

ESG investment framework for the theme Gender equality





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Preamble to the ESG theme-related frameworks

On 5 July 2018, insurance companies affiliated with the Dutch Association of Insurers (*Verbond van Verzekeraars*) and the Dutch Association of Health Insurers (*Zorgverzekeraars Nederland*) concluded the Agreement on International Responsible Investment in the Insurance Sector (hereinafter: the Agreement) that was made between the government, NGOs and a trade union (hereinafter: the Parties). The purpose of the Agreement is to make a positive impact on theme's relating to the environment, social conditions and governance (hereinafter: ESG¹) and to mitigate adverse impacts. Insurers acknowledge their responsibility to act in accordance with international guidelines, specifically:

- the UN Guiding Principles on Business and Human Rights (hereinafter: UNGPs). The UNGPs are the foremost international framework for human rights in the context of business;
- the OECD Guidelines for Multinational Enterprises (hereinafter: the OECD Guidelines). The OECD Guidelines are one of the most important internationally recognised guidelines for International Responsible Business Conduct (IRBC). They address a wide range of issues, such as human rights, labour rights, the environment, corruption, taxation, health and safety.

Both of these frameworks form the basis for the provisions of the IRBC Agreement.

Based on these international guidelines, insurers are expected define sector- and theme-specific investment policies. The Agreement documents this commitment. The policies define the ESG principles and standards that an insurer applies when investing in sectors and themes assessed as relevant and high-risk.²

Insurers are also expected to identify, prevent or limit the actual and potential adverse impact of their actions and explain how they deal with the risks. That applies as well to the insurer's own 'value chain' (for example businesses linked to the investee companies).

In the Agreement, the Parties have undertaken to seek out opportunities to improve the investment policy based on ESG themes, including those not or not conclusively covered by the the international guidelines.³ This framework concerns the development and implementation of responsible investment policy on the theme of **Gender Equality**.

Due diligence

At the heart of any ESG theme-related framework are tools to assist in conducting due diligence on the investment portfolio.

The document *Responsible Business Conduct for Institutional Investors* is based on the OECD Guidelines (hereafter: the Document). The Document describes the due diligence approaches available to institutional investors, including insurers. The OECD Due Diligence Guidance for Responsible Business Conduct offers a clear description of the steps involved in the due diligence process. We look at this more closely in Section 4.

¹ This is in line with the common internationally used term: Environmental, Social and Governance (ESG).

² 'Materially relevant' means that the ESG theme applies to your investments. The Agreement does not provide a framework in which a particular subject is materially relevant. The insurer decides itself what is materially relevant.

³ The themes laid down in the Agreement are animal welfare, children's rights, land rights, climate change, weapons and arms trading, and gender equality.

Disclaimer

The Parties have examined the option for each theme in this framework in accordance with international standards, treaties and initiatives. This framework should **not** be seen as an obligation imposed on insurers. Rather, the Parties regard this framework as a **tool/guidance** to help insurers embark on a theme-specific investment policy. The framework will be subject to an assessment every other year.

The Parties are, of course, prepared to engage in further discussions with the insurer if questions arise.

Contents

- Preamble to the ESG theme framework 3
 - Due diligence 3
 - Disclaimer 5
- Contents..... 5
- 1. Introduction 6
- 2. Relevance for insurers 8
 - 2.1. Industry sectors 9
- 3. Reference framework 10
- 4. Due diligence 12
 - 4.1. Gender-responsive due diligence 12
 - 4.2 Due diligence: gender-specific..... 12
 - 4.2.1 Anchoring measures in the policy 12
 - 4.2.2 Establishing individual criteria 13
 - 4.2.3 Execution of risk analysis 13
 - 4.2.4 Identification and prioritisation of risks..... 13
 - 4.2.5 Implementing of policy to reduce impact, and to mitigate the identified risks 14
 - 4.2.6 Measures to prevent and/or mitigate actual and potential adverse impacts.....15
 - 4.2.7 Monitoring of risks and results of implemented mitigation strategies..... 15
- 5. Accountability and reporting..... 16

- Annex 1. Box 1 17
- Annex 2. Wider reference framework 19

1. Introduction

Gender equality and women's rights are human rights. Women and girls experience the adverse impacts of business activities differently from men, and often to a greater degree. They also have to deal with extra barriers to obtain access to remedy. Women and girls can suffer disadvantage in different ways in relation to business activities, as a result of several mutually-reinforcing forms of discrimination. In addition to gender, things like ethnicity or socio-economic status can result in a disadvantaged position.⁴ When these different factors interact, we speak of **intersectionality**.⁵

