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Gender and Human Rights: A Strategic Lens for Stronger Investment Outcomes

Across global value chains and financial markets, gender equality and human rights are increasingly recognized as essential components of sustainable finance. Yet too often, they remain framed primarily as risk factors or compliance requirements. This perspective underestimates their strategic value. When applied intentionally, gender and human rights considerations can

reveal hidden inefficiencies, unlock underserved markets, strengthen cash-flow stability, and improve long-term performance. The question for investors is no longer whether these lenses matter, but how to translate them into better investment decisions.



Challenging the “default user” assumption

Many products, services, and investment strategies are built around implicit assumptions about who the “default user” is. Frequently, that default is male, often unintentionally, but with real consequences.

Simple examples illustrate the point. Hotel rooms designed primarily for business travelers may assume male usage patterns, from clothing storage to room layouts. Financial products may be technically sound, competitively priced, and well-designed, yet see limited uptake among women because they have certain requirements like collateral which is systemically less accessible to women. The issue is not demand, but design.

When gender considerations are introduced only after a product or service is launched, organizations risk missing large segments of their potential market and limiting the return on invested capital. By contrast, integrating a gender lens at the design stage can expand the user base, improve adoption rates, and increase long-term value creation.

Gender as an opportunity, not only a risk

A gender lens is often associated with safeguarding, exclusion of risks, or reputational concerns. While these dimensions are important, they represent only part of the picture.

Gender-responsive strategies can enhance business resilience and cash-flow stability. Evidence increasingly shows that more diverse leadership teams are associated with lower volatility and stronger governance outcomes.

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The data supports this: women-founded businesses generally exit faster for double the return, and gender-balanced teams in emerging markets are correlated with approximately 25% greater increase in valuation (IFC, 2019). Yet only 7% of PE/VC capital in emerging markets goes to women-led businesses, signaling a significant market inefficiency that presents both an investment opportunity and impact potential. In a nutshell, there is ample evidence that women are highly bankable clients and stakeholders across the economy. Importantly, this is not an emerging market-only issue; it applies globally across sectors.

Despite this, a gap persists between recognizing the opportunity and translating it into results. Many organizations acknowledge the relevance of gender yet struggle to move beyond high-level commitments toward operational integration. In practice, investors can engage with gender at different depths. At a minimum, gender serves as a risk lens, helping avoid blind spots that drive underperformance. More strategically, it becomes a growth lens, identifying underserved markets and design opportunities that expand adoption and revenue. For those seeking deeper impact, gender integration extends to empowerment outcomes, tracking agency, income stability, and resilience as core performance indicators.

Using the right frameworks to uncover missed opportunities

Structured frameworks can help bridge this gap. Approaches such as the **AAAQ** framework (**A**vailability, **A**ccessibility, **A**ceptability, **Q**uality) provide a practical way to ask the right questions with a gender lens.

For example, a savings product may be affordable and technically accessible yet still fail to reach women users. Why? Cultural norms, time constraints, product features, or delivery channels may not align with their realities. Applying such a framework helps investors and investees identify where value is being lost, and where opportunity exists. Availability is necessary but rarely sufficient. Accessibility depends on pricing and who controls purchasing decisions. Acceptability hinges on cultural fit, time burden, and alignment with daily realities. Gender dynamics most often shape these middle layers, where adoption either accelerates or stalls.

Real-world examples demonstrate how this plays out. In agricultural contexts, products and services initially designed with male users in mind have excluded women due to physical or practical constraints. When new designs removed these barriers by recognizing issues such as knowledge gap, land rights and the physical demands of farming, entirely new customer segments emerged, transforming both impact and commercial potential.

From outputs to outcomes: rethinking measurement

Measurement remains one of the most persistent challenges in applying gender and human rights lenses effectively.

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Many organizations track outputs – for example, the number of women in leadership positions – without clearly articulating the outcomes they are trying to achieve. Outputs alone do not explain whether a product, service, or strategy is contributing to meaningful positive change. Empowerment outcomes focus on durable change: more stable incomes and productivity, greater agency over financial or household decisions, reduced time burdens that limit participation, and improved resilience to climate and economic shocks. Put simply, outputs support compliance; outcomes support conviction and predict long-term market viability.

The key question for investors is not how much data can be collected, but which data is truly useful for decision-makers. Outcome-oriented indicators, such as workforce retention, customer satisfaction across genders, or access to essential services, can provide deeper insight into how investments perform in practice.

A well-known example from the automotive sector illustrates this shift. By analyzing customer data, companies identified a growing number of women drivers and service users. This insight led not only to more inclusive staffing, but also to changes in customer experience – from waiting areas to service design – improving satisfaction and loyalty across the board.

Avoiding unintended consequences

Integrating gender and human rights considerations also requires careful attention to unintended consequences. Well-intentioned interventions can sometimes reinforce existing inequalities if they fail to account for local contexts or power dynamics.

This is particularly relevant as gender lenses are applied beyond financial inclusion into more complex sectors. Continuous feedback, stakeholder engagement, and adaptive management are essential to ensure that strategies deliver the intended outcomes.

A strategic imperative for investors

Gender equality and human rights are not peripheral but global concerns. They shape who can access products, who benefit from services, and ultimately how value is created and sustained in the long run.

For investors seeking long-term performance, applying these lenses early and systematically is a strategic imperative. It enables better product design, more resilient business models, and clearer evidence of positive outcomes.

By moving beyond assumptions, focusing on outcomes rather than outputs, and embedding gender and human rights into core investment processes, investors can unlock opportunities that benefit both portfolios and society at large.

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