



# Communication on Progress

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*Prepared for:*

**UN Global Compact**

United Nations

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## To our stakeholders

Wallstreet Commerce & Trade Institute, Inc. is a venture capital fund headquartered in Oregon since November 2005 and operating under trading name: WCTI Partners.

The world has changed and the transformations have been accelerated during the past few years. I believed in a new world based on innovation, creativity, co-working with social-benefits and wanted our company to be part of this. We are therefore walking with entrepreneurs to the development of more than just their own business.

### **OUR PURPOSE IS TO INVEST IN INNOVATION IMPROVING THE WORLD POPULATION'S WELL-BEING.**

WCTI Partners invests directly into technology startups and SMEs involved in our main sectors as **hightech**, **IT**, **healthcare** and **cleantech** at seed and early stages mostly in the United States and Europe but with no geographical restriction. WCTI Partners targets companies with high potential growth based on their know-how, patents and quality management.

I am pleased to confirm that WCTI Partners reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Didier Dippe', is written over a horizontal line.

**Didier Dippe,**

Chief Executive Officer

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## HUMAN RIGHTS (principles 1, 2)

### 1. Assessments, policy and goals

The respect of the proclaimed Human Rights is essential in the WCTI Partners' management and partnerships. To pretend to contribute to an innovative world, we must be certain for a profitable business that this code of conduct's primary basis is highly fulfilled by all of our stakeholders.

### 2. Implementation

All our invested companies has to signed up a statement of non-abusive general treatments (human-rights, security of employees, control of their providers, environmentally friendly ...) just before the investment statement's signature.

About Human Rights, the statement will be improved thanks to our work for this report, with the followings:

- Respect of the proclaimed World Human Rights for its employees and salaries.
- Make sure that its providers know and comply with the world proclaimed Human Rights for its employees and salaries, if not signed.

However we recognize two failures in our system:

- The statement is declarative
- Our clients are mostly at the seed and early stages of their business and certain of these are composed by less than 10 employees whose are from the board committee or from the general management.

We think nevertheless we can influence their development by creating a synergy between them. WCTI partners' goal is to contribute to create several innovative hubs in partnership with European universities. We will buy commercial real estate so:

- some of our clients will work in a similar environment, they could support and control each other (peers control);
- the proximity with great institutions whose holding the Human Rights principles - as universities and scientific world - could influence our clients in their organization.

### 3. Measurements of outcomes

WCTI Partners visits each of its clients' business offices to control several business points during the required audits (due diligence and monitoring). To speak with employees, explore the site and read the HR report are ones of the auditing steps.

## LABOUR (principles 3, 4, 5, 6)

### 1. Three questions to Isabelle Perche, Head of Healthcare Portfolio

*As the only woman in the team of portfolio managers, how could you say that you are considered as a peer by the others?*

« In my professional background, I have frequently been the only woman within a men's team. I have always felt comfortable with such situations and I have never perceived any negative behavior or consideration from my colleagues. The relationship with the WCTI Portfolio managers is still recent, hence it is uneasy to provide you with an accurate answer.

However, I should answer to your question by another question: why do you raise this point? Women shouldn't envisage those kind of questions. Be yourself, do your best effort to achieve a high level of competency and no matter about the opinion of the men's staff as far as your work is recognized and appreciated by the management of your company. »

*How do you think the CEO, Didier Dippe, is considering yourself in his organization regarding his others portfolio managers?*

« The CEO was looking for a specific professional background, profile, skills and competencies. Apparently and hopefully, he has estimated that I am the appropriate candidate according to his requirements and criteria. I think and I hope that man or woman did not make the difference and did not lead his choice and decision. »

*Do you consider your place at WCTI Partners as a privileged one comparing to women position in others world investment companies?*

« It is a real honor and advantage to work for a VC company as WCTI while being a woman in a men's field. In that way, I live this job experience as a privilege.

However, I have no sufficient feedback to compare my situation versus other women positions in world investment companies. But I am convinced that those women and I have surely a similar feeling, attitude and are ready to struggle if required. »

### 2. Assessments, policy and goals

From our strategy: « Through regular dialogue with key general partner relationships, WCTI Partners' portfolio managers work to systematically and proactively source attractive new co-investment opportunities. »

« WCTI Partners is currently settling innovative centers in Europe: Belgium, Switzerland, Lithuania, France and Germany. These centers will offer workspaces and support services such as administrative services and access to a scientific committee and its laboratory to accommodate startups and SMEs and provide them a professional environment. This innovative center has indeed set up a scientific team assigning to assess, improve technologies created and developed by hosted companies and file international patents. »



### **3. Implementation**

WCTI Partners is board member of all his invested companies providing our ongoing support and expertise in leading companies (as well as human resources and global organization, financial plan...)

