

TOOLKIT FOR BUSINESS

INVESTING IN WOMEN'S ECONOMIC EMPOWERMENT TO STRENGTHEN SUPPLY CHAIN RESILIENCE

*A Toolkit for multinational companies
with supply chains in low and
middle-income countries*

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FOREWORD

Global supply chains are under immense pressure. Geopolitical tensions, conflict, economic uncertainty and climate change are creating business risks that threaten to disrupt entire systems.

Companies are responding by investing heavily in supply chain resilience, from technical solutions and AI to nearshoring.¹ Meanwhile, new social, environmental and governance-related regulations increasingly cover entire supply chains.

In this challenging environment companies should look at another area that could significantly boost resilience: investing in women's economic empowerment. Ensuring that women have the ability to succeed and advance economically, and the power to make and act on economic decisions can reduce exposure to a range of supply chain risks and benefit the entire global economy.²

- Closing gender gaps in labour force participation (women as workers) and business leadership could boost the global economy by more than \$7 trillion.³
- If barriers to women business owners were removed so that women and men could participate equally as entrepreneurs, this alone could add an estimated \$2.5 to \$5 trillion to the global economy.⁴

The UK Foreign, Commonwealth and Development Office's (FCDO) Work and Opportunities for Women (WOW) programme aims to foster women-led growth by improving economic opportunities for women working

in global value chains, increasing participation and ensuring dignified, equal and empowering work. Through the programme's partnerships and research over the past 6 years, much has been learnt about the impact on business of strengthening women's empowerment.

WOW collaborated with IDH – The Sustainable Trade Initiative and Invest Africa to collate learning and insights from each organisation. Desk research about women's roles and barriers in global supply chains was supplemented with interviews with more than 20 experts, in sectors that employ many women as well as those that are dominated by men, to find examples of best practice. The result is this Toolkit, which provides a compelling case for prioritising women's empowerment to strengthen supply chains.

This Toolkit aims to help companies embed women's economic empowerment in their responsible business and procurement strategies. Designed to be used by procurement and sustainability departments, it provides guidance on how to integrate women's economic empowerment considerations into supply chain resilience policies.

We hope the Toolkit inspires companies that source from low and middle-income countries to consider women's economic empowerment as a strategic investment. This will not only support women-led growth and progress towards the Sustainable Development Goals (SDGs), but also deliver core business benefits by improving companies' capacity to withstand the multiple supply chain challenges facing business today.



Helen King, Director of Economic Development & Partnerships, Foreign, Commonwealth and Development Office, United Kingdom

INTRODUCTION

This introduction outlines the context and reasons for this research and, specifically, why it has been undertaken now. It also outlines the arguments for making women's economic empowerment integral to supply chain resilience.

CONTEXT

A supply chain can be described as the network of stakeholders involved in the production process of a good. It starts with the producers of raw materials and ends with delivery to the customer.⁵

A set of global crises – including the COVID-19 pandemic, economic slowdowns, high inflation, extreme weather events, and conflicts in Ukraine and the Middle East – have created an increasingly unstable and challenging environment for complex global supply chains.

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If supply chains fail to become more resilient, they will face significant financial losses:

Supply chain Losses

- Indirect economic losses from the impact of climate change on global supply chains are projected to result in a net economic loss of between \$3.75 trillion and \$24.7 trillion by 2060, depending on how much carbon dioxide is emitted.⁶
- By 2060, supply chain losses will amount to 0.1% of total global GDP under 1.5 degrees of warming, 0.5% of total GDP under 3 degrees, and 1.5% of total GDP under 7 degrees.⁷

“We need a resilient and flexible supply chain as we navigate the structural impacts of climate change [and] we have a moral imperative, a business imperative, to make sure that we’re deeply embedding a gender lens in all our work [...] We know that investments in sustainability, both social and environmental, have direct and also indirect, and sometimes hard to measure benefits, that just help us operate a more efficient supply chain.”

Daniel Fibiger, Head of Global Sustainability, Gap Inc (2023)

In response, companies are working to bolster their supply chain resilience: to reduce their exposure to risk, and to strengthen their capacity to absorb shocks, respond to disruptions and adapt to rapid changes. A 2021 survey of 1,300 supply chain professionals across the globe found that more than 80% planned to invest in supply chain resilience and agility within the following two years.⁸

Businesses are exploring a range of risk-reduction strategies – including greater supply chain transparency, increased automation, AI-driven solutions, and reshoring or nearshoring – against a backdrop of increasing commercial and regulatory demands. Compliance with the growing number of regulations on human rights and environmental due diligence is a key driver shaping supply chain risk management decisions. Despite concerns in some quarters about the impact of the focus on environmental, social and governance (ESG) risk management on shareholder returns,⁹ most companies remain committed to managing the threats that such issues present to supply chain stability.

“As supply chain professionals, we’re working in an environment of perpetual chaos. Inflation continues unabated. Labour shortages are only getting worse. Both consumer confidence and business confidence graphs look like rollercoasters. Disruptions have become a fact of life...”

Brian Straight, Editor in Chief, Supply Chain Management Review (2023)



Closing these gender gaps, with regards to both participation and productivity, will have a beneficial impact on Gross Domestic Product (GDP), at the national and global level. In some sectors, this impact can be huge.

THE CASE FOR WOMEN'S ECONOMIC EMPOWERMENT

Within current supply chains, there is a gender gap. The global paid female labour participation rate is 53%¹⁰ compared to the male labour participation rate of 79%.¹¹ Even in markets and sectors in which the gender participation rate is similar, productivity rates amongst women tend to be lower due to gender-based restrictions. For example, 36% of working women and 38% of working men are employed in the agrifood sector, but female-managed farms tend to be 24% less productive than male-managed farms of the same size. This is because female-managed farms face barriers such as restricted access to technology, machinery, equipment, credit, seeds and training.¹²



Closing these gender gaps, with regards to both participation and productivity, will have a beneficial impact on Gross Domestic Product (GDP), at the national and global level. In some sectors, this impact can be huge.

- Within the agrifood sector, closing gender gaps could increase global GDP by 1%, or nearly \$1 trillion. This, in turn, would reduce global food insecurity by about 2 percentage points, reducing the number of food-insecure people worldwide by 45 million.¹³
- If men and women were able to participate equally as entrepreneurs – which is currently hindered by women's lack of access to credit and internet, among other factors – global GDP could rise by up to 6%, boosting the global economy by up to \$5 trillion.¹⁴



Closing gender gaps within the agrifood sector can increase global GDP by

\$1 TRILLION

Many businesses are already on board with the basic notion that empowering women makes good business sense.¹⁵ However, this Toolkit goes one step further, focusing on the potential for women's economic empowerment to strengthen supply chain resilience. It provides case studies which show that when women are economically empowered throughout the supply chain, businesses can reduce their exposure to disruption, minimise damage from shocks, and adapt more quickly and effectively to change. Importantly, it also provides evidence that when women are not economically empowered in any or all parts of the supply chain, this can increase a company's exposure to risk, limit their adaptive capacity and even create additional risks.

The case for ensuring that women in the supply chain are economically empowered, with safe and decent working conditions, is clear: if the majority of people in the supply chain are vulnerable and/or unable to be fully productive, resilience will be affected.

Supply chains with high female participation

In sectors which have high female labour force participation, such as the garment, food and agriculture sectors, the case for ensuring that women in the supply chain are economically empowered, with safe and decent working conditions, is clear: if the majority of people in the supply chain are vulnerable and/or unable to be fully productive, resilience will be affected.

Supply chains with low female participation

In sectors with low female labour force participation, such as the minerals, mining, construction and heavy manufacturing sectors, the dynamics are different. At an individual level, the comparatively small numbers of women involved in these sectors can create vulnerabilities and risks for the women who are involved in these supply chains. At a company level, the limited involvement of women means that businesses are often unable to reap the benefits which can be generated from a diverse workforce and leadership.

The status and wellbeing of women within a company has also been proven to be a critical component of supportive relations between business and community, which again can impact significantly on supply chain resilience.

Although many employers in these sectors are committed to increasing the number of women working within their supply chains, their efforts are often constrained due to a shortage of women with the appropriate skills, as well as a lack of women who are interested in working in these male-dominated, sometimes physically demanding, environments. Restrictive social norms can also impact on women's freedom to apply for certain jobs.

Women as consumers

At the other end of the supply chain, women are also important in their role as clients and consumers. Their expectations of companies, as well as their empowerment status and their economic circumstances, can have a considerable impact on downstream supply chain resilience. As of 2024, women control an estimated \$31.8 trillion of worldwide spending. Within the next 5 years, they are forecast to control 75% of all discretionary spending.¹⁶

“Women are the world’s most powerful consumers. As the majority of primary caregivers for both children and the elderly, women are often buying on behalf of everyone in their households and beyond. Their sprawling network of influence may include everyone from parents and in-laws to... community groups, all of which multiply women’s buying power and influence.”

Bridget Brennan, Forbes: What Every Marketer Should Know About Women’s Economic Power (Oct 2022)

Recent findings suggest that the way women approach purchasing decisions is also changing. In Nigeria, Ghana, Kenya and South Africa, over 75% of women surveyed said that they now consider sustainability and social responsibility when making purchasing decisions.¹⁷ Globally, 90% of millennial women are reportedly more likely to buy from companies that prioritise environmental and social issues.¹⁸

HOW TO USE THIS TOOLKIT

This Toolkit was designed to be used by procurement and sustainability departments within multinational companies that source from low and middle-income countries. It aims to help procurement and sustainability professionals to integrate women's economic empowerment considerations into supply chain resilience efforts. The rest of the document is set out across 4 sections:

SECTION 1

WOMEN AND SUPPLY CHAINS

This section identifies the supply chain risks that exist where the links with women's economic empowerment are the strongest and explains the impact a lack of empowerment can have on resilience in the face of these risks.

SECTION 2

SUPPLY CHAIN COMPLIANCE

This section looks at the relevant human rights and environmental due diligence compliance requirements, highlighting where these include stipulations that relate to the inclusion, status and treatment of women within supply chains. It makes the case that investing in women's economic empowerment enables companies to comply with increasingly demanding reporting requirements and reap the benefits of increased supply chain resilience.

SECTION 3

THE TOOLKIT:

IDENTIFYING AND MITIGATING RISK BY INVESTING IN WOMEN'S ECONOMIC EMPOWERMENT.

This section outlines 6 key supply chain resilience risks with clear links to women's economic empowerment. These risks were identified through a series of interviews with over 20 stakeholders, including gender experts, investors and sustainability and procurement professionals within multinational companies. For each risk, examples are provided of mitigation actions companies can take by investing in women.

SECTION 4

CASE STUDIES

This section provides a collection of real-life examples of successful interventions. They outline how best practice can be applied in different contexts, setting out the challenges, interventions and results.

SECTION 1

WOMEN AND SUPPLY CHAINS

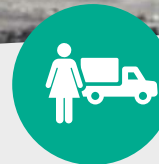
This section sets out the roles that women play within global supply chains, highlighting the barriers they often face within these roles and the impact this has on the resilience of supply chains.



Women interact with global supply chains in various ways:



as **WORKERS**



as **BUSINESS OWNERS**



and as **CONSUMERS**

WOMEN AS WORKERS



Global

The global paid female labour participation rate is estimated to be 53%¹⁹ compared to the male labour participation rate of 79%.²⁰ In some regions, the gender gap is more than 50 percentage points.



