



**WARDHAVEN**  
CAPITAL LIMITED

# A Study of Gender Equality of Listed Companies in Vietnam Leadership and Performance

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# INTRODUCTION

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- This study by Wardhaven Capital Limited (WCL) is the first part of a broader research project that aims to assess gender equality (female and male) within listed Vietnamese companies and the effect gender equality may have on their performance. For this initial study WCL focused solely on the leadership of those companies, not their broader workforce, due to the lack of available data.
- The results from this preliminary study suggest that those companies with above average gender equality at the leadership level tend to perform better than those with below average.
- WCL now believes that it has a fiduciary duty to assess gender equality as an important investment consideration. Likewise, WCL has a responsibility to engage with companies with below average gender equality to be a force for positive change.
- This study has inspired WCL to look at establishing a new impact product with the aim of encouraging listed Vietnamese companies to improve gender equality.
- The lack of publicly available data proved to be the greatest hurdle WCL faced when researching this subject - very few listed Vietnamese companies produce gender data in their annual reports or financial statements.
- Without such data, investors and policy makers are unable to make informed, effective decisions relating to gender equality.
- As such, we would strongly recommend that Vietnamese legislators introduce mandatory gender metric reporting requirements for all listed companies, and, if possible, all unlisted companies above a certain size.



# Model Brief

## STUDY UNIVERSE

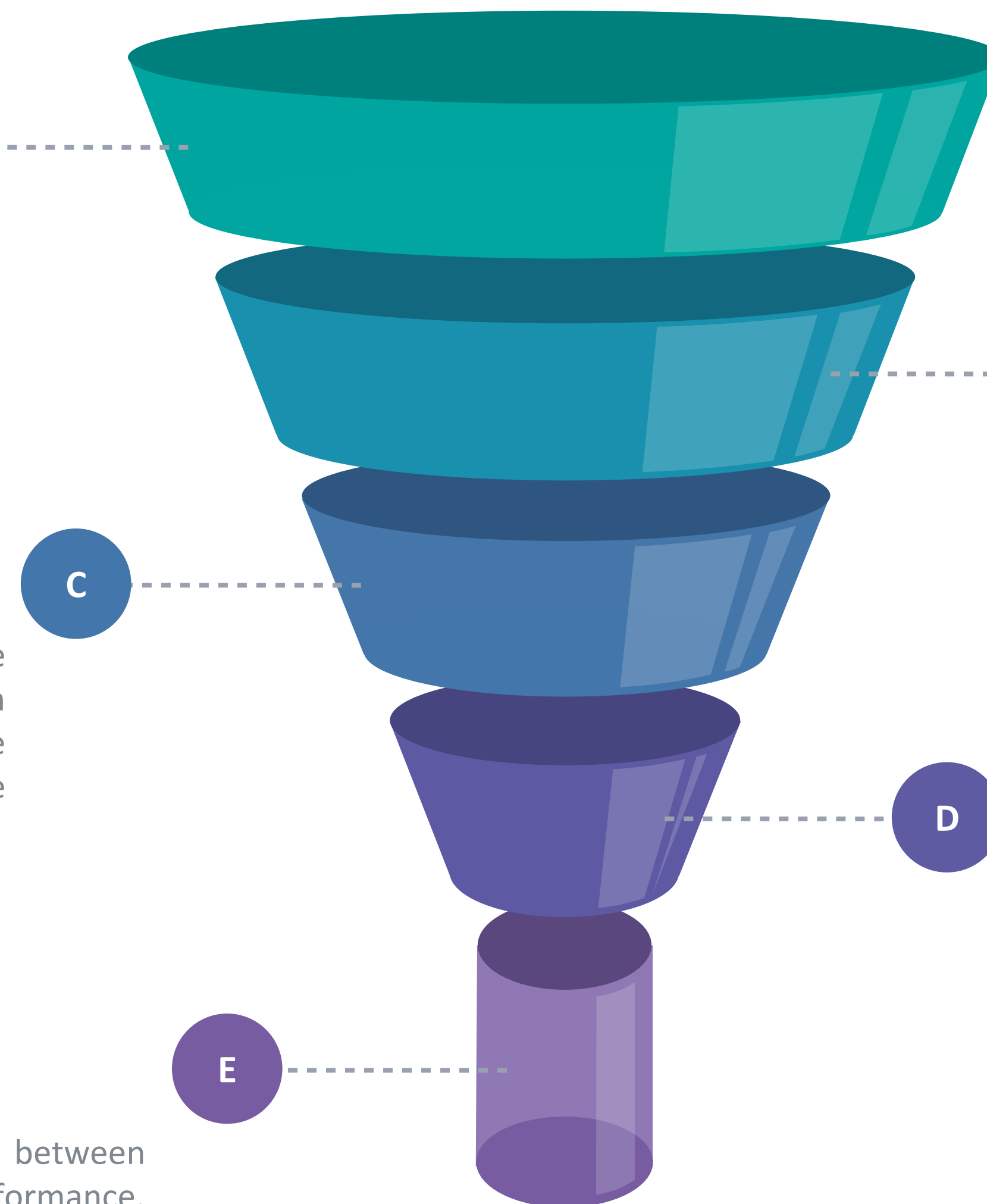
Includes all Boards of Directors ('BoD') and key leadership positions ('KLPs') in companies listed on the Ha Noi (HNX) and the Ho Chi Minh (HOSE) Exchanges 2016-2020.

