Diversity, Equity and Inclusion
2020 Annual Report

I. OVERVIEW

Message from our Leadership Team

"At Rapid7, we fundamentally believe that every person deserves an equal opportunity to build an exceptional career and that diversity of mindset is integral to the growth and success of our company."
– Corey Thomas, Chairman & CEO

"In 2018, we put a bold stake in the ground - we aimed to be 50|50 by 2020.* We are proud of the progress we've made over the past two years in providing the platform for every person who works at Rapid7 to achieve the career experience of their lifetime…and we are just getting started!"
– Christina Luconi, Chief People Officer

Our Commitment and Philosophy

Diversity, Equity and Inclusion is not an "initiative" or "project" at Rapid7, but rather an extension of the core values we live and lead by.

In 2018, we committed to advancing our diversity and inclusion efforts. We strongly believe having diversity of thought will enable us to produce the best outcomes for our customers and community, and that we can best achieve this by having a truly diverse workforce. Diversity drives innovation and a better understanding of our broad customer base. Cybersecurity, particularly in the countries where we have most of our employees, is a largely white and male industry. We knew to achieve our objectives we would have to apply diligence both in increasing the diversity of our growing employee base, while simultaneously ensuring we were creating an environment of true equity and inclusion.

With that in mind, we announced a goal for diversity, equity and inclusion which we called "50|50 by 2020."* With diversity, equity and inclusion efforts, there is never a perfect or uncontroversial way to articulate one's efforts. That said, we felt by expressing the goal in this way, we had a measurable way of holding ourselves accountable, quarter after quarter, and also a way to be transparent about our progress.

*50|50 by 2020 Definitions & Goals

Diversity: 50% of our employees in the United States will be women or People of Color by the end of 2020.

Inclusion: Every employee feels they are accepted, welcomed and have equal opportunity to achieve the career experience of their lifetime at Rapid7.

Building an employee base as diverse as our broad customer base (and reflected in the numbers) is something that will take years and we will truly never be done. Conversely, creating an environment of true inclusion by ensuring that every person who works at Rapid7 feels like this is a welcoming, supportive environment to build a career full of learning, opportunity and reward is something we set out to create immediately.

To that end, while looking at diversity for the company as a whole as well as on a team-by-team basis through various dimensions (including race and gender), we set out to do the following:

Build a Strong Foundation

Be an Advocate, stresses the importance of advocating for people. Whether that be for our customers, underrepresented groups, or each other, we advocate when appropriate to create a more connected and exceptional experience for all.

Bring You, encourages our global community to embrace their uniquenesses and feel comfortable bringing their true selves to work. It is our obligation to create an environment where they feel empowered to do so.

Impact Together reminds us that we are stronger and can accomplish more when we partner together. The unification of diverse thought, background, and experience paired with an inclusive environment that thrives off of the individuality of our people creates an unstoppable force of innovation, creativity, and progress.

Never Done helps us understand that there is always room for learning and improvement and that we will, as active participants, relentlessly pursue the quest for a more inclusive and diverse world. We strive to create a workforce that mirrors the diversity of the customers and community we serve.

Challenge Convention With a strong diversity of mindset and a whole lot of skill and focus on delivering impact for our customers, we will continue to push past barriers and expectations and create secure advancement for all.

Use Data To Drive Focus and Progress Throughout Rapid7

We use self-reporting, hiring, development and retention data to measure our baseline performance by company and team, and to track our progress each quarter. We also have focused and taken concrete steps in the following areas:

- **Talent Acquisition**. Our recruiting efforts evolved how we search for candidates, evolving everything from modifying job descriptions to using more inclusive language, all to ensure additional effort was being put into broadening the diversity of our candidate pool and interview team. Additionally, we hold ourselves accountable to ensure that each cohort of people we hire (including our rotation program classes and Business Development Representatives) contains a balance of men, women, and People of Color.

- **People Strategy & Development.** Once hired, active attention is spent ensuring everyone has equitable access to promotions, development, and compensation. We offer curated and gamified courses on diversity, inclusion and belonging through Linkedin Learning, as well as delivered unconscious bias training. We track and measure all of it, to ensure we are highlighting where additional focus is needed.

