



*Sustainable  
Stock Exchanges  
Initiative*



# HOW STOCK EXCHANGES CAN ADVANCE GENDER EQUALITY



THE GLOBAL GOALS  
For Sustainable Development

## 5 GENDER EQUALITY

In partnership with:



# ABOUT THIS REPORT

Stock exchanges are uniquely positioned to influence their market in a way few other actors can. The Sustainable Stock Exchange (SSE) initiative of the United Nations helps stock exchanges build on this position by connecting them with companies, investors and policymakers to support sustainable development in capital markets. Stock exchanges around the world are invited to join the initiative by signing a public commitment to promote sustainable business practices.

Building on the [2016 SSE Report on Progress](#), which highlights five specific targets of the UN Sustainable Development Goals (SDGs) that exchanges are well placed to influence, this report examines the contribution exchanges can make toward SDG target 5.5: **ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life**, as well as the gender-specific targets under the other 16 SDGs.

It also complements the SSE co-organised Ring the Bell for Gender Equality global collaboration, held in 2015, 2016 and 2017; the objective of which is to have market opening and closing bells ringing across the globe to bring further attention to the importance of women's economic empowerment to business growth and development, as well as highlight the role the private sector can play in creating opportunities for women in the workplace, marketplace and community.

The SSE is organised by the UN Conference on Trade and Development (UNCTAD), the UN Global Compact, the UN Environment Programme Finance Initiative (UNEP FI) and the Principles for Responsible Investment (PRI).

For more details visit [www.sseinitiative.org](http://www.sseinitiative.org).

This report was supported by [Emerging Market Sustainability Dialogues](#).

To view a consolidated list of the works cited in this report, [click here](#).

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## ACKNOWLEDGMENTS

The Sustainable Stock Exchanges initiative would like to acknowledge the following people for their contribution to this report: Moayyad Tahtamouni (Amman Stock Exchange); Kevin Lewis and Mavis Tan (ASX); Steve Waygood (Aviva Investors); Samantha Reiss, Sallianne Taylor and Jill Watanabe (Bloomberg); Marita Bernhoeft, Sonia Favaretto, and Cristiana Pereira (BM&FBOVESPA); Girish Joshi (BSE); Kristina Jeromin and Brian Gillard (Deutsche Börse); Nayla Ghantous, Olivier Jaeggi, and Regula Meng (ECOFAC); Medhat Nafei and Ahmed Roshdy (The Egyptian Exchange); Nina Roth (GIZ); Ellie Pang (HKEX); Corli le Roux (Johannesburg Stock Exchange); Carmen Niethammer (IFC); Naoko Otobe and Emily Sims (International Labour Organization); Ainagul Iskakova (Kazakhstan Stock Exchange); David Harris and Sara Lovisolo (London Stock Exchange Group); Eva Zlotnicka (Morgan Stanley); Meggin Thwing Eastman (MSCI ESG Research); Rogito Nyangeri and Betta Kombe (Nairobi Securities Exchange); Payal Goregaonkar and Chandni Khosla (National Stock Exchange of India); Carol Schumacher (Intercontinental Exchange); Julie Gorte and Sarah Grenon (Pax World Management); Clement Huret (Social Stock Exchange); Lisa Domagala (Solaris); Iris Lether and Rosl Veltmeijer (Triodos Investment Management B.V.); Sabina Timco (UNEP FI); Stephanie Finigan and Rebecca Fries (Value for Women); Tulsı Byrne (Women's Empowerment Principles); Anna Watson (UN Global Compact).

The views expressed in this report are those of the SSE and its organisers unless otherwise stated; the report does not necessarily reflect the official views of individual experts.

# FOREWORDS

Gender equality is an issue that impacts everyone, from diversity in boardrooms and at the executive level, to equal opportunities for education. Studies show that empowering women is not only the right thing to do, but also the smart thing to do, leading to increases in GDP, higher productivity, return on investments and effective organisations. While we must acknowledge that progress has been made, there is still room for significant improvement. Given that less than 5% of CEOs are women among large, listed companies, greater action is needed. Investors have an important role to play, engaging not only with companies, but also stock exchanges and policymakers on gender equality.

Last year marked the Principles for Responsible Investment's (PRI) 10-year anniversary and the United Nation's Sustainable Development Goals (SDGs) came into effect. With over 1,600 signatories representing more than USD 62 trillion in AUM, the PRI will be supporting investors to achieve the SDGs, including SDG 5: gender equality.

The PRI is delighted to work in partnership with UNCTAD, UNEP FI and the UN Global Compact to organise the UN Sustainable Stock Exchanges (SSE) initiative. When it comes to the issue of gender equality, investors need improved access to information. Stock exchanges have a unique ability to enhance both the quality and quantity of reporting on gender-related factors. This enhanced disclosure will enable institutional investors to better manage risk and make more informed investment decisions.

This report is a useful and necessary starting point for exchanges in enhancing their gender performance internally and across their markets. It highlights current best practice from exchanges around the globe and provides a comprehensive value proposition for exchanges, companies and investors. We encourage investors to further engage with stock exchanges on gender and all ESG issues relevant to portfolio value. In doing so, companies will be better placed to attract talent, boost productivity and enhance their bottom lines, while also leveraging the power of capital markets to close the gender gap.



**Fiona Reynolds**

Managing Director, PRI

Human rights form the basis for a life of dignity and freedom – regardless of a person's gender. Gender equality is a goal in its own right and at the same time a key to and enabler of sustainable development. The SDGs highlight the necessity to continue the international endeavour to achieve this basic human right. Equitable access to labour markets and jobs, education and health care as well as to political and economic decision-making processes is crucial to create sustainable and prosperous economies as well as balanced societies. However, women continue to be overrepresented in informal sectors and underrepresented in senior management and on corporate boards. Worldwide, women get paid less for work of equal value.

Achieving the SDGs will require significant private capital, and, at the intersection between companies and investors, stock exchanges are well placed to contribute. This report raises important questions about the role and impact of stock exchanges in advancing gender equality. It demonstrates the breadth of actions available for stock exchanges to make a positive impact, and provides compelling evidence of the business case for gender-inclusion. Moreover, the report provides a clear action plan for SDG 5 in this respect, thereby also indirectly contributing to a number of other SDGs.

By promoting gender equality, the German Federal Ministry for Economic Cooperation and Development (BMZ) contributes to the sustainable development of our partner countries, and to overcoming the structural causes of poverty and of social and political instability. It is for this reason that the Emerging Market Sustainability Dialogues (EMSD) – a programme commissioned by BMZ and implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH – supports the Sustainable Stock Exchanges initiative for gender equality by specifically addressing such problems in emerging economies through consultation, dialogue and research.



### **Natascha Beinker**

Deputy Head, Sustainable Economic Policy; Financial System Development, Federal Ministry for Economic Cooperation and Development

Gender equality has long been viewed as a moral and ethical issue, but in the past decade, it has become an investment issue. The scepticism that confronted investors who tried to engage with companies on board diversity in the early 2000s is largely gone. Today, it is a well-documented and increasingly accepted fact that having a more equal gender balance in decision-making roles, such as company boards and management, is associated with better financial performance. There is also evidence linking women's representation on boards and in management with improved compliance, better risk management, better earnings quality and less accounting manipulation.

At Pax World, we created the Pax Global Women's Leadership Index in 2014, the first index of the highest-rated companies in the world for advancing women. Companies are rated based on multiple criteria of gender leadership, including representation by women on the board of directors and in executive management, presence of a woman CFO or woman CEO, and whether they are signatories to the Women's Empowerment Principles (WEPs), a joint initiative of the UN Global Compact and UN Women. With the strong evidence linking performance to diversity, we believe that companies that are leaders in advancing gender equality will perform better financially in the long run.

Pax World is a signatory of the WEPs, and our CEO, Joe Keefe, is one of the Chairs of its Leadership Group. We believe that implementing the WEPs is vital in creating work environments that value women's voices and participation, that foster diversity and inclusiveness, and that empower women economically, which is a fundamental precondition for full equality.

What was once regarded as a moral concern tangential to finance has become a mainstream financial issue that more and more investors are acting on. Stock exchanges that wish to be seen as good places for good companies to list should take note.



## Julie Gorte

Senior Vice President for  
Sustainable Investing, Pax  
World Management

1 See Pax Ellevest for a list of studies that support the financial performance impacts of gender equality. A short list can be found [here](#), and a longer list of studies is available [here](#).

2 A custom index based on MSCI World. One cannot invest directly in an index.

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# EXECUTIVE SUMMARY

Gender equality is a fundamental human right.

Despite this:

- on average women take home just one tenth of global income, while accounting for two thirds of global working hours;
- girls and women have equal access to education in only 25 countries;
- one in three women experience physical or sexual violence in their lifetimes;
- women lag male peers in compensation and in management and leadership roles.

With the historic adoption of the 17 SDGs of the United Nations 2030 Agenda, 193 countries came together to agree that gender equality and the empowerment of women and girls is a critical part of the global agenda. With an internationally agreed upon framework, the private sector has a timely opportunity to address gender issues in the workplace.

Gender equality is urgent, necessary and represents investment value. Studies by Morgan Stanley, McKinsey, EY, the International Monetary Fund and others repeatedly find that addressing gender equality will unlock trillions of dollars of currently unrealised economic value. However, at the current rate of progress, the gender pay gap will not close for over 100 years, and the global average of women on boards will not reach 30% until 2027<sup>3</sup>. The private sector is well-placed to directly affect change on issues such as:

- increased female representation in leadership positions;
- equal remuneration;
- family leave and flexible work options;
- support for women-owned small business;
- ending sexual harassment in the workplace.

At the nexus of company and investor interaction, stock exchanges are uniquely positioned to influence capital markets to achieve this.

This report examines the state of gender equality in the private sector, with a focused analysis of stock exchange practice in 13 markets: Australia, Brazil, Egypt, Germany, Hong Kong, India, Italy, Jordan, Kazakhstan, Kenya, South Africa, the United Kingdom and the United States of America. The findings presented here are based on:

- interviews with each of the 15 exchanges profiled;
- a global peer review in January 2016 where the draft report was reviewed by global experts on both gender equality and stock exchanges.

The review found that many exchanges have already taken action to address gender equality, including the examples set out in this report. Nevertheless, substantial room for progress exists. For example, less than a third of the exchanges interviewed track pay parity by gender across their own organisations, and in no market was there information on pay parity by gender available across issuers. Half of the exchanges interviewed have a listing standard related to gender and two offer investment products that screen for gender-specific metrics. For a detailed overview of the results, see Table 1 (pages 24-25).

At the current rate of progress, the gender pay gap will not close for over 100 years, and the global average of women on boards will not reach 30% until 2027

3 <sup>ht</sup> MSCI (2015). [Women on Boards: Global Trends in Gender Diversity on Corporate Boards](#).

To ensure further progress, all exchanges are encouraged to engage with the SSE, the world federation of exchanges' sustainability working group and the Women's Empowerment Principles. In addition, exchanges should consider the following recommendations.

Driving change across issuers:

1. Require or encourage listed companies to report:
  - diversity objectives and how they are achieved;
  - policies that support equality in the workplace;
  - diversity metrics, including percentage of women across all levels of the organisation, pay gap and turnover rates by gender, actions taken to enforce gender requirements across the supply chain, and expenditure on training by gender;
  - performance against SDG 5 targets and gender-specific targets across the other 16 SDGs.
2. Engage the market securities regulator to require or encourage listed companies to report on diversity metrics.
3. Require applicants for listing to disclose material convictions or judgements against it for violations of human rights rules, including gender-based violations, in its pre-listing disclosures.
4. Offer a separate listing segment that screens for gender metrics or rank listed companies based on quality and quantity of disclosed gender metrics.
5. Provide guidance, training and education to market participants on gender equality issues, including for senior board and executive positions and targeting female participants.
6. Engage companies on their internal policies related to gender equality, promoting adoption of international best practice.

Leading by example:

1. Report gender equality metrics including, but not limited to, those listed above.
2. Support the development of women-owned small businesses ahead of future capital raising on a listed market.
3. Introduce gender equality standards into exchange-offered investment products, and support gender-equality themed investment products.
4. Develop policies on remuneration, gender representation, sexual harassment prevention, family leave and flexible work in order to support both women and men.
5. Provide training and education to staff on gender equality issues, and provide mentorship opportunities for female staff through an internal women's network.
6. Conduct or sponsor research on gender equality issues.