## GENDER RANKING

Companies with above average female representation for both BoDs and KLPs enter the Gender Equality Universe ('GEU').

## CONCLUSION

Indicative correlation between gender equality and performance.



## GENDER SCREENING

The Universe is screened using WCL's criteria to establish average female participation on BoDs and KLPs.

## TEST AND REVIEW

A portfolio of the GEU's 15 largest companies is created. Its performance is assessed versus the leading local index.



# A. The Study Universe

## BoD Members and KLPs held by females (2016-2022)

Number of Universe constituents

662

665

746

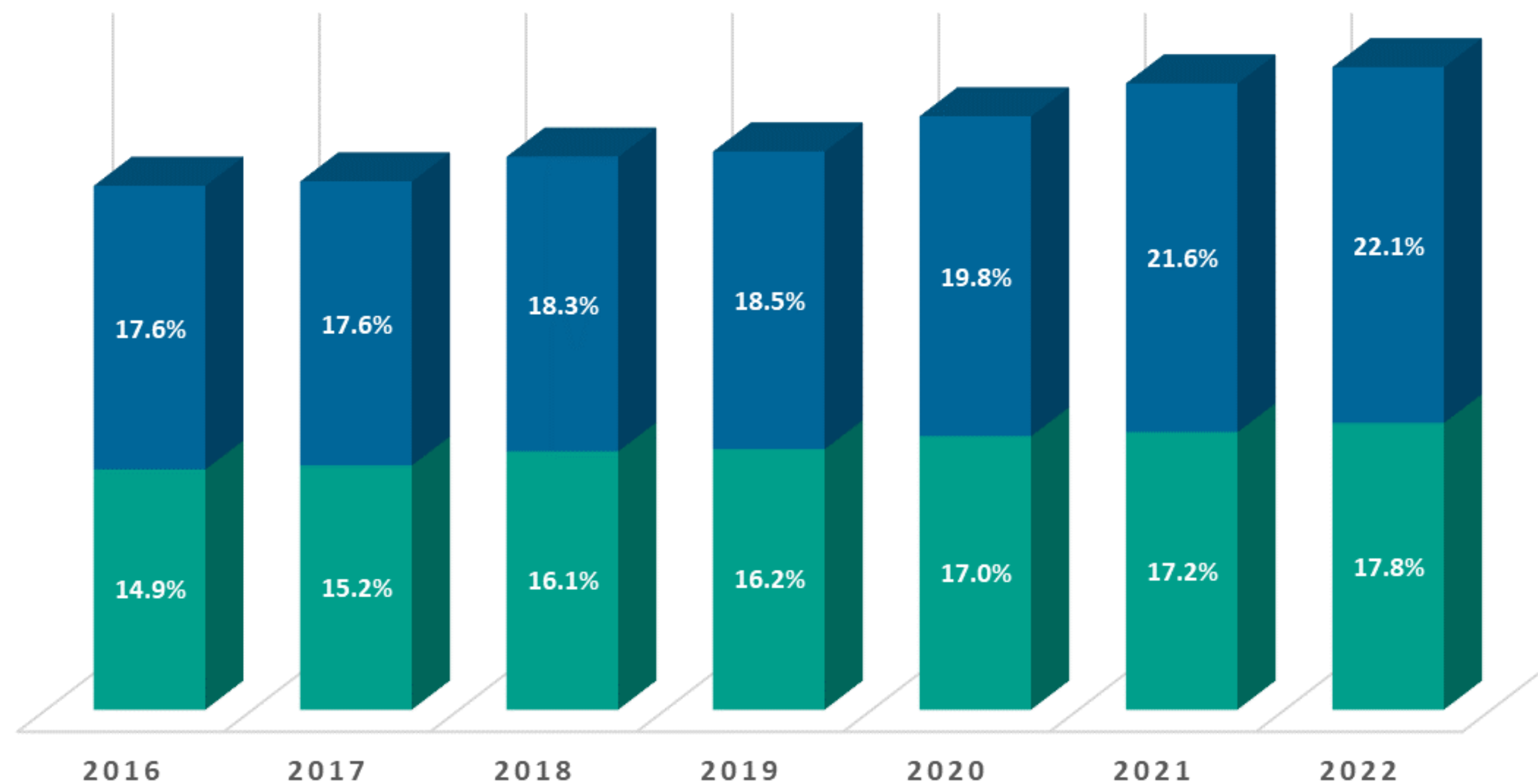
749

747

747

736

■ Percentage of Female in BoD ■ Percentage of Female in KLPs



\*BoD: Board of Directors  
\*KLP: Key leadership position



# B. Gender Screening

## 1 Scoring's Guidelines

Conditions	Scoring
1. Members of BoD	Female Participation as a percentage
2. KLPs	
Chairperson of BoD	2 Points
Vice Chairperson of BoD	1 Point
General Director <sup>1</sup>	2 Points
Deputy General Director (Co-CEO)	1 Point
CFO (or Chief Accountant) <sup>2</sup>	1 Point

### Note

1. In Vietnam, the CEO is known as the General Director
2. In case a company has both CFO and Chief Accountant, only CFO will be selected.

