



SEAF Gender Equality Scorecard ©

A Tool to Advance Women’s Economic Empowerment and Gender Equality in SMEs

What Is the SEAF Gender Equality Scorecard?

The SEAF Gender Equality Scorecard © (“GES”) is a proprietary tool SEAF uses to assess women’s economic empowerment and gender equality within individual investment opportunities and portfolio companies for select SEAF funds.

This rating system is structured around six gender equality vectors, including pay equity, workforce participation, leadership and governance, benefits and professional development, workplace environment, and women-powered value chains.

SEAF is using the GES © for multiple purposes. First, it is a screening tool to identify companies already demonstrating a commitment to gender equality. Second, it is a tool to assess portfolio companies’ level of demonstrated gender equality in order to improve it over the investment hold period, as a value creation activity. Third, it provides a guideline to develop SEAF’s best practices in the implementation of its gender improvement plans across the underlying parameters of each gender equality vectors. Finally, SEAF leverages the data derived from the tool as it is applied across its gender lens portfolio to support the analysis of the impact of improving gender equality on increasing investment returns for investors, and thus validating SEAF’s investment thesis.

KEY FACTS	
Name	SEAF Gender Equality Scorecard ©
Purpose of Scorecard	To assess a company’s level of, and progress in, women’s economic empowerment and gender equality
Use of Scorecard	<ul style="list-style-type: none"> Assess potential investments Create value in SEAF investees by improving empowerment & gender equality Refine and validate SEAF’s investment strategy
Key Gender Vectors Of Scorecard	<ul style="list-style-type: none"> Pay equity Workforce participation Leadership & governance Benefits & prof. development Workplace environment Women-powered value chains
Technical Advisors	<ul style="list-style-type: none"> Investing in Women Criterion Institute Suzanne Biegel, Catalyst At Large

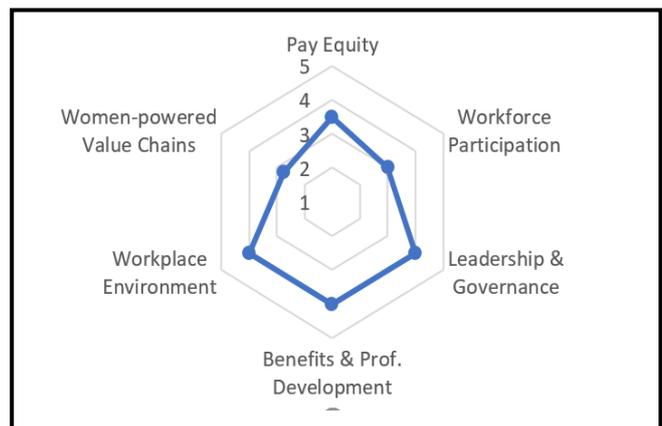
Why Did SEAF Create the GES ©?

The GES © was created in recognition that significant, shared value can be created for women, investors and entrepreneurs through investing in gender equality-focused companies. Current research suggests that a commitment to ESG, in general, and gender equality and women’s economic empowerment, in particular, significantly improves company performance.

However, while there are several gender equality assessment guides in the market place, such as MEDA’s GEMS framework, there has yet to be developed a practical scoring mechanism to track gender equality progress over time in order to target work for gender equality-related value creation.

Finally, the value creation opportunity became quite clear recently from the SEAF Women’s Opportunity Fund, SEAF’s first sole-purpose gender lens investing fund, which has focused on women-led and owned SMEs in Southeast Asia. From this investment activity, and in partnership with the Investing in

SEAF Gender Equality Scorecard © Components





Women Initiative and Criterion Institute, it was apparent that more could be done to advance gender equality through SME investing, all for the benefit of women, investors and entrepreneurs. Most immediately, the GES[®] will be a core component of SEAF's gender lens investing funds, which will have a more expanded gender lens strategy and thesis than that of SWOF I.

What Is SEAF's Gender Lens Investing Approach?

