

zendesk

Global impact report



2021

Global impact report

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About this report

The 2021 Global Impact Report is our third annual report on our environmental, social, and governance (ESG) progress. We are committed to showing year-over-year comparisons on our progress in meeting stakeholder expectations of how we operate as a responsible company.

In 2021, Zendesk performed an ESG materiality assessment, which identified a prioritized set of ESG issues that are most important to our stakeholders and our long-term success. It also helped us benchmark our peers. We have used the assessment to help us prioritize additional disclosures in this report, but it does not limit the extent of our actions or ESG priorities.

We have focused this report on:

- Sharing 3-year trends in our ESG performance data
- Increasing the amount of disclosures aligned to our most material ESG topics, which include diversity, data privacy, and cybersecurity.

The data shared in this report is limited to the company's operations for our fiscal year 2021 (January 1, 2021 through December 31, 2021, unless otherwise noted). The data in this report may contain figures that are approximated or rounded based on the best measurements available to us.

Zendesk formalizes oversight of environmental, social, and governance matters by including a regular review of company initiatives and ESG-related risks in our nominating and corporate governance committee charter. We also convene our ESG committee of senior leaders to provide guidance and review of ESG priorities.

The contents of this report are informed by the Global Reporting Index (GRI) Standards, the Sustainable Accounting Standards Board (SASB) Software and Services Standard, and the UN Global Compact. Performance metrics are available in the appendix. The metrics and quantitative data contained in this report are not based on generally accepted accounting principles and have not been audited. The inclusion of information and data in this report is not an indication that such information or data or the subject matter of such information or data is material to Zendesk for purposes of applicable securities laws or otherwise.

Senior leadership and key stakeholders across Zendesk were involved in reviewing and validating the information herein. This report has not been assured by a third party.

This report contains forward-looking statements, which include all statements other than statements of historical fact. Such statements include, among other things, information regarding Zendesk's future financial performance, ESG goals and initiatives, our continued investment to grow our business, and our progress toward our long-term financial objectives. Words such as "may," "should," "will," "believe," "expect," "anticipate," "target," "project," and similar

phrases that denote future expectations or intent may identify forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. Our goals and policies outlined in this report are not guarantees or promises.

The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties, and other factors that may cause Zendesk's actual results, performance, or achievements to differ materially, including those more fully described in Zendesk's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2021 and its Quarterly Report on Form 10-Q [for the quarter ended March 31, 2022].

Forward-looking statements represent Zendesk's management's beliefs and assumptions only as of the date such statements are made. Zendesk undertakes no obligation to update any forward-looking statements made in this report to reflect events or circumstances after the date of this report or to reflect new information or the occurrence of unanticipated events, except as required by law. This report does not, and is not intended to, create any relationship, rights or obligations, legal or otherwise, and you should not rely upon this report to do so.

This report includes a number of operating metrics that Zendesk uses to evaluate its business, measure performance, identify trends, formulate business plans, and make strategic decisions. Please see Zendesk's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2021 and its Quarterly Report on Form 10-Q [for the quarter ended March 31, 2022] for details regarding the definition and calculation and its operating metrics. This report utilizes certain trademarks and service marks for reference purposes.

No part of this report constitutes, or shall be taken to constitute, an offer to sell or solicit an offer to buy any securities of the Company or any other entity. This report is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, tax considerations, or financial situation or needs of any investor. This report and the information contained in this report are not incorporated by reference into and are not a part of any offer to sell or solicitation of an offer to buy any securities of the Company pursuant to any offering registered under or any offering exempt from the Securities Act of 1933. All investors should consider such factors in consultation with financial, tax, and legal advisors of their choosing when deciding if an investment is appropriate.

SECTION ONE

Message from our CEO

The last few years have taught us all a lot about the importance of connection, how to come together, and how to help each other in challenging times. In 2021, we continued our commitment to supporting our colleagues, communities, and customers.

Over the year, we added more than 1,000 new employees and stayed focused on creating a diverse and inclusive company. We codified more paid leave policies, including for miscarriages or abortions, Covid-19-related family care, military service, and the effects of a natural disaster. We publicly supported campaigns for fundamentally inclusive rights for voting, LGBTQI+ issues, and women's health. And we added new members who have dynamic backgrounds and diverse perspectives to our leadership team and Board.

The Zendesk Foundation supports our global nonprofit partners through donations of both employee time and expertise, and the use of our products. For example, a grant to the World Central Kitchen reinforced their ability to help people around the world as the pandemic caused an uptick in food insecurity. And our Tech for Good program empowered the International Rescue Committee to create digital hubs in 10 countries (and counting), so refugees and displaced people have access to critical resources in times of crisis.

In 2021, our third year of creating this report, we formalized ESG guidance to better adjust for maximum impact and that has prepared us well as 2022 already has brought its own challenges to the world. In our corner, we'll continue working hard to build an inclusive company that is known for making it easier for customers and businesses to connect with each other, and for our communities to grow and prosper.



Mikkel Svane
CEO, Zendesk

SECTION TWO

About Zendesk

Zendesk started the customer experience revolution in 2007 by enabling any business around the world to take their customer service online.

Today, Zendesk is the champion of great service everywhere for everyone, and powers billions of conversations, connecting more than 100,000 brands with hundreds of millions of customers over telephony, chat, email, messaging, social channels, communities, review sites and help centers. Zendesk products are built with love to be loved.

The company was conceived in Copenhagen, Denmark, built and grown in California, and taken public in New York City. At the end of fiscal year 2021, we employed over 5,500 people across the world. Learn more at www.zendesk.com.

