



# Communication on Progress

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*Prepared for:*

**UN Global Compact**

United Nations

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## To our stakeholders

Sagona Capital, Inc., Inc. is a venture capital firm headquartered in Philadelphia, PA since 2016 that provides investment advisory and management services to private and public investors. The world has changed and the transformations have been accelerated during the past few years especially in the global health crisis due to the COVID-19. I still believe in a new world based on innovation, creativity, co-working with social benefits and want 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

Sagona Capital, Inc., Inc. focuses on providing direct investment into technology startups and SMEs involved in our main sectors as **innovation, medtech, cleantech, greentech and impact venture** at seed and early stages mostly in the United States and Europe but with no real geographical restriction. Sagona Capital, Inc. targets companies with high potential growth based on their know-how, patents and quality management.

I am pleased to confirm that Sagona Capital, Inc. reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, 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', with a long horizontal line extending to the right.

**Didier Dippe,**

President & CEO



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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 Sagona Capital, Inc.'s management and partnerships. To pretend to have a positive impact on the 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. Sagona Capital, Inc.'s goal is to contribute to create several innovative hubs in partnership with international clusters, universities, incubators and accelerators.

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

Sagona Capital, Inc. visits each of its clients' business offices and premises 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)**

### **4. Assessments, policy and goals**

From our strategy: “Through regular dialogue with key general partner relationships, Sagona Capital, Inc.’s portfolio advisors work to systematically and proactively source attractive new co-investment opportunities.”

### **5. Implementation**

Sagona Capital, Inc. is board member of all its invested companies providing our ongoing support and expertise in leading companies (as well as human resources and global organization, financial plan...)

Besides, Sagona Capital, Inc. has established a strict process to select companies in which potential investors may 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 different experts have examined carefully the deal, in addition to the Chief Executive.

### **6. Measurements of outcomes**

Portfolio managers’ reports and auditing’s reports are constituting the database of our measurements.

Sagona Capital, Inc. plans to acquire portfolio management software to generate tendencies and occurrences and gathered figures for strategic decision-making. The Sagona Capital, Inc.’s 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 according to ESGs.

## **ENVIRONMENT (principles 7, 8, 9)**

### **1. Assessments, policy and goals**

From our strategy: “Since 2016, Sagona Capital, Inc.’s management has decided to focus only in direct investment in startups and SMEs involved in four main sectors described earlier.

The notably **cleantech and greentech** (a shortened form of respectively “clean and green technologies” portfolios are 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, Sagona Capital, Inc. tends to bring 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, Sagona Capital, Inc. 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 partners



to do the same:

## 3. Measurements of outcomes

Concerning the Cleantech and Greentech portfolios, the value of deals is based on environmentally friendly criteria:

- Proof of concept: the innovative product is working.
- Proof of market: the innovative 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 Labor 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

Sagona Capital, Inc. sets investment procedures executed by portfolio managers, consultants, advisors and senior executive officers:

- Senior analysts under supervision of portfolio advisors select and assess targeted companies based on internal investment criteria. Sagona Capital, Inc. 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 advisors and from the Advisory Board's recommendation;
- Our legal advisors will implement legal compliance. Sagona Capital, Inc. is working with several law firms specialized in mergers and acquisitions, leverage buyout and private equity transactions.

## **2. 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. Coworking and free consulting**

Sagona Capital, Inc. thinks that investing in a company is more than just making money and believes in the environmental and social impacts investments can generate. We are currently running a skills sponsorship program with two Endowment Funds offering our following skills:

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

In return Sagona Capital, Inc. supports this alternative investment way by integrating it in its strategy (e.g. the following point).

### **2. Non-profit organizations cultural and environmental programs**

Sagona Capital, Inc. has taken a step toward more responsible actions with a new investment type through an endowment fund.

Indeed, Sagona Capital, Inc. is committed to participate to programs developed by two separate endowment funds based in France aiming is to promote the women education and entrepreneurship in developing countries around the world and preserving the environment.