

Note: Note: This paper presents a consultative draft open for comments. The paper will be finalized early 2016 as a contribution to the implementation of the SDGs. Please send your comments and inputs to Bernhard Frey (freyb@un.org) and Tulsi Byrne (byrne@unglobalcompact.org) at the UN Global Compact.

Briefing Note [Consultative Draft, November 2015]

Exploring the Nexus Between Climate Change, Gender and Business

DEVELOPING GENDER INCLUSIVE CLIMATE STRATEGIES – WHAT BUSINESSES NEED TO KNOW TO STRENGTHEN RESILIENCE AND UNCOVER NEW INCLUSIVE OPPORTUNITIES

CLIMATE CHANGE IS NOT GENDER BLIND

The magnitude and urgency of the climate challenge are becoming increasingly apparent. Climate change poses risks to societies as well as businesses and their supply chains. Climate change also has direct impacts on the way humans live and interact with the environment. While the poorest countries and people are the most affected, negative consequences of climate change will impact societies and economies across the globe. Women, who constitute the majority of the world's poor, disproportionately bear the brunt of climate change impacts. For instance, as natural resources are depleted and climate disasters become more frequent, migration is on the rise, leading to greater risks of physical and sexual violence for women and girls. Climate change impacts are also leading to an increase in hours spent on household tasks, such as gathering water and firewood. Due to prevailing gender norms, the majority of increased unpaid care work falls on women and girls across societies, limiting their opportunities to engage in the formal workforce.¹ Failing to develop gender-inclusive climate solutions risks the further alienation and marginalization of women and girls from economic and social opportunities.

WOMEN AS CHANGE AGENTS

As crucial partners in protecting fragile ecosystems and saving depleting natural resources, women are at the frontlines of climate change, and therefore, should not only be viewed as passive recipients of climate change, but active agents of climate action. Women have valuable knowledge and skills that can and must be leveraged to create innovative climate mitigation and adaptation solutions. Yet, to date, the full potential of women's skills and talents continue to be untapped especially in the green economy where the majority of jobs created are in male-dominated sectors (i.e. sustainable infrastructure, renewable energy, etc.).² In addition, unequal access to resources including credit; training, information, and technology; and land further limits the opportunities for women to take part in mitigation and adaptation strategies. For example, women account for an average of 43 per cent of agricultural jobs among developing countries, but own less than 20 per cent of land.³ Furthermore, in many rural villages where women drive small-scale farming, jobs are almost always informal and unpaid. As entrepreneurs, farmers, distributors and retailers, women add significant value to global food supply chains, but often go unrecognized and under resourced. The lack of resources and constraints to engage in the formal labour force limits opportunities to actively take part in climate mitigation and adaptation strategies or be hired for so-called "green jobs",⁴ which are expected to boom in the next 15 years. The UN Environment Programme (UNEP)

¹ Women in developing countries can spend up to 4 hours a day collecting resources for fuel. UN Women 2015 "Facts and figures"

² Example: In 2009 only 9% of the global construction industry was comprised of women. USAID. 2014. "Women at the Forefront of the Clean energy Future". [Learn more](#)

³ Food and Agriculture Organization. 2011. "The State of Food and Agriculture 2011: Women and Agriculture, Closing the Gender Gap for Development"

⁴ Green jobs" are defined by UNEP, ILO et al. as "as any decent job that contributes to preserving or restoring the quality of the environment, be it in agriculture, industry, services or administration." (http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_181836.pdf, p.6). In the United States, for example, women hold only 30 per cent of

projects that by 2030, 20 million additional green jobs will be created. Half of these will be in developing countries where women's labour force participation rates remain low.⁵ By not fully recognizing the contributions of women as leaders, consumers, entrepreneurs, workers, care takers and natural resource managers, society is underutilizing its full potential to create a sustainable and climate resilient economy.

As women are equal guardians of the world's natural resources excluding them from the low-carbon growth revolution by reinforcing structural barriers to green employment opportunities could prevent climate resilient strategies from reaching their intended mark. The private sector has a tremendous opportunity to innovate and investment in inclusive energy-efficient and low-carbon growth technologies, turning the climate challenge into inclusive market opportunities.

Climate change and gender equality in the UN agenda

UN climate change goals and actions are mainly articulated through the UN Framework Convention on Climate Change (UNFCCC), and reinforced by the intergovernmental Post-2015 development agenda through Sustainable Development Goal (SDG) 13 on "Taking urgent action to combat climate change and its impact".

