



DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.



DISCLOSURE QUESTIONNAIRE

Company Name: Yoti
Date Submitted: 27 Feb 2023

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		✓
Biodiversity Impacts		✓
Chemicals		✓
Company Explanation Of Disclosure Item Flags		✓
Disclosure Alcohol		✓
Disclosure Firearms Weapons		✓
Disclosure Mining		✓
Disclosure Pornography		✓
Disclosure Tobacco		✓
Energy and Emissions Intensive Industries		✓
Fossil fuels		✓
Gambling		✓
Genetically Modified Organisms		✓
Illegal Products or Subject to Phase Out		✓
Industries at Risk of Human Rights Violations		✓
Monoculture Agriculture		✓
Nuclear Power or Hazardous Materials		✓
Payday, Short Term, or High Interest Lending		✓
Water Intensive Industries		✓
Tax Advisory Services		✓

Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		✓
Child or Forced Labor		✓
Negative Environmental Impact		✓
Negative Social Impact		✓
Other		✓

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		✓
Breaches of Confidential Information		✓
Bribery, Fraud, or Corruption		✓
Company Explanation Of Disclosure Item Flags		✓
Company has filed for bankruptcy		✓
Consumer Protection		✓
Financial Reporting, Taxes, Investments, or Loans		✓
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		✓
Labor Issues		✓
Large Scale Land Conversion, Acquisition, or Relocation		✓
Litigation or Arbitration		✓
On-Site Fatality		✓
Penalties Assessed For Environmental Issues		✓
Political Contributions or International Affairs		✓
Recalls		✓
Significant Layoffs		✓
Violation of Indigenous Peoples Rights		✓
Other	✓	

Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		✓
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		✓
Company Explanation Of Disclosure Item Flags		✓
Company prohibits freedom of association/collective bargaining		✓
Company workers are prisoners		✓
Conduct Business in Conflict Zones		✓
Confirmation of Right to Work		✓
Does not transparently report corporate financials to government		✓
Employs Individuals on Zero-Hour Contracts		✓
Facilities located in sensitive ecosystems		✓
ID Cards Withheld or Penalties for Resignation		✓
No formal Registration Under Domestic Regulations		✓
No signed employment contracts for all workers		✓
Overtime For Hourly Workers Is Compulsory		✓
Payslips not provided to show wage calculation and deductions		✓
Sale of Data		✓
Tax Reduction Through Corporate Shells		✓
Workers cannot leave site during non-working hours		✓
Workers not Provided Clean Drinking Water or Toilets		✓
Workers paid below minimum wage		✓
Workers Under Bond		✓
Other	✓	

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Yoti

UPDATED AS OF:

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DISCLOSURE QUESTIONNAIRE CATEGORY	Other - Clients in Controversial Industries
TOPIC	Water Intensive Industries
SUMMARY OF ISSUE	<p>Yoti is a global technology company that provides a trusted identity system which enables customers to prove who they are to companies and other people, online and in person. The company offers their product via a free app which customers can use to create their digital identity. By using the Yoti app, customers are able to log into websites using their face, to provide instant verification of who they are and prove their age via their smartphone. The company works with several different controversial industries clients such as tobacco, gambling and pornography. They provide a range of age verification service to platforms operating in regulated markets so that consumers with or without identity documents are able to prove their age before they are able to access to age restricted content online.</p> <p>Yoti's age and identity verification services are aimed to enable organisations to meet regulations in different jurisdictions around the world in terms of fraud prevention and safeguarding and to help organisations and online platforms to meet their terms of service by protecting minors from accessing adult services.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>In 2021, Yoti earned:</p> <ul style="list-style-type: none"> - 1.08% of its revenue from tobacco sales, - 26.7% of its revenue from clients in the pornography industry, - 1.5% of its revenue from clients/businesses involved in the gambling industry. <p>The majority of clients are charged on a per transaction basis, depending on the number of checks that are conducted. Some clients have a minimum commitment (whether monthly or annual) and some (very few) are charged a flat rate fee for unlimited usage. Where there is an installed base of terminals e.g. for retail or gaming, there may be terminal pricing.</p>
IMPACT ON STAKEHOLDERS	<p>The age verification approaches support the prevention of underage sales of tobacco goods, or access of adult content (pornography and gambling) to minors. Yoti provides secure, data minimised age checking. In most countries around the world there is clear legislation that tobacco goods or services are not to be sold to minors. They provide age and or identity checks to safeguard minors, support retail staff, and deter the sale of age restricted tobacco goods to minors.</p> <p>B Lab recognises that companies that earn revenue from controversial industries may require the development of specific risk standards in the future to ensure that companies that work with clients in controversial industries are not contributing or profiting from the harmful impacts of the industry.</p>

