



2020 Impact Report

Centrico Digital, Inc., a B Corporation

About this report

We chose the B Impact Assessment as the basis for this report, because it is a robust tool that integrates the material issues regarding the social, environmental, and financial impact of our company. Like all companies during the global pandemic, Centrico Digital, Inc. faced unprecedented challenges in all aspects of delivering upon our mission. We persevered, and our performance, documented in this report, demonstrates that.

Our mission

We seek to create a positive social impact for our employees, clients, and community by using our core competencies: hiring, training, and digital marketing strategy.

Material issues

The Global Reporting Initiative (GRI) defines "materiality" as the aspects of an organization that reflect its significant economic, environmental, and social impacts, or substantively influence the decisions and assessments of stakeholders.

The material issues most important to our company are:

- Governance and transparency: measure and report transparently to all relevant stakeholders
- Client impact: support purpose-driven companies and organizations through services and training.
- Employee wellness: promote the health, wellbeing, financial security, and professional growth of each member of the Céntrico Digital team.
- Equity: promote the equitable participation of priority groups in the digital economy.
- Positive environmental impact: generate a net positive impact on the health of our planet.

Governance

Board of Directors

In 2020 marked the first full year in which Céntrico Digital maintained an active board of directors, following the formation of the board as part of the B-Corps



certification in 2019. **All board members and managers were present for three meetings** during the year and **all employees were invited to attend and observe** all meetings and the majority attended.

Members

The members of the board of directors include:

- Matthew Carpenter-Arevalo, CEO and majority shareholder
- Mélanie Fournier, independent director
- Greg Hemmings, independent director
- Daniel Portilla, shareholder & contractor

Responsibilities

- Provide accountability (review, feedback) for key performance indicators (KPIs) on the company's social, environmental, and financial performance
- Guide corporate strategy, setting strategic goals, and creating major plans of action
- Approve annual budgets, including executive compensation, overseeing major capital expenditures, and general risk management

Intended changes to the Board of Directors in 2021:

- Publish board members on the new CD website
- Include community expertise, representing our client base.
- Include employee representation

Ownership

These stakeholders own 5% or more of the outstanding shares of Centrico Digital, Inc.

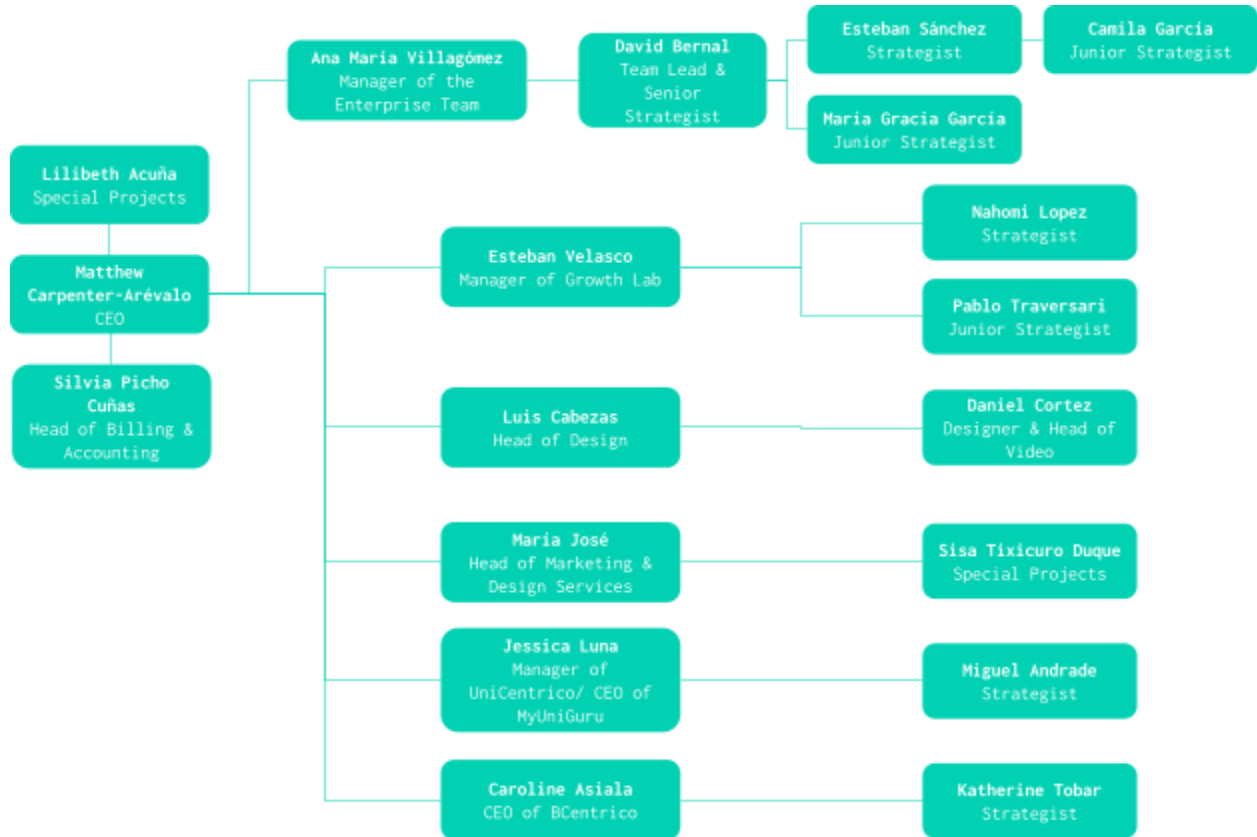
- Matthew Carpenter Arévalo
- Jorge Mejía Ribadeneira
- Diego Camacho
- Jacobo Moreno
- Luis Cabeza
- Daniel Portilla