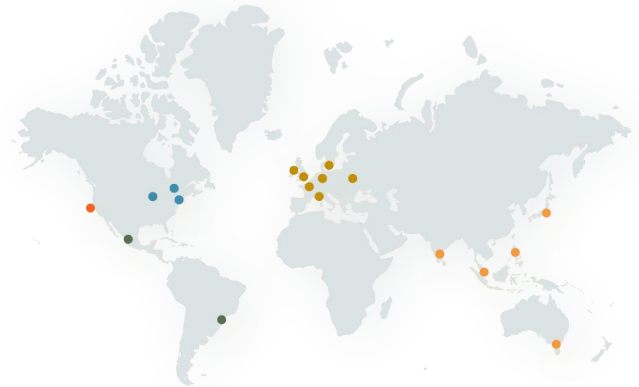
Zendesk is a growth company, and we recognize the importance of a solid Environmental, Social, and Governance (ESG) strategy to help us achieve our growth.

Sustainable development goals alignment

At Zendesk, we believe we have a role to play in tackling some of the world's largest challenges. Throughout this report, we've noted where our actions and impact align with the United Nations Sustainable Development Goals (SDGs).



Zendesk around the globe



\$1.3bn
in revenue in 2021

160
countries with
Zendesk customers

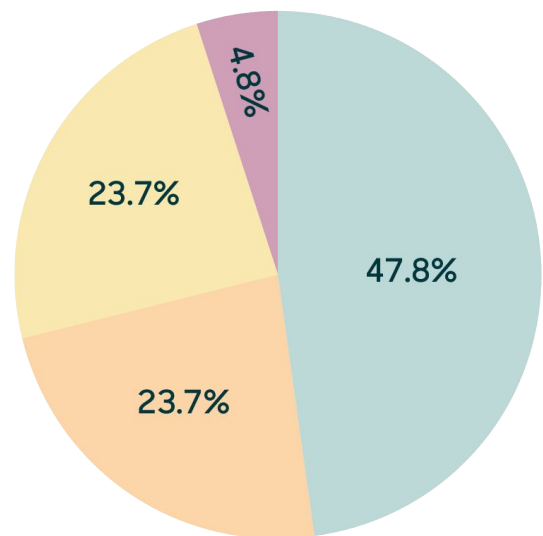
111,100
customers

~5,860
employees

Recorded as of the end of 2021

Global employees end of 2021 - approximately 5,860

● AMER ● EMEA ● APAC ● LATAM



Our values define who we are and what we stand for, underpin our ways of working, and are, of course, uniquely Zendesk. They are one of the biggest reasons we're such a great place to work.

Mission

Simplify the complexity of business and make it easy for companies and customers to create connections

Vision

A global economy powered by lifelong customers

Values

INCLUSIVITY:

We believe diversity makes us stronger and encourages us to foster a workplace culture where everyone feels welcome

HUMBLIDENCE:

We achieve success with our winning combination of humility and confidence

TRUST:

We put our customers at the center and are always working to earn their trust

SIMPLICITY:

We design technology to reduce complexity and create better experiences for everyone

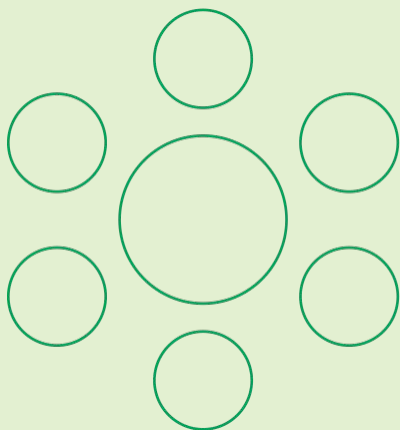
PURPOSE:

We do everything with intention, and focus on work that moves us forward

COMMUNITY:

We want to be a champion of empathy and a force for good in the places we live and work, and the world at large

Our values are deeply woven into the fabric of our company and are represented in how we show up for our employees, our customers, and as a company.



OUR VALUES

Responsible Business Practices

As we grow to be a multi-billion-dollar company, we are committed to running our global business thoughtfully and ethically, with governance policies and practices that support our values. We believe that good corporate governance – with oversight over our enterprise risks, partnership with the communities we impact, and rigorous accountability – is fundamental to building sustainable growth for our stakeholders over the long term.

To us, good governance means aiming to have fresh, diverse perspectives on our Board, a thoughtful and informed executive compensation program, formal ESG oversight, promotion of ethical behavior, integrity in our global approach to compliance, and the continued development of our robust data privacy program.

