

Gender Sector Brief: Construction and Real Estate



How to Apply a Gender Lens to the Evaluation of Construction and Real Estate Investments

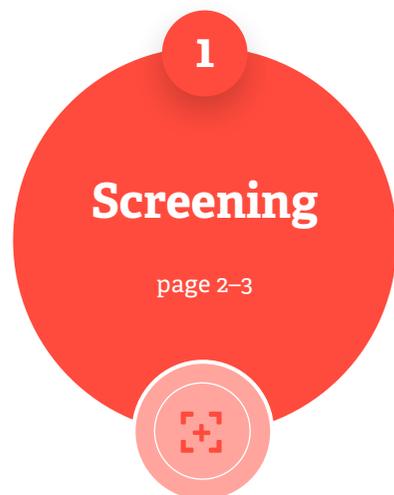
This is a sector-specific diagnostic guide to support investors and fund managers to identify existing and future opportunities for gender-smart investing within the construction and real estate sector. It provides investment assessment guidance across project stages of commercial construction and real estate projects, ranging from hospitality and commercial infrastructures (e.g. business parks), industrial and logistics space for production and distribution, low-cost and affordable housing, and other social infrastructure real estate.

This guide contains questions for investors to ask during screening and due diligence, and suggests possible actions to take depending on the answers to these questions. Depending on the structure of your organisation, responsibility for covering gender impact opportunities in due diligence and portfolio management will vary and can be led by investment, environmental, social and governance (ESG), impact, or gender teams. It is down to the investor or fund manager to determine where responsibility sits.

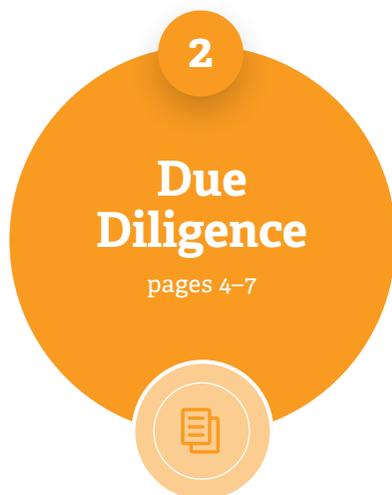
Gender-smart investing is smart business. We know that women's increased representation across the construction and real estate value chains can benefit the industry by driving business performance, labour productivity, innovation, and sustainability. We also know that women are already key contributors to the hospitality and business tourism industry and, as entrepreneurs, are increasing in demand within commercial infrastructure. This highlights a significant business and impact opportunity.

Additional information on the rationale for taking a gender lens to our construction and real estate investments and relevant trends in the sector, can be found within this brief.

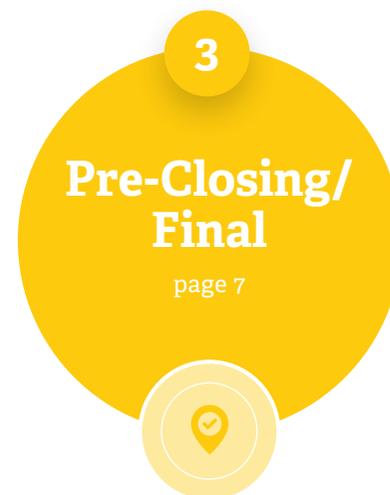
Click on each stage of the deal process to access relevant information:



Screen for gender-based opportunities and 2X eligibility



Collect information to confirm gender-smart investing opportunities and (if applicable) 2X eligibility



Finalise gender-smart investing approach and identify gender-smart business solutions



Provide support to gender-smart business solutions

The investor should answer these screening questions before the deal is submitted for approval. The questions explore gender-based opportunities and focus on the company's smart inclusion of women across its workforce and supply chain, and its efforts to serve female customers.

