GENDER-RESPONSIVE CLIMATE GOVERNANCE AND THE ROLE OF WOMEN LEADERS

A study of how companies in emerging markets and developing economies are embracing gender-inclusive climate strategies and actions

IN PARTNERSHIP WITH

LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère des Finances

WORLD BANK GROUP
SDG
PARTNERSHIP FUND

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ACKNOWLEDGMENTS

This report was produced by IFC's Women on Boards and in Business Leadership (WBBL) program, led by Loty Salazar, ES&G Sustainability Advice & Solutions (CEG) department, with support from Madina Zhanuzakova and oversight from Martine Valcin, Manager, Corporate Governance, ESG Advisory, Knowledge and Learning, and Rong Zhang, Lead, ESG Networks and Thought Leadership, CEG department. The research was funded by the government of Luxembourg and the World Bank Group SDG Partnership Fund.

Special recognition goes to Kite Insights for conducting the study and providing their valuable research contributions and subject matter expertise: Imogen Davidson, Harriet Jennings, Julian Lambin, Yasmin Paul, and Nisa Sherifi.

We are grateful to all interview and focus group participants: Chinyere Almona, Melsa Ararat, Chintal Barot, Raymi Beltran, Carey Bohjanen, Sabahat Bokhari, Ellen Brookes, Paul Chahine, Franziska Deininger, Claire Dorian, Patricia Gabaldon, Tiffany Grabski, Maja Groff, Mohsen Gul, David Lawrence, Kate Lazarus, Abir Leheta, Karina Litvack, Mike Lubrano, Anthony Miller, Jumai Mohammed, Prudence Muchinouta, Nuru Mugambi, Ana Paula Pessoa, Margarita Pineda-Ucero, Noni Purnomo, Nada Rizkallah, Qendresa Rugova, Nazish Shekha, Manohar Shrestha, Pablo Taborga, Paula Tavares, Masooma Zaidi, and Merima Zupcevic.

In addition, we thank the individuals and companies that participated in the survey, as well as those who peer-reviewed the final report, including Alexandre Di Miceli, Anna Falth, Carmen Niethammer, Martine Valcin, Rong Zhang, and Merima Zupcevic. Their insights were indispensable for the findings of this research. We also thank our editor, Ann Moline, and our designer, Christopher Mattox.

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FOREWORD

Emmanuel Nyirinkindi
Vice President, Cross-Cutting Solutions, International Finance Corporation

Climate action and gender equality are among today's most pressing issues. We will not succeed in meeting the United Nations' Sustainable Development Goals unless the global community responds with urgency on both.

The dire consequences of climate change disproportionately impact women around the world—from the fields they work in that experience droughts and flooding, to the homes and childcare they manage that face damage and disruption amid severe weather events. Climate action that does not account for these burdens risks leaving women even more vulnerable—especially those living in emerging markets and developing economies (EMDEs), including exceedingly poor and fragile nations that are least equipped to respond to challenges.

This study, "Gender-Responsive Climate Governance and the Role of Women Leaders," is designed specifically to enhance the private sector's ability to develop more effective gender-inclusive climate strategies and actions.

Much research already looks at various aspects of the climate agenda and multiple dimensions of gender equality, including recent ***IFC research***. This study, "Gender-Responsive Climate Governance and the Role of Women Leaders," is designed specifically to enhance the private sector's ability to develop more effective gender-inclusive climate governance, strategies, and actions. By climate governance, we mean the structures and systems within a company's overall governance framework that contribute to formulating climate strategy and setting climate objectives, while mitigating climate risks, maximizing climate opportunities, and reporting progress on climate actions and targets.

The study fills a void by focusing on EMDEs, rather than on developed economies, about which much evidence already exists. And it looks at underexplored aspects of the climate-gender nexus: whether EMDE companies have formalized policies and strategies governing their climate action, whether they take integrated action on climate and gender, and whether the presence of women in the senior leadership of these companies serves as a positive influence to drive gender-responsive climate governance.

The new research highlights three conclusions and why they matter.

First, it finds that while many EMDE companies undertake climate action and address issues related to gender, few merge the two for an integrated approach. There is a general lack of understanding about the importance of well-considered, inclusive climate strategies to drive action.

Second, we know that women drive green innovation and climate solutions. So, barriers that limit their access to finance and opportunity mean that the world loses out on a vast talent pool with perspectives that could propel a greener, more inclusive, and more resilient global economy.

And third, this study validates findings that women business leaders tend to think about environmental, social, and governance (ESG) issues differently than men, typically prioritizing sustainability. Thus, companies with more gender-balanced corporate leadership are more likely to advance ambitious and integrated sustainability goals—including climate and gender diversity and inclusion.

A heightened focus on inclusive, gender-responsive climate governance could help shatter climate and gender silos, giving companies a way forward on effective and interconnected climate and gender action.

A heightened focus on inclusive, gender-responsive climate governance could help shatter climate and gender silos, giving companies a way forward on effective and interconnected climate and gender action. It is my hope that, in addition to shedding new light and offering recommendations on actions companies can take now, this study will catalyze more research on how EMDE businesses can capitalize on gender-inclusive climate governance and gender-diverse leadership.

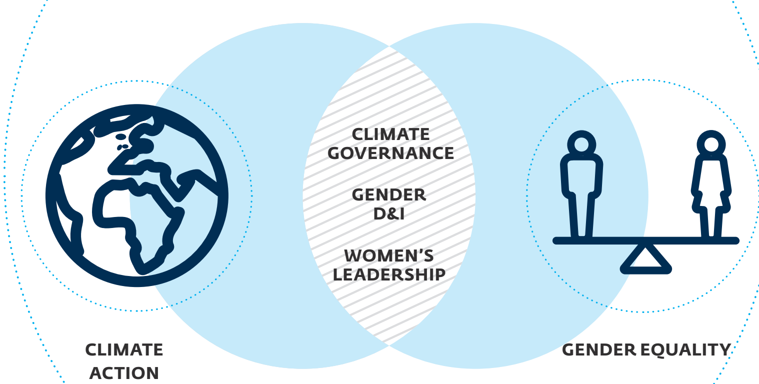
IFC, together with our colleagues across the World Bank Group, seeks a world free of poverty on a livable planet. The intersection of climate action and gender equality is the surest way to achieve that vision of green, inclusive, and sustainable development.

EXECUTIVE SUMMARY

This study explores the intersection between climate governance and gender diversity and inclusion (gender D&I) in companies based in emerging markets and developing economies (EMDEs). It expands the emerging research field of gender-responsive climate action by starting to fill a critical knowledge gap: how businesses in EMDEs are engaging with the gendered dynamics of climate change in their governance practices, policies, and actions. The study uncovers ways in which women leaders are or could be shaping businesses' climate action. It unveils insights into good practices and guidance for board members, executive management, and other relevant stakeholders, including stock exchanges and market regulators operating in EMDE contexts. Importantly, given this emerging area of exploration, the study also identifies pathways for future research and development of practical tools to support action.

The study is grounded in a literature review of existing evidence on the climate and gender nexus in business practices and the role of women business leaders in driving progress. Findings are based on a survey of over 600 business leaders, including more than 400 from EMDEs, information gathered from focus groups, and interviews and focus groups with more than 30 experts and business practitioners in both EMDE and global contexts.

The research explores the intersection of climate governance, gender D&I, and women's leadership in EMDE companies



The findings highlight that, while many EMDE-based companies are increasingly focused on climate and gender-related issues, they view them through separate lenses. Few take an intentional approach to integrating gender in their climate-related activities, in part because they may not understand the complex ways in which gender dynamics interact with the climate crisis. The risk is that such siloed approaches could result in misaligned strategies and policies, reduced impact potential, or unintended and counter-productive outcomes—potentially leaving women even more vulnerable to the impacts of climate change.

One reason for this lack of integration could be that many EMDE businesses have not formalized their climate governance. Having in place this strategic underpinning could enable a coordinated and comprehensive approach that addresses gender-differentiated needs—**particularly if the climate governance framework is intentionally overlaid with a gender perspective.**

The study also found that EMDE-based businesses with **higher proportions of women in senior management and on boards appeared more likely to have more formalized climate governance commitments** than companies with fewer women in leadership. Gender-diverse leadership can accelerate climate action and improve climate governance and gender-equality outcomes in EMDE-based companies, but more awareness and action are needed.

Among the important insights emerging from the survey, interviews, and focus groups: **adapting gender-responsive climate governance is a journey,** and there are multiple steps companies—as well as other stakeholders—can take to advance progress.

The report offers extensive recommendations on ways to embed a gender lens into climate governance and incentivize actions for the range of stakeholders involved in promoting inclusive and sustainable development in EMDEs, each of which has an important role to play:

- **Boards of EMDE-based companies can make gender and climate integral to a company's governance structure** by weaving both into their strategy and providing critical direction.
- **Senior leaders of EMDE companies have the power to influence cultural change from the top,** while implementing and shaping strategic policy decisions.
- **Regulators, policymakers, and public-sector organizations can create a supportive legal and regulatory environment** that encourages and facilitates integrated private sector climate and gender action in EMDEs.
- **Development finance Institutions (DFIs) can help build enabling environments** and support innovative financial products, such as sustainable finance instruments that include gender and climate key performance indicators, to incentivize gender-responsive climate action by EMDE companies.
- **Stock exchanges, market intermediaries, and investors can advance gender and climate governance** by leveraging their role in allocating capital and resources.
- **All stakeholders must recognize that these are complex, cross-cutting issues, requiring collective shifts and collaborative action;** more research and tools are needed to understand and advance actions on the influences and factors at play.

RESEARCH HIGHLIGHTS

Fewer EMDE-based companies have formal climate polices and strategies to govern their climate actions than those in developed economies...

52% of large EMDE enterprises surveyed said they have formal commitments or policies related to climate risks and opportunities, compared to 72% for those based in developed economies[1]

10% of large EMDE enterprises in the survey sample said they have completely integrated climate action into their business strategies

...BUT many engage extensively with climate risks and opportunities even without formal climate governance.

33% of large EMDE enterprises surveyed undertake climate action but don't have formal policies

47% of EMDE-based MSMEs in the survey sample undertake climate action but don't have formal policies[2]

Gender diversity and inclusion (D&I) and climate are the most frequently cited issues that EMDE-based companies are addressing as part of their ESG activities...

77% of large EMDE companies with ESG activities in the survey sample said they are addressing gender D&I

72% of the same group said they are addressing climate change

...and a majority said they have D&I policies and practices in place...

71% of large EMDE companies

66% of MSMEs in EMDEs

...BUT most consider climate action and gender action separately.

- Among the companies surveyed, very few said they are intentionally connecting climate and gender or bringing a gender lens to their environmental sustainability activities
- Many indicated a lack of clarity on what an integrated approach would look like

Women may be more likely to consider ESG issues as a corporate responsibility than men, so EMDE-based businesses with more women in senior management and on boards may be more likely to have formalized climate governance commitments.

61% of female respondents said they "strongly agree" that companies have an obligation to minimize their negative environmental and social impacts

48% of male respondents said they "strongly agree" that companies have an obligation to minimize their negative environmental and social impacts

This research contributes to the growing body of evidence signaling that a stronger emphasis on gender-responsive climate governance could drive a more intentional approach, greater integration of climate and gender action, and more effective outcomes.

1. INTRODUCTION

As urgency and pressure to address environmental and social challenges continues to mount, companies across the world are confronting a growing set of environmental, social, and governance (ESG)-related risks, while some are also embracing opportunities to shape a more sustainable and equitable future.

Seeking to close knowledge and action gaps, this research explores the intersection between climate governance and gender diversity and inclusion (D&I) in emerging markets and developing economies (EMDEs).[3] It unveils insights into good practices, provides guidance, and contributes to the business case for integrating climate and gender considerations into business strategies for EMDE-based companies, including those in climate-vulnerable regions.

1.1. *Research design and methodology*

The research combines a mix of methodologies, including qualitative interviews and focus groups with international experts and business leaders, and a survey of business practitioners from companies based in EMDEs, complemented by a literature review. The literature review grounds the study in the existing evidence base, highlighting the importance of the issues and the rationale for the new research. The analysis of interview, focus group, and survey results relies on the responses of 642 companies, 66 percent of which are headquartered in EMDEs. Some of the analysis compares the responses of EMDE-based companies to those headquartered in developed economies. Specifically, the research explores four questions:

In what ways are businesses in EMDEs integrating sustainability/ ESG and climate considerations into their governance, strategies, and activities?

To what extent are women present in the boards and senior management teams of companies headquartered in EMDEs?

To what extent are considerations around gender diversity and inclusion formalized in the governance of companies headquartered in EMDEs, in relation to sustainability/ESG/climate-related action and more broadly?

What influence, if any, does the presence of women on boards and senior positions have on the sustainability commitments and/or indicators of sustainability/ESG/climate performance of companies in EMDEs?

The survey used an opportunity sampling method, a favored research approach when there are likely to be challenges in reaching a specific population.[4] In alignment with this approach, the survey was sent to several networks and organizations by way of existing relationships held by IFC and Kite Insights. Following the cleaning and coding, new variables were created with groupings based on responses, including company size, location, and the proportion of women on senior leadership teams and boards.

The survey results were predominantly analyzed with univariate analysis. Chi-square tests of independence were used to test for differences in the responses to individual questions from various respondent categories, such as women and men, micro, small and medium enterprises (MSMEs) and large enterprises. Limited multi-variate analysis was conducted due to the lack of suitability of these methods given the nature of the sample. Statistical test results are reported alongside charts included in this report.

Figure 1.1. Overview of research methodology

Literature review[5]

- **IFC 2018 metareview: “Women in Business Leadership Boost ESG Performance”**
- **Studies from IFC, World Bank, academia, and institutions**
  - Climate governance and gender
  - Climate governance, gender, and risk management

150+ studies reviewed

Focus on EMDE companies

Survey of EMDE companies

- **Self-reported information on climate commitments and activities**
- **Respondents:**
  - Board directors
  - Business owners
  - CEOs
  - C-suite executives, chief sustainability officers, and other sustainability, ESG and DEI professionals and senior managers, mostly of EMDE companies; some developed economy companies

642 responses used in analysis after cleaning

1,406 responses to the survey

Interviews and focus groups

- **Senior business leaders of EMDE companies**
- **Practitioners in relevant institutions including banks and stock exchanges**
- **Subject matter experts on climate, DEI, and the intersection of the two**

29 participants

23 interviews/2 focus group

2. THE CASE FOR GENDER-RESPONSIVE CLIMATE GOVERNANCE

With growing material risks, evolving regulation, and shifting stakeholder expectations increasingly shaping the corporate sustainability landscape, effective climate governance is rapidly becoming an imperative for the private sector—a lever for strategies and actions that mitigate risks and capitalize on opportunities. Such actions take multiple forms, depending on the company and sector, ranging from decarbonizing operations and value chains to investing in clean technologies.

