FINAL REPORT

GENDER PERSPECTIVES AND INCLUSION IN COMPANIES:

FINANCIAL AND NON-FINANCIAL IMPACTS

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SUMMARY

THIS REPORT PRESENTS A REVIEW OF RESEARCH AND CASES that address the inclusion of gender in companies and their impacts on the macroeconomics of countries, the financial return of companies, as well as the return of intangibles such as reputation, turnover, innovation, retention of talents. Such practices positively impact the profitability and productivity of companies. These documents were surveyed on the websites of consulting companies, banks, international organizations, and on academic articles on the subject, from 2010 to 2021. The results point to numerous financial metrics that support the positive impact of gender inclusion in companies, such as stock price traded on the stock exchange, return on investments and EBITDA. Non-financial metrics also showed a significant impact on the ecosystem of companies and social actors involved. However, the survey showed that these studies were carried out in specific regions and different moments, which does not allow comparations or an evaluation in the evolution of gender inclusion in companies over time. This report suggests that longitudinal surveys should be conducted using similar metrics and the causal relationship between more profitable companies and gender equality should be further investigated. Additionally, it would be necessary to assess and support companies according to their different stages of development. The studies carried out generate insights and opportunities for new research that could expand the results obtained until now.

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_ INTRODUCTION

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OBJECTIVES

THE UN SUSTAINABLE DEVELOPMENT GOALS propose that governments, society, and businesses strive to "end poverty, protect the environment and climate and ensure that people everywhere can enjoy peace and prosperity" (UN Brazil, 2021). There are 17 objectives but for the objective of this report it is highlighted the "Goal 5: Achieving gender equality and empowering all women and girls." To achieve this goal, several actions are necessary, with public and business policies that strengthen the inclusion of gender in the economy. The Win-Win/Win-Win program aims to encourage inclusion actions in companies by proposing that "Gender Equality means good business" (UN Women 2021). The Win-Win program seeks to trap the following results:

- **Outcome 1:** Women-led businesses in Europe and Latin America and the Caribbean increase cooperation to expand opportunities,

- **Outcome 2:** Sustainable model of gender-sensitive private sector engagement to support the Sustainable Development Goals achievement developed and adopted, and,

- **Outcome 3:** Bi-regional women led innovation and business ventures.

In partnership with UN Women, with the ILO – International Labor Organization and the EU – European Union, the program began in 2018 in the European Union and in six Latin American Caribbean countries (Argentina, Brazil, Chile, Costa Rica, Jamaica and Uruguay), coordinated in this region by the UN Women in Brazil office, and the objective 3 of the program is led by Panama. During this period, numerous actions, focusing on private initiative, were encouraged for this purpose, in which this document is also included.

This report aims to present successful cases with the adoption of policies and practices of gender inclusion in companies, from a survey conducted in the period from 2010 to 2021. The inclusion of genders in the private sector has measurable financial impacts on business and also generates non-measurable, intangible impacts that contribute to the productivity and performance of companies. In addition, it promotes a whole development in the ecosystem in which these companies are inserted, involving various social actors, such as the network of professionals, the community itself, educational sectors, public events, families and children of these women who achieve economic sustainability when entering the labor market. By promoting the inclusion of women and gender equality, a virtuous circle of development and wealth is created in society as a whole, which ultimately strengthens the reputation and image of companies. Gender inclusion actions also have repercussions in business media that, as dialogical spaces, are responsible for the dissemination of a language that builds reality and, in these cases, favorable for companies and society.

BASIC CONCEPTS

SOME CONCEPTS ARE NEEDED TO SUPPORT HOW GENDER INCLUSION POLICIES produce non-financial impacts on the performance of companies. The theoretical framework called RBV (Resource Based View), proposed by J. Barney (1991), shows that companies - to gain competitive advantage -

need to create value, with resources difficult to imitate. These resources can be tangible, such as financial resources, machinery, trademarks and patents or intangibles, such as reputation, culture, accumulated knowledge, consumer, and supplier relationships. While technologies, physical and financial resources are easy to imitate, people (Strategic Human Resources Management) bring competitive advantages that are difficult to imitate. The EY Report (2018) reinforce the concept that the "intangible assets can represent up to 80% of a company's value" (p.3). In the same direction, Richard's (2000) work shows how the concepts of RBV apply in the case of racial inclusion, but its results can be extended to the inclusion of diversity as a whole:

- **Value:** the inclusion of diversity allows the company to become closer to the demographic characteristics of consumers and allows to gain market.

- **Imitability:** complex internal social dynamics are not transferable to other organizations; the inclusion of diversity, increases the complexity of relationships, and becomes an intangible difficult to imitate.

The diversity of age, ethnic-racial, sexual orientation and gender identity allows value creation and contributes to the performance of the organization by promoting a cultural and cognitive diversity and increasing the complexity of relationships, which are strategic assets that favor innovation, business growth, return on productivity, market performance, and financial return.