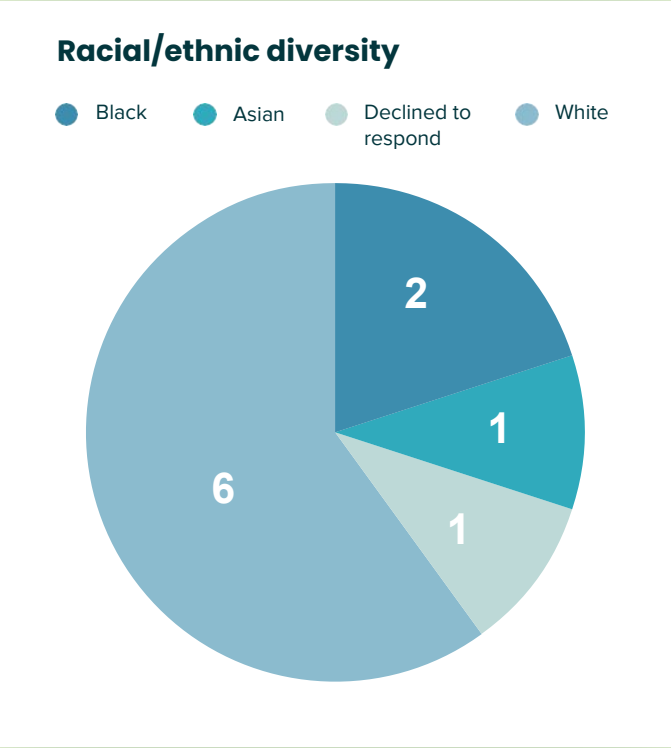
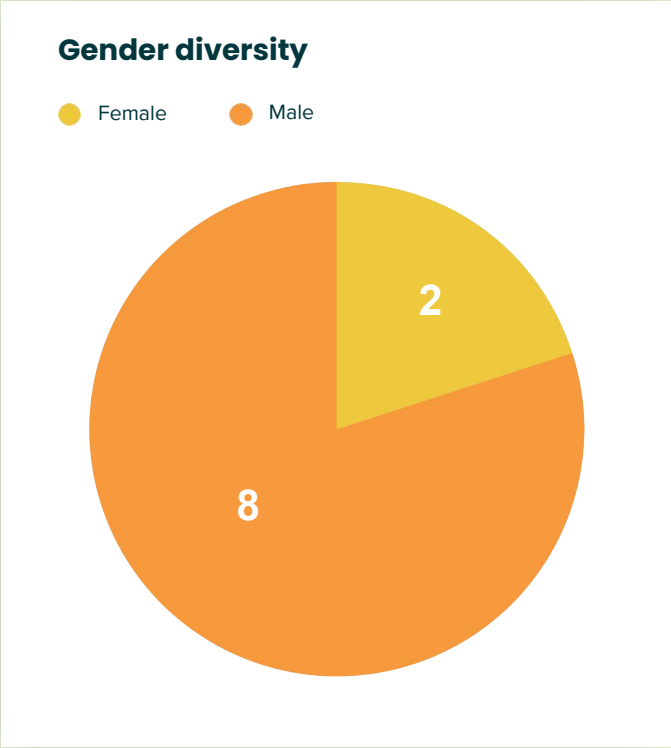
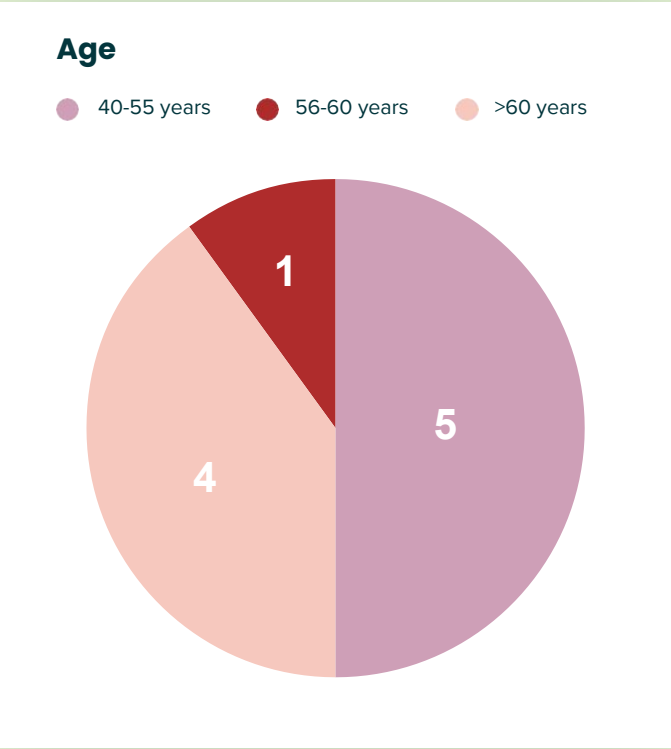
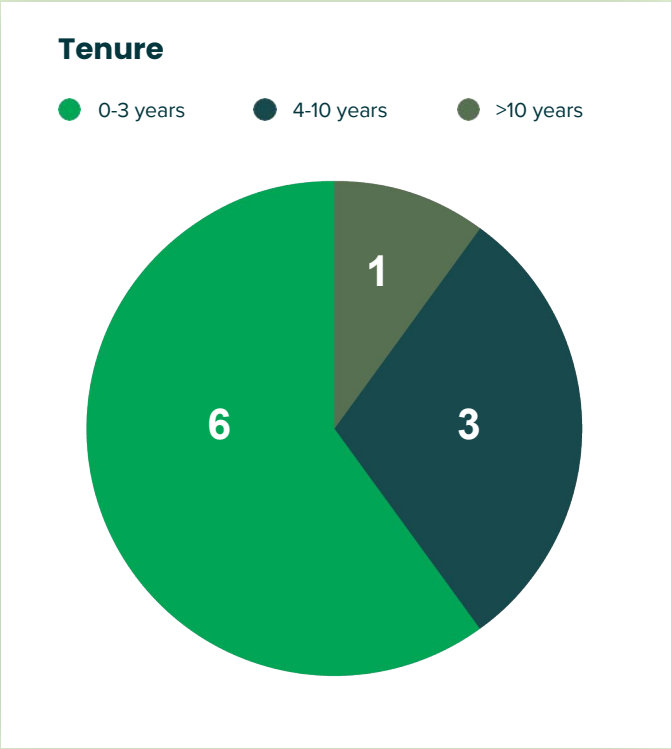
Our Board

Our Board members have a diverse set of experiences drawn from working with industry peers and large companies with broad impact. We maintain a healthy mix of fresh perspectives from new directors and institutional knowledge from tenured directors, while supporting regular senior management engagement, annual Board and committee self-evaluation and discussion, regular regulatory updates, and continuing education. We also maintain a predominantly independent Board, with only two employee directors and ensure that no non-employee director serves on more than two other public company boards.

We believe diversity in gender, race, and ethnicity are fundamental to effective governance of our Board. Half of our directors self-identify as racially or gender diverse.

A further description of our commitment to strong Board governance, including structure and composition, a Board skill set matrix, stockholder engagement, director biographies, and oversight of ESG matter and risk management is available in our Amendment No. 1 to Form 10-K on Form 10-K/A for the fiscal year ended December 31, 2021, filed with the SEC on May 2, 2022 (2021 Form 10-K/A) or our proxy statement for our 2022 Annual Meeting of Stockholders filed with the SEC on July 11, 2022.

