ENERGY
CATALYST

Investment Guide: Gender & Social Inclusion (GESI) Lens Investing

March 2024

Innovate UK

UKaid from the British people

This Commercialisation Guide was commissioned by Energy Catalyst and prepared by Value for Women.

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1. Who is this guide for and what does it set out to do?

This Guide was developed for clean energy and energy access enterprises operating in emerging markets. The overarching objectives of this commercialisation guide are to:

1 Explore the nexus between gender equality and social inclusion (GESI) lens investing and the clean energy and energy access sector in South Asia, the Indo-Pacific region and sub-Saharan Africa.	**2** Provide companies in the clean energy and energy access sector with clear information about GESI investing opportunities that help them improve their business and social outcomes.	**3** Guide ECAP projects on how to align with relevant global frameworks, in order to seek GESI investments.

The guide focuses primarily on private markets i.e. investments made in assets not traded on a public exchange or stock market. The guide focuses on the GESI approaches within investments made primarily by angel, impact, gender lens, and venture capital investors, but also showcases information on investors that provide public capital, e.g. financing provided by national governments and international organisations through investment funds and development finance institutions in the clean energy and energy access sectors.[1]

2. The GESI Opportunity for Clean Energy and Energy Access Sector Businesses

Climate finance and impact investing in emerging markets is increasingly including a gender lens

Investors in emerging markets are increasingly recognising the role that energy access and clean energy technologies play in reducing gender and social inequalities. As such, they are increasingly adopting a GESI lens in capital allocation and investment decision making. GESI ensures that everyone contributes to and benefits from markets and institutions, regardless of their gender, sexuality, race, ethnicity, disability, or other characteristics.

[1] See Energy Catalyst's Investment Guides for further guidance on investor types and financing.

BOX 1: What is GESI?

Gender equality and social inclusion (GESI) ensures that everyone contributes to and benefits from markets and institutions, regardless of:

- Gender or gender identity
- Sexuality
- Race
- Ethnicity
- Caste
- Religion or belief system
- Disability (including congenital and acquired; and psychosocial disabilities)
- Age
- Location
- Social class or income status
- Education level

For ECAP-supported businesses, **this means identifying the challenges and opportunities for energy access resulting from gender dynamics and social exclusion**, ensuring that everyone can fully engage with innovations in the energy sector in various roles and capacities as entrepreneurs, employees, consumers, and decision-makers.

Business can intentionally seek to rectify gender and social inequalities by:
Providing products and services that close gaps or meet the needs of women, girls and people with other protected characteristics;
Supporting diversity and inclusion through internal policies and practices in the workforce; and/or
Strengthening diversity and inclusion across the value chain.

For further information on the business case for GESI, please see ECAP's GESI Commercialisation Guide.

This improved focus on GESI has been driven primarily by funder awareness of and action on gender inclusion. Publicly-funded climate finance has more systematically mainstreamed a gender lens into investment frameworks (e.g. Green Climate Fund , Climate Investment Funds), particularly in terms of compliance and reporting, while private sector climate investors have only recently started to recognise how climate and gender equality impacts can be simultaneously achieved (Biegel, 2022). The private sector has accelerated efforts to align climate and gender equality goals mainly through corporate initiatives including Environmental, Social, and Governance (ESG) and through some innovative approaches led by gender lens investors. However, challenges remain with regards to perceived risks, difficulties in tracking gender and climate outcomes, and the perception that climate and gender are separate investment areas.

Data on investments at the nexus of climate and gender is not systematically tracked, however, there are indications of private funds increasingly investing both with gender and climate in mind. Data from Project Sage 4.0, which tracks venture capital, private equity, and private debt with a gender lens, indicates that 39% of all Project Sage 4.0 respondents reported a focus on climate action along with gender in 2020/21, which increased from 28% of respondents doing so in 2019/2020. When funds that reported investing in energy or clean technology are added for 2020/2021, this proportion increases to 50% of the Project Sage 4.0 universe of respondents (Biegel, 2022).

"Are gender related outcomes directly linked with climate outcomes? It will be visible in the next few years"

– VC Investor, Climate Change, South Asia

However, this data also indicates significant room for private investors investing in climate action, clean energy, and other allied areas to include a gender lens into their climate focused funds. Further, there has been limited integration of gender concerns as an effort to close existing gender gaps such as limited access to financing, technical education and job opportunities, as well as lower access to climate information, climate resilient technologies and services. While gender gaps are increasingly seen as barriers to effective mitigation and adaptation strategies, a focus on gender is often limited to counting and measuring disaggregated impacts, rather than intentionally tackling existing inequalities. Gender is still seen as an optional add-on to the majority of climate finance investments (Deininger, 2023, and Byrd, 2022).