Garment sector

Globally, women make up 60% of garment workers. In some regions of Asia, this figure reaches almost 80%.²¹



Agriculture sector

43% of the global agricultural labour force is made up of women.²² In sub-Saharan Africa, 66% of women's employment is in agrifood systems. This figure rises to 71% in southern Asia.²³



Infrastructure, oil and gas sectors

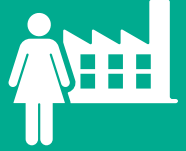
Women account for less than a quarter of employees in these sectors.²⁴



Mining sector

Women constitute less than 10% of the global large-scale mining workforce.²⁵

WOMEN AS WORKERS



CHALLENGES

Globally, over 2.7 billion women are legally restricted from having the same choice of jobs as men. At the time of writing, 69 countries have laws which actively constrain a woman's decision to work.²⁶

As a result, many women take on informal and/or home-based roles. This limits their access to certain rights and/or social protections, meaning their lives are marked by precarity and vulnerability.²⁷

Even for women with more formal roles, these tend to be concentrated in precarious and low-paid positions. This means that women are more vulnerable to job losses.²⁸

Women are not only vulnerable to job losses, but also to violence and harassment at work. This is aggravated by an unequal distribution of power in the workplace, which typically means that women lack voice, agency and representation.²⁹

These issues are often exacerbated by the lack of women in leadership. Presently, women hold just 28.2% of workplace management positions worldwide.³⁰

2.7 BILLION WOMEN

Restricted, across the globe, from job choices due to their gender

SUPPLY CHAIN IMPLICATIONS

Over-reliance on male workers means that employers draw from a narrower pool of skills, talents and behaviours. This reduces the adaptability and agility of supply chains in the face of labour market disruptions.

Without strong female labour force participation, employers are unable to benefit from the skills, talents and behaviours of women.³¹

This affects the ability of supply chains to anticipate, reduce and respond to disruption.

Excluding women from workplace dialogues means that companies are not able to benefit from the expertise and knowledge of women. As a result, companies are less likely to identify and meet the specific needs of women within their supply chain.

Companies with high numbers of women in leadership positions have been proven to outperform those with lower numbers of women in leadership. As such, limiting the representation of women in management roles has a direct impact on the productivity, profitability and sustainability of a company.³²

WOMEN AS SUPPLIERS

(women-owned businesses; women smallholder farmers)



GENERAL INFORMATION

Women-owned businesses:

Only 1 in 3 businesses have a woman among their principal owners. Globally, women are the sole or majority owners of less than 15% of all businesses.³³

Women-owned small and medium-sized enterprises (SMEs):

Only 1 in 3 SMEs are owned by women. This is significant, given that 90% of all businesses across the globe are SMEs. In the Global South, 70% of jobs are created by SMEs.³⁴

Women-managed farms:

Globally, the gender gap in land productivity between female- and male- managed farms of the same size is 24% (in favour of male managed farms). This is due to the challenges described below.³⁵

CHALLENGES

Women entrepreneurs face well-established barriers to capital. Such barriers include challenges in raising debt or equity, and/or challenges in accessing global supply chains. Women are underrepresented at all levels of the financial system.³⁶

The total finance gap for women within SMEs was estimated to be \$1.7 trillion in 2023.³⁷

Within the agriculture sector, women have less access to land, services, credit and digital technology as compared to their male counterparts. This is further compounded by

their greater unpaid care responsibilities, which limits their opportunity to seek and undertake education, training and employment. Discriminatory social norms further reinforce barriers which impede women from accessing knowledge, resources and social networks.³⁸

SUPPLY CHAIN IMPLICATIONS

Low numbers of women-owned businesses including women-owned SMEs make it hard to develop diverse and inclusive supply chains. Less diverse supply chains are known to be less flexible, and therefore less resilient to shocks.³⁹

Given that women farmers face barriers which impact the efficiency, productivity and growth of their operations, agricultural supply chains that rely heavily on women farmers face risks such as lower volumes of product,

insufficient product quality, and instability of product supply. This will, in turn, affect the overall resilience and profitability of the supply chain.

WOMEN AS CONSUMERS



GENERAL INFORMATION

Global customer base:

By 2028, it is expected that female consumers will control around \$15 trillion of that year's global consumer spending.⁴⁰

However, in many countries, the cost-of-living crisis is having a more severe impact on women than men. This is particularly true for women who live in rural regions.⁴¹

\$15 TRILLION

Estimated consumer spending by women by 2028

CHALLENGES

At the time of writing, it is estimated that one in 10 women live in absolute poverty. By 2030, it is estimated that 340 million women will still live in extreme poverty.⁴²

In many developing countries, women bear responsibility for household purchasing. As such, women are more exposed to supply and pricing shocks.⁴³

In particular, female-headed households are especially vulnerable to food price shocks. As such, they often reduce meals and eat less preferred foods as a coping strategy.⁴⁴

SUPPLY CHAIN IMPLICATIONS

Women in poverty are unable to afford many products and services provided by companies. As a result, companies which fail to consider the economic empowerment of women within their supply chain will limit the size of their customer

base and therefore the revenue they generate. Conversely, increasing access for women consumers to the market increases a company's resilience to lower overall demand and shifting business models.⁴⁵

1/10

women live in absolute poverty globally



ALL WOMEN

In addition, there are a number of issues which affect all women, regardless of the role they play within the supply chain:

GENDER-BASED VIOLENCE AND HARASSMENT (GBVH) AND SEXUAL EXPLOITATION

Description:

Women who work in lower-level, precarious and/or informal jobs are at higher risk of GBVH within both the workplace and the household. Poor and marginalised women, and those with intersecting vulnerabilities – such as migrants and women with disabilities – are especially at risk.

Impact on supply chain resilience:

Intimate partner violence within the household leads to absenteeism within the workplace. Meanwhile, GBVH within the workplace affects employee morale, which can result in a disengaged workforce that is less likely to identify, respond to and overcome supply chain challenges.

These issues impact the productivity, and therefore resilience, of the supply chain. Furthermore, reports of workplace GBVH create reputational risk and consumer disruption, again affecting the health of the supply chain.

UNPAID CARE AND DOMESTIC WORK

Description:

On average, women spend 2.3 hours more per day on unpaid care and domestic work than men.⁴⁶

This affects their ability to take on full time paid employment or establish and run a business, as well as their capacity to participate in training and skills development activities, and/or to become community or workplace leaders.

Impact on supply chain resilience:

The disproportionate responsibility for unpaid care which falls on women impacts their productivity within the supply chain, as well as their wellbeing. This, in turn, impacts the overall resilience of the supply chain.



LACK OF VOICE, AGENCY AND REPRESENTATION

Description:

As a result of existing gender and social norms within many communities, women often lack voice, agency and decision-making power both within the household, and within the workplace.

Impact on supply chain resilience:

Excluding women from workplace dialogues means that companies are not able to benefit from the expertise and knowledge of women. As a result, companies are less likely to identify and meet the specific needs of women within their supply chain.

Notably, at the community-level, women often lead on climate action. As such, it is fair to assume that increasing the voice, agency and representation of women within the workplace can better equip supply chains when confronting issues such as social unrest, conflict and/or pandemics.

2.3 hours

Extra time women spend on average per day on unpaid care and domestic work, compared to men

Excluding women from workplace dialogues means that companies are not able to benefit from the expertise and knowledge of women. As a result, companies are less likely to identify and meet the specific needs of women within their supply chain.



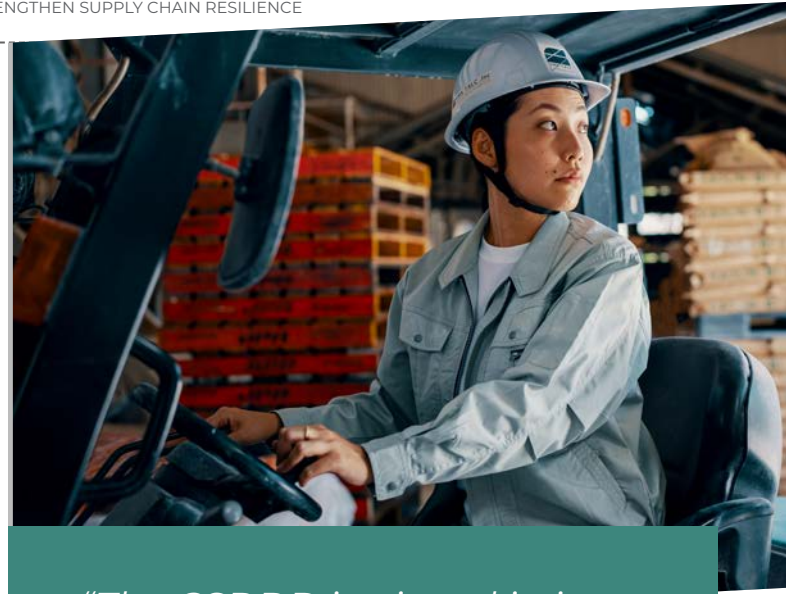
SECTION 2

SUPPLY CHAIN COMPLIANCE

This section summarises current and upcoming human rights and environmental governance compliance requirements that relate to companies with global supply chains.

In particular, it highlights relevant gender considerations and argues that companies should go beyond these requirements to maximise the benefits of economically empowered women in their supply chains.

Several of the companies we interviewed for this Toolkit cited compliance with the growing number of regulations on human rights and environmental due diligence (HREDD) as a key driver shaping their supply chain risk management decisions. The sustainability compliance landscape is evolving rapidly as pressure grows for companies to show how they are preparing for a changing environment. Many companies have been adhering to standards outlined in voluntary mechanisms such as the UN Guiding Principles on Business and Human Rights⁴⁷ and the OECD Guidelines for Multinational Enterprises⁴⁸ for some time now. However, new laws are creating a higher, mandatory compliance commitment. Importantly, many of the newly created and proposed obligations extend to the entire supply chain. Hence, legislation that originates in Europe



“The CSDDD is pivotal in its comprehensive approach to supply chains, recognising that while companies are responsible for their direct operations, actions of their suppliers and subcontractors may also impact their business activities. For our clients, the focus on supply chain due diligence is not just a matter of compliance but a strategic imperative.”

PwC Global blog: The stalled progress of the Corporate Sustainability Due Diligence Directive: bump in the road or a roadblock? (March 2024).

could create HREDD commitments across the world, including at suppliers' operations located in low and middle-income countries.

People working in legal, compliance and sustainability teams report feeling overwhelmed by the many new regulations and a reporting burden that is continuously growing heavier, sometimes leaving no time for real action.⁴⁹



RELEVANT EXISTING AND NEW HREDD REGULATIONS INCLUDE:

(for more detail, see Annex 2)

- **The Non-Financial Reporting Directive (NFRD)** and **Sustainable Finance Disclosure Regulation (SFDR)**, which are already in force
- **The EU Corporate Sustainability Reporting Directive (CSRD)**, which requires enhanced sustainability reporting across the upstream and downstream supply chain
- **The EU Corporate Sustainability Due Diligence Directive (CSDDD)**
- **The Regulation on Deforestation-free Products**
- **The Critical Raw Materials Act**
- **The EU Directive for Empowering Consumers for the Green Transition**, focused on greenwashing which came into effect in March 2024⁵⁰

UK-based companies with subsidiaries or significant activities in those countries are usually within scope of the new EU regulations.

Beyond the EU, international standards are also evolving. The International Sustainability Standards Board (ISSB) announced in April 2024 that it will commence projects to research disclosure about risks and opportunities associated with biodiversity, ecosystems and ecosystem services as well as human capital.⁵¹

*“It used to be ‘we should be working on gender’ but now we actually **must** work on it. Compliance is a huge lever for change.”*

Bipul Borah, Twinings, Interview (April 2024)

Most existing reporting and due diligence laws do not make extensive mention of gender considerations. Requirements have largely been limited to disclosing gender pay gaps and collecting gender-disaggregated data to enable reporting against DEI markers, including board gender diversity. However, some of the new regulations go further: (more detail about gender-specific stipulations in these HREDD regulations are set out in Annex 2).

- **CSRD** specifies that standards will be developed for “equal treatment and opportunities for all, including gender equality and equal pay for work of equal value, training and skills development... measures against violence and harassment in the workplace, and diversity”. It also requires enhanced reporting on gender pay gaps.⁵²
- **CSDDD** mandates companies to measure the potential impact of activities on special groups which include women, and makes specific reference to CEDAW, the 1979 Convention on the Elimination of All Forms of Discrimination Against Women.⁵³

SECTION 3

THE TOOLKIT: IDENTIFYING AND MITIGATING RISK BY INVESTING IN WOMEN'S ECONOMIC EMPOWERMENT

In this Toolkit, we used information gathered during interviews with companies, gender experts and other stakeholders to identify those supply chain risks where the link with women's economic empowerment is the strongest.

