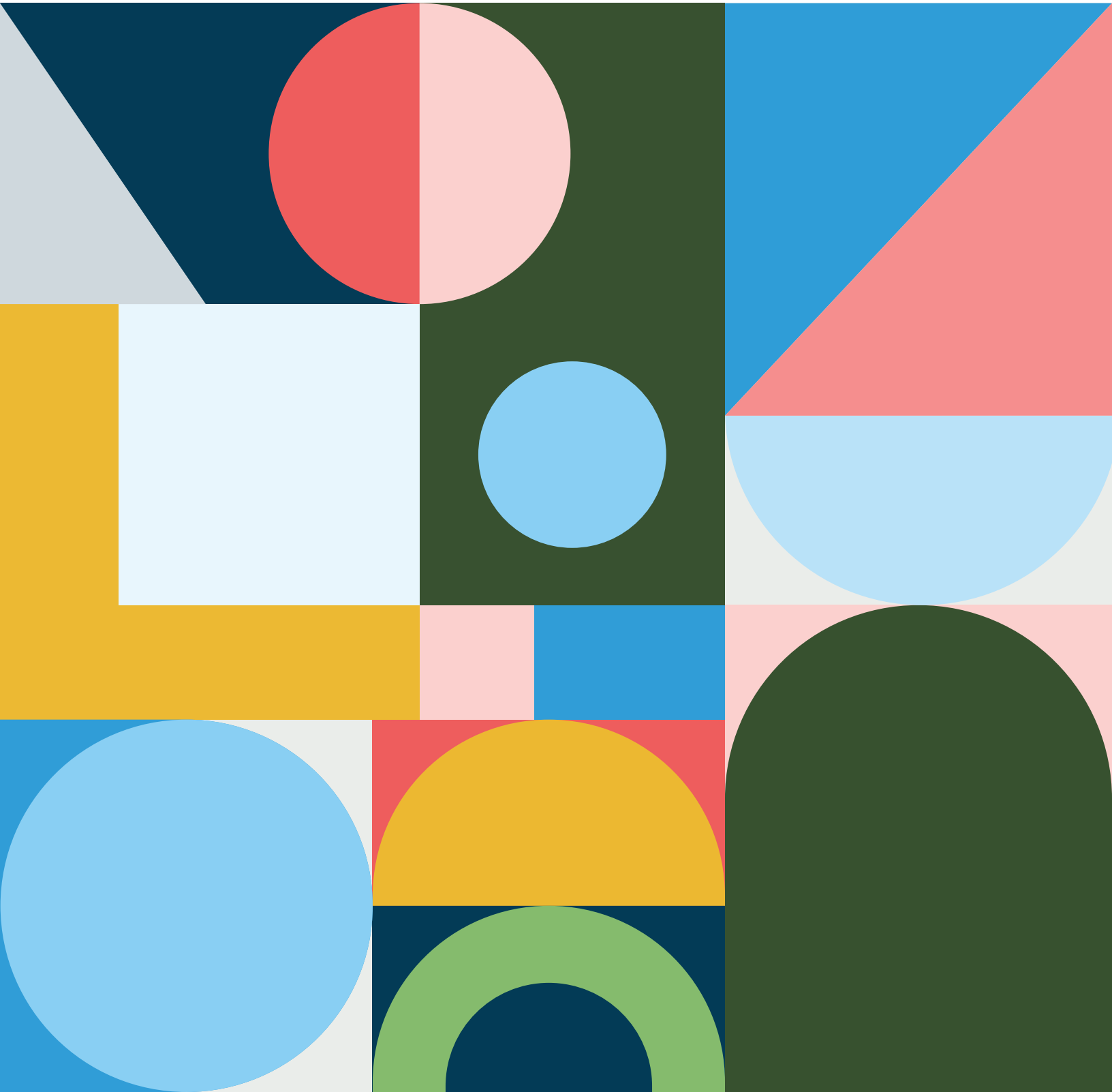




2019

DIVERSITY & INCLUSION REPORT





OUR MISSION

Our mission is to build honest financial products that improve lives. We believe that diversity & inclusion (D&I) work is holistic and extends to our customers and retail partners. In California (our home base), 25% of our retail partners are women or minority-owned, and over 90% of our retail partners are small businesses that have less than 200 employees. A large part of our lending goes toward borrowers who would likely be denied responsible, transparent, and affordable credit, and would be vulnerable to high cost and predatory products. We believe that the financial services industry works better for everyone when it's fair, honest, and inclusive.

