

Gender-responsive laws and regulations across the value chain

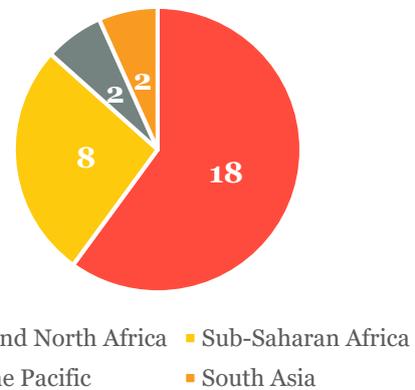
Overview of Current State of Gender Laws and Regulations

Laws and policies make up the institutional environment that enables women to participate in the labour market, be economically empowered, and contribute their efforts and talents to companies. These laws can enable women’s participation and promote equity. In other cases, laws or the lack thereof may hinder women’s labour participation. Companies need to be aware of and comply with all laws, but company leaders should also think about how they can get “ahead of the curve” by implementing gender-equitable policies and practices before they are legally mandated—both because it’s the right thing to do and it’s good for their business.

Women’s participation in business is limited by myriad laws and policies in the regulatory environment

- ✦ 155 countries have at least one law that limits women’s economic opportunities
- ✦ 100 nations put restrictions on the types of jobs women can have
- ✦ 18 countries allow husbands to dictate whether their wives can work
- ✦ Difference between gender equitable laws on paper, and implementation in practice
- ✦ Relevant laws range from property ownership and inheritance, to family law, to public law, to access to public space and municipal regulations

Number of Countries with 10 or More Legal Gender Differences within each Region



Legal Trends and Future Proofing Your Business

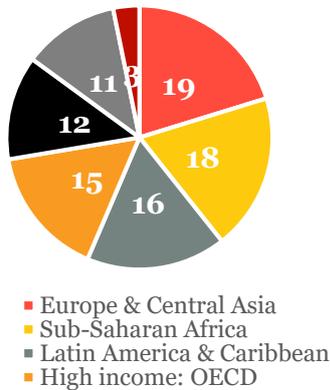
Across the world, countries are making reforms to implement more gender equitable laws and policies. Businesses can get in front of and align with these reforms by creating the infrastructure and culture to implement gender equitable practices before they are mandated, giving companies a competitive advantage – future proofing the business.

Between 2013 and 2015 there were:

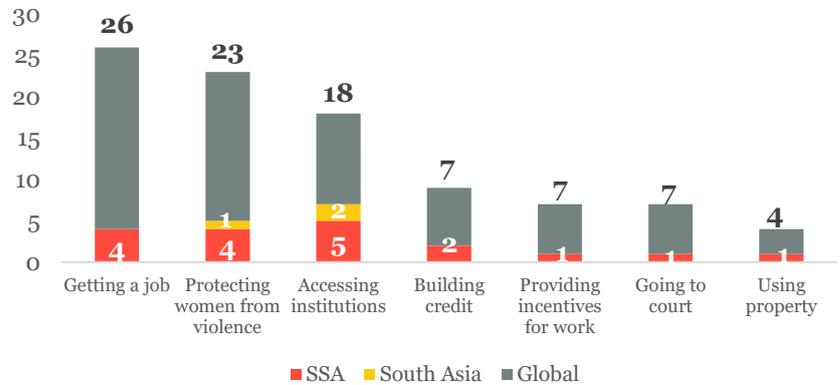
- 94 reforms increasing gender parity

- 18 reforms in Sub-Saharan Africa, but only 3 reforms in South Asia

Number of Reforms by Region
(2013-2015)



Number and Type of Reforms Globally and in SSA, South Asia
(2013-2015)



Policy reform categories

Getting a job: These reforms are related to restrictions on women’s access to work □ such as hours and industries. Companies should be aware of where these restrictions are in place and the reforms that enable them to employ women in new roles.

Protecting women from violence: Sexual harassment in the workplace is associated with reduced productivity, reduced team performance, and may cause the employee (and/or their colleagues) to leave. Reported sexual harassment can lead to legal and insurance costs and can harm the company’s brand reputation and ability to attract talent. Experience of domestic violence at home can have many of these same impacts at work including absenteeism and reduced productivity. In order to avoid these costs, companies should not only have anti-sexual harassment policies in place, but they should also strive to create a culture that does not accept harassment and promotes a more equal power dynamic between male and female employees.

