



 LendingClub

# Our Impact

LendingClub's 2024  
Environmental, Social &  
Corporate Governance Report



LendingClub's mission is to relentlessly advantage our members by challenging the way banking is done. We provide smart, simple, and rewarding solutions that help our members achieve their financial goals.

**Since 2007, we have provided more than \$90 billion in loans to over 4.9 million Club members, putting them on a path to paying down their existing debt at a lower cost.**

Now, as a full-service bank, we're intent on finding new value for our members across an array of financial products.

We believe that our business is inherently aligned with supporting Environmental, Social and Governance ("ESG") matters. With oversight from our Nominating and Corporate Governance Committee, we intend to build upon our strategy,

\*Information contained within this impact report can be found in our 2024 Proxy Statement on our Investor Relations Website at <http://ir.lendingclub.com> under the Filings & Financial menu in Annual Meeting.

## Values

Our values are the foundation of what we strive to be, individually and collectively. They guide everything from corporate decisions to hiring and job performance.

**Do What's Right.** We are committed to acting with honesty and integrity. We act in the best interest of our customers and everyone involved. We recognize that trust and confidence are critical to our marketplace, so we stand up for what's right—even when it's hard.

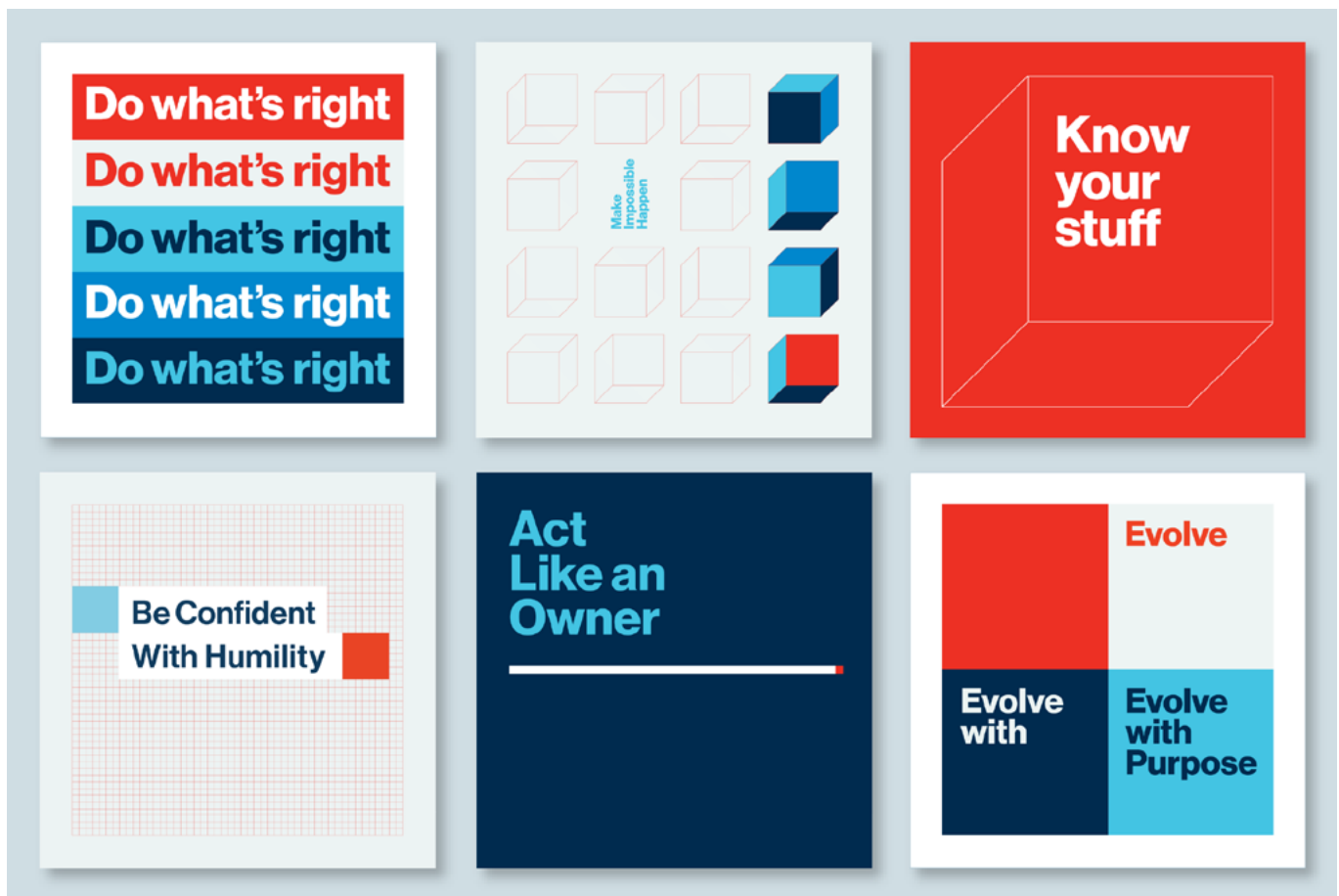
**Make Impossible Happen.** We look beyond what is possible today to boldly imagine new and better ways to improve the lives of our customers. We take on big challenges and drive relentlessly forward to overcome all obstacles to make our vision a reality.