# PART I: MAKING THE CASE FOR GENDER EQUALITY

## THE GLOBAL CONTEXT

Women face barriers to equality in their homes, communities and in the workplace. They account for two thirds of total work hours globally, yet earn only one tenth of the world's income.<sup>4</sup> Girls and women have equal access to education in only 25 countries.<sup>5</sup> One in three women experience physical or sexual violence in their lifetimes.<sup>6</sup> Women lag male peers in compensation and in leadership roles in both the public and private sectors.<sup>7</sup>

Unlocking the full potential of women and girls has a multiplier effect, benefiting individuals, families, businesses and societies. As women join the workforce and increase their earning potential, there is a demonstrable positive impact on infant mortality rates, educational access for children and incidents of violence against women.<sup>8</sup>

The International Monetary Fund finds that closing gender gaps is as much a part of economic development as poverty reduction. Gender equality improves economic efficiency through increased productivity, using more household resources to benefit children and improved decision and policymaking of institutions.<sup>9</sup> Employing women also combats labour supply shortages as working populations age and retire.<sup>10</sup>

Empowering women in the workplace also generates financial returns in the private sector. Research shows investing in women can lead to increases in productivity, return on investment and higher consumer satisfaction.<sup>11</sup> Moreover, the global economy could be up to USD 28 trillion larger in 2025 if gender gaps were eliminated, largely by increasing women's participation in the formal labour market.<sup>12</sup> Although capital market stakeholders cannot solve these issues alone, each has a role to play, including stock exchanges.

Women account for two thirds of total work hours globally, yet earn only one tenth of the world's income

## INTERNATIONAL FRAMEWORKS FOR GENDER EQUALITY

There are long-established international frameworks guiding best practice across the public and private sectors.

1. The UN Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) of 1979, ratified by 187 of the member states of the United Nations.
2. The International Labour Organisation's (ILO) Guidelines on Gender in Employment Policy, which promote practices and policy initiatives related to gender in employment; as well as the ILO's equal rights conventions, namely Equal Remuneration Convention, 1951 (No. 100) and Discrimination (Employment and Occupation) Convention, 1958 (No. 111) which provide guiding principles for policies, legislation and workplace practices in promoting gender equality at work.<sup>13</sup> Many countries have ratified one or more of these conventions and incorporated their provisions into national law.
3. The Women's Empowerment Principles, a joint initiative of the UN Global Compact and UN Women, introduced in 2010, supported by over 1,300 companies, committed to:
  - establishing high-level corporate leadership for gender equality;
  - treating all women and men fairly at work;

4 World Economic Forum. (2016). [The Global Gender Gap Report](#).

5 Kottasova, I. (2014, October 28). [US is 65<sup>th</sup> in world on gender pay gap](#). CNN Money.

6 World Health Organization. (2013). *Global and regional estimates of violence against women: prevalence and health effects of intimate partner violence and non-partner sexual violence* Department of Reproductive Health and Research, London School of Hygiene and Tropical Medicine, South African Medical Research Council.

7 Bauman, K., Ryan, C. (2015). Women Now at the Head of the Class, Lead Men in College Attainment. [US Census Bureau](#).

8 Ameratunga Kring, S., Kavar, M.: *Guidelines on Gender in Employment Policies* (Geneva, ILO, 2009).

9 Revenga, A., Shetty, S., International Monetary Fund, "Empowering Women Is Smart Economics," Finance & Development, March 2012, Vol. 49, No. 1.

10 Morgan Stanley (2016). [Why it pays to invest in gender diversity](#).

11 UN Global Compact (2017). [Gender Equality](#).

12 McKinsey Global Institute (2015). [How advancing women's equality can add \\$12 trillion to global growth](#).

13 International Labour Office (2012). Gender equality and decent work: [Selected ILO Conventions and Recommendations](#).

- ensuring the health, safety and well-being of all female and male workers;
  - promoting education, training and professional development for women;
  - implementing enterprise development, supply chain and marketing practices that empower women;
  - promoting equality through community initiatives and advocacy;
  - measuring and publicly reporting on progress to achieve gender equality.<sup>14</sup>
4. The UN Guiding Principles on Business and Human Rights, introduced in 2011, which consist of three pillars:
    - the state duty to protect human rights, including in the workplace;
    - the corporate responsibility to respect human rights;
    - access to remedy.<sup>15</sup>
  5. The SDGs, introduced in 2015, including goal 5: achieve gender equality and empower all women and girls, and gender-specific targets under the other 16 goals.
  6. The UN Secretary General's High-Level Panel for Women's Economic Empowerment, established in 2016.

However, despite the growing evidence pointing to benefits of gender equality, this is yet to be fully realised by the private sector.

## THE CURRENT STATE OF GENDER EQUALITY AND POSITIVE BUSINESS IMPACTS

Key issues for the private sector across the international frameworks listed above include:

- female representation in leadership;
- equal remuneration;
- sexual harassment in the workplace;
- family leave;
- flexible work options;
- support for women-owned small businesses.

While this list is by no means exhaustive, if stock exchanges and their stakeholders can tangibly address each area, they will have significantly contributed to closing gender equality gaps, delivering benefits for women, the economy and society at large.

<sup>14</sup> The Women's Empowerment Principles (2017). [Overview](#).

<sup>15</sup> United Nations, United Nations Office of the High Commissioner on Human Rights (2011). Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework. New York and Geneva.

# FEMALE REPRESENTATION IN LEADERSHIP

## REGULATORY RISK:

Countries globally are introducing legislation to promote women in leadership. Examples include:

- European countries, many of which have introduced quotas for issuer boards.
- India and Israel require listed companies to have at least one woman director on boards.
- Australian companies with more than 100 employees are required to disclose the gender representation of their governing bodies.

## POSITIVE BUSINESS IMPACTS:

Studies illustrate that female representation correlates to better returns on equity, net profit margins and earnings per share,<sup>16</sup> along with lower volatility.<sup>17</sup>

## ACADEMIC RESEARCH SUGGESTS:

- Women can meaningfully disrupt groupthink when there are three or more of them on the board.<sup>18</sup>
- The value drivers behind the financial outperformance of gender diverse companies may include greater employee productivity, innovation, customer acquisition and retention, and talent recruitment and retention.<sup>19</sup>

## WHAT EXCHANGES CAN DO

### LEAD BY EXAMPLE:

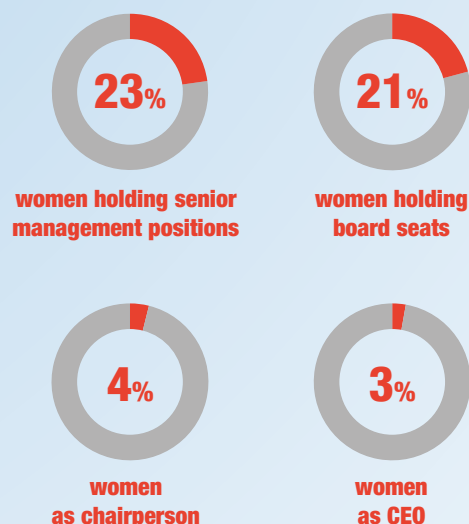
- Publicly disclose female representation across boards, executive committees and senior management.
- Develop and publicly disclose targets for female representation in leadership and report on progress.
- Develop an internal women's network that provides mentoring and growth opportunities for female staff.
- Offer training courses for women to prepare them for board and senior management roles.

### PROMOTE ACROSS THE MARKET:

- Require or encourage listed companies to publicly disclose targets for female representation in leadership and report on progress.
- Include a minimum threshold for women in leadership as part of a sustainability index methodology, or as part of a gender-focused investment product

## STATE OF PLAY

According to a survey<sup>20</sup> of nearly 1,000 companies, they have



**Following the current trajectory, women are unlikely to comprise 30% of issuer board seats globally until 2027.<sup>21</sup>**

16 Zuabi, R. (2015). The bottom line: [Why Gender Inclusion is Good for Business](#). Value for Women; and Noland M., Moran T., & Kotschwar, B. (2016). Is Gender Diversity Profitable? Evidence from a Global Survey (WP 16-3). Washington DC: Peterson Institute for International Economics

17 Morgan Stanley (2017). [An Investor's Guide to Gender Diversity](#).

18 MSCI (2015). [Women on Boards: Global Trends in Gender Diversity on Corporate Boards](#).

19 Morgan Stanley (2016). [Why it pays to invest in gender diversity](#).

20 These figures are based on Bloomberg-sourced public documentation from nearly 1,000 companies.

21 MSCI (2015). [Women on Boards: Global Trends in Gender Diversity on Corporate Boards](#).

# EQUAL REMUNERATION

## REGULATORY RISK:

Many countries require equal remuneration; some, including the UK and Australia, require the disclosure of pay parity by gender.

## POSITIVE BUSINESS IMPACTS:

Reducing gender inequality enhances productivity and economic growth.<sup>22</sup>

## WHAT EXCHANGES CAN DO

### LEAD BY EXAMPLE:

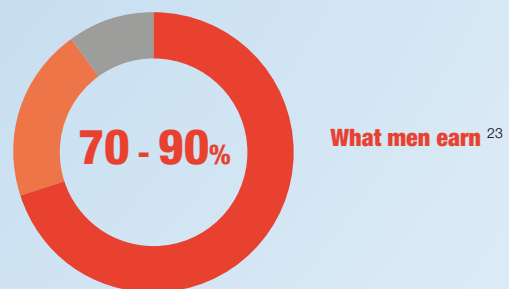
- Publicly disclose pay parity by gender across all levels of the organisation.

### PROMOTE ACROSS THE MARKET:

- Require or encourage listed companies to publicly disclose pay parity by gender across all levels of the organisation.
- Include a minimum threshold for pay parity by gender as part of a sustainability index methodology, or as part of a gender-focused investment product.

## STATE OF PLAY

Women in full-time jobs earn on average



Explanations for this gap vary, such as women disproportionately working in atypical forms of employment and in less lucrative fields. However, the gap still exists when comparing similar roles. Across thousands of tech companies and globally, women were offered 3% less than men for the same jobs on average, and up to 30% less.<sup>24</sup>

## DATA IS LACKING

- Across the largest companies in 20 OECD countries, 72% do not monitor salary gaps by gender.<sup>25</sup>
- Only three of the exchanges interviewed track pay parity across their own operations.
- None of the markets profiled in this report had information on pay parity by gender available across issuers.

At the current rate, pay parity by gender will not be achieved globally for well over 100 years.<sup>26</sup>

<sup>22</sup> World Economic Forum. (2016).

<sup>23</sup> United Nations (2015). The World's Women 2015: Trends and Statistics. New York: United Nations, Department of Economic and Social Affairs, Statistics Division. Sales No. E.15.XVII.8, pg. xii.

<sup>24</sup> Hired (2016). [Women, Work and the State of Wage Inequality](#).

<sup>25</sup> Schwab, N., Unguresan, A. (2010). [A Global Standard for Gender Equality](#). Harvard Business Review.

<sup>26</sup> World Economic Forum. (2015). [Ten Years of the Global Gender Gap](#).

# SEXUAL HARASSMENT IN THE WORKPLACE

## REGULATORY RISK:

12 of the 13 jurisdictions examined in this report prohibit sexual harassment in the workplace by law. However, at least 41 economies globally still have no laws against sexual harassment.<sup>27</sup>

## POSITIVE BUSINESS IMPACTS:

Creating a safer space for women at work facilitates a more productive work environment, increased job satisfaction and increased attraction of qualified employees.<sup>28</sup>

Failure to prevent and address sexual harassment can cost a typical Fortune 500 company USD 6.7 million a year in absenteeism, low productivity and employee turnover.<sup>29</sup>

## STATE OF PLAY

Despite legal frameworks, incidents of sexual harassment still occur globally. For example, the US Equal Employment Opportunity Commission (EEOC) received more sexual harassment complaints in 2015 than racial, ethnic or religious discrimination.<sup>30</sup>



## WHAT EXCHANGES CAN DO

### LEAD BY EXAMPLE:

- Develop and publicly disclose a sexual harassment prevention policy in line with international standards and report the number of incidents filed.
- Provide staff training on prevention of sexual harassment at work.

### PROMOTE ACROSS THE MARKET:

- Require or encourage listed companies to develop and publicly disclose a sexual harassment prevention policy in line with international standards and report the number of incidents filed.

