Embedding Gender in Sustainability Reporting
A Practitioner’s Guide

In partnership with the governments of Germany, Iceland, and Switzerland.
About GRI’s Research and Development Publication Series

GRI’s research and development program supports a commitment to continuous improvement by investigating challenging issues around reporting and innovating new ways to apply the GRI Reporting Framework in conjunction with other standards.

Publications in the GRI Research and Development Series are presented in three categories:

- **Topics**
  - Research and implications on reporting related to subjects such as biodiversity and gender

- **Reporting Practices**
  - Tracking of reporting practices, implementation, and assessing future scenarios

- **Tools**
  - Guidance for using the GRI Reporting Framework in combination with other standards

This document *Embedding Gender in Sustainability Reporting – A Practitioner’s Guide* falls under the ‘Topics’ category.

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The authors would also like to thank the many individuals who gave valuable inputs and feedback on earlier drafts of this report and who facilitated the stakeholder engagement process through workshops and web 2.0 engagement, including:

Sponsors

About the Global Reporting Initiative

The Global Reporting Initiative (GRI) is an international multistakeholder network based NGO and collaborating centre of the United Nations Environment Program that has pioneered the development of the world’s most widely used framework for sustainability reporting. This framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. GRI is committed to its continuous improvement and application worldwide as such GRI works towards this goal to create the conditions for the transparent and reliable exchange of sustainability information. *Embedding Gender in Sustainability Reporting – A Practitioner’s Guide* is part of GRI’s Research and Development Publication Series. For more information on GRI, visit www.globalreporting.org.

About the German Federal Ministry for Economic Cooperation and Development

The Federal Ministry for Economic Cooperation and Development (BMZ) was established in 1961 because of the growing importance of development cooperation and the growing complexity in this field of work. BMZ draws up the German government’s development policy guidelines and long-term development cooperation strategies and defines the rules by which they are put into practice. The Ministry is guided by the United Nations Millennium Development Goals which stand for the ambitious aim to halve the proportion of the people in the world living in extreme poverty by 2015.

About IFC

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. We foster sustainable economic growth in developing countries by supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments. IFC supports the participation of women in business, as well as men, as an important part of its mission. Recognizing that aspiring businesswomen are often prevented from realizing their economic potential because of gender inequity, IFC is committed to creating opportunities for women in business. The program aims to mainstream gender issues into IFC’s work, while helping to better leverage the untapped potential of women as well as men in emerging markets. For more information on IFC’s Gender Program visit www.ifc.org/gender.

About the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH

The federally owned Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH supports the German Government in achieving its development policy objectives. It provides viable, forward-looking solutions for political, economic, ecological and social development in a globalized world. GTZ is an international cooperation enterprise for sustainable development with worldwide operations. Working under difficult conditions, GTZ promotes complex reforms and changes processes. Its corporate objective is to improve people's living conditions on a sustainable basis. GTZ has implemented the partnership with GRI on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ). Aim of the cooperation is to improve the coverage of gender issues in sustainability reporting by building dialogues around this issue and identifying ways to improve its coverage in the GRI Sustainability Reporting Framework.

IFC

Federal Ministry for Economic Cooperation and Development

GTZ
About the Icelandic Ministry for Foreign Affairs

The Icelandic Ministry of Foreign Affairs' main issue areas are international relations, international trade and international development cooperation. The respect for human rights, development cooperation and the peaceful resolution of disputes are defined as cornerstones of Iceland's foreign policy. Development Cooperation is one of the main pillars of Iceland's foreign policy. Emphasis is placed on gender equality and the sustainable use of natural resources, issues relating to women and children, education, health and peaceful resolution of conflict. Backing women and men equally in realizing their business potential is crucial in that endeavor.

About the Swiss Federal Department for Foreign Affairs

The Federal Department for Foreign Affairs (FDFA) formulates and coordinates Swiss foreign policy on the instructions of the Federal Council. A coherent foreign policy is a precondition for the effective protection of Swiss interests vis-à-vis foreign countries. The FDFA seeks to ensure, by means of consultation and internal training, that the gender aspect is deliberately and systematically integrated into its work. Both in multilateral engagement and in bilateral relations the rights of women are a matter of special concern. The aim is more effective protection against discrimination, exploitation and gender specific violence.
# Abbreviations and Acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMSCO</td>
<td>African Management Services Company</td>
</tr>
<tr>
<td>BBC</td>
<td>British Broadcasting Company</td>
</tr>
<tr>
<td>BITC</td>
<td>Business in the Community</td>
</tr>
<tr>
<td>BMZ</td>
<td>Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (German Federal Ministry for Economic Cooperation and Development)</td>
</tr>
<tr>
<td>CAB</td>
<td>Canadian Association of Broadcasters</td>
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<tr>
<td>CAWTAR</td>
<td>Center of Arab Women for Training and Research</td>
</tr>
<tr>
<td>CEDAW</td>
<td>Convention on the Elimination of All Forms of Discrimination against Women</td>
</tr>
<tr>
<td>CRC</td>
<td>Convention on the Rights of the Child</td>
</tr>
<tr>
<td>DMA</td>
<td>Disclosure on Management Approach</td>
</tr>
<tr>
<td>EEO</td>
<td>Equal Employment Opportunity</td>
</tr>
<tr>
<td>EES</td>
<td>Economic, Environmental, and Social</td>
</tr>
<tr>
<td>EVA</td>
<td>Elinkeinoelämän Valtuuskunta (Finnish Business and Policy Forum)</td>
</tr>
<tr>
<td>FDFA</td>
<td>Federal Department for Foreign Affairs</td>
</tr>
<tr>
<td>FLO</td>
<td>Fairtrade Labelling Organizations International</td>
</tr>
<tr>
<td>G3</td>
<td>GRI’s Sustainability Reporting Guidelines (also known as the G3 Guidelines)</td>
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<tr>
<td>GRI</td>
<td>Global Reporting Initiative</td>
</tr>
<tr>
<td>GTZ</td>
<td>Gesellschaft für Technische Zusammenarbeit (German Development Cooperation)</td>
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<tr>
<td>IFAT</td>
<td>International Fair Trade Association</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
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<tr>
<td>ILO</td>
<td>International Labor Organization</td>
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<tr>
<td>ISAR</td>
<td>International Standards of Accounting and Reporting</td>
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<tr>
<td>ITUC</td>
<td>International Trade Union Confederation</td>
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<tr>
<td>MDG</td>
<td>Millennium Development Goal</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental Organization</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>OSDBU</td>
<td>U.S. Office of Small and Disadvantaged Business Utilization</td>
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<tr>
<td>SME</td>
<td>Small and Medium Enterprise</td>
</tr>
<tr>
<td>SRSR</td>
<td>Special Representative of the Secretary General</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UN PRI</td>
<td>United Nations Principles for Responsible Investment</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNIFEM</td>
<td>United Nations Development Fund for Women</td>
</tr>
<tr>
<td>WBENC</td>
<td>Women’s Business Enterprise National Council</td>
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<tr>
<td>WFTO</td>
<td>World Fair Trade Organization</td>
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<tr>
<td>WHO</td>
<td>World Health Organization</td>
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<tr>
<td>WIT</td>
<td>Women in Technology</td>
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This Gender Resource Document, made possible through a fruitful collaboration between the Global Reporting Initiative and IFC, will be valuable for companies and other organizations, planning to embed all material aspects of gender in their sustainability reports.

The case for promoting gender equality and integrating gender into sustainability reports is multi-faceted. Gender equality has long been enshrined in the international legal and policy frameworks ratified by governments around the world, yet inequality is still shamefully present throughout our societies.

But beyond simply the legal imperative, fighting gender inequality is simply "the right thing to do". And it is because of this that civil society and other stakeholders have increased expectations on business to manage, measure and communicate their gender impacts. The interest of GRI’s network in reporting on gender is apparent in their proactive involvement in the stakeholder consultations undertaken for this project.

From the point of view of the reporting organizations, there is also evidence pointing to existing and emerging business drivers for improving practices and reporting on material gender issues – among others, to remain competitive in the so called “war of talent” or to capture a slice of the often underestimated ‘female economy’, said to represent a growth market bigger than the opportunity of China and India combined.

Feeding into this report, five international consultation workshops were organized bringing together participants representing different companies, NGO, academics, trade unions among others in Brazil, India, South Africa, the UK and the USA, all who shared a common interest in knowing more about the gender practices and performance of businesses via sustainability reports. The results of this extensive stakeholder engagement process are only the beginning of a rich dialogue that GRI intends to continue moving forward, to ensure that the GRI reporting framework is responsive to the international commitments to gender equality.

GRI and IFC are grateful to the participants, the German Federal Ministry for Economic Cooperation and Development (BMZ), the German Development Cooperation (GTZ), the Icelandic Ministry for Foreign Affairs, and the Swiss Federal Department for Foreign Affairs, without whose support this Practitioner’s Guide would not have been published.

Ernst Ligteringen
Chief Executive
Global Reporting Initiative
How do you know whether your enterprise is encouraging gender equality? Intuitively, women’s participation in the workforce, the presence of women on boards of directors, and equality of remuneration between male and female employees seem to make good business sense. But is progress being measured systematically? And are these the only indicators a company should track and consider for its analysis?

With this new Practitioner’s Guide, IFC and the Global Report Initiative (GRI) aim to go beyond “the good thing to have” and “the right thing to do” and present a business case for putting in place good gender practices. By encouraging companies to report on a number of gender points, the guide actually creates a framework where businesses can measure progress and analyze how well they integrate gender concerns in their business operations.

What is unique about this Practitioner’s Guide is that it addresses gender in the different spheres of influence, beyond the workplace issue which we tend to relate to more easily as managers and employees. Yet, each and everyone of us is also a member of the community, a consumer, and often also an investor. In taking a holistic (and sometimes ambitious) view, this publication emphasizes how companies can promote gender equality through these various lenses – supported by business case arguments.

Rewards from measuring and taking action accordingly come in all shapes, from better staff morale to increased productivity. Rewards from reporting can include greater recognition in the marketplace, more support from local communities, increased sales, better access to export markets, and attraction of new investments.

This guide is intended for companies that want to establish themselves as leaders in managing gender issues. We hope it will help enterprises tap into emerging best practices in sustainability reporting, achieve bottom-line benefits, and create new opportunities for women by better understanding and managing gender perspectives in their businesses.

Gender and Sustainability Reporting is an area where every organization can improve. The process of working on this guide has allowed IFC to re-examine the gender practices we have in place and how we report on them. As a result, we have identified a number of areas where we can progress and have recently put in place a number of initiatives that we will pursue further to enhance our reporting.

IFC is proud of its partnerships with GRI in this innovative initiative and we would like to thank the governments of Germany, Iceland and Switzerland – the lead sponsors of the project – for their support. We would also like to acknowledge the relentless support of the project’s external Advisory Group, who gave up their valuable time to share their expertise and knowledge.

Together, we can better leverage the untapped potential of women in emerging markets, promote their participation, and fuel development.

Rachel Kyte
Vice President, Business Advisory Services
IFC
Executive Summary

Research on companies’ reporting on gender equality found that companies rarely report much gender disaggregated data despite the inclusion of gender-related indicators in the GRI framework, and global recognition of the importance of gender equality (Grosser and Moon 2008). This educational resource has been produced by the Global Reporting Initiative (GRI) and IFC, with the support of the governments of Germany, Iceland, and Switzerland, to help organizations using the GRI Sustainability Reporting Framework embed material gender issues in sustainability reports. It is also intended to inform the formal process of integrating gender in future updates of the GRI Sustainability Reporting Framework (also known as the G3 Guidelines).

This report highlights some of the existing and emerging business drivers for improving practices and reporting on material gender issues. These are further to the legal and ethical imperatives for reporting on gender issues (as, for example, set out in international human rights legal and policy frameworks), which are also discussed. In turn it offers practical steps on how to integrate gender in sustainability reporting. It can, for example, help organizations benefit from emerging best practices in sustainability reporting, achieve bottom-line benefits, and create new opportunities for women in the private sector by better understanding and managing gender perspectives in their businesses. Adding a gender perspective to existing nonfinancial reporting frameworks may also help private companies win recognition by workers, investors and consumers.

The integration of gender-related information into sustainability reporting can also assist organizations in publicly demonstrating their accountability to women. It can allow all interested stakeholders to gain insights into the effects of organizations’ operations, products, and services on both women and men. Additionally the report can help stakeholders such as employees, communities, consumers, and investors understand how a reporting organization contributes to gender equality within its sphere of influence.

In developing this publication, a range of stakeholders - many of whom read and prepare sustainability reports - were consulted through a series of international consultation workshops with business, civil society, investors and labor representatives. Regional multistakeholder workshops, a Web survey, and an online gender practitioners’ network consultation were all used to gather input. A diverse, high-level Advisory Group was also established to support the development of this publication. Accompanying this document, videos representing individual perspectives expressed by participants at the multi-stakeholder consultation workshops are posted on IFC’s Web site (www.ifc.org/genderreporting). Workshop participants and others within the GRI and IFC networks have also posted information pertaining to gender reporting on the Organisation for Economic Co-operation and Development’s (OECD’s) public Wikigender Web site through which information for this document was gathered.

The participants in the consultations on this document defined gender equality in terms of equality under the law, equality of opportunity, and equality of voice. They identified and categorized groups of gender-related issues that they expect sustainability reporters to manage and report on. Furthermore, they suggested qualitative and quantitative performance measures for these issues. Report preparers at the workshops emphasized that they are not able, nor expected by stakeholders, to report on everything and that it is therefore necessary for organizations to prioritize internally and to consult their stakeholders as to what ought to be included in their reports.

The entire range of issues related to gender practices and reporting that were put forward by the workshop participants is included in this document. The objective is to offer reporters a variety of ideas

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from which they can identify the ones most material to their line of business and their stakeholders. Each chapter in this publication is dedicated to one category of gender-equality issues. The chapters are arranged roughly in the order of priority expressed by stakeholders, as follows: organizational governance and values, the workplace, the supply chain, the community, consumers, and investment. Each chapter is structured as follows:

- **Introduction and Trends:** Academic literature and other studies illustrate the issues raised by stakeholders and trends in global gender relations and business practices.

- **Implementation and Practice:** Bullet points set out ways that organizations can implement and monitor practices to improve their gender performance and enhance their sustainability reporting.

- **What Stakeholders Said:** The feedback from the multistakeholder workshops and the survey consultations is described, including ideas for reporting on the issues they raised. Quotations from workshop participants and survey respondents are highlighted and a table summarizing issues raised by workshop participants is included.

- **Relevant Measures within the GRI Guidance:** This is a summary of existing GRI guidance, both management disclosures and performance indicators that relate to the specific category of gender equality issues. Where gender disaggregated information could potentially be provided for existing GRI performance measurements, it is noted.

- **Further Measurement Examples:** A table summarizes suggested performance measures that report preparers can use to report on each gender-related issue. Each table includes qualitative measures, such as policies, initiatives, and approaches to an issue (highlighted in blue), and quantitative measurements of performance (highlighted in purple). Based on feedback from survey respondents and workshop participants, the level of difficulty of reporting on each suggested measurement is rated as basic, moderate, or advanced.

- **Examples of gender-equality policies and legislation:** Examples from countries around the world relating to the issues in question are presented in text boxes. These examples show a broad range of approaches that governments have used as tools to promote gender equality.

- **Examples of gender-related practices and reporting:** Reporting examples from ‘level-A’ GRI4 reports are presented in text boxes and figures to provide an idea of the options reporting organizations may consider in addressing gender in their own sustainability reports. In addition, some examples of gender-related practices are included, which were brought to the attention of the authors during the consultation workshops and research.

The following summarizes the content of the various chapters:

**Organizational Governance and Values.** The tone of an organization’s public policy is established by its governing principles. Respect for gender equality and transparency on social, environmental, and economic factors have been widely recognized as essential components of corporate governance. Workshop participants indicated that organizational governance and values ought to be the starting point for reporting gender-related organizational practices, as an organization’s governing principles and values affect everything it does. The two primary factors discussed were diversity in management and organizational culture. Some arguments given for increasing gender diversity at the top level of organizations related to public accountability, social justice, full participation, and compliance with international conventions or national legislation.

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5 These include UNCTAD’s (United Nations Conference on Trade and Development) Guidance on Good Practices in Corporate Governance Disclosure (UNCTAD 2006). This guidance was developed by the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR). ISAR was established to facilitate investment, development, and economic stability by promoting good practices in corporate transparency and accounting. Other examples of corporate governance principles include the OECD Principles of Corporate Governance (OECD 2004) and the OECD Guidelines for Multinational Enterprises (http://www.oecd.org/dataoecd/56/36/1922428.pdf).
addition, business case reasons were made, pointing for example, to research suggesting that organizations with gender diversity on corporate boards and in senior-level management tend to perform better financially. For both public interest and business case reasons, workshop participants emphasized the importance of including gender-equality considerations in policies that determine organizational culture and of including gender-disaggregated data on the composition of boards and management in sustainability reports.

Workplace. The majority of workshop participants as well as respondents to the web survey emphasized that equal opportunities in the workplace for women and men is a top priority. Globally fewer women than men participate in the formal workforce for reasons including disincentives to their participation. It was noted that the global gender wage gap persists. There is a growing body of evidence providing public interest and business reasons for employers to address both female workforce participation and individual gender-related workplace equality issues. For example, a reputation for promoting gender equality can enhance an organization’s ability to compete in the global marketplace for highly skilled workers. Research also demonstrates a link between women-friendly policies and long-term business success. Issues raised under this heading include promotion of gender equality in management, the recruitment and retention of female employees, fair and equal compensation for employees of both genders, parental leave policies, workplace safety, equality in training and development opportunities, access to child care, and the provision of appropriate equipment and facilities for both genders.

Supply Chain. The outsourcing of the production of goods and services to small and medium-sized enterprises in developing countries has created new opportunities for women’s employment, both as employees and women entrepreneurs. However, much of this employment is informal employment, where workers often lack protection under legal or regulatory frameworks in terms of wages, working hours, and unemployment benefits (Oxfam 2003). Thus, many of the gender risks and opportunities presented by the global supply chain relate to women’s empowerment. In this environment both reporting organizations and their suppliers can take steps to better measure and improve their gender sustainability performance and to uphold women’s rights and economic opportunities in the supply chain. Workshop participants recommended that reporting organizations’ commitments to gender equality in the supply chain be reflected in their procurement policies, ensuring that suppliers themselves have sustainable gender practices. Monitoring gender performance throughout the supply chain can be an important part of organizations’ risk management, for example, by helping avoid damage to their reputation through association with exploitative labor conditions. Pointing to potential business benefits, workshop participants also recommended that organizations provide opportunities to women’s enterprises through a commitment to doing business with a diverse range of suppliers.

Community. Organizations can strengthen their efforts to promote gender equality in their operations by promoting their values in their engagement with their local communities. This engagement can take the form of organizations’ managing their negative impacts on the communities, such as environmental damage, population displacement, and use of natural resources. Organizations also have the ability to distribute their positive impacts more equally among women and men in their communities through employment, contracting, charitable contributions, and investments. Among the practices recommended for reporting organizations by workshop participants are establishing community consultation and grievance mechanisms, perhaps with separate channels for women to ensure that their voices are heard; protecting women from violence; and assessing the gender-differentiated impacts of population displacement, which can be harsher for women. Such practices can directly benefit organizations by helping them increase their developmental impact.

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develop a more inclusive recruitment pool within the community, build loyalty with local customers, and avoid litigation and disruption to their operations.

Consumers. Demand for ethical and sustainable products has risen and is projected to continue, particularly among female consumers who globally control about $20 trillion in annual consumer spending and whose purchasing power is forecasted to further increase. Yet, while the female economy is said to represent a growth market more than twice as big as the opportunity of China and India combined, the female consumer is widely considered underestimated and underserved (Silverstein and Sayre 2009). This environment creates an opportunity for organizations to boost their sales by obtaining certification of their products and services and promoting their values through both marketing and reporting. Some fair-trade certification and other verification schemes include gender-equality criteria among their standards. Organizations’ responsible marketing of products and services can play an important role in promoting gender equality, influencing society’s perceptions of gender roles, and challenging stereotypes. Workshop participants recommended practices for reporting organizations, including setting policies that eliminate gender-discriminatory messages in their marketing and advertising materials, implementing gender sensitivity in their provision of customer service, and analyzing customer feedback in order to understand gender-differentiated impacts on consumers. Women’s access to products and services was viewed as particularly important in relation to the financial sector’s ability to reach out to the women’s market, especially in developing countries.

Investment. Social and environmental performance, in addition to financial performance, is increasingly being recognized as germane to organizations’ long-term sustainability. Led by socially responsible investment funds, but increasingly being adopted by others, investors’ decisions are often informed by public interest concerns, including organizations’ management of their performance on gender. Some socially responsible investment funds screen for gender performance when selecting companies to invest in, and rating agencies have also begun to apply gender-related criteria. Furthermore, and reinforcing public interest reasons for screening around gender, there is a growing belief in the investment world, supported by research findings, that companies that empower women and encourage gender diversity may outperform others in the long term – gender performance being one possible indicator of organizations’ financial strength. Additionally, the proportion of women making investments is growing. Given the increasing number of women globally who are establishing their own businesses and accumulating wealth, workshop participants suggested that organizations reach out to these potential investors by adopting policies and practices that promote gender equality and by speaking to gender-related values and performance in reporting. They also noted the importance, for reasons of impact and reputation, of evaluating the sustainability of the gender practices of the companies in which organizations invest and, in turn, of their own institutional investors.

The report concludes with a chapter entitled “What is Next?” which highlights the key points raised in the publication and how this work may inform future work by GRI and others on gender and sustainability reporting.

