CLARITY AI

COMMUNICATION ON PROGRESS (COP) BASIC

Period covered by Communication on Progress (COP): From August 2018 To August 2019

August 22nd, 2019

To our stakeholders:

I am pleased to confirm that Clarity AI 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. As a company that focuses on the measurement of Social Impact, we are more than committed to the Global Compact Vision. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Rebeca Minguela
CEO and Founder of Clarity

1. DESCRIPTION OF ACTIONS

Applicable SDGs: All

Clarity AI is the first societal impact rating agency and tech company offering a software solution for investors to optimize the societal impact of their investment portfolios. We are incorporating a new score into our solution – **SDG Impact** - which captures companies' progress towards achieving the SDGs. Clarity's product enables investors to allocate capital to entities who are working towards achieving the SDGs - effectively magnifying impact of all SDGs.

Example screenshot of Clarity AI tool for investors

Human Rights

Applicable SDGs: 3, 4, 5, 10, 11, 13 and 16.

- **Safety conditions:** Our offices are located in convenient places in the center of cities. We provide our employees with tools to work efficiently (latest computers) and ergonomically, along with other amenities such as coffee and fruit.
- **Workplace harassment:** We have developed several policies to protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats. We onboard our employees with a thorough explanation of the company culture, which promotes the diversity as one of its main pillars.
- **Diversity:** We have a deep commitment to improve diversity in the company. Clarity is committed to build a team with diversity of personalities, cultures, religions and backgrounds.
- **Gender equality**: We profoundly believe in gender equality. In fact, the founder of our company is a woman, and we are always encouraging women to join our team. We have the determination to attract women especially for tech positions, in order to reduce the gap between men and women in the tech industry. We sponsor events and encourage our women engineers to give talks and attend conferences to encourage other women to join the tech sector.
- **Purpose:** The purpose of our company is to provide information about social impact to professional investors, helping them to identify the companies with the best scores in terms of social impact.

Labour

Applicable SDGs: 3, 4, 5, 7

- **Forced labor:** We ensure that the company does not participate in any form of forced or bonded labor, not only for our employees, but also the companies that we work with.
- **Wages:** In Clarity we do not only comply with minimum wage standards, but we try to offer our employees higher wages than the average in the industry.
- **Objectivity:** We ensure that employment-related decisions are based on relevant and objective criteria. In fact, one of the pillars of the company culture is being fact-based in all decisions.
- **Flexible work in the broadest sense:** We give our employees total flexibility on their schedule, vacation or working location, enabling employees the schedule to fit their lifestyle and obligations.
- **Social Benefits:** We offer a large benefits package to the team, considering their needs and interests. In this package we include health care, education, and transport.
- **Way of working:** We try to encourage transparency and meritocracy in the way that our team works. That is one of the pillars of our culture.
- **Zero-paper:** We promote a zero-paper policy, helping reduce the use of paper in the office and with our stakeholders.
- **Committed to education:** We ensure that the interns who work at Clarity not only receive the maximum wage but also enjoy a suitable training environment.

Environment

Applicable SDGs: 6, 7, 11, 13, 15

- **Human health:** We ensure emergency procedures to prevent and address accidents that affect the environment and human health.
- **Climate action and Energy consumption:** We try to reduce the carbon footprint of the team, by encouraging our people to use public transportation and give some grants as a part of the social benefits program.
- **Purpose:** We provide information about the environmental impact of the companies, helping professional investors identify all those companies that have a better management of emissions, energy use, water use or any other dimension that might affect the environment.

Anti-Corruption

Applicable SDGs: 3, 4, 5, 7

- **Anti-corruption policies:** We have developed internal procedures supporting the company's anti-corruption commitment. During the recruiting process, we ensure that each employee is committed with the values of the company.
- **Ethical behavior:** We include "ethical behavior" in the contracts with other business partners.
- **Purpose:** We provide information about the governance dimension of the companies, where anti-corruption policies are included.

2. MEASUREMENT OF OUTCOMES

- **Gender equality**: Number of women in the company. Specifically, women in tech positions.
- **Wage policy**: Ongoing benchmarks of the industry and comparison of the wages with peers in the industry.
- **Zero-paper policy**: Reduction in the amount of paper used in the company.
- **Diversity**: Demographics of management and employees broken down by diversity factors (e.g., gender, ethnicity, age, etc.)
- **Impact of the information provided by the company**: Statistics about the impact of the use of the Clarity platform in the decision of investments in more sustainable companies.
- **Zero emissions:** Percentage of the employees that use public transport to commute.
- **Ethical behavior:** Number of employees that do not follow the norms of ethical behavior.
- **SDGs score use:** Number of clients using our SDG scores and their Assets under Management