

2020 Annual Impact Report

Building Back Better

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Introduction

Message from Hayden Brown, President & CEO



President, Chief Executive Officer, and Director at Upwork Inc.

COVID-19 has disrupted lives and caused suffering for millions around the world — blurring the lines between our personal lives and work, and forcing us to navigate and adapt to new complexities of daily life. For many, this disruption has been very apparent in the way we work. This rapid transition to remote work validates something we at Upwork have always known: traditional models of work are both in need of and capable of change.

Rather than focus solely on *where* work happens, we must also shift our mindsets around *how* it gets done and *who* we are tapping into for our critical work. Now with more than [50 percent of Gen Z college grads and 59 million Americans freelancing](#), businesses increasingly recognize the importance and value of partnering with remote freelancers to provide dynamic solutions to business-critical efforts. At Upwork, we embraced this new reality well before COVID-19 and worked to lay the foundation for long-term growth.

Upwork achieved many milestones in 2020. Our team took quick action to enable our clients and the remote freelancers on our work marketplace to adapt and work more effectively through the pandemic. We doubled down on our values and beliefs, putting our teams and communities first, while answering challenges and opportunities presented by COVID-19. I couldn't be prouder of the impact we made in 2020 and want to recognize several key achievements:

COVID-19 Resilience

Throughout the pandemic, we took action to identify, prioritize, and address the pressing needs of teams, clients, and remote freelancers. To alleviate economic hardship, Upwork became a founding partner of the [Freelancers Relief Fund](#), established by Freelancers Union to offer financial assistance of up to \$1,000 per freelance household to cover lost income and essential expenses not covered by government relief programs. Through our [Work Together Talent Grants program](#) we

offered \$1 million in talent grants to 40 organizations working to mitigate COVID-19's devastating impact on individuals, communities, and economies. Building on our 20 years of experience as a remote work company, we permanently embraced and transitioned to a remote-first model as a default for all teams and established a dedicated taskforce to ensure a smooth transition for our workforce.

Our People & Community Action

We upheld our values as a people-first company by prioritizing the health and safety of our teams amid COVID-19, providing mental health resources, medical benefits, and an "Office in a Box" with a collection of workstation set up resources, including an Amazon Business account with pre-vetted equipment, ergonomic workspace solutions, and monthly and annual stipends. Accelerated by the horrific events surrounding George Floyd's murder, we furthered our commitment to racial equality, human rights,

and social justice — demonstrated through our public action plan against racism, cultural competence training addressing strategies for amplifying Black employee voices, and guidance on cultivating an antiracist company culture to help other companies elevate the voices of Black employees. This philosophy extends to our work marketplace where features like our Diversity-Certified Badges empower diverse independent talent and enable clients to increase diversity in their supply chains. As a business, we became an early signatory of SurveyMonkey's supplier diversity initiative, pledging to track the diversity, equity, and inclusion of the vendors we work with.

(continued)

Message from Hayden Brown,
President & CEO (continued)

Product Innovation

As the events of 2020 threatened the financial security of many around the world, we continued to increase our speed of innovation in delivering the tools and technology at the core of our mission to create economic opportunity so people have better lives. Through enhancements to our product experience and offerings, such as the launch of our [Direct Contracts](#) offering, which enables freelancers to take advantage of our escrow solution for all of their freelancing relationships, we helped remote freelancers attain even more control and safeguards over their freelance businesses. Another of our solutions, [Project Catalog™](#), which launched in beta in 2020 and rolled out to all customers in February 2021, helps remote freelancers to build a powerful new income stream in minutes. Clients can browse projects and purchase services instantly.

Environmental Leadership

We have proven that we can impact climate change by embracing a remote work model at our own company. In 2020, we published our [Emissions Report](#), where we detailed our efforts to enable team members to avoid over one million commuting miles in 2019. As a result of tremendous team collaboration, we also announced that we achieved carbon neutrality for 2019 and will remain carbon neutral going forward. We hope our Emissions Report will serve as a model for other businesses to unlock their own potential by embracing remote work, including independent freelancers long-term, ultimately contributing to the fight against the global climate crisis.

These achievements, paired with our financial performance, demonstrate that we are uniquely positioned to capture the exciting opportunity ahead by serving our clients and remote freelancers with the world’s largest, most dynamic, and most innovative work marketplace. We are excited to continue to distinguish the Upwork platform by enabling our

customers to build the long-term, trusted relationships that we are known for today and which are unique in the world of remote freelancers. It is these enduring relationships between clients and talent that enable our customers to truly transform their business operations to take full advantage of the powerful work marketplace model, breaking through barriers that may have held their businesses back previously.

I am humbled and honored to share this report on behalf of our teams in 800+ cities across the world who continue to innovate in the face of unprecedented circumstances, while continuing to live out our mission to create economic opportunities so that people live better lives.

Sincerely,



Hayden Brown
President and Chief Executive Officer



The New Era of Work

In 2019, experts predicted more than 50 percent of teams would include remote workers by 2020.¹ Fast forward just one year later, and the global business collective has significantly transformed the future of work beyond office walls and into our global homes — far more than previously imagined.

Upwork is uniquely positioned to lead this transformation. For more than 20 years, Upwork has helped our customers transform their businesses by working with distributed independent professionals around the world. This isn’t just a service we offer — it’s in our DNA.

COVID-19 PROVED THAT REMOTE WORK, WORKS¹

94%

of hiring managers report their organizations utilize remote workers

56%

say remote work has functioned better than expected

62%

believe their workforces will be more remote than pre-pandemic estimates

Key Terms: The Upwork World of Work

Given the unique nature of our business and the numerous stakeholder groups that are central to our business model, the following list captures key terms and definitions used at Upwork and throughout this report.

Team Members:

Upwork employees and remote freelancers (i.e. contractors and other non-traditional employees) that perform work for Upwork

Remote Freelancers, Independent Talent:

Freelancers with profiles on Upwork

Clients:

Upwork clients

Customers:

Remote freelancers and clients that use Upwork’s work marketplace

Work Marketplace:

Upwork’s online platform and solutions

When we closed our office doors at the onset of the pandemic, we were already used to working in a distributed fashion as we have team members across more than 800 cities worldwide. To support corporate employees who found themselves in a remote-only work environment for the first time, we established a COVID-19 task force that developed a pipeline of strategies to be implemented internally as part of our “Back to Better” initiative. This work informs the contents of our [remote work best practices playbook for talent and clients](#).

Rooted in our mission to create economic opportunities so people have better lives, our approach is vested in the belief that powerful relationships — between talent, teams, or clients regardless of location — unlocks opportunities for talent and businesses alike.

¹ [2020 Future Workforce Report](#).

Looking Back, Moving Forward

2020 KEY FINANCIAL AND OPERATIONAL METRICS

\$2.5B

GSV in 2020

\$373M+

revenue in 2020

500+

over 500 Upwork team members and over 1,400 independent professionals that perform work for Upwork, working in 800+ cities

BOARD DIVERSITY AT UPWORK

50%

of our board of directors are women

38%

of our board of directors are from underrepresented communities²

Information on board of directors oversight and governance can be found starting on [page 29](#) of this report.

2020 ACHIEVEMENT HIGHLIGHTS

- Defined and publicly shared Upwork’s action plan for cultivating anti-racist company culture in [The Path Forward: Cultivating an Antiracist Company Culture](#)
- Disclosed the data we intend to submit to the U.S. Equal Employment Opportunity Commission as our EEO-1 Component 1 Report during the data collection window April 26 – July 19, 2021
- Conducted our inaugural ESG Materiality Assessment to identify and prioritize key non-financial topics for our business and stakeholders
- Transitioned to remote-first workforce model
- Achieved carbon neutrality for 2019 and established our ongoing commitment to carbon neutrality moving forward
- Achieved ISO 27001 & ISO 27018 certifications
- Achieved SOC2 Type 2 and SOC3 certifications
- Became a corporate member of the International Association of Privacy Professionals (IAPP)

UPWORK MARKETPLACE BY THE NUMBERS

85%

of GSV in 2020 was derived from larger engagements and complex projects

180+

countries represented on Upwork

30%

of Fortune 100 is represented in our client portfolio, including:



\$2.3B

earned by talent on Upwork in 2020

10,000

skills across more than 90 categories of work represented

TOP CATEGORIES OF WORK:



² Under California law AB 979, an individual from an underrepresented community is defined as “an individual who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaska Native, or who self-identifies as gay, lesbian, bisexual, or transgender.”

Advancing our Environmental, Social, and Governance Strategy

Our First ESG Materiality Assessment

At Upwork, we are focused on doing what’s right, both in terms of how we operate our business, and on behalf of our stakeholders and the planet. In 2020, we took a critical step to advance our environmental, social, and governance (ESG) strategy by conducting a materiality assessment to identify key non-financial topics important to both our business and stakeholders. We partnered with [BSR](#), a global nonprofit sustainability consultancy, to execute a process that followed four key phases:

Phase 1

Research and Landscape Assessment to Define Material Issues: Selected 22 preliminary ESG topics for evaluation

Phase 2

Stakeholder Engagement: Conducted a series of interviews with internal stakeholders — including employees, subject matter experts, and members of the Upwork executive team — and external stakeholders — including employees, internal decision makers, clients, talent, NGOs, and stockholders — to gather perspectives on key ESG topics

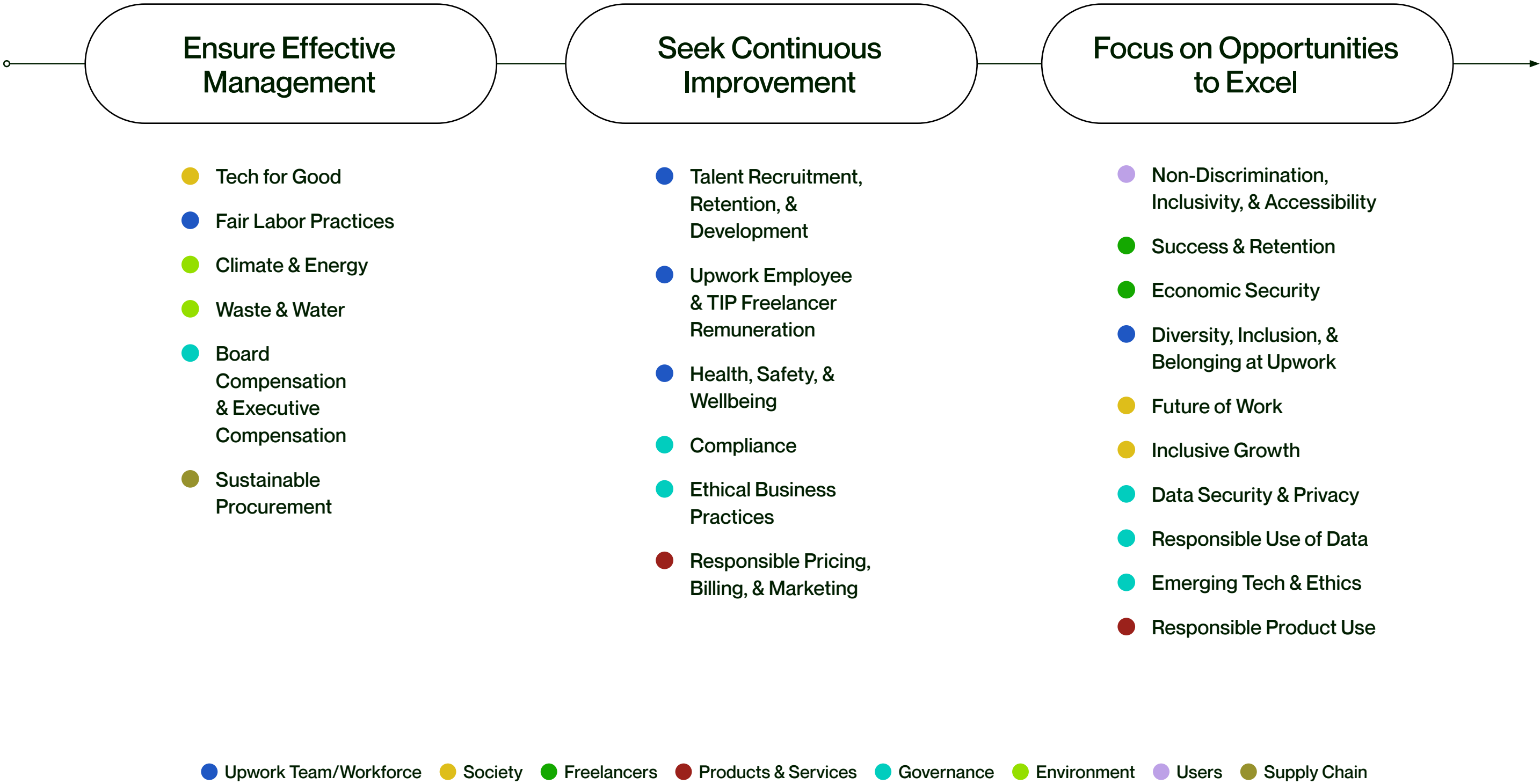
Phase 3

Prioritize Criteria and Score Issues: Developed criteria to weigh and assess each topic’s relative importance to Upwork’s business and stakeholders

Phase 4

Review and Prioritize Issues: The chart to the right side captures the key ESG topics grouped by focus area

Upwork’s Materiality Assessment



Our Commitment to Transparency and ESG Stewardship Moving Forward

The results of our first comprehensive ESG materiality assessment form the basis of this report and will ensure we remain focused on topics that are critical to our customers, team members, stockholders, business, and other stakeholders moving forward. We also recognize that strong oversight and management

Achieving Carbon Neutrality

We achieved carbon neutrality for 2019 and are committed to remaining carbon neutral in the future. Our Emissions Report, released in 2020, provides a clear picture of how Upwork’s business model of enabling remote work positively impacts the environment, and we are proud to enable our customers to play their part through the use of our work marketplace. We will continue to monitor, manage, and report on our efforts to reduce emissions that contribute to climate change. More information on this can be found on [page 36](#) of this report.

of these issues that impact society, the environment, and our business strategy, will help us achieve long-term success for all stakeholders. More details on corporate governance and ESG oversight can be found in the [Business Ethics & Governance](#) section of this report.

We are committed to long-term, continuous improvement and transparency across a variety of disclosures, including our Annual Impact Report, [Proxy Statement](#), and other corporate disclosures. We are also focused on reflecting the input from stakeholders, industry experts, and international standards and frameworks (please see [page 43](#) of this report for our Sustainable Accounting Standards Board Index) to help inform our ESG strategies and disclosures moving forward.



Unlocking Opportunity

Economic Impact

The adoption of remote work continues to accelerate as companies adapt in the wake of the COVID-19 pandemic. Already, there is evidence that remote work creates economic activity in new areas throughout the U.S., beyond traditional centers of economic power.³ As a result, talent face fewer barriers and are empowered to access opportunities beyond their local labor market.

