

Investing in an equal future

Triodos Investment Management's
vision on financing opportunities
for women

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Preface

At Triodos Investment Management, we harness the transformative power of money to enhance the quality of life, with human dignity at the core. As women constitute half of the global population, we are committed to utilising this transformative power by intentionally integrating gender equality into our business strategy.

The current gender imbalance limits opportunities for talented women, leading to significant economic costs for households and nations. By incorporating gender into our investment decisions, we empower individuals and communities to realise their full potential. By financing women-led businesses and advocating for family-friendly policies within global companies, we can help build inclusive and resilient communities that encourage equal opportunities to accelerate the transitions towards a more sustainable world.

In this paper, we present Triodos Investment Management's gender lens investing strategy, which intends to pave the way for a structured approach to gender in our selection of investments, due diligence and monitoring, as well as in achieving impactful outcomes. This strategy is essential not only to address existing setbacks but also to unlock economic and financial benefits.

We aim to align with companies that actively pursue equal opportunities, recognising our responsibility as impact investors to deploy capital in the most effective manner while maximising positive impact and healthy returns for stakeholders.

June 2025

Executive summary

Financial institutions and gender equality mutually benefit each other. On the one hand, by supporting diverse leadership styles and talent increase through diverse representation. On the other hand, by investing in businesses that promote equal opportunities. Gender lens investing (GLI) is a burgeoning field within social finance, where investors align their capital with social values by considering gender factors throughout the investment process. Regulatory changes are also incorporating gender into reporting requirements, further driving progress in this area.

The role of finance

The financial sector plays a pivotal role in advancing gender equality. Improved financial inclusion for women has bolstered economic agency, leading to greater household financial security and resilience against financial shocks. Despite this progress, significant gaps remain, particularly regarding access to finance for women entrepreneurs and inclusive employer practices.

Triodos Investment Management is committed to leveraging financial resources to enhance quality of life with a focus on human dignity. By financing women-led businesses in emerging markets and advocating for family-friendly policies in global companies, we aim to foster inclusive communities and support the transition towards a sustainable world. This vision paper outlines how gender considerations are integrated into investment decisions to maximise impact.

Gender equality

Gender equality is fundamental to Triodos' mission, emphasising fundamental human rights such as access to education, work and property. The importance of gender equality spans several dimensions. Talented and empowered women can significantly contribute to financial value, while companies that advance gender equality mitigate risks associated with integration delays. Investments in companies committed to gender equality foster social value through empowerment and economic value by enhancing workforce participation.

Barriers to gender equality include entrenched social norms, stereotypes and a lack of gender-disaggregated data, which hinder progress. Effective gender-responsive policies are necessary to

dismantle these obstacles, such as improving parental leave policies, hiring practices and ensuring fair remuneration.

Our approach

GLI is defined as the intentional consideration of gender factors in the investment process, aiming to address gender-related issues. Effective GLI requires understanding barriers, integrating gender into a Theory of Change framework and maintaining clear communication regarding company policies.

We employ a structured approach to integrate gender into our investment process, spanning initiation, early scanning, investment proposal and investment phases. As a values-driven investor, we select companies that comply with international principles, including human and labour rights. Through our Minimum Standards, we assess the positive and negative impact of our activities, so that businesses use the money in ways that benefit people and the environment. This includes setting gender equality targets and providing guidance to move in the intended direction.

The selected companies should ideally have the potential for transformation, ensuring that gender equality both facilitates and benefits from our five interlinked transitions: Societal, Wellbeing, Food, Resource and Energy. Investments are aimed at supporting underserved communities, enhancing education and healthcare and recognising women's roles in agriculture and resource management.

Various funding instruments, including microfinance and SME financing, are essential for promoting gender equality. Despite challenges in accessing funding, women entrepreneurs can significantly impact their communities and economies. Blended finance presents opportunities to mobilise private capital for gender equality, especially in emerging markets.

In conclusion, gender equality is vital for individual empowerment and sustainable societal transitions. Triodos Investment Management is dedicated to financing gender equality initiatives, supporting diversity in leadership and contributing to the development of inclusive societies. Investors play a critical role in advancing gender equality by making intentional investment decisions that promote equal treatment and sustainable development.

Section I

“We believe in the transformational power of money. People are at the heart of this transformation.”

Triodos Impact Vision

Gender and finance

Gender equality matters for financial institutions in at least two ways. First, by promoting equal rights through a company’s internal policies, including improving governance through broader representation and a more diverse and capable workforce. Second, by enhancing a company’s financial performance and investing in businesses that promote equal opportunities and are aiming to achieve a prominent role in global sustainability agendas with healthy returns. Nevertheless, the path to gender equality varies considerably across different countries and companies, with many barriers to overcome.

Gender lens investing is one of the most rapidly growing fields in social finance. As more investors seek to align their capital with their social values, they are increasingly considering gender-based factors throughout their investments. Change is also coming from regulators, who are integrating gender in their reporting requirements as part of their efforts to reduce risks and make financial systems sustainable.

There is one crucial factor that has been consistently driving progress in gender equality: the financial sector. To begin, financial inclusion for women has significantly improved women’s economic agency, leading to greater household financial security, diversified income sources and resilience to financial shocks. Additionally, investors in public market companies, including asset managers, are able to use their shares to engage with companies accelerating sustainability factors, including gender-related issues. As such, the financial system is increasingly facilitating gender equality through its services and role in society. However, there are still large gaps in several areas, such as access to finance for women entrepreneurs worldwide, as well as inclusive and equal employer practices.

Defining gender equality

Triodos Investment Management believes that gender equality rests on the principle of fundamental human rights, including the right to work, to get education, to own property and have an adequate living standard. Triodos Investment Management’s business focus is on human dignity and the potential and empowerment of individuals, contributing to political, economic, social and cultural development. Through financing, Triodos Investment Management facilitates access to the labour market, increasing chances of women representation at all levels. It leverages on non-discrimination, explicitly avoiding the unjust or prejudicial treatment of people based on their identity. Gender equality is not only about men and women; it recognises a broader spectrum of individuals, including LGBTQI+. Gender equality is an important step, but the ultimate goal is gender equity, which aims to create a fair social system that nurtures and enhances skills and talent in an equal way.

