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# MITIGATING THE RISKS OF GENDER-BASED VIOLENCE:

## A DUE DILIGENCE GUIDE FOR INVESTING



# INTRODUCTION

The purpose of this tool is to equip investors to understand the risk their investments are exposed to as a result of gender-based violence. This tool enables investors to determine how their existing due diligence process can be used to determine a potential investment's exposure to the political, regulatory, operational, and reputational risks of gender-based violence. This tool is one component of a broader global effort to ensure the right to live free of violence.

The global COVID-19 pandemic has increased the urgency of incorporating gender-based violence into risk and mitigation analyses because violence is significantly on the rise across the globe. Gender-based violence is known to increase in emergency situations; during a global pandemic with long-lasting effects, rising rates of violence will likely impact every country and sector. Incorporating an analysis of gender-based violence can help to mitigate the risks of a future that looks very different than it did even three months ago.

The impacts of gender-based violence on companies, sectors, and geographies, though material to finance, are rarely factored into investment analysis.

To understand what risks gender-based violence presents to companies, we look at the policies, practices, and norms that affect the incidence of violence both inside and outside companies. The risks to a company come not only from the activities of the company, but also from other factors that impact violence within sectors, industries, and society. These factors include cultural norms, government policies, and the ways in which laws and policies are enforced.

This tool is not intended to enable an investor to decrease gender-based violence in companies or communities. These issues are complex, and investors may not be best placed to influence or intervene. This tool seeks to ask questions and name gender-based violence as a material risk to investments and identify how investments can create positive change by raising awareness and increasing political and company management will to address the issue.

This tool builds upon diligence processes that are standard worldwide. It is not comprehensive; rather, it is a starting place that will evolve as we learn more about best practice ways for incorporating an assessment of the risks of gender-based violence into a due diligence process.

Finally, it is important to note that the priority of anyone addressing gender-based violence must be to put safety first and do no harm. Gender-based violence is a global human rights violation that is widespread and complex, and approaching it without expertise or care can result in unintended consequences. We encourage companies that want to invest in prevention and/or response to research this thoroughly and reach out to local or regional gender-based violence experts when shaping their approach. We provide guidance on leading with a safety-first approach in the 'Do no harm' section.



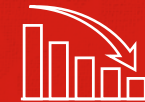
Gender-based violence is a global "shadow pandemic"<sup>i</sup> affecting more than 1 in 3 women and girls worldwide, as well as millions of boys, men, and gender-nonconforming individuals



Research suggests that the cost of violence against women is 2% of global GDP, equivalent to US\$1.5 trillion<sup>ii</sup>



It exerts a significant physical and mental toll on survivors, which in turn impacts the economic systems that survivors interact with



The company- and country-level economic costs of violence include losses in productivity and increases in health and legal costs<sup>iii</sup>



Gender-based inequalities, which are the basis of gender-based violence, are exacerbated during crises such as pandemics. Measures to control the pandemic, such as lockdowns, are increasing women's and girls' risk to GBV and limiting access to critical response services.<sup>iv</sup>

# UNDERSTANDING GENDER-BASED VIOLENCE IN CONTEXT

At its root, gender-based violence arises from an imbalance in power between women, men, and gender-nonconforming individuals. The inequalities contributing to gender-based violence include: norms and assumptions assigned to gender identities; unequal access to power/resources/decision-making based on gender identity and/or sex; and condoning/accepting beliefs, attitudes, and norms that support violence.

Importantly, power dynamics, attitudes, and norms can change. Therefore, any investor looking to the future should think about the current reality and about what is changing. In the case of COVID-19, pandemics and other disasters have been shown to exacerbate existing inequalities. This pandemic is also leading to new gendered patterns that may have longer-term effects.

A global pandemic creates multiple economic and social stressors that contribute to increases in violence. These include but are not limited to:

- Increased isolation due to lockdowns means people are trapped with their abusers and have even less access to support systems
- Financial and economic insecurity and stress lead to increases in abusive behavior
- Access to services is reduced due both to people's inability to move freely as well as the closure of some services
- More time spent online due to teleworking and remote learning for children and youth leads to increases in online harassment

And while much of the current research focuses on women and girls, gendered violence applies to many vulnerable populations, such as LGBT and gender-nonconforming people, who are already at higher risk of violence.

