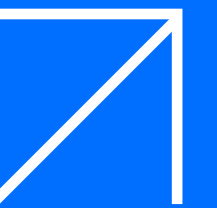


DIVERSITY REPORT





PREPARED BY:

ROBERT HATTA

TALENT PARTNER

DRIVE CAPITAL



ABOUT THE DATA COLLECTED

Disclaimer

We recognize that diversity has many layers and definitions beyond the data we collected. This includes, but isn't limited to, socioeconomic standing, age, sexual identity, gender identity, underrepresented racial subgroups, and others. We also understand that relying on the perceptions of individual representatives from each company is an imperfect approach to collecting this data. With the caveat that our many companies define and track data with varying levels of specificity, we feel that collecting and sharing imperfect information is beneficial to diversity, equity, and inclusion.

OUR MOST VALUABLE COMPANIES ARE OUR MOST DIVERSE COMPANIES

Diversity

Why does diversity matter to Drive Capital? It's simple: diverse companies perform better. This is evident by the fact that our most diverse companies are among those in our portfolio with the highest enterprise value.

Company

Duolingo

MOST RECENT VALUATION:

\$6.1B

FTE WOMEN:

47%

PORTFOLIO MEDIAN:

33%



Company

Olive

MOST RECENT VALUATION:

\$4.0B

TECHNICAL STAFF THAT
ARE NON-WHITE:

32%

PORTFOLIO MEDIAN:

24%



Company

Root

MOST RECENT VALUATION:

\$1.5B

EXECS THAT ARE
NON-WHITE:

40%

PORTFOLIO MEDIAN:

11%



Company

Sidecar

MOST RECENT VALUATION:

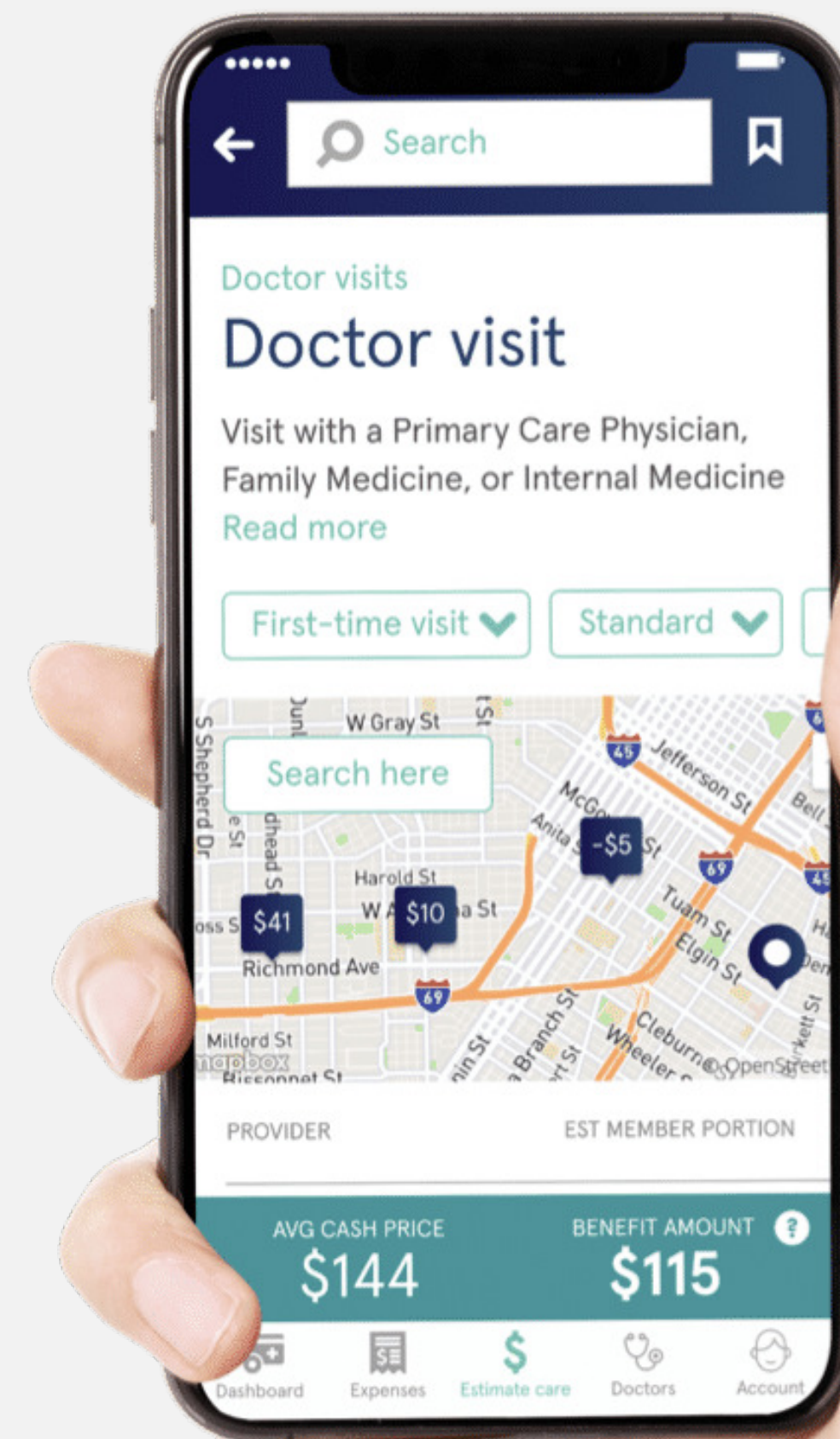
\$1.0B

EXECS THAT ARE WOMEN:

53%

PORTFOLIO MEDIAN:

25%



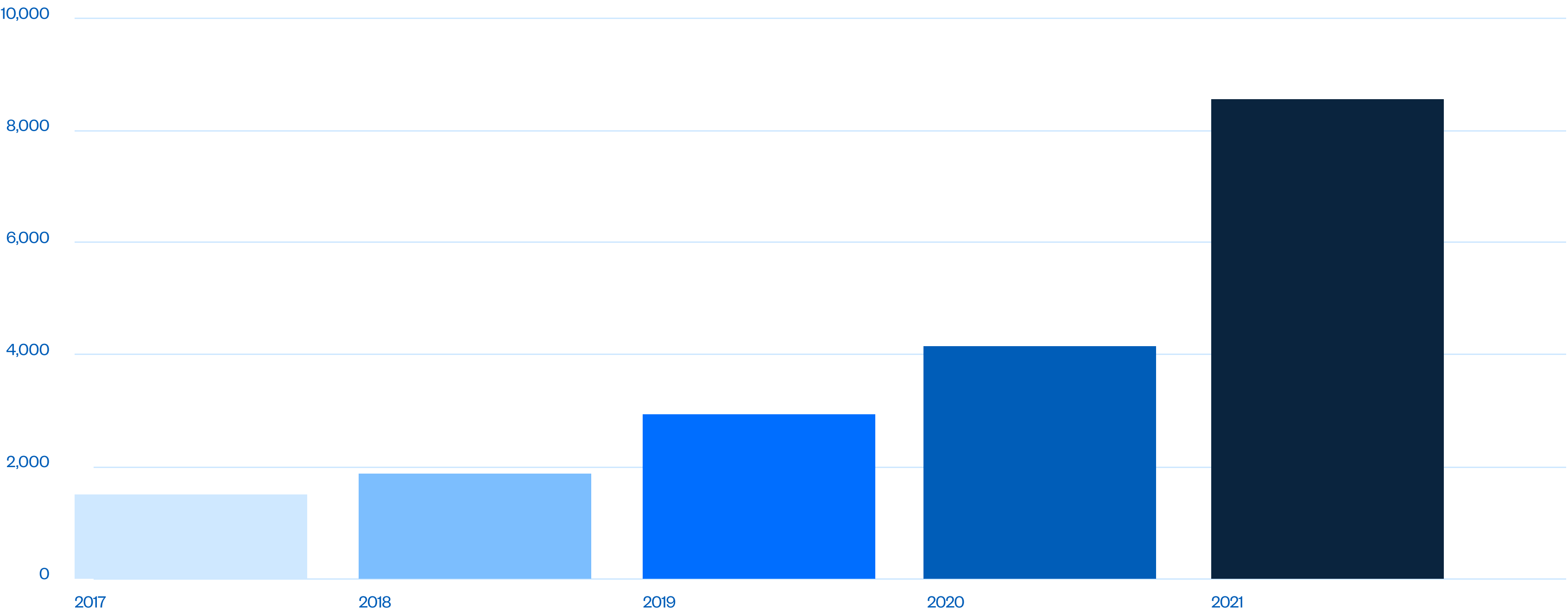


SECTION 01 —

PORTFOLIO PROGRESS



Total employment among our portfolio companies more than doubled, adding 4,542 people.

