



Market-Leading GHG Data for Portfolio Construction, Analysis and Reporting

April 2023



Integrate our GHG emissions dataset to identify the main emitters in your portfolio, and track their evolution over time

GHG emissions are the most contributing factor for climate change and one of the most relevant ESG indicators

- Get a better understanding of your portfolio's emissions
- Monitor the carbon footprint of your investments evolves over time to make informed decisions
- Align your investments with your values and investment strategy by considering the emissions profile of the companies in your portfolio



Broadest coverage in the market

Over 99% of MSCI ACWI, EUROSTOXX, NASDAQ or Russell 1000



Proprietary methodology for Scope 3 emissions

Multi-industry and multi-geography approach to accurately estimate Scope 3

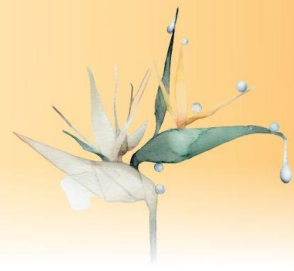


Market leading data quality

Powered by the only reliability algorithm in the market.

Strategic partnership with





Coverage

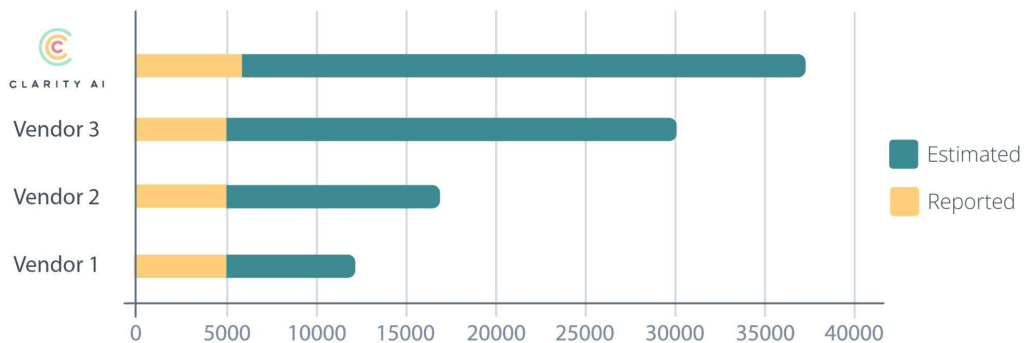
More breadth than any other player in the market

We cover over 99% of EURO STOXX, MSCI ACWI, NASDAQ or Russell 1000; and over 90% of MSCI Emerging Markets, IBEX 35 and over 80% of iBoxx IGCC, VCSH and over 70% of Bloomberg Barclays MSCI Global High Yield Sustainability index.



Coverage of Scope 1 and 2

- Largest coverage of equities in the market, including all legacy brands.
- Principles to include any company that reports reliable data, and machine learning based estimation capabilities to fill in the reported data gap.
- Strategic partnership with CDP, the world's largest self-reported environmental dataset.



Estimation Models

- Not a black box: Powered by explainable machine learning algorithms, trained with best-in-class reported data.
- Rigorous validations by domain experts against company peers and industry expectations.



Reported Data

- Ingested and cross-checked via AI-powered reliability algorithms to identify and mitigate human errors and reporting mistakes.



Scope 3

Proprietary methodology for Scope 3 emissions

The Clarity AI dataset includes verified reported Scope 3 data, and covers over 36,000 companies thanks to market leading AI-powered estimation models.

Clarity's unique proprietary model takes into account multi-industry and multi-geography operations to accurately predict Scope 3 emissions.

Scope 3 measures the indirect emissions up and downstream of the operations of a company, and it can be orders of magnitude larger than Scope 1 and 2 together, with high variability between industries and regions



Tackling Scope 3 Emissions: A Critical Step Towards Carbon Neutrality

Advanced technology can help sourcing Scope 3 emissions data, as organizations are still failing to disclose this data

[Read More](#)

