SUSTAINABLE FINANCE A **PACE SETTER FOR GENDER DIVERSITY**

An increasing number of studies link gender diversity with sustainability ambition. In October 2022, Clean Energy Finance Corporation, the Australian Sustainable Finance Institute and *KangaNews* hosted senior industry leaders to examine this relationship.

PARTICIPANTS

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MODERATORS

■ **Helen Craig** Head of Operations KANGANEWS ■ **Samantha Swiss** Chief Executive KANGANEWS

STATE OF PLAY

Swiss Where do participants believe Australia sits on the gender diversity front within a global context?

■ **WAKEFIELD EVANS** I am the current chair of the 30% Club in Australia. The 30% Club is a global movement established in the UK 12 years ago to increase the number of female directors on listed companies' boards. Patricia Cross, a well-known Australian company director, brought the 30% Club to Australia in 2015.

In 2010, 9 per cent of the directors of ASX 200 companies were women and when we started the 30% Club in Australia it was 19 per cent. Our goal was to reach 30 per cent by the end of 2019. We did so during 2020, which was surprising because we expected the global health pandemic to have a dampening effect. In fact, we saw a rapid rise. In real terms, we increased the number of female directors on listed companies' boards by 11 per cent in five years.

Today, the percentages are more than 35 per cent for the ASX 50, 35 per cent for the ASX 200 and we expect to reach 35 per cent for the ASX 300 this year.

Many stakeholders have been involved in our work and this has had a big impact on the company director space as a whole. The Australian Institute of Company Directors (AICD) provides our secretariat and is obviously a very interested party when it comes to diversity on boards.

Three or four years ago, at our request, the ASX changed its governance guidelines to recommend 30 per cent female directors on boards for the ASX 300. Many organisations – including the Male Champions of Change (MCC), Chief Executive Women (CEW), all the Australian state governments and the federal government – adopted the approach.

The government boards quickly reached more than 30 per cent and in fact some are now at 40 per cent women directors. This change took place significantly more quickly than it has at listed companies. We have also observed a remarkable evolution in the director space in Australia. But this is a contrast with the state of gender diversity in our country more generally. The most recent CEW annual executive census showed we do not have enough women running businesses. In fact, the 2022 report shows there have been backward steps.

GENDER DIVERSITY, CLIMATE AND THE *CHALLENGES OF PRIORITISATION*

With net zero deadlines fast approaching, companies are placing emphasis on environmental over social concerns. But roundtable participants believe they can be complementary.

CRAIG Is gender diversity viewed as a 'must have' and is it treated with the same level of importance as climate outcomes clearly are?

■ **TOOHILL** At Westpac Banking Corporation it is, with a very explicit target of 50 per cent of women in leadership. The way in which targets are set at divisional level has been clear, with internal monitoring in place.

Climate-related target setting has elevated in materiality over the last 10 years but, since the UN Climate Change Conference (COP26) in Glasgow in 2021, financial institutions have adopted very specific net zero targets. This has of course been helped by the recommendations of the TCFD [Task Force on Climate-related Financial Disclosures] which was published in 2017.

■ **FEDER** I believe gender targets are being overtaken by climate targets and I am concerned that the former is slipping down the list of must-haves as a result. We seem to be in a situation where gender parity is nowhere near as important as lowering greenhouse gas emissions.

SWISS It is a real conundrum, because the train hurtling down the track is related to climate change but in dealing with this we should not lose focus on diversity issues.

■ **WAKEFIELD EVANS** The size of the company is significant. Larger organisations are still very focused on gender but there are differences in the listed space. Smaller firms are not required to conform to the ASX corporate governance principles and only a small proportion of directors at newly listed companies in the last few years have been women.

This is entirely contrary to the situation at bigger organisations. More work is needed to make diversity a must-have across the wider gamut of organisations. But one would struggle to find an ASX 200 company that does not have gender targets and report against them.

■ **FEDER** Environmental is clearly the dominant focus in ESG [environmental, social and governance], taking up most of the landscape in discussions and papers. From what I can see, the gender piece is slipping.

