

Diversity, Inclusion and Belonging



2020 Annual Report

Table of Contents

Introduction	03
Talent	05
Experience	21
Impact	26
Embracing Opportunity in 2021	29
Appendix	31

Introduction

Introduction

It's safe to say that 2020 was a year unlike any other. It brought many challenges for us as individuals, as colleagues, as communities, and as a society. When Blend asked everyone to work from home at the beginning of March, I could not have anticipated that we would not be back together for the rest of the year. We all made adjustments to a new set of coworkers and unique office environments as people set up their laptops in studio apartments, garages, next to a homeschool station for their children, or in their parent's attic. We gained a more intimate view into our colleagues' lives as we zoomed directly into each other's homes, and a deeper realization of the need for empathy and understanding.

We also confronted society's deeply rooted racial injustices as we struggled to comprehend the tragic losses of George Floyd, Breonna Taylor, Ahmaud Arbery, and so many others. And, we navigated the violent, divisive rhetoric that seemed to dominate news cycles and social media feeds and further highlighted inequities throughout the ecosystem. At Blend, we vowed to examine our own shortcomings and be part of the solution, launching the Equitable Ecosystem Initiative (EEI) in August, committed to reducing racial inequity in the consumer banking ecosystem by focusing on community partnerships, technology and systems investments, and policy changes and regulatory engagement. I'm very excited to continue to roll out programs to support the EEI and see how we work together to drive real change.

It's been a huge year of growth for so many - and I don't mean the 200+ people we've added to our team. For me, a year of navigating these challenges while connecting with employees, customers, and partners only through my laptop screen has made me double down on Blend's core beliefs: becoming the equitable employer of the future; creating an open and accessible consumer lending ecosystem; and demonstrating social impact and community investment. Part of building a company for the long term is creating a truly inclusive, equitable environment that encourages and enables everyone to succeed, and I'm pleased to share this year's Diversity, Inclusion, and Belonging report for a deeper look on Blend's efforts over the past year.



Nima Ghamsari

Co-founder and CEO

Talent

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

Last year, we focused on improving our processes. This year, we focused on creating opportunities.

Like many organizations, Blend comprehensively reviewed all of our existing practices around hiring. This led to the introduction of targeted sourcing efforts, more robust data collection, improved hiring manager enablement and accountability, and a number of process changes focused on mitigating bias.

But our primary focus was on identifying ways to create more opportunities for people to join our team at Blend. In partnership with our University Recruiting team and Onramp.io, we launched our new engineering apprenticeship program aimed at those who have developed their fundamental computer science skills but would typically not pass tech industry processes due to lack of hands-on technical experience.

We are excited to welcome a cohort of four apprentices in early 2021, and we're already looking to expand the program to other departments.

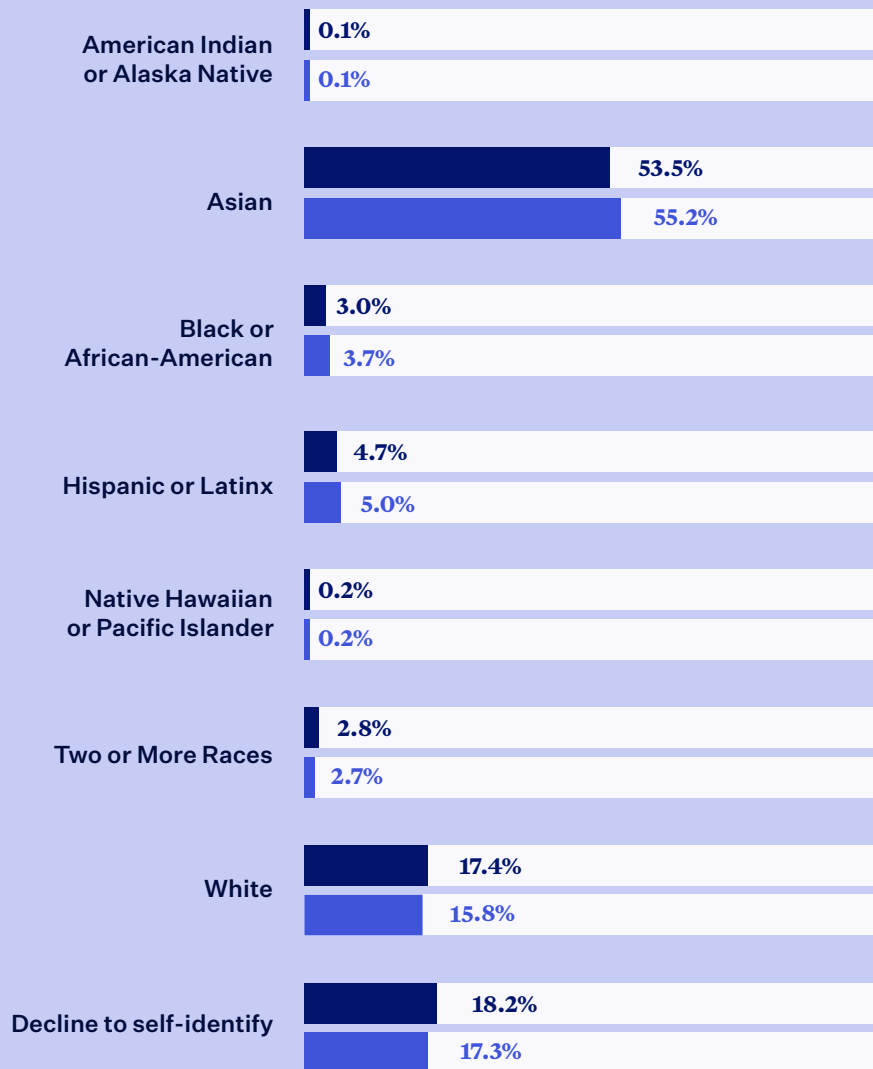
Additionally, we continued our efforts to build lasting relationships and credibility with marginalized communities. This led to many new and continuing partnerships:

- BreakLine Education
- Path Forward
- Change Catalyst and Tech Inclusion
- National Association of Women Sales Professionals
- Women Impact Tech
- Black is Tech
- Techqueria
- Afrotech
- Lesbians Who Tech

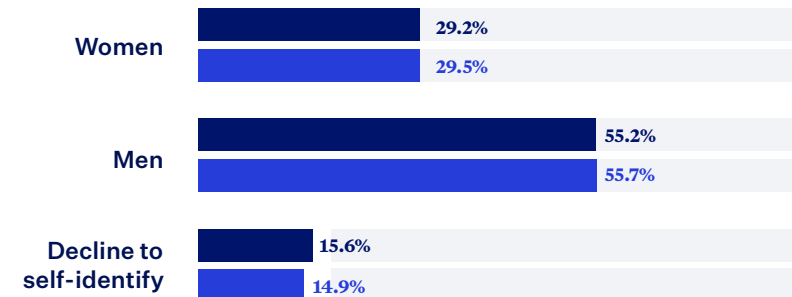
These are just a few steps in a long journey toward equity. In 2021, we aim to further refine our recruiting practices and deploy a consistent, competency-based structured interview process across the organization.

Applicants

Race/Ethnicity



Gender Identity



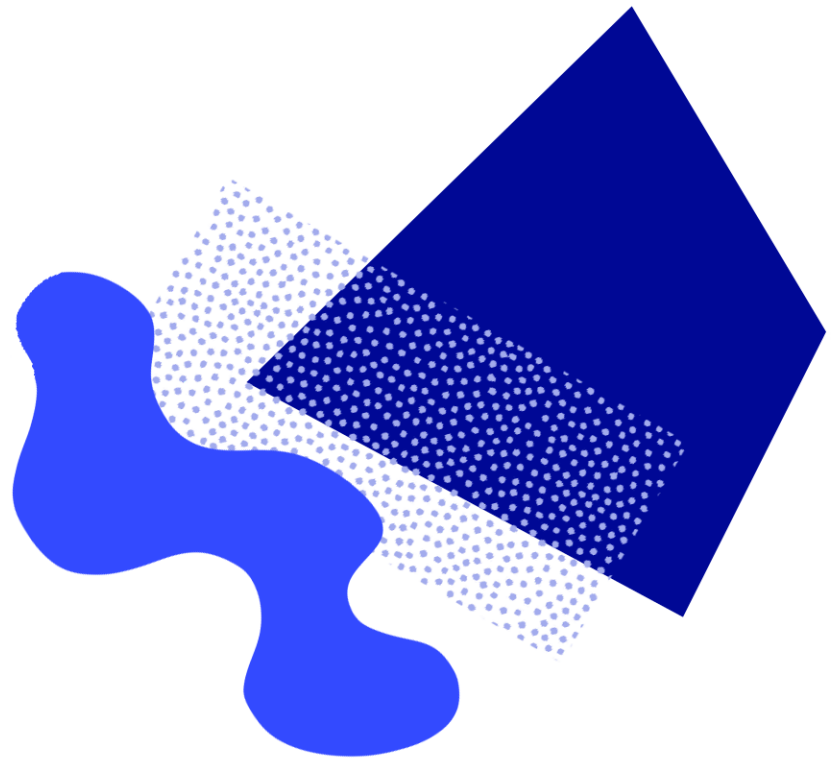
¹ All of the figures provided in this report are rounded to the nearest tenth and may not equal 100%.

² Underrepresented racial and ethnic minorities (URM) at Blend are defined as African American or Black, Hispanic or Latinx, Native American or Alaska Native, Native Hawaiian or Other Pacific Islander and Two or More Races when one or more of those races are from the preceding racial and ethnic categories.

Hiring trends

Blend welcomed nearly 300 new team members in 2020, with over 250 of them successfully onboarding after the company moved to an all-remote work environment due to the coronavirus pandemic. Though faced with a number of unique challenges, Blend exceeded our hiring goals and made significant progress toward federal demographic benchmarks.