Why gender equality matters

The materiality of gender equality encompasses several dimensions. As workers, entrepreneurs and consumers, women that are empowered can add financial value to companies. While, companies that accelerate gender equality reduce the costs and risks associated with delays in the integration of women to the economy and society. This virtuous circle can be set in motion when financing is provided to companies committed to improving gender equality, as a means to creating prosperous communities.

a. Social value

Gender equality is important in attaining human dignity and individual empowerment. When people have access to education and finance, their rights and potential are recognised. When empowered, ‘niche’ actors – actors that are catalysts in transitions – may take advantage of the opportunity to challenge the status quo by presenting alternatives (see Section II (b) on transitions). As women represent half of the world’s population, their empowerment is essential for social inclusion and community development. Inclusive communities that value all members are likely to thrive socially and economically by creating an environment that fosters the freedom to choose and create. Investing in companies that create inclusive work places, leading to different perspectives and

better decision-making helps building resilient communities. In the past years, countries that have had women leaders in government on different levels, like New Zealand and Norway, have in many cases been active in improving the country's work-family balance conditions.

b. Economic value

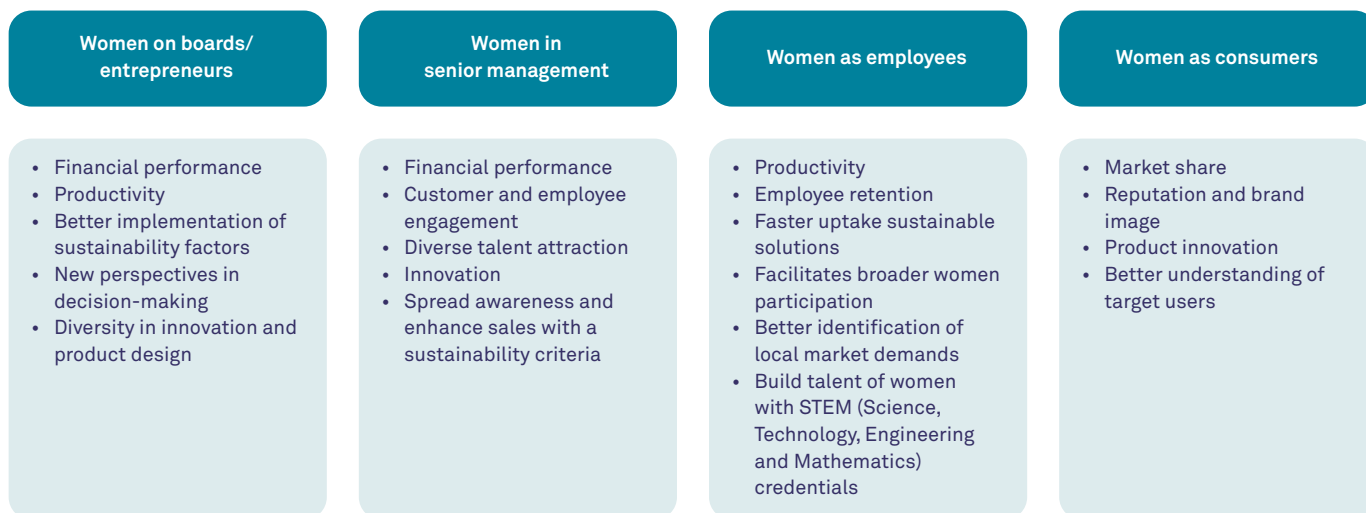
By reducing inequalities and providing access to better health, education and labour market, countries have better chances of increasing prosperity. A better prepared working population contributes better ideas and has a higher productivity and economic resilience. However, globally only 48 percent of women are active in today's labour markets, compared to 73 percent of men. The average global gender labour gap has fallen by only one percentage point annually over the past three decades. There are differences between advanced and emerging economies. India's women participation rate is one of the lowest, currently at 33%. Social norms within the cultural, institutional and political structures and limited policies to support women in the workforce explain these large gaps

between advanced and emerging economies (see section Barriers to gender equality). Increasing work opportunities, requires setting the stage for affordable child-care, work flexibility and fair pay. These are important steps for companies recruiting men and women, contributing to resilient economies. The labour market can be the facilitator when the people have the right working conditions.

c. Business value

Gender inclusiveness presents different advantages, directly influencing business performance and by creating new business opportunities through entrepreneurship. Business performance improves with 'mixed perspectives' and more balanced decisions, broad representation and the development of products and services that are better suited for all customers. The risks of groupthink and missing out on diverse leadership styles and talent increase where gender inclusive representation is limited and has proven to reduce the long-term value of a company. Other research shows a generally positive association between corporate return on assets and the share

Making the case for gender equality and business performance



Economic & business materiality

- Parity in labour participation (men and women), could result in an additional 26% of annual global GDP in 2025 (McKinsey)
- Companies with > 30% women in top management have 20% higher net internal rate of return (IFC and Oliver Wyman)
- Gender equality in entrepreneurship could add USD 5-6 trillion in net value to global economy (We-fi)
- Loans to women have 1.2% lower loan default (Root Capital)
- Stability in household expenses 85% of women globally take charge of day-to-day expenses (UBS)
- Removing legal barriers including to well earned retirement, loan access, job security after child birth can increase USD 13 trillion in global GDP potential by increasing gender equality (World Bank)

Source: World Bank, International Centre for Research on Women, 2X Challenge and Triodos Investment Management

of women in senior positions. But it is not only about equal representation on boards, it is about a greater balance in the entire company and in the government and regulators overseeing companies.

Gender equality can spur entrepreneurship and add USD 5 to 6 trillion in net value to the global economy, which represents a USD 1.7 trillion in growth opportunity for financial institutions worldwide. Mobilising finance to support women entrepreneurship and women's economic empowerment promotes broader business opportunities and social development. We see women youth entrepreneurship as a leading indicator of social change. Additionally, investing in women entrepreneurship can be a risk mitigant. Repayment rates of women are generally higher than those of men, because they have more predictable income sources and are more disciplined in debt management.