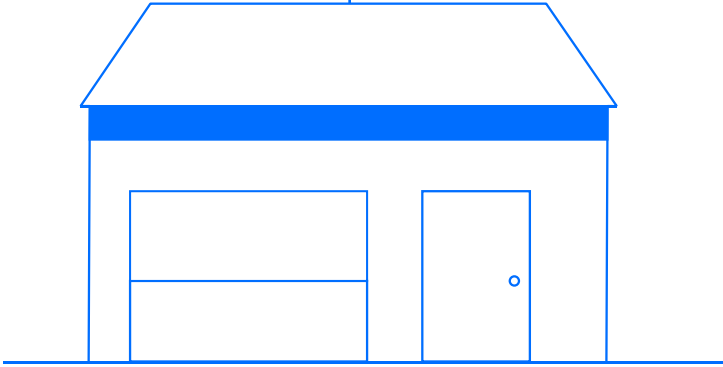


TOTAL PORTFOLIO HEADCOUNT

Median headcount among
portfolio companies grew by 16%
(up from 67 in 2020).

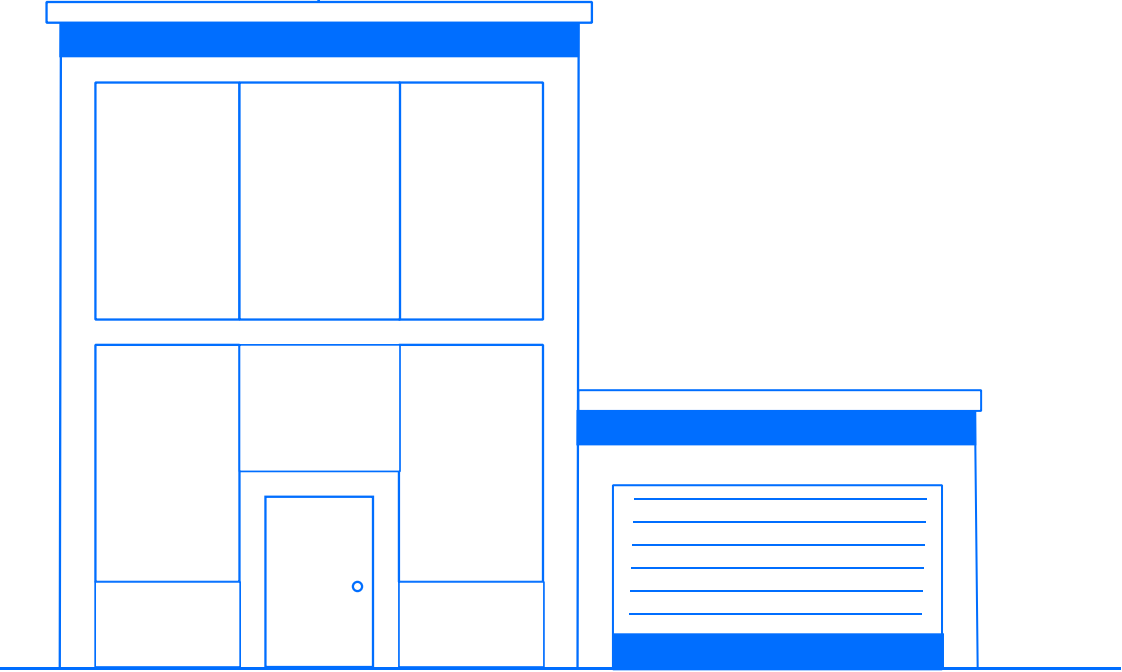
SMALLEST

7



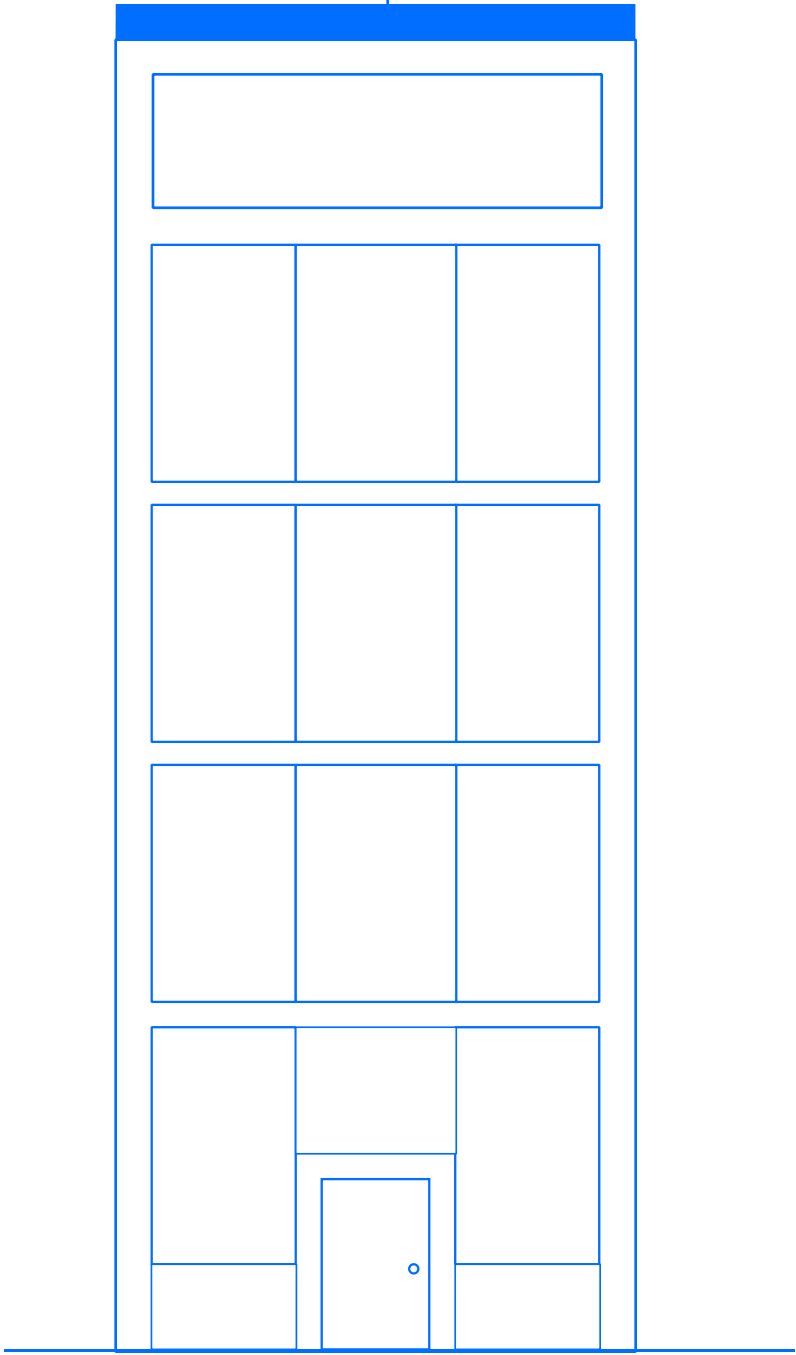
MEDIAN

78



LARGEST

1,484



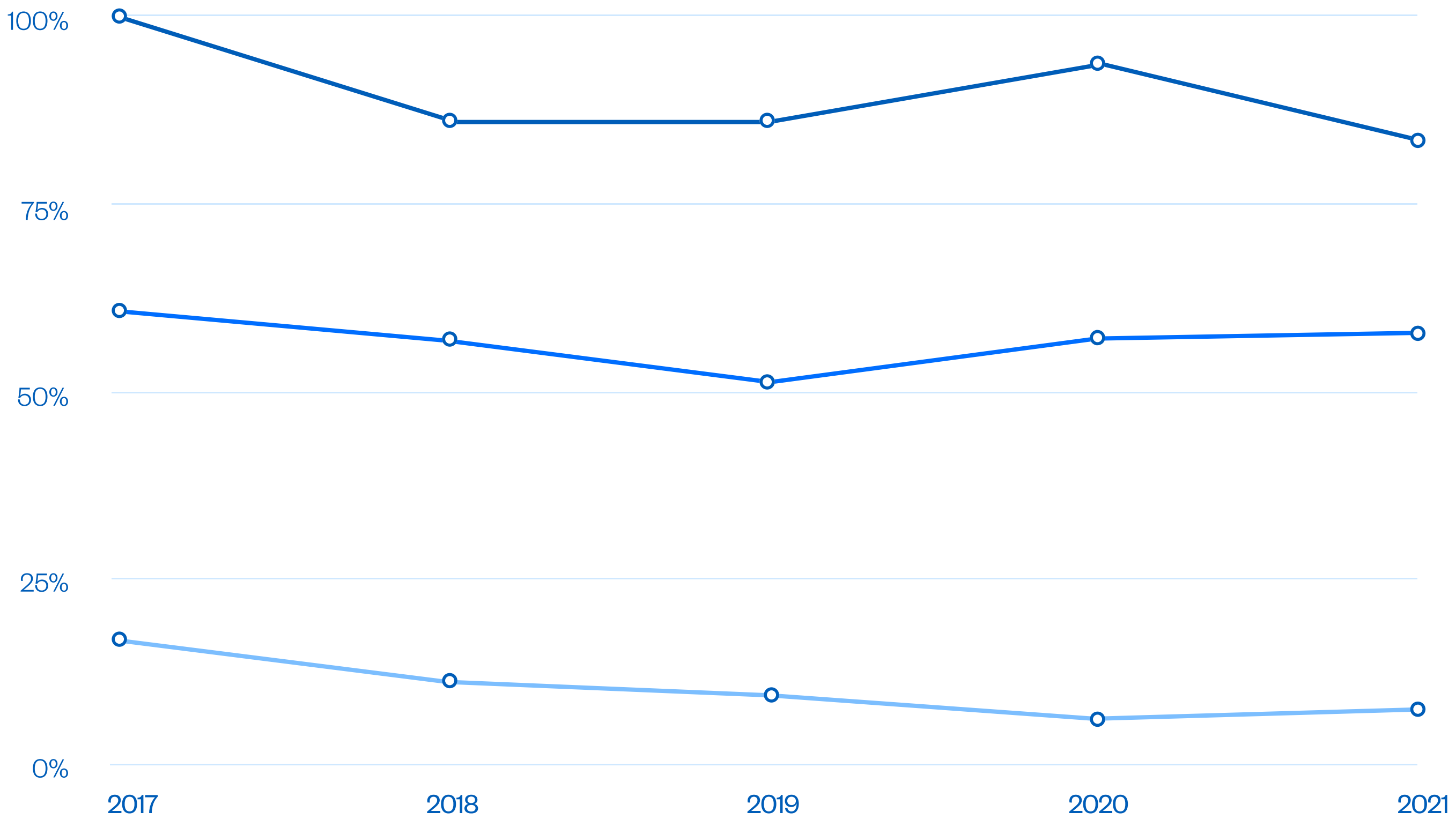
MEDIAN PORTFOLIO HEADCOUNT

HIGH

MEDIAN

LOW

Technical roles (engineering, product, design) continue to dominate the overall headcount at our companies. However, as our portfolio grows and our companies mature, the share of technical roles is declining.