Intersectionality

Intersectionality entails that the discrimination experienced by women in relation to gender is inherently linked to other factors that affect each other. This discrimination relates to such things as race, ethnicity, religion, health, economic status or age. The discrimination experienced by women can affect them to a different degree than that experienced by men. For example, a woman in India who belongs to the Dalit caste, not only has to deal with being under-appreciated because she is a woman, she also encounters systematic discrimination against the minority group to which she belongs. This makes her even more vulnerable as a worker to adverse impacts of business activities. This makes intersectionality an important topic that investors should pay attention to in the due diligence process. You can find more information on intersectionality [here](#).

Women's rights and gender equality can come under pressure in different ways as a result of business activities. In many sectors, women and girls form a large part of the workforce in global production chains. Women are overrepresented in low-paid jobs and unpaid work and often have to deal with discrimination, sexual harassment and other violence in the workplace. What is more, women are often paid less (pay gap) than men working in the same sector, and are less likely to have a fixed contract. In addition, they often do not have access to social security arrangements or benefits, in particular maternity arrangements, while career opportunities are limited.⁶ This makes gender equality and women's rights an IRBC issue for investee companies and investors. Failure to look at due diligence through a gender lens results in this discrimination often going unnoticed. A gender lens means that companies recognise that their activities may have a different impact on men, women and other non-binary groups (people who do not identify as male/female) and they take action accordingly.

In this thematic framework we distinguish two different routes in which you, as insurer, may have to deal with gender issues: gender-responsive due diligence and gender as a theme that arises from risk analysis in the traditional due diligence process.

In this guide we take an in-depth look at how gender can be incorporated in responsible investment policies. We set out two approaches i) an overarching gender-responsive due diligence *approach*, that integrates gender into the entire due diligence cycle and ii) what to do if gender comes out of the due diligence screening as a risk in the investment portfolio.

⁴<https://www.undp.org/content/undp/en/home/librarypage/democratic-governance/gender-dimensions-guiding-principles-on-business-n-human-rights.html>.

⁵ <https://www.refworld.org/docid/4d467ea72.html>

⁶https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_497555.pdf.

Gender equality in your own company

We tend to think of our own company first: ensuring equality between the company's employees, including tackling the pay gap (the uncorrected difference in pay between men and women in the financial sector is 25.1%) is highly necessary in the financial sector. On average, women working in the financial sector earned 23% less than their male colleagues in 2021. The financial sector consequently scores far worse than the national average - women in the Netherlands earn 14% less on average. According to research carried out by IPSOS on instruction of WOMEN Inc. (2019), 75% of employers think that their organisation does not have a pay gap. *As this is beyond the scope of the Agreement, we will be happy to refer you to a checklist which you can use internally in your company to realise gender equality in the workplace. You can find this checklist [here](#).*

2. Relevance for insurers

In 2015 the international community adopted the 2030 Agenda for Sustainable Development, in which gender equality receives priority in the form of Sustainable Development Goal (SDG) 5. The SDGs also call on the financial sector to contribute to achieving the goals, because they play an important role in forming and influencing business activities. While performing this role, insurers can contribute to the realisation of SDG 5.

The KPMG Sector Risk Analysis⁷ shows that gender inequality and breach of women's rights are risks that transcend sectors. Breaches of women's rights and gender inequality entail legal, operational and reputation risks for companies. Mitigating company-related breaches can prevent reputation damage, both for the investee company and for the investor, and improve gender equality and women's rights in the production chain. In addition to a *do no harm* approach, insurers can also have a positive impact via a *do good* approach. This can be done by means of *impact investing* or encouraging economic emancipation of women in the production chain. This is not only good for women, but also creates new markets for companies and gives consumers a positive image of the company.

In addition, under the UN Guiding Principles on Business and Human Rights, companies and investors have a responsibility to take account of human rights in business activities. The Gender Dimensions report of the UNGPs on Business and Human Rights was published in 2019.⁸ This report underscores the importance of gender equality and women's rights in the international IRBC agenda and makes recommendations to investors to factor gender equality into their activities. The implementation must occur in a non-discriminatory manner, whereby account must be taken of the various risks confronting women and men.

