DRIVER 5 TOOLKIT

HOW TO CHANGE BUSINESS CULTURE AND PRACTICE
The United Nations (UN) Secretary-General established the High-Level Panel on Women’s Economic Empowerment in 2016 to bring together leaders from different constituencies—government, civil society, business and international organizations—to launch a shared global agenda that accelerates women’s economic participation and empowerment in support of implementing the 2030 Agenda for Sustainable Development and its promise that no one will be left behind.

The first report of the High-Level Panel (September 2016) examined the case for women’s economic empowerment and identified seven drivers for addressing systemic barriers to women’s economic empowerment. These seven drivers were further explored by working groups, comprising High-Level Panel members and other stakeholders. Each working group prepared a paper with specific recommendations for transformative change.

The second report of the High Level Panel (March 2017) provided a synthesis of the recommendations of each of the seven working groups within the framework of the essential enabling environment to accelerate and deepen the impact of the seven drivers. In addition to the working group papers, each working group prepared a toolkit, focusing on how to take forward the recommendations of the working group, along with case studies and good practices where relevant.

This toolkit has been prepared by the Working Group for Driver 5—Changing business culture and practice.

Its companion working group paper is published as a separate document.

High-Level Panel reports and working group papers and toolkits are all available online.

Members of Working Group on Driver 5—Changing business culture and practice

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<th>Co-Leads</th>
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<tr>
<td><strong>Tina Fordham,</strong> Managing Director, Chief Global Political Analyst, Citi Research</td>
<td><strong>Cynthia Drakeman,</strong> CEO, DoubleXEconomy, LLC</td>
<td><strong>Janhavi Dave,</strong> International Coordinator, HomeNet South Asia Trust</td>
</tr>
<tr>
<td><strong>Rt. Honorable Justine Greening,</strong> MP, Secretary of State for Education and Minister for Women and Equalities</td>
<td></td>
<td><strong>Anna Falth,</strong> Manager, Empowerwomen.org, UN Women</td>
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<tr>
<td><strong>Elizabeth A. Vazquez,</strong> CEO and Co-Founder, WEConnect International</td>
<td></td>
<td><strong>Renana Jhabvala,</strong> Chair, WIEGO</td>
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<tr>
<td></td>
<td></td>
<td><strong>Siriel Mchembe,</strong> Specialist of Social Protection and Women’s Entrepreneurship, Institute of Financial Management, United Republic of Tanzania</td>
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<td></td>
<td></td>
<td><strong>Sophie Romana,</strong> Director, Community Finance, Oxfam America</td>
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<tr>
<td></td>
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<td><strong>Simona Scarpalegga,</strong> CEO, IKEA Switzerland and UN High-Level Panel Co-Chair</td>
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For more information please visit: [hlp-wee.unwomen.org](http://hlp-wee.unwomen.org)

@UNHLP  #HLP  #WomensEconomicEmpowerment

While staff of the Bretton Woods institutions reviewed and provided comments on the working papers and toolkits in their respective areas of expertise, they were not members of the working groups.

In regard to the recommendations aimed at international organizations in these documents, the Bretton Woods institutions may endorse or support them to the extent these are consistent with their roles and in accordance with their mandate.
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INTRODUCTION

Engaging women in business is the smart thing to do and the right thing to do. Women are involved with businesses at every level of the value chain: as employees, suppliers, customers, leaders and influencers.

The United Nations Secretary-General’s High-Level Panel’s first report set out clear and concrete benefits to the private sector of promoting women’s economic empowerment at every level of the value chain, ranging from attracting and retaining top talent to significantly increasing returns on inclusive procurement spending, to sustaining value chains and generating positive reputational value that encourages increased consumer spending. The recommendations from the second report provide a clear blueprint for companies to incorporate women’s economic empowerment into their business strategy at every level of the value chain. This toolkit provides case studies and useful links to help stakeholders implement the recommendations.

KEY RECOMMENDATIONS

1. Conduct an internal self-audit.
2. Provide incentives to frontline management and hold managers accountable.
3. Consider setting procurement targets for sourcing from women-owned enterprises.
4. Map value chains to ensure ethical sourcing and workers’ rights.