Accessing institutions: These reforms are related to the legal ability to interact with public authorities and the private sector: e.g., voting rights, access to banks, mobility, allowing women to work outside the home, access national ID cards without husband, etc. While companies may not be able to directly influence these policies, they should be aware of them, and operate within them. For example, if women do not have access to banks or have restricted mobility, they may not be able to be involved in certain roles within a company. Alternatively, if there have been recent reforms in this category- e.g., allowing women to open bank accounts without their husband’s signature, it might enable the company to engage women in new roles as employees or to target them as customers.

Building credit: When women have access to credit, companies are able to leverage women-owned suppliers and last-mile sales agents (who use credit to purchase inventory) and can attract more female customers (who can

use credit to purchase products/services). However, women often lack access to the collateral needed to obtain a loan. Therefore, in many settings, women's ability to own land, have their names on land titles, and equitably inherit land are key factors in their ability to access and use credit. Where policies that give women equal access to land and credit do not exist, companies could offer collateral-free credit mechanisms, or use alternative metrics to measure credit worthiness (such as psychometrics) in order to provide credit to women who otherwise might lack access. This would help the company to increase participation of female-owned suppliers, last mile female sales agents, and female customers.

Providing incentives for work: Women are often primary care givers for children and elders. Provision of public or subsidized childcare / eldercare by the government can enable companies to maximize contributions from female employees as they are more productive, are able to work longer hours, and are more likely to stay with the company through their childbearing years and beyond. Companies should comply where these policies exist, and where they do not exist, companies can offer childcare / eldercare to attract talent and have a competitive advantage.

Going to court: These reforms are related to women's access to justice by looking at the number of women justices in constitutional courts and whether there are small claims courts. While companies cannot directly impact these policies, they provide a signal to whether there is an enabling regulatory environment for women's economic participation.

How are these policies and reforms relevant to a company?

- ✦ Where there are laws that limit women's access to economic resources, there is an opportunity for companies to implement policies and practices that counteract those limitations and give them a competitive advantage.
- ✦ Trends – presented below – show us that things are changing; companies should get in front of and align with these reforms by implementing their own gender-equitable policies and practices.

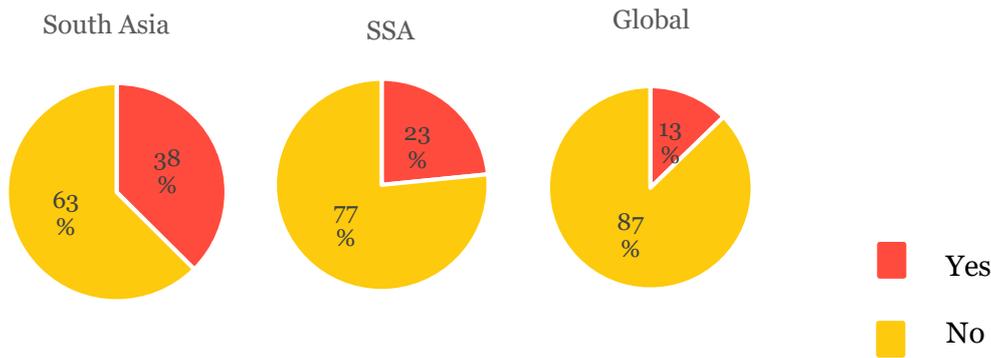
Laws and Policies Create Risks and Opportunities Across the Value Chain