At Upwork, it is our mission to create economic opportunities so that people have better lives. As such, we see ourselves as a catalyst for driving the acceleration of this change, thus leading to more economic opportunity on a broad scale.

Our Business Model — A Better Way to Work

Remote freelancers can take greater control over their careers through use of our products and services to build meaningful relationships with clients looking to expand their Virtual Talent Bench™ of trusted experts. With Upwork, remote freelancers have control over which clients they choose to work with, the type of projects they pursue and corresponding timelines,

and how much they earn. Businesses leveraging proven remote freelancers have access to the expert skills they need and the ability to scale up or down without friction, giving them the important business advantage of growth without fixed cost. Companies can think bigger and innovate faster with a scalable team of trusted remote freelancers.

Unlocking New Worlds of Opportunity

With two decades of experience leading businesses to achieve their objectives with remote freelancers, backed by data and machine learning capabilities, we have both the experience and technology to predict the availability, interest, and skill relevance of specific freelancers for specific projects. We also offer collaboration and communication features, time tracking, invoicing, and two-way feedback and review systems that allow both freelancers and their clients to effectively manage the lifecycle of project engagements. As the world’s work marketplace connecting businesses with

remote freelancers, Upwork builds capabilities for a world increasingly ready to use them.

In 2020, we continued to evolve our product experience and offerings to help any company thrive in the new remote economy where companies are untethered from location, resources, or time. Our solutions now include:

Project Catalog™

In 2020, Project Catalog launched in beta, giving independent talent the ability to highlight their most popular services. With a full rollout in early 2021, this turnkey offering allows clients to instantly purchase a pre-scoped project at a fixed price.

Talent Scout™

Talent Scout initially launched in beta in 2020. Our specialized recruiters pinpoint the pre-vetted talent that aligns with a company’s specific goals. It all starts with a conversation — our Talent Scouts work with clients to determine what hard and soft skills they’re looking for, zero in on a shortlist of candidates, and closely manage the hiring process.

Enterprise Suite

Upwork’s Enterprise Suite is best suited for large organizations and provides clients with access to top talent, customizable features for tracking, billing, invoicing, and onboarding — all backed by a team of dedicated experts for support along the way.

Talent Marketplace™

The world’s work marketplace where highly skilled independent talent and agencies can submit proposals in response to client projects.

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

Mission

To create economic opportunities so people have better lives.

Vision

Independent talent at the heart of every business.

Values

Potential | Connection
Vision | Empowerment

³ Ozimek, Adam. [“Remote Workers on the Move,”](#) Upwork, 2020.

Empowering Success through Economic Opportunity

Inclusive Growth

In service to our mission of creating opportunities so people have better lives, our focus is grounded in putting independent talent at the heart of every business. As we do so, we are mindful to ensure that these opportunities are equally available to all qualified talent in our community, regardless of background, national origin, race, ethnicity, sex, gender, gender identity, sexual orientation, actual or perceived disability status, veteran status, marital status, or other similarly protected characteristics. Further details on this can be found in our [Nondiscrimination Statement](#).

Our team is also dedicated to creating equal economic opportunity for people regardless of how they’re accessing our service, by providing an accessible design language for web and mobile. More information can be found in our [Accessibility Statement](#).

Talent Success and Retention

We equip remote freelancers with a variety of resources to develop and refine their business skills, which in turn leads to greater success and retention. Our [Work Without Limits](#) resource center houses a robust library of articles, guides, videos, events, and other free content which is available to remote freelancers to support the development of their independent career. Available resources cover topics from best practices for successfully running a small business to tips for finding and winning work they love.

Since 2012, the Upwork Ambassador program has reinforced these efforts by spearheading connection, education, and empowerment of remote freelancers. The program is designed to help independent professionals refine their business skills to thrive in the global workforce. As part of Upwork’s Talent Success team, Ambassadors are the catalysts who foster talent activation, growth, retention, and community through various events and meetups around the world.



“During a turbulent year, the Upwork team has been one of my constants and something I’m so very grateful for. Since partnering with Upwork seven years ago, I feel incredibly connected to the team despite being in a different time zone, thanks to the remote nature of the company and inclusive leadership.”

Radhika Basuthakur
Content & Copywriting | Gold Coast, Australia

Talent Spotlight

A self-proclaimed digital nomad, content and copywriting professional Radhika Basuthakur builds her life outside of the box. After working a corporate job for several years after college, Radhika took a leap of faith to pursue freelancing and travel the world with her husband. Radhika turned to Upwork’s work marketplace and quickly found financial independence through the platform. Shortly after, she joined Upwork’s Talent Innovation Program (TIP) as a social media copywriter.

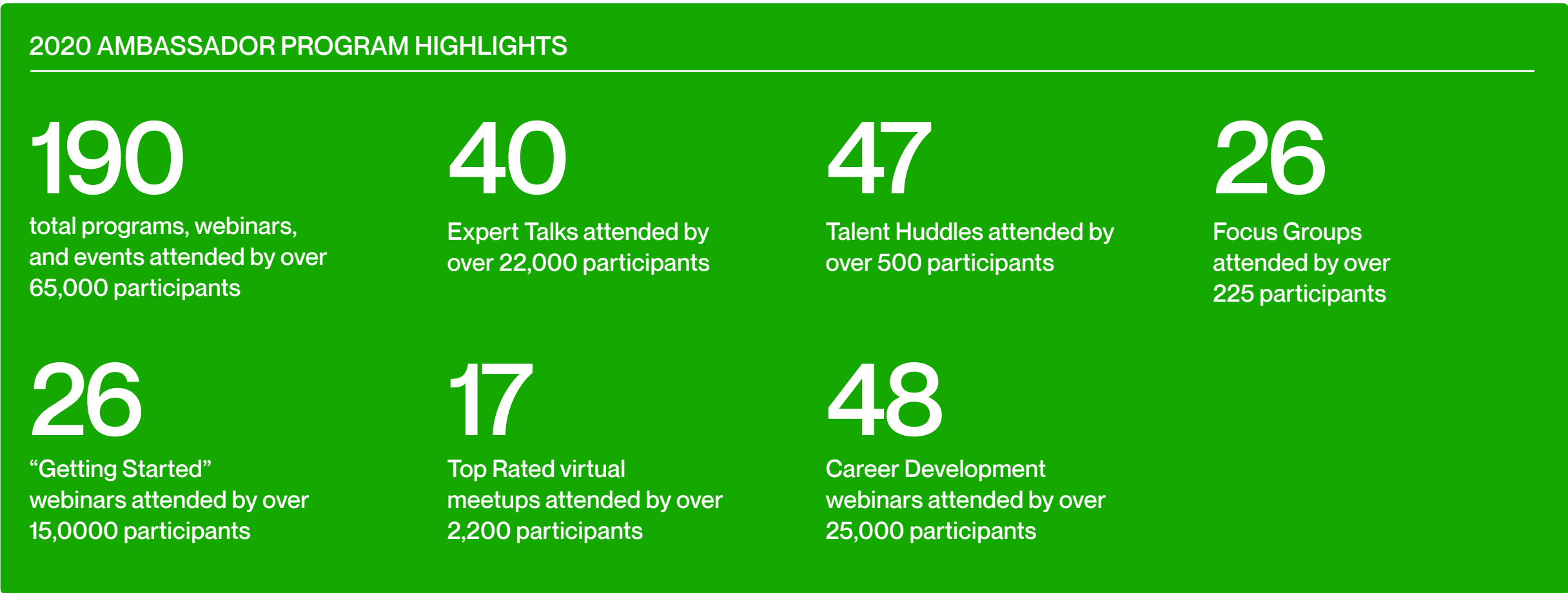
In her previous corporate role, Radhika’s limited annual vacation time was barely enough for family visits overseas once or twice a year. But with flexibility through freelancing and Upwork, Radhika can live anywhere in the world she desires and immerse herself intimately in the local cultures where she travels. Her

favorite memory from her time living in Guadalajara, Mexico is the simple pleasure of feeling like a local in a foreign city — knowing the streets, working from the neighborhood coffee shop, friendships with locals, and tracking down the unknown-to-tourists taco stands. Being able to travel freely and live abroad is a dream come true for Radhika — with the flexibility to work on projects during the day, and explore the city by night and weekends. Even with travel on hold for the moment, she doesn’t ever see herself going back to a traditional work environment.

Upwork Ambassador Program Carries on in 2020

In March 2020, Upwork put all in-person Ambassador events on hold to prioritize talent safety and wellbeing. However, our Talent Success team recognized the value of evolving these events to build genuine and lasting connections during an uncertain time. The team surveyed talent for their input on topics and resources they felt they needed most while transitioning all in-person events — from Expert Talks to Focus Groups — to remote formats.

The shift to virtual events was met with overwhelming responses from participants, with events reaching a record number of attendees. 50,000 participants — 16,000 more than any year previously — joined virtual events spanning a variety of topics from honing negotiation skills to developing long-term relationships with clients. Upcoming events are housed on the new [Talent Events](#) page.



What Attendees Had to Say

“[The] presentation was absolutely spot-on. We received an invite to a job within 48 hours of modifying a single one of our profile pages — including a substantial rate increase.”

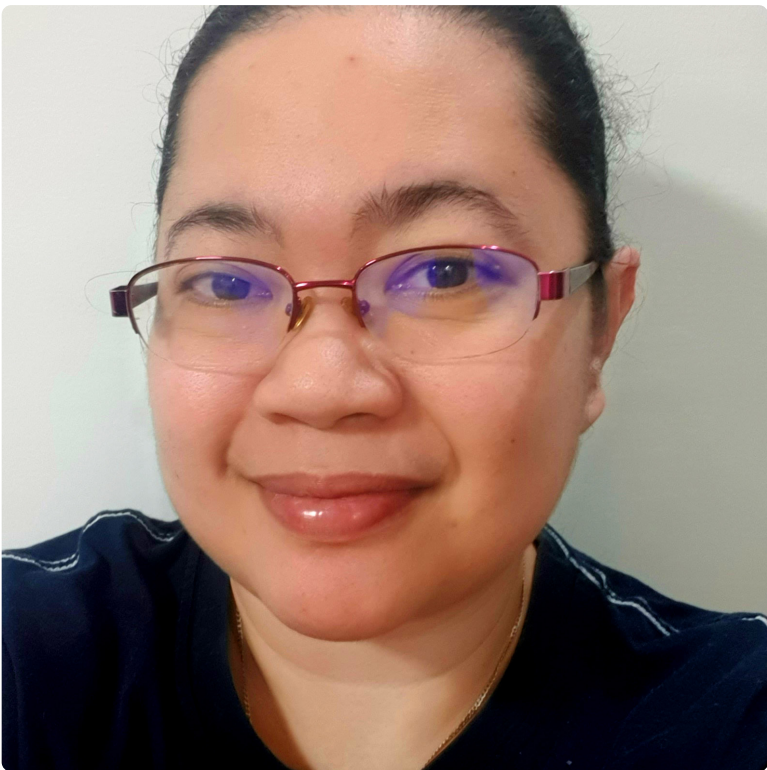
Agency Owner | Upwork Expert Talk
“Leveling Up Your Freelancing Brand”

“I am certain that this seminar helped me secure my first job on Upwork... [it] provided tools to move forward and boosted the confidence of participants!”

Webinar Attendee
“Profile Makeover”

“The webinar ... felt community-like while maintaining independence and privacy remotely.”

Webinar Attendee
Upwork Online Expert Talk



“The Taal volcano eruption, coupled with the pandemic, made 2020 a year in which it seemed like everyone around me was experiencing disruption to their income — except me. Thanks to Upwork, I have not had a single gap in my financial stability or income throughout the entire past year. Being a part of the Upwork community has impacted me and my family’s life for the better.”

Soraya Villa Panganiban
Business Development & Client Service
Taal, Batangas, Philippines

Talent Spotlight

One of the biggest, yet easiest, life decisions Soraya Villa Panganiban made was following her instincts to transition from her full-time corporate job to a flexible work environment through Upwork. Soraya was eager to spend more time with her kids after years of working most weeks away from her family, only traveling home on weekends. She’s since been on the platform for over a decade, where she’s learned new skills and established an impressive portfolio.

But in January 2020, the Taal volcano eruption in the Philippines upended Soraya’s life and displaced thousands of residents, resulting in school and business closures and requiring her family to evacuate. With an internet connection as her only requirement, Soraya brought her work with her to a beach-front tent near relatives for a month. Through it all, she maintained an unshakeable resilience and dedication to her clients. Soraya looks forward to expanding her portfolio in the future.

The Future of Work

With two decades of experience as a champion of remote and independent work, we haven’t just lived through the transformation of work, we’ve led it. As the world reimagines work in the post-COVID era, the actionable insights and thought leadership programming we can deliver from our unique perspective helps our customers and teams navigate the changing nature of work.

Resources and Research

Providing resources and research on the world of work furthers our ability to enable client and remote freelancers. Our new [Work Without Limits](#) resource center houses best practices for organizations looking to successfully build and manage remote team programs. Through our digital broadcast series “[Voices of Authority](#)” and “[Back to Better](#)” podcast, we unpack pressing issues at the center of this evolution while offering perspective and advice for human resource leaders, C-suite executives, and technology influencers today.

Each year, we also produce research reports that quantify, assess, and analyze current and emerging labor force trends. Written by Dr. Adam Ozimek, Chief Economist at Upwork and an expert in labor markets, the reports identify and discuss emerging labor market and economic trends and how they influence the way we work. Dr. Ozimek’s research informs our business decisions on how we support clients and talent while reinforcing our role as a global thought leader in the conversation around work. We supplement the annual release of our marquee studies — Freelance Forward (formerly Freelancing in America) and the Future Workforce Report — with economic reports from Dr. Ozimek on a near-monthly basis.

“As businesses adapt and learn from this remote work experiment, many are altering their long-term plans to accommodate this way of working. On marketplaces like Upwork, we can already see this shift underway with increased demand for remote professionals.”

