

# Social Scorecard

Name of Organization:

Country:

Product:

% of Social Scorecard Complete:

## Instructions

### Instructions:

- Please fill in the outlined cells with relevant information. You will notice that some of the UNSHADED/WHITE cells have been populated with information for you; there is no need to fill these out. Please fill in ALL information, or make a note where you are missing information and why.
- Some of the questions will require you to choose ratings based on the definitions of ratings provided ("Chosen Rating").
- Some of the questions will require you to fill out yes/no and quantitative questions, and ratings will be calculated for you ("Calculated Rating"). In this case, definitions of ratings are also provided to explain the calculated ratings.
- NOTE: Please fill in cells with white backgrounds, NOT light green backgrounds (such as beneath this text). Any cell that currently contains a formula or auto-fills based on another cell WILL STOP WORKING if you enter something into that cell.

### Rating Legend:

- "B" is the neutral rating. Most clients receive mostly Bs or As with a few higher ratings and a few lower ones.
- "AAA", "AA", and "A" ratings represent higher social scores.
- "C" is the "no-go" rating. Loans with any ratings of "C" will not be approved by the Credit Committee and will result in an Overall Social Rating of "Does Not Meet RC Standards."
- NOTE: In some cases rating criteria have been removed from this public file in order to avoid disclosing the trigger criteria that would prevent loan approval.

## 1.0 Scale (Number of People Reached)

1.1

| Social & Environmental Metrics (SEMs)                                                                                                |   |   |   |   | Definitions                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| All Loans/Portfolios                                                                                                                 |   |   |   |   |                                                                                                                                                                                                                                             |
| Total # Producers Reached                                                                                                            | 0 | 0 | 0 | 0 |                                                                                                                                                                                                                                             |
| Total # Women Producers Reached                                                                                                      | - | - | - | - |                                                                                                                                                                                                                                             |
| Producers Reached Directly<br>(i.e. sold to the cooperative, agroprocessor, or private enterprise)                                   |   |   |   |   | NOTE: Please include both members and non-members who sold to the cooperative, agroprocessor, or private enterprise.                                                                                                                        |
| Women Producers Reached Directly                                                                                                     |   |   |   |   | Women Producers are a subset of Producers Reached in the row above.                                                                                                                                                                         |
| Producers Reached Indirectly<br>(i.e. benefit from goods and/or services sold by the company such as seeds or post-harvest handling) |   |   |   |   |                                                                                                                                                                                                                                             |
| Women Producers Reached Indirectly                                                                                                   |   |   |   |   | Women Producers are a subset of Producers Reached in the row above.                                                                                                                                                                         |
| Consumers Reached<br>(i.e. domestic consumers of food sold by the enterprise to increase food security and nutrition)                |   |   |   |   | If hard data is not available, divide total production by average volume consumed per person per year in the country to get an estimate of number of consumers reached; consumers include those who eat food sold by the enterprise.        |
| # Employees, Non-Managerial, Full Time                                                                                               |   |   |   |   | Full-Time Employment: Full-time employees work year round and typically work 35-50 hours per week. If local definitions of full-time equivalency differ, use appropriate standard.                                                          |
| # Women Employees, Non-Managerial, Full Time                                                                                         |   |   |   |   |                                                                                                                                                                                                                                             |
| # Employees, Seasonal                                                                                                                |   |   |   |   | Seasonal Employment: Temporary employees are defined as seasonal and contract employees. Seasonal employees are primarily used in agriculture or fisheries. Contracted employees are generally hired for the completion of a specific task. |
| # Women Employees, Seasonal                                                                                                          |   |   |   |   |                                                                                                                                                                                                                                             |
| Average # Months Worked by Seasonal Employees                                                                                        |   |   |   |   |                                                                                                                                                                                                                                             |
| # Employees, Managerial                                                                                                              |   |   |   |   |                                                                                                                                                                                                                                             |
| # Women Employees, Managerial                                                                                                        |   |   |   |   |                                                                                                                                                                                                                                             |
| Total # Employees                                                                                                                    |   |   |   |   | Calculated from above values.                                                                                                                                                                                                               |
| Wages and Salaries (USD)                                                                                                             |   |   |   |   | Wages: Value of wages (including bonuses) paid to all employees during the reporting period.                                                                                                                                                |
| # Board Members                                                                                                                      |   |   |   |   |                                                                                                                                                                                                                                             |
| # Women Board Members                                                                                                                |   |   |   |   |                                                                                                                                                                                                                                             |
| Volume Purchased from Producers                                                                                                      |   |   |   |   | Units                                                                                                                                                                                                                                       |
| Payments to Producers (USD)                                                                                                          |   |   |   |   |                                                                                                                                                                                                                                             |
| Hectares Under Cultivation                                                                                                           |   |   |   |   |                                                                                                                                                                                                                                             |
| Average Payments to Producers                                                                                                        |   |   |   |   |                                                                                                                                                                                                                                             |
| Enterprise Revenue (USD)                                                                                                             |   |   |   |   |                                                                                                                                                                                                                                             |
| <b>Total Number of People Reached</b>                                                                                                |   |   |   |   |                                                                                                                                                                                                                                             |

