

2019

# ANNUAL IMPACT REPORT



3

Message from Hayden Brown, CEO

4

Upwork: A Business with a Mission

7

Our Impact is Creating Opportunity

14

Business Ethics, Integrity & Governance

18

Our Team

# Message from Hayden Brown, CEO

At Upwork, our foundation is built on helping customers achieve success and economic prosperity. By utilizing the opportunities available on Upwork, independent professionals deliver critical skills to a global set of companies, including more than 30 percent of the Fortune 500, that have embraced modern, dynamic practices for leveraging access to the world's best talent, on demand.

We're in an unprecedented moment in time, and it's still too soon to say what the full, lasting effects of the coronavirus pandemic will be on the global workforce and how it will alter the ways we work. As we see economic instability unfolding around the world, our mission — to create economic opportunities so people have better lives — has become all the more urgent. With a network of independent professionals located in more than 180 countries offering skilled expertise across more than 80 categories of work, now more than ever, we are proud to offer a solution that connects businesses with a talented workforce that is already highly adept at working remotely to deliver great outcomes.

In the face of the current crisis, we are also mobilizing our organization to help our customers in every way that we can, including helping them adapt to the new remote working reality. Upwork has been facilitating remote working relationships for our customers for more than 20 years, and we are putting that expertise to its greatest use today. We have adjusted our business to best support the pressing needs of our independent professionals, clients, team members and the communities where we

live and work, as we believe that fulfilling our responsibilities as a mission-driven organization is key to our success. It is on this foundation that we present Upwork's inaugural Annual Impact Report.

We have always believed that to be a successful business we must also be an accountable one. I am proud of the steps we have taken, and the impact we made in 2019, particularly in these key areas:

**Giving:** Upwork is at the forefront of how work is changing, creating economic opportunities with knowledge-based work. We also recognize that not everyone is set up to thrive in the new economy. Through The Upwork Foundation Initiative, we are fostering an inclusive future of learning and opportunity by serving those at risk of being left behind by the changing nature of work.

**Environmental Impact:** Commuters spent an average of 87 extra minutes a week in traffic in 2019. Upwork is helping to minimize businesses' and individuals' ecological footprint by reducing, and in some cases eliminating, commuter travel that leads to carbon emissions.

**Community Impact:** We dedicate time and resources to helping independent professionals refine their business skills so that they can thrive in the global workforce. Through our Upwork Ambassador Program, we held events in 13 cities across seven countries to help individuals build and grow their online freelance businesses.

**Inclusive Culture:** Our values-based approach to culture puts our people and their experiences first. We foster belonging via our Employee Resource Groups and by equipping managers with the right tools to build and lead amazing teams. Consistent with these values, we delivered over 40 workshops to more than 500 employees to foster inclusion and belonging in our distributed workplace.

As we navigate the new challenges ahead, our commitment to have a positive impact on our planet remains at the core of everything we do. I am honored to share this report on behalf of our incredible team members, who work tirelessly every day to bring our mission to life by supporting the talented professionals and committed clients who discover better ways of working every day by using our platform.

Sincerely,



Hayden Brown  
Chief Executive Officer



# Upwork: A Business with a Mission

Upwork is the leading online talent solution transforming professional staffing. We empower businesses with more flexible access to quality talent, on demand. Through Upwork's technology and services, companies have access to a global pool of proven professionals so they can remotely scale their teams dynamically to meet business needs. Independent professionals choose Upwork because of the access to quality clients and engagements, as well as the flexibility to work and get paid on their own terms.

**Our mission is to create economic opportunities so people have better lives.**

We do this by removing friction in the labor market, allowing clients to hire the professionals they need, and helping global talent find better opportunities than those

available in their local job markets. The community of independent professionals using Upwork to build their businesses spans many knowledge-based categories, including technology, creative and design, finance and accounting, consulting, operations, and customer support — over 8,000 skills are represented.



## Our Business

Upwork's products and services enable independent professionals to run their businesses seamlessly and allow clients<sup>1</sup> to find and work with a global pool of proven talent. Our unique remote-based model differs significantly from commoditized marketplaces, such as rideshare and delivery services, that have been traditionally considered part of the "gig economy." Small businesses and skilled professionals that use Upwork to market their services have control over which clients they work with, what kind of work they do, when they do the work, and how much they charge.

For **businesses**, our platform increases efficiencies associated with searching for, contracting and collaborating with, and paying highly skilled independent professionals for short- and long-term projects. Our expansive repository of data, combined with our machine learning capabilities, enables us to better connect clients with independent professionals for their projects. Compared to traditional staffing firms, Upwork enables businesses to obtain specialized talent at a better value and professionals are able to find unique work opportunities where they can earn more.

For **independent talent**, we serve as a powerful marketing channel to find rewarding, engaging, and flexible work. Professionals using our site benefit from access to quality clients, secure and timely payments, and visibility into high-demand opportunities, enabling them to invest their time in developing sought-after skills.

<sup>1</sup> We define clients as users of Upwork that work with independent professionals through our site. Independent professionals include sole proprietors and other small businesses that offer their services on the site.

## Vision

To be the number one flexible talent solution in the world.

## Mission

To create economic opportunities so people have better lives.

## Values

- Have a bias towards action.
- Put our community first.
- Build amazing teams.
- Inspire a boundless future of work.

## Key Facts

**30%+** Of the Fortune 500 use Upwork

Upwork is publicly traded on the NASDAQ under the symbol

**"UPWK"**

Upwork's clients include



AUTOMATTIC

Upwork is headquartered in Santa Clara, California, with offices in Chicago and San Francisco, and distributed team members around the world.



