



2021 PUBLIC ANNUAL REPORT

**WORKING CAPITAL: THE SUPPLY CHAIN
INNOVATION FUND**

JULY 2022



WORKING CAPITAL: THE SUPPLY CHAIN INNOVATION FUND IS AN EARLY STAGE VENTURE FUND THAT INVESTS IN SCALABLE INNOVATIONS TO MEET THE INCREASING IMPERATIVE FOR MORE TRANSPARENT AND ETHICAL SUPPLY CHAINS — ADDRESSING THE URGENT NEED TO PROTECT VULNERABLE WORKERS AND TO SOURCE RESPONSIBLY.

THE FUND WAS INITIALLY INCUBATED BY HUMANITY UNITED, WHICH IS FOUNDED BY THE OMIDYAR GROUP, A DIVERSE COLLECTION OF INDEPENDENT ORGANIZATIONS AND INITIATIVES. OUR INVESTORS AND LIMITED PARTNERS INCLUDE MULTINATIONAL CORPORATIONS, HUMAN RIGHTS FUNDERS AND IMPACT INVESTORS.

OUR INVESTMENTS AIM TO IMPROVE OUTCOMES FOR WORKERS IN GLOBAL SUPPLY CHAINS AND OTHER MARGINALIZED POPULATIONS, BY SUPPORTING EARLY STAGE BUSINESSES WHOSE PRODUCTS AND SERVICES PROVIDE WORKERS WITH THE MEANS TO ENGAGE THEIR RIGHTS, AND WHICH IMPROVE VISIBILITY IN SUPPLY CHAINS FOR BRANDS AND RETAILERS, INVESTORS, EMPLOYERS, WORKERS THEMSELVES AND OTHER STAKEHOLDERS.

AS PART OF OUR COMMITMENT TO IMPACT, EACH YEAR WE PUT FORWARD A REPORT IN WHICH WE TRY – TO THE BEST OF OUR ABILITY – TO ASSESS THE IMPACT WE ARE HAVING AND TO BE HONEST ABOUT WHAT HAS WORKED AND WHAT REMAINS A CHALLENGE. THIS YEAR'S PUBLIC REPORT FOLLOWS.

PURPOSE

THE PURPOSE OF THIS REPORT IS TO:

- Share updates on the progress that portfolio companies have made during 2021
- Report on the status of the portfolio
- Share findings about how outcomes have emerged, among what stakeholders and at what level of the supply chain

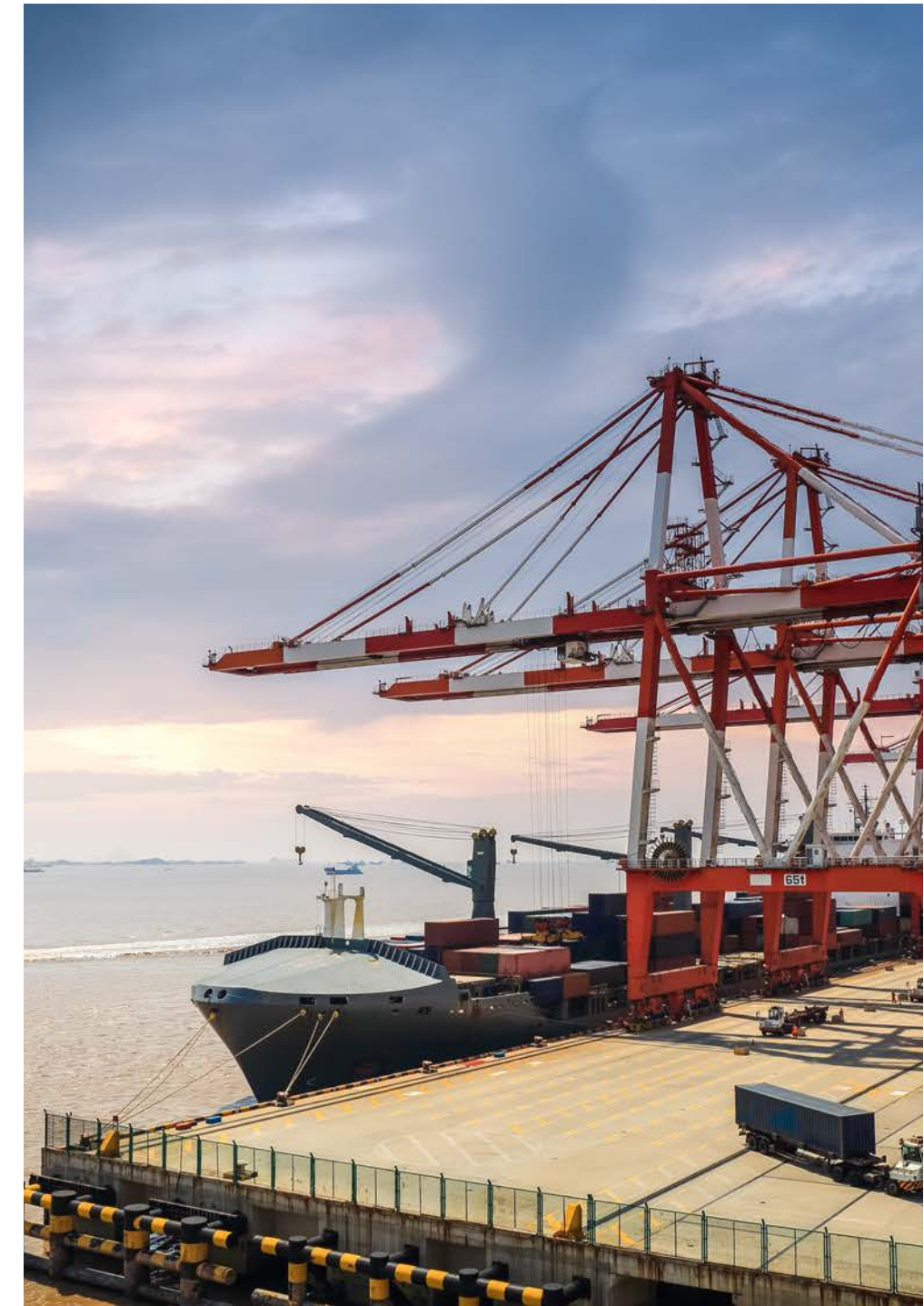


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2021 WCIF ANNUAL REPORT

KEY MESSAGES



THE FUND IS SEEING EVIDENCE OF PROGRESS AGAINST OUR ORIGINAL INTENTIONS

INVESTING FOR IMPACT, SCALE and REVENUE

Our impact investment approach (outlined in a [recent article](#)) offers the promise of impact at scale with sustained revenue and growth. In 2021 our portfolio as a whole saw significant progress in these metrics, indicating a new level of market appreciation and uptake for our portfolio companies.

- Over two-thirds of Fund 1 companies saw significant increases in commercial traction and product-market fit, all while maintaining a focus on impact for supply chain workers.

REACHING WORKERS AT SCALE and GENERATING DATA ABOUT WORKING CONDITIONS

Portfolio company solutions directly reached 660,000 workers in 2021 and established new approaches to illuminating working conditions and enabling businesses to understand and remedy workplace risks.

FINDING and SUPPORTING INNOVATION

The supplier responsibility space urgently needs scalable innovation. We have invested to support innovation, particularly in the use of emerging technologies, which is finding traction among brands and suppliers. The results of these innovations mobilize change in working conditions, improve workers' lives, and enable business to embrace inclusive growth.

BUILDING A TOOLKIT THAT IS USEFUL FOR A BROAD RANGE OF SUPPLY CHAIN STAKEHOLDERS

We facilitated the entrance of new supply chain actors by funding useful tools for suppliers/SMEs, investors and government agencies – moving beyond the brand/buyer focus of most supplier responsibility interventions.

SUPPORTING THE ECOSYSTEM OF CHANGE

WCIF is playing a key role with others in the ecosystem, including partnerships with grant-makers and other impact investors.

SUMMARY OF PORTFOLIO RESULTS for 2021

\$20M invested
in innovation to
promote inclusive
and ethical supply
chains across
two funds.

FUND I Invested in
12 companies
between 2017 and
2021

To date FUND II
Invested in 4
companies starting
in 2021

STAKEHOLDERS	INNOVATION	REACH	OUTCOMES
WORKERS	6 companies, representing 41% of funds invested to date, offer worker-facing tools	<ul style="list-style-type: none"> Over 660,000 workers engaged through the PC solutions in 2021 in over 40 countries. High risk geographies (e.g., DRC, China). High risk sectors and interjurisdictional settings (ex. Migrant workers). 	<ul style="list-style-type: none"> Numerous illustrations of the portfolio companies' solutions leading to positive outcomes for workers including empowerment, better working conditions and stronger access to rights.
SUPPLY CHAIN ACTORS	8 companies, representing 58% of funds invested to date, engage non- brand supply chain actors	<ul style="list-style-type: none"> The solutions have been taken up by a diversity of supply chain actors including: recruiters, suppliers, logistics companies, customs bureaus and retailers. (Ex. Altana network covers 400M companies.) Actors with verified good and bad worker practices are known to the network. 	<ul style="list-style-type: none"> More of the supply chain is brought into the light – especially tier 2 and 3 suppliers Suppliers are using their social performance to expand their customer base Actors are collaborating to verify and address worker practices across their supply chains.
BRANDS	12 companies engage with brands	<ul style="list-style-type: none"> Over 550 corporate clients and over 35 Fortune500 companies purchased our portfolio's solutions for application across a wide range of sectors with global reach. Total Contract Value across the F1 portfolio was tens of millions in 2021. Collaborations with F100 companies to reach highly vulnerable upstream (at source) workers. 	<p>As above, plus:</p> <ul style="list-style-type: none"> New verified near real-time at-source coffee farmer wage verification solution being deployed in DRC and scaled to Latin American farmers. (OpenSC) Brands are able to confidently stand by their worker sustainability claims.
CONSUMERS & INVESTORS	5 companies, representing 29% of total invested to date, engage with consumers or ESG/PE investors	<ul style="list-style-type: none"> 1 million consumer impressions per month (Provenance) of products' sustainability performance. Investors directing funds to companies with good worker practices and companies working on solving systemic challenges to worker rights. 	<ul style="list-style-type: none"> More resources (investment + greater share of the consumer market) are directed to actors that are observing good worker practices. Signals of systemic changes: Philippine government changing its worker training practices (Honest Jobs).

UNDERSTANDING THIS REPORT

**IN THIS REPORT WE
DESCRIBE OUR
APPROACH TO & SHARE
EVIDENCE OF PROGRESS
AGAINST THE FUND'S
ORIGINAL INTENTIONS**

- Our strategy embraces numerous paths to impact, as illustrated by our dynamic Theory of Change. Given the diversity of our portfolio it is difficult to compare impact among or across portfolio companies. We do, however, capture how each company continues to connect with our Theory of Change.
- We have generated annual reports highlighting the Fund's activity each year since our inception in 2017. This year, for the first time, we had the assistance of an external evaluation specialist in the preparation of the report who conducted interviews and gathered impact data from each portfolio company.
- We present indicators of impact performance for the portfolio as a whole as well as for individual companies.
- The early-stage nature of our portfolio adds complexity to the task of comparing across companies. The companies face different pathways to market and often have significantly different clients.

