diverse ecosystem of suppliers over the past seven years that earned Microsoft the 2021 Cannes Lion Creative Marketer of the Year honour for its brave, creative and innovative marketing solutions.



“There’s a huge amount of support from Microsoft’s stakeholders, including customers and employees, for driving change in our ecosystem through procurement. For change to be meaningful, it must be sustainable and holistic. We must put DE&I at the heart of our supplier management by creating opportunities, learning from each other and translating aspirations into reality.”

Terri Bowers, Group Program Manager Supplier Social Equity, Microsoft

The results of tracking MCB supplier employee representation were so successful, the initiative has now been expanded to Microsoft’s top 100 suppliers, representing over 50 per cent of Microsoft’s indirect spend. The company has also recently launched a mentorship programme, AMP’D, which pairs Black and African-American suppliers with a Microsoft insider. The programme aims to improve the supplier experience, optimize their visibility, increase their access to opportunities and provide them with insight for navigating the company landscape. As seen, Microsoft believes that its suppliers are an extension of its company and as such will continue to use its influence and the power of its procurement to keep building a diverse ecosystem that reflects the world of its consumers and uphold its values.

Thanks: Microsoft

For further reading:

- [Inside Microsoft | Global Diversity and Inclusion at Microsoft](#)
- [Welcome to Microsoft Procurement](#)

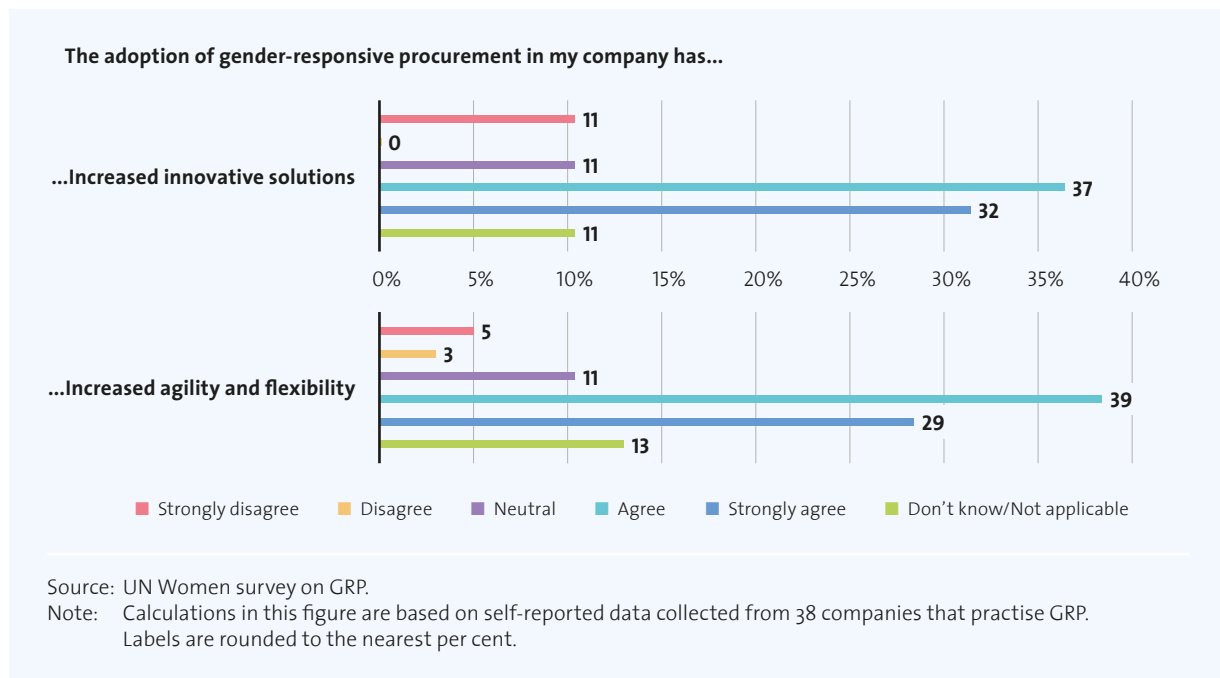
Photo: Microsoft. A current advertisement produced by one of Microsoft’s suppliers showing diverse, young gamers using Windows 11 and Intel-powered PCs.



Research conducted by UN Women has also highlighted women’s and diverse enterprises’ adaptability. UN Women’s survey on GRP found that 68.4 per cent of respondents either agreed or strongly agreed that GRP from smaller or local vendors increased their companies’ agility and flexibility (see Figure 2). This may be attributed to the relative novelty of women SMEs as suppliers and their smaller size versus larger more established and complex businesses, resulting in greater flexibility, willingness and ability to pivot when needed.

As one GRP expert shared, if a company needs a large purchase order, breaking up the order into smaller increments would allow smaller, local and women-owned businesses to bid. While the cost may be higher, it could be offset by reduced shipping and storage costs. Importantly, more flexibility would be built into the supply chain, as companies could then more easily respond to unforeseen or changing consumer preferences versus being stuck with huge potentially unsellable quantities of stock in a warehouse.

FIGURE 2
Proportion of companies which reported that GRP increased innovation and agility



The adaptability of women SMEs became evident during the pandemic; a number of companies from different industries and geographical locations interviewed cited the many women-owned businesses which pivoted

during COVID-19 to help keep their business operations running, including those that began supplying much-needed PPE (see Case Study II for an example).





IMPROVED SERVICE DELIVERY

A central factor in strategic supplier management, and by extension, sustained operations and business growth, is service delivery: whether or not suppliers procured meet deliverables within a set budget and timeframe. UN Women’s research found that gender-responsive procurement can improve service delivery and has the potential to revitalize a company’s value by bringing in new suppliers who bring with them new energy, talent and productive capacity.