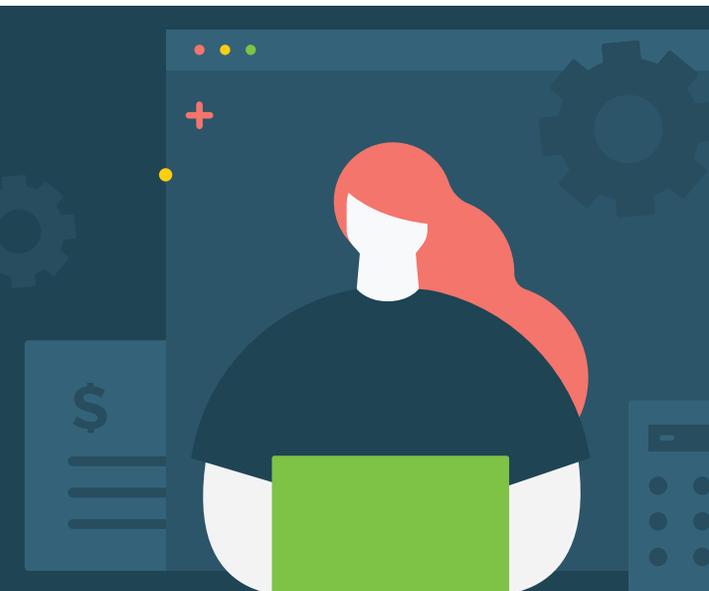
## Company History



We were incorporated in 2013 in connection with the combination of Elance, Inc. and oDesk Corporation. As part of the combination, we changed our name to Elance-oDesk, Inc. in 2014, and then to Upwork Inc. in 2015.

Currently, much of our revenue comes from fees charged to professionals sourcing work opportunities through Upwork. We also generate revenue through fees charged to clients for transacting payments, foreign currency exchange, and other premium offerings, including [Upwork Enterprise](#), [Upwork Business](#), and [Upwork Payroll](#). We measure the amount of business transacted on our site through one of our key operating metrics — Gross Services Volume (GSV). GSV includes both client spend and additional fees charged for other services. Client spend — the total amount that clients spend on both our marketplace offerings and our managed services offering — is the primary component of our GSV.

More information about our products and services offerings can be found [here](#).



## About this Report

This inaugural Annual Impact Report articulates Upwork’s approach to assessing Environmental, Social, and Governance (ESG) matters and related impacts for calendar year 2019. Through this report, we seek to demonstrate our commitment to a key outcome of our business model — creating economic opportunity.

To identify specific focus areas included in this report, we collaborated with internal stakeholders to assess current Upwork practices and conducted in-depth industry benchmarking. We also conducted interviews with our leadership team and independent professionals that use Upwork’s marketplace to better understand and align on key focus areas.

In 2019, we are reporting on three key focus areas:

- **Our Impact is Creating Opportunity:** Our role in helping match skilled talent with client opportunities to monetize professionals’ skills and create global economic opportunity, while also seeking to mitigate environmental impact.
- **Business Ethics & Governance:** How we approach business ethics and integrity. Our process for managing and mitigating risk, ensuring a fair platform for both independent professionals and clients, and maintaining the security and privacy of data.
- **Our Upwork Team:** How we engage our workforce and our approach to creating and implementing an inclusive environment that promotes and encourages diversity, belonging, wellness, and career development.

## ESG at Upwork

We recognize that sound ESG oversight is critical to our ability to implement meaningful long-term ESG strategies. Beginning in 2019, the [Nominating and Governance Committee](#) of our Board of Directors has overseen all ESG functions. Our ESG task force is composed of personnel from various departments and is responsible for developing and implementing ESG programs and disclosures. Our Nominating and Governance Committee receives periodic updates throughout the year on progress and ongoing strategy.



As we continue to expand our ESG strategy, reporting, stakeholder engagement, and data measurement efforts, we will share progress through subsequent reports. For more information on our Governance structure, please see our [2020 Proxy Statement](#).

We welcome feedback on our initiatives and this report. Please contact [ESG@upwork.com](mailto:ESG@upwork.com) to share your thoughts or connect with us.

# Our Impact is Creating Opportunity



The business-worker relationship has changed significantly over the last 20 years. Technological advances have made our work possible and have ushered in a new era where independent professionals are an increasingly critical and expanding segment of the global workforce. In today's global economy, businesses need access to knowledgeable, highly skilled, and specialized talent to compete, and workers are seeking more independence, mobility, and flexible work options. Traditional recruiting and hiring methods have not kept pace with current business and worker demands. As a result, businesses need more seamless and efficient integration in finding the right talent to meet their needs.

We are changing the way work gets done by operating the largest online global marketplace, as measured by GSV, to connect businesses with highly skilled talent without geographical barriers. Our mission — **to create economic opportunities so people have better lives** — is integral to how we operate, promote our culture and hiring practices, build products, and lead our industry.

This comes to life in tangible ways: groundbreaking research on the freelance economy trends, meaningful community commitments through the Upwork Foundation Initiative, and helping workers on a global scale reduce their collective environmental impact through increased opportunity to work from home.

## Upwork at a Glance

McKinsey Global Institute estimates that by 2025, online talent platforms like Upwork could add

<b>\$2.7T</b> Annually, or	<b>2%</b> To global GDP <sup>2</sup>
<b>\$2.1B</b> GSV in 2019	<b>70+</b> Categories of work
<b>\$300M+</b> revenue in 2019	<b>180+</b> Countries represented on Upwork
<b>124K+</b> Core clients <sup>3</sup> as of December 31, 2019	<b>8K+</b> Skills represented on Upwork

### Professional skills available on Upwork

 Software development	 Operations
 Creative and design	 Customer support
 Finance and accounting	 Sales and marketing

<sup>2</sup> McKinsey Global Institute, "Connecting talent with opportunity in the digital age," James Manyika, Susan Lund, Kelsey Robinson, John Valentino, and Richard Dobbs, June 2015. <https://www.mckinsey.com/featured-insights/employment-and-growth/connecting-talent-with-opportunity-in-the-digital-age> (accessed February 2020)

<sup>3</sup> We define a core client as a client that has spent at least \$5,000 in the aggregate since it began using our site, and also had spend activity during the 12 months preceding the date of measurement.



**Elham Ali**  
Agile Technical Project Manager,  
UX Designer, Healthcare Strategist  
Santa Clarita, CA

*“Working with Upwork has allowed me to transform people’s health and lives anywhere, anytime. Upwork is safe, secure, and has been an integral part of my business.”*

With a Master’s in Health Policy and Management from Columbia University, Elham is a Top Rated public health practitioner on Upwork. As Founder and CEO of Jumana Design, a health experience strategy and service design firm, Elham has dedicated her career to serving underserved communities. After immigrating to the U.S., Elham found herself in a new environment and distant from her professional network. After joining Upwork, she was not only able to increase her financial capital, but find a bridge for career growth, regardless of geography.