Since our founding, our values have remained the same:

People come first

No fine print

Simpler is better

It's on us

Push the envelope

We share our annual diversity & inclusion (D&I) report as an expression of our **No fine print** ethos. It is how we put our **people first**. This report outlines the D&I goals we set in 2019, our substantial progress toward them, our areas for improvement, and where we will focus our efforts in 2020.

We hope that by sharing our D&I initiatives, goals, and results, we inspire other companies to share their progress as well. We believe knowledge sharing is essential to making strides in D&I.

Let's all **push the envelope** together.

OUR 2019 GOALS



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



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



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

INCREASE

How did we do against the three 2019 goals? What went well?

MOVING THE NEEDLE WITH OUR URGs

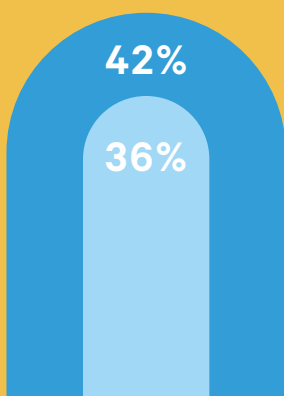
Affirm defines URGs as communities that make up a significantly small percentage of the general population, the tech industry, and Affirm. These communities are also historically marginalized groups. Currently, at Affirm, these groups include, women, people of color, veterans, and those who identify as part of the LGBTQ+ community. Affirm is actively dedicating time and resources to these groups to increase their representation and inclusion.

WHY THIS MATTERS

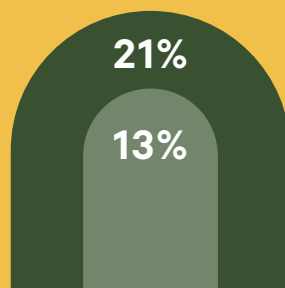
Increasing diversity for URGs is the first step in which we've made notable progress this year. The inclusion of these communities improves engagement and performance. *Diversity and inclusion together lead to innovation, better business results, and a more equitable world.*

We began 2019 with about 450 Affirmers, and by the end of the year we nearly doubled that number. Throughout this hypergrowth period, we remained focused on growing our underrepresented populations. Our stats below highlight our company growth with some of these communities.

Our overall female representation
grew from 36% to 42%.

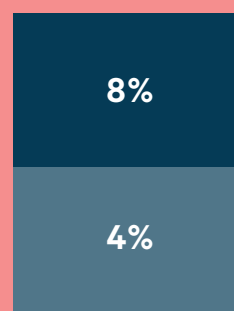


Our female representation in
engineering grew from
13% to 21%.

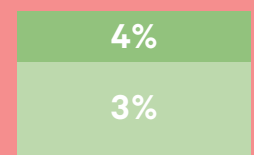


We saw an increase in Affirmers from
underrepresented racial/ethnic backgrounds.

Our Hispanic/Latinx
population grew from
4% to 8%.



Our African-American/Black
population grew from
3% to 4%.





WE ACHIEVED THIS GROWTH THROUGH DELIBERATE WORK

On our engineering team, hiring managers took the time to source potential Affirmers from URGs throughout the year. We held company-wide URG sourcing sessions, and the engineering team leaders were active participants. During these sourcing sessions, folks gathered in a room to comb through their LinkedIn connections to refer URG members. All of this work took intention, required patience, and was well worth it.



In committing to broader URG representation in our engineering teams, we've had to disrupt our business-as-usual interviewing practices and evaluate whether our current practices reflect our commitment to diversity & inclusion and our values. I'm proud of the level of engagement and thoughtfulness our engineering team has put into these efforts.