Among the studies analyzed on non-measurable impacts, different dimensions standout such as employee engagement, employee commitment and retention and turnover reduction, brand perception, diversity in leadership and innovation. The cognitive diversity that results from different styles of thinking, habits, and perspectives, is favorable to foster a culture of trust, innovation, and high performance. But Richard's article (2000) warns that these factors are positively correlated when companies are investing in growth strategies and not when it comes to the depletion and reduction of employees in companies. This aspect is especially relevant when considering the pandemic context that is not necessarily one of expansion: even though some industries are growing during this period, other businesses have shrunk. Moreover, while the impact of the pandemic is extensive for all countries, different regions (as well different industries) have suffered this impact differently. As pointed out in Zhang's recent article (2020), in a study involving 35 countries and 24 industries, it is not possible to exclude the importance of the social context when it comes to understanding the relationship between gender diversity and the performance of companies. It is necessary to consider both the pandemic context and the conditions of each region when it comes to evaluating gender equality strategies in organizations.

METHODOLOGY

THE REPORT PRESENTS THE RESULTS OF A SEARCH HELD, in the period between 2010 and 2021, on the website of the following organizations:

- **Consulting firms:** Accenture, Boston Consulting, Delloite, EY, Grand Thornton, KPMG, McKinsey and PWC;

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- **Banks and investment funds:** Credit Suisse, Bank of America.

- **NGOs:** Catalyst, Peterson Institute for International Economics, Kaby Capital, Equileap.

- **International Organizations:** WEF - World Economic Forum, ILO -International Labor Organization; UN Women.

- **Companies that promote the inclusion of women:** Women's Movement 360, GPTW – Great Place to Work, LatamWill.org

- **Google Scholar:** academic articles on the theme of gender inclusion and results in the economy and performance of companies.

More than 150 documents were collected, of which 67 are summarized in this report (see Annexes I and II). Most of these studies were conducted in the United States and Europe, but there are some specific studies on Latin America.

In addition to this introduction, this report is divided into four sections:

I. in the first, studies are presented on the inclusion of genders in the labor market, with positive macroeconomic indicators;

II. in the second, studies on non-financial impacts are presented, but which have repercussions on various dimensions in companies, such as talent attraction, innovation, organizational reputation, and productivity, among others;

III. in the third, studies with financial metrics resulting from inclusion policies are discussed; and

IV. in the fourth section, some conclusions are presented from this survey.

At the end, this report includes a glossary of the financial terms used, references and the annexes that present and summarize the documents obtained.

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I. GENDER PERSPECTIVES AND INCLUSION IN THE LABOR MARKET AND POSITIVE MACROECONOMIC IMPACTS

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GENDER PERSPECTIVES AND INCLUSION IN THE LABOR MARKET AND POSITIVE MACROECONOMIC IMPACTS

IT IS NOTEWORTHY, FIRST, THAT THE INCLUSION OF GENDER IN THE LABOR MARKET brings benefits to the security and stability of countries by preventing the occurrence of violent conflicts and reducing the risk of instability. Stability is an important element in the economic development of countries, as shown by the study by Crespo-Sancho (2017) and Caprioli (2000). With the support of these studies it is possible to say that the inclusion of gender in the labor market is the foundation for the stability, security, and economic development of countries.

The other studies highlighted in this section show that the inclusion of genders in the labor market has an extremely positive impact on the world economy. In a study of 128 countries, the PWC (2012) concluded that women represent the third largest productive sector and the third consumer market, called the 'third billion', after China and India. In addition, gender inclusion in the labor market can mitigate the depletion of the workforce with an aging population in some countries and improve the economy of developing countries (IMF, 2013). In 2015, a McKinsey survey pointed out that if women participated in the economy equally as men, it would result in a US$28 trillion boost in the global economy, that is 26% of global annual GDP - Gross Domestic Product. In the case of Latin America, the potential would be US$ 2.6 trillion, an additional 34% of regional GDP. A similar study by Accenture in 2020, in partnership with the W20, supported by the concept that equality means growth, shows that the feeling of being included stimulates productivity. In this study, the decrease in the gender gap in companies would increase global GDP by around 33%, including in the Latin American and Caribbean region.

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The IMF (International Monetary Fund) study, 2018, provides numerous evidences on economic gains from gender inclusion. The hypothesis that diversity brings macroeconomic benefits and also benefits companies is supported by data from the study that shows a comparison between countries, since women bring new worldviews, experiences and skills at work. Reducing women's unemployment brings a greater gain than an equivalent increase in men's employment; in summary, gender diversity brings benefits for all people. On the document prepared for the IMF, Ostry, Alvarez, Espinoza and Papageorgiou (2018) shows that women bring new skills at work, new forms of social interactions and they have different risk's evaluation and different responses to incentives. Addicionally the study shows that men and women have complementary skills at work. This aspect is important since there is still a considerable gap between the salaries of men and women in the labor market, as shown the recent report of WEF (2020), along with inequalities em many others dimensões such as: inclusion in the labor market, as political leaders, in top positions in companies, access to credit and other financial products.

