**nerdwallet™**

# 2023 Environmental, Social and Governance (ESG) Report

NerdWallet is excited to share our second annual ESG report. We're highlighting impactful progress and new initiatives from the past 12 months. It's been an exciting year, and we continue to grow within the three pillars of our ESG program — achieving our vision, investing in our Nerds and building a socially responsible business.

# Contents

This report was written by long-term Nerd Elizabeth Renter, a senior writer and data analyst who's been with NerdWallet since 2014.

# About NerdWallet

**OUR MISSION**

# Provide Clarity for All of Life's Financial Decisions

**OUR VISION**

# A World Where Everyone Makes Financial Decisions with Confidence

# Achieving Our Vision

Realizing a world where everyone makes financial decisions with confidence is a matter of putting the best information and tools at *everyone's* fingertips.

# Our Content

In 2023, approximately 23 million people turned to the Nerds each month for financial guidance.[1] And when they did, they found an ever-expanding and optimized library across articles, video and our in-house Smart Money podcast.
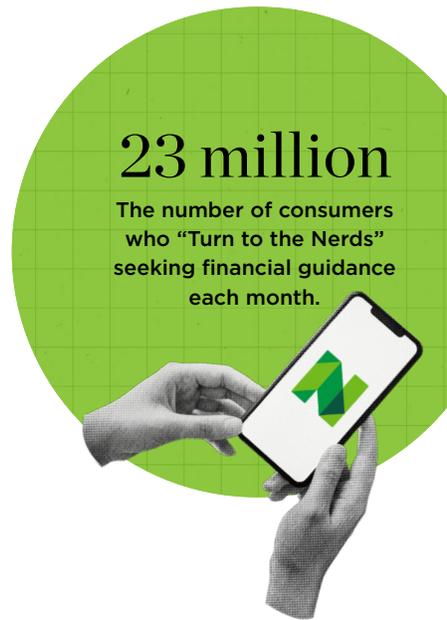
**Inclusive content**
Reaching all community types, speaking to a variety of financial situations and amplifying diverse voices are in our general playbook. In 2023, that included a new hub page to help guide immigrants through the U.S. financial system; roundups and reviews of Black-, Hispanic- and Native American-owned banks; profiles on diverse financial influencers; an ongoing investing series on "My Path to Generational Wealth"; expanded coverage for aging consumers; and new content on topics such as alternative family planning and gender-affirming care.

**Smart Money podcast**
Voted the 2023 Branded Podcast of the Year by Quill Podcast Awards, NerdWallet's Smart Money podcast continues to grow by appealing to a diverse audience through down-to-earth discussions about a variety of financial questions. Listeners downloaded 1.6 million episodes of our Smart Money podcast by the midpoint of 2023, putting the popular personal finance show on track for more than a 50% increase over 2022.

**Outreach and education from Content Nerds**
Our Content Nerds have deep subject matter expertise, and the desire to share it across mediums. This year, that included: a panel webinar on the impact of inflation; a presentation on achieving financial freedom at the annual convention of the National Association of Black Journalists; and a series of financial education webinars in conjunction with NerdWallet's Corporate Social Responsibility team and the nonprofit Year Up, an organization that offers mentoring, training and professional development to young adults of underrepresented populations.

## 23 million

The number of consumers who "Turn to the Nerds" seeking financial guidance each month.

## 1.6 million

Smart Money podcast episodes downloaded by the midpoint of 2023

[1] *Average monthly unique users (MUUs) during the first 6 months of 2023.*

# Corporate Social Responsibility

NerdWallet's Corporate Social Responsibility (CSR) program focuses on equitable access to financial information and resources.

It's in part due to our CSR work that we were named a 2023 finalist in the Banking Tech Awards, in the category of Best Contribution to Economic Mobility.

**The Financial Equity Pledge**
Our national campaign to funnel funds to Community Development Credit Unions and Minority Deposit Institutions was rebranded and relaunched this year as The Financial Equity Pledge. We continue to partner with Inclusiv, a nonprofit representing CDCUs and MDIs in low-income communities, and are conducting ongoing outreach to other companies to get them involved.