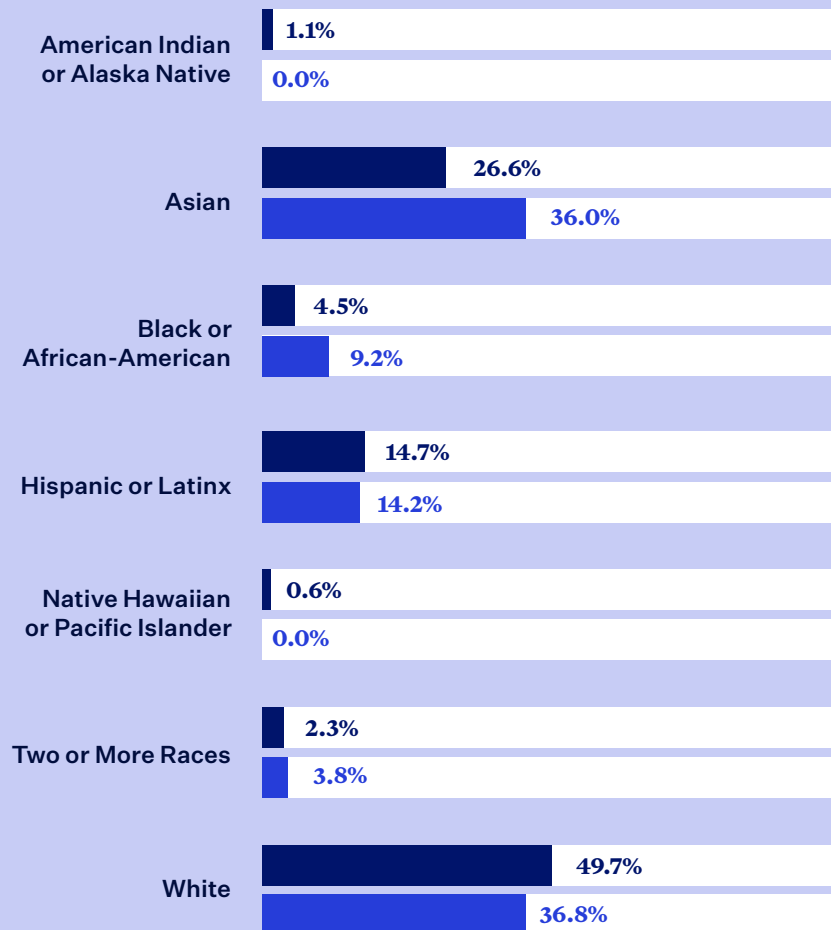
- Overall URMs hired in FY20 increased to **27.2% (+4.0 ppts)** from the previous year
- Women and non-binary hiring rose to **41.2% (+4.1 ppts)** from FY19
- Our hiring of Black employees more than doubled from the previous year to **9.2% (+4.7 ppts)**



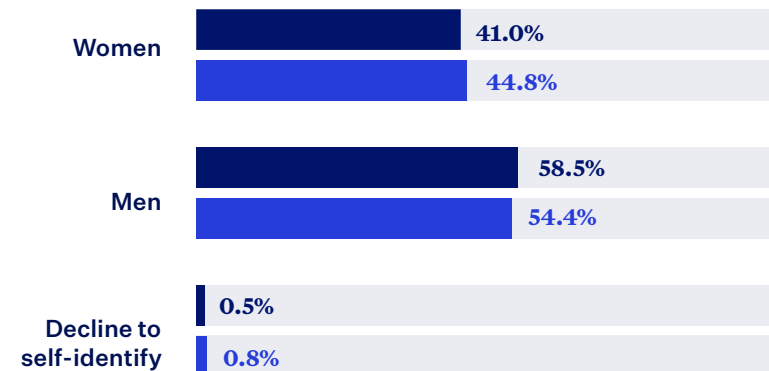
³“Diversity in High Tech.” U.S. Equal Employment Opportunity Commission

Hiring trends

Race/Ethnicity

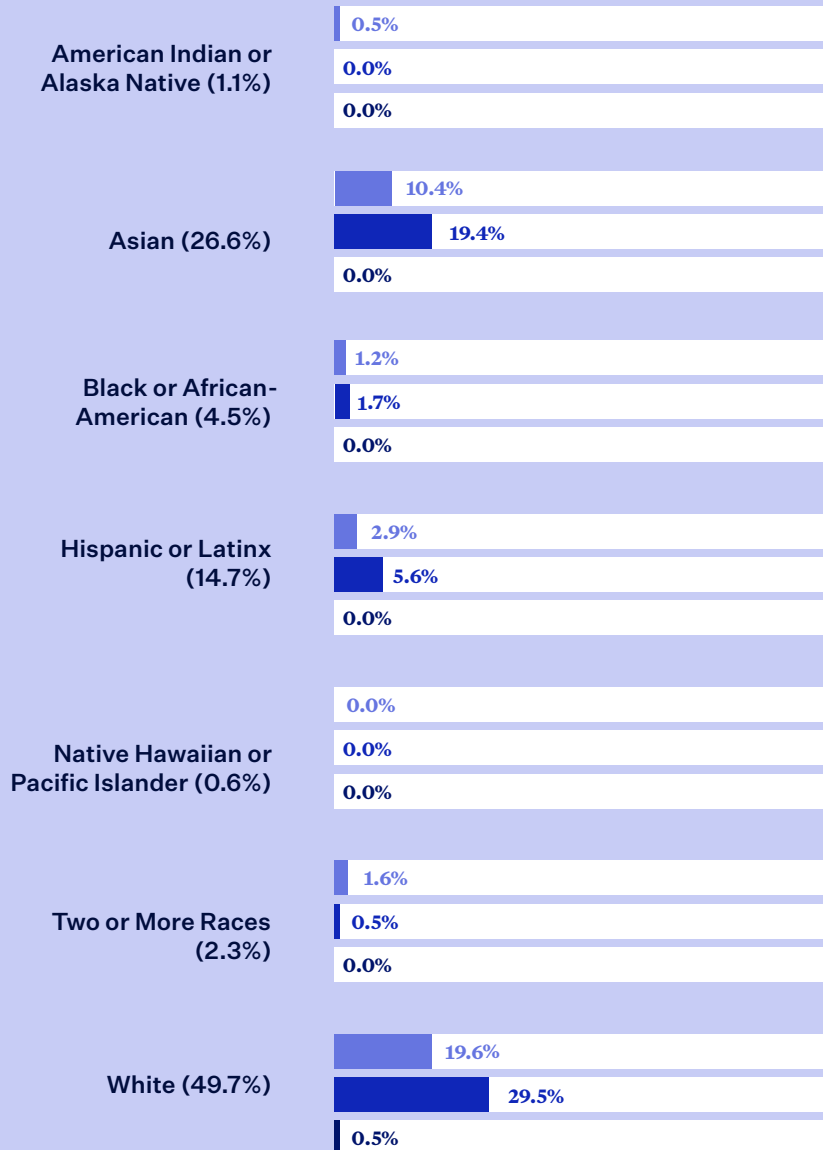


Gender Identity

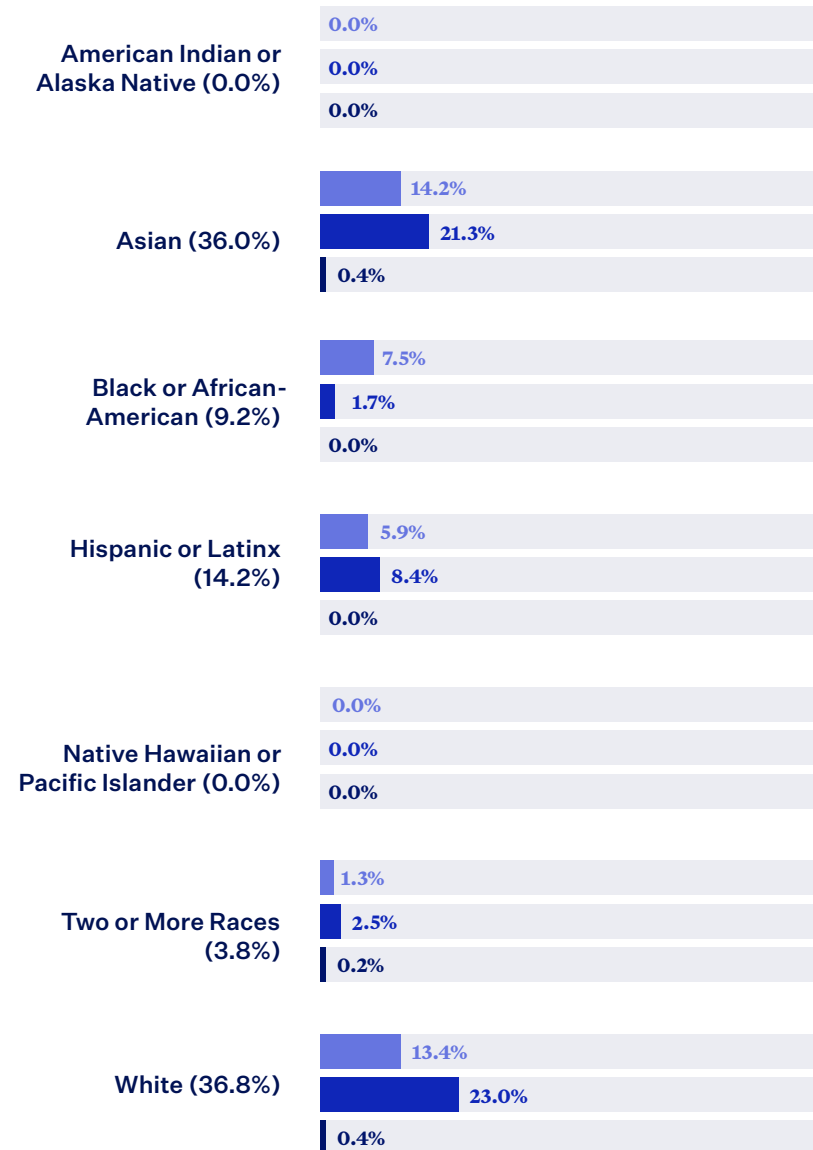


Hiring trends

FY19



FY20



Employee highlights

Our progress toward becoming the equitable employer of the future is measured best by the workforce we build and how we invest in them. We know the journey to both racial and gender parity is a long one, and we're proud of the progress we've made over the last year:

- Overall URM's hired in FY20 increased to **27.2% (+4.0 ppts)** from the previous year
 - The URM population increased to **17.4% (+5.5 ppts)** from the previous year
 - The representation of women and non-binary employees in technical roles increased to **23.4% from 20.8% (+2.6 ppts)** in the previous year
 - The URM population in technical roles increased to **6.0% from 4.8% (+1.2 ppts)** in the previous year
 - From an intersectional lens, Black women saw the largest proportional growth out of any population **(+2.6 ppts)**
- Still, the data reveals a few areas of opportunity for the organization. These particular points inform our approach and interventions going into 2021:

- The largest proportion of the URM population is concentrated in non-technical roles **(23.8%)** versus technical roles **(6.0%)**, increasing the gap to **17.8 ppts from 12 ppts** in FY19
- Women and non-binary employees are more prevalently represented in non-technical roles **(39.3%)** versus technical roles **(20.8%)**, increasing the gap to **21.5 ppts from 18.5 ppts** in FY19

Employee highlights

Overall

American Indian or Alaska Native (0.2%)

Asian (33.0%)

Black or African-American (5.2%)

Hispanic or Latinx (10.2%)

Native Hawaiian or Pacific Islander (0.0%)

Two or More Races (URM, 1.9%)