Over the last decade, there has been an increase in the amount of capital mobilised with a gender lens

Both public and private market investors, including those operating in emerging markets, are increasingly applying a gender lens to investment decisions. Available data suggests that:

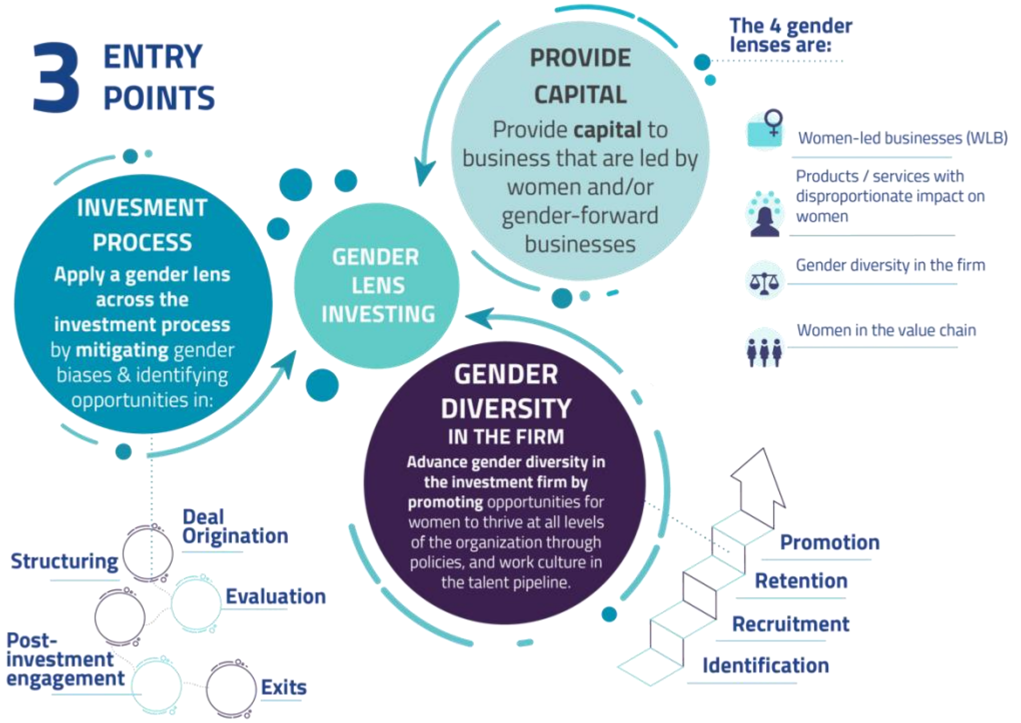
- In public markets,
  - In 2021, gender-lens investments (GLI) in terms of assets under management (AUM) totalled US$ 12.52 billion (Value for Women, 2023).
  - As of the end of September 2023, gender lens fixed income AUM was $14.60 billion. Year-to-date AUM growth was 27.8%, due to new gender bond issuances (Parallele Finance, 2023).
- In private markets, Project Sage 4.0 reported that the number of GLI funds increased from 58 in 2017 to 206 funds in 2021. Additionally, the total amount of funds raised by June 2021 was US$ 6 billion (Biegel, 2021).

BOX 2: What is GLI and How Do Investors Apply Gender Lens When Investing?

GLI is the deliberate incorporation of gender factors into investment analysis and decisions to improve social and business outcomes[2]. This refers to the actions and processes that institutions develop to intentionally invest in or support businesses and/or solutions that:

- Are women-led or owned; and /or
- Provide products and/or services that intentionally seek to close gender gaps or that are designed to meet the specific needs of women or girls; and/or
- Promote gender diversity in the workforce through the implementation of progressive internal policies and practices, and strengthen the way business models reflect inclusion and diversity across operations; and/or
- Provide specific support and opportunities for women and women-led businesses in their value chain

BOX 3: Three Entry Points for Gender Lens Investors[3]



[2] This understanding of GLI is based on Value for Women's definition, which itself has been adapted from other widely used definitions of GLI.

[3] To learn more about this framework, please see Value for Women. "Value for Women Insights Series: Capital– How Can We Move More Capital with a Gender Lens?" Volume 1, Issue 3. London: Value for Women, 2023

The main investors driving this change within private capital in emerging markets include publicly financed sources such as development finance institutions (DFIs), multilateral banks, philanthropic organisations, international development agencies and international funds. These capital providers are key providers of catalytic, concessional capital through blended finance mechanisms and are shaping the focus on investing with a gender lens as a key part of their investment strategies (Convergence, 2020). Such funds tend to consider low-income or bottom of the pyramid households, households in remote areas, and women and girls as key beneficiaries of investments in off-grid/renewable energy and energy efficiency businesses and products (Convergence, 2020).