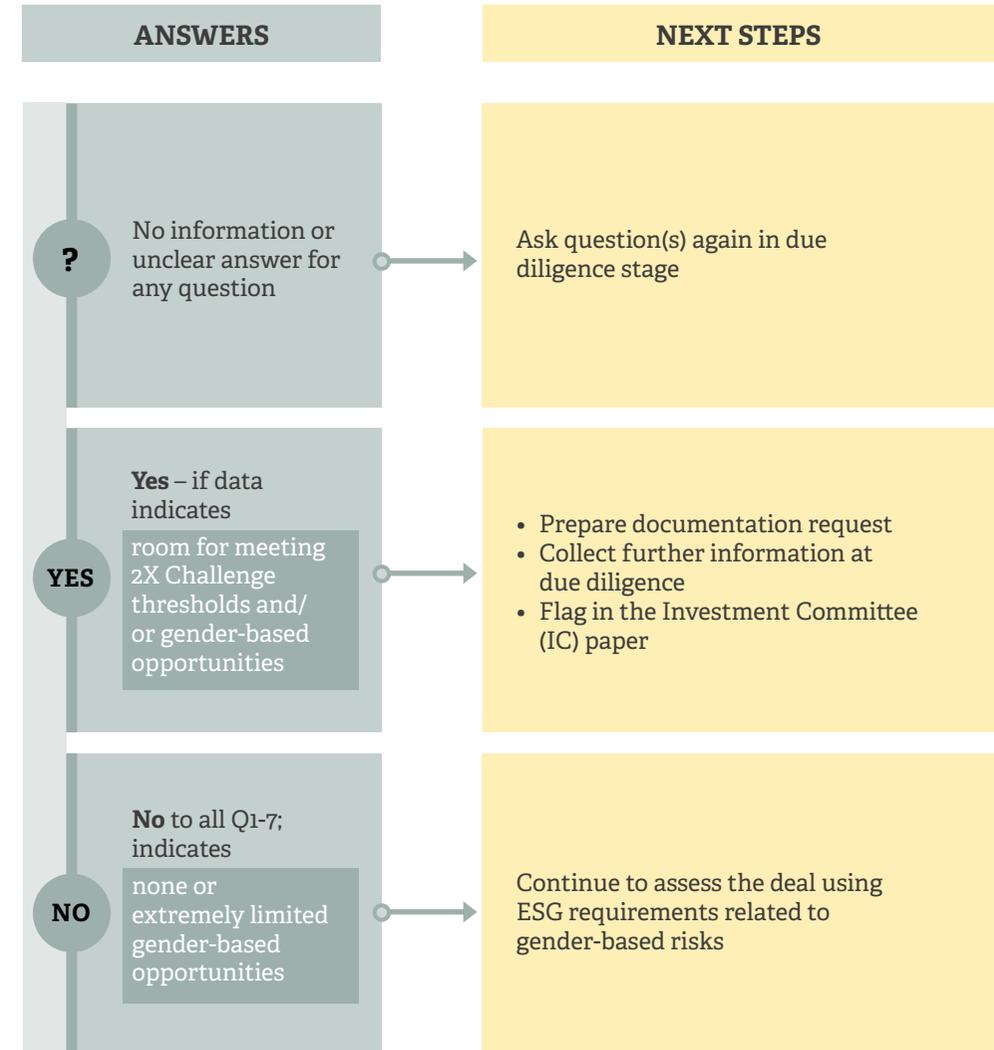
This guide focuses on gender-based opportunities and gender-smart investing as an investment strategy. For gender-smart investors, screening for gender-based risks and negative impacts is an important aspect of ESG due diligence. Guidance on gender-based ESG risks and due diligence is provided in the CDC ESG Toolkit.¹

Screening questions will determine:

1. If the deal meets thresholds and/or qualifies under the 2X Challenge.²
2. If there are potential gender-based opportunities to be explored further in due diligence.



2X-related questions	YES	NO	Current %	No data/ unclear
1. OWNERSHIP. Was the business founded by a woman or do women own a majority share of the business?				
Notes				
2. BOARD. Do women represent 30% or more of the board?				
Notes				
3. SENIOR MANAGEMENT. Do women represent 20% or more of the senior management team? ³				
Notes				
4. EMPLOYEES. Do women make up 30% or more of the workforce? ⁴				
Notes				
5. CUSTOMERS. Does the business specifically target female customers, design commercial facilities or real estate infrastructures tailored to women's needs, preferences and behaviours?			N/A	
Notes				
Opportunities for gender-smart business solutions	YES	NO	Current %	No data/ unclear
6. Is there commitment or capacity to create significant jobs for women, refine product and/or service offerings to better serve female customers or to undertake workforce gender diversity efforts?			N/A	
Notes				



³ Room for judgment: Investees in unique sectors, especially across infrastructure industries, may require case-by-base consideration.