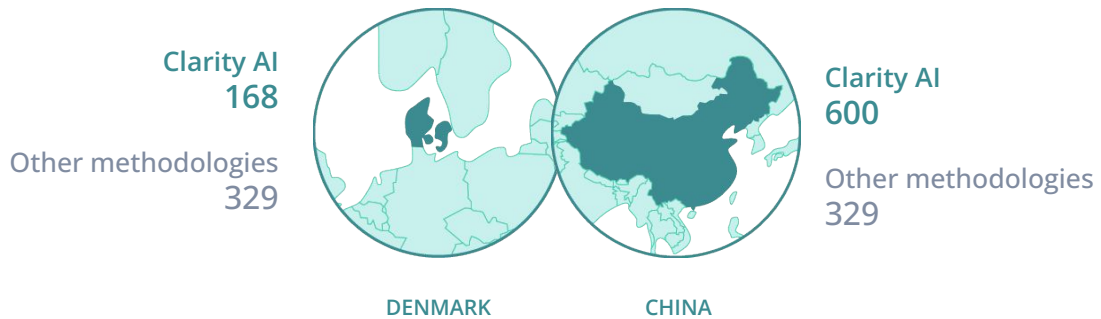


Scope 3

Proprietary methodology for Scope 3 emissions


5x Difference in emission intensities between geographies for a given industry, when compared to other methodologies

Example for the basic metal industry (in tons/ M\$)



2x Variation of Scope 3 upstream emissions when considering that companies are multi-industry and multi-geography

Example for the automotive industry (in tons/ M\$)

 CLARITY AI			Other methodologies	
	Japan	China	Japan	
Revenue share	60%	40%	Revenue share	60%
Intensity (ton/M\$)	200	1000	Intensity (ton/M\$)	200
Industry	Motor vehicles	Motor vehicles	Industry	Motor vehicles
520			200	



Quality & Transparency

The highest data quality available today, powered by the only reliability algorithm in the market

Collection and Validation Processes:

- Collected directly from companies' reports with a mix of Natural Language Processing and domain expert review
- Validated through unique consensus algorithm combined with statistical and sampling checks

10+

Independent
quality checks

- Traditional providers apply outlier detection only, which limits the ability to detect non linear relationships between variables
- Clarity AI has a proprietary reliability algorithm that detects complex relationships between all possible features at all levels of granularity

>40%

of reported data from
legacy providers showed
discrepancies

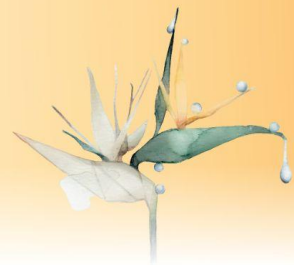
Track the data to the source and explainability on how estimates are produced

1

Track reported data points up to the report and page where they were disclosed

2

View the most relevant variables and data points used to calculate estimations



Case Study

13% of the data reported by legacy providers have discrepancies larger than 20%

Traditional collection process are prone to errors



Human errors such as the incorrect addition of different reported components or collecting data with the wrong unit



Incomplete disclosures from companies, that omit relevant emissions

How Clarity AI can solve it

Advanced technology ensures reliable data, at scale. The journey of a datapoint through several quality control processes ensures that we can deliver the best quality data.

1

Collection process

Each data point is compared with the value of a third party provider when available, and independently checked by up to four people

2

Reliability

A ML-based algorithm allows us to identify values that do not meet the expectations for a particular company based on many features and their non-linear relationships

3

Curation process

An independent team of data experts validates each version of our dataset, and connects with issuers to adjust and understand inconsistencies

[Learn More](#)



About Clarity AI

Clarity AI is a sustainability technology platform that uses machine learning and big data to deliver environmental and social insights to investors, organizations, and consumers. Clarity AI's capabilities are an essential tool for end-to-end sustainability analysis related to investing, corporate research, benchmarking, consumer ecommerce, and regulatory reporting. As of June 2023, Clarity AI's platform analyzes more than 70,000 companies, 420,000 funds, 201 countries, and 199 local governments, which represents more breadth than any other player in the market. One way Clarity AI delivers on its mission to bring societal impact to markets is by ensuring its capabilities are delivered directly into clients' workflows through integrations with partners like BlackRock - Aladdin, Refinitiv an LSEG business, BNP Manaos, CACEIS, and Simcorp. Additionally, Clarity AI's sustainability insights reach more than 150 million consumers across more than 400,000 merchants on the Klarna platform. Clarity AI has offices in North America, Europe, and the Middle East, and its client network manages tens of trillions in assets and includes companies like Invesco, Nordea, BlackRock, Santander, Wellington, and BNP Paribas.

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