■ **WAKEFIELD EVANS** This is not my experience, and I am a director of three listed companies: Macquarie Group, Lendlease and Viva Energy, in addition to the Clean Energy Finance Corporation.

What is interesting is that there is a shift in the debate about what ESG means – whether it is part of sustainability or sustainability is part of ESG. With company requirements in ESG reporting much higher and increasing, many are struggling to work out what ESG and sustainability means to them and in their industry.

We know diversity is very much part of this but it is often not explicitly spelled out in the report. I think this is probably the reason why environmental factors come across as the dominant focus.

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NATASHA FEDER FIRST SENTIER INVESTORS

There are more women in nonoperational roles in executive teams. A disproportionate number of women are in roles like general counsel, head of human resources or head of marketing and communications – but this is not matched by the number of female chief executives. It is worth noting that there is a complete lack of diversity in some areas: we don't have enough female engineers, asset managers or financial services analysts.

■ **CHRYSTAL** My interest was piqued by some studies circulated ahead of this roundtable so I started to investigate how the asset management industry fares comparatively. I was surprised to learn that only 5 per cent of portfolio managers globally are female. In Australia it is a little better, at 10-15 per cent.

I am one of seven portfolio managers at Kapstream Capital and we are exactly in line with this statistic. However, in the 20 or so financial institutions we regularly trade with, just three have female sales coverage and there are barely any female traders.

I fell into working in finance – I got here by luck, really. To attract more women into asset management, I think we need to target them at an earlier age. A top-down and bottom-up approach is the most effective way to get things to change.

■ **FEDER** I am surprised that the percentage of female portfolio managers is that high – but I think we do quite well already at encouraging female graduates into our industry. The apparent market requirement to have full-time portfolio managers makes it very difficult for women to combine a career and family.

■ **TOOHILL** Westpac [Banking Corporation] is committed to at least 40 per cent of our board and 40 per cent of our executive


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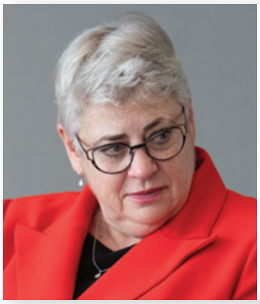

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>
> **NICOLA WAKEFIELD EVANS**

positions being held by women. Even so, of course I agree there is a difference between the number of women in functional and the number in executive roles.

In my own fledgling profession of sustainability, around 70 per cent of the top 100 chief sustainability officers worldwide are women. There is something important to reflect on here: the fact that an area where there is no formal pathway to enter is an area where women have been able to forge a way. Even in sustainable finance, this area is also very much dominated by women in the Australian banks.

FEDER I wonder if the perception of consistency of knowledge prevents women taking maternity leave from coming back. It will be interesting to see whether this same dynamic occurs in sustainable finance.

WAKEFIELD EVANS It is interesting to compare sustainability with an industry like coal, where there are very few women. Australia has a female federal minister for finance but this is unusual on the global stage. Many women are very well qualified to speak at conferences but don't. In some cases this is reluctance at the individual level, or it may be that organisations prefer to have male spokespeople.

GENDER DIVERSITY AND ESG CONNECTION

Craig There is growing evidence of a link between gender diversity and companies' environmental, social and governance (ESG) performance, particularly climate outcomes and governance. Is this reflected in participants' experiences and, if so, why?

GRAHAM Our focus at the Australian Sustainable Finance Institute (ASFI) is sustainable finance and investment. Six of our seven board members are women. At our inaugural conference held in October 2022, we had to be very careful to ensure men were participating on panels.

The majority of heads of responsible investment and of sustainable finance are women. There is significant evidence to support the idea that women have concerns at the community, social and environmental impact level beyond simply company performance.

At individual level, the purpose-driven career is important when someone is making family sacrifices. By this I mean making sure they are maximising value – not just financially but also in personal fulfilment.