To learn more, High-Level Panel resources and publications:

A value chain approach to the business case

As designers, suppliers, contractors, marketers, distributors, home workers, small producers and informal workers

As leaders in communities and businesses

As employees

As constituents and customers

As contributors to positive public image

As individual community members influencing the market and policy conditions

Sourcing from women-owned enterprises can strengthen and improve access to premium markets.

One more woman in senior management or on a corporate board is associated with 8–13 basis points higher return on assets.

Companies in top quartile for gender diversity are 15 percent more likely to have financial returns above national industry means.

Women make or influence 80 percent of buying decisions and control US$20 trillion in global spending.

A commitment to women can enhance a company’s reputation.

More than one in three private sector leaders report increased profits following efforts to empower women in emerging markets.

**HOW TO GET STARTED?**

**RECOMMENDATION 1: CONDUCT AN INTERNAL SELF-AUDIT**

**Businesses**

Businesses should conduct a brief internal self-audit to establish a baseline for your current engagement with women and to illuminate the most urgently needed opportunities for transformation. This should then be regularly reviewed to assess progress.

The self-audit incorporates the following questions:

**Pay:** Is pay equal for women and men for work of equal value at all levels? Consider both financial remuneration and benefits, including social security and health coverage, and gender-neutral family benefits, such as paid family and parental leave and flexible work for men and women. If you have paid leave for both sexes, are men using it?

**Employment:** What is the workforce balance of women and men at all levels, including home workers? Consider the balance of women and men in each department/specialty, including how many women are represented in more traditionally male-dominated roles, such as finance, accounting, engineering and construction, and how many women are at each level. Examine whether recruitment processes exhibit a gender bias and whether they prioritize university degrees in subjects that are typically male dominated.

**Leadership:** What is the board/executive balance of women and men? Has succession planning been developed with an eye to future male and female representation in leadership positions? Are there any female executives and board members in traditionally male-dominated roles (e.g., chair, chief executive officer, chief financial officer, chief product officer, chief technology officer)? If so, what is the balance of female and male leadership?

**Procurement:** How much do you spend with companies that are majority-owned by women? Do you have a baseline with targets for sourcing products and services from businesses that are at least 51% owned, managed and controlled by one or more women?

**Corporate social responsibility:** Do you have or fund programmes for women and have you applied a gender lens to all of your initiatives?

If you have programs or fund programs targeting women, are they integrated into your company-wide strategy for women’s advancement along your value chain? Do you know how many men and women benefit from your programs? Have you learned anything about women’s economic empowerment from these programs that could be shared internally and externally?

**Suppliers:** Are you asking your suppliers these questions?

As you map your answers to these questions, encourage your first-tier suppliers to also answer them. Provide your suppliers with tips for how to conduct this self-audit and how to engage their first-tier suppliers.

**CASE STUDY 1**

**Unilever**

In 2014, as part of the Unilever Sustainable Living Plan “refresh,” the company looked across the whole value chain and mapped out the programmes and partnerships already in place and the areas that needed additional focus. The result was a more robust Enhancing Livelihoods goal, with new or expanded commitments to give women opportunities to enhance the quality of their lives. The Unilever Sustainable Living Plan serves as a blueprint for sustainable growth and contributes to the Sustainable Development Goals. It includes an “Opportunities for Women” commitment, which cuts across the entire value chain and focuses on the three enablers of rights, skills and opportunities. The partnerships and advocacy also support the broader gender equality agenda through global alliances and platforms, including the endorsement of the Women’s Empowerment Principles. The partnerships and advocacy also drive transformational change by featuring more progressive portrayals of both women and men in ad campaigns for their many brands.
How can I become engaged and engage and activate my organization, community and peer group?

Recommendation 2: Provide incentives to frontline management and hold managers accountable

The gender pay gap, lack of mid-career progression for women and dearth of women in leadership roles (among many other challenges) can often be traced to one critical pinch point—frontline managers who do not support or understand the company’s goals.

Businesses

Businesses should set clear goals and incentives for frontline managers, which are visibly promoted and supported by senior management.

