



SEIZING OPPORTUNITIES, MINIMISING RISKS: EMPOWERING WOMEN IN THE SUPPLY CHAIN

Approaches and Case Studies for Business



Network Germany

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The case studies presented in this publication illustrate options available to businesses in promoting women's rights in their supply chains. They are based on publicly available information. The outcomes presented have not been independently audited. Inclusion of a company in this publication does not imply that the authoring organisations have endorsed its overall sustainability performance.

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Global Compact Network Germany

The UN Global Compact and the Global Compact Network Germany

Global Compact was set up by the United Nations in 2000 as a strategic initiative and international learning and dialogue platform for sustainable and responsible corporate management with the involvement of civil society organisations, businesses and governments. Global Compact Network Germany is one of the most active networks worldwide and now has over 400 participants.

www.globalcompact.de

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twentyfifty ltd. is a management consultancy that supports multinational corporations and their global value chains to identify and address their social and human rights impacts. Since 2004, twentyfifty has been helping businesses implement their commitment to respecting human rights and the UN Guiding Principles on Business and Human Rights.

www.twentyfifty.co.uk



UN Women and UN Women Nationales Komitee Deutschland e.V.

UN Women was founded by the United Nations in 2010 as an agency for achieving gender equality and empowering women. UN Women Nationales Komitee Deutschland works closely with German women's organisations and represents the interests of UN Women to Germany's governmental agencies and to other international organisations. In addition, it provides information on UN Women's work and projects worldwide and raises funds for these initiatives.

www.unwomen.de

Women in the supply chain – why should businesses act?

All along global supply chains, women are disproportionately affected by poverty, discrimination, violence and exploitation. Women work significantly more often than men in unsafe and badly paid activities, are more often subjected to unfair or unhealthy working conditions, are under-represented in management positions and are victims of discrimination and sexual assault in the workplace.

Businesses that invest in the safety, working conditions and economic power of women make an above-average contribution to poverty reduction, the promotion of economic growth and a more sustainable future. At the same time, they reduce their own business risks and can access large, unused potentials.

The immense way still to go in empowering women, including from the business community, is a topic covered by numerous international standards and initiatives. According to the UN Guiding Principles on Business and Human Rights, companies are responsible for respecting the human rights of third parties, including the special rights of women, and for preventing, removing and remedying negative impacts on human rights. A human rights approach requires businesses to consider marginalised and potentially at-risk groups – and in many cases women belong to these groups.

At the same time, empowering women is a key factor in ensuring sustainable development. Goal 5 of the Sustainable Development Goals (SDGs), agreed by the UN in 2015, therefore explicitly states the need to achieve gender equality and empower all women and girls. In addition, in June 2015 the heads of state and leaders of the G7 called on businesses worldwide to integrate the Women's Empowerment Principles (WEPs) into their business activities. The WEPs, a UN Women and UN Global Compact initiative, are global principles that can help businesses to take targeted measures to support and empower women.

POTENTIAL OUTCOMES OF WOMEN'S EMPOWERMENT

DIMENSIONS OF INEQUALITY

Worldwide, more than **35%** of women are victims of sexual and physical violence. Between **40% and 50%** of all women in the EU report having suffered some form of **sexual harassment in the workplace**.

Sources: WHO, ILO

In most countries, **women's incomes are only 70–90% of men's**. In some Asian and Latin American countries, the ratio is significantly worse than this.

Source: UN Women

Globally, women would be able to **increase their incomes by 42% or USD 9.3 billion**, if they were able to **participate in the employment market** to the same extent as men.

Source: ActionAid

At the current rate of progress, **full equality for women** in business, politics, health and education will only be achieved **in 118 years**.

Source: World Economic Forum

If every country made as much progress as the most **'women-friendly' country** in each region, there could be an **11% increase in global gross domestic product**.

Source: McKinsey

Women represent 60–90% of workers in the labour-intensive phases of **clothing and food production**. They often work in **unsafe, underpaid and dangerous environments**.

Source: Oxfam

If women's income was **at the same level as that of male workers**, the GDP of the Eurozone would increase by 13%. In 15 of the larger developing countries, income per capita would grow 14% by 2020 and **20% by 2030**.