Dr. Adam Ozimek
Chief Economist at Upwork



Upwork Research Studies

THE FUTURE OF REMOTE WORK MAY 2020	FUTURE WORKFORCE REPORTS JUNE AND DECEMBER 2020	FREELANCE FORWARD 2020 SEPTEMBER 2020
<p>This report provides valuable insight into the direct impact that COVID-19 had on hiring at the start of the pandemic, sentiments around remote work, and plans moving forward.</p>	<p>This fourth annual report captures how businesses turned to remote work to maintain continuity but still faced critical shortages. With the newfound experience working remotely, companies are preparing to achieve agility and increase capacity by embracing independent talent to fill talent and skills gaps.</p>	<p>Our seventh annual report — the most comprehensive study of the U.S. independent workforce — found a significant number of Americans freelanced amid the COVID-19 pandemic. The first six studies on this topic under the name Freelancing in America were conducted in partnership with the Freelancers Union.</p>
<p>KEY FINDINGS INCLUDE:</p> <ul style="list-style-type: none">• Remote work has risen rapidly as a result of the pandemic, with more than half of the American workforce working from home as of May 2020.• 56 percent of hiring managers feel that the shift to remote work has gone better than expected, while only one in ten feel it has gone worse than expected.• The greatest perceived benefits of remote work include a lack of commute, fewer unnecessary meetings, and reduced distractions at the office, all of which were shared by 40 percent of respondents or more.• The single biggest drawback, in contrast, is technological issues, a problem that is likely a result of the rapid and unplanned shift and one that would be mitigated over time.• One third of hiring managers found that productivity had increased as a result of remote work, a greater share than those who found productivity decreased.• As a result of their experiences during COVID-19, 61.9 percent of hiring managers say their workforce will be more remote going forward.• The expected growth rate of full-time remote work over the next five years has doubled, from 30 to 65 percent.	<p>KEY FINDINGS INCLUDE:</p> <ul style="list-style-type: none">• Companies continue to be remote: Nine months into the pandemic, 41.8 percent of the American workforce remains fully remote.• Companies say remote work is getting easier, not harder, as time goes on: 68 percent of hiring managers say remote work is going more smoothly now than when their company first made the shift at the start of the pandemic.• Remote work will continue through 2021: Managers believe that 26.7 percent of the workforce will be fully remote in one year suggesting that individuals will gradually continue to return to the office, but a significant share will remain remote in the near future.• The number of remote workers in the next five years is expected to be nearly double what it was before COVID-19: By 2025, 36.2 million Americans will be remote, an increase of 16.8 million people from pre-pandemic rates.• Increased productivity and flexibility continue to be key benefits of remote work: Hiring managers cite reduction of non-essential meetings, increased schedule flexibility, and no commute as aspects of remote work that have worked better than expected.• Remote work and freelancing go together: Survey reveals that those who are most comfortable with remote work are also most likely to be engaged with independent talent.	<p>KEY FINDINGS INCLUDE:</p> <ul style="list-style-type: none">• Amid a global recession, the freelance workforce remains an essential pillar of the U.S. economy: Freelancers contributed \$1.2 trillion dollars to the U.S. economy in annual earnings — a 22 percent increase since 2019.• More professionals are freelancing full-time: The share of independent talent who earn a living freelancing full time has increased eight percentage points to 36 percent since 2019.• Freelancing increases earning potential: Of those who quit their full-time job to freelance, 75 percent say they earn the same or more in pay than when they had a traditional employer.• Young adults are turning to freelancing for economic opportunity: Amid a tough job market for recent college graduates, half of the Gen Z workforce (age 18-22) have freelanced in the past year, and of those, more than a third (36 percent) started since the onset of COVID-19.• Freelancers are increasingly high-skilled: 50 percent of freelancers provide skilled services such as computer programming, marketing, IT, and business consulting, up from 45 percent in 2019.• Professionals are likely to consider freelance work in the future: 58 percent of non-freelancers who are new to remote work due to the pandemic are now considering freelancing in the future.

2020 in Review: Supporting our Communities

Upwork is at the forefront of the democratization of work. We've created an environment where millions of people around the world can compete on a level playing field and access meaningful opportunities regardless of present challenges.

Bold Actions to Fight Systemic Racism

At Upwork, we stand firmly against racial injustice, foster a safe environment for honest conversations about race, and employ strategies to effectively upend the chronic racism many of our team members experience every day. Critical events in 2020, including the murder of George Floyd and many other members of the Black community, have accelerated the calls for racial justice and an end to systemic racism on a global level. We are dedicated to racial equality, human rights, and social justice — shown in action through our public stance against racism, support of the Black Lives Matter movement, and our commitment to sharing transparently the steps we are taking as a company in support of the Black community.

\$200,000

dedicated to organizations supporting racial justice

ACLU

AMERICAN CIVIL LIBERTIES UNION FOUNDATION

CHICAGO COMMUNITY BOND FUND

COLOR OF CHANGE

LDF

DEFEND EDUCATE EMPOWER

MFF

In alignment with our values, we took action to support the Black community, the eradication of police violence, and tackle the systemic issues that lead to impoverishment, unequal access to opportunity, and other social injustices. We consulted Upwork's Black Initiative Network (BIN) leaders and our Office of Diversity, Inclusion, and Belonging (DIBs), and dedicated \$200,000 to worthy organizations supporting racial justice. This included \$100,000 to the NAACP Legal Defense Fund and an additional \$100,000 in Upwork-matched team member contributions to the ACLU, Color of Change, the Minnesota Freedom Fund, and the Chicago Community Bond Fund.

In June 2020, we were one of the first organizations to sign onto the [Stop Hate for Profit advocacy campaign](#), which called for advertisers to pause Facebook advertising in the month of July to send a strong message about the need to curtail the spread of hate and misinformation on its platforms. Organized by civil rights advocacy groups ADL, NAACP, Color of Change, Common Sense Media, Sleeping Giants, and the Free Press, the campaign was joined by over 1,100 companies, including Upwork. We acknowledge much progress is still needed, but we're committed to supporting Stop Hate for Profit and similar initiatives to advance action on social justice issues.

For more information on our internal programs to fight systemic racism, please see [page 24](#) of this report.



COVID-19 Community Response

As COVID-19 intensified and the economy continued its downward trajectory, the ability to work remotely became more important than ever. To alleviate the financial impact and economic hardship caused by the pandemic, Upwork became a founding partner of the [Freelancers Relief Fund](#). Established by the Freelancers Union, the program offered financial assistance of up to \$1,000 per freelance household to cover lost income and essential expenses not covered by government relief programs.

In April 2020, we joined forces with Pledge 1% for the [Unite to Fight COVID-19 Startup Weekend](#). The online event convened inventors, innovators, and creators from around the world to develop prototype solutions to tackle COVID-19 in their respective countries.

Building on these efforts, we announced our [Work Together Talent Grants program](#), which offered \$1 million in talent grants

to 40 organizations working to mitigate COVID-19’s devastating impact on individuals, communities, and economies. These credits were used to hire remote freelancers of diverse skill sets and expertise for coronavirus-related projects. Sixty percent of grant recipients were owned or led by members of underrepresented groups or were diversity-focused organizations, and 17.5 percent of grantees were U.S. Black-owned, led, or focused organizations.

For information on how we supported Upwork team members, see the [Our Team](#) section of this report.

\$1M

in talent grants

60%

of recipients owned or led by underrepresented groups or diversity-focused

40

organizations

17.5%

of recipients were Black-owned, led, or focused

The Upwork Foundation

As racial justice and COVID-19 implications have revealed, not everyone is set up to thrive in the new economy. Many individuals still face a biased playing field, systemic discrimination, and limited career development opportunities.

Established in 2018, the Upwork Foundation is dedicated to advancing opportunity and inclusive learning by serving groups at risk of being left behind by the Fourth Industrial Revolution. Strategic initiatives are organized under the key pillars of Giving and Product. In addition to the initiatives featured below, Upwork renewed its partnership with 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 non-profit 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.

As the COVID-19 pandemic further exacerbated economic disparities, a [2020 Sustainable Development Goals Report](#) warned that 71 million people were at risk of being forced into extreme poverty. Grantmaking efforts sought to reimagine this outcome by distributing funds to organizations addressing systemic discrimination by economically empowering underrepresented populations. In total, \$750,000 in general operating support grants were awarded by the Tides Foundation at our direction to 15 organizations representing 10 countries.

See our full list of Grantee Partners [here](#).



“We’re grateful for Upwork’s support, guidance, and partnership as we work together with communities on the frontlines of the COVID-19 crisis to meet immediate needs, lift up their voices, and spread the solutions of hundreds of thousands of AtmaGo users.”

Meena Palaniappan
Talent Grant Winner, CEO & Founder of Atma Connect | Oakland, CA

Talent Spotlight

As part of Upwork’s talent grant program supporting organizations seeking to counter the negative impacts of COVID-19, Atma Connect pursued a project that would use Upwork’s deep network of freelancers to integrate a COVID-19 microsite to its AtmaGo social media application. The platform helped communicate

emergency relief, organize community efforts, connect people to psychosocial support, and educate communities on how to communicate to elders about slowing the spread of COVID-19.

With the help of the Virtual Talent Bench™ they built through Upwork’s marketplace, Atma Connect was able to directly address the needs of vulnerable and underserved communities most impacted. As a result:

- Over 3,600 vetted educational posts related to COVID-19 were viewed over 650,000 times and further amplified via AtmaGo social media.
- In a survey, 85 percent of respondents said that they would change their behavior (handwashing, social distancing) as a result of information on AtmaGo.
- Tele-counseling clients reported an average 55 percent decrease in negative emotions (as measured by the Subjective Unit of Disturbance test, which was administered pre- and post-counseling).

Learn more about the grant recipients at [www.upwork.com/worktogether](#).

2020 in Review: Pandemic Support and Recovery for Talent and Clients

Our approach to doing business — in service of our mission to create economic opportunities so people have better lives — is all the more important in times of uncertainty. As such, we were well positioned to further enhance and promote products, resources, and programs well suited to help clients and talent navigate the complexities and challenges brought on by COVID-19.

Meaningful Connections

As the pandemic took hold and the world locked down, the need for remote work was at an all-time high. Just as we'd done before, we continued to work closely with our clients around the world to ensure that their changing business needs translated into work opportunities for Upwork professionals. We established a new work pipeline, the COVID-19 Job Feed, to make it easier for clients to fill urgent project needs and for talent to find meaningful work opportunities as the crisis unfolded. In addition,

we launched [job templates](#) to help expedite project postings and provide examples of how other businesses find project success.

We also upgraded our [Connects program](#) — digital tokens talent can use to submit job proposals on Upwork — offering free Connects to talent each month and bonus tokens for interviews secured. For clients, we enhanced our [Bring Your Own Talent](#) offering which makes it easy to onboard, engage, and pay remote freelancers through Upwork's centralized platform. We also made enhancements to our Enterprise Suite to make it easier for large organizations to manage their Virtual Talent Bench efficiently.

Frictionless and secure communication channels are a critical factor to ensure project success, especially in a strictly virtual environment. To adjust to this reality, we partnered with [Zoom](#) to power all video communication on the Upwork marketplace and ensure reliable communications between clients and talent.

Knowledge Sharing and Resources

Throughout 2020, we continued to update the [Remote Work resource center](#), a free collection of content, guides, and the latest insights about hiring and managing remote talent. We also developed a course on remote team management in partnership with [Udacity](#), which resulted in 7,500 enrollments in 2020. Hundreds more registered for thought leadership streams with Upwork's VP of Client Insights, Tim Sanders, and peers from [Citrix](#) and [Logitech](#) to discuss the evolving workforce landscape.

Strengthening Financial Control

In response to feedback from our community, we introduced [Faster Payouts for Hourly Contracts](#) to allow Top Rated talent and agencies working on hourly contracts to access project earnings faster and receive funds five days earlier — an important benefit as many individuals felt the financial impacts of the recession sparked by the pandemic.

Fixed-price [Direct Contracts](#) for [remote freelancers](#) and [clients](#) created new opportunities with non-Upwork clients while providing access to features like escrow services, dispute assistance, simplified contract management, and expedited payments. Further, we partnered with global payments platform Veem to help U.S.-based talent and clients apply for the [SBA Paycheck Protection Program](#).



“Upwork opened up doors for me when I really needed new opportunities. For the past 10 years, Upwork has allowed me to focus on client work — rather than being bogged down in day-to-day business logistics. And from an economic perspective, it’s absolute security — I’ve never once been concerned about the pipeline of work coming in.”

John Brookhouse
Video Production & Animation | Portland, OR

Talent Spotlight

When the 2007-2008 U.S. financial crisis upended the housing industry, John Brookhouse and many of his colleagues in mortgage banking were left unemployed with no relevant job prospects. With a large majority of his previous skills becoming obsolete overnight, John addressed the challenge head on by embracing new projects outside his comfort zone while learning along the way. Leveraging his creative side and new video production skill set, John turned to Upwork to pursue graphic design and animation opportunities.

John was able to build his portfolio in no time given the high-quality clients and projects available through Upwork. Now with more than 10 years on the platform, John has worked on more than 100 projects as part of Microsoft’s talent cloud, including developing educational videos for Microsoft Teams when COVID-19 hit. After a decade with Upwork, John is grateful to be able to build a business with amazing clients like Microsoft, providing stability for his family and creating a life he loves — not to mention an appreciation for a 15-foot commute to his office.



Our Team

Who We Are

Upwork team members may be distributed across multiple countries and time zones, but we are all united around our vision to put independent talent at the heart of every business. We foster this culture by creating an environment where team members can bring their whole, genuine selves to work each day.

We are committed to operating as a collaborative workplace — where people can pursue their passions, speak openly and candidly, challenge the status quo, and embrace new perspectives that inspire growth. When this happens, our teams are stronger and our products and services are better.⁴

At Upwork, we change the way the world works, not just by living our values, but taking bold action.

⁴ According to McKinsey, companies that are in the top quartile for diversity are also 21 percent more likely to have good financial performance than companies in the bottom quartile. Diversity has also been correlated with higher rates of innovation.

⁵ Upwork defines “executives” as VP level and above.

⁶ Reflects percentages of total employees who elected to answer, non-respondents not shown.

⁷ Numbers have been rounded and may not add up to 100 percent.

