



EMK Capital
Enterprise Management Knowledge

ESG SPOTLIGHT

PORTFOLIO COMPANY

Bright Data

June 2021

“Public web data is an invaluable source of information as to the scale and location of infringement on the Internet. We are most grateful that Bright Data’s contribution has enhanced WIPO ALERT, a voluntary program which promotes online safety by helping advertisers avoid misplacement of ads on suspected illicit websites.”

[UN WIPO agency Legal Counsellor](#)

bright data

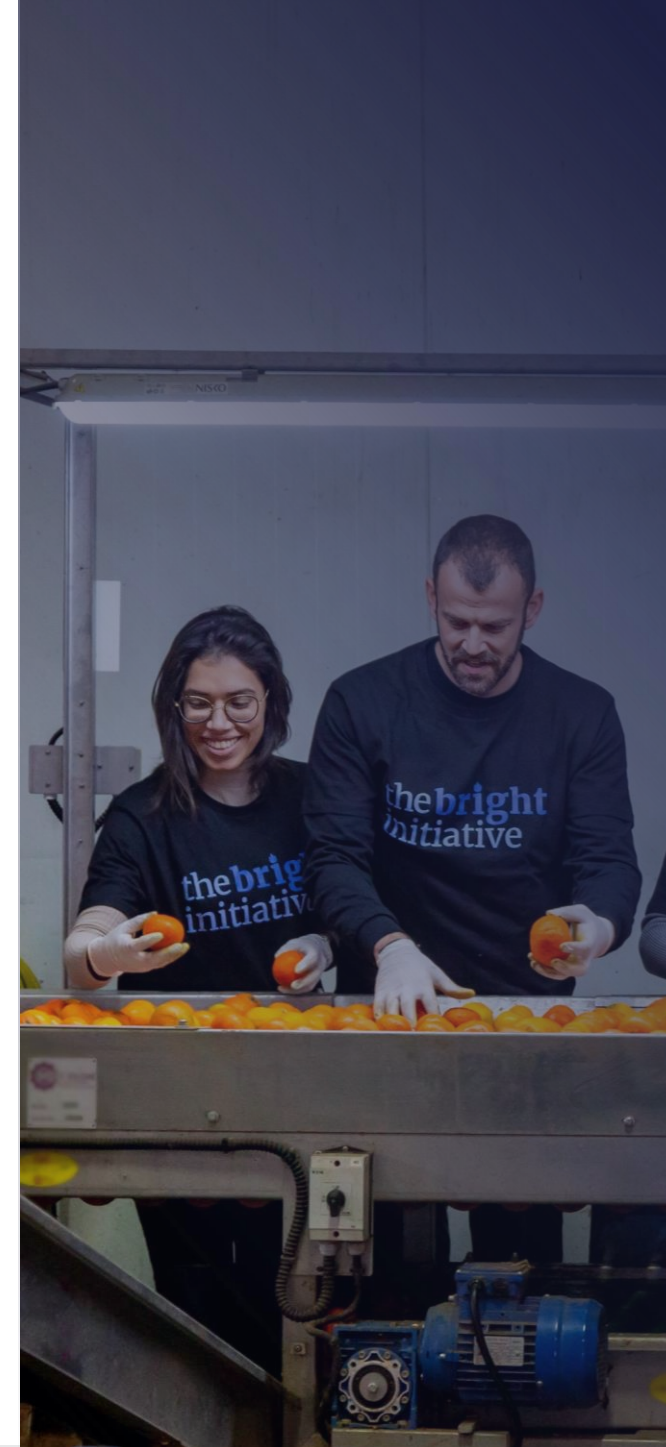
Bright Data has been held by EMK Capital since 2017. During our period of ownership, Bright Data has adopted an extensive ESG programme and become a leading contributor on the ethics of public web data gathering and stands out in its industry for its compliance-driven processes and methodologies that produce unprecedented results. These include, for example, the prevention of the creation of fake accounts, fake reviews and fake 'likes' online as well as preventing much more damaging online practices such as advertising fraud and attacks.

Bright Data's pioneering web data

collection platform and technology drives improved internet transparency. Bright Data facilitates competition, creating a self-regulating open market and a higher standard of public database accessibility through its data collection products and infrastructure.

Bright Data's purpose is to drive truly open and free access to the World Wide Web as it was initially designed. It does this by increasing web-transparency while championing legitimate use-cases only.

Through its recently launched Bright Initiative (start 2021), a foundation providing online data to assist in resolving a variety of pressing social, public and environmental challenges, it engages in global issues such as social injustice, the pandemic, unemployment, climate change, sexual exploitation, and human trafficking.