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DISCLOSURE QUESTIONNAIRE CATEGORY

Pornography clients: Payment processor Mastercard has recently required performers of adult content when uploading content to ensure that they are over 18 and that any other people who are co performers are over 18 and have give consent. Yoti's e signature solution is one way that organisations can meet the requirement of the payment processor. There are 11 countries around the world which are bringing in legislation to prevent access by minors to adult content. Yoti is one of the organisations in the Online Safety Tech Industry Association and Age Verification Providers Association which is supporting the development of international standards for age checking and working with the EU to develop interoperable standards for age verification. This enables the adult content provider to provide data minimised age gating and deter age inappropriate access to adult content by minors.

Gambling clients: Yoti provides KYC & AML solutions to any gambling operators wishing to meet their regulatory obligations on an ongoing basis. The service which Yoti is providing is age and identity verification and anti money laundering. Complying with AML regulations is essential for all regulated businesses including the gaming and gambling industry. This is a regtech solution to a regulatory requirement.

The company also works with nonprofits - for instance leading child safety organisation NSPCC Childline to enable a child to prove they are under 18 to report and request to remove indecent content, nude or sexting images. Age verification may be provided to an ed tech company to ensure that users are under a certain age, or to a social media platform aimed at 13-17 year olds to deter grooming or under age usage. Yoti's AI age estimation is also being used to assess the ages of victims and perpetrators in child abuse images, by law enforcement.

Yoti is a signatory to the Biometrics Institute Principles, the Safe Face Pledge (now sunsetted), has an external Council of Guardians and an internal Trust and Safety committee. Yoti reviews challenging situations via its internal ethics group and with the support of its external Guardians Council, using models such as the DotEveryone consequences scanning matrix in their The safety tech industry is evolving to support companies to meet their regulatory requirements. The UK Safety Tech Sector 2022 Analysis notes a 21% increase in the sector in the UK in the last year. This research focuses on firms that:

- Often work closely with law enforcement, to help trace, locate and facilitate the removal of illegal content online
- Work with social media, gaming, and content providers to identify harmful behaviour within their platforms
- Monitor, detect and share online harm threats with industry and law enforcement in real-time
- Develop trusted online platforms that are age-appropriate and provide parental reassurance for when children are online
- Verify and assure the age of users
- Actively identify and respond to instances of online harm, bullying, harassment and abuse
- Filter, block and flag harmful content at a network or device level
- Detect and disrupt false, misleading or harmful narratives; and
- Advice and support a community of moderators to identify and remove harmful content



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DISCLOSURE QUESTIONNAIRE CATEGORY	<p>Governments around the world in particular are developing Children's Codes or 'Age Appropriate Design Codes' to ensure that services online are designed to be age appropriate - the UK, Ireland, Australia, the Netherlands and soon California. In an announcement last week to mark the anniversary of the UK Children's code, the ICO stated that they are currently looking into how over 50 different online services are conforming with the code, with four ongoing investigations. They have audited nine organisations and are currently assessing their outcomes. The ICO also revised their position to clarify that adult-only services are in scope of the Children's code if they are likely to be accessed by children.</p> <p>Yoti was the recipient of funding via the UK Safety Tech Challenge Fund, to tackle sexual abuse online. Yoti is part of several working groups looking at safeguarding against child sexual abuse in the metaverse and the World Economic Forum, Global Coalition for Digital Safety.</p> <p>As the company's work with controversial industries is to utilise their technology for good - for example to safeguard underage users, they do not have plans to reduce revenue from said clients in the future.</p>
REPORT	<p>Some useful links demonstrating the importance and nature of our work within such industries:</p> <p>https://www.biometricupdate.com/202102/yoti-partners-with-mindgeek-for-biometric-checks-to-stop-online-exploitation</p> <p>https://www.biometricupdate.com/202211/yoti-age-estimation-software-embedded-in-gambling-machines</p>
RELATED INCIDENTS (YES/NO)	<p>The company also provides services to clients in the alcohol industry, however, the scope of revenue is less than 1%.</p>