Christine Lagarde's recent article on the WEF – World Economic Forum (2018) rightly shows that the decrease in wage differences drives growth and can raise global GDP by 35% as well as boost productivity and efficiency, as women bring new skills and new worldviews and experiênces to work and, as productivity increases, this can also increase men's earnings. The work of Ostry, Alvarez, Espinoza and Papageorgiou, also from 2018, reinforces economic gains with gender inclusion.

In Brazil, the study conducted by Rafael Ribeiro dos Santos (2017), with the advisory of Regina Madalosso, showed that gender wage discrimination has a

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negative effect on the GDP per capita of the analyzed municipalities; in other words, municipalities with lower wage discrimination have higher GDP growth in the period analyzed. This is a comparative study only among some municipalities, which have had the same socioeconomic levels for comparison purposes. Although restricted to these municipalities, the study points to causal relationships between wage equality and human development indicators, as proposed by the authors: "Through the results obtained, it is concluded that discrimination has a negative effect on the economy of municipalities. In the estimated models, several controlled variables were use, such as average income, unemployment, and income inequality, workers'education, proportion of the municipality's GDP in different sectors, etc. "(Santos, 2017, p.28). Still on Brazil, the work of Agenor and Canuto (2015) reinforces that the inclusion of gender can have a lasting impact on the country's growth. But further studies are needed to reinforce this causal relationship, since it is possible to postulate as a hypothesis that wage equality can be both a cause and a consequence of positive indicators of human development.

In summary, it can be affirmed that the studies presented provide evidence that the inclusion of gender in the labor market positively impacts the economy of countries and regions, demonstrated by macroeconomic indicators. ANNEX I lists these studies and their main results.

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II. GENDER INCLUSION AND FINANCIAL IMPACTS ON COMPANIES

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2.1 STUDIES WITH FINANCIAL IMPACT METRICS

DURING THE DECADE FROM 2010 TO 2021, some studies were produced on the financial impact resulting from the inclusion of gender in companies, generally carried out by banks and consulting companies. At the end of the document is a glossary with all the financial metrics used in this section, since these studies use distinctive metrics.

The 2010 McKinsey study, conducted globally, showed that 72% of the total 1814 executives surveyed believe that gender diversity in leadership positions is related to the company's better financial performance. However, the research showed that despite the positive managers'perception only a few companies transformed this perception into strategic actions for the inclusion of women in high-management positions in companies. In this study, the companies were divided into two groups: those that took actions and those that did not take actions for inclusion. But, even for the group of companies that took some actions for inclusion, practically 30% had no specific measures for inclusion and for the others these actions were restricted to monitoring by the CEO, specific skills development for women and mentoring for young women. The 2010 document states that the consultancy began its studies on gender diversity and financial performance in 2007, with 89 European companies in which it was possible to identify that companies with higher levels of gender diversity, compared with companies in the same sector, had higher return on investment and more growth in the stock price. Despite the causality could be questioned in such case (since companies with more growth in the stock price could have higher levels of gender diversity), these studies appointed that there is a relation between the two variables (gender inclusion and companies with growth) that should be considered.

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Two McKinsey studies specific to Latin America stand out. The first, from 2013, relates c-level's gender composition to the financial results of 345 companies in six Latin American countries. Data show that companies with more women on their executive committees performed better compared to companies that only had men on their executive committees, results obtained in all countries surveyed and in all business sectors. The study showed that the return on investment was 44% higher and the EBIT margin, 47% higher.

The second study (McKinsey, 2020) broadens the perspective of a study conducted in Latin America in 2013, considering issues of gender, race/ethnicity and sexual orientation, and evaluates the relationships between the diversity of companies, organizational health, and financial performance. The study was conducted with 700 publicly traded companies in Brazil, Chile, Peru, Argentina, Colombia, and Panama, with 3,900 employees in total. The study points out that companies in Latin America that adopt diversity practices tend to outperform others in innovation, collaboration, on leadership that promotes trust and teamwork, and better talent retention. This results in a favorable organizational health index and, consequently, in better financial performance, already pointed out in another study of the consultancy, which points to a return 3 times higher for the shareholder (compared to companies that are in the lower quartile in OHI – Organizational Health Index). Companies perceived by employees having diversity in terms of gender are 93% more likely to have higher financial performance than their peers in the industry.

The Morgan Stanley study (2015) points out that strong female leadership, that is, with three or more women on boards, in companies resulted in ROE of 10,1% per year, compared to the rate of 7.4% for those without the presence of women. The study also showed that companies that do not have diversity in boards tend to suffer more controversies related to governance than the market average. Additionally, no strong evidence was found that more women on boards generate greater risk aversion. Such result should be more explored, considering results that exactly showed the contraire, as presented below.