This is corroborated by a study of 1,069 firms across 35 countries and 24 industries, which found that gender diversity correlates to more productivity in contexts where gender diversity is culturally important.⁵⁷ In addition, the Hackett Group found that “virtually all diversity suppliers meet or exceed [companies’] expectations, and top corporate performers in supplier diversity experience no loss in efficiency”.⁵⁸

All businesses interviewed by UN Women rated their women-owned suppliers highly, with many companies stating that GRP had significantly improved the quality of service delivery, with increases in efficiency, customer service and productivity. Companies reported that women and diverse suppliers, which are more likely to

be SMEs, are often more eager for business, leading to better customer service and a willingness to learn and adapt. A number of companies also shared that SMEs provide better customer service than larger firms due to their smaller number of customers, and they may also have a more specialized understanding of industry fluctuations and needs.

For one company based in the United Kingdom, a woman-led smaller business was instrumental in helping to navigate shipping PPE during Brexit and COVID-19. The smaller size and context-specific expertise of the supplier allowed the company to overcome complex and quickly evolving challenges through one-on-one guidance, when other shipping companies were tied up with other customers and unable to provide comparable service. To onboard more women-owned businesses, an India-based food services company now procures from six smaller bakeries rather than one large manufacturer, leading to the chapatis, an Indian flatbread, being made by hand rather than machine and resulting in tastier and softer bread. The improved product has increased client satisfaction, resulting in renewed and longer-term relationships with both its clients and the chapati suppliers.

57. Turban et al. 2019.

58. The Hackett Group 2017.



CASE STUDY VI

UTILIZING THE POWER OF DIVERSITY FOR BUSINESS AND COMMUNITIES: PROCTER & GAMBLE ⁵⁹

GRP has proven to be a win-win for P&G; through its purchasing power, the company is staying competitive while driving social change.

Procter & Gamble (P&G)'s supplier diversity programme has been in place for 45 years and stems from its commitment to have a positive impact and the knowledge that diversity fosters innovation. The company has spent billions of dollars with diverse suppliers⁶⁰ globally and spent more than US\$2 billion in the last year across all diversity categories. P&G continues to add diverse-owned companies to its supplier ecosystem every year and is on track to spend US\$10 billion cumulatively with women-owned and led businesses by 2025.

P&G experiences have demonstrated that supplier diversity and women's economic empowerment are good for business; diversity drives innovation and creativity and creates competitive advantages for P&G in the marketplace. P&G measured this competitive advantage in 2018, conducting a scaled performance perception survey with its suppliers to evaluate relationship management, commercial success and operational excellence, among other criteria. The data were then disaggregated by ownership, and the results were noteworthy: P&G's diverse suppliers outperformed non-diverse suppliers in multiple areas like collaboration and competitiveness.

P&G's efforts to support gender equality and women's empowerment in its supply chains also benefits its brands, especially as consumers seek more socially and environmentally conscious goods that benefit from ethical and sustainable sourcing. P&G partnered with UN Women in 2018 to support capacity-building for women entrepreneurs to enhance P&G's and other potential companies' end-to-end supply chain in Egypt, Nigeria, Pakistan and South Africa. The programme directly benefited more than 500 women in these four countries and highlights that businesses can contribute to common social goals, such as gender equality and women's empowerment, while simultaneously benefiting their reputation and business performance. According to P&G, customers' appreciation of and preference for products from brands that are truly committed to the values they proclaim have contributed to P&G's continued success.

59. This case study shall not be construed as an expression of any opinion on P&G and its programmes or as an endorsement of the activities, products and/or services of P&G on the part of UN Women.

60. P&G considers diverse suppliers to be ethnic minority, women, LGBTQ+, Veteran or Person with Disability-owned, operated and controlled in the United States and woman-owned, operated and controlled outside of the United States. For a full definition, see <https://pgsupplier.com/supplier-citizenship#supplier-diversity>.

P&G believes that gender-responsive procurement benefits extend beyond the business, as its supplier diversity programmes contribute to community and economic development. P&G’s survey with diverse suppliers in 2015, which covered about half of its total direct diverse spend and focused on calculating the socioeconomic impact of the programme in the United States, supported this. The results suggest diverse business owners hire more diverse employees, indirectly benefiting workers who have historically been underrepresented; data showed that their employees’ diverse representation was 39 per cent versus the 33 per cent national average.⁶¹

**“We are striving to push, engage and inspire all companies
to have equal representation
—not only the ones that are women-owned and led.”**

Jamila Belabidi, Purchases Director – Global Women Economic Empowerment & Global Supplier Diversity, P&G

P&G’s drive to create an inclusive, gender-equal environment in the workplace, both within P&G and the extended community P&G impacts, has led to the examination of its supply chain beyond women and minority ownership to ensure that it is making an impact with its supplier—not only those that are diverse-owned or led. This creates an opportunity for P&G to contribute to and broaden goals around equality, inclusion and sustainability, such as the UN Sustainable Development Goals and Women’s Empowerment Principles. Equality and inclusion (E&I) practices are considered in sourcing events, and the company will be launching an E&I assessment in 2022 which will aim to strengthen and harmonize E&I considerations across the organization’s procurement processes. P&G also annually reviews its partners’ E&I initiatives and then works with them to scale up and advance their environmental, social and governance efforts, thus encouraging P&G’s suppliers to become more gender-responsive by advocating for equal representation, unconscious bias trainings, the sharing of best practices and more. As a result, P&G is improving conditions for gender equality and women’s empowerment in its supply chain, which includes business-owners and workers.

^{61.} United States Bureau of Labor Statistics 2014.



“With almost 40 per cent of our spend represented by respondents, we were proud to learn that 74 per cent of our respondents have a written Diversity & Inclusion programme, 81 per cent have a process to monitor and assess equal pay and 87 per cent have a corporate Community Impact programme or initiative.”

P&G's [2020 Citizenship Report](#).

Through these efforts, P&G is helping to raise the bar on gender-responsive procurement, demonstrating how the integration of gender-responsive practices not only leads to economic and community development but also to a strengthened and more profitable business.

Thanks. **P&G**

For further reading:

- [P&G Supplier Citizenship](#)
- [Creating a citizenship 'ripple effect' in Procter & Gamble's supply chain](#)

Photo: UN Women. Women business owners in Egypt share their stories as part of UN Women's programme on capacity-building for women entrepreneurs.