Through its Bright Data Academy, it drives critical research and educational initiatives on an international scale to improve data-driven skillsets, address ethical questions as well as data transparency on the internet. For example, The Bright Initiative is currently working closely with the UK Government to support the implementation of its NDS (National Data Strategy).

Bright Data is an accredited partner with digital anti-fraud organisations: TAG, IAB, AOP and is used by security companies and law enforcement to:

- Detect malware in digital advertising
- Cyber security e.g. penetration testing
- Detecting criminal activity

EMK Capital's investment team and Head of ESG & Impact have worked in partnership with the Bright Data management team to support the

evolution of its Responsible Business program since inception.



ESG is managed day to day by Bright Data's VP of Brand & Communications, Keren Pakes.

Bright Data won Frost and Sullivan's 'Best Practices & Market Leadership' award in 2019 in recognition of its ethical approach in the public web data industry.

The launch of The Bright Initiative

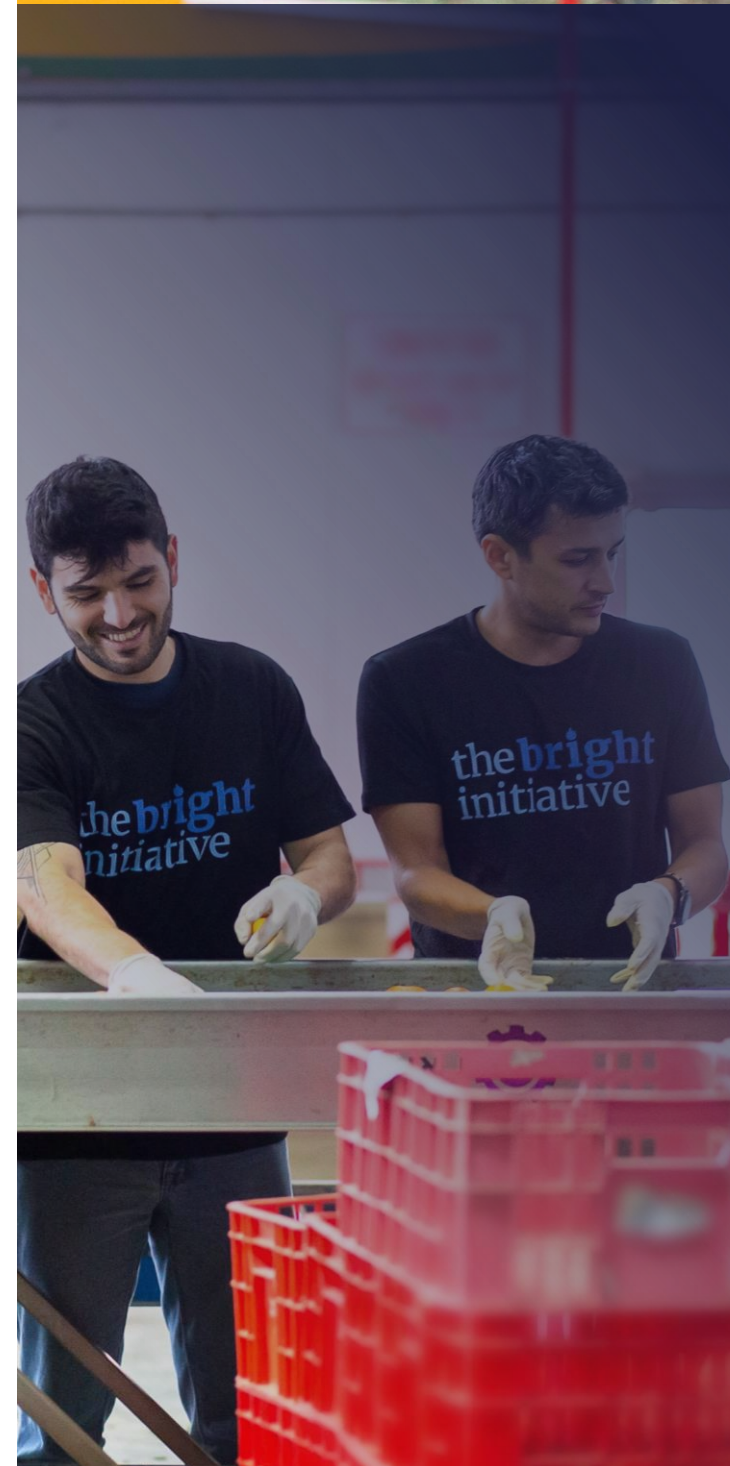
In April 2021 Bright Data launched 'The Bright Initiative' a program to form partnerships to amplify the positive impact that web data can have in five core areas:

- **Promoting public well-being and fighting social injustice**
- **Supporting environmental causes such as fighting global climate change**
- **Promoting web-transparency and a trusted digital ecosystem**

- **Promoting data-driven research and professional expertise**
- **Driving forward data-driven strategies to benefit our economy and society**

So far this year, The Bright Initiative has advanced and partnered with close to 400 organisations, including over 250 academic institutions and more than 60 NPOs, NGOs and public bodies. All participants are using Bright Data's robust web data collection technology, know-how, expertise, and finely attuned support to aid their organisations' objectives.