A document from the Peterson Institute (2016) that analyzed the results of a global survey in 91 countries and involved 21,980 companies suggests that the presence of women in leadership positions can improve the company's performance. Several academic articles, such as Campbell & Mínguez-Vera (2007) support that study and reinforces that the presence of women on boards also has positive impacts on financial performance in countries less studied, such as Spain.

The Credit Suisse Research Institute's (2016) global survey, with more than 3,000 large companies around the world, reinforced the results obtained in a 2014 survey, and points to a clear relationship between diversity and improvement in business performance. The 2016 survey shows that the presence of women in decision-making positions generates greater return on investment and companies with higher numbers of women in top management also showed growth in sales and higher return on cash flow on investments. The research covered all regions of the globe, except Africa and, in Latin America, included companies in Brazil, Chile and Mexico.

In 2019, the Credit Suisse Research Institute produced a new survey, from the consultation of over 30,000 senior executives from 3,000 companies in 56 countries, including Brazil, which meets the high expectations of customers, investors, regulators, employees and other stakeholders aligned with the ESG

(Environmental, Social, Governance) to achieve the UN Sustainable Development Goals. Several indicators were included in this new version: Stock Price, EBITDA Margin, CFROI (Cashflow Return on Investment), P/E, Credit Rating and Net Debt/EBITDA. It is a robust document that includes data on the presence and impact of women on boards and senior management, on women and careers, gender pay gap and on the presence of women in family businesses, with all indicators, financial and non-financial, organized by region and sectors. In its 2019 Gender 3000 Report, Credit Suisse's Research Institute exposes the results of its investigation into the relationship between the presence of women on Boards of Directors and the presence of women in leadership. Although they claim that is is not possible to point out the there is a direct relationship between cause and effect, that is, if a greater presence of women on the Boards leads to a greater proportion of women in leadership positions, or vice versa, the report suggests that companies with at least 5% of women on Boards have an average of 18% women in management. Also according the report, this proportion increases as the percentage of women on Boards increases for three years analysed, suggesting that the impact of greater diversity on Boards leads to better gender balance in leadership roles. Thus, when there is 50% representation on the Board, there are almost 30% women in management.

Additionally, the report presents the results of the analysis of the impacts on the financial performance of several companies around the world in relation to the presence of women in senior management. According to the report, it is possible to observe, in the analyzed correlations, a performance premium among companies with greater gender diversitly compared to those that are less diverse. For example, companies with more than 20% women in top leadership presented a premium of 2.0 pp in the EBITDA margin, 2.04 pp in the

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CFROI, Net Debt/EBITDA ratio 6.0% lower, multiple of share value (equity value) over EBITDA 23% higher, and share price over dividends (P/E) 16% higher. The report also points out that this performance award is higher when considering diversity based on positions in the executive team than in comparison with diversity on the Board of Directors. Futhermore, the report indicates that a company's share price can be represented as a function of a company's business model, and the oscillation of the returns generated vary according to the quality of gender diversity variable.

The S&P Global document (2019) presents a comprehensive review of the presence of women and earnings for businesses. The study showed that organizations with women CFOs are more profitable; firms with women CEOs and CFOs have produced a superior performance in the stock price; it also points out that firms with high gender diversity on the board of directors are larger and more profitable than firms with low gender diversity. The title of the S&P report, "When Women Lead, Firms Win", summarizes the results of the analysis carried out by the S%P Global Research Institute. The study finds that companies with female CFOs were more profitable and generated additional profits of $1.8 T over the study horizon. Additionally, the same report points out that companies with women who exercise the role of CEOs and CFOs had better stock price performance in relation to the market average. In the 24 months after the appointmenet of women to the CEO position, the companies surveyed experienced a 20% gain in the stock price and 6.0% gain in stock returns after the appointment of a female CFO. Overall, the report suggests that companies with greater gender diversity on their Boards of Directors were more profitable than companies with low gender diversity in the period analysed, in addition to strengthening a culture of Diversity & Inclusion.

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The 2021 Bank of America document presents a synthesis of several metrics (supported by data from different sources), and points out that gender diversity, thus greater ethnic-racial diversity, is correlated with a greater future ROE. In addition, gender diversity points to lower business risk and volatility. The document also shows that the cost of recession has the greatest impact on non-white workers. The document shows that S&P 500 companies with more than 33% of employees of color (People of Color) had a ROE 1 pp higher thatn their peers on the following year, on average; companies with a above-average ethnic racial diversity had an 8% higher ROE compared to their less diverse peers; companies with above-average number of women in management had a 30% higher ROE and 30% less risk compared to companies with below average number of women and companies with gender diversity on Boards had a 15% higher ROE and 50% less risk in earnings compared to their less diverse peers.