Strategic oversight of such actions, in the form of climate governance, is essential for companies.[6] Good climate governance helps companies:

- Mitigate material physical and financial risks posed by climate change.
- Respond to growing pressure for more ambitious action from investors and stakeholders.
- Meet and preempt emerging regulatory requirements, such as increased disclosure.
- Avoid litigation risks, as investors and other stakeholders are turning to courts to hold directors and officers accountable for their action or perceived inaction on climate issues in their governance, disclosure, and oversight of risk management and strategy activities.[7]
- Take advantage of new opportunities in the form of innovation and technologies that contribute to net zero goals.

BOX. 2.1 WHAT IS CLIMATE GOVERNANCE?

The structures and systems within a company's governance framework that contribute to:

> Formulating climate strategy and setting climate objectives
> Overseeing the management of climate-related risks, impacts and opportunities
> Facilitating appropriate adaptation and mitigation efforts
> Monitoring and reporting progress towards climate targets

Who sets climate governance?

Those with governance roles include:

> Boards of directors in single-board systems
> Supervisory and management boards in two-tier board systems
> Top-level decision-making bodies in entities without formal or effective boards
> Senior management
> Functions including internal audit and controls, external audit and assurance, and corporate reporting

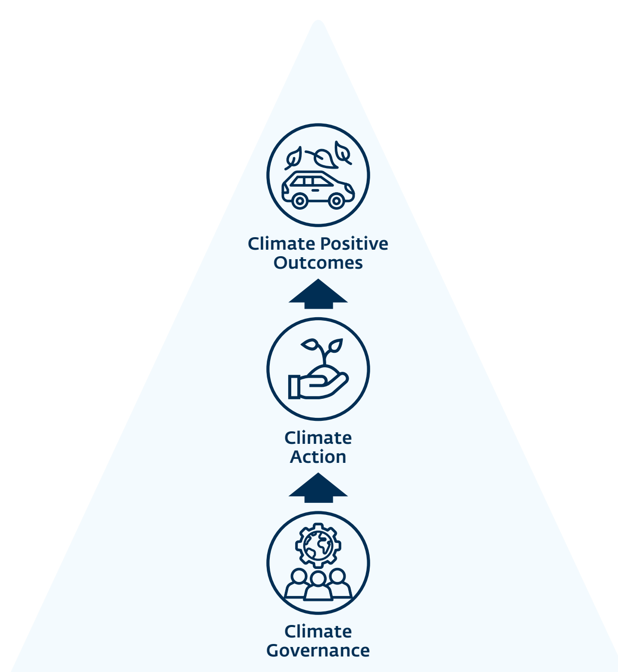
For a more detailed description and a glossary of terms used in this study, see Appendix.

A strategic approach to addressing climate-related risks and opportunities is tightly linked to firms' financial performance—also a central focus in overall corporate governance.[8] And yet, only 1.3 percent of over 900 companies worldwide assessed by CDP received a triple "A" grade for exemplary disclosures on climate change, forests, and water security.[9]

"There is a growing global reckoning that businesses need to be looking at climate risk management and climate-related opportunities to remain competitive and relevant."

Franziska Deininger
Gender & Climate Global Technical Lead, IFC

Figure 2.1. Why climate governance?



BOX. 2.2 IFC CLIMATE GOVERNANCE GUIDANCE AND TOOLS FOR BOARDS

The ***Climate Governance Progression Matrix*** is a tool to help boards of directors identify and oversee climate-related risks and opportunities. Based on IFC's widely-used Corporate Governance Methodology, it offers good practices and progressive climate-related actions—including embedding a gender lens—for each of the six parameters of corporate governance:

- **Commitment to environmental, social and governance (leadership and culture)**
- **Structure and functioning of the board**
- **Control environment**
- **Disclosure and transparency**
- **Treatment of minority shareholders**
- **Governance of stakeholder engagement**

A tip sheet, ***Climate Governance: Equipping Corporate Boards to Mitigate Climate Risks and Seize Climate Opportunities***, offers additional guidance on climate governance and recommended practices.

> **"To be a good board member is to find opportunities that are good for the company and create value in times of crisis, opportunities that could also have a positive social effect within your organization and in the environment…You have to understand what's going around you: the geopolitical challenges, the complex challenges with respect to the economy, the changes with respect to digital transformation and ESG. All of these have to be on the mind of a board member."**

Nada Rizkallah
Deputy General Manager and Head of Risk Management & Strategy, Credit Libanais S.A.L, Lebanon

2.1. *Women face differentiated climate impacts*

Among the most important aspects of effective climate governance is an emphasis on the gender-climate nexus by ensuring a gender-inclusive approach—in particular when it comes to stakeholders.[10]

The literature on the gendered implications of climate change highlights the disproportionate risks and impacts faced by women and girls, particularly low-income women and girls in EMDEs and vulnerable contexts.[11] They, along with other underrepresented groups, typically feel the effects of climate change—such as more intense storms, more severe droughts, and rising temperatures — first and hardest, because they lack the resources to recover or adapt.[12] This creates a cycle of compounding inequality in which disparities related to other factors—such as income levels, race, and gender—are worsened as climate change intensifies and resilience is further reduced. The EMDE context is another critical factor, given that such countries may bear the brunt of climate change, while developed countries bear much of the responsibility for global warming. According to the World Inequality Database, North America and Europe accounted for nearly 50 percent of emissions since the Industrial Revolution. China accounted for 11 percent, while Sub-Saharan Africa has contributed just 4 percent.[13]

> **"[Women-owned] SMEs in conflict-affected countries—usually countries that are also very affected by climate change—have so many challenges...starting from physical insecurity to endemic corruption, lack of rights for women—or even discriminatory policies against women, lack of staff capacity...[They] struggle so much to deal with these immediate issues that it is very difficult to design any further goals other than survival."**
>
> **Survey respondent**

Dependence on natural resources or industries threatened by climate change further enhances women's climate vulnerability. This is a particular risk for low-income women in rural areas, and for women running or employed in micro or small businesses in EMDEs. In many places, women represent the majority of the agricultural workforce, as more men migrate from rural to urban areas, often for reasons connected to climate change.[14] And when climate crises affect a region, girls often must leave school to help families cope with resource pressures.[15] Women living in conflict-and climate-affected locations—and those running or working in businesses in such environments—face even greater perils, such as heightened risk of gender-based violence.[16]

Because women experience climate impacts in different ways, they are often best positioned to advise on actions to address them effectively—both as part of a company's leadership, which sets climate strategy—and as engaged stakeholders, who are critical to ensuring effective governance and action.

2.2 *Women's perspectives and talent can contribute to climate adaptation, innovation, and the transition to clean energy*

Recognition is growing that women often play outsized roles in climate adaptation and community-based natural resource management. For example, the evidence base includes multiple studies on how women are advancing environmentally and socially sustainable agricultural practices, particularly in EMDEs around the world.[17]

Women business leaders and entrepreneurs in EMDEs are also setting powerful examples of ways to capture opportunity in a low-carbon economy. Those interviewed for this research noted that rising numbers of women entering the workforce or retraining in sustainability-related fields are helping to combat gender stereotypes, excelling in highly technical professions, investing in and starting their own climate-forward businesses, and encouraging more women to pursue similar careers.

However, there is still a long way to go, if the world is to fully tap into women's potential to drive the clean-energy transition. For example, in 2022, only 2 percent of venture capital went to women founders, a trend that has persisted since then. This is despite the fact that studies suggest women-founded companies outperform male-founded ones.[18] And estimates suggest that unless things change, women will hold only 25 percent of green jobs in the future.[19]

2.3. *Women leading on change*

The literature review revealed significant evidence of the strong relationship between firms' environmental performance and women's representation on boards and in senior leadership, especially in advanced economies (figure 2.3.1). That said, there is a lack of consensus as to why women leaders contribute to better social and environmental outcomes. While many explanations for this connection exists, none of them have been proven outright.[20]

There is consensus, according to a range of studies, that to influence ESG performance, a critical mass of about 30 percent female representation is needed.[21] This critical mass is associated with higher ESG standards and performance in their companies, including stronger internal controls, reduced risk of fraud or ethical violations, positive workplace environments, increased stakeholder engagement, and enhanced reputation and brand.[22] Other studies found that that firms with at least 30 percent women board members outperformed their peers on climate policy and transparency.[23] Women's leadership also translates into tangible decarbonization results: One study of 2,000 companies in 24 industrialized economies between 2009-2019 found that a 1 percent increase in the proportion of female managers correlated with a 0.5 percent decrease in CO2 emissions.[24]

It is important to note that most of the existing research on women's leadership and ESG explores this connection in companies primarily based in developed markets, in part due to lower levels of ESG data availability in EMDEs, as well as the global lack of sex-disaggregated data.[25] The applicability of studies from developed markets is limited, because EMDEs are characterized by less-developed institutions, fewer regulations, and lower levels of economic development. This often leaves EMDEs exposed to greater environmental and social risks, while companies operating in them are less likely to consider climate and transition risks in business and investment decisions.[26]

Research on women's leadership and ESG that is focused on EMDEs reveals similar patterns and critical differences, such as generally lower levels of women's participation on boards of EMDE companies, compared with board composition in developed countries.[27] The role of women leaders in EMDE climate action is also obscured by lack of research focused on micro, small and medium-sized enterprises (MSMEs) which often represent a high proportion of EMDE-based businesses, contributing up to 40 percent of national income in these markets.[28]

Figure 2.3.1. Women in business leadership boost ESG performance

The presence of more women in business leadership is connected to better ESG standards, but despite proven benefits, women remain underrepresented and progress is slow

55% Companies with at least 3 female directors have 55% higher ESG ratings (*MSCI ESG Research*, 2021)

Companies with greater board gender diversity are:

60% more likely to reduce the intensity of energy consumption

39% more likely to reduce greenhouse gas emissions

46% more likely to reduce water use

E S G

Environmental: pollution, biodiversity impacts, carbon emissions, climate change, natural resource use

Social: land acquisition and involuntary settlement, health and safety,supply chain, diversity and inclusion

Governance: board structure and diversity, ethical conduct, risk management, and disclosure and transparency

Globally, women hold only 23.3% of board seats, 8.4% of board chair positions; 6% of CEO positions, and 17.6% of CFO positions (*Deloitte 2023*)**.**

3. RESEARCH FINDINGS AND ANALYSIS

This section presents an analysis of the survey, interview, and focus group findings, underpinned by the literature review.

3.1. The state of climate governance in EMDE companies

FINDING: Addressing climate risks and opportunities is increasingly important, but the concept of climate governance is not yet mainstreamed in EMDE companies.

Engagement with climate risks and opportunities is not always recognized as climate governance.

While many businesses are taking actions connected to climate risks and opportunities, the degree to which these actions are managed through formalized policies and structures, with oversight from leaders and boards and in alignment with larger frameworks, appears lower in EMDE-based businesses, compared with businesses based in developed economies.

Seventy-one percent of large businesses headquartered in developed economies — defined as companies with more than 250 employees — reported having in place commitments to climate-related risks and opportunities, compared with 52 percent of large EMDE businesses (figure 3.1.1.).

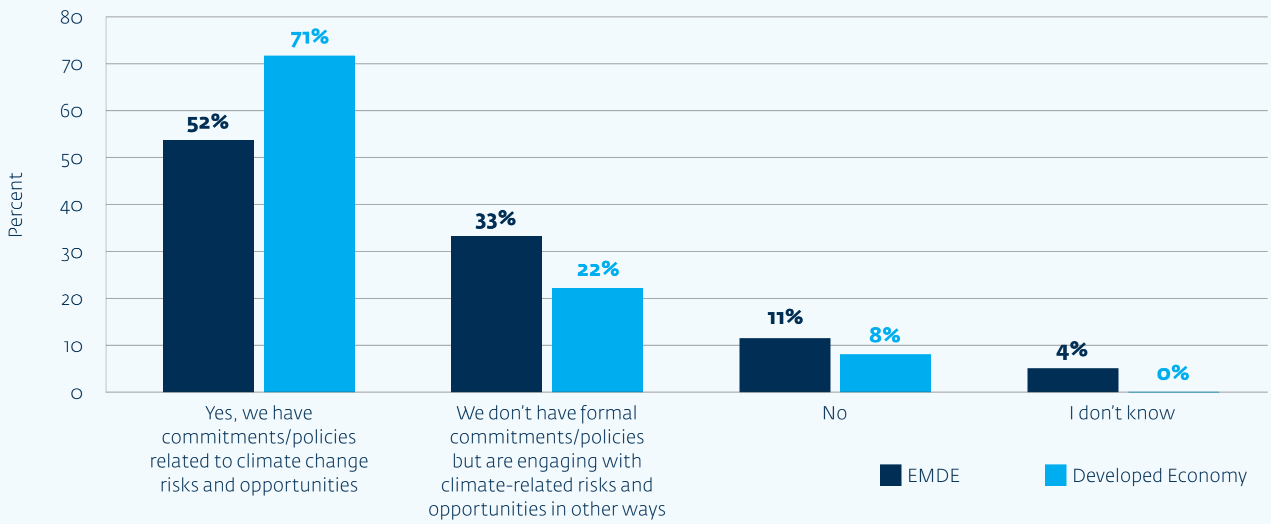
And there are indications of a growing climate focus in corporate governance activities, with 32 percent of large EMDE enterprises reporting that they have a senior management committee that regularly addressed climate-related risks and opportunities (figure 3.1.2).

> **"Climate governance in mature economies can tend to be static and bureaucratic and may quickly become institutionalized… but in emerging markets there is a lot of interest…[they] have the potential to be real pioneers."**
>
> **Maja Groff**
> *Convenor and Steering Member, Climate Governance Commission*

However, consultations with experts and practitioners revealed that "climate governance" is not a well-established term in EMDEs. Companies are simply unfamiliar with the overall concept of climate governance and what it means. While an increasing proportion of companies in these geographies are considering climate-related risks and opportunities, and acting on climate and other sustainability challenges, they may not recognize these activities as aspects of climate governance. Thus, many appear to be at the early stages of climate governance maturity.

Figure 3.1.1. Presence of formal commitments and policies related to climate risk and opportunities in EMDE-based and developed economy-based large enterprises.