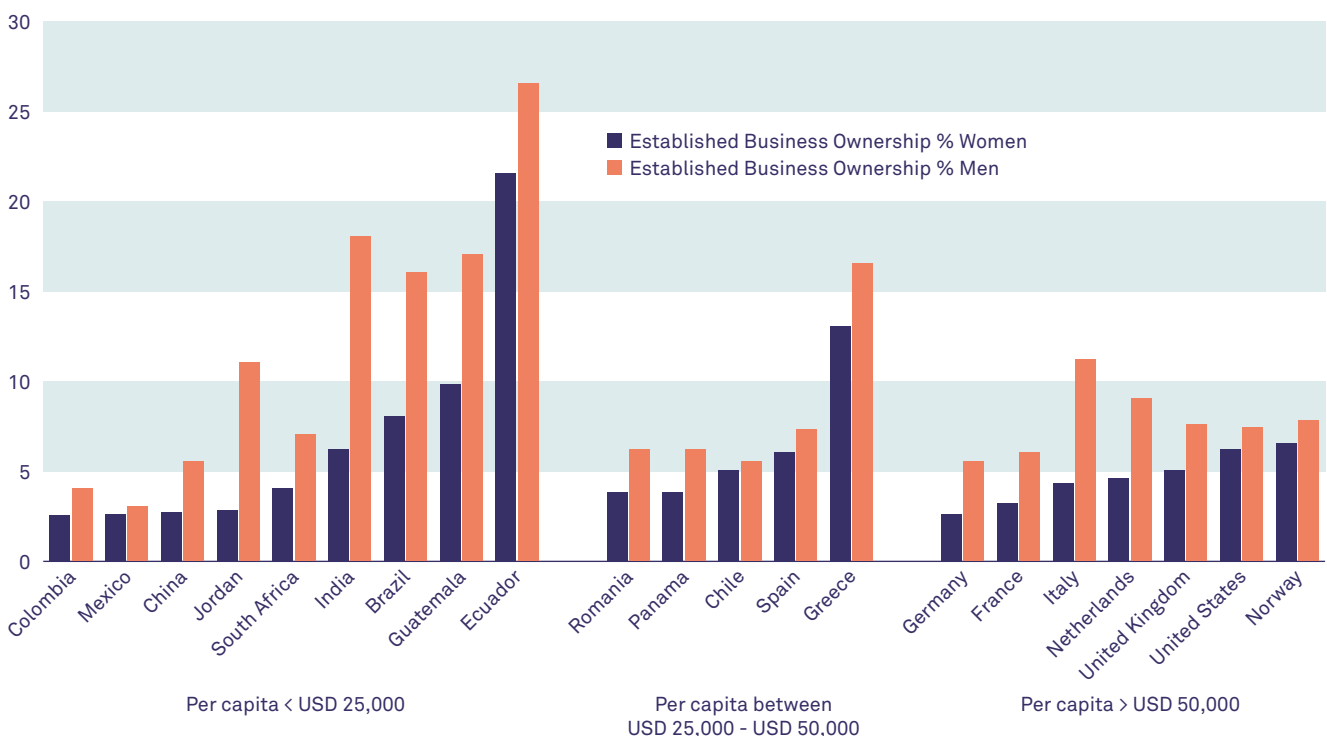
Unleashing the power of women entrepreneurs through financing is not always easy. Studies suggest that women start with less capital than men in their start-ups, but with no evidence that financial institutions actively discriminate against them. This is broad-based across advanced and emerging

economies, but with larger financing gaps in emerging economies. The trends in women entrepreneurship show that in low-income countries, the number of women intending to start a business is twice as high as in high-income countries. Across all regions, the percentage of men owning an established business compared to women, exceeds by roughly 5 percentage points on average, with some outliers like India with an absolute gap of 12 percentage points and Jordan with 8 percentage points. The smallest gaps between men and women in business ownership are in Latin America, as well as the highest rates of women start-ups.

Barriers to gender equality

Financial institutions that understand barriers to gender equality are better prepared to manage expectations and create a trustworthy bond with the company they are financing. Understanding gender-specific barriers is key to addressing them effectively. The barriers differ across regions and even within countries and levels of income. For meaningful progress towards gender equality, collaboration between government and the private sector to remove barriers would bring about the most success. However, when governments step aside,

Established Business Ownership % Women



Source: Gender Empowerment Measure

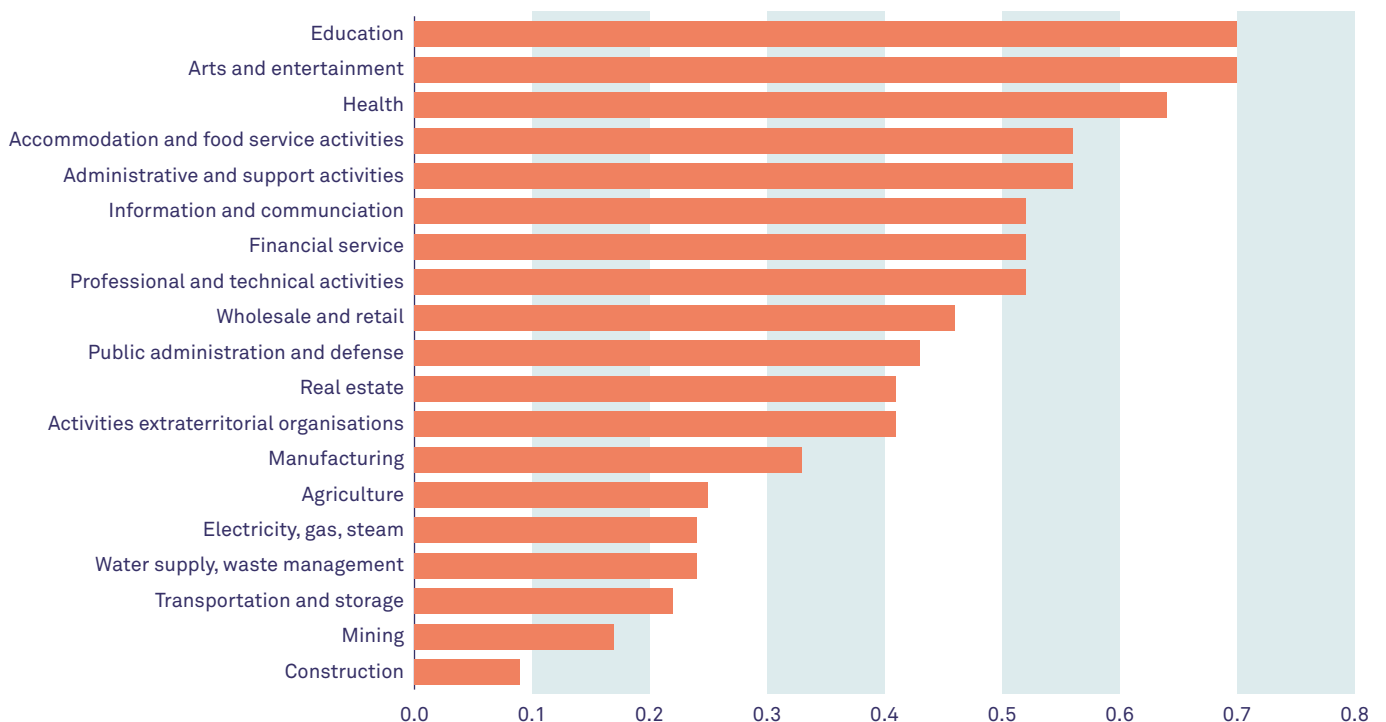
the private sector will have to do its utmost best to create opportunities that are genuinely inclusive. Some of the barriers include:

- **Social norms** within cultural, institutional and political structures arising from gender roles and interactions embedded between individuals. In some countries, the cultural bias, including in family formation and household specialisation, can limit basic opportunities. Limited access to education and work and limited political representation lead to greater inequalities. This combined with limited policies to reduce gender inequality, including hiring practices, promotion, work-life balance and gender pay gaps, only enforces this vicious circle. The consequences are visible in the labour participation by country and sector. In some emerging economies, including India and Bangladesh with high and relatively stable GDP growth rates, there has been almost no progress in gender equality or in the concentration of women in specific sectors like garment in Bangladesh. Additionally, globally there is an underrepresentation of men in sectors like education and health, while women are underrepresented in energy, water supply and transport and storage. This ultimately creates

unnecessary shortages in labour supply in sectors widely closed for women or men.

- **Stereotypes** feed an unconscious bias that reinforces traditional roles and outright discrimination. This pre-conditions the abilities and the appropriate set of activities that specific groups should be able to perform, including educational choices, as well as differential treatment by employers.
- **Innate characteristics with which individuals are born**, as opposed to those that are developed through learning and experience, are said to dictate the differences in attitudes toward risk-taking, competition, technology use and decision-making. Characteristics related to physical traits can influence the opportunities available to both men and women in certain jobs. For instance, women are thought to be naturally more nurturing, which can lead to expectations that they can take on caregiving roles. However, for some, these arguments enforce the barriers created by social norms and culture. This assumes that it is not necessarily about innate characteristics, but about not everyone being able to learn when taking on challenges.

Women labour intensity selected industries, share in total



Source: OECD Annual Labour Force Statistics

- **Lack of data.** Scarcity of gender-disaggregated data hampers the ability to accurately measure and understand the depth and implications of the barriers to gender equality. Measurement becomes even more difficult when it is about capturing discrimination issues that often remain unaddressed in many organisations.

Gender-responsive policies can help remove these obstacles. According to the World Bank, although many countries have enacted legislation to remove these barriers, only a few governments explicitly enforce the corresponding measures. For example, out of 190 countries being tracked less than half provide financial or tax support for parents with young children and only 35 countries have adopted pay transparency enforcement measures. Examples of government and company policies that could effectively remove barriers include:

- Improved family care and parental leave policies, including affordable and available childcare. Parental care is even considered transformative in reshaping gender norms. The sharing of caregiving responsibilities through formal care services helps women to reconcile work and family life and is seen as an important driver of women labour participation.
- Improved hiring practices, fair remuneration and equal opportunities for promotion for equal work, improvement in gender equality in leadership positions in corporate boards and executive leadership, as well as flexible work arrangements.
- Specifically for health companies to include gender-based feedback in their processes can result in products and services that are better tailored to meet different health needs, compared to products that are not gender-sensitive.

Gender lens investing

Investors that are seeking to achieve impact and a market return by investing in businesses that promote equal opportunities are likely to favour gender lens investing. We define gender lens investing (GLI) as follows:

‘The practice whereby financial institutions intentionally consider gender-based factors throughout their investment process, with the aim of addressing gender-related issues and promoting gender equality with the companies they invest in.’

Through targeted investments, GLI aims to mobilise diverse talents, enhance economic participation and optimise human resources, driving sustainable development and social equity. This involves financing businesses that intentionally promote gender equality. GLI is more effective when:

- Investors understand the barriers to gender equality and are able to manage expectations and create a trustworthy bond with the company they are financing.
- GLI is integrated into a Theory of Change framework, where goals are set and compared to the current situation to identify gaps and effectively guide efforts to promote gender equality.
- Attention is devoted to communication on where company policies are and where the financing institutions intentions are.
- Steady financing is available to drive social change by investing in businesses that actively bridge gender disparities.

A comprehensive analysis and strategy that sets specific commitments and timelines are important prerequisites to pursue GLI. In the next sections, we present how a comprehensive landscape for GLI can be designed.

Section II

Triodos Investment Management's approach to steering gender equality through finance

Triodos Investment Management's impact approach is to consciously channel investments that drive sustainable transformations. We not only ensure that our investments do no harm, through our Minimum Standards, we also ensure that they contribute to positive change by reducing inequalities. Triodos Investment Management manages 20 funds: Impact Private Debt and Equity funds investing in Europe and emerging markets through a range of financial instruments, as well as Impact Equities and Bond funds investing globally in listed equities and bonds. While access to funding alone cannot eliminate structural barriers to gender equality, it is certainly a crucial prerequisite for advancing gender equality.

a. A road map for integrating gender in the investment process

For active impact investors that select the companies they invest in, there are responsibilities in integrating gender across different stages of the investment process. These stages may vary and can include:

- i. **the initiation phase**, involves a framework for identifying companies with the potential for transformation with support of gender equality;
- ii. **the early scanning phase**, involves screening and selecting companies based on specific criteria, including gender equality, that support proper business practices and the sustainability of individual businesses;
- iii. **the investment proposal phase**, involves a due diligence assessment that is conducted for a company on topics that comply with Minimum Standards and regulation, with focus on human rights, labour rights and gender equality, among other factors, and
- iv. **the investment phase**, when targets on gender equality are set for the purposes of risk mitigation, impact and financial performance on specific investments and portfolios, and monitored based on company commitments and regulatory frameworks.

As an impact investor, we have a long-term vision on sustainability and a corresponding transition path. This section sets forth new steps to improve gender lens investing in the transition to a sustainable economy.

Initiation phase

- **Intentionality:** Designing an intentional approach to gender lens investing can take different ambitions: gender-aware, gender-practitioner or gender-champion. Being gender-aware essentially means reporting on a set of gender-related indicators without following a defined strategy to explicitly steer towards gender equality. The gender-practitioner explicitly integrates gender into the investment process to monitor and steer impact by setting short- and long-term targets on factors such as balanced employment, lending to women entrepreneurs and tailored products and services. The gender-champion commits to breaking barriers and leading transformations in gender-led finance by creating, through specialised gender funds, products and services with an explicit gender focus. This involves commitments that have to be met in a pre-defined time interval.
- **Reliability:** A stable investment stream and commitment from the management board are essential to create the impact needed in the themes and sectors most relevant for closing gender gaps.
- **Stakeholder interest:** Engaging with investors, coworkers, regulators and local communities to ensure that diverse voices are aligned to carry out the gender inclusion strategy.
- **Strategy definition:** A good understanding of the mindset of stakeholders and standing commitments vis-à-vis the stakeholders are critical for implementing a strategy. At Triodos Investment Management, the strategy follows accepted frameworks including Minimum Standards and the five transition themes that guide our investment choices. Specific portfolio targets are set, consistent with the fund's asset class, gender focus and contribution to sustainable objectives.