IN THIS REPORT WE AIM TO SHARE PROGRESS AGAINST OUR ORIGINAL INTENTIONS FOR THE FUND, WHICH WERE:

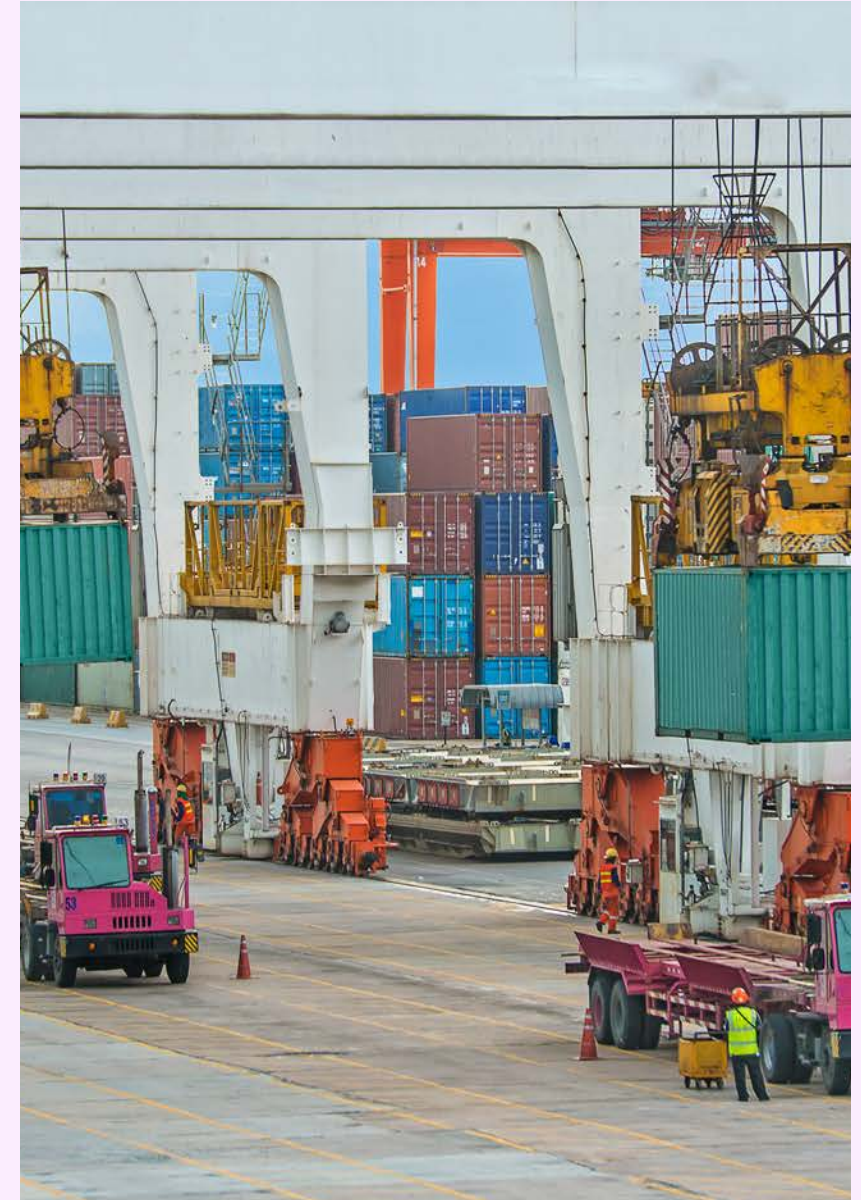


- Invest for impact consistent with an accurate, updated Theory of Change
- Invest in, and support after investment, portfolio companies that will have impact, reach scale and grow revenue
- Support innovation in a space - supplier responsibility - that has seen too little scalable innovation
- Invest across a spectrum from risk identification to systems change, supporting the shift to inclusive and resilient supply chains
- Invest in a variety of interventions with marginalized workers as the ultimate beneficiaries
- Understand how impact on these key issues intersects with the financial success of our investments

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WCIF 2021 ANNUAL REPORT

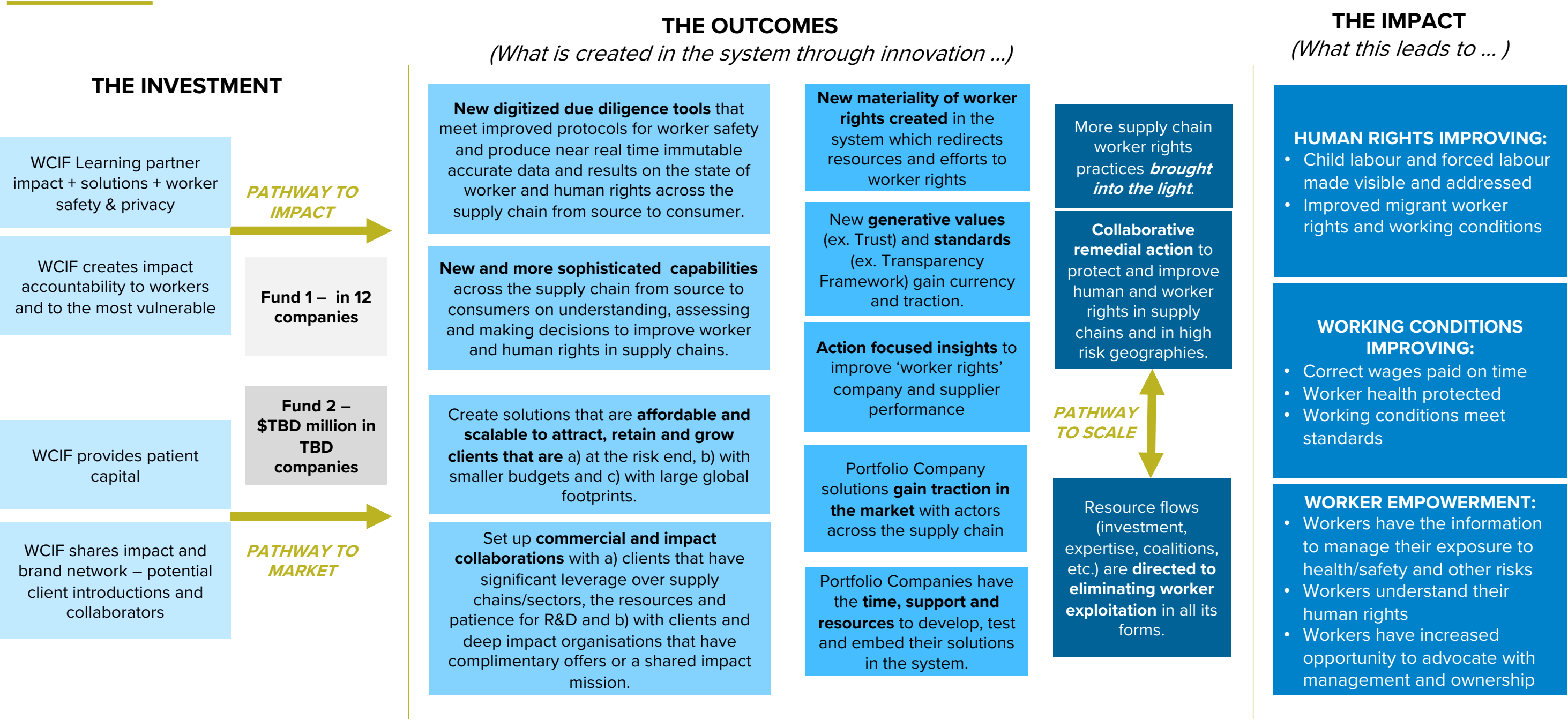
INVESTING FOR IMPACT CONSISTENT WITH A DYNAMIC THEORY OF CHANGE



THE FOLLOWING SLIDE DEPICTS OUR FUND'S THEORY OF CHANGE. WE USE THIS THEORY OF CHANGE TO ASSESS WHETHER AND HOW A POTENTIAL INVESTMENT CAN DELIVER OUTCOMES AND IMPACT FOR THE FUND'S BENEFICIARIES, AND TO GENERATE METRICS THAT CAN HELP MEASURE OUR PROGRESS.

WE EMBRACE A NUMBER OF PATHWAYS AND INVEST IN A RANGE OF POSSIBLE OUTCOMES TO ACHIEVE BENEFIT FOR WORKERS AND MORE INCLUSIVE AND TRANSPARENT SUPPLY CHAINS.

UPDATED WCIF THEORY OF CHANGE



PORTFOLIO COMPANIES REMAIN RESOLUTELY IMPACT-FOCUSED, and IMPACT IS A DIFFERENTIATOR AND PATH TO SCALE.

All Fund I companies remain **COMPLIANT WITH OUR PRI COVENANTS**. WCIF's support helps portfolio companies find impact-committed clients as they also achieve commercial success.

Impact remains a differentiator and a path to scale for portfolio companies. Examples include:



Altana is seeing significant market uptake of its forced labor solution.



Provenance is gaining market traction as it differentiates products on basis of the validity of their impact.



SupplyShift offers value to brands and retailers by illuminating conditions at lower-tier, heretofore hidden suppliers.



Quizrr has seen uptake by leading companies across new high-risk sectors due to its impact-oriented educational technology.



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ALLOCATING CAPITAL FOR IMPACT, SCALE AND FINANCIAL GROWTH

The following slides capture the portfolios' financial progress.

IN 2021, WE MADE OVER \$6M OF INVESTMENTS IN IMPACTFUL VENTURES FROM FUNDS I & II

FUND 1 COMPANIES
ALTANA
QUIZRR
KENZEN
PHYLAGEN
ULULA
VERSED.AI
HONEST JOBS
HOWGOOD
SUPPLYSHIFT

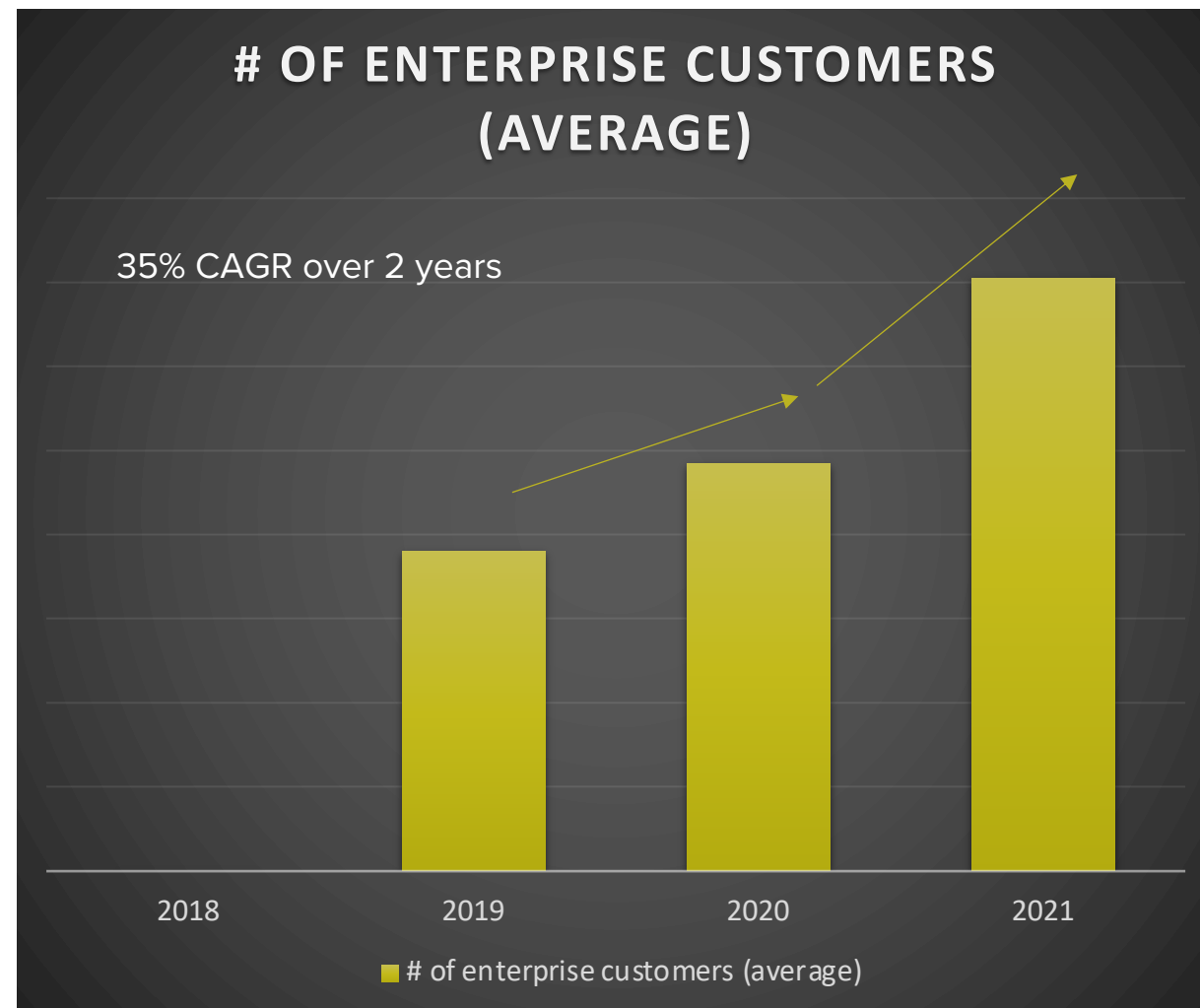
FUND 2 COMPANIES
TO THE MARKET
PROOF OF IMPACT

FUND I COMPANIES ARE SCALING IMPRESSIVELY WHILE CONTINUING TO HAVE DEEP IMPACT

SINCE WCIF FUND I LAUNCH IN 2017, IT HAS INVESTED IN 12 COMPANIES. AFTER FOUR YEARS:

- Several companies saw significant increases in valuation from the time of our first investment, with some as high as 5x valuation at the time of our investment.
- There has been one write down.

