

## 1. About this page

This page is designed to help fund managers quickly familiarise themselves with the topic of gender as it relates to investment. It is not intended to be a detailed technical guidance document.

Currently, the scope of this page is limited to issues of gender-based discrimination. However, it will expand over time to include broader guidance on issues of gender and the private sector. To make suggestions or share tips and advice, email [esgtoolkit@cdcgroupp.com](mailto:esgtoolkit@cdcgroupp.com).

- [Additional considerations](#)

Formal specific technical guidance is provided at the end of this page and in the [Reference materials](#), including [International Finance Corporation \(IFC\) 2012 Performance Standard 2: Working and Labour Conditions](#) and [IFC Good Practice Note: Non-Discrimination and Equal Opportunity](#).

This page provides an overview and general guidance. Fund managers should carefully consider each company based on its specific characteristics and circumstances including scale, location, technology, management capacity and commitment and track record. Risks, impacts and opportunities relating to a particular company or sector can also change over time for a number of reasons (e.g. changes in the applicable laws and regulations or in the type of the company's activities or assets). Fund managers may need to engage external experts in some situations (see 'Advice for fund managers' section below).

## 2. Introduction

CDC views gender equality and the promotion of equality of opportunity as fundamental to well-functioning economies, and therefore is something we aim to support through our investments.

It is important that all companies consider how business operations can impact men and women differently. Sometimes (particularly in emerging markets) there are local, cultural or national customs and practices, which inform recruitment and employment practices. Gender-based discrimination and inequality most frequently affects women. This page

focuses on how discrimination against women can be addressed, though it acknowledges that men can also be victims of gender-based discrimination. Investors and companies should apply sound judgment and decision-making to promote equality among men and women and to reduce or remove gender-based discrimination from the workplace.

Examples of gender-based discrimination include: allowing gender prejudice or stereotypes to influence the selection, promotion and advancement of employees; sexual harassment in the workplace; restriction of access to trade unions or worker's councils; and poor policies regarding maternity and childcare arrangements.

Sectors in which gender-based discrimination are likely to be particularly relevant are those that:

Rely on large numbers of women, including some forms of manufacturing (specifically textiles), agriculture, education, retail and healthcare. It should be noted that suppliers might also employ large numbers of women in difficult working conditions.

Have traditionally been male-dominated and continue to limit entry into the workforce to women, or where a male-dominated culture remains despite an increased number of women. Examples include mining, construction and financial services. The issues are about entry into the workforce and operating equally within it.

### **3. Why companies and fund managers should address this topic**

Good employment terms and conditions for all employees, irrespective of gender, ethnicity or other traits or background, provide companies with business benefits such as, a wider talent pool to recruit from, enhanced productivity and improved staff retention. There is also significant [evidence](#) to show that board and executive level diversity (including gender, age, skills, sector and geographic experience) can improve decision-making and overall business performance.

### **4. Advice for fund managers**

Fund managers should assess the extent to which gender is factored into the business plan and operations of the company. Specifically:

- Is there evidence of discrimination based on gender in terms of hiring, promotion, terms and conditions of employment (including risks of gender-based discrimination and workplace sexual harassment)?
- Are there opportunities to improve business performance through a more proactive approach to gender issues?
- Are there any specific supply chain risks or opportunities that relate to gender? (i.e. reduce risk of discrimination in supply chains, and enhance productivity through proactive engagement on gender)

At a minimum, all companies must comply with local regulations and should include within their employment and human resources policies, commitments to gender equality, as required within the ILO Core Conventions, particularly [Convention 111 concerning Discrimination \(Employment and Occupation\) Convention](#) concerning Discrimination in Respect of Employment and Occupation.

Fund managers should check that the company has not been prosecuted fined or otherwise exposed (for example in the media) for violating gender equality regulations.

There are a number of measures that companies can implement to promote gender equality in the workplace. Some measures are listed below. Fund managers should assess which policies the company follows, and which it might be required to adopt to prevent gender-based discrimination.

- [Creating a supportive management culture](#)  
Senior management commitment plays a key role in creating and maintaining a non-discrimination culture in the company. Fund managers should take this into account when assessing companies' approach and practices regarding non-discrimination.
- [Implementation of non-discrimination policy - Assigning roles and responsibilities](#)  
To ensure proper implementation of the non-discrimination policy the company should have assigned clear responsibility and accountability to an identified executive manager or member of its human resources team. Fund managers should check that the company has an appropriate non-discrimination policy in place and has assigned responsibility for it.

The company should also have a plan and operational guidelines to ensure that the

policy is properly implemented. Implementation should be monitored and reported on at management and board level. Some companies may also report on gender issues through their external reporting or through regular newsletters to employees or stakeholders.

- Recruitment and retention

Companies should:

- Ensure recruitment, retention and advancement decisions are based solely on candidate merit and not based on gender.
- Ensure advertising and recruitment does not create implicit gender bias because of the location/ type of adverts.
- Ensure recruitment panels include both men and women.
- Promote men and women equally.

- Terms of employment

Companies should:

- Pay equal wages and provide equal benefits to men and women for equal work.
- Conduct regular fair-pay reviews.
- Provide maternity leave that is equivalent to or better than national requirements and undertake appropriate proactive management / provision of facilities (e.g. breastfeeding facilities) and other care related services.
- Guarantee that after maternity leave the worker returns to the same or an equivalent job with no substantial change in contractual or other relevant terms.
- Provide paternity leave that reflects national requirements as a minimum.
- Implement policies in respect of redundancy and downsizing that are not biased against women.

- [Working conditions and accommodation](#)  
Companies should provide adequate ablutions and sanitary facilities for women that are separate from male facilities. Where worker accommodation is provided this should be safe, secure and segregated.
- [Representation](#)  
Fund managers should assess whether workers groups and/or collectives and/or unions represent both men and women’s interests and include female representation. If this is not the case, fund managers should work with companies and the relevant parties to address the issue.
- [Grievance procedures](#)  
Companies should implement an accessible, confidential and fair grievance mechanism. Its procedures should enable women to report workplace grievances (including incidences of intimidation and sexual harassment) and have a process to address them effectively.

## 5. Further resources

- [Further information and guidance](#)
  - [International Labour Organization \(ILO\) Convention 111.](#)
  - [International Finance Corporation \(IFC\) 2012 Performance Standard 2: Working and Labour Conditions.](#)
  - [IFC Good Practice Note: Non-Discrimination and Equal Opportunity.](#)
  - [IFC Gender Resources.](#)
  - [IFC Investing in Women initiative.](#)
  - [United Nations Development Fund for Women \(UNIFEM\).](#)
  - [UN Women - The Power of Procurement: How to source from women-owned businesses \(2017\).](#)
  - [DFID Gender Manual: A practical Guide.](#)

- [DFID - Sexual and reproductive health and rights \(SRHR\) interventions in the workplace and women's economic empowerment \(2018\).](#)
- [Women on Boards.](#)
- [IFU and DFPA: Why and how companies decide to invest in the health of their employees & gender equality.](#)
- [The Boardroom Africa.](#)