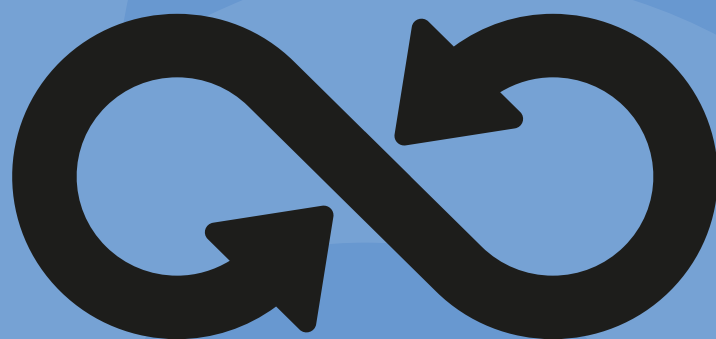
In addition to experiencing better customer service, companies engaged through UN Women's research reported increased productivity due to the adoption of GRP. In particular, working with gender-responsive enterprises with aligned values and goals tends to save time. A few companies interviewed prioritized suppliers based on shared purpose, which allows partnerships to progress more efficiently. For example, one fashion retailer sources from companies that already have existing programmes on responsible materials and women's empowerment. This saves the company considerable resources, such as in capacity-building around ESG issues, and helps ensure that all business practices follow their standards.

In this same vein, GRP can have the benefit of leading to longer-term and more collaborative relationships, with shared values and goals nurturing trust, stability and growth. As a result of the retailer's commitment to ESG practices, its supplier relationships last an average of six years, which has encouraged greater investment from suppliers and buyers in the relationships' futures.

Similarly, some companies highlighted how their capacity-building and outreach programmes with women-owned SMEs as part of their GRP activities meant closer and more cooperative relationships, where suppliers have become more attuned to company expectations. One branch of a multinational company based in the Asia-Pacific, for example, started recruiting more women-owned businesses a decade ago. The company first contracted a small marketing firm with limited deliverables, simultaneously testing its capabilities while investing capital into the business. The company worked closely with the supplier and after repeated success and multiple additional contracts, the woman-owned business has now grown to be one of the company's top trusted marketing suppliers.

This case was a win-win and showcases how investments in supplier relationships can improve service delivery; the close working relationship built a strong and sustained partnership with mutual understanding, where little oversight and handholding is needed, driving productivity and cost reduction, all while contributing to the supplier's successful growth.





STRONGER MARKETS THROUGH ECONOMIC DEVELOPMENT AND INCLUSIVE GROWTH

Businesses have a stake in economic development and inclusive growth, which creates new market opportunities, capital investment and consumer demand, all of which impact businesses' strategic interests. Gender-responsive procurement is a prudent business approach because it increases supplier availability and competition, contributing to the development of value chains and economic and inclusive growth more broadly.

The UN Women survey on GRP found that a large majority of companies reported that their GRP programmes contribute to the growth of SMEs, women's labour force participation and female entrepreneurship, along with providing increased business opportunities for women-owned businesses. In fact, 80 per cent of companies agreed or strongly agreed that their GRP programmes contributed to women's economic empowerment (see [Figure 3](#)). UN Women interviews, meanwhile, uncovered how companies can gain mutual benefit from contracting women's enterprises, working to build an inclusive ecosystem that collaboratively develops women's entrepreneurship, strengthens the local economy and empowers women.

GRP programmes often target local businesses which are women and diverse-owned, either intentionally or unintentionally, and many companies interviewed shared how expanding procurement calls brings more businesses, including local suppliers, to the table. As a result, several companies interviewed noted the impact of their programmes in their own communities. In fact, once the companies saw the positive effects of their GRP programmes in their local economies, they became more motivated to continue and scale up GRP.

Women's entrepreneurial activities are a significant driver of economic activity. Globally, 90 per cent of businesses are SMEs and in developing countries 7 out of 10 jobs are created by SMEs.⁶² Because one third of SMEs are women-owned,⁶³ GRP, by bringing revenue to women's enterprises, can be a significant means of local income generation and decent employment opportunities, especially during economic strife when jobs are scarce. In fact, 77 per cent of survey respondents practising GRP agreed or strongly agreed that their companies' GRP initiatives contributed to supporting local labour markets (see [Figure 3](#)).

62. World Bank undated.

63. IFC 2014.



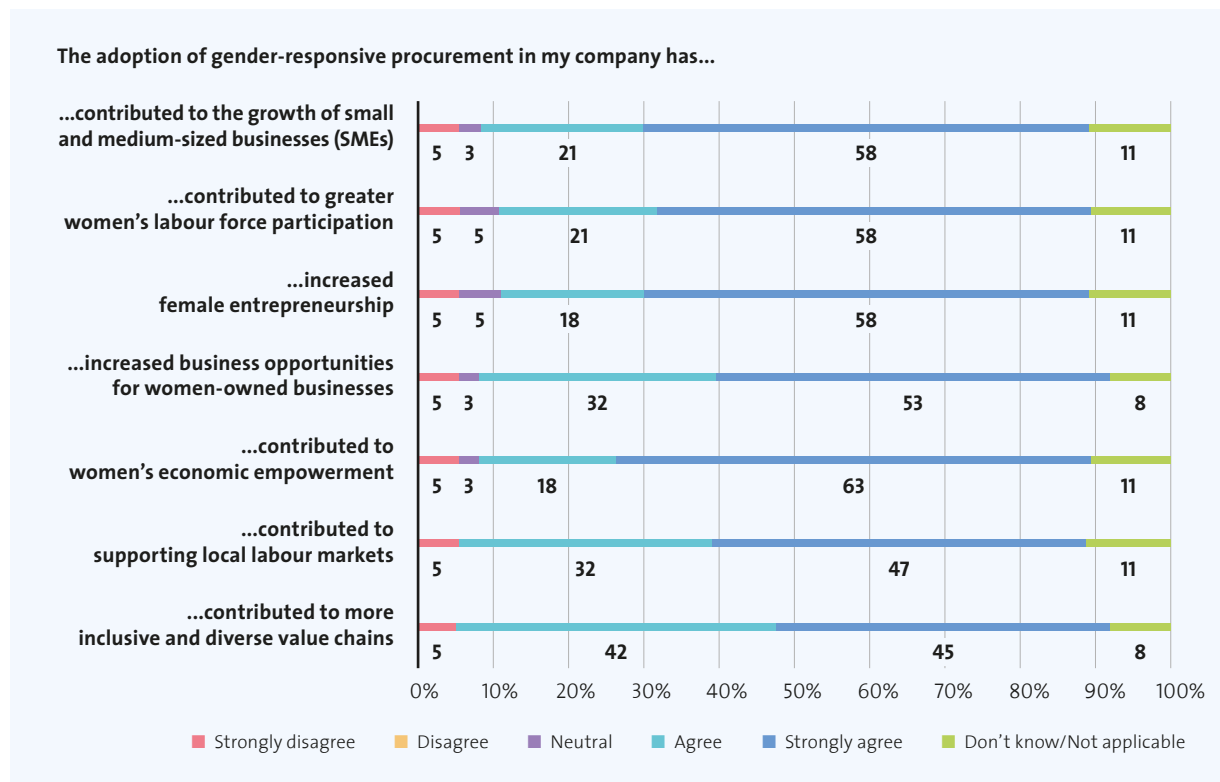
**“Economies flourish when women are engaged.
What is good for gender equality is good for the economy.”**