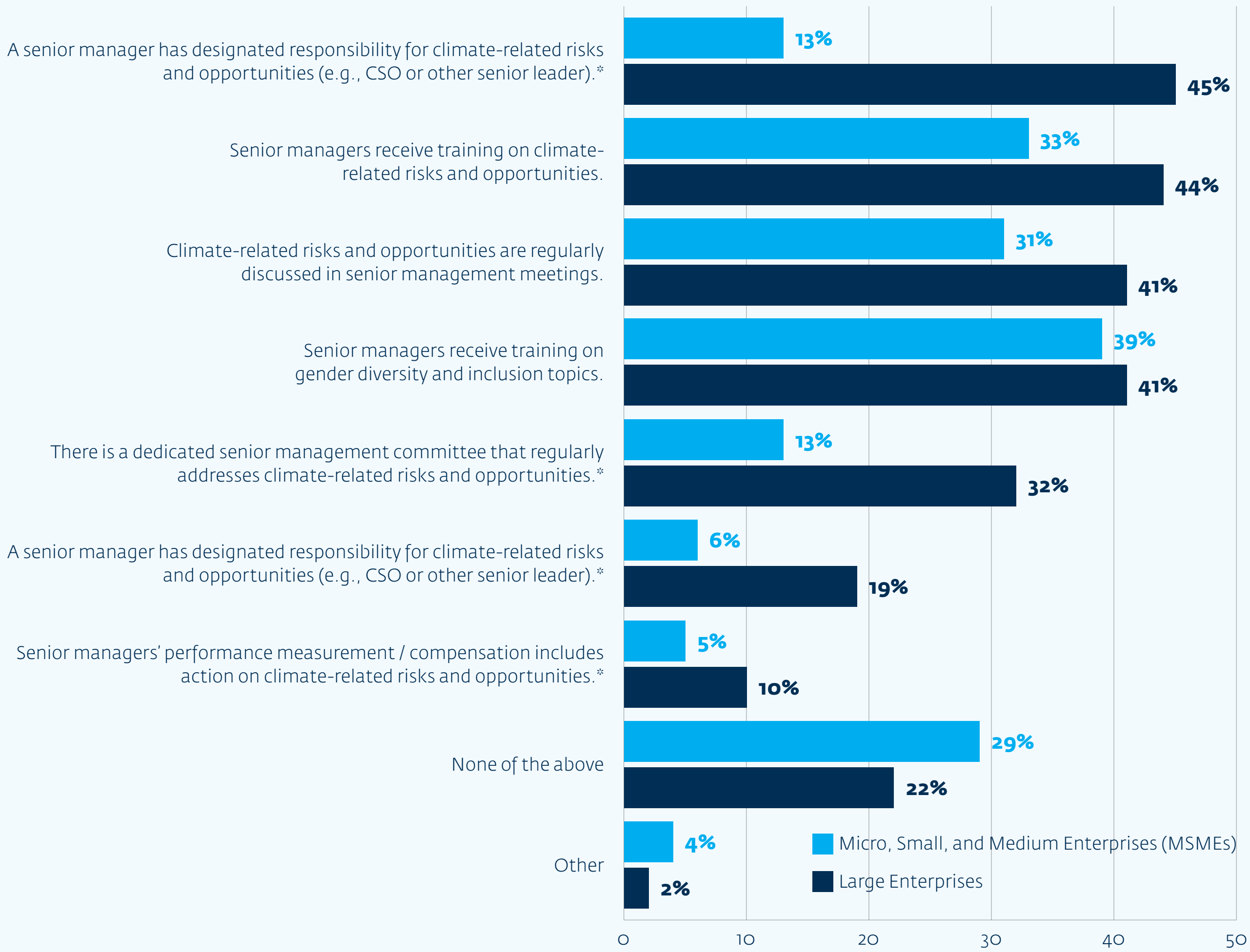
Q: Does your company have any formal commitments or policies specifically related to climate-related risks and opportunities? [Please select one].



Notes: 1. Large enterprises only: large enterprises headquartered in developed economies N = 51; large enterprises headquartered in EMDEs N = 130.

Figure 3.1.2. How senior management teams are engaging with climate risks and opportunities and gender D&I in MSMEs and large enterprises based in EMDEs.

Q: From the below options, how does your company's senior management address climate-related risks and opportunities, and gender diversity and inclusion? [Please select all that apply].



Notes: 1. Responses of companies headquartered in EMDEs only. 2. Response options with an * are those with statistically significant differences: MSME N = 208, Large enterprises N = 116.

Given these lower levels of formal climate governance, there is a risk of underestimating the degree to which EMDE-based companies are taking climate action. This could be because businesses in EMDEs may be compared against the defined standards, frameworks, and terminology that apply in developed economies. These approaches often fail to acknowledge the distinct challenges and opportunities in EMDEs; the different types of environmental action required in EMDEs, depending on their climate vulnerabilities; and the fact that some EMDE companies are addressing these risks in less-formalized ways, which may be difficult to capture within a standard compliance rubric.

Some business practitioners also stressed that this gap in formalized climate governance between emerging and developed economies is not due to a lack of appetite from EMDE-based companies. Rather, they noted barriers to taking more coordinated action, such as pressure to address other priorities, particularly in fragile and conflict-affected markets, and limited understanding of the business case. These issues further elevate the importance of addressing climate governance in alignment with the local context and country conditions, instead of strictly adhering to standards developed in advanced economies, for businesses based in those economies. The findings point to a need for clear guidance and tools that recognize these differences.

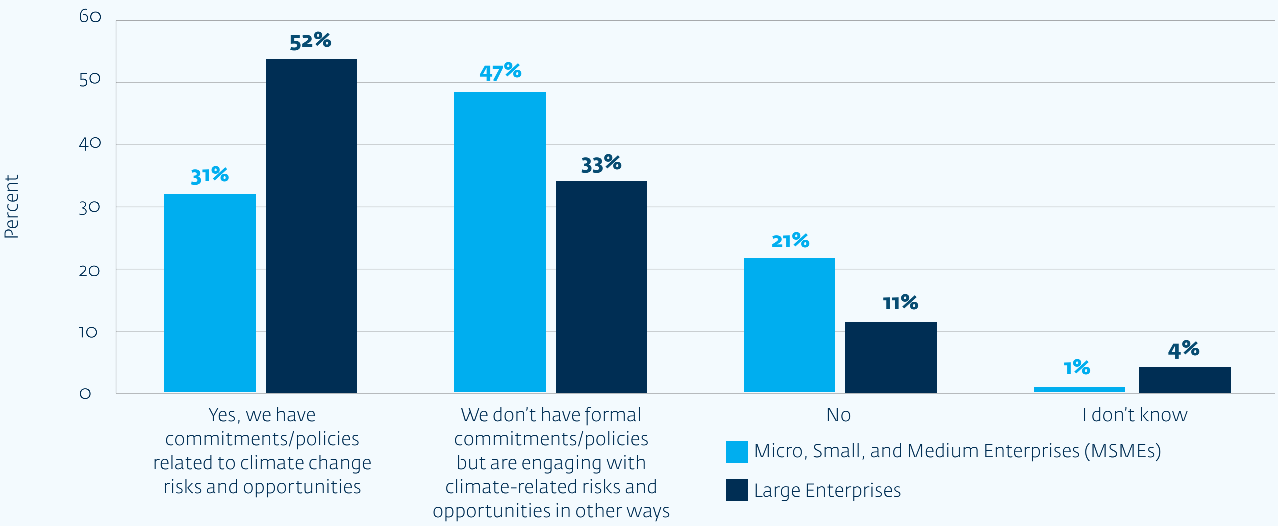
FINDING: A significant proportion of EMDE-based companies are engaging with climate issues even without formal governance policies.

Climate is the most frequently cited environmental area of sustainability action for EMDE businesses.

Within EMDEs, one-third of large enterprises (33 percent) and nearly half (47 percent) of MSMEs said that their companies were specifically engaging with climate-related risks and opportunities, although they did not have formal commitments or policies related to them (figure 3.1.3).

Figure 3.1.3. Presence of formal commitments and policies related to climate risk and opporunities in EMDE-based MSMEs and large enterprises.

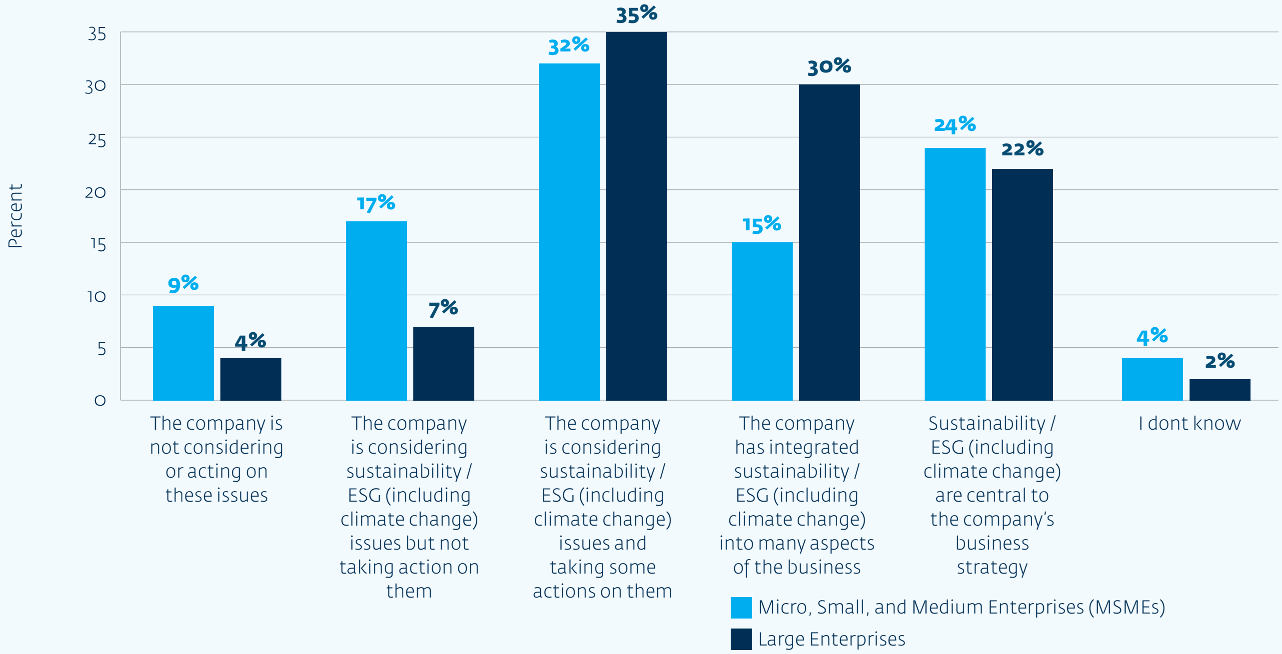
Q: Does your company have any formal commitments or policies specifically related to climate-related risks and opportunities? [Please select one].



1. Responses of companies headquartered in EMDEs only. 2. MSME N = 235, Large enterprises N = 130.

Figure 3.1.4. Levels of engagement with ESG and climate-related risks and opportunities in companies headquartered in EMDEs.

Q: Which of these best matches your company's engagement with sustainability / ESG today? [Select one]



Notes: 1. Businesses headquartered in EMDEs only. 2. MSME N = 259, Large entreprises N = 136. 3. There was a significant relationship between these variables; (X2(5, N=395) = 22.73, p = >.01)

On the topic of overall sustainability, including climate, just 4 percent of large enterprises based in EMDEs said they were not considering any sustainability / ESG issues at all, although only 22 percent said that addressing sustainability—including climate change—was central to their overall business strategy

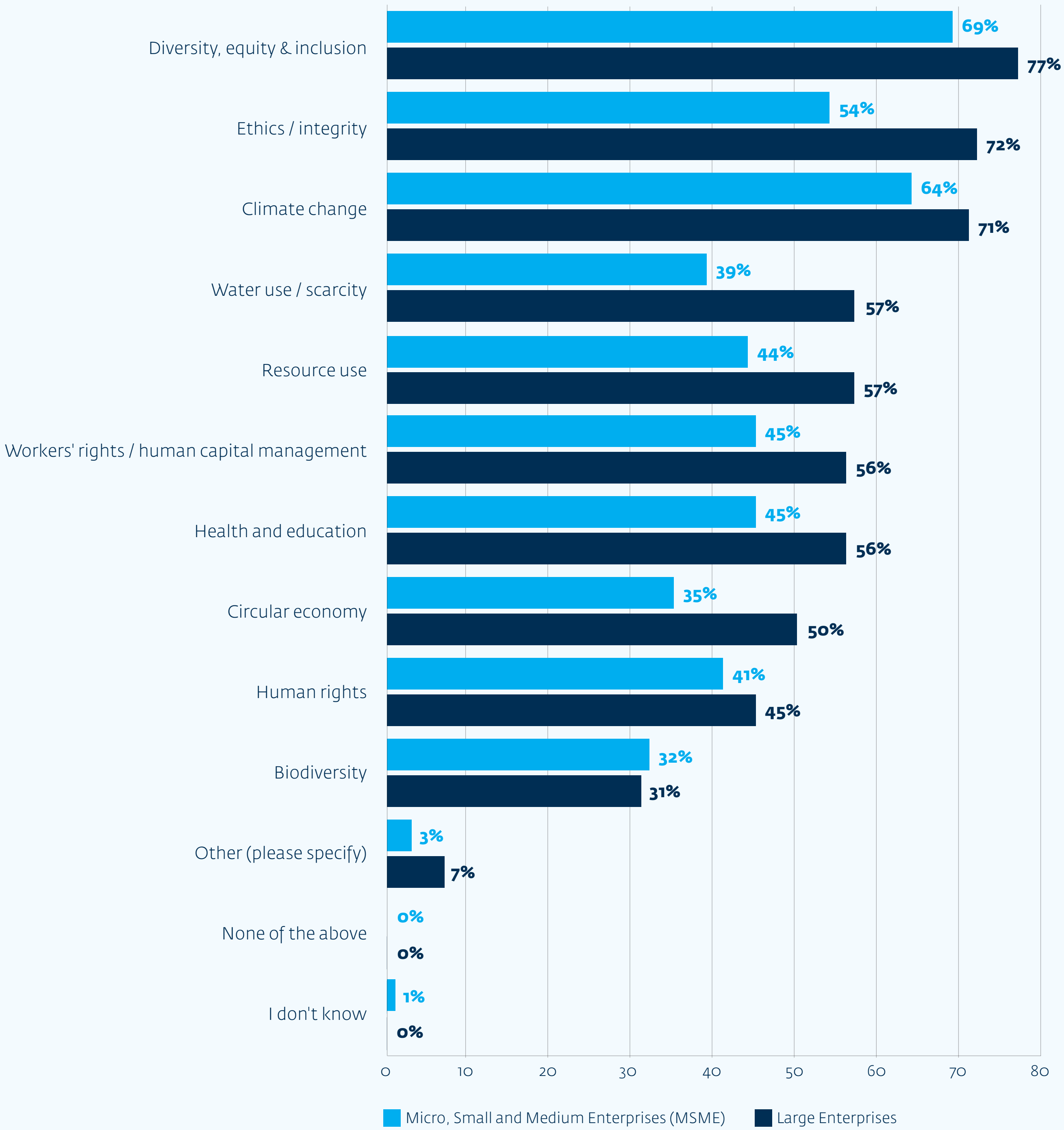
"In many of the markets we've been working in, people are taking action on gender and climate, but they might not always label them that way or see them as issues requiring special taxonomy or language. For them, it's just their normal response to the challenges they face on a day-to-day level."