In each of these areas, companies that invest in women minimise their exposure to a significant risk and strengthen their ability to respond to it and adapt. They also create opportunities for increased productivity, employee engagement, innovation and healthy community relations.

The top areas of women's empowerment-related supply chain risks identified as part of our research and interviews are set out on Page 21 and are discussed in more detail below. For each risk, we suggest practical actions companies can take to reduce the risk or strengthen their capacity to respond to supply chain disruptions flowing from these risks, by investing in women.



In each of these areas, companies that invest in women minimise their exposure to a significant risk and strengthen their ability to respond to it and adapt.

- The **Deforestation-free Convention** requires those within its scope to ensure the full participation of women in planning and stakeholder engagement, and to monitor impacts of the regulation on women.⁵⁴



Compliance is a key tool currently used by companies to minimise risk in their supply chains and meet international labour standards, but it is not the whole answer to the challenge of risk management in this space. Audits and supplier codes of conducts play an important role but it is widely recognised that, on their own, they are ineffective at mitigating risk and more importantly maximising opportunities that can be unlocked by intentionally gender-sensitive and gender-transformative human rights and environmental governance policies.

Companies wishing to be recognised as leaders in the women's empowerment and gender equality space should treat compliance with new requirements as the minimum standard to meet.

Companies wishing to be recognised as leaders in the women's empowerment and gender equality space should treat compliance with new requirements as the minimum standard to meet. Going beyond compliance and fully integrating gender into ESG strategies allows companies to not only manage risk, but to also unlock opportunities for increased productivity, innovation, competitiveness and brand strengthening. Ensuring that high HREDD standards are applied throughout the supply chain can help deliver these wider benefits whilst strengthening supply chain resilience.

Ensuring that high HREDD standards are applied throughout the supply chain can help deliver these wider benefits whilst strengthening supply chain resilience.

CONTEXT

WHERE WOMEN ARE FOUND IN SUPPLY CHAINS



Workers

Employees working for wages, eg in garment factories.



Suppliers

Women-owned businesses in the supply chain.



Customers

buyers of the company's products.

SECTORS

SUPPLY CHAINS THAT HAVE LOTS OF WOMEN AND THOSE THAT HAVE VERY FEW:

THIS TOOLKIT FOCUSES ON:



Food & agriculture

Lots of women: specifically women smallholder farmers in Africa



Garment manufacturing

Lots of women: mainly factories in Asia including Bangladesh



Mining & minerals

Few women: especially transition/critical minerals needed for the transition to a low-carbon economy; most of the mines we talk about are in Africa



RISKS

SIX KEY SUPPLY CHAIN RISKS

WHERE THE LINK WITH WOMEN'S ECONOMIC EMPOWERMENT IS CLEAR



Climate-driven risks

Climate-driven threats to quality and quantity of supplies

ACTION: Support women farmers so they can play their role in adaptation and mitigation



Human rights abuses

Risk of human rights abuses and GBVH

ACTION: Apply a gender lens to human rights and workplace safety policies and practices throughout the supply chain



Lack of diversity in workforce

Missing out on innovation and performance

ACTION: Embed gender equality in human resources policies and encourage suppliers to do the same. Address the barriers keeping women from entering and advancing in the workplace, including unpaid care, discrimination, social norms and GBVH



Lack of diversity in supplier

Reduced resilience and adaptability of supply chain

ACTION: Support women entrepreneurs, including with access to finance, and apply a gender lens to supplier diversification policies



Community opposition and conflict

Risk of community opposition and protests interfering with operations

ACTION: Ensure women can participate equally in community engagement and solution planning around resource management



Investor and consumer expectations

Gender- lens investing and women's buying power require a focus on gender equality

ACTION: Meet gender-lens investors' requirements and ensure customer loyalty by prioritising women's economic empowerment

RISK 1



CLIMATE-DRIVEN RISKS

Securing quantity and quality of future supplies in the face of a changing climate

Changing rainfall patterns, more extreme weather events, and natural resources and biodiversity under stress are creating unprecedented challenges for supply chains, particularly those that rely on agricultural outputs. Climate change has gendered impacts, with women (particularly those in developing countries) often worse affected by climate-related disasters and resource scarcity.⁵⁵

Where suppliers include many women smallholder farmers, companies need to ensure that these women can benefit fully from any training or inputs required to adapt to the changing climate and to meet Scope 3 emissions reduction targets.⁵⁶ In non-agricultural supply chains, women are also vulnerable to climate impacts like extreme heat and heat stress which can create unsafe working conditions, for example in garment factories or on mining sites.

Even if a supply chain is not directly impacted by climate change, it could create risks and instability in sourcing communities which could have spill-over effects on the supply chain, especially in poor and less developed regions where people are often highly dependent on natural resources and subsistence farming.

HOW COMPANIES CAN REDUCE THIS RISK BY INVESTING IN WOMEN

APPLY A GENDER LENS TO POLICIES

- Ensure that gender considerations are embedded in all sustainability policies and practices, and at every stage of the due diligence process.
- Bring the 'E' and the 'S' of ESG risk management together by working towards close alignment of social and environmental strategies and activities. Do a gender sensitive quality and quantity climate risk analysis in critical supply chains and identify where a lack of women's economic empowerment is creating exposure.

RISK 1



Waitrose

With support from WOW, Waitrose and their implementing partners Farm Africa applied a gender lens to all activities delivered under a climate resilience project among outgrower farmers and farmworkers in Waitrose's horticultural supply chain in Kenya. This included a gender review of all training materials and project activities like tree seedling and clean cookstove distribution, with the aim of ensuring that women could benefit at least equally from all interventions. A gender lens was also applied to all training manuals and community engagement approaches, as well as to monitoring and evaluation practices to ensure that climate resilience-focused interventions did not exacerbate existing gender inequalities and that women were not left behind.⁵⁷

LEAD TARGETED ACTION TO INCLUDE WOMEN

- Empower women farmers by giving them access to inputs like high-quality or drought-resistant seeds and training to help increase their output.
- Support women's access to finance (by providing concessional loans and grants, for example)⁵⁸ and work with financial service providers to offer products tailored to their needs and circumstances, with

backing from the buyer if needed. This could include alternative credit scoring, zero opening fees or low or zero withdrawal costs, easing of restrictions on minimum document and ID requirements, privacy or digital payment systems to give women more direct control over resources.⁵⁹

Raphael Group Limited (RGL)

RGL is a grain and agri producer and processor in Tanzania, where 40% of farmers are women, found that they generate lower output and poor quality due to lack of access to assets, inputs and finance. RGL provided training, access to inputs, finance and information to all farmers in their supply chain, and a gender expert helped them tailor their offering to women. The results were so positive that RGL have decided to target 60% of future services to women. They supported the creation of women's farmer groups, provided financial literacy training, supported income generating activities, and provided direct loans as well as innovative tripartite funding arrangements with banks. RGL are also working with partners to provide gender and social norms training to men and women, including on household roles and decision-making.⁶⁰



RISK 1

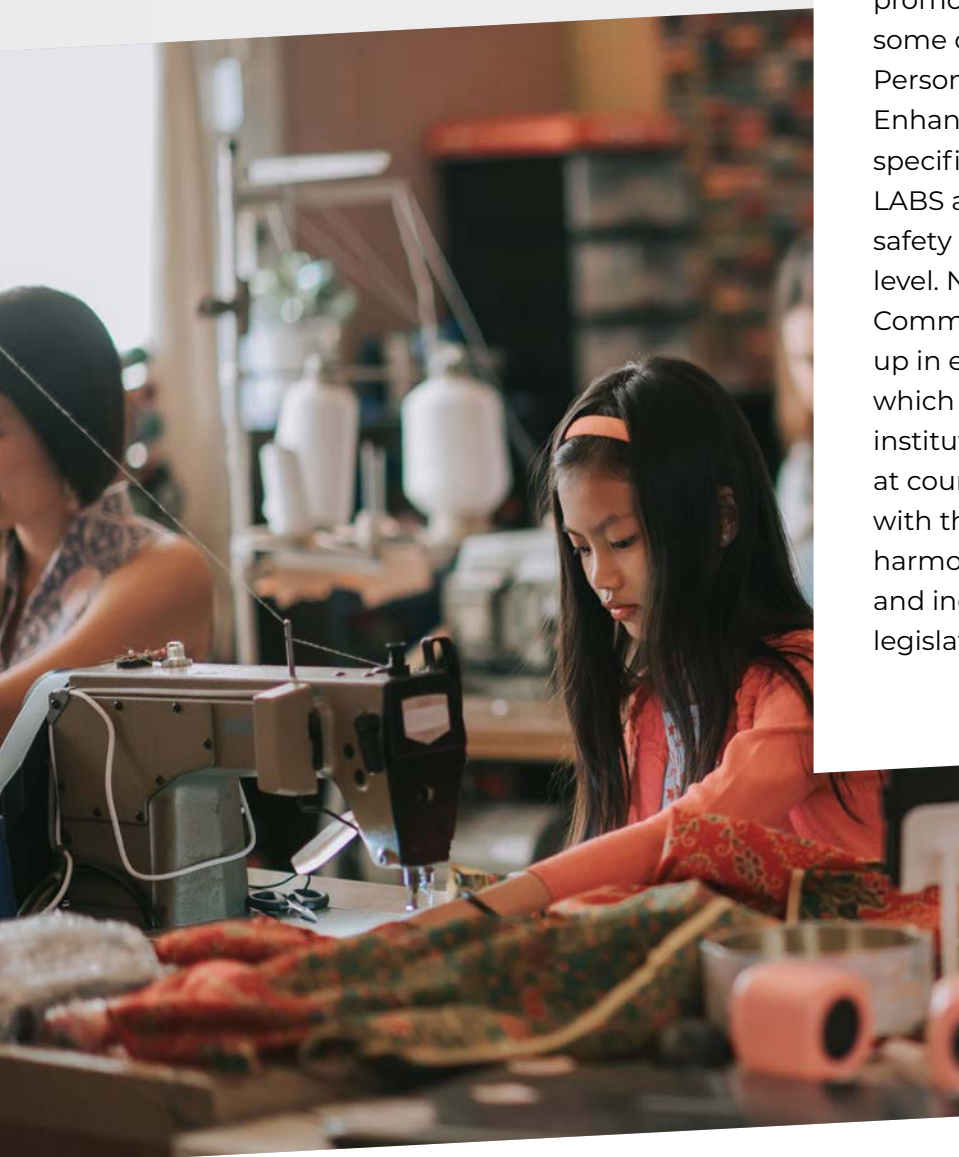


CREATE AN ENABLING ENVIRONMENT

- Consider barriers and opportunities in legislation and regulation relevant for women workers or producers.
- Work on compliance to benefit the supply chain. For example, support farmers to secure property titles aligned to land tenure and find collaborations to actively advocate for strengthening regulation at national level, e.g. on labour working conditions.

Life and Building Safety (LABS)

LABS is an industry-driven programme in which multiple brands and retailers are joining forces with public organisations to ensure better working conditions for apparel, footwear and accessories workers in factories across Southeast Asia. They do this by promoting a safe, secure working environment, by helping factories to identify serious structural, fire and electrical safety risks and providing them with sustainable solutions. The initiative promotes gender equality through some of its activities, including the Personal Achievement and Career Enhancement (P.A.C.E.) programme specifically targeted at women. LABS also works on strengthening safety regulations at the national level. National Stakeholder Committees (NSC) have been set up in each country of operation, which guides the monitoring and institutionalising of the programme at country level. The NSCs work with the government towards a harmonised, standard adaptation and incorporation of LABS into the legislative and policy framework.⁶¹



RISK 2



HUMAN RIGHTS ABUSES

Embedding human rights and women's safety throughout the supply chain

Risks relating to women's safety and human rights abuses were cited by almost all interviewees as a supply chain risk management priority – whether they work in sectors with lots of women in the supply chain, like garments, cocoa and tea, or with few women, like critical minerals extraction.