Elham works with a diverse range of Fortune 100 clients on Upwork. She has since been able to partner with one of the largest opioid crisis coalitions in the Inland Empire helping tackle one of the biggest public health crises. As the lead Project Manager and Public Health Strategist, Elham manages workgroups that aim to deliver safe prescribing practices for emergency overdoses, forge partnerships, and create campaigns for stigma awareness.

Elham is proud to be a part of Upwork’s community of talented professionals.

## Our Perspective:

### Upwork Thought Leadership on the Future of Work

At Upwork, we understand the position we have in the market and the unique viewpoint into how our customers are driving a revolution in the workforce. Building a freelancing business with Upwork as one marketing channel provides tangible benefits to those living outside the major metropolitan cities, including economically depressed or underserved areas, where options for work are limited now more

than ever. Unlike conventional “gig economy” sites and apps that cater strictly to local constituencies, 97% of transactions on the Upwork platform are consummated between a buyer and seller 50 miles apart or more, which often creates rivers of capital from areas with more economic activity into middle-class, middle-income communities, and unlocks potential in more places than ever before.<sup>4</sup>

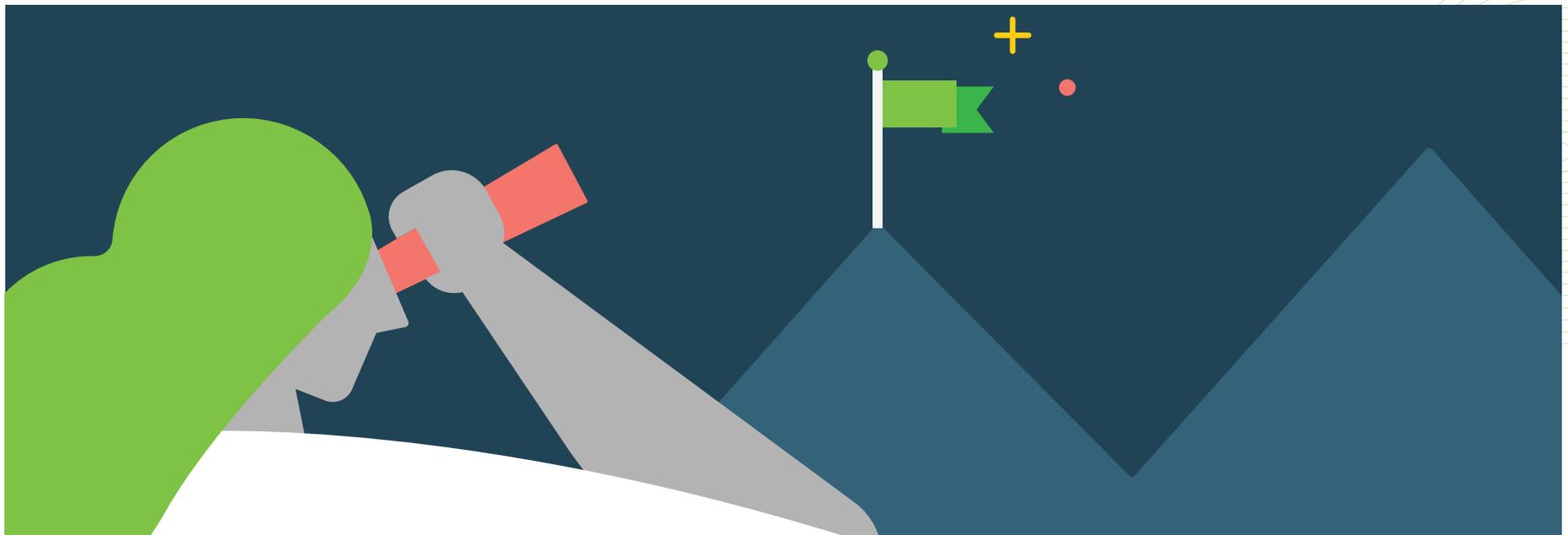
97%

of transactions

on the Upwork platform are consummated between a buyer and seller 50 miles apart or more.

As a result of how we do business, and because our business model differs greatly from rideshare, on-demand delivery, and other “gig economy” platforms, but is often conflated with these models, we use our voice as an opportunity to educate on the size and scope of the broader economy. We deliver key insights, through earned media to businesses and independent professionals navigating the talent transformation, as well as in public policy arenas, such as our appointment to California Governor Gavin Newsom’s Commission on the Future of Work, where we can help shape new approaches to workforce policies.

Each year, we conduct and publish research to better assess the needs and desires of independent professionals, the companies that engage with them, and the evolving workforce. Studying and measuring this space is critical to our ability to operate in an ever-evolving landscape. Our research helps us make informed decisions to support both businesses and professionals working on Upwork while establishing our role as a global thought leader in the conversation around the future of work. We release two studies annually: [Freelancing in America](#) and the [Future Workforce Report](#).



<sup>4</sup> Stanford University Graduate School of Business, “The Independent Workforce in America,” Paul Oyer, November 2016. [https://s3-us-west-1.amazonaws.com/adquiro-content-prod/documents/paul\\_oyer\\_the\\_independent\\_workforce\\_in\\_america.pdf](https://s3-us-west-1.amazonaws.com/adquiro-content-prod/documents/paul_oyer_the_independent_workforce_in_america.pdf)

## Freelancing in America

### *Better Understanding the Freelance Economy and its Challenges and Motivations*

Since 2014, we've partnered with [Freelancers Union](#) to commission a study that analyzes the impact of the U.S. freelance economy. In 2019, we released the results of our sixth annual Freelancing in America (FIA) report, which is the most comprehensive measure of the U.S. independent workforce, surveying more than 6,000 U.S. workers over the age of 18.