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9 See the main chapter for an example of a U.S.-based pension fund that applies a gender criteria.
10 For example, a US-based investment fund avoids companies with no women in upper management or on the board and proactively invests in companies with good disclosure, policies, and programs for gender equality.
11 The main chapter for more information on a Japanese securities company that developed an investment instrument based on factors such as the number of female executives, gaps in the length of male and female workers’ careers, the maternity leave and other support systems for women.
Below is a summary table of suggested gender measurements by category:

<table>
<thead>
<tr>
<th>Organizational objective</th>
<th>Measure</th>
<th>Basic</th>
<th>Moderate</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Governance and Values</strong></td>
<td>Ensure the importance of mainstreaming gender equality</td>
<td>Description of gender-equality policy and plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Promote diversity among board members</td>
<td>Gender breakdown of the organization’s board of directors</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Promote diversity and equality in management</td>
<td>Number and percentage of management posts by gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage breakdown by gender of the top five highest-paid executives</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Workplace</strong></td>
<td>Have a fair and unbiased wage system</td>
<td>Ratio of remuneration of all employees and by employee category, by gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Management approach to flexible work schedules</td>
<td>Uptake rate of flexible working arrangements, by gender</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Initiatives to provide child-care support and/or facilities to employees</td>
<td>Maternity/paternity/parental leave return rates, by gender</td>
<td></td>
</tr>
<tr>
<td><strong>Offer equal job opportunities</strong></td>
<td>Initiatives to promote equal opportunities at the workplace</td>
<td>Ratio of job applications to new contracts signed, by gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Support human resource development</strong></td>
<td>Average hours of training per year per employee by gender and part time and full time employee category</td>
<td>Percentage of promotions in the organization’s main employee categories, by gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ensure a safe and healthy work environment</strong></td>
<td>Initiatives to provide information, education and training on sexual harassment in the workplace</td>
<td>Total number of incidents of sexual harassment and action taken, by gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Have in place an effective grievance mechanism for workers</strong></td>
<td>Available channels within organization for filing gender-based discrimination grievances</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Blue = qualitative performance measurement examples
Purple = quantitative performance measurement examples
<table>
<thead>
<tr>
<th>Organizational objective</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supply Chain</strong></td>
<td><strong>Basic</strong></td>
</tr>
<tr>
<td>Do business with organizations that respect gender equality</td>
<td>Description of gender equality in procurement policy and plans</td>
</tr>
<tr>
<td></td>
<td>Percentage of suppliers that have gender-equality policies or programs</td>
</tr>
<tr>
<td></td>
<td>Percentage of suppliers that report on their gender-equality policies and practices</td>
</tr>
<tr>
<td><strong>Advanced</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gender composition of supplier workforce</td>
</tr>
<tr>
<td></td>
<td>Percentage of suppliers' managerial posts, by gender</td>
</tr>
<tr>
<td>Promote women's entrepreneurship and supplier diversity</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial value and percentage of total procurement by supplier company and type of good or service, broken down by gender and type of supplier</td>
</tr>
<tr>
<td></td>
<td>Percentage of suppliers' shareholders, by gender</td>
</tr>
<tr>
<td><strong>Community</strong></td>
<td><strong>Basic</strong></td>
</tr>
<tr>
<td>Contribute to the well-being of women and men in the affected communities</td>
<td>Initiatives, including donations and grants to address equality in the community</td>
</tr>
<tr>
<td></td>
<td>Management approach to the consultation of local women in devising community engagement/investment programs</td>
</tr>
<tr>
<td>Management approach to determining community engagement/investment activities, including policy and criteria</td>
<td>Total number of community engagement/investment programs targeting women</td>
</tr>
<tr>
<td></td>
<td>Total number of direct beneficiaries of community engagement/investment programs, broken down by gender</td>
</tr>
<tr>
<td></td>
<td>Management approach including gender impact assessments to addressing gender-related community impacts</td>
</tr>
<tr>
<td></td>
<td>Total monetary value of community engagement/investment programs, broken down by gender of the beneficiaries</td>
</tr>
<tr>
<td><strong>Consumers</strong></td>
<td><strong>Basic</strong></td>
</tr>
<tr>
<td>Not to discriminate or stereotype against men or women in marketing and advertising</td>
<td>Policy and mechanism in place to avoid gender discrimination in marketing and advertising materials</td>
</tr>
<tr>
<td></td>
<td>Number of complaints regarding gender discrimination in marketing and advertising materials</td>
</tr>
<tr>
<td></td>
<td>Management approach to “Gender Equality Certification” by third party</td>
</tr>
<tr>
<td></td>
<td>Number of customer complaints by type and by gender of complainant</td>
</tr>
<tr>
<td>Reflect the needs of men and women in customer services and complaint procedures</td>
<td></td>
</tr>
</tbody>
</table>

Blue = qualitative performance measurement examples
Purple = quantitative performance measurement examples
<table>
<thead>
<tr>
<th>Organizational objective</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Basic</td>
</tr>
<tr>
<td>Investment</td>
<td></td>
</tr>
<tr>
<td>Be recognized by sustainability investors and mainstream investors for gender performance</td>
<td>Policy for investment decision making including consideration of gender as a criterion</td>
</tr>
<tr>
<td>Promote women as investors and shareholder diversity</td>
<td></td>
</tr>
</tbody>
</table>

Blue = qualitative performance measurement examples
Purple = quantitative performance measurement examples
Introduction

Despite the inclusion of some gender-related indicators in the GRI G3 Guidelines launched in 2006, and global recognition of the importance of gender equality, organizations producing sustainability reports rarely report much gender disaggregated data.

Yet sustainability reporters have the potential to promote gender equality by transparently reporting on their organization's gender-responsive practices and performance. The integration of gender-related information can enhance public accountability to women.14 It allows all interested stakeholders to gain insights into the impacts of an organization's operations, products, and services on both women and men. It can also help stakeholders understand how a reporting organization respects and contributes to gender equality.

Preparers of sustainability reports who want ideas on how to improve their gender reporting practices are the main intended audience of this publication. Moreover, it is hoped that this in turn will help organizations identify new opportunities to improve their gender management practices.

The pursuit of gender equality is about the fulfillment of an international commitment to observe and promote equal rights for women and men, in the context of the international framework for human rights. It is enshrined in a broad range of international legal and policy frameworks ratified by governments around the world, including the Universal Declaration on Human Rights, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the core International Labor Organization (ILO) conventions pertaining to workers’ rights.15 Gender is also becoming a priority for business management globally as supported by the appointment of a United Nations Special Representative on Business and Human Rights in 2005, whose mandate it is to integrate a gender perspective throughout their work.16

Gender inequality is well documented as being persistent, yet gender equality is internationally recognized as being fundamental to poverty reduction and sustainable development.17 18 The case for promoting and respecting gender equality is driven by multiple and interacting factors; beyond a legal imperative, there are also ethical reasons because “it is the right thing to do” in line with globally shared principles and values.19 Furthermore there is evidence...
pointing to existing and emerging business drivers for improving practices and reporting on material gender issues as elaborated further within the different chapters of this report.

In the context of sustainable development, organizations are taking a different approach to doing business. Financial performance is no longer regarded as the exclusive driver. Instead, economic, environmental, and social factors including gender equality are increasingly being recognized as important (GRI 2008). Under greater scrutiny than ever before, organizations are increasingly being encouraged by their stakeholders to measure, account for, and take responsibility for their economic, environmental, and social (EES) performance. Sustainability reporting has emerged as an effective mechanism for organizations to transparently communicate EES information to employees, customers, investors, and others. However, the process of collecting and gathering information about gender practices and performance is of limited value if organizations do not use a standardized approach, particularly to track their performance over time and to compare it with that of competitors. In a globalized world it is ever more important that organizations “speak a common language” when it comes to the many dimensions of sustainability.

Although gender equality is globally being recognized as a priority, many organizations struggle to transform this recognition into practice and then communicate about it using a consistent and standardized approach in sustainability reports. To date, there has been a limited level of coverage of gender issues in sustainability reports (see text boxes 1.1 and 1.2) and specifically a low frequency of reporting against GRI’s three gender-related indicators (see boxes 1.1 and 1.2 for further information). This is despite the fact, as indicated in this report, that workshop participants consulted consider gender issues important and merit inclusion in sustainability reports.

**Box 1.1. Reporting on Gender**

Academic research by Grosser and Moon (2008) on companies’ reporting on gender equality at the workplace found that companies rarely report gender disaggregated data. That study found that gender reporting typically includes a mix of statistics related to the gender breakdown of the workforce and the gender breakdown of management. Few organizations report any performance information relating to other gender-related workplace equality issues such as career development, equal pay, employment of women in nontraditional jobs, and flexible work arrangements. In addition, few companies report information about their own poor performance, such as instances of litigation against them relating to gender discrimination. However, some organizations do increasingly report information about how they manage gender equality, such as responsibility and accountability on this issue within the organization, staff consultation about gender and diversity, and training on these issues.

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21 Ibid.
Box 1.2. GRI’s G3 Guidelines

GRI’s G3 Guidelines, developed using an international, multistakeholder, consensus-based approach and launched in 2006, provide global guidance for sustainability reporting for use by organizations of any size and in any location worldwide. The G3 Guidelines contain performance indicators that show year-on-year changes and trends, allowing for assessment of whether performance is improving or getting worse. These are distinct from process disclosures on management approach, which typically are reported in the form of narrative text and may or may not change year to year.

Three gender-related performance indicators are incorporated into the existing GRI Sustainability Reporting Framework relevant to all organizations:

- LA2: total number and rate of employee turnover by age group, gender, and region
- LA13: composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity
- LA14: ratio of basic salary of men to that of women by employee category

Since these three are core performance indicators that GRI considers in assigning organizations to application level A, GRI reporters are required to provide information on all of these three performance indicators or state a reason for their omission of this information.

In addition to the specific gender-related indicators mentioned above, gender is intended as an integral consideration in the reporting of all the G3 Human Rights Performance Indicators given that gender considerations are an integral part of human rights. Although not specified, as this publication will discuss in subsequent chapters, providing gender disaggregated breakdown of information for each of these indicators could be an effective way for reporters to integrate a gender perspective into their reports. Refer to the GRI G3 Guidelines for full details of indicators HR1 to HR9.

b. For a detailed list of G3 Human Rights Performance Indicators visit http://www.globalreporting.org/GRIPortal/GRIControls/G3Online/Tree/frmTree.aspx/?T=1.

The goal of gender equality may be obvious, but it is difficult to translate what this means for organizations on the ground in terms of management practices and reporting. The goal often is not to achieve gender equality in organizations on every issue. For instance, outcomes such as equal numbers of male and female customers or equal numbers of men and women in the workforce are often not realizable, given the cultural context, size, or sector of an organization. Nor may these be desirable outcomes. What is important is to ensure that women and men have the same opportunities and that they are not discriminated against on the basis of gender. Therefore, the information in a report, particularly the quantitative information, has to be viewed in context, cultural or otherwise. Organizations may, however, find it useful to benchmark their data with those of similar organizations to gain additional data points for interpreting their own gender results over time. For the purpose of reporting and collecting gender disaggregated data (distinguishing between females and males), it should be noted that most information will actually be collected on the basis of sex, capturing the biological differences between women and men.

Responding to the lack of coverage of gender issues in sustainability reports, GRI and IFC initiated a partnership to provide this educational resource on gender and sustainability reporting to complement the GRI Sustainability Reporting Framework. This publication explains gender as a sustainability issue, links it to good management practices through sustainability
reporting, and presents a variety of possibilities for furthering the quality and scope of the gender component of sustainability reports. This document is not a GRI reporting guideline and is not part of the GRI Sustainability Reporting Framework. The content of this publication provides ideas for advancing gender equality through sustainability reporting and, going forward, will serve as a useful resource for GRI’s Governance Bodies for inclusion in GRI’s forthcoming workplan for formal G3 Guidelines updates.

This publication is the result of an extensive process of international multistakeholder consultation by GRI and IFC as collaborating partners, made possible through the support of the governments of Germany, Iceland, and Switzerland.

Methodology: Gathering Stakeholder Perspectives on Gender Practices and Reporting

Stakeholder inclusiveness is one of the key GRI reporting principles for defining sustainability report content, and it guides decisions throughout the reporting process, such as selecting what topics and indicators to report on and how. Thus, it is appropriate that in developing this publication a range of stakeholders such as investors, members of civil society groups, and labor representatives were consulted, in addition to report preparers.

Many people from different stakeholder groups have shared their perspectives on gender practices and reporting to drive the content of this publication. While the content is a compendium of ideas rather than a reporting guideline, its strength is that it compiles the views of a range of people from different backgrounds on the ways in which gender components can be integrated into sustainability reports. Regional multistakeholder workshops, a Web survey, and an online gender practitioners’ network consultation were all used to gather input.

Box 1.3. Current Reporting on Gender-Related GRI Indicators

An analysis conducted for this project by Bifröst University, Iceland, on gender information contained within GRI reports found that the frequency of reporting on existing GRI indicators referencing gender was relatively low within a sample of 30 GRI reporters. This was with the exception of the indicator LA13, which represents the composition of governance bodies and the breakdown of employees by diversity measures; this indicator was included in over 90 percent of reports in the sample.

Several GRI reporters do, however, provide gender-disaggregated data on indicators that do not specifically ask for this information. Information relating to the gender breakdown of the workforce was provided by 60 percent of the reporters in the sample as part of LA1, which asks for “total workforce by employment type, employment contract, and region.” The study revealed that a small selection (less than 20 percent of the sample) of organizations had included additional gender-related indicators not mentioned in the GRI Guidelines. These related to supplier diversity, promotions, apprentices and professionals, and HIV/AIDS prevention programs for mothers and children.

Each stakeholder has his or her own views as to which gender issues matter in determining whether an organization is performing well in terms of its gender impacts and effectively managing its gender-related opportunities and risks. It was observed during the multistakeholder consultation workshops that the prioritization of issues differs between stakeholders from different constituencies and parts of the world. At the same time, there were many commonalities among the views expressed throughout the consultation process.

22 The other principles are materiality, sustainability context, and completeness.
23 As part of the standard profile disclosures within the G3 Guidelines, report preparers are asked to disclose information on their stakeholder engagement during the reporting period. Refer to the GRI Guidelines, sections 4.14–17, for further information.
24 Stakeholders are defined in the GRI G3 Guidelines as “entities or individuals that can reasonably be expected to be significantly affected by the organization’s activities, products and/or services; and whose actions can reasonably be expected to affect the ability of the organization to successfully implement its strategies and achieve its objectives.” See page 10 of the GRI Guidelines for a definition of stakeholders: http://www.globalreporting.org/NR/rdonlyres/ED9E9836-AB54-4DE1-BFF2-5F735235CA44/0/G3_GuidelinesENU.pdf.
Definitions Used during the Consultation

For the purposes of this consultation and this publication, the term gender refers to socially constructed and socially learned behaviors and expectations associated with females and males. All cultures interpret the biological differences between women and men and elaborate them into a set of social expectations about what behaviors and activities are appropriate and what rights, resources, and power women and men respectively possess. Like race, ethnicity, and class, gender is a social category that heavily influences an individual’s life chances (World Bank 2004, p. xvii). The term gender diversity connotes further differentiation by age, ethnicity, physical ability, sexual orientation, class, and so forth, categories that are also social constructs and therefore changeable. When organizations refer to their support of gender diversity, they typically mean that they consider and promote the different skills, resources, and potentials of women and men.

Gender equality is often presented in the context of nondiscrimination against women and the advancement of women’s rights. The participants in the consultations on this document defined gender equality in terms of equality under the law, equality of opportunity (including rewards for work and access to human capital and other productive resources that enable opportunity), and equality of voice (the ability to influence and contribute). Throughout the consultation process it was emphasized that men can also be disadvantaged by organizational gender policies and practices or lack thereof.

The term gender equity is often used interchangeably with gender equality, but this publication recognizes that gender equity moves beyond equality of opportunity and denotes equivalence in life outcomes for women and men, accounting for their different needs and interests, and requiring a redistribution of power and resources (Reeves and Baden 2000).

There is a difference between gender neutrality and gender equality. Gender-neutral practices do not explicitly give preferential treatment to one gender over the other. However, by not taking gender differences into account, such practices may in fact reinforce existing gender roles or stereotypes of women and men and thereby increase gender inequality.

Multistakeholder Consultation Workshops

A series of multistakeholder workshops, co-facilitated by GRI and IFC, were held between December 2008 and April 2009 in London, Johannesburg, São Paulo, New Delhi, and Washington, D.C. In total 130 individuals participated in the workshops. A full list of the attendees can be found in the appendix of this publication.

The workshops were advertised on GRI’s Web site (www.globalreporting.org), on IFC’s website (www.ifc.org/genderreporting), on the Organisation for Economic Co-operation and Development’s (OECD) Wikigender Web site (www.wikigender.org), and via the GRI newsletter so that any interested people from the GRI network could get involved. GRI and IFC also specifically invited GRI sustainability reporters, GRI Organizational Stakeholders, and gender specialists from IFC’s network in each of the countries where the workshops took place. The intention was to ensure that a balance of stakeholder groups and both sustainability-report preparers and report users were represented at each workshop. The workshops in London and Johannesburg each lasted half a day, but in response to feedback given during the evaluation of these workshops, the remaining workshops were lengthened and run as full-day events. GRI and IFC made efforts to ensure that a balanced representation of stakeholder groups were invited to the workshops: the majority of those that participated were from the private sector or NGOs (nongovernmental organizations).

The workshops built on each other and explored the linkages between gender and sustainability reporting from the perspectives of a variety of regions and stakeholders. The workshops presented current gender-related practices and reporting and facilitated discussion of future expectations, as well as possible indicators for measuring performance. All of the participatory, interactive workshops were facilitated in English, with the exception of the workshop in Brazil, which was conducted using simultaneous interpretation.

Workshop participants identified and categorized groups of gender-related issues that they expect sustainability reporters to manage and report on. Furthermore, they suggested qualitative and quantitative performance measures for these issues. Prior to the workshops, desk research identified gender indicators, measurements, reporting approaches
outside the GRI framework, as well as examples of general gender initiatives which were then shared in the workshops to stimulate further discussion.

**Collaboration through Social Media**

In the age of social media, collaborative learning and the sharing of expertise have become easier. Wikis (user-updated websites), interactive online discussion forums (a gender practitioners’ network) and other “Web 2.0” social networking tools enabled gender practitioners and experts from around the world to speak and share knowledge and experiences with one another. Stakeholders viewed this engagement through Web tools as particularly important because reporting companies are increasingly using such so-called new media to connect and disseminate information on their initiatives and performance.

The ideas presented in this publication are also shaped by the views of interested parties who participated in an online survey that was distributed through GRI’s and IFC’s networks and promoted online via the GRI and IFC websites, newsletter, and the Gender Practitioners’ Network. In total, 57 individuals responded to the survey, the majority of whom (approximately 40 percent) identified themselves as representing corporate stakeholders. Via this online survey, preliminary outputs of the multistakeholder workshops were shared for survey respondents’ feedback. Respondents posted information on the gender issues they find important, the feasibility of reporting on the gender indicators suggested by workshop participants, and examples of gender-related practices and reporting.

To widen the reach of the views on gender reporting expressed in the consultations, the project team captured the many voices of the stakeholders consulted on video and then posted these videos online using Web 2.0 technology. At present, more than 60 videos representing individual perspectives can be viewed at www.ifc.org/genderreporting.

Workshop participants and others within the GRI and IFC networks have been encouraged to post information pertaining to gender reporting on the OECD’s Wikigender Web site (www.wikigender.org), as well as to join an online Google discussion group for gender practitioners.

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**Box 1.4. The International Advisory Group**

To support the development of this publication, GRI and IFC established a high-level, multistakeholder, geographically diverse advisory group. This group of gender experts and reporting practitioners provided guidance, facilitated communication, and promoted collaboration on gender and sustainability reporting for the project. The project team is grateful to the advisory group members who gave up their valuable time to share their expertise and knowledge:

- Carol Adams  
  La Trobe University, Australia
- Willem Adema  
  OECD, France
- Amy Augustine  
  Calvert Asset Management Company, Inc., United States
- Leontine Bijleveld  
  ITUC, Brussels, and the Netherlands Trade Union Confederation FNV
- Heloisa Covolan  
  Itaipu Binacional, Brazil
- Kate Grosser  
  Nottingham University, United Kingdom
- Natalie Kincaid-Smith  
  Lonmin PLC, South Africa
- Marianne Mwaniki  
  Standard Chartered, United Kingdom
- Aruna Rao  
  Gender at Work, United States
- Srimathi Shivashankar  
  Infosys, India
- Ines Smyth  
  Oxfam GB, United Kingdom

a. The resultant document does not reflect the position of the organizations that the individuals in the Advisory Group represent, nor the specific views of each individual who peer-reviewed this document.
Overview

Any discussion of reporting, whether it is on gender issues or other sustainability factors, starts from reflecting on business operations and processes. Practices and their impact are essentially what inform the content of the resultant sustainability report. Figure 1.1 indicates how the gender management processes relate to one another, specifically in the context of managing and reporting on gender information.

Workshop participants generally agreed that a reporting organization’s overarching policies and its stance on gender equality influence its approach to managing gender issues in everything that it does. They suggested that issues specifically related to governance and values are material and relevant for all reporting organizations.

Figure 1.1 Aspects of Gender Equality.

Organizations are faced with a wide range of gender-related issues on which they could report. Report preparers at the workshops stressed that they cannot report on everything and therefore it is necessary for organizations to prioritize internally and consult stakeholders as to what should be included in their reports, as well as reference the gender clauses contained within national, regional and international legislation. During the connection and definition phases of the reporting cycle, reporters determine which gender-related issues are most relevant to their organizations.

The structure of this publication is organized to reflect the issues, themes, and domains related to gender practices and reporting that were put forward by the workshop participants and survey respondents. Since the materiality of issues varies among reporting organizations, the relevance of the topics covered in their sustainability reports will vary by organization. The full range of issues was included in this document with the intention of offering reporters a range of ideas from which they can choose the ones most material to their line of business.

The following categories of gender-equality issues each have a dedicated chapter in this publication: organizational governance and values, the workplace (which, as will be discussed later, was deemed the central priority for reporting on gender issues and intimately connected to governance and values), the supply chain, the community, consumers, and investment.

Each chapter is divided as follows:

- **Introduction and Trends**: Academic literature and other studies illustrate the issues raised by stakeholders and trends in global gender relations and business practices.

- **Implementation and Practice**: Bullet points set out ways that organizations can implement and monitor practices to improve their gender performance and enhance their sustainability reporting.

- **What Stakeholders Said**: Feedback from the multistakeholder workshops and the survey is described, quotations from workshop participants and survey respondents are highlighted, and a table highlights issues raised by workshop participants.

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25 The principle of materiality is defined in the G3 Guidelines (page 8) as guiding decisions on sustainability report content throughout the reporting process: “The information in a report should cover topics and indicators that reflect the organization’s significant economic, environmental and social impacts or that would substantively influence the assessment and decisions of stakeholders.”
• Relevant Measures within the G3 Guidelines: This is a summary of existing GRI guidance, both management disclosures and performance indicators that relate to the specific category of gender equality issues. Where gender disaggregated information could potentially be provided for existing GRI performance measurements, it is noted.

• Further Measurement Examples: A table summarizes suggested performance measures that report preparers can use to present information on each gender-related issue.

• Examples of gender-equality policies and legislation: Examples from countries around the world relating to the issues in question are presented in text boxes.

• Examples of gender-related practices and reporting: Reporting examples from ‘level-A’ GRI26 reports are presented in text boxes and figures to provide an idea of the options reporting organizations may consider in addressing gender in their own sustainability reports. In addition some examples of gender related practices are included, which were brought to the attention of the authors during the consultation workshops and research.

• The Appendix in addition to an overview of gender-related international conventions, legal frameworks, and international policies, also lists the participants in the stakeholder consultation workshops.