Women's rights and gender equality furthermore play a significant role in relation to themes for which a framework has already been established, for example the thematic framework on land rights, children's rights and climate change and energy transition.⁹ Gender is also mentioned as an important theme in the text of the Insurance Agreement itself.¹⁰ The UN (UN Women) has categorically called upon companies (including insurers/investors) to publish explicit policy and implementation plans in favour of gender equality.¹¹

In addition, a gender-sensitive approach to investing offers advantages and opportunities. Calvert Impact Capital researched the financial advantages of a gender-sensitive approach in their investment portfolio.¹² The research showed that companies with a higher percentage of gender equality in supervisory and managerial positions have higher financial returns. This percentage can even rise to 18% in returns on revenue. KIT Royal Tropical Institute and Common Fund.

⁷ <https://open.overheid.nl/repository/ronl-archieff-e2521701-afd6-48d4-8e19-6d6d88ed97bc/1/pdf/mvo-sector-risico-analyse.pdf>

⁸ <https://www.undp.org/content/undp/en/home/librarypage/democratic-governance/gender-dimensions-guiding-principles-on-business-n-human-rights.html>.

⁹ [Tools for insurers | IRBC Agreements \(imvoconvenanten.nl\)](https://www.imvoconvenanten.nl)

¹⁰ <https://www.imvoconvenanten.nl/-/media/imvo/files/verzekeringssector/convenant-verzekeringssector.pdf?la=nl&hash=AED9660B18A29E4859DC7937ABACCC0C>

¹¹ 'Make public the company policies and implementation plan for promoting gender equality.' And: 'Establish company-wide goals and targets for gender equality and include progress as a factor in managers' performance reviews.' https://www.un.org/en/ecosoc/newfuncnt/pdf/womens_empowerment_principles_ppt_for_29_mar_briefing-without_notes.pdf

¹² <https://assets.ctfassets.net/4oaw9man1yeu/2X1qLdNUrUPFhRAJbAXp1q/205876bdd2d7e076fce05d5771183dfe/calvert-impact-capital-gender-report.pdf>

for Commodities underscore these financial benefits. They advise investors to screen investments for the percentage of women in managerial positions, and to offer equal pay for equal work. The advantages of integrating a gender lens in business activities therefore not only influence profitability, but also have an impact in other areas. Talent can be attracted and retained by means of a diversity policy, while creativity and innovation are stimulated. In addition, it ensures a stronger reputation and a stronger brand.¹³

2.1. Industry sectors

The above-mentioned KPMG Sector Risk Analysis comes to the conclusion that breaching women's rights is a cross-sector risk. The theme is therefore always relevant (you can read more about gender-sensitive due diligence below). Following are a number of examples of investment business sectors and risks in the area of gender equality and women's rights:

- Textile and garment sector: risks relating to gender equality and women's rights concern things like a living wage and verbal, physical and sexual violence¹⁴.
- Mining sector¹⁵: Risks relating to gender equality and women's rights concern such things as abuse by male managers in the form of exploitation, physical and sexual violence, and physical and verbal harassment¹⁶; The arrival of a mining company also often has gender-related consequences for the community itself; farmland, often farmed by women, becomes contaminated and can no longer be cultivated, so that women lose their income.¹⁷
- Agriculture and horticulture sector: Risks relating to gender equality and women's rights concern things like equal pay, living wage¹⁸, lack of maternity leave¹⁹, sexual harassment²⁰; reproductive health problems due to exposure to pesticides.
- Tourist sector: Risks relating to gender equality and women's rights are discrimination in the workplace and poor working conditions.²¹

The above-mentioned sectors and risks are not exhaustive. In addition, breaches can be reinforced or increased due to the previously mentioned *intersectionality*: socio-economic position, belonging to a minority or indigenous group, the community in which women find themselves, the environmental conditions of the community and women's marital status.

The position of women is further affected by national or local legislation and available, or lack thereof, public facilities like education, childcare, health care, maternity and parental leave schemes and other employment rights and the willingness (or unwillingness) of the government to promote gender equality. It is important that this is included in any risk analysis.

¹³ [GAA-Report-GRDD-Part-1-ONLINE_DEF.pdf \(planinternational.nl\)](#)

¹⁴ [Gender Aspects in the Latin American Garment Industry \(SOMO, 2011\)](#)

¹⁵ <https://eerlijkegeldwijzer.nl/media/495808/2020-03-praktijkonderzoek-gendergelijkheid.pdf>.