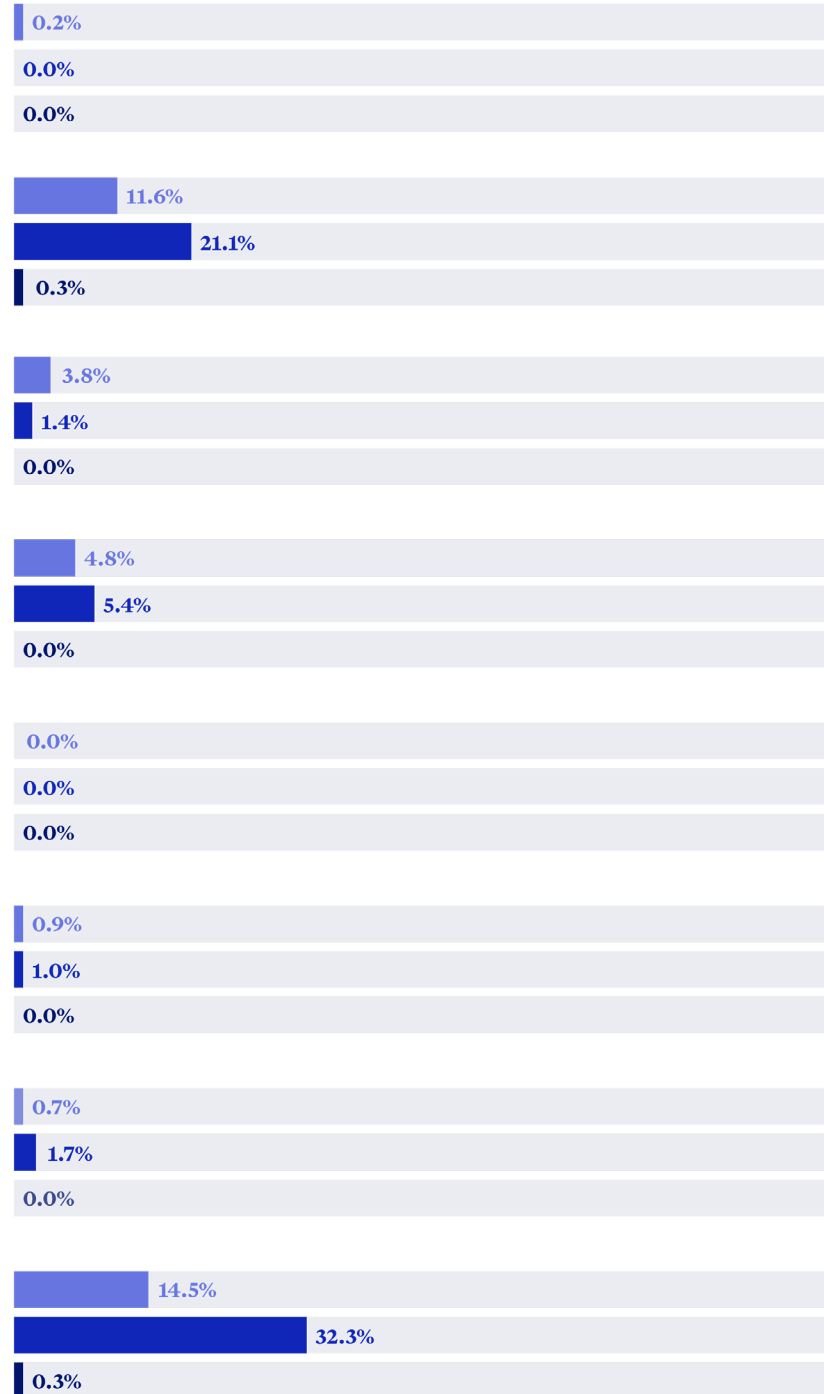
Two or More Races (Non-URM, 2.4%)

White (47.2%)

Women (36.4%)

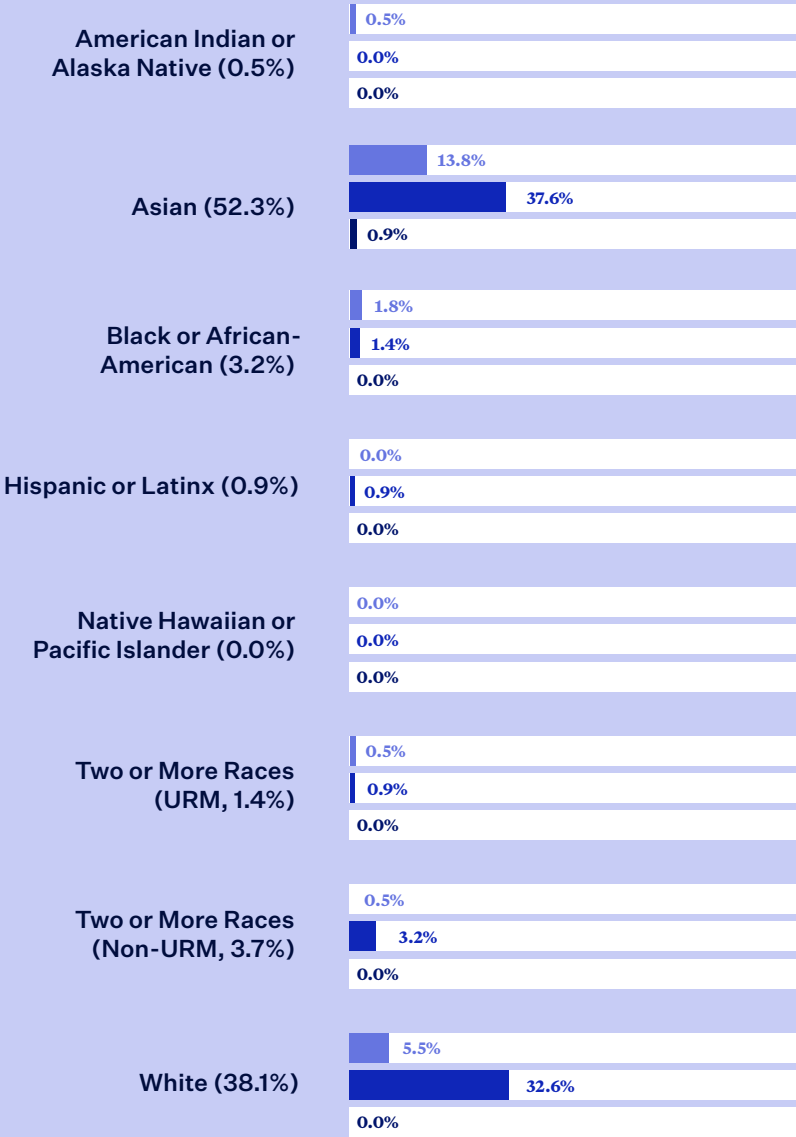
Men (62.9%)

Trans/Non-binary (0.7%)

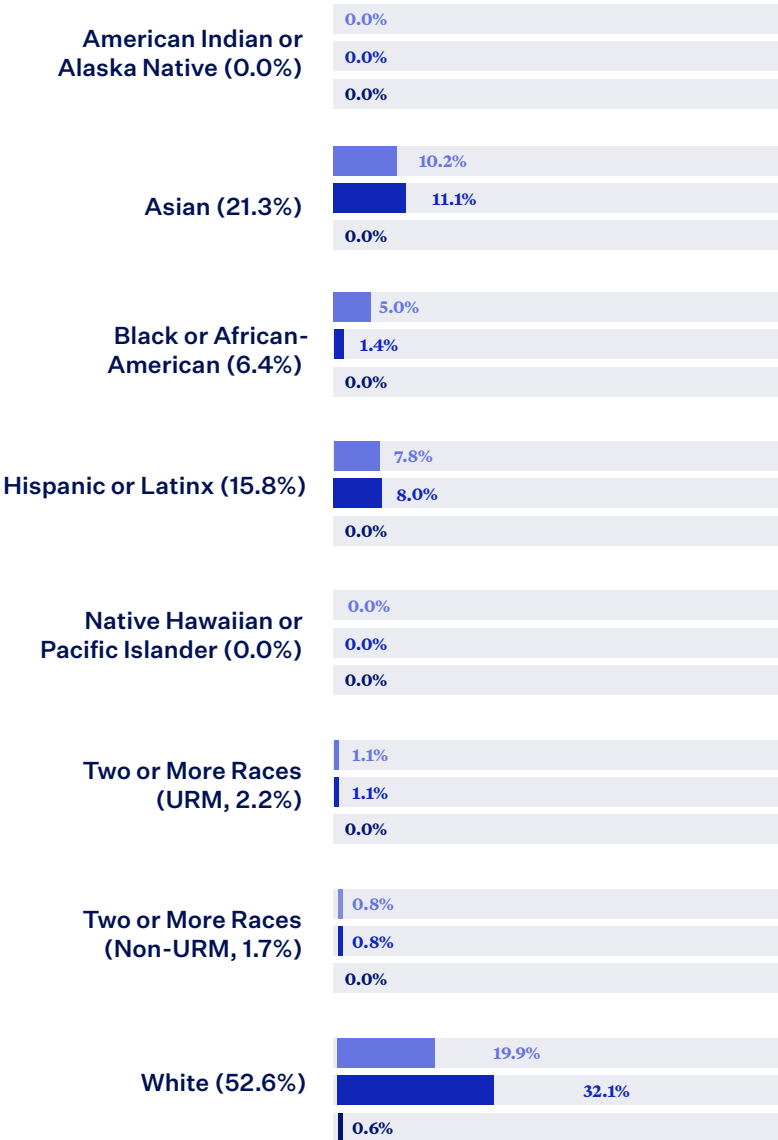


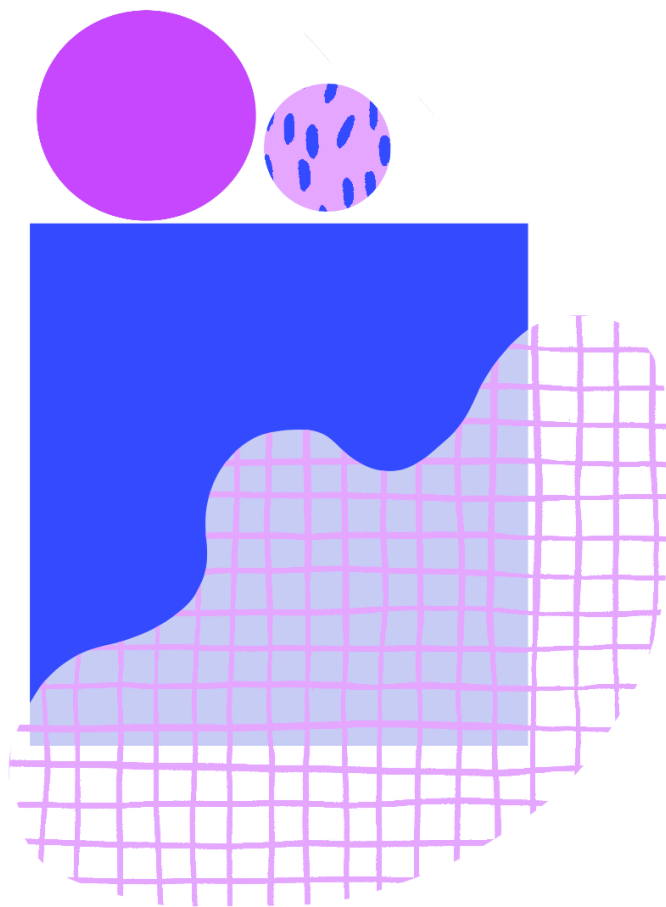
Employee highlights

Technical



Non-Technical





Cultivating leaders

Leadership at Blend takes many forms. Whether they are leading a department, a small team, or a functional area, leaders help determine our product direction and set the tone for how we work together at Blend. This is why it is critical that we have leaders in place who represent our diverse array of customers and employees. As we grow, it is equally important that we have an eye toward the next generation of leaders and start to invest in their personal and professional growth.