Early scanning process

- **Screening:** Selecting companies that have the potential to effectively steer on gender-related topics, while causing the least adverse impact through their activities. Investors that have social inclusion in their vision will find it easier to engage in promoting gender equality. Potential adjustments could be made to the investment selection process, recognising that traditional selection criteria can unintentionally discriminate access to credit for women. During the due diligence, one of the criteria should be a company's potential to steer on gender equality. At Triodos Investment Management, this process begins with screening companies that meet internal standards and are compliant with external requirements on due diligence and select companies that best align with our values screened against our [Triodos Minimum Standards](#) and exclusion lists, fit our transition themes, and have the potential to create impact.

Investment proposal phase

- **Due diligence and safeguards:** Ensuring that safeguards are in place to comply with commitments regarding human rights, non-discrimination policies, anti-violence and harassment measures (through both internal and external monitoring). Regulatory guidance on these topics include the [UN Guiding Principles on Business and Human Rights](#), [International Labour Organisation Fundamental Conventions](#), the [Sustainable Finance Disclosure Regulation \(SFDR\)](#), and the [Corporate Sustainability Reporting Directive \(CSRD\)](#). Internally, the [Triodos Minimum Standards](#) provide guidance on human rights and non-discrimination. Depending on geographies where human rights are most likely to be a risk, the monitoring on unequal access to and control of productive resources, services and employment opportunities, as well as risk of violence and social protection will need to be addressed more rigorously.

Gender gap analysis tools can be utilised as references for due diligence purposes, including the [Women's Empowerment Principles](#) – which assesses gender equality performance in the workplace, marketplace and community, as well as related metrics such as [Alinus](#) – an audit tool for financial service provider for social due diligence and monitoring. At this stage it is important to prioritise

the risks that have been identified and what actions would be needed to mitigate the risks. This is where communication about the adverse risks will take place and how they could be addressed.

- **Safe practices:** Ensuring that the financial services and products provided are suitable for the capabilities and needs of the beneficiaries, in line with consumer protection and safe, fair financial practices, as well as the gender approach employed by partners involved in co-financing agreements.

Investment phase

- **Regulation and standard alignment:** Ensuring that companies continue to meet mandatory and discretionary requirements related to gender equality, as well as the timeframes that are agreed upon. Standards include meeting the Sustainable Development Goals (SDGs) by 2030, the [2X Global](#), and the [Fair Finance Guide](#) in the case of Dutch guidelines. Communication on regulation requirements and standards with stakeholders is essential, keeping in mind that different stakeholders have different levels of knowledge and require different forms of communication, including tutorial videos, written statements and regular contact.

New criteria for gender equality and human rights in the Fair Finance Guide

The [Fair Finance Guide](#) a Dutch initiative aimed at promoting responsible finance and encouraging financial institutions to adopt fair and ethical practices released an update to its methodology in March 2025. The updated methodology places a stronger emphasis on gender equality, requiring financial institutions to have a stand-alone gender strategy or have incorporated gender equality and women's empowerment into its business strategy. Some of the standards for financial institutions include for instance, to incorporate gender equality by ensuring 40-60% representation of women in leadership positions and to require this from the companies they finance. Additionally, companies are now required to publicly commit to gender equality strategies and provide family-and care friendly work policies. Human rights criteria have also been expanded to include heightened due diligence in conflict-affected areas and explicit protections for human rights defenders.

The basics: Integrating gender in finance



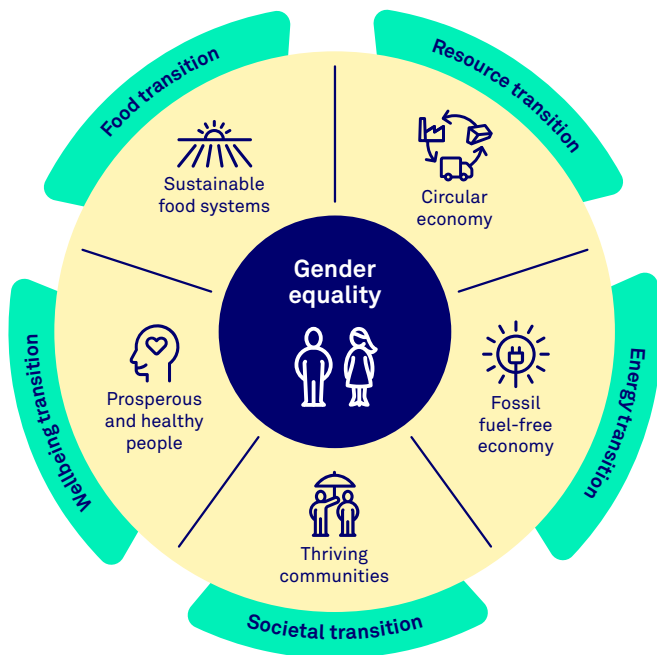
Source: Triodos Investment Management

- Impact measurement and engagement:** Ensuring that gender reporting is in place to monitor the impact of the funded business in promoting gender equality. This involves being aware of the specific barriers when trying to access equality of opportunities and the timelines for implementing a selection of indicators, targets and engagement strategies that address adverse impact. This may involve prior training to understand the relevance of the metrics such as women in senior management, women on boards, equity in pay gaps and the number of women employees in a company among other indicators. Specific targets should be set for companies and ultimately for providers within supply chains. An engagement plan should follow a reasonable timeframe with room for assessment and improvement.
- Impact management:** Enhancing the impact of gender policies often requires training on gender awareness, fostering the mindset necessary to implement gender equality. Reporting and assessment of the engagement plan can be conducted at the portfolio level for funds, for example, by setting a percentage for the share of companies that meet commitments within a defined period. This percentage should take into account the investment horizon of the companies in the portfolio and the fund's core activities based on sector and country. Impact and investment committees should be informed on a regular basis to understand eventual deviations from targets and timeframes.

b. Gender equality: a cross-cutting theme in Triodos' five transitions

Gender is a vital factor of societal organisation and plays a prominent role in global sustainability agendas. Gender equality is critical in accelerating transitions through empowerment. In our vision of a prosperous life for people and a healthy planet, Triodos Investment Management has identified five interlinked transitions: Food, Energy, Resource, Societal and Wellbeing. Additionally, transitions with a gender focus are important in breaking traditional gender roles. The impact of gender equality on transitions is cross-cutting, potentially impacting multiple transitions. For instance, financing gaps for girl's education can lead to more knowledge on recycling and a mindful consumption of resources, including water and less CO₂ emissions.