Carey Bohjanen
Founder, The Rallying Cry

Among companies that were engaging with ESG and sustainability, the most frequently mentioned environmental issue was climate change (71 percent of large enterprises), followed by water and resource scarcity (57 percent of large enterprises), as shown in figure 3.1.5. Taking action to address such environmental challenges can contribute to future efforts to integrate more formalized climate governance policies and procedures.

Figure 3.1.5. Sustainability / ESG topics that EMDE businesses are acting on today; many sustainability issues are closely related to climate change but may not be recognized as such.

Q: Which sustainability / ESG topics is your company acting on at the moment? [Select all that apply]



Notes: 1. Responses of companies headquartered in EMDEs only. 2. Responses of companies acting either formally or informally on sustainability / ESG. 2. Large Enterprises: N = 119, MSMEs: N = 181

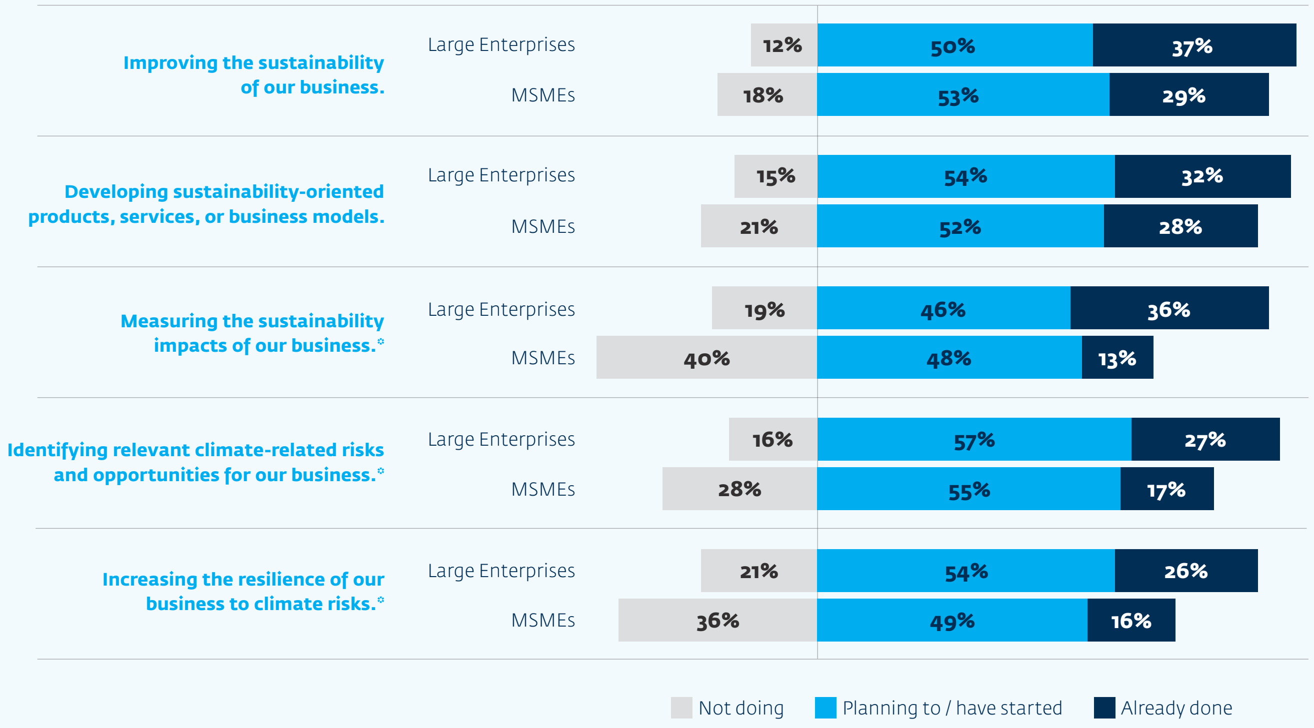
FINDING: **The majority of responding MSMEs and large enterprises either had plans in development or were already acting across a range of climate-related activities.**

Among EMDE companies already taking action, large enterprises appear to lead MSMEs.

Thirty-seven percent of large enterprises said they had already addressed the sustainability of their business practices, with a further 50 percent planning to do so. Over one-third (36 percent) had measured the sustainability impacts of their businesses. Fewer MSMEs have taken such actions (figure 3.1.6). This represents a significant gap, since MSMEs typically dominate the economic base in EMDEs.[29]

Figure 3.1.6. Breakdown of EMDE-based company engagement in climate/sustainability activities.

Q: Which of the following climate-related activities is your company currently engaged in? [For each row, please select one option: Not doing, Planning to / have started doing, Already done]



Notes: 1. Responses of companies headquartered in EMDEs only 2. Response options with an * are those with statistically significant differences (chi-square) between MSMEs and large enterprises. 3. MSMEs N = 177–187, Large enterprises N = 110–115 4. Examples and additional details have been removed from answer options for brevity.

CASE STUDY 3.1.1. COLLECTING SEX-DISAGGREGATED CLIMATE DATA FOR DEEPER INSIGHTS

Jazz, Pakistan: Evidence-based decision making to boost women's climate resilience

Jazz, Pakistan's largest multi-sector telecom provider, is committed to advancing gender diversity and women's empowerment as both a social initiative and as a core component of their business strategy. Jazz focuses on digital and financial inclusion as solution and equalizer, designing products and services to address gender inequality and empowering women through digital literacy. The company routinely collects sex-disaggregated data and uses it to inform decision making, to ensure that products and services meet the needs of women.

In addition to advanced climate and gender governance approaches, Jazz intentionally merges its focus on climate and gender to maximize business value and positive social and environmental impact. This intentional climate/gender integration has attracted positive attention: Jazz was celebrated as the winner of the 2023 Employer of Choice Gender Diversity Award, given by IFC and the Pakistan Business Council. "The most important factor [when considering environmental challenges] is women," notes Sabahat Bokhari, Jazz's Director of Diversity and Inclusion. "I encourage companies to reimagine and redefine their ESG and climate strategy by applying a gender lens." The company's gender-inclusive approach includes:

This intentional climate/gender integration has attracted positive attention: Jazz was celebrated as the winner of the IFC-Pakistan Business Council Employer of Choice Gender Diversity Award 2023.

- Hiring a female environmental consultant to lead their work on climate change and environment.
- Supporting women in the community who experienced climate impacts during the 2022 floods.
- Collaborating with civil society to adopt a circular approach to paper consumption that includes training for rural women.
- Promoting women's social entrepreneurship through training based on the UN Sustainable Development Goals.
- Engaging Jazz employees by encouraging open discussion on and contribution towards these integrated efforts, driving progress and an inclusive workplace culture.
- Collecting and reporting sex-disaggregated data.

Focus group participants offered insight on these measurement gaps. They noted the resource-intensive nature of data collection and disclosure in general. This can be even more complex for MSMEs, which typically have fewer resources than large companies. While smaller companies may have an interest in data collection, they may lack the capacity to do so—or they may have other more critical issues to attend to. Thus, there is a need to dismantle barriers to data collection in general, and sex-disaggregated data collection specifically.

A greater emphasis on measurement, including collection, analysis, and reporting on sex-disaggregated data, could contribute to a deeper, gender-differentiated understanding of overall sustainability risks and opportunities for EMDE-based businesses, and encourage implementation of effective climate action.

> **The evidence-based argument is essential to bringing about change… The best way of conveying that message is through empirical data which shows that [sustainability and] diversity bring economic and commercial benefits, because otherwise you get into an emotional argument rabbit hole you can never get out of."**

David Lawrence

Director and Chairman, Papua New Guinea Stock Exchange and Director, South Pacific Stock Exchange

FINDING: EMDE companies face greater exposure to climate risks than companies based in developed economies and are more likely to focus on adaptation

Many have already experienced adverse climate events.

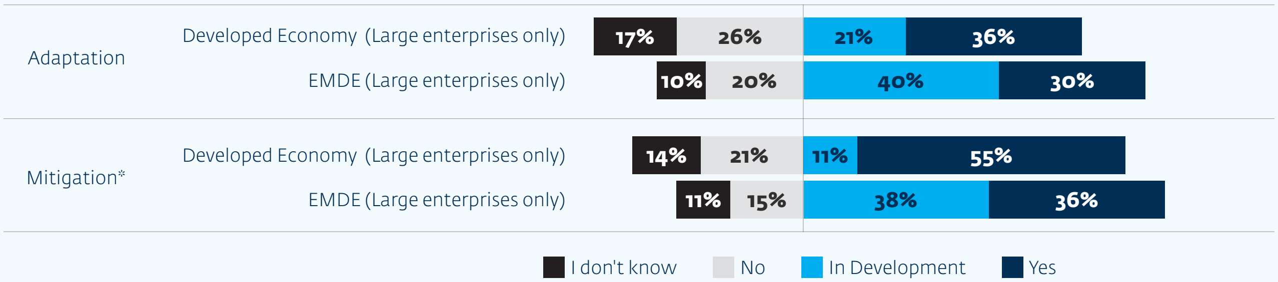
Companies operating in climate-vulnerable geographies and those in sectors that are highly dependent on natural resources, such as tourism and agriculture—many in EMDEs—already face physical risks from climate-related extreme weather events, rising sea levels, and droughts.[30]

Thirty-four percent of surveyed EMDE-based enterprises said that their companies had been negatively affected by extreme weather events or other adverse natural events in the past five years, significantly more than the 20 percent of surveyed enterprises based in developed economies.

These local conditions are driving engagement across a range of climate-related sustainability priorities. Survey results revealed that 70 percent of large EMDE businesses are either in the process of developing climate adaptation strategies or have already done so—far more than the 57 percent of firms in developed economies (figure 3.1.7). Such adaptation initiatives are leading to innovations and inclusive opportunities that other companies could deploy to reduce their climate risks, while growing their businesses, according to interview participants.

Figure 3.1.7. Large EMDE enterprises are more likely than developed economy businesses to have formal climate adaptation commitments / strategies in place or in development

Q: Does your company have any specific targets to mitigate and/or adapt to climate change? [Please select one response for each line below]



Notes: 1. EMDE headquartered enterprises N = 166, Developed economy headquartered enterprises N = 42. 2. Responses of businesses that are engaging with climate-related risks and opportunities either formally or informally. 3. Rows with a * are those with statistically significant differences (chi square) between EMDE and developed economy-based enterprises: (X2(3, N=373) = 9.5, p = >.05)

On mitigation, the self-reporting survey results suggest a similar pattern for EMDE companies, with 74 percent reporting that they are either in the process of developing climate mitigation strategies or have already done so. Developed economy companies have similar commitment levels.

As with adaptation, successful climate mitigation strategies—such as Indonesian ride-hailing company Bluebird Group's investments in electric taxis and electric bus rapid transit—could lead to new business opportunity, as well as an avenue for increased women's participation in the workforce.[31]

"In Nepal's hydropower sector, where you have the risk of glacial outburst from the lakes—which is linked to changing temperatures, with icebergs melting...there are a lot of really interesting tools and practices that companies are starting to employ on the ground to monitor changing conditions."

Kate Lazarus
Senior Regional ESG Advisory Lead for Asia-Pacific, IFC

Impacts of climate-related disaster in past 5 years

34% EMDE-based companies affected

20% of developed economy companies affected

CASE STUDY 3.1.2. PROMOTING INCLUSIVE OPPORTUNITIES IN THE NEW GREEN ECONOMY

Bluebird Group, Indonesia: Green and inclusive transport

Bluebird Group is a women-founded, publicly listed Indonesian company offering ride-hailing, logistics and transport services to millions of citizens across Indonesia. Bluebird's leadership believes in the need to both avoid climate-related risks and harness opportunities in the green transition, including through a shift to electric vehicles and investments in electric transport infrastructure. They have implemented formal governance structures to manage its decarbonization efforts, including:

- Ensuring senior leadership oversight and commitment for climate projects.
- Creating formal KPI decision-making framework for ESG projects.
- Regularly reporting on progress.

Bluebird also demonstrates high maturity in its engagement with gender diversity and inclusion through:

- Representation targets at board and senior leadership levels.
- Gender-inclusive policies and practices around safety to attract and retain women employees.
- Community programs to support women in business and education.

> **"Being a sustainable company can also be profitable, but often people see CSR or sustainable projects as just costs and expenses. It can always support the sustainability of the company itself; if you calculate it well and think about it thoroughly, it all comes back positively to the organization. Bluebird has proven that by doing very meticulous maintenance and CSR or ESG projects, we could remain profitable."**
>
> **Noni Purnomo**
> *Board of Commissioners, The Bluebird Group, Indonesia*

To enhance both climate and gender governance, Bluebird could collect gender-disaggregated data to support its leaders' observations that female drivers tend to use less fuel and reduce the company's carbon footprint through more responsible driving, thereby making the case for increasing women's representation in hiring processes.

While limited, evidence from the literature review—further validated by this research's focus groups and interviews—indicates that as EMDE companies progress along their climate journey, **climate actions underpinned by formal policies, procedures, and strategies—climate governance—could yield more effective returns on their climate investments.**

> **We need informed, courageous regulators in the field of climate risk and governance."**
>
> **Maja Groff**
> *Convenor and Steering Member, Climate Governance Commission, The Hague*

CASE STUDY 3.1.3. MAKING THE BUSINESS CASE FOR WOMEN'S LEADERSHIP IN THE GREEN ENERGY TRANSITION

PbW

Peer-to-peer knowledge sharing drives progress

The ***Powered by Women*** (PbW) initiative helped renewable energy companies build the business case for gender diversity and close gender gaps, drawing on global evidence that increasing the proportion of women in leadership and promoting equal opportunity employment leads to improved environmental sustainability, better ESG and business performance, and responsible corporate choices. The Nepal program helped 19 companies achieve PbW commitments in areas such as women in leadership, respectful workplaces for women and men, women in non-traditional roles, and women as community stakeholders. Key activities included:

- Supporting committed companies to build the business case for action on gender D&I.
- Developing and disseminating research, tools, and resources.[32]
- Helping member companies with training and capacity building opportunities to put in place gender-smart workplace initiatives and mainstream gender in their programs and operations.
- Creating a community of practice among PbW members to connect and advance action.

