



*Creating*

**GENDER  
EQUALITY**

*through Procurement*

**TOOLKIT**



# FOREWORD

The **30% Club** and **Femeconomy** have shared goals of:

- achieving at least 30% women on ASX 300 Boards
- to sustainably embed gender equality in board representation across industry; and
- promoting the benefits of diversity at all levels of business.

Companies with gender balanced leadership are more profitable and more likely to progress gender equality initiatives. The **2020 Edelman Trust Barometer** research shows 73% of people believe a company can take actions that both increase profits and improve economic and social conditions in the community where it operates. Putting in place and communicating supplier diversity and gender equality programs externally builds trust both with local communities, and with stakeholders more broadly, as organisations are increasingly held to account for their social impact.

Corporate Directors and CEOs are operating in environments of increasing volatility, uncertainty, complexity and ambiguity. Increased diversity of thought, leadership and decision making is required to confront escalating stakeholder demands for social license to operate and sustainable gender equality improvements. Recent legislative changes reflect growing community expectations that

organisational supply chains are ethical, transparent and inclusive.

In addition, the Workplace Gender Equality Agency (WGEA) has updated its 2020-2021 **Employer of Choice Citation** criteria to include measures of gender equality procurement principles, stating “your organisation must have procurement guidelines that encourage gender equality across your supply chain”.

The Australian Government report that 34.8% of Australian business owner managers are female. However, women owned businesses attract less than 2% of the global procurement market (United Nations). This gap presents an opportunity to create gender equality through ethical supply chains to enable Australia to achieve economic outcomes for businesses and communities.

Organisations and Governments are starting to normalise this approach, with many requesting suppliers to include information on their leadership and organisational gender balance, and Diversity Policies as part of tender processes. Some of this change towards gender equality in procurement is led by international companies based in the US, where legislation provides tax incentives to companies that procure from minority and women-owned businesses.

# ROUNDTABLE

A cohort of leading Australian Directors was engaged to elicit thought leadership on gender equality procurement principles through a Roundtable discussion in Sydney during November 2019.

A focus was to identify the enablers and risks to organisations when introducing procurement strategies that create gender equality. The Roundtable also elicited the Directors’ experience with procurement, and more broadly supplier diversity, and captured their lessons learned.

The **30% Club** and **Femeconomy** discussed, “what do gender equality procurement principles look like in an Australian context?”. The outcome from the Roundtable was this Toolkit. A practical roadmap for organisations to:

- implement procurement strategies that create gender equality across their supply chains
- foster ethical supply practices
- promote long term organisational sustainability.

“ The Workplace Gender Equality Agency has updated its **2020-2021 Employer of Choice Citation criteria** to include measures of gender responsive procurement, stating “*your organisation must have procurement guidelines that encourage gender equality across your supply chain*”.

”

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The 30% Club Australia launched in May 2015 and promotes the benefits of diversity at all levels of business. In March 2019 the 30% Club announced a new objective for 30% women on ASX 300 boards by the end of 2021. The 30% Club will continue to focus on the boards of ASX 200 companies that have not reached the 30% target.



Download a copy of the  
**Australian 30% Club Information Booklet**



**Femeconomy**

Femeconomy educates consumers, business owners and budget owners on how their purchasing decisions can create gender equality.

Femeconomy identifies and amplifies companies that have at least 30% women on the Board of Directors or are 50% female owned. Companies with female leaders are more likely to have workplace flexibility and less likely to have a gender pay gap, so they are helping to create gender equality for their employees and communities.

# OVERVIEW

## TOOLKIT OBJECTIVES

- Increase understanding of the benefits of gender equality procurement principles, and create pathways to its implementation within corporate supply chains.
- Generate commitment to engaging women owned and led businesses to meet corporate procurement demand.
- Improve the capability of Australian companies to sustainably embed gender equality initiatives, and meet their corporate social responsibility commitments.

## TOOLKIT ROADMAP

There are nine stages to implementation as outlined in Figure 1.