It is only very recently that gender equality has become a core consideration for many businesses, meaning there should be more opportunity for flexibility and to develop working methods that are more inclusive for women or people with caring responsibilities in future. The big hope is that this continues and becomes a more mainstream commercial opportunity to attract and retain high-quality talent.

MCDONALD Some papers indicate that where there is a larger proportion of women on an executive team there also tends to be stronger climate ambition. In general, more diverse teams tend to generate a wider range of perspectives in a discussion. Many studies also demonstrate the strong link between diversity, and creativity and innovation in problem solving. I am not surprised that, when we are tackling once-in-a-lifetime problems, a better range of solutions can be found in an environment where more diverse voices can be heard.

FEDER I have not seen anything to date to suggest that climate change and diversity are related. From the coalface of investing there does not appear to be a link. Having said this, diversity of thought does lead to better outcomes.

CHRYSTAL I was originally sceptical, too. But in my reading I was struck by the idea that women's disposition toward the welfare of society and community is a plausible explanation. It is not just about getting a job done; for women there are wider considerations and women are more sensitive to nonfinancial issues. There is a natural link to having more women on boards.

Having said this, some studies suggest the likelihood that a firm with a gender-diverse board reducing its environmental emissions is 9 per cent higher than its industry peers. Does a 9 per cent increment really support a causal relationship?

TOOHILL There may be a correlation between organisations that were early adopters of sustainability or have a longstanding focus on ESG performance – including climate and diversity.

Westpac published its first sustainability report in 2002 and the bank had a keen focus on climate change even before this. Meanwhile, as part of overall sustainability thinking, we made our commitment to 50 per cent women in leadership around 10 years ago.

It is not surprising that, with a focus on diversity, comes attention to climate change: companies that have been thoughtful might have already been reporting against various frameworks that require them to look across the various dimensions of sustainability performance. In other words, these issues will have been on the agenda for some time.

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KRISTY GRAHAM AUSTRALIAN SUSTAINABLE FINANCE INSTITUTE

I also agree that women are often natural advocates on less comfortable topics, and this means there is a link between women taking leadership roles within government and business where climate is a factor.

■ **FEDER** If an organisation has embedded diversity early, I agree that it makes sense that the already diverse thought base leads to a focus on good climate outcomes.

■ **GRAHAM** Or the organisation itself is more aware of the broad gamut of ESG.

■ **WAKEFIELD EVANS** My lived experience, as a nonexecutive director for more than 13 years, is that having more senior women improves the scope of the conversation at the board table and by the executive team.

I'd call out Lendlease as a similar example to Westpac, where sustainability has been embedded in the company's culture from its beginning. In the 1970s, Lendlease was one of the first listed companies in Australia to have a female director, and in the 1990s it was one of the first to have a female chair. Half the board is female and it has just appointed its first female director from Singapore.

Lendlease has worked hard on diversity and on sustainability for a long time – it has always been a leader in the property industry. It was a founding organisation in the Green Building Council of Australia and one of the founding members of the MCC about eight years ago, and has shifted the narrative between sustainability and diversity. It is demonstrating that there is a clear link between the two.

Swiss Despite the evidence we have, it sounds like there might need to be more data to convince investors of the causal link between diversity and performance. We all understand the logical connection but to transfer it to an investment decision is clearly harder. What other evidence can participants highlight?

■ **WAKEFIELD EVANS** The Workplace Gender Equality Agency and Bankwest published a good paper three or four years ago that looked at diversity and financial performance in the listed space. The idea that having more diverse leadership leads to better financial performance was clearly quantified in this paper. In ESG in general, the more diverse a business's leadership team is, the more advanced it is on the overall ESG spectrum.

■ **TOOHILL** There are plenty of data about diversity and financial performance. A study of 1,000 companies in 12 countries by McKinsey & Company in 2019 demonstrated that those in the top quartile of racial and ethnic diversity were also 36 per cent more likely to have financial return above respective national industry medians.

SOCIAL CONTEXT

Swiss Tying the conversation back to the debt market, would more social-bond issuance or the inclusion of social KPIs in the sustainability-linked products institutional investors are offered help move the dial on company diversity?