Recent years have seen a heightened level of public and investor awareness and scrutiny around issues like child labour, sexual exploitation and abuse, poverty wages, unsafe working conditions and gender-based violence; and revelations of exploitation or mistreatment often make the headlines.

Human rights abuse-related incidents carry enormous costs not only to the individual concerned but can also cost companies and their suppliers vast amounts in penalties, reparation, legal and branding expenses and, above all, reputational damage, which could seriously weaken supply chain resilience. It can also lead to a loss of trust among customers and confidence among investors. For example, a UK fashion retailer, Boohoo, saw its share price halve in just 9 days in 2020, wiping

'Socially inclusive and gender-sensitive climate investments are more effective and lead to better environmental outcomes...as well as enhanced financial and business performance.'

UNFCC, Introduction to gender and climate change, www.unfccc.int/gender (accessed August 2024)

more than £1 billion from its value, following reports of labour abuse and potential modern slavery in their UK supply chain which employed 57% women in their Leicester factories. Investors recently followed this up with legal claims for more than £100 million in compensation for the losses they suffered.⁶²

As women are often over-represented in low-skilled and precarious employment, including in the informal economy,⁶³ and often lack rights and representation, they are especially vulnerable to abuse and exploitation. Companies that invest in women's economic empowerment will reap the benefits of reduced operational and reputational risk as well as more productive and engaged workers, and more resilient suppliers.

RISK 2



HOW COMPANIES CAN REDUCE THIS RISK BY INVESTING IN WOMEN

APPLY A GENDER LENS TO POLICIES

- Commit to uphold the UN Guiding Principles on Business and Human Rights (UNGPs), and ensure that any Human Rights Impact Assessments include a strong gender analysis.
- When developing supplier guidelines and standards, state the expectation to provide decent and safe work with fair wages to all workers including women. Train suppliers on the motivation for these requirements and how to use them.
- Encourage suppliers to implement clear and accessible grievance mechanisms and a human rights due diligence process.⁶⁴

The John Lewis Partnership (JLP)

The supermarket arm of UK retail group The John Lewis Partnership (JLP) has over 1,600 Tier 1 suppliers in 70 countries supplying its own-brand products. JLP believes that championing worker voices and building strong supply chain relationships can help to create lasting value for both the company and those they work with. Their Responsible Sourcing Code of Practice,

which mirrors the requirements of the Ethical Trading Initiative (ETI) Base Code and international labour conventions, details what is expected of all own-brand suppliers, including terms of pay and working conditions. As part of JLP's 'Better Jobs' supplier programme, surveys were conducted in the supply chain exploring ways that gender differences impact how people experience working conditions, and programmes were designed to redress any issues identified.⁶⁵

LEAD TARGETED ACTION TO INCLUDE WOMEN

- Promote or recruit more women into supervisory positions and support these supervisors to remain in their roles to help redress the power imbalances that are often a root cause of violence and exploitation.
- Encourage and incentivise suppliers to increase the numbers of women in supervisory positions in their own operations too, through intentional gender-sensitive promotion policies and offering training, mentoring and support.

RISK 2



Gender Equality and Returns (GEAR) programme

The GEAR programme, a joint initiative of the IFC and the ILO's Better Work services, aims to promote career progression opportunities for women working in garment factories. GEAR supports women garment workers' professional advancement into supervisory roles by building capacity on soft skills and technical skills and developing capabilities for leading and managing the workforce. GEAR creates an enabling environment by increasing factory management's understanding of how to select, promote, support, and retain female talent. The initiative also helps enterprises to improve working conditions for women, including promoting equal opportunities, enhancing women's leadership capabilities, social and economic empowerment, and decision-making abilities both at the household and enterprise level.⁶⁶

Challenge patriarchal stereotypes. Actively engage with men and boys to ensure their involvement and avoid backlash when entrenched norms are challenged.

CREATE AN ENABLING ENVIRONMENT

- Work with partners to support community dialogues to raise awareness of gender and social norms that perpetuate women's inequality, including unequal distribution of unpaid care and domestic work, and normalisation of violence against women and girls.
- Challenge patriarchal stereotypes. Actively engage with men and boys to ensure their involvement and avoid backlash when entrenched norms are challenged.

The Ethical Tea Partnership (ETP)

ETP is working with women smallholder tea farmers in Malawi to ensure their full and beneficial participation in a WOW-supported payment-for-ecosystems project aimed at encouraging reforestation and income generation for tree planters. Community engagement is central to this process; the Family Business Management training model developed for this purpose includes modules on gender roles and division of labour in the household.⁶⁷

RISK 3



LACK OF DIVERSITY IN WORKFORCES

Unlock the benefits of diversity, equity and inclusion with diverse workforces throughout the supply chain

It is well established that diverse companies are more productive and profitable.⁶⁸ The European Investment Bank estimates that greater gender diversity in the workforce could lead to a potential increase of 26% of annual global GDP and \$160 trillion of human capital wealth, and could enhance business performance by 15%.⁶⁹ There is also mounting evidence that companies with more diverse leadership take better decisions on sustainability issues.⁷⁰ A study of over 6,000 companies in 46 countries showed that boards with a higher share of female members emit a lower amount of greenhouse gases; while banks with more gender-diverse boards provide more credit to greener companies and lend less to firms with high pollution intensity.⁷¹

More diverse companies are better able to attract and retain top-level talent. In addition, for companies that sell products to a significant number of women, those customers want to see themselves reflected in the business's workforce and leadership, marketing, communications and

public image. Many companies also recognise that economic inclusion of women is a long-term enabler for thriving communities.

However, in male-dominated sectors like mining it can be challenging to attract a diverse workforce with the necessary skills and numbers of women remain low. When a company is relying on a small pool for labour it is more likely to experience labour shortages and struggle during labour market disruptions, which creates operational risks. An over-reliance on a male labour force leads to drawing from a narrower available pool of skills, talents, and behaviours which can reduce absorption and agility in the face of disruption, while buyers and employers miss out on benefiting from women's skills and talents.

Many companies also recognise that economic inclusion of women is a long-term enabler for thriving communities.

RISK 3



HOW COMPANIES CAN REDUCE THIS RISK BY INVESTING IN WOMEN

APPLY A GENDER LENS TO POLICIES

- Review and strengthen diversity, equity and inclusion (DEI) policies.
- Including gender-sensitive recruitment and training policies; GBVH prevention and response; family friendly working practices; women's health policies; leadership development, coaching and mentoring; access to networks; and women's voice and inclusive representation.
- Design policies that take into account women's unpaid care and domestic work responsibilities. Technology can help: where the nature of the role allows, the option to work remotely disproportionately benefits women with caring responsibilities. Encourage and incentivise Tier 1 suppliers to go through a similar process; and to request the same from their own suppliers.

RISE: Reimagining Industry to Support Equality

RISE is a collaborative initiative supporting companies and organisations to advance equality for women workers in global garment supply chains. RISE brings together four of the largest women's empowerment programmes

in the apparel industry - BSR's HERproject, Gap Inc. P.A.C.E, CARE and Better Work - to build from proven approaches, scale impact and improve efficiency. This single approach makes it easier and more efficient for stakeholders to drive accelerated and lasting impact. RISE focuses on four areas: financial inclusion and resilience, preventing and remediating GBVH, increasing the agency and advancing the rights of women workers, and improving women workers' digital literacy. RISE works with 50 of the world's largest apparel brands and have reached over 5 million women workers globally, with the ambition to increase this to up to 20 million workers over the next decade.⁷²

LEAD TARGETED ACTION TO INCLUDE WOMEN

- To ensure women benefit from opportunities presented by the transition to a low carbon economy, prioritise women for new green jobs with quotas and preferential access to any employment, training or upskilling opportunities associated with the transition to a low-carbon economy (subject to anti-discrimination laws).
- Ensure clear messaging about why quotas are being used, for example, to correct gender imbalances, to ensure women can benefit equally from new opportunities, to ensure that the workforce represents the community in which the company is located, etc.

RISK 3

**IKEA**

IKEA has integrated gender equality commitments into their strategy to create green and sustainable jobs. This includes collaborating with social enterprises and organisations to create sustainable livelihoods for women in developing countries, with partnerships often focusing on producing eco-friendly and sustainable products, thereby creating green jobs for women. IKEA also invests in training and upskilling programmes specifically designed for women which aim to equip women with the skills needed for green jobs, such as those in renewable energy, sustainable product design, and eco-friendly manufacturing processes.⁷³

Ensure clear messaging about why quotas are being used, for example, to correct gender imbalances, to ensure women can benefit equally from new opportunities, to ensure that the workforce represents the community in which the company is located, etc.

CREATE AN ENABLING ENVIRONMENT

- Closing the gender employment gap in some non-traditional sectors for women needs ecosystem-wide change.
- In most cases, merely upskilling will not be enough to encourage women into non-traditional roles (for example truck drivers, heavy machinery operators or frontline mining jobs). Stigma and entrenched perceptions around gender roles need to be addressed; community engagement has an important role to play in these conversations.⁷⁴ Strong messaging and incentives from government can also be a powerful driver of change.

Trinity Metals

Trinity Metals set an ambitious target to increase the number of women working for the company in Rwanda from the current 14% to 30% by 2025. This was partly driven by strong signals from the Government of Rwanda who is committed to gender equality and sets a strong example for businesses operating in the country. The gender strategy of the Rwanda Mines, Petroleum and Gas Board includes measures to promote the advancement of women in the mining and quarry workforce, and in business ownership in the sector. The stated national objective is to have 30% women in mining (currently 11.4%).⁷⁵

RISK 4



LACK OF DIVERSITY IN SUPPLIERS

Creating more diverse supply chains to boost resilience

More diverse supply chains – ‘diverse’ in the sense of including suppliers and stakeholders from different backgrounds, rather than just having more than one alternative supplier for each step in the chain - are more resilient.⁷⁶ In a 2021 survey, 46% of respondents reported tangible and economic benefits such as supplier innovation from their supplier diversity programmes and 38% reported greater organisational agility, which is key to resilience.⁷⁷

Supplier diversity programmes can also generate a ‘feel-good factor’ and help burnish a brand.⁷⁸ Earlier research from the IFC found companies that prioritise supplier diversity by increasing the number of women-owned and women-operated businesses in their supply chain have a 133% greater return on procurement investments. These businesses also spend 20% less on their buying operations.⁷⁹ New and diverse suppliers may provide a fresh view and different outlook which could equate to being more willing and able to try new approaches than incumbent suppliers, increasing the capacity to adapt to challenges and changed circumstances. Investing in women entrepreneurs is also smart for

Supplier diversity programmes can also generate a ‘feel-good factor’ and help burnish a brand.

achieving social and environmental objectives: studies suggest that women-led business score higher on indicators measuring environmental, social and corporate governance.⁸⁰

More diverse suppliers are also more likely to attract investment from funders using gender-lens investment criteria, including the growing number of DFIs and private providers of capital that have signed up to the 2X Challenge which seeks to mobilise investment in women (see case study on page 52). For women-owned businesses, the usual barriers in the way of women entrepreneurs, such as lack of access to finance, are even more pronounced in traditionally male-dominated sectors, where gender bias and lack of connection with business networks exacerbate the difficulties women-owned businesses experience everywhere. Governments have an important role to play here; for example, in the natural resources industry in Africa, local content laws and regulations are already driving investment in increasing supplier diversity.⁸¹

RISK 4



HOW COMPANIES CAN REDUCE THIS RISK BY INVESTING IN WOMEN

APPLY A GENDER LENS TO POLICIES

- Specify gender inclusion targets in supplier diversification strategies and ensure that sustainability and procurement teams work closely together to deliver these.
- Include specific targets related to the transition to a lower-emissions business model, including for example green energy providers owned/run/staffed by women.

