Oyster

ANNUAL IMPACT REPORT

Building a strong foundation for future impact

April 2022

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A message from our founders

Even in today's hyper-connected world, where we're born plays a significant role in the opportunities available to us. Particularly important are our employment opportunities, as they're linked to financial stability, personal growth and development, and a sense of purpose.

But as we all know, the world's top startups and enterprise organizations are clustered in a handful of the world's richest cities in a few of the world's richest nations. Currently, employment is structured in a way that privileges access to those physically close to these jobs. In the U.S., prior to the pandemic, only 9% of employees worked from home all the time, and only 4% of all high-paying ($100k+) jobs were remote.

If you didn't live in one of these cities, you had to either move—leaving friends and family and often incurring significant financial costs—or stay and potentially struggle with unemployment or underemployment. In 2020, the International Labor Organization estimated that half a billion people were either unemployed or underemployed. This status quo leads to detrimental outcomes—and not just for job seekers.

Oyster was founded to tackle these negative outcomes across the employment system and create positive impact beyond just solving the problem. **We are a global employment platform helping to create a more equal world by making it possible for companies anywhere to hire people everywhere, simply and affordably.** Imagine a young parent that doesn't have to think about leaving their family to find work, or a community whose best and brightest don't have to leave in search of meaningful careers.

Impact, especially on human wellbeing, is difficult to define and measure, and we are learning as we go. **When we started in 2020, we defined the scope of our potential impact as the direct effects of our product across four domains: people, local communities, businesses, and the environment.** (Read our original Social Impact Thesis for more.)

Two years in, some of those hypotheses are now coming to bear. In this report, we focus on our direct impact on people and local communities, which is where we are currently making the most measurable progress. We also explore the direct impact we have through our own operations—i.e., the choices we make (and remake) every day about how we run our company.

Finally, while our direct impact will affect millions of people, we've developed an even more ambitious vision: One where the entire employment system pivots to a model of distributed working[1], benefitting hundreds of millions of people. We view this system change, and our role in catalyzing it, as our indirect impact.

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1   *In distributed companies, workers work from wherever they are productive and comfortable. See a recent blog we wrote for more information.*

In summary, our goals for impact are:

Direct impact:

1. **The impact we have on those hired through our platform, their families, and their communities**

2. **The environmental, social, and governance dimensions (ESG) of Oyster's operations**

Indirect impact:
The impact we have on the employment system

This aligns with three of the United Nations' 17 Sustainable Development Goals (SDGs):

1. SDG 8 (Decent Work and Economic Growth): Helping those underserved by the current employment system to access decent work

2. SDG 10 (Reducing Inequalities): Helping reduce global north/global south inequalities due to differing career opportunities

3. SDG 11 (Sustainable Cities and Communities): Reducing brain drain and improving financial resources of local communities

As a company, we're committed to developing our approach as we learn, to shining a spotlight on our challenges and pitfalls with transparency and grace, and to sharing our successes with humility. Ultimately, we hope that any organization passionate about leading with impact can join us on the path we're clearing.

We're grateful that you're taking the time to read this update on our journey.
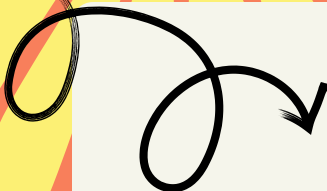
To the future of work,

Tony Jamous
CEO & Founder

Jack Mardack
Founder

Our impact on **Team Members** and their **communities**

Our north star is helping people access employment opportunities regardless of where they live, bringing a range of benefits to them and their communities. When we engage people through our platform, we call them Team Members.

To date, our focus has been on building a winning product without much focus on where these individuals are based. As we grow as a company, however, this will increasingly become more important to us.

We've deepened our thinking on how impact occurs and have clustered it into two distinct profiles.

We break down these dynamics using the Impact Management Project's dimensions of impact:

Traditionally credentialed talent

WHO BENEFITS

High-salaried, traditionally credentialed talent (e.g. many years of international work experience or top-tier education, etc.) either now based in, or relocating to, emerging markets.

These Team Members are not underserved by the global employment market but are looking to relocate for lifestyle or personal/family reasons.

WHAT OUTCOMES ARE CREATED

Individual & family:
Improved lifestyle (e.g. less commuting, more time with family, etc.).