Besides, WCTI Partners has established a strict process to select companies in which we invest and their leaders with who we work. It is based on facts, evidences, numbers, current market, ethical and public and environmental policies, esteemed impact on the society, etc. And we make sure that at least three different experts have examined carefully the deal, in addition to the chief executive.

### **4. Measurements of outcomes**

Portfolio managers' reports and auditing's reports are constituting the « database » of our measurements.

WCTI Partners plans to acquire portfolio management software to generate tendencies and occurrences and gathered figures for strategic decision-making. The WCTI Partners' strategy will include a balance goal in each area portfolio to let business owners more equality chance to become our partner. This strategy will initiate new measurements in our deal recruitment process to rebalance it, regarding:

- the organization (startups vs. SMEs),
- the tendency on our current investments,
- the current market in the area,
- the country of origin,
- the gender equity,
- the global impact,
- etc.

## ENVIRONMENT (principles 7, 8, 9)

### 1. Assessments, policy and goals

From our strategy: « Since September 2012, WCTI Partners' new management decided to close positions in companies at seed and early stages, to focus only in direct investment in startups and SMEs involved in four main sectors such as hightech, IT, healthcare and **cleantech** and to settle first innovative center in Switzerland. »

The notably **cleantech** (a shortened form of « clean technologies ») portfolio is composed by innovative environmentally friendly companies. These ones attempt to increase performance, productivity and efficiency by minimizing negative effects on the environment.

### 2. Implementation

In our four areas and to value each deal, WCTI Partners brings together a scientific committee and experts whose all are largely recognized by their peers as well.

We encourage moreover our salaries and partners to print few documents, and promote electronic files sending or secured sharing platform online. When it is necessary, we print our documents on both sides and in black and white as far as possible. Besides, WCTI Partners does not own any photocopier, nor printer.

The company has also established frequent videoconferences instead of frequent meetings to contribute to reduce the greenhouse gas emission.

We begin to put on our signature the « think before printing » message and encourage our

 Please consider the environment before printing this email

partners to do the same:

### 3. Measurements of outcomes

Concerning the Cleantech portfolio, the value of deals is based on environmentally friendly criteria:

- Proof of concept: the innovative cleantech product is working.
- Proof of market: the innovative cleantech product has a social and environmental purpose, a market exists for selling it.
- Quality of management: a good governance of the company which includes the respect of Environment, Human Rights, Non-abusive Labour and Anti-Corruption.

The next version of our statement (signed by our clients) will include those four precise areas.

## ANTI-CORRUPTION (principle 10)

### 1. Assessments, policy and goals

« WCTI Partners set investment procedures executed by portfolio managers, consultants, advisors and senior executive officers:

- Senior analysts under supervision of portfolio managers select and assess targeted companies based on internal investment criteria. WCTI Partners has developed strong relationship with consulting firms for auditing and assessing selected projects;
- An Advisory Board consists of key experts and opinion leaders in the targeted sector(s) indicate outlines of their investment recommendation and then provide advisories and follow-ups upon the Investment Committee's decisions. The members of this board has been regularly selected based upon their skills, roles and experiences in a determined field;
- The Investment Committee approves or disapproves the investment operation based on analysis from senior analysts, portfolio managers and from the Advisory Board's recommendation;
- Our legal advisors will implement legal compliance. WCTI Partners is working with several law firms specialized in mergers and acquisitions, leverage buyout and private equity transactions. »

### 2. Implementation

WCTI Partners make sure that each portfolio managers follow the rules by following his strict and simple organization. Indeed, the CEO is the one who makes the final decision of investment for each and every deal, so he can check all of the arguments of the involved experts.







### **3. Measurements of outcomes**

Internal reporting procedure: each deal manager, expert and adviser have to report all their measurements and decisions to the Investment Committee.

## **FURTHER ENGAGEMENTS**

### **1. Co-working and free-consulting**

WCTI Partners thinks that invest in a company is more than just making money and believes in the professional mutual aid. We are currently running a skills sponsorship program with two Endowment Funds offering our following skills:

- Fundraising
- Event organization
- Management
- ... and more

In return WCTI Partners supports this alternative investment way by integrating it in its strategy (e.g. the following point).

### **2. Women education and entrepreneurship in developing countries**

Next year WCTI Partners will take a step toward more responsible actions with a new investment type: an endowment fund.

Indeed, WCTI Partners is committed to participate to a new program developed by the endowment fund. The aim is to promote the women education and entrepreneurship in developing countries around the world.

Besides, this program is currently developing long-term partnership with international organizations (e.g. YWCA).

## Appendices: Self-Assessment in Management

As a new member of UNGC organization, WCTI Partners complies with UNGC's ten principles and management processes, and is currently enclosing them in its internal rules. Therefore we decide to emphasize our self-assessment in management in order to:

- show to our stakeholders our previous achievements,
- build an action plan of the company's continuous improvement in management processes for the next year.