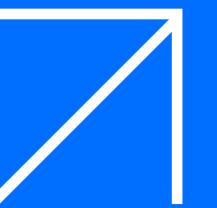


STAFF IN TECHNICAL ROLES

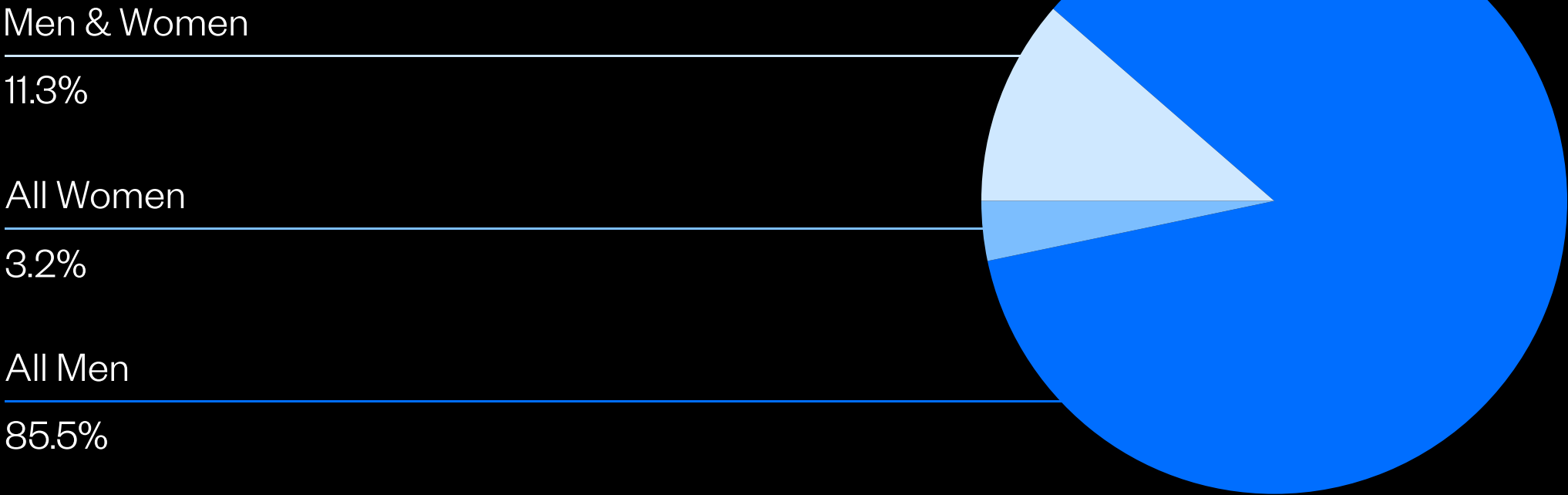


SECTION 02 —

WOMEN

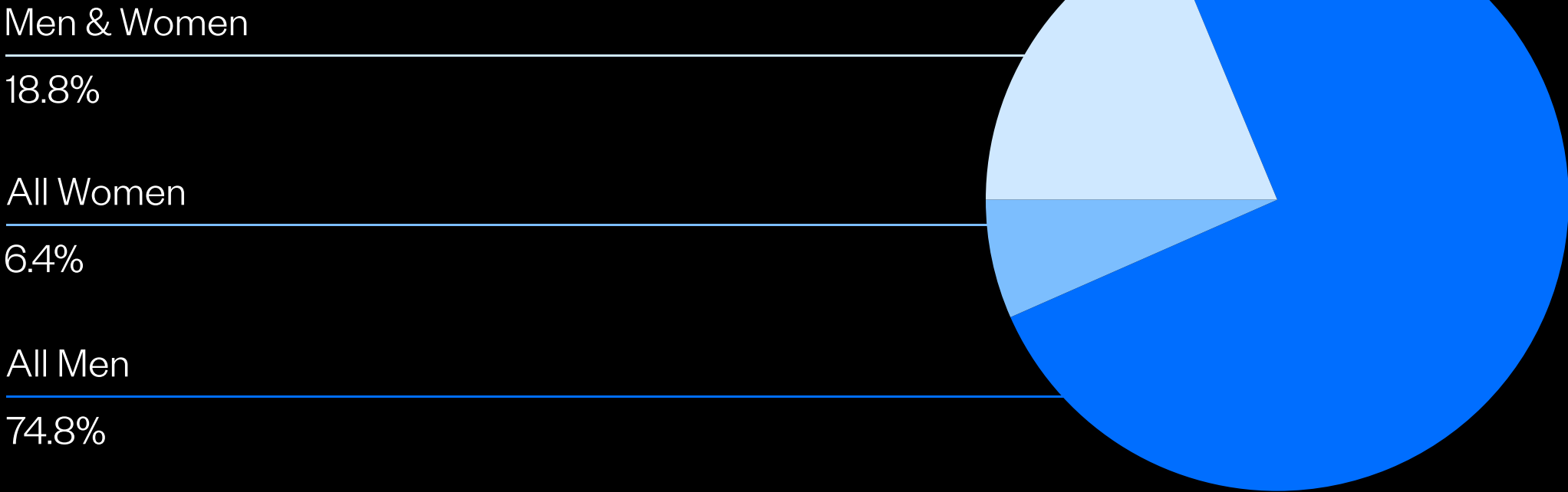


PORTFOLIO FOUNDING TEAMS



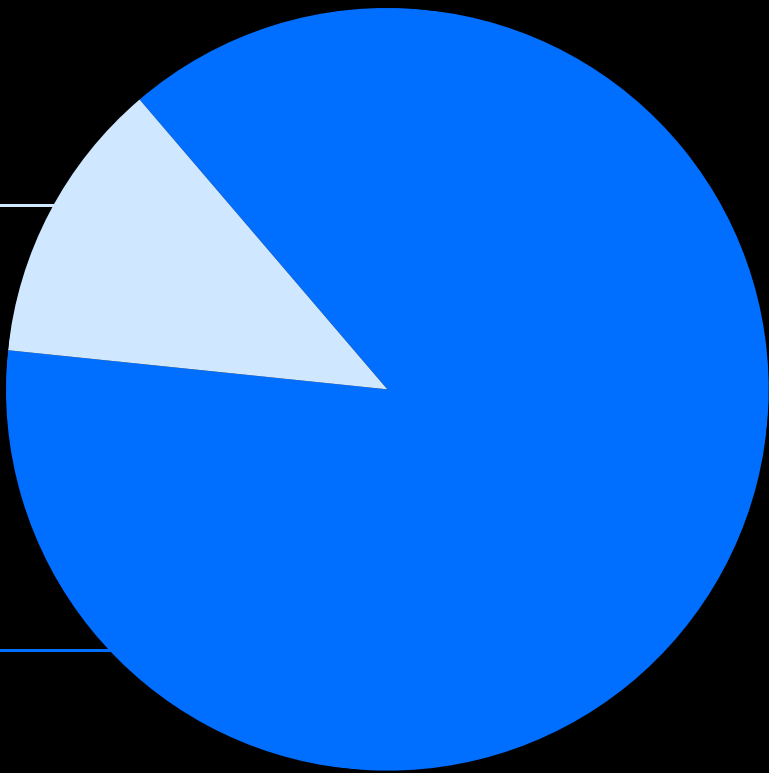
Female representation among our startup founders lags the industry, which itself is well below representative levels.