**Know Your Stuff.** We are a data-driven business. Each of us must be an expert in our areas, continuously rooted in a deep understanding of the data. We measure our efforts so that we can manage, make well-informed decisions, and identify new opportunities.

**Be Confident With Humility.** We are exceptionally capable individuals who put our egos aside and focus on our collective goals. We listen first and assume positive intent. We get the right people together to inform our collective perspective, evaluate the implications, and debate the trade-offs—so we can move forward quickly, collaboratively, and with confidence.

**Evolve With Purpose.** We embrace and create change. While we set our strategy for the long term, we stay flexible to adapt to new opportunities. We test bold ideas in real-world situations, without the fear of failure, so we can improve and evolve.

**Act Like an Owner.** We take ownership and hold ourselves accountable to our commitments. We roll up our sleeves and pick up tasks that need doing, even if they're not in our job description. We are committed to LendingClub's future and we act that way.



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## Environmental

# We're Doing Our Part

We aim to do our part in conserving the environment by incorporating environmental-related considerations and risks into certain aspects of our operations. Key actions we've taken to support the environment include:

**Light Physical Footprint.** As a digital marketplace bank we operate online, which provides our members with access to banking services anywhere, anytime. This reduces the environmental impact associated with brick and mortar bank branches, including the impact of members visiting a bank branch.

**Sustainability.** We advocate for the use of sustainable or re-usable products in our spaces, such as providing compostable materials in our offices, and in our work, such as leveraging electronic signature platforms when possible.

**Facilities.** We lease LEED Gold certified buildings in San Francisco and Utah, which represent 87% of our

total office space. When renovating our facilities, we emphasize recycling and the use of environmentally friendly materials.

**Efficient Data Centers.** We use leading third-party data centers for data storage, enabling us to remain environmentally efficient even as we grow our business, customer base, and data requirements.

**Hybrid Work.** We have adopted a hybrid work model for our employees, reducing the environmental impact associated with a fully in-office work environment, including the impact of our employees commuting to our offices each day and reduced office space needs.

**Member Focused.** Our core business is focused on relatively smaller-dollar loans to individuals and small businesses, and not dependent on large loans to customers that negatively impact the environment (such as loans to companies in the fossil-fuel sector).



# Empowering Our Members With Smart, Simple & Rewarding Solutions

LendingClub is a social impact business with a mission of advantaging our members and helping them achieve their financial goals. We advance this mission through a technology-enabled business model focused on economic empowerment.

This aspiration, combined with our values, has driven us to lead the financial industry in advancing several policies and programs designed to reduce disparities, protect consumers and small businesses from irresponsible financing practices, and encourage innovation that supports financial health.

## Championing Financial Health

Through our digital marketplace bank, we help our members achieve their financial goals by enabling them to pay less on their existing debt and earn more on their savings.

In fact, over 80% of personal loans originated through LendingClub's platform are used to refinance or consolidate credit card debt. Our members have told us that taking out a LendingClub loan for debt consolidation improved their financial health, reducing the APR on their debt by approximately five percentage points on average and improving their credit score while providing a responsible paydown plan. We believe we are well positioned to increase our engagement with existing members by offering additional products and services to enable them to manage and improve their financial situation.