Non-executive employees own 17% of Centrico Digital, Inc.



Company reporting and supervising structure

At Centrico Digital, Inc., we pride ourselves on a horizontal company structure and culture. While the executive and management team make final decisions regarding company policies and staffing, **all team members are invited, and while not obligated, generally do participate in weekly management meetings to voice their opinions and contribute updates on strategic projects.** Private management meetings are held only to discuss confidential matters such as the performance of individual team members.



Internal Labor Rules

Centrico Digital, Inc.'s Code of Conduct (Reglamento Interno) includes the following:

- Whistleblower policy
- Non-discrimination statement
- Code of Ethics (New in 2020)
- An anti-harassment policy with reporting mechanisms, processes, and disciplinary procedures
- A statement on work hours
- Policies on pay and performance issues
- Policies on benefits, training, and leave
- Grievance resolution process



- Disciplinary procedures and possible sanctions

Our non-discrimination policy on hiring and the workplace includes gender, race, color, disability, political opinion, sexual orientation, age, religion, and HIV status.

Governance Metrics

Centrico Digital, Inc. is a Benefit Corporation, incorporated in the state of New York. The company owns both Centrico Digital SA (Ecuador) and Centrico Digital Canada.

	2019	2020
Revenue	\$1,140,732.14	\$841,303
Net Income	-\$23,018	\$137,862
Payments to governments	\$123,174	\$93,936



Workers

Employee metrics, financial security, & benefits

	2019	2020
Full-time workers EOY	18	16 ↓
Part-time workers EOY	2	1 ↓
% full-time employees granted stock options EOY	11.28%	69% ↑
% full-time & part-time employees, excluding founders and executives, received a monetary bonus	42.11%	65% ↑
Lowest hourly wage compared to minimum wage	+50% over	+50% over
% full-time employees are covered by a supplemental healthcare plan paid 50% by CD	21.05%	41% ↑

All full-time employees enjoy the following benefits:

- Profit-sharing of the Ecuadorian corporation
- Shareholder options (after 1 year of employment)
- No-interest loans on a needs basis
- Optional supplemental health care plan paid 50% by Centrico Digital

All employees are employed by our Ecuadorian corporation, and thus, by law, all full-time employees are eligible for 3 months of paid parental leave, regardless of gender, for both primary and secondary caregivers. Primary caregivers are eligible for 6 months of part-time work (6 hours daily) at full salary after the first 3 months of leave.

Career Development

New team member (including interns) onboarding includes:

- 3 months+ of training for newly hired employees
- 2-week onboarding process for meeting all team members and clients
- 6-month trial period to master all core job responsibilities with monthly performance reviews

Experienced employee career development opportunities include:

- Ongoing training in core job responsibilities, as well as paid certification exams



- Annual performance reviews, including peer and subordinate input and clearly identified and achievable goals

We have converted interns to full-time permanent employees in the past two years. Intern tenures are restricted to a maximum of one year, unless the intern is enrolled in university.