## 2 Calculation of BoD and KLPs Universe Averages

### Universe BoDs:

$$Universe\ Average_{BoD} = \frac{Female\ Board\ members}{Total\ number\ of\ Board\ members}$$

### Universe KLPs:

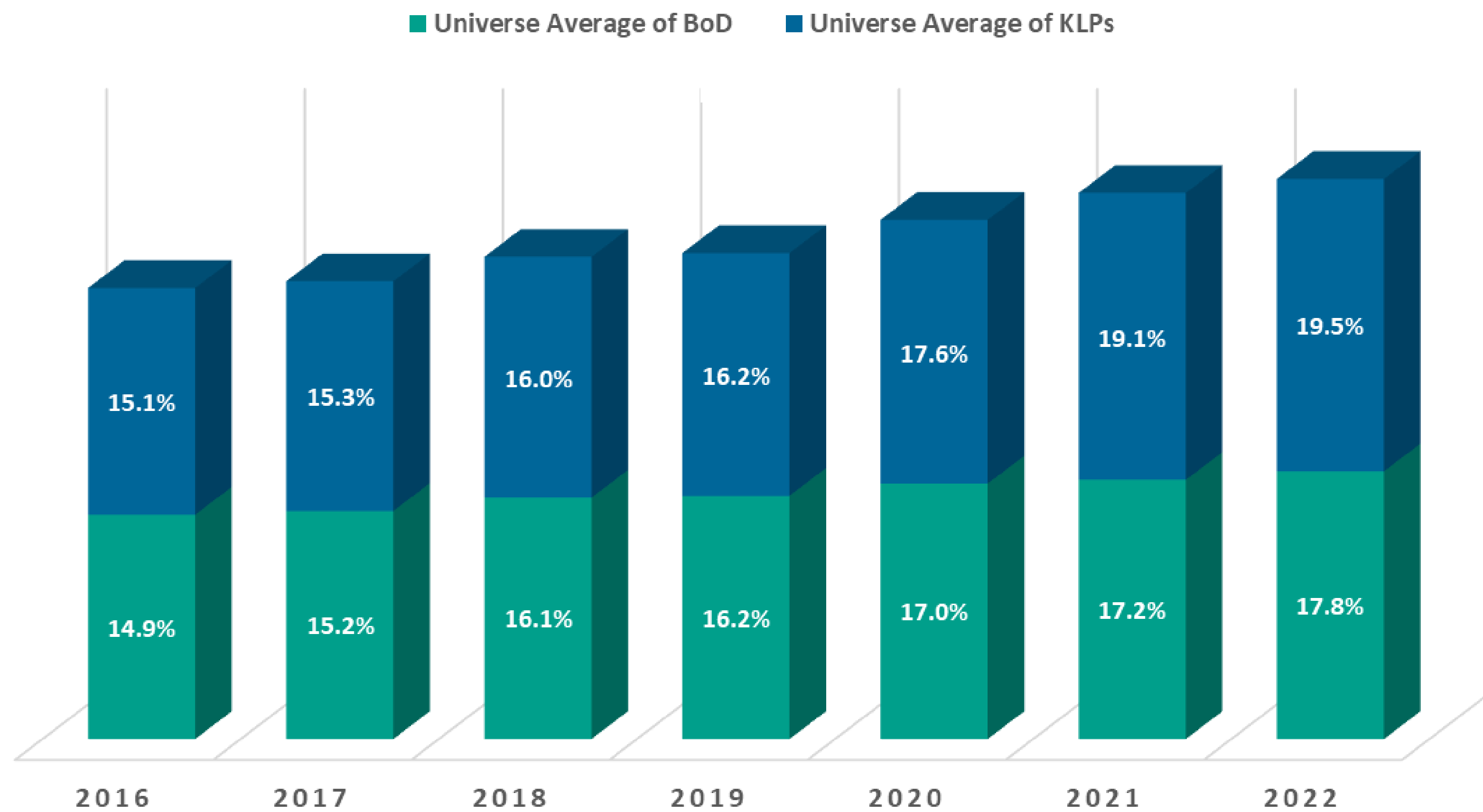
$$Universe\ Average_{KLPs} = \frac{Female\ KLPs\ points}{Maximum\ possible\ KLPs\ points}$$



