Diversity, Inclusion and Belonging



2019 Annual Report

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Introduction

Blend's mission is to bring simplicity and transparency to consumer banking.

We form partnerships with banks and lenders to ensure consumers have access to a less stressful, more accessible lending experience. We envision a future where Blend powers a healthier financial future for millions.

We are a purpose-driven and principles-based company, and we strive to make Blend a place to be from -- where everyone develops their skills, clearly sees their contributions to the organization, and ultimately values their experience. Our focus on diversity, inclusion, and belonging is both a business and moral imperative. This is our first annual report that we are sharing with all of you in hopes of showing our progress and encouraging accountability throughout both the technology and financial services industries. We're proud of the work to date, and we recognize that we still have many areas of opportunity and continued improvement.

This year has taught us quite a bit about how we demonstrate our commitment to diversity, inclusion, and belonging.

Our focus on diversity, inclusion, and belonging is both a business and moral imperative.

blend

Here are a few of the learnings we will leverage to improve our strategy in 2020:

Leadership and team accountability

Hiring someone to lead these efforts was a huge step for a company of our size. Now that we have sustained momentum, we want to focus on building balanced teams and having the leadership of these departments more active and accountable.

Sustained engagement

We can't underscore enough the importance of informal and formal opportunities for our employees to engage across difference and to learn to see the world through the lens of someone else, even for a moment. We hope to provide more opportunities for these critical interactions as we grow across all of our offices.

Focus on the product

We've leveraged the ingenuity of a diverse team of people to create a product with far-reaching impacts to underbanked and underserved populations. Now, we have an opportunity to focus on this impact even more and to amplify this impact across multiple new markets. We invite you to take a look at our progress over the last year, and to join us in our endeavors.

Nima Ghamsari Co-founder & CEO

Ulysses Smith Diversity, Inclusion & Belonging Leader

How to read this report

The data presented in this report is based on a voluntary self-identification survey that began in March 2019.

The survey asks full-time Blend employees to identify themselves in various categories including race and ethnicity, gender identity, sexual orientation, disability and veteran status, socioeconomic and family status, and educational attainment. This data was then analyzed to provide a benchmark based on Blend's workforce as of December 2018. The survey is distributed on a recurring basis to all new employees and analyzed monthly to provide Blend employees with an intersectional look at our workforce in real time.

Consistent with federal guidance, the definition of underrepresented racial and ethnic minorities (URM) at Blend is defined as African American or Black, Hispanic or Latinx, Native American or Alaska Native, and Native Hawaiian or Other Pacific Islander. For this year's report, those who identify as Two or More Races are not included in the URM count. Beginning in 2020, those who identify as Two or More Races when one or more of those races are from the preceding racial and ethnic categories in this list will be included in the URM count.

Because we rely on voluntary self-identification data from our employees for the bulk of our data, you will notice that some of our workforce numbers differ from publicly reported EEO-1 data. All of the figures provided in this report are rounded to the nearest tenth and may not equal one-hundred percent.

Our strategy

Our goal is to continuously set the standard for equity and inclusion as both an organization and an employer.

When we introduced our new strategy and vision at the beginning of 2019, we articulated three core beliefs that serve as the basis of diversity, inclusion, and belonging at Blend.

Becoming the equitable employer of the future

Our goal is to continuously set the standard for equity and inclusion as both an organization and an employer, and to develop the inclusive leaders of tomorrow. We actively remove arbitrary barriers to workforce participation and fervently challenge bias in our processes. We establish and maintain aculture where every person feels like a valued and essential team member. We invest in people's developmentso that they are able to do their best work creatively and authentically.

Creating an open and accessible consumer lending ecosystem

Access to opportunity is key to economic mobility and transferable wealth, and Blend is one tool intended to provide more gateways to opportunity for more people. Our team is dedicated to building transparent products that allow lenders to more easily connect with and serve historically underserved borrowers, for example, those who can't visit a bank branch during regular business hours or those who don't have a desktop computer. We harness the ingenuity of our diverse teams to build better paths for consumers to access financial capital.