■ **FEDER** It is interesting to note how the landscape is changing and, with it, what we are offered as product. However, it is very straightforward from our perspective: we make our requirements known and we will not invest if these are not met.

By the time a sustainability-linked product is presented to investors the KPIs are set – it is too late for investor input. Investors should be involved much earlier in the process, rather than being presented with something that a borrower or arranger thinks works, with no room for negotiation. As it stands, sustainability-linked loans (SLLs) and sustainability-linked bonds generally have very few gender diversity elements.

Wakefield Evans Is there any social aspect in these products?

■ **FEDER** Not really. The 's' is a struggle.

■ **TOOHILL** We are starting to see more focus on Indigenous employment and procurement within SLLs.

I was recently at the annual meeting of the banking board of UNEP FI [UN Environment Programme Finance Initiative] and we talked about the growing intersection between climate, human rights and nature. Where these intersect is where the real dilemmas – like 'just transition' – and the interesting opportunities arise. This is where we will be compelled to focus further.

■ **GRAHAM** This reminds me of the evolution of climate risk. It started from the perspective of assessing financial risk and is now moving into how investors and financial institutions can create climate mitigation or adaptation outcomes through their financing.

There has been some interesting work by the Criterion Institute on the subject of using finance as a tool to achieve

PROGRESS STARTS ***AT THE TOP***

Increased focus on gender diversity in the public sector has been spurred on by leadership from government. Similar improvements in the corporate space may rely on similar catalysts.

CRAIG We have heard positive and negative views on gender diversity. Is it reasonable to hope for significant progress in the medium term – meaning over the next two or three years?

■ **TOOHILL** We can expect the International Sustainability Standards Board (ISSB) standards to inform local reporting requirements, and this will shift the conversation materially. When measures are adopted by investors, it is amazing how quickly things start to shift.

■ **GRAHAM** It is unclear at the moment whether Australian regulators will adopt a social ISSB standard. However, it is very clear that there is appetite to adopt the ISSB standards as they are finalised, and strong commitment to climate and, likely, nature-related disclosures. It will be interesting to see how the ISSB work on a social standard develops and how applicable it might be in the Australian context.

■ **WAKEFIELD EVANS** There has been a big shift around gender under recent governments, both federally and at state level. In New South Wales, the treasurer and minister for energy, Matt Kean, has come out of the starting blocks with a clear focus on gender.

A lot of work is being done at this level to ensure we have gender appropriate budgets, that we are fixing structural impediments in our economy such as childcare, and that we are putting proper resourcing around some of the women's agencies such as WGEA [Workplace Gender Equality Agency].

Leadership at government level has a trickle-down effect and historically we have seen positive impacts from this at board level. However, the reality is that the previous government did very little for women – in fact, [former Australian prime minister] Tony Abbott took away the gender lens that had always been applied to the federal budget and none of the subsequent conservative governments put it back.

Anthony Albanese's Labor government will remedy this. These might be viewed as tiny structural changes. But, in the same way that the federal and state governments are already starting to change the conversation about gender-based violence, if we change some of the policy settings, regulators are more likely to consider the issues as well.

■ **TOOHILL** Contributing to this is the discussion about paid parental leave, which we recently saw the government increase to 26 weeks. Parenting is about parents, not gender. But the more we see fathers taking time out of work to care for their children, the more likely we will see a structural shift. Even so, I think it will take time in Australia.

■ **CHRYSTAL** Many of the issues we have raised associated with the standardisation of data for gender balance, as well as reporting and disclosure

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SIOBHAN TOOHILL WESTPAC BANKING CORPORATION

gender-equality objectives, based on how finance is evolving to achieve climate objectives. Climate was first integrated as a systemic risk and the focus is now on how we allocate more capital into climate-related opportunities.

The work by Criterion highlights that gender-based violence and the way societies react to these types of incidents can create real financial risk for investors. However, I don't think most of the finance sector regards gender as a systemic risk yet.