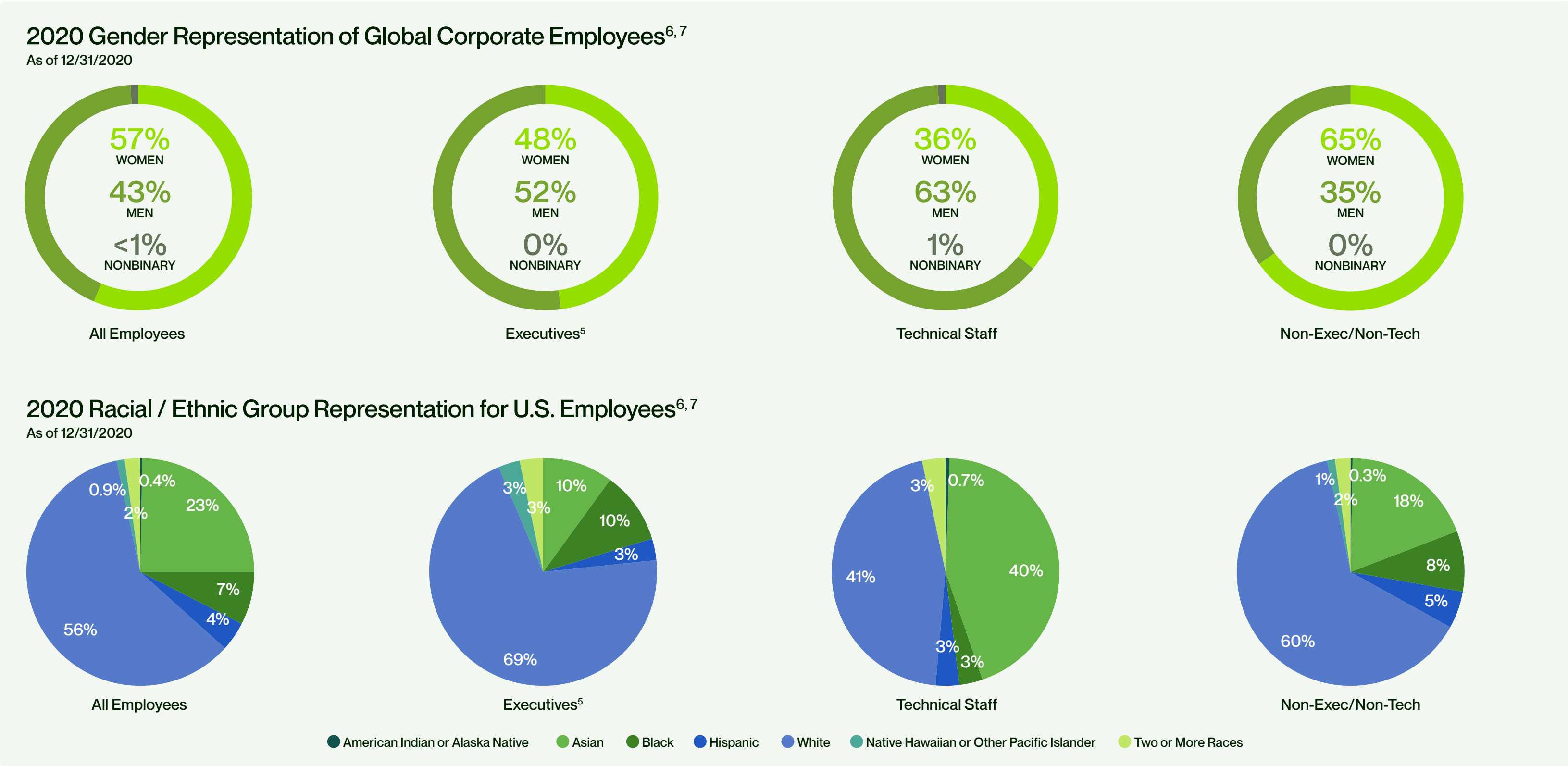
Talent Metrics

Talent data is a critical component for how we measure our progress towards advancing a more diverse and inclusive workplace where talent of all backgrounds can succeed. This data provides insight into where we have opportunity to foster and accelerate policies, programs, and actions that optimize and infuse DIBs across our organization. It has helped us take significant steps — from developing a stronger talent pipeline to restructuring our hiring process to mitigating bias in the review and feedback process — in what is a continuous effort to realize this at Upwork.

Upwork believes identity is deeper than demographics. That’s why in 2020 we expanded team member self-identification options to include caregiver and military status, as well as sexual orientation. We are committed to transparently reporting on our progress towards designing a workplace that better enables all team members to realize their full potential. Moving forward, we will continue evaluating other ways to expand our disclosures to accurately reflect our diverse team.



All data as of 12/31/2020



Diversity, Inclusion, & Belonging (DIBs)

Our commitment to diversity, inclusion, and belonging is multipronged. First and foremost, DIBs is who Upwork is and what we do as a company. Our mission to create economic opportunity so people have better lives applies not only to the millions of independent professionals on Upwork but also to the thousands of team members at Upwork, working behind the scenes every day to unleash their personal passions and potential.

Upwork’s Office of Diversity, Inclusion, and Belonging (DIBs), led by Erin L. Thomas, PhD, infuses our company-wide DIBs strategy across internal and external business functions. Cultivating a culture that celebrates authentic self-expression is a top priority. The DIBs office helps build operating models, education, and accountability mechanisms so our systems and the people who enact them move us closer every day to advancing these ideals in our workplace, marketplace, and across society.

Belonging is a Feeling

Belonging is the extent to which Upwork team members are able to bring their whole selves to work without sacrificing meaningful aspects of their identity. We prioritize belonging because it allows us to uncover diverse perspectives that fuel the innovation necessary for us to drive our mission forward.

In 2020, one of our primary objectives was to pinpoint and skill build around the factors that build one’s sense of belonging at work. We leveraged internal and external research to map out a typical [Belonging Breakdown Journey](#), which organizations beyond Upwork can leverage to identify how and where fractures occur in their employee experience. Resources like our guide to [amplifying employee voice](#) can prevent breakdowns, and are available to all Upwork managers so that they are equipped to help build and lead amazing teams, which are diverse and inclusive by definition.

Our Upwork Employee Resource Groups (ERGs) further contribute to a sense of workplace belonging for all Upwork employees. ERGs center on a shared social identity and create spaces that focus on the professional needs and goals of employees who identify as LGBTQIA+, Black, Latinx, Pan-Asian, veterans, women, and caregivers. A survey of ERG participants found that 77 percent said their ERG experience has provided ample opportunity to learn more about identity, diversity, inclusion, and/or belonging and 75 percent said their ERG involvement has helped them feel like they belong at Upwork. We look forward to building on these results by continuing to grow ERG participation and community.

2020 ERGs



BLACK INITIATIVE NETWORK



ASIAN PROFESSIONALS FOR EXCELLENCE — NEW IN 2020



¿QUÉ TAL?



UP & OUT - LGBTQIA+



UPWORK FAMILY



UPWORK VETERAN'S GROUP



UPWORK WOMEN'S GROUP

ERG Spotlight: Amplifying Black Belonging

Black Initiative Network (BIN)

In February 2020, BIN partnered with the DIBs team to host the company’s inaugural Black Excellence Summit. The event prompted open and honest discussion amongst Black Upwork team members pertaining to their ambitions, anxieties, and areas for professional development. A survey of participants before and after the event revealed:

28%

increase in Black employees who felt able to have open and honest conversations about race at Upwork

16%

increase in Black employees who felt they have the resources they need to carve out their career path at Upwork

14%

increase in Black employees who felt safe being their authentic self with their manager

To build on the impact of the Black Excellence Summit, the DIBs team held Black Belonging Breakfasts throughout 2020. These monthly virtual touch points were dedicated to cultivating learning and action among leaders with Black employees in their reporting lines.

Inclusion is a Practice

Our goal to be a highly inclusive organization for people of all backgrounds depends on addressing the factors that ultimately determine who is successful at Upwork. This includes decisions like how we hire and conduct performance reviews, as well as everyday decisions like who is assigned to a certain client and whose voice is amplified in a team brainstorm.

Since 2018, we have been working to understand the role of inclusion with a focus on how we can improve decision making in a way that reduces Black employee departures. What we found was the opportunity to earn the trust and confidence of Black employees by improving the performance review process with more transparency and consistency.

The evolved process, implemented in 2020, provides clearer career pathways based on more frequent and higher-quality feedback, as well as accountability for those involved. This helps ensure objectivity and consistency in how we evaluate performance against objectively-set goals that clearly outlines criteria for success.

Additional detail on the strategy and research behind it can be found [here](#).

Diversity is an Outcome

Diversity, inclusion, and belonging is also smart business, game-changing for our groups and teams, and bar-raising for individuals.

We believe the ability to create a marketplace that serves the various needs of a global workforce starts with how we embody this in our own culture, from top to bottom. We are committed to creating the most diverse and inclusive culture possible, which starts with our board of directors. Four out of our eight directors are women, and three are from underrepresented communities.⁸ Each of our directors brings unique experiences and perspectives to Upwork (more information on board of directors composition can be found starting on [page 32](#) of this report and in our [Proxy Statement](#)). Our distributed work model brings together team members from 800+ cities around the world.

[According to McKinsey](#), companies that are in the top quartile for diversity are also 21 percent more likely to have good financial performance than companies in the bottom quartile. Diversity has also been [correlated with higher rates of innovation](#).

“When a workplace is designed well enough that employees of all backgrounds can — and do — succeed, it’s a signal that decision-makers possess the necessary skills to surface and find the very best solutions to primary business challenges.”

Erin L. Thomas
PhD, Vice President of DIBs and Talent Acquisition

Our near term goal is for Upwork’s full-time employee base to reflect U.S. gender, racial, caregiving, and LGBTQIA+ demographics. We are currently working towards an immediate term goal for Upwork’s full-time employee base to be proportionate with Black representation within the U.S. (13 percent), with an emphasis on hiring and developing Black talent in tech, management, and leadership roles. We’ll achieve this goal via a two-pronged effort that focuses on

bolstering our pipeline of prospective Black talent and enhancing training around objective hiring. In Q3 2020, we launched a new training for hiring managers. In total, 127 managers completed the course, equating to roughly 75 percent of full-time employee managers. In 2021 and moving forward, all hiring managers and interviewers will be required to complete the training to further ensure we are poised to hire the absolute best people who will drive our mission forward.

Representation data is a critical input in measuring our performance in building a truly inclusive workforce where every employee is engaged and feels a sense of belonging. For the first time, we are including gender and racial/ethnic breakdown and the data in this report, as well as the data we intend to submit to the U.S. Equal Employment Opportunity Commission as our EEO-1 Component 1 Report during the data collection window April 26 – July 19, 2021.



“It’s been a pleasure to work for a company that values growth, feedback, and candor. Leadership is accessible and approachable – I connect with the DIBs team often, and they have been an amazing resource and support system.”

Norman Edwards
Sales & Business Development | Chicago, IL

Talent Spotlight

Business development professional Norman Edwards joined Upwork in 2019. His active involvement in three prominent Upwork ERGs – Black Initiative Network (BIN), ¿Qué Tal? and Up & Out – keep him busy co-creating and carrying Upwork’s culture. From helping co-host the company’s annual “Love is Love Buzz” event to promoting its first annual Black Excellence Summit and Juneteenth webinar, Norman is proud of the constant evolution and variety of initiatives championed by leadership.

Norman’s Upwork community was critical in helping him navigate a difficult year in the midst of the devastating events that sparked the racial justice movement across the globe. Norman commends Upwork’s leadership for embracing these critical issues and creating a space for dialogue with meaningful commitments and action plans to cultivate an antiracist company culture. He looks forward to advancing his career at Upwork by pursuing new responsibilities and continuing to plan impactful events through Upwork ERGs.

⁸ Under California law AB 979, an individual from an underrepresented community is defined as “an individual who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaska Native, or who self-identifies as gay, lesbian, bisexual, or transgender.”

Intentional Action Toward a More Inclusive Future



At Upwork, we believe we have a duty to work for real change in the pursuit of racial justice and equity across all our platforms and channels — whether this be with each other, on our work marketplace, or in society at large. This is not only the right thing to do, it is who we are.

In 2020, we outlined the steps we are taking as a company in our [Black Lives Matter resource center](#), in addition to insights on cultural competence training, strategies for amplifying employee voice, and guidance on cultivating an antiracist company culture to help other companies elevate the voices of Black employees.

In addition to taking direct action to counter historical inequity and injustice, we encourage team members to create space for discussions on racial injustice. For business leaders outside of Upwork, we developed additional POVs and guidance like [CEO Communications About Black Lives Matter Are Critical: A DIBs Leader’s Perspective](#) to underscore the importance of communicating directly with team members about these issues.

In August 2020, we were an early signatory to [SurveyMonkey’s supplier diversity initiative](#). We pledged to take action by collecting diversity and inclusion data from new and existing vendors, and incorporating inclusive sourcing into our procurement decision-making over the long term. We sent surveys to our top 150 suppliers by spend and received responses back from 39 percent. We are continuing to follow up to help better inform program key performance indicators (KPIs) and have already identified seven suppliers that we will be working with to help them obtain their supplier diversity certification. Ultimately, efforts to prioritize representation increase an organization’s ability to innovate and adapt, which ultimately leads to greater resilience and agility.

Our commitment to inclusion applies to the Upwork marketplace as well. In 2020, we saw an opportunity to provide better visibility into business diversity and make it easier for Upwork clients to act on their own inclusive intents and commitments.

As a result, we launched diversity certifications as part of the redesign of U.S. profiles so that individual talent can add business-level diversity certifications.

There are 55 diversity-certified businesses across the following categories:



Diversity Certification Badges

- Minority-owned, certified through [National Minority Supplier Development Council \(NMSDC\)](#)
- Woman-owned, certified through [Women’s Business Enterprise National Council \(WBENC\)](#)
- U.S. veteran-owned, certified through [National Veteran Business Development Council \(NVBDC\)](#)
- Disability-owned, certified through [Disability:In](#)
- LGBTQIA+-owned, certified through [National Gay & Lesbian Chamber of Commerce \(NGLCC\)](#)

Engagement, Development, & Training

We believe in a workplace where all team members see themselves as an integral part of the Upwork community. While many of us may be thousands of miles apart, this philosophy enables us to work together seamlessly toward our mission of changing how the world works. That is why we support every employee throughout every step of their employment journey at Upwork — whether it is their first day of onboarding or several years into their career here.

Team Member Onboarding & Engagement

With many 2020 new hires joining the Upwork team without ever stepping foot in an Upwork office, we evolved the onboarding process for a new generation of exclusively remote employees through our revamped “Ramp Up” onboarding process.



Since its rollout in September 2020, every new hire has participated in this program which dives deep into Upwork’s history, culture, best practices, and most importantly, how we will support them throughout their time at Upwork.

Providing this consistent, high-touch, first week experience for our new employees helps them quickly

acclimate to their role and allows hiring managers to focus on role-specific training. According to the post-Ramp Up feedback survey, this revamped program — the entry point that will go on to set the tone for sustained engagement — has seen a 91 percent positivity rating.

We also conducted three company-wide surveys through the team member engagement platform Glint™. The average response rate in 2020 was 86 percent, and our average employee satisfaction (eSat) score was 79, six points above our industry benchmark. Team members were transparent and communicative with survey feedback averaging 2.5 comments per team member per survey.

These surveys ask team members to rate their experience as part of the Upwork team. Historically, this question has proven to have the highest correlation with the drivers of engagement, along with outcomes such as retention and productivity. The eSat question is asked with every survey so that we can track engagement continually throughout the year.