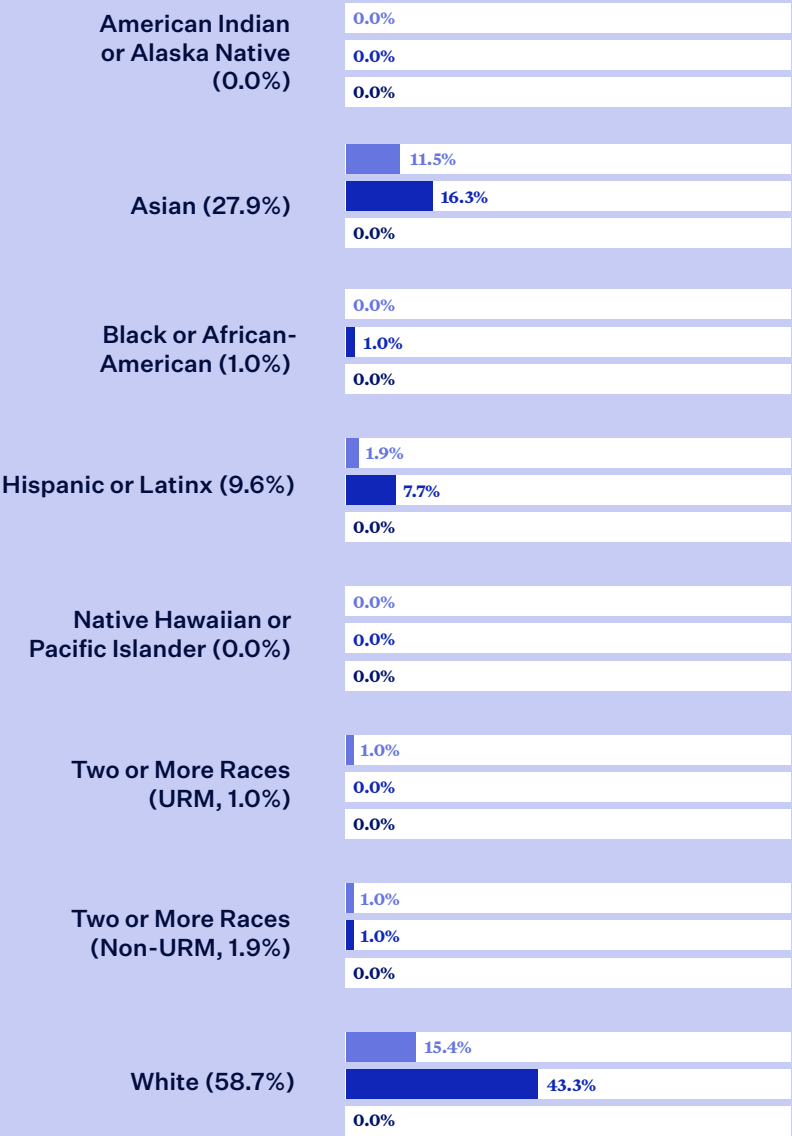
Our leadership data is presented in two sets. The first is a look at our people managers. These are the people who have direct managerial responsibilities. The second view is of a broader category labeled as leadership. This includes our people managers in addition to functional leads and high-level individual contributors who have a significant scope of responsibility.

We know we have many areas of improvement and have made commitments to improve in 2021. Here are the highlights:

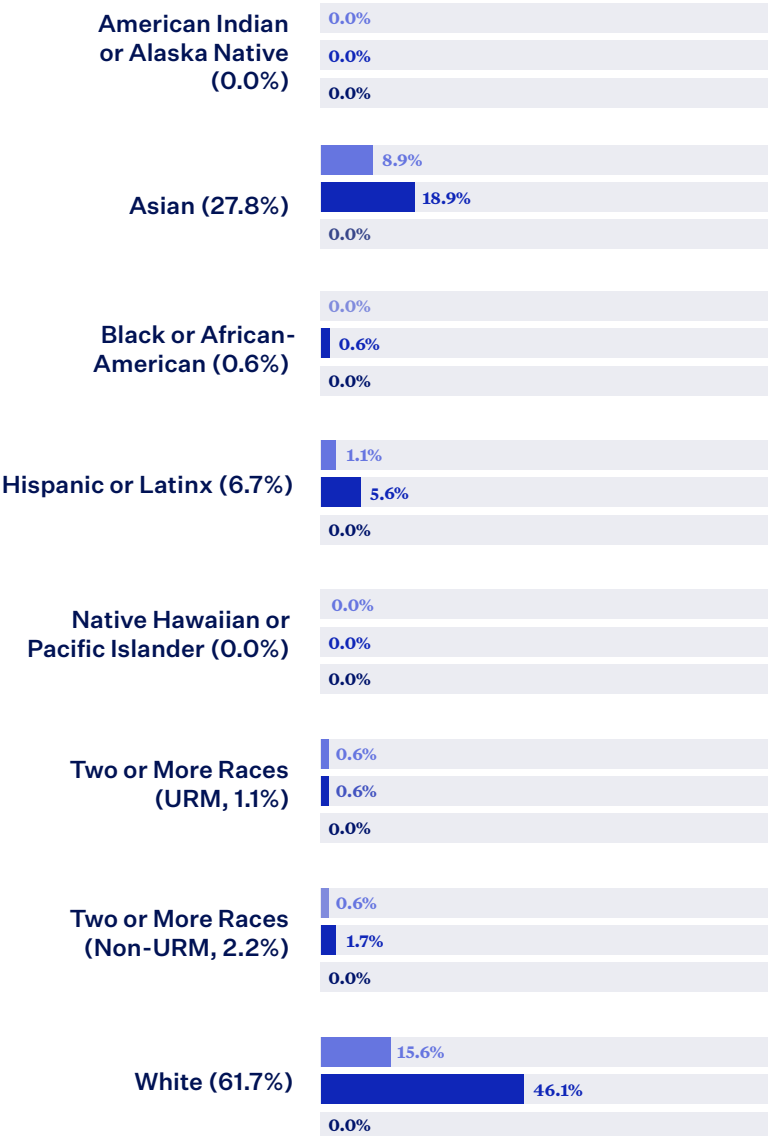
- URMs in leadership increased slightly to **8.3% (+0.2 ppts)**
- Black employees in leadership fell sharply to **0.6% (-2.1 ppt)** from the previous year
- Women in leadership fell to **26.7% (-0.8 ppts)**, while women in management stands at **30.8%**
- The Asian population at Blend has the most consistent proportionate representation across both categories, compared to Blend overall.

Cultivating leaders

People managers



Leadership

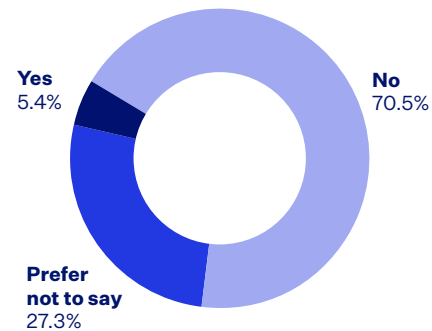


Multiplicity of identities

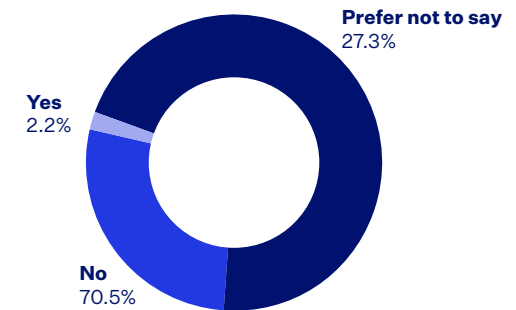
While race and gender are often top of mind for people when we think about diversity, we also know that we all have a multitude of identities and intersections that inform how we show up in the workplace and how we navigate the world. It's important for us to collect information about these identities to inform our decision-making around resourcing and support. This data also enables us to determine when targeted interventions are needed to correct and mitigate disparities in representation and experience. Here's a more intimate look at Blendkind:

High school, no diploma
High school diploma
GED or alternative credential
Some college credit, but less than 1 year
1 or more years of college credit, no degree
Associate's degree (e.g., AA, AS)
Bachelor's degree (e.g., BA, BS)
Master's degree (e.g., MA, MS, MEng, MEd, MSW, MBA)
Professional degree (e.g., MD, DDS, DVM, LLB, JD)
Doctorate degree (e.g., PhD, EdD)
Prefer not to say