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DISCLOSURE QUESTIONNAIRE CATEGORY	Other - Data Privacy
TOPIC	Yoti uses Artificial Intelligence (AI) to verify users ages for access to age restricted online platforms.
SUMMARY OF ISSUE	Yoti is able to estimate facial age using AI trained on "anonymous images of diverse people from around the world who have transparently allowed Yoti to use their data. The company states that all images used to train its AI technology have been collected transparently and can be deleted by the person at any time, while any data collected from a person under 13 required the explicit approval of a guardian. The company has a contract with Instagram (Meta), to use their AI technology to identify users age. When users amend their age from under 18 to over 18; Yoti's facial age estimation is used to ensure that users are in the correct age area of the site, in order to provide them age appropriate experiences and content.
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>The company estimates that about <20% of their revenue is linked to the use of Artificial Intelligence and facial data recognition for age verification for the financial year ending in March 2022.</p> <p>Yoti currently operated across the following jurisdictions are regions:</p> <ul style="list-style-type: none"> • United Kingdom • European Union • European Economic Area • Australia • New Zealand • Canada • United States
IMPACT ON STAKEHOLDERS	<p>There are concerns that AI technology has biases when it comes to race because of the assumptions it is usually trained with due to gender and skin tone bias. Data privacy is also a key concern that requires the implementation of quick safe guards, especially in protecting images and information for underage users.</p> <p>Yoti claims that all images used to train its AI technology were collected transparently and can be deleted by the person at any time. Any data collected from a person under 13 required the explicit approval of a guardian. Yoti provides granular detail on the accuracy levels, from age 6 to age 70, across light, mid and dark skin tones and across gender. This is published in Yoti's white paper. The company says the AI has a True Positive Rate of of 99.65 per cent for estimating that 13-17 year olds are under 23.</p>

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IMPLEMENTED MGT PRACTICES

The Children's Code is a code of practice produced by the UK Information Commissioner's Office (ICO) which applies to "relevant information society services which are likely to be accessed by children" in the UK that has been in force since September 2021. The Code sets out 15 headline standards of age appropriate design that companies need to implement to ensure their services appropriately safeguard children's personal data and process children's personal data fairly. The ICO sees auditing as a constructive process with real benefits for controllers and so aims to establish a participative approach. Yoti has committed to a consensual audit of the measures, processes and policies they have in place to demonstrate conformance with the Code and data protection legislation. The ICO's report concluded a high level of assurance that processes and procedures are in place, that the organisation is in conformance with the AADC and are delivering data protection compliance. The audit has identified only limited scope for improvement in existing arrangements and as such it is not anticipated that significant further action is required to reduce the risk of non-conformance with AADC and data protection legislation. California is implementing a similar Age Appropriate Design Code in 2024.

Yoti have carried out usability testing with children from diverse backgrounds on the functionality of the Yoti app, this included the accessibility of the privacy information within the app. The aims of the testing were centred around the standards of the code, including best interests of the child and transparency. As a result, Yoti has made a number of changes to the presentation of privacy information, utilising just-in-time notices, and explaining complex terms using images.

