Foreword

I am pleased to publish the inaugural U.S. Diversity and Inclusion Annual Report.

Diversity, equality and inclusion sit at the heart of any successful business or society and this year has been one of the most challenging years in a generation for all of us but especially for minority communities. From the countless and disproportionate loss of black lives and devastation of black and brown owned small businesses across the country due to COVID-19, this year has caused significant and likely lasting trauma and financial hardship for people of color in our communities. It is our collective responsibility to make the changes necessary to prevent this from continuing to happen and to ensure the recovery from this pandemic is equitable.

We are proud of our employees for raising more than $7,000 for various organizations dedicated to racial justice, exercising their constitutional right to protest and march and speaking about these issues openly and freely within the company. By making public our first annual D&I report, we commit to standing together and being held accountable, and we hope it inspires others to do the same.

Vipul Chhabra,
US Managing Director
As a Paycheck Protection Program lender, we reached underserved, smallest, and businesses in low-moderate income neighborhoods with a larger proportion of our loans than traditional financial institutions.
Our Mission

Our mission is to build the place where small businesses get the funding they need to win. We believe that justice, equality, diversity and inclusion work extends to not only our employees but our small business customers and our investors as well. In the United States, one-third of all American small businesses are owned by women yet only receive 16% of conventional small business loans and only 4.4% of all loan dollars. At Funding Circle, 20.5% of our borrowers are women-owned businesses! We are also providing capital to communities that are historically underserved by traditional financial institutions. Approximately 33% of all of Funding Circle loans are to businesses in low-moderate income (LMI) neighborhoods.

Fintech lenders including Funding Circle:

- represent the largest share of loans to small businesses in Low-Moderate Income (LMI) areas in the Pay-check Protection Program
- represent the largest percentage of loans under $150,000 for lender type
- served more than double the small businesses than Community Financial Institutions (CFI) and more than Credit Unions, Farm Credit Unions, BIDCOs, and SBLCs combined.
- Collectively, Fintech helped support more than 4 million jobs in the U.S.
- According to the New York Federal Reserve, Fintech likely served PPP borrowers who would not have received loans otherwise, were more likely to lack banking relationships, be minority owned, and have fewer employees.

We were the only Fintech PPP provider that offered support in multiple languages including English, Spanish, Mandarin Chinese, and Urdu/Hindi proving that Funding Circle is truly serving diverse, underserved communities.
Our Values

Think smart
Challenge assumptions, seek insights and make informed decisions. Everyone has a voice, so be ambitious.

Make it happen
Be courageous and take ownership. Take small steps fast and commit to seeing it through.

Be open
Transparency and integrity build trust. Treat everybody with respect and be honest with each other.

Stand together
Listen, understand and support each other. Win or lose as one.

Live the adventure
Bring your passion with you every morning, and have fun.

We share our annual diversity & inclusion (D&I) report as an expression of our Be Open ethos because transparency and integrity build trust and it holds us accountable. This report outlines the D&I goals we set in 2020, our progress toward them, our areas for improvement, and where we will focus our efforts in 2021. We hope that by sharing our D&I initiatives, goals, and results, we inspire other companies to stand with us in sharing their D&I efforts and progress.
Our Goals

How did we do against our goals in 2020?

Gender: 50% of people managers will identify as female by 2023

Race & Ethnicity: 40% of circlers will be people of color by 2023

How did we do against our 2020 goals?

During 2020 we increased overall female representation across our US business as well as those occupying senior management positions. However, representation of People of color decreased. It should be noted that the COVID-19 pandemic had a significant impact on our workforce during 2020, leading us to make a reduction in the overall number of Circlers who work in the US.

Our overall female representation increased from 40% to 50%.

Our female representation among managers grew from 43% to 45%. People of color decreased from 24% to 19%.

Tools and Processes

This year, we gave our employees the ability to voluntarily self-identify their sexual orientation and gender identity in addition to race and ethnicity.

Utilized technology to ensure language in job postings and recruiting emails were inclusive.

Ensured all interview panels were diverse.

All Company Unconscious Bias Training

Training was provided to all Circlers on unconscious bias. This training is important because it raises awareness and drives conversation around certain behaviors that can exist during the recruiting process or employee lifecycle. Our intention is to give Circlers the tools to help build a more inclusive company.

D&I Committee

The D&I Committee was established to support D&I initiatives through our Employee Resource Groups (ERG) and to hold leadership accountable.