⁴ Ibid.

2 Due Diligence

Gender due diligence is the process of gathering gender-related data and information from the potential investee company for analysis to determine whether gender gaps present opportunities that may impact performance or affect an investee company's operations and financials. Deal teams can integrate these questions into existing due diligence workstreams (e.g. ESG, impact, commercial).

The investor will collect the due diligence information and proceed to:

- Confirm 2X qualification (as applicable).
- Confirm gender-based opportunities to take forward compared to other impact investing themes.

2 Due Diligence



Leadership

1. Does the board and/or senior management have strong oversight and a clear governance process to support gender diversity and inclusion? Are there any initiatives in place to promote women in leadership?

Rationale: Confirms commitment and ability to launch initiatives to drive greater gender diversity and inclusion for better corporate performance; identifies opportunities to provide guidance on governance structures and processes.

YES	NO

Notes

Workforce

2. Are there specific policies and programmes to support inclusiveness of both men and women at work? If so, what are they? For example, specific HR policies that go beyond basic regulatory requirements (e.g. childcare support, flexible working hours, and standardised pay rates for each role).

Rationale: Determines the level of inclusiveness of existing policies, facilities and programmes, and how this will affect key business performance indicators such as retention, absenteeism, turnover, and maternity return rate; highlights opportunities to support the business case for inclusive workforce improvements.

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3. Building on recent or existing data, are there differences between the roles/responsibilities/functions/levels/grades undertaken by men and women in the workforce, including permanent, contracted and seasonal staff?

Rationale: Highlights opportunities to support recruitment, advancement or efforts to support women in leadership roles. If women are segregated into only a subset of roles and are therefore underutilised, or if certain teams, functions or levels are dominated by one gender, the business may underperform due to lack of diversity.

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4. Does the company collect and monitor gender-disaggregated staff data (e.g. average salary, turnover, absenteeism, retention, and promotion)? How is the data analysed and to what extent is data used for decision-making on gender-related efforts?

Rationale: Highlights a commitment to understanding gender diversity and measuring improvements; helps identify the opportunity to improve data collection and identify areas to support the company and further its strategic priorities.

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Notes

5. What training schemes are in place to address existing or emerging skills gaps (e.g. disruptive technologies, green technologies, energy efficiency, retail, hospitality, and/or climate resilience)?

Rationale: Identifies industry skills gaps and ways for the company and/or project future proof its business in the long-term and expand its talent pool. Evidence shows that women are highly adaptable and responsive to such training programmes.

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Notes

2 Due Diligence



Supply Chain

6. Does the company have any inclusive sourcing or procurement initiative in place to source from women-owned businesses and/or promote women's employment through its supply chain?

Rationale: Determines if there is a market opportunity to support greater inclusion of women across sub-contractors' workforce and/or women-owned businesses in sourcing/ procurement strategies.

YES	NO
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Notes

Products and Services

7. Has the company performed a gender-inclusive demand assessment or market study for this investment? Does the company collect and monitor customer data and satisfaction by gender (e.g. women-owned small-and medium-sized enterprises (SMEs) in special economic zones (SEZs), gender and lower-cost housing, clientele in hospitality)?

Rationale: Highlights a commitment to understanding the distinct needs and end-uses of construction and real estate projects; helps investors identify opportunities to improve demand, product or market analysis and data collection with a gender lens.

YES	NO
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Notes

8. If the company analysed demand, product and/or market needs by gender, how is the data analysed and to what extent it is used for decision-making related to product design?

Rationale: Determines if analysis and data is relevant and actively utilised; helps CDC assess progress-to-date on women's access to property, tourism and real estate products, and identifies technical areas to provide business support.

Notes

USEFUL DATA AND DOCUMENTATION

- Gender-disaggregated data on internal staff (including ownership, board, senior management, middle management, and all employees, including seasonal and contractors); organisation diagram/chart by gender.
- Gender-disaggregated supply chain data - by total # and \$ procured.
- Gender or inclusion strategies and policies; actions plans; HR policies to support women in the workforce (e.g. parental leave policy); documentation on initiatives to advance gender diversity in the workforce (e.g. mentorship programmes, childcare provision, gender-inclusive procurement clauses).
- Gender-disaggregated household and user surveys (e.g. lower-cost housing).
- Documentation related to product design and delivery, including customer research, market study and feasibility studies.
- Documentation related to specific services targeted for women-owned businesses, supply chain and community members.