¹⁶ <https://www.unepfi.org/humanrightstoolkit/mining.php>

¹⁷ [2020-03-praktijkonderzoek-gendergelijkheid.pdf \(eerlijkegeldwijzer.nl\)](#)

¹⁸ KPMG (2014)

¹⁹ <https://hivos.org/women-working-in-flower-farms-often-denied-maternity-leave/>

²⁰ <https://hivos.org/story/implementing-sexual-harassment-policies-on-flower-farms/>

²¹ Girls Advocacy Alliance - <https://www.planinternational.nl/uploaded/2021/01/GAA-Report-GRDD-Part-2-ONLINE.pdf?x15842>

3. Reference framework

UN Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) Women's rights are internationally recognised, inalienable fundamental rights.

- The Convention sets out equal political, economic, social, cultural and civil rights for men and women. These rights entail that every woman has the right to equal opportunities in relation to employment, safe and healthy working conditions, and equal capacity and standing, regardless of her marital status.
- At this time 189 countries have ratified CEDAW, including the Netherlands in 1991.

Gender equality is the primary goal of the Convention and is fundamental for the realisation of women's rights and the rights of gender non-conforming persons. An 'Office of the Special Advisor on Gender Issues and Advancement of Women' has been appointed, *Gender Mainstreaming: Strategy for Promoting Gender Equality*.

UN Guiding Principles on Business and Human Rights

In 2011, the UN Human Rights Council adopted the UN Guiding Principles on Business and Human Rights (UNGPs). These internationally recognised guidelines establish standards for both countries and companies in the framework of the *Protect, Respect and Remedy* framework.

OECD Guidelines for Multinational Enterprises

Following the UNGPs, the OECD Guidelines for Multinational Enterprises were updated in 2011 in line with these new international standards. The UNGPs and the OECD Guidelines provide guidance for the elaboration of the human rights due diligence process for companies. The guidelines discuss a wide range of themes, such as human rights, employment laws, the environment, corruption, taxes, health and safety. Both the UNGPs and the OECD Guidelines emphasise the importance of gender perspective in due diligence.

ILO Conventions

The International Labour Organisation (hereafter: ILO) seeks to enhance social justice and internationally recognised human rights and employment rights. Various conventions have been drawn up in this respect, which are binding on the member states that ratify them. The Netherlands has ratified the following conventions in the framework of gender equality.

- Number 100 – Equal Remuneration Convention (1951);
- Number 111 – Discrimination (Employment and Occupation) Convention (1958);
- Number 156 – Workers with Family Responsibilities Convention (1981);
- Number 183 – Maternity Protection Convention (2000).
- Number 190 – Violence and Harassment Convention (2019).

In addition to the various conventions, the ILO has developed a '**decent work agenda**', which goal is in line with SDG 5 and 8: to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

- Everyone who works earns an income that they can live on, both women and men
- Equal opportunities for growth and no discrimination by sex in the workplace
- Everyone works under decent, safe circumstances; women are sometimes subject to other safety regulations or work clothing in connection with pregnancy and the different physical build of men and women
- Trade unions are allowed, participation is properly regulated, specifically female participation in the union
- The country has a social safety net to deal with the sick, the vulnerable, expecting mothers and parents. This safety net is very important because women usually end up having to take on these tasks. Women face particular disadvantage in social security systems, with a lower percentage of cover and considerably lower levels of benefits. This is partly attributable to the fact that social protection schemes are often designed around a male breadwinner model, based on an uninterrupted and full-time career in the formal economy.

IRBC legislation in the Netherlands

In October 2020, the Dutch Ministry of Foreign Affairs published the new IRBC policy paper 'From Informing to Mandating' (*'Van voorlichten tot verplichten'*), based on the '5V' model (inform, make easier, persuade, set conditions, mandate).²² The key element of this policy is a statutory due diligence obligation, preferably at European level. On 23 February 2022, the European Commission published a proposal for a Corporate Sustainability Due Diligence Directive (CSDDD). The Commission's goal is to encourage businesses to contribute to respecting human rights and the environment in their own activities and via their value chains. Although gender-responsive due diligence is not explicitly included in the text of the proposal, many parties acknowledge its importance.²³ It is consequently important for investors to recognise the related ESG risks.

At the same time, the Netherlands has its own responsibility. An agreement was made in the coalition agreement 2021 - 2025 'Looking out for each other, looking ahead to the future' (*'Omzien naar elkaar, vooruitkijken naar de toekomst'*) that the Netherlands will promote IRBC in the EU and will introduce national IRBC legislation that takes account of a level playing field with neighbouring countries and the implementation of possible EU regulations.