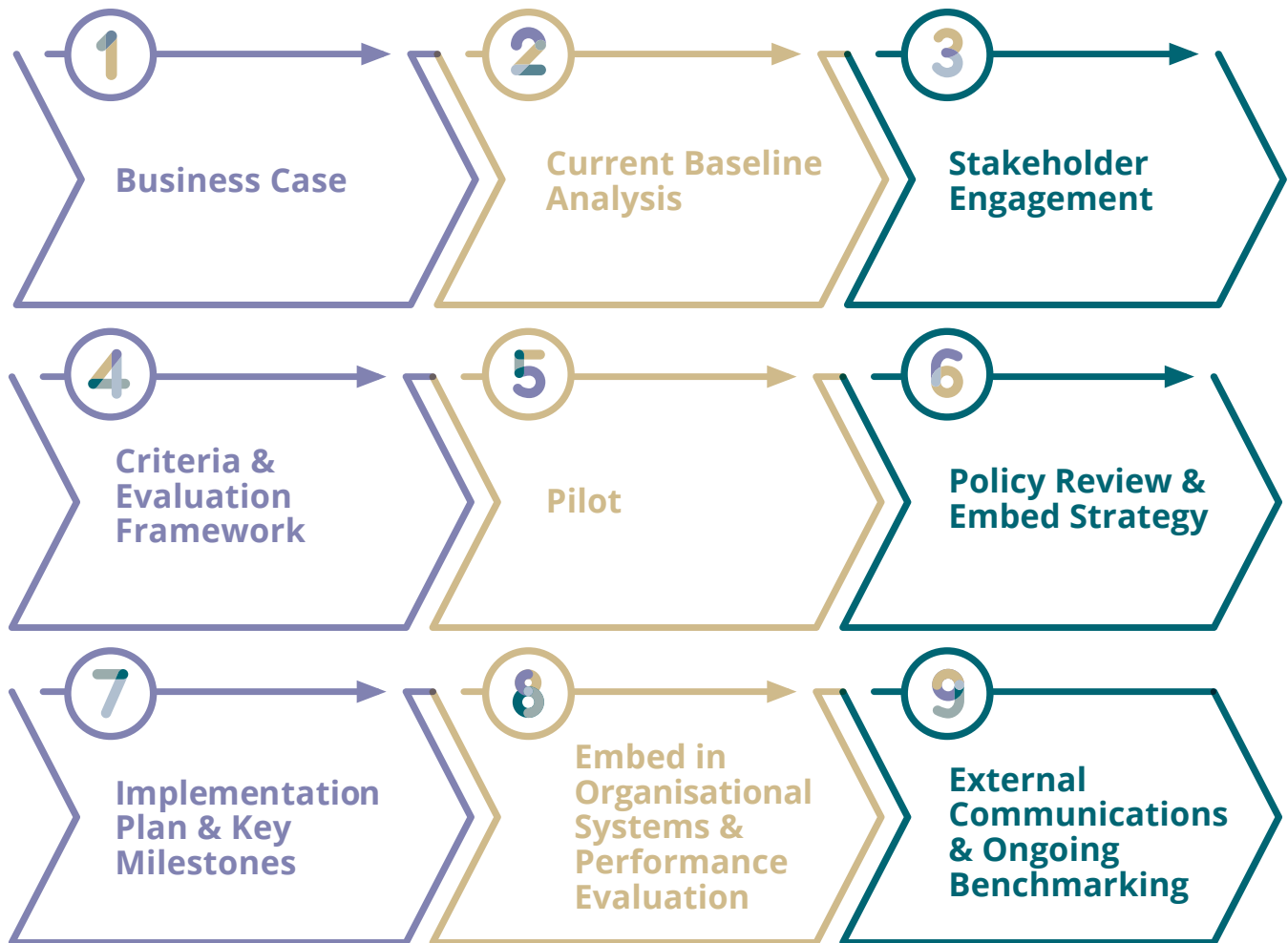


Figure 1 – Gender Equality Procurement Principles Implementation Roadmap



Lisa Carter, Director, *Clear Insurance*



Maria Calibo-Sales, Founder, *Calmar Corps*

# STAGE 1

## BUSINESS CASE

### *Senior Leadership Sponsor*

The first step to all successful transformational change initiatives is to identify the appropriate senior leadership Sponsor to steward the project. Ideally, the Sponsor should be a direct report to the CEO, and possess a genuine commitment to inclusion, diversity and gender equality.

### *Business Case & Benefits*

Organisations report approaching this step in two different ways.