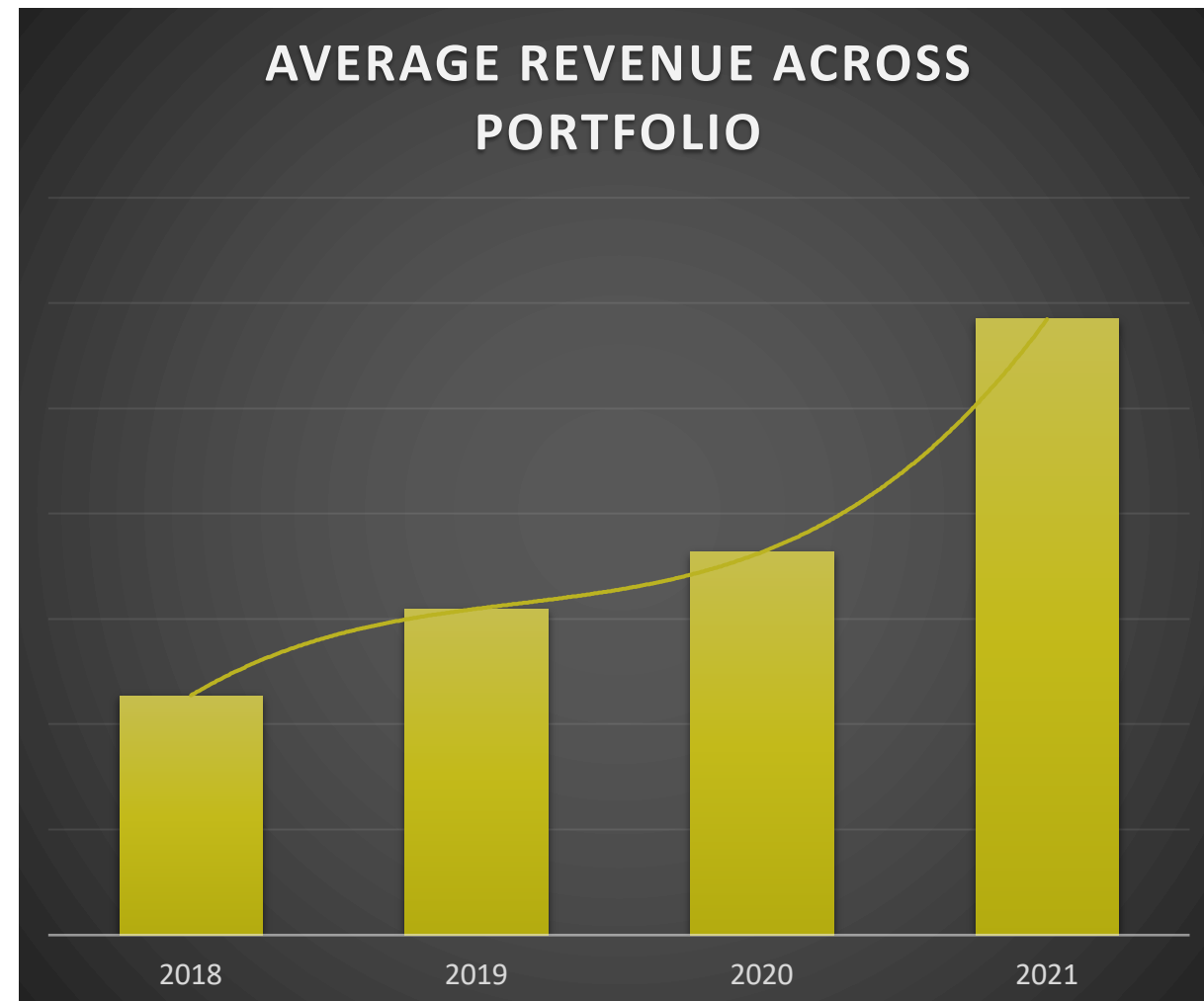
INVESTMENT BY WCIF PROVIDED PORTFOLIO COMPANIES RESOURCES TO DEVELOP AND INCREASE PRODUCT MARKET FIT



- This chart notes the average number of enterprise customers across the WCIF portfolio companies over the last 4 years
- Year-on-year growth of the average number of customers among portfolio companies was 45% for 2021 versus 28% for 2020, indicating an acceleration in customer acquisition
- The growth in customers for these impact-driven products and services being sold by the portfolio companies demonstrates an increase in product-market fit

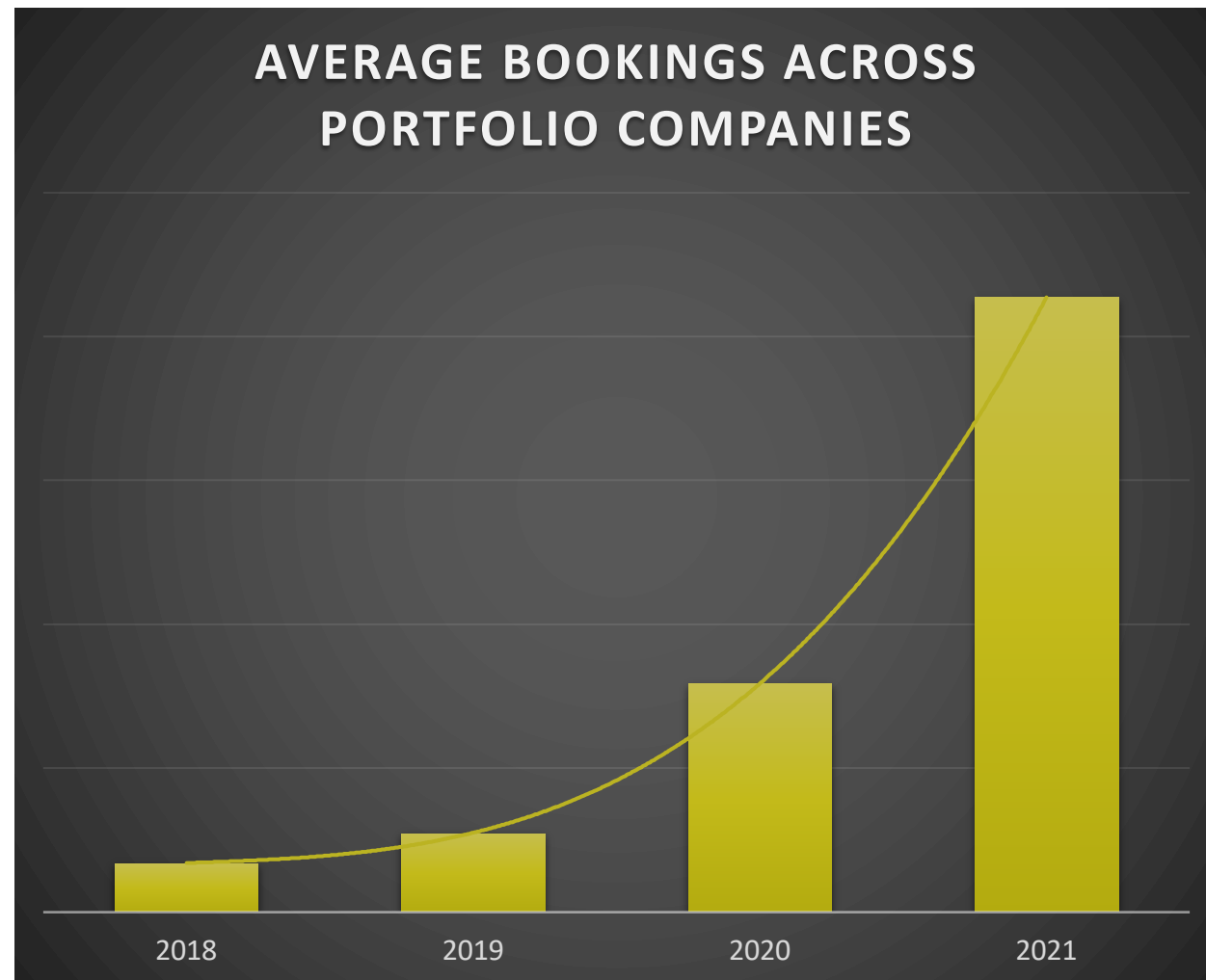
Note: There are variations on how each company calculates its reach to enterprise clients. We've attempted to normalize for these differences by focusing on the 1st level of client acquisition.

SCALED TRACTION BY PORTFOLIO COMPANIES AS EVIDENCED BY GROWTH IN REVENUE AFTER RAMP-UP PERIOD



- This chart notes the average revenue of the portfolio across the last four years
- 2021 sees an acceleration after a period of slow ramp up in the first two years
- We believe that acceleration in revenue would have happened sooner if 2020 was not affected by COVID-19.

BOOKINGS BY PORTFOLIO COMPANIES HAVE GROWN 2-3X YEAR-ON-YEAR SHOWING INCREASING DEMAND FOR THEIR IMPACTFUL PRODUCTS & SERVICES



- This chart notes the average bookings (contract value) across the portfolio companies since 2018
- Bookings are a leading indicator of revenue and growth performance of these companies
- We see a strong growth curve in bookings in 2021

THE FUND BOASTS INCREASED BUSINESS SUCCESSES, WITH EMERGING 'HOCKEY STICK' TRENDS ACROSS VARIOUS METRICS

HIGHLY VALUED COMPANIES:

- By 2021, approximately 33% of Fund I portfolio companies demonstrated an average 4x increase in valuation since Working Capital's initial investment.
- This valuation increase took an average of four years per company, indicating the value of patient capital provided by our fund.

PRODUCT MARKET FIT FOR UNIQUE AND INNOVATIVE TECHNOLOGIES TAKES TIME TO BE REALIZED:

- Even among high value companies, both the number of customers and bookings accelerated in 2020-21 after limited movement in 2019-2020.
- Average number of customers for these companies grew over 60% year-on-year in 2021 versus 7% in 2020.



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INVESTING TO INFLUENCE THE SYSTEM AND DRIVE INNOVATION

The supplier responsibility space is in dire need of new scalable and impactful approaches. Participants from the private and social sectors have been looking for scalable audit replacements (or at least audit supplements) for over two decades. The innovations that we support aim to build a more effective, more actionable and more scalable toolkit to enhance responsibility in global supply chains.