Box 1.5. Why Report on Gender?
Survey participants were asked to state why their company reports on gender. Answers included the following:

“Positioning and building the business as an organization which delivers long term career opportunities for our internal audience (employees) and candidate market, regardless of gender. To address industry wide imbalances, our particular challenge is to deliver this message effectively to women both within and outside the business.”

“Ensuring all services, employees and budgets do not discriminate against women and girls.”

“To promote women’s empowerment through corporate social responsibility.”

Figure 1.2. A Combined Approach to Gender Practices and Reporting

**Practices**

**IDENTIFY:** Internally, through a constant feedback process, material gender opportunities and risks are identified and discussed.

**DISCUSS:** Internal and external stakeholders are consulted and decisions are made regarding actions around these issues.

**ACT:** Gender policies, programs, plans and initiatives are implemented.

**MONITOR:** Gender-disaggregated data and information are continually gathered to identify the impact of policies and initiatives.

**EVALUATE:** The results of evaluations feed into management systems and support decision-making to ensure improved results in the future.

**Reporting**

**COMMUNICATE:** The information is gathered and compiled into the report before being communicated in the report to key audiences. Feedback is incorporated first of all into the ongoing management of these issues but then into the reporting of these issues during future reporting cycles.

**PREPARE:** Organizations imagine their report and the gender information that might be included. They plan the process and engage with colleagues and decision makers as to the importance of reporting and how it relates to the organization’s gender goals and commitments.

**CONNECT:** Internal and external stakeholders are engaged and can build trust. Reporters need to determine who these stakeholders are, through mapping them and prioritizing and then connecting with them.

**DEFINE:** Analyzing the organization’s impacts and the stakeholder input and priorities can determine the most ‘material’ gender issues to be monitored and measured for inclusion in the sustainability report.

**MONITOR:** If this information is not already being tracked, then appropriate monitoring mechanisms are typically established or existing mechanism are adjusted.
Gender Equality in Organizational Governance and Values

Introduction

The tone of an organization’s public policy is established by its governing principles. Respect for gender equality and transparency on social, environmental, and economic factors have been widely recognized as essential components of corporate governance principles. In its Guidance on Good Practices in Corporate Governance Disclosure, UNCTAD (2006, p. 23) states that “the board should disclose its policy and performance in connection with environmental and social responsibility and the impact of this policy and performance on the firm’s sustainability.” By extension, what organizations do to promote gender equality (or what they do to mitigate or avoid gender inequalities) as part of doing business promotes sound corporate governance.

In response to public interest to institute good corporate governance practices, organizations are encouraged to pledge their commitment to international frameworks for human and workers’ rights (OECD 2004b, p. 60). Gender equality features in the international framework of human rights and the ILO conventions pertaining to workers’ rights, as well as a wide range of policies supported by governments across the world. Gender equality is considered as a positive contribution of organizations towards the realization of human rights and is recognized as being relevant for business, not just in an organization’s workplace, but also in the context of its operations.

Business case reasons for including gender-equality considerations in policies that determine an organization’s governing principles and organizational culture are increasingly being considered by companies: governing boards have the duty to protect stakeholder value which cannot be achieved if a) the full potential of women is not recognized and/or realized; and b) the organization is not being protected from potential business risks associated with, for example, negative reputation or litigation risks related to undesirable gender-practices.

Trends

Addressing gender equality at the governance level of an organization may not only be “the right thing to do,” but business imperatives related to gender equality are also cited in an expanding body of literature, suggesting that it is increasingly mainstream practice.

Research by the Dublin-based Economic and Social Research Institute indicates that formal policies to promote equality of opportunity entail a wide range of benefits for both employees and employers. It suggests that employees who work in organizations with equality policies are much more likely to believe that they have equal and fair pay conditions, as well as opportunities for advancement and career development (O’Connell and Russell 2005). This can, for example, have direct impacts on both staff motivation and retention rates. According to research commissioned by the U.K.’s Cabinet office, the business case was cited the most frequent driver for diversity and equality initiatives and eighty percent of the 140 leading organizations across the private and public sector linked good diversity practices to overall business performance (Rutherford and Ollerearnshaw 2002).

“We consider women’s participation not just as being “politically correct” or one of the statistics we must report on—but we consider it as business imperative. We are beyond the state where women are just being accommodated. They play a key role in developing our companies and our economies and play a meaningful role in our lives and societies.”

Vusa Vundla, African Management Services Company (AMSCO), South Africa

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27 These include UNCTAD’s (United Nations Conference on Trade and Development) Guidance on Good Practices in Corporate Governance Disclosure (UNCTAD 2006). This guidance was developed by the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR). ISAR was established to facilitate investment, development, and economic stability by promoting good practices in corporate transparency and accounting. Other examples of corporate governance principles include the OECD Principles of Corporate Governance (OECD 2004) and the OECD Guidelines for Multinational Enterprises (http://www.oecd.org/dataoecd/56/36/1922428.pdf).

28 In the GRI G3 Guidelines (sec. 4.1–10), the world’s most widely used framework for sustainability reporting, organizations are encouraged to report on their governance structure and commitments to external initiatives that the organization endorses or subscribes to.
Studies on the contribution of women directors to the effectiveness of boards have pointed to positive correlations, but typically fall short of establishing causality. Yet there is a growing recognition of the link between diversity in corporate governance and the economic performance of organizations (Huse 2007). Research done in Europe and the United States suggests that organizations with gender diversity on corporate boards and in senior-level management tend to perform better financially. For example, an international study of large corporations by the management consulting firm McKinsey indicates that the best companies in terms of work environment, innovation, accountability, and profits were those with a higher proportion of women in top management (McKinsey 2007). This is supported by other studies, including a series of studies on Fortune 500 companies in the United States by Catalyst, a research and advisory organization working to advance women in business, which found that those companies with a greater number of female board members performed better financially. Fortune 500 companies were found to have 53 percent higher returns on equity, 42 percent higher returns on sales, and 66 percent higher returns on invested capital (Catalyst 2007)\(^2\) (see the Chapter on Gender Equality and Investments in this report for a related discussion).

Other studies have suggested that increasing the number of women in management can increase organizational innovation (London Business School 2007). One frequently cited study has indicated that a critical mass of three or more women can cause a fundamental change in the boardroom and enhance corporate governance (Kramer, Konrad, and Erkut 2006).

While recognizing that all men are not the same and, likewise, all women are not the same, there are studies that suggest that female managers are perceived to be consensus builders, to be more inclusive in their decision making, and to provide different perspectives which “balance” the views of their male colleagues. Women are also perceived to be able to take into account the needs of various stakeholders in their decision-making processes (Orser and Weeks 2009, p. 6).

**Implementation and Practice**

In order to implement gender equality at the governance level, an organization can:

- Make a clear and explicit commitment to gender diversity in the organization’s mission statement.
- Produce an organizational plan on how to achieve the organization’s commitment to gender diversity,\(^3\) with measurable targets (e.g., numbers of women as board members and in management posts), assigned responsibility, a timetable for action, and procedures for monitoring implementation.
- Establish a budget for gender initiatives at the organizational level.
- Identify a board-level individual who champions the organization’s gender-equality policy and plan.
- Appoint a person or team to manage gender equality within the organization.
- Include gender as a performance indicator on the organizational score card.

**What Stakeholders Said**

Several issues related to organizational governance and values were frequently identified as factors in the promotion of gender equality.

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29 Catalyst’s research covers the years 2001 to 2004. Because of movement into and out of the Fortune 500 each year, 520 companies are covered in this analysis (see http://www.catalyst.org/file/139/bottom%20line%202.pdf for more details).

Table 2.1. Issues Raised by Stakeholders, by Workshop Location

<table>
<thead>
<tr>
<th>Issue</th>
<th>United Kingdom</th>
<th>South Africa</th>
<th>Brazil</th>
<th>India</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women on board and in senior management</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Gender equality embraced in organizational culture and values (including mission and vision)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Transparency on gender issues and reporting</td>
<td>✓</td>
<td>✓</td>
<td>✔</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Gender sensitzation and awareness-raising workshops</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integration of organization’s gender values in corporate-level policies</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive accountability for promoting organizational gender values throughout entire supply chain</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public policy positions mirroring gender policy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Gender needs to be “inserted into the genetic code of an organization,” and senior representatives “must wear the gender hat,” according to some of the participants of the multistakeholder workshops. Based on the argument that an organization’s values affect everything it does, stakeholders indicated that values and governance ought to be the starting point for organizational practices and reporting related to gender. It was first suggested at one of the London workshops that governance- and values-related issues form an umbrella category, as they affect everything an organization does. Gender issues associated with organizational governance and values were mentioned at all the workshops. The Brazil workshop participants assigned the greatest priority to gender practices and reporting related to this area.

Women in Management

It was perceived to be easy to collect and report information on gender diversity on organizations’ boards.

“We need concrete measurables, we need to build accountability at the senior management level, and some day there must be a sustainability score card that investors see as a crucial parameter for taking decisions.”

_Srimathi Shivashankar, Infosys, India_

Box 2.1. Reporting Example of Attendance at Gender Diversity Workshops and Target Number of Female Managers

In its 2009 Sustainability Report, Daimler, a German car manufacturer, provides narrative information on the number of managers who have attended their workshops on diversity management and Germany’s General Equal Treatment Act (AGG), as part of its initiative to increase the proportion of women in management positions. Among other elements reported, they provide their target percentage of senior female managers in 2020 against the current proportion.


Workshop participants emphasized the need to put information about gender diversity on boards into context in sustainability reporting. They stressed, for example, that an organization with low female representation on its board should provide information about the challenges experienced in recruiting women to board positions and the steps taken to mitigate these challenges.
The proportion of women in management posts was also mentioned by workshop participants as a reporting expectation. In this context, an important point raised was that a title or position does not necessarily reflect a man's or woman's degree of influence within an organization. Gender-disaggregated data on strategic versus administrative roles would address some of workshop participants’ concerns in this regard. Workshop participants expressed the importance of contextual information on diversity in management. The indicator suggested to measure performance in this area is the percentage breakdown by gender of the top five highest-paid executives in the organization, as defined in its annual reports. In some geographies this is apparently used as a standard indicator.

Organizational Culture and Values

Organizational culture and values can influence whether women are willing and able to work in senior management or board-level positions. Long working hours and the tendency for important meetings to be scheduled after the end of the normal workday were identified as barriers to women's promotion to these positions. Workshop participants noted that these challenges also impact men, but there was a shared belief that women are affected more than men in this regard.

Workshop participants expressed an expectation that reporting organizations have an organization-wide gender policy and a formal equality plan or a more general organizational strategic plan that integrates gender equality, and that they allocate responsibility for progress on this issue and monitor progress through the collection of gender equality data. The presence or absence of such a policy, plan and monitoring was viewed as an indication of an organization's commitment to gender equality. They were considered a reflection of an organization's recognition of the importance of mainstreaming gender equality, within the workplace especially but also beyond it. Moreover, the point was raised that it is important for organizations to integrate gender-equality considerations into all other organizational policies and business practices.

There is little use in having policies in place if employees are unaware of their existence, according to workshop participants. They therefore suggested that organizations hold workshops to increase gender awareness and sensitivity and perhaps incorporate these workshops into the induction programs for new employees.

Workshop participants expected sustainability reporters to include a description of their gender-equality policy, plan and performance in their reports. This description could explain how the policy and plan were developed, including information about the stakeholder consultation process, the basis for identifying and selecting the stakeholders consulted on the issue in the organization's different operational locations, and the key concerns and topics raised by stakeholders during the consultation. They stressed that it is important for reporting organizations, particularly multinational organizations, to consider how stakeholders’ gender concerns may be different at operational locations in countries other than the home country. Finally, workshop participants encouraged organizations to report on their performance with regard to their gender equality plans, including reporting upon what has worked and what they might need to do next.

Relevant Measures within the G3 Guidelines

- A core GRI indicator related to diversity and equal opportunity in an organization’s governance framework is LA13: composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.
- Sections 4.1-4.10 of the G3 Guidelines relate to governance structure and commitments to external initiatives that an organization endorses or subscribes to.
Further Measurement Examples

The following table includes the ideas for other performance measurements related to gender equality and organizational governance and values, suggested by stakeholders during the consultation for this publication.

Table 2.2. Suggested Measures of Gender-Equality Performance in Organizational Governance and Values

<table>
<thead>
<tr>
<th>Organizational objective</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Basic</td>
</tr>
<tr>
<td>Ensure the importance of mainstreaming gender equality</td>
<td>Description of gender-equality policy and plan</td>
</tr>
<tr>
<td>Promote diversity among board members</td>
<td>Gender breakdown of the organization’s board of directors</td>
</tr>
<tr>
<td>Promote diversity and equality in management</td>
<td>Number and percentage of management posts by gender</td>
</tr>
<tr>
<td></td>
<td>Percentage breakdown by gender of the top five highest-paid executives</td>
</tr>
</tbody>
</table>

Blue = qualitative performance measurement examples
Purple = quantitative performance measurement examples

Box 2.2. Norwegian Legal Enforcement of Gender Diversity of Boards

Norway has a long tradition of mainstreaming gender issues and has put in place many mechanisms to promote gender equality at the national level. In 2002, for example, the Norwegian government introduced legal requirements for both state-owned enterprises as well as privately owned companies to ensure a minimum 40 percent representation of each sex on their boards of directors. Although this method is widely debated it has undoubtedly opened boardroom doors to more women and thus contributed to gender mainstreaming. Norway’s work in the field of gender equality has also led to results beyond the boardroom. In a 2008 survey done by the World Economic Forum in 130 countries around the world, Norway topped the league in closing the gender gap according to several social, economic, and political indicators at the national level.a

### Box 2.3. Reporting Example of Gender Breakdown of Workforce

Woolworths, a South African investment holding company with a chain of retail outlets and financial services products, presented its workforce profile using the following table in its 2008 Sustainability Report.

<table>
<thead>
<tr>
<th>Occupational levels</th>
<th>Male</th>
<th>Female</th>
<th>White</th>
<th>Foreign Nationals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>C</td>
<td>I</td>
<td>A</td>
<td>C</td>
</tr>
<tr>
<td>Top management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professionally qualified and experienced specialists and mid-management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skilled technical and academically qualified workers, junior management and supervisors, foremen and superintendents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Semi-skilled and discretionary decision-making</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unskilled and defined decision-making</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total permanent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-permanent employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grand total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees with disabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: A = African, C = Coloured, I = Indian


Note: The disaggregation on the basis of gender and race relate to South Africa’s black economic empowerment legislation.
Box 2.4. Reporting Example of Gender Breakdown of Workforce

Wipro, an Indian IT services company, presented its employee demographics using the following table in its Sustainability Report.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Associates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>2008</th>
<th>2007</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Americas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age group</th>
<th>2008</th>
<th>2007</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;30 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-50 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt;50 years</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Gender Equality in the Workplace

Introduction

More women than men are increasingly receiving university degrees in many countries. This trend is accompanied by increased participation of women in the labor force. According to the ILO, 1.2 billion women worldwide worked in 2007—an 18.4 percent increase from 1997 (ILO 2008). However, globally the employment gender gap is still prevalent and fewer women than men participate in the formal labor force than men (OECD 2008b, p. 11).

In the global economy, with demographic projections of an aging population in some parts of the world and a perceived scarcity of highly skilled workers in the labor force, employers are increasingly competing with each other for the best employees (OECD 2008b, p. 11). Encouraging female participation in the workforce can create a larger talent pool from which employers can recruit. Within this context, many organizations are focusing on the recruitment and retention of women in the workforce and addressing workplace gender-equality issues to enhance their competitiveness in the marketplace.

There are a multitude of reasons for the lower participation of women in the workforce. Not all women want to join the workforce and many actively choose to remain at home (Eurostat 2006; ILO 2008). But in many circumstances there are disincentives to women’s participation in the formal workforce. Such disincentives include discrimination, cultural attitudes, taxation policies, and perhaps most importantly, competing family responsibilities.

Beyond the objective to fulfill international legal obligations and commitments to gender equality, employers may value increasing gender equality in the workplace for a variety of different reasons. The business case for doing so may not be equally strong for all employers, but there is growing awareness that improving work/life balance for all workers can address female workforce participation broadly and workplace equality issues for both fathers and mothers specifically (OECD 2007).

Trends

Research indicates that the costs associated with employee turnover are potentially significant and far reaching. Organizations’ ability to reduce staff turnover and absenteeism rates has in part been attributed to the implementation of equality and diversity initiatives (Equality Authority, Ireland 2007). According to a report on research published in 2009 in the American Sociological Review, “workplace diversity is among the most important predictors of a business’ sales revenue, customer numbers and profitability… Organizations with the lowest rates of gender diversity had average sales revenues of $45.2 million, compared with averages of $644.3 million for businesses with the most gender diversity, and companies with the highest levels of gender diversity reported an average of 15,000 more customers than organizations with the lowest levels of gender diversity.”

31 For example, in OECD countries (OECD 2008b, p. 44), and in Europe women account for 55 percent of university graduates (McKinsey 2007).
32 In the same period, female employment within the European Union increased from 51.8 percent to 58.3 percent and is now close to the European Union’s target of 60 percent by 2010 (Commission of the European Communities 2009). The average female labor participation rate is already 60 percent within the OECD.
33 The main reasons behind Japan’s relatively low female participation rate, according to Goldman Sachs (2005, p. 7) include: insufficient childcare and nursing care support, tax obstacles, inadequate focus of the private and public sectors on diversity, and rigid immigration laws.
34 Child care and eldercare needs in particular are responsibilities often carried out by women and may explain why women work part-time or not at all (OECD 2004a; Eurostat 2006). Lack of affordable child care, absence of parental leave options for men in many countries, and lack of sufficiently paying part-time jobs are often cited important factors affecting women’s labor force participation.
35 According to research conducted in the United States, the reported cost of turnover to a company can reach 30–50 percent of annual salary for entry-level employees, 150 percent of annual salary for mid-level employees, and up to 400 percent of annual salary for specialized, high-level employees (Blake 2006, p. 13).
Once employers have good employees, they want to keep them, and flexible work policies have been shown to attract and retain top talent of both genders. A study done at Michigan State University found that companies that allow flexible schedules and reduced workloads experience lower turnover and reduced costs. There is also evidence to suggest that helping people reconcile work and family life aids social inclusion by reducing the risk of poverty. Moreover, a 2006 Harvard Business Review case study demonstrated that happier employees are likely to have more positive work attitudes, which in turn can increase customer satisfaction with possible positive effects on company revenues (Rucci, Kirn, and Quinn 1998).

“Improving gender practices and performance makes sense not only from a social justice perspective, but also from a financial perspective as it can contribute to improved bottom line performance for a company.”

Amy Augustine, Calvert Asset Management Company, Inc., United States

Employers are going beyond their legal obligations to provide family-friendly policies, child care, and a gender-sensitive work environment to boost female participation in the workforce. Recent studies recognize a link between such measures and long-term business success. Such arrangements can benefit employers and employees. According to the National Child Care Information Center, “Child care breakdowns leading to employee absences cost businesses $3 billion annually in the United States. Fifty-four percent of employers report that child care services had a positive impact on employee absenteeism, reducing missed workdays by as much as 20 to 30 percent.”

Tackling the persistent gender wage gap in the workplace not only responds to an organization’s commitment to international conventions that lay out the statute of equal pay but can also boost employee morale and retention in a competitive marketplace. Unequal pay is often referred to as one of the most common forms of discrimination between men and women, though the size of the pay gap may vary between countries and sectors. According to recent research by the International Trade Union Confederation (ITUC), the global gender wage gap is larger than previously thought. Based on the results of a 2008 survey using data gathered by WageIndicator of some 300,000 women and men in 20 countries, the ITUC study suggests that women around the world are being paid 22 percent less than men. Pay equity was better in companies with women in senior management, according to research using 2000 U.S. census data (Cohen and Huffman 2007). Various Web-based tool kits aim to help employers better understand and address the gender wage gap at the workplace.

Within the framework of the OECD Guidelines for Multinational Enterprises (OECD 2008c), organizations are expected to promote equal opportunities for women and men with special emphasis on equal criteria for selection, remuneration, and promotion and equal application of those criteria. Organizations are also directed to prevent discrimination or dismissals on the grounds of marriage, pregnancy, or parenthood. A revision to these guidelines in 2000 committed each adhering country to appointing a person as a “national contact point” (NCP) to promote the guidelines and manage complaints relating to companies registered in or operating from that country. NCPs do this by facilitating dialogue and mediating between parties. If the NCP considers that a company has breached the guidelines, he or she will issue a statement describing the

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37 http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52008DC0635:EN:NOT In the field of social inclusion, EU has created a clear consensus about the following key challenges: 1) to eradicate child poverty by breaking the vicious circle of intergenerational inheritance; 2) to make labor markets truly inclusive; 3) to ensure decent housing for everyone; 4) to overcome discrimination and increase the integration of people with disabilities, ethnic minorities and immigrants; and 5) to tackle financial exclusion and over-indebtedness (see http://ec.europa.eu/social/main.jsp?catId=437&langId=en for more information).


39 See, e.g., a report by Catalyst (2008) concluding that in 2005 women working full-time earned 77 percent as much as men. Some argue that the pay difference can to a large extent be explained by factors other than discrimination, while others state the opposite.

40 WageIndicator is an internet based, self-reporting salary survey through which people can compare their pay to that of other people with similar jobs.

41 See ITUC 2009.

42 See, for example, the New Brunswick, Canada, Executive Council Office’s Employer Toolkit or the online salary survey “WageIndicator.”
breach and making recommendations to the company on how to bring its practices into compliance with the guidelines in the future. Nevertheless, it should be noted that the number of gender discrimination issues raised by NCPs is not externally reported, nor are companies mandated to engage and report to NCPs.

The ITUC (2009) report on global labor-market trends argues that trade union membership has a positive influence on wage equality: the gap between men’s and women’s earnings is smaller for employees who are trade union members than for those who are not. According to the report, this is even more the case when there is a trade union representative in the workplace.

Companies are increasingly implementing programs and practices addressing barriers to female advancement within the workplace, which can be significant and are often widespread. A 2004 study done by Catalyst found that female corporate executives in the United States are far more likely than male executives to cite factors related to work culture and environment as being barriers to their advancement in a company. Almost one half of women cited exclusion from informal networks of communication, gender-based stereotypes, and a lack of role models as obstacles to their careers.

Mentoring is one tool that has been widely adopted to promote the development of women in the workplace. An academic study in Australia indicated that programs in which men mentor women can serve to increase the gender awareness of men in the workplace and therefore positively affect organizational change (de Vries, Webb, and Eveline 2006).