Key findings about the impact of the U.S. freelance economy:

- **Freelancing is becoming more of a long-term career choice.** For the first time since we began conducting this study, as many freelancers said they view this way of working as a long-term career choice as they do a temporary way to make money.
- **Freelancing's direct impact on the economy is nearly 5% of U.S. gross domestic product (GDP).** At nearly \$1 trillion a year, the impact of freelance earnings on the economy is comparable to that of a major industry like the information sector.
- **Freelancers are most likely to be skilled professionals.** While media and policy discussions regarding independent work often focus on ridesharing, delivery, and parts of the so-called "gig economy," the largest category of freelance work is skilled services with 45% of freelancers providing skills such as programming, marketing, IT, and business consulting. Most importantly, these are the types of skilled services offered by independent professionals on the Upwork marketplace.
- **Freelancing enables opportunities for those who otherwise might not be able to work.** 46% of freelancers agree that freelancing gives them the flexibility they need because they're unable to work for a traditional employer due to personal circumstances. Among those, 43% have health issues. This means that 1 out of 5 freelancers face health challenges that would prevent them from working if it weren't for freelancing.



Key findings and more about this study can be found [here](#).

## Future Workforce Report

### *How Millennials and Gen Z Are Redefining the Workforce*

Today, Millennials and Gen Z are increasingly challenging companies to rethink traditional ways of working as a result of their always-on, always-connected mindset, and the desire for flexible and remote work. In 2019, we released our third annual Future Workforce Report to explore hiring behaviors of over 1,000 hiring managers based in the U.S. and better understand this evolution.

The results were analyzed by generation and we found that younger generation managers are shaping the future of work in important ways:

- **They support remote teams, thus shaping a new norm.** 69% of younger generation managers have team members who are allowed to work remotely.
- **Younger generation managers are more likely to believe in a more independent workforce approach.** They're nearly three times more likely to say that individuals should be responsible for their own reskilling as compared to Baby Boomers.
- **They're prioritizing workforce planning and embracing an agile future.** The study predicts that by 2028, non-traditional, flexible talent (i.e., freelancers, temporary workers, and agency workers) will comprise 24% more of departmental headcount as compared to today.
- **They're utilizing freelancers at a higher rate.** Younger generation managers are more than twice as likely as Baby Boomers to have increased their usage of freelancers in the past few years, and they are projected to continue increasing their usage in years to come.

Key findings and more about this study can be found [here](#).



Say they'll soon be the workforce majority



Say they believe in a remote future



Say they're embracing flexible teams

## The Upwork Foundation Initiative

The Upwork Foundation Initiative furthers our mission to create economic opportunities so people have better lives, and does so with an added focus on inclusion. Upwork is at the forefront of how work is changing, creating economic opportunities with knowledge-based work. We also recognize that not everyone is set up to thrive in the new economy. Many face a biased playing field, social injustices, and limited learning opportunities. The Foundation's vision is to foster an inclusive future of learning and opportunity by serving those at risk of being left behind by the changing nature of work.

Established in 2018, the Upwork Foundation has three key strategic initiatives:

- **Giving:** Financially support high-performing nonprofits advancing our vision through initiatives such as skill development and entrepreneurship for underserved communities.
- **Volunteering:** Give our local communities a boost by supporting team members in volunteering for causes and organizations that matter most to them.
- **Service Offerings:** Enable nonprofits to increase their social impact by leveraging top talent on the Upwork site and support underrepresented groups in finding work via Upwork's marketplace.

Upwork is also a proud signatory of [Pledge 1%](#), a global movement encouraging and empowering companies to create positive social impact.



## Giving

In May 2018, Upwork issued a warrant to the Tides Foundation, a public foundation and nonprofit accelerator, to purchase 500,000 shares of Upwork common stock at an exercise price per share of \$0.01. The warrant becomes exercisable for 50,000 shares on each anniversary of our IPO. Upon the exercise and sale of these shares each year, the Tides Foundation will donate the proceeds from the sale at our direction to select organizations through grants to financially support the initiative's goals. In 2020, the Upwork Foundation intends to distribute \$500,000+ in grant support.

In 2019, the Upwork Foundation piloted our first round of grantmaking focused on skills development, livelihoods, and entrepreneurship, and received applications from over 170 nonprofits. We awarded our first round of three grants totaling \$150,000 to [African Entrepreneur Collective \(AEC\)](#), [Code Nation](#), and [Pivotal](#).

- **AEC** focuses on providing support to refugee entrepreneurs in East Africa. The Upwork Foundation award supports AEC's expansion to serve additional geographic areas of Africa, increases its entrepreneur training and consulting, and increases its loan capabilities. With these efforts, AEC intends to train and consult 9,200 refugees in Rwanda and Kenya in 2020.



- **Code Nation** provides coding education and workforce readiness to youth from under-resourced high schools. This award will support their long-term goal of securing a high-wage career in the tech sector for 60% of program alumni, thereby generating additional revenue within their communities. 
- **Pivotal** aims to tackle education and employment disparities among youth in foster care. The Upwork Foundation grant supports Pivotal's Path to Self-Sufficiency for Foster Youth Program which seeks to provide coaching to 300 high school and college participants, to prepare and place 115 foster youth into paid summer internships, and to achieve high rates of internship completion. 

The Foundation looks forward to awarding many more grants via our donor-advised fund created through the Tides Foundation.



## 2019 Ambassador Program Highlights

# 51

Expert Evenings attended by approximately 5,500 participants

# 56

Webinars attended by nearly 26,000 participants

# 38

Focus groups attended by 450 participants

# 26

Top Rated meetups with nearly 1,000 participants

# 13

Different cities throughout seven countries where events were held

### Upwork Ambassador Program

We dedicate time and resources to helping independent professionals refine their business skills so that they can access and thrive in the global workforce. This comes to life through our Upwork Ambassador program.

In numerous cities around the world, Upwork Ambassadors serve as local representatives who support the Upwork talent community in their cities, helping professionals and agencies build and grow their online freelance businesses. Through the program, Ambassadors organize training and networking events.

Events include webinars for new professionals with best practices on how to develop their businesses, networking events to connect Top Rated talent and agencies, educational Expert Evenings with guest speakers, and periodically, Upwork Freelance Summit full-day conferences. Additionally, we hold focus groups and roundtable discussions in order to gather in-depth feedback about Upwork's site and challenges independent workers face in order to continually improve our offerings and user experience.