27 World Bank Group. (2016). [Women, Business and the Law](#).

28 Feldburn, C., Lipnic, V. (2016) Select Task Force on the Study of Harassment in the Workplace. Washington, DC. US Equal Employment Commission Opportunity.

29 IFC (2016). [SheWorks: Putting Gender-Smart Commitments into Practice](#).

30 U.S. Equal Employment Opportunity Commission (2016). [Enforcement & Litigation Statistics](#).

# FAMILY LEAVE

## REGULATORY RISK:

The ILO's Maternity Protection Convention of 14 weeks' paid leave is the current international labour standard and is adopted by over 60 countries. Paternity leave trends are improving; 78 countries have legislation.<sup>31</sup>

## POSITIVE BUSINESS IMPACTS:

Paid leave can improve business productivity by boosting employee morale, reducing turnover and making it easier for businesses to retain skilled workers.<sup>32</sup>

## WHAT EXCHANGES CAN DO

### LEAD BY EXAMPLE:

- Develop and publicly disclose family leave policies in line with or exceeding international standards, such as the ILO conventions.
- Develop a return to work programme to support parents returning from leave.
- Provide childcare facilities for staff.

### PROMOTE ACROSS THE MARKET:

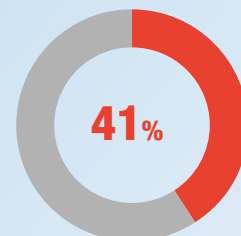
- Require or encourage listed companies to develop and publicly disclose family leave policies in line with or exceeding international standards, such as the ILO conventions.
- Include only companies that have family leave policies in line with international standards in sustainability indexes or gender-focused investment products.

## STATE OF PLAY

Although policies are on the rise globally, many are below standard.

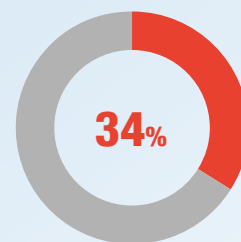
The ILO<sup>33</sup> reports that:

**ONLY**



**of employed women  
have a right to maternity  
leave**

**AND ONLY**



**are required to be paid**

31 ILO, 2014.

32 Morgan Stanley (2016). A Framework for Gender Diversity in the Workplace.

33 ILO, 2014.

# FLEXIBLE WORK

## REGULATORY RISK:

Flexible work options benefit women as they remain the primary caregivers in most homes. Flexible work options are growing, but are largely limited to select sectors and roles and are not usually protected by law. Only five markets examined in the report have measures in place.

## POSITIVE BUSINESS IMPACTS:

Flex-time policies have led to lower turnover rates and increased productivity.<sup>34</sup> 64% of millennials (male and female) would like to have the option to work from home, and 66% would like the ability to shift their work hours.<sup>35</sup> Flexible work options allow men to take on more caregiving responsibilities, freeing women's capacity for work in the labour market.

## WHAT EXCHANGES CAN DO

### LEAD BY EXAMPLE:

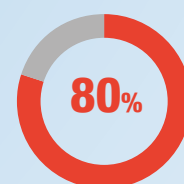
- Develop and publicly disclose a flexible work policy which addresses all employees.

### PROMOTE ACROSS THE MARKET:

- Require or encourage listed companies to develop and publicly disclose a flexible work policy which addresses all employees.

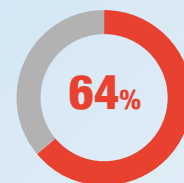
## STATE OF PLAY

Of nearly 400 survey respondents:

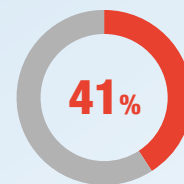


**offer flexible working arrangements**

## BUT ONLY



**have formalised this into company policy**



**report access to flexible work is not widespread to all employees** <sup>36</sup>

<sup>34</sup> Wleklinski, B., Jennings, E. (2013) [The Business Case for Workplace Flexibility](#).

<sup>35</sup> PwC (2013). [PwC's NextGen: A global generational study](#).

<sup>36</sup> WorldatWork, FlexWork (2015). [Trends in Workplace Flexibility](#).



# FEMALE-OWNED SMALL BUSINESSES

## REGULATORY RISK:

There is limited evidence of legislation mandating support for female entrepreneurs.

## POSITIVE BUSINESS IMPACTS:

As many as 70% of women-owned SMEs in the formal sector in developing countries are unserved or under-served by financial institutions, amounting to a financing gap, and potential growth opportunity, of around USD 285 billion.<sup>37</sup>

Data indicates that, when given the necessary tools, women-owned businesses outperform their male-owned counterparts.<sup>38</sup>

## WHAT EXCHANGES CAN DO

### LEAD BY EXAMPLE:

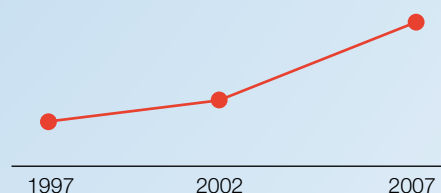
- Support the development of women-owned small businesses ahead of future capital raising on a listed market.
- Support, through specific listing segments or otherwise, investment products that focus on providing capital to women entrepreneurs.
- Offer training, including financial literacy, to women entrepreneurs.

### PROMOTE ACROSS THE MARKET:

- Encourage listed companies to support the development of women-owned small businesses ahead of future capital raising on a listed market.
- Encourage listed companies to issue bonds that specifically support women entrepreneurs.

## STATE OF PLAY

In the US, between 1997 and 2007, the number of women-owned businesses grew at nearly twice the rate of men-owned businesses.<sup>39</sup>



In developing economies, many female-owned enterprises are significantly smaller than their male-owned counterparts, largely due to a high concentration of women in low-performing sectors. Female entrepreneurs are significantly less likely than male entrepreneurs to seek formal financing.<sup>40</sup>

37 IFC (2014). [Women-Owned SMEs: A Business Opportunity for Financial Institutions](#).

38 Shwetlena, S., Terrell, K. (2008). Does Gender Matter for Firm Performance? Evidence from Easter Europe and Central Asia. IZA, Discussion Paper No. 3758. Bonn, Germany: Institute for the Study of Labor.

39 US Department of Commerce, Economics and Statistics Administration. (2010). Women-Owned Businesses in the 21st Century. Washington, DC.

40 Shwetlena & Terrell, 2008.



## NEXT STEPS FOR EXCHANGES

Adopting practices that enhance gender equality in these areas is part of a stock exchange's broader responsibility to respect human rights. This can also improve company culture and business environments at the same time.

In addition to the issue-specific recommendations listed above, there are cross-cutting actions exchanges can take including:

- requiring applicants for listing to disclose material convictions or judgements against it for violations of human rights rules, including gender-based violations, in its pre-listing disclosures;
- offering a separate listing segment that takes gender disclosure into account, or ranking listed companies based on quality and quantity of disclosed gender metrics, providing awards to the highest performers;
- publicly adopting a policy that reflects an intent to advance human rights and gender equality across listed companies, in support of companies' compliance with national legal frameworks and the UN Guiding Principles on Business and Human Rights;
- conducting or sponsoring research on gender equality issues;
- implementing and encouraging listed companies to implement the Women's Empowerment Principles (WEPs), a holistic framework to advance gender equality in the workplace, marketplace and community;
- engaging with the SSE Partner Exchange and the World Federation of Exchanges' Sustainability Working Group.

## THE ROLE OF COMPANIES AND INVESTORS

While stock exchanges can leverage the power of capital markets to close the gender gap, exchanges themselves cannot do it alone. Investors and companies each have a valuable role to play in addressing gender equality.

## INVESTORS

Investor interest in gender equality has grown for several reasons including:

- recognition of the business case for gender equality;
- increased awareness of the underrepresentation of women in corporate leadership;
- women taking a more active role in their own investing;
- increased availability of gender-focused investment products;
- increased influence of women on economic prosperity in developing countries;<sup>41</sup>
- increased expectation that investors must respect human rights in their core operations and business relationships.

Investors can drive enhanced gender equality practices through a variety of means including stock analysis, engagement and product offering. Investors can also internally adopt all the same recommendations to companies in their own practices.

Between 2010 and 2011, the PRI coordinated a collaborative engagement to encourage the representation of women on the board of directors and in senior management, and to promote greater disclosure by companies on the topic of gender. Ten PRI signatories engaged with 57 companies located in Brazil, Canada, Sweden, the UK and the US. The average performance score of the target companies increased by 15% following the engagement. It has also supported the 30% Club, which organises a global investor group coordinating the investment community's approach to women on boards<sup>42</sup>, and has been organising investor letters to companies in the S&P 500 and Russell 1000 with no women on their boards.

In terms of stock selection, gender-lens investing is an emerging investment strategy to yield positive social and financial outcomes by evaluating investments based on their support for women's leadership, access to capital, products and services that benefit women, workplace equity or gender-positive policies.<sup>43</sup>

<sup>41</sup> Veris Wealth Partners (2015). [Women, Wealth & Impact: Investing with a Gender Lens 2.0](#).

<sup>42</sup> 30 Percent Club (2017). [Investor Group](#).

<sup>43</sup> Veris Wealth Partners (2015). [Women, Wealth & Impact: Investing with a Gender Lens 2.0](#).

Morgan Stanley recently introduced an Impact Platform's Gender Diversity Tool Kit, which guides financial advisers in helping individual and institutional clients develop investment approaches that integrate gender diversity criteria into their investment portfolios.<sup>44</sup>

Such strategies have proven to provide a competitive edge. Research from RobecoSAM in 2015<sup>45</sup> examined gender diversity across all organisational levels, constructing one portfolio of companies with low gender scores (lower proportions of women in the workforce and management, and higher pay disparity) and another with high gender scores. The companies in the portfolio with the top gender rankings outperformed the market over the decade between 2004 and 2014, and outperformed the portfolio with the lowest gender score by an even greater margin.

Gender-specific products are also growing. Examples include the Pax Ellevest Global Women's Index Fund and State Street Global Advisors' Gender Diversity Index Fund. Bloomberg's Financial Services Gender Equality Index<sup>46</sup> represents another effort among financial firms to illuminate the importance of gender equality. In addition to indices, some companies have begun to issue women-focused social impact bonds. For example, the Women's Livelihood Bond, representing USD 16 million, pools high-impact borrowers that are positively impacting the lives of women in Asia<sup>47</sup> and the IFC's Banking on Women Bond Program which helps financial institutions serve women-owned businesses.<sup>48</sup>

## COMPANIES

Companies can adopt all of the practices stock exchanges are encouraged to promote across their issuers, particularly around improved disclosure alongside strong policies and practices. Management can also engage with local trade unions on the issue of gender equality. For companies looking to improve their practices, there are also emerging certifications and capacity building tools. For example:

- The WEPs Gap Analysis Tool, a comprehensive self-assessment tool that helps companies: identify strengths, gaps and opportunities in existing gender equality policies and programmes in the workplace, marketplace and community; navigate other tools and resources to support performance on women's empowerment, as well as benchmark progress at the aggregate level against peers and industry standards.<sup>49</sup>
- The World Bank's Gender Equity Model (GEM), is a certification process that trains companies in four key areas: recruitment, career development, family-work balance and sexual harassment policies.<sup>50</sup>
- The business certification standard Economic Dividends for Gender Equality, or EDGE assessment methodology, assesses companies by analysing policies, practices and data across five different areas of analysis, including equal pay for equivalent work.<sup>51</sup>

44 Morgan Stanley, 2016.

45 RobecoSAM (2015). [Does corporate gender equality lead to outperformance?](#)

46 Bloomberg (2017). [Sustainable Finance, Gender Equality Index](#).

47 The Clinton Foundation (2016). [Women's Livelihood Bond: Impact Investing through Inclusion](#).

48 IFC (2015). [Banking on Women Bonds](#).

49 Launching in March 2017.

50 Pungiluppi, J., Castro, Maria E., Munoz-Boudet, A. (2010). A Model for Promoting Gender Equity in Private Companies and in Government Agencies: The GEM Certification Process in Latin America and the Caribbean (The cases of Mexico, Chile, Argentina, and the Dominican Republic). The World Bank.

51 EDGE (n.d.). [EDGE About page](#).

## SPOTLIGHT ON INVESTOR AND CORPORATE BEHAVIOR

# PAX WORLD'S EFFORTS TO ADVANCE GENDER EQUALITY<sup>52</sup>

Pax World, a US-based investment firm, promotes the concept of the value proposition of gender-lens investing. It integrates this concept into its policies and practices by various means including incorporating gender analysis in the investment process and aggregating a wealth of research evidencing the business case for gender equality.