Implementation and Practice

The following policies, initiatives, and activities may help facilitate the goal of gender equality in the workplace:

- Ensure fair and comparable wages, hours, and benefits, including retirement benefits, for comparable work regardless of gender. Conduct regular fair-pay reviews.
- Undertake recruitment and retention campaigns that target women and men.
- Ensure both women and men participate in recruitment panels.
- Encourage the employment of women and men in occupations that are not normally considered “typical” for their gender.

### Box 3.1. Reporting Example of Turnover by Gender

A Spanish water company, Agbar, presents gender disaggregated turnover data in its 2008 Sustainability Report using the table below:

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of people leaving</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Breakdown of those leaving by gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


---


• Provide professional development opportunities such as formal or informal networking, client-development activities, and equal mentoring opportunities for women and men at all levels, including those women working in nontraditional fields.

• Implement concrete, verifiable actions promoting work-life balance, such as flexible work options, family leave, dependent care, wellness programs, and workforce exit and reentry opportunities. Allow employees to take time off work for childbirth, parental leave, and family-related responsibilities.

• Allow time off from work for employees seeking medical care or treatment for themselves or their dependents, including family planning, counseling, and reproductive health care, and support opportunities of return to positions of equal pay and status in the event of ill health.

• Prohibit discrimination based on marital, parental, or reproductive status in decisions regarding employment or promotion.

• Consider supporting access to child care either by providing child care services or by providing information and resources regarding such services.

• Provide protection from exposure to hazardous or toxic chemicals in the workplace, particularly when those substances have known or suspected adverse effects on the health of women and men, including their reproductive health.

• Prohibit and prevent all forms of violence in the workplace, including verbal, physical, and sexual harassment. Provide information on violence against women to employees.

• Implement initiatives to ensure the safety of female employees while in the workplace, as well as during travel to and from the workplace and on company-related business.

• Ensure there are separate toilets and, where necessary, changing facilities for female and male employees.

• Implement policies that explicitly prohibit the use of the sex industry as part of staff or client entertaining/socializing.46

What Stakeholders Said

Gender-equality initiatives begin at the proverbial “home,” according to the workshop participants consulted. Participants in all workshop locations, with the exception of Brazil, overwhelmingly emphasized gender equality in the workplace. This was also deemed the priority by survey respondents. In Brazil, gender-equality issues in the workplace came second to gender equality in organizational governance and values. The main workplace-related issues raised at each workshop are detailed below.

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Box 3.2. Reporting Example of Maternity Leave Statistics

Yuhan Kimberly, a Korean manufacturer, presented its maternity leave statistics in a table as follows within its 2008 Sustainability Report:46

<table>
<thead>
<tr>
<th>Category</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Childbirth/maternity</td>
<td>Maternity leave usage rate (%)</td>
<td>Maternity leave users (person)</td>
<td>Return-to-work rate post maternity leave (%)</td>
<td>Baby care leave users (person)</td>
<td>Baby care leave usage rate (%)</td>
</tr>
</tbody>
</table>


Gender diversity in management was a key priority for participants at all the consultation workshops and was deemed to overlap with issues of governance and values. Participants expressed that to achieve gender diversity in senior management roles and at the board level, it is imperative for organizations to ensure that this diversity is also present at lower employment levels to create a pipeline of qualified women for future promotion.

It was suggested that within their sustainability reports, organizations should consider reflecting on contextual factors that may influence or color the figures reported. For example, if there are high numbers of female managers in a business, is that a product of the business being in a woman-dominated industry? Are female managers largely distributed among lower-skilled administrative functions or posts that have less control over resources?

Pay and Benefits

It was strongly asserted that employers should within the framework international labor rights pay employees equal remuneration for work of equal value regardless of gender. It was expected that organizations adhere to this principle, ensure that they have due diligence processes in place regarding this issue, and that they implement mitigation measures where a gender wage gap is found to exist.

Workshop participants expressed the view that it is in organizations’ best interest to track wage disparity, as they face reputational risk and legal challenges on the basis of discrimination if an imbalance exists. They also related the issue of equal pay to the retention of qualified candidates in the workforce. Participants in the workshop in Brazil raised the concern that health care benefits such as insurance are at times not universally extended on an equal basis to male and female workers.
Objective performance-evaluation criteria were recommended by participants as a way to limit the influence of assessors’ conscious and unconscious biases, as pay is often based on performance evaluations.

It was stressed that reporters should provide information in line with the existing GRI labor indicators related to pay and benefits. If this information is not contained in an organization’s sustainability report already, workshop participants suggested that reporters provide the reasons for its exclusion and explain what steps are being taken to ensure that it can be included in future years.

Interest was expressed for sustainability reporters to include information on their compliance with gender stipulations found in national, regional and international human rights instruments and law, as well as in what their organizations offer over and above what is required by regulations.

Recruitment

Eliminating gender discrimination in recruitment was a clear priority for workshop participants. A key concern was whether reporting organizations have policies and practices in place to prevent gender-based discrimination during this process. Questions from employers relating to candidates’ marriage and childbearing intentions are according to some stakeholders still common in India, based on preconceptions that a woman may only be interested in working until she is married or has her first child.

“If women are more and more becoming aware and prefer to work with companies that are gender sensitive.”
Gayatri Paul, DFL Ltd., India

If there is an imbalance between the numbers of women and men recruited, it was suggested that sustainability reporters include an analysis of why this is so. Is it because there are shortages of qualified women or men to fill a particular role? If so, is the organization undertaking any initiatives to increase the number of candidates of the underrepresented gender in the pipeline? National authorities, NGOs, and other organizations working on recruitment and gender issues were suggested as sources of advice and support for implementing any gender-specific recruitment campaigns or strengthening recruitment from a particular gender.

Retention

Workshop participants expressed the expectation that employers undertake initiatives to improve the retention of employees of a gender that is underrepresented in their workforce. They asserted that women are more often the underrepresented gender because they typically have to balance the demands of home and work when bringing up a family. It was suggested that sustainability reporters include information on employee turnover disaggregated by gender to ensure the retention of qualified employees on an equal basis.

Box 3.3. Reporting Example of the Gender Wage Gap

A Brazilian Bank, Banco Bradesco, reported on its male/female wage ratio using the following table in its 2008 Sustainability Report. The percentages they gave were the percentages that females in that job classification earned compared to their male counterparts in that year.

<table>
<thead>
<tr>
<th>Classification</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Executive Officers</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Managers</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Supervisors/Technicians</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Administrative staff</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Operational staff</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
</tbody>
</table>

Training, Development, and Career Advancement

Workshop participants expressed the expectation that organizations consider gender equality in terms of access to workplace training, development, and career progression opportunities—also means of achieving gender diversity in management. Stakeholders noted that internal career advancement plans can be useful to promote equal opportunities for women and men to establish career mobility.

The role of mentoring, particularly for women, was highlighted by workshop participants. They emphasized the need for female role models, particularly in contexts where women have not traditionally taken an active role in the workforce, to enhance recruitment and retention of women and to support their career development and promotion.

Many of those consulted wanted sustainability reports to include information on management initiatives to promote equal representation in the workplace, as well as the percentages of promotions by gender in the organization’s main employment categories. They also want companies to report statistics on the percentage of employees receiving regular performance and career-development reviews and gender-disaggregated data on the ratio of job applications to new contracts.

Work-Life Balance and Flexible Work Schedules

Workshop participants stressed the importance of organizations’ undertaking concrete, verifiable actions toward implementing and promoting flexible work schedules and other family-friendly policies and practices. These initiatives were deemed valuable in ensuring the retention of skilled employees. Flexible scheduling was viewed as particular but not exclusive concern to those with family commitments, such as caring for a young child or older relatives, according to those consulted.

Sustainability reporters were encouraged to include details on their flexible scheduling policy, data on the uptake rate, and contextualizing information on organizational culture or other factors that affect the uptake of the policy. It was thought that objective and prompt consideration of workers' requests for adjustments to their work arrangements may enable organizations to contribute significantly to the advancement of gender equality.

Maternity, Paternity and Parental Leave

Some male workshop participants discussed the pressure on them after the birth of a child to be the breadwinner, when in fact they would like to play a greater role in their family life. They argued that employers and legislation also discriminate toward men, in regard to their entitlement to parental leave compared to women’s. Furthermore, some expressed the view that men are generally less encouraged to take advantage of parental leave benefits where they do exist, pointing to societal norms and employer values as explanatory factors.

It was agreed that while there are some biological and health-related reasons why a new mother requires time off from work immediately after giving birth, aside from this time, new fathers and mothers ought to be extended equal parental leave for reasons of gender equality. It was thought that considering such a policy may drive change in societal norms.

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Box 3.4. The Icelandic Act on Maternity/Paternity and Parental Leave

In 2000, the parental leave provided for by Icelandic law was extended from six months to nine. Parents who are active in the labor market are paid 80 percent of their average salaries while on leave. The payments come from a specific fund, financed through an insurance levy. The leave is distributed so that fathers and mothers are given three months of leave each, and parents are given an additional three months to share as they wish.

According to a study by Gíslason (2007), the act has been well received by society. Around 90 percent of fathers exercise their right to take leave, using on average 97 days, while mothers use an average of 180 days. This may suggest that more fathers than ever are active in caring for their young children. It has also been argued that the act has leveled the status of men and women in the labor market in Iceland. Furthermore, the fertility rate has increased in the wake of these changes and now stands at 2.1 children per woman.
In terms of data to be included in sustainability reports, those consulted expressed interest in the actual and percentage uptake rates, broken down by gender and by grade, of parental leave as required by law in some countries. Details on any additional parental leave provided to employees by organizations were also of interest, as well as information on what initiatives organizations have in place to encourage both female and male employees to take the leave they are entitled to. Finally, workshop participants also suggested including data on return rates, by gender, from parental leave.

Access to Child Care

The issue of child care was articulated as an important factor in the work-life balance of employees of both genders. Participants in the consultations voiced an expectation that large employers provide financial support for child-care services or assistance, information, or resources to help employees obtain suitable services.

It was suggested that sustainability reports address whether child-care programs and facilities are provided by the organization and whether this is mandated by legislation. Workshop participants encouraged organizations to report on the percentage of employees taking advantage of these programs, broken down by gender. Analysis of these figures could be aided by contextual information, such as the percentage of the employee pool that is of pre- or post-childbearing age, as well as any relevant regulatory requirements.

Equipment and Facilities

Workshop participants pointed to the sometimes gender-insensitive provision of equipment (including personal protective equipment) and facilities for employees. Separate toilets and changing facilities for men and women and private space for breastfeeding mothers who need to pump breast milk were identified by stakeholders as important factors in promoting gender equality in the workplace. Those consulted said that the lack of these facilities could adversely affect employees and could put female workers in particular in danger of sexual harassment or physical harm.

Employee Health and Safety

Workshop participants deemed it a responsibility of reporting organizations to guarantee a safe working environment by implementing policies and practices to secure the health and well-being of all employees, and specifically of women. They articulated the expectation that employers strive to prohibit and prevent all forms of violence in the workplace, including verbal, physical, and sexual harassment. It was suggested that female representation on workplace health and safety committees can facilitate progress in this area and ensure that gender-specific considerations are made, and that effective grievance mechanisms can help reduce cases of gender-based violence and harassment. Furthermore, it was viewed as not being enough for an organization to simply have a policy in place; workshop participants expressed that the policy needs to be communicated and supported by awareness-raising programs and initiatives.

Box 3.5. Employee Complaint Mechanisms in India

Guidelines laid down by the Supreme Court of India (in the case of Vishaka & other v. State of Rajasthan, 1997) indicate that companies should create an appropriate complaint mechanism for the redress of employee complaints of sexual harassment. To be adequate, the complaint mechanism must provide, where necessary, a complaints committee, special counselor, or other support service (Jhingan 2008; see also Desai 2005).

An issue that emerged in South Africa was ensuring that pregnant women are protected from exposure to hazardous chemicals in the workplace in order to prevent any threat to their reproductive health. This was viewed as needing to apply to all working environments where female and male employees are exposed to substances that may have an adverse effect on their health.

Workshop participants were interested in reading in sustainability reports data on the number of reported incidents of sexual harassment in the workplace,
broken down by gender. They also wanted to know that a reporting organization has a grievance mechanism in place. Furthermore, they were interested in gender-disaggregated statistics about the number of sexual harassment cases put forward and the number of cases resolved. The reason stated for wanting to know this information is that it could be useful for determining whether existing grievance mechanisms are equally effective for women and men. Workshop participants also expressed interest in information on the percentage of the total workforce represented in formal joint management-worker health and safety committees, as well as data on rates of injury, occupational diseases, lost days, absenteeism, and work-related fatalities, broken down by gender.

Freedom of Association

During the consultations participants stressed the importance of trade union membership, especially for women, in supporting the achievement of workplace gender-equality goals. Although freedom of association is a basic human right covered by international ILO declarations and conventions (particularly ILO core conventions 87 and 98), participants emphasized this right is still not universally enjoyed. Concerns were raised as to the lack of women involved in trade unions, as stakeholders believed that women benefit more from trade union membership. Workshop participants also expressed an interest in including the number and gender of the trade union representatives in a company in sustainability reports.

Box 3.6. Equal Employment Opportunity (EEO) Disclosure in the United States

“EEO-1 disclosure provides a comprehensive breakdown of a company’s workforce by race and gender across employment categories. … The federal government [in the USA] requires private companies with 100 or more employees and federal contractors to submit EEO-1 data. However, companies are not required to release EEO-1 information to investors or the public” (Catalyst 2008).

Relevant Measures within the G3 Guidelines

The GRI Labor Practices and Decent Work Disclosure on Management Approach in the G3 Guidelines asks for information on policy, organizational responsibility, training and awareness, monitoring and follow-up, and additional contextual information on the labor aspects. GRI’s Human Rights Disclosure on Management Approach asks for information on relevant aspects such as nondiscrimination, complaints and grievance practices, and freedom of association and collective bargaining. While neither specifically mention gender, the GRI aspects listed do relate to gender, and reporters could mention relevant gender information in the course of responding to these disclosure on management approaches (DMAs).

The following list outlines existing GRI indicators relevant to workplace gender equality.47 Per the expectations raised by stakeholders during the consultations for this document, best practice sustainability reporters would provide gender-disaggregated data relating to these indicators (LA6, HR4, LA10, LA3, LA4). Such data could facilitate analysis of whether their practices positively contribute to gender equality.

- LA2: Total number and rate of employee turnover by age group, gender, and region
- LA14: Ratio of basic salary of men to women by employee category
- LA6: Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs
- HR4: Total number of incidents of discrimination and actions taken
- LA10: Average hours of training per year per employee by employee category
- LA12: Percentage of employees receiving regular performance and career development reviews

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47 The indicators listed are grouped by those that specifically mention gender followed by those where gender disaggregated information could be provided.
Box 3.7. Equal Opportunity Reporting in Australia

In Australia, organizations (private, public, and others) with more than 100 employees are required to report on their practices and policies with regard to women in terms of recruitment, promotion, transfer/termination, training and development, work organization, conditions of service, sexual harassment, pregnancy, and breastfeeding. They are also required to show staff consultation in this analysis and to list priority issues, actions taken, evaluations, and actions planned. These reports are available to the public, except for salary information and evaluation of actions taken and their effectiveness, which may be kept confidential. These are substantial parts of the reports to the Equal Opportunity for Women in the Workplace Agency, and their lack of availability to the public has been a cause for concern for unions. Companies can be waived from reporting requirements for three years after producing a particularly good report. Data on those companies is not available to the public during this period. (Grosser, Adams and Moon 2008)

Box 3.8. The South African Mining Charter: Aspiring to Equity in the Mining Sector

The “Mining Charter” adopted by the South African mining industry in 2002 recognizes that “blacks, mining communities, and women” have historically been excluded from the mainstream of the economy. The charter states the industry’s intention to adopt a proactive strategy of change at the levels of ownership, management, skills development, employment equity, procurement and rural development.

The charter states that companies shall establish targets for employment equity and take steps toward “ensuring higher levels of inclusiveness and advancement of women … [with a] baseline of 10 percent of women participation in the mining industry within 5 years.” The industry agrees to setting and publishing targets in all areas of transformation.

As a result of the charter, the doors have been opened for women in South Africa to be more visible in mining jobs, take ownership in mining operations, and develop businesses as local suppliers to mining companies.

See http://us-cdn.creamermedia.co.za/assets/articles/attachments/00023_charter_doc.pdf for the full text of the “Proposed Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry”, which was released by the government on October 9, 2002.
- LA3: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations
- LA4: Percentage of employees covered by collective bargaining agreements

Of particular relevance to apparel and footwear (AF) companies, but also useful for other organizations, are the following sector supplement indicators:

- AF27: Policy and actions to protect the pregnancy and maternity rights of women workers
- AF11: Incidents of non-compliance with standards on pregnancy and maternity rights
- AF32: Actions to address gender discrimination and to provide opportunities for the advancement of women workers.

**Further Measurement Examples**

The following table includes ideas for other performance measurements related to gender equality in the workplace, suggested by stakeholders during the consultation for this publication.

**Table 3.2. Suggested Measures of Gender-Equality Performance in the Workplace**

<table>
<thead>
<tr>
<th>Organizational objective</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have a fair and unbiased wage system</td>
<td>Basic: Ratio of remuneration of all employees and by employee category, by gender</td>
</tr>
<tr>
<td></td>
<td>Moderate: Uptake rate of flexible working arrangements, by gender</td>
</tr>
<tr>
<td></td>
<td>Advanced: Maternity/paternity/parental leave return rates, by gender</td>
</tr>
<tr>
<td>Offer equal job opportunities</td>
<td>Basic: Initiatives to promote equal opportunities at the workplace</td>
</tr>
<tr>
<td></td>
<td>Moderate: Ratio of job applications to new contracts signed, by gender</td>
</tr>
<tr>
<td>Support human resource development</td>
<td>Basic: Average hours of training per year per employee by gender and part time and full time employee category</td>
</tr>
<tr>
<td></td>
<td>Moderate: Percentage of promotions in the organization’s main employee categories, by gender</td>
</tr>
<tr>
<td>Ensure a safe and healthy work environment</td>
<td>Basic: Initiatives to provide information, education and training on sexual harassment in the workplace</td>
</tr>
<tr>
<td></td>
<td>Moderate: Total number of incidents of sexual harassment and action taken, by gender</td>
</tr>
<tr>
<td>Have in place an effective grievance mechanism for workers</td>
<td>Basic: Available channels within organization for filing gender-based discrimination grievances</td>
</tr>
</tbody>
</table>

Blue = qualitative performance measurement examples
Purple = quantitative performance measurement examples
Box 3.9. Dutch Working Hours and Labor Conditions Legislation

The Dutch Working Hours Act (Arbeidstijdenwet) requires employers to provide a room for employees who are breastfeeding their babies, as well as for pregnant employees. Article 4:8 of the law makes the following provisions:

1. A female employee who is breastfeeding her baby is allowed, provided that she has informed her employer, to spend time during her normal working hours to breastfeed and/or express milk. She is allowed to do this until her baby reaches 10 months of age.

2. The time spent feeding and/or expressing milk, as mentioned in the first paragraph, is allowed to occur as frequently and for any length of time necessary as long as it does not exceed one quarter of the working time per day/shift. The actual time should be set out in consultation with the employer.

3. The time spent feeding and/or expressing milk, as mentioned in the first paragraph, will be viewed as working time and will be paid as normal.

4. Every condition that deviates from this article, which negatively affects the employee, is null and void.

The rights and obligations mentioned in this act apply both to the public and the private sector. The same is true of the Dutch Labor Conditions Act (Arbeidsomstandighedenbesluit). Article 3.48 of that act states that a room that can be locked should be made available for pregnant employees and employees who are breastfeeding their babies, so that they can have the opportunity to rest. In this room there will be a comfortable fold-up bed or sofa available. If the employer does not comply with the provisions to the decree, a fine is to be paid. (article 9.9 [c])

Source: The Dutch Working Hours Act (Arbeidstijdenwet) and The Dutch Labor Conditions Act (Arbeidsomstandighedenbesluit).

Box 3.10. Reporting Example of Paternity Leave Rates, Gender Wage Gap and Sexual Harassment Awareness Initiatives

In its 2008 Sustainability Report, the Swedish energy company, Vattenfall, reported the percentage of male managers taking paternity leave in its business in Norway. It also reported the percentage ratio of women’s to men’s salaries in the different countries where it operates. In addition, it included information on its initiatives to prevent sexual harassment in the workplace.

Gender Equality and the Supply Chain

Introduction

Globalized markets mean that many goods and services, particularly those that represent labor-intensive stages of the supply chain, are now outsourced by organizations to small and medium-sized enterprises (SMEs) based in new markets. According to Oxfam (Oxfam 2003), globalization has drawn millions of women into paid employment across the developing world. “Today, supermarkets and clothing stores source the products that they sell from farms and factories worldwide. At the end of their supply chains, the majority of workers—picking and packing fruit, sewing garments, cutting flowers—are women” (Oxfam 2003, p.2).

Gender equality and supply chain issues, in addition to being relevant to workers in export-oriented sectors in developing countries, are also important for women business owners. In the OECD and around the world, women's entrepreneurship is growing: many countries, both OECD members and others (e.g., Brazil, Ireland, Spain, and the United States; OECD 2001), witness start-up rates of women-owned and -managed enterprises that are higher than national average for all enterprises. In many cases, products and services produced by SMEs, be they owned by women or men, are sold under the brand of a larger organization, rather than that of the supplier. In some countries, even though women-owned businesses are rapidly increasing in terms of numbers, women as suppliers to government and corporations can be almost invisible inside the global value chain.

If the majority of the workers in the supply chain are women and women-owned businesses are looking to become more visible in supply chains, ultimately many of its risks and opportunities relate to women's rights as well as women's empowerment. To this end, organizations are increasingly being encouraged to help their suppliers better understand, manage, measure, and improve their gender sustainability performance. This supply chain chapter focuses on women workers and women's entrepreneurship in supply chains. It also draws on the previous chapter on Gender Equality and Organizational Governance and Values as well as Gender Equality in the Workplace, with the view that organizations should extend the values and workplace policies, standards, etc. they apply to themselves internally also to their supply chain.

Trends

The outsourcing of the production of goods and services to small and medium-sized enterprises in developing countries has created new opportunities for women's employment, both as employees and women entrepreneurs. However, much of this employment is considered to be informal employment, where workers often lack protection under legal or regulatory frameworks in terms of wages, working hours, and unemployment benefits.

Female workers are dominant in export-oriented sectors in middle-income developing countries, where, according to the OECD, they make up between 53 percent and 90 percent of workers (Korinek 2005, OECD 2008b, p. 69). Research has found a tendency for these female workers to dominate in low-skilled, labor-intensive jobs, such as textiles production. In export processing zones, depending on the sector, the output of women employed can account for between 33 percent and 80 percent of production and exports (OECD 2008b, p. 69). And while women's work in the export sector is fuelling valuable national export growth for many developing economies, “instead of being able to use their jobs to lift them and their families out of poverty” (Oxfam 2003, p.4), Oxfam points to evidence that women workers are often systematically being denied their fair share of the benefits (as, for example, women's often lower compensation, excessive overtime requirements, lack of health and safety provisions, etc.).