Particularly relevant to investors is that these circumstances are not short-lived; the effects of increased violence create long-term shifts in societal patterns and the economic consequences may last for years. Violence has long-term and multigenerational effects on health, education levels, labor force participation, and more. If investing is about assigning value based on predictions about the future, investors should note that that future is changing.

Investors can ask themselves: are the companies you are investing in able to respond not just to the costs of gender-based violence that is currently occurring, but also the potential of a future where gender-based violence is no longer tolerated?

While gender-based violence might be a chronic or systemic risk today, as regulatory practices, societal tolerance, and gender norms shift, it can become an acute risk in companies that do not adjust. The increase of gender-based violence during the COVID-19 crisis will likely exacerbate those risks.

UNICEF defines gender-based violence as "any harmful act that is perpetrated against a person's will and that is based on socially ascribed (i.e. gender) differences between males and females."<sup>v</sup> This can include physical, sexual, mental, and economic violence, including rape, sexual assault, intimate partner violence, workplace harassment, human trafficking, financial abuse, and emotional and psychological abuse. Gender-based violence also occurs at high rates against individuals who do not identify as male or female.

# UNDERSTANDING GENDER-BASED VIOLENCE AS AN INVESTMENT RISK

While some studies into the costs of violence exist, little has been done to translate how the social and economic impacts pose a risk to investments. Moreover, this global pandemic represents a moment of cultural change in which the prominence of the rise of violence is serving to exacerbate existing investment risks and creating new ones. The rise in violence has consistently been in the news since the pandemic began, with the UN Secretary General issuing a global plea for governments to address violence. The calculus of investing risk related to gender-based violence is thus changing.

The risks gender-based violence create for direct investment into enterprise generally fall within four existing investor due diligence categories:

## Political Risk



Assessing country-level risk and the stability of markets is key to valuing a potential investment. Gender-based violence is not typically part of assessing country-level risk, but compelling reasons exist why it should be. Research shows that levels of violence against women are a better predictor

of state instability than traditional measures such as wealth and the strength of institutions<sup>vi</sup>. High levels of violence can indicate unseen instability in a country, including corruption and coercion.

An increasing number of governments are naming gender-based violence as a national security risk, and during this pandemic, with rates of violence rising in all geographies, those risks are increasing. Recently, the UN Secretary General connected violence inside the home to broad violence and security issues when he called for governments to address domestic violence as part of his call for cease-fires during the COVID-19 pandemic<sup>vii</sup>.

## Regulatory Risk



Investors thinking about the future are always looking at how regulations or changes to regulations could present an investment risk. What if industry regulations were introduced that held companies accountable for gender-based violence, such as sex trafficking within supply chains or trade policies that

pushed for increased transparency around workers safety, including sexual harassment and assault?

Regulatory change was already happening before the pandemic as governments, journalists, and activists shone a light on violence. In 2016, the United Nations launched the Spotlight Initiative, the largest global effort to end violence against women and girls, with an initial €500 million; one of its five pillars is to promote laws and policies around the world that lessen violence.<sup>viii</sup> As the way violence is viewed changes, regulations that impact companies may also; multiple examples of this have been seen in the United States and Western Europe in response to publicity regarding sexual misconduct in the workplace. Such changes are not isolated to Global North countries; they can also stem from global trading relationships.

The kinds of shifts we are seeing during the pandemic, such as an increase in remote work and remote learning for children and youth—and the impact those shifts have on violence—could lead to future regulatory changes. Companies that are aware of, and responsive to gender patterns, including gender-based violence, would be better prepared to weather the changes and minimize their exposure to risk.

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## Operational Risk



Investors can use indicators to examine how gender-based violence (whether it is happening inside the company or in the broader social context) affects the day-to-day operations of a company.

Absenteeism and lower productivity can affect a company's bottom line. Employees experiencing intimate partner violence take more time off and, when at work, perform differently due to the physical and mental consequences of violence. With intimate partner violence on the rise during the pandemic, this risk is magnified, and will likely remain so at least as long as people are spending more time in their homes during the pandemic.

Employee retention. Violence in the workplace or on the way to or from work also leads to higher turnover and difficulty attracting staff. With many workplaces going remote, the incidence of at-work violence decreases, but the potential for online harassment and violence in the home increases.