## B. Gender Screening (Cont'd.)

### Study Universe: Average Female Participation (2016-2022)

#### 3 Results

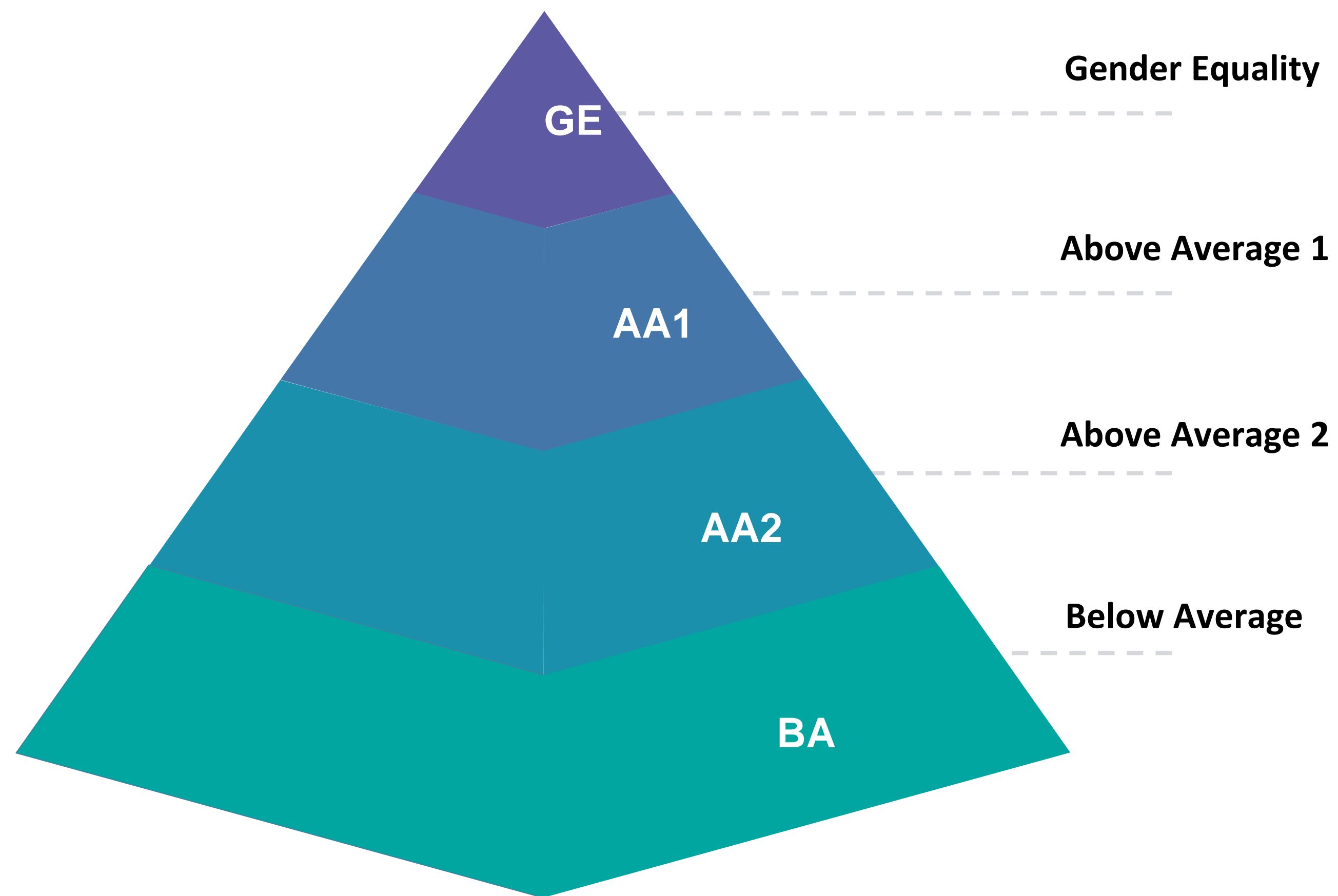


\*BoD: Board of Directors

\*KLP: Key leadership position



# C. Gender Ranking

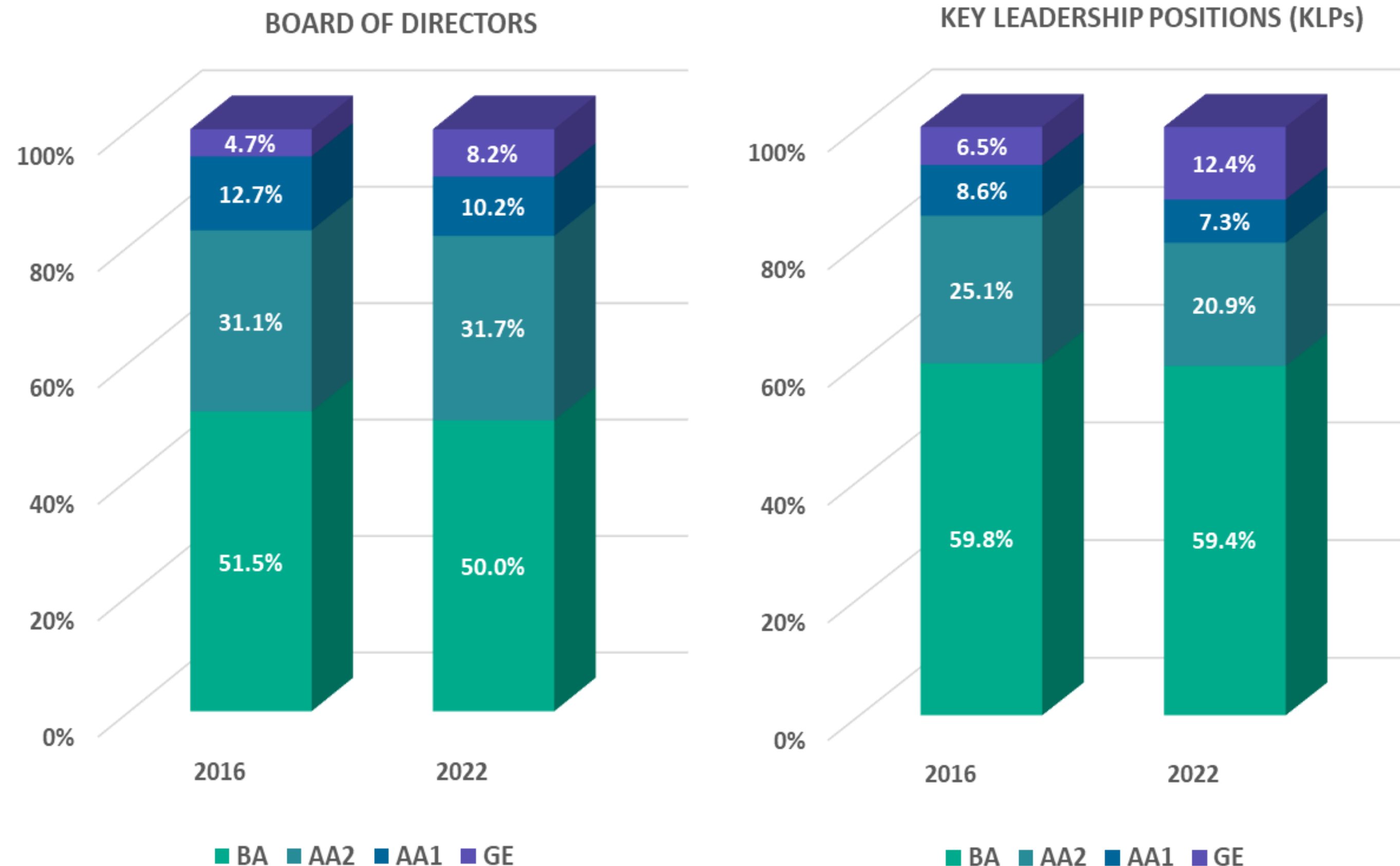


## Ranking

Based on the results of Gender Screening, the Study Universe constituents are given different rankings. Gender Equality ('GE') is the highest rank, and one which companies should aspire to.