Board snapshot¹



¹As of July 6, 2022

ESG oversight at Zendesk

We believe that in order to deliver consistent growth to our stakeholders over the long term, we must commit to sustained improvement in our impact on the environment and the communities in which we operate. In 2020, we formally added ESG oversight to the charter of our Nominating and Corporate Governance Committee (NCG Committee). In early 2021, we established an ESG Committee, consisting of executives across various key functions, to oversee and champion ESG-related initiatives across the company. Management provides ESG-related updates to the NCG Committee at least four times a year and the NCG Committee reviews and approves this report.

ESG-related analysis is increasingly forming a key part of our discussions with investor governance and stewardship teams in our annual shareholder engagement program. We have proactively engaged with those teams regarding our view on ESG - both to hear how investors are evolving their views on ESG and to answer questions about where we are heading with our program over the long term.

Board

- Manages implementation and execution of mitigation measures related to risks identified through enterprise risk assessment.
- Reviews an enterprise risk assessment at least annually, along with management updates on mitigating those identified risks through its respective committees.



Audit Committee

- Oversees our enterprise risk assessment process, facilitated by our head of internal audit and general counsel.
- Oversees risks related to financial reporting, internal controls, legal matters, and fraud.
- Oversees cybersecurity risk, including quarterly updates from our chief information security officer.
- Oversees privacy and data protection risk, with quarterly updates from our chief privacy officer.

Compensation Committee

- Oversees company risks and policies related to compensation, recruiting, and retention of our executive officers and general employee population.
- Oversees risks related to our broader company compensation philosophy.
- Receives updates and oversees risks related to the regulatory environment for compensation.

Nominating and Corporate Governance Committee

- Oversees Board and committee composition, including new director recruiting.
- Oversees corporate governance policies and practices.
- Oversees annual evaluation of the Board and its committees.
- Oversees our ESG policies, programs, and ESG public disclosure.



Management

- Manages implementation and execution of mitigation measures related to risks identified through enterprise risk assessment.
- Manages and oversees risks related to financial reporting and internal controls during regular management disclosure committee meetings.
- Maintains robust internal and external audit processes supported by a strong legal function.

With the oversight of the ESG Committee, we have demonstrated our commitment to ESG-related matters by:

- Launching a Human Rights Policy, which outlines our commitments to practices and policies that support dignity and respect for all.
- Launching an Environmental Policy, which outlines our commitments to further environmental and sustainability efforts, inside and outside our company.
- Publishing our UK Modern Slavery Act Statement, which outlines how we seek to ensure that our operations and supply chains are kept free of slavery and human trafficking.
- Increasing our Diversity, Equity and Inclusion (DEI) investment and highlighting DEI on our external facing website.
- Establishing a Diversity Council to create governance, accountability, and structure for our global DEI commitments.
- Establishing a Sustainability Committee to create governance, accountability, and guidance for our sustainability commitments and goals.

Ethics and compliance

From onboarding onwards, we emphasize that each employee has an essential part to play in promoting an environment where ethical and compliant behavior and integrity can thrive. In our [Code of Business Conduct and Ethics](#) (the “Code of Conduct”), we tell our directors, officers, employees, and contingent workers, as well as all directors, officers, employees, and contingent workers of our subsidiaries that “you are a part of Zendesk.” Our Code of Conduct covers ethical conduct, prohibitions on bribery and corruption globally, compliance with international laws and regulations. It also provides access to a dedicated anonymous whistleblower hotline for reports of violations. Our Board is charged with reviewing it at least annually and employees are required to undergo training on it, as well as anti-harassment, insider trading, and other corporate policies. Additionally, our Audit Committee receives updates each quarter of any major active internal investigations and we maintain a publicly available [policy](#) for anyone to submit a complaint anonymously for the Audit Committee chair to review.

We also have a set of other corporate policies which promote an environment of legal compliance reviewed by the NCG Committee at least annually. This includes a clawback policy in cases of financial statement misstatements, stock ownership guidelines to ensure alignment of stockholders and our directors and offices, anti-corruption and export control policies, a global equity policy to encourage employees to seek opportunities to promote equity, and a [Supplier Code of Conduct](#) that governs our policies for suppliers doing business with Zendesk.

Labor standards and human rights: In line with our commitment to the highest standards of legal and ethical business conduct, we support the elimination of modern slavery and human trafficking as set forth in the United Nations Declaration of Human Rights. Our Code of Conduct prohibits any unlawful or unethical activity by any of our directors, officers, employees, or consultants. And we expect our suppliers to share our commitment to human rights and equal opportunity in the workplace. We require our suppliers to acknowledge our [Human Rights Policy](#) and to conduct their employment practices in full compliance with all applicable laws and regulations. Through our employee volunteering, company donations, and products, we regularly aim to support organizations that align with our mission to promote dignity, inclusion, and respect for all people.



YOU ARE
PART OF
ZENDESK

Data privacy and trust

We believe that trust is at the core of all our interactions with our customers. We recognize the importance of our customers' privacy and the security of their data.

Our customers from a wide range of industries, including healthcare, financial services, government, and technology, entrust us with large amounts of personal information. In fact, more than 111,000 customer logos (as of December 31, 2021) trust Zendesk with their data.

With the oversight of our chief privacy officer, privacy council, and data protection officer, we aim to use best practices and industry standards to achieve compliance with industry-accepted general security and privacy frameworks. The Audit Committee regularly receives updates on our privacy program.

To work to prevent, detect, and respond to cybersecurity threats, Zendesk has a dedicated chief information security officer ("CISO") whose team is responsible for leading our information security strategy, policy, standards, architecture, and processes. We are committed to ensuring our Board is consistently updated on identified threats to our business and receives updates on the mitigation process through quarterly reviews from our CISO to our Audit Committee. The Audit Committee regularly reports to the full Board on these risks and reviews. The CISO and our information security team collaborate with our internal audit department to review information technology-related risks and perform a cybersecurity framework maturity assessment at least every two years (based upon the NIST Cybersecurity framework) as part of the overall risk management process. Additionally, the company maintains an insurance policy that provides coverage for certain cyber incidents.