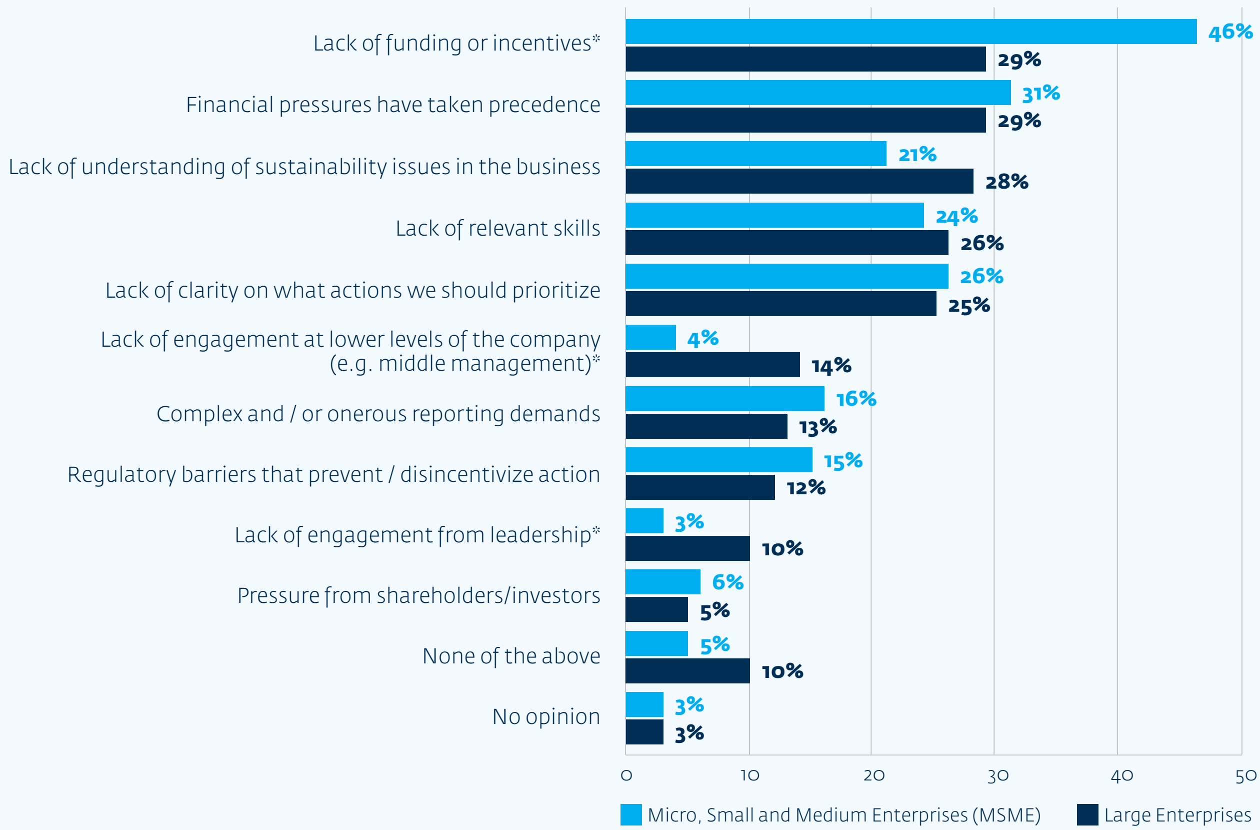
FINDING: Many companies report constraints to a more well-developed approach to climate action.

Lack of financial incentives and lack of understanding are high on the list.

Among the companies surveyed, close to half indicated that lack of financing represented a significant barrier to heightened focus on climate governance, while many **said that lack of understanding and knowledge also constrained deeper engagement (figure 3.1.8). The findings suggest that a stronger focus on the business case for good climate governance, complemented by awareness raising and knowledge sharing, could help to break down these barriers.**

Figure 3.1.8. Sustainability / ESG topics that EMDE businesses are acting on today; many sustainability issues are closely related to climate change but may not be recognized as such.

Q: What are the greatest barriers to your company addressing climate-related risks and opportunities to a greater extent? [Please select up to three of the greatest barriers].



Notes: 1. Responses of companies headquartered in EMDEs only. 2. Businesses that are engaging with climate opportunities and risks formally or informally only. 3. Response options with an * are those with statistically significant differences: MSME N = 199, Large Enterprise N = 116.

3.2. State of gender-responsive climate action in EMDE companies

FINDING: Among companies engaging with ESG activities, few integrate climate and gender

While many companies say gender and climate feature in their sustainability activities, understanding of the connections between these issues is limited.

The survey results showed that 71 percent of large EMDE companies and 66 percent of MSMEs in EMDEs have in place formal gender D&I commitments and policies, with gender D&I being the most frequently cited area of ESG engagement for all companies (figures 3.2.1, 3.1.3). For both groups, maternity, and paternity leave policies (81 percent for large, 54 percent for MSMEs); formal commitment to equal pay for women and men (60 percent for large, 63 percent for MSMEs); and formal gender-based violence/ harassment (GBVH) policies and grievance mechanisms (74 percent for large, 50 percent for MSMEs) were among the top policies being implemented by companies.

However, only 19 percent of respondents from EMDE-based companies cited issues such as climate justice or just transition, which can include both environmental and social factors—suggesting that few companies are addressing intersectional aspects of the two.

In response to another survey question, 53 percent of EMDE-based businesses said they explicitly feature gender in their sustainability activities (figure 3.2.2). **But within this 53 percent, only a handful of companies provided examples of gender-responsive climate actions when asked a follow-up question on how gender and climate interacted in their strategies.**

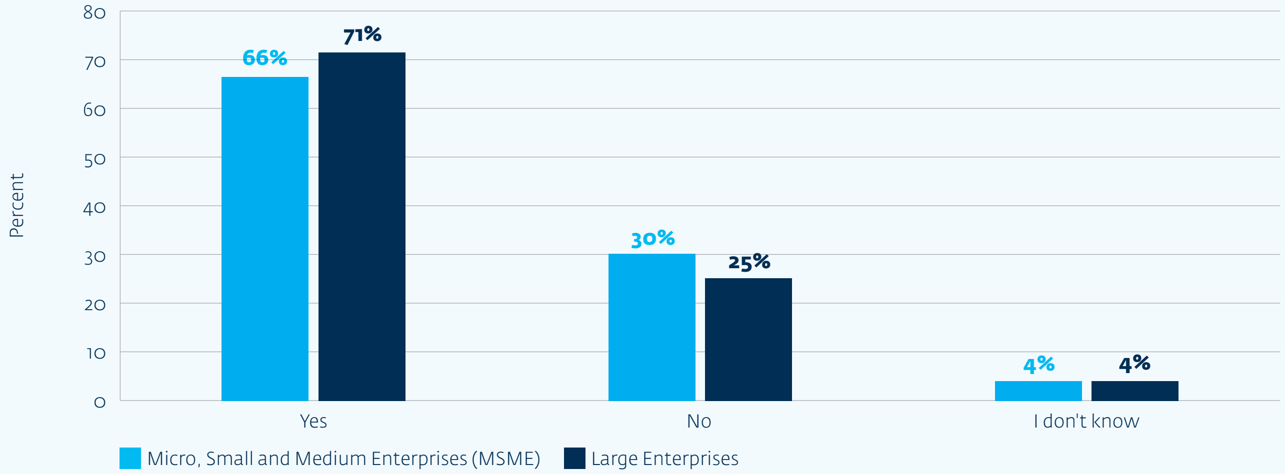
Of note, while few EMDE companies have articulated strategic and intentional connections between gender and environmental sustainability activities, some companies may unintentionally link the two, for example by encouraging women to pursue sustainability-oriented careers.

Responses to a follow-up survey question, which asked for descriptions of how gender featured in their company's activities, validates that **many respondents are unfamiliar with gender-responsive approaches to environmental sustainability.** Rather, they may understand gender as a separate aspect of their ESG approach—not necessarily integrated with or connected to climate or other environmental sustainability activities. However, some respondents appeared to acknowledge the importance of women as consumers of their climate-forward products.(box 3.2.1).

Gender and climate both appear in companies' ESG strategies, but businesses do not address them concurrently.

Figure 3.2.1. Reported presence of formal commitments and policies related to gender diversity and inclusion, segmented according to company size.

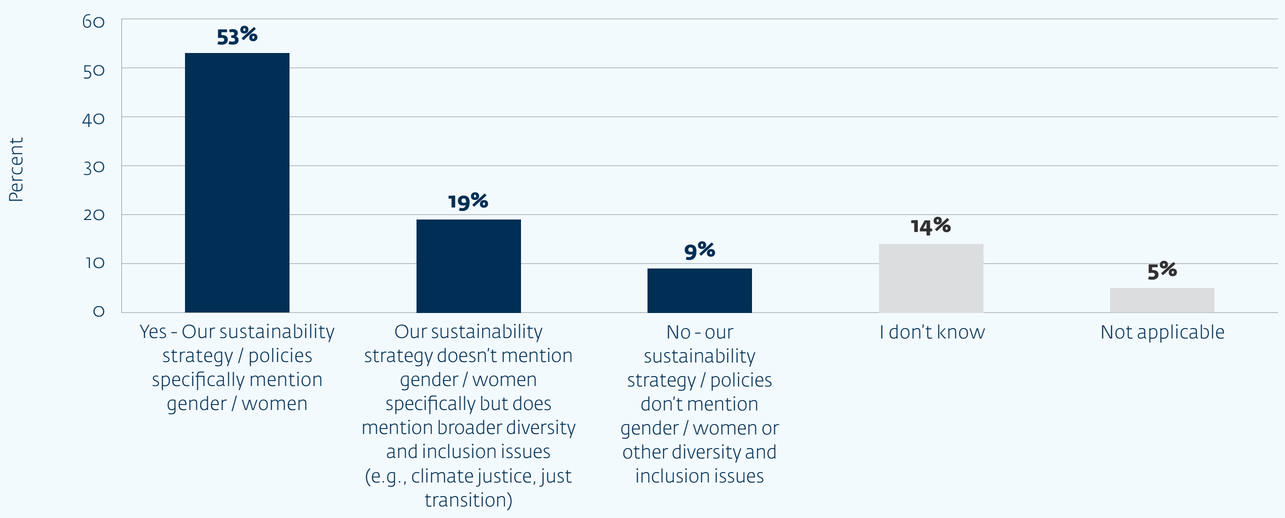
Q: Does your company have any formal commitments or policies related to gender diversity and inclusion issues (e.g., hiring practices, including retention, promotion, and quotas, equal pay, sexual harassment policies, etc.)? [Please select one]



Notes: 1. Responses of companies headquartered in EMDEs only. 2. There are no statistically significant differences between the responses of MSMEs and Large Enterprises. 3. MSMEs N = 259, Large enterprises N = 136

Figure 3.2.2. Reported presence of gender-specific targets and activities in the environmental sustainability / ESG strategies of companies.

Q: Does your sustainability / ESG strategy specifically mention gender / women (e.g., targets for training women in green jobs, supporting women in your value chain, and ensuring women in leadership positions have responsibility for environmental sustainability-related decisions)?



Notes: 1. Responses of large enterprises headquartered in EMDEs only. 2. Responses of large enterprises with sustainability strategies only. 3. Large enterprises N = 121.

Insights from the interviews, focus groups, and literature reinforce the survey findings that **most EMDE-based companies have yet to purposefully integrate climate and gender in their governance strategies.** Environmental, and social issues are often compartmentalized by companies to simplify disclosure and engagement processes, and to enable clear, accessible communication of the business case.

The lack of formal climate governance—and an embedded gender perspective—in many EMDE-based companies could slow wider uptake of integrated and coordinated gender-responsive climate action.

We're seeing a lot of confusion around this topic [in the consortium of Pakistan-based companies we are working with on gender and climate]. What do gender and climate have to do with each other? There's a lightbulb moment where it's understood that the two are interlinked under the umbrella of sustainable business practices from both a social and environmental climate perspective."

Franziska Deininger
Gender & Climate Global Technical Lead, IFC

FINDING: There is more evidence of the importance of gender D&I and gender-responsive climate action in industry sectors where the nexus is more immediately apparent.

Sectors vulnerable to climate change and industries connected to net zero aspirations seem more aware.

Survey respondents and focus group participants in sectors such as energy indicated that their industries could benefit from increased women's representation in the workforce and leadership. Focus group and interview participants also pointed to evidence of integrated action in the agricultural sector, where it is a critical need. These efforts, often led by social initiatives such as ***COMACO*** and ***The Rallying Cry***, or as part of the corporate social responsibility (CSR) efforts of companies like Pakistan's ***Interloop Limited***, recognize the differentiated climate challenges that women farmers and community members face. Many include components such as financial literacy training for women and education on gender-based violence, in addition to women-focused training on climate- smart agricultural practices.

We believe that we need to motivate our staff and they should have a clear role in caring for [a sustainable] future. That is how we implement these policies so that people feel comfortable; when the environment in a company is good, people will be willing to work there."

Manohar Shrestha
Chief Executive Officer, Hydro-Consult Engineering Ltd., Nepal

CASE STUDY 3.2.1. BUILDING WOMEN'S RESILIENCE ACROSS THE VALUE CHAIN

COMACO, Zambia: Gender-inclusive agroforestry

COMACO is a Zambia-based social enterprise that oversees one of Africa's largest agroforestry-based, regenerative farming systems, supporting diverse food crops produced entirely without chemical inputs. Advanced climate governance practices are at the core of COMACO's model, which enables collective responsibility among farmers for scaling regenerative agroforestry techniques and protecting biodiversity across Zambia. Gender initiatives are embedded in this strong environmental purpose, including:

- Commitment to inclusive leadership: 52 percent of COMACO farmers and half of all cooperative leaders are women.
- Gender-inclusive community programs to support women entrepreneurs through training and by purchasing directly from women to promote economic empowerment.

COMACO has found that weaving gender-responsiveness into its regenerative farming approach has led to quality of life improvements for women and girls, including reducing food insecurity; improving farming efficiency, thereby saving women up to 20 days a year in unnecessary labor; and boosting girls' school attendance.

Practitioners interviewed also noted that the **financial services sector is innovating with new products such as green bonds with gender equality co-benefits.** In Africa, several funds are starting to invest at the intersection of climate and gender, such as the ***Empress Fund***. Some development finance institutions (DFIs) like IFC are active in this space, encouraging the integration of climate and social key performance indicators (KPIs), including gender KPIs, in sustainable finance frameworks.[33] However, several research participants suggested that DFIs could do more to deepen their understanding of the gender-climate nexus, perhaps working together to share knowledge and raise awareness. More traditional players, like commercial banks, also remain more siloed in their approach, according to practitioners.