Community:

1. Contribution to local/national tax income

2. Local spending and uplift to the local economy

3. Contributing as valued members of a community (reversing brain drain)

DEPTH OF OUTCOMES

Individual & family:
Low—outcomes will be beneficial but largely around comfort and lifestyle rather than transformational improvements to quality of life. In specific cases, e.g. to look after a sick family member, there may be higher impact, but on average we expect this to be low.

Community:
Moderate—in particularly impoverished communities, the benefits that these workers bring could help to move the needle more substantially.

SCALE OF CHANGE

High—demand for this type of labor is high and there is willingness to accommodate (and pay for) remote arrangements for this top-tier talent.

DURATION OF CHANGE

High—likely long-term or permanent contracts.
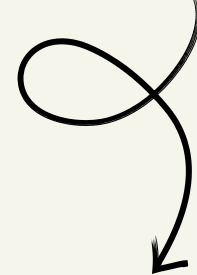
ADDITIONALITY OF IMPACT

Individual & family:
Low—additional impact is likely to be around lifestyle outcomes as workers are likely to be able to get comparable roles in other countries.

Community:
Moderate to high—these cash flows and non-financial contributions are unlikely to have been possible without distributed working.
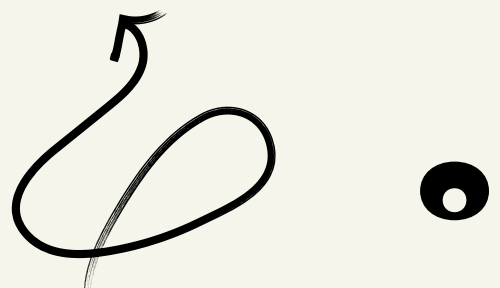
Emerging talent

WHO BENEFITS

Emerging-markets-based, geo-locked[2], and/or low-income job seekers. Those with low prospects of finding a "suitable" role locally and unable to relocate for work. These Team Members are heavily underserved by the existing global employment market.

WHAT OUTCOMES ARE CREATED

Individual & family:
Access to quality employment, income, benefits, and development opportunities which are otherwise unavailable.

Community:

1. Contribution to local/national tax income

2. Local spending and uplift to the local economy

3. Contributing as valued members of a community (reversing brain drain)

DEPTH OF OUTCOMES

Individual & family:
High—transformative impact through a salary many multiples of what is possible locally.

Community:
Low to moderate—outcomes will be beneficial but limited due to lower salaries and therefore a lower financial contribution that these individuals can make to their communities.

SCALE OF CHANGE

Low—despite the fact that there are hundreds of millions of people who fit these profiles globally, demand for this type of labor for remote jobs isn't there yet. We expect this to grow over time and hope to influence this growth.

DURATION OF CHANGE

Moderate—likely to be at least 12-month employment contracts.

ADDITIONALITY OF IMPACT

Individual & family:
High—any worker placed in this way is likely to have few comparable options, so impact experienced here is additional.

Community:
Moderate to high—these cash flows and non-financial contributions are unlikely to have been possible without distributed working.

2   Geo-locked refers to individuals who are unable to travel from their home country. For example, they might not have valid forms of international identification or they may be unable to secure visas

We expect the makeup of distributed workers across these profiles to change over time. Businesses are on a journey of discovery with distributed working. It's still seen as "risky" to create these types of roles. Therefore, organizations today will likely allow these arrangements for credentialed talent only, where their expertise and value exceeds the misperceived risk. As distributed working becomes more commonplace, we expect emerging talent to increase as a proportion of total distributed work roles. We also see it as part of our mission to make this case publicly, particularly with respect to correcting misunderstandings about risk. We'll do this not only through our corporate communications, but also by being a living embodiment of these principles in the way we run Oyster (see: "ESG dimensions of Oyster's operations" on page 9 for more on this).

For now, the distribution is very much skewed to the first group (based on the salary data we have available). Therefore, in terms of our impact measurement in the short term, we focus on proxies for community-based impact given that this is likely to be the majority of impact we are creating.

In terms of metrics, we're still working through how to balance our ambitions of transparency about impact with the commercial realities around publishing sensitive information. Internally, we measure in terms of the number of Team Members from emerging markets and the Committed (annualized) Gross Payment Volume to those markets in terms of salary and tax contributions.

Given these sensitivities, below is an approximate percentage of Team Members employed from or in emerging markets, including an estimation of the total-dollar flow to those markets.