This ESG spotlight summarises some of Bright Data's Responsible Business initiatives in 2021.



Support during the Pandemic

In Israel, where more than a million citizens were left without jobs as a result of the COVID-19 pandemic, the Israeli Labour Ministry, together with JDC Tevet, used Bright Data's automated data collection services, thanks to The Bright Initiative, to support job seekers in getting back to work. The collection of publicly available data allowed the Ministry to quickly and effectively identify current market trends to guide the unemployed.

Ensuring the availability of the COVID-19 vaccine for all Americans

Bright Data supported FindAShot.org to help Americans to find a COVID-19 vaccine – specifically finding an appointment. This involved integrating Bright Data's Web Unlocker to ensure FindAShot.org's

automated appointment checker system was able to access the data it needed to enable all Americans to book COVID-19 vaccinations with ease and simplicity.

Enabling early COVID-19 detection with artificial intelligence

Sprint COVID-19, a team consisting of several international researchers, came to Bright Data with a theory: that smart devices can enable early COVID-19 detection and prevent mass infection. The theory was based on recent studies conducted in Italy and China, concluding that 30%-50% of the COVID-19 infected population may suffer from silent hypoxia (low blood oxygen levels), without any other symptoms. The team found that many commonly owned smartphones and smartwatch devices have a built-in sensor (SpO2 sensor) that enables self-testing of blood oxygen levels – a possible key first step in identifying the virus early. Based on those results, the team wished to

develop a heuristic test that could be carried out for early or remote diagnosis. They turned to Bright Data to identify all possible devices that carry the SpO2 sensor. With COVID-19 spreading so rapidly, time was of the utmost essence to get the right information, quickly. Bright Data used automated data collection to gather mass amounts of publicly available online data and identify all suitable smart devices. In under 24 hours, it found that over 110 smartphone models and 165 smartwatch models and smart bands carry the SpO2 sensor.

The data collected has been used in additional projects helping doctors and researchers with remote diagnosis and treatment.

Bright Data was recognized by Gartner, the world's leading research and advisory company, for its data-driven contributions during the COVID-19 pandemic.

Fighting social injustices

Fighting human trafficking

Human Trafficking Initiative Labs' (HTI) aims to fight human trafficking in the commercial sex industry. The project evolved out of the need to deal with the lack of data on trafficking and ultimately led to its novel approach of using online commercial sex advertisements, data science, and network analysis to identify potential trafficking networks within the commercial sex industry.

Online ads provide visibility for some of the population that would otherwise be more hidden, and after Bright Data helped HTI collect the data, they could make connections from the data, and were able to predict trafficking risk and push the

high-risk leads to its law enforcement partners.

Humans Against Trafficking (HAT) identified that traffickers prey on large numbers of vulnerable children on social media by taking advantage of their desire for connection, success and "likes."

The reach and ease of connection on social media allows traffickers to continuously search for and recruit multiple victims at once. HAT has created a mobile app that uses advanced AI analytics to track potential human trafficking threats on Instagram and other social media sites.

Using Bright Data's technology, it can access and collect the publicly available social media data it needs to identify at-risk children before attackers do, and then swiftly act.

Tracking the exploitation of minors

The Schusterman Foundation aims to track the exploitation of minors. With Bright Data's technology, it is able to collect a wide variety of online data, including from social media, dating apps, and various websites to tackle this ongoing issue and take appropriate action

Facilitating workplace diversity

Bright Data is working with Mathison the leading diversity hiring technology company to gather and source information from diversity talent networks to identify talent. Once Bright Data collects this data, Mathison presents the information about job seekers to companies looking to hire diverse candidates, allowing them to reach out and start recruiting. This essentially has the objective of fulfilling the need of organisations to ensure they have a diverse talent pool to recruit from.

Working with Government

Partnering with leading regulators

Bright Data teamed up with the Market Research Society (MRS) and has become a member of the MRS's International Affiliate program. MRS is the leading and most experienced professional research regulator in the world, working with government as the sector regulator and with privacy regulators internationally on Fair Data.

Supporting the UK's National Data Strategy

The Bright Initiative is supporting the implementation of the UK's National Data Strategy (NDS), working with the Department for Culture Media and Sport

(DCMS) and other partners to help realize the strategy's social and economic ambitions. The NDS creates an opportunity for enhanced transparency across the British economy and society, underpinned by a commitment to ethical data usage and skills. Bright Data's support for the NDS has included facilitating a discussion between business leaders and the UK's Minister of State for Media and Data, Rt Hon John Whittingdale, MP. Working with the prestigious Institute for Government think tank, it has convened a meeting of senior public sector data professionals and government officials who are leading delivery of the NDS.