> **"I work with a lot of companies that are serious about climate or they're on the journey; some of them have commitments and targets. Others, usually with a longer trajectory, have gender diversity, equity, and inclusion aspirations that they're serious about. But really at this stage, you don't hear the two of them coordinated."**
>
> **Mike Lubrano**
> *Managing Director, Valoris Stewardship Catalysts*

As with climate action, it's also important to also consider that many companies might be acting at the gender-climate nexus, without necessarily recognizing it as such or setting out intentionally to take this approach. Often, gender-responsive approaches and good-practice approaches to climate action are one and the same.

> **People might think that only dedicated social and sustainability bonds might have this gender focus. But I can argue that all green bonds too might have indirectly some gender components because even if you are financing solar power or wind farms, the social dimension is there and this can include gender."**

Paul Chahine
Sustainable Finance Manager, Luxembourg Stock Exchange

FINDING: Many companies face constraints in integrating action on climate and gender

Addressing knowledge gaps and promoting the business case are key to breaking down barriers.

The survey results, along with input from the focus groups and interviews, yielded insights on the barriers preventing more integrated action (figure 3.2.3)

Figure 3.2.3. Barriers to integrated climate-gender action

THE RESEARCH REVEALED REASONS FOR LACK OF PROGRESS ON GENDER-RESPONSIVE CLIMATE ACTION

Lack of knowledge or training on the climate-gender intersection can reduce organizations' ability to engage meaningfully, while raising strategy development costs, since these efforts may require outsourcing.

Silos between environmental and social development teams in large companies separate responsibility for interconnected topics.

Funding and budget constraints prevent investment in important initiatives such as collecting, analyzing, and reporting on sex-disaggregated data.

Low awareness and understanding of the business and impact case for integrated approaches to gender-responsive climate action prevent the allocation of sufficient support.

Complex disclosure and engagement processes often require gender and climate to be treated separately. Given the high costs of meeting compliance and reporting demands, companies might not want to pursue integrated approaches.

Lack of context-appropriate tools and frameworks can prevent effective implementation in EMDEs. Most available guidance and tools on climate governance are tailored to advanced economies.

Low levels of climate and gender-lens literacy can limit leaders' ability to identify and act on gender-responsive climate priorities.

CASE STUDY 3.2.2. INTEGRATING A GENDER LENS INTO CLIMATE STRATEGIES AND ACTION

INTERLOOP

Interloop, Pakistan: Publicly traded manufacturer leads on climate and gender

Interloop is a family-owned, publicly traded manufacturer of hosiery and apparel for world-leading brands and retailers with a triple bottom line approach that prioritizes people, planet, and prosperity. Formalized climate commitments are aligned with international targets and standards, with regular oversight from its gender-inclusive senior leadership. **The company invests in processes to identify, map, and prioritize stakeholders in their value chain that are material to their ESG commitments—including women. It also has integrated approach to gender D&I.**

- 44 percent women on company board level
- 30 percent gender-diversity targets in senior leadership
- Gender-inclusive policies: on-site day care facilities, flexible work options, and training on gender D&I
- Community engagement programs to promote gender equality in education and work

At Interloop, we are intentional about weaving gender inclusivity into our ESG strategies and actions, for example by ensuring women's voices are heard and that women stakeholders' perspectives are considered when it comes to climate-related decision making," notes Masooma Zaidi, Interloop's Vice President of Sales.

3.3. Role of women leaders in influencing change

FINDING: Women's leadership correlates with higher climate engagement

Companies with more women on their boards and in senior management have stronger climate focus.

Among the large companies surveyed, there are suggestions of correlations between higher representation of women leaders at senior management and board level and stronger engagement with climate-related risks and opportunities. **For example, more companies with between 20 and**

60 percent female representation on their boards had formal climate change commitments and net zero goals than those with 0–20 percent female representation on their boards (figures 3.3.1, 3.3.2).

Other results from the survey also suggest deeper engagement with climate risks and opportunities in companies with more women in leadership positions. For example, 25 percent of respondents from large enterprises with 40– 60 percent women's representation on their boards said that climate risks and opportunities were "completely integrated" in their overall business strategy, compared with 12 percent of those with 20– 40 percent women on their boards, and only 6 percent of those with 0–20 percent women on their boards.

Correlation, of course, does not equal causation. However, these results do mirror the findings of many other studies, which find that women's leadership correlates with higher levels of commitment and performance in other areas of ESG, including climate change.[34]

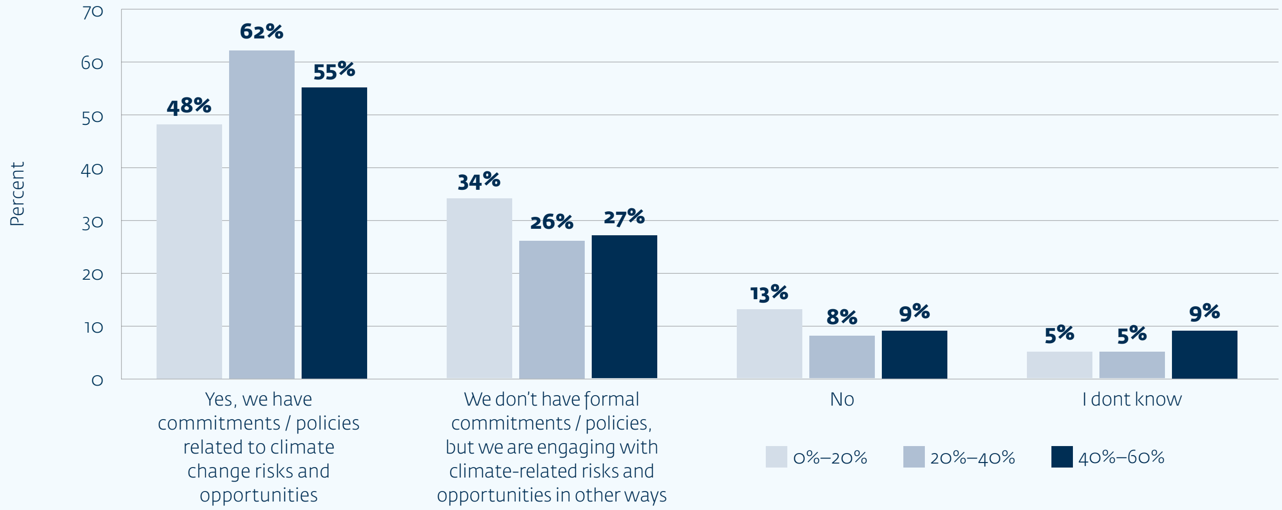
CASE STUDY 3.2.3. LEVERAGING FINANCE FOR ACTION AT THE NEXUS OF CLIMATE AND GENDER

Neoenergia Elektro, Brazil: Green and sustainability-linked loan with climate and gender targets

Neoenergia Elektro Neoenergia is the Brazil-based subsidiary of Iberdrola, one of the world's largest utilities by market capitalization operating across all segments of the energy value chain. In June 2022, IFC committed a green and sustainability-linked loan of BRL 550 million (equivalent to $115 million) to Neoenergia Coelba—their power distribution company in Bahia state—to support network improvements and new connections. In May 2023, IFC committed a new BRL 800 million (equivalent to $155 million) green and sustainability-loan to ***Neoenergia Elektro*** – their distribution company in the states of Sao Paulo and Mato Grosso do Sul. Both of these investments contribute to climate mitigation by improving network efficiency and enabling expanded access to renewable power. They also contribute to climate adaptation by reducing downtime caused by extreme climatic events. The loans have their pricing linked to corporate climate and gender targets: Neoenergia Elektro's climate target is network digitalization and Coelba's is reduced scope 1 greenhouse gas emissions. The gender target for both is to increase the number of female electricians in Neoenergia's workforce, leveraging the company's ***School for Electricians*** —a free training program offered to residents of the company's concession areas specifically designed to attract more women to the electrical sector, a profession previously occupied mainly by men. These innovative sustainability-linked indicators position Neoenergia at the forefront of sustainability in its sector. To ensure the robustness of the indicators and targets, IFC also sponsored a second-party opinion of the company's sustainability-linked finance framework.

Figure 3.3.1. Large enterprises' degree of engagement with climate change risks and opportunities, based on percentage of female board members.

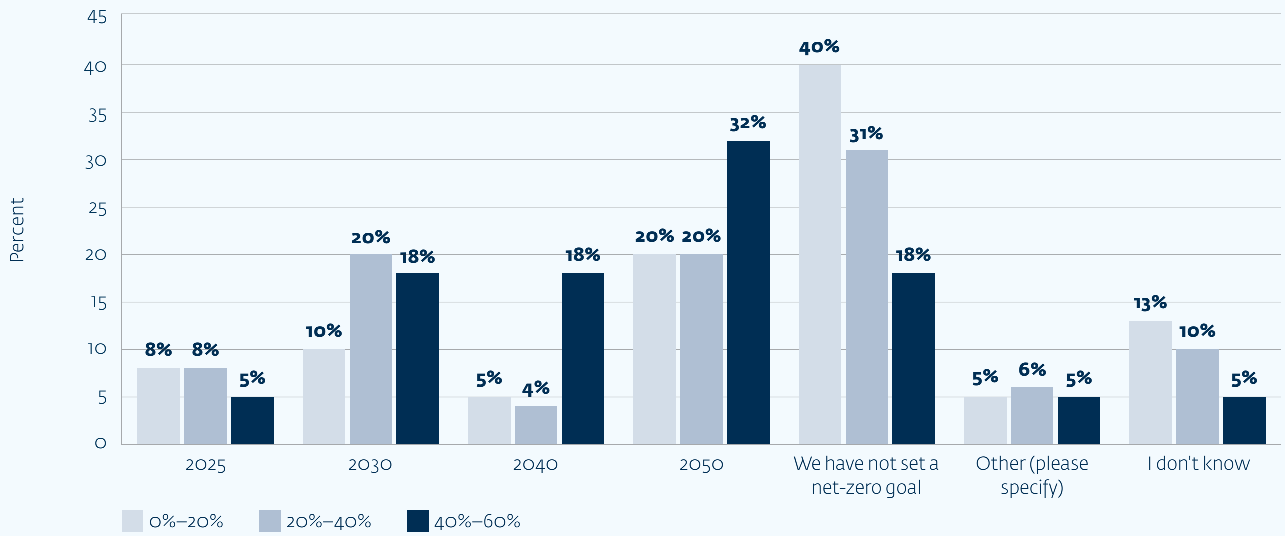
Q: Does your company have any formal commitments or policies specifically related to climate-related risks and opportunities?



Notes: 1. Responses of large enterprises headquartered in EMDEs only. 2. No statistically significant difference X2(12, N=172) = 6.65, p = .88). 3. N 0%–20% = 53, N 20%–40% = 73, N 40%–60% = 37.

Figure 3.3.2. Comparison of large enterprise commitments to net zero emissions targets, based on percentage of female board members.

Q: Has your company set a net-zero emissions target and, if so, for what year?



Notes: 1. Responses of large enterprises headquartered in EMDEs only. 2. Businesses that are engaging with climate opportunities and risks formally or informally only. 3. No statistically significant difference X2(24, N=115) = 19.48, p = .73): N 0%–20% = 40, N 20%–40% = 49, N 40%–60% = 22.

We're not seeing [climate and gender] coming together a lot here in Papua New Guinea. But I'd say there's a greater practical awareness of climate issues among the female cohort… That higher level of awareness can be very valuable in the boardroom, but what holds it back is the male-dominated culture. The board may not listen to the female voice…"

David Lawrence

Papua New Guinea Stock Exchange and Director, South Pacific Stock Exchange

Some interviewees suggested that women's leadership qualities are what make them more likely to consider climate-related risks and opportunities—and the reason that more inclusive boards have a heightened focus on climate.[35] Other research participants said that the explanation is rooted in the advantages of diverse leadership—rather than in specific qualities women leaders bring to the table.

Many cited the benefits of gender-balanced leadership, including:

- **Broader perspectives:** More women on boards brings diverse experiences, worldviews, and perspectives, which can result in a heightened focus on issues that disproportionately affect women and children, such as climate change.
- **More frequent board refreshment:** Male-dominated boards tend to less turnover and longer tenures. Boards with women tend to refresh more often, and new women members are more likely to bring up new topics, like climate change, as they are less afraid to challenge the status quo, according to those interviewed.[36]

More often than not, it's male directors of companies in emerging markets who argue that they aren't the ones who created the climate problem so why should they take on the burden of solving it? And just as often, It's the female directors who push for action and say we need to be 'the adults in the room."

Karina Litvack

Chairman of the Governing Board, Climate Governance Initiative

- **Younger demographic:** Practitioners also shared that, in their experience, women directors often are younger than their male counterparts. Given that young people in general are often more passionate about climate, it would make sense that a younger cohort of board members—including women—would bring a more engaged approach to climate topics.[37]

At the end of the day, governance is about good decision making. To come to the best decision, you need to have a diversity of views present at the table that is representative of your customers, and the community in which you operate."

Martine Valcin

Global Manager, Corporate Governance / ESG Advisory, Knowledge and Learning; ESG Networks and Thought Leadership, IFC

CASE STUDY 3.2.4. ENHANCING GENDER-INCLUSIVE CLIMATE LEADERSHIP

Climate Leaders Network, Vietnam: Amplifying women leaders' voices in climate-vulnerable nation

Vietnam, one of the world's most climate-vulnerable countries, will require an estimated $184 billion in private climate finance to support the energy transition and drive transformations in agriculture, transport, and industry.[38] In parallel, major gaps exist in women's labor force participation rate and leadership: women represent just 17 percent of corporate board seats.[39] Launched in Hanoi in June 2023, the IFC-facilitated Climate Leaders Network, brings together women directors and C-suite executives across the private sector. The network aims to increase women's leadership, visibility, and influence in Vietnam's climate transition by:

Launched in Hanoi in June 2023, the IFC-facilitated Climate Leaders Network, brings together women directors and C-suite executives across the private sector.

- Amplifying the voices of women leaders contributing to climate action in Vietnam.
- Raising awareness on climate challenges and their intersections with gender inclusion.
- Supporting the next generation of women business leaders who advance climate goals.

FINDING: Women are more likely than men to push for strong climate commitments.

Women feel a stronger obligation to address environmental and social concerns.

The survey results revealed that women leaders prioritize climate commitments more than their male peers. Figure 3.3.3 illustrates that 43 percent of female respondents—but only 18 percent of male respondents—said they "strongly" agree with the statement that:

"Women business leaders are more likely to push for strong commitments and policies related to climate change than men."

3 REASONS WOMEN LEADERS MIGHT PRIORITIZE CLIMATE MORE THAN MEN

Study participants suggested that women's gender-differentiated experiences may inform their support for climate and sustainability action.

1. **Women leaders may be more willing to CHALLENGE THE STATUS QUO**. Given the structural and cultural barriers women leaders face and confront throughout their careers, they may be more willing to raise topics that lack consensus or might require more radical change to address.