Demonstrating social impact and community investment

A sense of purpose, alignment of values, and company involvement in social causes influence and drive our company culture. We take down the walls of our offices to make meaningful connections and lasting relationships with local communities. We invest in the local communities where we are present and use our purchasing power to provide economic stability. We do not back down from stating our position on matters impacting the most vulnerable populations or threatening our commitment to equity and accessibility.

This year, we adopted a total of thirteen specific objectives and key results (OKRs) around our core pillars: Talent, Experience, Impact. Our progress toward these goals was measured and reported to Blendkind on a monthly basis, and quarterly business reviews (QBRs) were also provided in order to describe the full extent of our activities to date.

Talent

Talent

Investing in top talent from varying backgrounds at all levels of the organization

An organization makes no greater investment than in its people. Not only do we want to attract and hire the brightest minds, but we want to bring together people of different identities, backgrounds, and experiences to solve complex challenges and make consumer finance simpler, faster, and more secure. In addition to bolstering our recruiting efforts in underrepresented communities, we commit to removing structural barriers to the participation of historically marginalized groups across the tech industry.

Applicants

This year, we set overall targets to ensure that our applicant pool was representative of the available workforce. While we increased the absolute value of applicants for all populations, we did see proportions for some groups decrease slightly. This is due, in part, to the significant increase in applicants in FY19.

Our main trends include:

- → We saw an increase to 33.9% (+0.7 ppts) in women applicants for all roles across the organization.
- → Hispanic or Latinx applicants rose significantly to 6.5% (+0.8 ppts) from 5.7% in the previous year.
- Black or African-American applicants decreased slightly to 3.3% (-0.2 ppts).
- We nearly doubled our applicant count to 40,000 unique applicants this year.

Applicants



0.1%	American Indian or Alaska Native
58%	Asian
3.5%	Black or African American
5.7%	Hispanic or Latinx
0.2%	Native Hawaiian or Other Pacific Islander
2.2%	Two or More Races
32.5%	White



0.1%	American Indian or Alaska Native
58.3%	Asian
3.3%	Black or African American
6.5%	Hispanic or Latinx
0.2%	Native Hawaiian or Other Pacific Islander
	Two or More Races
31.7%	White

Hires

Our hiring data shows positive trends for hiring women and underrepresented minorities (URMs) at Blend. We saw significant increases in the proportions of these groups hired into roles across the organization.

Most notably:

- → The overall number of URMs hired in FY19 increased to 20.9% (+13.3 ppts) from 7.6% in the previous year.
- Women hired at Blend rose to 41.2% (+13.1 ppts) from 28.1% in FY18. Women also were hired at a higher rate in all roles across the organization (technical, non-technical, leadership) compared to men.
- Our hiring of Hispanic and Latinx employees more than doubled from the previous year to 14.7% (+9.2 ppts)

Workforce

The objectives and key results (OKRs) that were set in FY19 included goals around workforce composition, specifically 31% women and 11% URM. We met both of those goals and ended the year at 31.8% women (+1.6 ppts from FY18) and 11.9% URM (+4.9 ppts from FY18). However, we do see a significant difference in the types of roles for which these populations are hired across the organization.

Our major trends include:

- → URM population is concentrated in non-technical roles (16.8%) versus technical roles (4.8%).
- Women are more prevalently represented in non-technical roles (39.3%) versus technical roles (20.8%).
- → The representation of women in technical roles decreased to 20.8% from 23.1% (-2.3 ppts) in the previous year.
- → The URM population in technical roles increased to 4.8% from 7.9% (+2.9 ppts) in the previous year.

Hires



0.0%	American Indian or Alaska Native
32.9%	Asian
2.1%	Black or African American
5.5%	Hispanic or Latinx
0.0%	Native Hawaiian or Other Pacific Islander
21.9%	Two or More Races
35.6%	White



1.1%	American Indian or Alaska Native
26.6%	Asian
4.5%	Black or African American
14.7%	Hispanic or Latinx
0.6%	Native Hawaiian or Other Pacific Islander
2.3%	Two or More Races
49.7%	White

