THE GENDER LENS INVESTING FRAMEWORK

3 ENTRY POINTS

INVESTMENT PROCESS
Apply a gender lens across the investment process by mitigating gender biases & identifying opportunities in:

- Deal Origination
- Structuring
- Evaluation
- Post-investment engagement
- Exits

PROVIDE CAPITAL
Provide capital to businesses that are led by women or have a gender lens

GENDER LENS INVESTING

The 4 gender lenses are:

- Women-led businesses (WLB)
- Products / services with disproportionate impact on women
- Gender diversity in the firm
- Women in the value chain

GENDER DIVERSITY IN THE FIRM
Advance gender diversity in the investment firm by promoting opportunities for women to thrive at all levels of the organization through policies, and work culture in the talent pipeline:

- Deal Origination
- Recruitment
- Retention
- Promotion
- Identification
-.Exit

ABOUT THE INITIATIVE

This infographic provides a summary of Value for Women’s How to Invest with a Gender Lens: A guide for investors in emerging markets published in partnership with Investing in Women. The guide offers concrete, practical pathways for investing with a gender lens. Through the adoption of gender lens investing strategies, investors can increase the amount of capital deployed towards women-led and gender forward businesses. For more information please email valueforwomen@v4w.org.
Why Should You Invest With a Gender Lens?

- **Solutions led or co-led by women have better results.** 18% increase in IRR for Gender diverse firms in East Asia relative to median returns.
- **Solutions driven by women need more investment.** Only 9% of VC and PE funding in East Asia goes to women-led firms.
- **More solutions are needed to solve challenges that disproportionately impact women.** $2.3 trillion finance gap for women-led MSMEs in East Asia; Women’s unpaid domestic & care work in the Philippines makes up 20% of the country’s GDP.

The 4 gender lenses are:

1. **Women-led Business (WLB)**
   - Solutions led or co-led by women have better results. 18% increase in IRR for Gender diverse firms in East Asia relative to median returns.
   - Solutions driven by women need more investment. Only 9% of VC and PE funding in East Asia goes to women-led firms.
   - More solutions are needed to solve challenges that disproportionately impact women. $2.3 trillion finance gap for women-led MSMEs in East Asia; Women’s unpaid domestic & care work in the Philippines makes up 20% of the country’s GDP.

2. **Products or services with disproportionate impact on women**

3. **Gender diversity in the firm**

4. **Women in the value chain**

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**Provide Capital**

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Apply a gender lens across the investment process

**Mitigate** gender biases and identify opportunities in:

1. **DEAL ORIGINATION & SCREENING:**
   - Identify opportunities for gender less investing
     - Set targets for women applicants
     - Create specific funding calls
     - Seek new deal sourcing channels
     - Brand your firm as a gender lens investor

2. **EVALUATION / DUE DILIGENCE:**
   - Apply a gender lens to evaluation decisions
     - Address gender-based risks and opportunities in due diligence processes
     - Add specific sections or mentions regarding gender to the investment memo template
     - Award additional points for WLBS or gender forward business
     - Diversify the investment selection committee
     - Identify and address subjective assessment methods

3. **STRUCTURING / NEGOTIATION:**
   - Set gender-related milestones
     - Develop financing options to meet WLBS needs

4. **PRE- / POST-DEAL ENGAGEMENT**
   - Influence and support portfolio companies to apply a gender lens
     - Provide WLB with mentorship & networking opportunities
     - Develop business development service based on an understanding of WLBS needs
     - Offer gender lens technical assistance to portfolio firms

5. **IMPACT / EXIT MEASUREMENT**
   - Build the business case for GLI through data
     - Build the case of gender investing through business and social data
     - Ensure gender-related exit expectations do not perpetuate gender bias
Gender Diversity in the firm

**Promote opportunities** for women to thrive at all levels of the organization through policies, and work culture in the talent pipeline:

**Identification**

Incentivize Applications from Women

1. Explicitly communicate your commitment to hiring more women
2. Seek new talent sourcing channels
3. Use inclusive language & communication commitment to gender diversity in hiring

**Recruitment**

Identify and Redress Gender Biases

1. Standardize interviews to avoid gender bias
2. Set targets for the recruitment, retention & promotion of women
3. Design recruitment assuming gender bias

**Retention**

Inclusive Culture and Workforce

1. Develop inclusive Policies - work-life balance, flexible/telework, and/or expanded maternity/paternity leave
2. Work Culture - Norms, practices and beliefs
3. Feedback- complaint mechanisms

**Promotion**

Professional Development Opportunities for Women

1. Develop programs and proof
2. Development opportunities for women
3. Standardize Performance evaluations and promotion criteria

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FINAL DRAFT