

background

Since our first investment in 2017, we screen for the best entrepreneurs and teams in all sectors we invest in. It is fair to say that for a long time gender was contemplated as a “default approach” for us: when looking at gender lens investing exclusively from an access to finance point of view, our market segment of small SMEs that need less than USD 500k in a first round also holds by nature the highest proportion of SMEs that are women founded or led, have female staffing, or produce a product or service for women. As a consequence, ever since we started measuring our portfolio against the 2X criteria in 2021, our portfolio has been consistently +80% 2X aligned. Nonetheless, since 2022, we have started to add intentionally a gender lens to our previously pragmatic approach, both from an ESG and impact point of view. We are convinced that where intentionality meets pragmatism, more and better results can be achieved.

our vision

iungo capital envisions a future where our investments not only perform well financially, but also contribute to positive societal change, by narrowing gender gaps in the workplace, reassuring fair treatment for both women and men, according to their respective needs. Gender lens investing for small SMEs is not just a strategy for access to finance; it is a commitment to contribute to reshaping a business landscape for the better, where every individual, regardless of gender, has an equal opportunity to thrive, lead, and contribute to the success of the business environment they are part of, fostering workplaces that are not only financially sustainable but also socially responsible and inclusive.

why

1. **social impact:** we believe that small SMEs, as any actor in society, have a crucial role in shaping social norms. By fostering gender inclusion and equality, our investee companies will contribute to broader societal changes, promoting diversity and breaking down gender-based stereotypes, as such leading by example.
2. **economic empowerment:** by investing in SMEs with a gender lens, we acknowledge the significant economic contribution of businesses that are women-owned or led, rely on women as workforce, or produce services and products for women. We recognize the potential for economic growth and stability when all segments of the population, regardless of gender, have equal opportunities to participate and/or lead in the business world.
3. **risk mitigation/opportunity maximization:** by investing in SMEs that value gender equality and inclusion, we are convinced our investees are better equipped to leverage opportunities and mitigate risks associated with addressing the different needs in their teams, reducing staff turnover, better understanding their target markets, and risks associated with liabilities and reputational damage through strong measures against discrimination and/or harassment.

4. financial access expansion: as an investor that focuses on the smaller investment tickets (up to USD 500k in a first round), we consider it part of our investment thesis to prepare our investees for investors that exclusively provide larger amounts of capital. We are convinced that working with our investees around gender inclusion and equality is an inherent part of that preparation for later stage investors, within the current and future investment landscape.

how

to achieve our vision of gender lens investing, we are committed to embedding gender inclusion and equality into our what and how, both internally and throughout the entire investment process from screening to exit. Our main focus is on gender inclusion and equality in the workplace, through intentionally using our capital, capacity, and knowledge to both promote opportunities to improve the lives and livelihoods of women in the workplace and develop principles, financing criteria and due diligence tools to guide our investment decisions towards supporting gender equality and inclusion in our portfolio.

intentionally adding a gender lens to every step of our investment process involves the following approach:

1. screening and due diligence: 2X criteria are part of our screening criteria, while during DD we apply gender specific questionnaires as part of our overall ESG and impact assessment, to detect gaps and opportunities.

we focus on observing and reassuring all women are treated fairly at work – with respect and support for human rights, dignity and non-discrimination, in areas like remuneration; recruitment and retention; participation in decision making and governance; health, safety and well-being; and training and professional development. Finally, we seek zero-tolerance towards all forms of violence and sexual harassment.

2. deal structuring: in case of any observed gaps in the areas mentioned above, these are translated into ESG and impact targets, and become an explicit part of our investment agreements; as conditions for tranche release or follow-on investments.
3. investment management and TA post-investment: our in-house technical assistance team together with the investment team actively engages with our investees to provide ongoing support in implementing the necessary gender inclusive practices, to reach the contractually agreed targets.
4. reporting and exit: we work with our investees to include gender-related data in their regular performance and ESG/impact reports. Also, the exit-report assesses the investee's overall performance regarding gender inclusion and equality targets throughout the investment period, while using sex disaggregated data to evaluate the company's financial performance and repayment behaviour.