VC DEAL COUNT IN 2021



PORTFOLIO BOARD SEATS

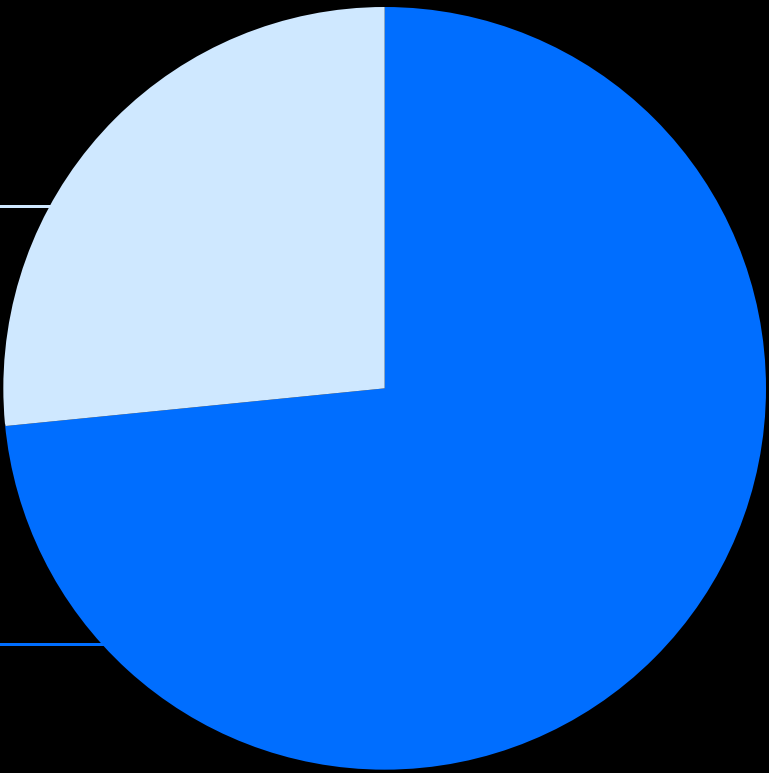
Women
12.2%



Men
87.8%

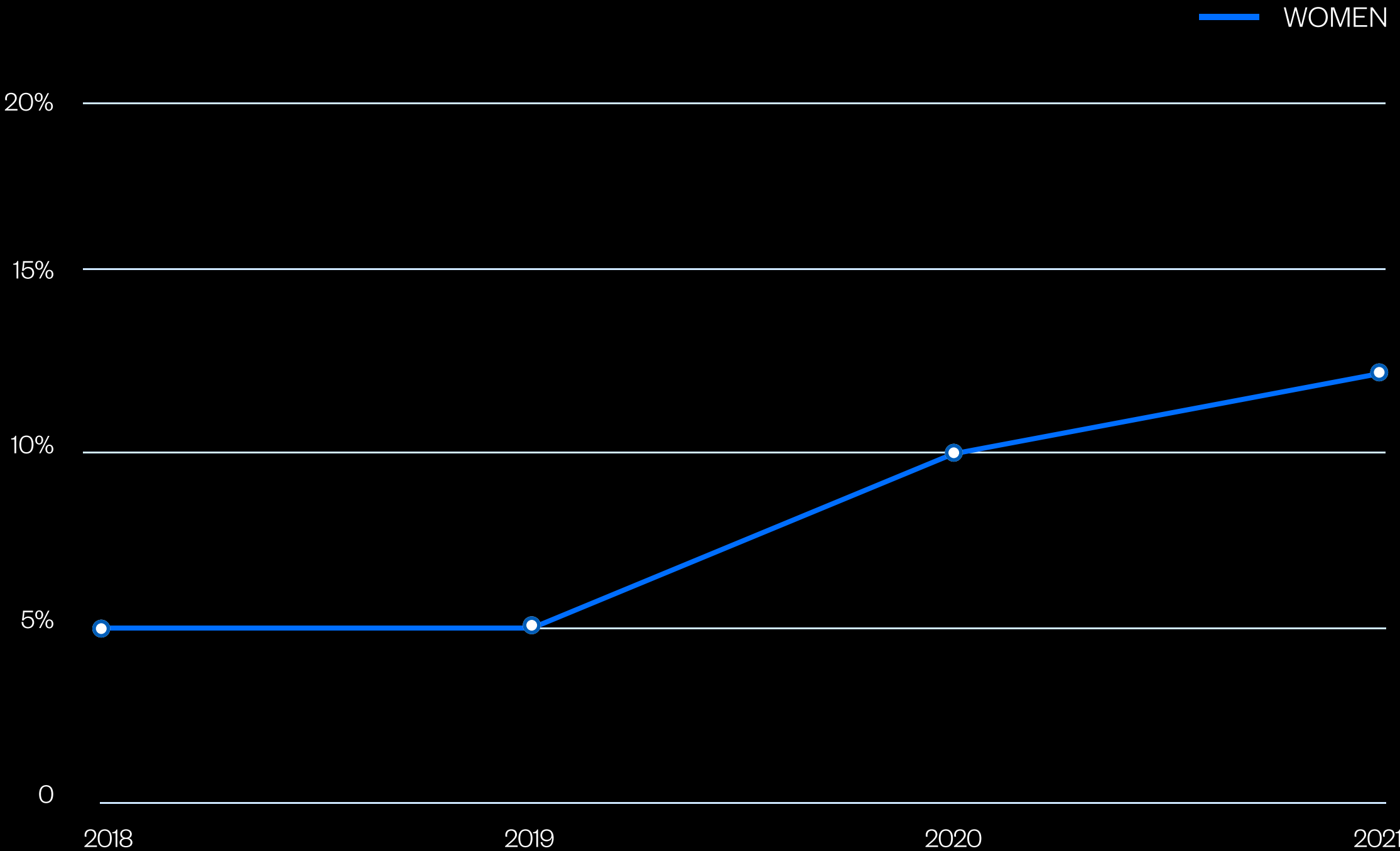
FORTUNE 500 BOARD SEATS

Women
26.5%



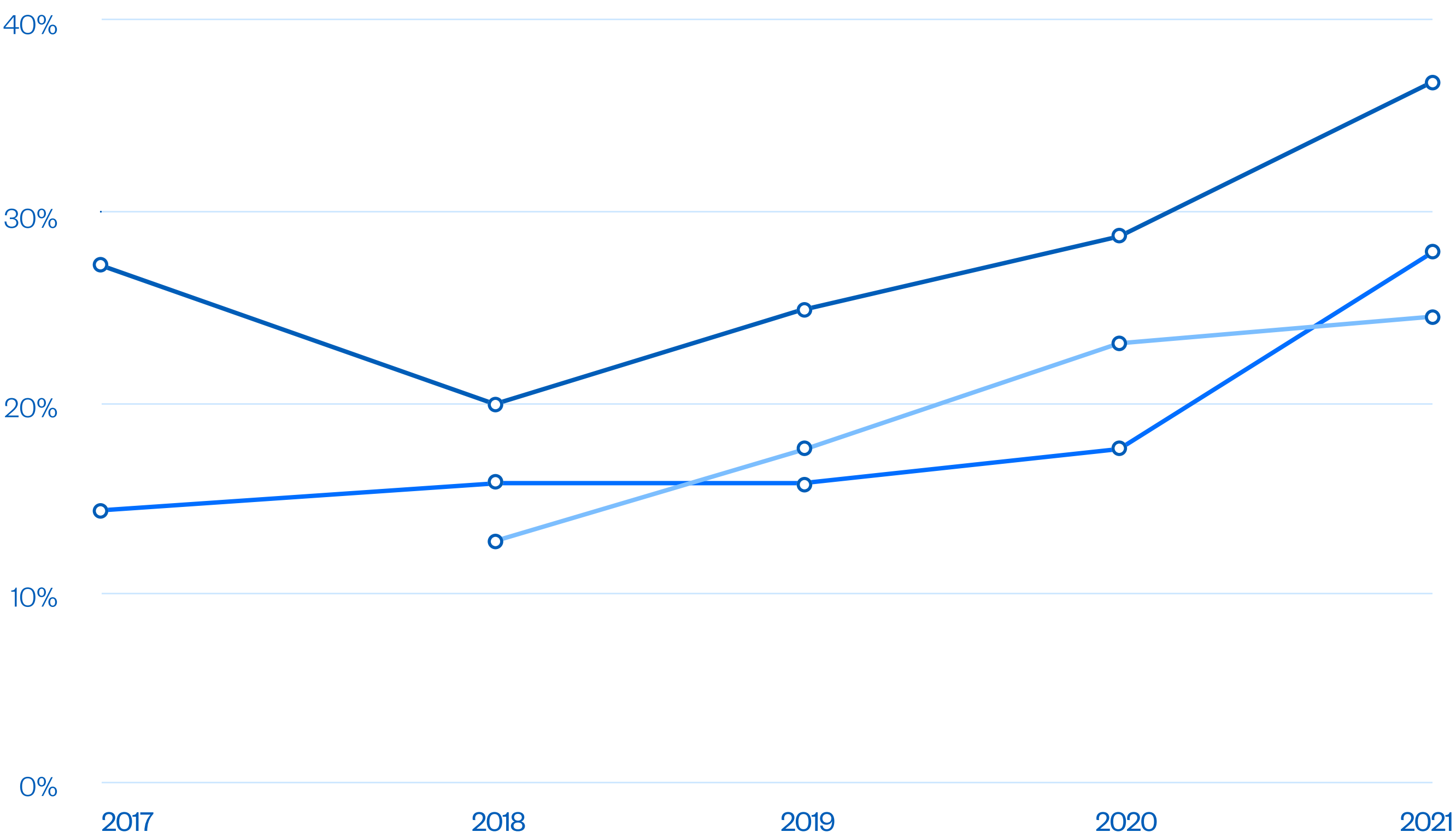
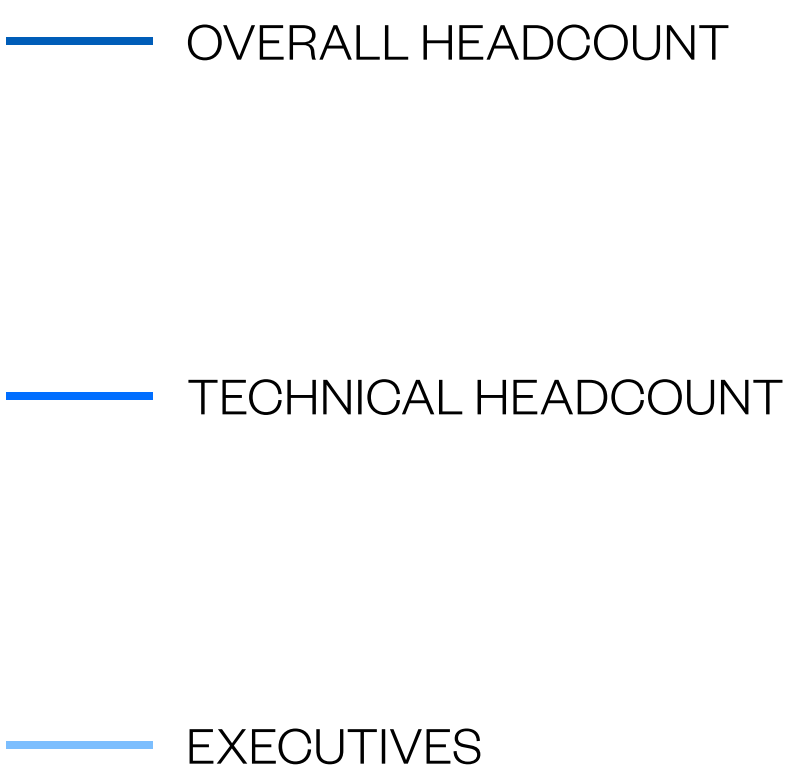
Men
73.5%

BOARD SEATS: WOMEN



While the share of board seats occupied by women doubled over the course of two years, board gender diversity remains substantially below the levels of Fortune 500 companies.

<https://www2.deloitte.com/us/en/pages/center-for-board-effectiveness/articles/missing-pieces-board-diversity-census-fortune-500-sixth-edition.html>



The share of women at every level within organizations is trending in the right direction. However, our portfolio, like much of the industry, has room for improvement.