That is why the European Commission proposal will serve as the basis for a national legislative proposal, that anticipates the implementation of the future CSDDD. It is the goal that both proposals run parallel to each other as much as possible. The latter entails that changes that are foreseen in the draft directive can be incorporated in the national legislative procedure. Expectations are for a legislative bill for national IRBC legislation to be presented to the Dutch House of Representatives by summer 2023.

²² <https://open.overheid.nl/repository/ronl-1a58c4b1-ab68-41e2-93f2-405c385984f5/1/pdf/imvo-van-voorlichten-tot-verplichten.pdf>

²³ <https://corporatejustice.org/wp-content/uploads/2022/03/CSDDD-Gender-responsiveness-open-letter-to-EC-MEPs-and-Council-1.pdf>

4. Due diligence

Due diligence is not so clear-cut where gender is concerned as with other themes. Whereas the other themes are a result of a risk analysis of the investment portfolio and the investor's prioritisation process, gender is a theme that requires a special perspective as of the first due diligence step. This is also referred to as *gender-responsive* due diligence. In this thematic framework we will discuss both approaches (gender-responsive/gender-specific). It is good to realise in the first due diligence steps that women and men face different risks. In addition, it is also possible that policy is necessary for gender-specific issues that are identified during the risk analysis and prioritisation (think of safety in the workplace, equal pay and living wage, informal work, etc.).

4.1. Gender-responsive due diligence

Gender-Responsive Due Diligence (GRDD) is based on the recognition that human rights violations are not gender neutral and should not be treated as such. GRDD ensures that with every step of the due diligence process, a gender dimension is applied and encourages companies to actively support gender equality. This goes beyond adding gender as one more thematic topic: it recognises the specific needs of different genders and analyses how business activities can contribute to gender-related inequalities. GRDD therefore offers a more holistic approach to human rights risks in international supply chains.

Prevention (the avoidance of adverse consequences) is very important in due diligence. In addition, it is also of crucial importance that access to remedy is made possible in a gender-responsive manner when there have been adverse impacts. Women Win has developed a Gender-Responsive Due Diligence platform.²⁴ This platform is intended for every company that wants to start implementing gender-responsive due diligence. It shows how every step can be executed in a gender-responsive manner; provides an overview of existing *tools* to provide further support for businesses in carrying out GRDD and provides examples. We have included the checklist per due diligence step of this tool in Annex 1.

Gender is also relevant for other themes for which theme frameworks have been developed: the impact on women and girls in war situations, as defenders of human rights, their land rights and acknowledging that the impact of climate change is different than for men and boys. Children's rights, moreover, are strongly related to gender inequality. Where the rights of children are not respected, this often has an adverse impact on the parents, and particularly on the mother, as it is they who are most often burdened with the care tasks.

4.2 Due diligence: gender-specific

4.2.1 Anchoring measures in policy

If gender equality and women's rights play a materially relevant role in an insurer's investment portfolio, there should be an appropriate policy

²⁴ <https://www.genderduediligence.org/>

for controlling the related ESG risks. This policy gives insurers the opportunity to indicate how they view gender equality and women's rights and how they seek to champion them in their investments and activities. The guidelines and (voluntary) standards described in Chapter 3 can serve as a starting point.

4.2.2 Establishing individual criteria

It is recommended that companies establish their own criteria for gender-sensitive investments. The *International Center for research on Women* makes a number of suggestions:²⁵

1. Access to equitable and safe employment
2. Access to education and training
3. Access to and control over economic resources and opportunities
4. Voice in society and policy influence
5. Freedom from the risk of violence
6. Freedom of movement
7. Access to and control over health and family formation
8. Social protection and childcare

Insurers can further specify these criteria within their responsible investment policy. One example is the criterion of a zero-tolerance policy relating to discrimination, physical or sexual transgressions in the workplace on the basis of gender. Insurers can also demand that investee companies publish a sustainability report, providing insight into the division and remuneration between men and women.²⁶

4.2.3 Execution of risk analysis

It can be determined by means of a screening what businesses in the investment portfolio have been exposed to risks in connection with gender equality. The results provide insight into:

- What companies in the investment portfolio are exposed to risks relating to gender equality;
- What companies are then not able, or not adequately able, to mitigate these risks.