ALLEN CHEUNG

SENIOR DIRECTOR OF ENGINEERING

A SENSE OF BELONGING

Another goal this year was to improve the sense of belonging for all Affirmers—including, but not limited to, women, African-American/Black, Hispanic/Latinx, and LGBTQ+ communities. The list below highlights some successful progress toward this goal.

FEEDBACK & DEVELOPMENT TRAINING AND RESOURCES

Affirm runs two Feedback & Development (F&D) cycles each year, which allows Affirmers to reflect on their career development and performance over the past six months. In 2019, for the first time, the Women@Affirm employee resource group (ERG) partnered with the F&D team to host a series of preparation sessions during the cycles. Studies show women are more likely to receive negative feedback for the same personality traits praised in men. Other studies also show women often receive more vague feedback than men.

The preparation sessions listed below were designed to help women and allies at Affirm get the most out of our F&D cycle by learning how to give and receive feedback in a way that disrupts unconscious biases.

Four sessions were held on the following topics:

- Writing effective feedback for yourself and others
- Calibration: what it is and why it matters
- How to prepare for your review conversation
- How to create an action plan after your review

The sessions received very positive reviews from the attendees. Feedback showed the sessions were relevant and helpful in preparing for the F&D cycle. **Some of the feedback we received from an anonymous survey of attendees included:**

“After attending the session, I thought about the way I write my feedback differently. I started putting more effort into specifically identifying which projects created the most valuable output and was able to provide more detailed examples of my work. —**WOMEN@ ALLY AND PEOPLE MANAGER**

“Super relevant, and I’m so happy we are making tangible efforts to boost up women at this company. —**WOMEN@ ERG MEMBER**

“Well thought-out and flowed perfectly! —**WOMEN@ ERG MEMBER**

SIGNED AMICUS BRIEF FOR DACA

Affirm joined 100+ other companies in signing an amicus brief for a case before the U.S. Supreme Court that expressed unwavering support for the Deferred Action for Childhood Arrivals (DACA) program. The brief states companies like Affirm collectively contribute trillions in annual revenue to the American economy and could not accomplish this without the hard-working individuals participating in DACA.

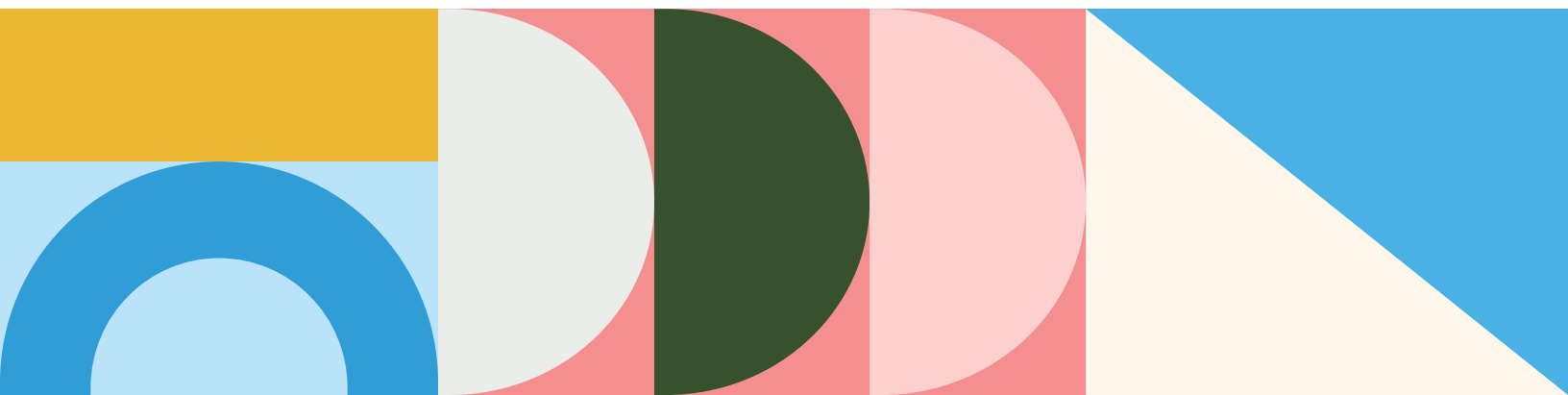
Affirm's support for Dreamers extends beyond our employees. We acknowledge and support all DACA customers and end-users, and we acknowledge how DACA recipients continually contribute to the economy through tax payments, spending, and investments.