In addition to the financial metrics studies presented above, it is necessary to highlight four indexes that measure the financial results of companies that include gender diversity:

- **State Street Global Advisors (2016)** – The SSGA Gender Diversity Index measures the performance of large U.S. capitalization companies that include gender diversity in leading positions. Launched in 2016, this index is updated annually. The 2021 version uses Price Return and Gross Total Return as an indicator.

- **MSCI (2016)** – MSCI Canada IMI Women's Leadership Select Index seeks to represent the performance of companies that demonstrate a commitment to gender diversity on the board and in executive leadership positions. The index includes companies that are leaders in gender diversity in Canada. The methodology, in a document published in 2018, includes all companies that have at least 30% women directors, women on the board and companies that have not suffered severe controversies related to diversity discrimination in the workforce as well as "security weighting".

- **Morning Star INC (2021**) – Gender Equality Index for Developed Markets is based on 19 gender equality criteria, supported by Equileap's methodology, which includes gender diversity in the workforce, gender pay gap, parental leave, and sexual harassment policies, among others. Japan's Government Pension Investment Fund, the world's largest pension fund, has adopted this new indicator for the investment portfolio allocation decision. The Index aims to expose companies with strong policies and practices for gender diversity in developed markets.

- **The Equileap Gender Scorecard 2020,** based on the UN Women Empowerment Principles, presents the definition and measurement of criteria for gender equality in companies in various issues: balance of the number of women in leadership and the workforce; balance in the relationship between work and life, equal payments; policies to promote gender equality; commitment, transparency and accountability, and finally, the absence of controversies regarding incidents related to sexual harassment and gender discrimination.

- **GEI** – Gender-Equality Index, by Bloomberg is an index that identifies the performance of companies committed to transparency in the presentation of gender data. The GEI measures open performance data on the following items: recruitment, retention and development of women in senior leadership positions; equal pay and transparency in effective actions to seek pay parity; inclusive cultures, that is, policies, benefits and programs that contribute to an inclusive work environment; policies and practices against sexual harassment; and dimensions such as supply chains, products and services, and external support for women in their communities.

There is also a specific investment fund for companies that have clear policies for the inclusion of women:

BMO - Global Asset management (2018) - The BMO Women in Leadership Fund (WOMN) ETF" is an investment fund in U.S. companies that have 25% or more women on the board, or a woman as CEO of the company. The fund aims to align investments with principles that seek equality in social challenges.

In addition to these studies, Financial Time published a story in November 2020, supported by Goldman Sachs studies, showing that companies with more women on the board perform better, even if this is not a causal relationship. In addition, the text also shows that the numbers are less encouraging in the pandemic period (observed in the study from February to September). This data, as already pointed out in the literature described above and in the Bank of America 2021 study, reinforces that in recessive periods there is a negative impact on the insertion of gender and race.

BB Equality Actions (Banco do Brasil – Ações Equidade): another highlight in Brazil is Banco do Brasil's investment fund, for clients who want to invest in stock options of companies that encourage gender equality and promote female participation in leadership positions. The eligibility criteria for the fund's portfolio are that the companies should be signatory companies of the WEPs.

2.2 SIMILARITIES AND DISCREPANCIES

WHAT DO FINANCIAL INDICATOR STUDIES ALLOWS CONCLUDING?

First, as a positive aspect, it is noteworthy that it is possible to have different financial metrics to evaluate the relationship between gender diversity and company performance. The survey also showed that companies with greater gender diversity are attractive to investment funds and appear positively in specific indexes.

Secondly, but as a negative aspect, it is noteworthy that studies on gender inclusion and financial impact in the various regions of the world are scarce, and in even smaller numbers on countries in Latin America and the Caribbean. Furthermore, the annexes included in this report show that the studies are not comparable, as they present different metrics, data collected in different years, in different time horizons and in different regions, without deepening data on the social, political context and conditions of local economies.

In the case of metrics, it can be said that there is a difference between metrics that stem from the perception of other external economic agents, such as stock price and investment funding, and metrics that bring real data on the billing of these companies, such as EBIT, EBITDA and ROE, for example. Only the studies of Credit Suisse (2019) and S&P Global (2019) include these two perspectives. A glossary on these metrics is included at the end of this document.

Despite all these methodologies could have limits they also have strengths that pointed out some relevant results that should be considered. More than critize the methologies is important to conduct more studies to confirm the results already showed until now. It is also noteworthy that few studies are longitudinal, in order to allow a comparison and possible evolution of the impact of inclusion of women over time, which would allow greater reliability in the data. The only longitudinal study found so far is the academic paper published in Organizational Science, a renowned journal in the area of Administration by Zhang (2020), which reinforces the need to consider the social context in research on the subject. This study brings data from 35 countries and 24 sectors and relates gender diversity and company performance, including 1069 companies around the world. The research shows that this relationship depends on norms and regulations in the broader institutional environment and how gender diversity is accepted in the country or sector, to which it belongs. The study shows that more companies with greater diversity haver greater market value and increase in revenue, but emphasizes the importance of the social context when it comes to relation gender diversity and returns to companies.