Swiss It sounds like we need a 'TSFD' [Task-Force on Social-related Financial Disclosures] that forces companies to look at social issues as a financial risk.

■ **TOOHILL** The International Sustainability Standards Board (ISSB) is currently looking at two areas for draft standards to inform the future of corporate reporting: climate and sustainability. Word is the ISSB's next focus will be on gender diversity, and then nature.

■ **CHRYSTAL** The amount of work we need to do with the net zero train coming means we simply do not also have the bandwidth to look at social or nature issues with the depth required. As such, they are only considered from a bottom-up perspective – when they are material to the company being analysed. We want to be able to focus on the full gamut of issues, but climate must have our focus first because it is relevant across sectors.

It can already be challenging to fully convince some end investors about the value of ESG. I imagine many investors would not subscribe to the idea that there is direct link between gender diversity and performance. Until we can prove such a link, it is hard to give it the air time it really deserves.

guidelines, are very similar to the environmental issues we have been discussing for many years. When the environmental piece is addressed, we will be able to shift our focus to social.

Every RFP we receive has an environmental question. When I consider how quickly we shifted our awareness onto environmental issues, I am hopeful we will find ourselves climbing the same very steep curve for social aspects. Environmental sceptics are few and far between nowadays, enabling us to move toward social.

CRAIG Do questions on gender come up in investor meetings?

■ **CHRYSTAL** We have not received any questions on gender although we were asked about Indigenous representation for the first time about six months ago. The issue, again, is availability of data: to source what we need we would have to comb through each company's sustainability report, and even then it is probably not all there. Also, sustainability reporting tends to include gender but not Indigenous representation.

We ask questions where the information is relevant to managing risk and materiality. If it is relevant to the industry we are looking at, it certainly makes sense for us to include it. But there are so many other things we have to focus on.

■ **WAKEFIELD EVANS** This is a reporting problem. Companies can ask their employees to indicate their cultural background but providing this information is not compulsory and many employees opt out.

■ **TOOHILL** Self-identification is very complex from an Indigenous perspective, indeed any cultural perspective. One must be very clear about what the data will be used for.

■ **WAKEFIELD EVANS** A very positive step is the creation of employee networks by many of the larger firms – including Macquarie, Lendlease and Westpac Banking Corporation. Some are starting to form Indigenous networks also.

■ **TOOHILL** The Westpac Brothers and Sisters network has existed for at least 10 years. It is a network of Indigenous and non-Indigenous employees who share a common vision for a workplace where Indigenous Australians and their culture are understood, respected and celebrated. It is important, too, that these networks are employee-led.

Craig What if social and environmental goals were inextricably linked?

■ **CHRYSTAL** I think it would move the goalposts, but we would still need undeniable evidence of how gender parity is linked to climate outcomes. It is one thing to have the research and quite another to have the buy-in.

Additionally, just as some companies still don't disclose their climate metrics, it will take a long time to get everyone on board with reporting on gender metrics.

■ **FEDER** As a comparison, First Sentier Investors has included ESG in its processes for 20 years. We score every investment across all investment classes. If a company scores too poorly on environmental, social or governance, or one is substantially out of kilter with the rest, we don't invest.

We are fortunate that we have a global responsible investment team and we can access third-party research. We don't have ESG sceptics and ESG is very much part of the First Sentier ethos.

■ **WAKEFIELD EVANS** From the company perspective, the issue is the lack of a global – or even a domestic – standard for ESG reporting. Investors have different scorecards. I find it very disappointing that gender diversity is very rarely mentioned when we meet investors.

In the 30% Club in the US and UK there is a shift toward socioeconomic diversity from gender diversity. Here in Australia, we also need to focus on cultural diversity on boards.

The question becomes whether this change in focus is to the detriment of gender diversity or if we are at a place where gender diversity is a given, enabling the focus to be on the broader composition of our organisations.

■ **FEDER** We would be extraordinarily disappointed to lose the focus on gender diversity. If a company replaces a female board and executives with a board that is more culturally or socially diverse but is lacking gender diversity, it is not going to work for us. It has to be an 'and' not an 'or'.