Future SEAF gender lens funds will create shared value for women, entrepreneurs and investors by investing in SMEs that propel women's economic empowerment and gender equality in the marketplace and the workplace. Beyond providing strategic and operational support post-investment through SEAF's global network, SEAF sees the opportunity to build value by improving gender equality within the investees. Because women are often undervalued in the marketplace and the workplace due to gender biases, SEAF can source attractively priced opportunities, with significant potential in which to build value in the following businesses:

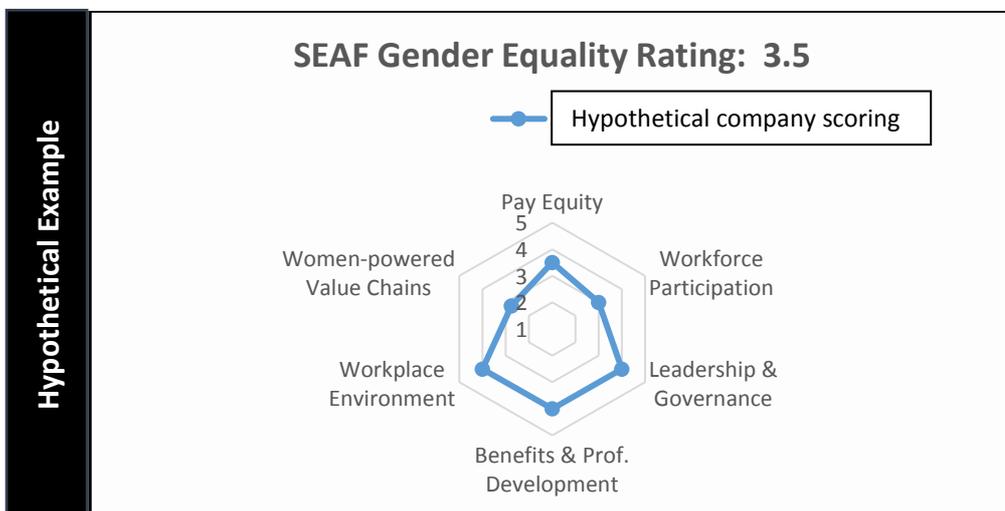
- Women-led businesses
- In sectors with high prevalence of women
- Providing products and services that meet the unmet needs and wants of women and girls
- Already demonstrating a commitment to women through ownership & pay equity, leadership, workplace, benefits and professional development, workforce participation & value chains.

SEAF will use the GES[®] to (1) identify potential investees already committed to women's economic empowerment and gender equality, and (2) guide SEAF's value creation work in pay equity, leadership and other empowerment and equality metrics, and (3) leverage the data set derived from the tool to validate and refine SEAF's investment thesis. GES' policy and procedures are being finalized to ensure that SEAF's gender lens investment funds' commitment to women's economic empowerment and gender equality is fully reflected in its investments and in the post-investment value creation and gender equality scoring activity.

How Does the GES[®] Work?

The SEAF Gender Equality Scorecard[®] provides an overall rating score for a scored company on its level of women's economic empowerment and gender equality within the business. This overall rating score is based on six gender equality performance vectors (pay equity, workforce participation, leadership and governance, benefits and professional development, workplace environment, and women-power value chains). The scoring is done on a 5 point scale as follows, with a hypothetical example shown below:

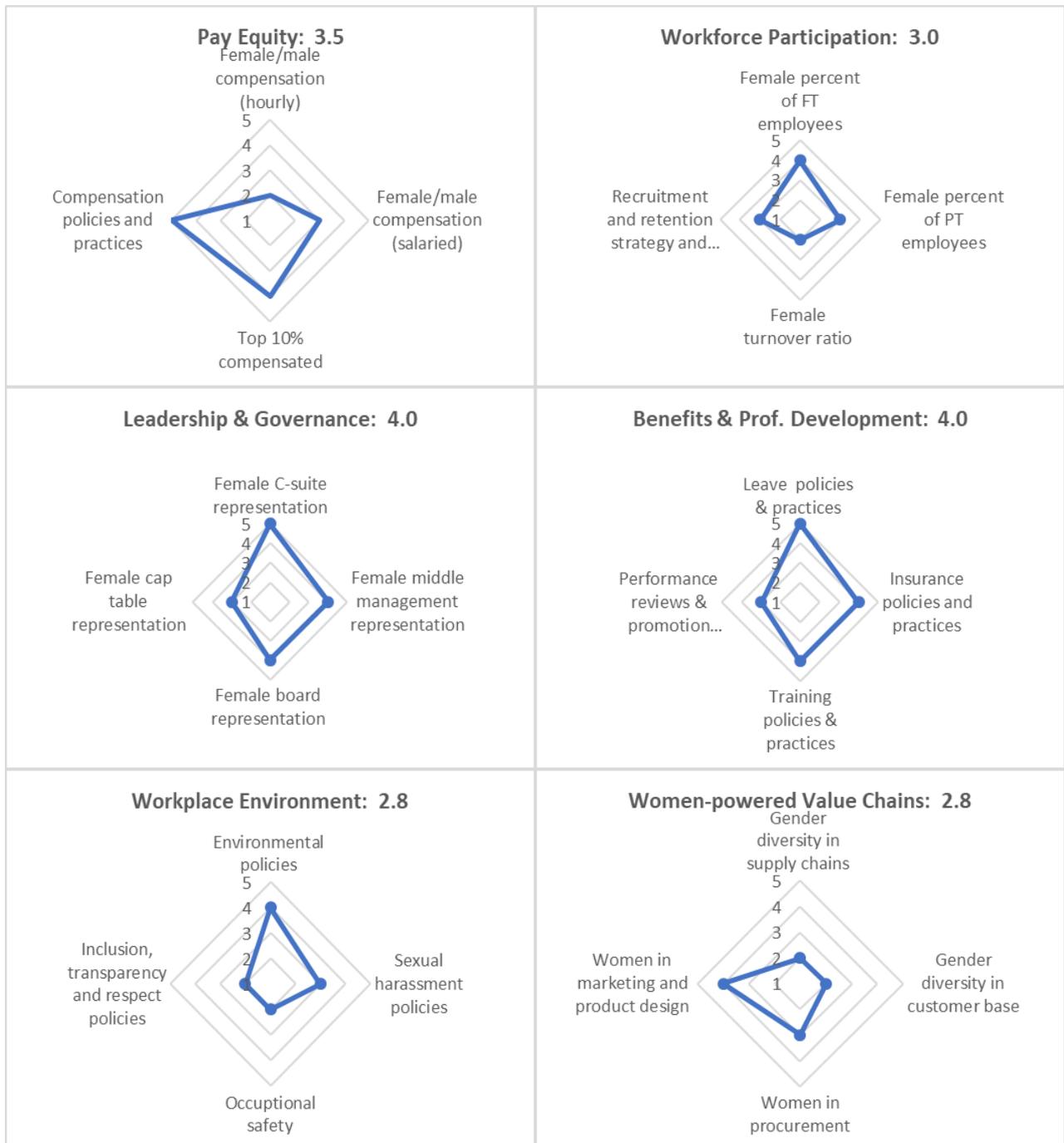
5 = Role Model; 4 = Advancing to Role Model; 3 = Getting There; 2 = More Work to Do; 1 = We Need to Talk





In our hypothetical example above, this company received a 3.5 (out of 5) gender lens rating, which is encouraging and highlights strength in leadership and governance, benefits and professional development and workplace environment. It also indicates that improvement is warranted in pay equity, workforce participation and women-powered value chains

As noted, the overall gender rating score is a composite rating of the six vectors, which are themselves composites of their respective four parameters, which are also scored on the 5 point scale. For example, the Pay Equity vector is a composite of female/male hourly compensation, female/male salaried compensation, women in the top 10 percent of compensated staffers, and compensation policies and practices. The chart below gives more detail on the individual vector and related parameter scorings for our example.





Continuing our hypothetical example, one can see above the individual gender equality vectors composite scores, along with the scoring of the vector-specific parameters. From this, one can see that while the company is doing fairly well in Pay Equity (score: 3.5), it still has significantly more work to do in compensation parity between female and male hourly workers. Also, while the company is faring very well in Leadership & Governance (score: 4.0), it is particularly weak in the representation of women in the company’s cap table (score: 2). Thus, SEAF’s value creation work in gender for this company would focus on hourly compensation parity and female representation in the company’s cap table.

How Are the Individual Vector Parameters Scored?