# C. Gender Ranking (Cont'd)

## Gender ranking categories (2016-2022)



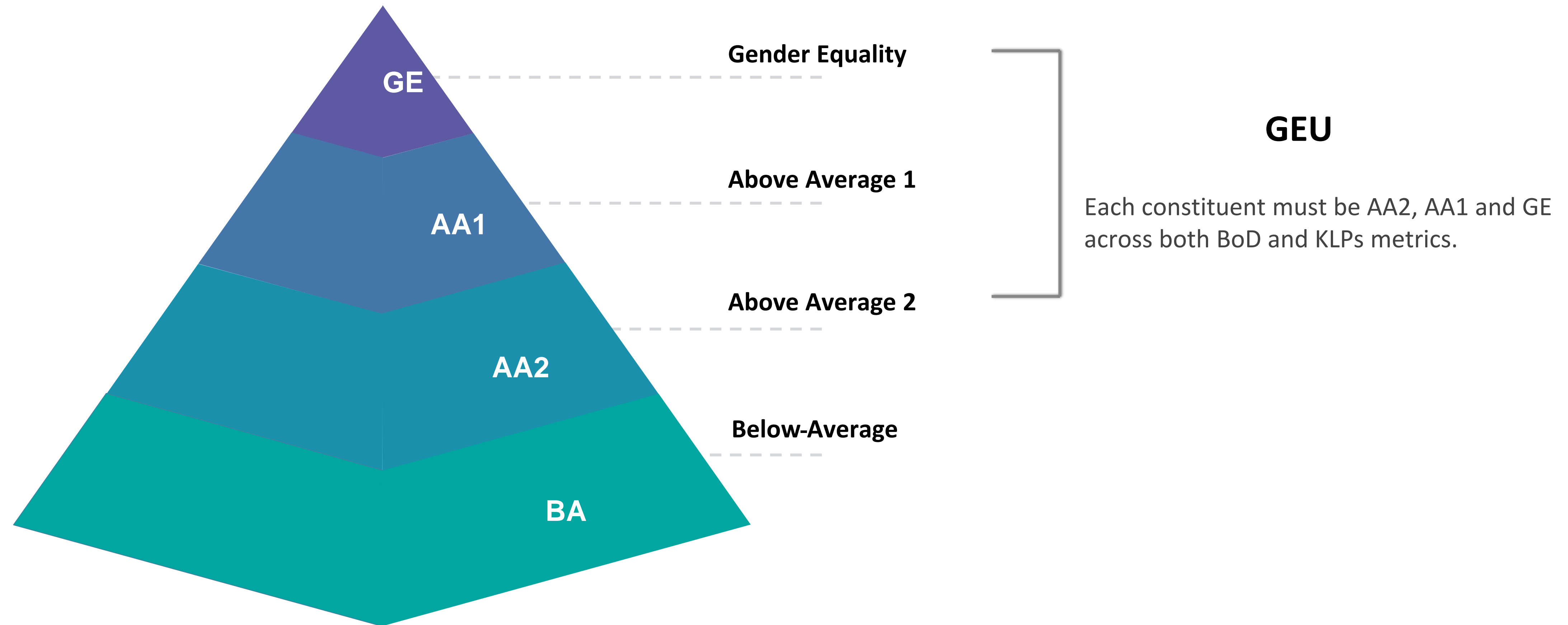
### Positive Trend

4.7% of Study Universe constituents (31/662) had achieved GE in BoD in 2016. By 2022 this has risen to 8.2% (60/736).

6.5% of Study Universe constituents (43/662) had achieved GE in KLPs in 2016. By 2022 this has risen to 12.4% (91/736).