- SheWorks: Putting Gender-Smart Commitments into Practice at the Workplace. A report from the IFC’s Gender Secretariat highlighting private sector efforts in recruiting, retaining and promoting women. IFC Gender Secretariat. 2016. SheWorks: Putting Gender-Smart Commitments into Practice at the Workplace. Washington, DC: IFC.
- McKinsey’s Women Matter portal. Articles, case studies and reports on women in the workplace.
- Bloomberg’s Financial Services Gender-Equality Index. First of its kind index that measures company statistics, policies, products and community engagement.

Governments

Governments can convene private sector actors to create a “race to the top” through shared goals and public recognition of progress.

HOW TO CHANGE BUSINESS CULTURE AND PRACTICE


Civil society
Civil society organizations should advocate for effective diversity and inclusion policies and hold companies accountable for their commitments through platforms, indexes and awards.
• Edge Certification. The Global Business Certification Standard for Gender Quality.
• Equal Salary Foundation. The world’s first certification for equal pay.
• Catalyst.org. An organization committed to accelerating progress for women through workplace inclusion.

RECOMMENDATION 3: CONSIDER SETTING PROCUREMENT TARGETS FOR SOURCING FROM WOMEN-OWNED ENTERPRISES

Businesses
Businesses should consider setting procurement targets for sourcing from women-owned enterprises. This can be extremely successful in boosting economic returns to corporate buyers, as well as getting money into the hands of women entrepreneurs, thus strengthening their opportunities to grow and expand and ensuring supply chain sustainability.

CASE STUDY 2
BLC Bank

BLC Bank in Lebanon recognized women customers as a growth opportunity and knew that getting employee buy-in would be essential for the success of this effort. To shore up internal support, BLC Bank convened a steering committee of representatives from every department in the bank, appointed representatives in each bank branch to monitor implementation and progress, tracked gender disaggregated data and added key performance indicators for the gender goals to each employee’s annual review. The bank also set goals for hiring and promoting female employees and for sourcing from women-owned enterprises and developed advertising campaigns that spoke specifically to women’s needs and interests. After three years, the internal rate of return for the initiative was 34 percent, the number of women enterprise borrowers increased 82 percent, the outstanding loan portfolio of women-owned enterprises increased 121 percent and the total portfolio of women’s deposits grew 65 percent. This two-pronged approach of getting manager buy in and holding managers accountable for achieving the goals was a critical lever for creating swift and significant change.

Behavioural nudges can create quick wins that help lead to long-term change

Businesses should:
• Require gender parity for external functions such as award dinners, conference panels and project teams.
• Make diversity and inclusion goals part of regular communications with all staff.
• Publicly reward managers who achieve their gender inclusivity goals, make it high profile and distinctive and ask questions of those who do not.

Governments
Governments can consider leading by example with inclusive sourcing policies and practices, while also making it easier for women to start and grow businesses, access markets, access capital and hire new employees.
• Small Business Association of the United States Women-Owned-Small Business Contracting Program.

Civil society
Civil society organizations can provide skills training, create networking opportunities where women-owned enterprises can learn from each other, create market linkages and promote procurement opportunities.
• WEConnect International, a global network that connects women-owned businesses to qualified buyers around the world.
• Women’s Business Enterprise National Council (WBENC), the largest third-party certifier of businesses owned, controlled and operated by women in the United States.

CASE STUDY 3
IBM
IBM recognizes that a diverse supplier base is integral to company profitability and strategic objectives—solidifying the connection between customer satisfaction and winning in the marketplace. IBM’s global supplier diversity and inclusion program expands purchasing opportunities for businesses owned and operated by minorities, women, lesbians and gays, veterans and service disabled veterans, and disabled persons. Building and maintaining a community of diverse suppliers increases IBM’s opportunity to hear new ideas, apply different approaches and gain access to additional solutions that respond to customer needs. Such collaboration helps IBM deliver innovation, quality products and world-class service to a growing global marketplace.

• South Asian Association for Regional Cooperation (SAARC), represents and protects the livelihoods of homeworkers.