I. Enabling Environment

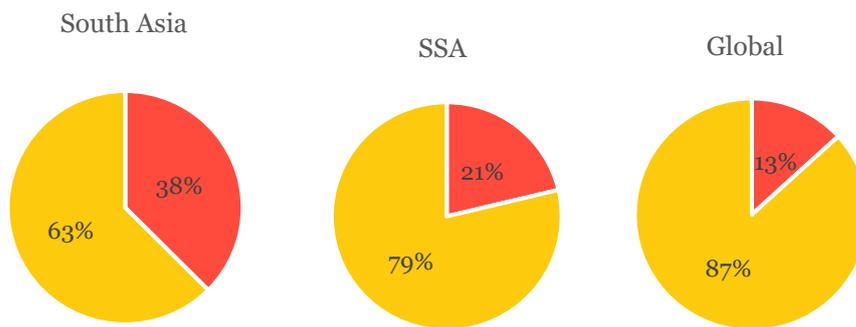
1. Quotas

Government Quotas: Having quotas for women serving on parliament and in local government can lead to more laws and policies being passed with women's needs taken into consideration. This can create a more enabling environment for women's economic participation and may be something for companies to consider when looking at the operating environment in various countries.

Are there quotas for women representatives in parliament?



Are there quotas for women representatives in local government?



Risks and Opportunities Associated with Quotas for Women in Government

	Risks	Opportunities
Yes	Female parliamentarians and local government officials will not be as highly regarded/ respected as people see them as only fulfilling the quota	<ul style="list-style-type: none"> Female parliamentarians and local government officials can ensure that gender considerations are incorporated into laws, policies, and implementation procedures Companies can target these female parliamentarians to ensure that policies that create an enabling environment for women in the workplace are enacted and enforced
No	National and local level policies may continue to be implemented that do not incorporate gender considerations, and at worst, create additional challenges for women	

Corporate Board Quotas: Quotas related to the percentage of women on corporate Boards can ensure that women’s voices are taking into consideration in company decisions. Having women on corporate boards has been associated with enhanced financial performance, reduced corruption, and more efficient decision-making

processes. Having women on boards can translate to having more women in leadership and management positions.

Are there quotas for women on corporate boards?



While there aren't any quotas for women on corporate boards in Sub-Saharan Africa, a McKinsey study found that there are relatively large proportions of women on the boards of African corporations.

African average: 14% representation on boards (compared to 9.8% in Asia-Pacific, 8.5% in Latin America and the Caribbean, and 1% in the Middle East (and 20% in the US and EU)

- ✦ 20% in Southern Africa
- ✦ 16% in East Africa
- ✦ 11% in West Africa
- ✦ 9% in North Africa

Risks and Opportunities Associated with Quotas for Women on Corporate Boards

	Risks	Opportunities
Yes	Women engaged on boards will not be as highly regarded/ respected, as people might see them as only fulfilling the quota	<ul style="list-style-type: none"> • Having more women on boards is associated with greater financial performance • Companies with more women on their boards are less likely to be associated with government scandals involving bribery, fraud • Having more women on boards is associated with more gender equitable company cultures that will create opportunities for women throughout the value chain
No	Companies may not integrate gender considerations throughout their operations and might unintentionally reinforce harmful gender norms and ineffectively serve female employees and customers	Even where quotas do not exist, companies can pave the way for engaging women on boards and in management

Trend: Diversity reporting requirements

In addition to policies requiring a particular percentage of board members to be female, it is becoming increasingly common for publicly traded companies to be required to report on their gender diversity. In some developed countries (e.g., New Zealand, Australia, Canada, Hong Kong, Malaysia, and the EU) policies have recently been put in place that require corporations to report on their gender diversity on boards and throughout companies.

Gender reporting requirements related to listing with stock exchanges

In New Zealand, Australia, Hong Kong, and Malaysia, the major stock exchanges require listed companies to provide a gender breakdown of their boards of directors and officers, have a gender diversity policy, and/or have diversity-related provisions in corporate governance requirements. In the EU, a directive was issued in 2017 requiring large, listed companies to disclose data related to diversity on boards by gender, age, and educational and professional background in their annual reports. While these requirements are currently concentrated in developed countries, many of the companies in which investors invest will eventually wish to list on these stock exchanges and so it is advantageous if they prepare themselves now for this. There will likely also be a ripple effect where these requirements will eventually spread to all stock exchanges, so it is good to be prepared.

