

Gender ROI™ Insight Series



6 Gender-disaggregated data in supply chains

Prioritising gender across supply chains delivers more than just financial value

Many organisations have been slow to recognise the massive untapped value of women operating in different roles across their supply chains. That’s changing as data reinforces the business case to support women’s contributions at multiple levels.

The turmoil generated by Covid-19 highlighted the dangerous fragility of most organisations’ and industries’ supply chains. Despite this, many enterprises continue to treat their supply chain as a blind pool of homogenous companies, ignoring a huge asset hiding in plain sight.

It’s likely that the network of individuals and companies involved in creating and delivering your product or services includes a strong representation of women business owners and significant numbers of women in the workforce. These businesses and employees, research shows, can be valuable contributors to financial, social and economic outcomes.

According to international consulting firm Gartner, women comprise some 40 per cent of the global supply chain workforce.

Yet women’s working conditions vary markedly, undermining their wellbeing, impacting those around them and limiting their potential to contribute.

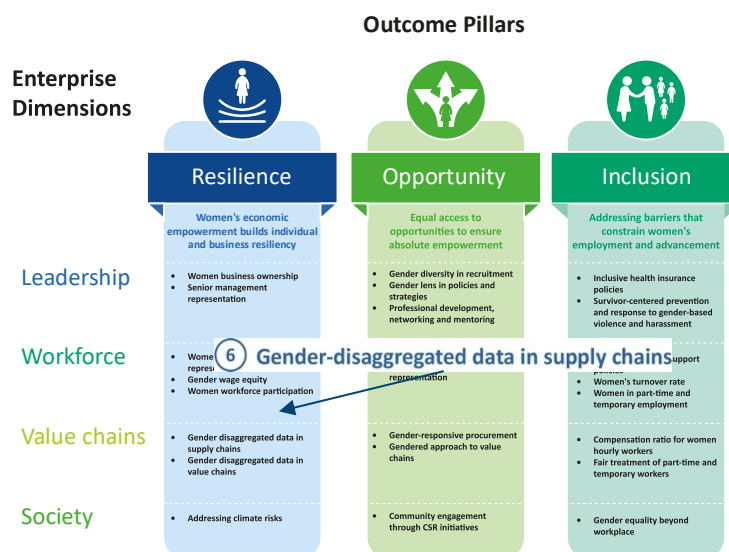
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Greater public scrutiny, and policy shifts, mean this conversation is increasingly being taken up at board level.

Smart organisations now collect demographic and other information through their business processes to maintain a clear view of who’s doing what across their supply chains, manage strategic risk and identify new suppliers and capabilities while promoting diversity to help deliver their business objectives.

Gender disaggregated data enables decision-makers to better integrate women’s needs as part of developing diverse and resilient supply chains and businesses. This positions them to promote gender equality through their purchasing policies and practices and reap significant benefits.

Studies show that companies that prioritise supplier diversity have a 133 per cent greater return on procurement



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/>

investments, spend 20 per cent less on buying operations and have considerably smaller procurement teams than those with lower supplier diversity.

Brianna Losoya-Evora, Sweef Capital's Head of Impact Measurement and Management, said gender-disaggregated data enables businesses to better understand the issues that not only disproportionately affect women in the supply chain but in workplaces as well.

"This is a critical conversation for all business leaders," Ms Losoya-Evora said. "Organisations need visibility beyond their current supply chains to other potential suppliers and their capabilities, including women-owned

"There's still a lot of work to do to improve equity and working conditions for women."

- Tomás González Bergez, Pro Mujer

and led small to medium-sized businesses. They need to understand working conditions that could be affecting hiring, talent retention and reputation in key areas. This is common sense risk management."

Globally, women continue to face significant structural and cultural barriers in finding secure and meaningful work.

Tomás González Bergez, Gender and GKL Global Manager at Pro Mujer, said while more women were participating in the workforce due to globalisation, they were still mostly in lower-skilled and low-wage production jobs in the lower tiers of the supply chain.