The introduction of the 2X Challenge has further galvanised the interest and movement of capital with a gender lens. Launched at the G7 Summit in 2018 as a commitment by DFIs to mobilise private sector capital at scale for investments in emerging markets, investor interest in the Challenge has resulted in US$ 27.7 billion in terms of the total gender lens investment raised since 2018 (2X Challenge, 2024). The 2X Challenge, its criteria, and investor interest will be discussed further in Section 4.

3. Why Should Businesses in the Clean Energy and Energy Access Sector Apply a GESI Lens?

There is both an impact case and a business case for integrating GESI factors within the core business models of clean energy and energy access sector businesses.

Applying a GESI lens has the potential to lead to positive business results across several areas. Internally, compared with companies that are not diverse, diverse and inclusive companies are:

- 25% more likely to have above-average profits (McKinsey, 2020)
- Six times more likely to innovate (Ivanov, 2021)
- 36% more likely to retain their employees (Brown, 2018).

By increasing employee engagement and thereby increasing retention, companies can increase their operational efficiency and reduce their costs through avoiding delays and costs associated with high employee turnover. Specifically, in the energy sector, utilities with a high proportion of women in the workforce show explicit links between equality, decreased revenue loss and increased financial performance as a result of gender mainstreaming. Additionally, as diverse employees will bring a variety of ideas based on their lived experience to the table, diversity and inclusion in the workplace can lead to more robust debates, and the consideration of previously overlooked products, services, or strategies – all of which can lead to increased profits or additional revenue streams.

From a customer acquisition perspective, GESI presents a market opportunity as well. Women and members of other marginalised groups are underserved as market segments. Women's global consumer spending has surpassed US$20 billion worldwide (Gates, 2019). Globally, people with disabilities have $1.9 trillion of disposable income (The Canopy Lab, 2020), and 70% of the population of Africa is under 30. Both of these demographics can thus be significant customer segments (United Nations, 2023).

This market opportunity also applies to considering women as customers and end users of renewable energy and energy efficiency products. The productive use of energy by women and members of other marginalised groups remains an untapped opportunity to meet climate adaptation and mitigation goals. For example, women are more likely to recommend off-grid solar products to peers (60decibels, 2020). Targeting women and members of marginalised groups as customers of energy access and renewable energy products and services, for both household and productive use, can thus help businesses operating in this sector to gain an advantage over their competitors by tapping into underserved market segments.

"Gender and inclusion should be a part of the values integrated into the company. Doing impact is not something of a side thing to do, but it should be embedded and as part of the mission of the company."

– Investor, Early-Stage Climate Fund, Southeast Asia

Improved access to clean energy, such as through mini-grids, enables businesses to improve educational and health outcomes, particularly for low-income families (60decibels, 2024). Women represent 32% of the full-time workforce in the clean energy sector, compared to just 22% in the oil and gas industry (IRENA, 2019), which suggests significant opportunities for businesses in the sector to increase their socio-economic impacts by addressing gender gaps in access to jobs and livelihoods for women, including in remote or rural locations (Value for Women, 2023).

BOX 4:
A Business Case for Gender Inclusion in the Clean Energy and Energy Access Sector

The application of gender inclusion strategies is a tool for improving commercial performance while delivering better impact for women (Shell Foundation, 2022).

Bboxx, a pay-as-you-go solar home system (SHS) company operating in multiple African and Asian countries, targeted their customer education training to "primary registered customers," typically the man of the household. This focus led to women customers often being overlooked during the installation and education process, despite women typically being the end users of Bboxx products. As a result, Bboxx faced failed and/or repeat installations, defaults, and payment issues.

To reduce customer technical issues post-sale, and increase both use and repayment of the SHS by engaging women in the installation and customer education process, Bboxx developed a tool for targeting female end users with installation and customer education visits. Over a six-month pilot period between Jan-June 2020, Bboxx saw a 5.2% reduction in incoming calls for technical issues, as a result of targeting the woman of the household, who is more likely to be the primary product end user. Involving both the man and the woman of the household in the customer education process also led to a 9% reduction in the overall default rate, as both members took responsibility for product payment, leading to fewer missed payments.