In the end this will give the insurer a selection of companies, for which a suitable approach must be conceived. In view of the specialist and time-intensive nature of this exercise, a choice can be made to outsource the screening to an external party, provided it has sufficient knowledge of risks relating to gender equality in companies and sectors.

4.2.4 Identification and prioritisation of risks

Risks should be prioritised on the basis of the results of the screening. When prioritising risks, the seriousness of violations relating to gender equality and women's rights is determined by the size (the number of women),

²⁵ <https://www.icrw.org/wp-content/uploads/2016/10/The-Business-Case-for-Womens-Economic-Empowerment.pdf>

²⁶ CZ Group, Responsible investment policy 2022: <https://www.cz.nl/-/media/corporate/maatschappij/cz-themavisie.pdf?revid=e24aa7df-9d3d-4056-8e61-84360052b20b>

duration and the seriousness of the violations. The most serious cases concern violations that are irreversible.

4.2.5 Implementing of policy to reduce impact, and to mitigate the identified risks

Depending on the outcomes of the screening and the interpretation of the outcomes, an insurer can:

1. actively align its voting behaviour accordingly;
2. seek engagement with the investee companies in question;
3. exclude them;
4. impact investments.

By voting (1) at shareholders' meetings, the insurer can exercise leverage on the management of investee companies where gender plays a role. Naturally the insurer must choose its own voting behaviour. This can vary from voting against management decisions, to the insurer itself submitting or supporting resolutions that seek to improve gender equality in business activities. Insurers can support (or submit) shareholders' resolutions that are intended to improve gender and diversity in business activities and management.

Engagement (2) on gender equality entails that the insurer engages in discussions with investee companies that do not satisfy the insurer's gender equality policy. The goal is to realise structural improvements in the investee company. It is desirable in case of engagement to work together with (institutional) investors of a similar outlook where possible with regard to the investee company. As the represented investment capital increases, the leverage that can be exercised on the investee company in question also increases. More information can be found in the OECD manual RBC for Institutional Investors.²⁷

It is important to determine in the engagement how gender is structurally integrated in the various components of an investee company (corporate, operations, supply chain). For example, in male-dominated sectors like mining, oil & gas, construction: are investee companies viewing health & safety in the workplace (in a mine, on an oil platform, a construction site) through a gender lens? How do they make provision for suitable PPE (personal protective equipment) for women so that safety is guaranteed?

Possible engagement questions:

1. To what extent has the investee company committed itself to prioritising gender?
2. In the full value chain: to what extent has the investee company integrated gender in the entire value chain?
3. To what extent are the following key gender elements addressed in the investee company?
 - Representation: to what extent are all genders fairly represented in the investee company?
 - Equal pay: to what extent does the investee company endeavour to ensure equal pay?
 - Employment conditions: what fees and arrangements does the investee company offer to support employees in managing their work and home life responsibilities? (E.g. maternity and parental leave, childcare)
 - Health and well-being: what does the investee company do to support gender specific health & well-being of their employees?
 - Violence & harassment: Has the investee company committed to a workplace free of violence and harassment?

²⁷ <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf> (box 7, page 27)

4. Data: what kind of gender data has the investee company released publicly across the entire value chain?
5. Stakeholder engagement: To what degree does the investee company engage in regular engagement with internal and external stakeholders of all genders regarding gender-specific matters?

Should the engagement fail to yield results or adequate results within a reasonable period of time, or if an investee company turns out to be involved in practices which are already on the insurer's exclusion list, the investee company can be excluded (3) from investments.

4.2.6 Measures to prevent and/or mitigate actual and potential adverse impacts

Due diligence is geared to identifying and avoiding risks. An investee company may nevertheless have an adverse impact on gender equality and women's rights.

Insurers usually have a minority stake in an investee company. A minority stake entails that the chance is small that the insurer will actively contribute to the adverse impact of gender inequality. Insurers can, however, indirectly contribute to the adverse impact caused by an investee company (the OECD Guidelines speak of *directly linked*). In the latter case, the insurer is expected to exercise the leverage it has on the investee company, so that the investee company is persuaded to take appropriate measures. The 'Access to remedy in relation to Responsible Investment' guide discusses the measures that insurers can take to promote access to remedy for victims in further detail.²⁸

4.2.7 Monitoring of risks and results of implemented mitigation strategy

Monitoring of the gender due diligence policy should take place periodically. It is recommended that additional attention is paid to:

- The effectiveness of the way in which the criteria for gender equality and women's rights have been applied in screening investments as to thematic risks and the choices these have led to.