### ASSES

#### MA.1.A. Regulatory compliance

MA.1.A.1. The company complies with all relevant local and national legislation related to issues covered by the Global Compact principles in the country in which it operates. This includes legislation relating to human rights, occupational health and safety, labour rights, environmental and anti-corruption.	Yes	
MA.1.A.2. The company has obtained the necessary permits and authorizations to operate from the relevant authorities.	Yes	
MA.1.A.3. The company has an ongoing dialogue with the relevant local/national authorities about any unsettled issues raised by the authorities e.g. following a site visit.		No
MA.1.A.4. The company complies with international conventions and agreements relevant for the company operations and activities.	Yes	
MA.1.A.5. The company has a systematic approach in place to ensure it keeps informed of new regulations, e.g. using compliance monitoring processes and gap analysis.	Yes	
MAIN QUESTION : Does the company comply with all relevant regulation on issues covered by the Global Compact principles?	Yes	

#### MA.1.B. Assessment of risk, opportunity ad impact

MA.1.B.1. The company takes an integrated approach to identifying and assessing risk, opportunity and impact, taking into account: human rights; occupational health and safety; labour rights; environmental and anti-corruption issues.	Yes
MA.1.B.2. The company has processes in place to ensure periodic identification and assessment of the risk, opportunity and impact of its business operations and activities, based on a review of sound data and a deep understanding of emerging trends.	Yes

MA.1.B.3. The company has a method for prioritizing the most significant risks, opportunities and impacts, including the individuals who are most likely to be affected.	Yes
MA.1.B.4. When designing new operations or activities, the assessment of risk, opportunity and impact is included.	Yes
MA.1.B.5. The company ensures that all information on the potential risks, opportunities and impacts of its business operations are shared and accessible to potentially affected individuals or communities.	
MAIN QUESTION: Does the company identify and assess the risk, opportunity and impact of its operations on issues covered by the Global Compact principles?	Yes

N/A\*

\*This is not applicable because of our confidentiality principle.

## DEFINE

### MA.2.A. Policy

MA.2.A.1. The company has a written policy covering respect for human rights, occupational health and safety, labour rights, environmental and anti-corruption issues.		F/A
MA.2.A.2. The company's policy has been approved by top management.		F/A
MA.2.A.3. The company's policy includes a commitment to meeting local legal requirements and international standards.		F/A
MA.2.A.4. The company's policy includes a commitment to making continuous improvements in performance.	Yes	
MA.2.A.5. The company's policy includes contributing to local community development.	Yes*	
MA.2.A.6. The results of the assessment of risk, opportunity, and impact are reviewed by senior management and inform the development of company sustainability goals, strategies, and policies.	Yes	
MAIN QUESTION: Does the company have a policy statement in line with the Global Compact principles?	Yes	

\*We work with the City of Philadelphia to support the local community.

**IMPLEMENT**

**MA.3.A. Decision making and management**

MA.3.A.1. The company has appointed a senior person(s) responsible for policies and plans related to issues covered by the Global Compact principles.	Yes	
MA.3.A.2. The company has defined and communicated roles and responsibilities with regard to issues covered by the Global Compact principles.		F/A
MA.3.A.3. The company has documented procedures to enable decisions to be made regarding issues covered by the Global Compact principles		F/A
MA.3.A.4. The company prepares action plans describing the activities, time frames, responsibilities and means to address impacts and/or reach targeted improvements.	Yes	
MA.3.A.5. The company monitors its procedures and instructions to ensure they are applied correctly e.g. via internal audits.	Yes	
MA.3.A.6. The company can document continuous improvement of its performance e.g. via key performance indicators (KPIs).		F/A
MA.3.A.7.: The company promptly records, investigates and remediates any serious accidents or extraordinary impacts/events that occur.	Yes	
MA.3.A.8.: The company has a company-wide management system that is certified by a third party and/or operates in accordance with sector specific codes and standards.		No
MAIN QUESTION: Do the company's decision-making processes and management systems include issues covered by the Global Compact Principles?		No*

\*We do not have management systems yet.

We recognize that some efforts have to be made about our management processes regarding the Global Compact Principles.

**MA.3.B. Worker involvement**

MA.3.B.1. The company's workers are familiar with the company policy covering the Global Compact principles.		F/A*
MA.3.B.2. Company workers are aware of the issues that are most significant for the company operations and activities, and know what is expected of them.	Yes	
MA.3.B.3. The company regularly trains workers involved in activities that have, or could have, adverse impacts to ensure they are aware of risks, requirements and agreed procedures.	Yes	

MA.3.B.4. Company workers are informed of progress towards objectives for issues relevant for the company operations and activities.	Yes	
MA.3.B.5. Workers are encouraged to suggest ways in which the company can improve its performance relating to issues covered by the Global Compact principles.	Yes	
MA.3.B.6. The company stimulates responsible behaviour using incentive schemes that include objectives on issues covered by the Global Compact principles.		No

\*The general management will communicate about it during his presentation of his 2015 annual report to its employees, stockholders and partners.