Source: Goldman Sachs

The seven Women's Empowerment Principles

1

Establish high-level
corporate leadership for
gender equality

4

Promote education,
training and professional
development for women

2

Treat all women and men
fairly at work – respect
and support human rights
and non-discrimination

5

Implement enterprise
development, supply chain
and marketing practices
that empower women

3

Ensure the health, safety
and well-being of all
women and men workers

6

Promote equality
through community
initiatives and advocacy

7

Measure and publicly
report on progress to
achieve gender equality

Further information:

www.weprinciples.org and www.unwomen.org

Empowering women in the supply chain – opportunities for businesses

Businesses that empower female workers, managers and owners in their supply chains can:

- keep up with increasing international political and legal requirements as well as stakeholder expectations for observing human and women's rights
- increase efficiency, productivity and security of supply, for example by reducing absenteeism and staff turnover
- make their products and services more attractive and relevant for women, who make or influence 80 % of all purchasing decisions worldwide
- empower whole communities, thus contributing to more stable, lower-risk and better educated societies

This brochure outlines the particular risks to which women are exposed in global supply chains and the options available to businesses for achieving a positive impact. The Women's Empowerment Principles (see left) can help with implementation.

With reference to case studies, the following will illustrate how businesses can uphold women's rights all along their supply chains, and the positive effects this can have on businesses themselves.

Opportunities and risks for women in global supply chains

RISKS FOR WOMEN

Right to work and labour rights

- Informal work without job security and with very low income
- Wage discrimination in comparison to male workers

Right to health and bodily integrity

- Health risks caused by lack of occupational safety and risks resulting from pregnancy (few or no breaks, no maternity leave, chemical hazards or heavy labour)
- Violence and sexual harassment while commuting and at work
- Double burden of employment and family-related labour

Right to an appropriate living standard

- Lack of property rights and religious/cultural barriers that make it difficult or impossible to accumulate assets (inheritance law, laws governing land ownership and associated rights)

Right to education

- Lacking or inadequate access to education and further education

Access to remedy

- Lack of access to complaint mechanisms and remedy when rights are infringed

AGRICULTURE AND RAW-MATERIAL EXTRACTION



EMPOWERING WOMEN: THE OPPORTUNITIES

Ensuring regulated incomes for women helps the **development of whole communities** because women reinvest 90% of their income in their families and communities – compared with 20–40% for men. *Source: IFC*

Measures for empowering women contribute to the **prevention of child labour**. When women earn a living wage and have a safe and healthy workplace, it is more likely that their children will go to school rather than work themselves. *Source: International Cocoa Initiative*

If women had the same access to production facilities as men, **agricultural output** in 34 developing countries could **increase** by an estimated **4%** on average. This would reduce the number of malnourished people by 17%, meaning up to **150 million fewer hungry people**. *Source: Food and Agriculture Organization*

RISKS FOR WOMEN

Right to work and labour rights

- Low wages that are insufficient for subsistence
- Excessive overtime to make up for low wages
- Discrimination with regard to income, promotion, education and training

Right to freedom of association

- Lack of representation due to discrimination against women in trade unions and active prevention of worker organisation

Right to health and bodily integrity

- Severe health risks because of chemicals, inadequate occupational safety, lack of sanitary facilities or lack of protection for pregnant women
- Violence and sexual harassment while commuting and at work, for example from managers
- Double burden of employment and family-related work (such as child-rearing and care)

Right to education

- Lacking or inadequate access to education and further education

PRODUCTION / SUPPLIERS



EMPOWERING WOMEN: THE OPPORTUNITIES

Improved working conditions for women can **increase productivity** and **reduce business risk**. Setting up a creche and clinic in a Vietnamese factory reduced absences and staff turnover. Industrial disputes decreased, costs could be reduced and productivity raised over the long term. *Source: Better Work – ILO and IFC*

Businesses with 30% more women in senior management are **15% more profitable** than those without women in senior management. *Source: Peterson Institute for International Economics*

Women with secure incomes more often invest in the **education and health of their children**, thus ensuring **better opportunities for the next generation**. It is estimated that worldwide, for each year that girls go to school beyond fourth grade, wages increase by 20%. Infant mortality falls by 10% and the size of families is reduced by 20%. *Source: Women's Learning Partnership*

Approaches and case studies

Businesses have many opportunities for empowering women in supply chains. To determine the measures a business can take, the first step is to **take stock of the specific risks and impacts on women in the company's supply chains**. It is not always necessary to initiate new research: existing risk management processes can be reviewed and, if necessary, expanded to include gender perspectives. Risk assessments for sourcing countries and supplier pre-qualification programmes can incorporate, as standard, data on women's rights or on specific risks for women in particular countries and sectors. A business's own audit and monitoring processes can also explicitly include such data.

