Inclusive Sourcing: A Key Pillar of Sustainable Procurement

29 May, 2013 – 10:00 AM EST
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**
Lauren Gula, Human Rights and Women's Empowerment, UN Global Compact

**The Women's Empowerment Principles**
Laraine Mills, Private Sector Partnerships Specialist, UN Women

**Why Inclusive Sourcing is Important**
Elizabeth Vazquez, CEO and Co-Founder of WEConnect

**Company Examples**
Hilary Parsons, Public Affairs Manager, Nestlé
Marcela Navarro, Corporate Banking Division, RBS

**Women Vendors Exhibition and Forum**
Meg Jones, Women and Trade Programme Development Manager, ITC

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

WEPs in Brief:

1. Establish high-level corporate leadership for gender equality.
2. Treat all women and men fairly at work – respect and support human rights and nondiscrimination.
3. Ensure the health, safety and well-being of all women and men workers.
4. Promote education, training and professional development for women.
5. Implement enterprise development, supply chain and marketing practices that empower women.
6. Promote equality through community initiatives and advocacy.
7. Measure and publicly report on progress to achieve gender equality.
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
Inclusive Sourcing:
A Key Pillar of Sustainable Procurement
May 29, 2013
Why Women at Global Level

- 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.
About WEConnect International

• Mission is to empower women business owners to succeed in global markets
• 501(c)(3) global non-profit incorporated in 2009 based on the WBENC model, WEConnect International’s official U.S. partner
• Represents over $700 billion in annual purchasing power
• Board of Directors elected by and from corporate members
• In countries that represent over 50% of the world’s population including Australia, India, China, Canada, top markets in Europe and Latin America, and plans for expansion into Africa and Indonesia in 2013
WEConnect International Corporate Leadership
Supplier Diversity and Inclusion

• 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

• Examples of diverse businesses include companies owned by: women, ethnic minorities, people with disabilities, veterans, and lesbian, gay, bisexual, or transgender people
Global Business Case

• Grow revenue
• Create more competitive and dynamic supply options
• Reduce costs and demonstrate ROI
• Improve total value of offerings
• Drive innovation
• Enhance image / brand with customers
• 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
Contact

info@weconnectinternational.org

www.weconnectinternational.org
Nestlé in society: Empowering women in our supply chain

Hilary Parsons
Public Affairs Manager
Nestlé at a glance

- Founded in 1866 in Switzerland as an infant nutrition company
- CHF 92 billion in sales in 2012
- 339,397 employees
- 468 factories in 86 countries
- 32 R&D and technology centres
- 2,000+ brands
- more than 1 billion Nestlé products sold every day
Nestlé in society: Creating Shared Value and meeting our commitments

Creating Shared Value: The Definition

“For a company to be successful over time and create value for shareholders, it must also create value for society”

“... beyond sustainability, to create value for shareholders and society - integrally linked to our core business ...”

“... meet the needs of the present without compromising future generations ...”

“... comply with the highest standards ...”

Creating Shared Value
Nutrition, Water, Rural Development

Sustainability
Protect the future

Compliance
Laws, business principles, codes of conduct
Women in our supply chain

- Working directly with more than 690,000 farmers
- Our Rural Development Framework includes a gender component
- We have Responsible Sourcing Guidelines covering 12 key commodities
- Our action plan on cocoa is the first commodity-specific plan but work will be extended to cover milk and coffee
- Have expressed to UTZ and Fairtrade our willingness to work together to help address gender issues through certification
Our milk supply chain

- Working directly with 456,000 small-scale dairy farmers in more than 30 countries
- Support for women farmers in India and Pakistan including technical assistance, free veterinary service, provision of subsidies and loans
- 217 clean drinking water facilities for more than 100,000 children in village schools in our dairy districts in South Asia
Our cocoa supply chain

• Working directly with 43,000 cocoa farmers
• Launched an action plan to promote and support lives of women in our cocoa supply chain
• FLA’s assessment of our cocoa supply chain in Côte d’Ivoire in Spring 2014 will include gender issues
• Aim to progressively integrate gender aspects into the Nestlé Cocoa Plan, which covers approx. 25% of Nestlé global cocoa usage
Our coffee supply chain

• Working directly with 190,000 coffee farmers
• Support for farmers aimed at increasing crop quality and productivity, as well as increase in farmer income
• In 2012, Nestlé incorporated a lighthouse approach to tackle the empowerment of women and youth as part of our existing initiatives within the community.
More available at: www.nestle.com/csv
The Royal Bank of Scotland

“The social responsibility of a company was to increase its profits”

Milton Friedman
Successful companies are] “organisations which serve the needs of their customers, provide a rewarding environment for those who work for them, ..[...].., and support the development of the communities in which they operate”.