1. Organisations develop a supporting business case that clearly defines the benefits of introducing gender equality procurement principles to the organisation, using a mixture of financial, economic, stakeholder and corporate social responsibility indicators. Achievement against the prospective gains outlined in the business case become the measure against which to assess success.
2. Organisations approach the introduction of gender equality procurement initiatives using a values based lens, with the belief that from a human rights and Sustainable Development Goals perspective, it is the right thing to do. This aligns with ethical supply principles. The organisational values are the guiding compass to implementation.

### ***Organisational Change Management Considerations***

- Foster commitment to gender equality procurement principles and alignment of purpose across senior leadership team.
- Identify the change approach to be used, based on the organisation's current environment, historical capacity to manage change, and the current change readiness.
- Document the business case for change, the prospective benefits of the change and the costs to the organisation of not implementing the change.

# STAGE 2

## CURRENT BASELINE ANALYSIS

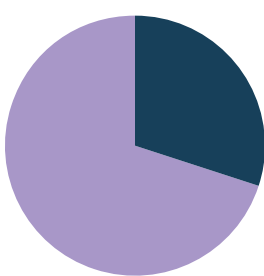
### Diagnostic on Current Suppliers

Conduct an assessment of current suppliers to determine in what areas of the business, and in what categories Women Owned or Women Led Businesses are being engaged as vendors. This will be the baseline for the organisation and determine how progress will be measured.

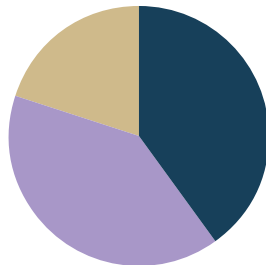
### Consider Gender Equality Procurement Criteria

When considering which gender equality procurement criteria the organisation should use to define a Women Owned or Women Led Business, consideration of the organisation’s strategy and existing diversity and inclusion commitments should feature. Some existing example criteria include:

*Women Led Business*

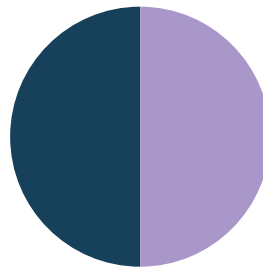


At least 30% women board directors

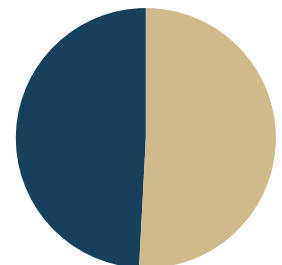


40% female/ 40% male/ 20% flexible board directors

*Women Owned Business*



At least 50% female owned



At least 51% owned (and controlled) by women

### Current Supply Chain Profile

There is a global procurement trend towards using umbrella contracts to source multiple service lines or products from one multinational organisation. Centralisation of procurement, efforts to increase supply chain transparency and the introduction of Modern Slavery legislation have reinforced this approach. This has led to increasing exclusion of small business in large corporate and government supply processes.

When considering implementation of gender equality procurement principles, awareness of the organisation’s current capability to support the inclusion of small to medium sized businesses in the organisation’s supply chain is critical. Most women owned businesses fall into the small to medium category, for a number of structural reasons, including access to networks and capital. However, if organisations are using women led criteria, e.g. 30% women on the board of directors, there are many large, established organisations that currently meet that criteria.

Organisations who currently do not deal with small businesses will need to consider a range of supporting processes, including supplier capability development, as well as changes to standard payment terms. This is in recognition that smaller businesses generally have less cash flow capability to support extended payment terms.

### Diagnostic on Customer’s Supplier Diversity Requirements

Increasingly customers are requesting information from suppliers regarding their commitments to diversity, inclusion and gender equality. Organisations should assess what type of information their customers have been requesting in this area.

### **Supply Policies**

It is likely that most organisations have existing procurement and supply policies in place that govern the organisation's purchasing activities. Identifying the current policies and procedures in place, and any existing protocols related to supplier diversity is important to understanding the organisation's starting point.

Many organisations have introduced policies and commitments relating to supplier diversity categories including Indigenous Procurement, Social Enterprise and Local Community. Understanding the organisation's framework of how existing supplier diversity commitments are discharged, will help to inform development of aligned gender equality procurement policies.

Centralisation or decentralisation of procurement decision making will also significantly affect the implementation of gender equality procurement principles, and have important implications for stakeholder engagement.

