



# PRIVATE EQUITY AND VALUE CREATION

## A FUND MANAGER'S GUIDE TO GENDER-SMART INVESTING

Private equity can play a catalytic role in closing economic gaps between men and women—while strengthening enterprise growth, job creation, and financial security.

- The COVID-19 pandemic is steering the private equity industry to pursue focused **value creation strategies, such as gender-smart investing**, to help their portfolio companies recover with resilience and protect jobs.
- **Gender-smart investing is on the rise, with reported \$4.8 billion raised in 2019 with a gender lens across private equity, venture capital and private debt vehicles.**
- **Business case for investors to prioritize gender equality is compelling.** Evidence shows that gender-smart investment strategies can help grow a company's competitiveness, solidify its supply base, improve its human capital, and help build an overall enabling business environment. Fund Managers can unlock opportunities for increased profit, growth, and innovation.
- The Guide combines learnings from CDC and IFC's experience with over 160 Fund Managers and draws on best practice with a series of case studies from stakeholders across the private equity ecosystem. Includes steps to integrate gender in deal sourcing, due diligence, deal structuring, portfolio management, and exits; with over 20 case studies of gender-smart investing in practice.
- While directed at Private Equity Fund Managers, particularly General Partners, many of the approaches set out in the Guide can be adopted by Limited Partners and other private sector investors across asset classes.

### GENDER-SMART INVESTMENT STRATEGIES

Fund Managers can direct capital towards solutions that drive gender equality by investing in companies along five gender-smart investment strategies:



LEADERSHIP

1. **Women represented in leadership**



EMPLOYEES

2. **Gender-diverse and equitable workforce**



SUPPLY CHAIN

3. **Gender-inclusive value chain**



PRODUCTS/SERVICES

4. **Products or services that consider the distinct needs of women as a consumer segment**



COMMUNITY

5. **Operations do no harm to women in the community**

Fund Managers are also committing to strengthening the gender diversity of their workforce and investment teams.



*Creating Markets,  
Creating Opportunities*

## Want to find out more about:

Best practice to strengthen gender diversity internally, including how to address biases in recruitment, retention and promotion – **See: Firm Level**

Tips and examples on how to adopt and drive a gender-smart investing strategy across a firm/fund's people, processes, and partners – **See: Firm Level**

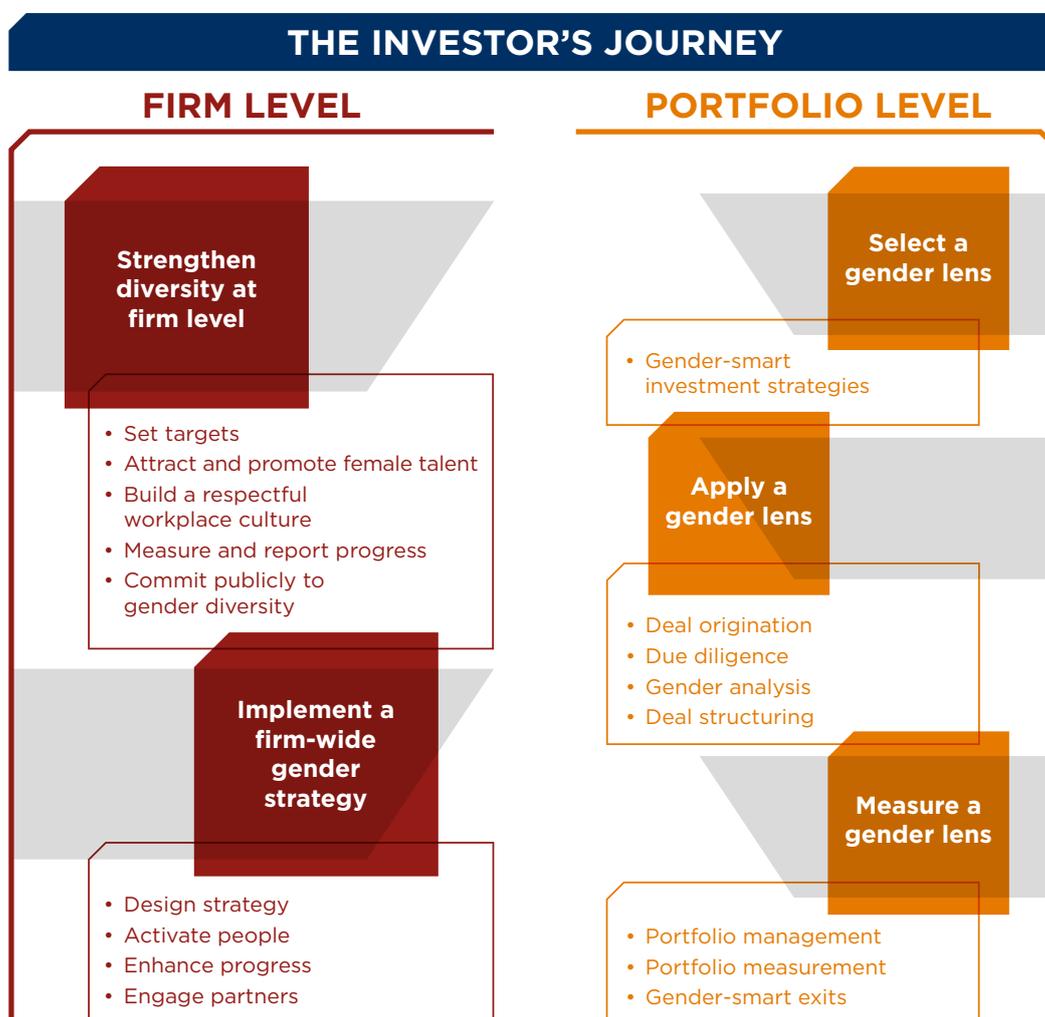
Six-step approach for embedding a gender lens into investment operations both pre- and post-investment – **See: Portfolio Level**

Five Gender Strategies that Fund Managers use often – **See: Select a Gender Lens**

Deal Structures that integrate measures to close gender gaps – **See: Apply a Gender Lens**

Guiding Principles for a gender-smart exit – **See: Measure a Gender Lens**

**Gender-smart Investing Framework:** The Guide provides a set of actions for Fund Managers to adopt gender-smart investing within their own firm and across portfolio operations.



## Looking for more? The Guide also includes:

- The business case for closing gender gaps for each gender-lens strategy
- Key performance indicators and benchmarks for each gender-lens strategy
- Gender indicators for HR at the firm and portfolio levels
- Sample Gender Action Plans
- Links to gender diagnostics and tools to use across the investment cycle
- Guidance and resources on assessing gender-based risks