Gender reporting requirements from fund managers

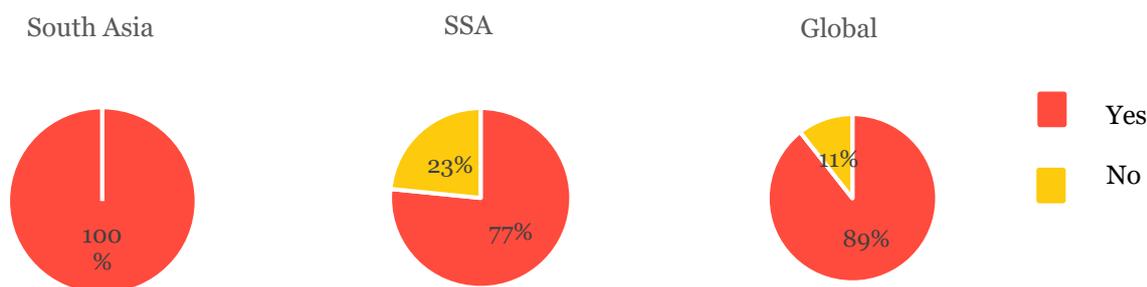
In addition, fund managers are already looking at this and starting to make their investees report on the gender diversity make up. Fund managers increasingly see an all-male board as a risk – both to the company’s general

sustainability and for its positioning for a successful exit. It would benefit companies to align with investors' desires and to signal to investors that they are in front of the curve when it comes to gender diversity.

2. Property rights/access to credit

Access to credit can help female-owned suppliers to purchase needed resources, it can enable female entrepreneurs to purchase inventory, and it can assist female customers in purchasing products. Property is often needed as collateral when taking out a loan. Therefore, in many settings, women's ability to own land, have their names on land titles, and equitably inherit land are key factors in their ability to access and use credit.

Do unmarried men and married women have equal ownership rights to property?



Risks and Opportunities Associated with Addressing Women's Property Rights/Access to Credit

	Risks	Opportunities
Yes		<ul style="list-style-type: none"> • Women are able to use property as collateral to open bank accounts and access credit <ul style="list-style-type: none"> ○ entrepreneurs are able to purchase inventory ○ customers are able to purchase products • Women's land ownership and access to resources may enhance agricultural outputs
No	<ul style="list-style-type: none"> • Women are not able to access credit to purchase supplies, inventory, or products • Women may not be able to make effective decisions related to their land 	Companies can explore alternative financing mechanisms such as collateral-free loans or innovative methods for assessing credit-worthiness (such as psychometrics) to provide women with financing who would otherwise lack access

3. Human rights

Laws in the enabling environment such as women’s ability to travel outside of their home (without their husband), open a bank account, register a business, or pursue a job can impact a company’s ability to hire and retain female employees as well as their ability to acquire female customers. Companies need to be aware of these laws, work within these laws, and work around these laws where possible.

Countries in CDC geographies with laws and policies that hinder married women from having the same rights as men:

Can a married women....	No
Travel outside her home in the same way as a married man?	Afghanistan, Sudan
Get a job or pursue a trade or profession in the same way as a married man?	Cameroon, Chad, Comoros, Congo, Gabon, Guinea, Guinea-Bissau, Mauritania, Niger, Sudan
Register a business in the same way as a married man?	Bhutan, Pakistan, Congo, Guinea-Bissau
Open a bank account in the same way as a married man?	Congo, Guinea-Bissau, Niger

II. Access to Jobs

1. Non-discrimination in hiring

While many countries do not have policies mandating non-discrimination in hiring, this is something that companies should be aware of and can be ahead of the curve on. Hiring diverse candidates can contribute to greater innovation and productivity.

Does the law mandate non-discrimination based on gender in hiring?



2. Allowable occupations and hours

Understanding the allowable occupations and hours for women can also help a company to ensure they are complying to local laws and maximizing women’s potential.

Can non-pregnant, non-nursing women...