In 2023, NerdWallet's $2 million balance with Self-Help Federal Credit Union helped fund four commercial loans, 270 consumer loans and nine home loans, primarily benefiting people of color and those located in low-income communities.

**Grant-giving expansion**
This year, we gave $125,000 in grant money to Inclusiv to support the Racial Equity Grant Fund, part of the organization's New Majority Growth Initiative. This initiative supports institutions best positioned to ensure people in communities of color have access to asset-building loans.

NerdWallet's contribution to the fund went to 10 Inclusiv-member institutions, serving 46,000 members across eight states and the District of Columbia, and mobilizing over $325 million in community assets.

We also launched the first-ever grant program led by our Employee Resource Groups. In total, our five ERGs received $110,000 to direct toward organizations that align with their missions.

**Community engagement**
We support our Nerds giving back to their communities. This year, we held two Nerds Pay It Forward events, freeing up time in support of employee volunteerism. In all, Nerds donated 1,873 hours during these events. We also continued our donation match program — matching up to $1,000 of each employee's charitable contributions every year. Nerds have given about $68,000 of their own money, and NerdWallet has matched $63,000.

**VOLUNTEERING**

## 1,873

The number of hours volunteered for Nerds Pay It Forward events.

**DONATION MATCH**

## $68,000

Roughly the amount Nerds have donated of their own money as of October 2023.

# Investing in Our Nerds

**IN THIS SECTION**

# Diversity, Equity, Inclusion and Belonging

Shai Poulard, NerdWallet's first Head of Global Diversity, Inclusion and Belonging, spent her first full year as a Nerd organizing our ongoing DEIB efforts into a systemized framework that can grow with the company.
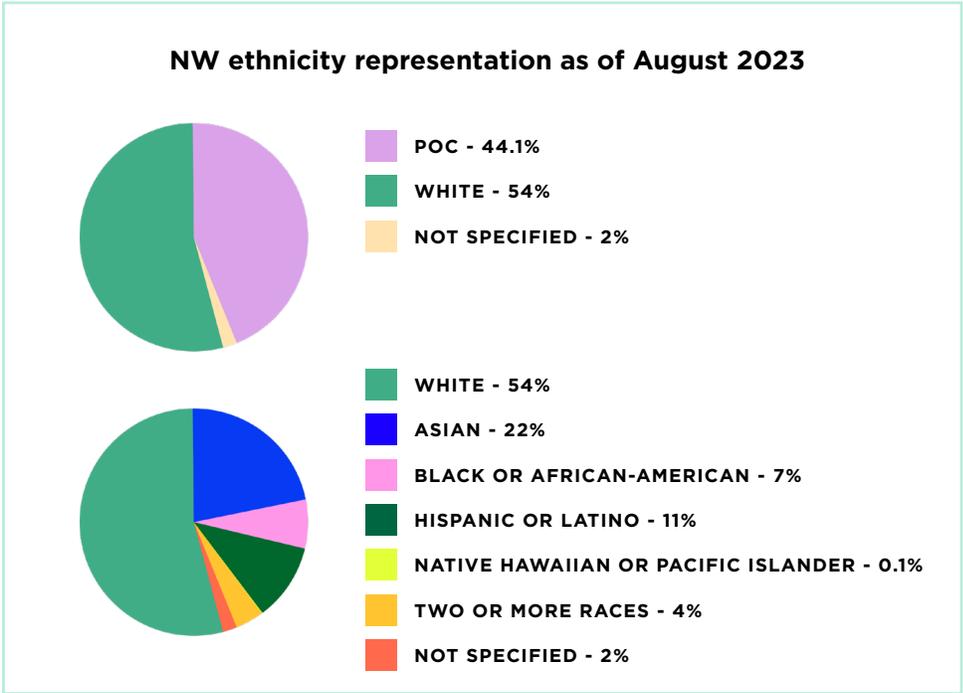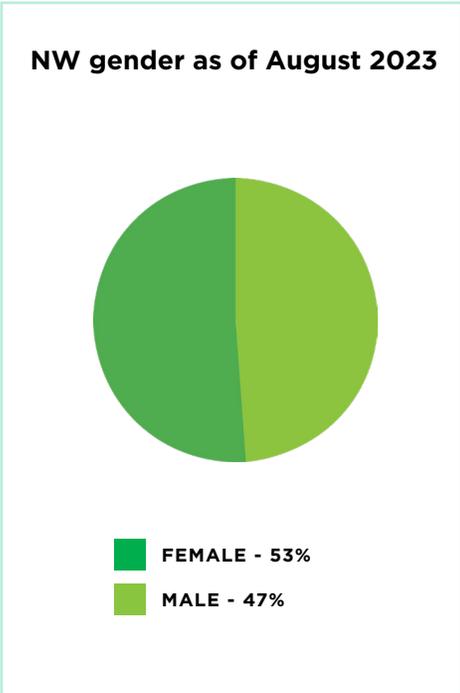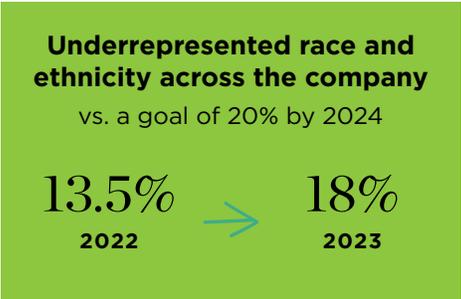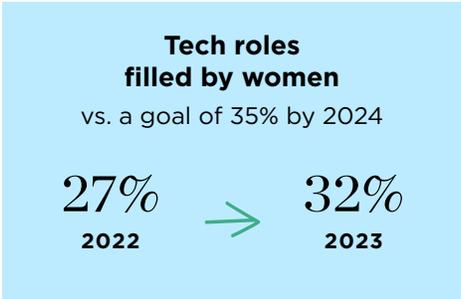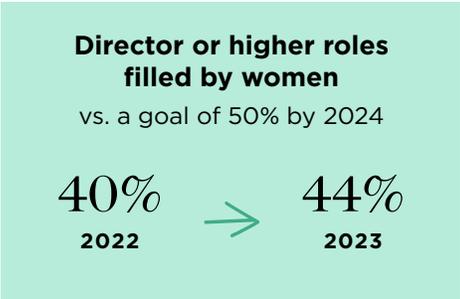
## DEIB STRATEGY PILLARS

