



# Fact Sheet: Gender Lens Investing - Adapting your investment policy statement

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There are many ways foundations can incorporate gender lens investing (GLI) into their Investment Policy Statement in both simple and sophisticated ways, as the following suggestions show.

GLI is an investing strategy that takes into consideration gender-based factors across the investment process to advance gender equity. Taking a gender lens means:

- Focusing on gender, from pre-investment activities (such as sourcing and due diligence) to post-deal monitoring (including manager oversight and exiting)
- Examining the enterprises you are invested in for their:
  - Vision or mission to address gender issues
  - Organizational structure, culture, internal policies and workplace environment
  - Use of data and metrics for the gender-equitable management of performance and to incentivize behavioural change and accountability
  - Overall commitment to gender equity, as reflected in their financial and human resources

Gender is part of a larger conversation about diversity that is essential to investment. Traditionally, the focus of GLI has been on women's equality and empowerment. Contemporarily, we understand that gender refers to both a biological and a socially constructed identity. Consideration of gender includes looking at the socially constructed roles, relationships and expectations of all genders and the ways that these are reinforced by educational, political, economic and cultural systems.



<b>Section</b>	<b>Simple</b>	<b>Sophisticated</b>
<p><b>Purpose / Mission / Investment Philosophy</b></p>	<p>Define the organization’s mission and mandate and state that the organization is aligning its assets to the defined mission, which should refer to thematic areas related to GLI, such as diversity and inclusion and gender equity.</p> <p>State the organization’s investment philosophy and indicate definitions for the relevant investment strategies, such as impact investing, responsible investing and venture philanthropy.</p>	<p>Move from a Diversity and Inclusion scope to a Justice, Equity, Diversity and Inclusion mandate.</p> <p>Be explicit about a commitment to GLI throughout the investment process, not just in certain targeted investments.</p>
<p><b>Objectives</b></p>	<p>Consider whether there are return expectations required to support organization activities and define how this might interact with your GLI objectives.</p> <p>Define GLI objectives and measurable goals or metrics.</p>	<p>Specify what the balance of risk-return to impact is – whether prioritizing impact objectives, prioritizing a target market-rate return, or balancing both objectives.</p>
<p><b>Asset Allocation and Mix</b></p>	<p>Acknowledge that GLI is possible across all asset classes and consider the balance of your risk-return-impact goals when determining your asset mix.</p> <p>Set a portfolio-level target for GLI investments either on a dollar or percentage basis.</p> <p>In a carve-off model, specify how</p>	<p>Commit to GLI across the entire portfolio.</p> <p>Determine specific GLI goals per asset class.</p> <p>Commit to integrate GLI concepts throughout the</p>



	<p>much capital is to be allocated to GLI and contextualize that as a percentage of the total portfolio.</p> <p>Mention future potential increases to this allocation or the role of a carve-out as a proof of concept before application to the greater portfolio.</p>	<p>investment process, not just in certain targeted investments.</p>
<p><b>Thematic Areas</b></p>	<p>Explicitly align to SDG 5: Gender Equality and its targets.</p> <p>Overlay thematic areas with population lenses that focus on beneficiaries including those facing gender-based discrimination.</p>	<p>As with all SDGs, SDG 5 intersects with many other issue areas and population lenses (newcomers, those experiencing homelessness, BIPOC).</p> <p>Acknowledging and understanding how the other issue areas addressed by your organization intersect with gender issues will deepen your GLI work. For instance, the UN recognizes achieving SDG 5 as a pre-condition for achieving the 16 other SDGs.</p>
<p><b>Impact Measurement</b></p> <p>The IPS should specify the organization’s expectations for impact measurement in general and for GLI specifically. You can find more specific impact measurement suggestions in the</p>	<p>Develop basic metrics to assess the status of gender equity across the portfolio.</p> <p>Develop basic metrics to assess the status of gender equity across investment managers.</p>	<p>Develop an impact measurement system to report on and manage GLI impact goals based on a theory of change.</p> <p>Report periodically on metrics that assess the progress of GLI investments across the portfolio, specifically evaluating the</p>



guide to working with investment managers.		gender impact of goods or services provided.
<b>Governance</b>	<p>Include a gender balance mandate for the board and investment committees.</p> <p>Ensure alignment with GLI principles outlined in strategy.</p>	<p>Include a detailed diversity mandate inclusive of gender for your board and committees. This might include:</p> <ul style="list-style-type: none"> <li>• Terms of two to three years with no automatic extensions to encourage new voices</li> <li>• Appointment based on GLI or gender equity experience or expertise</li> <li>• Cognitive bias training to all members.</li> </ul>
<b>Investment Managers</b>	<p>Seek out investment managers who share your values on gender equity and display that in their own commitments, process and governance (See Guide on GLI with Investment Managers)</p> <p>Ensure proxy voting policy aligns with GLI principles set out in your IPS or with the UNPRI and other ESG best practices</p>	<p>Require GLI experience or expertise in your manager selection</p> <p>Tie incentives and compensation to GLI targets</p>

These gender-lens investing guides were jointly created by Rally Assets and Community Foundations of Canada.