### **Organisational Change Management Considerations**

- Perform a stakeholder analysis to identify stakeholders who will be impacted by the project, in the various roles of decision makers, team member, expert resources or organisational influencers

Amanda Blair and Gillian Corban, Directors, **Corban & Blair**





Karen Seage, Owner, *Snap Underwood*



Denise O'Reilly, Principal Lawyer, *O'Reilly Workplace Law*

# STAGE 3

## STAKEHOLDER ENGAGEMENT

### *Senior Leadership Commitment*

Visible support from the organisation's most senior leaders is required for any diversity and inclusion change initiative to succeed. It should fall to the Project Sponsor to influence their peers and align commitment to the implementation of gender equality procurement principles across the senior leadership team. Once the senior leadership team as a cohort have agreed on its adoption, this will help to facilitate stakeholder engagement through subsequent organisational layers.

### *Form a Project Management Office (PMO) & Cross Functional Steering Committee*

To govern and drive the initiative, and depending on the size of the organisation, it may be necessary to form a PMO and Cross Functional Steering Committee. Membership of the cross functional steering committee may include representatives of key stakeholder groups who will be impacted by the initiative, such as:

- CEO/ Senior Executive Sponsor
- Suppliers
- Customers
- Procurement
- Operations
- HR
- Corporate Social Responsibility
- Finance
- Marketing

### *Organisational Change Management Considerations*

- Update and extend the stakeholder analysis to evaluate each stakeholder's current level of support, as well as the level of influence and importance of each stakeholder to the project.



# STAGE 4

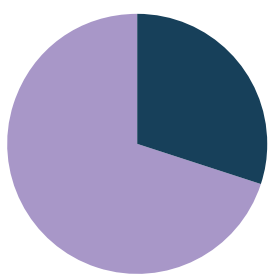
## CRITERIA AND EVALUATION FRAMEWORK

### *Confirm Gender Equality Procurement Criteria*

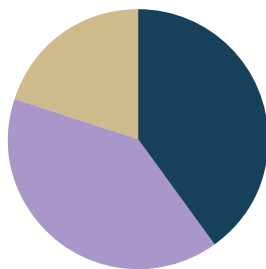
When determining which criteria the organisation should use to define a Women Owned or Women Led Business, consideration of the organisation’s strategy and existing diversity and inclusion commitments should feature, as well as the trends identified in the current supplier baseline analysis.

Example criteria include:

#### *Women Led Business*

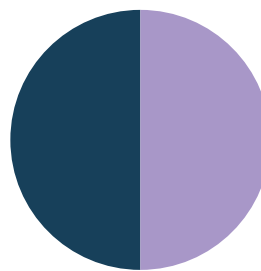


At least 30% women board directors

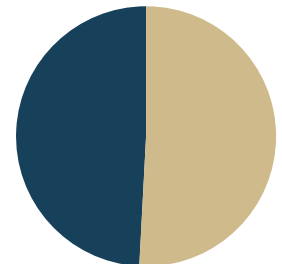


40% female/ 40% male/ 20% flexible board directors

#### *Women Owned Business*



At least 50% female owned



At least 51% owned (and controlled) by women

### *External Benchmarking*

Benchmarking criteria that other organisations currently use, within Australia and globally, to define Women Owned Enterprise or Women Led may help organisations to determine their own criteria.

### *Develop Evaluation Framework*

Determining what constitutes success in the implementation of procurement efforts requires development of an evaluation framework. Typically, measures would include:

- % Supply chain spend that aligns with gender equality procurement principles
- Achievement against goals related to sourcing category, geography and commodity
- Supplier savings and cost reductions
- Tier 2 supplier tracking (procurement of Tier 1 suppliers as part of the organisation’s supply chain agreements)
- Customer satisfaction
- Tracking reasons why women led/ women owned businesses were not included in procurement activity

Michelle Redfern, Div Pillay and Vick Pillay, Founders, **Culturally Diverse Workforces** and **Culturally Diverse Women**

Trina Hockley, Executive Chairman, **L & M Gold Star**





Lyndell Fogarty, CEO, *PerformHR*

### **Identify a Pilot Group within the Organisation**

As for many organisation wide change initiatives, it is often useful to start by conducting a Pilot program with a discrete area or business unit. This provides an opportunity to identify bright spots, key risks, lessons learned and engage internal stakeholders to inform a more widespread roll out across the organisation.