Quality assurance. Product quality decreases when gender-based violence affects the incentives and performance of workers<sup>ix</sup>. This can be especially harmful in sectors and industries that employ a disproportionate number of women. For example, much of the agribusiness supply chain relies on women's labor for the quality control of product, as do many family businesses in developing countries.

Investing in companies that have proactively worked to reduce or eliminate gender-based violence gives them an important operational advantage compared with peer group companies that have not taken equivalent actions. Companies are making changes to policies and practices in response to the pandemic, and those that are including an assessment of how patterns of violence are shifting will likely see better operational outcomes.

## Reputational Risk



Investors thinking about the future of an investment need to ask themselves under what circumstances gender-based violence might become a reputational risk. Individual incidence of violence can affect domestic and international reputations. As global supply chains are under increased scrutiny around human rights, behaviors that may be tolerated in a local society put contracts and future revenue at risk. In addition, if violence became less societally acceptable, the company will be exposed to increased scrutiny.

The calculus of reputational risk of gender-based violence is changing fast. As culture changes, so does the tolerance—or lack thereof—of certain behaviors, leading to losses that would not have occurred from the same set of behaviors at a previous time. The #MeToo and #TimesUp movements continue to illustrate this, leading to losses in company value, some companies shutting down entirely, and changes in corporate behavior—for example, market analysts believe that 2019's record number of CEO exits was a result of changes in what behaviors were tolerated brought about by #MeToo<sup>x</sup>.

While the COVID-19 pandemic is leading to shifts in gender patterns such as increasing violence, girls dropping out of school, and women dropping out of the workforce at higher rates than men, there are indications that it could be a moment of cultural shift in the opposite direction. Significant reporting is emerging on the gendered outcomes of the pandemic, and institutions are devoting research and resources to it. The focus on these issues means that the reputational risk of being associated with violence might also be magnified over the longer term. Companies that are making the management and structural changes to respond will be better positioned to weather the changes in societal tolerance around gender-based violence globally.

# INDICATORS ASSESSING INVESTMENT RISK

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To assess the specific risk that gender-based violence presents to a company, an investor needs to be able to analyze the context in which it operates and how that context might affect the company. It is also important to consider what changes might be underway in that context. An investor is not just looking at the enterprise today, but also trying to predict how future changes might present opportunities or risks.

Indicators of the extent of gender-based violence are divided into three levels:



COUNTRY



INDUSTRY



COMPANY

This section lays out investment risks that derive from gender-based violence within society broadly, specific industries or sectors, and within a company; the attitudes, policies, and practices; and a company's potential exposure to those risks. Indicators are translated into due diligence questions that inform the specific risk to the potential investment.

# COUNTRY-LEVEL

This section lays out investment risks that derive from the scale of gender-based violence within the society broadly, and a company's potential exposure to those risks.

Most gender-based violence happens in society, homes, and streets, not in the workplace. Intimate partner and sexual violence represent the most prevalent types of gender-based violence. As data are usually collected by country, we call this section country-level, but there are many contextual differences within a country coming from regional variations and different attitudes and practices.

Indicators of the scale of gender-based violence



## 1. Law and policy

- Does the country have laws that criminalize gender-based violence?
- What policies are in place to diminish the incidence or impact of gender-based violence? For example, what is the country's overall gender policy?
- How does the country rank on the United Nations Development Programme's Gender Inequality Index<sup>xi</sup>?



## 2. Governance and enforcement

- To what extent are the laws about gender-based violence enforced?
- What level of funding is provided to prevent gender-based violence and provide direct services and support for survivors?
- Are there informal systems that deter gender-based violence? Are there informal systems that encourage it? For example, religious organizations and village or informal courts that operate in accordance with local customs and traditional practices?



## 3. Attitudes, practices, and norms

- What is the scale of gender-based violence within the country?
- What is the societal tolerance around gender-based violence? How does that break down across generations, class, or geographic region?
- How strong is the will within civil society to end gender-based violence? What is the strength of the women's movement, which is a recognized contributor to the decrease of gender-based violence?