### Volunteering

Giving back to our communities is a core value and one of many ways we strive to make a positive impact while engaging our workforce. To support this philosophy, all Upwork employees receive two days a year of "Volunteer Time Off" to dedicate to the causes that matter most to them, per our [Pledge 1% commitment](#). Nearly one in five team members participated in one or more sponsored volunteer events. In addition, many employees also engaged in volunteer efforts of their choosing.

In 2019, the Upwork Foundation launched our first employee Volunteer Week to bring team members together through volunteering. The Foundation collaborated with our numerous ERGs to host fundraising and volunteer events within surrounding communities. Teams in Chicago helped serve meals to youth in partnership with [La Casa Norte](#), the Santa Clara office supported [Family Giving Tree](#) with its Holiday Wish Drive, and the team in San Francisco volunteered with [Glide](#), preparing and serving meals for hungry community members. In 2020, the Foundation looks forward to expanding our volunteering footprint through ongoing initiatives.

### Service Offerings

The Upwork Foundation also aims to leverage the Upwork marketplace to help nonprofits better realize their mission, and to help underserved groups better access jobs on our platform.

In 2019, the Foundation piloted discount programs for partners such as TechSoup and Amazon Web Services — and we are excited to launch discounted pricing for eligible nonprofits more broadly later this year. The Foundation also ran pilot programs with partners such as the International Trade Center to train and mentor refugees to better access jobs on Upwork. In 2020, we look forward to launching additional programs to help connect disadvantaged populations with greater economic opportunities.



## Environmental Impact

The rise in traffic leads to increases in carbon emissions, which has a devastating impact on our planet. Our site helps address and mitigate this critical environmental issue.

By enabling small businesses and independent professionals to work from wherever they choose, we're helping reduce, and in cases where people work from home, eliminate carbon emissions that would otherwise be produced by vehicles used by commuters. Freelancing can also reduce the amount of carbon emitted, pollution produced, and resources consumed to manufacture and power vehicles and build and maintain transportation infrastructure and office spaces. Compared to other industries and sectors, our business has minimal environmental impacts including landfill and pollution outside of our office

Commuters spent an average of **87 extra minutes<sup>5</sup>** a week in traffic in 2019.

spaces. Our flexible workplace policy also encourages team members to work from home as appropriate.

We currently host our platform, serve our users, and support our operations using Amazon Web Services, or AWS, a provider of cloud infrastructure services. A cloud consumption and delivery model allows us to dynamically expand and collapse our technology usage based on demand, ensuring we create a more optimal energy and environmental footprint.

AWS is responsible for designing and mitigating the impact of their data centers, and while we do not have control over the operations or the facilities of AWS that we use or the physical footprint of our technology, we do know that AWS takes great care to adhere to sustainable practices and mitigate its footprint. For more information on AWS and sustainability, please visit [here](#), and [here](#).

We know that businesses, including ours, have an important role to play in addressing and reducing emissions that are contributing to the global climate crisis. While our business model inherently helps businesses and individuals reduce their carbon footprint, we also recognize the need to more formally assess and quantify our own environmental impacts. Our goal is to do so in future reporting efforts.



<sup>5</sup> TomTom International BV, "TomTom Traffic Index," 2019, [https://www.tomtom.com/en\\_gb/traffic-index/](https://www.tomtom.com/en_gb/traffic-index/) (accessed February 2020)



**Michelle Gamboa**  
Graphic Designer  
Quezon City, Philippines

*"I love what I do and the sense of fulfillment I feel at the end of the day. Communities like Upwork enable people to contribute their talents and skills within the comfort of their homes, supporting their countries and economies."*

The unemployment rate in the Philippines is high. On top of this, the capital, Manila, has some of the worst traffic in the world — with an average of [257 hours of extra time spent driving in rush hours in 2019](#). Exhausted from a 2-3-hour daily commute, local graphic designer Michelle Gamboa turned to Upwork after she heard about the platform from a friend. By leveraging Upwork's marketplace, Michelle reduced her environmental footprint by eliminating her commute and turned the time back into valuable work hours to focus on her career aspirations.

Michelle was able to build her business over time, and has since transitioned to working full-time through the Upwork site.

# Business Ethics, Integrity & Governance

From our Board of Directors to every team member, the work we do each day is guided by a robust business ethics and integrity program that encourages everyone to **always do the right thing**. Underlying this program is a series of corporate codes, policies, and guidelines that we adopted in connection with our IPO, including our Corporate Governance Guidelines, Code of Business Conduct and Ethics, Whistleblower Policy, Insider Trading Policy, Related Party Transactions Policy, Corporate Communications Policy, Anti-Corruption Policy, and Social Media Policy.

Integrity is embedded in our culture and something we promote from the top down and throughout our business. This approach is reflected in our [Code of Business Conduct and Ethics](#), which outlines our commitment to promoting high standards of honest and ethical business conduct and compliance with applicable laws, rules, and regulations. The Code also outlines clear expectations regarding legal compliance and international business laws, antitrust, equal employment, insider trading, and conflicts of interest, among other critical focus areas.

We encourage our team members to report concerns or misconduct internally so we may address them meaningfully, effectively, and swiftly. In addition to our Code, our Whistleblower Policy is accessible to team members and well communicated throughout our workforce. The Policy includes Upwork's commitment to be an open and collaborative workplace. It also provides access to resources such as Upwork's anonymous Compliance & Integrity Hotline and stipulates that team members will not be retaliated against or punished for reporting a concern in good faith.

Our Code, Whistleblower Policy, and instructions for accessing the Upwork Compliance & Integrity Hotline (among other ethics and compliance resources) are shared with team members on their first day as part of their onboarding, accessible via the Upwork human resources intranet, promoted via in-office signage, and encouraged through communications with senior leadership. We also ensure all non-full-time employees are appropriately briefed on our Code and ethics expectations.

In 2019, we held seven compliance and ethics trainings throughout the year for applicable team members on key aspects of our Code, including money laundering, privacy and cybersecurity, and anti-corruption. All employees are required to sign our Code. Our Compliance Officer is responsible for fielding questions with respect to and investigating potential violations of our Code. All reports of misconduct are addressed as swiftly and effectively as possible.