Workforce: Overall

American Indian or Alaska Native

0.5% Women 0.0% Men 0.0% Non Binary

Asian

10.4% Women 19.4% Men

0.0% Non Binary

Black or African-American

1.2% Women

1.7% Men

0.0% Non Binary

Hispanic or Latinx

2.9% Women

5.6% Men

0.0% Non Binary

Native Hawaiian or Pacific Islander

0.0%	Women		
0.0%	Men		
0.0%	Non Binary		

Two or More Races

- 1.2% Women
- 2.4% Men
- 0.2% Non Binary

White

15.5%	Women
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38.8% Men

0.0% Non Binary

Workforce: Technical

	Women	Men	Trans/Non-Binary
American Indian or Alaska Native	0.6%	0.0%	0.0%
Asian	13.1%	33.9%	0.0%
Black or African-American	0.6%	1.2%	0.0%
Hispanic or Latinx	0.6%	1.8%	0.0%
Native Hawaiian or Other Pacific Islander	0.0%	0.0%	0.0%
Two or More Races	0.6%	4.2%	0.6%
White	5.4%	37.5%	0.0%

Workforce: Non-Technical

	Women	Men	Trans/Non-Binary
American Indian or Alaska Native	0.4%	0.0%	0.0%
Asian	8.6%	9.4%	0.0%
Black or African-American	1.6%	2.0%	0.0%
Hispanic or Latinx	4.5%	8.2%	0.0%
Native Hawaiian or Other Pacific Islander	0.0%	0.0%	0.0%
Two or More Races	1.6%	1.2%	0.0%
White	22.5%	39.8%	0.0%

Workforce: Leadership

American Indian or Alaska Native	Women 0.0%	Men 0.0%	Trans/Non-Binary
Asian	8.1%	15.3%	0.0%
Black or African-American	0.9%	1.8%	0.0%
Hispanic or Latinx	0.9%	4.5%	0.0%
Native Hawaiian or Other Pacific Islander	0.0%	0.0%	0.0%
Two or More Races	1.8%	2.7%	0.0%
White	15.8%	47.7%	0.0%

Attrition

Attrition refers to the departure of an employee through termination, resignation, sickness, or any other reason. The rates presented here represent both voluntary and involuntary departures from the organization, regardless of reason.

Our observations around attrition include:

- The overall attrition rate for women decreased to 13.0% from 20% (-7.0 ppts) in FY18, indicating that women are less likely to leave the organization than men.
- White men (35.0%) had the highest share of the total attrition, closely followed by Asian women (17.9%) and white women (17.1%).

- → Women accounted for 41.0% of the total attrition, while men accounted for 58.0%.
- The overall attrition rate for URM women (1.1% was lower than that of white (5.4%) and Asian women (5.7%), still possibly suggesting a difference in experience at the organization.

Attrition by Race + Gender

	Women	Men
American Indian or Alaska Native	0.0%	0.3%
Asian	5.7%	4.1%
Black or African-American	0.0%	0.5%
Hispanic or Latinx	1.1%	1.1%
Native Hawaiian or Other Pacific Islander	0.0%	0.3%
Two or More Races	0.8%	1.1%
White	5.4%	11.1%

Share Total of Attrition by Race + Gender

	Women	Men
American Indian or Alaska Native	0.0%	0.9%
Asian	17.9%	12.8%
Black or African-American	0.0%	1.7%
Hispanic or Latinx	3.4%	3.4%
Native Hawaiian or Other Pacific Islander	0.0%	0.9%
Two or More Races	2.6%	3.4%
White	17.1%	35%

Partnerships & Conferences

This year, we proudly partnered with three organizations focused on equity and access to opportunities in the tech industry in order to introduce Blend as a trusted employer to underrepresented communities.

- BreakLine is an education and employment organization that builds an affordable path to compelling careers for veterans returning to the workforce.
- Techtonica partners with tech companies to provide free tech training, living stipends, and job placement to women and non-binary adults in need in the Bay Area.
- Path Forward is a return-to-work program that creates mid-career returnship opportunities for people with career gaps to re-enter the workforce after taking time off to care for a child or a family member.