Dharma Life India helps rural entrepreneurs from low-income households provide products such as clean cooking devices and solar lighting products within rural markets at affordable rates. Its sales force partially consists of "Dharma Life Entrepreneurs (DLEs)," or sales agents based in remote areas who sell these products in local settings. Dharma Life saw that women were struggling to see success on par with male colleagues. A gender analysis of the business challenges revealed that, in order to be successful in their sales efforts, direct sales agents required capital to purchase demonstration products and cover other expenses such as transportation and cell phone bills. Women agents often lacked these resources up front.

To solve this challenge, Dharma Life provided DLEs with demonstration kits for product demonstrations at strategic locations. Based on the success of this pilot, the business scaled the strategy across several states, providing 3,000 DLEs with demonstration kits with product samples and initial product stock for sales. When the strategy was scaled up to 3,000 DLEs, Dharma Life saw an average increase of 55% in sales across all states where the strategy was rolled out. The co-investment model for start-up kits, which was rolled out during the scale-up phase of this initiative, reduced the post-training attrition rate among DLEs from 10% to less than 5%.

Addressing GESI gaps in business models is also a source of competitive advantage for clean energy and energy access companies, including when seeking investment capital from investors

Investors view gender as a lens rather than a limitation in their own processes and strategies. They apply a number of impact frameworks to their investment processes that incorporate GESI considerations, presenting new opportunities and sources of capital for clean energy and energy access businesses to tap into. These frameworks include GLI, ESG and sustainability finance, amongst others.

"Companies should be aware of gender inclusion as a driver of business performance. Be aware of the need for diversity in the team [...] and have a strategy in place to improve this. Being oblivious to diversity will make them lose points in an [investment] conversation"

– *International Venture Fund Manager*

4. What are investors with a GESI lens looking for?

Investors have a range of motivations to consider GESI as a key determinant of their investment decision making process. This is dictated by their risk appetite, the centrality of GESI factors within their investment thesis, and the needs of their own capital providers. For instance, investors receiving capital from DFIs or international philanthropic organisations may be required to consider a GESI approach in their pipeline and portfolio building investment decisions, whereas others receiving their capital from more commercial investors may take a different approach to this. However, there is consensus that integrating GESI or a gender lens within the company's core business model is essential for it to deliver results, rather than it being something that is detached from core business practices.

"There's a conversation that we have with many investors [which] is that GESI or gender lens investing is not just about some cherry on the top…you know, some checklist you added this gender box or the other; it has to be a core part of your business model for it to work and be sustainable over a longer period of time."

– VC investor operating in Asia and Sub-Saharan Africa.

The following analysis demonstrates some of the key investment trends in the clean energy and energy access sector. This analysis is based on the data available from the Project Sage 4.0 report that tracks venture capital, private equity, and private debt with a gender lens and therefore focuses on trends specifically with regards to gender lens investors (Biegel, 2021).

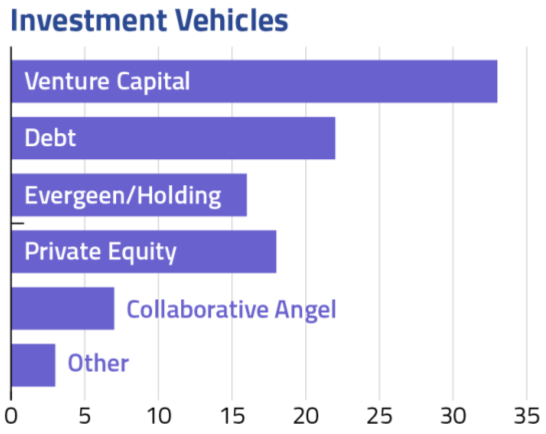
The charts in Box 4 show the flow of gender lens capital to companies in the clean energy and energy access sectors, primarily in emerging markets[4]. Regionally, however, there are key differences in investment strategies employed by gender lens investors in the sector. In 2020-2021, investors deployed a variety of investment vehicles, including venture capital, debt, private equity, collaborative angel funds, holding companies, and others in the clean energy and energy access sector. Nearly a third of gender lens investors in the sample of funds, analysed primarily for South and Southeast Asia and Sub-Saharan Africa, invest through venture capital vehicles. This varies by region – venture capital represents 40% and 25% of all investment vehicles in South Asia and Sub-Saharan Africa respectively.