The progress and the results of the chosen actions and mitigation strategies, whereby KPIs can be determined based on the chosen criteria.

²⁸ Access to remedy in relation to Responsible Investment' guide: <https://www.imvoconvenanten.nl/-/media/imvo/files/verzekeringssector/access-remediation-relation-responsible-investing.pdf?la=en&hash=DF1D7C1BA4958C87804EB7C9153EB7DA>

5. Accountability and reporting

The OECD Guidelines ask insurers to publicly report on their due diligence policy and the results of the policy. This should take place periodically, preferably at least annually. This is described as follows in the OECD Guidelines:

- Knowing: following how the implementation of the investment policy was dealt with;
- Showing: public communication on these issues. In the OECD Guidance for Responsible Business Conduct²⁹

The insurer determines what indicators can best be chosen to report as best as possible on the efforts taken to take account of gender equality in its investment policy. The insurer is itself responsible for choosing relevant indicators (taxonomy) on the basis of which the implementation of the policy is reviewed.

The insurer can also report on the engagement with or the exclusion of investee companies. This can send an important signal to other investors, the investee company and the insurer's own clients. Communication may not entail any risks for related stakeholders or personnel of the investee company, including women.

If an insurer invests via funds, it can ask the (external) asset manager to provide taxonomy-related information on the achieved impact of its investments in the area of gender equality. The insurer can then use this for its own accountability and reporting.

²⁹ See "Investor actions" on page 43: <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>

Annex 1. Box 1

Box 1 is based on the above-mentioned due diligence frameworks for the financial sector and the OECD recommendations relating to gender due diligence, as well as other guidelines and goals for gender equality in the Women's Empowerment Principles of UN Women, the SDGs, and other sources, to provide a basis for the steps that insurers can take to be gender-sensitive when completing their standard due diligence. Box 1 is in no case exhaustive with regard to the steps that insurers can take to carry out a gender due diligence; it only provides guidance for the kind of actions that insurers can take to prevent that their investments in companies can harm the position of women.

Box 1:

Examples of gender-sensitive dimensions of the due diligence insurers could conduct internally and towards investees:

Step 1: Embed RBC into policies and management systems

- o Establish own policy on gender equality for internal operations, addressing:
 - Zero tolerance for all forms of gender discrimination
 - Gender-balanced composition of boards and senior management (e.g. > 30 percent women)
 - Gender-balanced composition of workforce (e.g. > 40 percent women)
 - Policies to recruit and promote women staff
 - Equal remuneration
 - Protection of work for women during pregnancy and maternity leave
 - Creation of a complaint/whistle-blower system capable of tracking gender discrimination, sexual harassment and assault
 - Internal capacity building on gender issues
- o Establish own policy requiring gender equality in investee's internal and supply chain operations addressing:
 - investee's geographic and industrial context
 - investee's policy on gender equality for its internal operations
 - investee's policy on gender equality for its supply chains
 - Investee's promotion of women's representation in relevant unions
- o Ensure all investees have a policy on gender equality covering their supply chains that addresses:
 - Risks to women both as workers and community members
 - Risks to women within particular sectors, regions, or conflict areas
 - Relevant issues of intersectionality for likely impacted women

Step 2: Identify and assess actual and potential adverse impacts

- o Identify and assess gender-specific trends in adverse impacts on women internally (including differentials in pay or promotion for men and women)

Map geographical and sectoral context of clients, including assessing particular risks in conflict/post-conflict/humanitarian contexts.

- o Conduct own assessment of gender-specific risks in investee's supply chain (e.g. collecting gender-disaggregated data)
- o Ensure investee assesses gender-specific risks in its internal activities and supply chains:
 - Ensure investee collects gender-disaggregated data
 - Ensure investee holds separate man/woman stakeholder consultation

Step 3: Cease, prevent and mitigate adverse impacts

- o Cease, prevent and mitigate adverse impacts on women internally (i.e. resolve gender imbalance on boards and in senior management, eliminate gender pay gap, etc.)
- o Ensure investee ceases, prevents and mitigates risks or impacts to women in its internal activities and supply chain:
 - Set gender-specific requirements and expectations for investee in contracts
 - Request investee consent to waiver of confidentiality to reveal gender-related information
 - Ensure investee supports women's equal and meaningful participation in consultations/negotiations with investee over business activities
 - Ensure investee establishes gender-responsive risk management system known by and accessible to women
 - Engage with investee to seek road maps for resolving actual or anticipated impacts, provide financial incentives to encourage tangible improvement
 - Commit in advance to temporarily or fully divest when targets are not met
 - Seek leverage by coordinating activities with other investors