For questions 6-8, the relevant company counterpart to ask the question would be the Head of Planning, Head of Product or Service, or Technical Lead.

2 Due Diligence

3 Pre-Closing/ Final

Gender-smart business solutions to consider

If opportunity identified based on Leadership question:

Advancing Management's Commitment to Gender & Women's Leadership on boards and senior management through training, targets, placement and expanding networks

If opportunity identified based on Workforce questions:

Driving Gender Diversity and Inclusion Within the Workforce through gender diagnostics and action plans

If opportunity identified based on Supply Chain question:

Promoting Gender-Inclusive Sourcing and Procurement within supply chains through strategies to increase gender diversity and participation of women SMEs

If opportunity identified based on Products and Services questions:

Building Gender-Smart Commercial Infrastructures to tackle gaps in access to hospitality and commercial products or services, unlocking economic opportunities for women

Next steps

- Identify, align and further develop gender-smart business solutions
- Discuss proposed opportunity and approach with investee
- Where required, develop a Gender Action Plan (GAP), including targets, roles and responsibilities, allocated resources and timelines

Action as relevant:

- Integrate agreed gender-smart business solutions into the deal structuring
- Include gender metrics in reporting template
- Write up case for gender within the Investment Committee (IC) paper

For more guidance on the investment cycle and portfolio management, including CDC case studies, please refer to the CDC Gender Toolkit.

The annex contains:

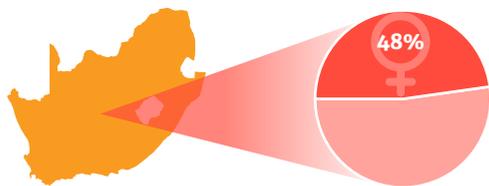
1. Further information on the business and impact case for taking a gender lens to construction and real estate investments and relevant trends facing the sector.
2. Screening and due diligence questionnaires and data and information request form. These can be sent directly to the potential investee if remote or desktop-based due diligence is being used.

Why take a gender lens to Construction and Real Estate investments?

IMPROVING BUSINESS PERFORMANCE AND SUPPLY CHAIN DIVERSIFICATION

While construction remains a male-dominated industry, there are signs that women are becoming increasingly represented, to the benefit of the sector.

In South Africa, women own 48% of the country's construction enterprises – the vast majority of these being very small enterprises.



By promoting the participation of women-owned SMEs in the supply chain, companies can tap into a wider pool of providers and contractors, which in turn can enhance their profitability and performance. In the real estate sector, women are taking a hold of the property market in a number of markets in Africa and South Asia.

For example, in 2018, women became the largest group of property buyers in South Africa, with roughly 72,000 residential properties purchased by single women, compared to 62,000 by single men and around 65,000 by married couples.⁵



INCREASING LABOUR PRODUCTIVITY AND ADDRESSING LABOUR SHORTAGES

In most countries, construction jobs are undertaken almost exclusively by men.

Women represent only 13% of the construction workforce in Africa. However, in South Asia, women play an important role which consists of performing unskilled tasks for low pay. For example, in India it is estimated that up to 30% of the construction workforce are women.