- **Leadership and Management Development.** We value growth from within our company, and have established immersive programs to ensure that both our managers and leaders are providing the best possible experience for their teams. Our management program allows every manager to receive comprehensive and anonymous feedback on their management effectiveness from their teams, and training to aid in their areas in need of development. Our leadership program goes beyond the tactical daily management skills needed, and focuses on evolving those on-the-path to Directors and above with a holistic curriculum for enhancing these skills. While the management program has participation by every manager, we carefully nominate the cohorts for the leadership program to ensure the diversity of the class fosters advancement for all.

- **Pay Equity.** At Rapid7, pay equity means fair and equal pay for employees in the same job, level and location controlling for pay differentiators such as performance and tenure/experience, regardless of gender or race. In 2020, we completed a comprehensive pay equity survey, led by our Total Rewards team and outside compensation experts. A comprehensive statistical analysis was conducted, using regression models with consideration of legitimate, non-discriminatory drivers of pay. We did this to determine whether there were any differences in pay based on gender or race. The extensive survey, and the review that followed, resulted in a finding, confirmed by our external specialists, that people of color, as defined below, and women were not paid less in any of the groups analyzed due to their race or gender. The external review was performed on

all US-based employees, and we supplemented that with a further internal review of all non-US employees to ensure pay equity globally. We intend to perform a review like this every few years as well as reinforce internal processes supporting us to continue to ensure that we maintain pay equity.

- **Culture**. One person does not own our culture - we believe *everyone* who works at Rapid7 does. Similarly, we do not have one individual solely focused on our DE&I efforts, as we truly believe it is an integral part of our culture, and the company we continually aspire to be. Together, we ensure our DE&I goals are embedded in our core values. Our CEO and management team set the bar high, and lead the charge to continually making progress in this area, and partner with every leader and team to achieve it. We have zero tolerance for intolerance. We are fostering a culture of inclusion for all.

- **Internal Community Groups.** While we believe that there is benefit to finding the support and psychological security that comes with surrounding yourself with people "like you," we aim to support internal communities which promote inclusivity while accomplishing this mission. At Rapid7, we work to ensure that each one of us feels an intense sense of belonging to our community. We are #OneMoose and we advocate for *all* of the members of our herd. Our internal community groups focus more on educating and creating inclusion within the larger community, rather than creating further exclusion.

  - **Moose Pride:** Focused on creating a welcoming environment, this is our space for LGBTQ+ employees and allies to connect, discuss, and share ideas and events. Through MoosePride, Rapid7 has been the keynote at QueerCon and participates annually in Boston's Pride Parades.

  - **Moose Vets:** This group's goal is to promote inclusion, aid in recruitment, and drive outreach to the veteran community at Rapid7. This team has been spreading awareness and fundraising for the Veteran community, and has raised thousands of dollars for the Wounded Warrior Project through the annual running races across the country.

  - **Vibranium:** Joining together the efforts of our Black and LatinX team members, this group shares thoughts, ideas, and draws support from one another. Most recently, many of the members of this group are engaging with Boston While Black, intended for Black professionals, entrepreneurs, and students who are seeking connection and community.

  - **Women in Security**: Providing support and community for our global team of women engineers, this group provides mentorship and collaboration for these exceptional women.

  - **50|50 by 2020**: When we launched our D,E&I efforts, we began to post on a slack channel of the same name. The channel has become a consolidated hub for inclusion, with any

employee able to post articles, honors, celebrations and the like. Essentially, if it supports creating a more diverse, inclusive or equitable community, you'll find it here.

II. PARTNER FOR BROADER IMPACT

To make a true impact in our DE&I efforts, we understood that focusing on diversity data alone might serve as a barrier to real progress. For example, mandatory training on the importance of a diverse workplace may serve as one effective solution to treating and reversing a symptom, but is ultimately just one approach that does not have the power to tackle the root cause of an issue on its own. Our approach is to harness the internal efforts within Rapid7, and then focus externally with a wide variety of partners as well.