### ANALYSIS

Pax World integrates gender diversity analysis into the company research it conducts across all its mutual funds representing over USD 4 billion assets under management. Its funds favour investments in companies with diverse boards and management teams. It seeks to avoid companies that fail to provide a safe work environment for women by encouraging or tolerating harassment, or that have a history or pattern of gender discrimination or mistreatment of women, are involved in the exploitation or trafficking of women, or whose products demean women or use negative stereotypes in their advertising, promotion or marketing. Pax World also considers whether companies report pay by gender, or commit to pay equity, and if they offer family-friendly benefits, and diversity and inclusion programmes.

### PRODUCT OFFERING

In 2014, Pax World created the Pax Global Women's Leadership Index,<sup>53</sup> an index of the highest-rated companies in the world for advancing women. Companies are rated based on multiple criteria of gender leadership, including representation by women on the board of directors and in executive management, presence of a woman CFO or woman CEO, and whether they are signatories to the Women's Empowerment Principles.

The Pax Ellevest Global Women's Index Fund (PXWEX), which invests in Pax Global Women's Leadership Index constituents, represents over USD 100 million in assets under management and is a broadly diversified mutual fund that invests in the highest-rated, large cap companies globally for advancing women's leadership. The fund generally invests in all of the components included in the Pax Global Women's Leadership Index, but may use an optimised or enhanced strategy to achieve its investment objectives, overweighting companies with more favourable characteristics – for example, the number of women on the board of directors – rather than relying on market weights exclusively. Of the approximately 400 companies in the fund, 100% have at least one woman on the board, and 86% have three or more.<sup>54</sup> Its holdings represent countries from around the world, with the US having the majority weight of approximately 60% as of 30 November 2016.<sup>55</sup>

### SHAREHOLDER ENGAGEMENT

With the business case for gender diversity well-established, Pax's shareholder engagements focus on persuading companies to take advantage of the benefits associated with gender diversity, including improved decision-making, oversight and financial performance.

Pax's proxy voting guidelines stipulate voting against board slates that do not include at least two women. During the most recent proxy season, Pax withheld support from over 120 slates of board nominees due to insufficient gender diversity, and since 2010, has voted against over 1,000 board slates. Over the last five years, it has filed shareholder proposals asking eight companies to adopt gender diversity policies for their boards and five companies subsequently announced new female directors.

<sup>52</sup> You should consider a fund's investment objectives, risks, and charges and expenses carefully before investing. For this and other information, call 800.767.1729 or visit [www.paxworld.com](http://www.paxworld.com) for a fund prospectus and read it carefully before investing. RISKS: Equity investments are subject to market fluctuations, the fund's share price can fall because of weakness in the broad market, a particular industry, or specific holdings. The Fund does not take defensive positions in declining markets. The Fund's performance would likely be adversely affected by a decline in the Index. Investments in emerging markets and non-US securities are generally less liquid and less efficient than investments in developed markets and are subject to additional risks, such as risks of adverse governmental regulation, intervention and political developments. There is no guarantee that the objective will be met and diversification does not eliminate risk. As of 12/30/16, Estee Lauder was 0.8% of the Pax Balanced Fund, 1.8% of the Pax Large Cap Fund, 0.3% of the Pax ESG Beta Quality, and 1.2% of the Pax Global Women's Index Fund. Kellogg Company was 1.4% of the Pax Global Women's Index Fund, 0.05% of the Pax Balanced Fund and 0.6% of the Pax ESG Beta Dividend Fund. Holdings are subject to change. Gap, Inc. was 0.03% of the Pax Ellevest Global Women's Index Fund. Distributed by ALPS Distributors, Inc.

<sup>53</sup> A custom index based on MSCI World. One cannot invest directly in an index.

<sup>54</sup> Pax Ellevest Global Women's Index Fund (2017). [Overview](#).

<sup>55</sup> Pax Ellevest Global Women's Index Fund (2017). [Characteristics](#).

In 2016, Pax World expanded its gender engagement to include pay equity initiatives, based on the belief that companies that are committed to pay equity will be better positioned to achieve greater gender diversity and attract and retain talented employees. Pax has filed or co-filed nine shareholder resolutions on pay equity, requesting the disclosure of the results of pay equity assessments. So far, three of these companies publicly announced that they have no gender pay gap, and three have signed the White House Equal Pay Pledge committing to gender pay equity. In February 2016, Pax Ellevest Management, a joint venture of Pax World and Ellevest Asset Management, sent a petition for rulemaking to the US SEC urging the agency to require public companies to disclose gender pay ratios on an annual basis.

### RESEARCH AND THOUGHT LEADERSHIP

Pax World is an advocate for investing in women and the critical role that gender diversity plays in business success. Its executives have developed a significant amount of thought leadership content offering perspective and commentary on gender lens investing and the business case for gender diversity, all of which is available on the company's website.<sup>56</sup> In addition, it maintains a list of studies on the relationship between gender diversity and corporate performance on the Gender Research page of the Pax Ellevest website.<sup>57</sup>

Pax World developed Women & Wealth, a practice management platform whose purpose is to provide financial advisors with tools and resources to help them better serve their female clients. It was created in recognition that women control a significant percentage of the world's wealth, yet they are underserved by the financial advice industry. By helping advisors become more responsive to women's financial issues and concerns, Women & Wealth seeks to help financial advisors strengthen their client relationships and the value they provide to their female clients.

### INTERNAL EMPLOYMENT POLICIES

At Pax World, gender diversity is a guiding principle as well as an investment concept. The firm's management states that it is critically important that they practice what they preach, which is why women comprise 45% of their total workforce and five out of the 10 senior managers who sit on their management committee are women. The company has a hiring policy which ensures that women candidates are in the finalist pool for every open position. They also conduct an internal gender pay equity survey and publicly report the results in the company's annual Impact Report.<sup>58</sup>

Pax World offers a family and medical leave policy that applies to maternity, paternity, adoption and foster care placement, and exceeds the legal requirement in the US. The leave may be taken any time during the child's first year of life (or adoption, or foster placement) and may be taken intermittently so that the employee, and their spouse, can organise their time off in a way that maximises their time with their child.

Pax is also a signatory of Women's Empowerment Principles, and its CEO, Joe Keefe is one of the Chairs of the Leadership Group, a strategic advisory group to the initiative.<sup>59</sup>

<sup>56</sup> Pax World Management (2017). [Thought Leadership](#).

<sup>57</sup> Pax Ellevest Global Women's Index Fund (2017). [Gender Research](#).

<sup>58</sup> Pax World Management (2015). 2015 [Impact Report](#).

<sup>59</sup> Women's Empowerment Principles (2017). [WEPPs Leadership Group](#).



## SPOTLIGHT ON INVESTOR AND CORPORATE BEHAVIOR

# BLOOMBERG'S EFFORTS TO MEASURE GENDER EQUALITY IN THE WORKPLACE

Bloomberg was founded on a mission to bring more transparency to markets, and has focused on arming investors with global data, analysis and news. Recognising that environmental, social and governance (ESG) data has become an increasingly important tool for evaluating a company's reputation, value and performance, Bloomberg began offering clients ESG information – including metrics around women in the workforce, in management roles and on boards – in 2009. Today, the company provides more than 700 ESG indicators for more than 11,000 companies. One topic of particular interest to investors is gender equality, as evidence continues to demonstrate that gender-equal policies and practices can positively impact a company's productivity, decision making, ability to attract and retain the best talent – and ultimately, its financial performance.

One report recently indicated that USD 21.1 trillion is now invested in assets incorporating sustainable investment strategies. The US SIF Foundation published data on 'gender-lens investing for the first time, reporting that USD 397 billion in investor assets had an explicit focus on products or companies that actively support women's social and economic advancement.<sup>60</sup> With demand on the rise, Bloomberg saw an opportunity to fill a data gap by providing reliable, comparable information on gender equality metrics, adding fields for female CEOs and Chairs in 2012.

In 2016, Bloomberg launched its Financial Services Gender-Equality Index (BFGEI), which provides a holistic view in measuring how companies are progressing towards gender parity. In order to be considered for inclusion, firms are required to submit a survey addressing four categories:

- internal company statistics (e.g. number of women on boards, % of women executives, % of women in top 10% of compensated employees);
- employee policies (e.g. minimum fully paid maternity/ paternity leave offered, return to work programme for mothers, childcare services, development programmes for women);
- gender-conscious product offerings (e.g. funds that target women clients, if the number of female clients is tracked, lending programmes specifically for women-owned businesses);
- external community engagement (e.g. sponsoring financial education programmes, having a supplier diversity programme, and being a signatory to the Women's Empowerment Principles).

All companies included in the index have surpassed a minimum benchmark score on the GEI survey, with points awarded for both disclosure and the achievement of best-in-class policies and practices.

Performance of 2016 GEI member companies. Data compiled by Bloomberg from public filings.



2017 BFGEI member firms have an average of 24.2% female representation on boards.



83% offer or sponsor financial education programmes for women in their communities.

↑ 25.2%

The percentage of female executives at 2017 BFGEI member firms increased by 25.2% between fiscal year 2014 and 2015.



Nine firms track repayment rates by gender.



73% require a gender-diverse slate of candidates for management roles.



75% provide return to work programmes for women.

60 Colby (2016). [Sustainable Investments Surged by Third to \\$8.7 Trillion in 2016](#).

61 Bloomberg (2016). [Bloomberg Launches Financial Services Gender Equality Index](#).

Since the index launched last May, with 26 inaugural members, Bloomberg clients have been able to assess and compare firm-level social data, along with valuable reference information, to help inform their investment strategies.

In 2017, BFGEI doubled in membership, including 52 firms across the financial services industry. Membership also expanded from firms headquartered in eight countries to 17, allowing for early comparisons between regions. Among those included in the 2017 index:

- 84% of Americas-based member firms have a supplier diversity programme;
- 80% of Europe-based members conduct compensation reviews to identify gender-based variations in pay;
- 93% of Asia-Pacific-based member firms offer unconscious bias training;
- 75% provide return to work programmes for women;
- 73% require a gender-diverse slate of candidates for management roles;
- 83% offer or sponsor financial education programmes for women in their communities.

In addition to measuring and making gender equality data available, Bloomberg also promotes gender parity in its own business operations. In 2015, the company hired its first Chief Diversity Officer and updated its parental leave policy to grant primary caregivers 18 weeks of paid leave and non-primary caregivers four. Bloomberg Chairman Peter T. Grauer has set a target of achieving 30% of women in senior leadership positions. Grauer also acts as a champion for gender diversity across corporate America, serving as the founding chairman of the US 30% Club, an organisation of business leaders dedicated to achieving better gender balance throughout their organisations. As of 2014, all Bloomberg News material must include at least one woman's voice.<sup>62</sup>

Beyond gender, the company has made diversity and inclusion a central business initiative, requiring executives throughout the organisation to develop and execute individual plans for

the recruitment and retention of diverse talent. Across the company, thousands of employees have received training on understanding and addressing unconscious bias in the workplace.

Like the core Bloomberg values behind it, the index fulfils two purposes: to provide investors with high-quality data and to encourage transparency and disclosure around gender equality in the workplace. Angela Sun, Bloomberg's Head of Strategy and Corporate Development and architect of the GEI, describes the GEI's impact as catalysing a virtuous cycle 'where disclosure and transparency can lead to changes in practices and behaviour; and when behaviour changes, culture follows; and when culture changes, it can change reality.' As more organisations choose to participate and the data continues to grow, investors and organisations alike will be better equipped to understand the financial - and human - impact of a more gender-equal workplace.

62 Telegraph (2014). [Quota for quotes? Bloomberg news chief demands women in every enterprise story.](#)

# PART II: GENDER EQUALITY: EXAMPLES IN ACTION

Stock exchanges are uniquely placed to promote more transparent and efficient capital markets that generate long-term value. In addition to leading by example through their own operations, stock exchanges can influence investor and company behaviour, help enforce compliance with legal frameworks and support regulators in promoting the adoption of market standards.

The exchanges highlighted in this report were selected based on demonstrated efforts in gender equality and interest in the project. The cases represent a wide spectrum, with some exchanges just beginning to address gender equality through awareness-raising mechanisms, and others with comprehensive strategies that include listing requirements and investment products. The findings are based on a survey framework developed by the SSE and GIZ specifically for this project in 2016, as well as desk research and input from issue experts. All 60 of the SSE Partner Exchanges were given the opportunity to respond. For a summary of the key findings, see Table 1.