ANNEX I summarizes the main results of the studies presented in this section.

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III. INCLUSION OF GENDERS AND NON-FINANCIAL IMPACTS IN COMPANIES

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INCLUSION OF GENDERS AND NON-FINANCIAL IMPACTS IN COMPANIES

THIS SECTION DESCRIBES SOME STUDIES THAT SHOW THAT THE INCLUSION OF GENDERS in companies brings positive non-financial impacts that add high value to companies in issues such as reputation, innovation, talent retention and, by bringing intangible value to companies, contribute to productivity and financial results (Richard, 2000).

In this direction, the study of Grand Thornton (2016) presents measures that companies can take to attract a diverse team in leadership that can ensure business growth in a volatile and constantly changing environment. The study provides an overview of the inclusion of women in companies in several countries and provides recommendations on how to create and promote opportunities for women in leadership. The study proposes three recommendation:
I. to demonstrate a demand of women's leadership skills;
II. understand what drives the desire to lead and
III. create na environment that supports women's desire to lead. These recommendations apply at specific steps for business, women and governance.

A BCG study conducted in 8 countries (Austria, Brazil, China, France, Germany, India, Switzerland, and the United States) in 2018 suggests that increasing diversity in business leadership leads to innovation and better financial performances. The survey was carried out in more than 1700 companies from different segments and sizes. Diversity among management teams was assessed from the following dimensions: gender, age, nation of origin, career trajectory and education background. To identify the level of innovation of companies, the survey sought the percentage of return on news products and services launched in the three years prior to the survey. Around 75% of respondents said that diversity is growing in their companies, especially in emerging markets such as

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China, Brazil and India. The survey also showed a statistically significant correlation between diversity in the management team and innovation in general, with companies with above-average diversity in their management team reported that revenue from innovative products was 19% higher than that of companies with diversity in leadership less than average. The study also found that the dimensions of national origin, career trajectory and gender balance in leadership teams had a greater impact on diversity than age and education.

Gartner's global study (2019) shows that the inclusion of women in technology allows cognitive diversity, that is, the inclusion of different styles of thinking, habits, and perspectives, fundamental for high-performance teams. The Kapor Center for Social Impact study (2018) in partnership with the Ford Foundation showed that the reasons that led to turnover in the areas of technology were related to issues of injustice, with considerable impacts on financial resources. The research also showed that diversity and inclusion initiatives could improve culture and reduce turnover. Unequal treatment for women, as well as issues of race and harassment with LGBTQIA+ employees, were indicated reasons for the leaving of employees of the companies. In addition to the cost of turnover and employee rehiring, companies also suffer reputational risks. Both studies are complementary with regard to gender equity in technology companies and reinforce that gender inclusion is an essential factor in this segment.

A study by DELLOITE (2015) shows that millennials are more likely to remain in companies committed to diversity and believe that policies for inclusion and acceptance of cognitive diversity increase business, results, collaboration, and innovation opportunities.

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INCLUSION OF GENDERS AND NON-FINANCIAL IMPACTS IN COMPANIES

Kantar (s/d) shows that marketing around gender issues can help brand growth by 8% and has released a document that allows us to monitor the assessment of brand growth. Besides that, the report from Un Women in Argentina (2021) shows that stereotypes in publicity and sexist advertising has a negative impact on consumer behavior, since many decisions are made based on their personal values. As gender equality is a priority value, marketing should benefits from the inclusion of gender, as showed by Kantar report.

It is also noteworthy that EY, together with UN Women in Brazil organized in 2018 a platform, called Action Point Assessment that helps companies in the inclusion of women and elimination of gender disparity. In addition, the tool also allows you to analyze innovation and engagement rates. Another report produced by EY in 2017 showed the importance of gender inclusion to attract the new generation workforce, the importance of senior leaders sponsoring female to accelerate their careers and having champions for gender diversity as well having KPIs to follow the gender inclusion process and the report of EY in 2019 also reinforces the importance of trackling data on diversity and inclusion.

In Brazil, an article on the GPTW (Great Place to Work) website (2021) shows that in addition to a growth in revenue, diversity and inclusion in companies point to greater possibility of innovation, increase the possibility of recruiting and retaining a pool of talent. Inclusion of women in the workspace is a policy and practice of the most relevant for retention. Equal treatment encourages employees to go to work, reinforces pride in belongs to the company, and increases the likelihood of employees staying in employment. Besides that, the website of GPTW shows the Best Workplaces for Women no Brasil. In 2020, GPTW recognized more 70 companies, highlighted by their best practices for women: Johnson & Johnson, Accor, Boticario, LEVVO, Bristol -Myers Squibb and Mastercard.