HACK.DIVERSITY PARTNERSHIP SPOTLIGHT:

When Hack.Diversity was launched in Boston in 2017 with the aim of becoming a talent provider connecting high-performing Black and LatinX technical people with Boston's fastest growing companies, Rapid7 joined as a founding partner. Initially, we hired fellows from the program, ultimately extending permanent roles at the end of their internship. So impressed with the talent, and finding our values aligned, we furthered our relationship with Hack.Diversity through a variety of efforts. For the last two years, a cross functional set of participants from our Rotation Program have given back to Hack.Diversity by volunteering. We have made significant annual financial contributions to continue to support the program's growth and scale and we have committed to hiring fellows each summer, focusing on aligning them with strong managers who will provide them with a broad set of experiences and learning. Ultimately, we have extended permanent offers to each and every one of those summer fellows. We are invested in the program, and continue to find additional ways to strengthen our relationship and commitment to the Hack.Diversity program. We believe carefully selecting external partners and finding the alignment in our efforts makes a far more significant impact to all.

Additional Partnerships & Education. We believe that to systematically change the diversity of our industry, we need to invest in broadening exposure to a variety of demographics who might not otherwise be drawn to STEM related jobs. Over the last several years, we've aligned with schools and universities to fuel STEM interest in youth from under-resourced communities to provide that support and guidance in the form of donations, volunteer work, mentoring, and the like. A sampling of these organizations include:

- BoSTEM: A Boston, MA based program led by the United Way, focusing on providing robust STEM education to Boston Public School children.

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- [BUILD](#): Providing entrepreneurial skills to at risk high school students with the goal of college and career success.
- [Latinitas:](#) An Austin, TX program focused on supporting young LatinX girls through after-school clubs, camps, events, etc. Both online and in person, Latinitas provide a place where these girls can express themselves, develop their skills and learn about their culture.
- [Women Who Code](#): Investing in STEM education and traction for women globally.
- [Queen's University, Belfast](#). Supporting their computer science and security programming curriculum, and the hiring of over 100 male and female placement students to date into our Belfast office since it's opening in 2015.

III. IMMERSE OURSELVES

Applying our "all in" approach, we selected a set of organizations we wanted to support, and we committed to financial contributions as well as our time, energy and efforts.

Rotation Program. When Rapid7 launched its first rotational program, we aimed to provide recent college graduates an opportunity not just to get a deeper understanding about the field of their choice, but to start their career with a holistic business perspective as well. We offer three different tracks that focus on the development of our products ("Build"), the partnership with our customers ("Grow") and operating the business ("Run"). Each participant (affectionately called "rotatoes") participates in three, six-month rotations within their chosen track. Additionally, they come together with the entire cohort at frequent intervals to develop a deeper understanding of other parts of the business by sharing with each other while learning from leaders around the company. Finally, they are allocated time each month where they work cross functionally with each other, testing out their newfound skills by volunteering with one of our community partners. Doing this allows them to build stronger relationships with colleagues who they wouldn't normally cross paths with while having the opportunity to experience and contribute back to our community and D,E&I efforts first hand.

#Rapid7GivesBack. It began as an opportunity to step away from our desks for a day, give back to our local communities, and work with other Moose to build new relationships in the process. Over the years, our "gives back" efforts have evolved and now take place over the entire year to allow for more variety, flexibility and opportunity to make an impact.

Given the unique dynamics of 2020, we had the opportunity to get innovative with this important work. The essence of giving back and working together to do so embodies so many of the core characteristics of what it means to be a Moose. While we may not be able to be out and about in the community -

together - this year, we were able to harness our giving spirit and unquenchable thirst to add #ImpactTogether in a variety of more creative ways.

We launched our 2020 virtual #rapid7givesback efforts on October 1, and look forward to keeping it thriving throughout the entire year going forward. The ability to pivot this work into a virtual model has created a force of generosity that not even a global pandemic could stop. We track the efforts of our giving herd through an interactive map in which the employee pins a moose icon in the location where they made an impact. We stay connected and up to date on how our fellow Moose are making an impact through our #r7givesback Slack channel.