RECOMMENDATION 4: MAP VALUE CHAINS TO ENSURE ETHICAL SOURCING AND WORKERS’ RIGHTS

Businesses
Companies and their suppliers must treat all workers and producers in their value chains decently, humanely and with dignity. Each company undertaking this effort will reap benefits that include greater insight into the production of materials essential to their business, and a reputational boost as a leader in ethical practices, which is highly valued by consumers.
• “Capturing the Gains: Economic and Social Upgrading of Global Production Networks.” An international research network that looks at the role of the private sector, civil society, national governments and international organizations in securing real gains for poorer workers and producers in the South. Capturing the Gains. 2010. “Capturing the Gains: Economic and Social Upgrading in Global Production Networks.” Manchester, UK: University of Manchester, Capturing the Gains Programme.
• Ethical Clothing Australia’s Homeworkers Code of Practice. The Homeworkers Code of Practice is a voluntary code developed by the
Textile, Clothing and Footwear Union of Australia to ensure homeworkers or outworkers involved in the production of textiles, clothing and footwear receive legal protection.

Governments
Governments can consider enacting and enforcing legislation that recognizes the rights of workers in agriculture, home work and informal work.

International frameworks
- ILO Recommendation Concerning the Transition from the Informal to the Formal Economy, 2015 (No. 204)
- ILO Domestic Workers Convention, 2011 (No. 189)
- ILO Home Work Convention, 1996 (No. 177)
- ILO Recommendation Concerning Social Protection Floors, 2012 (No. 202)

A good example of national legislation is the Thailand Homeworker Protection Act. HomeNet Thailand, which forms part of HomeNet South East Asia, has been at the forefront of national advocacy efforts calling for progressive legislation and protections for homeworkers. Over the course of 10 years, HomeNet Thailand, with supportive allies, campaigned for a national act that would establish homeworkers’ labour rights and social protections. These efforts eventually culminated in passage of the innovative Homeworkers Protection Act in 2010, which provides wide-ranging and practical protections for homeworkers.

Civil society
Civil society organizations can help map corporate value chains using methods that include agriculture, home and informal workers. They can also hold companies accountable through reviews and indexes.
- Women in Informal Employment: Globalizing and Organizing (WIEGO). A global network of organizations seeking to increase the voice, visibility and validity of the working poor, especially women.
- Self-Employed Women’s Association (SEWA). A trade union of poor, self-employed women.
- HomeNet South Asia, HomeNet South East Asia and HomeNet Eastern Europe. Networks of home-based workers.
- Oxfam’s Behind the Brands. Scorecard of agricultural sourcing policies of the world’s 10 largest food and beverage companies.
- Ethical Trading Initiative. An alliance of business, civil society and unions that promotes ethical trade and provides guidance on supply chain mapping and corporate commitments to decent work for homeworkers.
- Fair Wear Foundation. A multistakeholder alliance that promotes ethical garment production.
- Worker Rights Consortium. Independent labor rights monitoring organization.

CASE STUDY 4
IKEA

ILO and IKEA suppliers in India collaborated on the detailed study Employment Relationships and Working Conditions in an IKEA Rattan Supply Chain (2015). By diving deeply into IKEA’s supply chain, the investigators identified a community of subcontractors who hired men and women to work in a weaving center or from home to produce pieces for IKEA’s direct suppliers. Subsuppliers were exclusively male, their weaving center workers were more likely male, and home workers were predominantly women. The women were “clearly worse off than men in terms of income earned” and more likely to have families below the poverty line whereas “none of the male homeworker households were below the poverty line.” The women workers were much less knowledgeable about the ultimate destination and customer for their products and were more likely to receive threats from their employer not to be “too honest” with interviewers. In addition, parts of IKEA’s ethical audit (IWAY), such as regulations for health and safety, could not reasonably be enforced in private homes. IKEA used this report as an opportunity to update its own practices and to provide guidance to other companies about recognizing and supporting informal workers in their value chains.