**Federal Reserve researchers found that LendingClub facilitated loans maintain exceptionally low default rates while extending access to credit.**

We have also implemented a number of initiatives to support our members during difficult times. All of our members have a 15-day grace period to make loan

payments with no penalty. We also launched a loan extension program, which extends the repayment term for eligible borrowers who fell behind on their loan payments and have resumed making regular payments. The program allows such borrowers to become current on their loan and pay any past-due amounts

at the end of the loan's new repayment term, and helps borrowers that may have experienced temporary financial difficulty. Additionally, we offer relief programs to eligible borrowers to provide flexibility during crises, like natural disasters. For example, during COVID-19, we waived late fees for existing borrowers and launched new hardship plans tailored for the COVID-19 pandemic, which helped borrowers preserve their financial health in a difficult economic and credit environment.

We have also worked with external stakeholders to better understand the issues affecting consumer financial health. For example, from 2021 to 2023, we collaborated with PYMNTS to prepare twenty-nine paycheck-to-paycheck reports. Through these reports, we sought to explore the paycheck-to-paycheck landscape and provide a deep look into the core elements of American consumers' financial wellness, including their income, savings, debt and spending choices.

**LendingClub aspires to help its members achieve their financial goals by providing smart, simple, and rewarding financial solutions.**

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## Social

### Competitive Interest Rates and Increased Savings

Our technology is fundamental to our ability to deliver better rates and products. Over the past 16 years, we've refined our credit decisioning and machine-learning models with more than 150 billion cells of data derived from over \$90 billion of issued loans. With this technology, we're able to underwrite loans more efficiently, which enables us to offer lower interest rates to our borrowers.

Researchers from the Federal Reserve Bank of St. Louis found that LendingClub loans have had lower APRs than credit cards across FICO bands. Additionally, researchers from the Federal Reserve Bank of Philadelphia have found that "consumers pay smaller spreads on loans from LendingClub than from credit card borrowing," which is supported by our data that indicates that our members save approximately \$2,200 on average over the term of a 36 month personal loan from LendingClub. These savings also extend to our auto refinance loans, which reduce the APRs members pay by over three percentage points and results in average savings of approximately \$2,500 over the life of the auto loan.

In addition to providing lower APRs, we have focused on being a responsible lender, voluntarily committing to a 36% APR cap on our loans. We have also supported legislation in California and Illinois to establish statewide 36% APR caps. Through our support of the American FinTech Council, we have also marshalled fintech support for federal 36% APR cap legislation.

As a digital marketplace bank, we are also helping our members build a financial cushion through products and services designed to help them keep more of what they earn, like our award winning high-yield savings and checking accounts. Our high-yield savings account offers a leading interest rate with no monthly maintenance

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**Researchers from the Federal Reserve Bank of Philadelphia have found that "LendingClub's consumer lending activities have penetrated areas that may be underserved by traditional banks, such as in highly concentrated markets and in areas that have fewer bank branches per capita."**

**"The value of disparate impact analysis was recently pointed out, and endorsed by, the largest personal loan company in the country, LendingClub, in its responses to requests for input by the CFPB."**

Mike Calhoun, President of the Center for Responsible Lending, Senate Testimony 2019

fees, fees to wire funds, or overdraft fees. Our checking accounts offer interest rates above the national average, unlimited cash back on qualified purchases with a checking account debit card, free ATMs, rebates on ATM fees charged by other banks, and no monthly maintenance, overdraft, or incoming wire transfer fees. Our checking product has earned official certification by the national Cities for Financial Empowerment Fund as meeting the BankOn National Standards for trust and affordability for consumer transactional accounts.

### Fighting Discrimination

We are committed to fighting discrimination in the financial services industry. For example, we were the first company to express support for "disparate impact" regulation when these anti-discrimination protections were under

reconsideration by the federal government. Through comment letters to the Consumer Financial Protection Bureau (the "CFPB"), Federal Trade Commission and the U.S. Department of Housing and Urban Development, we articulated and advocated for the pro-innovation value of disparate impact regulation. We have also worked with the National Community Reinvestment Coalition on a consensus statement from civil rights organizations and fintech companies in support of

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## Social



strengthening these critical anti-discrimination protections. Further, we have supported disparate impact regulation in order to prevent algorithmic discrimination in lending to communities of color.