We also had the opportunity to participate in a few notable conferences this year. Each provided Blend the opportunity to engage in conversations about the impact of our product on underbanked and underrepresented communities, to showcase the culture we've fostered at Blend, and to further build robust candidate pools for prospective talent. We headlined Tech Inclusion SF, which featured a fireside chat with CEO Nima Ghamsari and DIB Leader Ulysses Smith, as well as a panel focused on accessibility in product design featuring Head of Design, Tones Porter. <u>Read More Here</u>



Our presence was felt at Afrotech this year with our recruiting activation and our sold out event, the In the Black Kickback. <u>Read More Here</u>

We also participated in Lesbians Who Tech + Allies NYC, Women in Product, and the Icon Summit NYC, which featured Head of Engineering Kallol Das.

Throughout the year, our leaders and employees across the organization have engaged in a number of events to further amplify our DIB strategy and message. Marc Greenberg (head of finance) spoke at BreakLine's annual summit, which also featured Gen. Jim Mattis. David Daniels IV (recruiter) was featured on a panel in NYC focused on DEI guidance for startups hosted by Stacklist. Ashley McIntyre (sales engineering manager) was featured on the Women's Leadership Roundtable session at FreddieMacCONNECT 2019. Ulysses Smith (DIB leader) was a featured speaker at the Path Forward Career Restart Seminar, a panelist at Techstars and Silicon Valley Bank's event focused on scaling DEI programs, and a keynote speaker at CompTIA's ChannelCon 2019.

Experience

Cultivating a brave space where all individuals can participate fully & learn from one another to recognize & challenge bias.

Experience

Bringing people together is only one step toward achieving a culture of belonging.

Our goal is to create a workplace where everyone feels like they are essential to our team, are valued for their individual differences, and can fully participate in an environment free of bias without limits to their potential. We want all Blendkind to embody confident humility and be equipped with the interpersonal skills they need to meaningfully engage across difference and to lead diverse teams.

Brave Spaces & Learning Opportunities

Beginning in March, we incorporated a Diversity, Inclusion & Belonging module into Blend University, our comprehensive three-day onboarding experience. In this session, employees are given the opportunity to explore their unique social identities and start to explore the various ways they impact our interactions with one another and influence the development of our product. They are also introduced to the DIB strategy and the various programs and resources that are available to them, including employee resource groups.

Additionally, we facilitated twenty separate unconscious bias workshops focused on selfawareness and recognition of bias in the workplace and in our everyday interactions. To date, 71% of managers have attended the sessions and 73% of our total workforce has attended. We used pre and post-surveys to evaluate knowledge gains, which showed an increase from under 45% to 80% in understanding unconscious bias and how to mitigate it. This session, coupled with a second workshop focused on inclusive leadership behaviors to mitigate bias, will be offered quarterly to employees going forward. Ongoing learning opportunities have resulted in the development of various resources for Blendkind to leverage in order to foster a culture of belonging. Other learning opportunities for our employees include lunch and learns featuring topics focused on identity such as Trans 101 and LGBTQ Inclusion. Of particular note are sessions focused on intersectionality like Exploring Queer Immigration and Asylum, and a joint session between our Pride@ and Black@ ERGs entitled, "From Juneteeth to Stonewall: Our Shared History of Activism."

Ongoing learning opportunities have resulted in the development of various resources for Blendkind to leverage in order to foster a culture of belonging. We launched guides and internal web pages focused on accessible event planning and gender affirmation and transitioning in the workplace.

Employee Resource Groups

Many of our efforts would not be successful without the involvement and commitment of our six employee resource groups. These employee-led groups play a large part in ensuring that all communities have a voice and influence on our culture, policies, and the development of our product. This year, almost 50% of our workforce was actively engaged in an ERG.



Black at Blend: We educate and share experiences from the black narrative while advocating for, retaining, and attracting underrepresented people of color.



Parents at Blend: We build community, raise awareness, and impact change for caregivers.



Blendísimo: We exist to celebrate and advocate for the Hispanic/Latinx community at Blend and beyond.



Pride at Blend: We celebrate the LGBTQQIA community within Blend and beyond.



Blend Salutes: We promote a nationwide network of affiliated councils to ease the veteran transition from military to civilian jobs.



Women at Blend: We connect and empower women and their allies to advocate, educate, and drive positive change.

