
Scope and introduction

IFU, the Danish state-owned Development Finance Institution (DFI), provides equity, loans and guarantees on commercial terms to private sector investments in developing countries. IFU's objective is to promote investments which support sustainable development in developing countries in its three dimensions – economic, social and environmental – in a balanced and integrated manner and contribute to the realisation of the UN Sustainable Development Goals (SDGs).

This Gender Equality Policy is part of the IFU sustainability policy framework that guides IFU's efforts towards supporting global sustainable development. IFU's Sustainability Policy is the main policy document, whereas the underlying thematic policies clarify IFU's commitment in relation to major global sustainability issues. This Gender Equality Policy further explains how IFU approaches gender-related issues and implements responsible business conduct measures.

The private sector has a responsibility and plays an important role in accelerating sustainable development by integrating gender equality in company practices and giving a voice to women in the workplace. IFU's ambition is to make a difference in gender equality in its investments and to keep developing new approaches that will maintain IFU as a front-runner in gender equality in private sector investments in developing countries and thereby attract other investors to follow suit.

IFU adheres to recognised international standards and guidelines, including the UN Global Compact's Women's Empowerment Principles (2010), the UN Guiding Principles on Business and Human Rights (2011) and the OECD Due Diligence Guidance for Responsible Business Conduct (2018) and to contributing to the realisation of the SDGs, as defined in IFU's Sustainability Policy. The policy should be read in conjunction with IFU's Human Rights Policy, which outlines IFU's commitment to promoting and integrating human rights. These include the rights of women as outlined in key commitments such as the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW, 1979) and the UN Women Beijing Declaration and Platform for Action (Beijing, 1995).

IFU addresses the SDGs as interlinked global goals. Gender equality cuts across other goals. By avoiding critical impacts and capturing potential synergies, IFU will contribute to more SDGs through an integrated effort.

Gender equality is recognised as a significant human rights challenge, and, if addressed, holds a significant positive potential for sustainable development. Women, especially in developing countries, often suffer from the implications of gender inequality and poor health, including sexual and reproductive health in the workplace. Poor sanitation, poor parental provisions, discrimination, sexual harassment and violence at work all contribute to poor mental and physical health and well-being of employees – particularly women – and reveal an intrinsic link between health and gender equality¹.

¹ Health, as defined by the World Health Organization (WHO), is "a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity". Poor health affects employees, companies and workplaces making it a both strategic and sustainable area of focus. Health here includes a specific focus on occupational safety, life-threatening diseases and sexual and reproductive health.

IFU believes that opportunities exist to create value in companies and communities by integrating gender equality in company leadership and corporate culture, business practices, workplace policies and health initiatives to strengthen empowerment of employees. IFU further believes that there are commercial, developmental and societal benefits to investing in gender equality and women's empowerment. When both women and men have the same opportunities and support to access and execute their rights, they are better able to realise their full potential as individuals and employees. This benefits companies, which in turn can reduce absence, decrease staff turnover and attract qualified and loyal employees, stimulating greater inclusion, diversity and economic empowerment to the benefit of businesses, employees and society. This involves inclusion of vulnerable groups, including, but not limited to, sexual and gender minorities.

By promoting gender equality in the private sector, IFU can contribute to unlocking business opportunities for female entrepreneurs and advance women as business leaders, employees and consumers. Accordingly, IFU seeks to integrate "gender lens" decision-making into its investment processes, as applicable, and to demonstrate that investing with a gender lens can reap business returns in addition to social returns.

As an active investor, IFU is committed to improving gender equality in the private sector in developing countries when making project investments.

This commitment is translated into the following principles and initiatives:

1. Workforce participation, benefits and development

IFU will actively support portfolio companies in addressing and demonstrating a commitment to empowerment, especially of women, through initiatives and measurable results on leadership, equal pay, workplace benefits, professional development, workforce participation and workplace environment and health. IFU is committed to including a gender lens to its due diligence of potential investments and building capacity internally on gender equality strategies and tools. Furthermore, IFU will actively support portfolio companies in developing and implementing gender equality policies, grievance mechanisms, leadership programmes for women, and other initiatives that will strengthen gender equality in the company.

2. Reducing gender gap in financial inclusion

IFU is committed to investing in financial institutions in developing countries with a clear strategy and track record of providing better access to quality financial services to all women, including female entrepreneurs. Access to quality financial services can contribute to strengthening economic empowerment and decision-making power of women. This is a powerful approach to combat gender inequality and simultaneously stimulate female entrepreneurship and innovation in a given country.

3. Gender lens investing

IFU will seek investment opportunities to invest in companies with direct benefit to women, e.g.:

- Women-led businesses; entrepreneurship and leadership
- Companies in sectors with high prevalence of women's employment across all company levels
- Companies that provide vital products and services that meet underserved needs of women and girls
- Companies already demonstrating a commitment to gender equality and health principles and initiatives, supporting them to increase their capacity to improve their gender equality outcomes.

4. Tracking progress

To build gender-based value in the portfolio companies, IFU will develop scorecards, including indicators, to help both IFU and portfolio companies track progress across key indicators. This will be part of IFU's regular dialogue with its portfolio companies and an important tool to emphasise development and progress and demonstrate the benefits for all parties. Portfolio companies, including fund investments, will be requested to monitor and report on selected gender-relevant indicators, including sex-disaggregated data.

5. Strategic partnerships

IFU recognises that its commitment to advancing gender equality is best served through active participation, influence and learning from networks, cooperation and strategic partnerships.

IFU has strategic partnerships with different organisations with similar aspirations as IFU, which will support IFU's efforts to promote gender equality through initiatives and tools in relation to IFU's investments. Among other things, IFU has joined the DFI Gender Finance Collaborative launched in December 2018 and signed up to support the 2X Challenge². IFU will continuously use these collaborations and other engagements with international stakeholders to identify and share opportunities for IFU and its project companies.

IFU will continue to enter into cooperation and create strategic partnerships with relevant experts, including investors, academia, NGOs and company champions to identify opportunities and develop suitable solutions in support of sustainable development.

6. Gender equality in IFU's own organisation

IFU benefits from having a diverse organisation in terms of gender, age, and cultural and educational background. The overall gender composition of IFU has been around 50/50 for several years.

IFU's policy and objectives for the gender composition of its board and leadership positions in IFU follow the guidelines of the Danish Business Authority, Section 11 (2) of the Danish Gender Equality Act and Section 99 b of the Danish Financial Statements Act.

² <https://www.2xchallenge.org/>

To have a balanced composition on the board of directors, the objective is to have representation of at least one third of each gender. The objective for the gender composition of leadership positions in IFU is the same. Generally, it is IFU's policy to increase the share of the underrepresented gender in leadership positions. Both objectives are followed up upon annually and reported in IFU's Annual Report.

IFU's human resource policies support gender equality, including a respectful work environment, providing all employees with equal opportunities for e.g. individual development and career development and work-life balance and are supported by IFU's Guidelines on Staff Ethics and IFU's Core Values.

7. Consultation and approval

This Gender Equality Policy has been developed in consultation with external peers. It will be reviewed regularly by IFU's Board of Directors at its statutory annual policy review.

Approved by IFU's Board of Directors on 20 June 2019.