Other SDGs, including those focused on food and agriculture, water, energy, oceans or forests, are also strongly related to climate change. At the same time, gender equality is also critical to achieving the other SDGs including those on: energy, water, climate, governance, education, food security and health and therefore concerted efforts should be made to mainstream gender into all actions contributing to the SDGs. SDG 5 on "Achieving gender equality and empower all women and girls" specifically focuses on achieving equality between men and women, boys and girls.

WHY DEVELOPING GENDER-INCLUSIVE CLIMATE STRATEGIES MATTERS

The business cases for both climate action and diversity and inclusion are well developed. To date more than 400 CEOs have endorsed the Caring for Climate initiative and over 1,050 CEOs have signed the CEO Statement of Support for the Women's Empowerment Principles demonstrating that forward-thinking business leaders from around the world identify both climate change and diversity and inclusion as critical components to responsible business models. Research and evidence from other sectors show that having the equal participation of women in leadership positions, the value chain, and community decisions, leads to more effective solutions and greater return on investment⁶.

Companies can scale up their commitment to corporate sustainability by developing gender-sensitive climate strategies, leading to opportunities to expand market share and benefit from the perspectives and knowledge of both men and women.

The benefits to business can include:

- **Expand market share:** By leveraging the skills, knowledge and talents of both men and women, companies can develop new products that meet the needs of new markets and customers (including women who have different consumer needs than their male counterparts). Deploying products and services that are developed jointly by men and women will ensure all people and communities adapt to adverse impacts of climate change.
- **Enhance innovation and productivity:** With the ever-changing climate change landscape, solutions need new ideas and expertise. Limiting to half the population restricts innovation and creative perspectives. Research shows that increasing women in leadership positions and eliminating discrimination against female workers and managers leads to increases in innovation, productivity and organizational effectiveness.⁷

all green jobs (Institute for Women's Policy Research. 2013. "Quality Employment for Women in the Green Economy: Industry, Occupation, and State-by-State Job Estimates.")

⁵ UNEP, ILO, IOE, ITUC. 2008. "Green jobs: Towards Decent Work in a Sustainable Low-carbon World"

⁶ USAID. 2014. "Women at the Forefront of the Clean energy Future". [Learn more](#)

⁷ McKinsey & Co. 2010. "Moving women to the top: McKinsey Global Survey results". [Learn more](#). And World Bank. 2011. World Development Report 2012: Gender Equality and Development.

- **Build corporate reputation & corporate citizenship and strengthen social license to operate:** In many communities where women bear the brunt of household and agricultural tasks that involve natural resources, it is essential to get their perspective and buy in for climate related community projects. With input from both men and women, companies will not only develop climate-smart solutions that bring real benefits to all members of the community, but they will strengthen their reputation and social license to operate
- **Reap the benefits from investing:** Climate smart women-owned businesses are a largely untapped market. Expanding low-carbon sourcing and distribution to women-owned businesses can provide access to new products and services, while also creating competition, which can lower costs.

Neglecting to address climate change and diversity and inclusion can result in the following risks to a company's operations and value chain.

Climate change: Risks to business

- Reduced availability of natural resources
- Physical impacts on infrastructure
- Increase in energy prices
- Changing demands for specific goods and services
- Health issues affecting workers and consumers
- Uncertainty regarding governmental regulatory action
- Reputational consequences

Inequality: Risks to business

- Regulatory and reputational risk from unlawful discrimination
- Less competitive
- Lower productivity
- Limited innovation
- Smaller returns on investment

The UN Global Compact's initiatives on climate and gender

Launched by the UN Secretary-General Ban Ki-moon in 2007, **Caring for Climate** is the UN Global Compact, UNEP and UNFCCC secretariat's initiative aimed at advancing the role of business on climate change. Chief executive officers who support the Caring for Climate Leadership Statement are prepared to set goals, develop and expand strategies and practices, and to publicly disclose emissions. Caring for Climate is endorsed by about 400 companies from 60 countries. Learn [more](#).

The **Women's Empowerment Principles** (WEPs), a joint initiative of the UN Global Compact and UN Women, offers guidance to business on how to empower women in the workplace, marketplace and community. The 7 Principles are based on real-life business practice and seek to elaborate the gender dimension of good corporate citizenship, the UN Global Compact's Ten Principles, and businesses' role in sustainable development. To date over 1,000 company CEOs have signed the WEPs CEO Statement of Support, demonstrating public commitment to advancing gender equality and reporting on progress through the use of sex-disaggregated data.