*Ms Sima Bahous, Executive Director, UN Women, UNGA event,
Achieving gender equality – Women Powering the Economic Recovery*

This finding is corroborated by information shared in a UN Women interview with a large US-based firm. A study commissioned by the company found that its supplier diversity programme supported tens of thousands of jobs and that every dollar spent in the programme

resulted in US\$1.60 contributed back to the domestic economy. In other UN Women interviews, companies shared that as local diverse SMEs grow, they often supply to other companies, showing that a corporation’s support of one vendor may end up benefiting many.

FIGURE 3
Proportion of companies which reported that GRP contributed to women’s economic empowerment



Source: UN Women survey on GRP.

Note: Calculations in this figure are based on self-reported data collected from 38 companies that practise GRP. Some companies did not respond to all questions. Labels are rounded to the nearest per cent.

By continuing to exclude or ignore women's enterprises, businesses are failing to access valuable and underutilized resources. One interviewee summarized this as follows: when procurement opportunities are exclusionary, potential suppliers do not grow, which prevents other companies from also expanding, constraining capital flows and eventually stalling more businesses. In fact, gender gaps represent a huge opportunity cost for economic growth. BCG found that global GDP could rise by 3 to 6 per cent or US\$2.5 to US\$5 trillion if women participated equally with men in entrepreneurship,⁶⁴ and McKinsey & Company found that US\$28 trillion could be added to global annual GDP in 2025 if women played an identical role in labour markets as men.⁶⁵ Research modelling the effects of women's economic participation projected that income per capita would

fall by 10 per cent in the short run without women's entrepreneurship due to a decrease in average entrepreneurial talent. Output per capita would also fall, but by 47 per cent in the short run, without women in the labour force.⁶⁶ In addition to the negative effects on gender equality and women's empowerment, this could represent a major loss of revenue for businesses globally.

Indeed, in the age of COVID-19, company profits will continue to suffer without a sustainable and inclusive economy with diverse value chains, of which GRP can play a significant role (see Figure 3). Keeping women in the workforce is in the best interest of the economy in general and the bottom line of individual companies, and GRP may be one way to achieve this participation.

64. Unnikrishnan and Blair 2019.

65. McKinsey Global Institute 2015.

66. Cuberes and Teigner 2016.



CASE STUDY VII

CREATING A GENDER-RESPONSIVE TELECOMMUNICATIONS ECOSYSTEM IN KENYA: SAFARICOM, SBM BANK AND CAMUSAT ⁶⁷

Safaricom, SBM Bank and Camusat, with the support of the International Trade Centre, reformed their procurement policies and practices, helping local women-owned businesses to grow and creating a more inclusive and self-supporting telecommunications ecosystem.

Safaricom, a leading communications company in Kenya and home of the famous mobile money service M-PESA, puts transforming lives at the core of its work. It believes that the role of business extends beyond making profits, and as such has committed to delivering innovative products and services in the framework of the Sustainable Development Goals. In 2017, as part of its commitment to SDG 10 on reducing inequalities, Safaricom conducted an analysis of its operations, including its supply chain, finding that only 2.7 per cent of their Tier 1 suppliers were women. Safaricom swiftly decided to set an internal target to raise that number to at least 10 per cent.

Safaricom then made various changes, including updating its procurement policy, reserving categories of spend for women-owned businesses, issuing a public call advertising its procurement opportunities for women entrepreneurs in 2018, and delivering a series of trainings with partners to build potential women suppliers' capacities, which included providing tender feedback. The company also collaborated with the International Trade Centre (ITC) as part of its SheTrades programme, which built the capacity of women-owned businesses in Kenya through training and coaching in topics such as crisis management, cloud computing and opportunities in emerging markets, and connected them to markets. Once more women started succeeding in winning contracts, Safaricom formed partnerships with Absa, Equity Bank, Citibank and SBM Bank, negotiating financing and invoice discounting for its new suppliers. Businesswomen were thus able to gain credit from the banks as soon as they received an invoice from Safaricom, allowing them to kick-start their work without delay.

These types of collaborations, as part of Safaricom's Women in Business programme, contributed to an ecosystem conducive to gender-responsive procurement, driving others to strive for and benefit from more inclusive sourcing. Safaricom and SBM Bank, for example, were introduced as part of the SheTrades Programme, which connected like-minded companies interested in supplier diversity programmes and gender-responsive procurement. As a result of this growing local momentum, SBM Bank conducted a baseline survey in 2019 of its sourcing from women entrepreneurs and

67. This case study shall not be construed as an expression of any opinion on Safaricom, SBM Bank and Camusat and their programmes or as an endorsement of the activities, products and/or services of Safaricom, SBM Bank and Camusat on the part of UN Women.

committed to raising its procurement spend from 2 to 10 per cent by 2022. Employees of the bank actively participated in a series of webinars that aimed to sensitize and prepare SheTrades' partners to create a framework that facilitated the adoption of inclusive business practices along supply chains. SBM Bank was also able to benefit from Safaricom's database of women-owned businesses and has successfully procured from a number of women-owned businesses on the list. Moreover, SBM Bank lobbied other companies within its network to likewise give opportunities to their women-owned businesses clientele. Companies thus worked in tandem to support the sustainable growth of local women-owned businesses, leading to a stronger and more diversified supplier base in Kenya.