Financial Times Columnist, John Kay, 1998
Royal Bank of Scotland
Reconnecting with Society
The Royal Bank of Scotland

- Established in 1727
- Serves over 30 million customers
- Employs 115,000 people
- Supports over 25% market share in SMEs in the UK
- Lent over £60bn of gross new lending to SMEs the last two years
RBS... a British poster child for what went wrong in banking

**Balance sheet**

On the eve of its financial collapse RBS had a balance sheet of £1.6 trillion

**Capital**

Resting upon a wafer thin capital base

**... and the small matter**

£45bn taxpayer
Top tier competitive position in enduring customer franchise

**Retail**

#2\(^{[1]}\) UK current accounts (13m); 11.7m savings accounts

**UK Corporate**

#1\(^{[2]}\) SME Bank, #1\(^{[3]}\) Corporate Bank; c1.2m customers

**Wealth**

#1\(^{[4]}\) UK Wealth Management Provider

**M&IB**

Top tier cash management provider (#1 UK\(^{[5]}\), #4 Western Europe\(^{[5]}\), #6 Global\(^{[6]}\))

Top tier book-runner of syndicated loans (#1 UK, #5 EMEA; #10 Global)\(^{[7]}\)

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www.rbs.com
Profitable at all levels

Q1 2013

Profitable at all levels

Q1 2013 Operating profit
£829m
£553m
Q4 2012
£1,156m
Q1 2012

Q1 2013 Pre-tax profit
£826m
-£2,227m
Q4 2012
-£1,514m
Q1 2012

Q1 2013 Attributable profit
£393m
-£2,618m
Q4 2012
-£1,545m
Q1 2012

www.rbs.com
Reconnecting with Society

1. Keeping our customers at the heart of what we do
2. Supporting underserved sectors
3. Enabling SME and other minority suppliers to compete
4. Collaborating to multiply value

Moving from safety back to trust and relevance
Reconnecting with Society

1. Keeping our customers at the heart of what we do
Keeping our customers at the heart of what we do

As your company manages its reputation among stakeholders, which groups does it consider the most important to address (all that applies)?

<table>
<thead>
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<th>Percent of respondents</th>
<th>Overall sample (n=3,601)</th>
<th>Pharma (n=85)</th>
<th>Financial NA (n=125)</th>
<th>Financial Europe (n=163)</th>
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<td>63</td>
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<td>Employees</td>
<td>60</td>
<td>51</td>
<td>50</td>
<td>55</td>
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<tr>
<td>Investors</td>
<td>48</td>
<td>51</td>
<td>50</td>
<td>70</td>
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<tr>
<td>Regulators</td>
<td>27</td>
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<td>Government¹</td>
<td>25</td>
<td>31</td>
<td>14</td>
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<td>Suppliers</td>
<td>21</td>
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<td>Local communities</td>
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<td>Other government(s)</td>
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<td>8</td>
<td>4</td>
<td>5</td>
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<tr>
<td>NGOs</td>
<td>5</td>
<td>6</td>
<td>2</td>
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<tr>
<td>Organized labor</td>
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<td>4</td>
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</table>

Note: Context slides prepared by McKinsey
Reconnecting with Society

2. Supporting underserved sectors

*RBS Women – key elements*

- **Finance**
- **Information**
- **Networks**
- **Markets**
RBS Women – Key elements

Information

Welcome to your Business Skills eLearning course on Procurement
RBS Women – Key elements

Markets
Reconnecting with Society

Supporting SME and other minority suppliers

SUPPLIER DIVERSITY & INCLUSION
CODE OF CONDUCT

By voluntarily adopting this Supplier Diversity and Inclusion Code of Conduct, we affirm our commitment to providing a level playing field for SMEs, women owned and other diverse and under-represented suppliers in our communities, strengthening our marketplaces, promoting competitive advantage and enabling business sustainability in the communities we serve and support.
Reconnecting with Society

3. Supporting SME and other minority suppliers

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Supplier Diversity & Inclusion Code Of Conduct
Adopting the code
Reconnecting with Society

Supporting SME and other minority suppliers

Sourcing of ethical suppliers
The RBS Group Ethical Code for Suppliers is based on the UN Global Compact, and informs all of the Group’s supplier relationships. This code outlines a commitment to engaging only with suppliers who run their operations to the same high standard that RBS does, including in relation to human rights. As a minimum, RBS expects that suppliers should support and respect the protection of internationally proclaimed human rights and make sure they are not complicit in human rights abuses. They should not be complicit in discrimination, child labour, or any form of forced or compulsory labour. These expectations are built into RBS Group’s supplier on-boarding, and annual supplier review processes by means of risk evaluation.

Supplier diversity
As a large organisation with thousands of suppliers, RBS is committed to developing a diverse and inclusive supply chain that is reflective of the markets we serve. We are developing a Supplier Diversity Programme and adopting an associated Supplier Diversity & Inclusion Code of Conduct, which are aligned with our guiding principles of Inclusion, Development, Compliance and Continuous Improvement.
Local and International Collaboration to aggregate value to women-owned business
The Royal Bank of Scotland

“A crisis can be a real blessing to any person, to any nation. For all crises being progress. Creativity is born from anguish, just like the day is born from the dark night. It’s in crises that inventive is born, as well as discoveries and big strategies. Who overcomes crisis overcomes himself, without getting overcome.”

Albert Einstein
The Royal Bank of Scotland

Thank you

Marcela Navarro – marcela.navarro@rbs.com
Women Vendors Exhibition and Forum

For more information please visit: http://www.intracen.org/projects/women-trade/events/wvef-III/
Thank you for joining us today.

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

If you have any additional questions, please contact:
Lauren Gula: gulal@unglobalcompact.org