Inclusive Sourcing: A Key Pillar of Sustainable Procurement

13 August 2015 – 10:00 AM EST
Questions

Technical Difficulties: If you have technical issues, please let us know by typing a message in the Questions pane (A). You can raise your hand (B) if we do not respond.

Q&A: We will be taking questions on content at the end, but you can send them to us throughout the webinar by using the Questions pane (A). Please specify to whom the question should be directed.

Example: Question for John Doe: What are the Guiding Principles?
Agenda

**Introductions and The Women’s Empowerment Principles**
* Tulsi Byrne, Women’s Empowerment, UN Global Compact

**The Business Case for Inclusive Sourcing**
* Juan Hoyos, International Trade Centre

**Company Examples**
* Gustavo Perez Berlanga, Vice President, Corporate Social Responsibility, Restaurantes TOKS

**Women Vendors Exhibition and Forum**
* Juan Hoyos, International Trade Centre

**Discussion/ Q&A**
Women’s Empowerment Principles

The Principles

1. Leadership Promotes Gender Equality
2. Equal Opportunity, Inclusion and Nondiscrimination
3. Health, Safety and Freedom from Violence
4. Education and Training
5. Enterprise Development, Supply Chain and Marketing Practices
6. Community Leadership and Engagement
7. Transparency, Measuring and Reporting

• A set of Principles for business offering guidance on how to empower women in the workplace, marketplace and community.

• Result of a collaboration between the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the United Nations Global Compact.

• Emphasize the business case for corporate action to promote gender equality and women’s empowerment

• Seek to elaborate the gender dimension of corporate sustainability, the UN Global Compact and businesses’ role in sustainable development

• Recognized by governments and civil society organizations around the world as a comprehensive platform for their engagement with corporations
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Enterprise Development, Supply Chain and Marketing Practices

- Expand business relationships with women-owned enterprises, including small businesses, and women entrepreneurs
- Support gender-sensitive solutions to credit and lending barriers
- Ask business partners and peers to respect the company’s commitment to advancing equality and inclusion
- Respect the dignity of women in all marketing and other company materials
- Ensure that company products, services and facilities are not used for human trafficking and/or labour or sexual exploitation
The 3 pillars of Sustainability

- Economic
- Environmental
- Social

Sustainability

ITC
Supplier Diversity

The social pillar

Supplier diversity is the proactive business process of sourcing products and services from previously under-used suppliers.

The process of inclusive sourcing helps to sustain and progressively transform a corporation's supply chain to reflect the demographics of the communities in which it operates.
Challenges faced by Buyers

More than 75% of big corporations find that one of the biggest challenges is finding quality suppliers (SM’s Supplier Diversity Survey)

Lack of budget to do outreach and training

Higher prices with diverse suppliers

Lack of innovative ways to develop and assist minority suppliers in acquiring the skills and accessing the capital they require to scale up and meet sourcing demands

Minority businesses are usually smaller and may not have the financial or physical resources to compete with large suppliers
Why Inclusive Sourcing from women is Important

• According to the IFC, women-owned businesses represent 32-39% of all private businesses globally

• Women do 66% of the world's work, receive 10% of the income, and own 2% of the property

• Women make over 70% of consumer purchasing decisions and impact over US$20 trillion in annual global spend

• Women represent 50% of the world's population, but they are almost invisible in global value chains as suppliers with just 1% of the spend on vendors by large corporations and governments
The World Bank research findings show that women reinvest up to 90% of their earned income in their families and communities.

Because women are more likely than men to invest in their families particularly in their children’s education and health, paid work for them means a multi-generational boost to economic growth, as those children grow up and contribute to a stronger and more skilled workforce.
Global Business Case

• Grow revenue
• Create more competitive and dynamic supply options
• Reduce costs and demonstrate ROI
• Improve total value of offerings
• Drive innovation – Competitive Advantage
• Enhance image / brand with customers – increase their loyalty
• Contribute to economic opportunity in target markets
• Help ensure healthy families and communities because women reinvest most of their income into their families and communities
Corporate Good Practices Regarding the Inclusion of Women-Owned Businesses in the Global Value Chain
Strawberry Marmalade Project
Santa Rosa, Guanajuato, Mexico
2nd. Largest Restaurant Chain in Mexico
+13,000 employees
+35,000,000 consumers last year
Grows 5 times the industry
Santa Rosa de Lima
FACTS ABOUT SANTA ROSA COMMUNITY

570 Habitants

No men (only child and older people)

Women have no formal education

They are supposed to stay at home
FACTS ABOUT SANTA ROSA COMMUNITY

• Men live in the United States and come home each Christmas season

• And they get the women pregnant

• And go back to the States after Christmas
And, the dramatic reality...