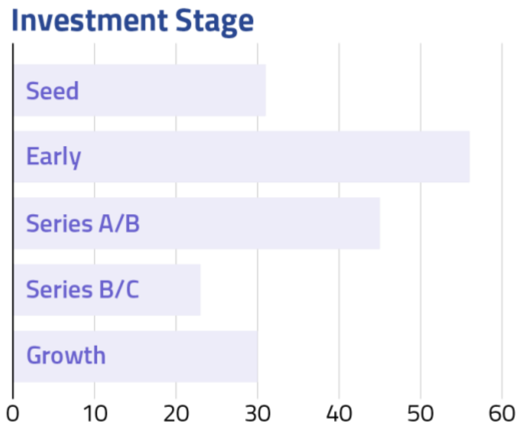
In terms of asset class, they showed a preference for equity investments but also invested in other asset classes, including revenue participation loans, invoice discounting, and straight debt. While 39% of investors in the sample of funds analysed showed a preference for equity investments, this varies widely by region[5]. For instance, in South Asia, with 44% and in Southeast Asia with 33% of investments made in this asset class, equity dominated all other classes, whereas for Sub-Saharan Africa, even though equity dominated other asset classes, this was lower at 29%.

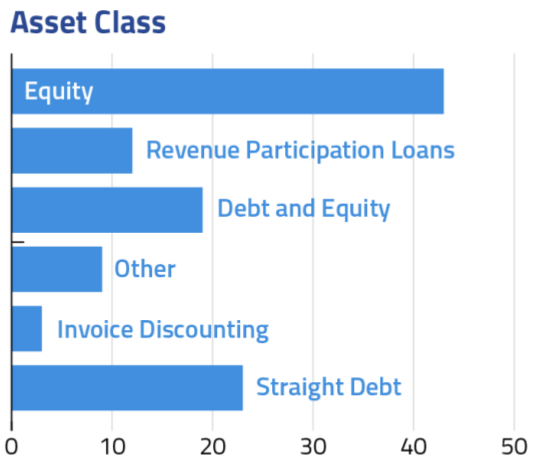
[4] Please see Annex 1 for notes on the methodology on how these trends were analysed

[5] Readers to note that this data includes GLI that reported investment details on debt and equity as asset classes separately as well as jointly. This overall figure may therefore under- or over-represent the proportion of debt and equity as asset class preference.

BOX 5: How Are Private Market Investors Moving Capital with a Gender Lens in the Clean Energy and Energy Access Sector?







Source: Data analysed based on self-reported data from 206 funds included in Project Sage 4.0.: Tracking Venture Capital, Private Equity, and Private Debt with a Gender Lens Please see Annex 1 for details on the methodology followed in analysing these details.

Investors invested across the spectrum of stages of company growth, including in seed, early, Series A/B, Series B/C, and growth stage companies in the clean energy and energy access sectors. A significant portion of gender lens investors focused on investing in early stage (30%) and companies raising Series A/B funding (25%). Regionally, investors focused on investing in early-stage companies in Sub-Saharan Africa (33%) followed by companies seeking Series A/B funding (22%), while in South Asia, companies seeking Series A/B funding are of most interest to investors (31%), followed by early-stage companies (23%) looking for investments. A third (33%) of all funds investing in the sector in Southeast Asia focused on early-stage companies, followed by investments in companies seeking Series A/B and growth stage funding in equal proportion (22%)

Investors also adjust their GESI requirements, or the time frames for fulfilling them, based on the stage of company growth. For example, some investors allow earlier-stage companies additional time to develop gender action plans and inclusive policies.

"With more established companies we expect things to be finished sooner. We give a longer time to earlier stage companies. We expect more details and stronger Gender Action Plans from more established companies. Companies that need more support can have that available through our internal expertise or technical assistance."

– Impact Investor investing in Asia and Africa

For example, the Nefco's Beyond the Grid Fund Africa results-based financing facility invests in companies at the scale-up phase and applies an ambitious gender approach, while retaining some flexibility to meet companies where they are. There is an expectation that more mature companies have capacity to respond to its gender requirements, but it also provides technical assistance to those companies that need it.

"We look at the gender pay gap, the gender policies in place, taking account of inclusion in their businesses, end-users, and marketing. These are scored in the [investees'] submitted business plans. We provide technical assistance so as to not penalise companies that don't yet have these policies but are committed to doing so."