Triodos' five transitions



As a cross-cutting theme, gender equality could support the transitions:

Societal transition

By investing in financial institutions that provide small loans, saving accounts and payment facilities to individuals and small business of underserved communities particularly in emerging markets, we contribute positively to the societal transition. Triodos Investment Management strictly excludes

companies that have had claims on human rights abuses and discrimination practices and keen on including companies that offer equal opportunities and empowerment. Microfinance institutions are in general essential to support underserved individuals, particularly women in stabilising their incomes. In the case of small- and medium-sized enterprises (SME) in emerging markets, women borrowers in many countries are mostly excluded from formal banking services.

Wellbeing transition

The private sector is often needed to close gaps in education and health. Triodos Investment Management invests in healthcare and education and other forms of care like residential care for people with special needs. Jobs in these sectors are predominantly fulfilled by women working to improve people's wellbeing. Making sure that the companies we finance are sensitive to gender balance on the work floor could help these companies become attractive employers, but also more resilient in the face of labour market challenges, including population aging. A global shortage of care workers prevails and is compounded by the tendency of skilled care workers to migrate towards more developed economies. Triodos Investment Management also invests in listed companies that focus on childcare services and products that are distinctly tailored to improving the wellbeing of women to enforce gender equality.

Food transition

Niche actors in the value chain can influence how food is produced, processed and consumed. Gender equality plays a crucial role in food production, especially in developing countries where women comprise more than 40% of the agricultural labour force. However, the majority of women in the agricultural-value chain fall beneath the radar of banks. Many are 'invisible' because agricultural commodities are often sold by men and the land used to cultivate them is registered in the man's name, leaving the role of women in the production process often undetected. Recognising the contribution of women and ensuring equal opportunities to access land, resources and training is essential for an effective food transition. By investing in companies with women working in the agriculture sector there is more potential to increase the value of food and nutrition in health, as well as in food recycling.

Resource transition

A successful resource transition is about reducing resource extraction, which depends on the mindsets of ‘niche’ actors and the ownership structures of resources. Women are key to the effective management of fast-depleting natural resources and the ecosystems services. As subsistence producers and farmers, they play key roles in soil conservation, water and forest management. However, gendered differences in ownership of resources help to explain the persistence of the status quo and limitations to designing and implementing resource transitions. The way women manage water, agricultural production and

Nature-based Solutions (NbS) refer to projects that restore, protect and sustainably manage natural ecosystems, delivering environmental, social and economic benefits. An impactful NbS can achieve resilience of the income streams for smallholder farmers, help accomplish climate change adaptation and carbon sequestration, while also creating jobs, improving food security and enhancing the well-being of local communities. Good practice requires the participation of local and – where present – indigenous communities and rigorous stakeholder engagement. If implemented well, this will ensure that the needs of all involved groups are accommodated. This is crucial because women and men experience the impacts of climate change differently, given their access to, ownership of and reliance on natural resources and ecosystems, along with their respective socially determined roles and responsibilities. For example, in rural settings, women often have an important say in driving sustainability within their communities. Research on gender and NbS highlights the important role of women meeting NbS goals, while taking into account the cultural norms underlying gender disparities.

At Triodos Investment Management, through our investments in NbS, we strive to change mindsets and move to systems that ensure resilience and adaptation, with approaches that promote cooperation and create value for businesses. Gender equality will be an integral part of the NbS strategy. The strategy looks for guidance in 2X Framework and for inspiration and knowledge sharing in the 2X Network.

distribution matters in the transition. Overexploitation of the planet’s resources can result in scarcity and unnecessary waste. As such, more inclusive gender practices can accelerate innovations by knowledge sharing that result in positive feed-back loops in resource transitions.

Energy transition

Our energy transition strategy in emerging economies takes into account that the success of investments in clean energy requires that communities have the buy-in from women. This can make the implementation more effective, providing the most social impact. Indeed, effectiveness is often enhanced by commitment and partnerships between different groups in society. For instance, women have an important role to play in domesticating solar technologies (appropriation, maintenance and recycling) and in the transition from coal as a cooking source.

c. Asset class and gender equality

The choice of funding instruments is important for promoting gender equality. Some short-term options offer more flexibility and can be considerably useful for stabilising cash flows. Microfinance has proven to be very effective in stabilising women’s incomes, particularly in emerging economies. Additionally, or perhaps even more significantly, SME financing has the potential to be a game changer in advancing women empowerment. Women entrepreneurs when owning their own businesses have control over finances, gain confidence in running a successful business, making them more experienced for broader representation at different levels in society. Meanwhile, public markets have the capacity to influence the policies and products of portfolio companies by engaging with management on agreed targets for gender equality. Other assets in public markets, including social/gender-related bonds rely on patient capital, which enriches the financing mix for gender-related investments.

Microfinance

With increasing evidence of the importance of gender equality for poverty reduction, combined with the higher credit repayment rates achieved by women, a general consensus emerged on the desirability of targeting women. This became a major plank of donor poverty alleviation and gender strategies in the late 1980s/early 1990s. The dominance of women

microfinance clients remains until today. There is increasing evidence that microfinance helps smoothing household incomes and stabilising consumption, and more exceptionally improving wealth or improving women entrepreneurship. In low-income countries microfinance is an important first step towards social inclusion, particularly for women who otherwise would be facing income restrictions for basic necessities, including household food and education expenses.

Financing that serves to manage liquidity constraints and provides options for women to manage budgets, is extremely helpful given the role of women as the gatekeepers of household income. Although microfinance may be one of the few means to level household income, over-indebtedness remains a considerable threat. In addition to providing financial services, microfinance institutions enable women to undertake initiatives that help increase women's entrepreneurial capacities, such as financial literacy training and network events for women entrepreneurs. Through its financial inclusion funds, Triodos

Triodos Microfinance Fund, Triodos Fair Share Fund and Hivos-Triodos Fonds invest – indirectly and directly – in sustainable SMEs, supplying women entrepreneurs with the capital required for business growth and funding for food transition benefitting smallholder farmers in emerging economies. More than two-thirds of all loan clients at the financial service providers our financial inclusion funds invest in, are women. These women run small commercial and trading activities, running for instance small grocery stores, requiring working capital to operate these businesses.