**NerdWallet's DEIB efforts are organized under three primary pillars:**
**1. Diversity:** To build a diverse organization across all aspects of the business.
**2. Equity, Inclusion and Belonging:** To create an inclusive culture where everyone is engaged and has access to opportunities.
**3. Employer Brand:** To integrate DEIB into the NerdWallet employer brand.

**Diverse representation**
We continue to work toward our 3-year diversity goals — increasing representation and retention of women and underrepresented groups. Midway through 2023, our progress toward these goals stood at:

| Director or higher roles filled by women vs. a goal of 50% by 2024 | Tech roles filled by women vs. a goal of 35% by 2024 | Underrepresented race and ethnicity across the company vs. a goal of 20% by 2024 |
|---|---|---|
| 40% 2022 → 44% 2023 | 27% 2022 → 32% 2023 | 13.5% 2022 → 18% 2023 |

### NW gender as of August 2023



- FEMALE - 53%
- MALE - 47%

### NW ethnicity representation as of August 2023



- POC - 44.1%
- WHITE - 54%
- NOT SPECIFIED - 2%

- WHITE - 54%
- ASIAN - 22%
- BLACK OR AFRICAN-AMERICAN - 7%
- HISPANIC OR LATINO - 11%
- NATIVE HAWAIIAN OR PACIFIC ISLANDER - 0.1%
- TWO OR MORE RACES - 4%
- NOT SPECIFIED - 2%

**Black Equity at Work bronze certification**
We began 2023 with a new certification — bronze level status from the Black Equity at Work program — and are currently on track to achieve silver status. This program holds organizations accountable for prioritizing racial equity, diversity and inclusion efforts at a comparable level to other vital business drivers.