Bright Data is also working directly with the DCMS team that is implementing the NDS, providing industry insight on issues, including data markets and skills needs, and pro bono data collection services in support of research work. Bright Data's

CEO, Or Lenchner, has also accepted an invitation to be part of the NDS Forum that the minister is chairing.

The Secretary of State for Culture, Media and Sport, Rt Hon Oliver Dowden, MP, has publicly thanked Bright Data for the support it is giving to the NDS. He has also been invited by the UK Government to speak at the G7 conference in London on 29 and 30 November on "The future of trust: How can we rebalance public discourses to embrace data as a force for good globally."

Internet Transparency

Bright Data takes pride in its strict compliance guidelines. As soon as it suspects that one of its network users might be trying to use its technology for an unapproved use case, or that they might be breaching any of its guidelines, Bright Data terminates its partnership with them. This past year, the company detected more than 385 forbidden use cases during its client onboarding compliance process, preventing them from gaining access to Bright Data. Additionally, Bright Data has partnered with some leading organizations that are helping build a better and fairer future for the data collection industry. These include:

[abuse.ch](#)

Abuse.ch is a non-profit project that fights

malware and botnets. One of the platforms that abuse.ch operates is URLhaus, where vetted, trusted security researchers can exchange information on sites that are being used for malware distribution. So far, the project has identified and taken down over 1 million sites that are being used by bad actors to spread malware. IT security researchers, vendors, and law enforcement agencies rely on data from abuse.ch, which tries to make the internet a safer place for all. Bright Data works with abuse.ch to track these bad actors' sites and provide this valuable data for free to the community so they can protect themselves from threats originating from these websites.

[The World Ethical Data Forum](#)

The Bright Initiative has partnered with the World Ethical Data Forum (WEDF), the world's leading event on the future of data, which aims to address the ethical dimensions, considerations, and challenges associated with data

collection. The Bright Initiative participated in the recent WEDF event with a focus on ethical data collection. Together, we have formed a Data Collection Ethical Committee (DCEC), which aims to develop an ethical framework and provide practical tools for industry players. The DCEC is currently recruiting industry experts.

[Picnic Score](#)

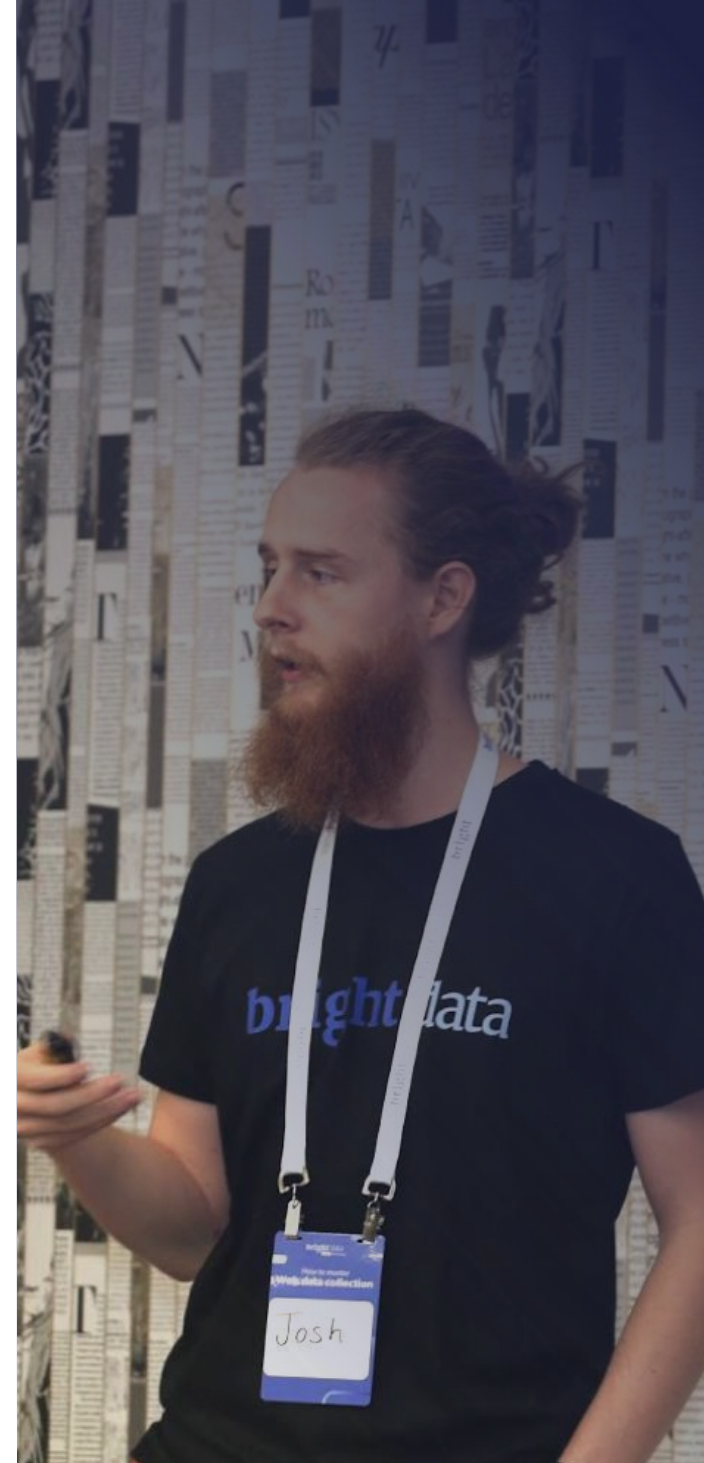
Picnic Score is a cybersecurity firm focused on mitigating and preventing social engineering attacks on enterprises. Picnic Score relies on Bright Data's technology to collect publicly available online data from data aggregators/brokers to inform its clients about what specific public information is available about them on the web and stop social engineering attacks before they start.