HOW CAN YOUR BUSINESS ADOPT CLIMATE RESILIENT SOLUTIONS

Effective programmes and policies you can implement in your company, at different levels of execution, include:

- **Training:** Implement and enhance capacity building opportunities for women, with the goal to increase their participation in green jobs.
- **Strategic Planning:** Develop cross-functional teams to identify, monitor and address the gender impacts of climate change and identify inclusive business opportunities to address these impacts.
- **Innovation:** Evaluate, recognize, and reward business units and individual employees for their ability to innovate, implement new approaches, and meet company goals for increasing resilience and contributing to sustainable development while simultaneously ensuring inclusivity and diversity in their teams, suppliers and leadership.
- **Accountability:** Use sex-disaggregated data in climate change indicators, KPIs and impact assessments.
- **Hiring Practices:** Ensure gender-balanced and equal opportunities when hiring for climate smart jobs and infrastructure development projects to ensure women are not excluded from the green employment boom, which has historically been in male dominated industries.

- **Inclusive Leadership/ Participation:** Engage responsibly in climate change decision-making processes and promote the integration of gender-responsive policies and regulations. Ensure both men and women are at part of the decision making processes at an institutional level as well as a community level.
- **Market Share:** Build a portfolio of climate-resilient and low-carbon goods and services that take into consideration the natural resource needs of both men and women. Creating gender sensitive products also enhances opportunities for empowerment (i.e. a percentage of climate-smart financing specifically to develop women-owned green businesses).
- **Supply Chain:** Assess climate risks throughout the value chain and engage with a diverse supplier and distributor base that can mitigate those risks. Analyze current levels of sourcing from and distribution through women-owned climate-smart businesses and set inclusive sourcing/distribution goals. As equal guardians of natural resources, women business owners are often at the cutting edge of building more sustainable businesses, products and services
- **Research & Development:** Ensure women and men are equally considered for science, technology, engineering and mathematics (STEM) positions. Involving women in technological developments related to climate change, including supporting equal opportunity for women in STEM, to make full use of women's knowledge and expertise. Increasing women's involvement in the research and development of new technologies will help ensure that climate resilient technologies are accessible and effective for both men and women.
- **Access to Public Funds:** Access new financing streams by partnering with governments who are increasing public funding available for mitigation and adaptation initiatives and inclusive sourcing/distribution efforts. Being able to show action in both will allow companies to access additional pools of funds⁸.
- **Gender-sensitive Credit:** Support gender-sensitive credit and lending solutions to ensure women clients and entrepreneurs have equal access to financial resources that will allow them to develop and leverage climate-smart solutions.
- **Education:** Invest in STEM, infrastructure development and energy education for women and girls to help build an inclusive talent pipeline. Investment can include providing educational opportunities and scholarships for women and girls in countries of operation and throughout the value chain.

Make a commitment to gender inclusive climate action!

The world has a historic opportunity to reach a global agreement on climate change in December 2015 and engagement by the private sector is vital. The UN invites all companies to demonstrate leadership by making collaborative or individual commitments to gender inclusive climate action. Learn how to make a commitment [here](#).

⁸ In 2009, the United States, under the Workforce Investment Act, allocated \$3 billion to train and support women in green jobs. Women's Economic Security Campaign. 2009. Creating Opportunity for Low-Income Women in the Green Economy. [Learn more](#).

ANNEX: COMPANY EXAMPLES | PROMOTING GOOD PRACTICE

Itaipu Binacional | Developing the Leadership Pipeline

Itaipu Binacional, a global generator of renewable clean energy headquartered in Brazil and the Center for Excellence and Innovation in the Automobile Industry (CEiiA), based in Portugal, formed a partnership to develop new technological solutions to make cities more sustainable and mobile based on renewable sources. This programme, called MOB-I, seeks to advance women's participation in the development of environmentally friendly technologies. From the beginning, the project ensured women comprised 50% of leadership roles and encouraged MOB-I suppliers to embed gender equality into their operations. The MOB-I partnership promotes internships and learning opportunities to encourage young women in local high schools and universities to enter the technology sector and innovate environmentally friendly solutions. Since 2014, Itaipu and CEiiA have encouraged industrial partners of the MOB-I programme to also develop strategies and actions aimed at women's inclusion in the technology sector.