	Work the same night hours as men?	Work in mining in the same way as men?	Work in factories in the same way as men?	Work in construction in the same way as men?
South Asian	25%	38%	50%	100%
Sub-Saharan Africa	85%	53%	68%	66%
Global	83%	61%	78%	80%

Risks and Opportunities Associated with Discrimination in Access to Jobs

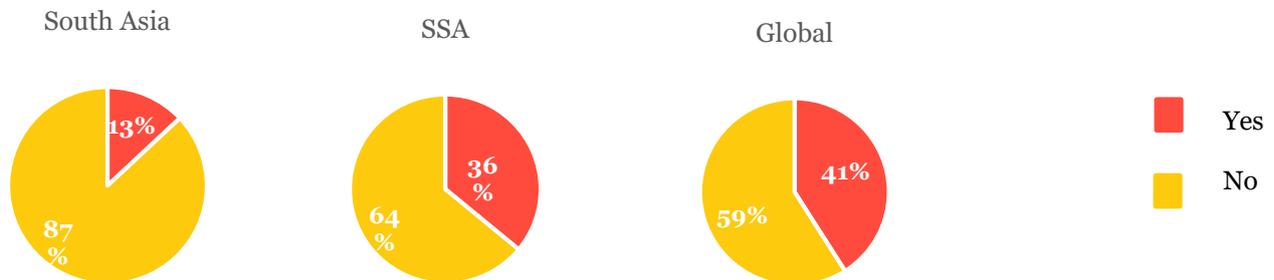
	Risks	Opportunities
Yes	Non-compliance with federal regulations could put the company at risk	<ul style="list-style-type: none"> Having diversity across a company’s value chain can contribute to increased productivity and innovation Companies are able to/should take advantage of women’s talents in non-traditional roles
No	<ul style="list-style-type: none"> Companies will not be able to take full advantage of women’s talents as they are not able to be equally employed across the value chain Companies may inadvertently be hiring male and female employees based on preconceived gender norms 	

III. Fair Working Conditions

1. Equal pay

Laws related to equal pay mandate that women and men be paid equally for the same work. Where these laws exist, companies should ensure they are in compliance and where they do not exist, companies can be ahead of the curve and promote equality in pay on their own.

Does the law mandate equal remuneration for work of equal value?



2. Non-discrimination

Performance Standard 2 (PS2): LABOR AND WORKING CONDITIONS

IFC's PS2 asks that companies treat their workers fairly, provide safe and healthy working conditions, avoid the use of child or forced labour, and identify risks in their primary supply chain.

The policy specifically states that where there are laws/policies related to non-discrimination and fair working conditions, companies should follow them. And where these do not exist, the company should try to independently meet this standard of equality.

Objectives

- ✦ To promote the fair treatment, non-discrimination, and equal opportunity of workers.
- ✦ To establish, maintain, and improve the worker-management relationship.
- ✦ To promote compliance with national employment and labour laws.
- ✦ To protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the client's supply chain.
- ✦ To promote safe and healthy working conditions, and the health of workers.
- ✦ To avoid the use of forced labour.

Requirements:

- ✦ Working conditions and management of worker relationship
- ✦ Human resource policies and procedures
- ✦ Working conditions and terms of employment
- ✦ Workers' organizations

- ✦ Non-discrimination and equal opportunity
- ✦ Retrenchment
- ✦ Grievance mechanism
- ✦ Protecting the work force
- ✦ Child labour
- ✦ Forced labour
- ✦ Occupational health and safety
- ✦ Workers engaged by third parties
- ✦ Supply chain

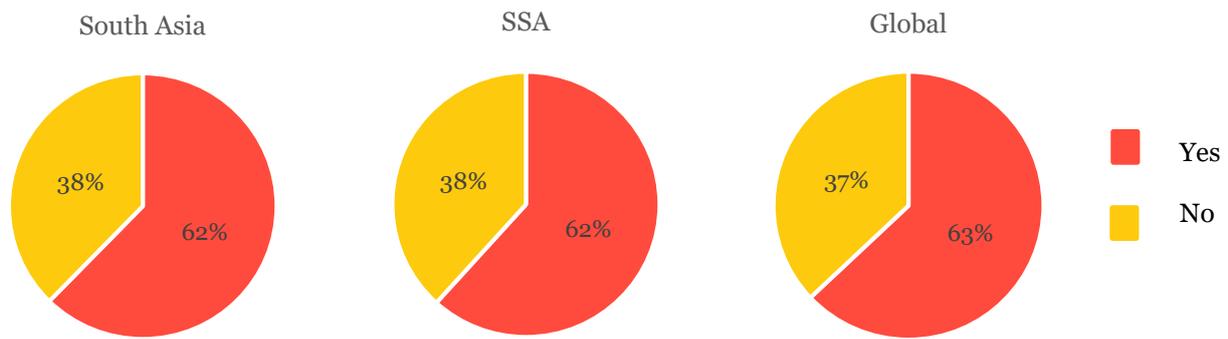
Risks and Opportunities Associated with Fair Working Conditions

