

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 and emerging markets. 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 elaborate on 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.

IFU's ambition is to make a real 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.

This Gender Equality Policy reflects IFU's commitment to adhering to recognised international standards and guidelines, including UN Global Compact's Women's Empowerment Principles and to contribute to the realisation of the SDGs, as defined in IFU's Sustainability Policy. The SDGs with specific relevance for this policy are SDG 3, Good Health and Well-being, SDG 5, Gender Equality, SDG 8, Decent Work and Economic Development and SDG 10, Reduced Inequalities.

IFU believes that opportunities exist to create value in companies by integrating gender equality in company leadership and corporate culture, business practices, workplace policies and health initiatives and strengthen empowerment of employees.

Gender inequality and poor health are recognised as significant human rights challenges, and, if managed, hold a significant positive potential for sustainable development. Women, especially in developing countries, often suffer from 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 employees¹.

IFU believes that there are commercial benefits to investing in gender equality, empowerment and health in terms of reduced absence, lower staff turnover and more qualified and loyal employees, which stimulates greater inclusion, diversity and economic empowerment for the benefit of businesses, employees and society. This involves inclusion of vulnerable groups, including, but not limited to, sexual and gender minorities.

IFU recognises that gender equality and health go hand in hand. By promoting gender equality and health in the private sector, IFU can contribute to unlocking business opportunities for female entrepreneurs and advance women as business leaders, employees and consumers, etc. 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.

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

This commitment is translated into the following principles and initiatives:

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 both strategic and sustainable area of focus. Health here includes a specific focus on occupational safety, life-threatening diseases and sexual and reproductive health.

1. Workforce participation

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 and professional development, workforce participation and workplace environment and health. IFU will actively support that portfolio companies develop and implement leadership programmes for women.

2. Reducing gender gap in financial inclusion

IFU will invest in financial institutions in developing countries with a clear strategy and track record of providing quality financial services to women entrepreneurs.

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 and support these 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 the portfolio companies' progress across key indicators. This will be part of IFU's regular dialogue with its portfolio companies.

5. Strategic partnerships

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

IFU has a strategic partnership with the Danish Family Planning Association, who will support IFU's efforts to promote gender equality and health through initiatives and tools in relation to IFU's investments. Furthermore, IFU has joined the DFI Gender Finance Collaborative launched in December 2018 and will continuously use this collaboration 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. Consultation and approval

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

The Policy is to be approved by IFU's Board of Directors June 2019.