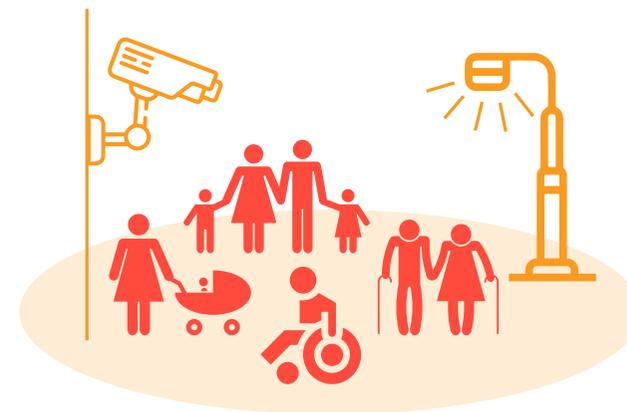


They are integrated into the building workforce at the bottom end of the industry, as unskilled workers. Women in Africa play an important role in construction during times of peak demand for agricultural labour, as the men are involved in harvesting. In addition, increasing gender balance has the potential to help the industry improve its corporate reputation and public image. Evidence shows that building a respectful culture and designing inclusive facilities can help drive labour productivity, promote business growth, and attract and retain talent. In the construction sector, temporary sanitary facilities are usually unisex, and women complain about ill-fitting protective clothing and equipment that are not the right size or fit. Ultimately, addressing gender-based violence and harassment (GBVH) can improve women's physical and emotional wellbeing, and strengthen occupational health and safety (OHS), avoid reputational damage, financial risks and legal liabilities, build relationships and social license to operate in communities, and broaden the pool of potential workers that companies can draw upon, including women workers from nearby communities, because of lower perceived risk of GBVH.⁶

ENHANCING CUSTOMER UPTAKE AND SATISFACTION WITH COMMERCIAL INFRASTRUCTURES

Construction and real estate projects have gendered aspects to them; women and men have different needs and uses for property, tourism and real estate infrastructures. As a result, planners should adapt construction projects to women's needs,

adding street lights and planning for security systems, performing gender-sensitive affordability analysis, and improving accessibility for children, strollers, the elderly and people with disabilities.



Women would feel safer walking at night and widening sidewalks would make it easy around with walkers, strollers or wheelchairs.⁷

⁵ Fin24, [Women earn less – but they're dominating SA's property market](#) (2019)

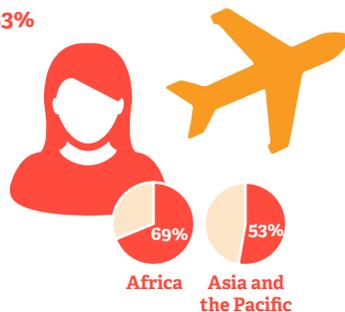
⁶ CDC-EBRD-IFC Emerging Practice Note, [Addressing Gender-Based Violence and Harassment in the Construction Sector](#) (2020)

⁷ [Why aren't we designing cities that work for women, not just men?](#) The Guardian, 2016

Why take a gender lens to Construction and Real Estate investments?

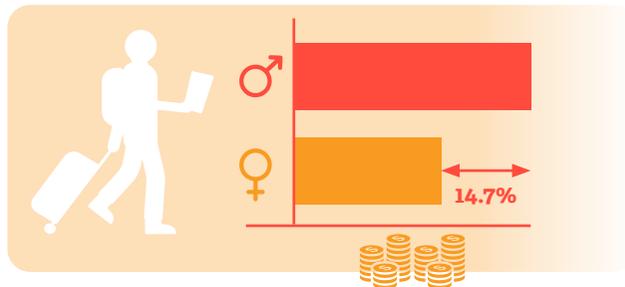
INVESTING FOR WOMEN'S JOB QUALITY AND ENTREPRENEURSHIP OPPORTUNITIES

Respectively, 69% and 53% of people employed in tourism are women in Africa and in Asia and the Pacific.



the hospitality sector as a whole offers opportunities for women-owned SMEs and income generation for women-owned micro-enterprises. However, women tend to be concentrated in informal, seasonal, part-time, low-pay, and low-skill activities.

At the global level, women earn 14.7% less than men in the tourism sector.

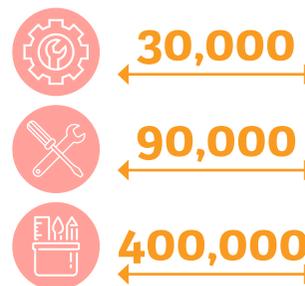


Women also carry a greater amount of unpaid work than men in family-run businesses. Investments in tourism real estate create jobs and skills development and training opportunities for women. Investors can also encourage hospitality companies to source from women-owned SMEs.

ADDRESSING SKILLS MISMATCHES IN THE INDUSTRY

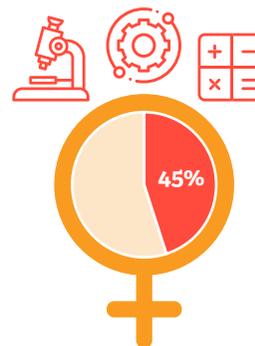
Construction is one of the key drivers of GDP growth across Africa and South Asia. However, there is a lack of skilled and educated people to meet the employment demand.