**TABLE 1: A SUMMARY OF GENDER STATISTICS ACROSS EXCHANGES, THEIR ISSUERS AND NATIONAL POLICY FRAMEWORKS FOR GENDER EQUALITY**  
**Key: M = Maternity Leave, P = Paternity Leave, - = not available**

National policy measures	Australia	Brazil	Egypt	Germany	Hong-Kong SAR, China	India	
Countering sexual harassment in the workplace	Yes	Yes	Yes	Yes	Yes	Yes	
Family leave	Paid (M,P)	Paid (M,P)	Paid (M,P)	Paid (M,P)	Paid (M, P)	Paid (M) Unpaid (P)	
Equal opportunity in the workplace	Yes	Yes	Yes	Yes	Yes	Yes	
Flexible work options	Yes	No	Yes	Yes	No	No	
Pay parity	Yes	Yes	Yes	Yes	No	Yes	
Requiring female representation in leadership in the private sector	Yes	No	No	Yes	No	Yes	
Data on gender diversity across listed companies (average)	ASX	BM&FBOVESPA	EGX	Deutsche Börse	HKEX	BSE	NSE
Exchange has gender-specific listing rules	Yes	No	No	No	Yes	For SME Board and set by regulator for main board	Yes (set by securities regulator)
% or # of issuers with a female CEO	5%	-	-	-	-	-	3%
IPOs from women-owned companies in the past year	-	0	-	-	14%	23% (Main Board)	5%
% of women on boards	22% (ASX 200) 15% (ASX 201-500) 6% (ASX 501+)	6%	11%	-	40%	25% (Top 200) 30% (Top 100)	13.5% (Nifty50 Index & Nifty Next 50 Index) 13% (Nifty 200 Index).
% of women in senior management	26% (ASX 200) 27% (ASX 201-500) 19% (ASX 501+)	-	-	-	-	-	-
% of women across the workforce	41% (ASX 200) 38% (ASX 201-500) 30% (ASX 501+)	-	-	-	-	-	-
Exchange data on gender diversity	ASX	BM&FBOVESPA	EGX	Deutsche Börse	HKEX	BSE	NSE
Female CEO	No	No	No	No	No	No	No
% of women on the board	33%	9%	0%	41%	15%	20%	30%
% of women in the executive committee	36%	0%	50%	20%	-	0%	-
% of women in senior management	38%	20%	13%	27%	34%	10%	0%
% of women across the workforce	42%	43%	25%	39%	43%	24%	34%
Offers gender-specific investment products	No	Sustainability index includes gender metrics	No	No	No	No	No
Signatory of the UN Women's Empowerment Principles <sup>63</sup>	No	Yes <sup>64</sup>	Yes	No	No	No	No
Ring the Bell for Gender Equality participant <sup>65</sup>	2016, 2017	2017	2015, 2016, 2017	2016, 2017	2016, 2017	2015, 2016, 2017	2017
Average for financial services firms (Bloomberg data)	ASX	BM&FBOVESPA	EGX	Deutsche Börse	HKEX	BSE	NSE
% of women on boards	29%	8%	-	27%	13%	9%	9%
% of women in the executive committee	19%	9%	-	11%	13%	8%	8%
% of women in senior management	31%	27%	-	28%	29%	10%	10%
% of women across the workforce	52%	46%	-	49%	47%	19%	19%

63 The Women's Empowerment Principles is a holistic framework to empower women in the workplace, marketplace and community, currently supported by 1,300 companies.

64 BM&FBOVESPA has committed to sign the Women Empowerment Principles on March 8th 2017, two days after this publication is released.

65 Ring the Bell for Gender Equality is a global collaboration, held in 2015, 2016 and 2017; the objective of which is to have market opening and closing bells ringing across the globe to bring further attention to the importance of women's economic empowerment to business growth and development.





National policy measures	Italy	Jordan	Kazakhstan	Kenya	South Africa	UK		USA
Countering sexual harassment in the workplace	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Family leave	Paid (M)	Paid (M)	Paid (M) Unpaid (P)	Paid (M, P)	Unpaid (M, P)	Paid (M, P)		Unpaid (M, P)
Equal opportunity in the workplace	Yes	No	Yes	Yes	Yes	Yes		Yes
Flexible work options	Yes	Yes	No	No	No	Yes		No
Pay parity	Yes	Yes	Yes	Yes	Yes	Yes		Yes
Requiring female representation in leadership in the private sector	Yes	No	No	No	No	No		No
Data on gender diversity across listed companies (average)	Borsa Italiana	ASE	KASE	NSE	JSE	LSE	SSX	NYSE
Exchange has gender-specific listing rules	Yes (set by securities regulator)	No	No	No	Yes	No	Yes	No
% of issuers with a female CEO	-	-	10.5%	-	-	-	13%	4% (CEO) 11% (CFO) 3% (Founder)
IPOs from women-owned companies in the past year	-	-	0	-	-	-	-	3%
% of women on boards	28%	3.5%	-	18%	-	-	-	-
% of women in senior management	-	21%	-	-	-	-	-	-
% of women across the workforce	-	-	-	-	-	-	-	-
Exchange data on gender diversity	Borsa Italiana	ASE	KASE	NSE	JSE	LSE	SSX	NYSE
Female CEO	No	No	Yes	No	Yes	No	No	No
% of women on the board	27%	0%	11%	27%	45%	27%	0%	20%
% of women in the executive committee	-	-	-	14%	54%	0	-	-
% of women in senior management	23%	28%	40%	-	47%	23%	40%	14%
% of women across the workforce	50%	45%	62%	-	51%	50%	40%	-
Offers gender-specific investment products	No	No	No	No	Sustainability index includes gender metrics and exchange has a Black Economic Empowerment listing segment	No	No	No
Signatory of the Women's Empowerment Principles	No	No	No	Yes	No	No	No	No
Ring the Bell for Gender Equality participant	2016, 2017	2016, 2017	No	2016, 2017	2016, 2017	2016, 2017	N/A	2016, 2017
Average for financial services firms (Bloomberg data) <sup>66</sup>	Borsa Italiana	ASE	KASE	NSE	JSE	LSE	SSX	NYSE
% of women on boards	33%	-	-	-	18%	21%	21%	22%
% of women in the executive committee	4%	-	-	-	9%	11%	11%	20%
% of women in senior management	20%	-	-	-	30%	23%	23%	31%
% of women across the workforce	53%	-	-	-	59%	43%	43%	47%

66 Data for the UK in this section is for Britain only.

# ASX AUSTRALIA

ASX is playing a role in addressing such inequalities as it actively promotes diversity and inclusion, both in its own capacity and through its role as the convenor of the ASX Corporate Governance Council.

The primary role of the council is to develop and issue principles-based recommendations on the corporate governance practices to be adopted by ASX listed entities, which represent a total market capitalisation of around USD 1.5 trillion. Issuers are required to benchmark their corporate governance practices against the council's recommendations on a comply-or-explain basis.

The council first adopted gender diversity reporting recommendations in 2010, making the ASX one of the first exchanges to promote gender diversity among listed entities through guidance. These diversity recommendations, now in their second iteration, recommend that listed entities:

- adopt and disclose a diversity policy which contains measurable objectives for achieving gender diversity that are set by the board;
- disclose its progress towards meeting these measurable objectives;
- report on the respective proportions of men and women on the board, in senior executive positions and across the whole organisation.<sup>68</sup>

To encourage the uptake of the recommendations, ASX hosted roadshows and assisted listed entities in their adoption of the diversity recommendations by, among other things, establishing a diversity resources page on its website.<sup>69</sup> ASX also commissioned KPMG to periodically review listed entity adoption of the diversity recommendations since their introduction. Results of KPMG's last review released in 2016 showed that there had been an increase in the number of entities establishing a diversity policy, with 99% of entities in the S&P/ASX 200 (ASX's main index) having one. Additionally, women on boards of S&P/ASX 200 entities increased from 15% in 2012 to 22% in 2015.<sup>70</sup>

ASX is also committed to supporting the equal participation of men and women in its workforce. In 2010, the board of directors of ASX set targets to achieve the following percentages of female representation across various levels of the work force: 33.33% on boards, 40% across all senior and mid-level management, over 50% across administrators and over 40% across the entire organisation.<sup>71</sup> In doing so, it recognised the importance of setting meaningful and measurable objectives to achieving gender equality over time.

In terms of policies, ASX has adjusted budgets to address pay equity gaps when necessary, requires a gender balanced shortlist when recruiting for all roles including when considering new directors for appointment to the board, and provides new parents with a graduated return to work option.

ASX offers a variety of gender-related training and education initiatives. It has participated in the Chief Executive Women's Leaders Development programme, which supports professional women in realising their leadership potential; since 2005, 900 women and 82 organisations have participated in it.<sup>72</sup> ASX also sponsors ASX female executives completing MBAs. Lastly, ASX's Our Women's Network (OWN) programme is an employee-led networking initiative established in 2015 by female employees and backed by senior management to provide a supportive environment where women can come together to learn, be inspired and develop skills to manage their careers. It organises networking events, hosts informal learning and development events, and ensures that employees on parental leave remain connected to the workplace.

For the 8th time, ASX was awarded the 2016 Employer of Choice for Gender Equality by the Australian Workplace Gender Equality Agency.<sup>73</sup>

67 ASX (2017). [Corporate Governance Council](#).

68 ASX (2014). [Corporate Governance Principles and Recommendations](#).

69 ASX (2017). [Corporate Governance Council](#).

70 KPMG and ASX (2015). [ASX Corporate Governance Council Principles and Recommendations on Diversity](#).

71 ASX (2016). [ASX Limited Annual Report](#).

72 Since 2005, 900 women and 82 organisations have participated in the program. Chief Executive Women (2017). [CEW Leaders Program](#).

73 Workplace Gender Equality Agency (2016). [2016 leaders in workplace gender equality announced](#).

# BM&FBOVESPA BRAZIL

In Brazil, KMG measures the composition of companies' board of directors, and has found that out of the 223 largest listed companies, 36% have at least one woman on their boards. However, in total women represent only 6%.<sup>74</sup> The average percent of women in executive positions is 6% and 16% for management.<sup>75</sup>

The vast majority of CEOs and founders are male in both public and private companies. However, BM&FBOVESPA has developed a range of education programmes for women, through its Educational Institute, which are offered to high-potential entrepreneurs, C-level executives, members of boards and shareholders from non-listed companies. BM&FBOVESPA aims to help women understand what an IPO is and also include it on their company's strategic plan in the near future. There are two kinds of programmes for these target groups:

- One-day-meetings that gather women entrepreneurs with different experiences and levels of involvement in gender equality to discuss their participation in the business world, including challenges and opportunities they face.
- Executive education programmes that identify a select group of professional women who need one-on-one guidance and support on business strategy to better understand what going public means.

Within the Educational Institute, there's also a course for women, *Mulheres em Ação* (Women in Action). It focuses on financial principles to strengthen the savings culture for heritage formation. It also has a course on qualification in the opening of capital for women.

The *Associação de Educação Financeira no Brasil* (Brazilian Association on Financial Education – AEF), has a financial literacy programme which has included 1,500 women and aims to reach 4,000.

Similarly, some issuers on the ISE – The Corporate Sustainability Index – have strong policies or programmes on gender equality. These typically include meetings, training and events to empower female talent. Some also support social projects to strengthen gender equality, reinforce fundamental rights and combat discrimination. Within the ISE, there's also a questionnaire for companies to respond to a range of questions pertaining to gender and diversity.

Question examples include:

- number of women in administrative council and management (including women managers and directors);
- remuneration by gender;
- maternity leave policies;
- formal commitments to reduce discrimination and to respect sexual orientation.

BM&FBOVESPA's diversity initiatives focus on two themes: people with disabilities and women in the workplace. Its annual report showcases how the exchange is working to improve diversity at all levels. Every year since 2012, the exchange organises a diversity week to discuss and experience diversity challenges, including testimonials, simulations, employee engagement and participation. The exchange has also established the following internal goals:

- balance the number of women and men in young talent programmes;
- sustain a low turnover rate for women after pregnancy;
- sustain the employee satisfaction survey, specifically high (more than 80% of satisfaction) in the questions regarding inclusion and diversity.

To meet these goals the exchange has introduced:

- a gender equality focus in employee recruitment;
- maternity extension (from four to six months);
- breastfeeding support room.