Unilever

Unilever invites its suppliers to sign its DEI promise, which commits them to creating an enabling environment with inclusive policies, and with leaders educated and empowered to role-model inclusive behaviour; to set and communicate goals to achieve organisational diversity and gender equality, demonstrable throughout senior leadership and their Unilever account teams; and to grow their diverse spend through inclusive procurement policies and practices designed to create social equity, among other components.⁸²

LEAD TARGETED ACTION TO INCLUDE WOMEN

- Support women entrepreneurs and women-owned businesses including through providing business and financial literacy training and mentorship and facilitating access to business networks.
- Ensure women have access to information about business opportunities, including connecting them into the supply chain.

WEConnect International

WEConnect is a global network which aims to connect qualified buyers with women-owned enterprises (WOEs). WEConnect assesses and provides certification for the readiness of WOEs to access new markets. It works to break down the barriers which traditionally prevent WOEs from accessing opportunities and engaging with local and multinational buyers, including by providing training to educate WOEs on ways to grow their companies, and by upskilling buyers so they are better equipped to identify and source from WOEs.⁸³

RISK 4



CREATE AN ENABLING ENVIRONMENT

- Access to finance is the biggest barrier to women entrepreneurs, and removing this barrier would strengthen the enabling environment enormously.
- Buyers can facilitate access to finance for women entrepreneurs and women-owned business, for example through working with local financial providers to develop products specifically tailored to the needs of women entrepreneurs.

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Sourcing2Equal

The IFC's Sourcing2Equal programme aims to empower women entrepreneurs through harnessing procurement opportunities in corporate supply chains. Sourcing2Equal advances gender-inclusive sourcing in countries where women-owned businesses are under-represented in the procurement spend of big companies. By working with businesses to increase the opportunities they offer, as well as through boosting SME capabilities and access to finance, the programme is targeting an increase in the share and volume of procurement contracts for women-owned SMEs.⁸⁴



RISK 5



COMMUNITY OPPOSITION AND CONFLICT

Engage with communities to minimise opposition and avoid disruption from protests

Companies recognise that they need to engage with and invest in the communities whose support they rely on to be able to keep operating. Conflict with a sourcing or surrounding community or a failure to support its sustainable economic development can lead to reputational, operational and economic damage. When a community turns against a business, it can have devastating consequences. For example, MMG Ltd's Las Bambas mine in Peru, which produces around 2% of the world's copper, has had to suspend operations several times since opening due to protests and blockages of access roads by local communities who claim that they are not benefiting fairly from the mine's activities and suffering devastating environmental damage. Since it began operations in 2016, the mine has had to halt operations for more than 600 days.⁸⁵

To ensure communities have a say in developments that affect their lives, livelihoods, opportunities and wellbeing, and that they are provided with the right support, it is essential that everyone's needs are considered.

To ensure communities have a say in developments that affect their lives, livelihoods, opportunities and wellbeing, and that they are provided with the right support, it is essential that everyone's needs are considered. Women need to be part of that conversation, but entrenched social norms can exclude them from participating in discussions and decision-making. Women are often already leaders in crafting solutions to community challenges, including those related to resolving conflict and to changing climate. Many are keepers of traditional knowledge around sustainable and inclusive natural resource management.⁸⁶ Not involving them in discussions would be a missed opportunity to tap into ideas and solutions that can strengthen resilience, including at lower tiers in the supply chain.



RISK 5



HOW COMPANIES CAN REDUCE THIS RISK BY INVESTING IN WOMEN

APPLY A GENDER LENS TO POLICIES

- Conduct self-assessments on community engagement policies to ensure they fully consider gender dynamics.
- Integrate gender into baseline assessments used to shape engagement strategies. Seek support from an independent gender expert if needed.⁸⁷ Apply a gender lens throughout human rights and environmental impact assessments to ensure women's needs and circumstances are fully taken into account,⁸⁸ and that women are included in selecting, designing and delivering solutions.

Rio Tinto

In one of the most notorious cases of community conflict that forced the closure of the world's biggest copper mine, Panguna Mine on Bougainville Island in Papua New Guinea, it has been suggested that if owners Rio Tinto had included women in community engagement in this matrilineal society, tensions could have been reduced and conflict possibly avoided. Women subsequently played a significant role in the peace negotiations that ended years of conflict on Bougainville following the closure of the mine.⁸⁹

LEAD TARGETED ACTION TO INCLUDE WOMEN

- Incorporate the requirement to conduct inclusive community consultations into procurement codes and sourcing practices.
- Create accountability by publishing performance targets on community engagement, including on women's participation/representation and report regularly on progress. Ensure plans and results are communicated in inclusive and accessible format, taking into account (for example) differing literacy levels of women. Use community scorecards to gather community perspectives and empower women to drive change.⁹⁰

Trinity Metals

Critical minerals mining company Trinity Metals prioritises gender equality at its operations in Rwanda through various initiatives, including the establishment of Women's Associations at each mine site through which women's inclusion and participation in decision-making around community initiatives is secured. Community wellbeing is supported through various community-focused initiatives including beekeeping projects, tree planting programmes, and partnerships with local organisations focusing on women and youth empowerment. Community Centres on Early Childhood Development have been established at all mine sites.⁹¹

RISK 5



CREATE AN ENABLING ENVIRONMENT

- Support women-led and women's rights organisations in the sourcing community and invite them to participate in discussions around social and environmental impacts, so they can represent the views of women who may be prevented from participating due to social norms or caring responsibilities.
- If community decision-making bodies such as local assemblies are not representative, identify women's leadership groups to include in negotiations and offer them the same level of recognition as more formal decision-making bodies.⁹²

A key activity of the Women's Safety Accelerator Fund (WSAF) working to improve women's safety on tea estates in India is to build the capacity of partners in the women's safety ecosystem and strengthen the entire women's safety ecosystem.

Women's Safety Accelerator Fund (WSAF)

A key activity of the Women's Safety Accelerator Fund (WSAF) working to improve women's safety on tea estates in India is to build the capacity of partners in the women's safety ecosystem and strengthen the entire women's safety ecosystem. Its public-private platform facilitates access for participating tea estates and workers to governmental services and schemes like one stop centres, police and legal services. Other activities on the systems level include strengthening of redressal and remediation mechanisms and engagement with institutions tasked with addressing gender equality and violence against women. For more information, see the case study on page 56.



RISK 6



INVESTOR AND CONSUMER EXPECTATIONS

Retaining investor and customer confidence

An increasing number of investors now routinely include gender considerations among their investment criteria. Many shareholders⁹³ exert pressure to which businesses are expected to conform.⁹⁴ Gender lens investing in private markets has grown by more than 30% in the 2 years to end-2023, with the minimum market size assessed at \$7.9 billion in aggregate capital, managed by 273 gender funds.⁹⁵ Companies that cannot show how they provide for women's empowerment in their supply chains risk losing out on accessing these investments.

Investors are not the only stakeholders interested in the numbers of women present in supply chains and how they are treated. Companies that seek to attract high-calibre job applicants need to be aware of growing evidence that 'today's talent are driven by purpose'.⁹⁶ PwC's 2018 'Workforce of the Future' survey found that 88% of millennials – those born between 1981 and 1996, and who will comprise 75% of the global workforce by 2025 - want to work for a company whose values reflect their own.⁹⁷

Providing women with income and livelihoods opportunities will result in higher demand which benefits supply chain resilience. At the other end of the supply chain, women's

economic empowerment is also relevant to downstream supply chain resilience. As consumers, women bear the greater responsibility for buying food for the household which leaves them more exposed to food price and supply shocks.⁹⁸ Economically empowered women are more likely to be able to afford the products and services that companies provide. Today, one in 10 women live in absolute poverty. UN Women estimates that as many as 340 million women will still live in extreme poverty by 2030.⁹⁹ When women cannot afford nutritious food for their families, this can result in a less productive workforce which will further affect resilience.

Evidence is emerging of increasing demand by customers for supplier diversity.¹⁰⁰ Companies that produce products mainly bought or used by women benefit when those customers see themselves reflected in the public image and make-up of the business. A brand image that embraces empowered women workers and women entrepreneurs in the supply chain could influence purchasing decisions and help build customer loyalty among women buyers. However, even companies that do not cater mainly to women customers will benefit from increased resilience to lower overall demand and shifting business models if they manage to access the sizeable – and growing – women's market.¹⁰¹

RISK 6



HOW COMPANIES CAN REDUCE THIS RISK BY INVESTING IN WOMEN

APPLY A GENDER LENS TO POLICIES

- Make a high-level and public commitment to gender equality and women's empowerment, ideally at C-Suite level, and reiterate it often. Develop a Gender Action Plan, aligned with the requirements of key investors like DFIs or the IFC.

“Globally the purchasing power of women is growing, and companies and investors are taking note of the opportunity in accessing this capital. Furthermore, women are investors, a growing segment of which apply gender lens to their investment strategies. Entrepreneurs who can effectively demonstrate their ability to empower women will have greater success accessing these capital sources than those who cannot.”

GIIN: Gender Lens Investment Initiative, www.thegiin.org (accessed August 2024).

ALDI

International food retailers ALDI Nord Group and the ALDI SOUTH Group have jointly launched an International Policy on Gender Equality in ALDI's Supply Chains.¹⁰² Aligned with international human rights standard and frameworks, the policy articulates ALDI's commitment to gender equality within its supply chains where it is being undermined or at risk. The policy sets out four principles that guide ALDI's work on gender in the global supply chains (non-discrimination and equal pay; combating violence against women and girls; health and safety at work; and women's access to resources and making women's voices heard). The policy is accompanied by a Gender Equality Action Plan which sets out measures to put the policy into practice. ALDI has further signalled its commitment to women's economic empowerment throughout their business by signing up to the Women's Empowerment Principles (see p40).



RISK 6



LEAD TARGETED ACTION TO INCLUDE WOMEN

- Addressing the other five women's empowerment-linked risks outlined in this Toolkit, by investing in women's economic empowerment throughout the supply chain, would likely result in the business attracting gender-lens investors and gender-aware customers.
- Companies can signal their commitment to gender equality and women's empowerment to investors and consumers by signing up to the Women's Empowerment Principles (WEPs)¹⁰³ and encouraging suppliers to do the same.

See box on p40 on the **Women's Empowerment Principles**.

CREATE AN ENABLING ENVIRONMENT

- Challenge gender stereotypes and repressive social norms and build customer loyalty through positive portrayal of women in marketing, branding and advertising.

The Unstereotype Alliance

is an industry-led initiative convened by UN Women that unites advertising industry leaders, decision-makers and creatives to end harmful stereotypes in advertising. The Unstereotype Alliance works to affect positive cultural change by using the power of advertising to help shape perceptions and create a world without stereotypes, empowering people in all their diversity.¹⁰⁴

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THE WOMEN'S EMPOWERMENT PRINCIPLES

The **Women's Empowerment Principles (WEPs)**¹⁰⁵ is a joint initiative from UN Women and UN Global Compact. Based on international labour and human rights standards, the WEPs offer guidance to business on how to advance gender equality and women's empowerment in the workplace, marketplace and community.

Companies of any type, size and industry can join the WEPs if they are committed to advancing gender equality and women's empowerment. Industry associations and chambers of commerce can also join. CEOs sign the Statement of Support and submit an application via the website; there is no fee to pay. To date, 2,771 companies have joined the WEPs community. WEPs signatories have access to a series of tools and practical guidance. For example, the WEP Gender-Responsive Procurement (GRP) Assessment Tool allows companies to self-assess progress on their GRP policies and practices.

Signatories are expected to make efforts to advance gender equality in the workplace, marketplace and community. There is no formal obligation to report, although companies are strongly encouraged to take steps to monitor and report on their progress since it shows full commitment to the gender equality agenda.

The principles cover the following seven areas:

- 1** High-level corporate leadership
- 2** Treat all women and men fairly at work without discrimination
- 3** Employee health, wellbeing and safety
- 4** Education and training for career advancement
- 5** Enterprise development, supply chain and marketing practices
- 6** Community initiatives and advocacy
- 7** Measurement and reporting

"By joining the WEPs community, the CEO signals commitment to this agenda at the highest levels of the company and to work collaboratively in multistakeholder networks to foster business practices that empower women."