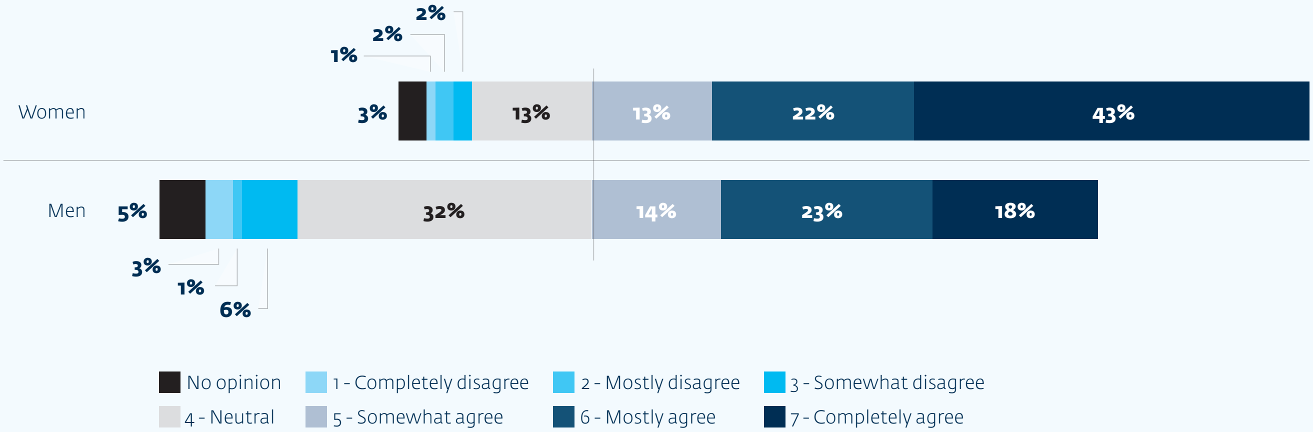
2. **Women may be more likely to CONSIDER THE IMPACTS OF THEIR COMPANY'S OPERATIONS** on others. In part because of social norms and their traditional caregiving roles, women may be more aware of how business decisions affect families, local communities, and broader society.

3. **Women may be more MOTIVATED TO ADDRESS STRUCTURAL ISSUES** due to their historic marginalization. As women have experienced—and continue to experience—exclusion and inequality, they may be more likely to recognize the need for systems change, motivating engagement in ESG issues.

Figure 3.3.3. Perceptions of the influence of women on company engagement with climate-change-related risks and opportunities, segmented by respondents' gender.

Q: To what extent do you agree or disagree with the following statement:

Women business leaders are more likely to push for strong commitments and policies related to climate change than men.



Notes: 1. Responses from businesses headquartered in EMDEs only. 2. A statistically significant variation was found; X2(7, N=308) = 26.28, p = >.01), with women more likely to "strongly" agree than men. 3. Women N = 219, Men N = 89.

Interview participants also noted examples of women business leaders in specific sectors who focus on the social impacts, including the distinct impacts on women, of their climate-related projects and initiatives. One participant cited the leadership of women in the hydropower sector—which often undertakes projects in remote and rural regions with abundant water resources—who emphasized gender-responsive approaches to overlapping environmental and social issues such as livelihood restoration and resettlement and occupational health and safety.

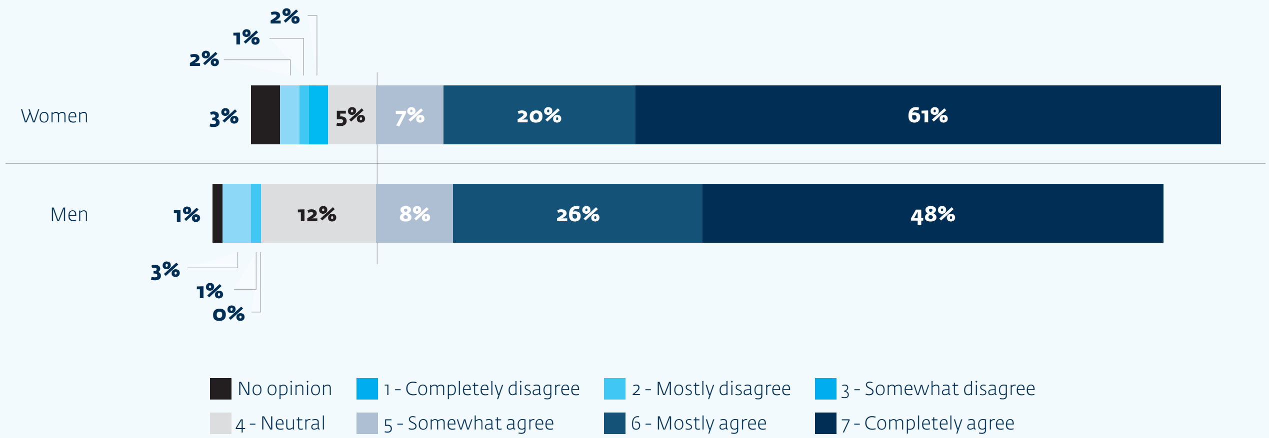
The majority of women respondents—61 percent—also signaled their belief that ESG issues are a corporate responsibility—more than the 48 percent of men who indicated a similarly strong conviction.

Women and men reported feeling similar degrees of personal responsibility for supporting their company's climate change actions, and similar levels of influence over their company's sustainability strategy (figure 3.3.4).

Figure 3.3.4. Perceptions of company obligations to address negative environmental and social impacts, segmented by respondents' gender.

Q: To what extent do you agree or disagree with the following statement:

Companies have an obligation to minimize their negative environmental and social impacts.



Notes: 1. Responses from businesses headquartered in EMDEs only. 2. No statistically significant variation was found; X2(7, N=303) = 11.08, p = .14). 3. Women N = 216, Men N = 87

"Female non-executive directors have to be smart to have gotten to where they are, but more importantly, they are not afraid to defy norms. They are not the kind of people who rise to the top based on complying with norms because, typically, they are the kind of people who took a few knocks on their way up to the top. They are disruptive and tend to be on the braver end of the spectrum. By the time they get to the top it doesn't faze them to say, 'what about climate change,' particularly if they have raised concerns about gender equality before."

Karina Litvack,

Governing Board, Climate Governance Initiative

My experience has taught me that if you want to get something done, you should ask a woman! That plays out in the mountains of [redacted], as it does in the boardrooms of Wall Street or the City of London. Women are far more interested in the well-being of their families and communities, and in all matters ESG. They are far more likely to focus on environmental and sustainable solutions."

Survey respondent

FINDING: **While EMDE local contexts and degrees of progress vary, women's representation in leadership remains low, but things are changing.**

A complex web of social, cultural, educational and structural issues creates obstacles for increased women's representation in climate leadership.

Those interviewed noted that **there has been some progress towards better gender balance in the business leadership of EMDE companies in recent years.** In some markets, like Nepal, quotas for women and marginal groups in public sector roles and other gender-inclusive policies implemented at the national level have helped drive change in the private sector.[40] In other markets, such as Kenya, Lao People's Democratic Republic (PDR), the Philippines, and Vietnam, financial regulators and capital markets players have played an important role by implementing "comply or explain" disclosure requirements or voluntary corporate governance codes. These initiatives are encouraging EMDE-based regulated firms to improve the gender balance in their leadership and heighten their focus on gender D&I.[41]

Gender-lens investments are gaining traction as a way to boost women's leadership and drive gender diversity and inclusion.

In 2021, as part of the 2X Global Challenge, 20 DFIs and multilateral development banks raised $16.3 billion for gender-inclusive private sector investments in EMDEs.

International regulations like the ***Women on Boards Directive*** in the European Union's Sustainable Finance Package are also driving change, particularly in enterprises that export to the EU as part of global supply chains.

In addition, investors and financial institutions are leveraging their lending and investment influence to press EMDE companies for a heightened focus on gender D&I and women's leadership—known as gender-lens investing. For example, in 2021, as part of the ***2X Global Challenge***, 20 DFIs and multilateral development banks raised $ 16.3 billion for gender-inclusive private sector investments in EMDEs.

"In our country, I believe quotas are necessary to start affecting the status quo. Yes, there are tensions between quotas and meritocracy but without quotas there is no change."

Survey respondent

However, among the experts and business professionals interviewed, a consensus emerged that change is slow and women are still significantly underrepresented in the leadership of most EMDE companies, mirroring the findings of other larger studies. In certain countries, women of color face even greater challenges in accessing leadership positions.[42]

One research participant noted that as of 2020, there wasn't a single black woman on the board of a public company in Brazil, despite the fact that 55 percent of the Brazilian population identifies as Black or Brown.[43]

It is interesting that the survey findings challenge the commentary from interview and focus group participants that women remain underrepresented. These findings indicate **higher levels of gender representation in the leadership of EMDE-based companies than expected.** Among responding companies that provided relevant data:

> **36 percent:** average proportion of female board members among companies with boards of directors

> **46 percent:** average proportion of female senior managers

> **47 percent** average proportion of female workforce

One explanation for this disparity is that respondents likely represent companies already highly engaged on gender D&I, and therefore have relatively high percentages of women in their leadership, given the networks and organizations where the survey was circulated.

Specifically on climate leadership, survey responses and observations from interview and focus group participants revealed several issues that stand in the way of greater women's representation.

> **Concerns about amplifying gender stereotypes:** Studies have shown that company leaders—including women leaders themselves—may have concerns that strategic focus on increasing the percentage of women on boards and in senior management—and on emphasizing the gender dimension in climate impacts and actions—runs the risk of contributing to stereotypes, undermining women's skills and achievements, and overlooking the complex web of factors affecting people's vulnerabilities to climate change and potential to lead.[44]

> **Biases that limit opportunities for women in science, technology, engineering, and math (STEM) careers and climate-related roles:** Cultural and societal expectations can mean that women are not seen as suited for STEM or climate jobs. Where women can participate, they may not have a voice or sufficient influence.

> **Knowledge gaps on how improve representation:** Lack of awareness and guidance makes it more difficult to shift gender representation in historically male-dominated or biased industries, such as energy and minerals, where climate action is urgently needed.

> **Lack of targets or KPIs for women's climate leadership:** Formal processes rarely include targets to increase women's leadership in positions that support climate action, although in this emerging

"We need to have more women's voices in the room, more women getting seats at the table, at both the private and public sector level. Increased representation leads to increased transformation."

Carey Bohjanen
Founder, The Rallying Cry, Africa

area, it is likely that few targets and KPIs specifically address the issue of increasing the ranks of climate leaders in general--regardless of gender.

- **Lack of private sector regulations and policies:** The United Nations Framework Convention on Climate Change (UNFCCC) has articulated ***a gender action plan*** for the Paris Agreement, and an increasing number of countries are including gender components in their nationally determined contributions to emissions reduction. But few such policies and frameworks address the gender-climate nexus from a private sector angle.

> **The fact that the United Nations Framework Convention on Climate Change required all countries to mainstream gender in their nationally determined contributions is really good. That's a really big win and a big lever."**
>
> **Chintal Barot**
> *Founder and Director, CoSustain Consulting Limited*

- **Structural barriers preventing women's career advancement:** Women in EMDEs are less likely to access qualifying education and career advancement opportunities. Research participants highlighted that this is a particular barrier for women from low-income backgrounds, underrepresented ethnic identities, or who live in conflict-affected areas. Such obstacles represent a significant opportunity cost, since these women are often the best positioned to inform policies or programs that can reduce risks and impacts on such groups, given their life experiences.

4. RECOMMENDATIONS: TOWARDS GENDER-RESPONSIVE CLIMATE GOVERNANCE IN EMDE COMPANIES

A stronger emphasis on gender-responsive climate governance to underpin company action could drive a more intentional approach and greater integration of climate and gender action—leading to more effective outcomes. Research participants offered insights on what that progression towards advanced gender-responsive climate governance might look like, the steps to take, and how to achieve results.

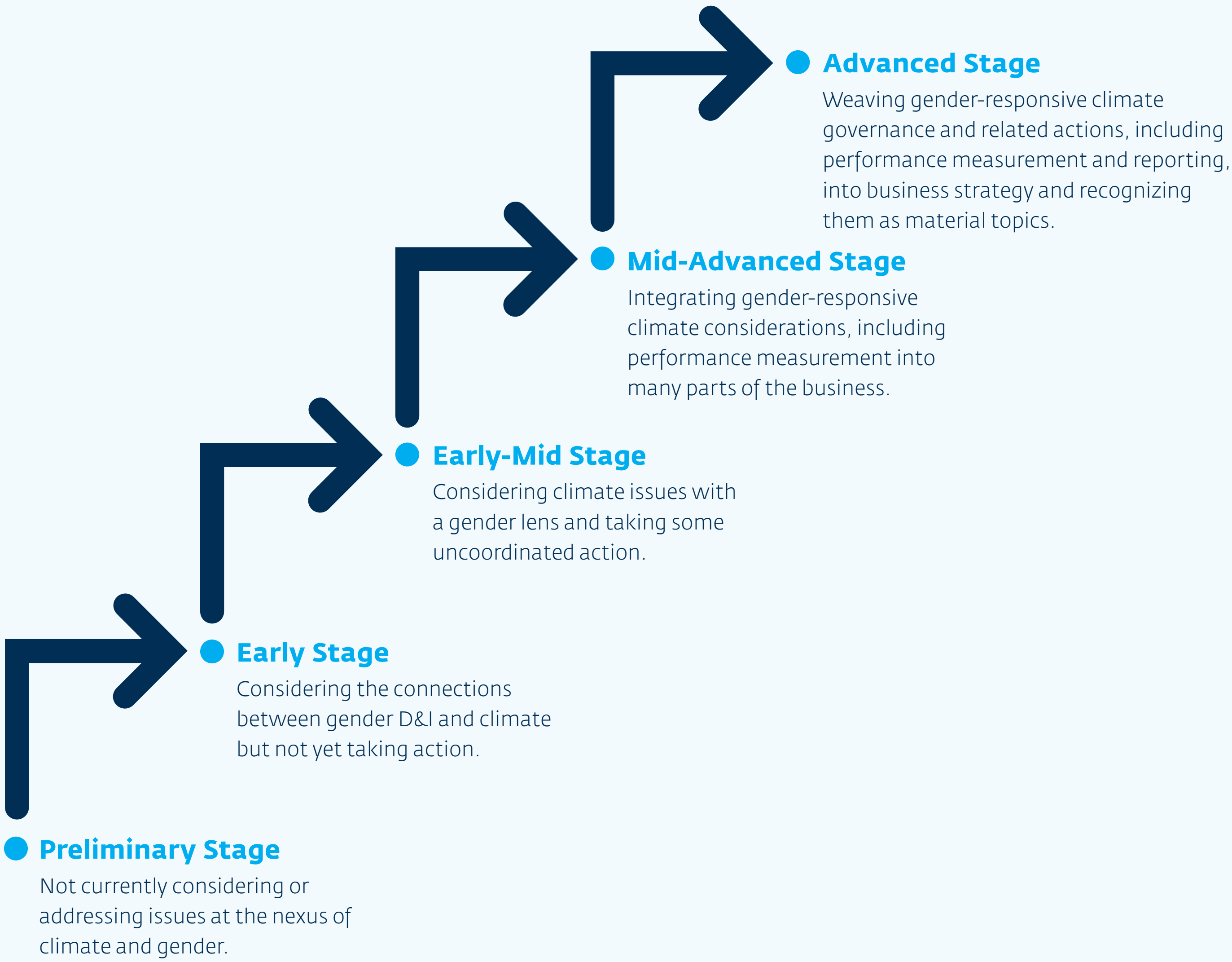
4.1. *A proposed framework to assess gender-responsive climate governance*

Those interviewed suggested the development of a framework that assesses maturity levels, measures progress, and provides guidance in gender-responsive climate governance, building on IFC's Climate Governance Progression Matrix (box 2.2). Such a framework could provide guidance for all companies, but it could be particularly valuable for EMDE companies with low levels of awareness, offering a roadmap for enhanced integration of gender and climate strategy and action. This is a progressive journey, and forward movement requires intentionality at every stage (figure 4.1.1).