Case study : Annapurna (India)

Annapurna was established in 2009, evolving into an important microfinance institution in India. Central to Annapurna's mission is the empowerment of women, who represent 98% of its customer base. Despite notable progress in expanding credit access for women in India, there remains a significant gender gap in workforce representation.

To address this challenge, Annapurna has implemented a range of initiatives to foster a more inclusive workplace. Among these, the Samanvi Gender Leadership Program, stands out. Annapurna has also established an internal Diversity, Equity

and Inclusion committee and formalised its Gender Diversity Policy to guide ongoing efforts toward building a more inclusive and equitable organisation.

Investment Management finances Microfund for Women in Jordan aiming to improve the lives of less fortunate women by encouraging entrepreneurship through microfinance, hoping that their success will translate to the success of their families. The institution is innovative and is constantly designing products which are aligned with the Jordanian reality. Research shows that women who already have some sort of preexisting power in entrepreneurship, politics or social relations may actually be the better candidates to improve gender equality through microfinance.

SME financing

The gender gap in financing SMEs is still large, despite that it is widely recognised that building entrepreneurship has a large positive spillover effect in society as a major source of employment and income in many economies. Worldwide, businesses owned or led by women received only about 2% of total venture capital investments and those women entrepreneurs who were able to acquire funding received on average only about 70% of the funding that men received.

and Inclusion committee and formalised its Gender Diversity Policy to guide ongoing efforts toward building a more inclusive and equitable organisation.

Annapurna's impact has been recognised externally. In 2024, it was featured in the 60Decibels Microfinance Index for its transformative role in enhancing the financial resilience of underserved communities. Its efforts have been recognised to support job creation within local communities and a significant increase in income.

Case study: OnePuhunan (Philippines)

Triodos Microfinance Fund and Triodos Fair Share Fund have provided a EUR 5 million senior debt facility to OnePuhunan, a key player in the microfinance landscape in the Philippines. OnePuhunan provides loans and microinsurance products to more than 400,000 underbanked women entrepreneurs in predominantly rural areas. One Puhunan focuses on providing suitable and reliable financial products and services to low-income individuals and small businesses which are not served by traditional banking institutions. The majority of its clients are women who run small commercial and trading activities.

Women are said to receive less funding on average because they target comparatively less 'lucrative' sectors and have smaller businesses compared to men. This is called the 'self-stereotyping' process in which entrepreneurs tend to self-select into industries that are consistent with the stereotypical perceptions of their gender group. Women tend to gravitate toward 'feminine' industries (retail, fashion and cosmetics) and men toward 'masculine' industries (high-tech, manufacturing and construction), where finance is more accessible because there is often collateral need and in activities that traditionally are thought to make high returns. Additionally, women tend not to ask for financing as often as their male counterparts.

Private equity

Private equity provides a sizable source of capital for entrepreneurs. However, the barriers that have been mentioned above including closed networks, unconscious biases or lack of gender equality commitments prevent women from fully capturing the opportunity to participate in private equity. From the perspective of gender lens investing, our investments in private equity allow us to have more influence on the company's internal policies compared to other private debt sources, because of our active board membership.

Public markets

Gender lens investing in publicly held companies usually involves companies that share other impact goals, including advancing broader sustainability criteria (i.e. environment and biodiversity). Triodos Investment Management engages with listed companies and steers, for instance through proxy voting, to promoting more balanced board diversity. We vote against any nominated chair-man if less than one third of the board are women without a satisfactory rationale. Comprehensive reporting of companies on board diversity and gender pay gaps, will be part of the obligatory reporting under SFDR and CSRD in 2025, which kicked-off in 2024. This will make it easier to select companies that stand out in terms of gender inclusion and will enforce our engagement with those companies lagging. Additionally, through our Triodos Future Generations Fund, we invest in listed companies such as Poppins in Japan and Bright Horizons in the US that enable a higher participation of women in the workforce by providing access to childcare. Triodos Future Generations Fund also targets children's survival and health, as well as their access to education and protects children from violence and exploitation. The empowerment of mothers is

Blended finance and gender equality in emerging markets

Blended finance – development finance used to mobilise private capital (including **debt and equity**) – has the potential to catalyse resources making it attractive for commercial and more risk averse investors to step in. It is likely one of the sources with the greatest potential to generate mandates and mobilise financial resources for gender equality. Blended finance can be structured, for example, as debt, equity, or guarantee products, with varying rates, tenors, security or ranking.

For instance, multilateral financing is an important source of blended finance. Multilateral development finance institutions have largely integrated a gender lens into their own investment approaches. When partnering with other investors, they require similar approaches, thereby compounding the benefits for gender equality. This type of financing is particularly suitable for emerging economies, offering guarantee schemes with long tenors, while also focusing on technical assistance to build the necessary entrepreneurial skills related to gender financing.

Having a solid gender framework, including but not limited to the 2X Challenge (see definition and indicators in annex), has increased the availability of blended finance, especially in emerging economies. In 2022, blended finance that involved government and development agency capital accounted for approximately 77% of the capital financing integrating gender equality. Triodos Investment Management currently employs blended finance in its high-impact Hivos-Triodos Fonds for inclusive agricultural value chains and inclusive energy investments (some of them qualifying as nature-based solutions). In the realm of nature-based solutions, blended finance can unite multiple investors with a high risk appetite and long tenors. The technical assistance component often associated with blended finance also helps advance gender and social inclusion.

key to improve the investments in children's health and education, as well as the performance in their educational outcomes.

In the fixed income space, gender-related bonds are an upcoming class, focused on companies that rate highly in terms of gender equality. Although we so far have not participated in such issuances, banks we finance through our private investments in emerging markets have issued gender bonds. In any case, there is quite some potential in sharing lessons in this theme and scaling investments, given the large investor appetite. A lower global interest rate environment could make gender bonds more attractive in the near-term. The issuance of gender bonds by banks is by far the largest in Latin America (Banco del Pichincha in Ecuador and Banco Sol in Bolivia) in collaboration with the Women's Entrepreneurs Finance Initiative (We-Fi) have been quite successful. Multilateral institutions including the Inter-American Development Bank and IFC support with advisory services, and also underwrite and/or invest in this type of issuance, which has been growing steadily in the past couple of years. The investments are dedicated to provide credit to women owned businesses. This is a source of financing certainly worth exploring when it comes to gender lens investing.

