

Why look at gender and climate change together in supply chains?

OVERVIEW

There is a global push to reach net-zero emissions by 2050. Companies are joining countries, investors, cities and regions in making pledges to proactively reduce their emissions – the Race to Zero Campaign now covers 25% of global CO₂ emissions and over 50% of GDP¹. For many companies, the hardest challenge in the transition to a net-zero economy will be meeting commitments on indirect or Scope 3 emissions, which often make up between 65–95% of a company’s total emissions². Proactively reducing emissions from products, services and investments will change how companies run their supply chains and interact with their suppliers as well as their workforce.

Considering the twin challenges of net zero and gender equality in tandem can help to increase companies’ impact, spur innovation and meet investor interest. Bringing together environmental and social impact initiatives (rather than having two separate ones) can create value whilst helping companies manage material risks to businesses and seize new opportunities. Companies can also leverage various drivers of change that are coinciding with the transition to net zero – including, for example, circular economic models and digital transformation – to create a gender-just transition that works for companies, women and the planet. Furthermore, forthcoming regulatory proposals will increasingly require enhanced reporting on human rights and environmental impacts, including Scope 3 emissions. Such proposals include the EU’s Corporate Sustainability Reporting Directive as well as recommendations in the US to enhance corporate climate disclosures, which could include making Scope 3 emissions reporting mandatory.

¹ United Nations Climate Change. (n.d.) Race to Zero Campaign. Retrieved from <https://unfccc.int/climate-action/race-to-zero-campaign>

² Rosenbaum, E. (2021, August). Climate experts are worried about the toughest emissions for companies to capture. Retrieved from <https://www.cnbc.com/2021/08/18/apple-amazonexxon-and-the-toughest-carbonemissions-to-capture.html>

The business benefits

Improved climate outcomes and productivity

– A number of studies have shown that women’s participation in climate adaptation and mitigation programmes has improved outcomes. For example, in Liberia, a cocoa programme collaborated with several cooperatives to offer agricultural training. The results indicated that households where both male and female family members received training reported a 36% higher yield per acre compared to households where only men underwent training.

Food security – A study by the Food and Agriculture Organisation (FAO) found that if women had equal access to productive resources as men, they could enhance farm yields by 20–30%, potentially resulting in a 2.5–4% increase in total agricultural output in developing countries.

Innovation in the green economy

According to the 2020 BNP Paribas Global Entrepreneur Report, 54% of women entrepreneurs view a reduction in their carbon footprint as their top measure of success in investment beyond financial returns. This is compared with 41% of men. Statistics such as these suggest that women-owned businesses will be critical to ongoing innovation within the green economy, given their greater tendency to focus on green businesses and/or low-carbon options.

(For sources and more information, see [Supply Chain Decarbonisation with a Gender Lens](#), WOW, 2023.)

How can companies address gender and climate change in supply chains?

STEP 1 Strategy and Regulation

Set ambitions and align with regulation.

STEP 2 Supply chain mapping

Heatmap where gender and carbon emissions overlap.

STEP 3 Take Actions to Decarbonise, e.g.:

- **Supplier incentives**
Recognise and co-brand with suppliers who are emerging as leaders in decarbonisation and/or gender.
- **Procurement policies and choices**
Source from and encourage women-led businesses that are providing low-carbon solutions.
- **Product and services design**
Switch to renewable energy and upskill women to participate in the switch.
- **Business model innovation**
Promote a circular economy that includes women – for example, decent work for waste and recycling pickers.

STEP 4 Carbon Removal Projects

Manage any residual emissions by investing in high-quality gender-responsive projects, e.g. W+ or Gold Standard projects.

Examples of gender and climate action across the supply chain

RAW MATERIALS: L'Oréal has made both gender and climate integral to its overall business strategy. This includes women's leadership in the company – women account for 46% of the Board, and 58% of L'Oréal's brands are headed by women. L'Oréal has also made a consistent effort to drastically reduce its CO2 emissions – L'Oréal reduced its CO2 emissions by 81% in 2020 in absolute terms from a 2005 baseline while the Group's production volume rose by 29%. More recently, L'Oréal decided to tackle these two issues jointly. Women in their supply chain who produce raw materials of plant origin benefit from receiving mitigation and adaptation strategies to help limit the impacts of climate change on harvests and income. For example, sustainable sourcing of shea butter from Burkina Faso benefits up to 35,000 women. L'Oréal also supports the Women4Climate Initiative, which identifies and empowers female climate leaders in cities through an international mentorship scheme, and the She Grows the Future programme, which seeks to strengthen women farmers' resilience to climate change in rural areas across the globe.

END OF LIFE: In 2019, The Body Shop launched a Community Fair Trade recycled plastic programme. It sources plastic from marginalised waste pickers in India, offering a fair price, steady income and better working conditions in an informal sector that's often volatile and discriminatory. With support from local partners, The Body Shop is also ensuring that the waste pickers are being trained in new skills, including urban gardening. Whilst the programme targets both male and female waste pickers, the majority of beneficiaries of the programme have been women. In 2020, the programme saved 725 MT of CO2, and by the end of 2021, The Body Shop aims to purchase over 900 tonnes of recycled plastic for their shampoo and conditioner bottles.

DISTRIBUTION: Since 2011, Frontier Markets has saved 1.5 million tons of carbon through the distribution of 815,000 clean energy products across 2,000 communities. Its Women Leadership Council ensures a strong gender lens is applied. Its products are estimated to have saved 406,000 hours from increased productivity for its customers (65% of whom are women) whilst providing decent incomes for its salesforce of over 40,000 rural women entrepreneurs.

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