Supporting Employees through COVID-19

When COVID-19 flipped the switch on remote work overnight, our human resources team immediately recognized the monumental responsibility to help the new hybrid workforce adapt. To better understand how to support team members during the transition, a dedicated team began soliciting feedback through surveys, dedicated Slack channels, and focus groups.

By the close of 2020, we amassed a vault of learnings on engaging and supporting teams in such transitions, many of which are available for free on the online [Remote Work resource center](#). These efforts to source and operationalize team member feedback continues to serve as an example of how listening and building genuine human connections can be an agent of change in the remote work journey ahead.

Development and Training

People make a business great. This is why we empower team members with the resources they need to maintain their curiosity, pursue their interests, and develop their skills and talents. We understand the value of providing our team members with ongoing professional development and leadership opportunities for their own career trajectory as well as in alignment with the company’s succession planning. We’ve built upon these efforts since 2019 when team members expressed eagerness for learning and development programs during our engagement surveys.

The need to tailor ongoing training and learning opportunities for a remote workforce extends throughout the employee lifecycle. Managers who are new to remote work can take advantage of Upwork’s partnership with [Udacity](#) and enroll in a free, one-hour course that teaches critical skills and strategies for hiring, managing, and optimizing distributed teams. All employees have access to

LinkedIn Learning, a portal of video courses taught by industry experts in software, creative, and business skills. Additionally, our Leadership and Development team conducted multiple workshops and training sessions throughout the year.

TRAINING METRICS

10

executive presence workshops; 127 participants total

105

employees enrolled in a coaching session with BetterUp, totaling 365 hours of coaching

20

feedback sessions on giving and receiving effective feedback

127

learners who completed training on inclusive hiring (75 percent of full-time employee managers)

Retraining the Hiring Process

Our dedication to bringing out the best in people starts by ensuring a positive interview experience that allows candidates to demonstrate their full potential. To do this, our talent acquisition team has built a successful inclusive hiring strategy around four principles — candidate focus, consistency, coordination, and courage — to ensure our structured hiring process is designed to exclude biases and find the best talent. Initiatives such as the aforementioned inclusive hiring training launched in Q3 2020 equip Upwork hiring managers and interviewers with awareness of how to prevent these nuances and bring out the best in people before they even join the Upwork team.



“Upwork has allowed me to have better economic opportunities and live a better life, while enabling me to contribute to projects where I can make a difference.”

Kirill Panshin

Software Development | Bratislava, Slovakia

Talent Spotlight

Kirill Panshin had always wanted to pursue a career in computer science, but didn’t have a formal education in IT. In 2011, he decided to leave his corporate job and pursue his interests — joining Upwork and taking on small projects to build his portfolio. Eager for feedback, Kirill completed project after project while expanding his network and honing his skills. While working remotely at that time wasn’t common in St. Petersburg, Kirill took

the courageous step to start his new remote career and transitioned easily to the new routine — which allowed him to spend time with family and travel around the world.

After nearly a decade of experience on the platform, Kirill is now a member of Upwork’s Talent Innovation Program (TIP), where he has been an essential part of Upwork’s web, mobile, and software development team. Kirill was selected by the Growth Team to help lead web development for a high-profile corporate effort — putting him at the forefront of a critical company-wide initiative: Project Catalog. Project Catalog is a new way for customers to quickly expand their capabilities through Upwork. Independent professionals provide the scope, cost, and deliverables, so clients know exactly what to expect — and what it takes to make it happen. The project was complex, and the timeline was short, but with Kirill’s leadership managing a group of engineers and collaborating closely with broader teams across geographies and skillsets, the team brought the project to life effectively and efficiently in only a few short months. In the future, Kirill looks forward to leveraging the flexibility Upwork provides by traveling with his family post-COVID-19 and exploring new ways he can advance his career through Upwork.

Promoting Wellness

Our company culture is only as strong as the team members who cultivate it. Our approach to fostering a flexible and productive work environment is one that prioritizes the wellbeing of our team members, first and foremost, through initiatives that enable them to be their best *outside* of work so they can bring their best selves *to* work. This approach was all the more important in 2020 as individuals and communities around the globe struggled to cope with the many challenges and life complexities of the COVID-19 pandemic.

Enabling Work-Life Balance

As a remote-first company, we recognize our team members value the flexibility and freedom that working remotely enables. We also recognize that without well-defined boundaries, the lines between work and life can easily blur.

We take a proactive approach to helping team members identify and manage the factors that contribute to a sustainable, accessible, and productive remote work environment. We empower team members to define their own workday: calendar blocks are used to set working hours and schedule time for heads-down work, lunch breaks, and family responsibilities. Every Wednesday, we observe company-wide “Customer Wednesdays,” where we encourage internal teams to refrain from scheduling internal meetings and only set scheduled meetings for calls with customers and external partners.

These team member-first strategies have helped us all to nudge managers to think about the necessity and design of all our touchpoints.

All team members are expected to respect and observe the schedules of their peers. Managers provide additional support, helping team members prioritize workloads and take time off. On a quarterly basis, Upwork managers review requests for time away from work to identify if any team members aren’t taking advantage of the unlimited time-off benefit and will then work with that employee to ensure a plan for taking time off. Team members are empowered to use the Upwork platform to find remote freelancers to help with projects if additional resourcing is needed.



“Upwork literally saved my life.”

Samer Bazzi
SEO & Online Marketing | Birmingham, MI

Talent Spotlight

After years of working with some of the world’s most admired companies, Samer Bazzi decided to pursue a career as an independent professional. But in 2015, he was faced with the difficult news of being diagnosed with a rare kidney disease. His time was quickly consumed by dozens of doctors’ appointments.

Samer didn’t let his diagnosis stop him from pursuing a career he loved and turned to Upwork to provide flexibility and financial stability. He found that his clients were not only understanding, but incredibly supportive, all of which motivated him to keep going. Today, Samer has more than 10 years of experience working on the Upwork platform, with more than 2,700 work hours, upwards of 300 projects, and more than \$1 million in earnings.

His resilience and curiosity, paired with flexibility provided through Upwork, allowed him to continue to pursue a diverse portfolio of projects and provide exceptional client service while working around appointments and alleviating financial stress from medical bills. Leveraging the skills and relationships he’s developed on the Upwork platform, Samer continues to share his story and aspires to launch a non-profit to champion kidney disease awareness and prevention.

A Holistic Approach to Wellness

Our remote work philosophy doesn’t stop with creating boundaries between work and life. We equip and empower team members with resources and programs that enable *dynamic wellness* across work, life, personal matters, and everything in between.

While the absence of a physical office contributes to flexibility and freedom, other resources provided by a shared office space — reliable Wi-Fi, safe workspaces, equipment like printers, and ergonomic desk set-ups — are not as universally available. To ensure our employees have the resources they need to be successful working remotely, we provide a number of work-from-home resources including “Office in a Box,” a collection of workstation set up ideas, an Amazon Business account with pre-vetted equipment, and ergonomic workspace solutions from our partners at Balanced Image Ergonomics Consulting.

Additionally, employees are given allocated stipends including:

\$100

per month internet and phone reimbursement

\$1,000

one-time equipment stipend for home office supplies ranging from house plants to computer monitors

\$200

per month co-working space benefit for employees who wish to work outside the home

Aside from complying with OSHA ergonomics standards in our existing physical offices, we also cascade ergonomic best practices to help improve the working environment of those team members who are working remotely. Given the nature of our business, ergonomics and disability support are two important health factors that we closely monitor on behalf of all employees.

We offer comprehensive benefits that address physical, mental, and emotional well-being to help ensure employees can bring their whole selves to work. World class offerings cover a broad range of medical, dental, vision, emotional, and family health benefits, including:

- Eight free counseling sessions through Modern Health; applies to team members or dependents
- 24-hour emotional well-being support
- Paid parental leave
- Unlimited paid time off
- \$50/month wellness reimbursement
- Virtual yoga classes
- Surrogacy and adoption support
- On-demand back-up childcare
- Expanded flexibility of our bereavement policy to account for non-family members
- Pregnancy loss leave
- 401(k) matching
- Equity awards
- Generous Employee Stock Purchase Plan (ESPP) program



“When my wife and I faced pregnancy complications that required me to take paternity leave earlier than anticipated, my team at Upwork helped me expedite a move to Florida so I could be closer with my family. Through this difficult personal time, my colleagues at Upwork embraced me with virtual open arms.”

Terrence Malone

Client Service | Davenport, FL

Talent Spotlight

Originally from Chicago, Terrence Malone launched into the professional world eager to find a fulfilling role and rewarding company culture. After learning more about Upwork’s mission, Terrence was sold. He was eager for the opportunity to work with a company so passionate about helping people gain opportunities, no matter where they lived in the world. At first, he viewed the culture Upwork offered as a ‘perk’ but learned it was so much more than that.

Several years later, when Terrence and his wife faced pregnancy complications that required him to take paternity leave earlier than anticipated, Terrence’s team was completely understanding by helping expedite a move to Florida to be closer to family, and even creating a Slack channel, “Terrence questions,” dedicated to supporting him through the transition. Terrence values that Upwork’s leadership takes advantage of this new way of working and is transparent and communicative. Terrence never stepped foot in a physical office in 2020, and he wouldn’t have it any other way.

Business Ethics & Governance

Business Ethics & Governance

Foundational to our business is a commitment to always do the right thing — a responsibility that starts with our board of directors and extends to every team member. Upwork has a robust set of corporate codes, policies, and guidelines in place to support and promote integrity, transparency, and ethical business practices, including our [Code of Business Conduct and Ethics](#), [Corporate Governance Guidelines](#), Whistleblower Policy, Insider Trading Policy, Related Party Transactions Policy, Corporate Communications Policy, Anti-Corruption Policy, Social Media Policy, [UK Modern Slavery Act Transparency Statement](#), and Open Source Use Policy.

We evaluate and enhance our corporate codes, policies, and guidelines annually to ensure we operate at the highest standards. In 2020, we began the process of making significant updates to our Code of Business Conduct and Ethics — transforming it into a living and breathing Ethics program called “Speak Up” — to be more aligned with our company values and provide more specifics on what is expected of every employee



and independent professional. The revamp process began by convening a cross-functional, cross-team task force comprised of a diverse group of influential, culture-carrying representatives tasked with making the code more user-friendly, understandable, and representative of our mission, vision, and values. The goal of the program is to foster a culture where team members are

empowered to seek information and report any perceived or actual misconduct via our anonymous Integrity Hotline, directly to any manager or member of the legal team, or to any ethics advisor. Ethics advisors are highly trained and approachable resources embedded within each team who are available to answer questions or take reports about questionable conduct. With

these changes, we are empowering our team members to easily communicate potential issues to our leadership early and often, allowing us to address issues quickly. The updated code was approved by our board of directors in April 2021 and will be rolled out to employees via trainings and other channels throughout the year. We will provide updates on the program in next year’s report. Also, in 2020 we examined our business practices and have taken steps to combat modern slavery and human trafficking by establishing our UK Modern Slavery Act Transparency Statement to ensure that we comply with the UK Modern Slavery Act 2015.

Our culture is rooted in honest communication, transparency, and mutual respect. The Upwork Compliance & Integrity Hotline, highlighted in our Whistleblower Policy, is in place for team members to report concerns or misconduct safely and anonymously, without

fear of retaliation or punishment. The policy and hotline, along with other company compliance and ethics codes, guidelines, and policies, are accessible to all team members and are well communicated during new hire onboarding, via the human resources intranet, and through communications from senior leadership. In 2020, we provided team member training on key ethics and compliance topics. As an example, we created a new privacy and information security training given during new hire onboarding and updated our policy to make the training mandatory upon hire and for existing team members annually. We also held training sessions specific to anti-corruption, anti-money laundering, and escrow law compliance, along with cross-

functional training sessions for our Business Continuity Planning team. Additionally, we created an internal Information Security and Privacy Google site where our team members can access privacy and security resources on demand.



Risk Management

We have a robust process in place to manage risk and ensure compliance with applicable laws and internal policies, which complements and is aligned with our ESG strategy. The Upwork Enterprise Risk Management (ERM) program is overseen by the Audit, Risk and Compliance Committee of our board of directors (Audit Committee), and includes a semi-annual risk identification, assessment, and remediation process. As part of the process, each risk is assigned an internal owner and remediation plans are outlined with check-ins by the ERM team to ensure the risk is managed and mitigated appropriately, with consultation with the legal liaison for the applicable risk. For example, our risk related to data security is owned by our head of engineering, and the remediation plan includes efforts by various VPs on the engineering team as well as our Chief Information Security Officer, with support from our Compliance Counsel. The risk as assessed beginning at the end of 2020, as well as the progress on the plan to date and future steps, were all reported to the Audit Committee in February 2021. The results of which are presented

to the Audit Committee as well as the company’s leadership team.

We understand that Upwork plays a critical role in our customers’ business continuity efforts. To minimize the chance of business interruption due to disaster or other disruption, in 2020 we strengthened and broadened the scope of our Business Continuity Plan (BCP), including designating a STAT (Situation, Triage, and Assessment Team) Manager to oversee restoration. Under the new process, each team throughout the company has a BCP that documents team-critical roles and systems, along with back-ups should the primary roles and systems be unavailable for an extended period. Additionally, each team designates a STAT lead who coordinates the team’s business continuity efforts by communicating their team’s needs to the STAT Manager and the rest of the STAT leads. Once a disaster or disruption has ended, the team gathers to review and revise the BCP based on their learnings from the incident. Testing of the new BCP process is taking place during Q2 2021.

Maintaining Compliance & Mitigating Risk Amid COVID-19 Disruption

The COVID-19 pandemic created fundamental shifts in how and where work happens. To ensure we maintained the same rigorous compliance standards in place before COVID-19, we provided training, information, and guidance to team members on how working from home impacts our exposure to risk.

This included training for our licensed escrow service teams, who are normally required to work onsite. After new guidance from the California Department of Financial Protection and Innovation allowed these employees to work from home during the pandemic, we provided team-specific training on data protection measures to ensure client information remained secure while these teams worked remotely.

Additionally, our Chief Information Security Officer sent company-wide emails with tips on safe home computing, and our Legal and Information Security teams highlighted COVID-19-related resources on our internal Information Security and Privacy Google site and in quarterly newsletters distributed to our hybrid workforce.

Corporate Governance

Strong leadership and sound corporate governance are critical to our success. Our board of directors brings a mix of skills, experience, and backgrounds to its oversight of our strategic direction and guidance to Upwork leadership on critical business issues.

The Nominating and Governance Committee of our board of directors oversees our corporate responsibility and sustainability programs, including ESG matters, and, with our leadership team, assesses our performance, risks, controls, and procedures related to our corporate responsibility and sustainability efforts. Throughout 2020, our board of directors was kept apprised of important updates relating to the COVID-19 pandemic’s impact on key business functions and our workforce. This included the convening of several ad hoc board meetings and weekly email updates from our CEO at the outset of the pandemic.