Five questions for businesses committed to protecting their informal and home workers

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<tr>
<th>Issue</th>
<th>Question to ask</th>
<th>How to take action</th>
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<tr>
<td>Mapping value chains</td>
<td>Have you mapped your value chain?</td>
<td>Map your value chain in partnership with a representative organization of homeworkers.</td>
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<tr>
<td>Commitment</td>
<td>Has your company accepted the role of homeworkers within the value chain and your responsibility towards them?</td>
<td>Make a company commitment towards decent work for homeworkers within your value chain, and inform everyone about it. Insist that your suppliers give written contracts/orders to homeworkers that include your company name and your commitment to decent work.</td>
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<tr>
<td>Communicating with suppliers</td>
<td>Have you communicated with your suppliers about your commitment towards homeworkers?</td>
<td>Conduct workshops with suppliers communicating your commitment, inform them of the mapping results and ensure that company policy/ETI Base Code is implemented by the suppliers.</td>
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<tr>
<td>Internal review</td>
<td>Have you conducted an internal review to check if the company policy/ETI Base Code is implemented?</td>
<td>Conduct an internal review to monitor progress.</td>
</tr>
<tr>
<td>Grievance mechanism</td>
<td>Is there a grievance mechanism for women homeworkers to complain in case the company policy/ETI Base Code is not implemented?</td>
<td>Establish appropriate grievance mechanisms in consultation with homeworkers’ representative organizations.</td>
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ADDITIONAL RESOURCES

BUSINESS LEADER ROUND TABLE

High-Level Panel Members Justine Greening, Tina Fordham, Elizabeth Vazquez and Simona Scarpaglia convened a meeting of business leaders in London to get their input on working with businesses to implement the most effective ways to transform business culture and practice. The self-audit questions noted in the table above are a product of that consultation. The group further emphasized the need for frequent, ongoing self-assessment, which will give each company the intelligence needed to establish baselines, set internal goals and design the changes that are right for their business. The key takeaway from this discussion is that policies that are good for women are good for everyone. Once a business embraces gender equality, extraordinary opportunities emerge for greater economic success for the company, the women and the world.

SMALL AND MEDIUM-SIZE ENTERPRISES

The High-Level Panel encourages companies of all sizes to take up the second report’s recommendations. It is possible for even the smallest companies to do this without sacrificing growth or profitability.

- “How Does Gender Affect the Participation of SMEs in International Trade?” Text of a speech by Arancha González, International Trade Center (2016).

VALUE CHAIN RESOURCES


Additional observations from the business leader round table

- CEO leadership is critical.
- Win hearts and minds with a strong business case and frequent communication of goals for inclusion.
- Transparency with employees and the public is essential—share data on progress and impact.
- Building an inclusive business includes internal and external engagement along the value chain.
- Investors can be influential advocates for change.
- Market spending can be leveraged to change gender norms in advertising.
- Indexes and public commitments, such as adopting the Women’s Empowerment Principles, are extremely valuable for promoting clear measurements, transparency and accountability.
CASE STUDY 5
Papillon Enterprise

Papillon Enterprise is an artisan crafts business founded in 2009 to give parents in Haiti a chance to earn an income and, more broadly, to tackle poverty through sustainable economic empowerment of the poor. From its inception, the company committed to hiring and supporting single mothers by paying them a living wage (three times the minimum wage in Haiti), providing social and medical benefits and, through their nonprofit partner the Apparent Project, offering on-site child care, language and literacy development and computer and software training. Today, the company has an annual revenue stream of US$1.5M, employs over 200 full-time employees (both men and women) and is expanding its retail operation through an online marketplace and two brick and mortar stores (one in Port-au-Prince, Haiti, and the other in Olympia, Washington, USA). Its handicrafts are sold through formal retail chains including Trades of Hope, Simbi, Vine Works and Feed My Starving Children, and it has filled purchase orders for The Gap, West Elm, Macy’s and Disney.

- **Business Fights Poverty Challenge.** A collection of case studies from businesses on women’s economic empowerment in supply chains.
- **“Women Effect.”** A website from the Wharton Social Impact Initiative with information on gender lens investing.
- **Asian Development Bank’s Sector Gender Toolkits.** Resources for how to design gender inclusive projects across different sectors.

**UN RESOURCES**

- **The Sustainable Development Goals.** A set of international goals to end poverty, protect the planet and ensure prosperity for all.