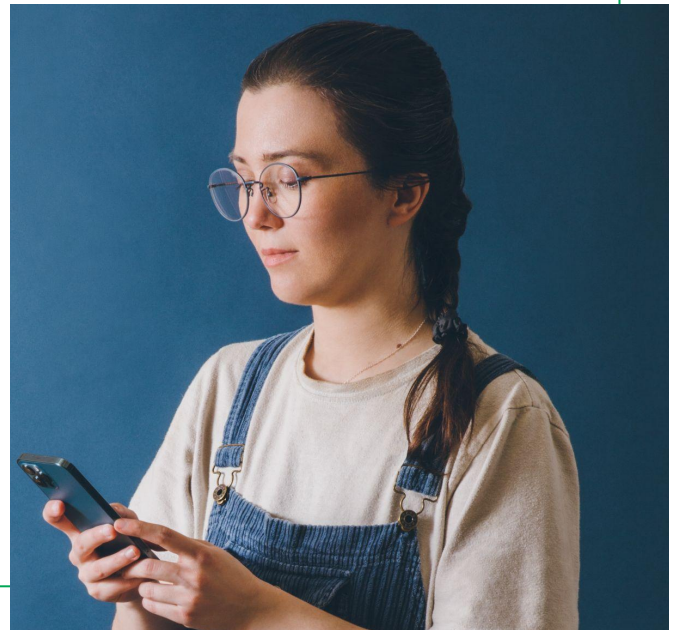


"Zendesk prioritizes customer trust. We know that the security and integrity of customer data is important to our customers. Zendesk builds and maintains trust with our customers through data security, data privacy, and transparency."



Shanti Ariker

SVP, General Counsel & Chief Privacy Officer
Zendesk



Data security certifications: SOC 2 Type II, ISO 27001:2013, ISO 27018:2014 certified and FedRAMP authorized with Low Impact Software-as-a-Service (LI-SaaS)

Data protection and privacy program: We take pride in maintaining and enhancing our global data protection and privacy program. Our dedicated privacy team partners with cross-functional key stakeholders, including legal, security, product, human resources, procurement, and executive teams, to foster a privacy culture.

With an ever-changing privacy and security environment, Zendesk regularly seeks to enhance our privacy and security practices. Zendesk launched the [Zendesk Trust Center](#) to provide our customers with a single resource for concise information on how Zendesk maintains customer trust through security and privacy principles and frameworks. Zendesk was one of the first companies to obtain approval by the EU data protection authority for Zendesk's Controller and Processor [Binding Corporate Rules](#), which are known as the "gold standard" for EU data transfers.

Disclosure of customer service data: Zendesk assesses third parties for security impact and maintains controls to confirm compliance with our security practices and procedures. Our policy is to only disclose service data to third parties when disclosure is necessary to provide the services or as required to respond to lawful requests from public authorities, in accordance with our Government Data Request Policy and provided in our [Transparency Report](#).

Data hosting locality: Customers who purchase the data center location-deployed associated service ("Data Center Location Add-on") can select the region (from the available Zendesk regional options) where the data center which hosts their service data is located in accordance with our Regional Data Hosting Policy.

Access management: Zendesk provides an advanced set of access and encryption features, such as login alerts and two-factor authentication, implementing restrictions on the amount of information other apps can request from our users, and providing secure data storage and tools to give users more control over their data. We do not access or use customer service data for any purpose other than providing, maintaining, and improving the Zendesk Services and as otherwise required by law.

Trust: We have developed security protections and control processes to help our customers work to create a secure environment for their information. Independent third-party experts have confirmed our adherence to high industry standards.

For more information, please visit our [Trust Center](#).

You can read more about specific governance policies at our [investor relations site](#) and in our recent [Proxy Statement](#).



"At Zendesk we aim to build trust with every interaction. To make this a reality, we work to embed security by default into every stage of how we design, develop, and operate our products. We undergo rigorous third party audits so customers can validate our implementation."



Maarten Van Horenbeeck
SVP, Chief Information Security
Officer & Chief Trust Officer,
Zendesk

SECTION FOUR

Social impact and philanthropy

Through our social impact programs, we encourage and empower our employees to become active global citizens. By participating in opportunities for learning, volunteering, and advocacy related to challenges facing society today, employees become more connected to each other and Zendesk. Fostering this kind of values-driven connection is an important part of how we preserve a strong corporate culture as we grow.

For the Zendesk Foundation and its social impact programs, 2021 was a transitional year. The global Covid-19 pandemic continued to upend daily routines and opportunities for volunteering.

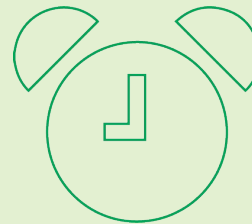
In the midst of so much uncertainty and change, we designed our social impact programs and charitable donations around four causes that felt particularly critical in 2021: mental health, food insecurity, climate change, and digital equity.



Giving time (volunteering, advocacy, learning)

Zendesk transitioned to virtual volunteering as a way to stay connected during the Covid-19 pandemic and our new remote work landscape. In 2021, our employees engaged with over 50 nonprofit organizations via our social impact programs – mentoring students and jobseekers, creating greeting cards, and participating in educational and advocacy programs.

Total number of employee social impact engagement hours for 2021



**6,000+
hours**

Our impact: food insecurity

It's estimated that in 2020, 9.9 percent of the world population suffered from hunger due to lack of food, making food insecurity a critical local, regional, and global issue. Covid-19 has exacerbated this crisis.¹

In 2021, our social impact programs gave employees the chance to learn more about this issue. Employees from across several countries participated in a series of webinars and book clubs, connecting with one another on topics ranging from the impact of COVID-19 on hunger to the effects of climate change on rising global food insecurity.