■ **TOOHILL** It is exciting to see the emphasis on cultural diversity. There are not enough organisations in the ASX 100 with reconciliation action plans.

However, the other point worth making is that I hear from my offshore peers that there is a growing sense of being overwhelmed by the ESG agenda. It is important that sustainability leaders drive the integration of accountability for ESG across their organisations.

Some aspects of climate should be led by the business – like sustainable finance – and we are starting to see a trend of sustainability and climate-related disclosures moving to finance teams. We must shift the entire organisation to take on the ESG agenda in the smartest, most responsive way possible, so it is not only the domain of the sustainability team.

■ **MCDONALD** Talent attraction is one of the most important factors at Clean Energy Finance Corporation – especially now, given the tight labour market. Candidates for advertised roles have very specific questions about, for example, paid parental leave or the proportion of women in senior management. If we are to tap into the full workforce, we must be seen and act as an organisation that embraces diversity and offers an inclusive environment.

As a different perspective, my view is that reporting on compliance starts the conversation. This was very much the case with WGEA [Workplace Gender Equality Agency] and it is why large ASX-listed companies have matured in this area. Smaller companies have fallen under the radar and the government sector has only recently been required to report these statistics. Through my career working in diversity and inclusion, I have found that it is hard to get the conversation moving without mandatory reporting.

When sceptics start to experience the benefits, they are more likely to embrace change. This is what we have seen with workplace flexibility: in the post-pandemic era working flexibly is more widely accepted because we saw productivity increase

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LEANNE MCDONALD CLEAN ENERGY FINANCE CORPORATION

rather than decrease when people had to work from home during lockdowns. Leaders who were previously resistant to flexible working observed this and have been convinced.

Swiss We often hear that pressure is coming from the generation of young people who are starting their careers while companies are fighting for talent. Is this accurate?

■ **MCDONALD** Women are increasingly the main breadwinners, and they are looking for the best outcomes for their families – including strongly advocating for workplace arrangements that help them balance all their priorities effectively.

■ **TOOHILL** There are expectations on the major banks to understand ESG through their value chains – that is, their customers and suppliers. Similarly, modern slavery reporting effectively requires companies in the financial sector to look beyond their own direct operations and through the tiers of their customers and suppliers, where there is the highest risk.

I wonder if there is something to be said about the capacity of larger organisations to support change on gender in a more thoughtful way, through our value-chain relationships.

■ **GRAHAM** I very much agree about the need to create a system-wide change for gender equality. Serving women as customers and developing products and services that meet their needs doesn't often happen. We view this as a core way investors and the finance sector think about gender in emerging markets, but less so in developed countries.

Some statistics out of the US suggest that about 60 per cent of the world's wealth is owned by women yet only 2 per cent of wealth managers treat women as a specific customer subsegment. This is clearly a huge commercial opportunity, with clear benefits for women that are wealth-holders. Women are also much more likely to consider ESG factors in their investment decisions, so there would be benefits for society more generally as well.

■ **WAKEFIELD EVANS** This speaks to women's buying power. More women than men buy insurance, particularly health insurance, yet very few insurance companies have gender-balanced boards or management teams.

We also do not have enough female designers. Generally, women spend more time in the kitchen yet most appliances are designed by men. With sporting equipment, women's versions are just smaller – they aren't designed with women in mind. Less than 5 per cent of venture capital goes to women. We need to fix many different interactions across the economy.

TARGETS AND MEASUREMENT

Swiss What targets are being used to track and measure performance in gender diversity?

■ **FEDER** When companies report the number of women at senior management level, there is no standardisation in the definition of 'senior' at all. As an investor it is infuriating as there are no points to enable comparison.

■ **WAKEFIELD EVANS** It is an ASX requirement that listed companies report the gender split of their nonexecutive directors so it is very easy to pool the data for listed companies.

However, company websites do not have a consistent standard for outlining management teams. In my view, anyone who reports to the chief executive should be on a company's website as part of the senior executive team.