TODAY

~25%

Current Team Members in emerging markets[2]

$50+M

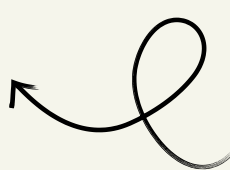Projected total-dollar flow per annum into emerging markets by end of 2022

GOAL

30% by 2024

Team Members in emerging markets

$1B by 2024

Total-dollar flow per annum into emerging markets

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2   *We define this based on the United Nations Human Development Index*

We'll continue to expand on our approach to measuring direct financial impact on Team Members and local communities, focusing especially on financial impact in emerging markets.

For the ~75% of Team Members who live in developed markets, we believe Oyster's offering adds value to their lives, but on average across the dimensions identified above, we believe we're less directly impactful than for those Team Members in emerging markets. While we work to shift this balance, our success in developed markets with traditionally credentialed talent still serves important purposes: it proves that the model works and so contributes towards our systems-change goal; it generates revenue to help Oyster grow and double down on our mission; and it shifts the paradigms around work among this influential population.

Environmental, social, and governance (ESG) dimensions of Oyster's operations

Another dimension of our direct impact is how we benefit people and the planet through internal operations. Here, we document our ESG initiatives and performance. While this is a smaller lever we have to create impact, we believe it's an important one.

It's not enough for Oyster to "talk the talk"; living our mission and open-sourcing our efforts helps build momentum around the need for responsible business practices. And the 150,000 job applications Oyster fielded in 2021 certainly demonstrate the resonance of these practices with talent across the world.

We begin our analysis with the social dimensions where we feel we make the largest contribution.

Creating social impact through operations
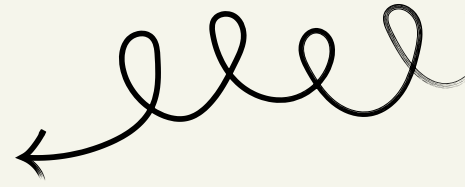
The Oyster team has **grown its headcount by 18x in 2021**, and for the foreseeable future we're looking at **onboarding more than 15 new internal hires per week**. Our main lever on social impact through operations is how we interact and engage with this team. Below, we capture some of our initiatives and progress to date in terms of serving this group.

Remuneration & benefits

Fair remuneration is the minimum at Oyster; additionally, we strive to create an environment where people feel proud and rewarded for the contribution they make to our company and broader mission. Some of the ways we do this are by ensuring that:

- Employees have **40 days paid annual leave**, inclusive of public holidays

- All employees are eligible for a maximum of **three months paid parental leave**, as well as up to twelve months total job-protected parental leave, regardless of tenure

- New joiners receive a **comprehensive 90-day onboarding plan**, including a buddy, a mentor, and onboarding partner from the PeopleOps team

- **Geo-agnostic equity** in qualified locations

- **> 90% of FTEs have health coverage**

Creating a positive work environment

We've developed a range of initiatives to foster a positive work environment. In addition to the above on remuneration and benefits, our employee code of conduct includes guidance on:

- Non-discrimination

- Anti-harassment

- Grievance resolution and non-retaliation

- Whistleblowing

- Workers' right to bargain collectively and freedom of association

Though there is always room for improvement, our data shows that we are doing well here, especially when benchmarked against other tech companies. Our latest CultureAmp employee engagement survey shows that:

90%
of employees are satisfied or engaged at work (+13 over benchmark of top 25% of venture-backed companies)

78%
of employees agree that "Oyster is positively contributing to my personal development"

< 10%
attrition

Diversity, equity, inclusion, and belonging (DEIB)

Given our mission, we prioritize DEIB. This starts from recruitment. Each job advertisement includes a published statement on DEIB, and we ensure that accessible and inclusive language is used throughout the process. Our performance to date shows that our initiatives are delivering tangible results:

58%
female identifying

41%
male identifying

1%
non-binary or prefer not to answer

72
nationalities across the team

30+%
of company managers identify as from an under-represented group

< 5x
multiple of highest paid earner to lowest paid

Ensuring robust governance

We have the following initiatives in place to ensure the highest standards of governance across the company and in pursuit of our mission:

- We have published an impact thesis which articulates commitment to social and environmental impact

- Our thesis is measured against KPIs presented throughout this report

- We will publish this report on an annual basis

- Our board of directors are ultimately responsible for impact performance

- We have applied for B Corporation status and are awaiting certification

- There is a code of conduct in place with a whistleblower policy

- We have a robust system of financial controls in place

- We have a Privacy Policy and Privacy Notice for Candidates, Staff, and Team Members to protect personal information of our stakeholders

Managing our environmental footprint

As an entirely distributed company, Oyster does not require our employees to work from physical offices, and our product is technology-based with minimal environmental footprint. As such, our already-reduced environmental footprint of operations is down to individual employee decisions around how they choose to work. We'll continue to consider this impact area as we move forward.