“One of the biggest criteria for partners is making sure that their values are aligned.”

Margaret Kimani, SBM Bank

Significantly, Safaricom continued to build its gender-responsive procurement ecosystem by extending its support to its Tier 1 suppliers, which were encouraged to promote gender-responsive practices within their own procurement processes and uphold their values, creating a community of practice that drove collective action. Safaricom's partnership with Camusat—a market leader in telecom infrastructure—as a Tier 1 supplier, which began in 2017 as part of its flagship project in fibre, was thus another logical fit; one of Camusat's core values is diversity, and the company aims to create sustainable jobs directly and indirectly through its supplier and subcontracting partners. Its procurement strategy relies on purchasing from local suppliers: in 2020, 96 per cent of its suppliers around the world were local, a key way it promotes local economic development. Thus, when Safaricom called for its suppliers in fibre-optic cabling to help build women entrepreneurs' capacity, Camusat stepped up to the plate. Camusat already had a system in place to ensure inclusivity, focused on cultural diversity and gender equality within its workforce, and this aligned well with Safaricom's vision to build capacity for women-owned businesses. Together, Safaricom and Camusat generated greater community impact by deciding to include more women in their supply chains.

However, there are not many women, let alone women-owned and led businesses, in the fibre-optic space, and the proposition to contract from women in this historically male-dominated industry was a challenge. Nevertheless, as part of its commitment to and in alignment with company policies on inclusion, Camusat worked hard to change attitudes in the telecommunications space; it had conversations with its employees and partners to challenge the norms of which it was so accustomed.

“The most important thing to do is to give women the tools to succeed.”

Macharia Kinga, Camusat



To start its journey, Camusat took a risk and subcontracted one women-owned business working in rural water piping, a similar field to fibre-optic cabling. Camusat's supervisors worked with her team, building the capacity of the business with the necessary skills in laying fibre optics, and as a result, the project was delivered successfully. This success led to more women-owned companies being subcontracted using the same model; now 10 of the company's 15 subcontractors in Kenya are women-owned businesses and 45 per cent of all of Camusat Kenya's suppliers are women.

The positive results of these collective efforts in increasing women suppliers are plentiful. For one, because the newly onboarded women did not have preconceived ideas of how the business would be done, they were more agile, willing to learn and responsive to company values, for example, putting health and safety first. In fact, the women's enterprises' openness to learning resulted in higher quality outputs. Women-owned businesses are Camusat's highest-rated suppliers, based on, among other things, technical skills, health and safety, and procurement practices. A bigger supplier base has also allowed the business to further specialize through outsourcing, which has led to better margins as in-house supplier management is low.

The women entrepreneurs are now so successful, they are working with Safaricom's, SBM Bank's and Camusat's competitors as well, which has increased supplier diversity in the local economy, reducing risk and increasing innovation. By working together to deliver on shared values and goals, Safaricom, SBM Bank and Camusat succeeded in creating a self-supportive and more inclusive ecosystem.

*Thanks: **Safaricom, SBM Bank, Camusat and ITC***

For further reading:

- [Safaricom: Pre-Qualification for Women-Owned Businesses](#)
- [Beth Muthui on How SBM Bank is Enabling Women Entrepreneurs](#)
- [Camusat: Corporate Social Responsibility](#)

Photo: Safaricom. Safaricom's Women in Business programme held capacity-building workshops on financial management and financial access for SMEs.



CONCLUSION

The influence of the private sector on the realization of human rights, meeting international labour standards, maintaining and improving human and environmental health, and sustaining economies and societies is vast. As such, companies can have a central role in advancing gender equality in value chains, markets and local and global economic development through the adoption of gender-responsive procurement. As the preceding sections of this report have outlined, in addition to advancing gender equality and women's empowerment, GRP strengthens businesses in six main ways.

Firstly, companies reported increased revenue and reduced procurement spend. Multiple case studies showed how women-owned suppliers became customers themselves, adding a new stream of revenue for businesses. Other companies shared how supplier diversity and/or GRP initiatives lowered purchasing costs due to increased competition within supplier pools.

A second finding is that GRP results in greater supplier availability and lower risk, particularly in relation to supply interruption. As supply chain disruptions have become more common due to, among other things, COVID-19 and climate change, many companies shared how their diverse business networks allowed them to continue operating while managing risks associated with single sourcing.

UN Women's research also found that GRP has led to strengthened brand reputation with customers (both B2B and B2C), peers, partners and employees. As greater attention is paid to ESG issues, strategic companies are ensuring that their supply chain reflects their values around ethical and sustainable sourcing.

The fourth main benefit is increased innovation as a result of undertaking GRP, as companies sourced from a wider range of talent and experiences show greater innovation and adaptability, given that women-owned businesses tend to be smaller but more agile.

Fifth, UN Women's research found that companies implementing GRP saw improved service delivery, with increases in efficiency, customer service and productivity. A number of buyers reported benefiting from gender-responsive suppliers due to aligned values, while others profited from closer working relationships with women-owned SMEs as a result of GRP programmes with a focus on training and capacity-building.

The final main finding involves GRP's impact on economic development and inclusive growth, which benefits companies by increasing supplier availability, capital and competition through the promotion of women's entrepreneurship.



The future of gender-responsive procurement

More than half a century after the start of supplier diversity initiatives, a host of companies are setting ambitious goals and raising their spend with women and minority-owned businesses. Over 60 per cent of UN Women GRP survey respondents have or are developing formal programmes to procure from women-owned businesses. The Hackett Group reports that 7.2 per cent of companies' current average spend is dedicated to diverse-owned businesses, which is expected to increase by more than 50 per cent by 2025.⁶⁸ Furthermore, women-owned businesses are the top category for targeting within inclusive procurement programmes.⁶⁹

Companies have begun not only sourcing from women-owned businesses, but also from women-led and gender-responsive businesses, using their influence to generally shift norms and practices within their supply chains.