WE HAVE SUPPORTED INTERVENTIONS THAT ADDRESS PROBLEMS FROM SEVERAL DIRECTIONS:

- Tools that are 'labor only' and those that are broadly focused on sustainability
- Companies that are focused on selling to 'social responsibility' staff and those that have broader functions in other departments of a corporation
- Tools that are focused on identifying risk and those that are aiming to change the system
- Tools that appeal to leading companies and those that will be useful for new entrants and 'laggards'

THE FUND HAS SUPPORTED TOOLS THAT GIVE A BROAD RANGE OF STAKEHOLDERS THE ABILITY TO AFFECT WORKING CONDITIONS & LABOR RIGHTS

PORTFOLIO COMPANIES BUILT NEW DIGITIZED WORKER DUE DILIGENCE AND WORKER EMPOWERMENT TOOLS AND SYSTEMS...

- that meet improved protocols for worker safety and produce near-real-time immutable accurate data on the state of working conditions and human rights across the supply chain from source to consumer
- that are affordable and scalable to attract and retain clients at the risk end, with smaller budgets, or with large global footprints.

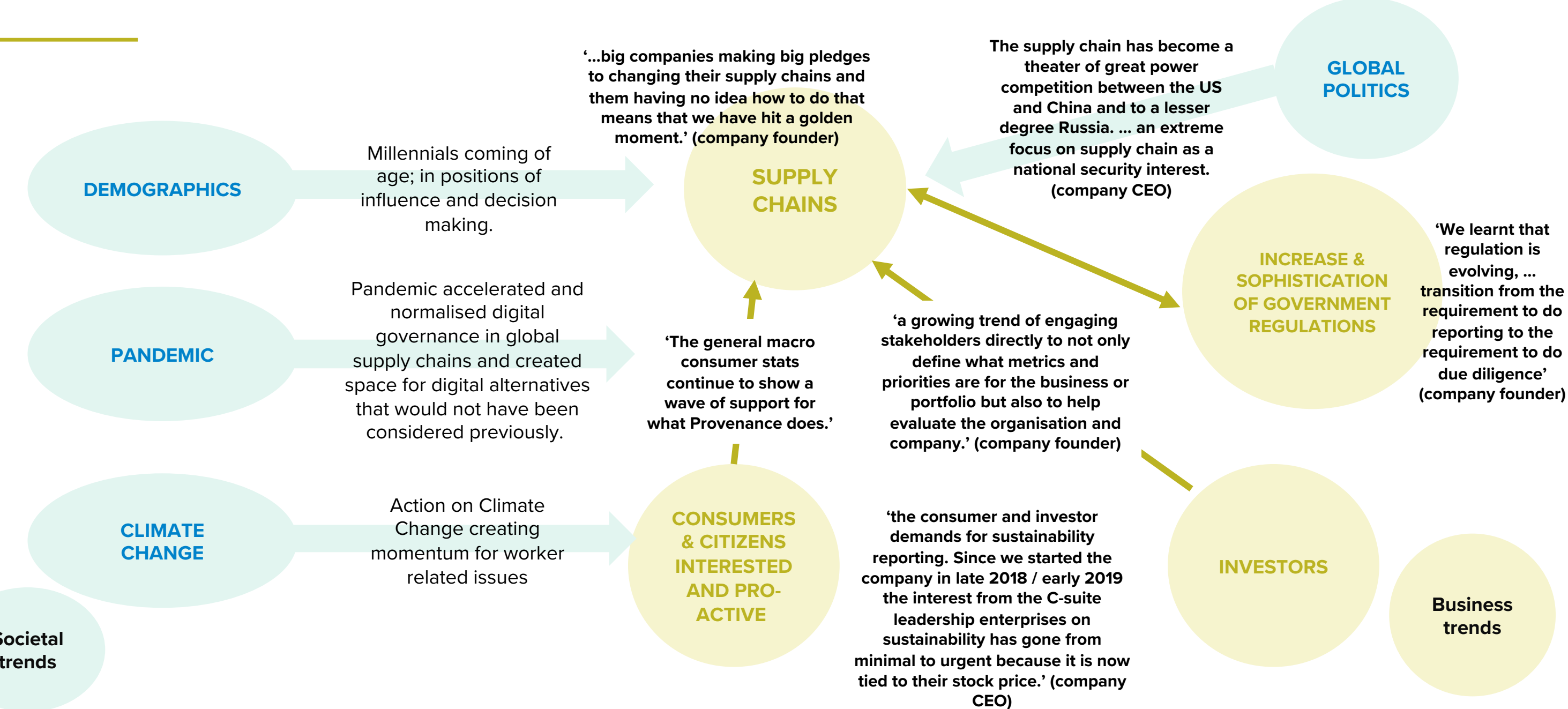
THESE COMPANIES OFFER NEW COMMERCIAL AND IMPACT COLLABORATIONS ...

- with clients that have significant leverage over supply chains and sectors (investors, especially, with which 3 portfolio companies engage directly)
- with employers/suppliers who have historically been an object of supplier responsibility efforts but not a participant. Seven portfolio companies sell directly to suppliers.

ALL OF THIS IS CREATING...

- new and more sophisticated capabilities across the supply chain from **source (e.g., OpenSC) to consumers (e.g., Provenance)** on understanding, assessing and making decisions to improve worker and human rights in supply chains.

WE KNEW THAT OUR INVESTMENTS COULD TAKE ADVANTAGE OF STRONG SYSTEMIC TAILWINDS THAT HAVE ONLY GROWN STRONGER SINCE THE INCEPTION OF THE FUND



BUT, OF COURSE, THIS ‘ECOSYSTEM INFLUENCE’ HASN’T ALL BEEN POSITIVE

COVID-19

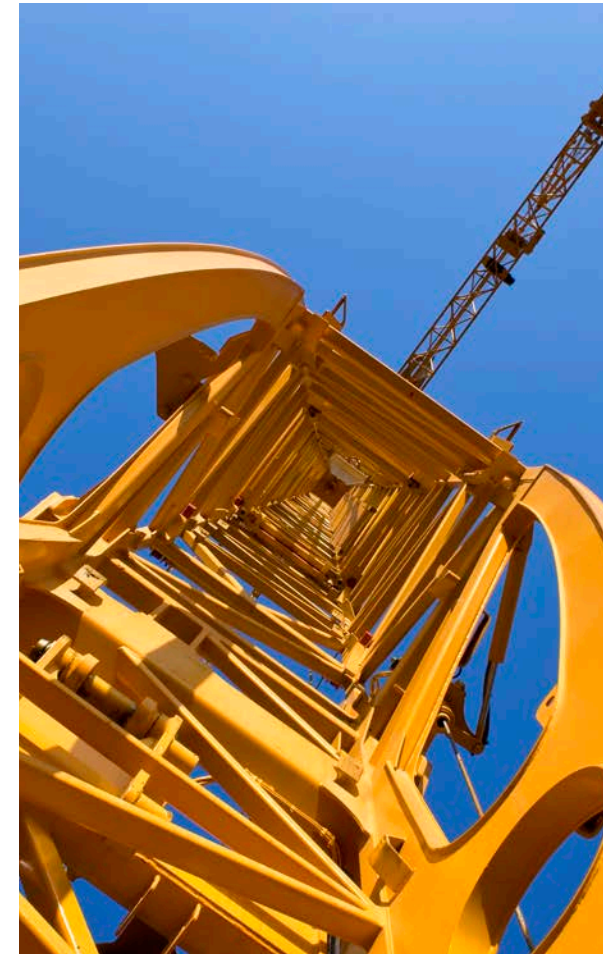
The pandemic forced many companies to focus on logistics at the expense of long-standing supply chain social issues. As those problems are ironed out, a re-focus on transparency is likely.

MANDATORY HUMAN RIGHTS DUE DILLIGENCE LEGISLATION HAS SOME WEAKNESSES

As much as we put great emphasis on the potential benefit of new Mandatory Human Rights due diligence legislation, questions remain about the practical effect of these new laws. The German MHRDD law is weaker than hoped in its obligations as they relate to indirect suppliers. The EU draft law is pushing companies to use social audits, rather than to adopt new, innovative and more effective approaches.

ENFORCEMENT OF TRADE BANS CAUSES SOME PERVERSE INCENTIVES

Increased enforcement of forced labor related trade bans has also been used by some buyers/brands as a reason not to explore supply chain risks, preferring instead to have "plausible deniability."



OUR PORTFOLIO COMPANIES ARE INNOVATING IN THE IMPLEMENTATION OF 'SUPPLIER RESPONSIBILITY' IN THE FOLLOWING WAYS.

● RELEVANT

● KEY DIFFERENTIATOR

	Transitioning data & data processes to DIGITIZATION SYSTEMS	New PROTOCOLS and systems to safely share supply chain information	Generation of near REAL TIME DATA	IMMUTABLE data & results (Blockchain, chemical trace)	Collecting HARD TO GET DATA – at source, hard to capture information, etc.	Connecting and designing FRAMEWORKS and new analytical and trace tools METHODOLOGIES (AI)	New and more sophisticated worker, manager, decision maker, investor, and consumer CAPABILITIES
OPENSC	●	●	●	●	●	●	●
QUIZRR	●	●			●	●	●
ULULA	●	●	●		●	●	●
HONESTJOBS	●	●			●	●	●
PHYLAGEN	●	●	●	●	●	●	●
KENZEN	●	●	●		●	●	●
PROOF OF IMPACT	●	●				●	●
VERSED.AI	●	●				●	●
DIGINEX	●	●	●			●	●
ALTANA.AI	●	●			●	●	●
HOW GOOD	●	●				●	●
SUPPLYSHIFT	●	●				●	●
PROVENANCE	●	●		●		●	●



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INVESTING IN ORDER TO:

- **IMPROVE WORKERS' EXPERIENCES & WORKING CONDITIONS**
- **REACH WORKERS AT SCALE**
- **ELIMINATE FORCED & CHILD LABOR**

The slides that follow capture the direct reach of our portfolio to workers in global supply chains, and share illustrations of the way that reach has affected workers. We also chart which of our portfolio companies engage the issues of Child and Forced Labor.

WORKERS ARE THE ULTIMATE BENEFICIARIES



We can directly chart the number of workers reached by companies that capture such data: 660,000 in 2021



Most of our portfolio companies do not capture worker reach data, as their point of leverage is at supply chain decision making within companies or employers (or investors).



It is expected that many more workers are positively affected by the actions of portfolio companies that do not reach workers directly, but this is not possible to measure with resources available now.