Affirm believes DACA recipients' continued ability to work and participate in our economy will benefit everyone. This is why we publicly support Dreamers everywhere.



As a DACA recipient, Affirm has given me several different platforms to speak on my experience, struggles, and hopes as a member of the undocumented community. When I found out that Affirm signed the amicus brief supporting DACA, I cried. Affirm empowers us all to thrive.

AFFIRM EMPLOYEE



EVENTS WITH AFFIRM'S ERGS MAKE AN IMPACT

Our ERGs provide a place for Affirmers to build connections and foster allyship across the company through shared backgrounds and experiences. Affirm held over 50+ ERG events in 2019. Although we can't name them all, below are a few notable events hosted by members of some of our underrepresented communities.

AMIGXS@AFFIRM ERG

OUR HISPANIC/LATINX COMMUNITY

Amigxs@Affirm ERG is not defined by one singular culture, which is reflected in the 2019 initiatives. In June, the Amigxs@ ERG held a joint event with BLACK@ to build more fellowship among the communities. Amigxs@ also held a company-wide fireside chat with chef-restaurateur [Pedro Alarcón](#). Pedro, in conversation with Affirm's Rico Izaguirre, VP of Government Relations, Public Policy and Social Impact, spoke on his move from Venezuela to Boston, his career trajectory, and his love of cooking. All of this paired with an incredible six-course tasting menu for Affirmers that included shrimp ceviche, black bean coconut rice, roasted pork with mojo, and more.

BLACK@AFFIRM ERG

BLACK LEADERS OF THE AFFIRM COMMUNITY KINESPHERE

BLACK@Affirm ERG held informal biweekly lunches throughout the year, where members were able to nurture relationships with their peers. In November, BLACK@ and the Talent team attended [AfroTech](#) (a conference for Black individuals in tech), and the impact was immeasurable. In addition to seeing an increase in our talent pipeline from this event, BLACK@ Affirmers networked and built stronger community ties.

LGBTQ+@AFFIRM ERG

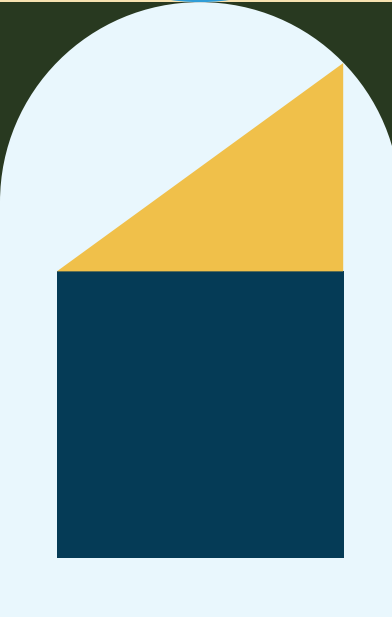
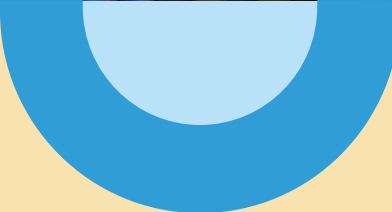
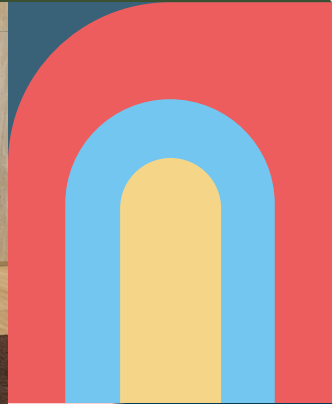
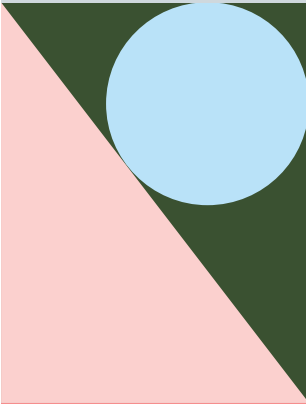
OUR LGBTQ+ COMMUNITY