Our foundation also prioritized grants to nonprofits addressing this complex, global problem. Alongside grants to global partners such as World Food Programme and World Central Kitchen, the foundation supported many smaller, local nonprofits working to alleviate hunger in our own communities.

\$250,000

to World Food Programme

\$500,000

to World Central Kitchen

\$532,581

to International Rescue Committee

\$197,500

to community nonprofits



“Beginning with our early grant-giving model of supporting local nonprofits and programs where we had offices, Zendesk has worked closely with organizations combating food insecurity. As this issue has ballooned into an unprecedented worldwide challenge, we’re now working to support this cause on a global level.”



Megan Trotter

VP, Social Impact, Zendesk

Zendesk Foundation

\$1,480,081

donated in grants to nonprofits working to address food insecurity around the world

19

nonprofit organizations working to alleviate hunger received Zendesk Foundation grants

9

Tech for Good partners received free Zendesk products and expertise to address food insecurity

2 ZERO HUNGER



¹<https://www.who.int/news/item/12-07-2021-un-report-pandemic-year-marked-by-spike-in-world-hunger>

Our impact: digital equity

In 2021, we partnered with [Team4Tech](#) to offer Zendesk employees the opportunity to share specific professional skills to improve operations and effectiveness for two nonprofits in Africa. Our volunteers designed solutions to engage more volunteers in the work of one nonprofit, and source and incorporate a network of corporate partners for the other.



“I was happy and fulfilled to be able to support a great organization. The Design Thinking framework set us up nicely to focus and work through their challenges. It was also great to meet and collaborate with new faces! The dynamic helped spark creative thinking.”



Yvo Chavez
Product & Platform Lead, Zendesk



“Working with Team4Tech helped confirm I wanted to do more as a person and I had it in me to provide my time and skills for the right reasons. Thank you Zendesk for offering this to your employees. I’m very grateful to be a part of these projects.”



Étienne Cantin
Technical Architect, Zendesk

Helping out in our hometown

Civic Bridge is designed to help empower, facilitate, and foster innovation in the city and county of San Francisco by matching private-sector employee teams with critical city challenges.

The Office of Contract Administration (OCA) supports the city’s procurement of goods and services to provide San Franciscans with essential governmental services. However, San Francisco’s complex compliance regulations have made it difficult for smaller businesses to navigate the road to a government contract. To make the process more equitable, OCA sought support to better understand the needs of these businesses and make recommendations for a more streamlined contracting experience.

In just 16 weeks, a Zendesk volunteer team was able to launch a survey and generate over 100 responses that shared key insights into how businesses experienced the contract and compliance process.

Based on their learnings, the team developed recommendations for streamlining the process – especially for small businesses – and for setting up a “one-stop-shop,” a centralized resource for businesses. To complement the recommendations, volunteers also used their design skills to develop a process map to help identify opportunities for improvement and prototyped a new website design that would better serve residents interested in doing business with the city.

“This work really captured Zendesk’s ethos of doing good.” –Zendesk volunteer

In 2021, the Zendesk Foundation funded over \$3.7 million in grants to global and community nonprofits supporting our four causes.

\$3,782,110

Total \$ amount given out by the Zendesk Foundation in 2021



\$3,332,000

2020

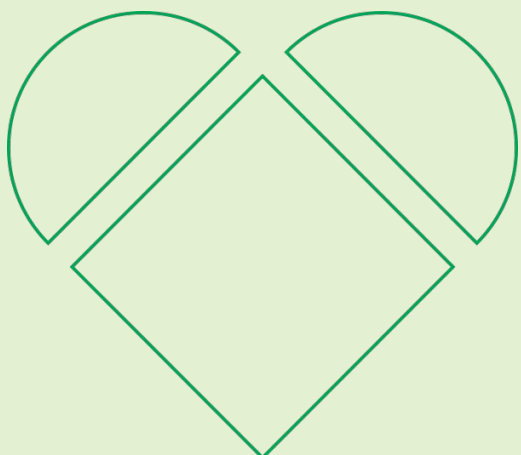
\$1,322,000

2019

\$1,029,200

2018

An additional \$337,544 was allocated to employees through the GlobalGiving platform, with funds going to a wide range of recipients and causes, including Afghan refugees, schoolgirls in India, coral reef restoration, and Covid-19 relief.