PORTFOLIO COMPANIES REPORT DIVERSE & LARGE SCALE OUTCOMES FOR WORKERS

	OUTCOMES	ILLUSTRATIONS
WORKER RIGHTS	CHILD LABOUR & FORCED LABOUR MADE VISIBLE AND ADDRESSED	<p>Supply Shift worked with a large buyer on its hazelnuts supply sourced in the Middle East. The surveying and mapping showed child labour. The buyer acted so that the children (hundreds) attend school and are not working in the field. Adult workers saw their wages increase.</p>
	MIGRANT WORKER RIGHTS WINS	<p>Ulula deployed a grievance programme in DRC in collaboration with 20 NGOs. Through the project Ulula receives over 100 grievances a month (2000 in total since inception). Remediation is happening: so far 40% are child labour cases and are being addressed - 20% of 200 cases around child labour have been closed so far.</p>
	WORKER WAGES PAID ON TIME AND CORRECTLY	<p>Diginex gets implemented in factories employing migrant workers, enabling visibility for management into employment contracts and remediation of excessive recruitment fees.</p>
IMPROVEMENT OF WORKING CONDITIONS	WORKER HEALTH PROTECTED	<p>Honest Jobs ran a successful pilot with the Philippine government. Outcome was to reduce the onerous 28-day, live-in pre-migration training required by the government to 16 days, 10 of which are in-person. The government has commissioned Honest Jobs to develop life skills modules to be included, which they plan to make the new national standard. This reduces cost of labor migration for migrant workers.</p>
	WORKING CONDITIONS	<p>OpenSC - 1185 coffee farmers in DRC were part of a pilot with Nespresso to test a payment verification solution in 2021. The collaboration identified where payments to farmers were being made incorrectly, and enabled more money to flow to coffee farmers.</p>
	WORKER & HUMAN RIGHTS KNOWLEDGE INCREASE	<p>Phylagen - 2021 saw the first evidence from a Phylagen implementation that identified a workplace environment at high risk for disease; the customer sent the workers home, tested them for Covid and one of them tested positive. Phylagen may have stopped a workplace 'super spreader event'.</p>
WORKER EMPOWERMENT		<p>Kenzen – The tech is empowering workers to self-manage their exposure to heat. In one contract with a construction company, workers started asking for modifications to their work schedule; in another company workers started volunteering to opt out of exercises due to concerns about heat stress.</p>
		<p>Provenance – Prince’s utilized Provenance’s software to share information with consumers about controls on social conditions in their Napolina brand tomato harvest. Provenance helped verify claims against Provenance Proof Points, and then enabled Napolina to communicate its work in a scalable way to consumers.</p>
		<p>QuizRR trained over 80,000 workers (pre- recruitment and at work) and managers in human rights, worker rights, workplace engagement and practical topics like wage management and migrant parenting. The company is monitoring the impact of that training with clients.</p>

EIGHT OF FOURTEEN PORTFOLIO COMPANIES ENGAGE DIRECTLY WITH THE SERIOUS ISSUES OF FORCED & CHILD LABOR

COMPANIES ADDRESSING THE PROBLEMS OF CHILD AND FORCED LABOR and SOME OF THE GEOGRAPHIES OF IMPLEMENTATION

- **OpenSC** (DRC)
- **Ulula** (DRC)
- **Quizrr** (Southeast Asia)
- **Diginex** (East & Southeast Asia)
- **Altana** (East Asia)
- **Honest Jobs** (Malaysia)
- **SupplyShift** (Middle East)

VersedAI – “The difference we are making ... with modern slavery around transparency enables companies to triage where to focus their efforts on modern slavery and where they might want to send audit teams. We have the knowledge graph which is all of our supply chain relationships and then information [about working conditions] we can hang on that knowledge graph. We have been working ... to highlight companies at elevated risk such as common sub-tier suppliers where [they] have a risk concentration.”

WE ANTICIPATE THE NEED FOR BUSINESSES TO UNDERSTAND & CONTROL THE RISKS OF FORCED & CHILD LABOR TO BE A STRONG DRIVER GOING FORWARD.

- **Altana** has confirmed they see forced labor as a driver of customer interest given new regulatory pressure on brands and retailers.
- **Honest Jobs** is designed to eliminate the forced labor risks that emerge from formal sector labor migration, by creating ethical alternatives.
- **VersedAI** is mapping supply chains and identifying hidden suppliers, building out a prototype of the SaaS platform that drills down into production sites that are of highest risk of modern slavery.
- **Diginex** will support sub-tier and 'less sophisticated' employers to understand and address risk of forced labor due to labor migration.



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COMMITMENT TO CONTINUOUS LEARNING AND ADAPTATION

We reflect internally and with portfolio companies about our role; we provide support to them to clarify their own impacts and understand how an impact orientation leads to business outcomes; we engage regularly with our external Developmental Evaluation team to build the right Impact Management and Measurement structures.



OVERARCHING LESSONS: WHAT DID THE PORTFOLIO COMPANIES LEARN ABOUT IMPACT IN 2021?

SIMPLE TECHNOLOGY THAT PRODUCES (NEAR) REAL TIME RESULTS is effective in achieving positive outcomes for workers such as protection from heat stress and receiving correct wages on time. The simplicity allows workers, particularly upstream workers, to access the technology (affordable and understandable). The timeliness of the information allows issues to be addressed quickly. *'It means less wrong things happen and more right things happen.'* (**OpenSC**)

The **DIGITIZATION OF SUPPLY CHAIN INFORMATION CAN TRIGGER BETTER PRACTICES** from supply chain actors by highlighting gaps in their information on workers and working conditions in their own operations and possibly freeing up time and resources. **Proof of Impact** worked with a household goods company in India (Industree Foundation) that supplies woven baskets to Ikea and employs 4000 women. The supplier must comply with Ikea's 25 standards and every year had an auditor check compliance. The process of digitizing existing data highlighted the absence of comprehensive systems (for example on child labor) and prompted innovation in approaches to gather information.

Early demonstration emerged that **TRANSPARENCY** is both **contagious** and **effective** in creating material values that **INCENTIVIZE BETTER PRACTICES IN SUPPLY CHAINS**.

- **How Good** observed the participation of a major brand trigger its suppliers to adopt the same practices and join How Good.
- **Diginex Lumen** and **AltanaAI** saw suppliers and others in the supply chain use transparency platforms to demonstrate their professionalism and build trust.
- **VersedAI** and **AltanaAI** saw transparency focused networks create conditions for collaborative efforts across supply chain actors to identify and address problematic practices.

OUR WORK ON GENDER EQUITY REMAINS OPPORTUNISTIC

- At the end of 2021, fifty percent of the leadership of our portfolio companies were women.
- Our portfolio companies are engaged in improving conditions in supply chains where women are particularly vulnerable or marginalized
 - **Quizrr** provided scalable technology and engaging 'edutainment' as part of the HER Finance program
 - **Honest Jobs** focuses on transforming the system by which women (overwhelmingly) are recruited into domestic work
 - **To the Market** supports certified women-owned businesses to find more clients from among multinational buyers
 - **Kenzen** applies gender-disaggregated physiological analysis to its assessment of heat-stress and risk
 - **OpenSC** works with women farmers in the DRC to illuminate their income, so that they can benefit from advocacy efforts including their own
 - **Provenance** has 43 products that carry consumer-facing Proof Points labeled as Female Founded and 33 as Female Owned.
- Very few of the clients of our portfolio companies ask for gender-related programing or request gender-disaggregated data, rendering it difficult for our portfolio companies to prioritize that issue.
- We are not a gender-focused fund, and remain opportunistic rather than strategic in our promotion of positive gender impacts in the work of our portfolio companies.

WCIF’S CRITICAL ROLE, AS PERCEIVED BY THE PORTFOLIO

WCIF PROVIDES CRITICAL INPUT ON THE DEVELOPMENT OF IMPACT SOLUTIONS + HIGHLIGHTS WORKER SAFETY & PRIVACY	Four of the fourteen portfolio companies (PC) shared that WCIF provided critical input into the development of their solutions. The WCIF positions itself as a learning partner with which PCs can ‘bounce ideas off’ and tap into the WCIF’s learning and network.	‘We needed to ... find data on forced labour in supply chains that could be connected to the lawful business network, and this was something that the [WCIF] team worked a lot with us on over a few frustrating attempts...’
WCIF CREATES IMPACT ACCOUNTABILITY TO WORKERS & THE MOST VULNERABLE	Five of fourteen portfolio companies highlighted the role WCIF has played in educating other board members on the challenges of developing and scaling impactful solutions, in holding PC management accountable to their own impact commitments and in bringing structure and discipline through WCIF’s engagement with PCs.	‘It’s easy to get focused on the bottom line even if you started out altruistically. WCIF keeps us centred on the vision of the company ... WCIF has stretched us is on how we can reach, for example, miners that aren’t making much in South Africa, or agriculture,.’ ‘The WCIF are the only true impact investor for us. The only fund taking a portfolio approach and interested in the overall impact of their portfolio... WCIF brings a more disciplined structured impact investment mindset.’
WCIF PROVIDES PATIENT CAPITAL	The WCIF’s invested funds provide the space for PCs to focus on the deep development work necessary for impact and scale.	The WCIF ‘enabled us to build an effective tool from the start because we had enough belief in the tool from a commercials perspective to develop the features it needed to scale.’ ‘There was one person (on our board) asking us why we can’t go faster, and [WCIF Board member] explained that [our solution] is novel and that it takes time to develop the organisation.’
WCIF SHARES IMPACT & BRAND NETWORK - CLIENT INTRODUCTIONS & COLLABORATORS	Portfolio companies valued WCIF-provided access to key networks and introductions: These PCs appreciated introductions to potential clients from the Fortune 500 list/Major brands, Human and Worker Rights networks and forums, other impact funders, and the DE team.	‘What I like about the WCIF network is that they tend to be working in the social impact space but it's broad across that space’



COMMITMENT TO CONTINUOUS LEARNING

INPUT FROM THE DEVELOPMENTAL EVALUATION (DE) TEAM

Our DE team provided the following perspective on the work of the Fund and our Impact Management and Measurement Practice.

EVALUATION TEAM: REFLECTIONS ON IMPACT MEASUREMENT AND MANAGEMENT (IMM) DEVELOPMENTS

In 2021 the Developmental Evaluation (DE) team continued working with five of WCIF's portfolio companies ventures to support the development of their impact measurement and management (IMM) capability. These ventures were able to access the DE team's expertise when they needed it and were able to spend time focusing on this area of work alongside other priorities. The DE Team had learned that working in this demand-driven way gained the most traction for ventures and the WCIF provided the flexibility needed for us to be able work with ventures at their own pace. On the venture side, readiness to undertake and benefit from developing their IMM system includes a degree of operational and technical solution maturity.

READINESS: To engage effectively in their IMM development, early stage ventures need to have sufficient practical experience in piloting their solution and operating as a company. When these conditions exist, companies are able to gain value from engaging in an IMM development process. This process itself can add value as it provides a systematic approach for companies to stop, reflect and learn from their experiences. Once ventures have some operational insights, they are in a better position to use what they've learned to make any adaptations needed to increase their intended impact. It is also important for companies to have sufficient experience in working together so that IMM activities take place in a collaborative space in which company leadership and staff have developed beneficial relationships and reached a stage where they're ready for critical assessment.

IMM SUPPORT: IMM guidance, standards and examples of impact reports are increasingly available but there is no 'one size fits all'. It is also clear that because WCIF portfolio companies are early stage and focused on innovation they are more interested in flexible, lighter touch IMM systems that in turn require IMM support that's agile and able to draw on a diverse range of knowledge and expertise.

IMPACT REPORTING: Through working directly with early stage ventures on their IMM development, the DE Team were better able to connect the dots and inform updates to the WCIF's impact thesis and impact measurement. The WCIF's impact story is realized through the companies it funds, so impact needs to be understood at both a venture and portfolio level. The ventures' journeys to impact include three layers: the impact of the innovative solution; the pathway to market; and the route to systemic impact - sector, industry, market, etc. As the ventures' theories of change and impact measurement approaches are developed, we are learning how to scope and measure the impact of the WCIF at these different levels. This includes understanding when, what and how the WCIF can reasonably expect to report on worker impact but also what impact information can be reported each year. In 2021 the DE Team has observed positive IMM developments - both for the WCIF and the ventures it funds.



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2021 WCIF ANNUAL REPORT

PORTFOLIO COMPANIES

What follows is information gathered from portfolio companies and analysed by the WCIF staff.

OPENSC



“With our client, it’s exciting that we [at OpenSC], a small impact venture, are enabling a mega company to be their best and to turn their intentions into reality ... we think it’s impressive that at the C-level execs at our client are engaged in what OpenSC is doing, pushing for more progress, and increasingly wanting to talk publicly about it. ”

PRODUCT

Automated, data-backed verification of responsible production practices ‘at source’. Including:

- Premium payment verification for smallholder coffee farmers in DR Congo (now being expanded to Latin America)
- Geospatial fishing location verification – Toothfish, Prawns, Pacific Tuna
- Verification of low GHG emissions rice production practices

PATHWAY TO IMPACT

Enable producers ‘at source’ to be incentivised, e.g. to adopt or use responsible production practices.