Education & Research

Bright Data's mission includes sharing its data collection knowledge, best practices, and ethical guidelines with the next generation of industry leaders. Therefore, it has partnered with leading academic institutions and high schools to offer its technology, free of charge, for critical, timely research. So far, such research has included exploring digital inequity, web-transparency, the effects of the COVID-19 pandemic on society and combatting social injustice. It has also conducted dozens of masterclasses, programs, and seminars throughout the year. The Bright Initiative works with over 85 academic and research institutions around the world. These include: King's College

London, Oxford University, Royal Holloway University, Princeton University, Boston College, Virginia Tech, Sciences Po University, The Technion - Israel's Technology Institute, ETH Zurich Research University, Hong Kong University, Northeastern University, among others.

More detail on all the initiatives mentioned above can be found in The Bright Initiative's 'Impact Report' and on the Bright Initiative website.



Environment

The Bright Initiative has signed up to the Net Zero Pledge called by the Market Research Society.

The Pledge is designed for MRS's partners to demonstrate their commitment to sustainable practices and tackle the growing climate emergency.

By signing up, **Bright Data are committing to making its business "net zero" by 2026.**

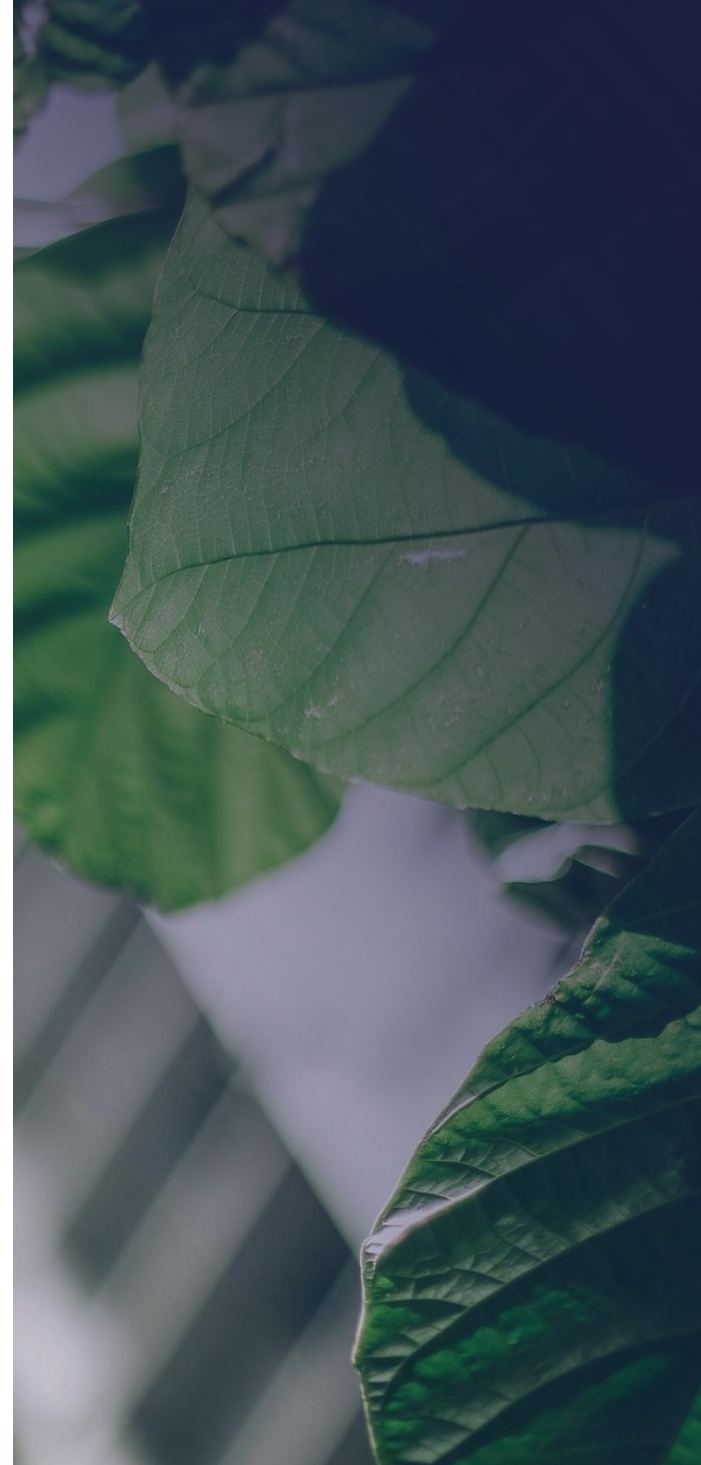
Bright Data has calculated its emissions (Scope 1-3) since 2020. Year on year emissions reduction targets are being set to ensure that it is on the right trajectory to meet this commitment and a formal decarbonisation plan is being put in place