Research on the African horticulture sector indicates that “voluntary” codes of conduct applied by global businesses are typically limited to formal employment.

and have gender limitations. But gender-equality issues in the supply chain are also relevant for the informal economy as a quarter of the world’s working population is said to be active in informal work. And although there is no clear-cut evidence that women are systematically more likely than men to be in informal employment, women in developing countries are overrepresented in low-quality informal jobs and thus are likely to be more vulnerable to poverty than men (OECD 2009, p. 90). This is in part due to women's lack of access to formal employment, a consequence of time-constraining family responsibilities and of social norms. Informal-sector workers, regardless of gender, lack protection under legal or regulatory frameworks in terms of wages, working hours, and unemployment benefits. Consequently these workers, and disproportionately those who are women, are vulnerable and lack job security.

In addition to having offered job opportunities for women workers, global supply chains are also promoting women's entrepreneurship. Having surveyed 42 developed and developing countries, the 2007 Global Entrepreneurship Monitor Report concludes that “women's entrepreneurship matters.” With women creating and running businesses across sectors in several countries, the report finds that “female entrepreneurship is an increasingly salient part of the economic makeup of many countries and is a key contributor to economic growth in low/middle-income countries, particularly in Latin America and the Caribbean” (Global Entrepreneurship Monitor 2007, p. 10). The growth of SMEs also fuels job creation and contributes to the well-being of local communities: when women expand their companies, they often create jobs also for other women, through what is typically being referred to as ‘the female multiplier effect.’

Viewing women-owned enterprises as potential engines for growth and as underutilized, potentially profitable resources, several countries have enacted policies and laws that call on public-sector agencies to support women-owned enterprises through their procurement practices. Some argue (Orser and Weeks 2009) that supplier diversity (including women-owned enterprises) adds to purchasing options and increased competition in the supply chain, leading to greater cost economies. Winning or qualifying for a “public contract” also helps SMEs to position themselves as growth-oriented enterprises, enhances firm credibility, and therefore also increases the inventory of high-potential, innovative suppliers from which the public and private sector can choose.

In fact, in the United States, large federal contractors are required by federal agencies to provide written plans for subcontractor diversity. This is in line with the 1994 Federal Acquisition Streamlining Act (Public Law no. 103-355), which established a goal of 5 percent for federal contract spending with businesses owned and managed by women. However, it should be noted that this goal is not mandatory and has not yet been met. The U.S. Congress also passed the Women's Business Ownership Act in 1988, which not only required the U.S. Census Bureau to include all women-owned firms in the business census, but also launched a demonstration project of Women’s Busi-

Box 4.1. United Kingdom: Using Public Procurement to Improve Equality

“We want public services to meet the needs of our diverse society and promote equality in their workforce. For example, a Government department contracting out its recruitment services requires that all jobs must be advertised on a part-time basis or with flexible working unless there is a business reason why this is not possible. This will help to ensure that its work is available to all groups of people, in particular women” (U.K. Government Equalities Office 2009).


51 In India, the informal sector accounts for 9 out of every 10 women working outside agriculture.

52 In the United States, public procurement policy requires larger contractors, when conducting procurement transactions exceeding US$100,000, “to make ‘best efforts’ to make use of small, disadvantaged and women-owned small businesses as subcontractors, where possible.” And for “very large” procurement transactions (contracts exceeding US$500,000, or $1 million for construction projects), procurement policy requires the winning contractor to provide the agency’s contracting officer with a written plan that establishes a small-business subcontracting goal. See Orser and Weeks (2009, p. 24).
ness Centers to provide assistance to women seeking to start their own businesses (Orser and Weeks 2009). An important step in promoting women’s enterprises was to agree on a common definition. The U.S. National Women’s Business Council defines a women’s enterprise as “a business located in the United States or its territories, which is at least 51 percent owned, operated and controlled by a woman or women.”

Box 4.2. United States: Creating a National Women’s Business Enterprise Policy

A 1978 executive order (no. 1238) “directs each federal agency to take appropriate action to facilitate, preserve and strengthen women’s business enterprise by ensuring their participation in all business related activities including procurement. The head of each agency is to designate a high level official to have responsibility for the participation and cooperation of that agency in carrying out the Order.” It also allows grant recipients to take appropriate affirmative action in support of women’s business enterprises and to prohibit actions or policies that discriminate against women’s enterprises on the basis of sex.


Following the example of the public sector, 97 percent of the Fortune 500 companies in the United States have supplier diversity programs to promote sourcing from historically underutilized businesses. With the trend toward contract bundling, over 80 percent of these corporations now require supplier diversity efforts in turn from their tier-1 and tier-2 suppliers. There is limited empirical evidence linking firm performance with procurement programs that target women’s business enterprises, but other companies also believe that such programs increase their profits. The largest provider of local and long-distance telephone service in the United States put in place a supplier diversity program in 1989 and is reported to spend over US$2 billion with women-owned companies annually. It claims that it can trace US$26 billion in annual revenue to its supplier diversity program, making this “an integral part of the business.”

Many multinational corporations have similarly diversified their global supplier base to reflect their market and customer base. They argue that this increases shareholder value and enhances their competitive advantage. In 2007, the Women’s Business Enterprise National Council (WBENC), a U.S. certifier of women-owned businesses that sell to corporations and large government organizations, together with SB Services, a consulting firm focused on improving supplier diversity processes, conducted a survey of 1,227 female consumers between the ages of 35 and 55. Of the survey participants, 79 percent said that knowing that a company purchases from women-owned businesses was likely to compel them to try the product or services provided by that company. Survey findings also confirmed that awareness of a company’s commitment to buy from women-owned businesses can enhance consumers’ loyalty to that brand. In fact, the surveyed women reported that even if they had not bought from a particular company before, they would be likely to try its product or services knowing that the company supports women-owned enterprises. Thus, it can be argued that managing gender issues in the supply chain can have a direct effect on a company’s bottom line.

53 This includes minority-owned, women-owned and disabled-owned business enterprises (MWDBEs).
54 A tier-1 supplier is an organization at the top of the supply chain supplying goods or services directly to the client; also known as the ‘main contractor.’ A tier-2 supplier is a second-level contractor or subcontractor.
55 “Although a great deal has been done to support women’s entrepreneurship at the start-up level, the Billion Dollar Roundtable (the top 13 multinational corporations that purchase over US$1 billion each year from diverse suppliers) spend only 2.2% on women-owned businesses. WE Connect International estimates that less than 5 percent of corporate or government spending in any country is on women-owned businesses. This clearly identifies an area of underutilized economic growth potential.” From Vazquez, Elisabeth A. “Issues for consideration by IFC for article on Supply Chains.” June 2009 – IFC-WE Connect internal communication.
“We are working with very large corporate buyers and large government agencies in our target markets who are interested in having their supply chains be more inclusive and more representative of their communities, and that includes women-owned businesses as suppliers.”

Elizabeth Vazquez, Quantum Leaps Inc. and WE Connect International, United States

Many larger organizations are looking to improve the management of sustainability opportunities and risks in their supply chain, realizing that the impacts of their suppliers and of those suppliers’ subcontractors (including gender impacts) are inextricably intertwined with their own. If organizations that rely on brand equity are exposed as not being women-friendly in the supply chain, or face allegations that they exploit female workers, this could lead to customer boycotts and have negative effects on profits. Thus, ensuring monitoring and auditing of gender policies and practices in the supply chain could be an effective risk-mitigation strategy for companies. It also has the potential to facilitate the achievement of the MDGs and to reduce women’s and children’s poverty.

Implementation and Practice

Procurement departments or those responsible for contracting and relationship management with suppliers play a significant role in organizations’ policies, criteria, and decision-making regarding supplier selection. There are a range of initiatives and activities in which organizations can engage in as part of an institutional-wide gender sustainability strategy.

Promotion of gender equality practices within the supply chain

- Publish a clear and unambiguous executive-level policy statement/position to help ensure that employees and the public are aware of the organization’s support for gender equality practices in their supply chain.
- Put in place procurement policies and procedures that are gender sensitive.
- Identify mechanisms to help ensure that suppliers meet these policies and procedures in order to be eligible for procurement.
- Run supplier mentoring and training programs on gender practices and reporting.
- Seek suppliers sharing the organization’s commitment to gender equality. Request from potential suppliers information on their gender policies and supplier diversity.
- Publish a list of the largest tier-1 suppliers and their gender policies.
- Request third-party audits of suppliers’ gender performance data.

Promotion of supplier diversity

- Adopt a widely accepted definition for a ‘women’s enterprise’ for the purposes of being able to effectively report on gender diversity in the supply chain.\(^{58}\)
- Determine the financial value and percentage of total procurement spending done by vendor, broken down by gender and type of supplier.
- Within the guidelines of the local law, analyze the existing supply chain to establish the current baseline number of first- and second-tier suppliers that meet the definition of women’s enterprises, and identify opportunities to reach out to and strengthen partnerships with women-owned and -managed businesses.
- If applicable, establish targets to raise the number of women’s enterprises within the supply chain.
- Work with a third-party organization that can help identify, verify, and certify women-owned businesses in the organization's supply chain.
- Identify a “women’s enterprise champion” within the organization’s procurement department to keep track of supplier-diversity statistics.

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\(^{58}\) The U.S. National Women's Business Council defines of a women's enterprise as a company that is at least 51 percent owned, managed, and controlled by one or more women.
• Make available to staff a list of suppliers and subcontractors that are women’s enterprises for inclusion in procurement processes (particularly during outreach at the ‘expression of interest’ stage).

• Increase transparency by making public key information about how the organization’s supply chain works, how the organization sources from vendors, what is being sourced from vendors, and, if applicable, how SMEs can register as preferred suppliers and compete for contracts.

• Create outreach initiatives, offer a supplier mentoring program, and host matchmaking events and “procurement fairs” targeting women-owned businesses to help develop their capacity to become quality suppliers.

What Stakeholders Said

Promoting gender equality through the supply chain was viewed as a priority at four out of the five multistakeholder workshops. In Johannesburg, São Paulo, and Washington, D.C., it ranked after gender-equality issues in corporate governance and values and gender equality at the workplace. Supply-chain issues were deemed important for inclusion in this publication but were not discussed at length during the consultation in London. The following table summarizes some of the main points raised at the workshops.

Table 4.1. Business Practices Suggested by Stakeholders, by Workshop Location

<table>
<thead>
<tr>
<th></th>
<th>United Kingdom</th>
<th>South Africa</th>
<th>Brazil</th>
<th>India</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishing gender-equality informed procurement policies</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Reporting on tier-1 suppliers and creating a full list of suppliers with information on their gender policies</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Conducting gender-performance audits of suppliers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Conducting impact assessment of supply chain including gender diversity of suppliers as a criterion*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Training procurement partners on gender issues and helping build capacity of women-owned suppliers</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Procuring from women’s enterprises*</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Setting supplier diversity targets*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Taking into account a country’s women’s rights enforcement as factor for procurement decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

* (within the guidelines of the local law)
Procurement Policy and Procuring from Women-Owned Suppliers

Overall, workshop participants from developing countries recommended that reporting organizations’ commitment to gender equality be reflected in their supply chain, particularly those companies with considerable reliance on the supply chain, as in the apparel and footwear sector. They also raised the issue of gender diversity within the reporting company’s portfolio of suppliers and the degree to which the organization’s gender-diversity programs aim to provide women-owned and -managed businesses with the opportunity to compete on a fair and equal basis for contracts. In turn, they raised the question of gender policies and practices within the supplier organizations themselves.

There was broad agreement (particularly in India) that organizations need to begin reporting on who their suppliers are before they can include information on gender-equality issues related to suppliers.

At the U.S. workshop, participants pointed out that while the number of women-owned enterprises in an organization’s supply chain is viewed as a useful indicator, women-owned suppliers do not necessarily apply gender-equitable practices themselves. Hence, workshop participants argued that for an organization to fully account for its gender impact it needs to also report on its tier-2 suppliers.

Participants mentioned that organizations should be reporting on gender issues in the supply chain as part of the GRI human rights indicators.

Participants suggested that sustainability reporters discuss their policy on procurement, including any gender criteria among the supplier-selection criteria. Some encouraged reporters to include the number of suppliers that are owned or managed by women and whether the suppliers have a gender policy themselves.

Monitoring and Risk Management

Workshop participants cited supply-chain-management techniques that are used to monitor suppliers, such as auditing whether a supplier organization has gender-diverse management. Participants at the U.S. workshops also felt that organizations should be conscious of which countries they are sourcing from, as some countries have a better record than others in terms of protecting women’s rights. Workshops participants noted that the presence of certification bodies is likely to be crucial to facilitate monitoring of gender issues in the supply chain.

Building Suppliers’ Capacity

Workshop participants recommended that organizations train suppliers on gender issues as part of a broader supplier capacity-building program. Such training could address gender diversity, in addition to human-rights issues such as the trafficking of women for labor purposes. This issue was viewed as being of potential concern to organizations with significant supply-chain operations in emerging economies where the legal and regulatory environment is different from their own.

Relevant Measures within the G3 Guidelines

An organization reporting on its supply chain should decide which aspects of the supply chain to report on as well as how to report them. For example, not all of an organization’s suppliers are equally important to the organization. The reporting organization should ask certain key questions of itself before reporting in this domain: Which suppliers fall under the control or significant influence of the reporting organization? Which suppliers have significant impacts on the reporting organization’s performance?

Currently, the GRI G3 Guidelines request information on the scope and boundary of a sustainability report to be included as part of the report’s profile section. GRI’s boundary protocol can serve as a reference for where the boundary should be in the context of supply chain reporting.

One of GRI’s core indicators is EC6: policy, practices and proportion of spending on locally-based suppliers at significant locations of operation. Stakeholders who participated in the consultations on this publication suggested that reporting organizations pay particular attention to the gender element in addressing this indicator.

Another core GRI indicator is HR2: percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.
With gender equality being integral to the international human rights framework, this implies that gender issues also be covered under this indicator.

A GRI indicator included in the pilot version of the Apparel and Footwear Sector Supplement, which could also be used beyond that sector, is AF6: policies for supplier selection, management and termination. Reporting on this indicator could be relatively straightforward, given that it relates to an organization’s activities under its direct control.

Management and reporting of sustainability issues, including gender, are typically considered the domain of large organizations but are increasingly being embraced by SMEs within the global supply chain. An emerging trend is that these smaller, but no less important, organizations are writing their own sustainability reports and getting them certified by assurance providers. In 2007 over 80 reports were published by SMEs in the global supply chain. One approach to gathering gender information on the supply chain is for larger organizations to work with and support their suppliers in producing sustainability reports containing gender information. Larger organizations could include in their own sustainability reports information on initiatives they have in place to support suppliers in implementing gender-equality policies and programs and in reporting on these activities.

**Further Measurement Examples**

Indicators discussed in the chapter on gender equality and organizational values as well as the chapter on gender equality in the workplace are also likely to be particularly relevant for consideration by organizations managing and reporting on gender impacts within their supply chains. Organizations may want to report on the fact that their suppliers have values and gender practices similar to that of their own organization.

### Table 4.2. Suggested Measures of Gender-Equality Performance in the Supply Chain

<table>
<thead>
<tr>
<th>Organizational objective</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do business with organizations that respect gender equality</td>
<td>Basic</td>
</tr>
<tr>
<td>Description of gender equality in procurement policy and plans</td>
<td>Percentage of suppliers that have gender-equality policies or programs</td>
</tr>
<tr>
<td>Gender composition of supplier workforce</td>
<td>Percentage of suppliers’ managerial posts, by gender</td>
</tr>
<tr>
<td>Promote women’s entrepreneurship and supplier diversity</td>
<td>Financial value and percentage of total procurement by supplier company and type of good or service, broken down by gender and type of supplier</td>
</tr>
</tbody>
</table>

Blue = qualitative performance measurement examples  
Purple = quantitative performance measurement measurement examples
In its 2007 Sustainability Report, Nike, a US headquartered international apparel and footwear company, reported the total number of contract factories and the total number of contract factory employees by global region or operating segment. While it does not provide gender-disaggregated data for the latter measure, it does provide an estimated number of female workers working in the contract factories within its supply chain, as well as their minimum age and the approximate age range.

Gender Equality and the Community

Introduction

The efforts of organizations to promote gender equality in their operations can be strengthened through promoting engagement with one of their key stakeholders: local communities. Local communities provide a pool of potential employees and a home to existing employees, potential suppliers and a customer base. According to IFC’s performance standards, the definition of local community is part of an environmental and social impact-assessment process that determines the organization’s sphere of influence.

One of the key channels through which organizations engage with local communities is through the management of their negative impacts (mitigation, compensation, or legal compliance). However, organizations often also engage and invest in initiatives (gender-focused or otherwise) within their local communities to maintain their social license to operate. Communities are not homogeneous, and there can be divergent characteristics, views, and opinions within groups of women and men. It should also be noted that the gender priorities of an organization may not necessarily reflect those of the local community, and vice-versa.

“There is a lot of interest in having a gender conversation and we have been discussing how this could be done. The opportunity to discuss the question of gender in reporting is quite timely in Brazil because Brazilian companies are much more interested today than 10 years ago on how they dialogue with the society on what they are doing.”

Thereza Lobo, Comunitas, Brazil

Further to the business reasons, many organizations have an ethical imperative for their community engagement. Reasons often cited include alleviating poverty and contributing towards achieving the Millennium Development Goals (see appendix). There is evidence and international agreement that women are disproportionately affected by and more vulnerable to poverty (OECD 2008b, p. 17). By addressing the root causes of gender inequality through their outreach in local communities, organizations can also contribute to combating widespread global poverty. According to the OECD (2008b, p. 19), “Improving the access of women to education and healthcare as well as economic opportunities can have significant positive outcomes for poverty reduction.” The beneficiaries of organizations’ social and economic efforts regarding gender equality in the community are first and foremost women in the community, although increased equality is likely to benefit the community as a whole.

Box 5.1. Employees Support Women in the Community

An international computer technology company and IT consultancy has an internal network called Women in Technology (WiT) with the objective of increasing the number of women in technical professions in the company. The chapter of the WiT network in Italy encourages teenagers to take up math and science in high school and university through a series of workshops organized in high schools by WiT volunteers.


Trends

The traditional approach of businesses to community engagement and investment is through philanthropy, charitable giving, and employee volunteer work. However, a strategic approach to community investment has been emerging. In this approach, companies use their resources to improve the quality of the business environment (Porter and Kramer 2003). According to Porter and Kramer (2003, p. 31), “Using philanthropy to enhance the competitive contexts aligns social and economic goals and improves a company’s long term business prospects.” By extension, companies can use a strategic approach to correct gender inequality in their communities in order to improve their competitive context and deliver on their business objectives.

Investing in the community can lead to increased staff recruitment and retention. For example, one international financial institution attributed some degree of staff loyalty among its 73,000 employees to a community corporate social responsibility program that targets women with forty-four percent of employees having been personally involved in the initiative. According to a 2008 staff survey, 90 percent of staff were “proud” or “very proud” that their employer has a “powerful” community initiative that has “brought staff together across markets, businesses and targets as well as helping engage with customers and consumers” (IFC 2009a, p. 28). Being perceived by the community as a women-friendly organization can be particularly important to financial institutions in helping them reach out to an untapped and potentially profitable female customer base. In turn, providing women with access to finance (not only at the microfinance level, but also at the SME level) is often considered a key for women’s empowerment and—as demonstrated by research—is likely to have positive impacts on the entire community.

Engaging with the local community can also help an organization learn about and address existing community concerns about its impact locally, and in turn can mitigate the risk that this may pose. For example, the establishment of a community grievance mechanism can help detect any community concerns early on, as they arise (and sometimes avoid lawsuits from the community against the organization). Such mechanisms typically build on and complement other community-engagement processes. Engaging with women at the community level allows an organization to listen to women’s often unheard voices, which can offer important insights into concerns of the community that the organization otherwise might not be aware of.

In other instances, organizations may want to engage especially with groups of men. For example, there are well-documented instances in which organizations attract predominantly male workers introducing also the practice of prostitution in the community. If this translates to high prevalence of HIV/AIDS in a community this can negatively impact the workforce and result in organizational inefficiencies and costs due to loss of staff time. Consequently this could justify an organization’s active involvement in HIV/AIDS-preventative community programs. The example in box 5.3 from Zimbabwe shows that dialogues between organizations and men in the community may be especially effective in addressing the issue of HIV/AIDS.

In some situations, an organization’s operations may require a resettlement of local populations. While the effects of displacement may be common to women and men, women are often more adversely affected by or vulnerable to displacement (Benjamin and Fancy 1998). Affected people, and particularly women, can experience a loss of livelihood, the breakdown of social networks, and a loss of access to services, among other consequences (Farha and Thompson 2002). Understanding the gender-differentiated impact of displacement by assessing gender impacts as part of environmental and social impact assessments can help organizations ensure that women are not further disadvantaged beyond being displaced.

Box 5.2. Consulting with Women through an Institutional Mechanism

A mining company in Ghana set up a Women’s Consultative Committee that has 75 members and holds meetings each quarter to discuss issues affecting women, such as employment, access to credit, and scholarships for children’s education. This committee also ensures that women have representation on the mining company’s other committees. Resolving officers responsible for the organization’s grievance mechanism are invited to committee meetings to explain how the issues raised are being dealt with. The committee members then meet with other women to give feedback. If an issue cannot be resolved at the meeting, it is channeled through the organization’s grievance procedure (see IFC 2009b).


For more information on Standard Chartered’s “Seeing is Believing” initiative visit http://www.standardchartered.com/sustainability/community-investment/seeing-is-believing/en/.
Engaging in community initiatives can serve to mitigate financial risks and loss of productivity. For example, violence against women in the workplace and at home, can negatively impact an organization’s productivity, which has associated financial implications. In fact, in the United Kingdom the cost of absenteeism, loss of productivity, and rapid turnover of employees due to violence against women is estimated at £2.7 billion (PCSA International 2008). There is evidence suggesting that women are more likely than men to face sexual discrimination in the workplace and that discrimination is greater for temporarily or casually employed female workers than for those in continued or permanent employment. While this topic relates directly to workplace issues, it is also particularly relevant to organization’s community work in respect to potential future employees. According to the American Institute on Domestic Violence, the annual cost of domestic violence in the United States exceeds $5.8 billion, and corresponding losses of productivity and earnings amount to $1.8 billion. Other studies show that 96 percent of domestic-violence victims experience problems at work due to abuse (American Institute on Domestic Violence 2001).