The four parameters for each gender equality vector are also scored on a 5 point scale as defined by the GES[®] scoring matrix (see Appendix A). The four parameters are equally weighted, as are the gender equality vectors.

As an example, below is the Pay Equity gender equality vector portion of the matrix, showing how each of its four parameters are to be scored. The boxes highlighted in gray correspond to the scores of our hypothetical example above. Appendix A contains the entire gender lens rating scorecard matrix.

Pay Equity	1 (We Need To Talk)	2 (More Work to Do)	3 (Getting There!)	4 (Advancing to Role Model)	5 (Absolute Role Model)
Female/male compensation ratio for hourly employees (percent of women’s to men’s)	0 to 60%	61 to 75%	76 to 85%	86 to 95%	>95%
Female/male compensation ratio for salaried employees (percent of women’s to men’s)	0 to 60%	61 to 75%	76 to 85%	86 to 95%	>95%
Percent of company’s top 10 percent compensated employees are women (% of women to men)	0 to 60%	61 to 75%	76 to 85%	86 to 95%	>95%
Compensation policies and practices in increasing levels of women’s economic empowerment and gender equality through pay equity	Company has no such policy	Company has such a policy	Plus such policy is communicated annually to all staff	Plus company compensation is reviewed to evaluate pay equity	Plus company takes measures to annually address pay inequity

How Were the Matrix Gender Equality Drivers Determined?

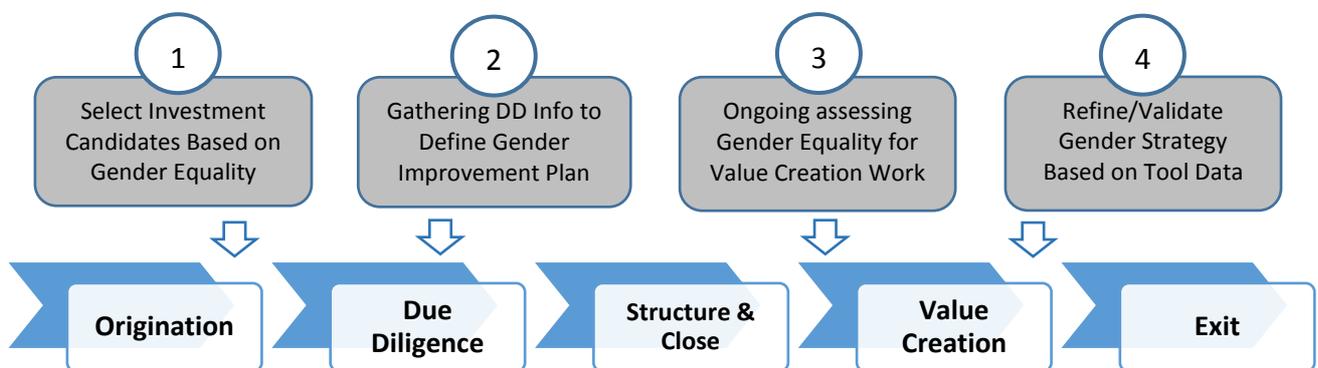
To construct the GES[®], SEAF began by reviewing contemporary research and literature on women’s economic empowerment and gender equality to understand key drivers within companies. In particular, SEAF drew heavily on the work of MEDA and its recently published Gender Equality Mainstreaming (GEM) self-assessment, which assists companies to identify viable opportunities that improve women’s inclusion in business operations while promoting business growth and increased investment opportunities. SEAF also benefited from the Solactive Equileap Gender Equality Family Index, which is used to track the top companies leading the field in terms of gender equality.

However, SEAF is also grateful for the support from its gender lens investing partners, Investing in Women and the Criterion Institute. Investing in Women is an Australian government-funded program that has supported SEAF with its gender lens investing in Southeast Asia under the current SWOF. The Criterion Institute, led by Joy Anderson and supported by Suzanne Biegel, Catalyst At Large, is a leading international think tank on gender and has been advising SEAF on its gender lens investing strategy and the Gender Equality Scorecard.



How Is the Scorecard Being Used?