The Bright Initiative and Bright Data have joined the fight against the climate crisis by partnering with startup accelerator Subak.

Launched in the UK this summer 2021, Subak selects, funds and scales organisations that want to work collectively to keep the planet habitable, using shared data, infrastructure and tools. It connects the best tech, environmental and science talent to drive mass behaviour and policy change.

The Bright Initiative provides Subak's member organisations with direct access to Bright Data's technology, know-how, support and expertise. This allows a wide range of organisations tackling climate change in varied ways to make use of large amounts of relevant, structured and publicly available data drawn from the web.

To date, Bright Data supports over 20 environmental organisations fighting climate change.





Creating a great place to work

Over 30% of Bright Data's employee base has been with the company for several years. This is highly unusual specifically in Israel and particularly in the hi-tech space, where the average employee turnover is a little over a year. The Israeli tech market landscape is overflowing with job opportunities, and high-cost recruitment campaigns are being rigorously implemented across the country. As a result, employee satisfaction and retention are front of mind for Bright Data.

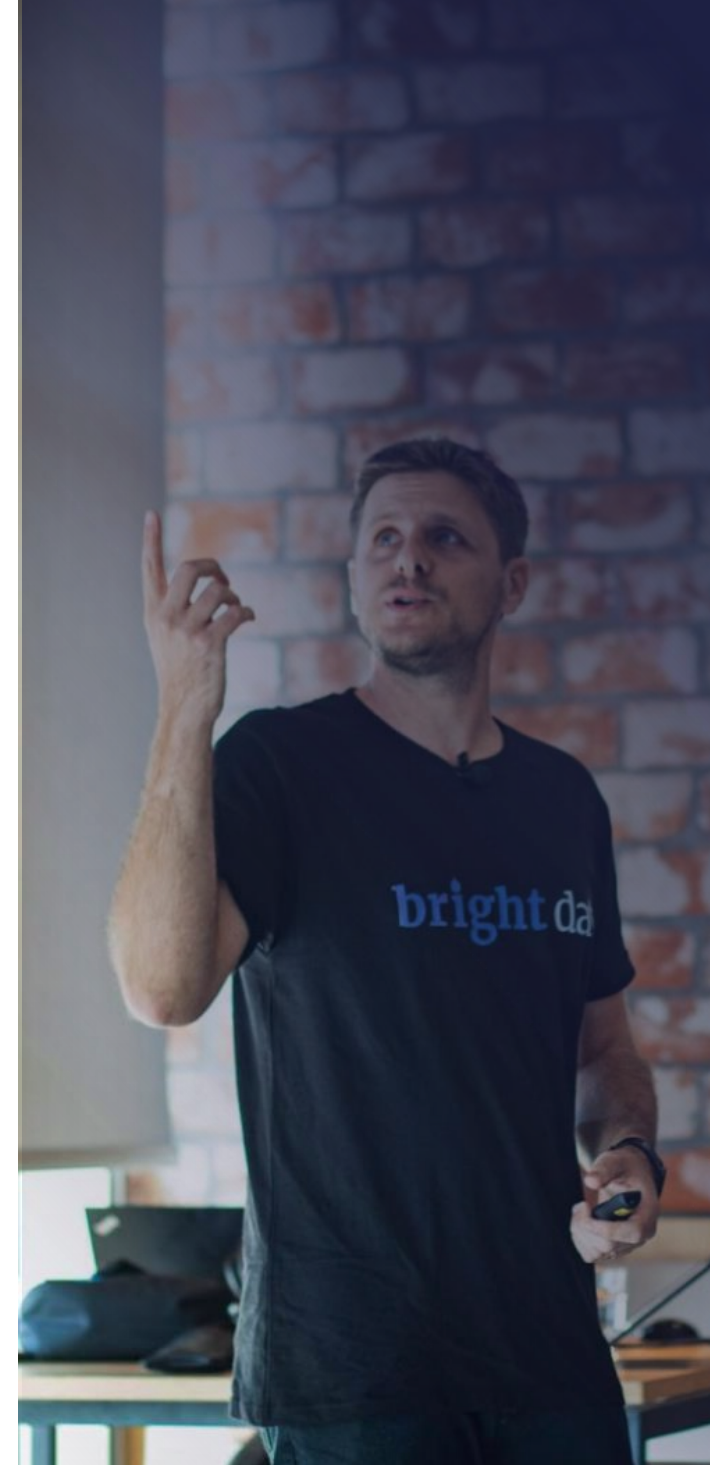