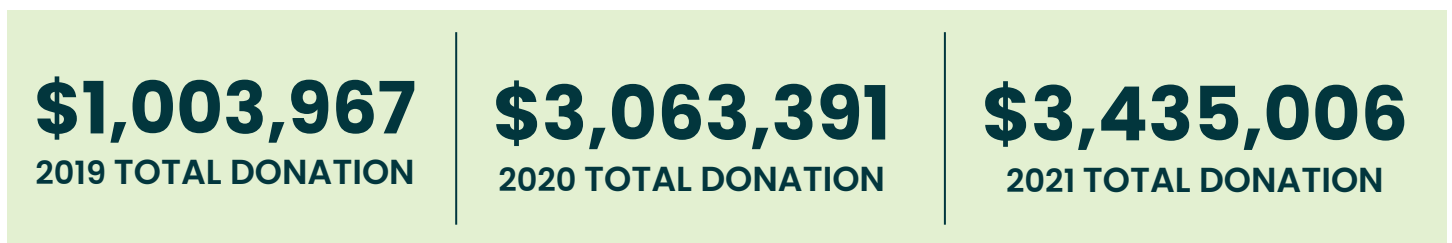
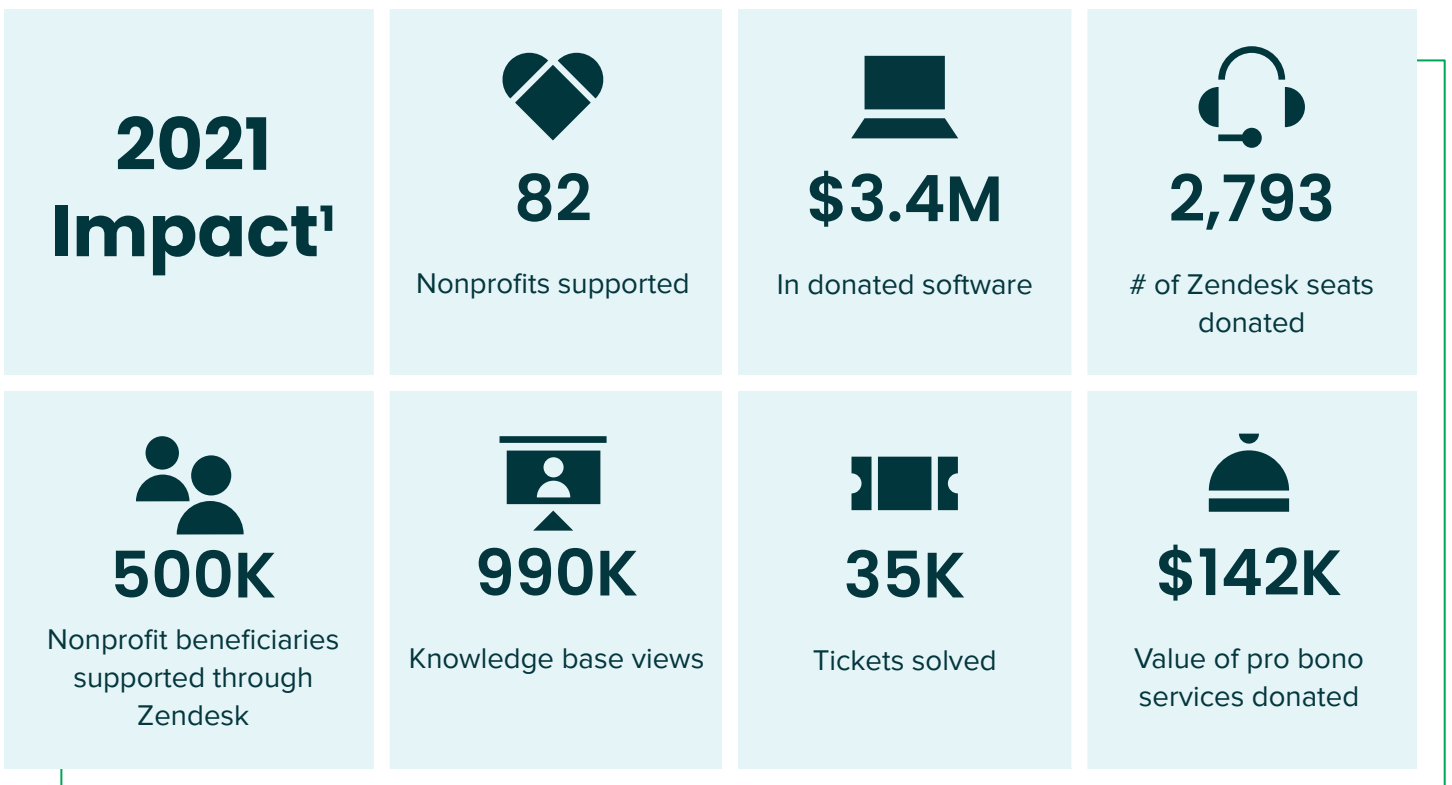


GIVING MONEY

Giving technology and expertise

Zendesk's Tech for Good program provides free software and expertise to nonprofits that address urgent social problems. By leveraging the power of CX tools, our partners are able to improve efficiency and magnify their impact.

In 2021, Tech for Good supported 82 nonprofits with \$3.4 million in donated software and \$142,000 in pro bono professional services. Zendesk software powered knowledge hubs for refugees in 10 countries around the world, enabled individual donors to make cash payments directly to people living in poverty, and helped people who are incarcerated to stay in touch with loved ones.



¹Certain numbers included here are rounded



“The IRC’s continued collaboration with Zendesk represents the best that IRC’s partnerships have to offer – a combination of shared expertise and breakthrough innovative-thinking to solve some of the most complex issues within the humanitarian sector. With support from Zendesk we have greatly expanded our Signpost program – a suite of digital tools that provides timely and accurate information for people fleeing conflict – into several of our emergency responses, including the most recent crisis in Afghanistan. We’re thrilled to continue working with Zendesk, creating quality programming and services for our clients, and paving the way for technology solution-based partnerships with the private sector.”

David Miliband

President & CEO of the
International Rescue Committee



KindWork + Zendesk: CX training for underserved students

KindWork is a nonprofit organization that helps talented people of color in NYC launch new careers in tech and innovation by providing free career training, coaching, and job placement support for low income young people.

KindWork uses Zendesk products to train participants on how to become a CX master. With free Zendesk licences, students have access to the full suite of Zendesk products.

WATCH THE FILM



91% of Participants graduated



50+ Employer partnerships



250 Hours of career training



Photo credit: KindWork



“We teach our students the Zendesk platform because if you look at all the customer support jobs in NYC, at least 50% to 75% will say ‘Zendesk skills preferred.’ If you know how to use Zendesk and can put that on a resume, it will propel you pretty far.”

Jeanine Mendez
Co-Founder, KindWork

charity: water + Zendesk: Bringing clean water to communities worldwide



charity: water's mission is to bring clean, safe drinking water to every person in the world. Part of that mission is to deliver the best possible customer experience to every donor and volunteer.

Armed with Zendesk tools, including macros and user tags, charity: water's CX team works to ensure every interaction with the individuals who support their organization is fast, accurate, and on-brand.