WOMEN IN THE PORTFOLIO



SECTION 03 —

NON-WHITE MINORITIES



PORTFOLIO COMPANY FOUNDERS

Include Black & Latinx

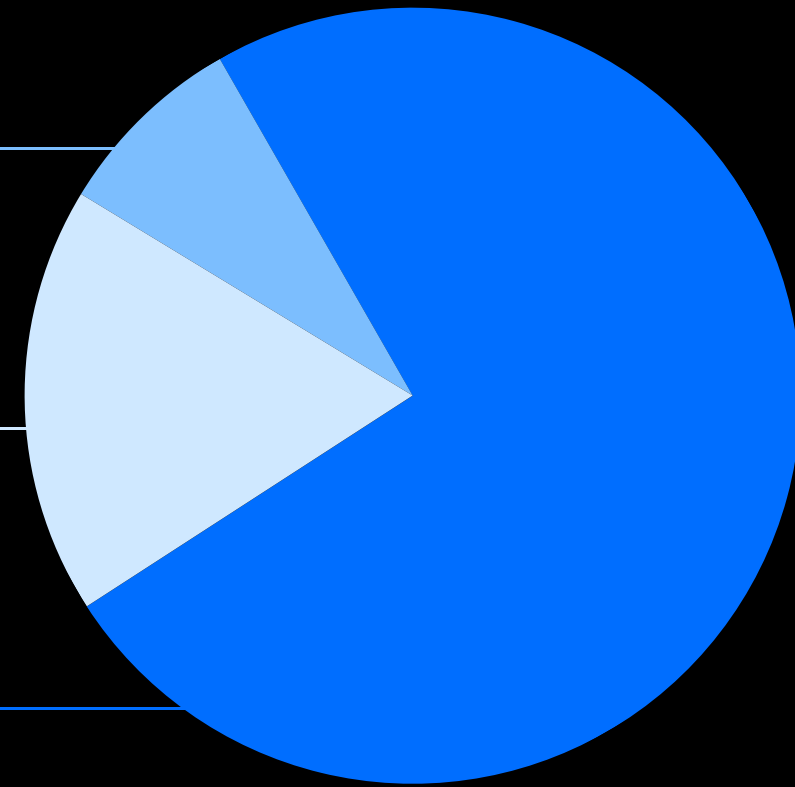
8.1%

Include Non-White

17.7%

All White

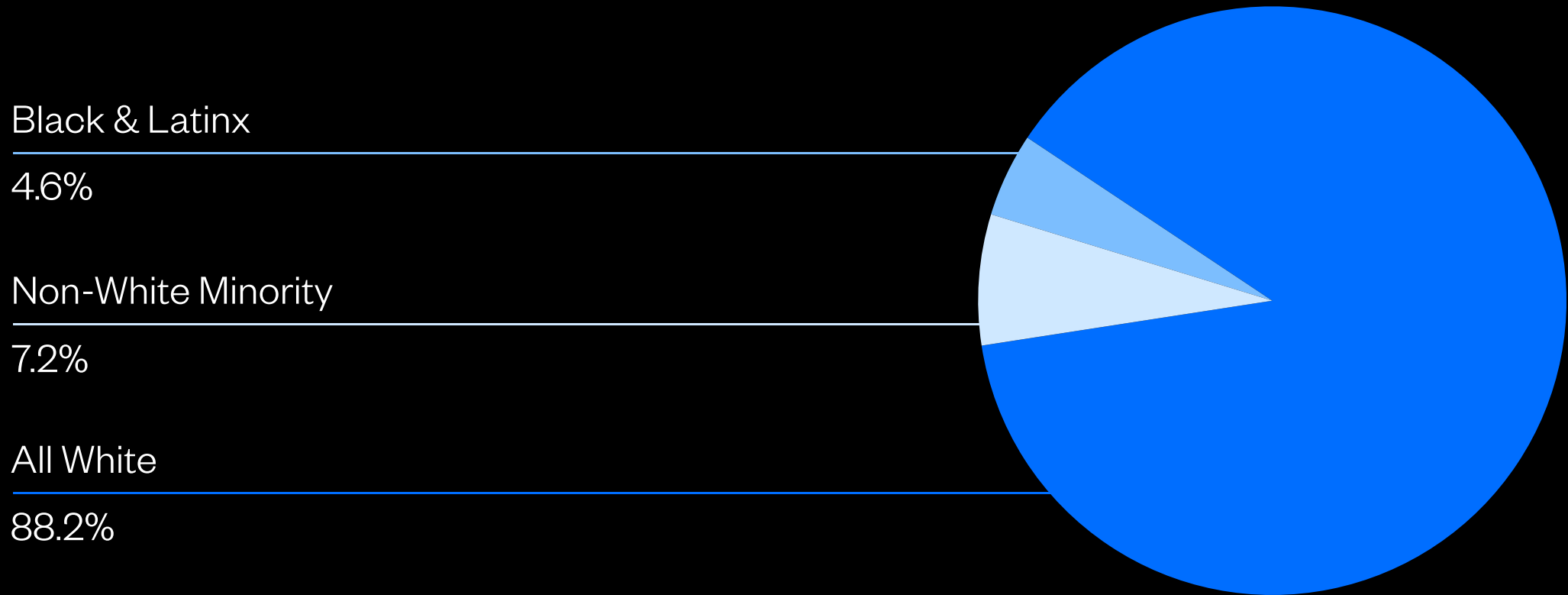
74.2%



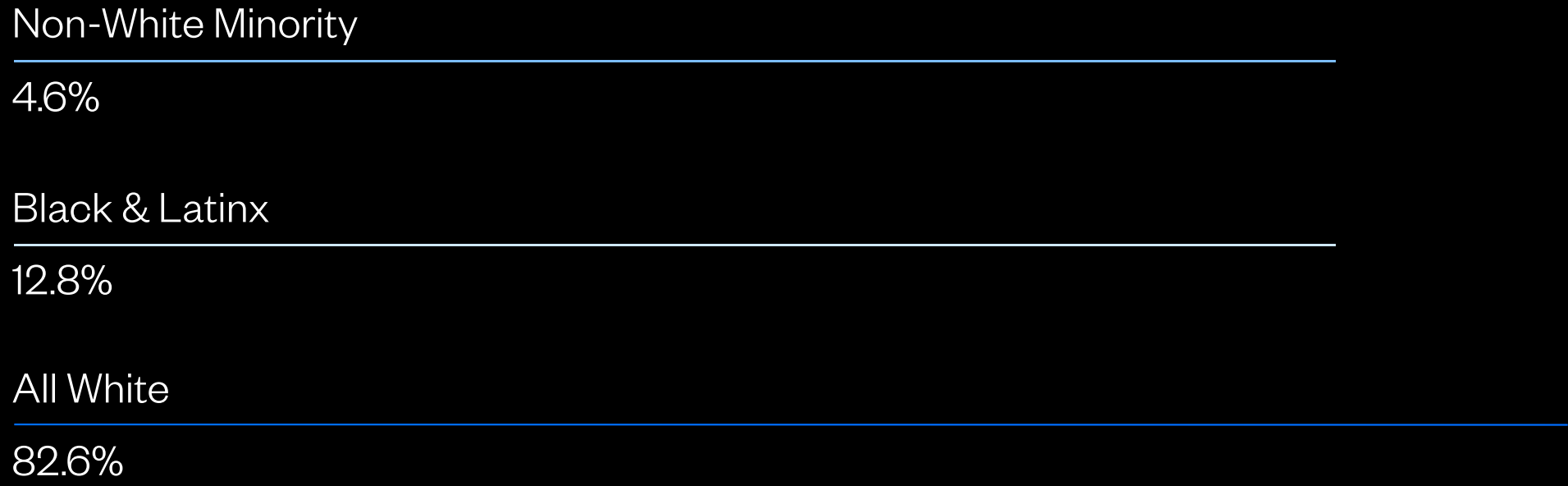
About 25.8% of our companies are founded by teams that include at least one non-white minority. An estimated 8.1% include a Black or Latinx founder.

