

# **Incorporating Measures of Gender-Based Violence into ESG Frameworks**

CAS RPM Seminar 2022

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15 MARCH 2022

# **GBV: Why it matters**

# What is gender-based violence?



# Why does GBV matter?

1 out of 3 women experience this fundamental human rights violation

- 35% of women have experienced either physical and/or sexual violence by someone who is an intimate partner or by someone who is not a partner
- As many as 38% of all murders of women are committed by male intimate partners (WHO, 2013, p.2).



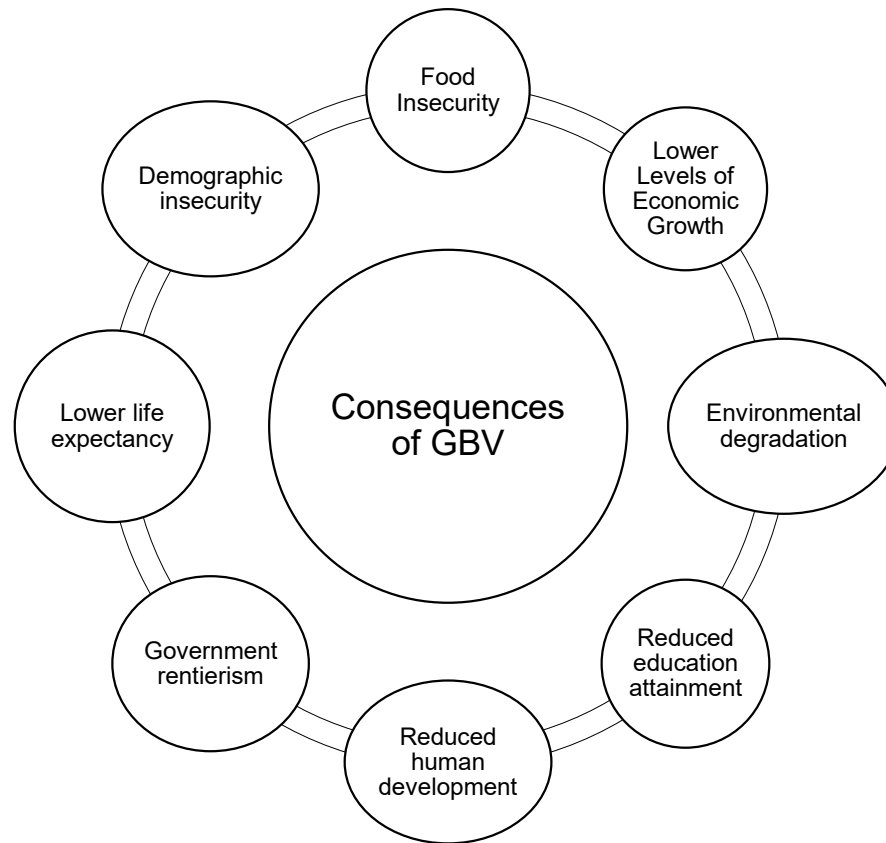
Photo: Dominic Chavez/World Bank

## Cost to society

In 2016, the global cost of violence against women was estimated by the UN to be US\$1.5 trillion, equivalent to approximately 2% of the global gross domestic product (GDP), or roughly the size of the entire Canadian economy (UN Women, 2016).

In the U.S. alone, the annual cost of lost productivity due to domestic violence is estimated as \$727.8 million, with over 7.9 million paid workdays lost each year. A 2018 report found that the total economic costs to the U.S. economy caused by intimate partner violence were a staggering \$3 trillion over the victims' lifetimes.

# Economic consequences of GBV



# Incorporating GBV metrics into investment decision-making



- **Negative economic impact of GBV** (ie wage loss, physical & mental health costs)
- Inverse is also documented: **financing and investing decisions that ignore GBV may inadvertently contribute to increasing incidences of GBV**
- **Lack of tools** that businesses can leverage to assess impact an investment decision will have on GBV

# **Exploring the business case for GBV-aware investing**



# The problem we're trying to solve

Can the investment portfolio construction process ultimately create an economic incentive for governments and private sector to prevent and mitigate GBV?



Photo: Scott Wallace / World Bank

## **The project:** Incorporating gender-based violence in assessing investment risk

### Project vision

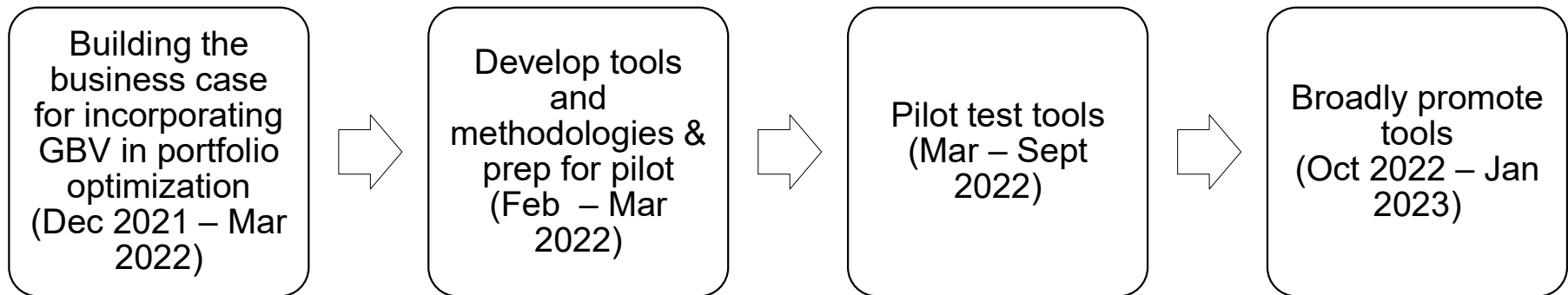
Creating an economic incentive for governments and private sector to prevent and mitigate gender-based violence (GBV)

### Project objectives

1. Build the business case for incorporating GBV into portfolio optimization
2. Develop methodologies and tools
3. Pilot methodologies and tools

USAID's INVEST initiative: Mobilizes private capital for better, more sustainable development results

# Our project phases



## Why does GBV matter to businesses?

- Reduced productivity
- Potential cost to businesses
- Risk of reputational damage
  - Sexual harassment in workplace
  - Oxfam example – direct sexual exploitation
  - Infrastructure projects – indirect sexual and physical violence by male employees
- Impact on returns



# Incorporating GBV in investing: Evidence and approaches from ESG investing

1

“Worst-in-class” Exclusion

2

“Simple ESG tilt”

3

“ESG momentum”

# GBV ratings: A path towards GBV-aware investing



- Country and sector specific ratings
- Security analysts could evaluate companies & their policies
- Intra-country comparable

# GBV-aware investing tool

## What

A GBV-aware investing tool for "buy and hold" ESG investors

## Who

Target user of the tool: "Buy and hold" ESG Investors

## Why

There is a business case to ESG investors for incorporating GBV into assessing investment risk

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