Leads to: Growth in low-impact, sustainable value chains
Ultimately: Provides foundational, trustworthy data from which all actors in the value chain (from producer to consumer) can make informed and trusted decisions

PATHWAY TO MARKET

Creating new verification solutions requires a certain type of entry point client:

- Innovation on a new commodity supply chain requires significant upfront resources from a ‘leader’ brand/product willing to invest in solution creation, testing and development
- A more integrated supply chain that is less fragmented is necessary starting point
- Patience for broader commercialization is required until there is enough data coverage to turn large scale pilots into a repeatable/SAAS based model available to other clients
- Moving into productised offerings now - that are available to smaller companies at a lower price point.

2022:

- Scaling coffee payment verification solution to Latin America, while expanding into rice and seafood.

KPI

Scaling within a major food and beverage brand with a high-risk commodity.

REACH

Workers reached at source: 1368, Managers: 53, Supply chain organizations: 22

CLIENTS

Significant increase from 2020 to 2021

2021 IMPACT LESSONS

THERE ARE STRONG LINKS BETWEEN SOCIAL IMPACTS & CLIMATE BENEFITS - In DR Congo OpenSC’s payment verification solution is a key foundation for establishing a living income. Economic insecurity is known to be a key driver of deforestation, because too many smallholders need to supplement their income to survive. ‘We drew those connections and backed it with peer reviewed science. At the start of the year, we would have said there is not much in that.’

BRANDS FACE MAJOR CHALLENGES ‘KNOWING’ WHAT IS GOING ON AT SOURCE – There is very limited reliable granular data about what is actually happening ‘at source’ within supply chains. This is where OpenSC can add value and impact - because trustworthy data make it possible to influence and incentivise practices at source where there are large numbers of individual actors.

TIMELY ACCESS TO DATA - Stitching low-cost sensors and data sources together to produce near real time analysis - is critical to enable action (or intervention). ‘It means less wrong things happen, and when they do happen there is more of a chance to correct them’.

VALIDATION OF THE NEED FOR IMPACT VERIFICATION:

During the payments verification pilot with 1184 smallholder coffee farmers in the Democratic Republic of Congo (2021), the OpenSC platform’s ACV (Automated Claim Verification) enabled the identification and resolution of significant errors in the existing ‘non-verified’ cash payment system - to the benefit of farmers (who would otherwise have been paid incorrect amounts).

TO THE MARKET (TTM)



“TO THE MARKET (B Corp, Women-Owned) is a software platform enabling transparency in the retail supply chain, allowing for retailers, brands and corporations to procure and quantify the environmental and social impact of their procurement.”

PATHWAY TO IMPACT

- Visibility is built into the DNA of our platform Maker and Product profiles, which were completed in 2021. Storing our core business intelligence on our owned platform will allow our clients unprecedented transparency into who is making their products and how they are being made. Our robust pricing and logistics profiles allow our team visibility into tiered pricing and customization options for made-to-order products.
- In 2021 we were better able to quantify the impact of client orders. We also began to offer impact metrics data for use on the tags and labels of some products.
- To The Market became a certified B Corp in 2021

PATHWAY TO MARKET

We launched a lead generation partnership, providing a springboard for connecting with more well-matched leads, strategically targeting our outreach, and initiating marketing and sales automation.

Clients of note in 2021, included Madewell, Free People, Francesca’s, Fisker, FabFitFun, Alltrue, TJ Maxx, Bealls, Nordstrom Rack, Hearst, Burlington, Bloomingdales, and many others.

2022:

We have honed our sales approach to set ourselves up for a fast-moving 2022 and the growth of multiple business segments.

KPI

54,938 hours of fair wage work created in 2021

REACH

A network of more than 250 makers, 65 added in 2021 in 50 countries, 45% of which are women owned and/or operated,

PRODUCT

- A turnkey solution for ethical manufacturing, connecting you to our syndicated network of sustainable, story-rich suppliers.
- Includes the following services: design, sourcing, production, logistics, compliance and reporting.

TO THE MARKET FOCUS ON WOMEN

"We are heavily focused on positively impacting women at every part of our value chain. The retail industry is powered by women’s hard work. Currently, the majority of garment workers are women, the majority of consumers are women, and yet the decision makers, factory owners, investors, etc. are still mostly men. It’s an exciting time to be in an industry sector where we have the opportunity to amplify women, join hands for change, and ultimately strive to change these circumstances in the growing ethical sourcing and manufacturing space. We are proud to share that this year around 45% of our makers were women owned and/or operated by women in key leadership positions."

EXAMPLE SUPPLIER:

Type: Artisanal group

Location: Entirely based in Haiti

Capabilities: Accessories + HomeGoods

Ownership: Women only

Mission: Their mission is to create original designs handmade in Haiti using scavenged, up-cycled cow horn material and other traditional materials. The artisans are deeply involved in the process of production, receive training to ensure the best results and collaborate in a spirit of respect for one another.

ALTANA.AI



“We are bringing the [supply chain] network into the light, and we are making obvious the parts of the network that are in the dark... We are helping our customers engage with the network to make it better.”

PRODUCT

A supply chain stakeholder platform which builds on a global labor risk map and a federated AI model to trigger collective scoring, validation and management of ESG performance across the supply chain.

‘One source of truth that is being used by governments, logistics providers and enterprises’

PATHWAY TO IMPACT

THE PRODUCT ENABLES:

- Visibility of the whole supply chain network
- Identification of good and bad practices across the supply chain
- A shared source of truth

WHICH THEN LEADS TO:

- Connectivity and collaboration across a global network
- Gives governments and enterprises powerful leverage to pull on the upstream network where the problems originate.

ULTIMATELY:

- Incentivises the network to behave itself. ‘if you need to improve your trusted supplier score in order to get better payment terms you are motivated to share more information about yourself and validate more of the network’.

PATHWAY TO MARKET

‘If instead you aim at the problem of truth and trust – what can we really know and trust – it motivates global business to come into the ‘light.’ Altana has the capabilities of matching shippers and receivers to entity master data in real time, automated HS classification, and 360-views of business interruption, financial event, ESG, and cyber risks for covered companies

2022:

Revenue pathway – 10x in 2021 and 10x again expected in 2022 and doubling of team to 120 staff.

KPIS/REACH

400 million companies connected by billions of shipments, enriched with trade policies and tariffs, restricted parties, company ownership and financials, forced labor and more.

CLIENTS

Quintupled from 2020 to 2021

2021 IMPACT LESSONS

FROM RISK TO TRUST & TRUSTED NETWORKS – ‘We are still doing a lot of risk analytics and that is a very central part of what we do but the way we have started to think about the end state of the business is that we can become a trust commerce platform that is built on a shared source of truth for the whole supply chain... from a product roadmap standpoint how can we create the interactions and collaborative experiences that enable trusted networks to form and do business.’

THE OPPORTUNITY OF SCALING– ‘instead of one solution one user ... we are going after multiple users in order to solve multiple problems from the same platform’ -- expanding across the three intersecting client segments of large enterprises, government agencies and logistics companies.

EXAMPLE OF HOW TRUST CAN BE LEVERAGED:

AltanaAI are running a pilot in which government and the private sector are innovating on a new product category. In the pilot the enterprise is able to share pre-clearance validated information, including labor rights information such as child labour, about shipments with customs. It is expected that shipments will clear through customs quickly and reliably as a result.

PROOF OF IMPACT (POI)

PROOF OF IMPACT

“We want to link the impact outcomes to the cost of capital so if we are seeing that certain target groups are able to use this money effectively and with that grow faster, hire more women and pay they should be able to get access to capital at a lower rate...clients go from financial materiality to impact materiality to outcomes”

PRODUCT

100% digital platform to serve private markets, both the investors as well as the portfolio companies to create a more efficient and effective infrastructure to do ESG and impact assessment.

They collect the data by survey or by integrating with the companies’ technology infrastructure on a live streaming basis. They validate the information and then map the information ESG and then SDGs.

PATHWAY TO IMPACT THE PRODUCT CREATES:

- Current SDG alignment of ESG results by investment group and their investments
- Transparency of the verification and assessment methodology

WHICH THEN LEADS TO:

- Confidence in the investment decisions

ULTIMATELY:

- Redirect investment flows to companies that are contributing to solving environmental and social issues.

PATHWAY TO MARKET

We start with a light touch – the majority of clients are on the baseline product. ‘We have to do ESG metrics that is where 99% of the market is at... some of the clients that came to us from an ESG risk mitigation perspective (tracking sexual harassment cases, etc.) 6 months later because they see the effectiveness of the data solution where you don’t have to prescribe what you are looking for – are moving from a pure data strategy to a deep impact strategy’

2022:

‘Become the go to methodology for proving impact.’

KPI

Piloting the world's first impact-linked, blockchain-powered smart contract that triggers rewards for impact achievements

REACH

CLIENTS

- Explosive growth from 2020 to 2021

2021 IMPACT LESSONS

There are two worlds: the ESG and the deep impact world - they speak different languages, have different leadership and experts, concepts and motivations. We need to appeal to both sides not just from a marketing and language perspective but also in terms of the underlying metrics as these are different. As result have integrated many of the frameworks in their platform.

Digitisation triggering positive effects - Worked with a household goods company in India (Industree Foundation) that supplies woven baskets to Ikea and employs 4000 women. Industree has to comply with Ikea’s 25 standards and every year had an auditor check their compliance. The digitisation process of their existing data highlighted that they had no systems to collect data on child labour and prompted them to design their own methodology for ensuring that there is no child labour used in their operations.

EXAMPLE OF HOW PROOF OF IMPACT’S POTENTIAL FOR INCREASING INVESTMENT FLOWS::

Retail Capital a USD50 million credit fund that lends to marginalised and women-led SMEs in South Africa for whom the cost of capital is prohibitive and/or would be assessed as not credit worthy. On boarded with Proof of Impact 4 months ago. They showed the dashboard to their 20 funders, 5 of them said we want to increase our funding because we see what our money is solving for, not just by your story but we are seeing the information and the evidence of the data in the same platform.

PORTFOLIO COMPANY SPECIFICS

ULULA



“For Ulula scale is the path to impact... Its not just about reaching say 100 million workers, it’s about enabling to turn the data we collect and the communication we foster into systemic change for workers and communities across global supply chains”

PRODUCT

A secure mechanism for communication between workers, communities, employers and relevant stakeholders.

Cell phone-based product uses survey outreach and grievance mechanism to identify poor working conditions. It offers the potential to replace on site interviews thereby leading to cost saving in the verification process for corporations and auditors.

PATHWAY TO IMPACT

THE PRODUCT CREATES:

- Primary worker and community-generated data about labor and human rights conditions
- A data-driven communication system enabling sharing and communication between workers, communities, employers and other actors.

WHICH THEN LEADS TO:

- The visibility of specific human rights impacts in the supply chain

ULTIMATELY:

- Allowing for organizations to proactively identify and remedy human rights impacts across global supply chains

PATHWAY TO MARKET

- Sales channels and collaboration through responsible sourcing and community relations departments

- Working with standard setters, traditional audit firms and certification bodies (ISEAL, Better Cotton Initiative, Fair Trade USA, Sedex/SMETA, RSPO, ICS, Living Wage USA)

- Partnership with Testing Inspection and Certification (TIC) firms

2022:

Position the company more squarely in the mandatory Human Rights due diligence space.

KPI

Operating in 35 countries in 2021 (vs. 25 in 2020) including China, India, Democratic Republic of the Congo and Indonesia all with high risk of forced labour.

REACH

Workers 551,000 in 2021 (over 1.6 million workers since inception)

CLIENTS

Doubled in number from 2020, working with minimum 12 Fortune 500 companies

2021 IMPACT LESSONS

Crowdsourcing worker derived information not just by workplace but also by landscaping specific territories of geographies offers Ulula an alternative approach to delivering impact at scale and allows industry associations and businesses to address issues more systemically. Ulula is well positioned to capture information at the base of the supply chain because that is where technology can cover more territory. However, while this allows for the identification of more labor abuses, remediation is harder in these more disbursed work environments.