### MA.3.C. Suppliers and business partners

MA.3.C.1. The company has defined minimum requirements and communicates these in writing to new and existing suppliers and business partners.	Yes	
MA.3.C.2. The company has policies and procedures for managing and monitoring the performance of suppliers and business partners.	Yes	
MA.3.C.3. The company has conducted an assessment to identify which of its suppliers and business partners have the greatest risk of negative impacts.		No*
MA.3.C.4. The company provides training on procedures and standards for relevant management and procurement staff.	Yes	
MA.3.C.5. The company's procurement practices, such as prices, delivery times and internal incentive structures, encourage improved standards at suppliers and business partners.		F/A
MA.3.C.6. Where necessary, the company collaborates with individual suppliers and business partners to implement continuous improvements.	Yes	
MA.3.C.7. The company collaborates with other companies to promote improved standards amongst its suppliers and business partners.	Yes	
MAIN QUESTION: Does the company promote issues covered by the Global Compact principles in its interactions with suppliers and business partners?		F/A

\*The policy of WCTI Partners is to work positively, in a win-win relationship with its partners. We are working with them to a continuous improvement.



**MA.3.D. Community development**

MA.3.D.1. The company donates time, in-kind or financial contributions to the local community e.g. education and training, cultural and infrastructure development.	Yes*
MA.3.D.2. The company takes action to realize local and/or national development goals following consultations with the local community.	Yes
MA.3.D.3. The company can demonstrate the impacts of its contribution and how these are aligned to the company's core and strategic issues.	
MA.3.D.4. The company takes action in support of broader UN goals and issues, such as the UN Millennium Development Goals (MDGs) on combatting HIV, promoting education and women's rights.	Yes
MA.3.D.5. The company seeks to contribute to community development by entering partnerships with a range of stakeholders, including UN agencies, governments, civil society, labour, and other non-business interests.	Yes
MAIN QUESTION: Does the company positively contribute to community development?	Yes

F/A

\*WCTI Partners provides skills-based sponsorship to two endowment funds.

**MA.3.E. Grievance mechanisms**

MA.3.E.1. The company has a written procedure for how concerns and complaints are received, processed and settled.	No
MA.3.E.2. Information about how to use the procedure; what concerns/complaints can be reported; and how concerns/complaints are processed and resolved, is clear and easily accessible.	No
MA.3.E.3. Workers, including temporary and contract workers, can submit concerns/complaints regarding the company's activities and impact without threat of retaliation by management or other workers.	Yes
MA.3.E.4. Customers and external stakeholders can submit concerns/complaints regarding the company's activities and impact without threat of retaliation by company management.	Yes
MA.3.E.5. Individuals or representatives of the local community can submit concerns/complaints regarding the company's activities and impact without threat of retaliation by the company.	Yes

MA.3.E.6. There is a committee responsible for hearing, processing, and settling concerns/complaints, and includes representatives of the concerned/complaining party in the committee. This could be workers, community or consumer representatives.

F/A

MA.3.E.7. A worker lodging a concern or complaint is allowed to participate in hearings held with respect to that concern/complaint and is informed of the outcome of the resolution process.

F/A

MAIN QUESTION: Does the company have a trusted procedure for hearing, processing and settling internal and external concerns/complaints?

No

About grievance mechanisms, WCTI Partners' policy is to adapt the process case-by-case.

## COMMUNICATE

### MA.4.A. Stakeholders

MA.4.A.1. The company identifies stakeholders who affect or can be affected by the company's activities, products and services e.g. a person, group, organization, authority.

Yes

MA.4.A.2. The company communicates progress openly about how issues covered by the Global Compact principles are managed, including performance results as well as forward-looking information on strategy and management approach, challenges, and dilemmas.

Yes

MA.4.A.3. The company regularly engages in dialogue with stakeholders to keep up-to-date with stakeholder expectations.

Yes

MA.4.A.4. The company communicates openly about how issues covered by the Global Compact principles are managed including challenges, dilemmas, success and failures.

Yes

MA.4.A.5. The company's communication on progress and other performance reporting on issues covered by the Global Compact principles is publically available and communicated to external stakeholders e.g. via the company's and Global Compact website.

N/A\*

MAIN QUESTION: Does the company communicate progress on the Global Compact principles with stakeholders?

F/A\*\*

\*This is not applicable because it's our first COP, and so not publicly available.

\*\*We will communicate about it during our 2015 annual report event for the first time.