### **Financial Inclusion**

We promote an inclusive financial system where responsible innovation delivers better financial health outcomes. We strive to lend to those underserved by traditional banks and our digital marketplace model allows us to fill credit gaps for consumers where bank branches may be less available. Researchers from the Federal Reserve Bank of Philadelphia have found that our credit model risk ratings have a low correlation with FICO scores while still effectively predicting credit risk at a high level of performance. This means that our digital credit models are able to identify consumers who would be overlooked or overpriced by traditional FICO-based models, providing more consumers with access to lower-priced credit. Additionally, a study by Federal Reserve researchers using LendingClub data found that fintech small business lending can create a more inclusive financial system by allowing small businesses

that were less likely to receive credit from traditional lenders to access credit and do so at lower costs.

We've also advocated for policies that encourage lending to minority-owned small businesses, such as urging the CFPB to implement Section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which requires lenders to report data on how they are serving minority- and women-owned firms. We believe that such policies will encourage innovation in lending, which may allow better inclusion of minority- and women-owned businesses by the financial services industry.

### **Helping Small Business**

We are focused on supporting small businesses and believe that our small business lending activities have helped create or sustain over 100,000 jobs, in addition to helping the over 75,000 people that were able to remain employed with the over \$870 million of PPP loans we facilitated during the pandemic. Further, a study from the Federal Reserve Bank of Philadelphia using LendingClub data found that fintech lenders, like

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## Social

LendingClub, “have been able to expand credit access to those underserved small business owners who are not likely to receive funding from traditional lenders...and in those areas that face a higher local unemployment rate.”

We also helped form the Responsible Business Lending Coalition to drive responsible practices in the small business lending sector. With the Responsible Business Lending Coalition, we co-wrote the Small Business Borrowers Bill of Rights, the first cross-sector consensus on responsible small business lending and the rights that small business owners deserve when obtaining a loan. Since its creation, the Small Business Borrowers Bill of Rights has been signed by over 110 nonprofits, community development financial institutions, fintechs and banks and has inspired a wave of small business protection laws across the U.S.

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### **LendingClub and its coalition partners helped lead the passage of the nation’s first small business truth-in-lending law, California Senate Bill 1235, to help protect small businesses from irresponsible lending.**

We believe that innovation in the financial services industry can lower prices for small businesses. However, in order for small business customers to identify and benefit from lower prices, they need to be able to easily

compare the prices they are being offered. Accordingly, LendingClub and its coalition partners helped lead the passage of the nation’s first small business truth-in-lending law, California Senate Bill 1235, to help protect small businesses from irresponsible lending that disproportion-

ately harms entrepreneurs of color. Similar legislation has since passed in New York and has been introduced in Connecticut, Maryland, New Jersey and North Carolina. Finally, we recently endorsed a bill introduced in the United States House and Senate that would extend the transparency standards of the federal Truth in Lending Act to small business financing.





# Committed to Sound and Effective Corporate Governance

We are committed to sound and effective corporate governance practices. We have established a strong governance foundation through highly qualified directors, with strong oversight provided by our independent chairman. Further we have instituted significant stock ownership requirements for Board members and executives to promote strong alignment with stockholder interests. We also pursue robust stockholder engagement each year and have been responsive to stockholder feedback on key issues, including Board vote requirements, Board declassification, supermajority voting requirements and executive compensation programs. We have also established key policies and guidelines that align with responsibly building value for our stockholders, including, among others, the following:

**Corporate Governance Guidelines.** Our Corporate Governance Guidelines promote the effective functioning of our Board and its committees, promote the interests of our stockholders, ensure a common set of expectations as to how our Board, its committees, individual directors and management should perform their functions, and provide a flexible framework within which the Board may conduct its business.

**Business Conduct and Ethics Policy.** Our business conduct and ethics policy applies to all our directors, officers, employees and authorized third-party representatives and promotes certain actions, including honest and ethical conduct, compliance with laws, rules and regulations, the protection of LendingClub assets (including corporate opportunities and confidential information), and fair dealing practices, among others.

**Officer Stock Ownership Guidelines.** Under guidelines adopted by our Compensation Committee, our CEO should hold equity in LendingClub with a value of six times base salary, our CFO should hold equity with

a value of three times base salary, and all other Section 16 officers should hold equity with a value of two times base salary.