#### **Supplier Pilot Group**

Identifying a small group of Suppliers to participate in the organisation's initial Pilot program is recommended. It may be easier for organisations to use existing suppliers who meet the agreed procurement criteria, alongside a small group of new suppliers, in order to test the new gender equality procurement framework and elicit results and stakeholder feedback.

**Femeconomy** identifies women led and women owned businesses that meet your organisation's agreed gender equality procurement criteria. For more information, please contact [info@femeconomy.com](mailto:info@femeconomy.com).

### **Organisational Change Management Considerations**

- Perform a change readiness assessment of the identified Pilot group prior to undertaking the Pilot.

# STAGE 5

## PILOT PROGRAM

### **Senior Leader Sponsorship - One Business Unit**

Pilot programs are generally contained within one business unit area. This approach is recommended so that results, learnings, and key risks can be measured and collected, and used to inform a more widespread implementation.

It is advisable to consider a business unit area where there is already support for supplier diversity at Senior Leadership level, so that the initiative will be sponsored and driven, and effectively resourced.

A pilot initiative can then be used as a case study to share findings with the rest of the organisation, and to input to strategy and policy formulation.

### **Set Targets**

Targets should be set for the Pilot program so that the outcomes can be measured, and used to shape an organisation wide approach.

### **Communications and Change Management**

Organisational communication and change management efforts must be embedded at each stage of the gender

equality procurement principles implementation. This is to ensure that all relevant stakeholders have been engaged to understand the objectives and benefits of the initiative. It is especially critical to ensure that a Pilot program is well resourced with communication and change management expertise, to underpin success.

### **Feedback and Evaluation**

An integral step in the Pilot program is to incorporate a feedback and evaluation process that includes internal stakeholders, and suppliers. A range of quantitative and qualitative feedback should be sought from stakeholders involved in the Pilot program to elicit their experience and use the information to develop a robust organisational procurement framework to create gender equality.

Survey instruments that combine an opportunity to segment demographics, measure progress against targets, as well as qualitative feedback and commentary can be useful in this step. Survey instruments will also assist to identify areas where additional change management support may be required.

### **Organisational Change Management Considerations**

- Develop a Communication Plan for the program
- Create an 'elevator speech or pitch' that succinctly describes the program, and its benefits and outcomes for the organisation
- Generate an overall reporting framework to track the program's progress

Sam Trattles, Director, *Other Side of the Table*

QSuper



# STAGE 6

## POLICY REVIEW AND EMBED STRATEGY

### *Use Pilot Feedback to Inform Organisational Policy Review and Strategy*

Results from the Pilot program feedback and evaluation should be synthesised and analysed to determine how to best integrate gender equality procurement principles within the organisation's existing policy and strategy framework.

### *Review Criteria*

The original organisational criteria agreed for classifying a Women Owned or Women Led Business should be reviewed against the feedback derived from the Pilot program, to determine whether it is appropriate to implement to organisational policy, or requires adjustment.

### *Identify Organisational Policy and Strategy Links*

Consider how gender equality procurement principles would be integrated with existing organisational management operating systems, including:

- Strategy and budget planning
- Procurement policies and procedures
- Diversity and inclusion
- Corporate social responsibility
- Marketing and communications
- Organisational performance management
- Annual reporting

### *Supplier Capability*

Insights gleaned from the Pilot program, specifically feedback from suppliers and customers, should be used to identify whether supplier capability development is required to support implementation. Where organisations have mature, robust, supplier capability assessment and development processes already in place, this may not be required.

### *Update Organisational Policies and Strategies For Steerco Review*

Identified policies and strategies should be updated by their respective functional and operational owners, and passed through the Steering Committee (should one be formed), or through the organisation's standard governance review process, for approval.

### *Organisational Change Management Considerations*

- Perform a change readiness assessment for each area of the organisation
- Update the stakeholder analysis with any changes in stakeholder attitudes/ support for the program, and identify areas where additional change support may be required.
- Update the communication plan with the outcomes of the refreshed stakeholder analysis.

# STAGE 7

## IMPLEMENTATION PLAN AND KEY MILESTONES

### **Senior Leader Sponsorship**

An implementation plan and timeframe should be developed to guide the introduction of changes across the organisation. Senior leadership sponsors should be mapped across the organisation to steward the initiative and demonstrate leadership commitment. Sponsors may be invited to join the Steering Committee where appropriate.