Diversity and Inclusion

The top layer of management at Bright Data is largely male (there was at one stage a female CFO). During EMK's

ownership, we have hired/promoted a whole second layer of management since our investment (August 2017). This second layer has a higher percentage of female managers and is now reaching 44% (2017 – less than 20%).

In a study by 'Power in Diversity Israel' in 2021 the representation of women in tech jobs in Israel was reported to be 27% and management roles (the C Level, VP, directors) – only 23.4% of these positions are filled by women. The study also reported that there was an average of 38% female in Internet companies and 32% females in IT Service companies, specifically.

The company has been dedicating resources to identify and promote women with clear senior management potential as well as actively looking for female representation for the more technology-driven roles, which were once male



Creating a great place to work (cont.)

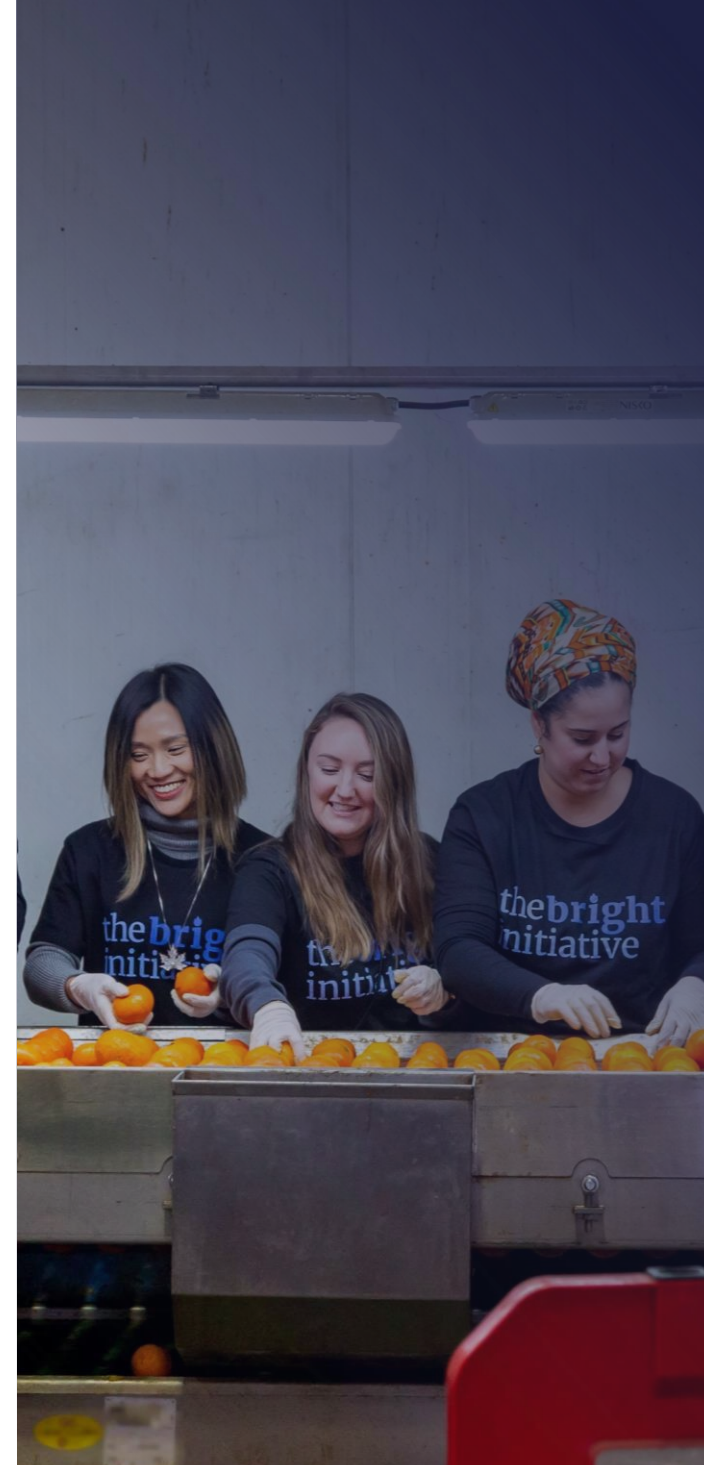
dominant. It is important to state that Bright Data's growth rate has been accelerating and is very much reflected in the company's recruitment needs. We continue to work closely with our HR and recruitment partners to find top female talent for key roles. Since 2021, female representation at Bright Data has grown from 32% to 38% and is expected to further grow this year as well.