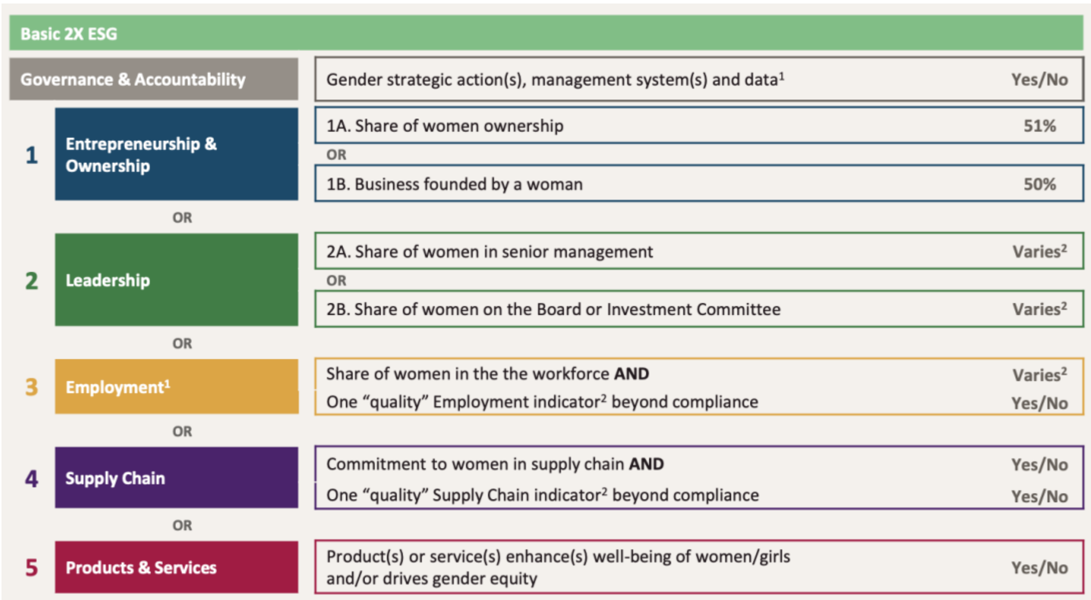
– Catalytic Capital Provider in Africa

Investors are aligning around the 2X criteria to assess, support, and deepen their gender lens approaches.

The launch of the 2X Challenge in 2018 has galvanised financing towards gender lens investing globally. The 2X Criteria, developed in 2018 to help 2X Challenge members identify transactions that could be reported towards the global investment target that benefit women, is now a globally recognised minimum standard for gender inclusion. The criteria help provide a definition of what gender inclusion looks like across industries, including in the clean energy and energy access sector, and focus on five key ways in which investors can assess their portfolio companies. Two new criteria related to supply chain and governance have been added as a part of the 2X Criteria updates in 2024. An additional change includes updated thresholds at the nexus of the country and sector of operations for businesses or companies.

According to the latest information on the 2X Challenge website, alignment with the 2X Criteria can be achieved by meeting the Basic 2X ESG (including safeguarding) and minimum Governance & Accountability requirements, *and* (a) have at least one of the six 2X Criteria met, and (b) provide a time-bound commitment to meeting an additional Criteria. Thresholds under each Criterion are country and sector specific[6].

Figure 1: 2X Criteria for Companies



[6] For more information: see 2X Criteria Reference Guide, updated February 2024

> *"We are a [climate focused fund] but we do ask where companies are on 2X Criteria – leadership, team composition, salary structures, comparison to industry strategies. What is the intent – both from gender and livelihood perspectives."*
>
> – *Climate VC investor in South Asia*

Table 1 demonstrates an example of applicable 2X Criteria for businesses in the clean energy and energy access sector depending on the context and stage of growth. For instance, the following thresholds would need to be met on the 2X Criteria for the following businesses, providing mini-grid or off-grid renewable energy (power sector) in Malawi or manufacturing/assembling clean energy appliances such as clean cookstoves (light manufacturing sector).

Table 1: Example of 2X Criteria application for companies operating in Malawi

2X Criteria	Start-Up/SME (Power Sector)	Start-Up/SME (Light Manufacturing Sector)
Entrepreneurship & Ownership	51% of shares owned by women OR it was founded by a woman who remains an active owner	
Leadership	30% of senior managers are women or 30% of board members are women	35% of senior managers are women or 30% of board members are women
Employment	25% of women in the workforce and at least one quality workforce indicator in place beyond what is legally required	50% of women in the workforce and at least one quality workforce indicator in place beyond what is legally required
Products & Services	At least 1 practice in place that results in products and services that specifically benefit women	
Supply Chain	Demonstrate explicit commitment to women in the supply chain and at least one "quality indicator" is in place within the supply chain to at least 1 of: diversity; equal pay; equal care; health & well-being; or gender-based violence and harassment	
Governance & Accountability	3 practices that supports good governance for gender equality must be in place, 1 in EACH sub-dimension of: • Gender Strategic action • Management Systems • Data	