The GES[®] is used to (1) assess, score and select potential SEAF investment opportunities with regard to a company's demonstrated commitment to gender equality, (2) further score SEAF potential investees during due diligence to identify areas for improvement and SEAF's value creation work for the benefit of women, investors and entrepreneurs, (3) conduct ongoing assessments of portfolio companies' gender equality to guide ongoing post-investment value creation work, and (4) leverage the data set derived from the tool as it is applied across SEAF's gender lens portfolio to support the analysis of the impact of improving gender equality on increasing investment returns for its investors. The leveraging of the data set will serve to validate and refine SEAF's investment thesis. The schematic diagram below shows at what stage of the SEAF investment cycle, from origination through value creation, the Gender Equality Scorecard is being used.



For SEAF funds using the aforementioned gender lens investing approach, those companies that score at least a “3” GES[®] score during the origination process fit within the investment strategy and are hence suitable for further evaluation as an investment by the fund. In the event a pipeline company does not reach this minimum score but the deal team believes it is committed to gender equality and is demonstrating this otherwise, the deal team is able to make the case for the company pre-due diligence to the investment committee to move forward with the deal.

What Is A “Good” GES Score?

Great question. First, it is important to note that the GES[®] is principally a tool to significantly advance women's economic empowerment and gender equality within SEAF investees – it is not about simply coming up with an overall GES[®] rating. Through assessing companies across the six gender vectors, SEAF and its investee partners can work together on initiatives to improve gender equality performance and hence the company's economic performance, thereby benefiting women, entrepreneurs and investors. Thus, the GES[®] is a critical value creation tool for SEAF, used to begin a gender equality assessment and to track progress and trends over the investment hold period.

Having said this, and as is suggested above, one could view a GES[®] score of at least “3” as being a very encouraging, indicating that a company is indeed “Getting There”. However, there would obviously be significant room for improvement, which would require digging into the specific parameters of the weakest gender vectors of the company.

What Is Next for SEAF's Gender Equality Scorecard[®]?

While SEAF is confident in the fundamentals of the GES[®] construction, it is now conducting further beta tests with existing SEAF pipeline and portfolio companies for the reasonableness of the results. Also, SEAF is engaging with academics in order to get further feedback on the methodology.



Further, SEAF fully expects its Gender Equality Scorecard[®] to evolve and improve over time as it is tested with more and more pipeline and portfolio companies. As already noted, SEAF will leverage the data set derived from using the tool to validate and refine SEAF's investment thesis, including the tool itself.



SEAF Gender Equality Scorecard Rating Matrix

Pay Equity	1 (We Need To Talk)	2 (More Work to Do)	3 (Getting There!)	4 (Advancing to Role Model)	5 (Role Model)
Female/male compensation ratio for hourly employees (percent of women's to men's)	0 to 60%	61 to 75%	76 to 85%	86 to 95%	>95%
Female/male compensation ratio for salaried employees (percent of women's to men's)	0 to 60%	61 to 75%	76 to 85%	86 to 95%	>95%
Percent of company's top 10 percent compensated employees are women (percent of women's to men's)	0 to 60%	61 to 75%	76 to 85%	86 to 95%	>95%
Compensation policies and practices in increasing levels of women's economic empowerment and gender equality	Company has no such policy	Company has such a policy	Plus such policy is communicated annually to all staff	Plus company compensation is reviewed to evaluate pay equity	Plus company takes active measures annually to address pay inequity
Workforce Participation	1 (We Need To Talk)	2 (More Work to Do)	3 (Getting There!)	4 (Advancing to Role Model)	5 (Role Model)
Female percent of total full-time employees	0 to 25%	26 to 35%	26 to 35%	36 to 45%	>45%
Female percent of total part-time employees	0 to 25%	26 to 35%	26 to 35%	36 to 45%	>45%
Female turnover ratio (percent of male turnover)	>150%	131 to 150%	116 to 130%	106 to 115%	<105%
Recruitment and retention strategy and policies to ensure women's economic empowerment and gender equality within the company	Company has no such policy	Company has such a policy	Plus such policy is communicated annually to all staff	Plus company recruitment practices are reviewed to evaluate coherence with policy	Plus company takes active measures annually to address deficiencies in policy and practice
Leadership and Governance	1 (We Need To Talk)	2 (More Work to Do)	3 (Getting There!)	4 (Advancing to Role Model)	5 (Role Model)
Female C-suite representation (percent of total C-suite members)	0%	1 to 10%	11 to 25%	26 to 45%	>45%
Female middle mgmt. representation (percent of total middle managers)	0%	1 to 10%	11 to 25%	26 to 45%	>45%
Female board representation (percent of total board members)	0%	1 to 10%	11 to 25%	26 to 45%	>45%
Female cap table representation (percent of total ownership)	0%	1 to 10%	11 to 25%	26 to 45%	>45%