This evolution is broadening the impact of companies' purchasing power beyond benefiting only women business owners to supporting gender equality in business practices and bringing positive changes to employees, customers and community members at large.

Sourcing from gender-responsive businesses allows all suppliers, not only those that are diverse-owned, to be a part of the movement towards gender equality. Borrowing one East African interviewee's words, buying from women-owned businesses without promoting inclusivity would be undermining his company's impact on gender equality.

Call to action

Procurement needs to be valued beyond only reducing company costs by consolidating spend. Greater public attention towards social issues has opened the door to changing corporate behaviour. The cumulative effects of recent events have shown the need for companies to diversify their supply chains by broadening their pipelines and increasing local and regional procurement to better ensure continued operations, even during unexpected supply chain disruptions.

The need to deliver in an increasingly challenging world is reflected in companies' greater expectations of procurement professionals and leaders. The Deloitte Chief Procurement Officer Survey in 40 countries found that CPOs are being given more priorities beyond only cost savings against a backdrop of growing expectations.⁷⁰ Companies are more and more counting on procurement

divisions to address business needs like resiliency, brand reputation, sustainability and more. Adopting GRP is a way that CPOs and their teams can deliver on these expectations.

The COVID-19 pandemic has heightened the urgency to rethink business as usual. In many countries, fragile progress on women's employment was all but wiped out. Women's employment growth in 2021 has been insufficient to raise women's labour force participation rates to pre-pandemic levels,⁷¹ and men remain more likely to start businesses than women.⁷² The widening economic gender gaps from the pandemic coupled with women's centrality to sustainable development and economic growth should motivate all concerned to embrace measures for women's economic empowerment, including GRP.

68. The Hackett Group 2021b.

69. The Hackett Group 2021a.

70. Kilpatrick et al. 2021.

71. UN Women and UN DESA 2021.

72. GEM 2021.

While the pandemic has brought attention to the barriers that women face in the workforce, it also presents an opportunity to 'build back better' by putting gender equality and sustainability at the centre of recovery and transformation. GRP programmes can leverage women's ability and potential to contribute to supporting and reinvigorating women's and gender-responsive enterprises. In fact, women- and men-owned businesses report similar levels of optimism in returning to pre-pandemic levels in the near future.⁷³

Additionally, the Global Entrepreneurship Monitor found that a significant proportion of entrepreneurs were propelled to start new businesses because of the pandemic,⁷⁴ many of whom in the United States are women and minorities.⁷⁵ This has the potential to spur

the growth of entrepreneurial activity, which GRP can cultivate to support inclusive recovery. Women entrepreneurs are available as suppliers and can help businesses rebuild.

GRP is not only the right thing to do, it is the smart thing to do. As several companies across all regions reported, businesses that practise GRP derive a multitude of benefits, from increasing brand loyalty to enhancing supplier availability and minimizing risk. The review and analysis of business practices and 'building back better' in the age of COVID-19 thus represents an opportunity to increase adoption of GRP by the private sector, helping to ensure that gains made in women's economic empowerment are not erased, but sustained.

73. Hyland et al. 2021.

74. GEM 2021.

75. A recent study of 1,199 women business owners by Gusto and the National Association of Women Business Owners (NAWBO) in the United States found that 47 per cent of businesses started by women in 2020 were minority-owned. Pardue 2021.

KEYS TO SUCCESS

Changing procurement policies and practices is no easy task. While this report's main objective is to describe the benefits noted by companies undertaking gender-responsive procurement practices, with a focus on the 'why' of GRP, this section supplements the discussion

with the many resources available that speak to the 'how' (see Box 5). The paragraphs that follow highlight the strategic steps companies can take to aid the implementation of GRP, which emerged in the course of interviews and other research for this report.

BOX 5

Key resources

- UN Women. 2017. [The power of procurement: How to source from women-owned businesses. Corporate Guide to Gender-Responsive Procurement](#)
- UN Women. 2020. [Gender-Responsive Procurement: A Transformative Strategy for Creating Better Systems for Women's Entrepreneurship webinar](#)
- UN Women. 2020. [Gender-Responsive Procurement: Guidance Note](#)
- UN Women. 2021. [Rethinking Gender-Responsive Procurement: Enabling an Ecosystem for Women's Economic Empowerment](#)
- UN Global Compact and UN Women. Undated. [The Women's Empowerment Principles Gender Gap Analysis Tool](#)
- UN Global Compact and UN Women. Undated. [Women's Empowerment Principles](#)
- UN Global Compact. Undated. [Decent Work Toolkit for Sustainable Procurement](#)
- UN Global Compact. Undated. [Improving Wages to Advance Decent Work in Supply Chains](#)
- UN Global Compact and UNICEF. 2020. [Family Friendly Workplaces: Policies and Practices to Advance Decent Work in Global Supply Chains](#)

It is firstly important to understand the business case for GRP, recognizing GRP's intrinsic value to strong business foundations, apart from CSR considerations. As shared by one multinational consumer goods company, greater buy-in from business leaders sharpens company priorities, which then affects the allocation of resources and potential for success. Thus, getting the necessary

sponsorship for GRP, particularly from the CEO, along with a commitment to and road map for GRP in business plans, is critical for driving the uptake of GRP. This finding from interviews was reflected in other research for the report; 40 per cent of members of a UN Women-led community of practice on GRP ranked high-level leadership as the most important factor in the

implementation of GRP,⁷⁶ and 55 per cent of respondents in UN Women's survey on GRP stated that the adoption of GRP was driven by C-suite/senior management. Furthermore, interviews emphasized the importance of CEO leadership to support continued prioritization, momentum and ambition in the face of economic shocks like COVID-19.

It is likewise important to set goals, monitor and evaluate procurement operations to troubleshoot problems when needed and ensure progress. Borrowing the words of a technology executive in an interview with UN Women, "if it's not measured, it won't change." Hence, the second step in implementing GRP is conducting a baseline analysis of current spend and then setting a target and time frame. In male-dominated fields, one multinational company interviewed suggested setting targets for joint ventures and/or diverse companies established with the company's support. Because conducting a baseline analysis requires significant effort, one company interviewed recommends breaking up the work, delegating the task to business units. This allows the business units to set their own strategies, e.g. by asking whether companies are women-owned or led within requests for quotes or proposals.