**Non-Employee Director Ownership Guidelines.**

Each non-employee director should hold an equity in LendingClub equal to at least \$400,000 in value, which is 10x the base cash retainer for Board service.



Scott Sanborn, LendingClub CEO

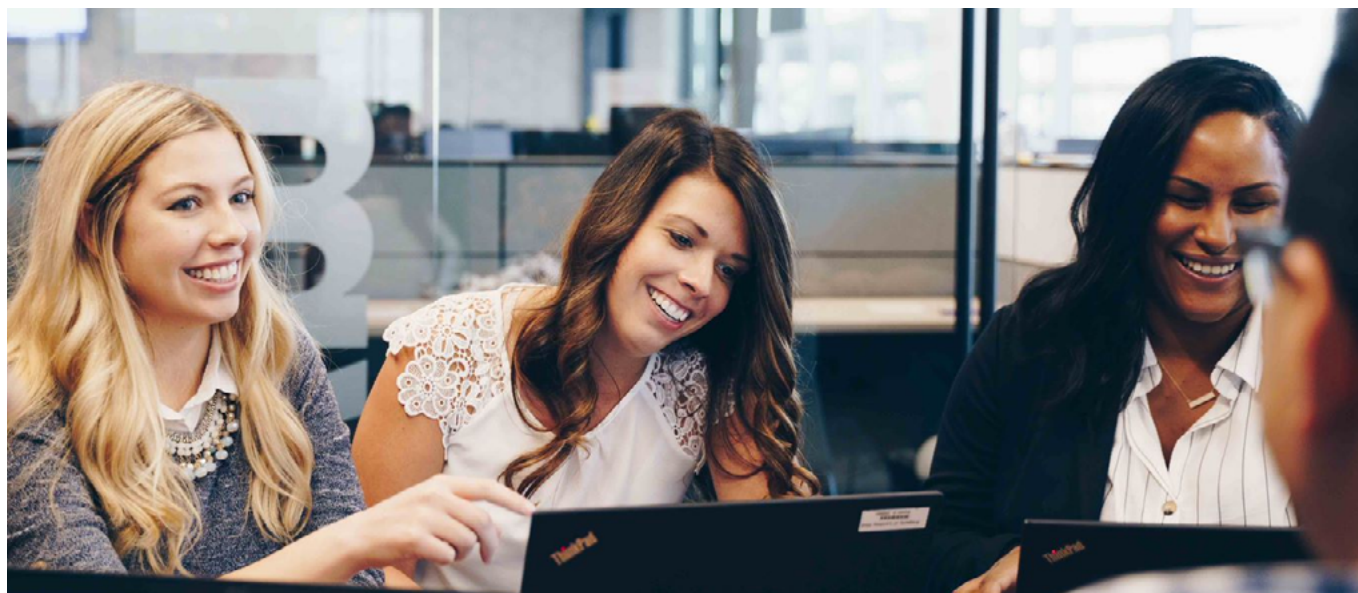
# Helping Employees Reach Their Full Potential

Our success depends, in large part, on our ability to recruit, develop, motivate and retain employees with the skills to execute our long-term strategy. We participate in a competitive market for talent and aim to distinguish ourselves by offering our employees the opportunity to make a meaningful positive impact on the financial health of Americans in an innovative technology-oriented environment. We also offer competitive compensation and benefits. Our compensation programs consist primarily of base salary, annual corporate bonus opportunity and long-term equity and cash awards. We are committed to providing equal pay for equal work. To support this, we regularly conduct pay equity surveys to ensure our compensation programs are applied equitably across our workforce and benchmark ourselves against industry best practices. Our benefits programs consist of comprehensive health, dental and welfare benefits, including a 401(k) matching program and standalone mental health coverage. We also provide employees with opportunities to support their communities by providing dollar-for-dollar matching on qualified charitable donations up to \$300 per year per eligible employee. Employees can also receive up to eight hours of paid time off for eligible volunteer activities.

In 2023, our total headcount decreased by 560 employees compared to the prior year, primarily due to the workforce reduction plans we implemented during the year to align our cost structure to our financial profile given the continued adverse impact of the evolving macroeconomic environment on our business. For employees impacted by a workforce reduction plan, we offered severance, extended benefits coverage and outplacement assistance.



