



WORKING CAPITAL INNOVATION FUND RELEASES 2020 IMPACT REPORT

MEDIA HIGHLIGHTS:

- The Working Capital Innovation Fund supports systemic improvements in the protection of labor rights in global supply chains.
- Working Capital's 2020 Impact Report outlines the process for impact measurement and management, progress to date, and lessons learned for this first-of-its-kind investment Fund.
- Working Capital has invested in nine portfolio companies that increase transparency and traceability in supply chains, reduce labor rights risk and strengthen worker engagement.

SAN FRANCISCO, December 1, 2020 -- The Working Capital Supply Chain Innovation Fund (WCIF), an early-stage venture fund that is addressing the urgent need to protect vulnerable workers in global supply chains, today released its [2020 Impact Report](#). The report outlines the Fund's process for impact measurement and management, progress to date, lessons learned, and future growth opportunities.

WCIF was established in 2017 with a unique mission and a highly differentiated thesis about how to support systemic improvements in the protection of labor rights. Supply chains are rife with labor risk, including widespread forced and child labor, underpayment of wages, unsafe workplaces, and restrictions on worker organizing. The private sector faces increasing pressure to understand and address these risks in their direct operations and extended supply chains, primarily driven by tightening legal requirements in the US and Europe. Simultaneously, the standard audit-based toolkit available to brands, retailers, and their suppliers is inadequate for this task. WCIF is uniquely suited to offer an alternative. It invests in companies that provide tools that enable brands, retailers, and suppliers to source responsibly and which workers can use to their own benefit. Corporations and suppliers are the primary customers for these tools, but the ultimate beneficiaries of the Fund's investments will be the millions of vulnerable workers at the bottom of global supply chains, and their families.

“It is early in the Fund's ten-year term, but we see evidence that our investments have traction,” said Dan Viederman, Managing Director at Working Capital. “The availability of our investment capital and post-investment support has led our nine portfolio companies to a deeper and more effective engagement with labor rights than they otherwise would have undertaken. We have supported experimentation and innovation in a field that urgently needs alternatives to the status quo.”

While the company is pleased with the Fund's progress since its inception, it is essential to recognize the tremendous uncertainty that engulfed the world in 2020 due to the global pandemic. The Fund remains optimistic about its digital portfolio companies' longer-term prospects to achieve sustained commercial success and significant impact against the long-standing risks that workers face in global supply chains.

SUMMARY OF LESSONS LEARNED

- There is value in organizing a coalition of committed parties who bring capital and expertise in impact investing, human and labor rights, global supply chains, and responsible sourcing.
- The Fund has evaluated more than 400 separate potential deals, which illustrates significant interest among entrepreneurs in generating solutions to labor rights problems. There is particularly robust deal flow in supply chain traceability and transparency and much promise in technology that enables scaled interaction with and among workers.
- Portfolio companies are making progress in addressing some of the persistent long-term challenges in the supply chain labor rights space.
- With such a diverse portfolio, impact management and measurement are a challenge and resist easy quantification.
- The Fund is committed to applying a gender lens and has demonstrated that it can find and invest in successful women-led businesses (five of the nine companies are founded and/or led by women).

ABOUT WORKING CAPITAL

Working Capital is an early-stage venture fund that invests in scalable innovations to meet the growing demand for more transparent and ethical supply chains – addressing the urgent need to protect vulnerable workers and source responsibly. It was initially incubated by Humanity United, founded by The Omidyar Group, a diverse collection of independent organizations and initiatives. For more information, visit: <https://workingcapitalfund.com/>.

INTERESTED IN WORKING WITH US?

If you are interested in becoming a partner in this critical movement, please contact us [here](#). If you are an innovator in this space and are interested in becoming part of our portfolio, please visit us [here](#).

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