For example, in Kenya there is an estimated gap of about 30,000 engineers, 90,000 technicians and 400,000 artisans.



This slows down the country's economic growth prospects. By educating the female workforce, this gap can be closed.⁸

In India, 45% of women trained in science, technology engineering and mathematics (STEM) feel stalled and unable to sustain or progress in their careers.



In STEM sectors, women are the majority of graduates in many countries. However, this trend is not necessarily translating into more women entering and staying in the workforce, or occupying skilled roles and leadership positions.⁹ A lot of talent is wasted if women with a STEM education decide to not continue their careers in this field. More economic potential for companies and countries can be sustained if women feel more welcome in the STEM sector.

GENDER STRATEGIES CAN HELP THE SECTOR RESPOND TO LOW-CARBON AND TECH CHALLENGES

Shifts to a low-carbon, tech-powered industry have the potential to improve women's participation across the construction and real estate value chain, from board level to contractors. Mega-trends like the low-carbon economy transition, urbanisation or disaster risk-reduction efforts provide opportunities for women to work in the construction and real estate industries to meet the demands for city expansion, energy efficiency, and resilient leisure, business and tourism infrastructures.

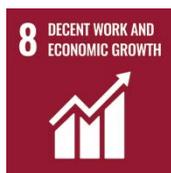
As entrepreneurs, women are key contributors to construction and real estate supply chains, and can help drive innovation and supply chain performance. Women-owned companies will represent over 40% of registered businesses worldwide by the end of 2020.



Increasing women-owned SME representation in construction and real estate supply chains can help anticipate customer needs, drive innovation and competition, and enhance brands and corporate reputations.

SDG INVESTING

Adopting gender as an investment strategy can help investors align their impact with the United Nations Sustainable Development Goals (SDGs). There is significant potential for investors to shape gender outcomes in line with SDG 5 on gender equality and SDGs 8, 9, 10, 11 and 12, on promoting decent work, industrialisation, reducing inequalities, benefiting women, inclusive cities and communities, and fostering responsible production practices.



EMERGING GENDER AND CONSTRUCTION AND REAL ESTATE TRENDS

**Net-Zero Economy Transition:**

A just transition towards a net-zero economy presents an opportunity for businesses and investors to promote women's inclusion in the traditionally male-dominated construction sector. Gender balance across the sectors will enable businesses to more easily respond to green construction demands, increase profitability and shift business models towards more energy efficiency and sustainability.

**Migration:**

Migration will increase pressure on the construction sector to deliver safe and lower-cost housing in high growth emerging markets, thereby presenting opportunities for investees that focus on this market.

**Urbanisation:**

There is a clear opportunity for women to work in the construction sector to meet the demand for city expansion, although given differential rates of male vs female migration to urban areas and the existing gender balance in the construction industry, many of these jobs may initially go to men.

**Digital IDs:**

Smart cities and increasing gentrification risk more homeless people, particularly women, who often have lower ownership and resilience than men. As a result, governments are under increasing pressure to recognise the right to housing. IDs, particularly digital IDs, are crucial to demonstrate eligibility for affordable housing, and can increase efficiency in the public housing process.

ADDITIONAL RESOURCES

The following resources should help investors and fund managers further develop their gender-smart investing approach in the sector.

Randstad

Women in Construction: The Race to Gender Equality (2019)

World Bank

Handbook for Gender-Inclusive Urban Planning and Design (2020) and Gender Dimensions of Trade Facilitation and Logistics (2012)

UN World Tourism Organisation

Global Report on Women in Tourism (2nd Edition) (2019)

PwC

Women in Hospitality, Travel and Leisure – 2020 Edition (2020)

Asian Development Bank,

ADB Gender Checklist: Urban Development and Housing (2006)

TradeMarket East Africa

Finding New Talent in the Logistics Industry (2018)

WE Connect

The Business Case for Global Supplier Diversity and Inclusion (2017)

Gender Screening Questionnaire:

Construction and Real Estate

This questionnaire is to be completed by investees and/or clients during the screening stage of the deal process to enable potential investors to better understand the current level of gender diversity and inclusion, initiatives to support women entrepreneurs, and efforts to serve female users and customers. Some of the questions are derived from the 2X Challenge.

