

# Gender ROI™ Insight Series



## 14 Gender-responsive procurement

### Women operating across supply chains: An untapped source of commercial, economic and social value

**Gender advocates know the value of gender-responsive procurement. Consumers and customers want it. Governments are regulating for it. Now investors face increasing pressure to hold businesses to account for failing to tap a significant source of value creation: women in their supply chains.**

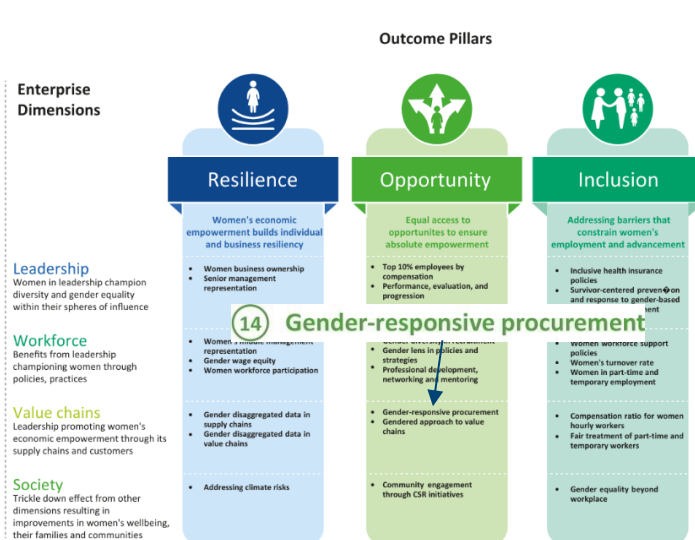
Some 190 million women work in farms, businesses, factories and ports to supply the goods and services we consume.

Governments increasingly use their massive buying power, an estimated US\$13 trillion, to catalyse social change through their supplier networks. Corporations and businesses can exert similar positive impact through their global supply chains, leading to the emergence of specialised ethical and responsible sourcing roles.

Gender-responsive procurement involves selecting goods and service providers in a way that considers the effects on gender equality and women’s empowerment. It’s founded on international standards, agreements and principles focused on improving women’s working conditions and upholding basic rights in supply chains.

Supply chains vary by industry, culture, geography and regulatory jurisdiction but research highlights common challenges. For women employees, these include poor or unsafe working conditions, gender-based violence, unequal pay, insecure employment, and a lack of training and career progression. For women business owners and leaders, reality involves a constant struggle to access capital, talent and business opportunities to help their enterprises grow.

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Given the benefits derived from empowering women, this is a massively overlooked opportunity to realise new commercial, economic and social value, according to Sweef Capital Director, Ms Rowena Reyes, a gender-responsive procurement specialist.

“The sheer size and volume of corporate purchasing and government procurement worldwide means large organisations have the potential to dramatically influence the way suppliers and supply chains operate,” Ms Reyes says. “They can contribute to women’s empowerment globally by recognising

Sweef Capital Gender ROI™ indicator matrix



The Sweef Capital Gender ROI™ identifies gender equality and diversity gaps and informs interventions to build resilience, equal opportunity and inclusion. This Insight Series explores how each indicator contributes to delivering social, financial and economic returns: <https://sweefcapital.com/gender-roitm/>

the value of diverse suppliers, by creating equal opportunities for businesses that are owned and led by women, and by encouraging suppliers to implement policies and practices that ensure safe working conditions and promote women's equality and empowerment. In the long run, everybody benefits."

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*- Rowena Reyes, Sweef Capital*

The Asia-Pacific region offers a tantalising glimpse of what's possible as more investment starts to flow through genuinely diversified and inclusive supplier networks.

Consulting firm PwC predicts the region will drive the lion's share of global growth over the next decade.

A report commissioned by UN Women and the Asian Development Bank found that about 98 per cent of Asia-Pacific businesses are micro, small, and medium-sized enterprises, employing some 60 per cent of the regional labour force and

contributing up to 30 per cent to national gross domestic product.

The report says 60 per cent of these businesses are owned by women, yet WEConnect estimates only about one per cent of procurement spending globally goes to women-owned businesses.

The growth that could be generated by supporting such businesses, and the positive multiplier effects on local job creation, skills development and community cohesion, are staggering.

Visionary entrepreneurs like the founders of Indonesia's leading artisan ice cream brand, Vilo, have embraced the value of women across their supply chain and integrated gender, community and environmental sustainability into their business model (see breakout).

The company's growth strategy, underpinned by its social impact ethos, has seen it expand from one outlet in Jakarta in 2017 to a staff of more than 50 full-timers and 400 part-time employees operating across 28 locations in Indonesia.

Vilo's robust business fundamentals and commitment to social impact led Sweef Capital to announce its investment in the company in December 2023.

The recent development of business-friendly diagnostic tools such as Sweef Capital's Gender ROI™ will help organisations like Vilo measure elements such as diversity targets, spend, payment terms, recruitment, training and other gender equality support measures in suppliers, whether factory, farm, or women-owned businesses.

"Gender-disaggregated data enables constructive, evidence-based conversations among senior decisionmakers about supply chain issues and the diversity of the supplier base, a key factor in managing risk and building resilient supply chains," Ms Reyes says.

Shifting consumer and customer sentiments and stronger laws such as the European Union's Corporate Sustainability Due Diligence Directive are likely to intensify demands for more rigorous supply chain due diligence, with major implications for investors, boards and executive decision-makers.

For Ms Reyes, the proposition for change is compelling.

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“The economic empowerment of women in supply chains and beyond increases flexibility and access to innovation — creating opportunities to hear new ideas, apply different approaches, and gain access to additional solutions that respond to customer needs and enable agile responses to market demands,” she says. “There’s no doubt gender-responsive procurement is a gamechanger.”#

### About the contributors



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## Vilo – diversified supply chains a business strength

Across Indonesia, artisan ice cream brand Vilo is fast becoming a household name, for all the right reasons.

Established in 2017 by Ms Jennike Veronika, Mr Vincent Kusuma and two friends to address a gap in the Indonesian market, the company prioritises high-quality, locally sourced foods and empowers women by sourcing ingredients and food products from local women suppliers.

More than 50 per cent of Vilo’s suppliers are local, 36 per cent of them women. The company also supports small businesses by allowing vendors to sell their products through Vilo outlets.

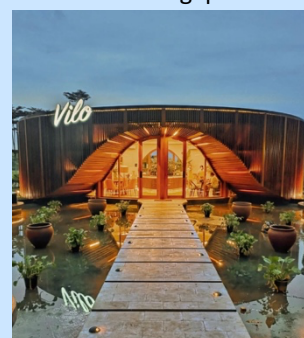
“Vilo’s long-term vision is to become the leading ice-cream brand globally, recognised for our unwavering commitment to excellence, innovation and unforgettable experiences,” Ms Veronika says. “We want to be a catalyst for change in the industry by prioritising women and pioneering eco-friendly practices and supporting local communities.”

Vilo’s story is even more remarkable given the challenges of the Covid-19 pandemic. Over the past three years, the company has successfully grown its revenue six-fold without relying on external funding. This achievement exemplifies Vilo’s dedication to both social impact and sustainable business expansion.

For Sweef Capital Director, Ms Rowena Reyes, Vilo demonstrates the powerful business case for gender equality.

“Vilo has integrated social impact into its business approach and the results speak for themselves,” she says. “Investing in women suppliers not only helps to manage supply chain risk; it ultimately drives innovation and brand loyalty, and connects companies to the significant consumer base that women represent, particularly in the Asia-Pacific region.”#

For more about Vilo, visit: <https://vilogelato.com/>



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