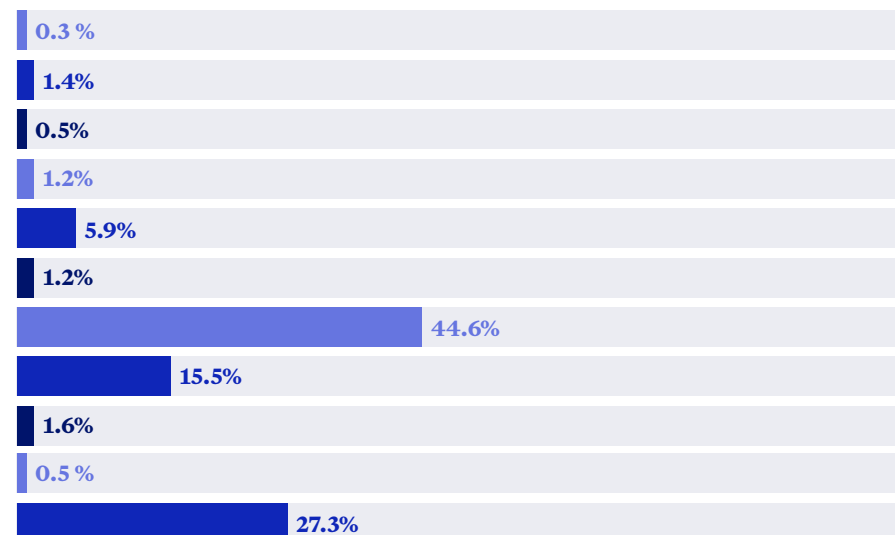
Disability status



Veteran status

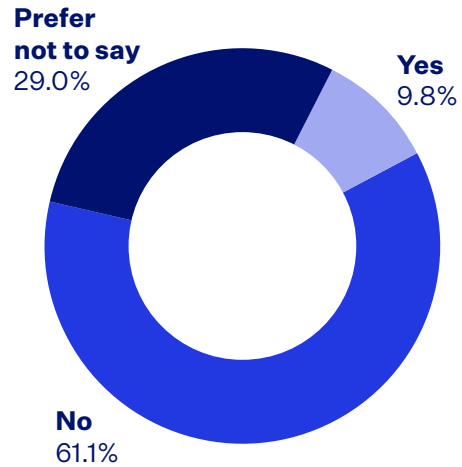


Educational attainment

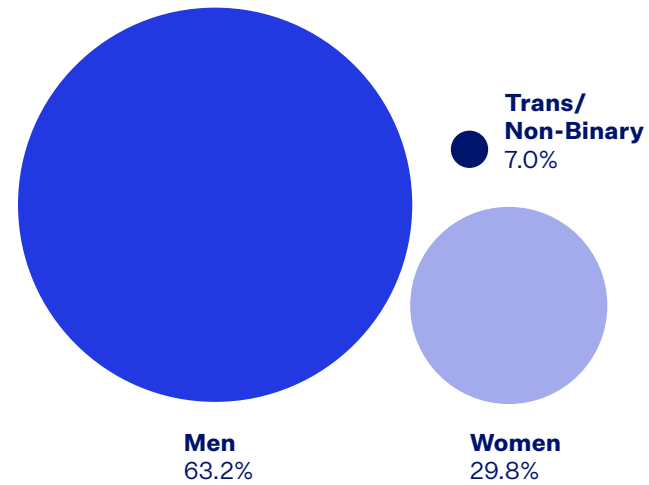


Multiplicity of identities

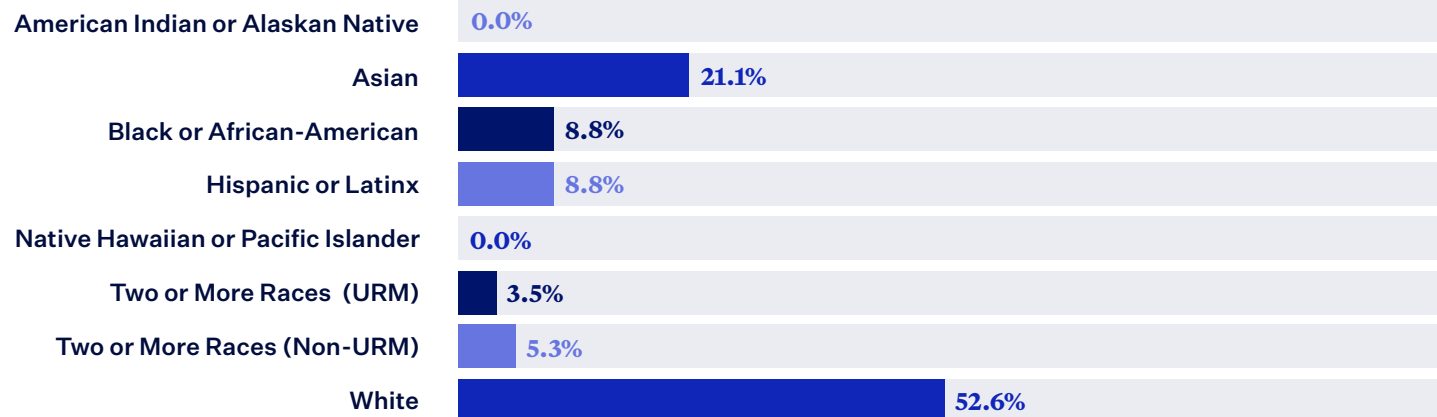
LGBTQIIA+



LGBTQIIA+ by gender identity

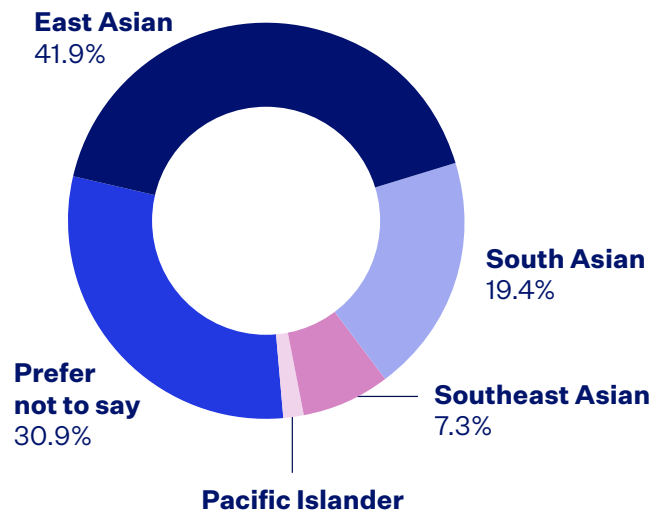


LGBTQIIA+ by ethnicity

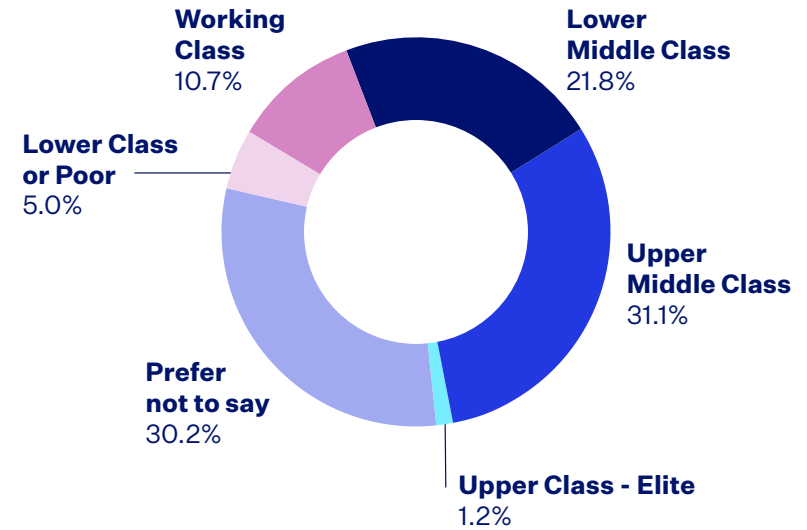


Multiplicity of identities

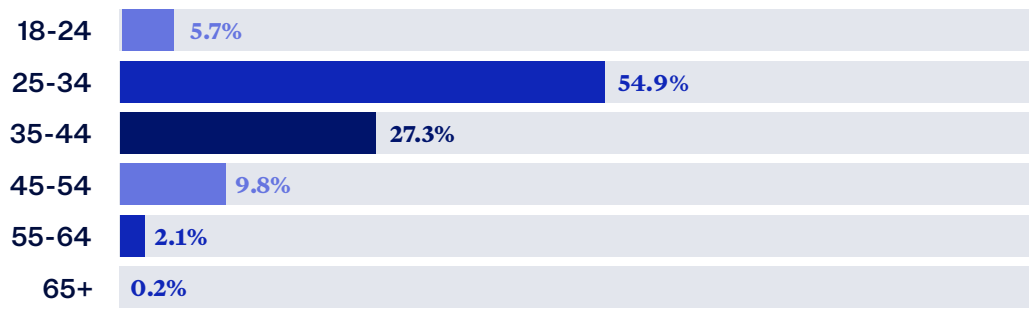
Asian by ethnicity



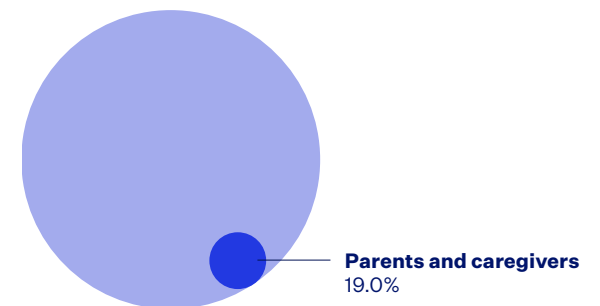
Socioeconomic status



Age



Parents and Caregivers





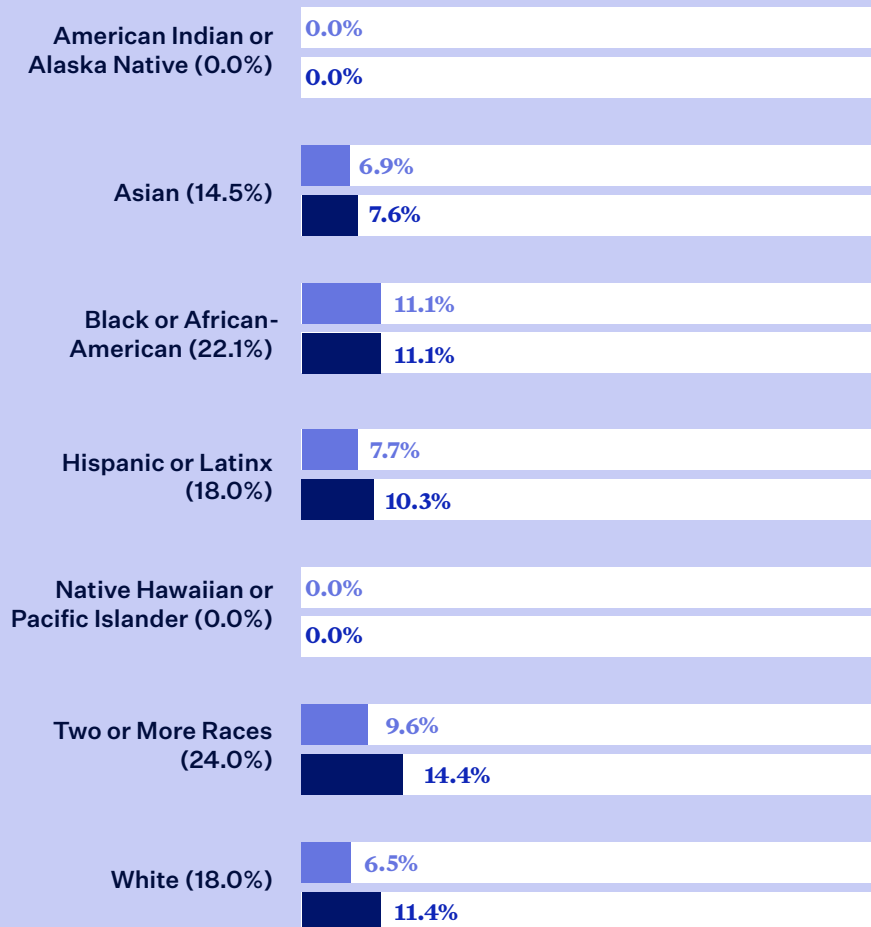
Attrition and retention

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. While turnover is a natural event in any organization, it's important that we track trends in departures and intervene before disparities emerge. Retention is not just focused on keeping people at Blend, it's about ensuring that people retain positive experiences and skills that prepare them for their next endeavor outside of Blend. Our observations around attrition include:

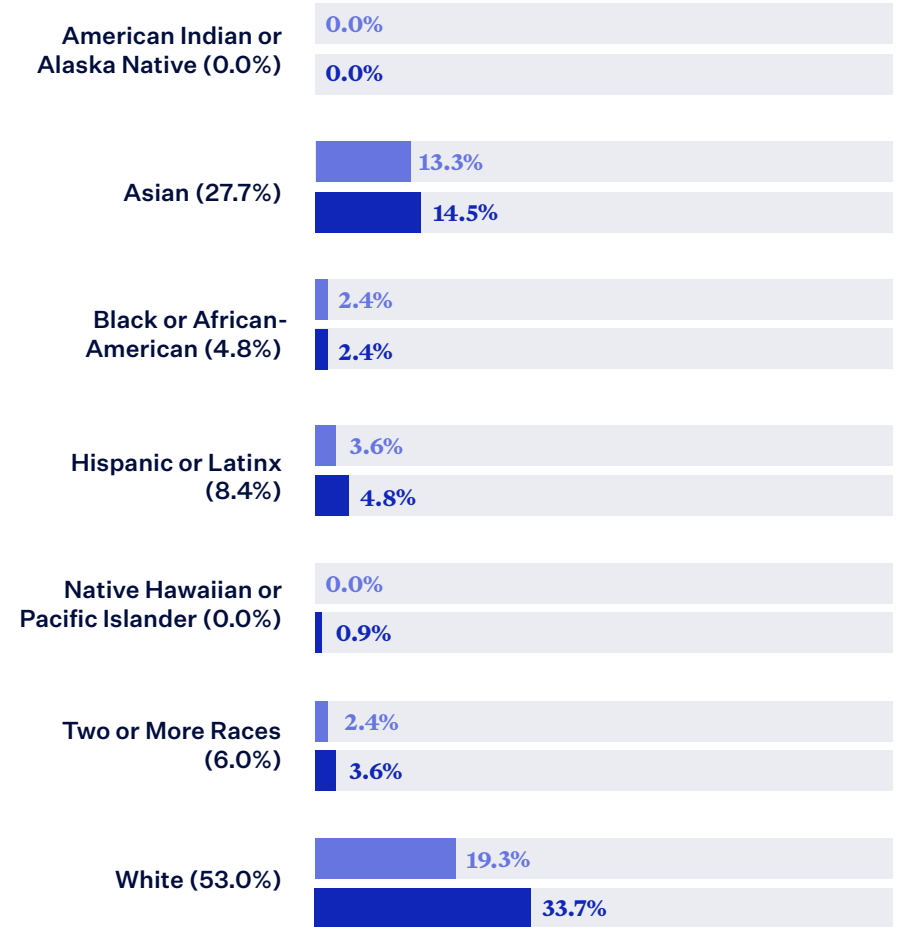
- Blend's overall attrition rate for FY20 was **17.2%**, with employees identifying as **Black (22.1%)**, **Hispanic or Latinx (18.0%)**, **White (18.0%)**, and **Two or More Races (24.0%)** having higher attrition rates than the index
- The overall attrition rate for women increased to **22.5% from 13.0% (+9.5 pts)** in FY19, indicating that women are more likely to leave the organization than men
- Of the total attrition, white men hold the highest share (**33.7%**), followed by white women (**19.3%**)
- The total share of attrition across gender remained the same as FY19, with women accounting for **41%** and men at **59%**

Attrition and Retention

By race and gender



Share of total attrition by race and gender



Experience

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

Belonging@Blend

Like most other companies, Blend shifted to a remote work environment in early March 2020. This caused us to rethink all of the support we provide employees, how we share information and enable collaboration, and how we continue to cultivate the culture that brought everyone to Blend. The most cited reasons for employees joining Blend are the people and the mission. During a year when the world grappled with the new coronavirus outbreak and a difficult history of systemic racism, both our people and our mission have never been more clear. Ensuring that our employees felt connected to each other and the work that we do every day was the core focus of our efforts this year.

Creating and cultivating a culture of belonging where everyone feels like they are a valued and essential part of the team is a constant activity for us. When we measure belonging at Blend, we consider four key factors:

- **Pride:** *Have we created an organization that makes our employees proud?* We've often talked about making Blend a place to be from — a place people can proudly reference because they work with successful, high-performing teams and leaders with competence, integrity, and vision.
- **Performance:** *Have we created a place where employees can do their best work?* We want our employees to constantly seek growth and to know that Blend is invested in their development. As we grow, scaling and tailoring our learning

opportunities equitably means providing the information, resources, and agency to determine how to best maximize their skills.

- **Respect:** *Do we treat our employees well, both economically and interpersonally?* To show up authentically, people have to feel psychologically safe, knowing that their colleagues value the perspectives and experiences they bring. We want to ensure that all employees are treated fairly, receive regular recognition, and are compensated fairly for their contributions.
- **Fulfillment:** *Do employees find meaning in their work and see the impact beyond the office?* Not only do we want Blendkind to enjoy working with one another, we want them to enjoy the work. We want the passion behind our mission — to create an open and accessible consumer banking ecosystem — to help employees derive a sense of meaning and purpose from what they do every day.

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.

Understanding systemic inequity

The killing of George Floyd and the resulting social movement for racial equity drove us to a place of introspection as an organization. It was important for us to launch a series of programs that provided ongoing support for employees and deepened our understanding of racial inequity in the ecosystem in which we operate.

To begin, we facilitated a company-wide dialogue on race featuring both small and large-group discussions where employees could speak candidly about their personal experiences with race and how the events around the country were impacting them both at home and at work. This was followed by the launch of an anti-racism resources page and a subsequent session on Distinguishing Discrimination in Consumer Banking held on Juneteenth that explored the nuanced and historic practices used to exclude marginalized people from financial services.

Beginning in July, we launched our new hire book project. Included in the welcome package that new hires receive at their

homes is a copy of *The Color of Money* by Mehrsa Baradaran. This book provides important historic context and framing of the problems Blend is trying to solve and what new employees will get to build with us. These are followed by in-depth discussions during Blend University, our comprehensive onboarding program that introduces new employees to Blend's strategy, goals, and leadership.

Additionally, our ongoing partnership with Change Catalyst has offered us the opportunity to reflect on building a product purpose-built to drive equity, and we've been proud to share our learnings more broadly. We headlined three events: [Democratizing Access to Finance in Unprecedented Times](#), [the Tech Inclusion Global Summit](#), and [Tech Inclusion: The Next Wave of Leadership](#). During each event, we were able to speak about our product initiatives in response to COVID-19, racial equity, and how Blend is working to create a more inclusive new normal.



Asian at Blend



Black at Blend



Blendisimo



Blend Salutes



Parents at Blend



Pride at Blend



Women at Blend

Employee Resource Groups

ERGs at Blend are critical in providing employees much-needed support spaces. They enable different communities to have a voice and influence our culture, policies, and the development of our product. Being away from the office in 2020 made these groups an even more important resource to employees for building social connections and learning about different experiences. This year, we added a new group, Asian@Blend, to provide an affinity space for those across the Pan-Asian diaspora and to bring focus to representation at all levels of the organization.

Our ERGs are a vehicle for informal learning opportunities and the deeper exploration of intersecting identities. The work of our ERGs and their leaders contribute to initiatives and goals that we align with the core pillars of our DIB framework:

- **Talent** - Investing in top talent from varying backgrounds at all levels of the organization.
- **Experience** - Cultivating a brave space where all individuals can participate fully and learn from one another to recognize and challenge bias.
- **Impact** - Demonstrating personal and professional commitment to the organization and its values through community engagement.

Throughout the year, each group holds a variety of events ranging from heritage month and holiday celebrations to timely topics around current events. These opportunities promote fun, learning, and awareness for all of Blendkind. Here are a few highlights:

Black History Month: This year, the Black@Blend ERG developed a robust set of programming around the theme *Beyond the Pipeline*. The group's aim was to shift the narrative of Blacks in tech from a focus on numbers alone and to highlight their great contributions to music, art, science, finance, and so much more. The month featured an ongoing art installation, food program, and a lunch and learn focused on being an ally. There were also a number of social events, including a game night and the second iteration of the In the Black Kickback in partnership with PagerDuty's Array ERG, which happened to be our final in-person event at Blend in 2020.

Women's History Month: The Women@Blend ERG organized a number of events across all offices including film screenings, social gatherings, and targeted workshops for women in sales and engineering around the theme: Be confident where you stand. The group also brought in Rebecca Goldsmith to hold a virtual session on elevating voices to help bring awareness to behaviors that promote allyship and sponsorship.

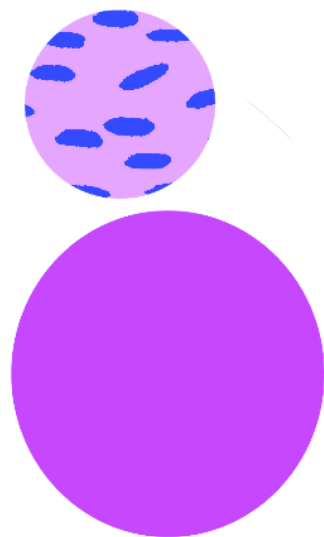
Pride Month: With the theme of *Tap into Pride*, the Pride@Blend ERG launched virtual learning experiences in collaboration with all of the ERGs to highlight the various experiences across the LGBTQQIA+ spectrum. Programs included Allyship Beyond the Gender Binary (w/ Women@Blend); Don't Ask, Don't Tell: 10 years later (w/ Blend Salutes); Techqueria: Intersecting Identities in Tech (w/ Blendísimo); Recoloring the Rainbow (w/ Black@Blend); and Parenting with Pride (w/ Parents@Blend).

Impact

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

Building an equitable ecosystem

Blend was founded to make consumer finance simple, transparent, and accessible to everyone. As is well-documented, access to financial services and opportunities for transferable wealth continues to be limited in the United States due to a long history of racism and structurally discriminatory policies. In order to work toward eliminating these persistent barriers and mitigating residual effects, we must take a comprehensive, long-term approach that leverages both the agency of the company, our diverse tech workforce, and our deep connections with the communities we serve.



In August 2020, we launched the Equitable Ecosystem Initiative (EEI) with a simple objective: create a multi-year action plan outlining a few commitments where Blend is uniquely situated to make a difference in reducing racial inequity in the consumer banking ecosystem. To accomplish this, we are focusing on three areas:

- **Community partnerships** - Partnering with underbanked communities to create new or to bolster existing programming related to financial literacy and homeownership preparedness while investing in economic growth and employment opportunities.
- **Technology and systems investments** - Increasing investment in building product features that reduce bias and enable customers to more accurately assess borrower profiles and providing our technology to financial institutions serving underbanked communities.
- **Policy changes and regulatory engagement** - Leveraging our memberships in industry associations and increasing regulatory engagement to drive structural changes in policies governing access to financial services and homeownership.

We shared some of our initial first steps alongside our partners at Change Catalyst: [Looking forward to the next normal](#).

New partnerships

This initiative encompasses a broad set of actions that require partners who understand the financial services landscape and have demonstrated histories of working with marginalized communities to focus on the root causes of inequity, rather than treating symptoms.

We're proud to announce our new partners in this endeavor:

- FinTech Equality Coalition
- HomeFree-USA / Center for Financial Advancement
- National Association of Real Estate Brokers
- National Bankers Association
- World Economic Forum

Additionally, Blend contributed a total of \$100,000 to the NAACP Legal Defense Fund and Color of Change.

Moving forward, we are internally deepening our understanding of the various ways the financial system has caused disparate impact or excluded Black people and underrepresented minorities. The knowledge and insights that we gain will inform our product decisions and continue to drive us toward creating an accessible and equitable consumer banking ecosystem.