Systems change: catalyzing a more favorable status quo

To us, it's clear that there is a better way of configuring the employment system via distributed working. We want to help the world see this potential and accelerate that change, potentially benefiting hundreds of millions of workers and their communities.

Over the last two years, the COVID-19 pandemic has thrust distributed working into the spotlight with nationwide lockdowns forcing many non-essential workers to work from home. Not only did the pandemic prove that employees in these sectors could work productively remotely, it also increased employee demand globally for flexible working. Even as working norms return as governments manage policies in the ongoing pandemic, 35% of people surveyed by Ipsos want to work from home more than they used to—and 25% want to work from home all the time.

Finally, the pandemic has also presented a huge opportunity to reconfigure the workforce towards distributed work given the large numbers of resignations in the U.S. and U.K. In the U.S., the "quits-rate" rose to an all-time high of 4.3M in August 2021—nearly 3% of the workforce. In the U.K., job vacancies hit 1.3M in the period from December 2021 – February 2022, the highest level since records began in 2001.

> *To help us better understrand some of these trends, we conducted a cross-sector survey of global HR professionals (N=53) in April 2022. We highlight key findings throughout the text below in boxes like this.*

58%

of our survey respondents said that over half of their employees worked remotely all the time, and nearly

50%

said that the proportion of employees working remotely all the time had increased a lot over the past three years

For those that had seen an increase, the main drivers were the COVID-19 pandemic, wanting to attract the best people, and demand from employees for remote working.

Together, these phenomena present a real opportunity to tilt the system into a more equitable equilibrium while so much is in flux. Imagine the redistribution of equity that would happen if all of these roles were not only fully remote, but also open to talent regardless of where they lived.

However, companies are not quite "there" yet, philosophically and logistically. As a result, the response to this opportunity has been limited:

• Work-from-abroad policies tend to make it easier for existing employees to work from anywhere, rather than aiming to attract talent from different countries (see examples from Wise, Shopify and Revolut)

• Many companies limit hiring/working to countries where they have a registered entity (e.g. Spotify)

Our survey also demonstrated the current limitations of this trend. While over

80%

of respondents had some employees who worked from home all the time, only

47%

had remote employees in countries outside of where they had a registered office, and only

34%

had remote employees based in emerging markets

This is where we come in. We want to catalyze the shift triggered by the pandemic and push companies to be more ambitious, helping to change the status quo. We think there are five priorities in shifting the hearts and minds of actors in the employment ecosystem:

1. Getting companies excited about the potential of distributed working

2. Helping managers and distributed teams work well together

3. Making companies passionate about talent geo-diversity

4. Making HR teams confident about hiring in diverse countries

5. Helping job seekers think globally about their careers.

This is a huge endeavor, and we're very early in the journey. For some of these areas, there's quite a bit we're already doing. For others, we're only just getting started.

Getting companies excited about the potential of distributed working
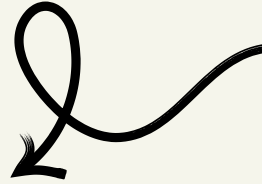
As the pandemic's influence on working norms lessens, many employers are calling workers back to their offices, believing it to be the "normal"—or even superior—way of working. James Gorman, CEO of Morgan Stanley, put it simply: "If you can go to a restaurant in New York City, you can come into the office. And we want you back in the office."

Although many employers are bringing employees back into the office, our survey showed enthusiasm for continued remote working:

49%

say they plan to maintain the current level of remote roles

47%

say they plan to make more fully remote roles available

While there might be some selection bias in the survey participants, we see this as a positive sign that there are already some organizations who are excited about the potential of distributed working.

Stakeholders calling for workers to physically return cite concerns including "the erosion of office culture," not being able to "see each other in person and enjoy the connections, collaboration, and variety in our daily routines," and even an "economic need" to return to the office.

Color us skeptical that these concerns either can't be overcome with deliberate, thoughtful action or aren't simply fear-based reactions to a fundamental shift in employer-employee power dynamics. And isn't it possible that, even if these concerns were valid, the potential good of distributed working outweighs the ills?

