



Gender-Smart Investing Resource Hub

Gender Scoring Tool Methodology

Background

ICRW has created sector-specific **Gender Scoring Tools** that allows users to input company data and generate a customized Gender Scorecard. The questions in the GSI Scoring Tools were shaped by ICRW's own research into what works to empower women and girls across different value chains. The tools were also informed by various sources including: the Women's Empowerment Principles (UN Women and UN Global Compact), the Gender Equality Mainstreaming Framework (MEDA), and the Women & Social Enterprises Diagnostic Tool (ICRW and Acumen), as well as the approaches of Equileap and SEAF's Gender Equality Scorecard.

The scorecard examines 5 cross-cutting domains related to gender equity: (a) the Board; (b) Senior Management and Employees; (c) Suppliers and Distributors; (d) Consumers; and (e) the Community. While the questions related to *Gender Equity in the Workplace* are similar to the topic areas of other scoring tools, the sector-specific *Value Chain* questions are largely new. These draw from research on gender materiality and best practices related to gender in the various industries, much of which is reflected in the **Gender Opportunities Explorer** on sector pages of the Hub.

The **Gender Equity in the Workplace** questions are uniform across sectors and span 8 categories: (1) *Leadership*; (2) *Representation*; (3) *Recruitment and Hiring*; (4) *Promotion and Employee Evaluations*; (5) *Pay Equity*; (6) *Sexual Harassment*; (7) *Flexible Work and Care*; and (8) *Skill Building and Other Considerations*.

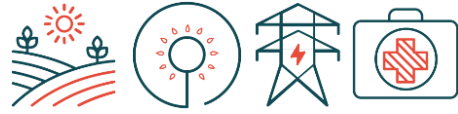
Value Chain segments vary depending on the sector. For example, Off-Grid Energy includes (a) *Design and R&D*; (b) *Production and Manufacturing*; (c) *Marketing and Sales*; (d) *Distribution and Installation*; and (e) *After-Sales Service*. A company may skip any segments of the sector value chain in which it is not active.

Scorecard Weighting

Most "Yes/No" questions in the scoring tools are worth 1 point. Three-option questions are generally worth up to 2 points [e.g., "Less than 25%" (0 points), "Between 26 and 45%" (1 point), "Over 45%" (2 points)]. If the question includes "Check all that apply", then generally each option checked is worth 1 point.

For several questions, scores are weighted depending on factors such as the financial or labor resource required to implement this practice, as well as the potential for gender equity impact and business impact. Practices that are more resource-intensive and/or have the potential for greater impact are worth more points than those that are less costly or less likely to be impactful.

For example, Question 14 asks: "Does the company do any of the following related to professional development and promotion processes? Check all that apply." Each option is worth 1 point, except the fourth option which is worth 0.5 points ("Have measures in place to ensure professional development programs are scheduled at times that accommodate the scheduling needs of both men and women, taking into consideration care responsibilities"). This is because the fourth option requires fewer resources to implement than the others.



Another example is Question 15, which asks: “Does the company do any of the following related to pay and compensation? Check all that apply.” The third option (“Undertake a gender pay gap audit or evaluation to ensure equal pay for work of equal value”) is weighted at 1.5 points given the higher level of resources required for this task and its high potential impact. Lastly, Question 16 (“Does the company have a policy regarding the definition, prohibition and prevention of sexual harassment and all forms of violence at the workplace?”) only has two options (“Yes” or “No”), but answering “Yes” provides 2 points, given the importance of this topic area for achieving gender equity in the workplace. For more information on specific points awarded to each question, please contact Genevieve Smith at gsmith@icrw.org or Allie Glinski at aglinski@icrw.org.

Overall score: The Overall score does not simply average the 5 categories equally. *Senior Management/Employees* is weighted the heaviest (45%), at twice the value of both *Suppliers/Distributors* (22%) and *Consumers* (22%), and the *Board* is weighted the least (11%), at a quarter of the workforce value. This is due to the importance of ensuring a company models equitable practices internally, and harnesses the material impacts that evidence has shown are related to the gender diversity in the workforce.

Questions pertaining to the *Community* domain are considered auxiliary opportunities for leaders in the particular sector, as opposed to critical gender-related actions within their core business. For Off-Grid Energy and Agriculture, gender opportunities in the *Community* domain afford the company “bonus” points. This is because, while there may be shared value created for the company and community, there are few known materiality impacts of such investments in the immediate sense. In other sectors such as Power Infrastructure, Community interventions may not be considered “bonus” points, as some opportunities can link to clear materiality impacts (e.g., building the pipeline of STEM-qualified women from which to recruit new technical talent).

Value Chain sub-score and **Gender Equity in the Workplace sub-score:** The *Value Chain* sub-score is an average of the scores for questions under each of the 5 value chain segments. The *Gender Equity in the Workplace* sub-score is an average of the scores for each of the 8 categories.

Services & Products Impacting Gender Equity and Women’s Empowerment: This sub-score is currently only captured by the Off-Grid Energy Scoring Tool. It assigns equal weight to four of the sector’s value chain questions [(a) “Does the company target women consumers?” (b) “Does the company offer products/services that impact women’s empowerment?” (c) “What percentage of customers are women?” and (d) “Are target female consumers included during design and production?”], and half weight to questions related to financing and marketing [(a) “Does the company provide financing for women consumers?” and (b) “Are marketing messages / sales approaches tailored to women consumers?”]. These values relate to the conditions that enable (or disable) more women from accessing the products/services offered.

“Cannot Answer” and “Not Relevant”

Selecting “Cannot Answer” signifies that the question may be relevant for the company, but that the information is not available. Selecting “Not Relevant” signifies that the question is not relevant to either the company’s business model, or the investor’s investment thesis. These options deduct the possible points from the total score *and* the denominator against which the score is measured. In this sense, companies are not penalized in their ultimate gender scores when selecting these options.