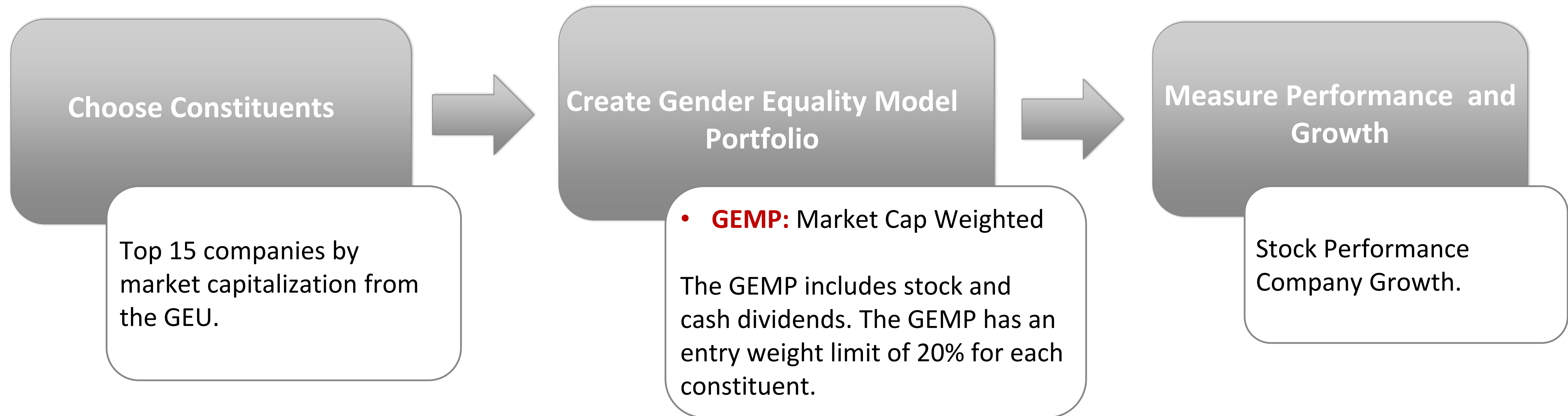
## D. Test And Review

### Introducing The Gender Equality Universe ('GEU')



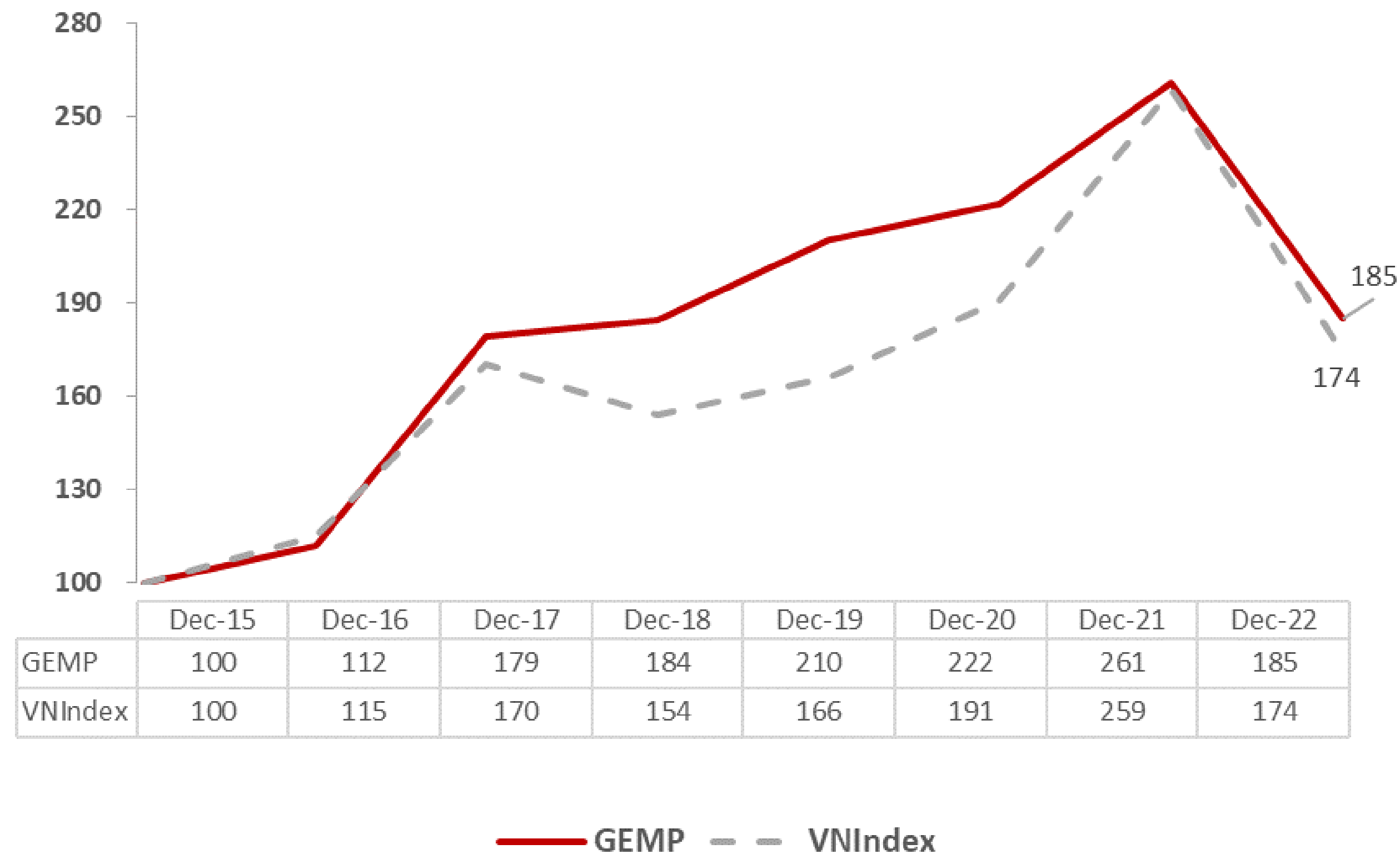
## D. Test And Review (Cont'd)