## Upwork Board of Directors

Our Board of Directors sets a high standard for our company. We prioritize and place emphasis on the importance of sound corporate governance and leadership which ultimately sets high expectations for the rest of our company. Our Corporate Governance Guidelines can be viewed [here](#) and more information on our Board composition can be found [here](#).

We recognize that in order to be successful, we must champion and prioritize diversity in thought, experience, background, race/ethnicity, and gender. In doing so, we ensure that new and different perspectives are shared, which enables us to make better decisions and positively impact our business.

 Male Directors

 Female Directors

**44%** Of our senior leadership team is female

Our Board is currently comprised of eight directors, including three women. 44% of our senior leadership team is female, including our President and Chief Executive Officer. For more information about our directors, including their experience and background, click [here](#).

## Ensuring Fairness Through Trust & Safety

We aim to make Upwork the safest, easiest, and most trusted way to do work online. We also understand there is a certain level of responsibility that comes with connecting independent professionals to clients and new work opportunities through our global marketplace. In order to be successful, we work to ensure that a high volume of quality talent is available to meet the expectations of our clients, while instituting policies that promote the fair and equitable treatment of independent professionals.

We have built important tools and instituted policies to promote responsible, safe, and transparent interactions between both parties. Examples include our [Terms of Service](#) outlining expectations for independent professionals and clients, our 24/7 customer support team, fixed-price protection, protection for hourly projects with an online billable time system accessible to both parties, and our dispute resolution function for the rare instances when disputes occur. Additionally, our [escrow service](#), which is enabled by our licensed escrow subsidiary, provides peace of mind to independent professionals by helping ensure the client makes payment even in the event a client does not respond to a professional upon completion of a job.

Our Trust and Safety team is ultimately responsible for the development and implementation of such programs and policies. We continually assess client and independent professional feedback through machine learning and manual processes to remove bad actors from the site and to inform and amend policies.

More information regarding our Trust and Safety measures can be viewed [here](#).

## Enterprise Risk Management Program

Managing risk and ensuring compliance with applicable laws and our internal policies are critical to our ability to operate. We maintain a robust Enterprise Risk Management (ERM) program that is overseen by the Audit, Risk and Compliance Committee of our Board of Directors.

Our ERM program includes a bi-annual process to identify and assess the likelihood and severity of a broad, comprehensive range of risks. As part of this program, we also provide a readout to our leadership team and Audit Committee every six months. Functionally, each risk is assigned an owner and an attorney to ensure that it is properly managed and mitigated.



## Data Security & Privacy

Protecting customers and securing their financial and personal information is a high priority at Upwork. Our customers entrust us to safeguard their personal information and we take that responsibility, and our commitment to use their personal information only in ways consistent with our privacy policy and terms of service, extremely seriously. As such, we strive to create a privacy culture where our employees prioritize our responsibility to safeguard customer data, including during their day-to-day work and throughout the product development lifecycle, and not as an afterthought.

Our information security team and legal compliance team are responsible for managing and implementing our data security and privacy program. Our Audit Committee is responsible for oversight, which includes plans to mitigate cybersecurity risks and respond to data breaches.

Our site is robust in protecting our users' personal information and data, meeting the rigorous privacy and security requirements of our enterprise clients, and securing our data and systems. To that end, we have obtained the following security and privacy certifications: SOC 2, Type 2 certification, PCI-DSS certification, and U.S.-EU and U.S.-Swiss Privacy Shield certifications. We are also TrustArc certified.

We ensure all team members who interact with our internal systems, regardless of whether the team member is an employee or part of our extended workforce, undergo rigorous and regular cybersecurity training sessions. Every new worker undergoes information security training as part of their onboarding process



and in 2019, we trained all team members who routinely handle our users' personal information on the California Consumer Privacy Act (CCPA) and our responsibilities under the CCPA. We also provided all team members who administer databases containing our users' personal information with data mapping and privacy training. Further, we ensure that all relevant team members are trained on new regulations and compliance procedures on an ongoing basis.

Upwork operates an enterprise-wide vulnerability risk management program that incorporates a variety of tools and resources to create a robust, effective program in order to efficiently identify and remediate application vulnerabilities. Our program consists of vulnerability scanning, performing regular penetration tests, and a public bug bounty program. Through the bug bounty program, we invite researchers to test our freelancer platform and mobile

*(continued)*

iOS/Android/Desktop apps. The goal of this program is to ensure that Upwork's customers are using a secure platform that is free from security vulnerabilities. We also monitor threats to Upwork services and systems using various security information and event management (SIEM) tools. Anomalies and alerts are investigated to ensure timely detection and response. Additionally, Upwork has a well-defined incident response program to ensure appropriate actions are taken in the event of a data security or privacy incident.

Ensuring compliance with new regulations such as the CCPA and the European Union's General Data Protection Regulation (GDPR) is a high priority and integral to our ability to operate. Not only does Upwork comply with the GDPR and CCPA, we also created an [online privacy center](#) where we provide customers with helpful information and resources so they can learn about their rights under these new privacy laws. In addition, Upwork participates in TrustArc's award-winning Enterprise Privacy & Data Governance Practices Certification program. Through this program, TrustArc monitors our compliance with their best practices in privacy and data governance criteria. TrustArc also serves as a third-party dispute resolution provider to address customer concerns relating to data privacy, allowing our users to submit their privacy concerns to a neutral party for investigation and resolution free of charge.

Upwork honors and respects its responsibilities under the GDPR and CCPA and expects that several more privacy laws affecting the handling of customer and employee personal data will come into effect in the future. We view compliance with these new privacy laws as an opportunity to demonstrate to our customers and employees our commitment to keeping their data private and safe. Read more about how Upwork collects, uses, shares, and manages personal information through our [privacy policy](#).