When the men find another woman in the States they stop getting the women pregnant and stop sending money

And the women and their families are starving... in a rich land
• 17 years ago, an NGO started to train 40 women in the community on how to produce jams from the fruits of the region (strawberry, pineapple, apple, mango, etc.)

• But they have no market or consumers, and they were desperate, they sold in 2005 US$4,900 for 5 families

• At the end of 2005 only 5 women remain and suddenly, Toks met the women and the project
And Toks found they had an extraordinary product and help them to build a successful business
In 2014 they sold US$ 520,000.00 to Restaurantes Toks
• US$70,000.00 income per women each year
• 12 sons/daughters with bachelors degrees for the first time in the history of the community
• Dignity and respect
• Gender equality
• Migration is no longer an issue
• Case of study in major universities in Mexico, Latin America, U. of Harvard, etc.
• Case of success in different Global Compact Publications
Challenges Faced

- Lack of trust at the beginning of the project, solution: BUILD TRUST
- Low self esteem in the women (they though they were no able to fulfill our standard), solution: BE WITH THEM ALL THE TIME SPECIALLY AT THE BEGINNING
- Low quality standards: TRAINING, TECHNOLOGY DEVELOPMENT...AND PATIENCE
- Business as usual in the company: TO ADAPT THE PAYMENT AND OTHER COMMERCIAL TERMS TO THE NEEDS OF THE PROJECT
2012 SOCIAL INVESTMENT PIONEER AWARD WINNERS
Restaurantes Toks has redesigned their business model to incorporate local indigenous communities into their supply chain. Restaurantes Toks now sources and sells a range of commercially beneficial organic products, whilst at the same time, supporting social and economic development in 23 indigenous communities across 13 states.
In 2011 we took the Global Compact Sustainability Supply Chain Advisory Group to Santa Rosa
In March 2015, we took the leader of the Santa Rosa Project to the WEPs Annual Event in New York...as a speaker
Thank You!
WOMEN VENDORS EXHIBITION AND FORUM
2-3 September 2015, São Paulo, Brazil
Languages: English, Spanish, French and Portuguese
Roundtable
1 September

ADVOCACY PLATFORM

- 100 decision makers & top academia, MNCs & top academics
- Identify policy and programme changes that are needed to transform public and private sector procurement to support women’s business enterprises
- Launch of global Call to action and Roadmap to 2020 on Sourcing from Women
- Release of publication on women exporters and soft launch of Procurement Map
- Goal – Commit to taking 1 million WBEs to market by 2020

3 Pillars will contribute to the global Call to Action:

1) Policy: Potential Steering group chair: WBG, Chatham House
2) Institutions: Potential Steering group chair: IFC
3) Business: Potential Steering group chair: IBM, PG&E
THE OPPORTUNITY

- Broaden your vendor pool and access new product and service options;
- Gain exposure to new ideas and cutting-edge approaches to supplier diversity management;
- Identify opportunities and expand and invest in the region;
- Advance CSR and Supplier Diversity commitments and goals;
- Contribute to women’s economic empowerment and sustainable development.

WHAT TO EXPECT

This premier business event links women vendors to markets by providing training, improving skills and facilitating meetings with buyers. This year’s event will feature the following sectors:

- Specialty coffee
- Information technology
- Services
- Gourmet food (for Latin America only)
Coffee farmer Marey Yogiyo has been selling coffee to buyers in her native Papua New Guinea for 16 years.

Earlier in 2014, she became the first ever woman in the coffee sector to receive an export license.

Yogiyo made the initial contact with her new buyers at a buyer mentor group (BMG) organized by ITC and the International Women Coffee Alliance (IWCA) on the margins of the Specialty Coffee Association of America’s annual conference in Seattle in April 2014.
Olam International, one of the world’s leading agribusiness companies, bought 60 bags of coffee from her company for US$18,000.

Yogiyo’s export success appears set to continue: This year she will deliver 18,000kgs of specialty coffee to her buyer in the United States. To do so, she is working with 645 coffee growing families in her province.
Thank you for joining us today.

Presentation slides and a recording of the webinar will be available on the WEPs website: www.WEPPrinciples.org

For additional questions about the WEPs contact:

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For additional questions about the Women Vendors Exhibition and Forum contact:

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