Women's Empowerment Principles



ENABLING GOOD PRACTICE THROUGHOUT THE SUPPLY CHAIN

There is often a limit to how much a buyer can influence supplier behaviour. Typically, companies would use supplier codes of conduct and/or procurement guides to encourage responsible business in the supply chain.

Commitments can be captured in such codes and guidelines through the inclusion of specific provisions aimed at promoting gender equality and women's economic empowerment, starting with requirements to collect and monitor gender-disaggregated data but ideally going much beyond that to cover women's rights, safety, voice and opportunities at work.¹⁰⁶

However, given the complex nature of modern supply chains, it can be very challenging for multinational companies to engage regularly with, let alone influence the business practices of suppliers beyond Tier 1. Given that some companies deal with thousands of suppliers, either directly or indirectly in higher tiers of the chain,¹⁰⁷ the absence of a direct relationship can make it difficult to influence a supplier's policies and practices and to ensure high standards of due diligence.

International HREDD policy harmonisation across jurisdictions can help level the playing field and avoid a race to the bottom.

Buyers can of course require Tier 1 suppliers to apply the same standards of their own suppliers, with a view to creating a 'cascade of sustainable practices that flows smoothly throughout the supply chain'.¹⁰⁸ In practice, there are many factors that prevent this cascading down from happening.¹⁰⁹ For example, they may be only one buyer out of many of a supplier's output – when a buyer's due diligence requirements have cost implications for the supplier which threaten to reduce their margins, they may choose to deal with another buyer with fewer demands. A focus on minimising costs whilst delivering to tight timelines could drive suppliers towards buyers who do not impose a lot of 'additional' requirements. International HREDD policy harmonisation across jurisdictions can help level the playing field and avoid a race to the bottom.

The next section sets out levers available to companies seeking to encourage high standards of responsible business conduct and women's economic empowerment in the supply chain.

7 LEVERS OF INFLUENCE TO ENSURE HIGH STANDARDS IN SUPPLY CHAINS

1 NATIONAL LEGISLATION

Where national laws exist that promote gender equality and protect the rights of women at work – such as mandating equal pay for equal work and outlawing gender discrimination - companies can highlight relevant laws to suppliers. A growing number of countries have adopted legislation mandating human rights due diligence in the supply chains of large companies, including France, Germany, Norway and Switzerland; South Korea is following suit. Anti-slavery laws in the UK, Canada and Australia require large businesses to produce an annual statement setting out the steps they have taken to prevent modern slavery in their business and supply chains.

2 INTERNATIONAL FRAMEWORKS AND GUIDELINES

A growing number of guidelines are available on how to integrate gender considerations into responsible business conduct. These can be drawn on to incorporate gender into supplier codes. The UN has developed a gender booklet setting out the gender dimensions of the Guiding Principles. The OECD Due Diligence Guidance for Responsible Business Conduct offers

practical guidance to companies on how to integrate a gender perspective into their due diligence process, with sector-specific guidance available for supply chains in the global Garment and Footwear Sector and Agricultural supply chains which explain how companies along these supply chains can identify and address specific gender-related risks, such as sexual harassment and discrimination. Both sets of guidance also encourage the meaningful participation of women in decision-making and leadership roles to facilitate their access and control over natural resources, productive tools, training and financial services, markets and information.¹¹⁰



Voluntary standards on responsible business conduct often develop where national legislation is absent or in areas that are especially difficult to legislate.

3 VOLUNTARY STANDARDS

Voluntary standards on responsible business conduct often develop where national legislation is absent or in areas that are especially difficult to legislate. Voluntary standards have proliferated across sectors and geographies: the Donor Committee for Enterprise Development noted over 300 such standards across the EU and OECD member countries in 2022.¹¹¹ Many of these apply across supply chains. For example, over 100 companies are members of the UK-based Ethical Trading Initiative (ETI) and have signed up to the ETI Base Code which ensures company compliance with international labour standards in global supply chains. Some have explicit gender provisions. For example, the IFC's Performance Standards on Social and Environmental Sustainability commit clients to assessing and managing potential gender risks, impacts, and development opportunities, applying safeguarding principles of non-discrimination, equal opportunity, and inclusive stakeholder engagement to address GBVH in all projects.

4 INVESTMENT MANDATES

Companies need capital for operations, and investors are increasingly advocating for gender parity among the companies they invest in, making them pivotal agents for change in this area. The World Benchmarking Alliance's 2023 Gender Benchmark assessed 112 of the world's most influential companies in the apparel and food and agriculture sectors, and found that 87% include at least one requirement related to gender equality in their contractual agreements with suppliers, but only 27% enable their suppliers to meet their human rights and gender equality expectations through practicing responsible purchasing.¹¹² They urge investors to include a series of targeted questions to investee companies about their support for women which can help influence their purchasing practices and create an enabling environment for the supplier to meet the buyer's gender equality objectives.

5 TRAINING AND CAPACITY BUILDING

Companies can engage with suppliers to make the commercial case for supporting women in their workplaces (including using the arguments set out in this Toolkit that investing in women's economic empowerment can bolster resilience), as well as providing training and supporting capacity building in procurement teams. When suppliers know that they have a vested interest in responsible sourcing, they are more likely to integrate it into their business operations.¹¹³



6 GENDER-SENSITIVE DATA COLLECTION AND AUDITING

Requiring suppliers to collect gender-disaggregated data is a good first step towards creating greater awareness of gender equality challenges. Sedex, a supply chain management tool used by over 1,190 companies in 2024 to help improve sustainability performance, supply chain visibility and ethical sourcing practices, recently launched a Gender Data Report that provides businesses with a dashboard to view gender data in their supply chain. This report presents key gender indicators so companies can track, measure and report on progress on gender equality in their supply chains.¹¹⁴

This [Sedex] report presents key gender indicators so companies can track, measure and report on progress on gender equality in their supply chains.

7 CERTIFICATION SCHEMES WHICH INCLUDE GENDER PROVISIONS

The possibility of being certified as a 'preferred partner' or similar, which would be accompanied by more favourable contracting terms and/or public endorsement, could serve as an incentive for suppliers to adopt new standards. For example, CARE Impact Partners worked with a large herbs and spices producer to develop a gender mainstreamed verification standard for which suppliers could qualify, by revising existing criteria and introducing new measures to systematically address gender inequities. CARE cites research from the Farmer Income Lab showing that certification schemes that include deliberate consideration and focus on women during the design period can lead to increases in their income of 10-50%.¹¹⁵



SECTION 4

CASE STUDIES

The following case studies illustrate how companies with global supply chains in low- and middle- income countries are benefiting from more resilient supply chains because of the investment they have made in women’s economic empowerment.

We highlight where these investments have focused specifically on one or more of the risks outlined in this Toolkit. However, in most cases, women’s economic empowerment investments are aimed at addressing a wider range of business needs rather than just one particular supply chain risk.

Case studies were produced with input from companies, including information provided during interviews with WOW, IDH and Invest Africa, and information available in the public domain.



In most cases, women’s economic empowerment investments are aimed at addressing a wider range of business needs rather than just one particular supply chain risk.

CASE STUDY KEY



CASE STUDY 1

DE BEERS GROUP



CONTEXTS



SECTORS



RISKS

OVERVIEW

De Beers Group is the world's leading diamond company, with expertise in diamond exploration, mining, grading, marketing and retail. Passionate about their diamonds and where they come from, they believe it is their responsibility to help protect the natural world, and to ensure their diamonds give back to the communities where they are discovered, helping them to thrive. They are leaders in pioneering solutions to ensure their diamonds are responsibly and ethically sourced, and in doing so are driving positive change for the whole industry.

Their sustainability strategy, Building Forever, is a holistic and integrated approach for creating a better future for people and the planet. Through this strategy, they have set 2030 goals, which include: achieving equal opportunity, including gender parity, for employees across their workforce; and supporting 10,000 women entrepreneurs and engaging 10,000 girls in STEM.

At the time of writing, together with joint ventures, De Beers employs more than 20,000 people across the global diamond pipeline, including in source countries such as Botswana, Canada, Namibia and South Africa. 27% of their workforce is female, and 35% of leadership roles are filled by women. De Beers' business drivers for investing in women are threefold: they believe in the value and opportunity of a balanced and diverse workforce and that the action taken to achieve gender equality brings benefit to all by strengthening the entire organisation; a large majority of the end wearers of their products are women; and they recognise that economic inclusion of women is a long-term enabler for thriving communities. Because they operate in a historically male-dominated industry, increasing the representation of women – especially in technical and senior roles – is both challenging and critically important.

De Beers has partnered with UN Women since 2017 to deliver the EntreprenHER programme (previously named AWOME) which aims to empower women entrepreneurs in southern Africa.



OUTCOMES

To date, the EntreprenHER programme has supported over 2,600 women entrepreneurs of micro-enterprises in Botswana, Namibia and South Africa to grow and formalise their businesses, create more jobs and generate more secure incomes. In Botswana and Namibia, the EntreprenHER programme is delivered in collaboration with each country's gender ministries. Namibia's First Lady, Monica Geingos, has praised the programme for its ability to empower grassroots women entrepreneurs.

LESSONS LEARNED

In January 2024, De Beers announced a three-year extension to the EntreprenHER programme. The next phase will support an additional 1,500 women entrepreneurs across Botswana, Namibia and South Africa through capacity building in areas covering business and life skills, networking and mentoring. Building on learnings to date, the programme will now include a greater focus on digital literacy and will also introduce small grants and loans for eligible businesses, as access to finance was ranked a key barrier to growth by past participants. There will also be an enhanced focus on engaging women business owners in traditionally male-dominated sectors, such as car mechanics, carpentry and plumbing, as well as supporting women farmers to adopt Climate Smart Agriculture technologies to improve productivity and resilience.

HIGHLIGHTS

Over 200% increase in women in management

Women in senior management positions increased to 35% in 2023, up from 14% in 2017.

5000 studying STEM

Over 5,000 women studying STEM through mentoring and career advice in southern Africa and sponsored scholarships for women studying STEM subjects at universities in Canada.

"Women-owned micro-enterprises play a vital role in communities throughout Botswana, Namibia and South Africa. They represent diverse businesses ranging from farming to fashion design. But these businesses are often informal and can lack access to markets, finance and skills to reach their full potential. The EntreprenHER programme provides training to support women entrepreneurs to achieve their goals, while also creating employment opportunities in their local communities. We look forward to continuing to work with UN Women on this next phase of the programme, which forms part of De Beers' broader commitment to support gender equality in our host countries."

Al Cook, CEO, De Beers Group



CASE STUDY 2

DIAGEO



CONTEXTS



SECTORS



RISKS

OVERVIEW

Diageo is a global drinks company that employs over 30,000 people around the world, owning more than 200 brands that are sold in nearly 180 countries. Diageo's ESG action plan, Spirit of Progress, seeks to address the most significant environmental and social opportunities and risks Diageo faces, including the harmful use of alcohol, water stress, climate change, social inequality, biodiversity loss, and securing key agricultural raw materials. It has three priorities: to promote positive drinking, champion inclusion and diversity, and pioneer grain-to-glass sustainability.

Diageo has put inclusivity at the heart of the organisation and the suppliers and communities they work with. 44% of the company's leadership globally is female, 46% of leadership are ethnically diverse, they have a supplier diversity programme to increase spend with diverse-owned and disadvantaged businesses each year to 2030, and their community impact programmes are 'inclusive by design' meaning they tackle barriers to skills and resources for women and other underrepresented groups in the communities where they live, work, source and sell.