**Hugo Roger**

Market Analyst and Linguistic Services  
São Paulo, Brazil

*“When I found Upwork, I never imagined the impact it would have in my life — personally, professionally, and financially. We are valued and respected as skilled professionals in a collaborative environment that protects both its talent and clients.”*

In 2014, Hugo enjoyed his full-time role in the corporate world, but had a desire to find a more flexible way of life that would give him the freedom to travel and volunteer around the world. After searching online for freelance opportunities, Hugo found the opportunity he had hoped for through Upwork. Fast-forward nine years, Hugo works with Upwork's enterprise clients providing professional linguistic services and conducting market research regarding Latin America.

After working on the platform for a few years and expanding his portfolio, Hugo leveraged Upwork's marketplace to build his own team and now supports dozens of customers and clients with their services. Personally, Hugo has had the opportunity to travel to three different countries, with more travel plans on the horizon. He has also started to produce video content that educates Brazilian professionals on how to start and grow their own businesses on Upwork's site. He hopes to one day publish a book about his career journey.

# Our Team

We're a mission-driven company committed to the individuals who impact our business every day. This extends to the more than 500 corporate employees and over 1,200 highly-skilled independent professionals whom we partner with throughout the year. Our team members are motivated by their ability to have an impact on a global scale.

We practice a “work without limits” model that includes a distributed team of workers. As needed, we engage independent professionals all over the world for our own specialized projects that benefit from their expertise in, for example, content marketing, graphic design, web and mobile development, customer support, and analytics. We believe this results in a team that is continually engaged and passionate about the positive impact of our company.



## Diversity, Inclusion & Belonging (DIBs)

Upwork's mission and vision intrinsically demand that we cultivate an inclusive culture where every team member belongs. Our values-based approach to culture puts our people and their experiences first. We view belonging as a feeling, inclusion as a practice, and diversity as an outcome.

In 2019, we continued to foster belonging via our Employee Resource Groups (ERGs) and by equipping managers with the right tools to build and lead amazing, diverse, and inclusive teams. Examples include developing coaching and feedback skills to uncover potential and providing resources on how to run inclusive team meetings. Over 40 workshops were delivered to more than 500 employees.

Additionally, we continued our practice of multidimensional compensation and mobility reviews during our bi-annual employee performance evaluation process. This is led by a cross-functional team of HR and Legal leaders to ensure we are fair in our rewards and recognition strategy. 2019 also saw the start of an internal transfer

review board to ensure equity in internal mobility practices throughout the company as an ongoing priority.

Diversity, inclusion, and belonging is a journey, not a destination. We are developing and executing on a 2020 people strategy to:

- Build a more robust DIBs infrastructure and leverage data to inform strategic talent process decisions
- Further promote and evolve existing DIBs programs, such as our ERGs, so that they fully and efficiently achieve their purpose
- Apply a more rigorous DIBs approach to all stages of our talent life cycle

Transparency and data are critical components of a robust DIBs strategy. We are currently planning to share our quantitative progress in future reporting efforts.

Given the size and scope of our community, we are beginning to explore ways to help our clients build more inclusive teams.



**Erin L. Thomas, Ph.D.**  
Head of Diversity, Inclusion  
and Belonging

*“I'm passionate about using both quantitative data and connections with team members to enhance our DIBs efforts while ensuring they're fully integrated into our business strategy.”*

In 2019, we welcomed Erin L. Thomas, PhD, to the Upwork team. Charged with leading DIBs, Erin brings a research-backed, data-driven, and pragmatic approach to her role at Upwork.

Erin's interest in DIBs began at the age of 10 when she decided she wanted to be a psychologist to help resolve complex societal issues. Fast forward to today — Erin now has a PhD and two master's degrees in social psychology from Yale University, has led strategic DIBs efforts for two organizations, and has served as a DIBs consultant to dozens of the most innovative and fast-growing companies in the world.

In her time at Upwork, Erin has collected and assessed multitudes of team member data and designed forums for team members to feel comfortable sharing their workplace experiences. By taking both a quantitative and qualitative approach to her work, she is designing and operationalizing DIBs to be fully integrated into all aspects of our business.

### Our Team Members:

**500+**

Full-time corporate employees

**~1,200**

An extended team of contractors and independent professionals

**800+**

Cities where Upwork team members live

## Belonging Comes to Life through Upwork's Employee Resource Groups

Upwork's ERGs build community for team members who are numerically or socially underrepresented in tech. They do this by creating opportunities that minimize the isolation that can hold employees back from achieving their potential and fulfilling their professional purpose.

ERGs center on a shared social identity — including but not limited to race/ethnicity, gender identity, sexual orientation, generational status, disability status, military status, and caregiving status — and allyship with that identity.

Our current ERGs include:



## Team Member Engagement

Building and sustaining an engaged and values-based culture results in a better company and ultimately better bottom-line results. Our team members are integral to our work and our successes. As such, we engage our workforce in meaningful ways and take timely action in response to their feedback.

While our culture and engagement process starts during the new team member onboarding process, one way we sustain our feedback loop is via the Glint™ team member engagement platform. Through the platform, we survey Upwork team members on a quarterly basis to gather feedback. In 2019, our average engagement rate was 82% and our average employee satisfaction (eSat) score was 78, nine points above our industry benchmark. Upwork received notably high scores with respect to our mission and purpose in these 2019 surveys, as many team members feel invested in our future and continue to regard Upwork as a workplace they would recommend to others. Team members also consistently recognize our efforts to cultivate an inclusive workplace as a positive theme in these quarterly surveys.

Additionally, we learned from our 2019 survey responses that there are opportunities to improve and advance our learning and development program. Acknowledging these opportunities, we facilitated over 40 in-person and virtual workshops focused on improving feedback and coaching skills, delivered five unique LinkedIn Learning™ course club sessions in partnership with authors on key topics around Emotional Intelligence, DIBs, Change Management, Burnout, and Coaching. These investments helped increase our training eSat score from 73 to 76 during our Q4 cycle. In 2020, we will continue this commitment by investing in the development of our Upwork teams through blended learning experiences offered to leaders and individual contributors.

In 2019, our average employee satisfaction score was **78**, nine points above our industry benchmark.

More information about Upwork culture and careers can be found [here](#).



In our Q4 2019 survey, we asked team members whom they are grateful for at Upwork and why. In total, 15% of our team responded to this additional question.