Step 4: Track implementation and results

- o Track implementation and results of measures to identify, cease, prevent, and mitigate gender imbalance internally
- o Track implementation and results of client'/investee's actions to identify, cease, prevent, and mitigate gendered impacts in its internal activities and supply chain
- o Require client'/investee to report on gender specific risks and corresponding corrective actions
- o Ensure investee continually updates gender-disaggregated data
- o Validate results
- o Study gender differentials in whether and how results (from internal actions and investees' actions in its internal activities and supply chain) benefit women as opposed to men

Step 5: Communicate how impacts are addressed

- o Communicate throughout the due diligence cycle, not merely after earlier steps are completed
- o Communicate with insurance company's own stakeholders (including the public) how internal gendered impacts are addressed
- o Communicate with insurance company's own stakeholders (including the public) how gendered impacts in investee's activities and supply chain are addressed, including:
 - Its own and its investee's identification of risks and impacts
 - Its requirements for investee to address identified risks and impacts
 - Its own use of leverage to prompt investee to cease, prevent, and mitigate the risks and impacts
 - The investee's actions to cease, prevent, and mitigate the risks and impacts
 - Results of the bank's leverage and investee's actions
- o Make information accessible and ensure communication is reaching women (i.e. in women's CSOs or workers groups)

Step 6: Provide for or cooperate in remediation when appropriate

- o Establish own complaint system to address all forms of gender discrimination internally
- o Establish own complaint system capable of hearing complaints regarding investees' impacts, including gender-specific impacts
- o Ensure investee establishes complaint system with protections/sensitivity to enable access for women
- o Cooperate with other grievance mechanisms

Annex 2: wider reference framework

Beijing Platform for Action

- The convention is geared to improving equal opportunities between women and men; 189 countries have committed to the convention.
- The convention calls on governments, the international community, NGOs and the private sector to take action within the 12 priority points for attention: poverty, education, health, gender-related violence, armed conflict, economic opportunities, control and decision making, institutional mechanisms for improving the position of women, women's rights, the media, the climate, and the treatment of girls.

Women's Empowerment Principles

The Women's Empowerment Principles (hereafter: WEPs) are a set of seven principles that provide guidance to promote gender equality and empowerment of women in the workplace, on the market and in the community.

- The WEPs are tools with which companies can assess their own policy and practice and benchmark them based on internationally recognised standards.
- It is possible for companies to sign the WEP, to which 59 Dutch companies have already committed. If the CEO commits to the WEPs, the company is expected to take steps to promote gender equality.³⁰
- UN Women underscores the importance for companies to establish gender-specific policy, in contrast to a general approach to discrimination which can also be applied to women.³¹

The UNDP Gender Equality Seal Certification ³²

- The Gender Equality Seal for Private Enterprises (GES) seeks the improvement of gender equality and empowerment of women in business. The related GES programme is a public-private venture that is geared to achieving the SDGs in relation to gender equality.
- Convention on the Rights of the Child³³

In-depth information can be found on:

https://www.ituc-csi.org/IMG/pdf/policy_brief_gender_gaps_social_protection_en.pdf

<https://www.undp.org/publications/gender-dimensions-guiding-principles-business-and-human-rights>

SER advice on the relationship between SDGs and IRBC (2019) Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)

<https://diversiteitinbedrijf.nl/wp-content/uploads/2018/03/Kennisdocument-Vandiversiteit-naar-inclusie-maart-2017.pdf>

CNV specifically investigated gender-based violence in the workplace and published a paper: <https://www.cnvinternationaal.nl/en/our-work/news/2015/october/violence-against-women-in-the-workplace>

³⁰ <https://www.weps.org/join> <https://www.weps.org/resource/ceo-statement-support>

³¹ UN Women has a good policy for companies that participate in tender procedures. They must indicate in a "voluntary agreement" whether they practice Women Empowerment Principles. If they do not, they lose points and they are less likely to be eligible for assignments from UN Women:

<https://www.ungm.org/UNUser/Documents/DownloadPublicDocument?docId=428253>

³² <https://www.ohchr.org/Documents/Issues/Business/Gender/GenderRoundtableDueDiligence.pdf>

³³ <https://www.ohchr.org/EN/ProfessionalInterest/Pages/CRC.aspx>

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