Finallly, it is worth mentioning the 2021 edition of the Gender Equality Global Report & Rankings produced by Equileap. The report indicates a gradual improvement in the gender equality, with a 2% increase in the top 100 global companies, but with only 10 companies achieving gender balance at all levels: boards, executive, senior managers and the workforce as whole. The report also shows that 85% of companies do no publish any information on pay differences between men and women, and 50% do not publish data on policies against sexual harassment (despite the MeToo movement). The report indicates that the countries with the highest scores for gender equality in the workforce are: France (51%), Spain (49%), Sweden (47%) and England (46%). The report also ranks the top 100 companies for gender equality globally.

ANNEX II summarizes the main results of the studies presented in this section.

It is also worth mentioning that there are, in different regions of the globe numerous studies (conducted by consultancy firms, NGOs, international organisms), on working conditions, care work, sexual harassment and violence, female leadership, presence of women in the value chain, policies and practices for the inclusion of women, women entrepreneurs, women in small and medium businesses, women in agriculture, inequalities in formal work, solutions for child care in the workplace, gender equality in unions, glass

INCLUSION OF GENDERS AND NON-FINANCIAL IMPACTS IN COMPANIES

ceiling, broken stairs and sticky floors*, and affinity groups in companies, which reinforce the aspects mentioned above. It is also relevant to mention that the report of UN Women about the development of women in America Latina and Caribbean Region, (2017), emphasizes that there still many action to be taken to avoid setback and to promote economic empowerment, considering that the region is facing economic and political crisis. Despite the improvement on gender inclusion, the women in the region still faces inequalities and the intersectionality of socioeconomic and racial and ethnicitly issues and poverty is directly associated to women.

* **Glass ceiling:** women with high economic power and labor insertion, with support for domestic work but who face occupational discrimination and wage differences; **broken stairs:** women with intermediate levels of economic empowerment, but with unstable earning, volatile labor participation and difficulty in reconciling domestic work and employment; **sticky floors:** women with a low degree of economic empowerment, structural obstacles, precarious job, low level of education and high domestic workload (UN Women, 2017).

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_ IV. CONCLUSIONS

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CONCLUSIONS

THE FOLLOWING ARE SOME POINTS THAT MAY BE USEFUL FOR FUTURE STUDIES:

1. As a positive aspect, the studies presented in this document, showed that it is possible to conduct studies with financial and non-financial metrics to assess the impact of gender inclusion on the performance of companies.

2. The studies presented in this document also pointed out that gender inclusion in the formal labor market impacts the performance of companies and goes beyond, bringing a virtuous circle to the stability and economy of countries.

3. Financial and non-financial dimensions should be considered together so that advocacy processes can be better forwarded.

4. But, as a negative aspect, the studies presented, whether financial or non-financial metrics, are not longitudinal, that is, it is not possible to have a follow-up of the forecasts and their possible realizations over time; in other words they show a photo rather than a movie.

5. But it is worth noting that among the first McKinsey study, from 2010, which indicated a positive perception of executives that did not turn into objective actions of inclusion, and the most recent studies at the end of the decade, there is an evolution, because several companies began to adopt clear measures for the inclusion of genders, the number of studies on financial impacts increased and several indexes were created to monitor these inclusion actions in companies.

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6. The European Institute for Gender Equality, although it is specific for this region, systematically monitors and publishes the Gender Equality Index, which allows you to follow some metrics longitudinally.

7. Banks and consulting companies conducted most of the studies analyzed but neutrality does not always guide this type of research, because the databases used in these studies are generally restricted to the client portfolio of these companies.

8. Among the large consulting firms stands out McKinsey, which presents a more expressive number of studies.

9. It was not possible to access cases of failure, which could allow an analysis of the factors that prevent the inclusion of women in companies; only Kapor's study showed that turnover can be caused by inequality and injustices in IT companies.

10. The studies are conducted in different a socioeconomic context, which does not allow generalizations of the results obtained.

11. Many studies involve the perception of executives, and although they can bring an insight into companies, may have biases; besides that perceptions could not be compared to objective financial data.

12. It is necessary more research on the presence of women on boards, since the Morgan Stanley study (2015) indicates that there is no greater risk aversion, in contradiction with other studies that state those companies with

women on boards have greater risk aversion. The study from EY (2019) reinforces the importance of diversity and inclusiveness as one of the priorities for boards and the Norges Bank Investment Management also pointed out that boards should have diversity.

13. While the S&P Global (2019) study is comprehensive and worth exploring in depth, the result that companies with more gender diversity are larger and more profitable can be questioned. Rightly, wouldn't the larger companies have programs for greater gender diversity? Although the study presents interesting longitudinal data, they deserve to be deepened;

14. In summary, the studies are not comparable, because they present different metrics, data collected in different years, in different periods and in different regions, without deepening on data over the social and political context, as well as local macroeconomic conditions, as indicated by Zhang (2020).