Impact

Impact

Demonstrating personal and professional commitment to the organization and its values through community engagement.

We recognize that disparities between groups exist in tech and across the world, and that Blend has a role in eliminating barriers to equity. We also recognize that our presence in any community has a direct impact on the economic and social circumstances of the people living there. Our goal is for Blendkind not only to engage in the everyday activities provided at our offices, but also to demonstrate our cultural values by making a positive impact on the communities in which Blend is present and beyond. We know that actions speak volumes, and we are committed to earning the trust of communities around the world by demonstrating behavior consistent with that of a responsible global citizen.

Developing our framework

Corporate citizenship refers to a company holding itself accountable for the social, financial and environmental impact it has on the community—and society in general—and this broad term encompasses a wide variety of actions from business operations to corporate philanthropy. This year, we focused on developing a framework that articulates the pillars of corporate citizenship. This new framework will launch at the beginning 2020 and serve as our guide for how we approach this as an organization.

Product - Leveraging our platform to promote accessibility and economic mobility

Efforts in this area focus on quantifying the impact of our product on underserved and underbanked communities, with a particular focus on the creation of new economic opportunities.

Operations - Operating ethically and sustainably

Initiatives in this area are largely focused on our internal governance practices including but not limited to environmental impact, privacy and security, and ethics.

Communities - Investing in current and future generations

Efforts in this area focus on Blend's social impact, particularly on communities where we are present. This includes but is not limited to policy and advocacy, education, volunteerism, and philanthropy.

Volunteerism & Philanthropy

One of the many Blubs (Blend clubs) in which employees can participate is blub-volunteer. This employee-led interest group coordinates an ongoing series of volunteer opportunities for Blendkind. We actively encourage our employees to be active members of the community by providing 40 hours of volunteer time off (VTO). Some of the major activities this year included volunteering during dinner service for GLIDE, a social justice movement, social service provider and spiritual community dedicated to strengthening communities and transforming lives in San Francisco's Tenderloin neighborhood; and a company-wide food drive benefiting SF-Marin Food Bank during the holiday season, through which employees donated over 300 pounds of food items and goods.

In addition to volunteerism, Blend employees participated in fundraising efforts throughout the month of June to raise \$2,000 for Out in Tech, a nonprofit focused on creating opportunities for LGBTQ+ people to advance their careers, grow their networks, and leverage tech for social change. Throughout the year, we provided in-kind sponsorship to Code Nation and Colorintech to host their respective immersion programs for underrepresented youth and college students.

Toward 2020

Experience

Our goal is to build a DIB practice that differs from industry norms; a function not relegated to a small program in human resources focused on recruiting.

Rather, we are building a center of excellence with involvement in key business functions that shows just how innovative Blend is in our methods, both internally and externally.

Capitalizing on our learnings from this year, there are some key areas where we will expand our focus in 2020:

- → Increased focus on department level goals, and additional programs and partnerships to support the development of diverse candidate pools.
- Increased involvement with counterparts at some of our partner companies to amplify our narrative around access and equity.

- Development of additional opportunities for interpersonal skill development, allyship, and engaging across difference.
- Deeper relationships with current customers to better quantify the value proposition of the product.

Increased focus on the regulatory landscape

 and cultivating relationships to advance our business causes.

development financial institutions.

Launch of our corporate citizenship component of
 DIB, focused on developing a program to support minority depository institutions and community

This has been one of the most fulfilling years of my career. I've been able to work with a number of partners and forge new relationships in order to drive us toward making Blend a place where everyone feels they belong. I hope this report provides you with a glimpse into the hard work and commitment demonstrated by the leadership team at Blend to not only developing a DIB strategy, but also holding ourselves accountable to the outlined goals. There is much work to be done, but it is with confident humility — knowing that achieving our purpose will be extremely difficult, but having the courage to find a way anyway — that we readily embrace the future.