**Biannual town halls**
DEIB efforts work best when embedded in the foundation of an organization. To that end, our DEIB team hosted two town halls in 2023, underscoring the commitment to building a community with a common focus across the company. During each session, team members shared progress against strategic goals and highlighted upcoming initiatives and events, opening the door to cooperative involvement.

**DEIB learning journey**
Each year, all Nerds undergo training in inclusion and unconscious bias, but to maximize opportunities for learning and keeping DEIB top of mind, the team launched a monthly newsletter. These each highlight a theme, showcase links to learning resources and provide opportunities to participate in events and an inclusion challenge.

**Activating allyship**
Inclusion isn't just a top-down initiative; Nerds of all backgrounds are eager to learn from and support one another. Two 2023 Learning & Activism Days fostered collaborative discussions and the opportunity for education and empowerment. The DEIB team also established a quarterly Inclusion 60s series, hourlong sessions to encourage open dialogue about inclusion in the workplace.

**Empowering leadership participation and accountability**
Managing across identities in an open and inclusive way can be challenging, so in May, we launched the Open Monthly Inclusion Challenge (Open M.I.C.) Deep Dive series to create a haven for managers specifically to share their questions, experiences and challenges among peers.

**Engagement and development**
A total of 64 Nerds completed our Career Accelerator Program (CAP) and Leadership Empowerment Accelerator Program (LEAP) in 2023. After one successful year of these programs, we are evolving to include more explicit tie-ins to NerdWallet values, additional internal programming and more career journeys.

## PAY EQUITY

Ensuring compensation is fair and equitable requires objectivity. To that end, we continue to review our pay structure through Syndio twice yearly and we maintain Fair Pay Workplace certification.

### Pay transparency
Laws requiring pay transparency in job postings encourage equity, and they're on the rise. But we don't have to wait for a law to do the right thing. In the first quarter of 2023, we took a giant leap toward internal and external pay transparency, across the U.S. and into our operations in Canada and the U.K.

Now, all NerdWallet job postings include explicit hiring pay ranges, and current Nerds have far greater insight into how their current and potential salary measure up.

With a quick login, employees can see their salary and their potential salary range given their role, level and geographic tier. This level of transparency is empowering and can be the catalyst for healthy compensation conversations between Nerds and their managers.

## EMPLOYEE RESOURCE GROUPS

More than 250 Nerds are actively involved in one of our five Employee Resource Groups: NerdOut, NerdFamilies, NerdWomen, Nerds of Color, and Women in Data and Engineering. ERG Slack channels provide an additional outlet for fostering strong communities across NerdWallet — nearly 700 Nerds participate in these group channels.

### ERG standardization
This year, the DEIB team worked with ERGs to develop a playbook featuring success metrics, strategic pillars, guidelines and codes of conduct. An ERG resource hub, membership intake forms and regularly scheduled touchpoints with the DEIB team formalized the groups and set them up for success and maximum impact. Finally, the groups were given budgets for events and activities, and were brokers for the new ERG-led grant program.

### ERG grant program highlights
NerdWallet supports causes important to our Nerds. In 2023, each ERG was given a $22,000 grant to support the nonprofit of its choice. These chosen nonprofits align with ERG missions and Nerd member priorities:

- Advocating and fostering a community for our LGBTQ+ Nerds, NerdOut identified Family Equality, an organization advancing "legal and lived" equality for LGBTQ families, as its grant recipient.
- She Should Run, a nonpartisan organization that works to increase women's involvement in leadership and public office, was the chosen beneficiary of the NerdWomen grant.

- Women in Data and Engineering chose The Marcy Lab School to receive its grant. This organization works to prepare young adults from underrepresented backgrounds for careers in tech and engineering.
- UPchieve, a nonprofit that connects low-income students with tutors and counselors to promote educational success, was the recipient of the Nerds of Color grant.
- NerdFamilies selected No Kid Hungry, a nonprofit dedicated to ending child hunger, as its grant beneficiary.