As a third step, companies should put commitments into action. Companies interviewed shared that GRP should be integrated in cross-company business strategies, with all business units responsible for GRP, rather than having only one dedicated team responsible for GRP's success. Because GRP practice exists on a spectrum and depends on companies' positions, a few companies recommended starting small and within what is feasible, taking on other items further along companies' GRP journeys.⁷⁷ As part of their business strategies, highly successful companies interviewed, for example, have dedicated supplier diversity and GRP teams or procurement manuals, which provide support across the company and helps identify women-owned, women-led and gender-responsive businesses.

Fourthly, companies interviewed underlined the importance of training employees, including buyers, supply chain leaders, communications teams and quality control professionals on GRP. It is through training that employees company-wide will be aware of and become allies for GRP. Several companies shared that their programme's success relied on the provision of staff training to all their procurement teams so that employees understand the value of GRP. Indeed, each buyer within a company represents an opportunity to make an impact for gender equality and the business within supply chains.

The fifth recommended step arising from interviews concerns performance management. A few managers interviewed underlined the importance of tying compensation and/or performance reviews to supplier diversity and GRP goals, so that employees are accountable to the companies' values and goals across all portfolios. Another company interviewed shared how progress on GRP is measured regularly, in this case every quarter, which has supported their success. Meetings are held with the leadership team to share progress, i.e. evolution in spend, and any success stories that may be helpful for other businesses units. Based on progress, companies can make informed and evidence-based decisions to determine business strategies, and importantly, revise policies and practices when goals are not met.

It is important to note that improving procurement practices is complex and requires more than goodwill. It demands a change in corporate culture that needs to start from the top as well as from the bottom, particularly from the procurement specialists to generate the evidence showing that GRP really does generate change. Together, these actions shift business culture, where all employees believe in the intrinsic power of diverse value chains and view GRP as more than an obligation.

^{76.} High-level leadership was followed by multi-stakeholder partnerships (34 per cent) and staff capacity and awareness (20 per cent).

^{77.} For suggested steps in GRP based on companies' stages of maturity, see Women's Forum for the Economy and Society 2020. [Unmasking the value of women's economic empowerment in supply chains](#), p. 14.

BOX 6

WEConnect International and #Rise2theChallenge

WEConnect International is a member-led, global non-profit that brings motivated, large corporate, multilateral and government buyers together with qualified women-owned suppliers around the world. It works with over 140 multinational buying organizations, with over US\$1 trillion in annual purchasing power combined, that have committed to sourcing more products and services from women-owned businesses based in over 130 countries. WEConnect International identifies, educates, registers and certifies women's business enterprises based outside of the United States that are at least 51 per cent owned, managed and controlled by one or more women. WEConnect International provides certification in almost 50 countries that represent over 60 per cent of the world's population.

On International Women's Day, 8 March 2021, WEConnect International launched the #Rise2theChallenge campaign to urge multinational buying organizations to publicly commit to a specific spend target or relevant project to advance opportunities for women-owned businesses around the world. Examples of commitments to date include:

- US\$10 billion in spend with women-owned and -led businesses by 2025 by Procter & Gamble
- US\$500 million in annual spend with women-owned businesses by the end of 2025 by Intel
- 10 per cent year-over-year spend growth with women-owned businesses within indirect spend by Logitech
- 5 per cent spend of procurement budget towards integrating women-owned businesses into the supply chain of Moody's Corporation
- EUR 2 billion in spend with diverse suppliers, including women-owned businesses, by 2025, as part of a new programme for a more inclusive society from Unilever.

Companies continue to commit, and all participants will be celebrated on 8 March 2022. For more information and to join the challenge, visit: <https://weconnectinternational.org/rise2thechallenge/>

Investment is needed to train procurement professionals, change procurement policies and practices, and bring on board new suppliers, and to do so, businesses need to change the way procurement is done to level the playing field for women in all their diversity. A shift in value structures and corporate culture will be necessary to increase inclusion, where cost becomes one of the

many factors in procurement decisions. SMEs, many of which are diverse and women-owned and led, can benefit from capacity-building and guidance, as well as other procurement policy amendments, such as reduced payment cycles and simplified procurement bidding processes.

A number of companies interviewed emphasized that GRP will be more successful and sustainable through collective action and recommended engaging externally with experts and peers to share stories, including challenges and successes as the last and sixth step. As procurement and business needs continue to evolve, the case for GRP will correspondingly adapt and be rebuilt. Thus, it is important for companies to continue to share success stories to debunk misconceptions and inspire others to take on GRP. To this end, UN Women hosted a series of webinars, where procurement leaders shared their GRP journeys, including their challenges and successes, as part of UN Women's community of practice on GRP in 2021.

Similarly, companies can utilize networks, like WEConnect International and the Women's Empowerment Principles community, to identify both potential suppliers and other like-minded companies to partner for change (see Box 6). Through these measures, businesses can continue to build the business case and inspire others to take on GRP, to work together and contribute to a better, more equal, future.

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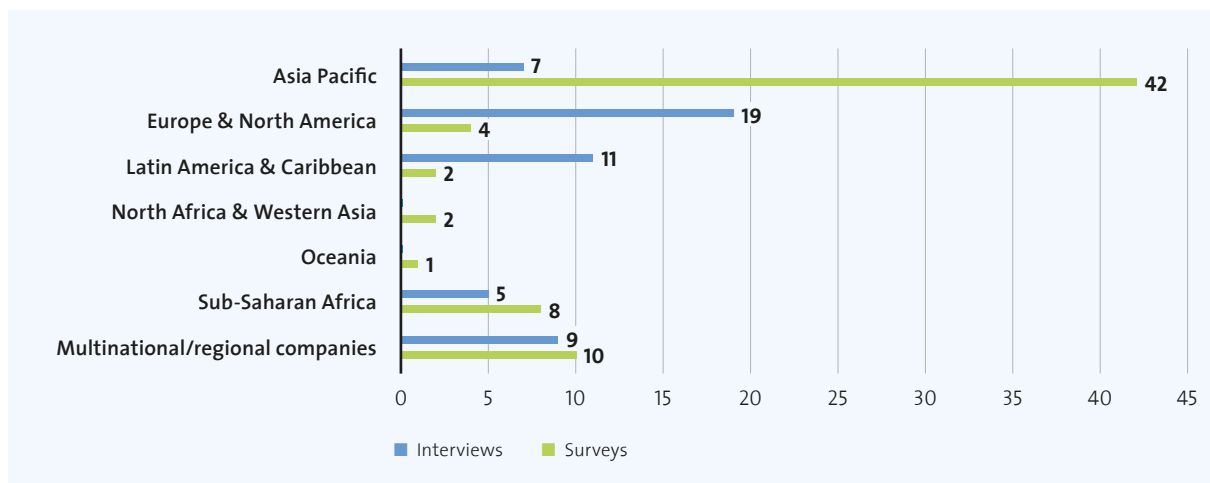
ANNEX