With gratitude,

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Ulysses J. Smith Diversity, Inclusion & Belonging Leader

Appendix

Overall



Race



LGBTQQIA+

Lesbian, Gay, Bi, Trans, Queer, Questioning, Intersex, Asexual



Age



(Dis)Ability

5.6% Yes

75.7% №

18.7% Prefer not to answer

Parents / Caregivers

21.6%



Technical



Race



LGBTQQIA+

Lesbian, Gay, Bi, Trans, Queer, Questioning, Intersex, Asexual



Age



(Dis)Ability

9.5% Yes

77.4% No

13.1% Prefer not to answer

Parents / Caregivers

14.9%



Non-Technical



Race

0.4%	American Indian or Alaska Native
18%	Asian
3.7%	Black or African American
12.7%	Hispanic or Latinx
0%	Native Hawaiian or Other Pacific Islander
2.9%	Two or More Races
62.3%	White

LGBTQQIA+

Lesbian, Gay, Bi, Trans, Queer, Questioning, Intersex, Asexual



Age



(Dis)Ability

2.9% Yes

74.6% No

22.5% Prefer not to answer

Parents / Caregivers

26.2%



Leadership



Race



LGBTQQIA+

Lesbian, Gay, Bi, Trans, Queer, Questioning, Intersex, Asexual



Age



(Dis)Ability

4.5% Yes

77.5% No

18% Prefer not to answer

Parents / Caregivers

32%



IC Levels by Race/Ethnicity

	S1	S2	IC1	IC2	IC3	IC4	IC5	IC6
American Indian or Alaska Native	0.0%	0.0%	0.0%	4.1%	0.0%	0.0%	0.0%	0.0%
Asian	0.0%	40%	30%	40.8%	36.4%	25.3%	18.4%	50%
Black or African- American	0.0%	0.0%	20%	2.0%	2.5%	5.1%	2.6%	0.0%
Hispanic or Latinx	0.0%	20%	20%	12.2%	10.7%	3%	7.9 %	25%
Native Hawaiian or Other Pacific Islander	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
White	0.0%	40%	20%	38.8%	47.9 %	61.6%	65.8%	25%
Two or More Races	0.0%	0.0%	10%	2%	2.5%	5.1%	5.3%	0.0%

IC Levels by Gender Identity

	S1	S2	IC1	IC2	IC3	IC4	IC5	IC6
Women	0.0%	40%	70%	44.9%	30.6%	33.3%	26.3%	0.0%
Men	0.0%	60%	30%	55.1%	69. 4%	65.7%	73.7%	100%
Trans/ Non-Binary	0.0%	0.0%	0.0%	0.0%	0.0%	1%	0.0%	0.0%

Manager Levels by Gender Identity

	M1	M2	M3	M4	M5	Exec	
Women	50%	10.5%	40%	11.1%	0.0%	15.4%	
Men	50%	89.5%	60%	88.9%	100%	84.6%	
Trans/ Non-Binary	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

Manager Levels by Race/Ethnicity

	M1	M2	M3	M4	M5	Exec
American Indian or Alaska Native	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asian	37.5%	21.1%	25%	27.8%	0.0%	7.7%
Black or African- American	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hispanic or Latinx	25%	5.3%	5.0%	5.6%	0.0%	0.0%
Native Hawaiian or Other Pacific Islander	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
White	25%	68.4%	65%	61.1%	100%	92.3%
Two or More Races	12.5%	5.3%	5%	5.6%	0.0%	0.0%

Additional Identities Overall



Asian by Ethnicity

52.1%	East Asian
25.6%	South Asian
8.3%	Southeast Asian
0.0%	Pacific Islander
14%	Prefer not to say

Socioeconomic Status

- 5.3%Lower Class or Poor11.9%Working Class21.4%Lower Middle Class39.3%Upper Middle Class2.9%Upper Class Elite
- $19.2\% \quad \text{Prefer not to say}$

Educational Attainment

0.5%	High school, no diploma
1.7%	High school diploma
0.2%	GED or alternative credential
0.7%	Some college credit, but less than 1 year
3.9%	1 or more years of college credit, no degree
1.2%	Associate's degree (for example: AA, AS)
58%	Bachelor's degree (for example: BA, BS)
18.9%	Master's degree (for example: MA, MS, MBA)
1.2%	Professional degree (for example: MD, DDS, JD)
0.5%	Doctorate degree (for example: PhD, EdD)
13.1%	Prefer not to say