## 2.0 Context and Additionality

### 2.1 Historical Access to Finance

- 2.1.1) Was Root Capital the first lender to this enterprise?  
 2.1.2) Is Root Capital currently the only lender to this enterprise?  
 2.1.3) Does this enterprise have other sources of financing?  
     From a commercial bank?  
     From a social lender?  
     In the form of a buyer advance?  
 2.1.4) Is Root Capital the primary lender to this enterprise (i.e. will provide 50% or more of the external financing for the upcoming harvest season, to the best of your knowledge)?  
 2.1.5) If RC did not lend to this enterprise, they could get a similar loan on similar terms from a for-profit financial institution.

| Yes/No |
|--------|
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Calculated Rating:

|  |                                                 |
|--|-------------------------------------------------|
|  | Please write notes explaining your rating here. |
|--|-------------------------------------------------|

#### DEFINITIONS OF RATINGS

- AAA: RC is the first and only lender to this enterprise AND the enterprise is unable to access commercial finance.  
 AA: RC currently provides >50% of the enterprise's external finance AND the enterprise is unable to access commercial finance.  
 A: RC is the primary lender to this enterprise (=>50% of the enterprise's external finance). Other lenders may be social or commercial.  
 B: RC is not the primary lender to this enterprise (<50% of the enterprise's external finance), but there is no evidence of crowding out. Other lenders may be social or commercial.  
 B-: If RC did not lend to this enterprise, they could get a similar loan on similar terms from a for-profit financial institution. In other words, enterprise has access to other sources of finance that are:  
 -For-profit, AND  
 -Roughly as convenient and trustworthy as RC, AND  
 -Roughly equivalent (or reasonable) collateral requirements, AND  
 -Offer interest rates that are within 3 percentage points of RC, AND  
 -LO believes that the primary reason the enterprise borrows from RC is that RC charges a lower interest rate

### 2.2 Vulnerable Contexts

- Please indicate if the enterprise operates in a vulnerable context. For each, choose a severity rating.  
 Civil conflict, violence, organized crime, drug production and/or drug trafficking  
 Natural disaster, such as a hurricane or earthquake  
 Climate change or other unusual/unpredictable weather patterns that affect agricultural productivity

| Yes/No | Severity Rating | Calculated Rating:                              |
|--------|-----------------|-------------------------------------------------|
|        |                 | Please write notes explaining your rating here. |
|        |                 |                                                 |
|        |                 |                                                 |

#### DEFINITIONS OF RATINGS

- AAA: The community is suffering from this condition severely.  
 AA: The community is suffering from this condition to a moderate extent.  
 A: The community is not suffering from this condition right now but there is a risk that it will return or commence.  
 B: The community is not suffering from this condition and there is no real risk that it will commence in the future.

### 2.3 Income Level of Producers / Employees

When choosing the following rating, please estimate the income level of producers (or employees, if they are the main beneficiaries) affiliated with the cooperative or enterprise.

- AAA: Borrower community lives beneath the **international extreme poverty line** of USD 1.25 per household member per day, or USD ~450 per household member per year (purchasing power parity).  
 AA: Borrower community lives beneath the **international poverty line** of USD 2 per household member per day, or USD ~730 per household member per year (purchasing power parity).  
 A: Borrower community has living standards consistent with a **lower income level** of less than USD 4 per household member per day, or USD ~1500 per household member per year (purchasing power parity).  
 B: Borrower community has living standards consistent with a **lower-middle income level** of less than USD 10 per household member per day, or USD ~4000 per household member per year (purchasing power parity).  
 B-: Borrower community has living standards above the middle-income level of USD 10 per household member per day, or USD ~4000 per household member per year (purchasing power parity).