The average engagements remain highly affordable for F500 companies.

SOME EXAMPLES OF DEPLOYMENT OF THE GRIEVANCE PROGRAMME IN:

- DRC where over 100 grievances a month are gathered; remediation is happening in collaboration with 20 NGOs
- Amfori’s 700 member factories in Vietnam serving 400 brands - expecting to scale the mechanism to additional countries in 2023
- Support identification and prevention of human trafficking for migrant workers in Mexico with Polaris and local Mexican frontline organizations

diginexLUMEN



“What we want to see is a behavioural change within the supply chain in relation to due diligence practices...we believe that having affordable and scalable tools will really help companies to cast a broader net.”

PRODUCT

Multilingual, customizable, low-cost platform that maps the client’s supply chain, develops and executes a diligence process, enables worker voice, prioritises labor risks and provides guidance on addressing risks.

PATHWAY TO IMPACT

We are ultimately trying to affect business practices, we are addressing the demand side of forced labour and human trafficking by giving tools to companies to better understand some of the hidden risks in their supply chain... And equipping companies with a means to understand how they can change it, what steps they need to take to reduce the risks and ensuring that they are either a) remediating, improving or building the capacity of those business actors that are risky to prevent instances of human trafficking or b) to replace them with better business actors.

PATHWAY TO MARKET

The company offers LUMEN for one flat fee, covering the entire supply chain so that the product to can scale to the lower tiers and “less-engaged” actors. Diginex focuses on empowering actors suppliers including those in the lower tiers

2022:

- Significantly expanded # of clients by the end of 2022
- Extending the languages, modules and topics
- Expand into countries of origin

KPI

- Reaching into tier 2 and 3 suppliers
- Cost per client acquisition

REACH

Over 19,000 workers; 59 corporates, suppliers and recruiters.

CLIENTS

Hundreds overall for ESG product.
10 pre-launch clients for Diginex LUMEN

2021 IMPACT LESSONS

'WHAT WE COME TO UNDERSTAND IS THAT IF YOU GIVE THESE TOOLS TO SUPPLIERS ... what drives their interest is the desire for more business – ‘I want to show myself to be a professional supplier, that can work with the big brands, and I have a system in place to manage my risk...’ The reporting feature of the platforms was the most exciting one because they could upload their logo, share what they are doing on the issue, and give this sense that they have a professional due diligence system and can participate in RFPs and share this data – that really incentivised their use.'

'THE UNIVERSE OF FORCED LABOUR AND HUMAN TRAFFICKING IS NICHE so to get uptake of Lumen we need to be broadening the messaging to risk and moving into other subject matter expertise... it's about how to undertake scalable due diligence that allows for deep dives into particular topics.'

SOME EXAMPLES FROM DIGINEX LUMEN

- Feedback in the initial roll out of LUMEN from one supplier from one SME: ‘this tool was really effective in helping me to identify my risk areas, we have already identified one of our riskier manpower suppliers and we have already replaced it.’
- A large consumer goods company wants to incorporate Lumen into their existing HR processes so that any time a labour recruiter comes on board they use Lumen as a way of vetting those new providers.

HONEST JOBS

honest
jobs

" We take the longest view in the room and see this as a solvable world problem but that doesn't happen overnight. A lot of our strategies are therefore 3 to 5 years."

PRODUCT

Investment into national ethical recruitment agencies and other actors which allows Honest Jobs to support them through mentorship and share with them our best practices that were created in Hong Kong operations.

PATHWAY TO IMPACT

Taking equity position and providing support to a portfolio of like-minded responsible recruiters will enable growth in the options available to responsible employers.

PATHWAY TO MARKET

Find national-led efforts to address modern slavery for investment and support with the local knowledge and networks to operate effectively.

2022:

As the market opens up again, there will be a huge influx in demand. HJ is positioning its entities to be ready for that, reviewing operations and upgrading technology. They plan to continue to invest in and mentor ethical agencies in the region as they will continue to play a major role and have the broadest influence to impact the market.

2021 IMPACT LESSONS

'THIS WAS OUR FIRST INVESTMENT SO THERE WAS A LOT OF LEARNING THROUGH THE COMPLEXITIES OF MAKING THE INVESTMENT, a lot of back and forth that we did with the target company to balance each party's needs – a learning process in itself that now helps us to launch into other investment processes more smoothly.'

'THE TEAM ARE SEEING POSITIVE COMMITMENTS TO ADDRESS MODERN SLAVERY INCLUDING: 'the unethical recruitment of migrants has been put front and center. The US governments' limiting imports of PPP manufacturers in Malaysia, even while facing shortages of PPP products ... record reimbursements of placement fees from Sime Darby, in Malaysia. So we are actually optimistic about the direction of the problem.'

EXAMPLES OF HOW THE WORK CAN CREATE CHANGES IN THE SYSTEM:

Covid has slowed the industry, broadly and we are not sure how long the industry can be halted. Agencies are struggling across the world, but there doesn't appear to be an end in sight for most markets. What we have seen are governments becoming more open to modernising and improving. In fact, in the Philippines, Fair Training Center ran a successful pilot program with the Philippines government. The training would reduce the 28-day, live-in training that is required by the government, to 16 days, only 10 of which need to be in-person. The pilot was such a success, that the government has asked Fair Training Center to develop life skills modules to included the 16 day training, which they plan to make the new national standard. This type of development is huge for an industry that badly needs to update its practices.'

HOWGOOD



“We are a 15-year-old company and we tripled our size last year and we are going to triple this year – we are in a sudden growth trajectory.”

PRODUCT

How Good is the largest agricultural database on food sustainability in the world. Evaluate 33,000 ingredients globally on 237 impact factors including labour factors such as living wage, child labour and more. The How Good platform helps with setting ESG goals, making the sourcing decisions to achieve these goals and then tracking progress towards these.

PATHWAY TO IMPACT

Database is used by different actors along the supply chain to inform sustainable purchasing decisions:

- Consumers through an App used by 2000 grocery stores and the website of restaurant clients;
- Grocers through the platform understand the impacts of the products they are selling through their stores.
- CPG companies, through the platform select more sustainable ingredients for their consumer products.
- Investors can track the performance of the companies they invest in through the ingredients they source.

PATHWAY TO MARKET

Breadth and depth of database allows HowGood to be useful for major food and beverage companies. Large companies are using the platform and sharing their own ingredient sourcing data, mobilizing other companies in their supply chain to join How Good and contribute their data.

2022:

- Continuing the thought leadership
- Working with coalitions to share our data to focus efforts on the challenges that affect many workers.

KPI

spoke at COP26 ... in front 25 CEOs of the largest companies

REACH

30% of the platform data points are on labor

CLIENTS

Doubled in # from 2020 to 2021

2021 IMPACT LESSONS

WORKING ON DIVERSITY METRICS IS REALLY HARD – that would be our learning. We had to outsource a lot of that because the people that were developing our diversity metrics weren't that diverse enough internally. We were working on our own internal diversity and saying we don't feel like we nailed this we shouldn't be building this metric.

THERE IS AN ACCEPTANCE THAT USING IMPERFECT DATA IS WORSE THAN NOT USING DATA – there are a lot of people that will poke a hole in an aspect of a report, but they revert to using their gut instead. So we are trying to show the value of more informed if imperfect decision.

EXAMPLES OF THE POTENTIAL OF TRANSPARENCY TO CREATE CHANGE:

We now have a bunch of CPGs, the ingredient suppliers who sell to the CPGs are now starting to input their information into our system because they want the CPGs when they reformulate product to see that they have a sustainable option that they can buy. It starts to show each company the pressure from above to create that and accelerate the whole system and the more transparency there is the better you can continue to accelerate that. We use each piece to catalyse the next piece. So Danone signing up meant that Cargill signed up and then General Mills signed up and Cargill was like great now I have General Mills too and then other competitors sign on. They have always been black boxes – We don't share where and how we source these ingredients – first time they are shown and mapped out.

KENZEN



"Throughout the deployment you see workers engage overtime with their data and asking about it to understand what they should do – even the initially disgruntled worker. Creates a new awareness for workers and shows that workers are actually really interested in this. (their health)"

PRODUCT

A workforce safety technology at the intersection of heat science and climate tech that harnesses individual physiology data in real time to predict and prevent heat stress and heat injuries and death. Age, gender, medication, pre-existing health conditions all impact a worker's susceptibility to heat and their hydration needs. Kenzen aims to protect worker specific data with its robust privacy policies

PATHWAY TO IMPACT

- The front end of the enterprise platform is a device that continuously monitors each worker's physiology. The worker and the safety manager are alerted when a worker's temperature is calibrating in a dangerous direction to stop and then they get another alert to resume work. Kenzen aims to not single out a worker but rather optimize the shift timings as a whole
- The back end includes broader analytics, deidentified, that looks across worksites allows identification of riskier sites, planning for weather events and improvements to sites, etc.

PATHWAY TO MARKET

- Inbound pipeline given high need for a solution
- Priced at per worker per month but it reduces with scale, declining sensor prices
- To start with the pipeline is fortune 500 companies but aim for solution to become affordable to smaller companies
- Smaller companies lack human resource sophistication to break the data down or have the connectivity on site
- Are working on pathways to make the tech affordable to employers in mining and agriculture trialled a rental programme.

KPI

Aim is to deploy 1000 units this year

REACH

Typically 1 device is worn by different workers depending on the active shift. The company reaches multiple workers per device

CLIENTS

Kenzen has several enterprise clients & is in the process of signing several more

2021 IMPACT LESSONS

LOOKING AT IT FROM A WORKER CENTRIC VIEWPOINT – the simplification of the product to make it accessible to the worker from an onboarding perspective. A lot of the workers don't have a smartphone, so they are not familiar with data, so launching a browser was a challenge for them. Once they got up and running they were comfortable but it wasn't accessible straight away, it frustrated them. We want it to be easy for the worker especially as we scale and its thousands of workers not 100 – how do we do it. If it takes too much time to onboard workers and their managers are not going to like it.

QUESTIONS GOING FORWARD: How do we keep workers engaged once they are working within their physiological boundaries? How do we become affordable to smaller companies?

EXAMPLES OF THE DEVICE EMPOWERING WORKERS & OTHERS

ALCOA workers operate in pot rooms where temperatures reach 145F. They didn't have anything preventative. The Chief Medical Officer was blown away with our device.

PHILLIPS 66 – we worked with their industrial fire fighters (first responders) the workers that had our device on, were reading their physiology data and choosing not to take part in exercises because the data was telling them they were not in an optimal physical state.

MCCARTHY CONSTRUCTION – a midsize corporation – we were working with men and women who because of our device asked for modifications in their work-rest schedule based on the data they were seeing.

PHYLAGEN

phylagen

"From an impact perspective, every human being has a right to walk indoors and breathe air that is safe and healthy. Phylagen is bringing this solution to the world. Currently there is no cost-effective scalable way to realise this."

PRODUCT

A data company that captures biological data at a global scale and uses this information to:

- a) protect worker health and safety,
- b) enable product traceability, and
- c) other applications that we have yet to realise.

PATHWAY TO IMPACT

THE PRODUCT CREATES:

- A detailed real time database of the microbiome of a workplace
- Identifies the presence of risk factors, such as viruses like Covid

WHICH THEN LEADS TO:

- Response and remedial measures at the workplace level
- A global database of workplace unique biome

ULTIMATELY:

- Greater safety from disease for frontline workers and improved accuracy and cost-effectiveness of traceability of products through the supply chain using the data from the global workplace biome database

PATHWAY TO MARKET

Phylagen's business model and approach has transitioned from using microbial data for supply chain tracing to the evaluation of indoor environmental air quality. This has corresponded an exponential bookings increasing and a target customer segment that goes beyond brands and manufacturers to include all work settings.