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## Future trends that will shift the scale of gender-based violence

1. Though there is significant country- and region-specific variation and the current pandemic is disrupting progress, women's global economic empowerment is increasing. In the long term, this will affect gender norms, women's role within the economy, and likely the incidence of gender-based violence. Increasing women's access to resources, education, and decision-making contributes to greater gender equality and creates an environment where gender-based violence is less tolerated.
2. International donors were speaking out about the importance of countries addressing gender-based violence before the pandemic and are continuing to do so now. While experts say funding for ending violence remains inadequate, the past few years have seen new funding commitments to support women's organizations, governments, and civil society organizations addressing the issue. The World Bank and the International Finance Corporation, for example, are both increasing their investments in violence prevention and mitigation. In 2019, the International Labour Organization ratified a convention affirming all workers' right to have world of work free of violence and harassment<sup>xii</sup>.
3. Considering the increase in violence as a result of COVID-19, also pertinent is the amount of emergency response funds dedicated to violence. Research shows that funding for gender-based violence in emergencies remains short of demand. The International Rescue Committee found that from 2016 to 2018, funding requests for GBV in emergencies totaled 155.9 million, but 2/3rds of these requests were unfunded and there was a gap of 104.2 million<sup>xiii</sup>.
4. As a result of the pandemic, girls are being forced to leave education because of family economic burdens. This makes them more vulnerable to negative consequences like child marriage and exploitation in home and care situations<sup>xiv</sup>.





# COUNTRY-LEVEL DILIGENCE QUESTIONS

Due diligence questions to determine a company's exposure to risks created by gender-based violence in the country



## Political risk

- Is the company located in a country that has high and/or rising levels of gender-based violence? This can indicate higher levels of long-term political instability, which constitutes a market risk over the longer term.



## Regulatory risk

- Is the company in compliance with all laws and regulations surrounding gender-based violence?
- Is the company seen as a leader on gender-based violence and women's rights more broadly within the community? This role would allow it to anticipate and respond to regulatory shifts.



## Operational risk

- What is the company doing to support workers who experience intimate partner violence? For example, benefits, support services, or the availability of personal, sick, or compassionate leave?
- How might patterns of gender-based violence affect how the company's product or service is used? Is the experience of the customer considered?



## Reputational risk

- What role is the leadership of the company taking in addressing gender-based violence in the community? Is the company perceived as taking a stand?
- Does the company work with other organizations to support its employees, suppliers, or customers—for example, collaborations with local community groups, women's organizations, church groups, or organizations that prevent or respond to violence outside the workplace?



# INDUSTRY-LEVEL

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This section lays out investment risks that derive from the scale of gender-based violence within specific industries or sectors, and how to understand a company's exposure to those risks. There tend to be industry-specific patterns in the impact of and recovery from disasters that can inform investment decision making.

Incidence of workplace gender-based violence varies from industry to industry. Moreover, industries that overlap with informal sectors face a different set of risks. As there are fewer structures in place to report on or measure gender-based violence, enforcement of laws or regulations in the informal sector is challenging.

Job losses and exploitation already occur at higher rates in sectors that are predominated by women, such as service, hospitality, and domestic work.<sup>xv</sup> The current pandemic is exacerbating the inequalities and vulnerabilities in various sectors and industries, and anecdotal evidence indicates that rates of violence are increasing in industries dominated by women and low-wage workers.

In addition to the immediate impacts of the pandemic, there will be patterns to response and recovery efforts where an attention to gender-based violence can help investors mitigate risk. For example, government and private money typically moves significantly to infrastructure projects after economic downturns. While infrastructure tends not to be regarded as a gendered sector, infrastructure projects are not gender neutral. Construction can interfere with communities in ways that increase harassment and violence against women and girls; conversely, projects undertaken with a gender analysis of the communities they will serve can increase opportunities and safety for these same populations.<sup>xvi</sup> As investors plan recovery investments, an assessment of gender-based violence patterns in each industry can help to get to better outcomes.



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## Indicators of the scale of gender-based violence



### 1. Standards or policies

- Are government enterprises, international companies, or donors involved in the sector?
- How regulated is the industry? Who sets standards for the industry?
- To what extent is economic activity within the industry taking place in the informal sector vs the formal sector?



### 2. Governance and enforcement

- Who are the national organizations (boards, chambers, councils) regulating and enforcing the regulations within the industry?
- What are the gender divisions in leadership? There is often a disconnect between who does the work and who sits in leadership positions.
- How enforceable are practices? Industries, particularly agriculture, that operate in more isolated settings have an increased likelihood of gender-based violence, resulting from a decreased ability to enforce.