Table 1: Example of 2X Criteria application for companies operating in Malawi

Basic 2X ESG	Assessment conducted by the investor: DD to confirm investee is not involved in exclusion list; demonstrated commitment to human rights across the value chain; implementation of GBVH safeguarding measures

Data based on the **2X Tool** mapping country and sector specific thresholds

BOX 6: Some examples of GESI Investment

The Beyond the Grid Fund for Africa

Beyond the Grid Fund for Africa (BGFA) is an innovative financing programme for off-grid energy solutions with the ultimate goal of enabling the creation of long-term self-sustainable markets. The BGFA programme provides results-based financing (RBF) complemented with technical assistance (TA). BGFA integrates gender considerations into all stages of the project cycle, from the procurement process through to implementation and monitoring. Through the provision of gender-related TA, BGFA seeks to actively support women's economic empowerment both by supporting its investees to mainstream gender inclusion in their operations and projects, and by promoting women's inclusion in the off-grid energy service value chain.

Sunfunder's alignment with the 2X Challenge

As a gender lens investor, SunFunder qualifies for the 2X Challenge by providing capital to businesses that demonstrate gender empowerment, as well as gender equity within its own team. SunFunder qualified across four 2X Challenge criteria, namely entrepreneurship, leadership, employment and investments through financial intermediaries, i.e. portfolio, with the fifth not having been tracked. The new $500 million Gigaton Empowerment Fund will also be a flagship for gender lens investing. The fund will incorporate 2X Challenge criteria in screening and portfolio monitoring, to show how investees integrate gender diversity and how their products benefit women directly.

Beyond gender, social inclusion factors are increasingly being considered in investment decision making

As the field of gender lens investing grows, investors are increasingly recognising the importance of critical intersectionality, such as race, ethnicity, and other marginalities within their investment decision processes

(Value for Women, 2023). This intersectionality takes into account that some people may hold overlapping marginalised identities - for example, a woman with a disability - resulting in unique experiences, opportunities, and barriers. An intersectional approach acknowledges the complexity of disadvantages that people with multiple marginalised identities might face. Our own research at Value for Women has found that, in particular, impact investors and DFIs are looking to bring the critical intersectionalities of race and ethnicity within their GLI approaches across sectors (Value for Women, 2023). For instance, the Dutch DFI, FMO, addresses the inclusion of excluded groups by labelling deals as 'reducing inequalities' during deal evaluation. This label includes underserved groups including youth and refugees (2X Challenge, 2022).

"We do look at gender primarily but are also looking at intersectionality. We are being opportunistic as we don't know how this will play out in these countries."

– Catalytic Funder in Asia

While there has been substantial interest and action to move capital with a gender lens, investors are also considering integrating other social inclusion factors into their investment-making decisions, such as the inclusion of marginalised or vulnerable groups, including refugees and displaced persons, low-income groups, migrants, youth, and persons with disabilities. Analysis of the Project Sage 4.0 dataset on public commitments made to diversity beyond gender also show an increasing trend – 36.6% of the funds reviewed focus on race and ethnicity, 19.4% on other social inclusion factors, such as indigenous marginalised communities, socio-economic backgrounds, low-income populations, and migrant, youth, and refugees. However, only 5.4% of the funds analysed have made a stated commitment to focus on LGBTQIA+.

5. What can clean energy and energy access companies do to improve and promote investment from GLI and GESI investors?

Investors have increasingly deployed a range of impact approaches as a means of managing business risks and/or to seek specific impact outcomes alongside business outcomes. Understanding, unpacking, demonstrating and communication of GESI within your business practices can therefore be a source of added advantage for businesses looking to raise capital[7]. The following recommendations provide starting points for clean energy and energy access businesses to align with investor interests on GESI.

1: Show an explicit commitment to GESI

Highlight and demonstrate your business's commitment to gender inclusion, or GESI practices in general, to generate interest in additional investments and fundraising from GESI lens investors. Integrate such commitment into the value proposition. Intentionality can be demonstrated in various ways, through public commitment related to gender equity, such as by setting targets to close gender gaps within your organisation or, by developing an explicit GESI strategy.

2: Get the basics right

Prepare to demonstrate that your company complies with fundamental environmental and social standards, as these are minimum requirements of many investors. These include respecting human rights, demonstrating commitment to ILO labour standards, IFC performance standards, OECD guidelines for responsible business conduct, Gender-based Violence and Harassment (GBVH) safeguarding, and so forth.