When CEW carried out its most recent executive census, it publicly outed some companies with bad statistics. Many of these firms would not have been included in this list if they had disclosed the information.

Swiss Is this where company engagement comes into play?

■ **WAKEFIELD EVANS** Yes, but it would be better if we had a public standard.

■ **FEDER** I agree: standards help. Their availability also means we, as investors, can spend more time focusing on the why and how a company is planning to improving its metrics.

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> **PAULINE CHRYSTAL** KAPSTREAM CAPITAL

Swiss Proceeds from the first social bond executed in Australia in 2017 financed organisations that were cited by WGEA as an "employer of choice" for gender equality. Is this type of target robust enough?

■ **GRAHAM** It is important to make a distinction between an internal diversity target and an outcome target. Taxonomies come into play by providing a consistent framework to measure and report against outcomes. I believe a gender pay gap is a much better outcome target than the number of women employed in management roles. We need a whole new piece of work to ascertain how to standardise outcome measurements for social, and particularly gender, targets.

In the taxonomy work ASFI is currently undertaking, there has been very little interest in the social aspects to date. The work has been predominantly environment focused.

■ **WAKEFIELD EVANS** The ASX corporate governance principles are due an update and one issue the 30% Club will table is the need for more consistent measurement of executive team composition and how this is reported publicly. The challenge is a lack of consistent data, which is needed to drive outcomes.

This is why we have been successful at getting women on boards. Australia is one of the few countries where companies must report their gender split. Companies must include this information not only in ASX filings but on their website, making it very easy to scrape to acquire the statistics.

University of Queensland undertook a review of the 30% Club's work two years ago and commended it for having a target for corporate governance principles in ASX-listed companies and for its requirement to publicly list names on boards.

The AICD website holds a quarterly gender diversity report. It is purely quantitative and shows the number of women in each ASX 300 listed company, from the company with the highest proportion, at around 60 per cent, to the one at the bottom, with zero.

■ **FEDER** We are seeing quite a lot of analysis that suggests men and women's pay is more or less equal, but there is no data to back this up.

Swiss Do companies give this information to you when you ask for it?

■ **FEDER** Unfortunately, many companies simply say everything is fine.

■ **WAKEFIELD EVANS** They all criticise the taxonomy WGEA uses to ascertain the gender pay split. WGEA has very strong views on the size of the pay gap. Because we have less than 10 per cent of female chief executives, WGEA looks at the gap between what the male chief executive earns as well as the most junior person in that organisation.

Chrystal Would a more appropriate gender-linked target be an equal split or a level that is closer to the entry-level gender split?

■ **GRAHAM** It is important to think about this in terms of the gender equality outcomes the company is best placed to achieve, depending on its business. For example, a microfinance organisation in south-east Asia might have a customer base that comprises 90 per cent women and is therefore more focused on ways to improve the lives of its customers than on its number of female managers.

We are seeing more product innovation like this in the emerging markets space, such as the Women's Livelihood bond series and similar types of initiatives, because they receive a lot of donor funding and there is considerable support for development of new instruments that give investors the opportunity to invest for impact.

■ **TOOHILL** The banks are also developing these opportunities. In the retail bank we have a focus on women's markets. For a long time, Westpac has run its networking support forum, "Ruby Connection", for the women in business that it banks. There is also a fantastic network of global banks focusing on women's markets, which has provided an opportunity to learn from each other – particularly in developing markets.

Craig Is there an equivalent to carbon credits to offset gender imbalance at corporate level?

■ **FEDER** We would first have to agree on a measurement. I'd prefer companies to have parity on boards and in executive leadership than try to find a scheme to compensate for this.

In the world of sustainable finance, we are asking what net zero targets are as well as for specific measurements of greenhouse gas emissions. It is not a trade-off: we want both. It is the same for gender equality.

■ **TOOHILL** When we think about interrelationships, like just transition, we know vulnerable communities and marginalised members of society will be affected more – and we need to pay careful attention to this. •