### 3. Attitudes, practices, and norms

- What are the power dynamics in the industry? What is the gendered division of labor within the sector or value chain?
- What is the relative isolation of workers, what supervision is there, and do they work close to remote communities?
- Are workers transient or working away from families and communities?
- Is the workforce dominated by one gender?
- Are workers relying on cash or other informal forms of payment?
- Does the industry rely on remote work?
- Does the industry rely on low-wage and/or migrant workers, who tend to be more vulnerable to exploitation?



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## Future trends that will shift the scale of gender-based violence

1. At least some of the gendered patterns of the pandemic will last beyond the immediate crisis and contribute to rates of violence. For example, the increased burdens of care fall primarily on women and girls, and care workers face disproportionately high rates of violence.
2. The presence of social media and access to high-speed internet in remote locations is reducing the impact of isolation within industries such as mining and agriculture, although it can bring a new set of risks related to gender-based violence online.
3. In some countries, increased access to property and land ownership for women is slowly shifting practices and power dynamics. For those not paying attention, these shifts will create moments of destabilization in the standard practices of industries.
4. Some industries are facing significant external pressure from trade partners or increased regulation. There is more consumer activism in the agriculture sector and a growing global preference for fair-trade or organic certified products that include specific gender requirements.



# INDUSTRY-LEVEL DILIGENCE QUESTIONS

Due diligence questions to determine a company's exposure to risks created by gender-based violence in the industry



## Political Risk

- How stable is the industry in which the company participates? Is that stability being impacted by the pandemic?
- Is the industry seeing higher rates of violence as a result of the pandemic?
- Would industry stability be disrupted by longer-term shifts, such as significant shifts in gender norms? For example, shifts in pay equity or property/land ownership?
- Is the company able to adapt to broader shifts in the industry?  
Will it be an early adopter or a laggard in changes within labor patterns?



## Regulatory Risk

- Is the company engaged in global trade where standards on gender-based violence might be set outside of the region?
- Is the company exposed to regulations and reporting requirements on gender-based violence in its supply chain?



## Operational Risk

- Do employees work in remote or isolated areas? Is there potential exposure to violence on the way to work? Does the company provide safe transportation to work? Is there adequate, effective protection for workers in isolated areas?
- Does the industry rely on remote workers?
- Are there changes in the industry economics putting pressure on labor? Is this increasing gender-based violence?
- What is the demographic breakdown of the workforce (gender, nationality, isolation from community) compared to the industry standards? Are the company's labor needs shifting?



## Reputational Risk

- Is the industry perceived as well regulated and ethical? Does it have gender equality standards? How much international/national scrutiny is it under? Would the company potentially be implicated or complicit in a broader industry-wide scandal?
- What is the company's ability to innovate and lead in its sector? Is it driving industry changes or will it need to respond to shifts in norms and practices around gender-based violence?
- Is the company seen as an ethical leader amongst its industry peers?



# COMPANY-LEVEL

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This section lays out investment risks that derive from gender-based violence within the company, the attitudes, policies and practices, and how to understand a company's exposure to those risks.

A company's leadership matters. Do the leaders have the skills to be able to manage diverse backgrounds and potentially shift expectations around the acceptance of gender-based violence in their workplace? As companies mature, the power dynamics within the company shift. How a company considers gender equality and gender-based violence internally may be a litmus test for its ability to respond to the complex shifts both in the short term as a result of the pandemic and in the longer term as patterns of gender shift.

Patterns of risk vary by sector and industry, as well in formal and informal economies, which shape company-level risks.



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## Indicators of the scale of gender-based violence



### 1. Policies

- Does the company have a gender-smart operational strategy and plan?
- Does the company have a stated policy, whether formalized or not, that sexual misconduct is not tolerated and the ramifications? Is it updated to cover the increased use of electronic channels?
- Does the company have explicit standards about sexual exploitation as part of its operations, in its business, or in the supply chain?
- How reliant is the company on government stimulus and has that stimulus been implemented with a gender lens?
- Has the company adjusted policies for remote working practices which provide safe working spaces where gender violence may be present? How is this accessed safely?
- Does the company make decisions on employee retention and reduction of hours without gender bias?
- Is there transparency with regards to recruitment, promotion, remuneration, and training opportunities for women?