But the case for preventing violence against women in the workplace and the community goes beyond the business case. Violence against women is considered a cause and a consequence of gender inequality. More generally too, while strategic reasons for community engagement and investment are important, the moral imperative for organizations to promote and respect gender equality and women’s empowerment in the local community, is equally compelling and motivating for female and male employees and their employers. Gender equality is a key part of the wider international framework for human rights, and organizations may want to work with the community on the issue in part to demonstrate their accountability to the women, men, and children in the communities where they live and work and to contribute to ensuring a gender-equitable future for all.

“If we just focus on the business reasons for doing it, we really miss a trick. People want to do this because it is the right thing, not just because it is good for business.”

Sam Mercer, Business in the Community (BITC), United Kingdom

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Box 5.3. Engaging with Men to Promote Gender Equality in the Community

In Zimbabwe, there is an NGO called Padare/Enkundleni—the Men’s Forum on Gender. Founded in 1995 by a group of five men, this organization has 1,500 members spread across 17 chapters nationwide. It is committed to promoting gender equality and has developed programs that target behavioral change in men and boys in the area of gender relations. It uses a media and outreach campaign to publicly discuss men’s roles and to sensitize male journalists and political groups to gender issues. The organization works with men in taking responsibility for the HIV/AIDS epidemic. It convenes workshops with men to address how men’s behavior facilitates the spread of HIV and AIDS and how men can become involved in prevention and care.

Source: Dorcas Hove (Johannesburg consultation workshop participant), Federation of African Media Women in Southern Africa, South Africa.

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64 Acts of domestic violence are mainly perpetrated by adult men against women and girls. See UNICEF 2007. According to the World Report on Violence and Health by the World Health Organization (WHO 2002), 40 percent to 70 percent of female murder victims in Australia, Canada, Israel, South Africa, and the United States were killed by their husbands or boyfriends. In the United Kingdom, the number is 40 percent. In-depth study on all forms of violence against women- Report of the Secretary-General 6 July 2006 available for download at: http://daccsesdds.un.org/doc/UNDOC/GEN/N06/419/74/PDF/N0641974.pdf?OpenElement.
Women can also be disproportionately affected by an organization’s direct and indirect environmental impacts, most notably climate change. According to the United Nations Development Programme (UNDP 2007, pp. 81–82), “Women’s historic disadvantages—their limited access to resources, restricted rights, and a muted voice in shaping decisions—make them highly vulnerable to climate change. The nature of that vulnerability varies widely, cautioning against generalization. But climate change is likely to magnify existing patterns of gender disadvantage.” Women adapting to climate change face increasing challenges in carrying out their household activities. For example, it is well documented that women who are typically responsible for water and firewood collection have to walk further as a consequence of climate change. This compounds their social and economic disadvantage, as it reduces their time for attending school and pursuing income-generating activities. Therefore, women’s participation in planning for climate change, including at the community level, is promoted by UNDP, as are initiatives addressing their interests in relation to this issue (UNDP 2007, p. 82).

Implementation and Practice

The following provides a range of examples of community initiatives and activities that reporting organizations can engage in as part of an organization-wide gender approach and community engagement strategy.

Consultation

- Ensure that women have representation on governance and decision-making bodies such as committees that engage with the local community and that make decisions on community investment projects.
- Consult with the organization’s internal women’s network (if one exists) to gather “intelligence” from female employees on gender issues in the community and approaches to resolving them.
- Set up a process in which women in the community are consulted to ensure that their voices are heard (in some cases it may be useful to consult with women separately).
- Consult with women during the scoping process of community projects and ensure their representation in helping identify and select community initiatives funded by the organization and in decision-making and governance structures, so they can participate in determining how funds get spent, on which communities, and on what types of initiatives.

- Support the establishment of an (external) women’s community consultative council, if deemed useful.

Community Initiatives

- Connect the diversity official of the organization (if one exists) with the staff who design and implement community initiatives. The diversity official may be able to bring a unique gender perspective to the community programs.
- Find out if there are any existing public-sector-supported initiatives with a gender focus that might be of interest to the organization. Consider whether such initiatives might be worth leveraging in a tripartite (private sector, community and government) arrangement.
- Ensure that any partnerships (whether public or private) fit with the organization’s values on gender.
- Work closely with local governments and communities on policies and practices that promote gender equality and the empowerment of women.
- Consider employee volunteering as mechanism to help better understand and address gender issues in the local community.
- Support the provision of educational information about domestic violence to the local community.

Building Women’s Capacity

- In order to enable women’s effective participation in local community programs throughout design and implementation stages, identify women’s learning needs in the community and help ensure that these needs are addressed.
- Provide career information and training programs designed for the local community that are accessible by and targeted to both women and men.
- Consider establishing programs to encourage women to enter nontraditional fields related to the organization.
Monitoring and Evaluation

- Ensure that gender-differentiated impacts on local communities are taken into account during an environmental and social impact assessment process and that gender-disaggregated data are included in the baseline information obtained.

What Stakeholders Said

Promoting gender equality in the community was viewed as a high priority at all workshops. In India and South Africa, it was deemed the second most important area of gender issues, after workplace issues. Community issues also figured prominently in Brazil.

Workshop participants frequently identified the community issues discussed below as factors in the promotion of gender equality through how a reporting organization interfaces with its community.

Table 5.1. Business Practices Suggested by Stakeholders, by Workshop Location

<table>
<thead>
<tr>
<th>Issues</th>
<th>United Kingdom</th>
<th>South Africa</th>
<th>Brazil</th>
<th>India</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting community development programs that empower and target women, with a focus on access to essential services</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Promoting women’s access to finance</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Contributing to cultural change and improved attitudes toward women</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Promoting fair and equal treatment of women in the informal sector</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender budgeting of programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Consultation with women in the community</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Assessing gender-differentiated impacts of operations on the community</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Promoting the legal framework and its application in the community</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Promoting employee volunteering as part of community investment</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Investing in community education on and prevention of domestic violence</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Box 5.4. A Company Employs Displaced Women

A Colombian coffee company, is working with the International Organization for Migration on an income-generation program for internally displaced women in Colombia. This project allows women to earn a living by making sacks for coffee and is aimed at strengthening the market potential of displaced people to help them on the road to financial independence. These sacks are used to package café de reconciliación, or “reconciliation coffee,” sold by the company. To date, 210 women, who are heads of household with an average of two to three children, have directly benefited from this program.

Community Consultation

Workshop participants stressed that reporting organizations should take steps to ensure that they speak with and provide a voice to women as well as men in community consultations. It was pointed out that the involvement of women has the potential to bring about change in traditional gender relations in the community. Overall, ensuring the participation of women in community programs (in both their design and implementation) was perceived as making those programs more transparent, effective, and sustainable.

Participants suggested that sustainability reporters include information on the gender balance of the local community members consulted, as well as on the process for selecting the individuals or groups consulted. It was mentioned that a starting point for reporting organizations is to identify who constitutes the local community for reporting purposes. This can be challenging, as one organization may work in many different locations.

Community Impact

An important priority and expectation articulated by stakeholders was that organizations manage and report on their impact on the local community, and specifically on women. Overall, they recommended that organizations ensure that their community projects are based on an understanding of existing gender relations in the community. They suggested that community initiatives aim to reach and positively impact women and men (and at a minimum not do harm by furthering gender stereotypes) and that organizations also make a special effort to contribute to the empowerment of disadvantaged women and their access to basic services. Such efforts were viewed as contributing to changing communities’ existing gender paradigms and beliefs about women.

According to participants, organizations should take particular care not to disadvantage women. They stressed that certain business activities have a greater negative impact on women than on men. In India, for example, it was noted that the displacement of local communities is sometimes a necessary result of the activities of certain types of organizations, such as those involved in energy generation. Displacement and resettlement often as a result of large infrastructure projects were raised as impacts that could disproportionately negatively affect women who often have less control than men over land and property. Therefore, stakeholders expressed the expectation that organizations examine the gender-differentiated impacts of displacement that they may cause.

Participants also discussed how employers can alter a local population’s gender balance, with sometimes detrimental effects, when they relocate employees. In the case of certain sectors that traditionally rely on large numbers of male employees, such as mining, they mentioned that the high-risk sexual behavior of these employees can impact the health and well-being of local communities. Specifically, stakeholders mentioned the often increased prevalence of HIV/AIDS and female prostitution in the immediate vicinity of mines. They noted examples of mining companies’ working in partnership with local communities, including setting up women’s consultative councils, as part of their community engagement strategy to address such problems. It was mentioned that in certain countries there may be specific reporting requirements related to community impacts. For example, in South Africa, the King Report II (2002) requires private companies to disclose their HIV/AIDS strategic plan and policy.

Participants expressed the expectation that reporting organizations provide gender-disaggregated information on which community members they consult and how those peoples’ views are gathered. It was also suggested that organizations count and report the beneficiaries of their community outreach by gender, although this information was deemed possibly difficult to gather. In addition, stakeholders recommended that organizations conduct “gender budgeting exercises,” examining whether the monetary value of their programs is distributed to beneficiaries of both genders equitably. Likewise, it was suggested that

65 Report of the King Committee on Corporate Governance, Institute of Directors, Southern Africa. Companies listed on South Africa’s JSE Securities Exchange have to comply with King II, which itself requires compliance with Global Reporting Initiative guidelines. An executive summary can be found at: http://www.ecseonline.com/PDF/King%20Committee%20on%20Corporate%20Governance%20-%20Executive%20Summary%20of%20the%20King%20Report%202002.pdf.
reporters provide information on procedures related to assessing the risks and managing the impacts of operations on local communities at the entry, operation, and exit stages and whether they have conducted a gender impact assessment.

It was suggested that organizations consider setting up community grievance mechanisms accessible to both women and men to detect concerns early on and perhaps avoid community lawsuits brought against the organization.

Community Investment

Workshop participants articulated the view that organizations committed to promoting gender equality may also want to support NGOs and other community groups working more generally for the advancement of women, as part of their community outreach. It was noted that investing in the community can translate into investing in local resources for an organization (such as the local human capital of potential employees, suppliers, and consumers).

Employee volunteering on initiatives supporting women and promoting gender equality was viewed as a mechanism with potential to connect employees with the concerns of the community while at the same time impacting the community positively and contributing to good relations between the organization and the community.

It was acknowledged that many aspects of gender inequality are the result of social norms and manifest themselves at the community level. Therefore, when organizations want to address gender issues internally at the workplace, promoting gender equality at the community level can be an important entry point for change. Workshop participants stated that they encourage organizations to contribute through their community investment to projects that address gender inequalities and challenge persistent gender stereotypes.

Community investment activities can be most effective for a company when they are related to organizational strategy. For example, if an engineering company wants to ensure that there are enough engineers to work for the company in the future, it may be a good strategy to invest in the education of female as well as male engineers within the local community, perhaps through supporting scholarships for both girls and boys to study the subject at university.

Workshop participants expressed that both women and men should benefit from community investments supported by an organization. It was felt that since women’s organizations and community groups can have limited visibility and voice, there could be a tendency for them to be overlooked as potential beneficiary of community investment. Workshop participants expected organizations to contribute to initiatives stimulating income-generating opportunities for women, in addition to men, and projects that guarantee gender-equitable access to health care and education, particularly in developing countries. Such investments can directly benefit an employer by guaranteeing a pool of healthy, well-educated, and literate future employees.

Participants in the workshop in India expressed the view that sustainability reports ought to specifically mention the company’s investment in women’s initiatives in the local community. Participants also stressed the importance of the company’s national context with regards to gender equality and called on international companies to produce country-specific reports or else ensure that reports indicate some of the gender equality issues faced within the community in the various countries it operates. For context information around gender (in)equality it was suggested organizations refer to and reference data from the United Nations.

Box 5.5. Reporting example of number of female beneficiaries in the local community

In its 2008 sustainability report, Grasim Industries, an Indian cement company, included the number of female beneficiaries in the community, and the number of women’s self help groups that received training.

Relevant Measures within the G3 Guidelines

Through the G3 Guidelines Society Disclosure on Management Approach (DMA), organizations are asked to report their policy related to assessing the risks and managing the impacts of their operations on local communities. If a company's policy mentions specifically the assessment and management of impacts by gender, then this information is pertinent to include in its reports.

Indicator SO1 covers information on the “nature, scope, and effectiveness of any programs and practices that assess and manage the impacts on communities, including entering and exiting operations.” Gender-specific information could be included in reporting on this indicator.

A GRI indicator contained with the Electric Utilities Sector Supplement supports reporting specifically on the impact of displacement. EU20 requires sector reporters to include information on their “approach to managing the impacts of displacement.” Outside the electric utilities sector, this may also be relevant to any sector where business activities result in displacement and resettlement of local community members. In this case, best practice would include reporting on this indicator with gender-disaggregated data to reveal whether women are disproportionately affected and whether action has been taken to mitigate such effects as suggested by the stakeholders who consulted on this publication.

The Electric Utility Sector Supplement also includes an indicator (EU22) on the number of people physically or economically displaced by a company’s operations and compensation to those people, broken down by type of project. When organizations report on this indicator, best practice would involve reporting the number of people and, where possible, the amount of compensation received by gender.

Further Measurement Examples

The following table includes ideas for other performance measurements related to gender equality and the community, suggested by stakeholders during the consultation for this publication.

Table 5.2. Suggested Measures of Gender-Equality Performance and the Community

<table>
<thead>
<tr>
<th>Organizational objective</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Basic</td>
</tr>
<tr>
<td>Contribute to the well-being of women and men in the affected communities</td>
<td>Initiatives, including donations and grants to address equality in the community</td>
</tr>
<tr>
<td>Management approach to determining community engagement/investment activities, including policy and criteria</td>
<td>Total number of community engagement/investment programs targeting women</td>
</tr>
<tr>
<td>Management approach including gender impact assessments to addressing gender-related community impacts</td>
<td>Total monetary value of community engagement/investment programs, broken down by gender of the beneficiaries</td>
</tr>
</tbody>
</table>

Blue = qualitative performance measurement examples
Purple = quantitative performance measurement examples

In its 2008 Sustainability Report, Indian conglomerate and GRI reporter ITC included a table with information on its community investment activity. In the accompanying text it also included information on how its work on women’s economic empowerment related to the promotion of the Millennium Development Goal to promote gender equality and empower women (for information on the Millennium Development Goals, see the appendix). It also provided quantitative information in its narrative text on the total turnover of women-managed microenterprises that it has supported and the financial value of bank loans that the women’s self-help groups were able to take out to fund the self-employment activities of its female members. In addition, the company included information on the number of individuals (and their families) it supported to get access to health care coverage.

### Box 5.6. Report Example on Community Investment Activities

<table>
<thead>
<tr>
<th>Activities</th>
<th>Up to 2006-07</th>
<th>2007-2008</th>
<th>To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro-credit program: Self Help Groups (Number)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro-credit program: Members (Number)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings (Rs Lakhs)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employed in microenterprises (Number of women)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skills training (number of women)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


In its 2008 Sustainability Report, Indian conglomerate and GRI reporter ITC included a table with information on its community investment activity. In the accompanying text it also included information on how its work on women’s economic empowerment related to the promotion of the Millennium Development Goal to promote gender equality and empower women (for information on the Millennium Development Goals, see the appendix). It also provided quantitative information in its narrative text on the total turnover of women-managed microenterprises that it has supported and the financial value of bank loans that the women’s self-help groups were able to take out to fund the self-employment activities of its female members. In addition, the company included information on the number of individuals (and their families) it supported to get access to health care coverage.

### Box 5.7. Engaging with Men in the Community on Gender Violence

A free-trade organic coffee company based in the US, involved some of its male coffee farmers in Rwanda in a training seminar on addressing gender violence. The company CEP wrote an article describing why the company supported the seminar, underlining the need for a conversation on gender violence and healing in a post-conflict society. The program was run by Men’s Resources International.

Gender Equality and Consumers

Introduction

Women make around 80 percent of consumer purchasing decisions in the USA (Cunningham and Roberts 2006) and globally control approximately $20 trillion in annual consumer spending (Silverstein and Sayre 2009). Yet, while the female economy is said to represent a growth market more than twice as big as the opportunity of China and India combined, the female consumer is widely considered underesti- mated and underserved (Silverstein and Sayre 2009).

“If companies do not relate to gender diversity, then in many cases they are actually missing out: either on 50 percent of the resource pool or the consumer pool.”

Harsh Purohit, Cognito Advertising, India

As mentioned in the supply-chapter of this report, a 2007 survey by the U.S. Women's Business Enterprise National Council found that women were more likely to buy a product if they knew that the company was supporting women-owned enterprises. Not only do women often make the majority of consumer purchasing decisions, there is evidence to suggest that they are also more sustainable consumers than men. Emerging evidence also seems to support research findings that women are more predisposed to buy organic and eco-labeled products (OECD 2008a, pp. 124, 242) and give more consideration in their purchases to ethical issues such as child labor and fair trade (OECD 2008e, p. 48). In the United Kingdom, for example, female consumers are more likely than men to purchase green products and services (WEN 2007). Furthermore, research indicates that there are differences in the types of things women and men buy. For instance, women have been found to tend to buy basic, cheaper, nondurable products for the whole family, such as food, clothing, and household articles, while men were said to tend to buy expensive capital goods and to be the registered owners of things like homes, cars, and electronics (Swedish Ministry of Sustainable Development 2006).

In consumer markets where demand for sustainable and ethical products is rising (Co-operative Bank 2008), responsible marketing and development of products and services can play an important role in promoting gender equality, influencing society’s perceptions of gender roles, and challenging stereotypes. This chapter is about the gender-equality issues that arise for a reporting organization as it interfaces with consumers through its products and services, its advertising of these, and their distribution to the end user.

Trends

Though consumption levels and impacts vary by geography and other factors, consumer demand for more sustainable and ethical products and services is increasing (WBCSD 2008, p. 12) and is being encouraged by policy makers within some consumer markets. According to the Fairtrade Labeling Organizations International (FLO), an umbrella body for international fair-trade producers and certifiers, fair-trade product sales grew globally by 22 percent in 2008 despite the economic downturn.

67 See p. 41 for reference of WBENC Survey.

68 Moreover, women consumers are willing to pay a higher price for these green purchases (Auger et al. 2003). Female consumers also place a higher value on energy-efficient transport. A study from Norway analyzing the potential household demand for alternative-fuel vehicles concluded that women are more likely to consider buying such vehicles than men (OECD 2008d, p. 72). A similar study on the purchase of new vehicles in the United States found that the demand for fuel-efficient vehicles is greater among women, minorities, and younger individuals, even after income differences are controlled for (OECD 2008d, p. 71).

69 For example, the Marrakech Process is “a global process to support the elaboration of a 10-Year Framework of Programs (10YFP) on sustainable consumption and production, as called for by the World Summit on Sustainable Development (WSSD) Johannesburg Plan of Action.” This initiative’s goals include encouraging consumers to adopt a more responsible attitude toward their purchasing decisions and lifestyles. For further information, see http://esa.un.org/marrakechprocess/.

70 The latest figures released show that fair-trade sales grew by at least 50 percent in seven countries, including Australia and New Zealand (72 percent), Canada (67 percent), Finland (57 percent), Germany (50 percent), Norway (73 percent), and Sweden (75 percent). Sales of fair-trade-certified products, many of which include gender equality as a criterion for their certification, increased by 43 percent in the United Kingdom and 10 percent in the United States, the largest markets for fair-trade products (FLO 2009c). In fact, the “Ethical Consumerism Report” (Co-operative Bank 2008) valued the overall ethical market in the United Kingdom at £35.5 billion in 2007, up 15 percent from £31 billion in the previous 12 months. Increases in ethical spending were noted in the categories of food and drink, green energy, energy-efficient appliances, fair-trade personal products, and ethical banking and investments.
Gender equality is one dimension of the range of factors that consumers consider when choosing to purchase ethical products or services.

Responding to this noticeably increased demand for ethical products, providers of consumer goods and services are shifting toward using more-sustainable sources for their products and managing their sustainability impacts, including gender equality, in their supply chain (see the chapter on gender equality in the supply chain above). Furthermore, an increasing number of companies are committing to become more ethical, and are often stating this commitment to human rights within their sustainability reports. Such companies are frequently working toward achieving certification for their products. There are a diverse range of product-labeling standards, some product-specific and others more general, that help consumers identify products that have been grown or made sustainably and among other factors contribute to gender equality.

There are two ways that fair-trade products are marketed to the end-consumer. In the traditional or integrated route, goods are produced, imported, and distributed by specialized fair-trade organizations. The other route to market is through fair-trade labeling and certification, whereby goods (mainly food products) are certified by an independent third-party verification body to guarantee that their production chains respect fair-trade standards. International fair-trade standards for labeled products have been developed by the Fairtrade Labelling Organizations International (FLO), and standards for fair-trade organizations by the World Fair Trade Organization (WFTO; previously known as the International Fair Trade Association). Both systems are based on a joint fair-trade definition and principles (Fair Trade Advocacy Office 2007) and both sets of fair-trade standards address gender equality.

Within its 10 international standards of fair trade, accompanied by a set of measurable indicators and compliance criteria, WFTO dedicates one standard (number 6) to “non discrimination, gender equity and freedom of association” (IFAT 2007). IFAT’s Regional Indicators for Africa Standards For Fair Trade Organizations stipulate that a) employment rules concerning women, as approved by the government, are available in the organization; b) the organization has an equal opportunities policy and practices equal pay for equal work for women and men; c) the rights of women to organize themselves for their common welfare are respected; and d) women are represented in the decision making process. In its “Charter of Fair Trade Principles,” FLO specifically states the convention that “women receive equal pay to men for equivalent work, and fully participate in decisions concerning the use of benefits accruing from production and from fair trade relationships” (FLO 2009a, p. 6).

FLO uses a set of specific indicators during its inspection and certification process to measure compliance with its standards. In its standards for hired labor, one clause emphasizes women’s right to equal opportunities. To receive certification, companies are required to pay special attention to the empowerment of women and to adopt the goal of achieving gender equality (FLO 2007). FLO’s fair-trade standards for small producer organizations require companies to identify disadvantaged and minority groups according to gender and to pay special attention to the participation of female members (FLO 2009b).

Gender-equality certification schemes have also emerged outside fair-trade standards. In Mexico, the Gender Equity Model is a program of public-private partnership between the Mexican government, the private sector, and the National Women’s Institute that leads to certification of companies interested in promoting gender equality. The areas covered by the certification program are recruitment, career advancement, training, and sexual harassment. As of 2007, 117 firms with a total of around 500,000 employees had received the Gender Equity Model Certification Seal, and 550 people had been trained on how to implement gender-equality action.71 Similar gender-equality certification schemes have been replicated in other Latin American countries and in Egypt.