15. It is also worth mentioning that the survey conducted to organize this document showed the existence of numerous studies related to metrics of monitoring diversity and inclusion in companies, which were not presented in this report. Specific research on race inclusion and LGBTQIA+ was also not included.

Finally, it is necessary to emphasize that the World Economic Forum (2020) points out that the pandemic has slowed advances in gender equality, in line with Richard's study (2000) that indicated that inclusion policies are favored when companies grow and may decline when companies are reducing their functional staff. Data from the survey conducted by W20, in partnership with Accenture, in 2020, reinforce this trend: women suffered more from the pandemic and there was a setback in the process of inclusion of women in the productive sectors of the economy. The Gender Report Gap of the World Economic Forum 2021 reinforces the setback in gender inclusion in this period. In the case of America Latina, the report from CEPAL, produced in 2021, appointed for the urgency to have politics for reactivate the economic on the region, considering gender inclusion, since COVID-19 deepned gender inequalities and the autonomy of women.

There is also a need to deepen the consistency of the metrics used, monitor the metrics for longer periods of time, as well as evaluate and support companies according to their different stages of development. The studies generate opportunies for evaluation and new research that could reinforce the results obtained until now.

In addition, the movements of setback in the inclusion of women in the pandemic period call into question all the data discussed above. In other workds, actions to reduce gender inclusion during recession times are contradictory with all the studies appointed in this document and could be interpreted as grounded in irrational concepts embedded in the culture of the organizations. Such contradictions should be explored in events, in movements for inclusions, in advocacy and lobby for gender equality on the organizations. Myths and beliefs on gender inclusion are still rooted in the organizations.

Additionally, the pandemic may limit/interfere on data collection of all tangible and intangible indicators presented in the previous sections of this document.

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_ GLOSSARY OF FINANCIAL TERMS

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GLOSSARY OF FINANCIAL TERMS

EBITDA (Earnings before investments, taxes, depreciation, and amortization): it indicates the gross operating cash flow generation of a company, project, or evaluated unit. Usually, EBITDA is used to remunerate third capital, taxes over income, and to reinvested in the company (Assaf Neto, 2015).

EBIT (Earnings before investments, taxes, depreciation, and amortization): it is a measure of a firm's profit that includes all incomes and expenses (operating and non-operating) except interest expenses and income tax expenses (Bodie, Kane & Marcus, 2014).

GNP (Gross National Product): of a national economy represents the value, at market prices, of all goods and services of a country within a year (Assaf Neto, 2015).

ROE (Return over equity): a measure of the profitability of equity, calculated by dividing profit after interest and tax, less dividends on preferred stock, by outstanding common stock (Moles & Terry, 1997).

EBITDA Margin: it is the result of dividing EBITDA (see EBITDA) by a company's net revenue (gross revenue less taxes and other revenues deductions).

EBIT Margin: it is the result of dividing EBIT (see EBIT) by a company's net revenue (gross revenue less taxes and other revenues deductions).

CFROI (Cash Flow Return on Investment): it is a measure of a company's valuation that quantifies the profitability generated by its assets. It also represents the internal return rate over investments (Damodaran, 2012).

P/E (Price to Earnings ratio): this index is one of the most traditional quotients of stock valuation. It is calculated by dividing the price of the stock or bond by its periodic profit or dividend (Assaf Neto, 2015).

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GLOSSARY OF FINANCIAL TERMS

Credit Rating: it assigns a score that expresses the risk of default of a given loan taker. For banks and other institutions of the finance industry, it is used as a symbol of the quality of a loan taker making the loan's decision process less subjective, fixing some patterns do the evaluation of the operation (Assaf Neto, 2015).

Net Debt/EBITDA: The result of the division of the net debt by EBTIDA (see EBITDA). Net debt stands for the net out cash and marketable securities from debt (Damodaran, 2012).

Gross Profit/Assets: The result of the division of the gross profit by the company's total assets. Gross profit is equal to the total sales revenue of an organization, less the cost of sales. It does not take into account the costs of finance, distribution, and administration (Law, 2014).

EBITDA/Assets: EBITDA (see EBITDA) divided by a company's total assets.

Gross National Product (GNP) is the total value of all finished goods and services produced by a country's citizens in a given financial year, irrespective of their location. GNP also measures the output generated by a country's businesses located domestically or abroad. It can be defined as a piece of economic statistic that comprises **Gross Domestic Product (GDP)**, and income earned by the residents from investments made overseas. Simply put, GNP is a superset of the GDP. While GDP confines its analysis of the economy to the geographical borders of the country, GNP extends it to also take account of the net overseas economic activities performed by its residents.
(*https://www.business-standard.com/*)

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