

The Calvert Women's Principles



Empowering Women Across the Globe

Corporations are key players in the global economy—often more powerful than sovereign governments and other institutions. The seminal Calvert Women’s Principles™ (CWP) are the first global code of conduct for corporations focused exclusively on advancing, protecting and investing in women worldwide. The CWP are emblematic of our leadership and dedication to the empowerment of women, which guides our investment research, corporate advocacy and policy initiatives.

The Calvert Women’s Principles were developed in partnership with United Nations “Entity for Gender Equality and the Empowerment of Women” (UN Women) in 2004. These were designed to provide companies with a set of standards they can use to measure their progress, and provide a tool for investors to use to assess corporate performance on gender equality issues. They were the forerunners to the Women’s Empowerment Principles (WEP), introduced by UN Women and the United Nations Global Compact (UNGC) in 2010.¹

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Why this principle is important to business:

- 1 EMPLOYMENT AND COMPENSATION**

Corporations will take concrete steps to attain gender equality by adopting and implementing employment policies and practices that eliminate gender discrimination in areas such as recruitment, hiring, pay and promotion.

BUSINESS CASE: Narrowing the difference in wages between men and women in the labor force can boost the world's economy by about 7% — or \$7 trillion.²

FACT: Globally, on average, women enjoy only 77% of the legal rights that men do.³
- 2 WORK-LIFE BALANCE AND CAREER DEVELOPMENT**

Corporations will take concrete steps to attain gender equality by adopting, implementing and promoting policies and practices that enable work-life balance and support educational, career and vocational development.

BUSINESS CASE: Many women point to the option to work remotely as a major reason for joining or staying with an organization. Also, women who work remotely experience fewer microaggressions and higher levels of psychological safety.⁴

FACT: More than two-thirds of women under 30 want to be senior leaders.⁴
- 3 HEALTH, SAFETY AND FREEDOM FROM VIOLENCE**

Corporations will take concrete steps to attain gender equality by adopting and implementing policies to secure the health, safety and wellbeing of women workers.

BUSINESS CASE: An estimated \$300 million investment into research focused on women could yield a \$13 billion economic return and lead to reduced health care costs, better quality of life, and years of productivity returned to the global workforce.⁵

FACT: In the past decade, most of the increase in violence in the workplace has been targeted at women.⁶
- 4 MANAGEMENT AND GOVERNANCE**

Corporations will take concrete steps to attain gender equality by adopting and implementing policies to ensure equitable participation in management and governance.

BUSINESS CASE: "Companies in the top quartile for gender diversity on executive teams are 25% more likely to have above-average profitability than companies in the bottom quartile."⁷

FACT: In 2022, women accounted for 28% of all directors of companies in the Russell 3000 Index, up from 18% in 2018.⁸
- 5 BUSINESS, SUPPLY CHAIN AND MARKETING PRACTICES**

Corporations will take concrete steps to attain gender equality by adopting and implementing nondiscriminatory business, supply chain, contracting, and marketing policies and practices.

BUSINESS CASE: Women account for just 41% of the supply chain industry workforce vs. 56% of the overall labor force. The gender gap grows in leadership positions, with women holding only 15% of executive roles in the supply chain sector.⁹

FACT: Women as consumers are likely to face discriminatory pricing, known as "pink tax". A study by the New York City Department of Consumer Affairs found that 42% of the time, women's products are priced higher by an average of 7% than similar products for male consumers.¹⁰
- 6 CIVIC AND COMMUNITY ENGAGEMENT**

Corporations will take concrete steps to attain gender equality by adopting and implementing policies to promote equitable participation in civic life and eliminate all forms of discrimination and exploitation.

BUSINESS CASE: The World Bank reports that limited educational opportunities for girls results in between \$15 trillion and \$30 trillion in lost lifetime productivity and earnings worldwide.¹¹

FACT: Around the world, 129 million girls are out of school. The percentage of countries that have achieved gender parity is 49% for primary education, 42% for lower secondary education, and 24% for upper secondary education.¹²
- 7 TRANSPARENCY AND ACCOUNTABILITY**

Corporations will take concrete steps to attain gender equality in operations and in business and stakeholder relationships by adopting and implementing policies that are publicly disclosed, monitored and enforced.

BUSINESS CASE: Closing the gender gap in labor force participation and management in OECD countries can raise global economic activity by roughly \$7 trillion in today's dollars.¹³

FACT: Less than one-third of America's largest public U.S. companies (32% or 302) have conducted a gender pay gap analysis.¹⁴

Advocacy—Changing the Game for Women

Calvert's shareholder advocacy efforts focus on improving corporate behavior on a range of gender issues. These efforts take the form of direct dialogue with companies, letter-writing campaigns, and support to many public-private initiatives focused on gender equality.

Calvert has actively encouraged our holdings to formally commit to diversity, inclusive of gender and ethnicity, in the selection of board of director candidates. All too often, qualified women are overlooked for these influential positions, while companies continue to search for candidates from their limited networks. That is why our engagement process focuses on diversifying the director selection process.

Each year, Calvert uses the tools we have as investors to advocate for change within companies we believe lack sufficient diversity. Our shareholder proposals ask companies to expand their director selection process and include women in the pool from which director candidates are selected. Our proxy voting policy is to vote against every slate of directors that lacks gender or racial diversity.



Investing With a Gender Lens

Responsible Investing takes a holistic view of investment opportunities—going beyond financial analysis of a company to fully evaluate a company’s performance on a range of environmental, social and governance factors. Rather than identifying only a select set of “women’s issues,” Calvert’s investment process seeks to evaluate the interface of women and corporations more broadly, whether in the workplace, marketplace or community.



Important Additional Information and Disclosures

¹Women's Empowerment Principles FAQ.

²Moody's Analytics, "Close the Gender Gap to Unlock Productivity Gains," Dawn Holland and Katrina Ell, March 2023.

³World Bank Group, "Women, Business and the Law 2023."

⁴McKinsey, "Women in the Workplace 2022," Rachel Thomas and Lareina Yee, October 18, 2022.

⁵Women's Health Access Matters, "The Case to Fund Women's Health Research," May 2023.

⁶Washington Post, "A surprising (and growing) gender gap in the most dangerous jobs," Andrew Van Dam, March 17, 2023.

⁷Marte Borhaug, Head of Sustainable Outcomes and Portfolio Manager on the International Equity Team, Morgan Stanley Investment Management.

⁸Seeking Alpha, "Gender Diversity on Corporate Boards: A Source of Persistent Investment Alpha?" John Engle, March 17, 2023.

⁹Supply Chain Brain, "Transforming the Supply Chain Industry With Gender Diversity," Anita Raj, November 9, 2022.

¹⁰LSE Human Rights, "Pink Tax: The gender bias in product recommendations and corporate social responsibility," Richa Bhargava, Raahat Tara, April 29, 2022.

¹¹"Missed Opportunities: The High Cost of Not Educating Girls," The World Bank, 2018.

¹²UNICEF, "Girls' Education: Gender equality in education benefits every child," May 2023.

¹³Moody's Analytics, "Close the Gender Gap to Unlock Productivity Gains," Dawn Holland and Katrina Ell, March 2023.

¹⁴Just Capital, "Despite an Uptick in 2023, Only 32% of the Largest U.S. Companies Analyze Their Gender Pay Gaps," Matthew Nestler, Aleksandra Radeva, Ian Sanders, March 14, 2023.

Source of data: Calvert Research & Management

Date of data: 3/31/2023

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