Engagement & Satisfaction

Employee satisfaction was measured twice in 2020 and at the beginning of 2021. The following table compares data gathered at the end of 2019 and the beginning of 2021.

	2019	2020 (beginning '21)
% employees who rate their satisfaction as 4 or 5 out of 5	87%	100%
% employees who rate their satisfaction 5/5	57%	40%
Departed employees	8	3
% full-time and part-time salaried workers who left the company	44%	18%
% employees who report their supervisors <i>always</i> resolve conflicts well	64%	60%
% employees who report that their coworkers <i>always</i> help each other in their work.	100%	80%
% employees who feel the tasks they perform are <i>always</i> important.	71%	73%
% employees who report their supervisors <i>always</i> give them support	71%	93%
% employees who say their work <i>always</i> allows them to learn new things	79%	87%
% employees who say their work produces emotional distress <i>always</i> or <i>most of the time</i>	15%	7%
% employees who say they can complete their work on time <i>always</i> or <i>most of the time</i> .	64%	80%



The following themes emerged from employees responding to what they like about the company:

- Autonomy and the trust the company has in its employees
- Respect for personal space
- Opportunities to make mistakes and learn without being judged
- Career growth and professional development
- Stability and support from the company
- The company culture more generally
- Flexibility in work hours
- Inclusive environment

Areas for improvement include:








- Clearer career development paths
- More 1:1 meetings
- More feedback
- Better compensation
- Reduce workload
- Management training

The following themes emerged from employees responding to what the company can do to improve satisfaction:



- More activities in person to get to better know the team members
- Hire more people to balance the workload
- Implement “happiness” metrics by client
- Delegate billing to another team
- Better computers and other office equipment
- Improve compensation
- Company-wide fitness program



Community

	2019	2020
% workers who identify as women or non-binary	44%	66.7% 
% management who identify as women or non-binary	44%	57% 
% Board members who identify as women or non-binary	25%	25%
% of workers who identify as being from a racial or ethnic minority	0%	13.4% 
% management team/board members who identify as being from a racial or ethnic minority	0%	0%
Multiple of the highest compensated individual paid as compared to the lowest-paid full-time worker	5.83	10 
% of workers under the age of 24	0%	13% 
% of purchases from companies majority-owned by women or individuals from underrepresented groups	7%	7%
Full-time and part-time jobs that have been added to the payroll	2	5 
% of full-time and part-time jobs newly created	11%	12% 
% of the company owned by individuals who qualify as non-accredited investors	67%	67%



% expenses spent with independent suppliers local to the company's headquarters	26%	10.84% 
% of CD's significant suppliers who have internationally recognized product certifications	3%	5.19% 



Environment

	2019	2020*
In-office total energy used (KWH)	2,059.62	889.38
Total Greenhouse Gas Emissions (metric tonnes of CO2 equivalent)	28.57	11.76
Total water use (liters)	144,970	43,491

Due to the COVID-19 pandemic, Centrico Digital pivoted successfully to a remote working environment, which significantly reduced the use of our company's offices during 2020. Based on that reduction, we estimate a reduction in use of natural resources and greenhouse gas emissions by 30%. Based on our success with this model, Centrico Digital has instituted a flexible work-from-home policy: teams are welcome to decide amongst themselves when they would like to be in the office and when they would like to work from home. Individual managers are encouraged to clarify expectations of remote and in-person team work.

We expect this model to continue to evolve as the world emerges from a global pandemic 'lock down' in 2021 and will refine our environmental reporting accordingly. **We anticipate developing a reporting structure to reflect the true environment footprint of this hybrid model by combining data of resource use and emissions from both the office settings and employees' homes.**



Clients

In 2020, we made good on our commitment to grow our business with purpose-driven organizations and companies. There is now a team dedicated solely to clients with a social or environmental purpose (B Centrico), including NGOs, social enterprises, and B Corps. In 2021, we plan to expand offerings for purpose-driven organizations and companies and this dedicated team, fortifying it for long-term growth.

	2018	2019	2020
Total clients at Centrico Digital	24	57	85 (↑ 49% YoY)
Purpose-driven clients	2	8	13 (↑ 63% YoY)
Revenue from purpose-driven companies and organizations	\$16,269	\$119,551	\$193,154 (↑ 62% YoY)
% of company revenue from purpose-driven companies and organizations	1.5%	10.2%	23.0% ↑

Thank you!

Questions? Contact caroline@centricodigital.com