Our efforts alone are not enough and certainly cannot be constrained to financial services. We implore other companies to review their business practices and respective industries through a new lens of equity and focus on driving change. Structural and institutional changes require sustained engagement in both product creation and the legislative process. The challenge before us is great, but far from insurmountable.

Embracing Opportunity in 2021

Planning for 2020 was easy. Experiencing it was not.

For our employees and our customers, this was a challenging year. We mourn the loss of life and hold our loved ones even closer as we try to build our new normal.

Uncertainty is all around us. It is unclear when we will return to the office and see our colleagues and our favorite dogs. It is difficult to say if the way we work will ever be the same. In some ways, maybe we do not want it to be the same. Last year pushed us further than we anticipated into new product areas, new operating rhythms, and new areas of personal development. The Blend Momentum did not stop, and we have more to offer.

We said before that our goal is to build an enduring practice around DEI a center of excellence that is not bound by the traditional conception of DEI in the tech industry. Not only were we tested, we demonstrated. Our focus on equity is more important than ever, and all we see as we look forward is opportunity.

In 2021, our focus will be on building an equitable ecosystem. Our growing team is working with each department and executive to establish a set of goals that build these principles into their functions, their practices, and ultimately our product. As always, it is with a grounding in confident humility — knowing that achieving our purpose will be extremely difficult, but having the courage to find a way anyway — that we embrace the opportunity of 2021.



Antonia Ford

Diversity and Belonging Partner



Dayna Wade

Inclusion Programs Lead



Ulysses J. Smith

Head of Diversity, Inclusion & Belonging

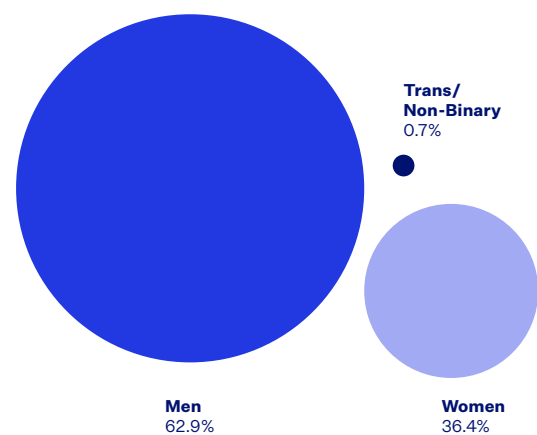
Appendix

Appendix

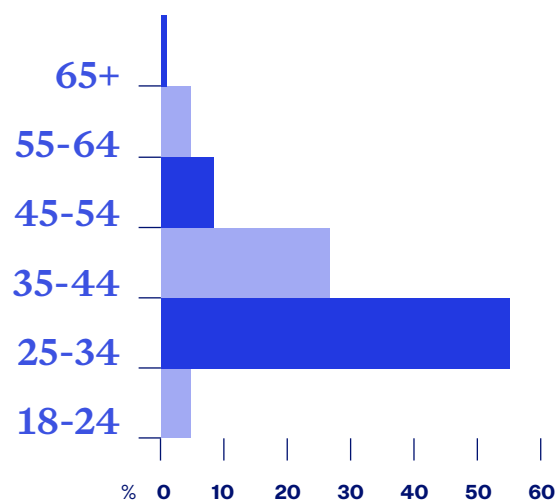
The pages that follow provide a closer look at our current workforce. The data is based on a voluntary self-identification survey that is distributed throughout the year to all employees. Because of this, you will notice that some of our workforce numbers differ from publicly reported EEO-1 data. All of the figures provided in this report are rounded to the nearest tenth and may not equal 100%.