Employee satisfaction

At end 2021, Bright Data undertook its first employee survey to gauge employee satisfaction in a number of areas; from core values to role satisfaction). It will be working to improve scores year on year.

Employee development and career progression

Close to 45% of the second layer of Bright Data management has been promoted from within the company. Internal mobility and progression have always been at the heart of Bright Data's employee retention strategy. A formal employee review system was brought in to manage structured employee reviews and involvement in the company. It started Q1 2022 but will be an annual process every February. Managers with the support of the HR department will be required to track employees' development on an ongoing basis and ensure they are continuously evolving and meeting their personal and professional goals. There is no prescribed or structured learning and development path, but there are ways of developing people through mentorship. Mentorship for employees – 2 mentors for each new joiner, and an internal mentor for new managers.



Unprecedented Monitoring

Bright Data ensures that customers who access its network are not able to use it for anti-social purposes. It has a thorough & robust vetting KYC process with internal guidelines to guarantee that their use case is legitimate. The network is additionally monitored in real-time for malicious behaviours.

Setting, meeting and openly reporting on its compliance targets sit at the heart of Bright Data's commitment to total transparency around its compliance processes. Most notably, in 2021, Bright Data refused 736 potential customers as the use case provided by the businesses in question did not meet its stringent KYC regulations.

Case study

A Bright Data customer who started working with the company requiring e-commerce data very quickly and significantly increased its pipeline which did not match its initial stated requirement during the onboarding phase.

Over a period of six weeks Bright Data continuously contacted the customer and its legal team and engaged in several conversations including signing an NDA. This client continued to refuse to share information regarding the use case and its intention regardless of Bright Data's guidelines and compliance processes it initially agreed to. Bright Data decided to terminate the agreement, even though it represented a significant business deal, due to the customer's refusal to comply and share the use case transparently.

Bright Data refused 736 potential customers as the use case provided by the businesses in question did not meet its stringent KYC regulations.



Unprecedented Monitoring (cont.)

In 2021, the company continuously strived to achieve total network compliance. In addition to rejecting a significant number of potential new customers, the company also further strengthened its internal regulations and policies for using its web data infrastructure and network by implementing the following processes:

KYC (Know Your Customer) expansion

A process that focuses on clearly defining the customer requirements of those wishing to use Bright Data's public web data collection network. This first-of-a-kind process in the web data domain has now advanced several steps further, becoming even more comprehensive, to ensure network security.

KYC monitoring

An additional unprecedented step in this growing industry and market. Bright Data's in-house compliance team receives real-time alerts in cases where customers deviate from their KYC commitment. This process is now being further improved upon, and customers sending non-compliant traffic will automatically be blocked or diverted until thoroughly reviewed and approved manually by the company's compliance team. By implementing this step, Bright Data is ensuring that all traffic remains aligned with the KYC process definition; changes in the definition are always reviewed by a member of the compliance team.

Bounty program

The company continues to run a successful bounty program for the second year. In 2021 alone, more than 150 suggestions were made using the program, and over 30 were implemented to further elevate Bright Data's compliance-driven approach.

The program financially rewards each successful suggestion.

Certified ethical collectors:

To further expand its network transparency, the company has worked to implement the capability to clearly identify certified collectors that limit their traffic rate and give webmasters the ability to mark non-public web pages to help the certified collectors identify them faster. This is a move towards having more transparency in the collection process, and Bright Data envisions that data-gathering traffic will become more transparent in 2022.

Bright Data launched a process to comply with the ISO 27001 process. This is an international standard on how to manage information security. At the end of the process, the company will be audited by a third party and will be granted the relevant certifications.

Transparency



Bright Data publishes an impact report which documents the work of The Bright Initiative on a bi-annual basis

Bright Data has a section of its website dedicated to ethical usage policy and compliance mechanisms

<https://brightdata.com/ethical>