We believe that incorporating a variety of perspectives has a positive impact on culture and enables better business outcomes. We are committed to championing diversity and inclusion throughout the company, and that starts with our board of directors.

Our board of directors is currently comprised of eight directors, four of whom are women. Additionally, three of our directors are from underrepresented communities, as defined under California law AB 979, which surpasses the law’s current requirement that California-headquartered public companies have at least one director on their board of directors who is from an underrepresented community.⁹

Our Corporate Governance Guidelines can be viewed [here](#) and more information on the composition and diversity of our board of directors, including our directors’ skills, experience, and backgrounds can be found in our [Proxy Statement](#) and [here](#). Our Proxy Statement also outlines our strong corporate governance, including matters such as stockholder rights and engagement, executive compensation, corporate responsibility, and sustainability.



Hayden Brown
CEO



Thomas Layton
Chairperson



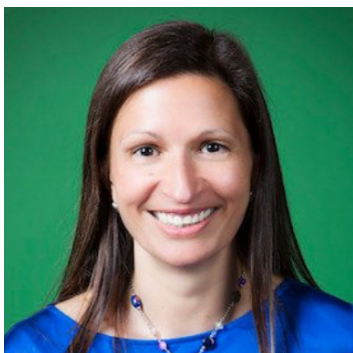
Greg Gretsch



Kevin Harvey



Betsey Nelson



Leela Srinivasan

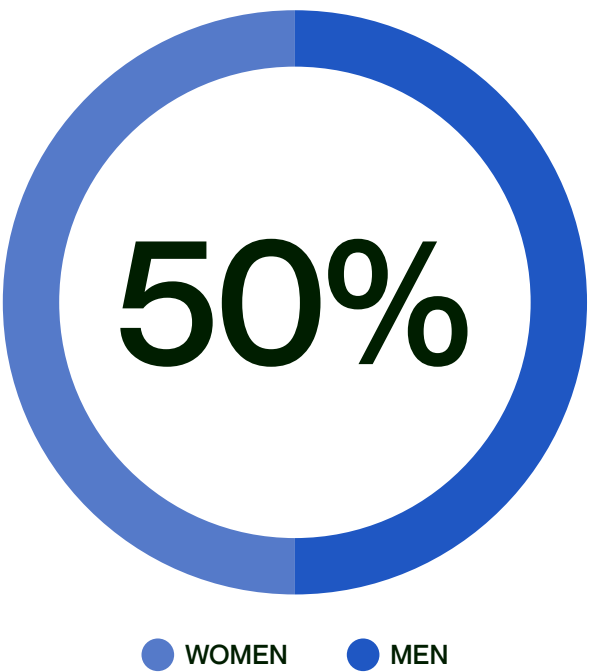


Gary Steele

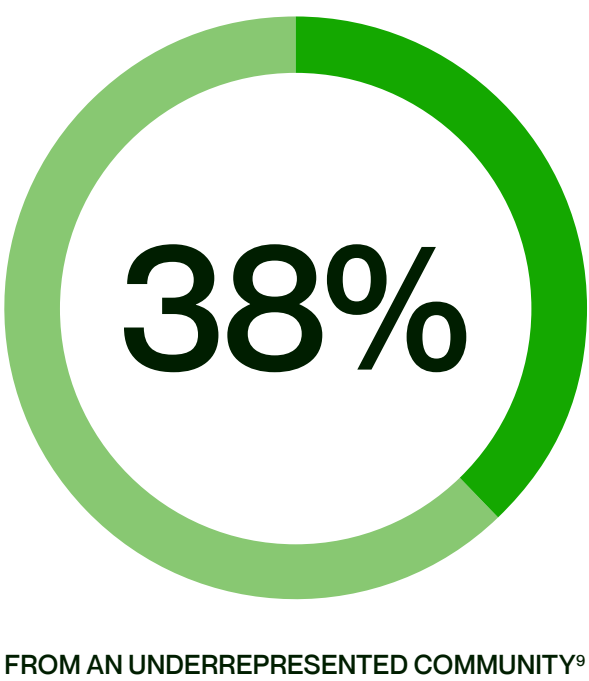


Anilu Vazquez-Ubarri

Board Gender
Diversity



Board Underrepresented
Community⁹ Diversity



⁹ Under California law AB 979, an individual from an underrepresented community is defined as “an individual who self-identifies as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, or Alaska Native, or who self-identifies as gay, lesbian, bisexual, or transgender.”

Ensuring a Trustworthy & Safe Platform

Creating a reliable, secure, and trustworthy space for clients to connect with skilled remote freelancers is critical to our success. We aspire to attract talent to Upwork that meets client expectations, and that remote freelancers receive fair and equitable treatment when using our marketplace.

Our Trust and Safety team leads a cross functional team that develops resources, programs, and policies to foster responsible, safe, and transparent interactions between all parties. These include our [Terms of Service](#) outlining expectations for remote freelancers and clients, along with our 24/7 support team, [payment protection](#), [escrow service](#), and dispute resolution function, among others. Third party and regulatory compliance measures are integrated into each of the resources, policies, and terms governing the use of our platform.

Our goal is to provide clients with access to high-caliber talent they can trust to get the job done right. To ensure transparent interactions, our customers are bound by our [Terms of Service](#). We also use [Talent Badges](#) to highlight talent with a proven track record of excellence. This year, we rolled out two new badges — [Top Rated Plus](#) and [Expert-Vetted](#) — to help clients quickly find talent they can trust for complex, strategic, and long-term work. Representing the top one percent of remote freelancers on Upwork, Expert-Vetted talent go through an extensive pre-screening process and are evaluated by our technical Talent Managers for their expertise and excellent soft skills.

Emerging Technology & Ethics



Technology and innovation are core to the value we bring to clients and remote freelancers alike. We consistently provide new solutions to help companies connect to the right talent for their project quickly and efficiently. As we deploy emerging technologies, such as automation and machine learning, and add new products and enhancements to our platform, maintaining a rigorous standard of ethics is a top priority.

We take active measures to guard against bias on our platform and ensure that product innovation is sustainable and ethical by design. These measures include our approach to incorporating advanced AI and data science to provide accurate talent matches quickly and cost-effectively.

We believe that emerging technologies have the power to transform how companies approach both their work and workforces, and that AI is more of a talent initiative than a tech initiative. All organizations must embrace and invest in people

with the skills to implement it fairly and securely, and we aim to lead in that adoption by example. More of our perspective on the intersection between talent and technology can be found in our ebook, [The Human Approach to Artificial Intelligence](#).

“Jobs are changing — the need for humans isn’t. Emphasizing the need for humans, most of the skills categories predicted to grow as a result of artificial intelligence involve soft skills that are difficult to measure, such as leadership, critical thinking, and communication.”

David Abramson
VP, Strategic Initiatives

Data Security & Privacy

Safeguarding user data and ensuring its use is consistent with our [Privacy Policy](#) and [Terms of Service](#) is central to our ability to build trust with our customers. This commitment is shared throughout Upwork and is exemplified by a privacy culture in which protecting our clients’ information is at the core of what we do.

Our data security and privacy program is overseen by the Audit Committee. As part of its oversight, the Committee assesses the adequacy of our cybersecurity controls and procedures, and reports to our board of directors regarding such matters.

Upwork has a robust [Privacy Policy](#) in place that outlines our procedures for the collection, use, and disclosure of information through our platform, and all customers who register on our platform do so in accordance with the policy. Our Information Security Management System (ISMS) defines the overall security functions at



Upwork and outlines the roles and responsibilities of all our employees to help protect the confidentiality, integrity, and availability of our platform. All team members, whether employees or our extended workforce, are required to undergo our Information Security & Privacy training. Further, we carry out ISO and SOC2 audits to evaluate and test the integrity of our policies and procedures.

2020 brought unique challenges in data security and privacy on a global scale, as the worldwide shift to work-from-home prompted an unprecedented increase in cybersecurity threats, including phishing and ransomware attacks. In addition to convening a cross-functional Information Security and Privacy Steering Committee to help guide our long-term privacy and security vision and strategy, our information security and legal teams

worked together to roll out new trainings and provide regular guidance to team members with threat updates and general security best practices as our entire global workforce moved to working remotely.

We also held our annual National Cybersecurity Awareness Month event virtually for the first time, bringing in a guest speaker from the FBI to talk about the increased cybersecurity risks facing employees and companies during COVID-19. The event was the product of cross-team collaboration between our legal and information security teams, who often partner on a variety of cybersecurity and privacy programs and initiatives.

Powering Secure Flexible Work with Citrix

Amid the rapid changes made to accommodate a new remote workforce, ensuring the right collaborative technology and security was top of mind for many executives throughout 2020. We teamed with Citrix, the global digital workspace leader, to unveil a new offering — The Upwork Talent Solution with [Citrix Workspace™](#).

The unique offering is designed to deliver best-in-class secure remote infrastructure for companies to boost efficiency and productivity as the world increasingly adopts the benefits of remote, on-demand talent. With the Upwork Talent Solution, we are able to more efficiently and effectively integrate remote freelancers with quick access to company resources from anywhere and to any device, all while meeting rigorous security requirements.

[Learn more about the offering here.](#)



Upwork’s enterprise-wide information security risk management program efficiently and effectively identifies and remediates security risks, and conducts regular vulnerability scanning and penetration tests. We also have a public [Bug Bounty Program](#), which invites researchers to test Upwork’s platform with the goal of ensuring our clients are using a secure platform that is tested by the security community.

We design controls and maintain our platform to optimize for security, availability, and performance. Our platform is built with security by design principles to ensure controls are baked into our platform and that we utilize all appropriate infrastructure and programmatic controls at our disposal. These include features such as multi-factor authentication, single sign-on, and custom session timeouts

to provide streamlined authentication for our clients. We also implement data encryption to help safeguard against attacks, eavesdropping, and session hijacking, and use machine learning to protect customers from malware and spam.

As part of our commitment to protecting data, both our customers’ and our own, we have prioritized

meeting rigorous privacy and security industry certifications. In 2020, we achieved ISO 27001 & ISO 27018 certifications in information security, demonstrating our ability to comply with the most stringent international standards. This achievement is in addition to other leading certifications, including SOC 2 Type II certification, PCI-DSS certification, and U.S.-EU and U.S.-Swiss Privacy Shield certifications. We are also TrustArc certified.

Our role as a global work marketplace means that we are regulated by a patchwork of global payments and privacy and data security regimes aimed at ensuring our clients can trust us to help them navigate their transactions safely and efficiently. We follow strict compliance with state, national, and international privacy laws and regulations. Our legal and information security teams have carefully analyzed the General Data Protection Regulation (GDPR) and have undertaken the necessary steps to ensure compliance. We are also compliant with the California Consumer Privacy Act (CCPA), the most stringent data privacy law in the United States. We have voluntarily implemented a robust Anti-Money Laundering Program and have a highly trained team dedicated to preventing illicit use of our products and services.

Further, we engage with independent consultants to perform annual reviews of our anti-money laundering program.

Upwork requires personal information from our customers for many purposes, including but not limited to effecting payments from clients to remote freelancers through our escrow service and ensuring that our platform remains safe and secure. All customers who register on our platform do so in accordance with our Privacy Policy. Some of the services and functionalities that we offer, thanks to this, are used for secondary purposes. In all cases, we follow the letter and spirit of applicable privacy laws, including those requiring consent prior to sharing user data with third party service providers.

Underscoring our commitment to safeguarding data, Upwork became a corporate member of the International Association of Privacy Professionals (IAPP) in 2020, the world’s largest and most comprehensive information privacy community. Membership in IAPP puts us in league with a global forum of like-minded privacy professionals and gives us access to best practices and research we can apply to ensuring the security of our platform.

Environment

Our Climate Commitment

2020 was a year of unprecedented events and circumstances, yet one constant challenge precedes this past year — the global climate crisis. We believe every individual and every business, including Upwork, has a responsibility to address this issue. We see our ability to impact climate change as twofold — both through our unique business model that inherently keeps vehicles off the road by facilitating remote work, and through our commitment to carbon neutrality.



Our Commitment to Carbon Neutrality by Promoting Remote Work

We believe that in order to be a successful business, we must also be an accountable one. For Upwork, this accountability involves working to reduce emissions that contribute to the global climate crisis. Today, private transport equates to one of the biggest and fastest-growing contributors of greenhouse gas (GHG)

emissions.¹⁰ The fundamental nature of our business enables remote work, which substantially reduces GHG emissions by allowing individuals to avoid long commutes, curtailing the need for transportation, and ultimately taking vehicles off the road.¹¹



Beyond the impacts of our unique model, we must also take responsibility for reducing our own emissions footprint. This is why in 2020, we published our [Emissions Report](#), where we announced that we had achieved carbon neutrality for 2019 and committed to remain carbon neutral going forward. The Emissions Report also details the emissions that were avoided by embracing a remote work model within our own company. Our ability to achieve carbon neutrality was aided by the fact that we enabled team members to avoid over one million commuting miles in 2019 due to our distributed workforce model, which encourages team members to work remotely — an inherent benefit of the Upwork work marketplace.

In 2020, we went a step further by adopting a remote-first work model, through which working remotely is now the default for nearly every team member moving forward, leading to ongoing reductions in GHG emissions in future years.¹²

As a champion of a remote work model — even before the COVID-19 pandemic forced many around the world to work from home — we hope our Emissions Report will serve as a model for other businesses to unlock their own potential by embracing remote work long-term and ultimately contributing to the fight against the global climate crisis.

We encourage you to read the Emissions Report for an overview of our climate strategy and key data. We are assessing the feasibility of submitting to CDP (formerly, the Carbon Disclosure Project) to further advance our efforts to disclose our carbon emissions and track progress over time. We are also considering adopting the Task Force on Climate-related Financial Disclosures (TCFD) framework in the future as an additional disclosure.

“Our long-term commitment to carbon neutrality is just a first step — there will always be more work to do to address the global climate crisis. We hope the Emissions Report will serve as an example to others for taking on this challenge and demonstrating ongoing progress.”

Jeff McCombs
CFO

¹⁰ World Resources Institute, October, 2019: [Everything You Need to Know About the Fastest-Growing Source of Global Emissions: Transport](#).
¹¹ You can read more about other benefits of our unique model, including robust data sets for each, in an Upwork article authored by Adam Ozimek, Upwork’s Chief Economist, [here](#).
¹² Our entire Chicago-based sales team has the option to go into an office, in addition to our sales business development reps, who are required to go into the office three days per week.

One Million Miles Saved

In 2020, we conducted a survey of 760 team members to gather data on their commuting patterns and to evaluate the extent to which Upwork’s policy of allowing team members to work remotely has resulted in avoided commuting-related emissions. The results — featured below — were powerful.