The D&I Committee’s purpose is to:

• Promote a culture that values diversity across all US teams
• Establish explicit justice, equity, diversity and inclusion goals for FC US.
• Establish clear means of tracking progress towards improved diversity.
• Provide a forum in which progress is reviewed at the leadership level.
• Approve and prioritize diversity initiatives within FC US.
• Establish accountability for such initiatives to ensure that activities are seen through and that they are achieving their desired outcome.

Committee membership should represent a diverse subset of our entire company and also include the US Managing Director as well as additional US Leadership Team members. Each Employee Resource Group (ERG) is permitted one representative on the D&I Committee. An ERG requires at least 5 employees to start and a member of the U.S. Leadership Team to sponsor. Members are expected to be champions for justice, equity, diversity and inclusion across FC.
Employee Resource Group

Funding Circle defines ERGs as communities that make up a significantly small percentage of the general population, the tech industry, and Funding Circle. They are a safe place for conversations where we learn and better our understanding of each other. These communities also include historically marginalized groups. Currently, at FC, these groups include women (Women@FC), LGBTQ+ (Circle of Pride), Culture Committee, and Mindfulness Club. FC is actively dedicating time and resources to these groups to increase their representation and inclusion.

Women@FC
We worked to build an active and supportive community within FC and within the FinTech industry in which women can connect, share and support each other in achieving their goals with discussion groups including "Women and The Pandemic: A Discussion of Unequal Impact" We raised awareness of the importance of gender diversity and showcased the work of women within FC and the broader industry with events including an interactive presentation celebrating 100 years since women earned the right to vote and learning about the achievements and challenges of running a business, from the owner of a woman-owned company who received funding from Funding Circle.

Circle of Pride
We set out to achieve a 100% rating by the Human Rights Campaign for its Corporate Equality Index by the end of the year. While we did not reach 100%, we increased our rating from 40% to 85%. This year we were proud to endorse the Equality Act in Congress, implemented gender transition guidelines with supportive restroom, dress code and documentation guidance, began collecting sexual orientation and gender identity demographic information from all of our employees, and shared newsletters and events to engage Circle of Pride members and the broader FC community on LGBTQ+ issues.

Culture Committee

FC Impact
Raised more than $11,000 for non-profit organizations in our communities that are helping families in need.

$1,960 for Fundsgiving, a virtual holiday event that benefited the Food Bank of the Rockies and the Alameda County Community Food Bank.

$262 for MaxFund, a Colorado based non-profit providing medical care and homes for injured pets with no known owners.

$1,840 for Pi Day Celebration that benefited the Food Bank of the Rockies, a non-profit that helps families throughout 30 Colorado counties and all of Wyoming thrive by efficiently procuring and distributing food and essentials to the hungry and DISH San Francisco, a non-profit that provides high-quality, permanent housing to San Franciscans who suffer from serious health issues.

$7,000 for various racial justice organizations such as Black Lives Matter, Black Futures Lab, Equal Justice Initiative, Innocence Project, and Color of Change.

Cultural Events
We hosted more than two dozen culture events and programs that honored and raised awareness about certain religious, cultural and community events such as the Lunar New Year, Black History Month, LGBTQ+ Pride Month, Women’s Equality Day, Financial Awareness Month, Diwali, Passover, and Wellness Week.

Mindfulness Club
The Mindfulness club meets twice a week to meditate together. We create a safe space for folks to take a quiet moment for themselves to get centered and reflect on their inner world. Our hope is by better understanding our inner worlds, we can open our hearts and compassion towards others.
2021 Goals

For 2021, we have developed new goals that will allow us to take into account our baseline demographics, culture survey metrics and anticipated hiring plans to make great strides in our mission to make a better financial world for everyone. We are going to Act, Learn, Listen and Yield our privilege to ensure an inclusive and equitable workplace.

Increase the diversity of our employee base by seeking to hire potential Circlers with varied backgrounds and experiences, including members of underrepresented groups.

Improve the experiences and sense of belonging for all Circlers, including women and members of the African American/Black, Hispanic/Latinx, and LGBTQ+ communities.

Achieve increased gender representation in leadership, especially on the US Leadership team and people manager levels, with a focus on intersectional representation.

Support efforts to create opportunities for a more equitable financial world for underserved communities including minorities and women.