Overall

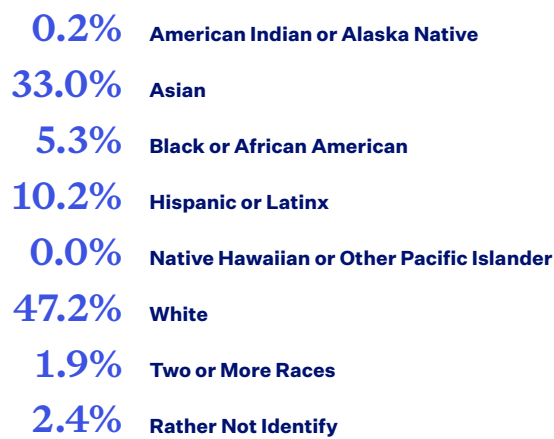
Gender Identity



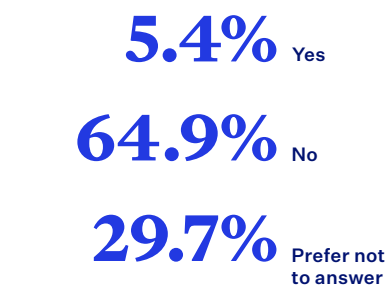
Age



Race



(Dis)Ability

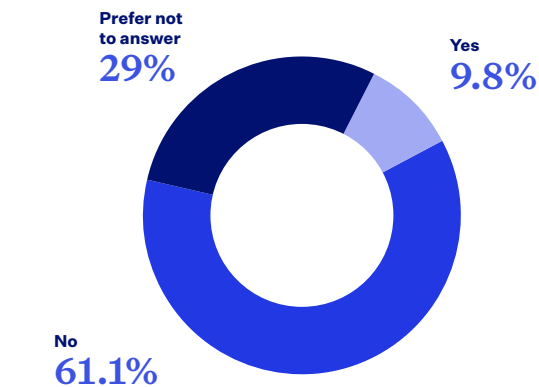


Parents / Caregivers

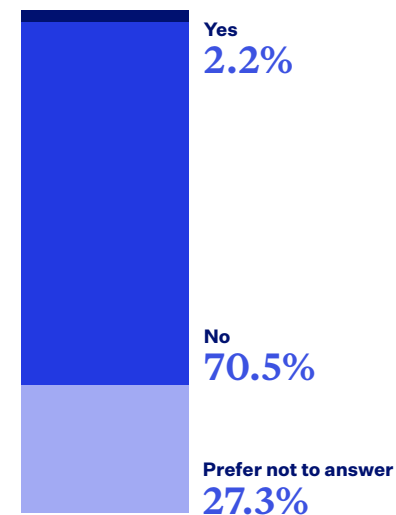
19%

LGBTQQIA+

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

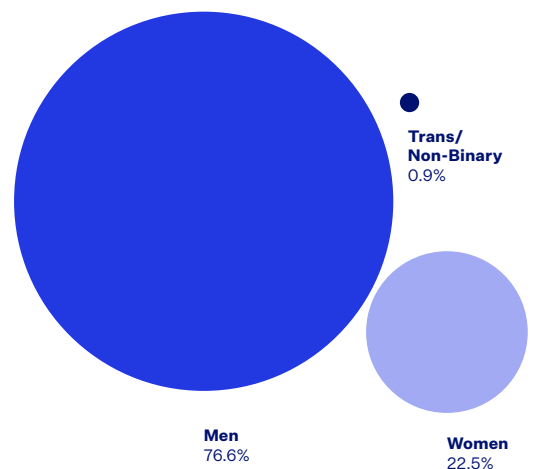


Veterans

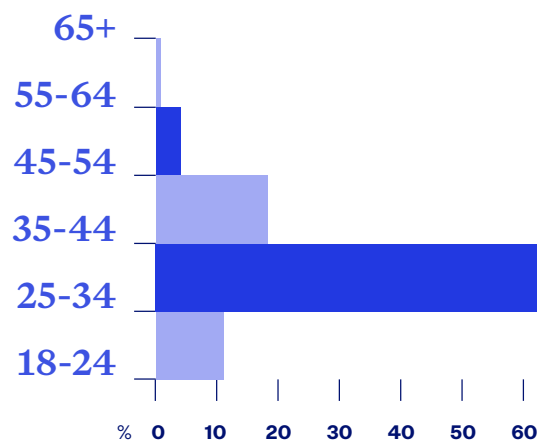


Technical

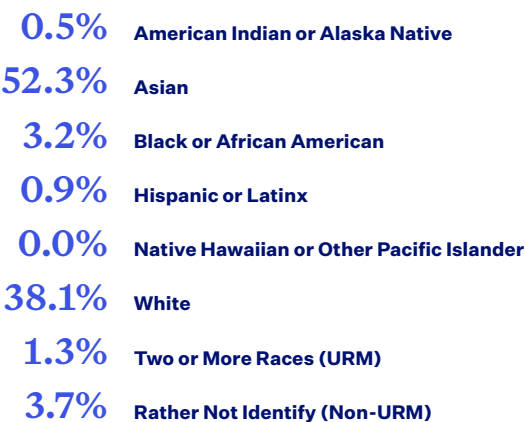
Gender Identity



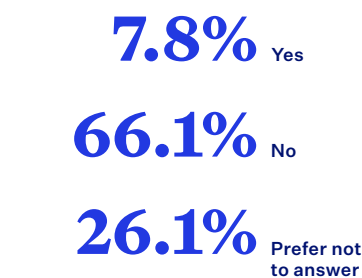
Age



Race



(Dis)Ability

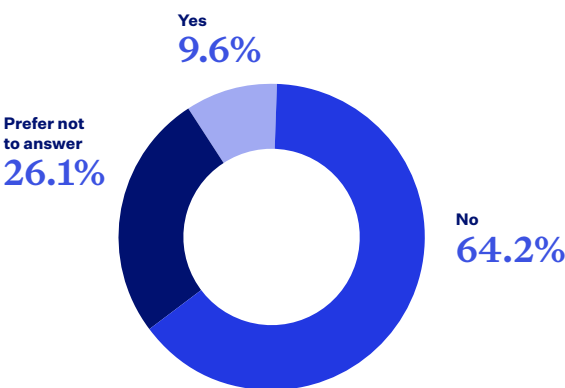


Parents / Caregivers

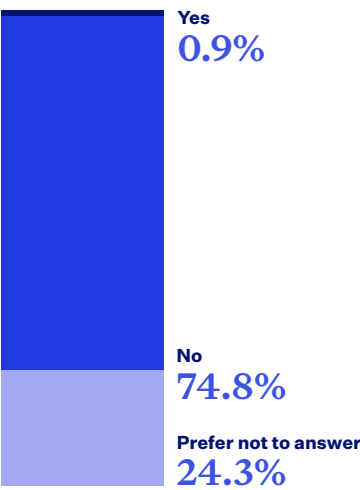
10.6%

LGBTQQIA+

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

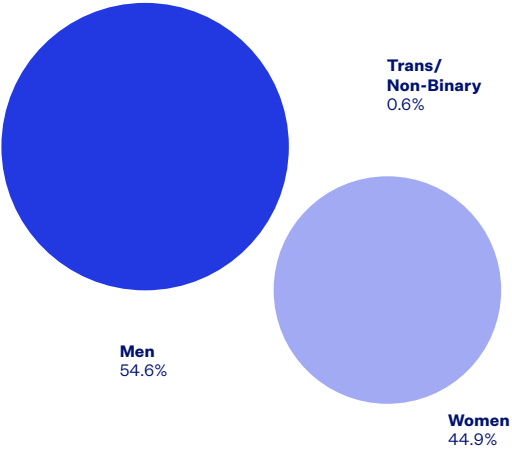


Veterans

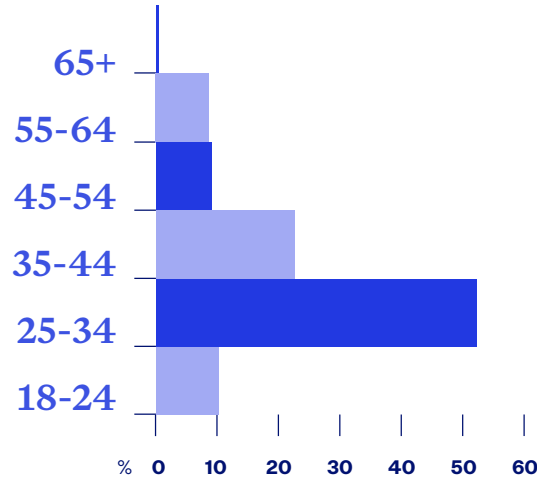


Non-Technical

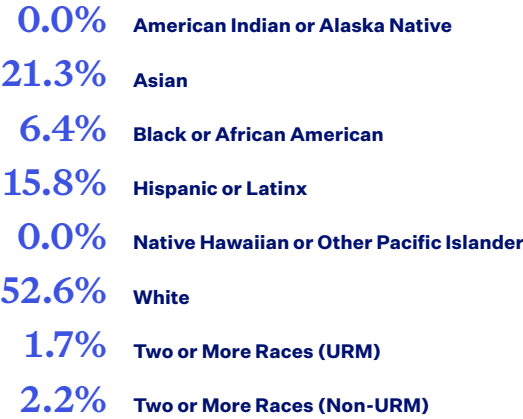
Gender Identity



Age



Race



(Dis)Ability

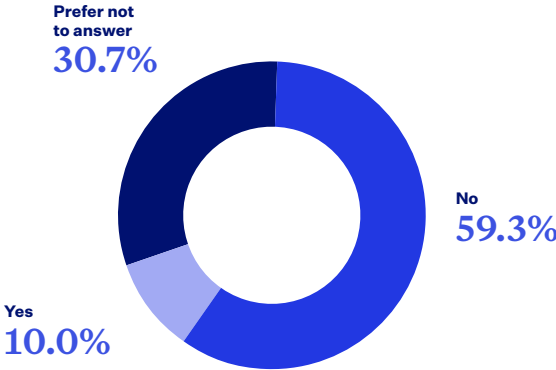


Parents / Caregivers

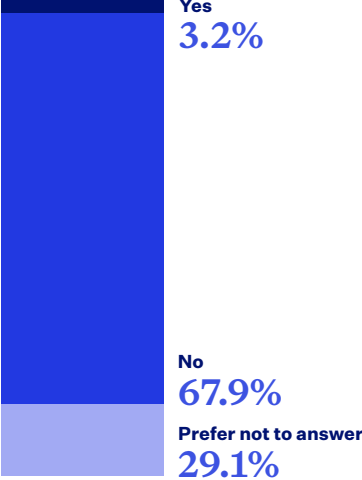


LGBTQQIA+

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

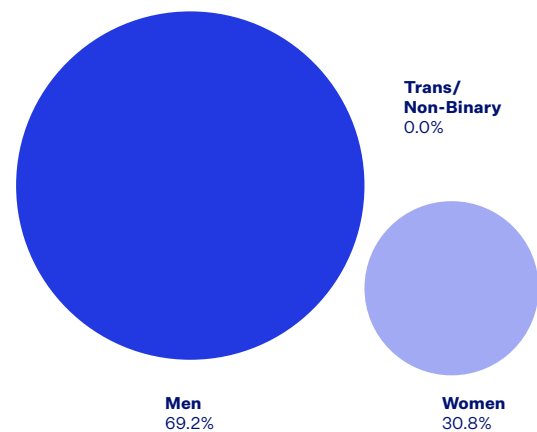


Veterans

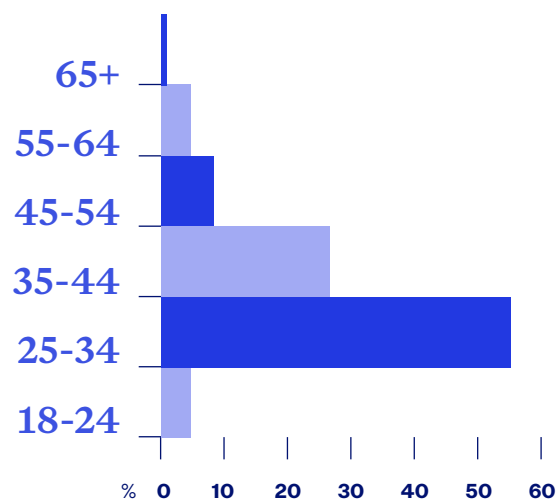


People Managers

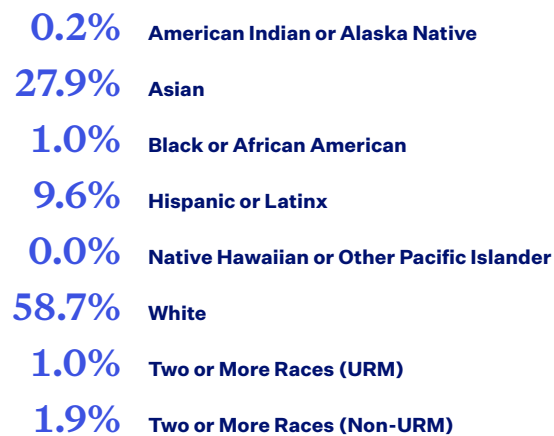
Gender Identity



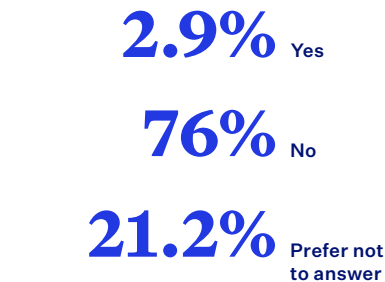
Age



Race



(Dis)Ability

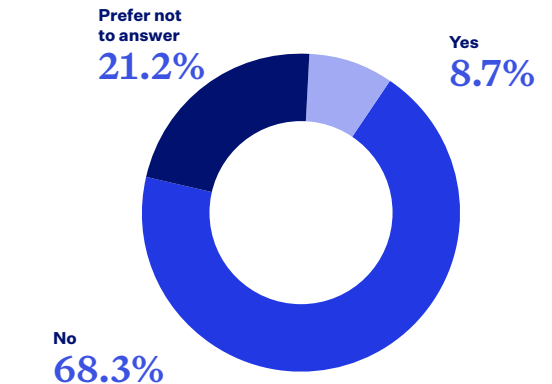


Parents / Caregivers

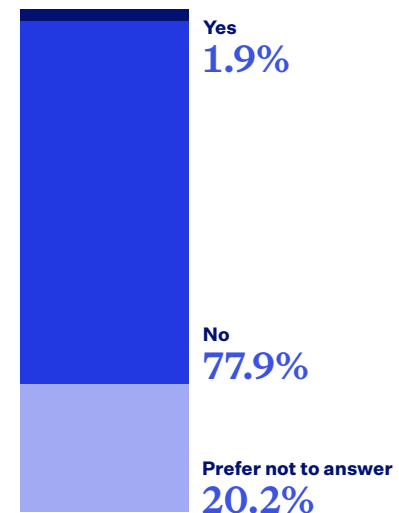


LGBTQQIA+

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

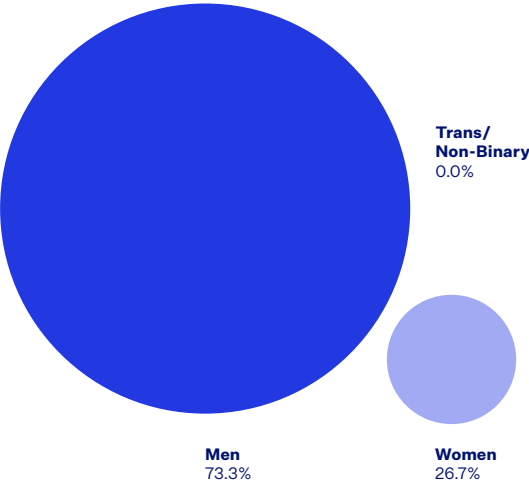


Veterans

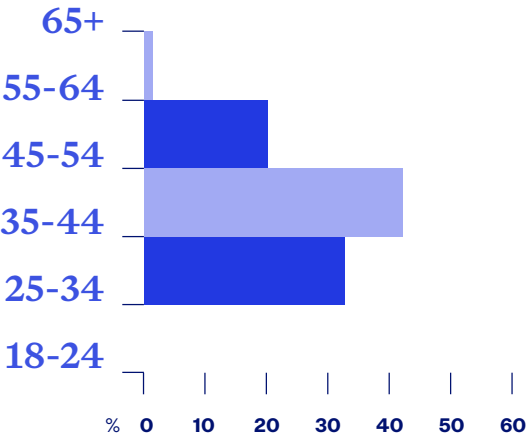


Leadership

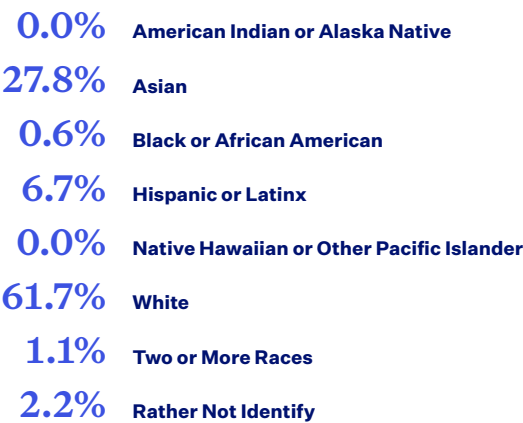
Gender Identity



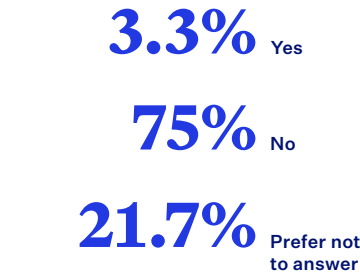
Age



Race



(Dis)Ability

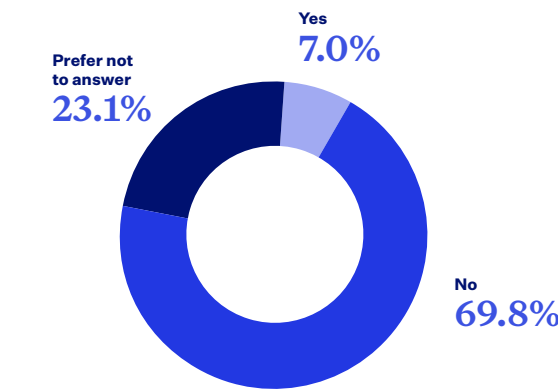


Parents / Caregivers



LGBTQQIA+

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



Veterans