Quarterly Core Value Award Donations. Each quarter, we review thousands of employee award nominations each of which is aligned with one of our core values. These nominations are submitted by our people, for our people. Our executive team selects a winner for each, and in addition to receiving $500 (or country equivalent), each of the winners also receives $500 to donate to the STEM, D,E&I or cybersecurity organization of their choice.

IV. Beyond 50|50 by 2020. By setting an audacious goal and then working tirelessly to achieve it, Rapid7 can proudly state that we ended 2020 just shy of the 50% target at **49.7%**. Round up, and we hit it. However, we like that we are just a tiny bit below, because as our core value suggests, we are "Never Done." We are proud of the progress we've made, but even more excited about what we can achieve next by building from that strong base.

However, while a numerical goal provides us with something to measure our quarterly progress against, what was most important was creating an environment of true equity and inclusivity. We appreciate that creating a truly diverse workforce will take years of focused work, while equity and inclusion must be nurtured every single day. We've done hard work in all three areas, but appreciate this was just a place to start. As we move past 2020, we're setting new goals to further our progress.

NEW GOALS | BY END OF 2022.

- **18% of our U.S. employees will be Black, LatinX or identify as 2+ races.** In the U.S. we will continue to invest in our Black, LatinX and those who identify as representing two or more races, moving from 13% (as of 12/31/2020) to 18% of our population by 2022. We remain committed to the hiring, developing and retaining of all people, but will be continuing to nurture this population with additional focus and effort.

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- **35% of our GLOBAL population will be women.** In the United States, approximately one third (32.4%) of our employees are women. However, within our international offices, women make up 29.4% of our staff. We will move this closer to parity by reaching 35% within the next two years.
- **Measure inclusivity within the global Rapid7 community.** We haven't determined the right mechanism to track this yet, but we will be implementing a measurement to ensure we have visibility to hold ourselves accountable to nurturing a culture and environment that truly supports our value of "Bring You." More information to follow in Q2, 2021.

MORE IMPACT IN ALREADY ESTABLISHED AREAS. While we've made progress to date, we will be continuing to add increased focus on these areas to further our efforts**.**

- **Talent Acquisition:** Early in 2021, we'll be introducing updated unconscious bias training for everyone involved in the hiring process. It's open to everyone in the company, but we believe that looking in the mirror and understanding that each of us has bias, is the first step to breaking down those barriers as we add additional team members.
- **Coaching and Team Planning:** When we started our DE&I efforts, we focused on making progress as a company. As we've advanced and evolved, we are now taking the work deeper into the team level, partnering with leaders to ensure they have access to data, insights and aid in planning to diversify their teams appropriately.
- **Rapid7 For Good Fund:** Rapid7 has proudly donated hundreds of thousands to non-profit organizations in our community. In the past, Rapid7's charitable donations can best be described as opportunistic and ad hoc. In December 2020, Rapid7, working with the Tides Foundation, created a Donor Advised Fund, called The *Rapid7 for Good Fund*, and seeded the fund with an initial contribution of $350,000. The Fund was created with a focus on STEM education and diversity, equity & inclusion in technology and in particular cybersecurity.
- **Engagement with Global Leaders**. As we continue to advance our efforts, we've partnered with organizations such as the United Nations. We've signed and adhere to their Global Compact and endorse the Women's Empowerment Principles.
- **Involving Our Customers**: Receiving feedback from our customers through surveys is just one of the ways we ensure we are exceeding their expectations. As an added incentive for them to participate, we will be making quarterly donations to global organizations supporting global STEM, DE&I and cybersecurity causes driven by their survey participation.
- **Increased Global Focus:** We got started in our headquarters in Boston, but have been building momentum across the globe. As we continue to scale our business globally, we will be

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partnering with our local communities to focus on our efforts to ensure we are providing the greatest impact we can in each.