### **Set Targets Across Business**

Set specific, measurable, achievable, realistic and time bound (SMART) targets across the business, with reference to Pilot program feedback, internal supplier diversity program progress and external benchmarks. Targets may vary across business units reflecting the maturity of supplier diversity as well as variance in change readiness across the organisation.

### **Identify Key Milestones and Measure Progress**

Continuous improvement targets year on year should be set at the business unit and whole of organisation level, and integrated with the organisation's existing performance reporting framework. The achievement of key implementation milestones should be identified and tracked as part of program management.

### **Database Plug In of Suppliers who meet the Criteria**

**Femeconomy** can help organisations identify Women Led and Women Owned Businesses across a range of industries. This may expedite organisation's efforts to identify and engage suppliers who meet the agreed criteria. For more information contact [info@femeconomy.com](mailto:info@femeconomy.com).

### **Communications, Training & Change Management**

Lessons from the organisational change management and communication method used during the Pilot program should be synthesised to develop a broader whole of organisation change management, communication and training approach. The intensity of support provided to senior leadership sponsors may need to vary across organisational units, depending on the individual confidence and commitment of each leader to drive the change.

### **Feedback and Evaluation**

Reporting and evaluation of overall program implementation effectiveness should occur at the planned conclusion of the initiative. A final report to the Steering Committee should summarise the progress achieved across the organisation collectively, as well as within each organisational unit, highlighting areas of success and identifying areas for concern, including change resistance. Key recommendations for integration to business as usual operational policies and procedures, and systems should be delivered, with actions allocated to appropriate functional owners.

### **Organisational Change Management Considerations**

- Identify change roles and responsibilities across the organisation, and provide communication and training support to key stakeholders, and change leaders
- Develop final report template integrating overall results of the program implementation, as well as documenting functional handover points, and transition progress.

# STAGE 8

## EMBED IN ORGANISATIONAL SYSTEMS AND PERFORMANCE EVALUATION

### *Embed to Organisational Performance Review Cycle*

Having finalised the organisational wide program implementation, it is important to ensure that the results of the program are being measured ongoing, across the organisation. The key measures of program performance, as well as year on year improvement should be integrated with the organisation's existing performance review cycle and methodology, as well as internal audit processes.

Some example measures and metrics may include:

- % Supply chain spend that is aligned to gender equality procurement principles
- Achievement against goals related to sourcing category, geography and commodity
- Supplier savings and cost reductions
- Tier 2 supplier tracking (procurement of Tier 1 suppliers as part of the organisation's supply chain agreements)
- Overall women owned/led businesses share of total supplier diversity
- Comparative performance across business units
- Comparative performance with external industry benchmarks
- Customer satisfaction
- Supplier satisfaction
- Year on year comparative performance
- Growth in women owned/led business supplier base

**Organisational Change Management Considerations**

- Conduct a supplier feedback survey to capture the impact of the implementation on suppliers.
- Communicate the impact of the implementation through the final report, sharing the results across the organisation, and with identified stakeholder groups.

Christine Khor, Co-Founder, **Peepcoach**

Deanna Varga, Director, **Mayvin Global**





Stacey Head, Founder and Managing Director, *she wear Australia*

## STAGE 9

### EXTERNAL COMMUNICATIONS AND ONGONG BENCHMARKING

#### *External Communication of Commitment and Policy*

Communicating the organisation's commitment to creating gender equality through procurement and policy and implementation progress to external stakeholders, is a crucial part of ongoing success. This provides stakeholders with understanding of the organisation's corporate social responsibility pledges, and self imposed obligations.

Sharing policy publicly provides other organisations and industries with useful benchmarks and case studies to inform their own programs. Internationally, in areas where gender equality procurement principles are functioning as a mature system, such as in the United States, there is ongoing external benchmarking to monitor organisation's individual and collective experiences and share knowledge.

Research from the **2020 Edelman Trust Barometer** shows 73% of people believe organisations can take actions that both increase profits and improve economic and social conditions in the community where they operate. Putting in place and communicating supplier diversity and gender equality programs externally builds trust both with local communities, and with stakeholders more broadly, as organisations are increasingly held to account for their social impact.

#### **Organisational Change Management Considerations**

- Integrate reporting on implementation to the annual Corporate Sustainability Report
- Publish the organisation's policy and commitments to the website and through the organisation's communication channels



**Femeconomy**<sup>®</sup>



**30% Club**  
GROWTH THROUGH DIVERSITY

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