In total, Upwork enabled team members to reduce miles traveled in a personal vehicle by over one million miles in 2019. More details on this survey can be found in the our [Emissions Report](#).

TEAM MEMBER SURVEY RESULTS

73%

of respondents reported having no commute at all in 2019 while working for Upwork

23%

had no commute prior to Upwork and continued to have no commute after joining Upwork

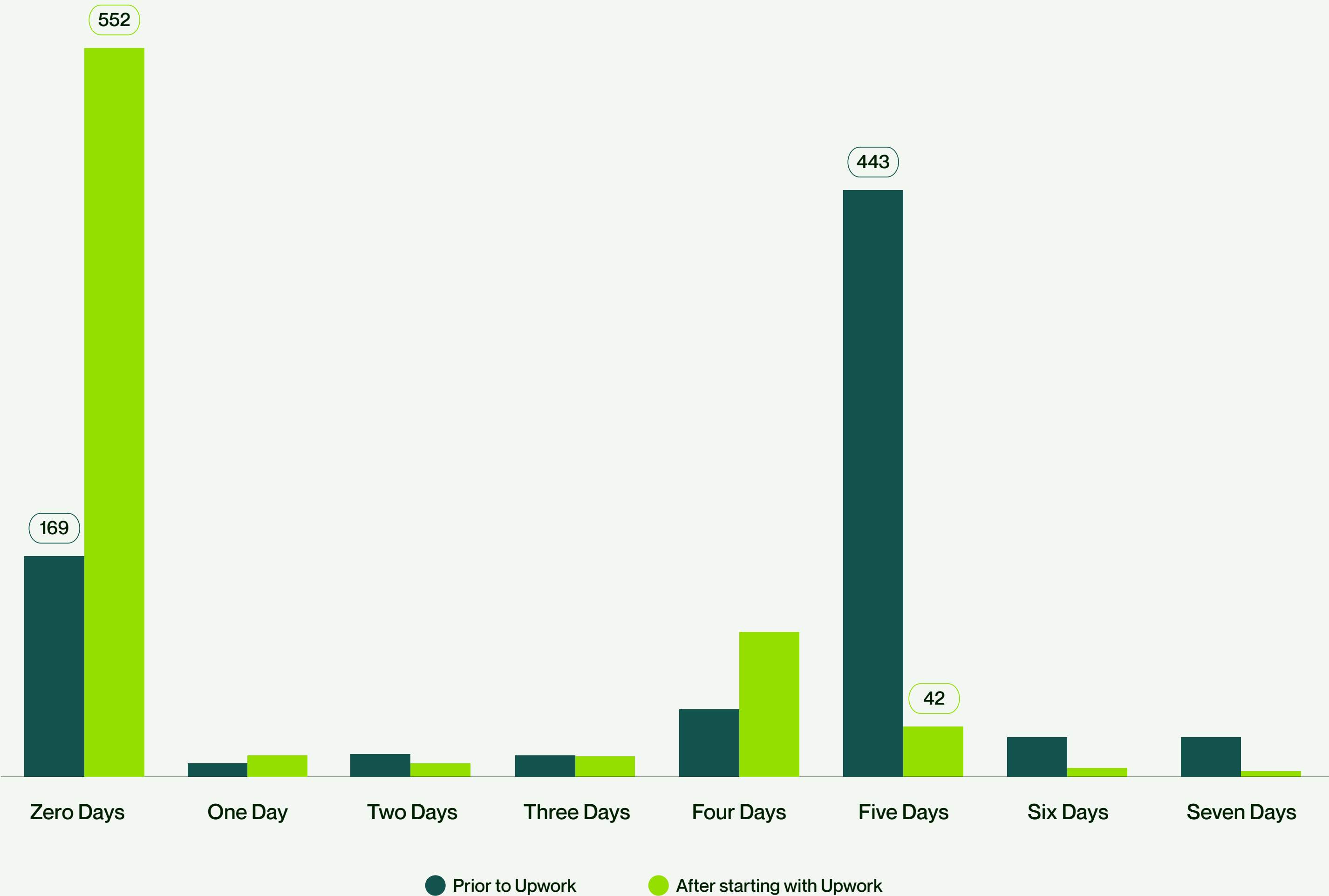
69%

of respondents had fewer commute miles and lower associated carbon emissions after joining Upwork, including many who ceased commuting entirely once they joined

8%

reported an increase in commuting miles after joining Upwork

Days Spent Commuting



Energy and Emission Trends

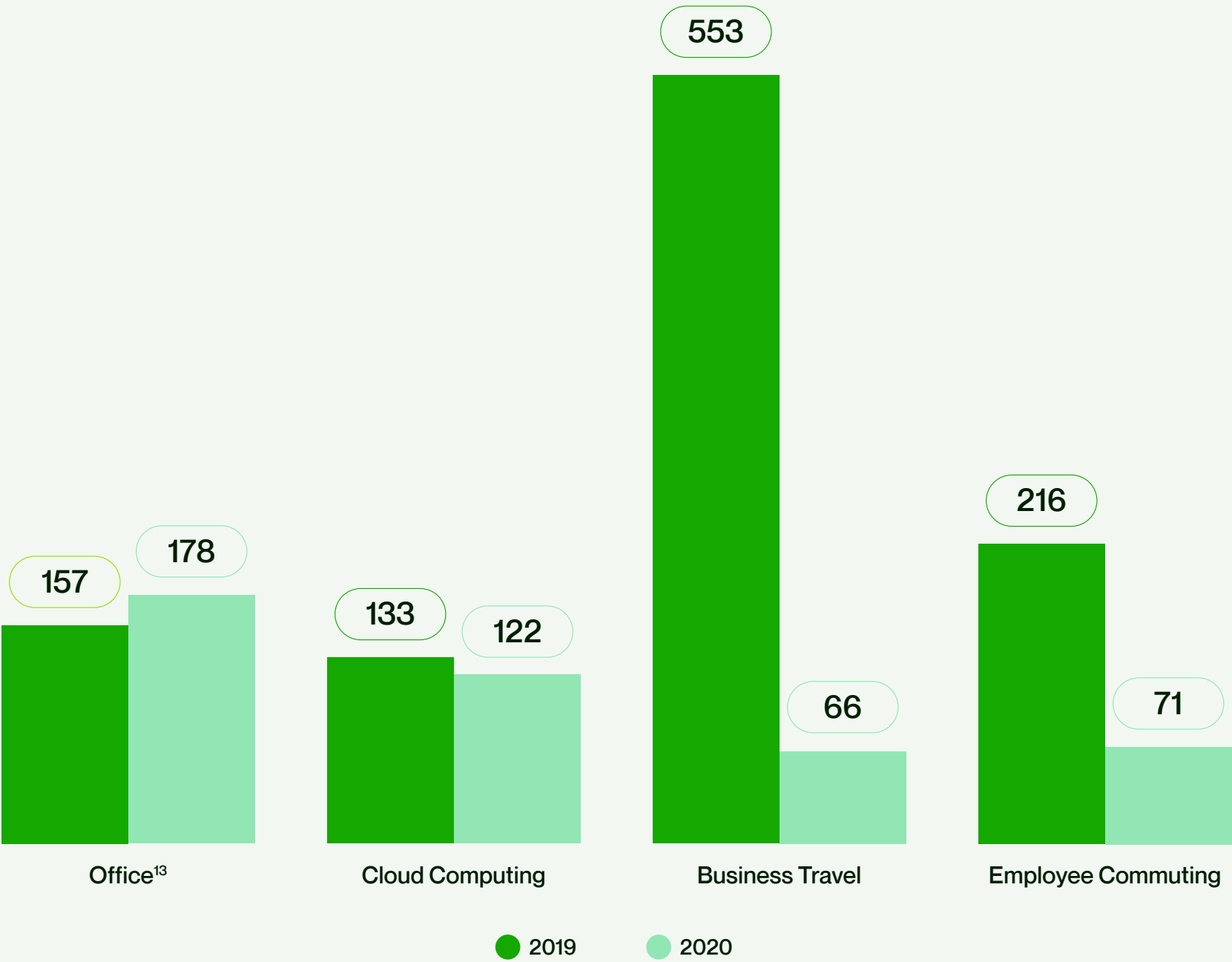
2019 and 2020 Emissions

To measure our 2019 and 2020 carbon footprint data, we worked with expert consultants at Industrial Economics (IEc) to analyze the energy use of our offices and the sources of electricity used to power those offices. The assessments also analyzed business travel undertaken by Upwork employees throughout and assessed energy usage attributable to Upwork’s cloud computing. Additionally, we collected commuting data from US team members to calculate our Scope 3 emissions for commuting.

For more information on how we are achieving carbon neutrality, both in 2019 and 2020 across scopes 1, 2, and 3, please see our [Emissions Report](#).

The graph below represents Upwork’s 2019 and 2020 carbon footprint.

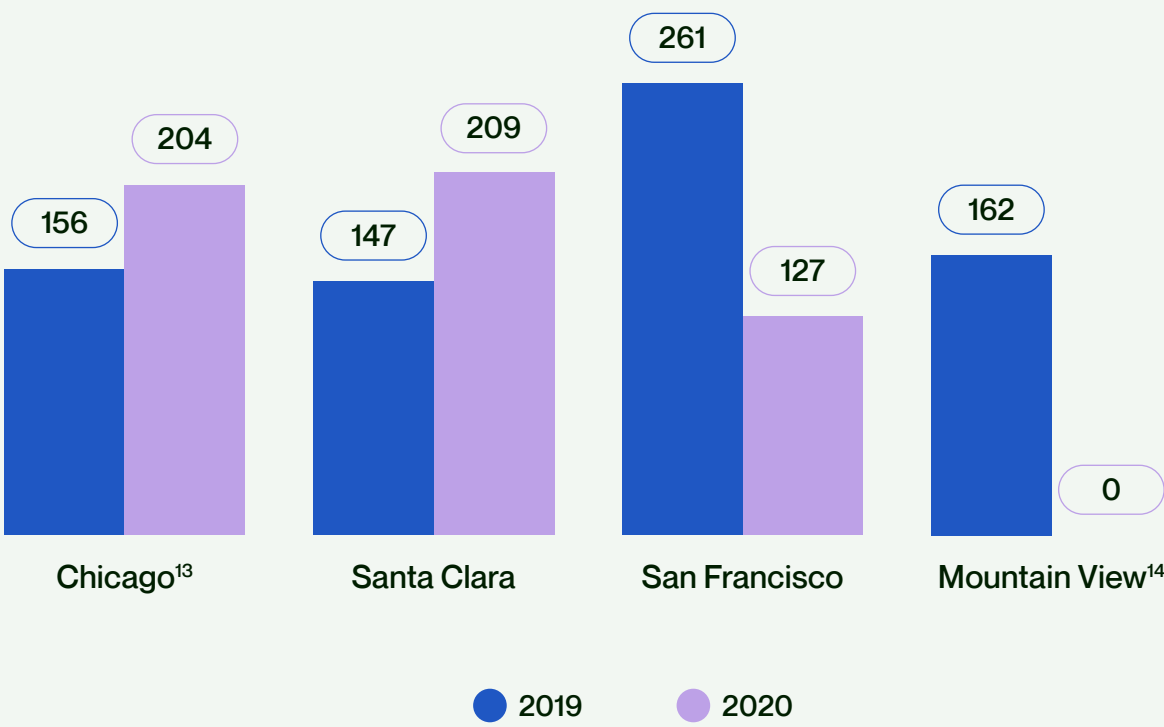
GHG Emissions by Category (MTCO₂e)



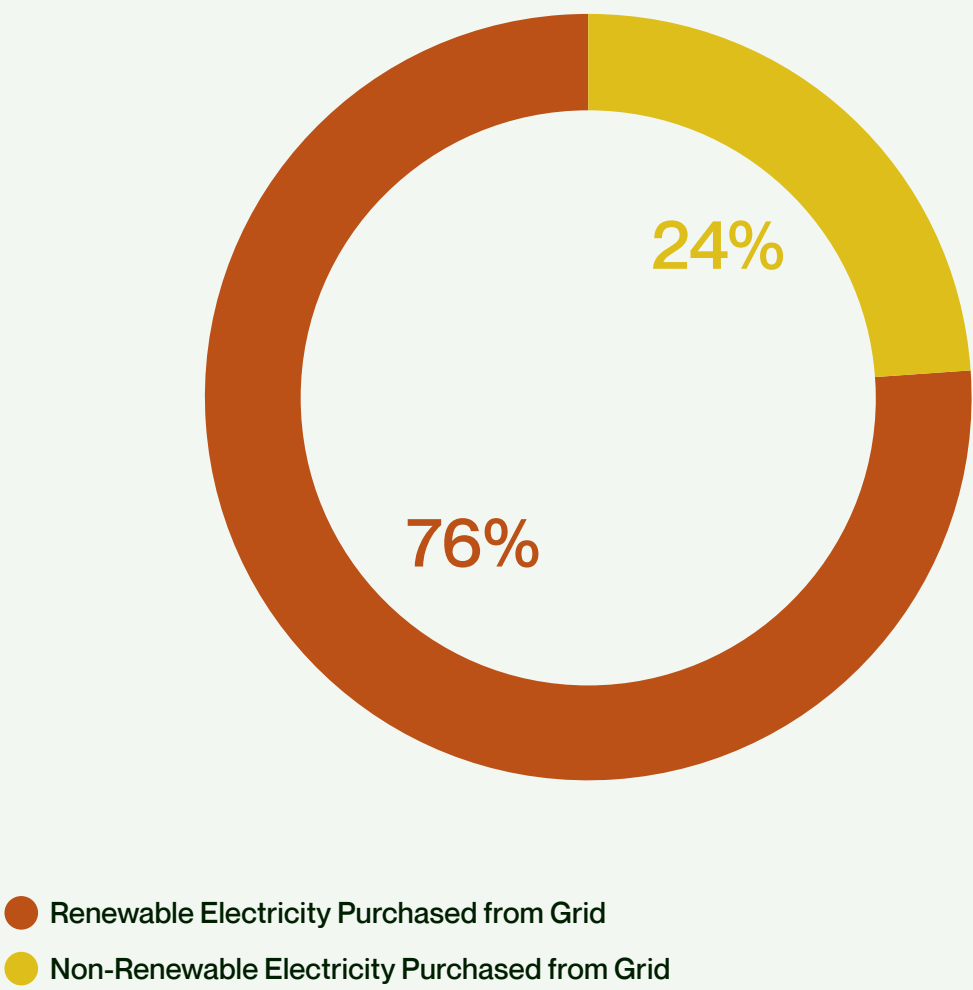
¹³ We expanded our Chicago office to include an additional floor in the middle of 2020, resulting in higher emissions for that office in 2020 than in 2019.
¹⁴ We closed our Mountain View office and opened our Santa Clara office in the middle of 2019.
¹⁵ Percentages of total electricity use across Upwork offices (San Francisco, Santa Clara, and Chicago) in 2020.