Building on the results of risk and impact analyses, businesses can consider programmes and initiatives that tackle negative impacts or utilise their own potential to achieve positive change. The practical measures that businesses might choose to focus on for empowering women in the supply chain include:

- **Improvement activities with suppliers** where the risk of negative impacts on women is greatest, with the aim of improving working conditions and economic opportunities for women. This might include promoting compliance with social standards, measures for preventing discrimination or appropriate awareness-raising initiatives that enhance women's economic participation.
- **Partnerships with women-led businesses** to increase diversity in the supply chain and facilitate better economic opportunities for female entrepreneurs. In more and more countries, businesses that participate in state tendering processes have to meet certain requirements regarding diversity in their supply chains. With appropriate initiatives, businesses can achieve a competitive advantage.
- **Strengthening governance structures and capacities** in the deeper supply chain (e.g. raw-material extraction), especially where women are exposed to specific risks and where businesses have the potential to achieve positive changes for women while improving their own security and quality of supply. These measures can be designed to improve women's economic situation or quality of life. Or they can be aimed at addressing a specific risk faced by female workers or women in local communities – for example, improving preventative measures and complaints procedures relating to sexual discrimination.



- **Providing financial services** to enable women to achieve a sustainable income and build assets. The provision of women-specific financial services, opportunities for micro-finance and loans for women-led enterprises can offer practical support to women to suit their particular situation.

A range of businesses have already implemented these kinds of measures and programmes, as presented in the following selection of case studies.

AGRICULTURE AND RAW-MATERIAL EXTRACTION CASE STUDIES



MONDELĒZ: EMPOWERING WOMEN SMALLHOLDERS IN THE COCOA SUPPLY CHAIN

INITIAL SITUATION: Mondelēz (originally Cadbury) recognised that its long-term supply of cocoa as a raw material was endangered because the cocoa yield from its supply farms was shrinking and cocoa farming was seen as an undesirable career, especially amongst young people. Studies showed the situation of women was an important aspect in the sustainability of the sector. Women in production countries earn significantly less than men, have less land for cultivation and produce smaller yields. Moreover, they have much less technical knowledge of cocoa cultivation and are under-represented in local decision-making processes and leadership.

MEASURES TAKEN AND OUTCOMES: In 2012 Mondelēz initiated the Cocoa Life programme, which aims to bring about lasting empowerment of 200,000 cocoa farmers in six countries and reach one million people in the cultivation regions by 2022 through an investment of USD 400 million. The empowerment of women, along with the elimination of child labour, are defined as cross-cutting themes in the programme.

Women are given access to training courses covering efficient cultivation techniques, financial knowledge and management methods. 'Train the trainer' programmes enable women to help each other and act as role models for other women in the cocoa supply chain.

To increase women's involvement in decision-making processes in the community, the programme aims to increase women's membership of cocoa cooperatives, and to have more input into the design of Community Action Plans, by which local communities plan for cocoa farming and local development in general.

Challenges such as the lack of money for buying agricultural land are tackled by promoting access to financing. Village Savings and Loans Associations enable women to pay employees, buy seeds and land, and increase their farms' efficiency. Although traditional gender roles are only changing slowly, women have already achieved initial successes in land ownership and independent cocoa cultivation. Mondelēz measures the success of the programme annually by taking separate measurements for women and men of indicators such as income and productivity.

Further information: www.cocoalife.org

UNILEVER: KERICHO TEA ESTATES – PROTECTING WOMEN FROM SEXUAL ASSAULT

INITIAL SITUATION: In 2013 Unilever was criticised because of widespread sexual harassment of female workers on the Kericho tea plantations in Kenya.

MEASURES TAKEN AND OUTCOMES: Unilever designed a programme in cooperation with local experts and partners to ensure the safety of women and girls and to provide access to remedy. More women were recruited to the management team and a special, confidential hotline for the protection of women was set up. The proportion of female supervisors was increased from 3% to 40% and a training programme, aimed especially at men, was designed to identify sexual harassment and prevent it.

Progress achieved by the programme is regularly monitored by the Chief Supply Chain Officer. In addition, Unilever is working with partners such as the Rainforest Alliance to improve their framework guidelines and audit processes to better include the risks faced by women, as well as sharing insights gained from the programme with other companies in the sector.