### 2. Governance and enforcement

- What is the gender division of the governing board and management?
- Does the company have a process for employee complaints? What are the practices for alerting external authorities if the complaint is about criminal behavior? Can the complaint be kept anonymous (recognizing this is not possible in a very small company)?
- How are disputes settled? If by informal mechanisms, are those mechanisms transparent? Are they perceived as fair?
- Are managers trained in gender equality or does that live solely with human resources/operations?
- How much information and transparency does the company require of vendors (related to issues such as labor practices and traceability of products)?
- Does the company have a history of lawsuits and/or workplace health and safety issues?



### 3. Attitudes, practices, and norms

- What is the gender diversity of the workforce at all levels, including leadership?
- What is the culture of the organization? Does it reflect traditional or more progressive gender norms?
- Does the company leadership set a tone within the company that allows workers to feel respected and safe?
- Is there a history of employees reporting issues or does the company lack the policies and/or culture that supports grievance processes?

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## Future trends that will shift the scale of gender-based violence

1. Behaviors of companies on gender-based violence are being increasingly watched and regulated by national governments, watchdog groups, and donors as well as within the marketplace. Technologies, labelling schemes, and certification programs are facilitating better visibility into company behavior.
2. As the pandemic shifts schools and workplaces online, there will be increased scrutiny on companies using virtual platforms as well as on the platforms themselves—as well as on their investors.
3. Trends within society will shift the scale of gender-based violence in companies: i.e., increases in women's participation in education, in the workforce, and in the leadership of enterprises. It is difficult to know to what extent these trends will shift as a result of the pandemic, but while the long-term patterns are hard to predict, gains made in gender equality may be eroded over a longer term.
4. If companies can access international capital, they will encounter greater attention of international investors to company-level policies, strategies, and operations around gender and gender-based violence.





# COMPANY-LEVEL DILIGENCE QUESTIONS

Areas of focus in due diligence to determine a company's exposure to risks created by gender-based violence in the company



## Political risk

- Is there formal or informal policy relating to gender equality and/or gender-based violence?
- How strong is the leadership governance structure of the organization? Does it have the power to enforce these policies consistently?
- Have any policies been reviewed or changed in response to the pandemic?



## Regulatory risk

- Is the company leadership, including the board, aware of potential regulatory changes?
- How prepared is it for shifts in employment regulations around gender equality and gender-based violence in the workplace?



## Operational risk

- What portion of company turnover can be credited to gender attitudes within the society, broadly, and gender-based violence, specifically?
- How are reports of gender-based violence in the workplace handled? Is a survivor-centered approach applied?
- Is online safety part of the decision-making in selecting virtual platforms?
- What is the role of women and girls in the company: governance, management, employees, suppliers, and customers? Do power imbalances create conditions for gender-based violence in the workplace?
- What is the ability of the company to understand the cultural context it works in? Can the company use gender analysis to understand how shifting power dynamics might affect its business?



## Reputational risk

- How has the company responded during the crisis? Have disaster mitigations been measured, effective, and gender-balanced?
- Is the company known as a safe, respectful place to work? Is it seen as an employer of choice?
- Does the company exercise its influence as an institution in the community to reinforce positive norms around gender equality?
- Does the company have a historical practice that allowed for gender-based violence in the workplace? Historical disputes might not get attention now but would become a risk in the context of different potential futures.



# RISK MITIGATION

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Understanding that gender-based violence exists and affects companies does not need to deter investment in a company but could inform how the investment is structured and what post-investment support could mitigate risks. The below recommendations are general and should be contextualized within the risks identified in due diligence and the nature of the relationship investors have with the company.