	Risks	Opportunities
Yes	Non-compliance with federal regulations could put the company at risk	Non-discriminatory policies and practices can enhance the performance and increase retention of female employees throughout company value chains
No	Without these policies and procedures in place, companies may not be maximizing women's potential in the workplace	Companies could consider promoting equal pay and other non-discriminatory workplace protections to increase recruitment and retention of female employees and entrepreneurs

3. Sexual harassment

Sexual harassment within the workplace can cause direct and indirect financial costs to a company. When individuals experience sexual harassment, they encounter emotional, physical, and mental distress. This can then cause reduced productivity, reduced team performance, and may cause the employee (and/or their colleagues) to leave. Depending on the context, this can also lead to legal and insurance costs for the company. Ultimately, it may harm the company's brand reputation and their ability to attract talent. In order to avoid these costs, companies should not only have anti-sexual harassment policies in place, but they should also strive to create a culture that does not accept harassment and promotes a more equal power dynamic between male and female employees.

Is there legislation on sexual harassment in employment?



Sexual harassment can be defined differently across cultures. In the United States, it officially encompasses: unwelcome sexual advances, requests for sexual favours, and other verbal or physical conduct of a sexual nature when this conduct explicitly or implicitly affects an individual's employment, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment. Harassment does not have to be of a sexual nature, however, and can include offensive remarks about a person's sex. For example, it is illegal to harass a woman by making offensive comments about women in general. It can be challenging for companies to identify and address sexual harassment due to the varying nature of severity and pervasiveness. However, companies should attempt to monitor whether sexual harassment is occurring, appropriately address complaints, and attempt to change the workplace culture to prevent sexual harassment from happening in the first case.

Two-thirds of countries have some legislation related to sexual harassment in the workplace, and there have been several reforms related to GBV and sexual harassment within the past few years (23 between 2013 and 2015). However, most policies related to sexual harassment in the workplace are on procedural requirements related to how to report and handle cases of sexual harassment. Whether or not this legislation exists, it is important to recognize how sexual harassment in the workplace, and domestic violence outside of the workplace, can impact company performance. And it is also important to think about the steps that a company can take to effectively prevent and address incidents of violence.

Even where sexual harassment policies/laws do not exist, GPs will be expected to adhere to PS2's Non-Discrimination and Equal Opportunity clause that states:

The client will take measures to prevent and address harassment, intimidation, and/or exploitation, especially in regard to women.

Sexual Harassment Risk Factors

The following factors have been found to be associated with increased risk of sexual harassment in the workplace. They relate to the type of industry as well as traits within the industry.

- ✦ Male-dominated industries
- ✦ Industries/companies that are very hierarchical

- ✦ Industries with high prevalence of young/inexperienced workers
- ✦ Industries with “satisfaction-based compensation” where workers’ pay checks are tied to the satisfaction of their customers
- ✦ Companies that are forgiving when it comes to bad behaviour
- ✦ A US survey found that the following industries had the highest prevalence of sexual harassment: accommodation and good services, retail trade, manufacturing, health care and social services

Best Practices in Addressing Sexual Harassment

While companies may think of sexual harassment as a risk to be avoided, they can also think about how creating equitable company cultures is a strategy for attracting talent, retaining female workers, and creating a more productive work environment. While studies have found that most current anti-sexual harassment trainings are relatively ineffective, here are a few emerging best practices.