Recognising that water is a vital resource for Diageo, its supply chain and the communities near its production sites and sourcing areas, they have targets to:

44% of the company's leadership globally is female,

46% of leadership are ethnically diverse



- Replenish more water than they use for operations in water-stressed areas
- Engage in collective action in all their priority water basins to improve water accessibility, availability and quality and contribute to a net positive water impact
- Invest in improving access to clean water, sanitation and hygiene (WASH) in communities near their sites and local sourcing areas in all their water-stressed markets
- Ensure 50% of beneficiaries from their community programmes are women and that their community programmes are designed to enhance ethnic diversity and inclusion of underrepresented groups

In every community where Diageo runs a water project, they aim to set up a water committee with equal representation from men and women. This helps to make sure that more people have a voice in decisions such as where to place water points and how to maintain them.

OUTCOMES

Working with CARE International, Diageo created a new approach to WASH (clean water, sanitation and hygiene) so that every time they invest in water, they empower women. In addition to providing access to WASH facilities that contribute to water replenishment, they promote equal representation for women on WASH committees and facilitate community dialogues that tackle social norms preventing women's equal access to, and agency over, WASH. The programmes also help to build the committee's skills in leadership, financial literacy and record keeping. Notably, when Diageo piloted this approach in one of their communities in Kenya, 91% of women said they had significantly more decision-making power in the community.

This approach has now been applied to all subsequent Diageo WASH projects, and in 2023-2024 this included 23 WASH projects, delivered across 9 countries, benefiting 128,000 people. It ensures women in Diageo's value chain have a voice and a choice over WASH as well as increased capacity to engage in education or income generating activities, building business, supply chain and community resilience.



CASE STUDY 3

ENDEAVOUR MINING



CONTEXTS



SECTORS



RISKS



OVERVIEW

Endeavour Mining is a premier multi-asset gold producer and the largest in West Africa, with operational assets spanning Senegal, Côte d'Ivoire, and Burkina Faso. The company boasts a robust portfolio of advanced development projects and exploration assets located within the highly prospective Birimian Greenstone Belt across West Africa. Endeavour Mining recognises the critical value of diversity and gender equality as pivotal to its growth and success.

Over recent years, the company has focused significant efforts on enhancing the representation of women throughout the organisation. Understanding the cultural and practical barriers in West Africa, where the inclusion of women in operational and technical roles in the mining sector is still evolving, Endeavour Mining is dedicated to identifying and overcoming these challenges.

Over recent years, the company has focused significant efforts on enhancing the representation of women throughout the organisation.

One of the cornerstone initiatives within the company is their “Women at Endeavour” programme, aimed at improving the health, well-being, and career progression of female employees, particularly those working at mine sites. This programme is structured around two main pillars: Care and Empower.



CARE

The Care pillar is designed to address the specific challenges faced by women in mining, particularly at operational sites.

Initiatives include:

- Comprehensive maternity policy reviews to support female employees throughout their pregnancy and motherhood journey.
- Awareness campaigns on women's health issues to promote a healthy work environment.

EMPOWER

The Empower pillar focuses on accelerating the career development of female employees and promoting leadership roles within the company.

Initiatives include:

- Monthly training programmes on transformational leadership.
- Quarterly conferences for female employees, conducted with technical support from Women in Mining Senegal and HeForShe Mines Côte d'Ivoire.
- Launching in September 2024, a female leadership development programme to further accelerate the careers of women at Endeavour.

Beyond internal initiatives, Endeavour Mining supports 79 associations across its 4 mines, many of which are dedicated to empowering female entrepreneurs and supporting women-owned businesses.

OUTCOMES

22% increase in female employees

The proportion of women in the company increased from 9% in 2022 to 11% in 2023.

22% of new hires in 2023 were women

34% of management roles are held by women, and 22% of technical or supervisory roles are occupied by women.

Women constitute 44% of the Board

In 2023, female employees at Endeavour Mining received approximately 13,000 hours of training, nearly double the amount provided in 2022.



CASE STUDY 4

2X CHALLENGE



CONTEXTS



SECTORS



RISKS



OVERVIEW

The 2X Challenge was launched at the G7 Summit in 2018 and was a commitment of Development and Multilateral Finance Institutions to apply a gender lens to their investments. From 2018 to 2023, \$33.63 billion was invested to support gender equality. At the G7 Leaders' Summit 2024 in Italy, Development and Multilateral Finance Institutions committed to investing at least \$20 billion from 2024 to 2027. The 2X Challenge has strongly demonstrated the business and impact case of gender finance.

The 2X Challenge is underpinned by the 2X Criteria. The 2X Criteria are applicable to any kind of investor or financial institution and can also be used by private sector companies to assess their practices against the criteria. Investments align with the 2X Criteria if they meet basic 2X ESG (including safeguarding) and minimum Governance and Accountability requirements, and

- a. have at least ONE of the six 2X Criteria met, AND
- b. provide a time-bound commitment to meeting an additional 2X Criteria.

Basic 2X ESG refers to the basic assessment of an investee's fundamental environmental and social standards. Minimum Governance and Accountability requirements include at least one indicator in strategic action, one indicator in management systems, and one gender data requirement. The supply chain criteria (Criteria 4) aim to address gender broadly in the supply chain context, including (a) women-owned/-led suppliers; (b) suppliers that explicitly address gender equity; and (c) women supply chain workers.

The 2X Challenge offers investors attractive deal flow by providing access to an exclusive shared matchmaking platform of 2X Criteria aligned pipeline opportunities to co-invest, discuss and collaborate with like-minded investors.

OUTCOMES

An example of a 2X Challenge investee is JCM Power. JCM Power is a Canadian firm that develops, constructs and operates renewable energy projects in emerging markets. JCM Power recognises that energy projects affect the social, economic and political climate of surrounding communities, and there are increased risks of gender-based violence. JCM Power became 2X Challenge compliant in December 2021. It has adopted a company-wide gender commitment statement, a gender equality strategy and action plan, developed a 2X Toolkit for companies in their supply chain, and become a signatory to the UN Women's Empowerment Principles (WEPs). JCM has also partnered with gender specialists, Value for Women (VfW), to make progress on their gender action plan.

Such progress has included:

- Developing gender action plans for three projects.
- Revising, or developing new gender-inclusive policies for all operations.
- Starting four initiatives to advance women in JCM Power and its supply chain.
- Providing multiple trainings and Toolkits relating to mainstreaming gender equality in the company.
- Undertaking gender assessment at operations in Pakistan.

[JCM Power] has adopted a company-wide gender commitment statement, a gender equality strategy and action plan, developed a 2X Toolkit for companies in their supply chain, and become a signatory to the UN Women's Empowerment Principles (WEPs).

In 2020, JCM Power received a gender-based violence and harassment (GBVH) allegation. In response, JCM undertook a rapid assessment of the issue, with support from an external GBVH consultant, and recruited a permanent Malawian Gender and Inclusion Specialist to prevent and respond to future GBVH incidences. JCM Power developed a robust risk management system and developed a grievance process for GBVH cases.

JCM Power reflected that its engagement with employees and community members in Malawi supported increased GBVH incident reporting, which indicates increased trust in the company to help survivors and their families to access remedy and referral pathways. Qualitative reporting has also demonstrated the positive impact of the Gender and Inclusion Specialist on individual case processing and protection of survivors from further trauma, with survivors eligible for physical treatment and/or mental wellness support.

CASE STUDY 5

U3 AGRINET, GHANA



CONTEXTS



SECTORS



RISKS

Most northern Ghanaian smallholder maize farmers are women. However, they experience lower access to services, information and land than men. Consequently, grain yields are low and regional market demand is outstripping supply.

OVERVIEW

Most northern Ghanaian smallholder maize farmers are women. However, they experience lower access to services, information and land than men. Consequently, grain yields are low and regional market demand is outstripping supply.

Looking to expand supply of maize in their supply chain, U3 Agrinet decided to: (a) access land for maize production and invite women, youth and people with disabilities to farm as part of an ingrower scheme, and (b) improve the farming performance of existing smallholder women in an outgrower scheme. Simultaneously, U3 Agrinet established a partnership with Guinness Ghana to rotate the existing maize farms with sorghum, which benefits farmers through increased farm productivity and resilience through crop and income diversification.

U3 Agrinet engages with female farmers through Village Savings and Loans Associations (VSLAs). In many cases, women are already organised in such groups. Otherwise, they are encouraged to join one or are supported to form a new group. Groups where women have limited land access are invited to participate in U3 Agrinet's ingrower scheme, which gives the women access to farming jobs on U3 Agrinet's land. Both ingrowers and outgrowers receive training on improved farming techniques, receive fertilisers on credit and improved grain seeds, and mechanisation services. They also receive training on business and financial literacy. In partnership with Catalyst Plus, groups are trained on equitable group dynamics. Uniquely, all farmers, even ingrowers, remain free to sell their produce to any market player.



OUTCOMES

Training has enabled the often-illiterate female farmers to farm multiple crops according to Good Agricultural Practices (GAPs). Yields and incomes have increased, allowing women to financially provide for their families. Groups have become more organised and proactive on their farming activities and have increased their bargaining power on prices for crops and some inputs. Some groups are showing excellent leadership and are now supported to register as independent commercial farming operations.

The farming jobs created for women, youths and people with disabilities has had profound effects on the cohesion between the sourcing communities and U3 Agrinet. Loyalty to sell produce to U3 Agrinet is therefore high. Importantly, U3 Agrinet has vastly increased the volumes and stability of supply of maize and sorghum.

HIGHLIGHTS

88% of U3 Agrinet farmers are women

U3 Agrinet supported 1,200 farmers in 2023, 1,060 of whom were women.

~100% adopting Good practice

Nearly 100% of farmers have adopted Good Agricultural Practices (GAPs).

~67% increase in crop yields

Both maize and sorghum yields have increased by ~67% on average (from 1.5 to 2.5 MT/ha for maize and from 1.2 to 2 MT/ha for sorghum).

Total maize volumes sourced by U3 Agrinet have increased from 1,600 to 2,500 MT/year, and total sorghum volumes from 30 to 500 MT/year.



LESSONS LEARNED

- For U3 Agrinet, everything follows from a dedicated and clear company commitment.
- Sufficient time and resources are needed to overcome barriers identified during the process.
- Investing in people in the supply chain leads to very high returns over the long-term, even if benefits are not immediately obvious.

CASE STUDY 6

WOMEN'S SAFETY ACCELERATOR FUND (WSAF)



CONTEXTS

SECTORS



RISKS

OVERVIEW

Women make up the majority of the workforce in India's tea supply chains. They are vulnerable to gender-based violence and harassment (GBVH) and actual prevalence is likely to be underestimated due to low reporting rates. As GBVH cases gain public attention and government policy is strengthened, brands are facing pressure to address and reduce incidences of GBVH in the workplaces where they operate. Additionally, GBVH has been linked with increased absenteeism and lower productivity which provides businesses with strong incentives to address the issue.

The Women Safety Accelerator Fund (WSAF) was set up by a coalition of brands and organisations in 2020 to accelerate the UN's Global Women's Global Safety Framework in Rural Spaces, aiming to create a safe, violence-free workplace for women in the tea sector. WSAF is financed by its founding partners Unilever, IDH, Twinings, Taylors, Tesco and Ethical Tea Partnership, and IDH hosts the Secretariat for WSAF. A collaborative approach allows these organisations to maximise impact.

WSAF currently engages with 73 organisations, from brands, certification bodies, non-profits, UN to implementing partners. Implementing partners are building capacity with the aim of empowering workers with an understanding of legislation, policy, programmes, remedies and sources of support. They are also providing financial literacy, skills for upward mobility and leadership within their roles, and supporting tea estates to adhere to improved women's safety and reporting standards. Furthermore, WSAF builds the capacity of ecosystem partners, and has established a public-private platform to sustain system changes. This includes connecting workers and estates to access governmental services and schemes like one stop centres, police and legal services; strengthening redressal and remediation mechanisms; and engagement with institutions tasked with addressing gender equality and violence against women.

"Addressing violence against women has led to increased productivity and higher morale... allowing the industry to tap into the full potential of its workforce. It enhances the reputation of tea estates and the industry as a whole."