Methodology

This report documents the results of quantitative and qualitative research collected in 2021 through 51 interviews⁷⁸ and an anonymous survey of 69 private sector representatives. Those engaged represent a wide range of stakeholders from the private and public sectors, covering different geographical locations, sizes, industries and stages of development (e.g. start-ups to national companies to established multinationals) (see Figures 4 and 5). The research was supplemented by learnings from a UN Women-led community of practice on GRP and desk research of relevant studies and evidence.

Interviews were semi-structured and an interview protocol was used to guide data collection. Semi-structured interviews facilitated the gathering of rich and detailed responses in relation to the companies' experiences with regard to GRP and allowed the researchers to clarify responses during data collection. Questions covered companies' motivations for taking on GRP, challenges encountered and any benefits derived.

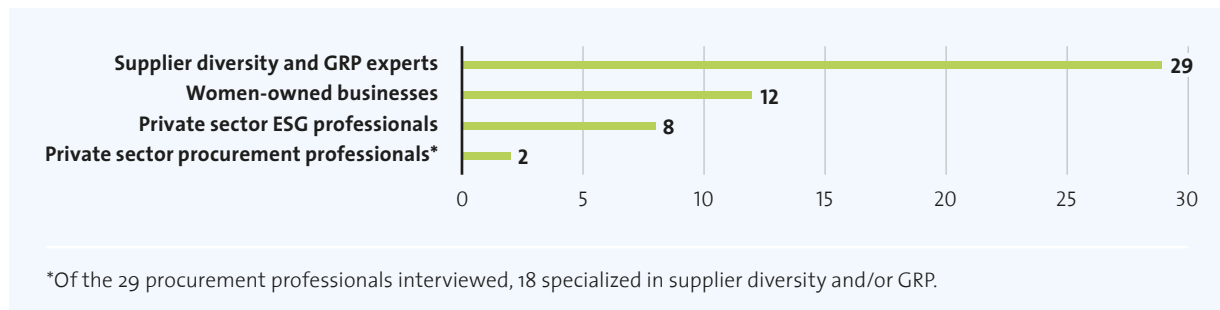
FIGURE 4
UN Women interviewees and survey respondents by region



78. Interviewees were notified that their responses to questions would remain anonymous unless explicitly agreed. As a result, where the report cites survey respondents, they are not attributed to a specific company or organization. The majority of interviews were recorded to allow more precise accounts of companies' responses.

FIGURE 5

UN Women interviewees by category



The survey was sent to the Women’s Empowerment Principles and UN Global Compact’s Target Gender Equality global listservs, which together have over 52,000 recipients worldwide, as well as UN Women partners in the private sector. The survey was open to everyone working in a private sector company that purchases products and services and was available in three languages: English, French and Spanish. The survey asked for respondents’ familiarity and experience with GRP, including why or why not companies decided to take on GRP and the positive and negative results. Questions differed depending on whether companies were practising GRP more or less comprehensively. The survey is referred to in the text as the “UN Women survey on GRP”.

Because of the survey’s audience, the survey sampled represents a higher likelihood of built-in bias compared to the general population. As such, there are some limits to the generalizability of the findings as they may overrepresent companies that are already committed to gender equality, sustainability and human rights principles, and the vast majority of companies, which were not surveyed, have yet to implement and discover the benefits of GRP. Moreover, given the larger number of survey respondents representing the Asia-Pacific

region and interviewees representing multinational, regional and European and North American companies, the report draws to a greater extent from experiences in those regions. Despite this, because of the limited number of companies globally that have taken on GRP, with many based in North America, where supplier diversity is more common, it is important to learn from all shared experiences, which are outlined throughout the report.

The report lastly draws from a UN Women-led community of practice on GRP, which engages over 250 stakeholders from the private and public sectors as well as industry groups and others working to promote women’s entrepreneurship. The community of practice held three meetings on the business case for GRP in 2021, covering 1) the current state of GRP in the private sector; 2) capacity-building for buyers and suppliers; and 3) the future of GRP. The points shared during the discussions were integrated into the analysis.

Following data collection, all responses were analysed for themes and trends described by companies to provide an answer to the question of what is the business case for GRP.

**UN WOMEN IS THE UN ORGANIZATION
DEDICATED TO GENDER EQUALITY
AND THE EMPOWERMENT OF WOMEN.
A GLOBAL CHAMPION FOR WOMEN AND
GIRLS, UN WOMEN WAS ESTABLISHED
TO ACCELERATE PROGRESS ON
MEETING THEIR NEEDS WORLDWIDE.**

UN Women supports UN Member States as they set global standards for achieving gender equality, and works with governments and civil society to design laws, policies, programmes and services needed to ensure that the standards are effectively implemented and truly benefit women and girls worldwide. It works globally to make the vision of the Sustainable Development Goals a reality for women and girls and stands behind women's equal participation in all aspects of life, focusing on four strategic priorities: Women lead, participate in and benefit equally from governance systems; Women have income security, decent work and economic autonomy; All women and girls live a life free from all forms of violence; Women and girls contribute to and have greater influence in building sustainable peace and resilience, and benefit equally from the prevention of natural disasters and conflicts and humanitarian action. UN Women also coordinates and promotes the UN system's work in advancing gender equality.



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