- ✦ Committed and engaged leadership
- ✦ Consistent and demonstrated accountability
- ✦ Strong and comprehensive harassment policies
- ✦ Trusted and accessible compliant procedures
- ✦ Regular, interactive training tailored to the audience and the organization

Risks and Opportunities Associated with Addressing Sexual Harassment in the Workplace

	Risks	Opportunities
Yes	Non-compliance with federal regulations could put the company at risk	Companies who adhere to anti-sexual harassment policies will have enhanced productivity, performance, and retention
No	<ul style="list-style-type: none"> • Women may be experiencing sexual harassment, but do not have the proper mechanism to report these incidences • Women may not feel safe in the workplace/public spaces and thus choose to not participate in the labour market, or to travel in public • Companies may be incurring costs related to losses in productivity and retention 	Companies could independently implement anti-sexual harassment policies and procedures to create a better work culture and attract more female (and male) employees

IV. Incentives within Jobs

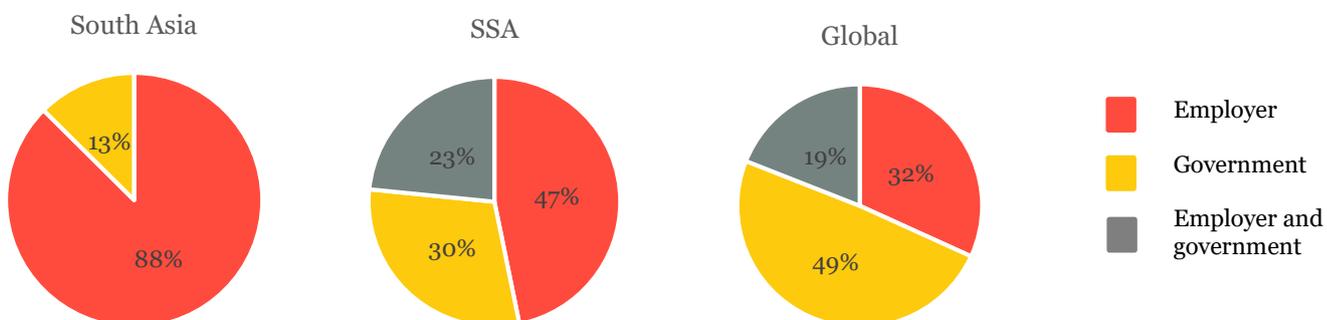
1. Maternity leave

Provision of paid maternity leave can increase companies' retention of female employees. As women of reproductive age have children, they may be motivated to drop out of the labour force, however adequate maternity leave (as well as provision of care services) can motivate these women to return and stay in the labour force. This enables companies to increase retention and productivity. There are also other workplace policies such as flexible hours and breaks for nursing mothers which will enable female employees to balance reproductive and work responsibilities.

Does the law mandate paid or unpaid maternity leave?

- All countries in South Asia and Sub-Saharan Africa require either paid or unpaid maternity leave
- Globally, only 9 countries do not require this

Who pays for maternity leave benefits?



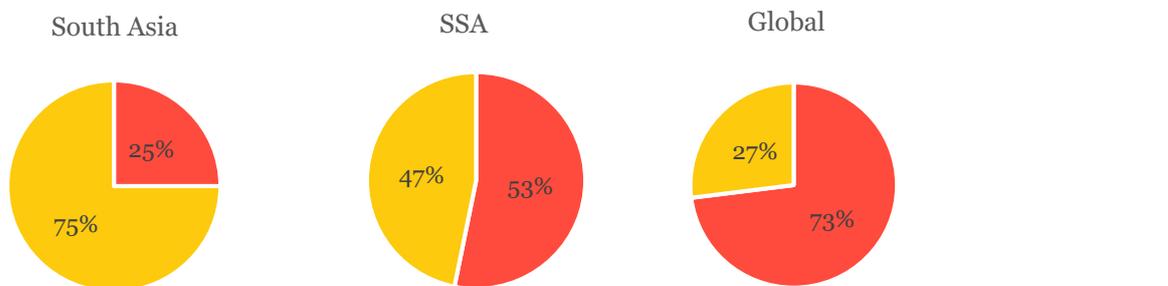
Risks and Opportunities Associated with Maternity Leave Policies