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71 For more information on this program, see “Gender Equity Promotion in the Private Sector in Mexico: The Development of a Successful Model,” by Maria Elena Castro: http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/art_Gender_SmartLessons_Castro/$FILE/WB_Gender_Castro.pdf.
Messages about companies’ sustainability credentials and any ethics or sustainability certifications they have received are increasingly being incorporated into their marketing and advertising. In fact, according to the World Business Council on Sustainable Development (WBCSD 2008, p. 28), marketing “has a vital role to play in leveraging the company’s sustainability credentials to build brand equity.” In its report on sustainable consumption, WBCSD (2008) stresses the importance of consistency between marketing and advertising and corporate sustainability strategy. Research indicates that “social equity” is now the fastest-growing aspect of brand value and therefore already an important draw for consumers.

Companies are being encouraged to incorporate ethical practices into their advertising policies, specifically with regard to gender equality. For example, the Calvert Women’s Principles call on companies to “maintain ethical marketing standards by respecting the dignity of women in all sales, promotional and advertising materials, and excluding any form of gender or sexual exploitation in marketing and advertising campaigns.” This principle is incorporated into the San Francisco Gender Equality Principles modeled on the Calvert Women’s Principles framework, and promoted to companies as a practice in the San Francisco Area by the City’s Department on the Status of Women. Further information about these principles can be found in the Chapter on Gender Equality and Investment of this publication, which also references investment funds that “avoid investing in companies whose products demean women or that use negative stereotyping in their advertising, promotion or marketing.”

Gender portrayals in advertising for any type of product can fuel and reinforce existing negative attitudes and gender roles (MacKay and Covell 1997) with negative impact on gender equality (Svensson 2008). Some argue that “gender stereotyping in advertising straitjackets women, men, girls and boys by restricting individuals to predetermined and artificial roles that are often degrading, humiliating and dumbed down for both sexes” (Svensson 2008 p.4).

There is increasing regulation regarding advertising and gender. For example, a non-legislative resolution from the European Parliament explicitly states that it is important for advertising to be subject to existing ethical or legally binding rules or codes of conduct so as not to communicate discriminatory or degrading messages based on gender stereotypes.

In 1993, the Danish National Consumer Agency published guidelines regarding gender discrimination in advertising. The guidelines state that advertising that depicts women or men in a deprecatory manner—for example, by reducing persons to sex objects or by depicting a person’s gender in a degrading or discriminating way—is considered incompatible with good marketing practices. In addition, advertisements that claim or clearly imply that one gender is socially, economically, or culturally inferior, or that one gender is less skilled, less intelli-

Box 6.1. Social Responsibility and Branding

In the World Wildlife Fund report Let Them Eat Cake: Satisfying the New Consumer Appetite for Responsible Brands, it is argued that in the future, “mainstream brands will need to come with environmental and social responsibility ‘built in’, driven by genuinely held, thoroughly embedded corporate and brand values” (p. 5). The authors assert, “social aspects in particular are becoming increasingly important in driving brand value. … Some leading consumer brands are responding to these trends by incorporating relevant messages into their advertising and other communications” (p. 19).

gent, or less suited to solving particular problems that physiologically are not related to one gender are also considered to be incompatible with good marketing practices (Danish Consumer Ombudsman 1993).

There has also been a change in the regulatory environment in Europe to address gender inequality in access to products and services. In 2004, the European Union Council adopted a directive that deals with the principle of equal access for men and women. Article 10 in the directive stresses that “problems are particularly apparent in the area of the access to and supply of goods and services. Discrimination based on sex should therefore be prevented and eliminated in this area.” This legislation clarifies that “direct discrimination occurs only when one person is treated less favorably, on grounds of sex, than another person in a comparable situation.”

“One of the areas we’d like to understand better in terms of our output, is the impact gender portrayal has on our audiences.”

*Bola Fatimilehin, BBC, United Kingdom*

Gender discrimination in access to products and services is prevalent around the world. In the context of developing countries in particular the lack of access to finance for women has been widely documented. For example, the lack of land and property rights for women in some countries can prevent their access to credit (UNIFEM 2009, p. 41). In response to this, there has been a growing number of financial institutions that are interested in penetrating the women’s market segment and offering financial products and services that meet the needs of women customers. In doing so, financial institutions aim to better reach a profitable women’s market while improving women entrepreneurs’ access to financing which is relevant to women’s empowerment.

**Implementation and Practice**

A range of initiatives and activities may prove effective in achieving an organization’s goal of embedding its gender values, policies, and principles into its consumer affairs:

- Establish ethical marketing and advertising policy and procedures that exclude any form of gender or sexual exploitation from marketing and advertising campaigns.
- Review and monitor marketing and advertising materials to ensure that they do not discriminate on the basis of gender.
- Establish customer service policy and procedures that take into account gender equality in terms of access and monitor their implementation.
- Conduct an analysis of products and services to ensure that they are accessible to both female and male customers where appropriate.
- Train customer service agents or customer-facing employees to be sensitive to gender-related issues.
- Collect customer satisfaction and complaint information, broken down by customer’s gender, to better understand any gender-differentiated perceptions of the organization’s customer service, product marketing and advertisement, product impact and user-friendliness, and so forth.
- Find out whether “gender-equality certification” bodies or programs exist at the national level and consider participation.
- Learn about gender-equality requirements of fair-trade and, if deemed relevant and useful, consider applying for certification.

**What Stakeholders Said**

Consumer-related gender-equality issues were not identified as a priority by workshop participants in any location, though a range of consumer-related issues consistently emerged in the discussions.

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77 For an example of guidelines regarding sex discrimination in advertising, see the Danish Consumer Ombudsman at http://www.forbrug.dk/english/dco/dcoguides/guidelines-and-guidances/sexdiscriminationina/.
Table 6.1. Issues Raised by Stakeholders, by Workshop Location

<table>
<thead>
<tr>
<th>Issue</th>
<th>United Kingdom</th>
<th>South Africa</th>
<th>Brazil</th>
<th>India</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing and advertising policy and practices, particularly the portrayal of women in the media</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Development of gender-sensitive products and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Access issues related to distribution and delivery; specifically, women’s access to finance</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer service and engagement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Gender Portrayal in Advertising and the Media

A key priority identified by workshop participants was to understand how a reporting organization positions itself in the public debate on the portrayal of gender in advertising and the media. It was argued that, as with other values, a commitment by an organization to gender equality ought to transcend everything that the organization does and, therefore, should be reflected in its marketing strategies and advertising. Thus, participants voiced an expectation that organizations committed to gender equality have policies that address the issue of gender portrayal in marketing and advertising as well as mechanisms to ensure that the policies are adhered to in practice.

Participants articulated the belief that organizations committed to gender equality should respect the dignity of both women and men in sales, marketing, and advertising materials and should maintain ethical advertising standards. Given that most advertising is channeled through the media, participants stressed that the media plays a pivotal role in breaking or reinforcing gender stereotypes, as media companies have a controlling stake in what is communicated through their outlets. Furthermore, the sector-specific issue of gender portrayal in broadcast programming was raised by workshop participants.

Box 6.2. Gender Portrayals in Broadcast Programming

An Association of Canadian Broadcasters has a set of guidelines regarding the portrayal of women in programming called the Sex-Role Portrayal Code for Television and Radio Programming. The code seeks to ensure that gender issues are referred to using appropriate language and that within commercials and programs both sexes are represented and portrayed equitably.

Workshop participants deemed it relatively easy for a reporting organization to gather and include information on its policies and mechanisms to avoid gender discrimination in its marketing and advertising materials. It was thought that an organization can affirm its values by establishing a policy that sets out its commitment not to use gender stereotypes or discrimination in its marketing practices. Workshop participants expressed that it is essential, as with all policies, that the policy be clearly communicated to employees and external marketing or advertising agencies to ensure that it is adhered to in practice.

Development and Distribution of Products and Services

Going beyond organizations’ interaction with women as a customer segment, workshop participants drew attention to circumstances and geographical contexts that may cause cultural barriers for women to access products or services. Such barriers can arise due to the distribution model of the products or services or the fact that the products and services are poorly situated in a public environment where security or cultural reasons prevent women from accessing them. For example, a sector-specific issue that stakeholders mentioned in the developing-country context is women’s lack of access to financial products, often due to structural barriers such as a lack of collateral to secure loans or local laws and practices that issue land-title deeds in the husband’s name. Increasing women’s access to financial services was viewed as an empowerment tool that has the potential to positively impact individual women and the community at large. Citing potential business-case benefits, workshop participants encouraged financial institutions to put in place initiatives that could increase their outreach to the women’s market.

Ensuring gender equality in the delivery of public services, which are increasingly provided by the private sector, was deemed important by some of the workshop participants. They cited a recent UNIFEM (2009) report’s call for service providers to recognize that women have specific needs regarding service delivery. It mentioned that public spending on services tends to be inequitably distributed and can exacerbate existing gender inequalities. The UNIFEM report explains that women may not be able to express their service provision needs effectively for a variety of reasons, but there are well-established approaches that can be used to identify and meet those needs, such as the formation of user groups to broaden women’s participation in setting priorities and monitoring the delivery of services.

Workshop participants specifically noted that it is important that customer services and complaint mechanisms be equally available to women and men. They stressed that they expect organizations to consider potential barriers to engagement with consumers in designing product- and service-distribution channels and complaint mechanisms. Workshop participants pointed out that without appropriate training, in certain contexts in particular, gender stereotypes may be reinforced by customer service agents. Discrimination via customer service channels can, in the view of workshop participants, result in a lack of voice for the affected gender. Therefore, reporting organizations might better serve their stakeholders (particularly female consumers) by implementing gender sensitization in their customer service. An analysis of customer complaints by gender might provide insights for any organization and shed light on any underlying gender biases that affect their customer service.

Box 6.3. Reporting Example of Initiatives with Women-Only Partner Organizations

Dove, an international cosmetics brand, launched a Campaign for Real Beauty with the aim of improving self-esteem among young women by challenging traditional stereotypes of beauty. To support the campaign, “BodyTalk” workshops were organized to address body image and self-esteem issues. These workshops were also organized and delivered by a women-only partner organization, the Girl Scouts of the USA. The company’s 2008 Sustainability Report mentioned how many people attended these workshops.

In sustainability reports, participants expressed an interest in seeing information on steps that organizations have taken to analyze whether there are barriers for a particular gender to access its products or services. Do customer service agents receive gender-awareness training? To what extent are customer complaints analyzed by gender?

**Relevant Measures within the G3 Guidelines**

The primary relevant GRI indicator is PR7: total number of incidents of noncompliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.

**Further Measurement Examples**

The following table includes ideas for other performance measurements related to gender equality and consumers, suggested by stakeholders during the consultation for this publication.

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**Table 6.2. Suggested Measures of Gender-Equality Performance and Consumers**

<table>
<thead>
<tr>
<th>Organizational objective</th>
<th>Measure</th>
<th>Basic</th>
<th>Moderate</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not to discriminate or stereotype against men or women in marketing and advertising</td>
<td>Policy and mechanism in place to avoid gender discrimination in marketing and advertising materials</td>
<td>Number of complaints regarding gender discrimination in marketing and advertising materials</td>
<td>Management approach to “Gender Equality Certification” by Third Party</td>
<td></td>
</tr>
<tr>
<td>Reflect the needs of men and women in customer services and complaint procedures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Blue = qualitative performance measurement examples
Purple = quantitative performance measurement examples

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**Box 6.4. Reporting Example of a Male Focused Advertising Campaign**

In its 2007/8 Sustainability Report, an international broadcaster, provided narrative information on how it created a targeted advertising campaign to get men talking about HIV prevention. The campaign was based on evidence that men who openly discuss sex are more likely to use condoms consistently. In the report, the broadcaster provided information on the objectives and gender-specific target audience of the initiative, as well as quantitative details of the impact it had. According to the information in the report, by the end of the campaign, advertising across television, radio, cinema, print, and outdoor media had reached an estimated 52 million men, including an estimated 6.5 million men considered to be at a high risk of contracting HIV.

Gender Equality and Investment

Introduction

Although the impact of an organization’s gender practices on financial markets and business performance is not fully understood, there is a small but growing body of research suggesting that, for example, gender diversity, like other social factors, can have a positive direct or indirect impact on an organization’s profitability. In fact, organizations with gender-discriminatory practices may face a risk of damage to their reputation, losses in shareholder value, and costly litigation. Most of the literature that examines the relationship between organizations’ gender practices and financial performance focuses on variables that are readily available in developed markets, such as board and executive diversity. These are also some of the factors that investors concerned about gender equality are considering in their investment decisions.

Trends

While the main objective of most corporate enterprises remains maximizing shareholder value over the long term, social and environmental factors are increasingly being recognized as germane to the long-term sustainability of an enterprise (OECD 2004b, p. 12). It is acknowledged that ignoring these factors can negatively impact the organization’s long-term shareholder value. Therefore, investors’ decisions are increasingly being informed by ethical concerns, including the degree to which corporations manage their performance on gender and a range of other sustainability factors (UNCTAD 2006, p. 7). For example, more than 500 organizations comprised of asset owners, asset managers and service providers pledged global support to the UN Principles for Responsible Investment (UN PRI) — managing combined assets of approximately $19.1 trillion in March 2009. Launched in 2006, the UN PRI are a set of voluntary best-practice standards that asset owners and asset managers pledge to uphold in order to incorporate environmental, social and governance (ESG) issues into their investment processes. Board and executive diversity are two examples of issues in which members engage companies.

With this in mind, some sustainability-focused investors have moved to capture the potential positive value generated by organizations that have a strong commitment to gender equality. For example, in the United States, a leader in the field of sustainable investing and an independent investment research firm recently announced that they have joined forces to construct the first “gender investment index.” The objective of the gender index is to increase interest among corporations and investors in gender empowerment, with the ultimate goal of demonstrating that women’s empowerment is an important indicator of financial strength and that companies that empower women and encourage gender diversity outperform others over the long term. Emerging research seems to suggest that gender empowerment indicators are positively related to financial performance (see discussion below). As such some investors believe that gender empowerment may be one key characteristic of well-managed, forward-thinking companies that are capable of creating sustainable shareholder value over the long run. In addition, there seems to be a positive correlation between gender practices and stock performance. However, more research is needed to determine whether it is an organization’s gender-specific actions or its overall sustainability approach that may drive such positive results.

The chapter on governance and values above presents some findings on the benefits of gender diversity (e.g., Catalyst 2007; McKinsey 2007) and highlights that some governments have passed legislation and policy guidelines around gender & board diversity in publicly held companies. In addition, current research tracking 215 of the U.S. Fortune 500 companies over several years has found a correlation between a company’s number of high-level female executives and its success. The same research also shows that the better a company is at promoting women, the better it tends

78 See http://www.calpers.ca.gov/eip-docs/about/board-cal-agenda/agendas/invest/200906/item03b.pdf for an Update on the UN PRI (June 15, 2009).
81 See for example analysis by Ferrary (2009) on the French CAC 40 stock market index.
to rank in terms of profitability. In Finland, research commissioned by the Finnish Business and Policy Forum (EVA) found that companies with female chief executives or board directors achieved a 10 percent higher return on capital, regardless of sector. A U.S.-based asset-management company argues that “the business case for gender equality is compelling.” Citing research by Catalyst (2007), McKinsey (2008), and Deszo and Ross (2008), a spokesperson for the organization suggests that although not conclusive there is evidence of a correlation that organizations with women in senior-level positions and on boards tend to outperform others in both the United States and Europe. Research on the French CAC 40 stock market index shows that the more women were in a company’s management, the less the share price fell during 2008. A 2006 analysis on Jordanian companies conducted by Cranfield University for the Center of Arab Women for Training and Research (CAWTAR) found a weak but significant correlation between the return on shareholder funds and the presence of women directors (Singh and Vinnicombe 2006). While the research emphasized that no causality can be inferred from such correlation, these statistics are an indication that companies with good financial performance are positioning themselves to use the best talent pool available, including that of women, thereby indicating good social performance, too.”

There is an emerging trend for gender-related criteria to be incorporated into the screening of investments by socially responsible investment funds. In Singapore, a mutual fund launched in 1999 promotes gender issues by applying specific social screening criteria in its selection of equities, with a special focus on generating social returns in addition to financial returns. In this particular case, as a principle of social investing, fund managers only choose companies that have implemented women- and family-friendly policies. Specific selection criteria can include a company’s percentage of women in top management, availability of training for female employees, and provisions for child-care services. And while socially responsible investment funds are leading the discussion on gender-related criteria for inclusion in screening guidance, the application of gender criteria is also of relevance to mainstream investors when following the above-mentioned business argument.

Similarly, a U.S.-based investment fund avoids companies with no women in upper management or on the board and proactively invests in companies with good performance and sound social policies.

Box 7.1. The Calvert Women’s Principles—Investing in Women Worldwide

The Calvert Women’s Principles developed in partnership with UNIFEM were launched in 2004, as the first global code of conduct focused exclusively on empowering, advancing, and investing in women worldwide. The principles offer clear, practical standards that companies can use to set goals and measure their performance and progress on a wide range of gender equality and empowerment issues.

Since their launch, the principles have been a catalyst for dialogue and heightened awareness of workplace issues affecting women and the role of companies in ensuring rights and promoting equality for women.


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82 The study, by Professor Roy Adler of Pepperdine University, compared the sample companies’ financial performance to industry medians. He found that “companies that smash the glass ceiling also enjoy higher profits.” A Harvard Business Review article presenting his findings reported that “the companies with the highest percentages of female executives delivered earnings far in excess of the median for other large firms in their industries.” See Adler, Roy D. (2001, November). “Women in the Executive Suite Correlate to High Profits.” Harvard Business Review, p. 30.


86 Pax World Women’s Equity Fund generally avoids investing in companies that are believed “to be involved in the exploitation and trafficking of women, whose products demean women or that use negative stereotypes in their advertising, promotion or marketing.” For more information, visit http://paxworld.com/investment-approach/the-benefits-of-esg/social/gender-empowerment/.
Other investment funds such as CalPERS, a pension fund in California in the United States, and Amazone Euro Fund in Europe include a gender indicator among their investment criteria. According to Amazone Euro Fund, companies included in their fund have to meet two criteria: “firstly a gender diversity scoring which has been defined under very strict criteria by [themselves] followed by a financial scoring which allows only the best quality stocks to be selected for the fund”. In Japan, the securities company Nikko Cordial Corp. compiled in 2006 “womenomics scores” for an investment instrument based on factors such as the number of female executives, gaps in the length of male and female workers’ careers, the maternity leave and other support systems for women.

Investment funds are not the only ones looking at gender performance; rating agencies have also begun to apply gender criteria. According to McKinsey (2007, p. 11), “Capital markets and investors are paying more and more attention to corporate performance in terms of gender diversity. For instance, rating agencies (such as Core Rating, Innovest, Viego) are now developing tools to measure gender diversity.”

In the future “women will occupy an even more important position in the economy and world order, than they do now”, argues a 2009 Harvard Business Review article (Silverstein & Sayre p. 53). The authors also predict that companies will become more responsive to women’s social concerns and women’s desire to “do good for the world, especially for other women” (see related Consumer Chapter of this resource document for a discussion on gender equality and consumers). Organizations could benefit by reaching out to women as investors, given the increasing number of women globally who are establishing their own businesses and accumulating wealth. For example, there are now more female than male millionaires in the 18–44 age bracket in the United Kingdom, according to figures from the Inland Revenue (now known as HM Revenue and Customs). Such facts challenge perceptions that women are less empowered than men to make financial decisions. Some organizations are already seeking out more women as investors. For example, in 2007, a holding company founded by Dubai World was specifically mandated to reach out to high-net-worth women in the United Arab Emirates and the Persian Gulf. Offering these women the opportunity to invest in the region’s economic development can empower them to realize their business aspirations and share in future economic growth.

“We believe that improving gender practices and performance makes sense not only from a social justice perspective, but also from a financial perspective as it can contribute to improved bottom line performance for a company. Our belief has now been validated by a number of research studies demonstrating that having women in executive positions and on the board can indeed contribute to stronger financial performance. We at Calvert continue to leverage our analysis and advocacy to help companies more effectively manage gender practices so they can be better positioned in both the workplace and marketplace.

In order to manage diversity, companies have to be able to measure it. Still, only 7 percent of the 636 companies in the 2007-08 Calvert Social Index® surveyed provide the detailed demographic data required for full Equal Employment Opportunity (EEO-1) disclosure, making it difficult to assess progress for women and minority employees from the factory floor to the executive suite.” For more information visit http://www.calvert.com/sr-examining-cracks.html.

Amy Augustine, Calvert Asset Management Company, Inc., United States

88 See related Japan Times article entitled “Investment funds focused on ‘womenomics’ gaining attention” by Maya Kaneko. (October 16, 2007) http://search.japantimes.co.jp/cgi-bin/nb20071016a3.html.
89 http://www.talentnaardetop.nl/web/file?uuid=72d4f129-77bd-4c30-88f8-603d4202c848&owner=9c74cb66-9801-4cac-b2c9-c72e9814ab51
Implementation and Practice

There are a range of gender-related initiatives that an organization may want to engage in as part of its overall investment and investor-outreach strategies.

Investment Decision Making

- Establish processes to collect, analyze and report gender-relevant information on potential investments.
- Consider gender criteria as part of a holistic examination of environmental, social and governance factors in a bottom-up valuation process and/or a post investment engagement process with shareholders.
- Consider using gender criteria (such as gender diversity of potential investees) in determining the organization’s investment strategy.
- Avoid investing in organizations that do harm and/or violate human rights.
- Find out if potential investees’ largest shareholders have stated gender policies and practices.
- Find out if the company is listed in a socially responsible investment index or fund with gender criteria.
- Align the organization with investment partners and investees who have the same stated gender values and principles.

Attracting Investment

- Find out if investors, funds, or rating agencies use the organization’s gender performance as investment criteria.
- Include any gender indicators used by sustainable investment funds in the organization’s own sustainability reports.
- If the organization is included in an investment index or fund with gender criteria, ensure that this is mentioned in the organization’s sustainability report to promote this fact to other potential investors.
- Promote the company’s sound gender policy and practices to potential investors.
- Establish whether companies listed in an investment index (or fund) with gender criteria attract larger investment amounts than others. If so, find out who the investors in those funds are and target them as part of the organization’s investment outreach strategy.
- Find out if the organization’s largest shareholders have gender policies aligned with the organization’s own values and principles. If so, advertise this fact to other investors.

Promoting Women as Investors

- Determine the gender breakdown of the organization’s investors and shareholders.
- Evaluate whether female investors constitute a growing share of new investors.
- Consider reaching out to women investors by advertising the organization’s sound gender policy and practices.
- If relevant to the organization’s business strategy, consider supporting capacity-building initiatives to promote investment by women.