In Europe, Yoti complies with the General Data Protection Regulation (GDPR) and the UK Data Protection Act 2018. The UK Government recently introduced the Data Protection and Digital Information Bill, which proposed to make a number of changes to the UK GDPR. For data transfers between EU Member States and non Member States, Yoti has to refer to the European Commission adequacy decisions, which determine which countries the European Union feels have comparable levels of data protection in place to allow the transfer of personal information across borders.

In Australia, Yoti has to follow the Privacy Act 1988 which set the Australian Privacy Principles. They also expect the Trusted Digital Identity Bill, currently on the statute books, to be an important piece of legislation for Yoti. In New Zealand, Yoti has to follow the rules set by the Privacy Act 2020, which replaced the Privacy Act 1993. They also expect that the Digital Identity Services Trust Framework Bill 2021, if successfully passed by that nation's parliament, will set a number of rules they will have to follow.

In Canada, the defining piece of legislation is the Personal Information Protection and Electronic Documents Act (PIPEDA), although interpretation and enforcement differ significantly between each Canadian Province. The United States functions similarly with a set of federal legislation such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Children's Online Privacy Protection Act of 1998 (COPPA). US States can adopt top up legislative measures, such as California with the recent Age-Appropriate Design Code Act.

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IMPLEMENTED MGT PRACTICES

DATA PRIVACY: Yoti has a Data Protection Officer who oversees its privacy compliance in an independent manner and acts as Yoti's Privacy Champion. Furthermore, Yoti's General Counsel, Policy & Legal Associate is engaged in ensuring privacy compliance in day to day matters such as Yoti's contracts with vendors and clients, as well as, responding to internal and external privacy related queries with the DPO's support. Yoti also provides privacy training to all its employees, starting from when they join the company and then complemented with refresher training sessions, newsletters and awareness campaigns. Product teams are required to consider privacy compliance at the early stages of product development. This is accomplished by requiring product teams to fill in a questionnaire that analyses privacy requirements and requires the input of both the DPO and legal team. Proposed new products or features may then be reviewed and any privacy issues are flagged for further legal review, at which point the DPO and legal team will determine if there is a need for a full PIA to be completed. The PIAs are designed to pick up on any data privacy risks, and decisions are then made on any changes that are necessary to be in line with privacy law or whether implementation may go ahead given the risks

Third party suppliers of Yoti are required to undergo a due diligence process, which includes privacy and security questions about the supplier's operations and products. This process requires the input and signoff of various relevant teams including the product team, legal team and DPO, and the Chief Information Security Officer's team.

Yoti's privacy compliance processes are assessed internally on a regular basis by the DPO, who identifies areas for improvement. These efforts are complemented by Yoti's Regulatory & Policy Team which engages with stakeholders on privacy issues including and reviews regulatory guidelines to help Yoti adopt good privacy practices early on. Yoti's processes are enhanced by facing external audits of its SOC 2 certification, which are conducted by KPMG. Furthermore, where appropriate, Yoti obtains legal advice from expert legal practitioners on specific privacy issues to ensure that the company is well advised when approaching complex privacy issues.

AUDITS: Yoti was audited by DISC (Digital Identity Systems Certification) in order to evidence compliance with the new United Kingdom Digital Identity & Attributes Trust Framework (UKDIATF), as well as two independent schemes (the Home Office Scheme and the Disclosure & Barring Service scheme). The auditor concluded that 'the assessment team is pleased to be able to recommend that both Yoti's systems – IDV and Digital ID – be certified, separately, against the Trust Framework.' This recommendation was later accepted by the Department of Media, Culture & Sports (a UK Government department), and Yoti became the first certified digital identity company on 31 May 2022.

The company completed the ISO 27001 audit in March 2021. ISO 27001 is the leading international standard focused on information security that was developed to help organisations, of any size or any industry, to protect their information in a systematic and cost-effective way, through the adoption of an Information Security Management System (ISMS).

The auditor concluded that the objectives of the recertification audit had been achieved, and the audit report confirmed:

- that the management system continues to conform with the requirements of ISO 27001 Standard
- that the organisation has effectively implemented the planned management system
- that the management system is meeting its specified objectives.