2019 and 2020 Electricity Use Across Facilities

Electricity Use (MWh)



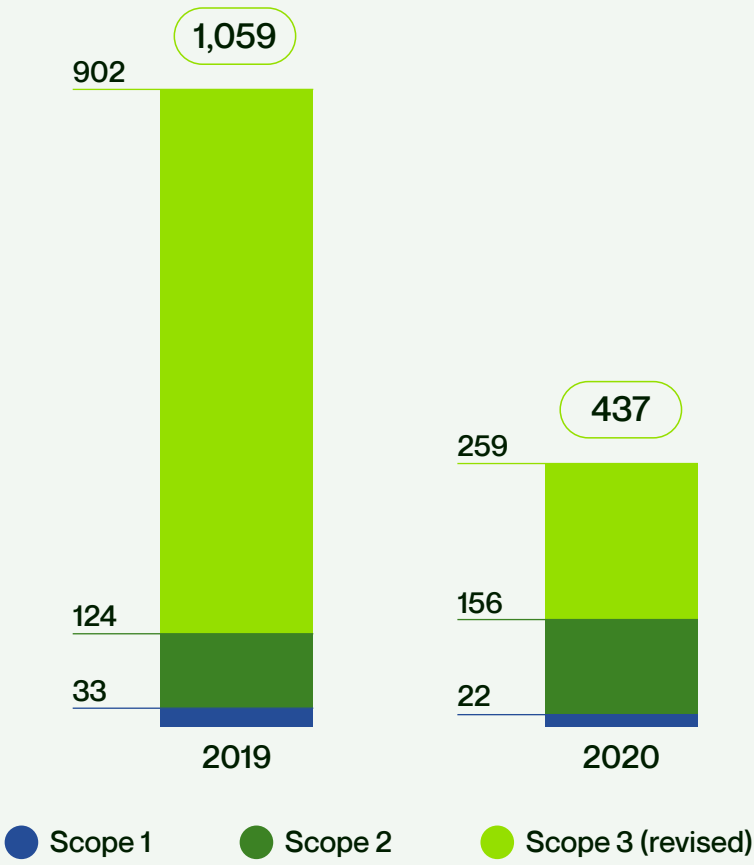
2020 Electricity Mix Across Offices¹⁵



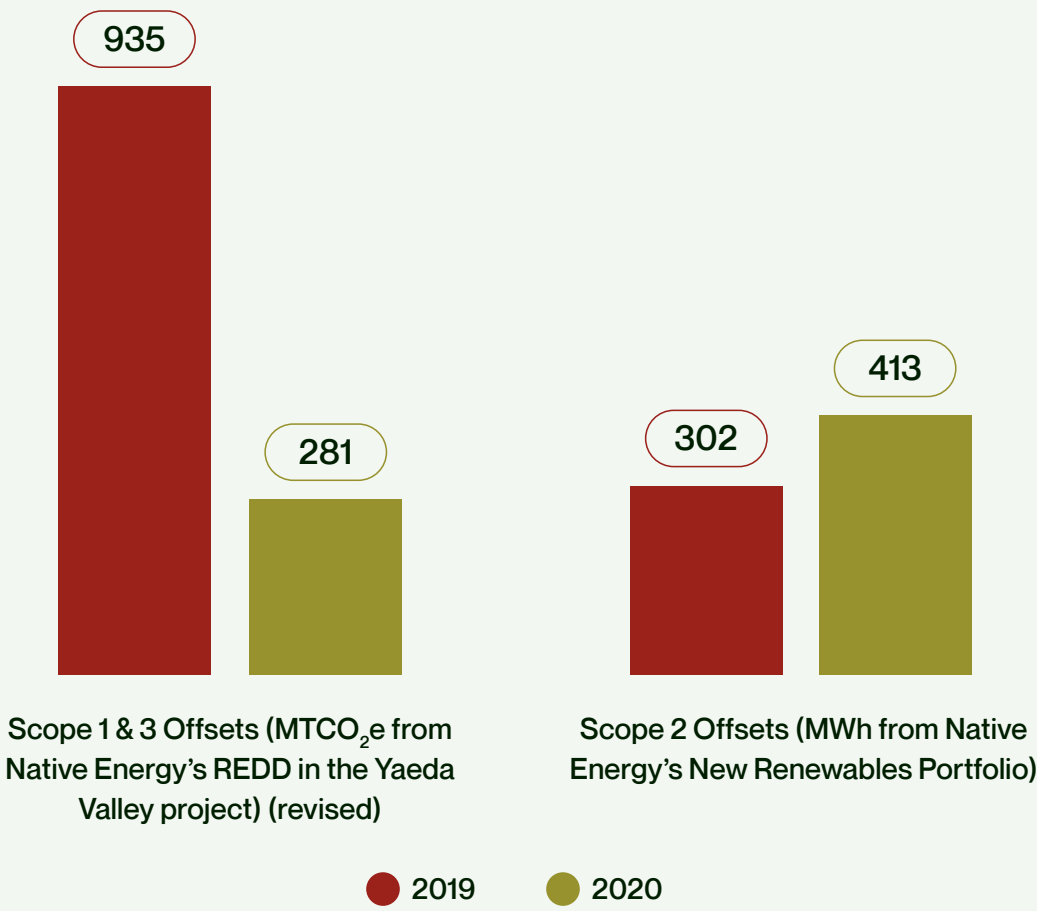
¹⁶ In 2020, we reported our 2019 Scope 3 carbon footprint (including emissions from employee business travel, commuting, and cloud computing) as 860 MTCO₂e. In calculating the 2020 carbon footprint, we obtained more precise data on our cloud computing usage than was used to calculate the 2019 figures. In addition, we also discovered a calculation error that resulted in incorrect emissions factors being applied to a portion of our cloud computing electricity use. We have therefore recalculated our 2019 carbon footprint using this more precise data and corrected the emissions factors. This revision results in a slightly higher estimate of our 2019 Scope 3 emissions (and total emissions), as reported here. Last year, we purchased Scope 1 & 3 offsets in excess of our originally calculated 2019 footprint of 860 MTCO₂e, and as a result, we remain carbon neutral even with these higher emissions.

Carbon Neutrality in 2019 & 2020¹⁶

GHG Emissions by Scope (MTCO₂e)



Offsets by Scope¹⁶



Responsible Resource Use

Beyond our commitment to maintain carbon neutrality, we also understand the importance of reducing other impacts on the environment. This includes reducing water usage and waste while promoting responsible resource use. In early 2021, we adopted a company [e-waste policy](#), which we are currently in the process of implementing as of the publish date of this report. Overall, our impact relating to these factors is minimal due to the nature of our business in addition to our remote-first workforce.

Forward Looking Statements

This report includes forward-looking statements, which are statements other than statements of historical facts, and statements in the future tense. These statements include, but are not limited to, statements regarding ESG-related targets and goals, the impact of continuing to monitor, manage, and report on the environment and related efforts to mitigate harm, the ability of our oversight and management of ESG matters to achieve long-term success for all stakeholders, as well as expectations regarding the impact of the COVID-19 pandemic on our business and industry. Accordingly, actual results could differ materially, or such uncertainties could cause adverse effects on our results. Forward-looking statements are based upon various estimates and

assumptions, as well as information known to Upwork as of the date of this report, and are subject to risks and uncertainties, including but not limited to: the impact and duration of the COVID-19 pandemic on our business and global economic conditions; the impact of new and existing laws and regulations; and other general market, political, economic, and business conditions. Actual results could differ materially from those predicted or implied, and reported results should not be considered as an indication of future performance. Additionally, these forward-looking statements involve risks, uncertainties, and assumptions. Significant variation from the assumptions underlying our forward-looking statements could cause our actual results to vary, and the impact could be significant.

Additional risks and uncertainties that could affect our performance are included under the caption “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our most recent Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q, which are available on the Investor Relations page of our website at [investors.upwork.com](#) and on the SEC website at [www.sec.gov](#). All forward-looking statements contained herein are based on information available to us as of the date hereof, and we do not assume any obligation to update these statements as a result of new information or future events.

Appendix

SASB Framework Alignment

We are committed to enhancing our environmental, social, and governance (ESG) strategy to ensure it reflects input from stakeholders while also following industry best practices and international reporting standards. As an effort to demonstrate transparency, we have included the following Sustainable Accounting Standards Board (SASB) Standards index mapped to the most applicable financially material issues. As an organization, SASB aims to provide voluntary, industry-specific standards for companies to disclose financially material sustainability topics and related performance metrics.

Below we report on relevant key topics from the Professional & Commercial Services and Software & IT Services industry standards.¹⁷ All disclosures apply to the year ending December 31, 2020, unless otherwise noted. As we look ahead, we will continue to evaluate opportunities to evolve our ESG reporting approach and refine our long-term goal setting.

TOPIC	CODE	ACCOUNTING METRIC	RESPONSE ¹⁸
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Environment/Our Commitment to Carbon Neutrality by Promoting Remote Work, page 40
	TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	Environment/Our Commitment to Carbon Neutrality by Promoting Remote Work, page 40
Data Privacy & Freedom of Expression	TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	Business Ethics & Governance/Data Security & Privacy, page 35 Upwork Privacy Policy
	TC-SI-220a.2	Number of users whose information is used for secondary purposes	Business Ethics & Governance/Data Security & Privacy, page 35
	TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	Upwork 2020 Form 10-K, page 49
Data Security	TC-SI-230a.2 SV-PS-230a.1	Description of approach to identifying and addressing data security risks	Business Ethics & Governance/Data Security & Privacy, page 34
	SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	Business Ethics & Governance/Data Security & Privacy, page 35 Upwork Privacy Policy
Recruiting & Managing a Global, Diverse & Skilled Workforce (Workforce Diversity & Engagement)	TC-SI-330a.2 SV-PS-330a.3	Employee engagement as a percentage	Our Team/Engagement, Development, & Training, page 25
	TC-SI-330a.3 SV-PS-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	Appendix/Workforce Representation Data, page 44
	SV-PS-330a.2	(1) Voluntary and (2) involuntary turnover rate for employees	Voluntary: 14.30% Involuntary: 22.62%
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Upwork 2020 Form 10-K, page 49
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.2	Description of business continuity risks related to disruptions of operations	Upwork 2020 Form 10-K, page 10
Professional Integrity	SV-PS-510a.1	Description of approach to ensuring professional integrity	Business Ethics & Governance, page 30 Code of Business Conduct and Ethics
	SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Upwork 2020 Form 10-K, page 49

¹⁷ We selected metrics from both sets of SASB industry standards that reflect topics directly applicable to our business and stakeholders. For some topics, we do not report on all accounting metrics based on relevancy to our business and our current disclosures.

¹⁸ Some responses reference an external document or resource.

SASB Framework Alignment *(continued)*

CODE	ACTIVITY METRIC	RESPONSE ¹⁹
TC-SI-000.A	(1) Number of licenses or subscriptions, (2) percentage cloud-based	Upwork is 99% cloud-based with Amazon Web Services (AWS) and has one enterprise subscription with AWS.
TC-SI-000.B	(1) Data processing capacity, (2) percentage outsourced	Data processing fluctuates depending on traffic. 100% is outsourced to AWS.
TC-SI-000.C	(1) Amount of data storage, (2) percentage outsourced	As of Dec 2020, Upwork has 2.33PB data storage and 100% is outsourced.
SV-PS-000.A	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	Full Time: 535 Part Time: 4 Contractor/Freelancer: 1,372
SV-PS-000.B	Employee hours worked, percentage billable	Hours worked: 1,330,554.43 Hours billable: 0.2%

Workforce Representation Data

	GENDER REPRESENTATION OF GLOBAL EMPLOYEES (%)			RACIAL/ETHNIC GROUP REPRESENTATION FOR U.S. EMPLOYEES (%)					
	FEMALE	MALE	NOT SHARED	ASIAN	BLACK OR AFRICAN AMERICAN	HISPANIC OR LATINO	WHITE	OTHER ²⁰	NOT SHARED
Management (VP+)	48.28%	51.72%		10.34%	10.34%	3.45%	68.97%	3.45%	3.45%
Technical Staff	36.17%	63.12%	0.71%	39.72%	2.84%	2.84%	41.13%	3.55%	9.93%
All Other Employees	65.31%	34.69%		17.89%	7.59%	4.88%	60.16%	3.79%	5.69%

Employee Data²¹

The following data is what we intend to submit to the U.S. Equal Employment Opportunity Commission as our EEO-1 Component 1 Report during the data collection window April 26 – July 19, 2021. The data here reflects EEO-1 submission structure; Upwork offers employees further self-ID options, further detail on which can be found on [page 21](#).

ALL LOCATIONS															
Job Categories	NUMBER OF EMPLOYEES														
	HISPANIC OR LATINO		MALE						FEMALE						
	Male	Female	White	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	White	Black or African American	Native Hawaiian or Other Pacific Islander	Asian	American Indian or Alaska Native	Two or More Races	TOTAL
Executive/Senior Level Officials and Managers			6						2						8
First/Mid-Level Officials and Managers	1	7	66	2		30	1	1	76	10	1	29		4	228
Professionals	6	4	50	3	1	28		4	57	5	2	43	2	4	209
Sales Workers	10	8	43	11		4			69	5		6		2	158
Total	17	19	165	16	1	62	1	5	204	20	3	78	2	10	603

¹⁹ Some responses reference an external document or resource.

²⁰ Other includes the classifications Native American or Alaska Native, Native Hawaiian or Pacific Islander, and “Two or More Races.”

²¹ Data featured represents employees 10/1/2019 – 10/15/2020.

About Upwork

Upwork is the world’s work marketplace that connects businesses with independent talent. We serve everyone from one-person startups to 30 percent of the Fortune 100 with a powerful, trust-driven platform that enables companies and freelancers to work together in new ways that unlock their potential. Our talent community earned over \$2.3 billion on Upwork in 2020 across more than 10,000 skills, including website & app development, creative & design, customer support, finance & accounting, consulting, and operations. Learn more at www.upwork.com and join us on [LinkedIn](#), [Twitter](#), [Facebook](#), and [Instagram](#). Upwork is a registered trademark of Upwork Inc. All other product and brand names may be trademarks or registered trademarks of their respective owners.

Invitation to Engage on ESG

Thank you for reading our 2020 Annual Impact Report. We welcome feedback on our initiatives and this report. Please email ESG@upwork.com to share your thoughts or connect with us.

All references throughout this report apply to the year ending December 31, 2020 unless otherwise noted.

This report was published April 20, 2021.