There is clearly a change in narrative that is needed if cross-border distributed work is to fully catch on. We're playing our part through active campaigns on LinkedIn, our blog and thought leadership, talks, and events.
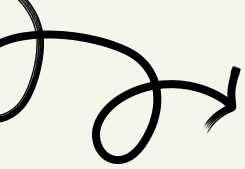
INITIATIVES	REACH/IMPACT
LinkedIn campaigns Organic social media communications by CEO Tony Jamous	**Q1 2022:** • 3.7 million views (vs. 620k in Q4 2021) • 40k likes (compared to 8k in Q4 2021) • 4,500 new followers (from Q4 2021 to Q1 2022)
Podcast: The New World of Work 2 seasons, 16 episodes Season 3 in production	**As of March 31, 2022:** • 107,670 downloads • 44,211 unique listeners
Oyster Library Our central resource hub for all things remote work	**As of March 31, 2022:** • 60,671 views

Through these channels, we highlight the counterarguments to the above narratives, such as the role that distributed working can play in winning the war on talent, improving productivity, increasing diversity, and others.

Even the many companies that are now offering hybrid and fully distributed/remote roles tend to focus on countries where the employer has a physical presence, limiting the potential of employment to create a positive impact. Administrative hurdles including corporate tax and payroll are the most commonly cited challenges by companies looking to hire abroad, at 39% and 24%

Our survey also suggested that the main challenges with hiring employees in other countries were navigating the tax, employment, and legal implications, and difficulties finding, attracting, and selecting talent in those countries.

Our main contribution to tilting the system is building a global employment platform which not only addresses the main challenges of cross-border employment, but does so in a human-centric way without sacrificing rigor or compliance. We have supported thousands of Team Members to be employed remotely via our product, and the feedback from our early progress here is encouraging.

"

I strongly believe that talent is borderless and that there is a big limitation to only hiring in your city or in your country. We hire people in the Netherlands, in Portugal, in Spain. We're looking at people in South America. We're looking at people all around the world.

Without Oyster, I don't even think I would even consider hiring internationally.

Ally Fekaiki
CEO and Founder, Juno

juno

"

In a market where it is tough to find engineering talent, Oyster's global positioning allowed us to think outside the box.

We now have engineers in Australia, India, Spain and Hungary. The process was so easy that we started using Oyster to assist us in finding Data Scientists as well.

Dan Paulsberg
CFO, Conjura

C

"

We are excited to be able to continue to tap the global talent pool with help from Oyster and to welcome any great candidates who want to join our company, no matter where they live.

Gabriel LeRoux
Cofounder, Primer

::: Primer

Helping managers and distributed teams work well together

Many advances have already made it easier to conduct work remotely, including faster and cheaper internet, better and cheaper hardware, and the increasing move towards digital or knowledge work. These advances include the proliferation of tools to enable distributed and asynchronous work (e.g. Loom, Miro, etc.).

However, more is needed than upgrades in the infrastructure of how we work; it's crucial to train and upskill both workers and managers on how to work remotely.

Our flagship initiative here is Oyster Academy, which currently offers two training programs.

EXAMPLE INITIATIVES	REACH/IMPACT
Preparing for Distributed Work is targeted at aspiring remote workers and covers the basic skills necessary to be an effective remote worker: 1. How to work in a distributed team 2. Effective remote meeting 3. Health and wellbeing in distributed teams 4. Defining your approach to distributed work	**Enrollees: 349** "I really enjoyed the course, and having done a few similar courses over the last two years, I have to say that the Oyster one stood out. The authenticity of the material and the openness with which Oyster shares its ways of work was really impressive. Lots of food for thought! - Anonymous enrollee
Creating a Culture for Distributed Work is targeted at HR teams and people leaders who want to upskill their organizations on remote work. It covers: 1. Employee engagement in distributed teams 2. Cultivating a healthy work-life balance 3. Improving internal communications 4. Planning for the challenges ahead	**Enrollees: 131** "I really enjoyed the quality of this course in how it presented information, and the value it will add to leaders who need/should adapt their approaches to remote working. - Anonymous enrollee

Aside from Oyster Academy, the written content in Oyster Library expands upon and supports these topics. Some examples include:

1. Managing remote team members across different time zones

2. Overcoming performance challenges of distributed teams

3. Learning and development for remote teams
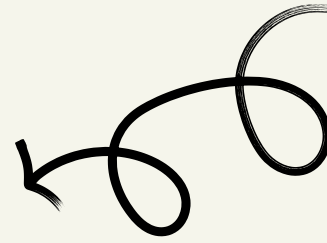
Making companies passionate about talent geo-diversity

Recruitment strategies today are based on a local focus, looking for talent from nearby universities and employers rather than considering the entire globe for talent. It is in employers' interest to broaden their scope for talent, simultaneously helping to level the playing field. This means tapping into new networks, finding new channels to promote vacancies and source candidates, and improving accessibility of roles. Employers must also eliminate biases from their recruitment processes. This is not just beneficial for society and job applicants; it is a well-documented phenomenon that minority status indicators on applications reduce the likelihood of success in a recruitment process. There is now comprehensive data that more diverse and inclusive companies perform better than less diverse and less inclusive organizations.

This is an area we're just getting started in. For now, our main initiative here is providing a substantial discount to any company that hires a Team Member in an emerging market, incentivizing HR teams to consider these candidates.

Making HR teams confident about hiring in diverse countries

HR functions are currently not configured for international, distributed recruitment, largely because they haven't had to operate like this before. Recruitment and selection processes often rely on local networks and face-to-face interactions. HR and legal teams are most familiar with the jurisdictions in which they operate. This organically results in hires that are "close" to the employer.

We are building a series of resources to support our customers and the broader ecosystem with key pain points in hiring across the globe. These resources include:

INITIATIVES	REACH/IMPACT
Global HR tools including an employment cost calculator, a worker classification tool, and a time zone crossover calculator	**Worker Misclassification Analyzer:** 500 views (live for 6 weeks) **Employment Cost Calculator** 1,362 views (live for 6 weeks)
Global hiring guides which break down the key considerations for hiring in many different countries around the world	**As of March 31, 2022:** 48,345 views
Tech Talent Guide which outlines key steps to attract, hire, and retain top tech talent	**As of March 31, 2022:** 186 downloads
Remote Work Regulations Guide addressing tax breaks, stipends, and other compliance issues by country	368 views (live for 3 weeks)

Our survey showed that employers hiring remote employees in other countries lack specific strategies to support that hiring:

42% lack strategies to source these candidates

27% lack strategies to ensure fairness in their recruitment and selection

15% lack strategies to support onboarding and management

For hiring remote employees in emerging markets, the numbers are even more discouraging:

55% lack strategies to source these candidates

41% lack strategies to ensure fairness in their recruitment and selection

41% lack strategies to support onboarding and management for emerging markets

Helping job seekers ==think globally== about their careers

The talent side of the marketplace also needs to adjust with employment trends to be able to access emerging distributed opportunities. This includes ensuring that they have the right technical and soft skills to be able to perform roles to a high standard while working remotely, that they are aware of job opportunities, and that they are feeling confident in applying for these opportunities.

This area sits a bit further away from our core product, but we see it as a worthwhile avenue to begin pursuing and to iterate on moving forward. Our initial efforts in this area include the Oyster Academy Preparing for Distributed Work course mentioned above and two shorter courses we call Oyster Elevates:

INITIATIVE	REACH/IMPACT
Interview Skills course Oyster experts share their best advice for preparing for and acing your next interview.	*Recently launched, stats pending*
Job Applications course Learn how to write a CV and cover letter that will help you in your search for a remote job.	*Recently launched, stats pending*

Final thoughts

We created, and continue to build, Oyster to achieve a social mission. We are only a few years into our journey and there is no playbook for building an impact-driven business, and so we continue to learn and iterate as we go. Last year, we introduced our "Mission Squad," a cross-functional team that puts our mission at the core of our day-to-day decision making and operations. We also spent time with external advisors to revisit our original social impact thesis and consolidate our thinking on broader systems change.

This coming year, we're increasingly thinking about accountability towards our mission. This is why we've applied for B Corporation certification and are weighing when is an appropriate time to add impact-related objectives to our OKRs. It is also why we decided to publish our first impact report.

We hope you enjoyed reading about our vision and progress to date. If you have any feedback for us on our approach, we'd love to hear from you. We also recognize it's impossible to reach our objectives alone. If there's a way we can work together towards a more equitable employment system for all, please reach out.

Get in touch with us at impact@oysterhr.com.

Oyster®