CDC is a founding member of the 2X Challenge, a DFI initiative to mobilise \$3 billion by 2020 for investment in business activities that benefit women. To qualify, investments must meet the criteria for female entrepreneurship, leadership, employment or consumption. More details on the 2X Challenge can be found on 2xchallenge.org

	YES	NO	Current %	No data/unclear
1. OWNERSHIP. Was the business founded by a woman or do women own a majority share of the business?				
	Notes			
2. BOARD. Do women represent 30% or more of the board?				
	Notes			
3. SENIOR MANAGEMENT. Do women represent 20% or more of the senior management team?				
	Notes			
4. EMPLOYEES. Do women make up 30% or more of the workforce?				
	Notes			
5. CUSTOMERS. Does the business specifically target female customers, design commercial facilities or real estate infrastructures tailored to women's needs, preferences and behaviours?				
	Notes			
6. OPPORTUNITIES FOR GENDER-SMART BUSINESS SOLUTIONS. Is there commitment or capacity to create significant jobs for women, refine product and/or service offerings to better serve female customers or to undertake workforce gender diversity efforts?				
	Notes			

Gender Due Diligence Questionnaire:

Construction and Real Estate

This questionnaire is to be completed by investees during the due diligence stage of the deal process. Its aim is to enable investors and fund managers to understand the current level of internal gender

diversity and inclusion, to identify initiatives that support women entrepreneurs, and acknowledge efforts to serve women clients and users.

Leadership

1. Does the board and/or senior management have strong oversight and a clear governance process to support gender diversity and inclusion? Are there any initiatives in place to promote women in leadership?

YES	NO

Notes

Workforce

2. Are there specific policies and programmes to support inclusiveness of both men and women at work? If so, what are they? For example, specific HR policies that go beyond basic regulatory requirements (e.g. childcare support, flexible working hours, and standardised pay rates for each role).

YES	NO

Notes

3. Building on recent or existing data, are there differences between the roles/responsibilities/functions/levels/grades undertaken by men and women in the workforce, including permanent, contracted, seasonal staff as well as contractor construction and maintenance staff?

YES	NO

Notes

4. Does the company collect and monitor gender-disaggregated staff data (e.g. average salary, turnover, absenteeism, retention, and promotion)? How is the data analysed and to what extent is data used for decision-making on gender-related efforts?

YES	NO

Notes

5. What training schemes are in place to address existing or emerging skills gaps (e.g. disruptive technologies, green technologies, energy efficiency, retail, hospitality, and/or climate resilience)?

YES	NO

Notes

For question 1, the senior management team would be the relevant company counterpart to ask the question. For questions 2-5, the HR lead would be the relevant company counterpart to ask the question.

Gender Due Diligence Questionnaire:

Construction and Real Estate

Supply Chain

6. Does the company have any inclusive sourcing or procurement initiative in place to source from women-owned businesses and/or promote women's employment through its supply chain?

YES	NO

Notes

Products and Services

7. Has the company performed a gender-inclusive demand assessment or market study for this investment? Does the company collect and monitor customer data and satisfaction by gender (e.g. women-owned small-and medium-sized enterprises (SMEs) in special economic zones (SEZs), gender and lower-cost housing, clientele in hospitality)?

YES	NO

Notes

8. If the company analysed demand, product and/or market needs by gender, how is the data analysed and to what extent it is used for decision-making related to product design?

Notes

USEFUL DATA AND DOCUMENTATION

- Gender-disaggregated data on internal staff (including ownership, board, senior management, middle management, and all employees, including seasonal and contractors); organisation diagram/chart by gender.
- Gender-disaggregated supply chain data - by total # and \$ procured.
- Gender or inclusion strategies and policies; actions plans; HR policies to support women in the workforce (e.g. parental leave policy); documentation on initiatives to advance gender diversity in the workforce (e.g. mentorship programmes, childcare provision, gender-inclusive procurement clauses).
- Gender-disaggregated household and user surveys (e.g. lower-cost housing).
- Documentation related to product design and delivery, including customer research, market study and feasibility studies.
- Documentation related to specific services targeted for women-owned businesses, supply chain and community members.

For questions 6–8, the Head of Product, Service(s) or Planning, Technical Lead would be the relevant company counterpart to ask the question.

ADDITIONAL NOTES