Rio Tinto | Inclusive Community Consultations

Rio Tinto, a multinational mining company, published the "Rio Tinto Gender Guide" offering guidance on integrating gender into the company's community engagement efforts. The report highlights linkages between gender and the environment acknowledging mining's actual and potential impacts on land use and quality, forest density, and water quality. In its publication, Rio Tinto states that "consideration should be given to how men might be affected differently from women should there be an environmental incident". The company's focus on inclusive engagement resulted in a more acute awareness of the environmental impacts on both men and women. This type of assessment was shown to be a success during a Mongolian project. Following the initial community consultation process, the company's Community Relations Officer organized a women's meeting where concerns over the environment were communicated. Specifically, women of the village raised concerns about impacts on land rehabilitation and quality, and the potential risk of exotic plants being introduced. These issues related directly to the women's central role in dairy and milk production, and their livelihood. By including women in the consultation process, Rio Tinto was able to better understand the environmental importance of the land and decrease environmental impacts. Rio Tinto was also able to better map the land as women had a deeper knowledge of the pasture lands and seasonal fluctuations.

Enel | Women as Solar Technicians

Recognizing the need for inclusive sustainable energy solutions in rural Latin America, Enel, an Italian electricity company, partnered with Barefoot College Program to empower semi-illiterate women from electricity deprived villages to install and maintain small photovoltaic systems. This partnership develops the capacities of women entrepreneurs, specifically grandmothers, by providing them with technical training to install and maintain solar panels. After completing a six month course in northern India, the women return to their rural communities where they become solar technicians. To expand the impact of the initiative, the women are also trained to host electronic workshops for their local communities. The photovoltaic kits made available by Enel Green Power, not only strengthened the capacity of women entrepreneurs, but brought sustainable energy sources to rural communities. The programme was expanded in 2015 to Kenya and Tanzania where women are learning how to become solar engineers as well as redesigning off-grid solutions for fishery farms to become mainly reliant on renewable energy sources. This partnership exemplifies the benefits of gender mainstreaming in public-private to advance sustainable development and women's empowerment.

Kellogg Company | Empowering Women Smallholders in Value Chains

Kellogg Company, a global food producer, has partnered with CARE, a non-governmental humanitarian and development organization, to empower women smallholder farmers from poor and marginalized communities who rely on increasingly variable rainfall in the Indian State of Odisha. The programme includes training to women smallholder farmers, who have faced two consecutive years of erratic rainfall, in sustainable agricultural practices to enhance their capacities to adapt to and cope with climate change. The programme also works to enhance women's

participation in the maize value chain and increase their social standing, incomes and savings. Women's collectives are formed to build their social capital and visibility, and to improve their access to agricultural inputs, services and schematic benefits. The initiative also attempts to increase women's productive and equitable engagement with men within households and in the community, and works to strengthen women smallholder farmers' linkages with market actors, thus helping to improve equity in societal relationships. Strong gendered analysis, which is inclusive of the various components of the maize value chain, guide the design and implementation of the initiative. Outcomes and impact will be measured through a customized Women Empowerment Index in the Maize Value Chain which will track five domains of empowerment, i.e., production, resources, income, autonomy/time and leadership. Further, a Coping Strategy Index will be used to assess improvements in coping mechanisms accessible to and deployed by women to pursue resilient livelihoods. This initiative is aligned with Kellogg Company's Global Sustainability 2020 commitments supporting sustainable agriculture and women smallholder farmers.

Schneider Electric Brazil | Creating Opportunities for Women in the Energy Market

Schneider Electric, a multinational energy company headquartered in France, came to the conclusion that women need to be part of its expansion strategy and fight against climate change in South America. With the goal of closing the access to energy gap of 1.1 billion people worldwide, Schneider Electric created global energy focused vocational training program, which reached more than 30 thousand people in South America. Recognizing that women drive much of the consumption in the villages (due to household tasks) and knowing the energy sector is a male dominated industry, Schneider Electric is learning to tailor the training programmes specifically to develop women energy entrepreneurs that are well equipped to help address climate change issues in their community. At first these training programmes did not attract many women; however Schneider changed their strategy to target women both in rural zones and in the cities, who women were already working as domestic helpers or household cleaners, showing that they could also market themselves to their employers as clean energy electricians. The program aims to create a network using Schneider points of sales to encourage a big portion of these women to open their own electrical repair services. In addition these women are transferring the knowledge to their children, teaching them how to conserve solar light for longer term use.