Chosen Rating:

|  |                                                 |
|--|-------------------------------------------------|
|  | Please write notes explaining your rating here. |
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#### DEFINITIONS

- USD per household member per day** includes all income sources of all household members, plus staple crop production for household consumption, divided by the number of household members.  
**Borrower Community:** Refers to producers and their households, not the general communities where they are living.  
**Purchasing Power Parity:** Technique used to determine the relative value of currencies, estimating the amount of adjustment needed on the exchange rate between countries in order for the exchange to be equivalent to each currency's purchasing power. How much money would be needed to purchase the same goods and services in the United States?  
 Price (dollars) = Price (pesos) / Exchange Rate (pesos/dollars)

### 2.4 Growth in the Past Period

- AAA: Enterprise grew revenue by >30% over the past year, or two or three years if there is a two- or three- year harvest cycle for the product (e.g., two years for coffee); OR, enterprise is a very successful startup in its first two years.  
 AA: Enterprise grew revenue by >20% over the past year, or two or three years if there is a two- or three- year harvest cycle for the product (e.g., two years for coffee); OR, enterprise is a moderately successful startup in its first two years.

Chosen Rating:

|  |                                                 |
|--|-------------------------------------------------|
|  | Please write notes explaining your rating here. |
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A: Enterprise grew revenue by >10% over the past year, or two or three years if there is a two- or three- year harvest cycle for the product (e.g., two years for coffee).  
 B: Enterprise grew revenue by <10% over the past year, or two or three years if there is a two- or three- year harvest cycle for the product (e.g., two years for coffee).  
 B-: Enterprise revenue shrank over the last period.

How do you think growth of the enterprise in the current year will compare to growth in the past period?

|  |                               |
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|  | If different, please explain. |
|--|-------------------------------|

### 3.0 Higher & More Stable Producer Incomes (Producer Prices, Wages, & Productivity)

#### 3.1 Prices Paid to Producers

3.1.1) If known, what was the average price paid to producers by the enterprise during the last harvest season?

| Yes/No | # Producers | Average Payment per Producer |                        |
|--------|-------------|------------------------------|------------------------|
|        |             | Value                        | Unit (Currency/Volume) |
|        |             |                              |                        |

Did any producers receive full payment at time of product delivery last harvest season?

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What were the average total payments to these producers?

Will auto-fill based on above

Did any producers receive partial payment (e.g. first payment) at time of product delivery last harvest season?

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If so, how much was the average first payment to these producers?

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Will auto-fill based on above

What were the average total payments to these producers, including the first payment?

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Will auto-fill based on above

3.1.2) If known, what was the average local market price during the last harvest season?

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Will auto-fill based on above

3.1.3) If actual average prices are not known, how did the prices paid by the enterprise compare to local market prices during the last harvest season?

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Suggested Answer

Rating:

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|  | Please write notes explaining your rating here. |
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#### 3.2 Price-Setter in the Local Market

When the enterprise began operating, did it cause local market prices to rise?

If the enterprise increased the prices it paid to producers, would other local buyers also increase the prices they paid to producers?

Answer one or both questions

Is the enterprise a price-setter in the local market? (Will auto-fill based on above questions.)

| Yes/No | Rating: |
|--------|---------|
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Please write notes explaining your rating here.

#### 3.3 Wages and Benefits to Employees

How do the wages, profit distributions, and additional benefits compare to industry- and region-standard wages and benefits?

Are wages are below livable wages (minimum income necessary for a worker to meet basic needs such as food and shelter)?

| Yes/No | Rating: |
|--------|---------|
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Please write notes explaining your rating here.

#### 3.4 Enhance Producer Productivity in Existing Activities (e.g. training, capital equipment, inputs)

Which of the following are offered by the enterprise? For those that are, select how much it alters productivity over the long term.

- Agronomic assistance
- Farmer-level financial management training
- Access to value-added equipment (E.g. coffee washing stations)
- Access to value-added inputs (E.g. fertilizer or seeds/seedlings)
- Other (please describe)

Describe "Other"

Please estimate the total increase in productivity resulting from all services provided.

| Yes/No | Rating: |
|--------|---------|
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Please write notes explaining your rating here.

#### 3.5 Access to New Economic / Income-Generating Activities

Does the enterprise enable producers/employees to switch to a new crop or agricultural activity or add a new crop, creating a new income source that did not exist before

AND

that does not create a tradeoff with other sources of income (e.g. producing honey or vanilla in association with existing coffee trees)?