To ensure compliance with its code of conduct, which prohibits harassment or discrimination, all employees are required to review and sign the code, as well as complete online mandatory training.

In 2012, the Ministry of the Environment (MMA), started the *Rede de Mulheres Brasileiras Líderes pela Sustentabilidade* (Brazilian Women leaders in Sustainability's Network), of which the exchange's Media Relations, Sustainability and Communications Managing Director is a member of the Communication and Institutional Relations Permanent Committee.

<sup>74</sup> KPMG (2016). [A Governança Corporativa e o Mercado de Capitais](#).

<sup>75</sup> Bloomberg 2016 data.

# EGX EGYPT<sup>76</sup>

The Egyptian Exchange (EGX) was one of four pioneer exchanges to first join the SSE initiative in 2012, and as part of its commitment to sustainability it promotes gender diversity internally and among issuers.

One of the key ways a stock exchange can improve gender equality is through improved transparency mechanisms, as access to information is the foundation for all other activities to build upon. In terms of corporate reporting, EGX's focus had been on general transparency and corporate governance. However, in light of the SDGs, EGX has released the EGX Model Guidance for Reporting on ESG Performance and SDGs, which includes several gender-specific references and includes a dedicated section to the 17 UN Sustainable Development Goals, including SDG 5 on gender equality.<sup>77</sup> To help monitor the uptake of the recommendations, EGX is measuring the number of women in leadership across its market. As of January 2017 women held 11% of board seats of companies listed on EGX, and 4.5% of the total executive board members.

Capacity building and raising awareness around the importance of women's advancement is still critical, particularly as EGX recognises that while it is starting to advance sustainable business strategies, other market participants have yet to understand the value proposition. EGX is working on transforming this belief through promoting the SDGs in its market and hosting workshops, and the EGX annual sustainability conference started in 2015.

As part of this work, EGX is also working to improve understanding among exchanges globally. EGX is the co-chair of the WFE Sustainability Working Group.

In terms of its own operations, EGX joined the UN Global Compact and is one of only a few exchanges to have signed the Women's Empowerment Principles, and is encouraging its listed companies to do the same. It also recently formed an executive committee with 50% female representation, sending a signal to listed companies. Similarly, EGX formed a Sustainability Advisory Committee, consisting of well-known sustainability advocates, representatives from listed companies, academic, NGOs and non-listed companies. The committee will work to address a range of issues and EGX felt it was important to continue to promote diversity through the makeup of this group.

<sup>76</sup> Adapted from the [2016 SSE Report on Progress](#).

<sup>77</sup> The Egyptian Exchange (2017). [EGX: A Pioneer in Sustainability Efforts](#).

# DEUTSCHE BÖRSE GERMANY

Deutsche Börse's ESG reporting guidance includes details of how companies are linking ESG factors, including women in management, to enhanced employee retention and customer success.<sup>78</sup> This lays the groundwork for listed companies to consider the business case for gender equality. Deutsche Börse also raises awareness on the business case for gender equality through events such as Ring the Bell for Gender Equality, in which it participated in 2016 and 2017. The 2016 event included formal remarks from Hauke Stars, Member of the Deutsche Börse Executive Board, as well as Sophie von Gagern, Unit Private Sector Cooperation of GIZ, and was attended by 30 capital market stakeholders.<sup>79</sup>

The majority of Deutsche Börse's efforts to advance gender equality fall into its own operations. It has set objectives to develop a culture which supports and values diversity. They have set voluntary targets to increase the proportion of women in middle and upper management to 20%, and in lower management to 30%, by 2020, which apply to Deutsche Börse Group worldwide, including subsidiaries. In order to raise the number of women in executive positions, the company ensures that women are included in proposals for executive positions. In addition, Deutsche Börse Group offers numerous tools to promote female employees, such as targeted succession planning, a mentoring programme involving internal and external mentors, a women's network, and training courses designed specifically for women. It also organises a 'High Potential Circle,' which prepares younger, particularly talented and motivated staff for future executive roles; 45% (10 of 22) of the current members are women. Select senior-level women can participate in the Female Executive Mentoring Programme (FEM).<sup>80</sup> Due to the success of these programmes, the proportion of women at the head of department level has increased from 5% to 27% since 2007.<sup>81</sup>

In addition to ensuring women are able to progress within the organisation across all levels, Deutsche Börse is also committed to creating structures compatible with the everyday working life of women. It is implementing provisions for better compatibility of family and career, such as childcare facilities offered for children under three, including an emergency childcare facility that provides short-term care for children for up to five days a year, as well as more flexibility in terms of working hours and place of work (notably, the Luxembourg and Eschborn offices have emergency parent-child offices).<sup>82</sup>

In 2008, the executive board of Deutsche Börse decided to sign the Diversity Charter, which aims to integrate diversity into Germany's business culture by eliminating prejudice from the workplace.<sup>83</sup>

78 Deutsche Börse (2013). [Communicating sustainability: Seven recommendations for issuers.](#)

79 Women in ETFs (2016). [WE Frankfurt, Bell Ringing at Deutsche Börse.](#)

80 Deutsche Börse (2017). [Diversity at Deutsche Börse Group.](#)

81 Deutsche Börse (2017). [Diversity at Deutsche Börse Group.](#)

82 Deutsche Börse (2017). [Job, Life & Family.](#)

83 Diversity Charter (2011). [Diversity Charter.](#)

# HKEX

## HONG KONG SAR, CHINA

HKEX is both a securities regulator and an exchange.<sup>84</sup> Given its regulatory powers, the mechanisms with which it can drive change in its market are more robust than exchanges that operate as standard setters.

The stock exchange regulates gender equality across its listed companies in two ways.

- The corporate governance guide, published in 2013, requires companies to develop and publicly disclose diversity policies on a comply-or-explain basis.<sup>85</sup> The diversity elements were revised and made stronger in a later amendment based on feedback and support from a consultation. As diversity is regarded as a critical factor of good governance which can drive high performance, 98% of companies comply with this provision.
- The *ESG Reporting Guide*, published in 2015,<sup>86</sup> recommends disclosure by gender of turnover rate, training and representation across the full workforce. This, however, is voluntary. Initially, the ESG reporting guide did not include gender, but a review of the guide in 2015 led to adding it. This was a welcome update to the market. The development of this guide is an evolutionary process. HKEX will continue to review the guide and may upgrade the 'social' metrics (including those relating to gender) to comply-or-explain at the next review.

To support the advancement of gender equality beyond regulatory compliance, HKEX implements capacity building and awareness-raising programmes. For example, its training programmes for stakeholders cover a wide range of themes, from gender diversity to anti-discrimination. The exchange also co-hosted a speaker series showcasing leading women in the sustainability field,<sup>87</sup> and participated in Ring the Bell for Gender Equality in 2016 and 2017.

HKEX's capacity building also includes financial education, particularly among women and girls.<sup>88</sup> The financial literacy programme has been extended to local schools; staff volunteer onsite<sup>89</sup> and underprivileged students from all girls' schools are invited to the exchange to learn about its work.<sup>90</sup>

As a listed company, HKEX follows its own standards for gender equality. It discloses its board diversity policy, which notes that 'the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.'<sup>91</sup>

HKEX discloses percentage by gender of new hires (18% women, 16% men), turnover (11% women, 9% men), as well as hours spent in training programmes (16 hours / woman, 14 hours / man).<sup>92</sup> It supports a flexible work environment through its 'Back to Work Programme,' which is designed to help professionals resume their careers after leaving the workforce for a few years.<sup>93</sup>

Lastly, the Women's Exchange (WE) aims to provide staff (male and female) with opportunities to enhance relationships with external stakeholders, connect internally, promote professional development through training and engage in community outreach.<sup>94</sup> 26 events have been organised to date.

As diversity is regarded as a critical factor of good governance which can drive high performance, 98% of companies comply with this provision

84 HKEX (2010). [Introduction to Regulatory Framework](#).

85 HKEX (2016). [Corporate Governance Code and Corporate Governance Report](#).

86 HKEX (2016). [Appendix 27: Environmental, Social and Governance Reporting Guide](#).

87 The Women's Foundation (2017). [Homepage](#).

88 HKEX (2016). [Management Approach](#).

89 HKEX (2011). [HKEX Gives Back to the Community during Give & Gain Day 2011](#).

90 Interview with HKEX December 2016.

91 HKEX (2013). [Board Diversity Policy](#).

92 HKEX (2015). [Corporate Social Responsibility Report](#).

93 HKEX (2015). [Corporate Social Responsibility Report](#).

94 HKEX (2016) [Women's Exchange at HKEX](#).

# BSE INDIA

BSE and the broader Indian business community are increasingly recognising that women's entrepreneurship makes a strong contribution to the economic well-being of families and communities, poverty reduction and women's empowerment. The Indian government is actively undertaking the promotion of women entrepreneurs through various initiatives and incentives.

The Securities and Exchange Board of India (SEBI) introduced a requirement for listed companies to have at least one director on their boards as part of the Companies Act in 2013. However, many of BSE's issuers exceed this standard, with 25% women on boards in BSE's top 200 companies, and 30% in the top 100. These figures are significantly higher than the 11% average of women on boards across India.

BSE promotes gender advancement, particularly on its SME exchange. BSE addresses gender equality while interviewing and visiting prospective issuers, including gender representation across all levels of the workforce, training and education opportunities provided for women and their children, and how the company addresses other domestic needs of their female employees.

BSE Institute Ltd, a subsidiary, offers a variety of training programmes for women. It has an accelerator for start-ups that has conducted entrepreneurship and funding seminars exclusively for women. It also provides financial literacy initiatives and has a special programme dedicated to female students and households. It hosts an annual Financial Olympiad which seeks to extend financial literacy across schools; in 2016, 15,000 students from across the country competed. Ambarish Datta, Managing Director and CEO of the BSE Institute noted that there were more than 22 female finalists, and that the programme makes a concerted effort to include girls.<sup>95</sup> It has offered training courses for women seeking board roles, to ensure female professionals are properly equipped for positions as companies across the market seek to comply with or exceed the SEBI requirement.<sup>96</sup>

BSE partnered with IFC in 2016 to develop a corporate governance scorecard, which enables companies to measure their corporate governance practices and compliance to local laws and regulations and with international best practices. The percentage of women on the board is a key indicator, and companies score high if they have more women than that stipulated by regulation.<sup>97</sup>

In BSE's own operations, the board and chairman strive to go beyond regulatory compliance with regard to gender equality. Maternity leave policies exceed the legal requirement – offering mothers with an option for four months' extension for leave.

BSE supports capacity-building and awareness raising through events focused on women's economic empowerment. Examples include 'Women and Wealth,' a Bloomberg TV India event attended by more than 200 women at middle or senior levels across various Industries, a 'He for She' event with UN Women, an event on "Empowering Adolescent Girls" co-hosted with a local NGO, and BSE's participation in all three years of Ring the Bell for Gender Equality.

<sup>95</sup> BLoC (2015). [BSE Institute hosts financial Olympiad](#).

<sup>96</sup> BSE Institute (2016). [Diversity & Inclusion Master Class](#).

<sup>97</sup> BSE (2017). [Corporate Governance Scorecard](#).



# NSE INDIA

The National Stock Exchange of India (NSE)'s primary intervention to promote gender equality in the Indian market has been in relation to board diversity.

Gender Diversity on Boards, a briefing published in July 2015, cites five key dimensions of the business case for gender equality, including improved decision making, enhanced return on equity, demand from institutional investors, enhanced talent pool and response to customer needs.<sup>98</sup> The briefing provides background on the SEBI requirement, its effectiveness to date, and points to international best practice. To overcome barriers to achieving gender equality at the board level in India, NSE recommends:

- organising training programmes for directorial skills;
- ensuring senior board officials are welcoming and assisting in the on-boarding of new female directors;
- issuers to go beyond the legal mandate of at least one woman director.

NSE has made considerable efforts to improve the business case for gender equality among issuers, and held an international conference on the topic. For context, the 2015 briefing cites that over 88% of NSE's listed companies comply with the mandate, but only one in 10 issuers go beyond compliance and have two or more women directors.<sup>99</sup>

NSE also published a research paper<sup>100</sup> measuring the sustainability performance of its top 100 listed companies against several KPIs including:

- Internal codes of conduct (regulatory compliance, diversity, equal opportunities, gender, non-discrimination and harassment).
- Adherence to voluntary principles of sustainability such as GRI and the UN Global Compact, and the Millennium Development Goals (MDGs), all of which include gender-specific metrics.
- Initiatives to improve the quality of life in communities through several factors including the empowerment of women.