Definitions vary around which races and ethnicities constitute underrepresented minorities among founders. Again, our survey chose not to draw too fine a line around these distinctions, instead we opted to ask companies for those who identify as “non-white minorities.” However, when reviewing the founding teams as well as boards, we further included the Black and Latinx distinctions.

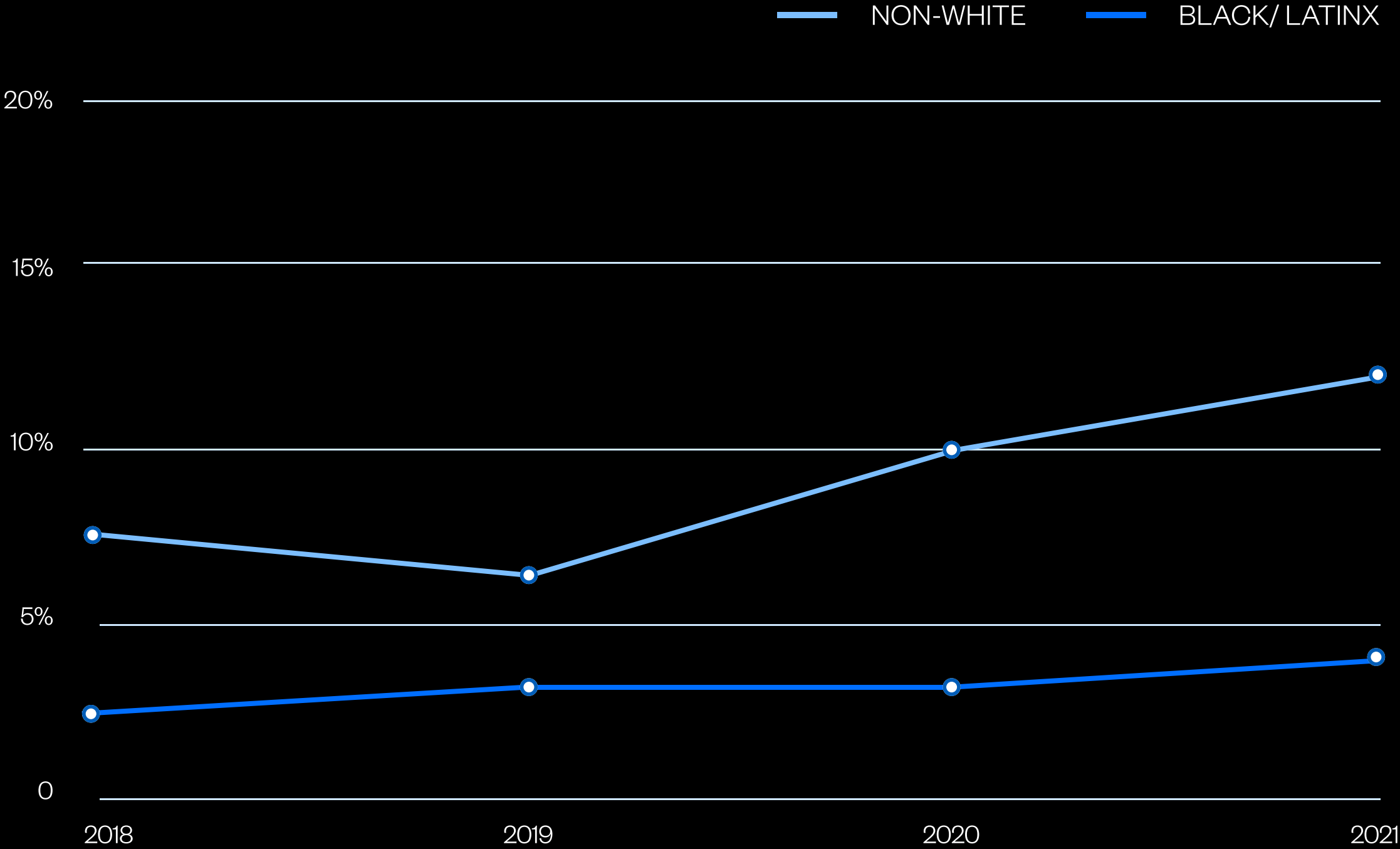
PORTFOLIO BOARD SEATS



FORTUNE 500 BOARD SEATS



BOARD SEATS: RACE

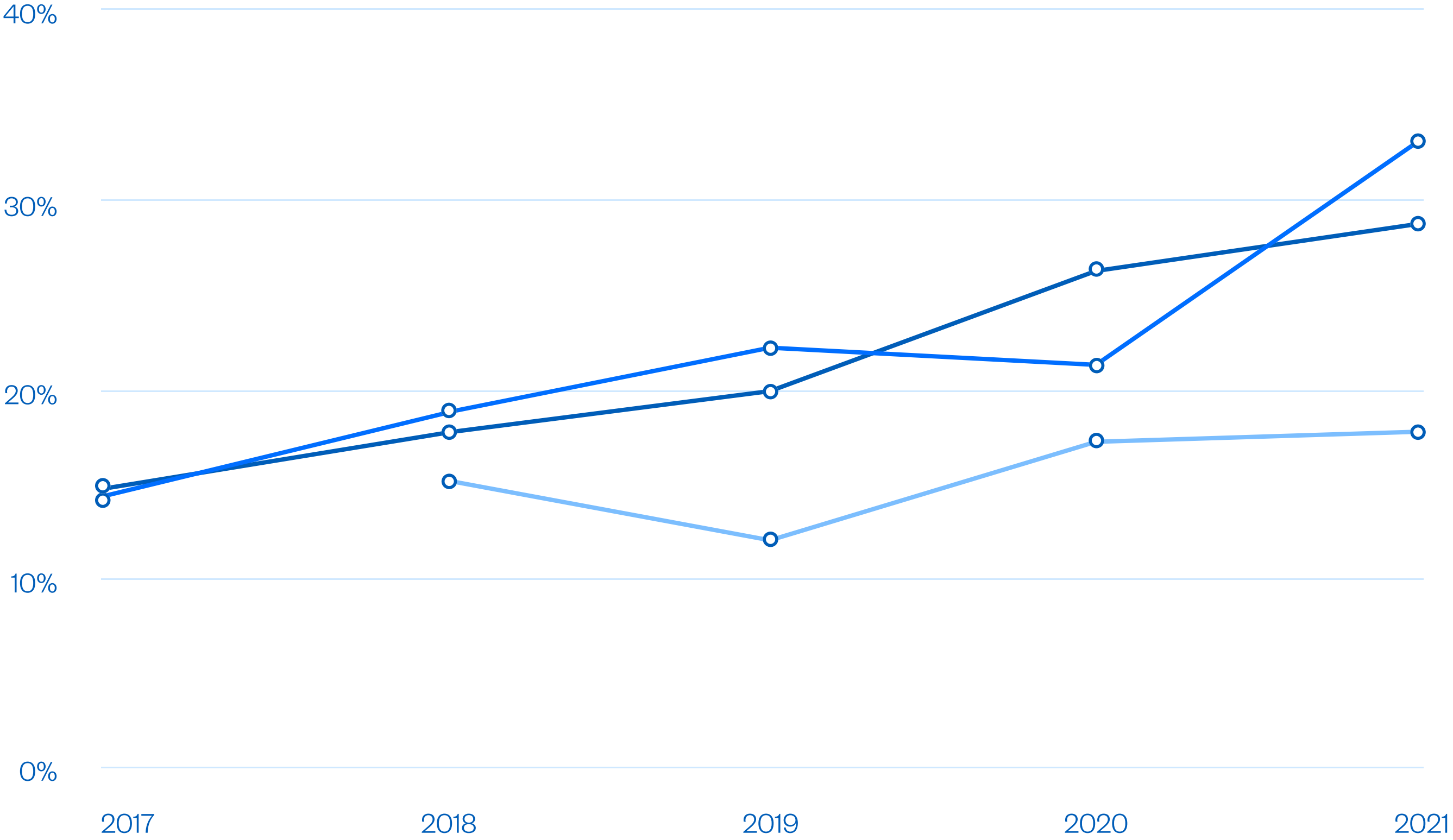


Portfolio company board seats held by non-white people (11.8%) is growing but still lags Fortune 500 companies (17.4%).