If yes, by what multiple does the new income source increase income?

| Yes/No | Income | Rating: |
|--------|--------|---------|
|        |        |         |

Please write notes explaining your rating here.

#### 3.6 Internal Credit Fund

3.6.1) Does this enterprise have an internal credit fund?

| Yes/No | Rating: |
|--------|---------|
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Please write notes explaining your rating here.

If yes, does this enterprise offer pre-harvest credit (e.g. a loan before the harvest season for inputs, to hire laborers)?

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| Please describe the purposes for which credit is offered through the internal credit fund. |  |
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If yes, does the enterprise offer credit for other purposes (e.g. school or health fees, other family needs)? If so, which? Please describe at right.

3.6.2) How many producers received pre-harvest credit or credit for other purposes in the last 12 months?

How many women producers received pre-harvest credit or credit for other purposes in the last 12 months?

3.6.3) What was the outstanding portfolio balance at the most recent financial close? (\$)

3.6.4) What was the default rate during the previous 12-month period? (%)

|           |                        |
|-----------|------------------------|
| fill left | % of total members     |
| fill left | % of fund participants |

## 4.0 Community-Level Impacts

### 4.1 Offer Public Goods

Does the enterprise offer the following public goods? Please choose whether you believe each program has a significant impact on the community, and describe (e.g. how many people reached/in the program, types of services offered, depth of impact).

- Health programs
- Education programs
- Improved water sources
- Improved roads or transportation infrastructure
- Youth livelihood programs (i.e. reducing youth migration)
- Women's program
- Other (please describe)

| Yes/No | Significant Impact? | Description                                              |
|--------|---------------------|----------------------------------------------------------|
|        |                     | If the program has significant impacts, please describe. |
|        |                     | If the program has significant impacts, please describe. |
|        |                     | If the program has significant impacts, please describe. |
|        |                     | If the program has significant impacts, please describe. |
|        |                     | If the program has significant impacts, please describe. |
|        |                     | If the program has significant impacts, please describe. |
|        |                     | Describe "Other."                                        |

Rating:

|  |                                                 |
|--|-------------------------------------------------|
|  | Please write notes explaining your rating here. |
|--|-------------------------------------------------|

### 4.2 Gender Inclusive Practices

(Producers Reached Directly, through Market Access) + (Non-Managerial Employees)  
 Women (Producers Reached Directly, through Market Access) + (Non-Managerial Employees)  
 % Women

Managerial Employees  
 Women Managerial Employees  
 % Women

Board Members  
 Women Board Members  
 % Women

**Ancillary Services**  
 Participants in the Internal Credit Fund  
 Women Participants in the Internal Credit Fund  
 % Women

Women's Program

All cells will auto-fill

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Rating:

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|  | Please write notes explaining your rating here. |
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## 5.0 Employee / Producer Rights and Treatment

### 5.1 Occupational Health and Safety

AAA: Labor practices exceptional for the region and industry.

B: Labor practices at least comply with minimum country regulations. RC has no reason to suspect that the enterprise has harmful labor practices or effects.

C: Facilities are deficient with significant risks to workers health and owners and management are not planning to make any improvement. Enterprise has harmful social practices or effects (e.g. abusive employment practices, child labor, forcing people off land).

Chosen Rating:

|  |                                                 |
|--|-------------------------------------------------|
|  | Please write notes explaining your rating here. |
|--|-------------------------------------------------|

## 6.0 Overall Social Rating

### 6.1 Qualitative Summary of Social Impact

Please describe the enterprise's most important social impacts in your own words here.

## 6.2 Overall Social Rating

### DEFINITION OF OVERALL SOCIAL RATING

The Overall Social Rating is automatically calculated based on the ratings in sections 2.0 and 3.0. We focus on these sections because we believe our impact is strongest when we support clients that are **growing rural prosperity** (as measured in Section 3.0), among small-scale farmers whose **unmet needs are greatest** and for whom **our financing is additional** to what other commercial and social lenders would provide (as measured in Section 2.0).

#### Strong Social Impact:

- Must receive an AAA or AA in any of questions 2.1, 2.2, or 2.3. That is, the enterprise must lack access to finance, be living in <\$2 per day, or be currently suffering from civil conflict, a natural disaster, etc. AND
- Must receive an AAA or AA in any of questions 3.1, 3.2, 3.3, 3.4, 3.5, or 3.6. That is, the enterprise must somehow increase producer incomes.

#### Meets RC Standards

#### Does Not Meet RC Standards

END