## **Investment structure terms**

Within the negotiation and structuring of the investment, investors can introduce terms to mitigate identified risks:

- Introduce reporting requirements for specific indicators that require the company to pay attention to how gender-based violence may affect it going forward.
- Require sexual misconduct training/policy and clear reporting guidelines on sexual harassment and sexual assault, preferably in partnership with rights-based/survivor-centered organizations.
- Require practices related to online safety in the selection and implementation of platforms.
- Require board seats for leaders experienced in advancing gender equality.
- Provide recommendations for restructuring that would shift how power operates in the business or the industry and help to protect employees.
- Advocate with co-investors to consider exposure to gender-based violence as a material risk to shape the valuation of companies. This could include employee ownership through structures such as employee stock ownership plans.
- Require transparent recruitment and promotion processes for women.
- Depending on the type of investment and ownership structure, consider triggers that change the investment's repayment terms or funding structure (e.g., convertible debt, preferential equity conversion should specific gender-based violence accusations or events occur, etc.)

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## Post-investment support

Following investment, an investor plays a trusted advisory role. They can contribute knowledge, skills, and partnership to the company to mitigate the risks of violence in the following ways:

- Track the impacts of the pandemic on gender-based violence in the country and industry and share them with investees, encouraging and supporting them to respond.
- Encourage and provide training to increase the ability of the company to do a gender analysis to be able to continuously identify and respond to risks. Investors might be able to work with government bodies or foundations to get grant money to help companies meet the cost of developing and implementing best practices.
- Discuss with management and board how gender equality measures and the reduction of gender-based violence will improve the productivity and profitability of the company.
- Encourage companies to draw on partnerships with organizations and individuals who have knowledge of gender-based violence in the region. Companies can learn from others who have built best practices.
- Support the company leadership as it uses its power to influence national or industry practices.
- Use their influence within the industry and region to help the company put in place processes for vetting suppliers/vendors.

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## **Influence industry practices**

Investors have a voice within the industry to advocate for shifts in practices that benefit companies:

- Track the impacts of the pandemic on gender-based violence in the country and industry in question and share the data and potential risks with peers.
- Advocate for industry practices that will contribute to preventing gender-based violence.
- Build coalitions (formal or informal) with investors who are concerned with gender-based violence in the industry or region.
- Support organizations that are actively shaping the economic development of the region through decreasing gender-based violence.
- Raise questions with other investors and name gender-based violence as a material risk in investments.
- Advocate for the industry to promote a code of practice of guidelines or principles that govern how companies within that industry deal with gender-based violence

It is important to support the ability of the company to innovate, respond to its context, and anticipate change. The role the investor plays is not just to conduct due diligence but also to enable the business to grow into the future. The COVID-19 pandemic is shifting and will continue to shift patterns in countries, industries, and companies, and investors can support portfolio companies in responding to those shifts in ways that mitigate risks and increase performance.

## DO NO HARM

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The focus of this tool is to understand the investment risks that gender-based violence presents to investments. We have not specifically named how to reduce gender-based violence via investments or even to ensure that investments do no harm. This is in part because gender-based violence is a complex and sensitive issue and identifying and addressing it requires a lot of care to ensure that no harm is done to those experiencing it or those asking questions. Challenging traditional gender roles and the power attached to them can increase the risks of violence to women if the efforts are not led by experts with a holistic understanding of the issues at play in the community. Research on how to safely and ethically investigate gender-based violence is ongoing, and leading organizations such as the International Women’s Development Agency (IWDA) have created resources such as the Do No Harm Toolkit<sup>xvii</sup>.

Investors should note that the mere process of asking questions about gender-based violence can create impact, both positive and negative. For example, questions about the culture of the enterprise and employees’ ability to issue complaints about sexual misconduct in the workplace could result in improved practices and pathways for employees to disclose violence—or could see a company take measures to ensure that behaviors don’t come to light, thereby creating a more restrictive environment.

The potential for unintended consequences should not deter an investor from considering the issue, but it should ensure that care is taken. Being aware of the risks of gender-based violence is a first and important step. Much of that can be understood through secondary research and by working with local gender organizations, particularly those with a rights-based, survivor-centered approach, to determine how those patterns and trends apply to the enterprise being considered.

**UNICEF** works in over 190 countries and territories to save children’s lives, to defend their rights, and to help them fulfill their potential, from early childhood through adolescence. And we never give up.

**Criterion Institute** is a non-profit think tank that works to expand who has power and influence in economic decisions, enabling social changemakers to engage with and shift financial systems. Criterion is dedicated to identifying ways to use finance to address gender-based violence, building a coalition of asset owners committed to directing capital towards ending gender-based violence and ensuring that gender-based violence experts are involved in the design of solutions.

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# ENDNOTES

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