A prominent theme throughout survey feedback was our values and mission, as exemplified by several team member survey responses:

*“I think the efforts to focus on values and mission are really helping the organization to improve.”*

*“I am extremely happy working at Upwork with the atmosphere and culture of the people. It is truly amazing to work somewhere that everyone is so passionate about the work they do on a daily basis.”*

*“I love our mission and truly appreciate the leadership we have moving our company towards manifesting it through our values.”*



**Faiza Yousef**

Project Manager and Business Analyst  
Karachi, Pakistan

*“Providing access to global opportunities is extremely important. When women are able to prioritize their careers and achieve financial independence, they gain influence and control over the trajectory of their lives.”*

Pakistan has one of the world’s lowest rates of female participation in the labor market — it’s estimated that only [25%](#) of women work. Project manager and business analyst Faiza is determined to overcome social norms and change this trajectory for female students. She is passionate about helping women learn, connect, and get access to meaningful and equitable work to improve their lives.

While spending time teaching at multiple universities, she realized that of the many women who pursue careers in computer science, very few were making it into the workforce. After uncovering this problem, Faiza founded an online community and developed a coding bootcamp program in partnership with other prominent female leaders in the tech industry to facilitate conversations and help female students establish career paths, including building a business working online on Upwork. Today, the community has over 7,000 members. With the flexibility to set her own schedule, Faiza is able to do meaningful work in her field while advocating for and helping the community of women in Pakistan enter the global workforce. With more plans on the horizon, her community continues to grow.



**Paul Enea**  
Designer  
Torrington, CT

*“Upwork is life-altering — I can personally attest to this. Joining Upwork and now being a ‘Top Rated’ designer has become a major way for me to boost my income and become financially sound while recovering from a major health issue years ago and needing to work from home. I’m proud to be part of this community. If we keep our work ethic and standards high, growth will only be an opportunity for Upwork to reach greater heights.”*

After an exciting career in music, Paul started his own boutique design agency in 2002. But in 2013, Paul’s life changed drastically after he was diagnosed with a rare and devastating lung disease. After what should have been a routine bronchoscopy, Paul found himself fighting for his health on life support followed by a lengthy recovery time of two years, during which he needed to change his approach to work.

Even when Paul was feeling healthier and stronger, he was not able to pursue traditional work due to his condition. When a friend suggested looking into Upwork, he jumped at the opportunity, eager for the flexibility, autonomy, and opportunity to exercise his creativity once again, on his own terms. After just five months, Paul became a Top Rated professional with a 100% success rate with his clients. Today, Paul’s business continues to grow and involves large projects and high-profile clients he’s excited to partner with.

## Development & Training

As an organization built on talent and skills development, we understand the value of providing our team members with ongoing professional development and leadership opportunities so that they can advance their careers. We have also heard consistently from Upwork team members in our quarterly engagement surveys that they are eager for more learning and development opportunities. We realize this commitment by prioritizing development and training for our team members and ensuring that 100% of our corporate team members receive annual performance reviews.

In 2019, we delivered multiple training sessions and workshops. This included the launch of LinkedIn Learning™, in which 70% of our employees participated.

Other examples include:

**28**

**Feedback workshops** for managers and independent contributors

**14**

**Coaching sessions** that were attended by 95% of our managers

**5**

**LinkedIn Learning™ Course Club sessions** focused on leadership development

Some of our ERGs also focus on learning and development. Our Upwork Women’s Group ERG, co-founded in 2016 by our current CEO Hayden Brown (then SVP of Product and Design) and our SVP of Human Resources and Talent Innovation, Zoë Harte, arranges multiple events throughout the year, including the annual Women’s Summit, which brings together female employees for a day of learning, community-building, and inspiration.



## Promoting Wellness

Our efforts to expand economic opportunity while advancing the future of work comes to life within our own company. While we have a large and growing full-time employee base across our three offices, much of our workforce is comprised of independent professionals living all throughout the world who seek flexibility and freedom to work on their own terms with a company they are passionate about. We value this flexibility and work to create an environment where people's unique attributes are valued and are keys to their success. This philosophy allows our team members, both our employees and independent contributors, to do their very best on behalf of Upwork.

We know that the workforce is changing and that today's workplace as we know it must change alongside it. That's why we encourage an environment that supports our team members both in and outside of work. This includes "Work Online Wednesdays," to enable our teams to take back valuable time in their days that may have otherwise been spent commuting to and from the office. We also embrace the future of work evolution by providing platforms and resources that allow for increased collaboration and meaningful interactions between team members.

Beyond our mission-driven culture and employee engagement efforts, we take pride in offering competitive, market-based compensation and benefits. Knowing our employees have a diversity of needs and life priorities, we also provide expanded benefits to those eligible.

We support our employees holistically so that they can prioritize their whole selves. Examples of this include:

- Surrogacy and adoption support
- Paid parental leave
- Expanded flexibility of our bereavement policy to account for non-family members
- Pregnancy loss leave
- Monthly fitness reimbursements
- Unlimited time off
- 24-hour emotional well-being support
- Access to private wellness rooms
- 401(k) matching
- Equity awards



**Jorge Riera**  
Data Analytics at Upwork  
Miami, FL

*“Upwork has given me the freedom and flexibility to pursue both my personal passions and a fulfilling career. The culture transcends geography and, regardless of title, we are one, collaborative team.”*

From Cape Town to Miami, Jorge follows changing wind conditions to pursue his passion of kitesurfing, which is why his ability to work remotely is a top priority. After utilizing the Upwork site on a project-by-project basis, Jorge accepted an opportunity to come aboard full-time at Upwork as a data analyst.

Every day, Jorge is able to connect with his colleagues around the world through collaborative workspaces and technology no matter where his physical desk may be located at that moment. When he does have the opportunity to work from Upwork's corporate office, his work environment and experience with his teams remains the same — collaborative and meaningful.

Thank you for reading our 2019 Annual Impact Report. We welcome feedback on our initiatives and this report.

Please email [ESG@upwork.com](mailto:ESG@upwork.com) to share your thoughts or connect with us.

For more information about Upwork, visit our website at [www.upwork.com](http://www.upwork.com).