### Creating The Gender Equality Model Portfolio ('GEMP')



## D. Test And Review (Cont'd)

### GEMP Performance Vs. VNI



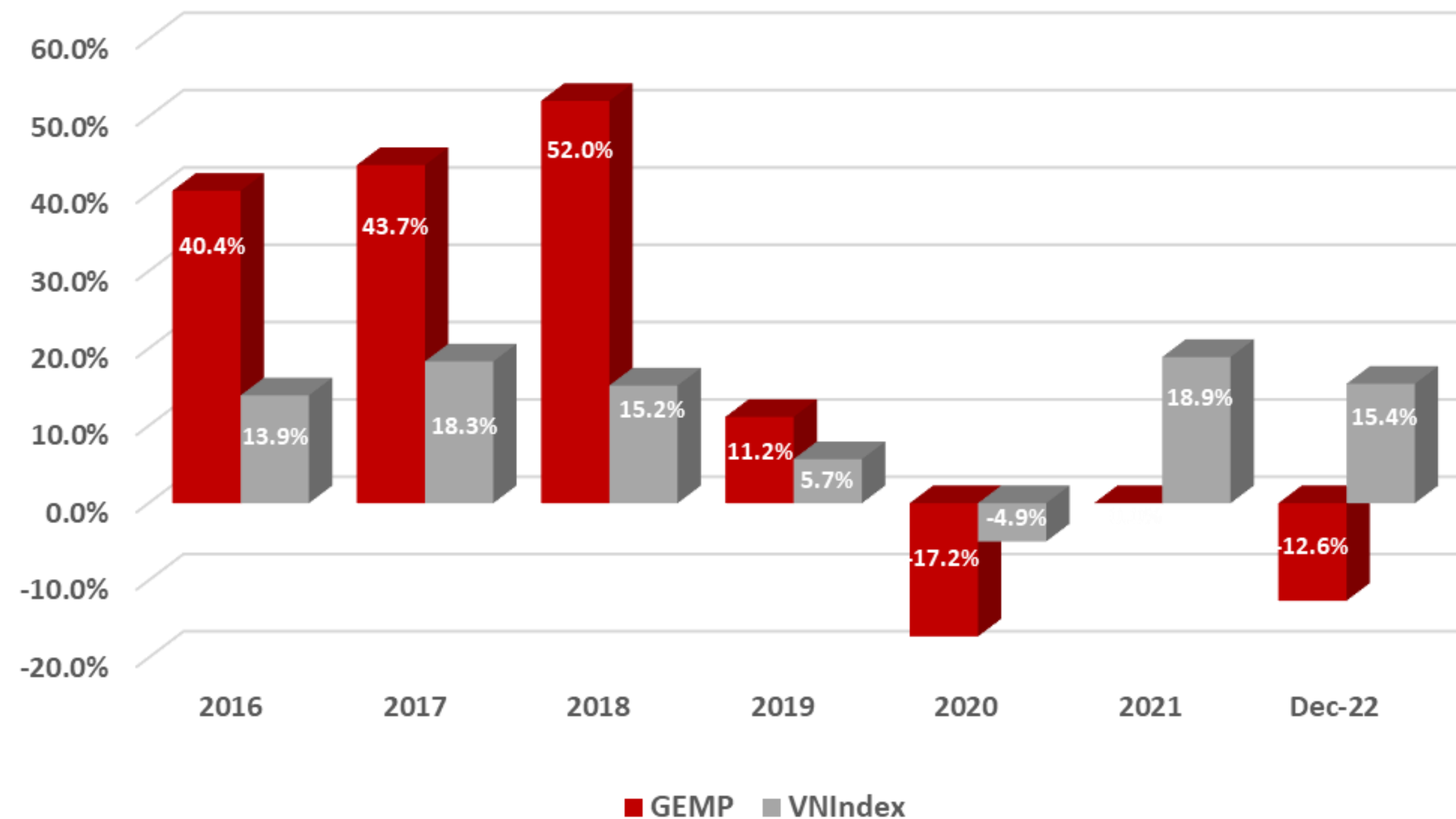
#### GEMP's Out (Under) Performance

Year	GEMP Vs. VNI
2016	-2.8%
2017	12.0%
2018	12.1%
2019	6.4%
2020	-9.4%
2021	-18.2%
2022	3.8%
2016-22 Difference	11.1%
7-year GEMP CAGR	9.2%
7-year VN-Index CAGR	8.2%
7-year CAGR Difference	1.0%