LGBTQ+@Affirm ERG held a company-wide fireside chat with Kate Kendell, campaign manager for Pack the Courts and former Head of the National Center for Lesbian Rights, facilitated by Tom Musbach (an Affirm LGBTQ+ member and Content Marketing Manager). Kate discussed the significance of the U.S. Supreme Court cases focused on LGBT workers' rights, the importance of supporting the most marginalized members of the LGBTQ+ community, and the fight for civil rights protections in all 50 states. Additionally, LGBTQ+ members routinely held community Happy Hours at local San Francisco queer bars such as Ginger's, Jolene's, and Twin Peaks Tavern.

VETERANS@AFFIRM ERG

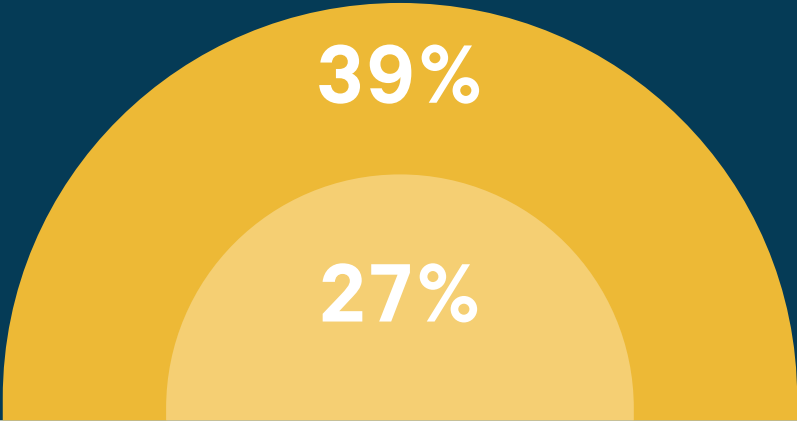
OUR VETERANS COMMUNITY

Veterans@Affirm ERG held a company-wide "Ask Me Anything" breakfast in honor of Memorial Day. Affirmers veterans shared their experiences and dispelled common misconceptions about the military. During the winter, Vets@ Affirmers took part in a holiday luncheon with the non-profit [Swords to Plowsharers](#) in San Francisco. During this event, they served and shared a meal with local veterans and handed out gift bags full of essential items.

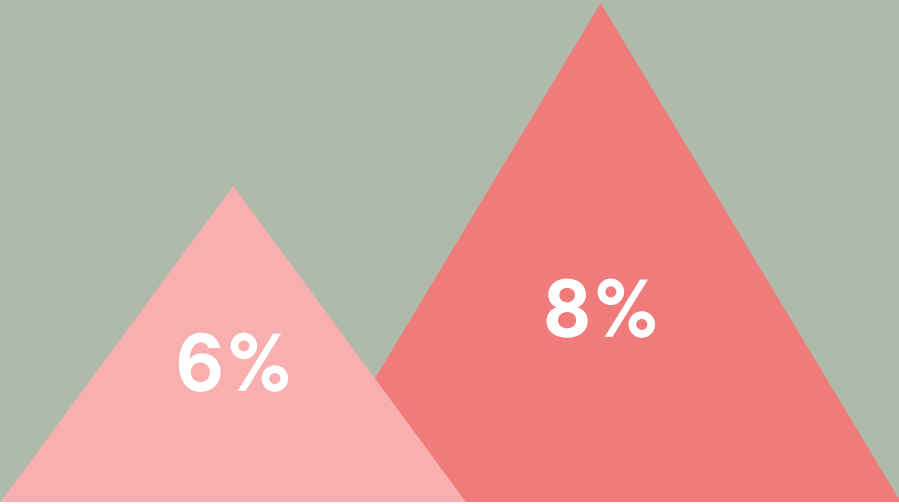




Our overall female representation grew among people managers at Affirm from 27% to 39%.