2022:

The year will be defined by Phylagen's ability to develop and bring to market an automated biosensor that will be able to detect pathogens (including Covid 19) in the air in near real-time.

CLIENTS

5 large clients of which 3 are F500 companies, including a major employer of migrant manufacturing workers.

2021 IMPACT LESSONS

The realisation that by bringing to market a biosensor diagnostic to assess indoor air quality, the Phylagen team is positioned to offer a holistic solution in partnership with strategic partners. Broad market adoption of biosensors also provide a way to scale the reference database required for end-to-end supply chain traceability solutions.

The rollout of a solution that has a Annual Recurring Revenue model has been very impactful from a business perspective and allowed for repeatable business. This will only become more prominent as the company moves from a swabbing business to biosensor based subscription business model.

EXAMPLES OF POTENTIAL FROM A WORKER HEALTH PERSPECTIVE

2021 provided the first example where a customer sent a worker home after Phylagen indoor biomonitoring identified risks of disease in the workplace. The customer provided for the testing of workers, and one of them tested positive. The promise is repeating this at a low cost for numerous diseases including the flu, and avoiding 'super spreader' events. This is particularly valuable in workplaces where workers have relatively little protection or insurance for illness or time off.

This is particularly valuable in workplaces like those piloted in Southeast Asia where workers have relatively little protection or insurance for illness or time off.

QUIZRR



“We are in business to empower people”.

PRODUCT

Quizrr delivers:

- Engaging, multilingual, inclusive and accessible worker centric digital education on rights and responsibilities, worker engagement, wage management, digital wages, involuntary work, responsible recruitment, for workers and managers.
- A dashboard that tracks progress.

PATHWAY TO IMPACT

QUIZRR CONTRIBUTES TO ADDRESSING WORKER EXPLOITATION BY CREATING THE CONDITIONS FOR GENERATIVE DIALOGUE BETWEEN WORKERS AND EMPLOYERS THROUGH:

- Building shared language between workers and their managers/employers
- Highlighting the material benefits of better working conditions to their business.

QUIZRR ALSO DEEPENS AND BROADENS THEIR IMPACT BY:

- Targeting high risk groups like migrant workers
- Targeting major brands to reach more workers
- Using the dashboard results to identify high risk areas. Ex. 40% of trainees in a factory in Thailand did not know that they are allowed to leave the factory area and dormitory during their rest periods.

PATHWAY TO MARKET

During 2021 moved from a more local approach to a regional and global program methodology - which has been successfully deployed together with leading brands.. Entered 5 new markets and added 16 languages.

- Shifted to clients in food and IT telecom; now industry agnostic
- Shifted to working with companies that can influence their whole ecosystem.
- Addressing forced labour preventively through digital Pre-departure/Post arrival trainings deployed at Recruitment agencies and their corresponding factories across multiple markets where migrant worker exploitation is high risk

2022:

- Signed contracts on scaling rights based training across logistics hubs and retails stores globally.

KPI

- Positive EBITDA
- 62% net sales growth
- 98,4% of surveyed employees report having learned something new during the training

REACH

79,526 workers reached across 11 countries available in 2021

- 1,2 Million learning sessions deployed since start. 326 462 learning sessions deployed during 2021 alone.
- Accessibility; training apps made available on all major downloading platforms (iOS/Android)

CLIENTS

33 in 2021, including 6 F500 companies

2021 IMPACT LESSONS

Quizrr’s new program design methodology is quicker to adapt and scale and can therefore support brands with capacity building in all addressable markets across the world. Time to market is key.

'We have learned a lot of from our collaborations with other supply chain disruptors, and through every partnership we establish with strategic stakeholders, our end goal is to deliver a more robust and impactful service to our clients. We need to establish these partnerships rather than compete, and even if these collaborations can be somewhat complex and difficult - the learnings from each project and the end goal makes it worth it.'

EXAMPLES OF IMPACT

HER Finance Digital wages awareness program, available in Bangladesh, Egypt, Cambodia and Vietnam:

A collaborative effort with BSR & Mastercard addressing financial literacy and empowering women with key skills. Quizrr has developed platform, learning methodology, content & worker-centric deployment aligned to BSR’s needs locally and globally. Nominated to ‘Best World changing Idea’ in 2020 by Fast Company US. The program has had a positive impact on both factories and workers via increased efficiency, financial inclusion, and women’s economic empowerment.

- Administrative time spent on payroll cut by more than half [factory efficiency]
- 1 in 2 women opened a mobile money account, 1 in 5 workers started saving regularly: 1 in 5 women started making joint decisions about the use of their salary, 1 in 10 women stopped giving their salary to others

Massive impact created with ETI in Bangladesh in early 2021, reaching over 30 000 workers in less than 5 months with highly relevant OHS and Covid19 trainings. I believe you have the case study already but including it here again/attached. ETIs own report is here -> <https://bit.ly/3nrBI2p>

VERSED.AI



“In terms of product innovation, we have been focusing on data as a service we are now building out a prototype of our SaaS platform and that includes a modern slavery screen that drills down into the production sites that are highest risk. So we are also working on finding companies manufacturing locations”

PRODUCT

Maps, monitors and manages labour risks:

- Maps Supply chains by geography based on modern slavery risk
- Methodology for prioritising company action on modern slavery risk – in development

Focus on complex manufacturing industry many are based in China.

PATHWAY TO IMPACT

- THE PRODUCT CREATES:**
- Develop a client’s supply chain map using existing knowledge map and the client’s data.
 - Analysis, insights and triage priority areas for action.
- WHICH THEN LEADS TO:**
- Clients know potential supply chain disruption risk and where to act first in their supply chain (e.g. audit teams)
- ULTIMATELY:**
- Suppliers change practices or lose contracts with clients

Also, Versed AI is working with third party data to identify and highlight companies at elevated risk of modern slavery, such as companies based in high risk geographies. The company also aims to help clients triage where to focus modern slavery audits by identifying common sub-tier suppliers.

PATHWAY TO MARKET

The major focus last year was on building out the tech in order to scale. We focused on pilots that we could learn a lot from and refine what we are doing. For example we didn’t have a certain queries and we also worked on ingesting large amounts of data such as customs data

2022:

The vision is to accelerate sales growth and increase routes to market so that more customers are able to benefit from the data & insights the company offers. As such, we are focusing on the launch of our API, creating a presence on online data marketplaces, and channel partnerships. We expect that this will lead to more impact in supply chains through greater reach..

KPI

4,691 Common sub-tier suppliers represent a risk concentration for clients, and for instance can be used to triage where to focus supplier audits

REACH

tens of thousands of suppliers mapped

CLIENTS

significant increase 2020 to 2021

2021 IMPACT LESSONS

We are also working on finding companies manufacturing locations – we have found out that the modern slavery risk profile for one company can be very different across different factories and countries because of different cultures, etc. factory locations is the biggest risk factor.

A consulting client was quite interested in Versed AI’s ability to identify customers as well as suppliers. If a company with a poor modern slavery record was identified in a supply chain, identifying that company’s other customers could help the client collaborate with others to effect change. We want to try this proposition and see if it helps to address the plausible deniability barrier.

VALIDATION OF THE NEED FOR IMPACT VERIFICATION:

ACIEVEMENTS FOR 2021

We have focused on mapping out supply chains in China, which is estimated to have almost 3.9m people working under modern slavery conditions according to the [Walk Free Foundation](#). We have delivered data covering 6,573 supply chain relationships in China.

We have developed a user interface for our SaaS product, which includes a page dedicated to modern slavery in supply chains and highlighting companies, sectors, and country exposures at particularly high risk of modern slavery.

PROVENANCE



"The regulation sets the floor, and we are celebrating brands that do a lot more."

PRODUCT

In July 2021, we publicly launched the Provenance Framework - an open-source rulebook for communicating impact.

Provenance has staked its leadership position in brand sustainability communications, aiding public education (both business customers and shoppers) on the evidence, verification and standards needed to back up specific social (and environmental) impact claim

PATHWAY TO IMPACT

THE PROVENANCE FRAMEWORK HELPS:

- Brands/retailers to see the value of turning positive social and environmental impact into brand value and gain a more holistic view of their products

WHICH THEN LEADS TO:

- More consumers select products that outperform other products from an impact perspective

PATHWAY TO MARKET

- Moved away from bespoke consulting heavy engagements and focused on honing our software proposition
- Target customers that have made the requisite investments in their supply chain and are now ready for dynamic multi-channel publishing at scale.
- The Framework has also proven to be a strong pre-sales tool for customers
- Developing a retailer acquisition model.

2022:

- Replicate European success in the US.
- Increase ARR by three-fold.

KPI

8 labor category proof points, 4000+ products

REACH

1 million customer impressions per month, 68 verifiers working with Provenance

CLIENTS

Tripled 2020 to 2021, working with 8 F500 companies

2021 IMPACT LESSONS

Previously we did internal traceability all the way through to external transparency, it meant trying to do it all and not necessarily succeeding and we knew we had to focus on where we were best placed to win and that is the consumer facing public transparency consumer engagement end.'

Our aim is to get brands to have a more holistic view of their products, sometimes it is quite surprising of how little brands have even thought about workers in their supply chain and where there are sourcing ingredients from.

EXAMPLE OF LABOR OUTCOMES

"The Napolina example is the deepest level of auditing working conditions we have done. Initially Princes stated that a 100% of their tomato farmers working conditions met standards. When Provenance asked for the evidence they realised that they could only account for 90% of their farmers working conditions. We updated the proof point to show the lower coverage and Princes are doing the work to ensure that 100% of their farmers working conditions meet standards."

SUPPLYSHIFT



“My ToC is if people have the information at hand they are going to make different decisions. So if I can get information, even a little information in as many hands as possible that’s impact.”

PRODUCT

- Collects, analyses and manages data on standard supply chain practices and responsible sourcing.
- Enables comparison and benchmarking of supplier performance
- Enables secure traceability.

PATHWAY TO IMPACT

THE PRODUCT CREATES:

- Visibility into the extended supply chain, the ability to share information and align around reporting standards from the top to the bottom of the supply chain

WHICH THEN LEADS TO:

- The ability to identify, compare and manage better supply chain practices

ULTIMATELY:

- Allowing for brands to better measure and manage complex and multi –tiered, geographically disbursed supply chains and to make good on the corporate commitments

PATHWAY TO MARKET

Increasingly companies are aligning data collection with common standards (e.g. SASB, CDP, etc.) and therefore orienting towards SupplyShift’s Essentials offerings. The market has shifted and customers are less interested in pioneering their own approaches and instead are gravitating towards the emerging dominant standards.

2022:

- Launch an SME /non-enterprise solution that will be lower in price, non-customisable and lower in touch – more accessible to more companies.
- Launch a supplier facing product called Supplyshift Connect to give buyers a way to find more sustainable/responsible suppliers and suppliers to find more business opportunities

REACH

10,000s of companies across 133 countries

CLIENTS

Significant increases in clients

2021 IMPACT LESSONS

- 'We made some commitments (to addressing deforestation) publicly ... Through the SupplyShift efforts I was able to tell my CEO this is where we are at x% of our supply chain can be deemed low risk and the remaining y% is the long tail I haven’t got to. We were able to do this type of analysis with SupplyShift. We have all the data to prove our claim.'
- 'Looked at high spend suppliers closely, concentrated on Top 50 and wrote summary for buying team. Looked at where leading suppliers can make improvements, shared report w/ directors and buying team. Make recommendations for future changes based on report. For example, was highlighted that 60%ish of suppliers don’t have grievance mechanisms in place and may not know what that means. Want to have supplier webinar to teach them.'

EXAMPLES OF WORKER OUTCOMES

Supply Shift worked with a large food company on their Middle Eastern hazelnuts supply. The surveying and mapping showed child labour. The company acted so that the children (hundreds) attend school and are not working in the field. Adult workers saw their wages increase.



THANK YOU FOR READING

JULY 2022