Mr Ajay Jalan, Director, Mokalbari Tea





OUTCOMES

A mid-line assessment showed widespread changes. In some estates, productivity has increased and absenteeism has dropped. Surveys show an impressive change in workers' perceptions of women's rights. The cost of compliance with local laws and policy on garden management for tea estates has reduced significantly. Results include:

- WSAF has reached over 350,000 workers to date.
- GBVH was shown as the cause for around 10% of absenteeism and reduced productivity in tea estates. Improved access to support services was shown to potentially reduce this by 71%. In WSAF-trained tea estates, absenteeism dropped by 3% within two years.
- Men and women's perspectives have shifted dramatically:
 - The readiness of men to support women survivors of violence rose from 20% to 85%.
 - Men's belief that a husband has the right to punish his wife reduced from 80% to 15%.
 - Women workers aware of methods to file complaints rose from 17% to 79%.
- Estate management confidence in addressing GBVH increased by 42%.



LESSONS LEARNED

Main drivers of success for the programme include:

- The diversity of organisations involved in WSAF, each bringing different experiences and perspectives.
- Long term engagement has allowed trust to develop and which has led to the strengthening of remedial mechanisms.
- Sustained multi-stakeholder engagement, which has allowed for open, constructive dialogue and time to forge consensus and collaboration.
- Promoting women in supervisory positions and unions, which has supported trust building with women workers.
- Use of arts and theatre have been effective in building awareness.
- Business practices has been changed by enhancing reporting mechanisms to address Violence Against Women (VAW) in tea estates.
- Training to estate management, staff and community change agents on handling VAW cases has fostered a sector-wide commitment to prioritise women's safety.
- WSAF structuring and facilitation of public-private partnership has ensured buy-in and sustained changes.

CONCLUSION

Companies can reap many benefits and mitigate some of the risks presented by the current business environment when they prioritise women in their supply chains, as evidenced by the case studies shared in this Toolkit.

In supply chains where most workers are women, investing in their empowerment reduces the operational and reputational risks associated with human rights abuses and exploitation. Where significant volumes or agricultural inputs are sourced from women farmers, removing the barriers that stand in the way of their productivity helps to secure the quality and quantity of future supplies, particularly in the face of increasing climate-related challenges.

In those sectors where women are still under-represented, supporting more women to access jobs and opportunities will allow companies to harness the benefits of diverse workforces and leadership.

Finally, all businesses with supply chains in low and middle-income countries will benefit from empowering women in their sourcing and surrounding communities as this facilitates inclusive and meaningful engagement around shared resource management, supports thriving and sustainable communities, and strengthens their licence to operate.

Investing in women's economic empowerment provides a route to achieving many of these, sometimes conflicting, objectives.

Companies of all sizes are under pressure to meet stakeholder expectations whilst navigating a course through geopolitical, economic and environmental challenges to supply chain stability. Governments expect businesses to contribute to growth and job creation targets while supporting the transition to a low-carbon economy. Investors want to see returns but many also now demand that companies meet an array of social and governance indicators, seen as essential to ensure longer-term sustainability. Consumers want high-quality but affordable products and services with a growing number also wanting to feel confident that the brands they support implement ethical and responsible business practices. Civil society looks to business to help ensure a just transition and play their part in reaching the SDGs.

Investing in women's economic empowerment provides a route to achieving many of these, sometimes conflicting, objectives. We hope that the actions suggested in this Toolkit will provide a valuable 'roadmap' for companies that have identified an opportunity to do more to support the women workers, suppliers and customers in their supply chains, knowing that this could be a cost-effective and impactful way to bolster resilience in uncertain times.

ANNEX 1

ACRONYMS

| Acronym | Definition |
|-----------------|--|
| AI | Artificial Intelligence |
| AWOME | Accelerating Women Owned Micro-Enterprises |
| BSR | Business for Social Responsibility |
| CEDAW | Convention on the Elimination of All Forms of Discrimination against Women |
| CEO | Chief Executive Officer |
| COVID-19 | Coronavirus Disease |
| CSDDD | Corporate Sustainability Due Diligence Directive |
| CSRD | Corporate Sustainability Reporting Directive |
| DEI | Diversity, Equity and Inclusion |
| DFI | Development Finance Institutions |
| EIB | European Investment Bank |
| ESG | Environmental, Social, Governance |
| ETI | Ethical Trading Initiative |
| ETP | Ethical Tea Partnership |
| EU | European Union |
| FCDO | Foreign, Commonwealth and Development Office |
| GBVH | Gender-Based Violence and Harassment |
| GDP | Gross Domestic Product |
| GNI | Gross National Income |
| GRP | Gender-Responsive Procurement |
| HREDD | Human Rights and Environmental Due Diligence |
| IFC | International Finance Corporation |
| IMF | International Monetary Fund |
| ISSB | International Sustainability Standards Board |
| JLP | John Lewis Partnership |
| LABS | Life and Building Safety |
| MMG | Minerals and Metals Group |

| Acronym | Definition |
|-----------------|--|
| MSME | Micro, Small and Medium-Sized Enterprises |
| Mt/ha | Metre per hectare |
| NFRD | Non-Financial Reporting Directive |
| NSC | National Stakeholder Committees |
| OECD | Organisation for Economic Co-operation and Development |
| P.A.C.E. | Personal Achievement and Career Enhancement |
| PwC | PricewaterhouseCoopers |
| RGL | Raphael Group Limited |
| RISE | Reimagining Industry to Support Equality |
| SDD | Social Development Direct Ltd |
| SDG | Sustainable Development Goal |
| SEDEX | Supplier Ethical Data Exchange |
| SFDR | Sustainable Finance Disclosure Regulation |
| SME | Small and Medium-sized Enterprises |
| UK | United Kingdom |
| UN | United Nations |
| VAW | Violence Against Women |
| VfW | Value for Women |
| VSLA | Village Savings and Loans Associations |
| WASH | Water, Sanitation and Hygiene |
| WEP | Women's Empowerment Principles |
| WOE | Women-Owned Enterprises |
| WOW | Work and Opportunities for Women |
| WSAF | Women's Safety Accelerator Fund |

ANNEX 2

NEW HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE REGULATION: GENDER IMPLICATIONS

| Law / Description | Gender references | Status |
|---|---|---|
| <p>EU Sustainable Finance Disclosure Regulation¹⁶ (SFDR)</p> <p>A transparency framework that sets out how financial market participants must disclose sustainability information.</p> <p>Applies to: Financial market participants, financial advisors and some financial products.</p> | <p>Investment Fund Managers that choose to disclose Principal Adverse Impacts will need to report on gender pay gaps and board gender diversity.¹⁷</p> | <p>SFDR came into effect on 10 March 2021.</p> |
| <p>EU Regulation on Deforestation-free Products¹⁸</p> <p>Promotes the consumption of 'deforestation-free' products and reduces the EU's impact on global deforestation and forest degradation.</p> <p>Applies to: Any person importing, placing on the market, exporting or trading in the supply chain of cattle, cocoa, coffee, oil palm, rubber, soy, and wood, and resulting products (for instance certain paper) in the EU will have obligations, which vary by company size and position in the supply chain.</p> | <p>Commitments to ensure the full participation of women in partnerships, cooperation and other forms of stakeholder engagement and a requirement to monitor the Regulation's impacts on women, including addressing possible negative impacts.</p> | <p>The Regulation entered into force on 29 June 2023. From this date, operators and traders have 18 months to implement the new rules. Micro and small enterprises have a longer adaptation period.</p> |

NEW HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE REGULATION: **GENDER IMPLICATIONS**

| Law / Description | Gender references | Status |
|---|--|---|
| <p>EU Corporate Sustainability Reporting Directive¹¹⁹ (CSRD)</p> <p>A requirement for companies to include an assured non-financial statement in their management report on the company's impact on sustainability and how sustainability affects the company's development, performance and positions.</p> <p>Applies to:</p> <ul style="list-style-type: none"> Large EU companies that meet two out of three of the following criteria for two consecutive financial years: over 250 employees, over EUR 25 million in balance sheet assets, or over EUR 50 million in net turnover; Non-EU companies with large subsidiaries/branches and substantial activity in the EU (€150m+ generated in the EU); Large undertakings and SMEs listed on EU-regulated markets; and Certain financial institutions. | <p>The sector-agnostic European Sustainability Reporting Standards (ESRS) were adopted in July 2023 and include several gender related disclosures.</p> <p>It is mandatory for companies to disclose on the composition and diversity of their Board including percentage by gender and other aspects of diversity that the undertaking considers.</p> <p>In addition, there are a number of gender-related disclosures within the topical standards, which companies will have to disclose if material to them. These include topics such as: "equal treatment and opportunities for all, including gender equality and equal pay for work of equal value, training and skills development, the employment and inclusion of people with disabilities, measures against violence and harassment in the workplace, and diversity".</p> <p>ESRS S1 also includes additional disclosures on management diversity including: "gender diversity at top management and the number of members of the under-represented sex on their boards," and the implementation of gender diversity policies.¹²⁰</p> <p>Gender pay gap reporting is another area covered by ESRS S1: if material, companies must disclose:</p> <ul style="list-style-type: none"> Percentage gap in pay between male and female colleagues, this may be broken down by employee category, country etc. <p>Any actions taken to rectify the gender pay gap must also be disclosed.</p> | <p>The Directive entered into force on 5 January 2023, but the implementation dates are staggered according to the size, type, and domicile of in-scope companies. The first group of companies to report will be required to do so in 2025 for calendar year 2024.¹²¹</p> <p>The set of sustainability reporting standards referred to in the Directive were finalised in July 2023. EU Member States had until 6 July 2024 to transpose the Directive into their national laws, however, several countries missed this deadline.</p> |

NEW HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE REGULATION: **GENDER IMPLICATIONS**

| Law / Description | Gender references | Status |
|--|--|---|
| <p>EU Corporate Sustainability Due Diligence Directive¹²² (CSDDD)</p> <p>A legal duty for large companies active in the EU market to identify, prevent and mitigate adverse human rights and environmental impacts connected with a companies' own operations, subsidiaries and chain of activities.</p> <p>Applies to:</p> <ul style="list-style-type: none"> • Companies operating in the EU with more than 1,000 employees and a turnover of more than €450 m. • Franchise chains and license-based companies, if their royalty income exceeds €22.5m and a global turnover of more than €80m. • Parent companies operating in the EU, if the group has more than 1,000 employees and the group's turnover is more than €450m. • Non-EU companies with a turnover of more than €450 m generated in the EU or ultimate parent companies of a group that reached that threshold. | <p>The Regulation calls for companies to pay special attention to any adverse impacts on individuals who may be at heightened risk, including based on gender. Companies may need to consider international instruments such as CEDAW.¹²³</p> | <p>The European Parliament approved the final text on 24 April 2024. Final sign off, translation and publication expected by September 2024. Member states will transpose the Directive into national law by September 2026.</p> |
| <p>EU Forced Labour Regulation¹²⁴ (Political Agreement)</p> <p>Prohibitions on placing and making available any products made with forced labour on the EU market or exporting from the EU market.</p> <p>Applies to: All companies placing or making available or exporting goods in/from the EU.</p> | <p>A public website is required with information on sex-and age-disaggregated data on the impact and survivors of forced labour.</p> | <p>On 5 March 2024, the European Parliament and the European Council reached a provisional agreement on the text. On 13 March 2024, the European Council approved the adoption of the Regulation. The Regulation is expected to be published in the Official Journal of the EU during Q2 of 2024.</p> |

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The WOW programme is the UK Government's flagship women's economic empowerment programme. The objective of the WOW programme is to improve economic opportunities for women working in global value chains, increasing participation and ensuring dignified, equal and empowering work. The 7-year programme, running until March 2025, aims to enhance the economic empowerment of women by supporting businesses, organisations and programmes that are ready and willing to take action. It will enable these stakeholders across the supply chain ecosystem to make progress and influence the global agenda on women's economic empowerment.

The programme is being delivered by an alliance of experts at the cutting edge of women's economic empowerment research, programme design and delivery. PwC leads this alliance, working with CARE International UK and Social Development Direct. Business for Social Responsibility (BSR) and the University of Manchester were members of the alliance between 2017 and 2020.

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