What Stakeholders Said

Gender-equality issues related to investment were not identified as a priority by participants in any workshop, but a range of related issues consistently emerged in the discussions.
Gender Performance as an Investment Decision-Making Criterion

At the workshop in the United States, it was particularly emphasized that investors increasingly want to see companies demonstrate if and how they are managing gender-related issues to determine whether they should invest. A similar point was also raised in other workshop locations, where some participants stated that investors may find value in taking gender issues into consideration in their investment decisions. The workshop participants argued for investment as a consideration in an organization’s overall values and gender-equality strategy. They also suggested that the extension of an organization’s values to its investment policy can equally be applied to other sustainability factors. Workshop participants said they expected an organization’s gender values to be reflected in its capital-raising policy and, in turn, gender criteria to be featured and applied in the organization’s own investment decisions. In India, workshop participants suggested that organizations find a way to link exposure on gender issues and risk in financial terms.

Table 7.1. Business Practices Suggested by Stakeholders, by Workshop Location

<table>
<thead>
<tr>
<th>Proposed Practice</th>
<th>United Kingdom</th>
<th>South Africa</th>
<th>Brazil</th>
<th>India</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application of gender-relevant criteria by investment fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Be aware of gender policy and practices of other companies that invest in the organization</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Make gender performance (improvement around certain indicators) a criterion for investing in any organization</td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>View gender policy and practices as tools for risk management</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Approach gender policy and practices as opportunities to enhance the organization's reputation in the market</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Promote women as investor, including support to women entrepreneurs by providing finance, education, and role models</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analyze the organization’s shareholders by gender</td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Gender Performance as an Investment Opportunity to Attract Investment

At the U.S. workshop it was mentioned that investors are increasingly evaluating current and potential investments in organizations on measures of executive and board diversity, as they see these measures as indicators of how well or how poorly a company is managing the risks and opportunities of operating in the global marketplace. Workshop participants observed that individual and institutional investors, regardless of gender, are a well-established and significant constituency among readers of sustainability reports. Hence, participants felt that there...
is an opportunity for organizations to tailor their reporting on gender issues to investors—particularly female investors—who may be reading their reports. Participants at the U.S. workshop stressed that an organization’s focus may not be so much on attracting female investors as on attracting socially responsible institutional investors. Such institutional investors are said to invest trillions of U.S. dollars in companies that manage their social, environmental, and governance issues, including gender, and/or apply screens around social and environmental indicators. Some workshop participants suggested that companies consider including gender in their human-capital evaluation on their balance sheet for investors’ analysis.

Workshop participants felt that a meaningful metric to include in sustainability reports is whether an organization is listed in a mutual fund or socially responsible investment fund on account of its gender performance. Workshop participants in all locations also noted that reporting on gender information to investors can be more challenging for some types of organizations than for others. For example, a publicly traded company in the United States might already be part of a portfolio of a social investment fund or a sustainability index. In that case, learning about the gender criteria applied by the fund and reporting on them might not be difficult. As for organizations’ reporting on the gender performance of their own investors, there was agreement that where the number of shareholders is relatively small, the reporting organization may be able to find out relatively easily whether its investors have particular gender policies and criteria.

Promoting Women as Investors

At the workshop in India, participants noted that it was preferable to depict women as being “risk prudent” or “risk aware” rather than “risk averse,” which has a negative connotation and may not adequately reflect women’s ability to question risky investments and to take long-term views. Another belief expressed by workshop participants, particularly those working in financial markets, was that organizations have a role in encouraging and building the capacity of women as investors.²²

With regard to organizations’ reporting on their investors, workshop participants in India noted that statistics on the gender breakdown of shareholders may not be very useful in the context of that country, since shares are often bought in a woman’s name for tax reasons. Such investments do not indicate that a woman is using her own money, nor are they necessarily reflective of a woman’s own investment decisions. Additionally, publicly traded companies may not be able to break down their number of shareholders by gender, if many of their shareholders are groups such as pension or mutual funds. On the other hand, smaller, unlisted companies may have a moderately easy time of figuring out and reporting on the gender breakdown of their shareholders.

Relevant Measures within the G3 Guidelines

Within the GRI G3 Guidelines and in the organizational profile section of their sustainability reports, reporters are asked to include information on the ownership of the organization, in terms of the identification and breakdown of shareholders. Reporters could provide information on the gender breakdown of shareholders to assist in the analysis of their gender performance.

Reporters can also refer to the GRI indicators mentioned in the chapters on governance and workplace issues for cross-cutting performance measures.

Further Measurement Examples

The following table includes ideas for other performance measurements related to gender equality and investment, suggested by stakeholders during the consultation for this publication.

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²² In this context, the main issue identified by stakeholders was women’s access to the education and training needed to become investors, particularly in terms of financial literacy. Since public perceptions in many cases do not recognize women as investors, the media plays an important role in allowing women to see themselves as investors, as do public-awareness programs on opportunities for women to become investors. Stakeholders also accentuated the significance of role models and mentorship to support and encourage women to become investors. Furthermore, stakeholders pointed out the value of networking forums, both professional and social, in providing women with the contacts needed to both set up and invest in businesses. These issues are addressed at more length in the chapter on gender equality and the community.
Table 7.2. Suggested Measures of Gender-Equality Performance and Investment

<table>
<thead>
<tr>
<th>Organizational objective</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Basic</td>
</tr>
<tr>
<td>Be recognized by sustainability investors and mainstream investors for gender performance</td>
<td>Policy for investment decision-making including consideration of gender as a criterion</td>
</tr>
<tr>
<td>Promote women as investors and shareholder diversity</td>
<td></td>
</tr>
</tbody>
</table>

Blue = qualitative performance measurement examples  
Purple = quantitative performance measurement examples

“Many investors view a wide range of social issues as material to companies and drivers of shareholder value, and diversity is certainly at the top of this list. This starts with board diversity and works through management’s ranks down to the rank and file. In assessing U.S. firms, for example, many SRI firms look at board diversity, EEO-1 reporting—diversity disclosures required by the U.S. government—and pending litigation to make judgments about how companies are managing diversity and whether there are any inherent risks in the firm because of underrepresentation of any one group or emerging controversies with possible legal liabilities attached.

“However, it is important that we do not solely look for problems, because promoting diversity is indeed an opportunity for companies and their investors. A diverse workplace is more attractive to a wider pool of talent thereby giving companies with better diversity records a distinct advantage in recruiting employees. All forms of diversity, including gender diversity, also can be key drivers of innovation. Furthermore, recent studies of diversity have found that diverse boards are more likely to hold CEOs accountable for poor stock price performance.”

Peter DeSimone, Social Investment Forum, United States
Box 7.2. Auður Capital Women’s Investment Fund

Auður Capital is a financial services provider founded by women with a vision to incorporate feminine values into the world of finance. As a securities company with a license from the Icelandic Supervisory Authority, Auður’s mission is to unlock and create new value with a more balanced set of guiding principles. The Capital Fund values women's economic potential and takes into consideration their increased level of education, growing economic power, and entrepreneurial flair. Auður bases its approach on “growth opportunities in businesses that embrace different values, turning social and ethical responsibility into their business advantage.”

In a May 2009 interview with BBC, Auður’s chairperson Halla Tomasdottir pointed out that “women are risk aware, not risk averse.” She stressed that “being ‘risk aware’ is one of those values and one reason why getting the male-female balance right is so important. Women bring a lot to the table. They think more long-term, they think about the team, and not only about themselves. They think more about people, and they see other business opportunities than men. … Women are also willing to ask stupid questions. We want to understand. We won’t take risks we don’t understand, so we ask: What is sub-prime? Who will pay these loans back?”

In the same BBC interview, Tomasdottir also noted that Auður Capital is “one of perhaps two [investment] companies in Iceland still alive.”


Workshop participant in India (Photograph by Katherine Miles)
This publication has outlined how the case for promoting and respecting gender equality practices and reporting is driven by a range of interacting factors. It has set out the legal and ethical drivers in line with globally shared principles and values and the pursuit of equal rights between women and men. Existing and emerging business drivers for improving practices and reporting on gender have also been covered.

While gender disaggregated data in sustainability reports is currently rarely reported, the demand for gender related information in sustainability reporting has been clearly expressed by workshop participants internationally in the consultative process undertaken to support the development of this GRI & IFC publication.

Organizations that produce sustainability reports have also stressed that while gender issues are important and merit inclusions in their sustainability reports, this can be difficult in practice. It is hoped by the many involved in preparing this publication that this document will serve as a guide to assist those reporting organizations wanting to address their stakeholders concerns by implementing new practices with regards to gender and in turn include gender information into their sustainability report.

The full range of issues related to gender practices and reporting discussed in this publication related to not just the governance and values of organizations and their workplace, but also emerging discussions around the supply chain, the community, consumers and investors. Each chapter has offered reporters ideas on practices from which they can draw - depending on the material issues they face and based on their stakeholder’s concerns. In addition, each chapter explained how reporters can relate these practices to existing GRI performance measurements complemented with new ideas of additional indicators. Policy, practice and reporting examples were highlighted as well for illustrative purposes.

Although the current GRI G3 Guidelines only cover a limited number of explicit gender-specific issues in their management disclosures and indicators, this work has indicated that many gender equality issues can only be analyzed if gender disaggregated breakdowns of information are provided by reporting organizations. Therefore this has underlined the opportunity to significantly enhance the gender relevance of many existing indicators in the G3 Guidelines. In turn, there is scope for reporters to provide gender disaggregated information for a range of existing indicators in the G3 Guidelines and to draw on some existing sector-specific indicators referring to gender.

This work has confirmed the need for a formal review of the GRI Guideline from a gender perspective. Sustainability reporters require guidance on existing indicators (to better understand the relevance of gender as it relates to existing issues covered in the guidance) and pointers in the existing GRI Disclosures on Management Approach and Indicator Protocols as where to reference and report on gender information. In addition, it has emerged that there may be scope for additional gender related core indicators.

Moving forward, gender will be considered by GRI’s Governance Bodies for inclusion in GRI’s forthcoming work plan for formal G3 Guidelines updates. In the meantime, it is hoped that reporting organizations will make use of this resource and integrate gender information into their future reports towards operationalizing their commitment to a world of gender equality and sustainable development.
Appendix 1

Overview of Gender-Related International Conventions, Legal Frameworks, and International Policies

Preamble to the UN Charter

The 1945 preamble to the UN Charter notes that its objective is “to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small.”


Universal Declaration of Human Rights

Calls for equality were included in the UN Universal Declaration of Human Rights of 1948.

Read the Universal Declaration of Human Rights online at http://www.ohchr.org/EN/UDHR/Pages/Introduction.aspx.

Resolution 8/7 by the UN Human Rights Council: Mandate of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises

On June 18, 2008, the Special Representative of the Secretary General (SRSG) on Business and Human Rights, who reports to the United Nations Human Rights Council, was specifically mandated to “integrate a gender perspective throughout his work and to give special attention to persons belonging to vulnerable groups, in particular children.”


The SRSG 2009 Report to the Human Rights Council “Business and human rights: Towards operationalizing the “protect, respect and remedy” framework” published on 22 April 2009, at:


On 29 June 2009 an expert consultation was undertaken to ascertain what it might mean to integrate a gender perspective into the UN framework on Business and Human Rights introduced by the SRSG. The results of this consultation are available at:


Convention on the Elimination of All Forms of Discrimination against Women

In 1979, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) was adopted by the UN General Assembly as an internationally binding instrument that provides the basis for equality between women and men and sets an agenda for national action to end gender discrimination and to protect human rights and fundamental freedoms for women.

The text of the convention and further information are available at http://www.un.org/womenwatch/daw/cedaw/.

Convention on the Rights of the Child

The Convention on the Rights of the Child (CRC) focuses on the inalienable rights of children. The CRC includes the principles that both parents have common responsibilities for the upbringing and development of the child and that parents and legal guardians should be rendered appropriate assistance in the performance of their child-rearing responsibilities.

Read the full convention at http://www2.ohchr.org/english/law/crc.htm.
Beijing Platform for Action

In 1995, the UN Beijing Platform for Action set forward an agenda for women’s empowerment. The Beijing Platform is based on the principles of shared power and responsibility between women and men at home, in the workplace, and in the wider national and international communities. Acknowledging equality between women and men as a matter of human rights and a condition for social justice, the platform for action envisages a transformed partnership between women and men as a condition for people-centered sustainable development. Its aim is to remove “all the obstacles to women’s active participation in all spheres of public and private life through a full and equal share in economic, social, cultural and political decision-making.”

Its strategic objectives related to women and the economy are:

• promote women’s economic rights and independence, including access to employment, appropriate working conditions and control over economic resources;

• facilitate women’s equal access to resources, employment, markets, and trade;

• provide business services, training, and access to markets, information, and technology, particularly to low-income women;

• strengthen women’s economic capacity and commercial networks;

• eliminate occupational segregation and all forms of employment discrimination; and

• promote harmonization of work and family responsibilities for women and men.

The Beijing Declaration can be read online at http://www.un.org/womenwatch/daw/beijing/beijingdeclaration.html.

Millennium Declaration and Millennium Development Goals

The Millennium Declaration calls for the full implementation of both CEDAW and the CRC. It recognizes not only the need for full participation of all members

of society and the centrality of gender equality to human development, but also the moral imperative behind achieving these goals. The Millennium Development Goals (MDGs) and associated targets stemming from this declaration embrace gender as a cross-cutting issue that will contribute to progress on all of the goals, not only the specifically gender-related MDG 3. For example, evidence suggests that gender equality is a major determinant of health and also improves educational outcomes.

Four indicators were selected to monitor progress toward MDG 3, to “promote gender equality and empower women”:

1. The ratio of girls to boys in primary, secondary and tertiary education

2. The ratio of illiterate women to men, 15–24 years old

3. The share of women in wage employment in the nonagricultural sectors

4. The proportion of seats held by women in national parliaments.

The text of the Millennium Declaration can be read online at http://www.un.org/millennium/declaration/ares552e.htm. Further information on the MDGs can be found at http://www.un.org/millenniumgoals/.

ILO Conventions

The ILO core conventions that also promote gender equality in the world of work include the following:

• The Discrimination (Employment and Occupation) Convention, 1958 (No. 111)

• The Equal Remuneration Convention, 1951 (No. 100). This specifically addresses the issue of equal remuneration for men and women for work of equal value.

• The Workers with Family Responsibilities Convention, 1981 (No. 156) and related Recommendation (No. 165) http://www.ilo.org/ilolex/cgi-lex/convde.pl?R165

• C 175 (part-time work)

• C 177 (homework)
• The Maternity Protection Convention, 2000 (No. 183). This was preceded by C 103 (1952) and C 3 (1919).

• Freedom of Association and Protection of the Right to Organize Convention (No. 87)

• Right to Organize and Collective Bargaining Convention (No. 98)

Other conventions with particular implications for gender equality include those on employment promotion, working conditions, and migrant workers.

The up-to-date conventions and protocols can be found at http://www.ilo.org/ilolex

UN Global Compact

The UN Global Compact is a voluntary international corporate citizenship initiative consisting of 10 principles derived from a number of international declarations, including the Universal Declaration of Human Rights and the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

Kilgour (2007) argues that despite not directly referencing gender in the 10 principles, the UN Global Compact has a gender-equality mandate within its guiding principles. This is in part because the international instruments that the principles are based on include many rights related to gender equality, but also because the compact is part of the UN and so is committed to implementing the Beijing Platform for Action and achieving the Millennium Development Goals. Research by Kilgour suggests that Global Compact signatories, in their communications on progress to date, have not emphasized inequality faced by women outside the formal workplace.
Appendix 2

Participants at the Multistakeholder Consultation Workshops on Gender and Sustainability Practices and Reporting

London, United Kingdom, 1 December, 2008:

Elin Blöndal, Bifröst University
Bola Fatimilehin, BBC
Silvia Giuseppini, Telecom Italia
Kate Grosser, Nottingham University Business School
Dave Kingma, Holcim Ltd.
Chikako Kuno, European Bank for Reconstruction and Development (EBRD)
Katherine Miles, GRI
Marianne Mwaniki, Standard Chartered
Carmen Niethammer, IFC
Friederike Sorg, GTZ
Linda Spedding, Women In Law
Ingibjörg Porsteinsdóttir, Bifröst University
Marie Trollvik, Swedish Association of Local Authorities and Regions (SALAR)

London, 2 December, 2008:

Elin Blöndal, Bifröst University
Stine Jensen, Radley Yeldar
Maureen Kilgour, Faculty of Business Administration, Collège Universitaire de St-Boniface
Annette Lawson, National Alliance of Women's Organizations (NAWO)
Katherine Miles, GRI
Carmen Niethammer, IFC
Ines Smyth, Oxfam GB
Coral Taylor, Business in the Community (BITC)
Opportunity Now
Ingibjörg Porsteinsdóttir, Bifröst University

Johannesburg, South Africa, 10 December, 2008:

Sandra Ainley, Standard Bank Group Limited
Alex Burger, IFC
Elin Blöndal, Bifröst University
Joanette Botha, Telkom SA Ltd.
Dorcas Hove, Federation of African Media Women in Southern Africa (FAMW-SA)
Jane Kamau, Russell and Associates
Douglas Kativu, African Institute for Corporate Citizenship
Daisy Kopolo, Association of Chartered Certified Accountants (ACCA)
Lesego Lebuso, First Rand Bank SA
Elizabeth Malumo, First Rand Bank SA
Pauline Mbayah, African Management Services Company (AMSCO)
Katherine Miles, GRI
Lillian Mutunga, African Gender Monitor
Allen Mwbebeiha, African Management Services Company (AMSCO)
Yachar Nafissi-Azzar, Embassy of Switzerland in Pretoria
Carmen Niethammer, IFC
Michela Ratto, Standard Bank
Benedicta Sepora, IFC
Nthabi Sibanda, Women's Development Bank
Alet Steenkamp, Telkom SA Ltd.
Annika Vieira, Coxswain Social Investment
Vusa Vundla, African Management Services Company (AMSCO)
Aletta Zikalala, Lonmin

São Paulo, Brazil, 5 March, 2009:

Regiane Abreu, Light SA
Sueme Andrade, Industry Social Service Agency
Elizabeth Arango, Avina Colombia
Carlos Eduardo Lessa Brandão, Brazilian Institute of Corporate Governance/UOL
Marcia Bueno, Alcoa Aluminio SA
Heloisa Covolan, Itaipu Binacional
Cibele de Macedo Salviatto, Attitude
Silvia Do Valle Pereira, SESI/SC
Meire Ferreira, ARES-Institute for Responsible Agribusiness
Maria Helena Guarezei, Itaipu Binacional
Silvana Hoffmann, Hoffmann & Associados
Luis Estevam Pereira Ianhez, Report Comunicação
Leny Iara, Abradee
Walter Jäckel, GTZ
Claudia Jeunon, Sistema Firjan
Thereza Lobo, Comunitas
Anete Lopes, Uni Engenharia e Comércio Ltda
Andrea Marques, Medley SA Indústria Farmacêutica
Martin Matter, Consulate General of Switzerland
Darlene Menconi, Women Entrepreneurs Leadership Group
Katherine Miles, GRI
Flavia Moraes, FCM Consultoria em Sustentabilidade
Carmen Niethammer, IFC
Simone Paranhos, IPAZ- International Peace Agency
Silvia Pereira, Servico Social da Industria (SESI)
Juliana Puggina, Medley SA Indústria Farmacêutica
Ivana Rizvi, Companhia Hidro Elétrica do São Francisco
Lícia Maria Peres Rosa, CPFL Energia
Michel Santos, Bunge
Ana Schneider, Energias do Brasil
Maria Stael, CEMIG Companhia Energetica de Minas Gerais
Gláucia Terreo, Parceria Ethos/GRI
Alexandre Weishaupt Themé, Eletrobras
Ingibjörg Porsteinsdóttir, Bifröst University
Nisia Werneck, Fundação Dom Cabral—NOW Consultoria
Marcella Zonis, Principles for Responsible Investment

**New Delhi, India, 24 March, 2009:**

Jekob Ahmed, Ask India
Ritu Anand, Tata Consultancy Services
Parthasarathi Changdar, Cairn India
Radhika Desai, Gender Sub-Committee of the Social Performance Task Force for the Microfinance Sector, CGAP
Vijay Ganapathy, KPMG
Richa Gautam, GTZ
Rashmi Goel, IFC
Monali Zeya Hazra, Centre for Science and Environment
Shubhra Jain, Pricewaterhouse Coopers Pvt. Ltd.
Amita Joseph, Business and Community Foundation
Sunita Kaitha, Women Work & Health Initiative
Sampat Kapur, Partner In Change
Poonam Mehta, Development Alternatives
Anandan Menon, ILO
Katherine Miles, GRI
Anurag Mishra, Cairn India
Deepti Morang, Development Alternatives
Azad Nandini, Working Women’s Forum
Carmen Niethammer, IFC
Gayatri Paul, DLF Ltd.
Harsh Purohit, Cognito
Shahaney Roopali, Paharpur Business Centre
Amita Sahaya, Women Work & Health Initiative
V.N. Sastry, Federation of Indian Micro and Small & Medium-Sized Enterprises (FISME)
Y. K. Saxena, Jubilant Organosys
Geetika Singh, Centre for Science and Environment
Vijay Kumar Singh, DLF Ltd.

Parul Soni, KPMG
Srimathi Shivashankar, Infosys

**Washington, D.C., 24 April, 2009:**

Natalie Africa, IFC
Adria Armbriester, Inter-American Development Bank
Amy Augustine, Calvert Asset Management Company, Inc.
Arlette Mandungu Baliki, IFC
Colleen Beck, Population Council
Alicia Buford, George Washington University
Maria Elena Castro Munoz, World Bank
Peter De Simone, Social Investment Forum
Allison Gilmore, National Women’s Business Council
Jeanne Harvey, InterAction
Leah Haygood, BuzzWord Sustainable Reporting
Danica MacAvoy, BSR
Shawn MacDonald, Verité
Dianne Massimo-Tamuk, Solidarity Center
Caterina Meloni, IFC
Katherine Miles, GRI
Claudia Müller, German Executive Director’s Office, World Bank Group
Carmen Niethammer, IFC
Maureen O’Brien, Center for Political Accountability
Sylvia Panek, Social Investment Forum
Claudia Piras, Inter-American Development Bank
Aruna Rao, Gender at Work
Greg Radford, IFC
Houri Sammari, IFC
Rebecca Sewall, Centre for Development and Population Activities
Casey Carter Silva, Inter-American Development Bank
Sevi Simavi, IFC
Candice Stevens, formerly OECD
Brita Stevenson, Council of Women World Leaders
Claire Stienecker, Pan American Health Organization
Alice Tepper Marlin, Social Accountability International
Ingibjörg Porsteinsdóttir, Bifröst University
Aditi Vora, Calvert Asset Management Company, Inc.
Heidi Welsh, GRI Working Group Member
Juanita Weaver, Center for Women’s Business Research
Diane White, United States African Development Foundation/Calvert
Zouera Youssoufou, IFC
Susanne Zumstein, Swiss Agency for Development and Cooperation (SDC)
References