What does the most advanced stage look like? Fully integrated gender-responsive climate governance would layer gender considerations onto established good practices in climate governance. This means:

- Ensuring relevant climate and gender skills and knowledge among board members.
- Clearly defining how board committees support gender-responsive climate action.
- Developing KPIs at the climate-gender nexus.
- Focusing on transparency and disclosure.
- Allocating capacity and resources for effective implementation.
- Ensuring risk governance and integrity of reporting on climate and gender.

Figure 4.1.1. Progression toward gender-responsive climate governance.



4.2. Actions for key stakeholders on advancing gender-responsive climate governance

It is one thing to propose a series of steps leading to integrated, mainstreamed gender-climate governance. How to achieve the advanced state is more complicated. Participants in the interviews and focus groups noted that progress will require effort across the market ecosystem, as well as commitment from the range of stakeholders—each of which has an important role to play.

Boards and governance bodies of EMDE companies: Making gender and climate integral to a company's governance structure by weaving both into their strategy and providing critical direction.

Senior leadership of EMDE companies: Influencing corporate culture from the top, while implementing and shaping strategic policy decisions.

Regulators and policymakers: Creating a supportive legal and regulatory environment that encourages and facilitates integrated private sector climate and gender action in EMDEs.

IFC and other development finance institutions (DFIs): Building enabling environments and supporting innovative financial products, such as sustainable finance instruments that include gender and climate key performance indicators, to incentivize gender-responsive climate action by EMDE companies.

Stock exchanges and other market intermediaries: Leveraging their role in promoting the business case, allocating capital and resources to influence change on a broader scale.

Investors: Driving the mainstreaming of robust gender-responsive climate governance by incorporating it into due diligence, analysis, and investment decision-making.

Research participants also shared suggested actions on how to progress towards an advanced state of gender-responsive climate governance. Many of the proposed actions apply to the range of stakeholders, while some are specific to a few. However, all stakeholders must recognize that these are complex, cross-cutting issues, requiring collective shifts and collaboration. More research and tools are needed to understand the influences and factors at play, and drive further progress. (For more detail on the recommendations, broken out by stakeholder group, please see the Gender-Responsive Climate Governance Research Brief.)

RECOMMENDATION	Boards & governance bodies of EMDE companies	Senior leaders of EMDE companies	Regulators & policymakers	DFIs	Exchanges & market intermediaries	Investors
RAISE AWARENESS						
Share research, knowledge, success stories, and data on the business case for gender-responsive climate action	✓	✓	✓	✓	✓	✓
Identify and promote common approaches and guidance on integrating climate and gender to inform collective action			✓	✓	✓	
EMBED A GENDER LENS INTO CLIMATE ACTION						
Develop context-specific strategies, policies, frameworks, and tools for gender-responsive climate governance, building off of existing frameworks to start or advance the journey	✓	✓	✓	✓	✓	
Drive towards gender-balanced boards, senior leadership, workforce, and value chain to ensure women's participation in all aspects of climate governance and action	✓	✓	✓	✓	✓	✓
Address operational and community climate risks and opportunities with focus on gender-specific impacts and vulnerabilities	✓	✓	✓	✓	✓	✓
Provide training, offer educational resources, and build capacity on gender-responsive climate governance and climate action	✓	✓	✓	✓	✓	
Break down organizational silos between teams addressing climate and gender	✓	✓	✓	✓	✓	
Design sustainable products and services to meet women's needs	✓	✓				
PROVIDE FINANCING						
Build internal expertise to innovate on and promote financial instruments that advance action on gender-responsive climate initiatives, including for MSMEs				✓	✓	✓
Leverage sustainable finance instruments to advance gender-responsive climate goals	✓	✓				
Incorporate evaluation of gender-responsive climate governance in investment analysis				✓		✓

RECOMMENDATION	Boards & governance bodies of EMDE companies	Senior leaders of EMDE companies	Regulators & policymakers	DFIs	Exchanges & market intermediaries	Investors
ENHANCE REPORTING						
Create and report on gender targets and KPIs for climate projects	✓	✓		✓		
Embed disclosure requirements on climate, gender and their nexus			✓		✓	
Collect, analyze, and report sex-disaggregated data on climate projects	✓	✓	✓	✓	✓	✓
Engage with standard-setters on sustainability and climate reporting; encourage independent assurance of company reporting on climate, gender, and sustainability			✓	✓	✓	✓
BUILD AMBITION AND DRIVE CHANGE						
Participate in multi-stakeholder collaborations and partnerships to develop joint strategies to advance progress	✓	✓	✓	✓	✓	✓
Lead new research and design new tools to further develop the business case for gender-responsive climate governance and facilitate integrated action				✓		
Engage all stakeholders throughout the value chain on gender-responsive climate action	✓	✓	✓	✓	✓	✓
Offer tax incentives, grants, and awards to recognize companies that are leading on gender-responsive climate governance and action, including for MSMEs and for sector in need of transformation			✓	✓	✓	

5. CONCLUSIONS

Gender-responsive climate action should be a priority for EMDE-based companies—but the evidence indicates that is not currently the case for many companies. **The pervasive lack of formalized climate governance among surveyed EMDE companies is likely making it more difficult to ensure an integrated, inclusive, and coordinated approach to climate action.**

The global urgency to limit warming to 1.5 degrees Celsius, in accordance with the Paris Agreement on Climate, and to accelerate progress towards the UN Sustainable Development Goals further amplifies the importance of climate governance—and ensuring that the governance framework is embedded with a gender perspective.

This study closes some of the knowledge gaps on the connections between climate governance, gender D&I, and women's leadership in EMDEs, by illuminating the drivers and barriers companies are experiencing. The findings reinforce how far we have to go: The benefits of integrating climate and gender in governance exist, but action is lagging. They underscore the importance of fostering a gender-inclusive culture and overcoming barriers to entry for women in male-dominated energy-transition sectors, which will be critical to ensuring that women have places at the decision-making tables in a new green economy. And the complex nature of the gender-climate challenge means that only by working together in multistakeholder coalitions and partnerships will the pace of change accelerate.

The study aims to catalyze the transformation needed by providing business leaders, board members, and other key stakeholders working in EMDEs with inspiring examples of good practice and actionable recommendations, such as ways to embed a gender lens into climate strategies and incentivize progress.

While the research offers a clearer picture of the state of gender-responsive climate governance in EMDEs, it also raises further questions and opportunities for detailed inquiry.

Two clear pathways for further research are particularly important:

1. **Research to understand how businesses are, or might, integrate gender equality considerations into their climate governance and strategies in the context of different and more varied approaches to engaging with climate-related risks and opportunities.**

2. **More investigation into the nature and strength of the correlation between the degree of women's leadership representation and greater climate engagement maturity in EMDE companies. Such studies would be valuable, particularly given that this research suggests EMDE findings mirroring those from developed economies.**

In addition, it will be important to develop practical tools and training to help companies build gender-responsive climate governance and implement climate actions embedded with a gender lens.

While this research focuses on EMDE-based companies, it reveals the interconnected nature of environmental, economic, and societal challenges. Isolated action has not been, and will not be, enough to build business resilience while ensuring positive outcomes for people and planet—in EMDEs and globally. To advance progress, all stakeholders will need to consider gender, climate, and the interdependent nature of their spheres of influence.

The journey towards effective, inclusive climate governance in EMDE-based companies requires **collaborative effort, innovative solutions, and a steadfast commitment to address the complex interplay between climate and gender.** By doing so, companies can not only withstand change but thrive while contributing to impactful climate action and women's empowerment.

APPENDIX. GLOSSARY OF TERMS

Climate governance (corporate): The structures and systems within a company's governance framework that contribute to formulating climate strategy; overseeing the management of climate-related risks, impacts and opportunities; and facilitating appropriate adaptation and mitigation efforts. Climate-related risks can mean the risks of exposure to physical climate change impacts such as extreme weather or risks linked to the transition to a green economy. Climate-related opportunities are potential business opportunities companies can unlock by mitigating and adapting to climate change. Climate governance also involves setting objectives and monitoring and reporting progress towards climate targets.

Governance bodies include boards of directors in unitary board systems, supervisory and management boards in two-tier board systems, and top-level decision-making bodies in entities without formal or effective Boards. These bodies, along with senior management, internal audit and controls, external audit and assurance, and corporate reporting functions all play important roles in climate governance.

Climate governance (public sector): The policies, regulations, and actions implemented by government entities at various levels to address and manage the impact of climate change. This includes initiatives aimed at mitigating greenhouse gas emissions, adapting to changing environmental conditions, and promoting sustainable practices within public institutions.

Climate-vulnerable: Countries, regions, or communities most at risk from the adverse impacts of climate change, due to physical, social and economic conditions. Although an internationally recognized definition of "climate-vulnerable" does not exist currently, this study bases an understanding of climate vulnerability on the 2021 Global Climate Risk Index and its list of the 10 most climate-vulnerable countries due to the impacts of climate-related extreme weather events.[45]

Emerging markets and developing economies (EMDEs): Emerging markets are regions or countries that are rapidly industrializing, experiencing high growth rates, and undergoing significant economic and social transformation. Developing economies are low- and lower-middle- income countries characterized by slow or unstable rates of economic development. This research uses the World Bank's country categorization according to income level.[46]

EMDE-based companies/EMDE companies: Businesses headquartered in emerging markets and developing economies. EMDE-based companies may face challenges and opportunities that are in addition to or different from those faced by companies headquartered elsewhere. This research distinguishes survey responses from EMDE-based companies, including private, publicly owned, and publicly listed, from those headquartered in developed economies that have operations in EMDEs.

Environmental, social, and governance (ESG): IFC defines ESG as a set of environmental, social, and governance factors considered by companies when managing their operations and by investors when making investments. These factors include but are not limited to: environmental issues, such as pollution, biodiversity impacts, and carbon emissions; social issues, such as relationships with employees, suppliers, customers, and communities, and contributions /risks related to gender equality, human rights, and workplace safety; and governance issues, such as board structure, ethical conduct, and risk management.[47]

Fragile and conflict-affected states (FCS): Economies facing high levels of institutional and social fragility, and violent conflict. This research adopts the World Bank's definition and list of fragile and conflict-affected countries.[48]

Gender-climate nexus: The interconnected dynamics, challenges, and opportunities between gender and climate. This nexus underscores the ways in which climate impacts are experienced differently according to gender, with women and girls experiencing disproportionate impacts. It also speaks to the distinct contributions that women are making, or could make, in climate action, investment, and governance.

Gender diversity and inclusion: Policies, procedures, and practices that promote equal rights, representation, and opportunities for women. Efforts include equitable distribution of benefits, such as equal pay and access to upskilling opportunities. By integrating a gender lens into policies and practices, including women's representation in leadership, with a goal of improving gender equality outcomes, gender diversity and inclusion can be understood as an element of corporate governance.[49]

The focus of this report is on the specific intersection between climate and gender diversity and inclusion instead of the broader understanding of diversity, which encompasses dimensions such as culture, race, religion, age, sexual orientation, and disability.

Gendered dynamics: The social, cultural, and behavioral patterns and interactions that are influenced by, and reinforce, societal expectations and norms associated with gender roles. They include the ways in which individuals, groups, and institutions navigate and express their identities, relationships, and power dynamics based on gender. Gender dynamics are fluid and vary across different cultures and contexts, influencing everything from social roles and expectations to economic opportunities and interpersonal relationships.

Gender-inclusive: Practices, policies, or language that acknowledge and embrace diverse gender identities, ensuring equal recognition, representation, and opportunities for individuals regardless of their gender. This can include expanding opportunities for women on boards and in senior management, as well as addressing organization-wide barriers to women's career progress. The objective is to create environments and behaviors that are respectful, welcoming, and supportive of all genders.

Gender-responsive: Approaches, policies, or actions that take into account the different needs, experiences, and priorities of individuals based on their gender. This includes awareness of gendered dynamics and efforts to address and redress gender-based disparities. The objective is to create fair and inclusive outcomes and promote gender equality.

Intersectionality: The complex ways in which social identities and demographic characteristics overlap, and how, in negative scenarios, this can create compounding experiences of discrimination. For example, women from diverse ethnic or socioeconomic backgrounds may experience multiple forms of inequality, which reinforce each other. Broader definitions of intersectionality also address how social identities and experiences can interact with other economic and environmental forces to create disproportionate or differentiated impacts for people.

Micro, small, and medium enterprises (MSMEs): IFC bases its MSME definition on three indicators: number of employees, annual sales, and total assets. Micro enterprises have less than 10 employees; small enterprises have between 10 and 50 employees, and medium enterprises have between 50 and 300 employees. This study classified MSMEs based on the IFC indicator for number of employees.

Sustainability: The range of activities in which a business might engage to reduce its negative impact and increase its positive impact on people and the planet.

Senior management: A company's highest-ranking employees, such as C-suite executives and management board or committee members. These individuals ensure the smooth running of essential day-to-day business operations, lead core initiatives, and establish organization-wide policies and procedures.

ENDNOTES

1 Large enterprises are defined as those with more than 250 employees, according to IFC's company classification.

2 Micro, small, and medium enterprises (MSMEs) are defined as companies with 250 employees or less, according to IFC's company classification.

3 Note that two different phrases/acronyms are commonly used to describe the policies and programs used to promote women's representation and participation: gender diversity, equity, and inclusion (DEI) and gender diversity and inclusion (D&I). This research deployed the latter term—gender D&I—in the survey questions, thus, for consistency, this term and acronym will be used throughout the report.

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