V. THE DATA | How We Measured Up to Our Goals

50|50 by 2020 Progress

Numbers don't drive us, our culture does. However, metrics are an important accountability mechanism for measuring company progress regarding diversity. At Rapid7, we value transparency and accountability. We are proud of how far we have come, but we also recognize that there is much more work to be done to create a more inclusive, diverse, and equitable environment that honestly resembles the diversity of the customers and community we serve. Responsibility for upholding this inclusive and diverse mindset transcends our entire company; it is embedded into how we function from the leadership team to our newest hires. Afterall, we are #NeverDone.

PROGRESS OVER TWO YEARS

	12/31/17	12/31/20	% Change From 2017 - 2020
GENDER | Total U.S.	Women 28% Men 72% Not Disclosed 0%	Women 32.4 % Men 67.6% Not Disclosed 0%	Women 4.4 % Men -4.4 % Not Disclosed 0 %
GENDER | Total Global	Women 28% Men 72% Not Disclosed 0%	Women 29.5% Men 69.8% Not Disclosed 0.7%	Women 1.5% Men -2.2% Not Disclosed 0.7 %
RACE | Total U.S.	Black 2.35% LatinX 4.58% Asian 9.16% 2+ races and/or"other*" 3.34%	Black 4.12 % LatinX 5.84% Asian 10.5% 2+ races and/or"other*" 3.2%	Black 1.77 % LatinX 1.26% Asian 1.34% 2+ races and/or"other*" -.14%
AGE | Total Global	*We were not tracking to this level in 2017	65+ 0.2% 61-64 0.3% 51 - 60 4.8% 41 - 50 15.6% 31 - 40 37.7% 21 - 30 40.9%	

*other includes Pacific Islander and Native American.

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Recognition of Our Progress to Date

With our focus on driving diversity, equity and inclusion, we have also joined certain organizations, committed to existing principles of equity and inclusion, and been recognized for the progress we have made. For example, we adhere to the principles of the UN Global Compact, we have taken and raised our own bar on the application of the Parity Pledge to include both women and people of color, and we have been recognized in the Bloomberg Gender Equality Index three years in a row. A sampling of our recognized efforts:

- Inclusion in the Bloomberg Gender Equality Index, 2018, 2019 and 2020
- Founding Host Company, Hack.Diversity. 2017 - present
- Supporter of the Parity Pledge and the United Nations Global Compact
- Winner of the 2020 Spirit of Inclusion Award, Best Buddies

APPENDIX: TERMS & DEFINITIONS

Our numbers reflect the Rapid7 employee population as of 12/31/2020.

JOB LEVELS

- Management: Job Levels M1 - M4 and E1 - E4
- Leadership: Job Levels E1 - E4
- Technical, Non-Technical or Sales Categorization: Based on job profile categorization
- Executive: Job Levels E2 - E4
- People of Color (PoC): those who identify as non-white and those who identify as Hispanic, Latinx

ACRONYMS & LANGUAGE

- **D, E &I or DEI:** Diversity, Equity & Inclusion

- **Moose**: Rapid7 term to symbolize our employee base. Based on the notion that both the singular and plural of the word moose remains "moose," it represents a sense of teamwork, community, and how we are all in this together.

VARIABLES

- In the United States, we track both gender and race/ethnicity.
- Outside of the United States: Other than gender, we have limited our demographic reporting to United States-based employees in order to adhere to local laws in the other countries in which we operate.
- Any employees that do not report their gender (globally) or their race/ethnicity (U.S. only) are excluded from the breakdowns. Less than 1% of global employees did not declare gender, and less than 0.5% did not declare their race.
- Self identification: As new people join Rapid7 they are asked to provide a variety of information, including the following self-identification attributes:
    - **Gender:**
        - Male
        - Female
        - Gender Neutral
        - Decline to Identify
    - **Race/Ethnicity (US Only):**
        - American Indian/Alaska Native
        - Asian
        - Black or African American
        - Native Hawaiian or other Pacific Islander
        - Hispanic or Latinx
        - Two or More Races
        - White
        - Other (the options do not describe my race/ethnicity)