## D. Test And Review (Cont'd)

### GEMP Sales Performance Vs. VNI (%)



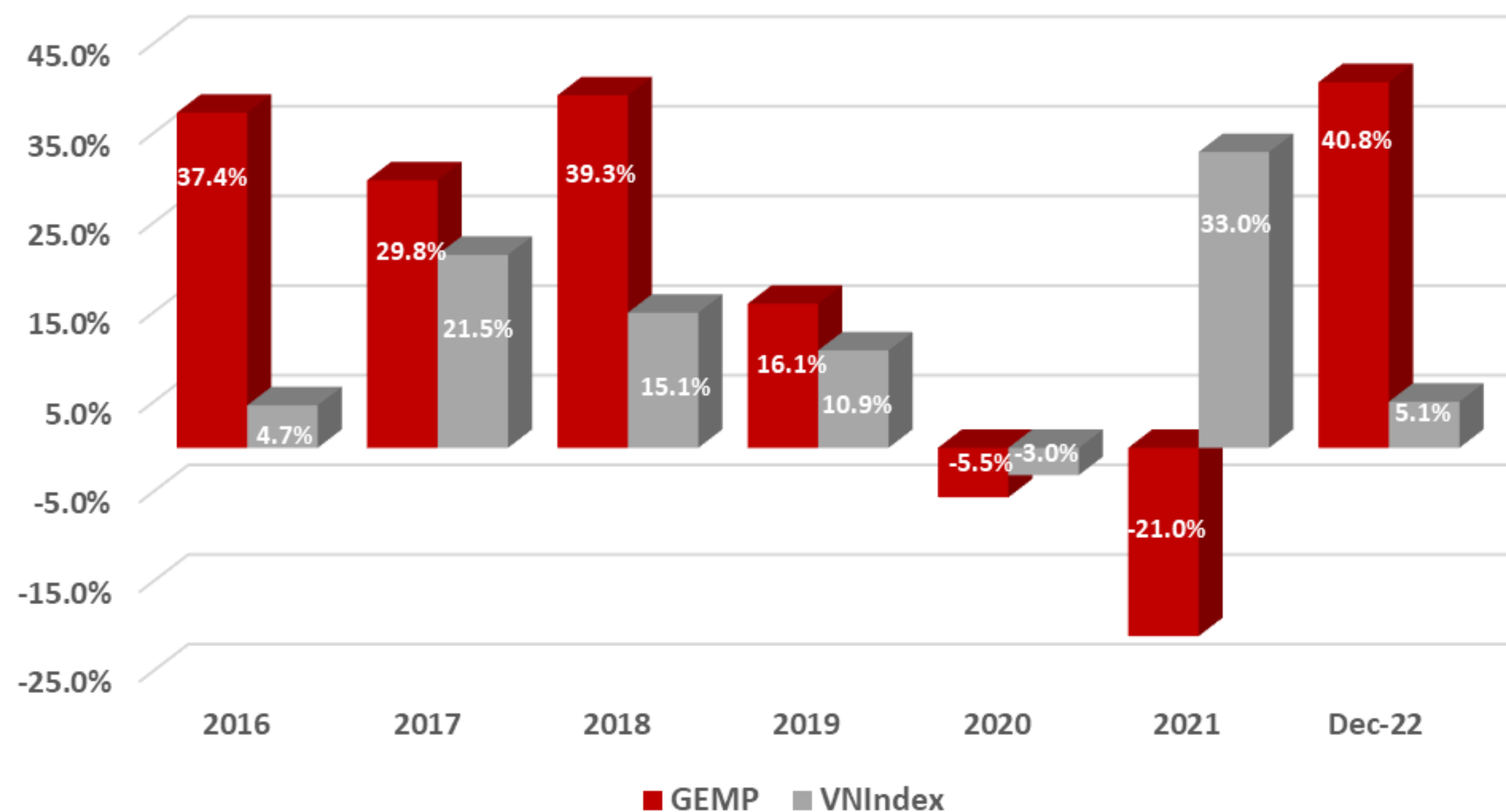
#### GEMP's Out (Under) Performance

Year	GEMP Vs. VNI
2016	26.5%
2017	25.4%
2018	36.8%
2019	5.5%
2020	-12.3%
2021	-18.9%
2022	-28.1%
<b>2016-22 Difference</b>	<b>32.4%</b>
7-year GEMP CAGR	13.8%
7-year VN-Index CAGR	11.5%
<b>7-year CAGR Difference</b>	<b>2.3%</b>



## D. Test And Review (Cont'd)

### GEMP Profits Before Tax Performance Vs. VNI (%)



#### GEMP's Out (Under) Performance

Year	GEMP Vs. VNI
2016	32.6%
2017	8.3%
2018	24.2%
2019	5.2%
2020	-2.5%
2021	-54.0%
2022	35.6%
2016-22 Difference	82.9%
7-year GEMP CAGR	17.2%
7-year VN-Index CAGR	11.9%
7-year CAGR Difference	5.2%



## E. Conclusion

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### Gender Equality : An Opportunity

1. Female representation on BoDs and in KLPs among listed companies remains low.
2. The trend, however, is improving, albeit at a slow pace.
3. From our initial research, companies with above average female participation tend to grow faster and see their share price perform better than the VNI.
4. Therefore, all listed companies should recognize that a move towards gender equality on BoDs and in KLPs has the potential to enhance growth and thus valuation.
5. At Wardhaven, we believe that greater proximity to gender equality is value accretive; thus we feel we have a fiduciary duty to engage with companies to have a positive impact on gender balance.



# DISCLAIMER

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This research report has been prepared by Wardhaven Capital Limited (WCL) for restricted circulation and for information purposes only. It should be noted that no mandatory requirements exist for Vietnamese listed companies to report and make publicly available any gender metrics. WCL asked FiinPro, a specialist Vietnamese finance data provider, to supply the initial raw data. Having identified multiple flaws in the data provided, WCL spent many months reconciling the data with the financial statements/annual reports of Vietnamese listed companies so as to ensure greater accuracy. As a result, even after significant reviews, errors and omissions may still occur. Therefore, WCL is unable to guarantee the accuracy of the raw data and, in turn, the results and implied conclusions. As such, the contents of this study and its implied conclusions should not be used as an investment guide, but simply as an indication of 1) the level of gender equality at Board level and within Key Leadership Positions (KLPs) of all listed Vietnamese companies between 2016 and 2020, and 2) the correlation between the gender composition of those companies' Boards/KLPs and their corporate performance.

WCL regards this report as a preliminary study and plans to continue refining and enhancing its analysis in this area. The contents of this study are the property of WCL and may not be reproduced without written permission from WCL.



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