Types of Capital Roadmaps

Common Standards on Gender-Based Violence for Public Companies
Creating standards and an investment framework that enables public market investors to screen companies for potential operational strengths and reputational risks related to gender-based violence.
Violence both inside and outside the workplace impacts employees’ abilities to do their job. In particular, violence or sexual misconduct in the workplace has significant negative impacts on employees’ presenteeism and productivity. Those experiencing violence outside the workplace also grapple with issues that result in higher rates of absenteeism and lower productivity. Thus, violence impacts a company’s performance, both in terms of its operational costs and reputational risks, especially if public knowledge of this violence becomes known. There are policies and practices that companies can put into place to 1) reduce the risk of workplace violence and 2) provide support for those experiencing violence outside the workplace so that they are able to be more present and effective at work.

Gender-based violence experts have identified many ways in which companies can create safer and more supportive environments for their employees. These experts’ recommendations outline model policies and practices for reducing workplace violence and supporting survivors. Gender-based violence translators can help to socialize the uptake of these frameworks so that more public market investors can appreciate the moral and economic imperative of applying these standards.

Some public market investors may be motivated to screen potential investees for those that apply these standards, because on a standalone basis, these frameworks reflect their values. Whereas other public market investors may decide to incorporate these standards into their existing environment, social, and governance frameworks, because they understand how directing financing towards companies which apply these combined standards can positively affect a business’s operational and impact performance. Regardless of the method in which investors choose to deploy these standards, their signaling of intent to flow capital towards public companies that are aware and responsive to gender-based violence puts pressure on other firms to adhere to these frameworks. As a result, investors can use their power to prevent future episodes of workplace violence and mitigate the impacts of gender-based violence, when it does occur.

Many public market investors are seeking to create portfolios that align with their values. Their use of gender-based violence expert-backed workplace standards to determine whether the companies in their portfolio reflect the changes that they want to see in the world can help to guide their investment decision-making and processes. For instance, investors that are subscribed to the Human Rights Campaign’s Corporate Equality Index may have chosen to direct capital towards this opportunity because it aligns to their values. Other public market investors may be motivated to apply gender-based violence informed screens and process metrics, because they understand the linkage between poor employee practices and a company’s performance. Influential public markets investors naming gender-based violence as a material risk and publicizing their use of these standards as tools by which the risks associated with workplace violence can be assessed, signals to other public market investors that they should also direct their attention and financing towards the reduction of gender-based violence.

As #MeToo and other social justice movements have shown, attention on company behaviors related to sexual misconduct is extremely high. These types of scandals have the potential to significantly impact a company’s value. Applying a framework that is grounded in gender-based violence experts’ analysis can enable public market investors to proactively mitigate risks and identify companies that are likely to outperform their peers from an operational standpoint.

Financing the Reduction of Gender-Based Violence
Companies broadly changing their workplaces with an eye to gender-based violence means less overall workplace violence and more ways for survivors to participate and thrive in the workforce.

1

Gender-based violence experts familiar with finance create a set of standards for company policies, practices, and culture.

2

Investment managers and analysts use this set of standards to incorporate new considerations related to violence as part of their existing analysis by either screening companies in or out of their portfolios or to building new investment products.

Companies change their policies and practices to be in line with the recommended gender-based violence standards, thereby creating environments that prevent workplace violence and support those who are experiencing it outside.
Audiences: Asset managers and public equity analysts
Types of violence: Workplace violence and domestic violence
Type of capital: Public equities
Investment approach: Public equities indices

Resources

Organizations, such as Futures Without Violence and FreeFrom are developing guidelines and best practices for workplaces, including the Workplaces Respond initiative.