Conclusion

Gender equality is vital for women's individual well-being and empowerment, as well as for advancing transitions towards a sustainable and inclusive society. It holds the potential to positively influence GDP growth on a country level and business value performance at the company level. Finance is a key tool for empowering women, and financial institutions are well-positioned to contribute to this cause. Companies that have intentionally integrated gender equality into both their financial performance and social goals are actively contributing to steering gender equality.

Triodos Investment Management is a global player investing in both advanced and emerging economies and is aiming to be actively involved in financing the transition towards gender equality at various levels. We support investments in areas such as financial inclusion and inclusive energy. Important engagement topics for the companies we invest in include board diversity and family-friendly workplace policies.

If we aspire to create better and happier societies, gender equality needs all the support it can receive to help economies reach their full potential. Investors have an important role to play in advancing gender equality by making conscious and intentional investment decisions that contribute to the equal treatment of both men and women, and ultimately to the development of a sustainable and inclusive society.

Annex 1

Theory of Change for gender lens investing



Source: Triodos Investment Management

Annex 2

Examples of institutional standards to assess gender equality for institutions

	Organisation	Scope	Criteria
Index			
Global gender gap index	WEF	Global – country	Economic participation and opportunity, educational attainment, health and survival, political empowerment
Gender Development Index	UNDP	Global – country	Life expectancy at birth, expected years of schooling, man years of schooling, estimated GNI per capita
Gender Equality Index	EIGE	Europe – country	Work, money knowledge time, power
Frameworks			
Sustainable Development Goals	UN 2030	Global country & business	Poverty (1) Good health and well-being (3) Quality education (4) Gender equality (5) Affordable and clean energy (7) Decent work and economic growth (8) Industry, innovation and infrastructure (9) Reduced inequalities (10) Peace, justice and strong institutions (16) Partnerships for the goals (17)
2X Global	Global network	Global	Direct: Entrepreneurship & Ownership, Leadership, Employment, Products & Services and Supply Chain. Indirect: Investment through financial intermediaries.
Fair Finance Guide	Amnesty International Milieudefensie Oxfam Novib World Animal Protection PAX	Netherlands	<p>The financial institution:</p> <ul style="list-style-type: none"> • has made a public commitment to gender equality. It has a stand-alone gender strategy or has incorporated gender equality and women's empowerment into its business strategy. • provides trainings to address gender-based discrimination and biases in the workplace. • actively manages equal remuneration. • has systems in place to prevent and mitigate gender discrimination of its customers. • guarantees 40-60% participation and equal access for women on the board of directors, executive positions and senior management level. • provides targeted professional development for employees to promote equal access for women to senior level positions. • demonstrates its commitment to family life and work-life balance by supporting childcare, parental leave and other care responsibilities (e.g., breastfeeding, dependent care). • discloses the percentage of financing to women-owned businesses or other vulnerable groups, on the total amount of financing to MSMEs. <p>Companies where a financial institution invests in:</p> <ul style="list-style-type: none"> • have made a public commitment to gender equality. It has a stand-alone gender strategy or has incorporated gender equality and women's empowerment into its business strategy. • provide trainings to address gender-based discrimination and biases in the workplace. • actively manage equal remuneration. • have systems in place to prevent and mitigate gender discrimination of their customers. • guarantee 40-60% participation and equal access for women on the board of directors, executive positions and senior management level. • provide targeted professional development, and where necessary also education and training, for employees to promote equal access for women to senior level positions. • include gender and women's rights criteria in their procurement and operational policies. • include clauses on the compliance with gender and women's rights criteria in their contracts with subcontractors and suppliers.

	Organisation	Scope	Criteria
Code V	Dutch financial system	Netherlands	<p>Financing women entrepreneurs % split into sectors per classification of the relevant Standard Industrial Classification (SBI) code of the trade register of the Chamber of Commerce.</p> <p>If applicable: number of new primary business checking accounts opened by women entrepreneurs and other entrepreneurs during the reporting period.</p> <p>Number and volume of applications for loans, overdrafts, invoice financing or asset financing products from women entrepreneurs and other entrepreneurs (for each facility during the reporting period) as soon as the internal organisation of the relevant financier is set up for this purpose (the financier will be responsible for the necessary efforts).</p>
European Investment Bank Group Strategy on Gender Equality & Women's Economic Empowerment	EU	EU	<p>Covering EIB lending, blending and advisory activity inside and outside the EU; focus support on projects that increase the participation of women in the labour market and economy.</p> <p>Main focus areas: protect women's Rights, highlight inequalities, positive impact on gender empowerment, embed gender perspective, invest in women, access to employment and finance, support women entrepreneurship.</p>
Metrics			
SPI Online	Cerise+SPTF	Global	Measures for impact performance and implementing the Universal Standards for Social and Environmental Performance Management
IRIS+ System	GIIN	Global	System for measuring, managing and optimising impact.
Regulation			
SFDR PAI 13	EU	EU	<ul style="list-style-type: none"> • Unadjusted gender pay gap • Board gender diversity, transportation, retirement and profit sharing
CSRD	EU	EU	<p>Equality and justice:</p> <ul style="list-style-type: none"> • Own work force – diversity at the workplace, unadjusted pay gap • Workers in the value chain – diversity at the workplace, unadjusted pay gap • Consumers and end users – social inclusion in access to products and services
Social Taxonomy	EU	EU	<p>Promoting equality and non-discrimination at work:</p> <p>Ensure that:</p> <ul style="list-style-type: none"> • women and workers from different backgrounds are equally represented at all levels of the company and in all kinds of occupations and positions including senior management. • Creating jobs for women, both directly and indirectly, including through special measures to attract women into the workforce or to break down gender segregation in jobs (e.g. childcare facilities and diversity policies that go beyond mere compliance with existing legislation).

Source: Triodos Investment Management

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Triodos Investment Management is a globally active impact investor. We see impact investing as a driving force in the transition to a green, inclusive, and resilient economy. We have built up in-depth knowledge throughout our 25+ years of impact investing in sectors such as Energy and Climate, Financial Inclusion and Sustainable Food and Agriculture. Triodos IM also invests in listed companies that support sustainable solutions for the future. Assets under management as per end of December 2024: EUR 5.8 billion.

Triodos IM is a wholly owned subsidiary of Triodos Bank, a leading expert in sustainable banking.

Investing in positive change

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