# Building a Socially Responsible Business

# Cybersecurity and Data Privacy

In an era driven by rapid technological advancements and interconnected digital ecosystems, the importance of cybersecurity cannot be overstated.

## CYBER OVERSIGHT

Under our new Chief Information Security Officer Joshua Foltz, we maintain an independent Security Council that includes representatives from departments across NerdWallet, including Security, IT, DevOps, HR, Legal, Privacy and Facility. Monthly, this council convenes to guide and support the security team regarding its ongoing initiatives.

Quarterly, the CISO reports to the NerdWallet Audit Committee, which consists of NerdWallet executives, third-party auditors and several members of the Board of Directors. The Audit Committee oversees and determines what strategic initiatives the security team will execute on.

Annually, the overall security strategy is brought before the Board for review and approval, ensuring a panoptic approach to cybersecurity governance and alignment with the organization's strategic and financial objectives.

In line with our dedication to a collective responsibility for cybersecurity, the security team collaborates on an ongoing basis across the entire company via the Secure Architecture Guild, a council with the objective of security-by-design on NerdWallet platforms and services.

**Security framework**
Our security governance is closely aligned with the widely respected Cybersecurity Framework (CSF) from the National Institute of Standards and Technology. Adherence to this framework is assessed periodically via a third party, and annually through internal risk assessments.

**Cyber insurance**
As a proactive measure, we maintain commensurate cyber insurance to help ensure resilience in the company's operating and financial capabilities should an event or incident occur.

**Identifying and mitigating security risks**
Risk identification is a multipronged and continual effort at NerdWallet. We work to identify and track all systems in the NerdWallet environment and regularly scan these systems for vulnerabilities through internal and external scans, and regular third-party penetration testing.

We recognize the importance of addressing third-party risks in today's interconnected business landscape. Our Third Party Risk Management (TPRM)

program identifies these risks for any vendor or partner we use.

Risk mitigation approaches are determined at the strategic level as detailed previously and at the tactical level by the Risk Operations, Security Operations, Security Infrastructure and Application Security teams. Various tools and technologies are deployed with the intent of detection and prevention of specific threats outlined in the NIST CSF, OWASP Top 10 and MITRE ATT&CK Framework.

We aim to ensure fast and accurate communication of security events and breaches through planned and documented proactive business continuity, incident response and recovery measures. Our security team conducts annual tabletop testing of our incident response and disaster recovery plans in collaboration with Nerds from the HR, IT, DevOps, Data, Legal, Privacy and Engineering teams.

**Breaches**
Over the past year, two third-party data breaches were reported to NerdWallet. Both reports were investigated; the conclusion was that neither resulted in consumer data loss or financial impact to NerdWallet or its consumers.

**Advanced phishing program for internal users**
This year, we introduced a new Advanced Phishing Awareness Program across the company, designed to strengthen Nerd competency and overall organizational resilience against threats. Using targeted, AI-driven simulations and interactive training modules, the program fosters our culture of companywide cybersecurity awareness.

**Required secure coding training**
Our newly implemented developer training empowers our Nerds with practical knowledge and skills to identify and mitigate security risks during the software development process, and promotes effective governance of our organization's coding practices.

**Advancing AI and code quality practices**
This year we introduced a comprehensive AI secure coding engine to supplement our developers and introduce new features and functionality at a record pace. This product works alongside our developers, helping to improve their speed, efficiency and quality, while reflecting our commitment to both security and privacy.

## PRIVACY PROGRAM

Consumer trust is a pillar of NerdWallet operations, and we know our users expect privacy. We are building a culture that prioritizes the responsible use of data, in line with the five key principles of our Data Governance Program:
• Transparency

- Intentionality
- Minimization
- Accuracy
- Security

Our Data Governance Board includes members across the Security, IT, Privacy, Engineering, Audit, HR and Operations teams. This Board provides enterprise-level guidance and standards for companywide data handling.

All new and existing Nerds undergo regular training and have signed our global privacy policy explaining how we access, retain and use data.

**Privacy impact assessments**
We conduct privacy impact assessments for all new use cases involving the use or processing of our consumer data to promote compliance with our governance principles and applicable data protection laws throughout the development process.