We strive to create a welcoming and empowering environment where our employees feel that they are reaching their full potential, are highly engaged and are doing what they do best every day to accomplish our mission and vision. We support our employees professionally through onboarding programs, on-the-job training, career development sessions and performance check-ins. We monitor employee satisfaction and engagement through semi-annual engagement surveys. The survey results provide an important



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## Human Capital / Diversity & Inclusion

measure of how employees experience our workplace, culture, priorities and values, and we use the survey results to make informed decisions about the LendingClub experience. During our most recent survey in the Fall of 2023, 91% of LendingClub employees responded. Our five highest rated categories were team camaraderie, accountability, manager, feedback and fair treatment. Our employee experience has earned a number of external recognitions, including being ranked #44 and #38 on Newsweek's list of the top 100 most loved workplaces for 2023 and 2022, respectively; being named one of the 2022 Best Workplaces in Financial Services & Insurance by Great Place to Work® and Fortune; Top Workplaces USA awards in 2022 and 2023; Top Workplaces awards for our Lehi, Utah office for every year in which we have operated an office there (2019, 2020, 2021, 2022, 2023); Greater Bay Area Top Workplaces award for our San Francisco, California office in 2022; a score of 90 and a perfect score of 100 in the Human Rights Campaign Foundation's 2023 and 2022 Corporate Equality Index, respectively; and inclusion on Bloomberg's Gender-Equality Index in 2022 and 2023.

We adhere, and expect all of our employees to adhere, to our business conduct and ethics policy, which, among other things, sets forth numerous policies designed to provide for a safe, ethical, respectful and compliant work environment. During the COVID-19 pandemic, our commitment to our employees was guided by a core principle: keep our employees safe. With that principle in mind, in 2020, we rapidly and effectively implemented a work from home program. In 2022, we reopened our physical offices and have since adopted a hybrid work model.

We continue to work hard to create a workplace that is welcoming and empowering for all. We have executive-sponsored leadership and mentorship programs for all employees, including those designed to provide women and under-represented individuals with leadership tools and growth opportunities. Further, we have employee resource groups and an allyship program designed to empower all interested employees to advocate for a more diverse and inclusive workplace. We have also established a program focused on supplier diversity to encourage contracts and partnerships with minority-owned businesses.



## Human Capital / Diversity & Inclusion

We are an equal opportunity employer and make employment decisions without regards to race, color, religion or religious creed, gender, gender identity, gender expression, transgender status, marital status, registered domestic partner status, age, national origin, ancestry, disability, medical condition, genetic characteristics, sexual orientation, natural hairstyles, military or veteran status or any other considerations made unlawful by applicable federal, state or local laws (“protected characteristics”). We also prohibit discrimination or harassment based on any protected characteristics or the perception that anyone has any of these protected characteristics, or is associated with someone who has or is perceived as having any of these protected characteristics.

Diversity and inclusion are core to our corporate culture and we continue to strive to improve the diversity of talent within the financial services industry. We also treat diversity as an important consideration when making hiring decisions. We believe that the diversity of our employee base should represent the diversity of our customer base. For open roles at all levels of our workforce, including leadership positions (i.e., VP level and above), we aim for a diverse candidate slate and diverse interview panel. We promote policies and regulations that prevent and/or address discrimination, including with respect to the use of artificial intelligence and fair and responsible lending to communities of color. Our efforts were recognized by Top Workplaces in 2022 as a Diversity, Equity and Inclusion Standout Company, reflecting our employee involvement, hiring processes, development practices and inclusive benefits. We intend to continue undertaking measures to enhance our efforts with respect to diversity and inclusion.

### Workforce Demographics

Below is a summary of certain demographic information of our full-time workforce as of December 31, 2023, and specifically those employees that serve in leadership positions (i.e., VP level and above).

#### Full-Time Workforce



##### Gender Diversity

54% Male  
46% Female



##### Racial/Ethnic Diversity

51% White  
49% Non-White

#### Leadership Workforce



##### Gender Diversity

75% Male  
25% Female



##### Racial/Ethnic Diversity

62% White  
38% Non-White