Further information: www.unilever.com

AARHUS KARLSHAMN (AAK): SUSTAINABLE PROVISION OF SHEA NUTS THROUGH EMPOWERING WOMEN SMALLHOLDERS

INITIAL SITUATION: The shea nut, a valuable raw material for the food and cosmetics industries, is mainly picked by women in West Africa. The countries where it grows are among the poorest in the world.

MEASURES TAKEN AND OUTCOMES: AAK, a Swedish manufacturer of vegetable fats, empowers thousands of women who pick shea nuts on smallholdings in West Africa for the company. To guarantee supplies of high-quality raw ingredients over the long term, AAK is investing in local communities, for example in Burkina Faso. Through the Kolo Nafoso programme, which follows Fair Trade principles, AAK provides pre-financing, logistical support and training on processing shea nuts, and also pays quality bonuses. Thanks to direct trading with women, without intermediaries, their income increases over the long term, and AAK itself benefits by obtaining high-quality, traceable shea nuts. In 2016, the Kolo Nafoso programme reached more than 115,000 women, an increase of 27% over 2015.

Further information: www.aak.com

PRODUCTION / SUPPLIERS CASE STUDIES



ANN INC / BSR: EMPOWERING 100,000 WOMEN IN THE SUPPLY CHAIN

INITIAL SITUATION: The women's fashion company ANN INC runs over 1,000 stores in the USA. The company's products are sold in over 100 countries. As is common in the clothing industry, more than 70% of workers in ANN INC's supply chain are women. The risks faced by these women include low wages, discrimination and unsafe and dangerous working conditions.

MEASURES TAKEN AND OUTCOMES: ANN INC set itself the goal of empowering 100,000 women in its supply chain, entering into a partnership with BSR's HERproject in 2012. HERproject empowers women in global supply chains by means of training courses, capacity-building for NGOs and advocating for women's rights with companies and governments.

BSR and ANN INC analysed the company's existing management systems along with the obstacles to empowering women in the supply chain. They identified three focuses for the initiative to be implemented in partnership with the suppliers: occupational health and safety, financial skills and empowering women in the workplace.

Thanks to the HERhealth initiative, female workers receive training on women's health issues. These are tailored to the particular challenges in each country, e.g. breast-cancer diagnosis in Vietnam, a country with a high cancer rate, or HIV prevention in India, where disinformation and stigma about the virus are widespread.

As part of the HERfinance programme, female workers are given training on personal finances, e.g. opening and using a bank account. This knowledge enables women to save better, to increase their credit rating, to invest and to minimise the risks of becoming unable to work.

Since ANN INC implemented the Women's Empowerment Principles, its suppliers are required to support female workers, to make their operations safer and fairer for women and to measure their progress in this regard.

The programme creates new opportunities for the participating women and the suppliers. Since the start of the programme, employee satisfaction and productivity have risen measurably. At the same time, staff absences and turnover have decreased.

So far, ANN INC's initiative has reached 82,000 women in 57 businesses in six countries (China, India, Indonesia, Bangladesh, Vietnam and the Philippines). To date, 72% of all products bought by the company have been procured from suppliers trained in the HERproject programme.

Further information: <http://responsiblyann.com>

THE COCA-COLA COMPANY: 5BY20 – EMPOWERING FIVE MILLION WOMEN ENTREPRENEURS BY 2020

INITIAL SITUATION: Coca Cola has set itself the goal of financially empowering five million women in its supply chain by 2020.

MEASURES TAKEN AND OUTCOMES: The 5by20 programme grants women entrepreneurs access to new markets and financial services, offers training on entrepreneurial skills and puts them in contact with peers and mentors. The initiative covers a range of supply chains and women entrepreneurs in the fields of agriculture, retail, logistics, recycling and the manufacture of new products from recycled materials.

To expand the effectiveness and reach of the initiative, Coca Cola has set up partnerships with governments, NGOs and organisations such as UN Women, the International Finance Corporation, the Bill & Melinda Gates Foundation and the Inter-American Development Bank. Since 2010 the initiative has reached 1.7 million women in 64 countries.

Further information: www.coca-colacompany.com

Summary

Companies have a wide range of opportunities to initiate positive changes for women in their supply chains, and can themselves benefit on many levels from these activities. They also play a role in improving the economic and social position of women and in shaping wider economic and social change.

The facts speak for themselves –
investment in empowering women pays off.

Further information:

UN Women: www.unwomen.org

Women's Empowerment Principles: www.weprinciples.org

www.globalcompact.de

www.twentyfifty.co.uk

www.unwomen.de