People managers in our Black and Latinx communities increased from 6% to 8%.



Increased gender representation on our C-Suite Executive Team was an important focus area this past year. We are happy to have three valuable women leaders join our executive team:



JUDE KOMUVES
CHIEF PEOPLE OFFICER

Jude has more than 18 years of high-growth technology startup and leadership in all things people. She oversees the People Team, which consists of People Operations and Employee Experience, People Business Partners, and Talent.



SILVIJA MARTINCEVIC
CHIEF COMMERCIAL OFFICER

Silvija has more than 18 years of industry experience. She oversees all Commercial Functions, including Sales, Client Success, Revenue Operations, Strategic Partnerships, and Marketing.



SHARDA CARO
CHIEF LEGAL OFFICER

Sharda has more than 20 years of financial services leadership experience. She oversees Legal Counsel, Corporate Affairs Counsel, Compliance, Enterprise Risk, and Government Relations.



Our 2019 results demonstrate that deliberate and patient efforts to improve the state of diversity and inclusion pay measurable dividends. We have a lot more work to do, but I am immensely proud of our Talent team, our hiring managers, and the entire Affirm family for making such significant strides toward our D&I goals. As our company grows, so does our opportunity to have an impact in this crucial area. I look forward to our results in 2020 and beyond.

MAX LEVCHIN
FOUNDER, CEO

AREAS FOR IMPROVEMENT AND 2020 ACTION PLAN

2019 gave us a definite understanding of how to create change within D&I. We've taken note of what went well and will work to fine-tune those areas. In 2020, we plan to renew our focus on representation for all people from underrepresented racial and ethnic groups, particularly in people management and leadership roles. Also, we plan to increase our focus on creating processes, programs, and structures to build an even more inclusive Affirm for all. The action items we outline below will help us make progress in both of those areas.

D&I FOCUSED TEAM

At the end of 2019, Affirm hired a Diversity, Equity, and Inclusion Manager and promoted a member of our Talent team to Diversity Talent Program Manager. These new roles at Affirm will focus full-time on D&I and supercharge our efforts in 2020.

ALL-COMPANY UNCONSCIOUS BIAS TRAINING

Training will be provided to all Affirmers on unconscious bias, beginning with executives, recruiters, and people managers. 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 Affirmers the tools to help build a more inclusive Affirm.

PARTNERSHIPS AND COMMUNITY ENGAGEMENT

Affirm will partner with new organizations that aid in growing our representation and development of URGs. We will also continue our partnership with Shift for our veterans' community. In 2019, we launched Affirm Cares, our new 501(c)(3) employee foundation. The foundation focuses on three essential pillars: financial literacy and inclusion, vibrant communities, and technology education and training.

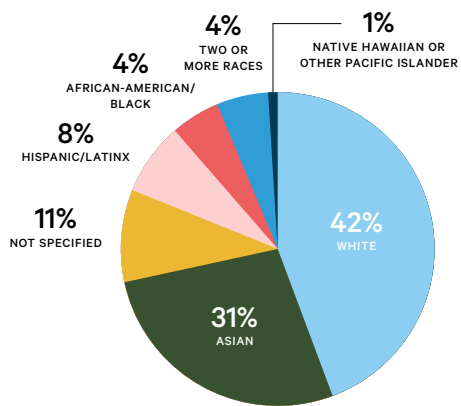
IMPROVED TOOLS AND PROCESSES

Affirm will be implementing new processes to promote diversity in our hiring practices. We will also be collecting new forms of self-identification for our hiring onboarding tools to allow us to get a more accurate look at our representation, and see where our progress and challenges are in D&I on multiple fronts.