NSE has prioritised going beyond regulatory compliance with its gender equality policies. Examples include its flexible work options, and maternity leave policy that offers a six-month extension with benefits covered. A maternity bonus is also paid when the employee returns; 84% of mothers return to work at NSE.

NSE is developing online and focus group training to create awareness and sensitisation to sexual harassment across the board, although zero sexual harassment complaints have been filed to its committee to date. NSE has established Balini in 2014, an initiative that helps women employees to collaborate, share experiences and organise internal events.

NSE has set up several employee sports teams, including a women's football team. Also, it has historically celebrated International Women's Day by organising team-building and leisure activities for female employees, the proceeds of which are donated to a women-focused NGO.

<sup>98</sup> NSE (2015). [Gender Diversity on Boards, Quarterly Briefing No. 10.](#)

<sup>99</sup> NSE (2015). [Gender Diversity on Boards, Quarterly Briefing No. 10.](#)

<sup>100</sup> NSE IIMB. [Corporate Sustainability Initiatives: A study of India's most valuable companies.](#)



# ASE JORDAN <sup>101</sup>

Women's empowerment is a focus of the Amman Stock Exchange's (ASE) sustainability strategy. ASE has achieved near equal representation in its employee base due to recruitment policies based upon fair and equitable competition, ensuring appointment of candidates without discrimination. The motivation behind adopting this policy was enhanced corporate performance.

In 2015, ASE partnered with IFC, the private sector arm of the World Bank Group, to examine the impact of gender diversity on the economic performance of listed companies, the first study of its kind in Jordan. It analysed 2009-2012 data on 1,200 publicly listed and private shareholding Jordanian companies, for which ASE provided the financial data on its 237 issuers. The study found that only 22% of the publicly listed companies had women on their boards, with only 10 (4%) having more than one woman director. The results show a strong correlation between positive business impacts and diversity, as the average return on assets (ROA) of companies with at least one woman on the board was approximately three times higher than those without; the return on equity (ROE) was nearly double. ROA continued to increase with the number of women directors, the maximum of four correlating to 11.74 ROA compared to the 0.99 ROA of those with no women.<sup>102</sup>

In addition to the market analysis, the report highlights several challenges for achieving gender equality in the Jordanian market, including the expectation for women to be the primary family managers; women accounting for only 15% of the workforce; companies inadvertently offering less training to women than men as training is often open to all employees, but the location or time makes it challenging for some female employees to attend; and limited mentorship opportunities for women.

To overcome these barriers, the report recommends companies to:

- integrate gender-sensitive training into all programmes;
- support regulation that enforces women-friendly working environments;
- increase financial training for women;
- develop more board-specific training programmes;
- implement fast-track programmes to help women in middle management reach senior management.<sup>103</sup>

The report launched in late 2015, and its impacts have yet to be measured, but ASE is optimistic that it will have fruitful and constructive results in the coming years.

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<sup>101</sup> Adapted from the [2016 SSE Report on Progress](#).

<sup>102</sup> IFC (2015). [Gender Diversity in Jordan](#).

<sup>103</sup> IFC (2015). [Gender Diversity in Jordan](#).

# KASE KAZAKHSTAN

The National Development Institute has established a fund to promote development of SMEs with programmes that lend to women entrepreneurs.<sup>104</sup> The National Chamber of Entrepreneurs also has a programme to support companies led by women. The Kazakhstan Stock Exchange (KASE) has worked with the Chamber to provide training for entrepreneurs, of which 50% of the participants have been women. The Council of Business Women, established in 2015, includes 700 women entrepreneurs and supports women-owned start-ups.<sup>105</sup>

In November 2016, KASE published an ESG reporting guidance in line with the SSE initiative's Model Guidance on Reporting ESG information to investors. Article 4 under the social section, 'Diversity and equal opportunities,' recommends for issuers to disclose diversity metrics such as the gender break-down of representation across various levels of the workforce, turnover and remuneration, as well as the number of discrimination cases files and the measures taken against them.<sup>106</sup> KASE has committed to publishing the ESG reports on its website, and to create news items on the content of the reports to enhance market awareness and interest on sustainability reporting, and will conduct trainings with issuers to help implement the guide.<sup>107</sup>

Internally, KASE adheres to the gender equality principles which are the following:

- provide both women and men access to equal opportunities and outcomes, including equal remuneration for work of equal or comparable value. We note that employee remuneration is defined based on market rates;
- provide full and genuine access to all occupations, including to leadership roles for women and men;
- drive a culture where rewards are directly linked to employees' contributions and performance.

<sup>104</sup> Damu Entrepreneurship Development Fund (2013). [Corporate Social Responsibility Report](#).

<sup>105</sup> The National Chamber of Entrepreneurs of the Republic Kazakhstan (2016). [The number of women engaged in business increases](#).

<sup>106</sup> Kazakhstan Stock Exchange (2017). [KASE Rules](#).

<sup>107</sup> Kazakhstan Stock Exchange (2016). [Guidance on reporting ESG information](#).

# NSE KENYA<sup>108</sup>

Gender equality has been recognised as a priority for the Kenyan government. In 2010, provisions in the constitution required that no more than two thirds of the members of elected or appointed bodies can be of the same gender.

No legislative requirement is in place for the private sector; however, the Capital Markets Authority is encouraging all corporates to implement a diversity strategy. Currently, Kenya has the highest percentage of women on boards in Africa with 20% compared to an average of 13% across the continent.<sup>109</sup> The Nairobi Securities Exchange (NSE) notes that these numbers are too low and women in Kenya are under-represented in decision-making positions.

A 2015 report from Kenya's Taskforce on Women Representation on Boards noted several reasons for the low representation of women on boards, including:

- history and tradition have not encouraged women to take on leadership roles professionally;
- women have traditionally been the primary family care-givers, which has made balancing the demands with work difficult;
- extension of retirement age leads to lower board turnover rates;
- lacking networking and mentorship opportunities for women;
- an inadequate number of qualified and trained women to fill board positions.

To address these challenges, the taskforce recommends:

- the government should facilitate training and professional development of qualified women for appointment to boards;
- regulators to collect and share data on the gender composition of the boards of the companies they regulate;
- directors of all companies to be required to undergo training in corporate governance.<sup>110</sup>

The exchange is working with a number of its listed companies towards greater gender equality at board and senior management levels, as well as other diversity considerations including experience, expertise, education, age, ethnicity and disability.

In line with this objective, the NSE established a Leadership and Diversity Dialogue Series, which focuses on various aspects of leadership and diversity in relation to company performance. The series includes engagement of chairpersons, chief executive officers, company secretaries and senior directors.

Through structured engagement, the leaders of listed firms have an opportunity to interact in a closed-door environment in which they share experiences; raise challenges faced; and together determine the role the NSE can play in supporting the firms in reaching their board diversity aspirations. The events present research on the current state of board diversity and evidence that diverse boards create better conditions for strategic oversight, innovative thinking and good governance, underpinning overall better financial performance.

Other outcomes include:

- defining the diversity agenda in the Kenyan context and under the broad parameters of gender, age, profession and culture (based on research findings);
- determining the gaps between the supply (talent pool and training programmes) and the demand (the needs of the firms in terms of capacity development; recruitment; performance measurement, etc.);
- raising awareness of research on board diversity of NSE-listed firms.

NSE, along with ten of its listed companies, became a signatory to the Women's Empowerment Principles in 2016.

<sup>108</sup> Adapted from the [2016 SSE Report on Progress](#).

<sup>109</sup> African Development Bank (May 2015).

<sup>110</sup> Institute Directors of Kenya (2014). [Report of the Taskforce on Women Representation on Boards](#).

# JSE SOUTH AFRICA

In South Africa, recent efforts to promote gender equality have been inextricably linked to black economic empowerment initiatives. The Johannesburg Stock Exchange (JSE) has noted this challenge internally and is taking action to better identify and promote gender-specific initiatives both through its diversity and transformation programmes, as well as through gender-specific measures.

In 2015, the JSE introduced a rule requiring issuers to have a policy for the promotion of gender diversity at the board level and disclose their performance against it.<sup>111</sup> As it has only been operational as of January 2017, its impact is not yet measurable. The fourth King Code on Corporate Governance, issued in November 2016, contains recommended practices around board diversity including gender and race, including setting and disclosing progress against targets, which issuers must adhere to on an apply-and-explain basis.<sup>112</sup>

In addition, the JSE SRI Index has included indicators around disclosure of diversity at board and staff level across areas such as race and gender since its launch in 2004. In 2015, the index was replaced with the FTSE/JSE Responsible Investment Indices, applying the FTSE Russell ESG Ratings methodology, which includes qualitative and quantitative indicators based on global best practice including:

- number and percentage of women on the board;
- disclosure of an equal opportunity policy;
- actions to improve workforce diversity and end discrimination;
- commitments to gender diversity at the board level.

The JSE also offers an empowerment listing segment for companies that have implemented Black Economic Empowerment (BEE) share schemes. The aim of these schemes is to provide investment opportunities to previously disadvantaged South Africans, including black women, as per the objectives of the 2003 BEE law. Listing on the segment improves integrity, prestige, visibility and investor interest in BEE share schemes.<sup>113</sup>

While the reporting and index initiatives send a market signal on the importance of equality, JSE also raises awareness on gender equality through events. It has hosted events for various female audiences such as female staff and female executives from its clients, as well as investment seminars for women, particularly around National Women's Day in August.

JSE also offers 'learnerships' to unemployed graduates to promote their employability. From 2014 to 2015, the number of these offered to black women increased from one to 18.

JSE has a formal Employment Equity plan that sets targets for gender and race per occupational level. The targets are achieved through active recruitment and advancement and are monitored and reported against; the performance of top management is measured against the targets. Also, despite lacking national policy, JSE voluntarily sets flexible hours for its employees, and family leave is granted on full pay.

From 2014-2015, the number of black senior managers doubled and black female senior managers tripled. In middle management, the growth was slower with the number of black managers growing by 23% and black female managers by 28%. JSE has greatly expanded its investment in training for black and female employees.<sup>114</sup>

JSE also promotes equality across its supply chain in line with the BEE objectives. From 2014-2015, it has increased procurement spent on black suppliers by 32% and within this, three times more investment in black female owned companies.<sup>115</sup>

The JSE has a leadership programme open to all employees, male and female. It is also in the process of conducting a gender specific study, which will result in internal programmes on gender. JSE's efforts to advance gender equality have been recognised through the Association of Black Securities and Investment Professionals (ABSIP)'s award for the Most Gender Empowered Company in 2015.<sup>116</sup>

<sup>111</sup> [JSE Limited Listings Requirements](#).

<sup>112</sup> Institute of Directors Southern Africa (2016). [King IV](#).

<sup>113</sup> JSE (2017). [Empowerment Segment](#).

<sup>114</sup> JSE (2015). [The JSE's Transformation Journey](#).

<sup>115</sup> JSE (2015). [The JSE's Transformation Journey](#).

<sup>116</sup> ABSIP (2015). [Celebrating the ABSIP 2015 Financial Services Sector Awards](#).

# LSEG UK, ITALY

Founded in 1801, the London Stock Exchange is the world's oldest stock exchange. In 2007, it merged with Borsa Italiana, the main exchange in Italy, to create London Stock Exchange Group (LSEG). The UK and Italy have strong national policies to promote gender equality (see Table 1) but LSEG aims to go above and beyond compliance.

In Italy, LSEG has focused capacity building on women in leadership. Borsa Italiana actively promotes 'in the Board Room', a training programme aimed at preparing female leaders for future board positions. Building on this success, Borsa Italiana is now developing 'The CEO School', a similar model targeting women preparing for the CEO role.

The 30% Club, launched in the UK in 2010, aims to achieve 30% representation by 2020.<sup>117</sup> In October 2016, LSEG hosted a 30% Club Investor Group roundtable, which discussed gender diversity as a governance and stewardship issue, and launched the Investor Group Statement of Intent. The statement sets the framework for how investors should engage with investee companies to reach the 30% goal.<sup>118</sup>

In terms of leading by example, LSEG is committed to achieving 40% female representation across the workforce, including senior management, by 2020 (as September 2016, it is at 30%).<sup>119</sup> It also launched the Women Inspired Network (WIN) in 2015, with the goal of promoting female leadership across all levels of the organisation.