	Risks	Opportunities
Yes	Non-compliance with federal regulations could put the company at risk	Companies who adhere to anti-sexual harassment policies will have enhanced productivity, performance, and retention
No	<ul style="list-style-type: none"> • Women may be experiencing sexual harassment, but do not have the proper mechanism to report these incidences • Women may not feel safe in the workplace/public spaces and thus choose to not participate in the labour market, or to travel in public • Companies may be incurring costs related to losses in productivity and retention 	Companies could independently implement anti-sexual harassment policies and procedures to create a better work culture and attract more female (and male) employees

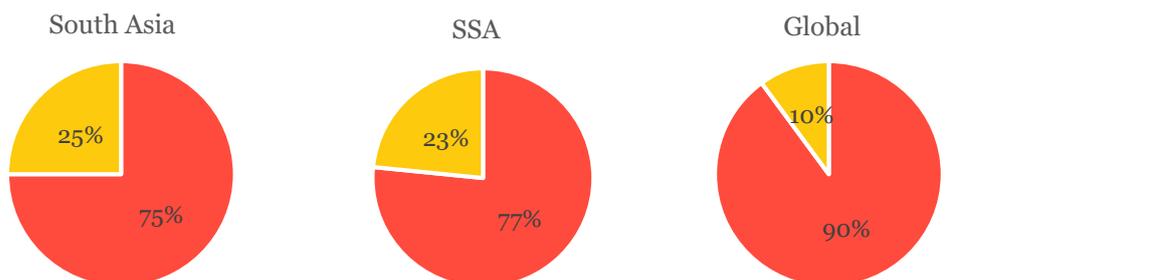
2. Care

Women are often the primary caregivers for children and elders. For companies to maximize the contributions of female employees, they need to enable women to balance care and work responsibilities. The provision of care can help companies to attract and keep female employees, as well as enhance their performance – by enabling them to work longer hours, with greater concentration and productivity.

Does the government support or provide childcare services?



Does the government provide free and compulsory primary education?



In addition to government-provided care, several countries have legislation that requires employers to provide childcare for employees, based on specific criteria.

Country	Policy
Brazil	Companies employing over 30 women over age 16 must have a place where children in the breastfeeding period can be cared for and supported
Chile	Companies employing over 20 women must provide childcare for children under 2
Ecuador	Companies with over 50 employees must provide childcare
India	Companies with over 50 employees must provide childcare
Jordan	Companies employing at least 20 women, with at least 10 children 4 years old and younger among them, must provide care for those children
Turkey	Companies employing at least 150 women must provide childcare for children up to 6 or pay vouchers for those services

Where these policies exist, companies need to make sure they are complying, and where they do not exist, companies can think about how the provision of care could be used to attract and retain employees.

Several case studies conducted by the IFC highlight the business case for employer-provided childcare, stating that this contributes to:

- ✦ Recruitment: improved quality of applicants and speed of filling vacancies
- ✦ Retention: reduced employee turnover- a textile producer in Vietnam (Nalt) found that providing childcare reduced staff turnover by one third; a bank in Japan (Bank of Tokyo-Mitsubishi UF) realized a four-fold increase in retention of new mothers and saved an estimated \$45 million employee turnover related costs by offering childcare
- ✦ Productivity: improved productivity through reduced absences, greater focus, and enhanced motivation and commitment; A plant in Brazil (Pandurata Alimentos) found that provision of child care was associated with a reduction in accident rates as employees were more focused, and a garment manufacturer in Jordan (MAS Kreeda Al Safi-Madaba) found that absences due to sick leave decreased by 9% in the first 9 months after opening a workplace creche
- ✦ Diversity: providing child care is an important building block for improving gender diversity and the advancement of women into leadership positions
- ✦ Reputation: companies who support the childcare needs of their employees gain recognition as “employers of choice” and this also helps to strengthen their relationships with international buyers, ensuring long-term market access and growth.

Risks and Opportunities Associated with Addressing Childcare Needs

	Risks	Opportunities
Yes		<ul style="list-style-type: none"> • Reductions in women’s unpaid care work enable women to dedicate more time to participating in the labour market • Provision of care can increase women’s concentration and productivity at work
No	Women are unable to effectively participate in the labour force as they face challenges related to balancing caring for children and paid work	The company could provide childcare for employees as a method to attract female (and male) employees