OVERALL HEADCOUNT

TECHNICAL HEADCOUNT

EXECUTIVES



In terms of overall headcount and technical headcount, minority representation in portfolio companies shows steady, modest gains over the last four years. However, representation at the executive level remains flat.

MINORITIES IN THE PORTFOLIO



SECTION 04 —

PORTFOLIO SUCCESS STORIES



OUR SUCCESS STORIES

About

We're highlighting three companies doing exemplary work around diversity, equity, and inclusion, both to recognize their efforts and share best practices and strategies with you.

One common thread? Leveraging today's virtual work environment to build diverse, geographically dispersed teams.

For as much as the pandemic has hindered, it may have a lasting positive impact on the way organizations recruit, build teams, and collaborate. Perhaps it will be a catalyst for greater diversity, equity, and inclusion.

REMOTE WORK: WHAT THEY'RE SAYING

“People say it’s so hard to find diverse engineers. But the biggest places to find diverse engineers are the places that are urban population centers —like Atlanta, D.C., Charlotte. We just go find people where they’re at.”

DeVaris Brown
Co-Founder and CEO, Meroxa

“One of the things that has really moved the needle for us is the move we made back in May 2020 to The Grid, which is our distributed, flexible work model. Before Covid, 80% of our employees were here in Columbus, and that ratio has basically flipped. The Grid has certainly accelerated our growth, but it’s also really enabled us to not only maintain but improve our diversity as we’ve grown so quickly.”

Brian Rutkowski
Chief People Officer, Olive

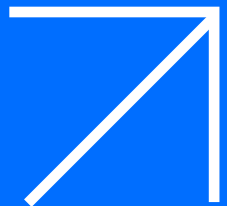
“...we build relationships with different kinds of communities to find candidates who can bring new perspectives to our team. We post our job openings with Tech Ladies, Black Tech Pipeline, Pink Jobs, Power To Fly and more, and we're branching out into sponsoring events like RenderATL that are driving more diversity, inclusion, and accessibility in their communities.”

Courtney Seiter
Vice President of People, Hologram



SUCCESS STORY 01 —

MEROXA



Meroxa co-founders DeVaris Brown and Ali Hamidi are intentional about building a diverse culture that encourages employees to be themselves at work.

Less than a year old, Meroxa is growing with diversity and inclusivity in its corporate DNA as it helps organizations quickly build enterprise-grade, real-time data pipelines.



“We just wanted to create a psychologically safe space for people to come and innovate and do their best work.”

DEVARIS BROWN
MEROXA’S CO-FOUNDER AND CEO

HOW MEROXA DOES IT:

Embrace from the jump. Diversity and inclusion should be considered from day one, woven into the fabric of the company culture. Make it a company goal just like sales, profitability, or any other key metric. If the CEO is not the DEI champion with numbers to be held accountable to, you are setting yourselves up for a rocky future.

Prioritize performance. Diversity is not a charity case. It is not about lowering the bar. Studies show diversity and inclusion can be a competitive advantage in business, and Meroxa believes it makes the organization stronger. Create an environment that is welcoming and people will thrive.

Make the pitch. DeVaris is colloquial and personal with potential candidates because he knows what they have been through. “I can say things that relate to their experience to instantly build rapport that quite frankly other founders can't,” he says. Diverse candidates can instantly look at DeVaris, his prior job history, and the team around him and know what he’s saying is not just a pitch to get them in the door. “I genuinely care about helping them be successful in achieving their career goals. Authenticity is a huge cheat code.”

KEY STATS

35%

of the company identifies as Black or African-American

42%

of the company identifies as non-male

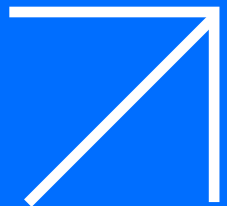
90%

of Meroxa’s executive leadership team identifies as a person from an underrepresented community



SUCCESS STORY 02 —

OLIVE



Olive knows diversity, equity, and inclusion must be key tenets in its bold vision to make healthcare more human.

Olive executives are challenging the company to be more inclusive and diverse every day and in every way.



“The first stage is just messaging that diversity is a priority at all levels of the organization.”

BRIAN RUTKOWSKI
OLIVE’S CHIEF PEOPLE OFFICER

HOW OLIVE DOES IT:

Accountability. Embracing full transparency and accountability, Olive established baseline diversity metrics to be able to make data-driven comparisons and set goals. This sends the message that diversity is a key part of the overall business strategy.

Open-mindedness. The data show that people from underrepresented backgrounds are less likely to apply unless they feel like they are 100% qualified. Olive has adjusted job descriptions to be more inclusive, and the company invites underrepresented candidates to apply even if they feel they don’t check off all the boxes in the job description.

Long-term outlook. Some key initiatives take longer to pay off. Olive has made long-term investments by supporting campus programs and partnerships and, in May 2022, the company will welcome its first class of interns in a new program intended to improve diversity in engineering. “The plan is to build a pipeline from internship to full-time roles,” says Chief People Officer Brian Rutkowski.

KEY STATS

38%

of employees are women

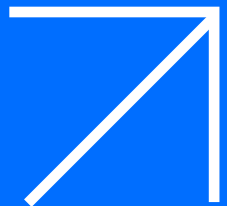
32%

of technical staff are non-white



SUCCESS STORY 03 —

HOLOGRAM



Hologram, a cellular platform designed for the Internet of Things, exemplifies the idea that real results require real action. From its Engineering Apprentice Program to its employee referral incentives, Hologram is deliberate about embracing diversity, equity, and inclusion.



“The apprenticeship program in engineering is unique and we hope more companies try it out.”

COURTNEY SEITER
HOLOGRAM'S VICE PRESIDENT OF PEOPLE

HOW HOLOGRAM DOES IT:

Collect Data. Hologram solidified its focus on DEI by first collecting voluntary demographic information. With a better understanding of its candidate pool, Hologram was able to establish specific, quantifiable goals around gender and race.

Apprenticeships. Knowing many companies struggle to nurture engineers early in their careers, Hologram established a robust apprentice engineer program. Typically, three new apprentices graduate into full-time Software Engineer roles every six months. The last time Hologram opened an apprentice job post, the company received more than 700 applicants, highlighting the program's incredible popularity.

Embrace Differences. In talking with job candidates, Hologram's hiring teams look past shared backgrounds and interests to instead focus on personality differences that could help Hologram broaden its perspectives. Additionally, Hologram provides enhanced referral bonuses to employees who bring in diverse talent, recognizing that diverse perspectives are good for business.

KEY STATS

46%

of full-time employees
are women

50%

of executives are women



SECTION 05 —

THIS GOES FOR US TOO



WE CONTINUE TO MAKE STRIDES

Drive Capital

We assembled this report to serve our companies but also to improve our own record around diversity. We firmly believe that a more diverse investment team will improve our performance. While we are exceeding industry averages for diversity, we know venture capital and startups are notoriously lacking in diversity and there is much more work to be done.

	TOTAL HEADCOUNT	FEMALE	PPL OF COLOR
DRIVE CAPITAL	27	14	5
SENIOR PARTNERS	9	3	1
INVESTORS	10	3	3
PERCENTAGE		30%	30%
VC INDUSTRY AVG*		22%	4%

DRIVING FORWARD

Innovation is driven by a wide variety of backgrounds, talents, and perspectives. Now more than ever, with the growing prevalence of remote work, company executives and hiring managers can be very intentional about hiring diverse, exceptional talent without feeling geographically restricted. At Drive, we've always known there is endless talent to be tapped in overlooked places.

We will continue to collect data and publish this report to understand where we and our portfolio companies stand, what is changing, and how we can improve.

Please continue sharing best practices and resources within our network, and know that we are here to support you in this work.

Thank you for the work you are doing to build diverse, high-performing teams and innovative companies.

Let's drive forward.

THANK
YOU