It operates through three main pillars:

- **Winning People:** A mentorship programme across all levels of the organisation.
- **Winning Networks:** Commitment to develop relationships with women's business groups.
- **Winning Communities:** An Initiative to inspire the next generation of female leaders and help them understand the industry, often in partnership with schools and charities.

The WIN was introduced by management, but is driven on a grassroots basis and has already engaged over 200 of LSEG's staff. LSEG was recently awarded the Women of the Future corporate award, which celebrates companies who nurture young women in business.

<sup>117</sup> LSEG (2017). [London Stock Exchange Welcomes 30% Club](#).

<sup>118</sup> To view the statement, click [here](#).

<sup>119</sup> LSEG (2017). [Women in Finance Charter](#).

<sup>120</sup> WIN Internal Newsletter, November 2016

# NYSE/ICE USA

The Intercontinental Exchange (ICE) is an operator of global exchanges and clearinghouses consisting of 11 exchanges, with over 12,000 issuers facilitating 9.3 million trades each day.<sup>121</sup> ICE's largest and most well-known subsidiary is the New York Stock Exchange (NYSE), which lists USD 25 trillion in market capitalisation.<sup>122</sup> As the largest exchange conglomerate in the world, headquartered in one of the largest economies of the world, it wields global influence.

In the US, women represent just over 50% of the labour force, and while women represent 50% of management occupations, top leadership is still overwhelmingly male. In only 5% of the S&P 500 Companies is the CEO female and only 9.5% of top earners across the index are women.<sup>123</sup> Of the S&P 1500 firms, there were more male chief executives named John than women overall.<sup>124</sup> While NYSE has yet to formalise gender equality into its own policies, or listing rules, it voluntarily promotes several initiatives to create greater understanding of the importance of gender empowerment to the broader market.

ICE regularly recognises women's organisations and non-profits through opening and closing bell ceremonies at the NYSE. In 2016, 21 women-focused companies and organisations hosted bell ceremonies including Girls who Code, the Girl Scouts, Women for Women International, She Leads Africa and 100 Women in Hedge Funds. NYSE sponsored the Fortune Magazine's Most Powerful Women conference and posted a series of short videos of the female participants sharing their views on leadership, business and being change agents.<sup>125</sup>

As the parent company, ICE has not set any formal goals related to gender, but it is committed to increase the number of women on its Board of Directors. Since 2015, it has been actively recruiting, both internally and with a third-party firm, additional women and other minority candidates. Across all of ICE's 16 subsidiaries, the female representation on boards is 30% on average.

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121 ICE (2017). [ICE at a glance](#).

122 ICE (2017). [ICE at a glance](#).

123 Catalyst (2016). [Women in the Workforce: United States](#).

124 Wolfers (2015). [Fewer Women Run Big Companies Than Men Named John](#).

125 ICE (2017). [Voices from Fortune's Most Powerful Women Conference](#).

# SSX WORLDWIDE

The Social Stock Exchange (SSX) is the first public exchange to exclusively list companies that create positive social or environmental impacts.<sup>126</sup> Its core business model focuses on creating an ecosystem of investors looking for positive impact, social enterprises and other financial market actors with a sustainability focus. It was founded in 2007, officially launched in 2013, and currently has a market capitalisation of USD 3 billion, with 47 member companies globally, 15 of which are publicly listed. The remaining 32 are committed to list at the appropriate growth stage. SSX provides seed investment to companies by connecting them with investors, and aids their development until they are ready for an IPO. Many of its issuers may otherwise never have the opportunity to publicly list.<sup>127</sup>

Gender equality is covered in SSX's impact reporting framework. Companies that wish to list on the exchange must report on secondary impact purposes from a list of 37 including 'Women and Women's rights'<sup>128</sup>. The company must then produce an annual impact report that evidences in detail the social impact of the business on a disclose-or-explain basis.<sup>129</sup> Therefore, for companies that indicate a primary or secondary focus on Women and Women's rights, the SSX reporting framework provides detailed information on how it is advancing gender equality. SSX is developing an SDG reporting framework, including SDG 5.

An example of a member company of the SSX is Oikocredit, a co-operative that provides financing to growing microfinance organisations, institutions, cooperatives and SMEs in developing countries.<sup>130</sup> Oikocredit targets rural agricultural communities, particularly women.<sup>131</sup> Their main outcomes include financial inclusion with a focus on rural and female outreach, job creation and decent work, and poverty reduction.<sup>132</sup>

In 2014, 85% of its clients were women, 124,000 jobs were created and 26% of its clients were living below the international poverty line (USD 1.25 per day).<sup>133</sup> Oikocredit is not yet publicly listed. SSX's key role in advancing gender equality is generating investor interest in companies like Oikocredit that directly empower women and reduce inequality.

In terms of its own operations, SSX has yet to develop formal policies on gender equality, but given its impact-focused mission, advancing gender equality is indirectly incorporated into its basic strategy. Despite its lack of formal policies, 40% of senior managers are women, and no pay gap exists across similar positions. There are currently no women on its board, but improving diversity, particularly with respect to gender, is a top priority.

The SSX is not the only impact-focused exchange. The Impact Investment Exchange (IIX) Asia, which lists the Women's Livelihood Bond, aims to achieve sustainable development and equitable growth by raising capital to support social entrepreneurs in Asia, empowering stakeholders with capacity building and research, and striving to mainstream impact investing. It has mobilised over USD 13 million for development, generating USD 20 million in social value and empowering over 10 million people.<sup>134</sup> Similarly, the Socio-Environmental Investment Exchange, supported by BM&FBOVESPA, lists NGOs in Brazil that provide social impact returns to investors.<sup>135</sup>

126 SSX (2017). [About Us](#).

127 Social Stock Exchange (2016). [2016 Impact Report](#).

128 Social Stock Exchange (2017). [Business application – stage 2](#).

129 Social Stock Exchange (2015). [The SSX Impact Report](#).

130 Social Stock Exchange (2017). [Oikocredit](#).

131 Oiko Credit (2015). [SSX Impact Report](#).

132 Oiko Credit (2015). [SSX Impact Report](#).

133 Oiko Credit (2015). [SSX Impact Report](#).

134 IIX (2017). [Who we Are](#).

135 SSE (2016). [2016 Report on Progress](#).



‘Gender equality is a key business priority for ASX. ASX strives to make the most of its available talent. We support the equal participation of men and women in the organisation and set meaningful and measurable goals with a view to achieving this goal over time. We are committed to identifying and eliminating any barriers to career development and progression for our women.’

Dominic Stevens, CEO, ASX

‘BM&FBOVESPA understands that diversity and gender equality are a positive and strategic agenda that promotes different perspectives and points of view and adds value to the business. In this context, we have developed a series of initiatives aimed at the empowerment of women and the consolidation of their role in the various sectors of society. This agenda has been developing, but it needs to be treated more naturally by the market. We will continue to work hard on this matter, stimulating listed companies and other agents of the Brazilian capital market in this way.’

Edemir Pinto, CEO, BM&FBOVESPA

‘Women’s economic empowerment is crucial for sustainable development and this could be achieved by starting with setting sound public policies and a holistic long term commitment that could play a major role in driving down inequality between men and women.’

Dr. Mohammed Omran, Chairman, EGX

‘Gender equality is important to all organisations for the frequently cited reasons such as bringing diverse perspectives to decision-making and talent retention, but it is particularly important for HKEX as it is the regulator and standard-setter of corporate governance for companies listed on the Exchange. Gender Diversity is a key area of focus through our day to day operations and through our women’s network, the Women’s Exchange.

Both the HKEX board and management are very supportive of the Women’s Exchange’s work on promoting gender diversity through sponsoring networking events, thoughtful speakers, charity and fundraising events as well as staff development. The Women’s Exchange has worked with the Hong Kong Government in the launch of Gender focal points, with the financial services community via several women’s groups, and has been a leading best practice example for women’s networks in Hong Kong.’

Angela Kwan, Head of Regulatory Compliance and Chairman of the Women’s Exchange, HKEX

‘Several of BSE’s listed companies are headed by women, who lead them successfully. BSE will continue to work with all stakeholders to facilitate women to take leadership roles throughout corporate India and also set a benchmark for others.’

Girish Joshi, Head of Listing Business, BSE



'In India, efforts to address the imbalance in the socio-economic status of women, which has been prevalent for generations, are gaining momentum. Gender parity requires a three pronged approach: building infrastructure for skill development and employment creation; justice and equal rights for women; and last but not least, empowerment in order to bridge the gap between understanding and practice. Discrimination in opportunity or reward paralyses an individual's ability to contribute, not only to the corporations, but also to the country's overall economic progress.'

Chandni Khosla, Head International Business, NSE India

'We believe that achieving gender equality is very important for the development of the ASE sustainability strategy. We recognise that diversity gives the organisation a greater variety of skills, perceptions, and expertise, which will surely affect the performance of the whole organisation and therefore benefit the economy of the country.'

Mr. Nader Azar, CEO, Amman Stock Exchange

'Gender disparity on corporate boards is a major challenge for both listed and unlisted entities in Kenya. It constitutes an untapped potential of skilled human resource, as evidenced by the discrepancy between the high number of female graduates and their underrepresentation in top-level positions. The Exchange is committed to improving the number of women represented on the boards of listed companies and we are hopeful that the numbers will increase to at least a third female board representation in all listed companies by 2020.'

Geoffrey Odundo, Chief Executive, NSE.

'Embracing diversity in the workplace is a key strength for any company and a definite competitive advantage. At the JSE, we believe that having women at all levels should become the norm and that organisations should create the right platforms that provide female employees with the opportunity to be in leadership positions and a conducive environment for them to prosper. Having an inclusive and diverse leadership has proven that it results in better strategic conversations, out of the box thinking, greater collaboration and more efficient decision-making. The JSE is a good example of this; six of the 11 executives are women and 51% of our employees are female.'

Donald Khumalo, Human Resources Director at the JSE.

'There may be a huge gender imbalance in traditional financial markets, but this certainly isn't the case when it comes to social entrepreneurship, and this is where we see the heart of our business. As a socially responsible company, we are consciously building a diverse team that can best represent the interests of our diverse range of clients, investors and partners alike, and encourage others to do the same. But gender equality is about much more than who is sitting in the office, it's about finding a path to better governance and the promotion of sustainable, inclusive development.'

Tomás Carruthers, CEO, Social Stock Exchange

# APPENDIX 1: RING THE BELL FOR GENDER EQUALITY

Ring the Bell for Gender Equality initiative is a partnership between the SSE, the UN Global Compact, IFC, UN Women, Women in ETFs and the World Federation of Exchanges. Held in 2015, 2016 and 2017, its objective is to have market open and close bells ringing across the globe to bring attention to the importance of women's economic empowerment and the role the private sector can play in creating opportunities for women in the workplace, marketplace and community.

A complete list of participating exchanges across the three years is included below.

- Aequitas NEO Exchange
- Amman Stock Exchange (ASE)
- Australian Securities Exchange
- Baku Stock Exchange
- BATS
- BM&FBOVESPA
- Bolsa de Santiago
- Bolsa de Valores de Colombia
- Bolsa de Valores de Lima
- Bolsa Mexicana de Valores (BMV)
- Borsa Istanbul
- Borsa Italiana
- Bourse de Casablanca
- Bourse Régionale des Valeurs Mobilières (BRVM)
- BSE
- Bucharest Stock Exchange
- Buenos Aires Stock Exchange
- Bursa Malaysia
- Chicago Board Options Exchange (CBOE)
- Colombo Stock Exchange
- Deutsche Börse
- Dhaka Stock Exchange
- Egyptian Exchange (EGX)
- Euronext Amsterdam
- Euronext Brussels
- Euronext Lisbon
- Euronext Paris
- HKEX
- Hochiminh Stock Exchange
- IEX
- IFC Treasury
- Irish Stock Exchange
- Johannesburg Stock Exchange (JSE)
- Lao Stock Exchange
- London Stock Exchange (LSE)
- Mongolian Stock Exchange
- Nairobi Securities Exchange (NSE)
- Nasdaq
- Nasdaq Helsinki
- Nasdaq Stockholm
- New York Stock Exchange (NYSE)
- Nigerian Stock Exchange (NSE)
- NZX Limited
- Philippine Stock Exchange
- SIX Swiss Exchange
- South Pacific Stock Exchange
- Toronto Stock Exchange
- Warsaw Stock Exchange
- Yangon Stock Exchange

## Ring the Bell for Gender Equality

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