"This means women workers are exposed to risks such as precarious working conditions, poor access to maternity rights and childcare, long working hours and more," Mr González Bergez said. "There's still a lot of work to do to improve equity and working conditions for women."

Pro Mujer's Gender Knowledge Lab, which Mr González Bergez leads, is part of growing global efforts to shift organisational thinking and practices around women's empowerment at work (See Spotlight article).

"Enterprises need to understand not only the challenges of women in their supply chain, but of all women in that ecosystem with the potential to join their supply chain," he said. "Only then will they be able to develop appropriate evidence-based responses and policies to address those women's challenges and create sustainable change."

Ms Losoya-Evora said gender-responsive procurement would be critical in taking the practice from one motivated by corporate social responsibility to one driven by business value – but that would require a strong leadership commitment to persevere as practices and conditions continue to evolve.

"Some companies are committed to engaging women-owned businesses in their supply chains but may struggle to find businesses suitable for their requirements," she said. "There are complex reasons such businesses may be hard to identify, or not be equipped to partner with a large corporation – but that situation, too, will change as those barriers are addressed."

"Good data will guide leaders to engage better on issues that matter to... women."

- Brianna Losoya-Evora, Sweef Capital

Ms Losoya-Evora said it was critical for organisations to understand the baseline state of women-owned enterprises in their supply chains, and collecting gender disaggregated data was an important first step.

"Good data will guide leaders to engage better on issues that matter to these women, and create supplier development programs that help women-owned firms scale up to meet corporate needs," she added. "It will also encourage suppliers to use a gender lens in their own processes so the impact is amplified." #



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Pro Mujer – tracking the benefits of gender-positive supply chains

For Tomás González Bergez, momentum is gathering around gender and supply chain diversity – and it can't come soon enough.

“Supply chains are at the heart of a company's operation, which is why making them diverse, inclusive and thus more resilient to risks has become a top priority,” Mr González Bergez said. “Women play a critical role in building that resilience at a workforce and business owner level, and management teams and boards need to embrace this reality.”



Mr González Bergez oversees the Gender Knowledge Lab established by social enterprise Pro Mujer to advise organisations in Latin America on ways to integrate gender, diversity and inclusion policies into their operations, products and services. Further, Tomas and Brianna are part of the consortium which includes Pro Mujer, Sweef Capital and Equilo, who have partnered with the U.S International Development Finance Corporation (DFC) to implement the 2X Women's Initiative Technical Assistance Program (the 2X TA Program). This Program aims to strengthen the effectiveness of DFC's investments in reaching women and closing the gap in access to resources. The Consortium will actively work with existing DFC clients, with a focus on financial institutions, to improve gender equity and responsiveness of their operations.

Covid-19 highlighted the massive costs of supply chain disruption, and growing public scrutiny of organisations' environmental, social and governance (ESG) performance suggests key areas like gender-responsive procurement will increasingly dominate corporate and investor agendas. Pro Mujer has distilled more than 30 years of field work into tools and approaches that help organisational leaders maintain visibility of and support for women business owners and women employees at all business levels, including supply chains.

“Increasing the number of women in supply chains has the potential to advance their role as business leaders, diversify and thus enrich the quality of products and services, reduce occupational segregation and shrink the pay gap,” Mr González Bergez said. “However, women still face many barriers that need to be addressed simultaneously to guarantee impact.”

Collecting gender disaggregated data over time helps build the business case for diverse supply chains and inform evidence-based protocols and performance indicators. By cultivating diverse supply chains, companies ensure that their suppliers (diverse businesses) reflect their customer base (women), which can sometimes result in expanding market opportunities as the organisation accesses new goods or services from diverse suppliers, or reaches new consumer segments as a result of supplier diversity.

“That's good business sense,” Mr González Bergez said. “Having gender-smart, diverse and resilient supply chains now also means anticipating ESG/Sustainable Development Goals and international regulations and taxonomies that may become mandatory in the future – so the time to start is now.” #

For more about Pro Mujer's Gender Knowledge Lab, visit: <https://gkl.promujer.org>



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