3: Collect, analyse, and use disaggregated data

Collecting disaggregated data, particularly sex disaggregated data, is a key step in mapping the gender and social inclusion gaps that businesses can close. This activity is essential in better understanding the diversity of a business' customer base and forms the basis of business decisions to better serve these segments. This step would include mapping and recording characteristics of key customer segments (e.g. age, income, gender, disability), and then quantifying the business impacts of gender-inclusive strategies (from employee satisfaction and retention, to sales and customer satisfaction).

[7] See the Theme Guide on Gender and Social Inclusion for more details on how to improve GESI within business models in the clean energy and energy access sector.

The collection and use of disaggregated data will allow your company to be prepared with alignment with industry standards such as 2X Criteria.

4: Ask for support

A number of freely-accessible resources on GLI, 2X Challenge and GESI integration in businesses are available to support you in qualifying for GESI Lens Investing. Ask investors for support, such as through providing specific funding and/or TA, leveraging their networks to access other (non-financial) resources, or through strategy or capacity development.

Annex 1: Methodology

Research Approach and Methods

For the preparation of this commercialisation guide the team applied qualitative research methods, using both primary and secondary data sources. The research for this guide was conducted between December 2023 and March 2024.

Primary sources:
12 key informant interviews were conducted between January 2024 and February 2024 with a selection of impact investors, venture capital providers, international organisations, and angel investors investing in clean energy and energy access companies. These investors provide a mix of seed, early stage and growth stage financing. The interviews primarily focused on understanding the diversity of investor approaches on GESI, and validating trends and findings from emerging data and literature.

Secondary sources:
A desk review of existing literature on investor approaches to GESI lens investing in the clean energy and energy sector was undertaken. The literature review covered case studies, publicly available datasets, GESI and gender lens frameworks, regional investment reports, investor analysis, and tools and templates available to investors and companies to include GESI approaches within their business practices. Much of the data and literature on investor approaches to GESI has focused on gender inclusion and equality, hence this is reflected as a key focus of analysis in the guide.

Analysis of the Project SAGE 4.0 Data
The Sage project, located within the Wharton Social Impact Initiative has tracked venture capital, private equity, and private debt with a gender lens since 2017. The Project Sage 4.0 report, the fourth report in the series since the Wharton Social Impact Initiative started tracking gender lens funds in private markets in 2017, is the latest available of these reports, published in December 2021. It includes self-reported data from 206 funds received from 148 fund managers surveyed globally until June 2021. Please see the report for more details on the selection of funds for survey and the data collection process.

The report includes detailed information on each of the 206 funds, including on the asset class, investment vehicle, targeted fund size, funds raised and fundraising status, minimum investments from institutional and private investors, investment stage, minimum and maximum size of investment in companies, sectors, sustainable development goals (SDGs), targeted geography, number of investments in the portfolio, and information across a number of gender related factors, such as a quantified gender mandate, gender lens definition and components of diversity publicly stated in the investment criteria beyond gender, amongst others. This provides a rich dataset to analyse investor commitment and approaches towards gender inclusion within their portfolio companies.

- For the purpose of this guide research focused on the clean energy and energy access sector, the selection of funds to be analysed were narrowed down as follows:
- Renewable energy was indicated as the sector of investment and/or the fund reported SDG 7 on affordable and clean energy as one of SDGs it targeted. While climate action, cleantech and agricultural sectors also overlap with the clean energy and energy access sector, funds providing capital to businesses in these sectors or related SDGs were not included in the analysis for simplicity.
- The fund provided capital in geographies of interest for Energy Catalyst supported companies, i.e. Sub-Saharan Africa, South Asia, Southeast Asia, and Oceania. This means that funds operating in other regions such as North and South America, the Middle East and Europe were excluded from the analysis.

The funds often reported operating in multiple geographies of interest, investing in multiple stages of company growth, multiple asset classes and investment vehicles. Where funds covered multiple geographies of interest but also some of these others which were otherwise excluded. Given that the geographies where the funds operated were reported together and were not possible to separate out, these funds were left in the dataset. This selection provided 47 funds providing capital to clean energy and energy access businesses as data points for further analysis. Therefore, at best the dataset provides a best estimate of investor approaches on gender lens investing.

Annex 2: List of Interviewees

The following investors were interviewed in developing this guide.

- Anurag Agrawal, Aavishkar Fund
- Sam Jewett, Acumen Fund
- Nirjhor Rehman, Bangladesh Angels
- Siobhan Franklin, Frank Impact
- Maya Chandrasekaran, Green Artha
- Eleanor Keppelman, Investing in Women
- Heli Sinkko and Esmeralda Sindou, Nefco
- Adeline Permata, New Energy Nexus
- Karthik Chandrasekar, Sangam VC
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