**User-generated privacy requests**
At NerdWallet, we believe our consumers should have a say in how their data is used. As a result, last year, we launched our Privacy Preferences page, which allows users to communicate those preferences to us. Since instituting the page, we've received approximately 1,000 user requests and have responded to those requests within three days, on average.

**Third parties and vendors**
All vendors and third parties with access to NerdWallet user data have gone through the appropriate due diligence review of their internal systems and have contractually committed to relevant data privacy and protection terms that comply with our internal policies and the applicable law.

# Environmental

In this inaugural year for reporting on our environmental and sustainability strategy, we hired an expert consulting firm to ensure we're laying a strong foundation and communicating credible measurements.

Industrial Economics, Inc. (IEc) gathered in-depth data to analyze our energy use and greenhouse gas (GHG) emissions across our facilities and our value chain in 2022.

In addition to scope 1 and scope 2 emissions — from company facilities and purchased utilities — we elected to conduct a comprehensive scope 3 analysis of all categories relevant to NerdWallet. This expanded evaluation includes impacts driven by NerdWallet spending on goods and services, and illustrates our commitment to understanding not only our direct effects, but also further up- and downstream influences.

| Scope 1 | Scope 2 | Scope 3 |
|---------|---------|---------|
| includes direct emissions such as those generated by heating company facilities. | refers to indirect emissions such as those generated by our use of purchased electricity at company facilities. | includes indirect impacts that occur upstream of NerdWallet's operations, largely from the company's purchased goods and services. |

# Scope 1, 2 and 3: Energy and Emissions Footprint 2022

| | |
|---|---|
| Scope 1 GHG emissions (metric tons CO2e) | 18 |
| Scope 2 market based GHG emissions (metric tons CO2e) | 73 |
| Total Energy Consumption (MMBtu) | 1,392 |
| Total renewable energy consumption (MMBtu) | 464 |
| Scope 3 GHG emissions (metric tons CO2e) | 43,042.2 |

# Scope 3: Emissions Breakdown 2022

| Category | Metric Tons CO2e | % Total Scope |
|----------|------------------|---------------|
| Goods and services | 40,085.3 | 93.1% |
| Capital goods | 1,866.0 | 4.3% |
| Business travel | 935.1 | 2.2% |
| Employee commuting | 94 | 0.22% |
| Fuel and energy-related activities | 60.5 | 0.1% |
| Leased assets | 1.3 | 0.0% |
| Total | 43,042.2 | 100% |
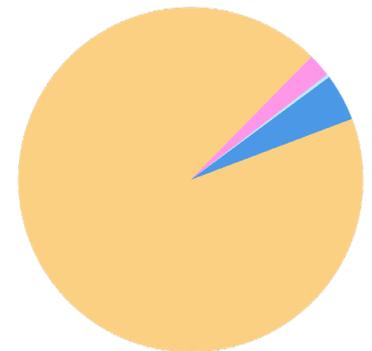
Spending on goods and services dominates our scope 3 footprint, reflecting our spending on marketing, software and other professional services. Directing resources toward marketing initiatives such as brand advertising and digital media remains a high priority as we continue to meet consumers where they are, especially during uncertain economic times. By exposing NerdWallet to a multitude of people across diverse platforms, we aim to be top of mind when they're seeking financial clarity.

# Forward-looking statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may concern our strategy, plans, expectations or intentions, and generally can be identified by words such as "aim," "anticipate," "believe," "estimate," "expect," "intend," "plan," "target," "continue," "predict," "project," "promote," "change," "result," "future," "will," "would," "could," "can," "may," "likely," "potentially," or similar expressions. Although we believe that the expectations and assumptions reflected in these forward-looking statements are reasonable, forward-looking statements are subject to inherent uncertainties, risks and other factors that are difficult to predict and could cause our actual results to vary in material respects from what we have expressed or implied by these forward-looking statements. We describe risks and uncertainties that could cause actual results and events to differ materially in our reports filed with the Securities and Exchange Commission. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

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