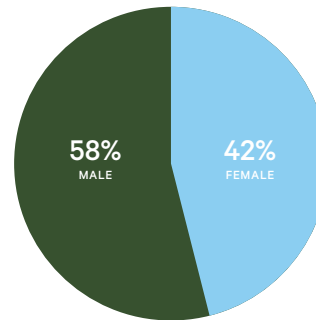
APPENDIX

AFFIRM OVERALL

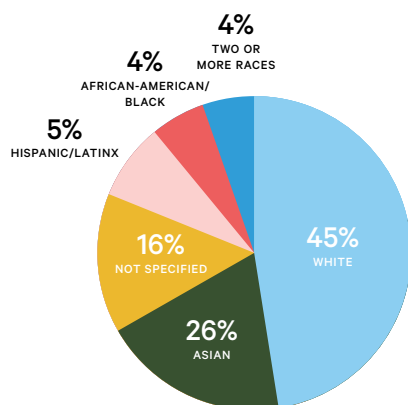
ETHNICITY/RACE



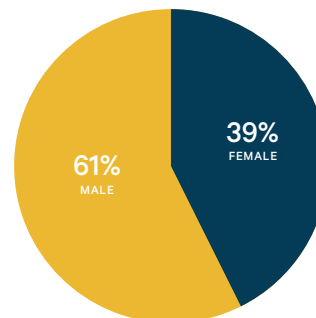
GENDER



**PEOPLE MANAGERS
(ETHNICITY/RACE)**



**PEOPLE MANAGERS
(GENDER)**

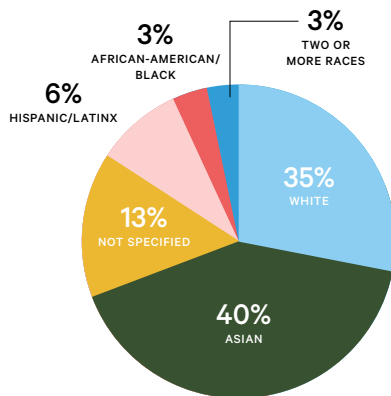


APPENDIX

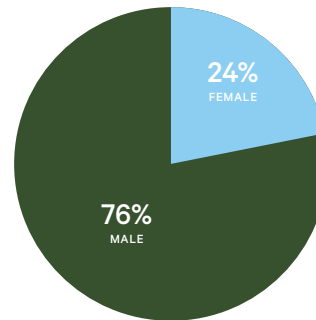
TECHNOLOGY

(ENGINEERING AND PRODUCT TEAMS)

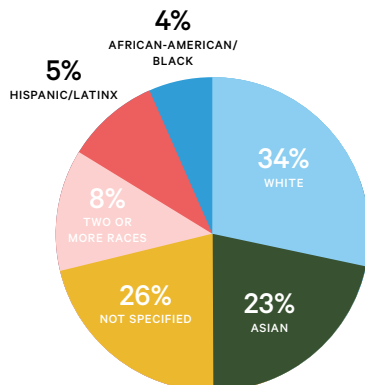
ETHNICITY/RACE



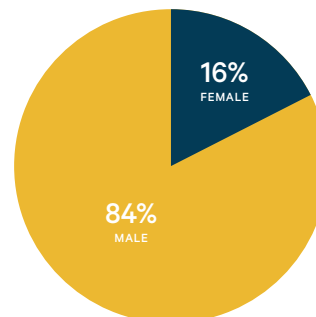
GENDER



**PEOPLE MANAGERS
(ETHNICITY/RACE)**



**PEOPLE MANAGERS
(GENDER)**



Notes on the data: All data is based on self reported EEO-1. In our 2018 report, we published our percentage of South Asian, Southeast Asian, and East Asian demographics. We're unable to do so this year as the EEO-1 report does not allow the option to separate the Asian community. We also acknowledge the limitations of EEO-1 data regarding gender identity. We were limited to the binary choice of male and female this year. **Some figures may not add up to 100% because of rounding.