Benefits & Professional Development	1 (We Need To Talk)	2 (More Work to Do)	3 (Getting There!)	4 (Advancing to Role Model)	5 (Role Model)
Leave (annual, holidays, sick, parental, etc.) policies and practices that promote women's economic empowerment and gender equality	Company has no such policy	Company has such a policy	Plus such policy is communicated annually to all staff	Plus company leave practices are reviewed to evaluate coherence with policy	Plus company takes active measures annually to address deficiencies in policy and practice
Insurance (health, life and disability) policies and practices that promote women's economic empowerment and gender equality	Company has no such policy	Company has such a policy	Plus such policy is communicated annually to all staff	Plus company insurance practices are reviewed to evaluate coherence with policy	Plus company takes active measures annually to address deficiencies in policy and practice
Performance reviews policies and promotion practices that promote women's economic empowerment and gender equality	Company has no such policy	Company has such a policy	Plus such policy is communicated annually to all staff	Plus company performance review practices are reviewed to evaluate coherence with policy	Plus company takes active measures annually to address deficiencies in policy and practice
Training (health, life and disability) policies and practices that promote women's economic empowerment and gender equality	Company has no such policy	Company has such a policy	Plus such policy is communicated annually to all staff	Plus company training practices are reviewed to evaluate coherence with policy	Plus company takes active measures annually to address deficiencies in policy and practice
Workplace Environment	1 (We Need To Talk)	2 (More Work to Do)	3 (Getting There!)	4 (Advancing to Role Model)	5 (Role Model)
Sexual harassment policies and practices that promote women's economic empowerment and gender equality	Company has no such policy	Company has such a policy	Plus such policy is communicated annually to all staff	Plus company sexual harassment practices are reviewed to evaluate coherence with policy	Plus company takes active measures annually to address deficiencies in policy and practice
Environmental protection policies and practices that promote women's economic empowerment and gender equality	Company has no such policy	Company has such a policy	Plus such policy is communicated annually to all staff	Plus company environmental practices are reviewed to evaluate coherence with policy	Plus company takes active measures annually to address deficiencies in policy and practice
Occupational safety policies and practices that promote women's economic empowerment and gender equality	Company has no such policy	Company has such a policy	Plus such policy is communicated annually to all staff	Plus company occupational safety practices are reviewed to evaluate coherence with policy	Plus company takes active measures annually to address deficiencies in policy and practice
Inclusion, transparency and respect policies and practices that promote women's economic empowerment and gender equality	Company has no such policy	Company has such a policy	Plus such policy is communicated annually to all staff	Plus company occupational safety practices are reviewed to evaluate coherence with policy	Plus company takes active measures annually to address deficiencies in policy and practice



Women-powered Value Chains	1 (We Need To Talk)	2 (More Work to Do)	3 (Getting There!)	4 (Advancing to Role Model)	5 (Role Model)
Gender diversity in supply chains policies and practices	Company has no such policy	Company has such a policy	Plus such policy is communicated annually to all staff	Plus company supply chain practices are reviewed to evaluate coherence with policy	Plus company takes active measures annually to address deficiencies in policy and practice
Gender diversity in customer base policies and practices [need to define benchmark policy and practices]	Company has no such policy	Company has such a policy	Plus such policy is communicated annually to all staff	Plus company customer practices are reviewed to evaluate coherence with policy	Plus company takes active measures annually to address deficiencies in policy and practice
Female employees in procurement department (based on percent ((percent of total procurement staff)	0%	1 to 10%	11 to 25%	26 to 45%	>45%
Female/male ratio in marketing and product design (percent of total marketing and product design staff)	0%	1 to 10%	11 to 25%	26 to 45%	>45%