“Having the ability to talk to our customers anytime is absolutely necessary. That’s what Zendesk lets us do, so we are a more effective organization.”

Kaitlyn Jankowski

Support Experience Manager, charity:water



November 2010
Zendesk start date



97%
Customer satisfaction



+15K
Customers served

ERC + Zendesk: Connecting depleted ecosystems with knowledge to save them



The [Ecosystem Restoration Camp's \(ERC\)](#) mission is to fight poverty, climate change, species extinction, and desertification by restoring degrading landscapes all over the world.

ERC's small, global team is scattered around the world—from Amsterdam to Barcelona to Capetown and beyond. They coordinate restoration camps and do the larger work of the foundation using platforms like Google Docs, Slack, Zoom, and WhatsApp.

ERC uses Zendesk to help them coordinate all outreach and establish their now critical knowledge sharing platform to help share all the valuable information that campers and counselors have gathered throughout their time with the organization.

[READ THE BLOG ARTICLE](#)



130+
Knowledge articles created



1,000+
Knowledge base views



“We’ve had a gap in connecting the knowledge gained through trial and error and passing it on to other people in other biomes around the world. Zendesk is the conduit between the landscape and the people, helping connect those dots as we achieve our efforts to share our knowledge, globally.”

Cath Richee
Marketing and Communications, ERC

Environmental impact



Our strategy and commitment

In 2021, Zendesk entered the third year of our sustainability journey – continuing our focus on reducing emissions and increasing transparency. We continue to see significant growth in interest across our employees, customers, and investors regarding our approach to environmental efforts at Zendesk. In 2021, we solidified our strategy for environmental impact.

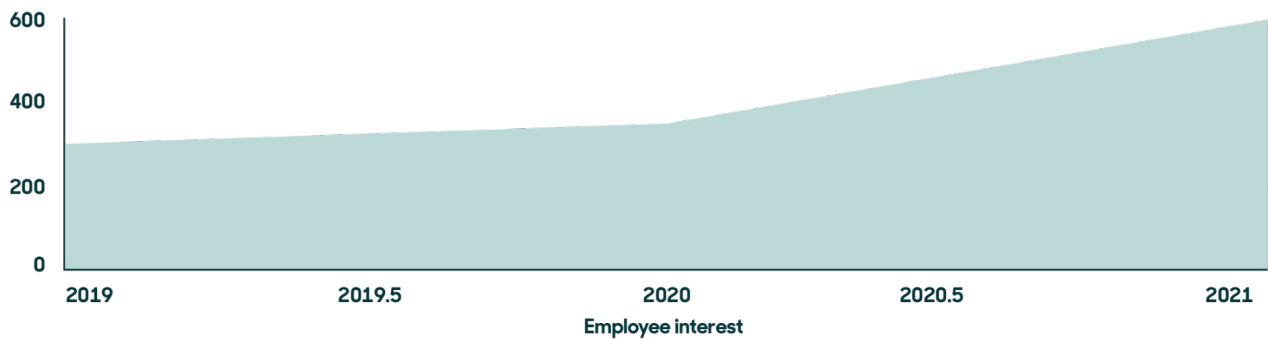
Measure: We will continually work to improve the way we measure and forecast our environmental impact and continue to share our progress and metrics.

Reduce: We will continue to work across our operations and supply chain to strive for reductions in emissions, water, and waste.

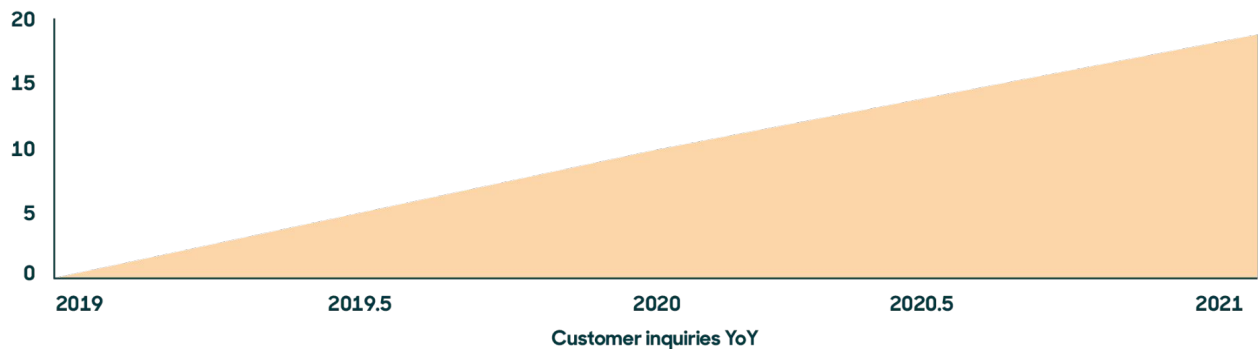
Remove: When we cannot reduce our emissions, we will seek to purchase carbon offsets and high-quality carbon removal credits to remove and store carbon from the atmosphere.

Stakeholder interest keeps growing

Annual growth in employee interest



Annual customer inquiries





We formed a Sustainability Council of leaders across multiple departments to help improve governance, accountability, and guidance on sustainability initiatives and strategy.



We used a new software platform to help us get better at measuring and planning our environmental impact. We are now able to measure our carbon emissions.



We continued to power our offices with 100% renewable energy offerings from local utility companies or by purchasing renewable energy certificates (RECs) for locations where we could not source from the local utility provider.



We worked with our cloud service providers to analyze which regions operate on the cleanest electricity grids and we added new cloud capacity to those specific regions in 2021.



We joined several of our technology peers in investing in high-quality carbon removal technology instead of depending on carbon offsets. This is an exciting new development in Zendesk's journey to make a meaningful contribution to climate change.



We published our first Environmental Policy, which outlines our commitments to further environmental and sustainability efforts.



2021 HIGHLIGHTS

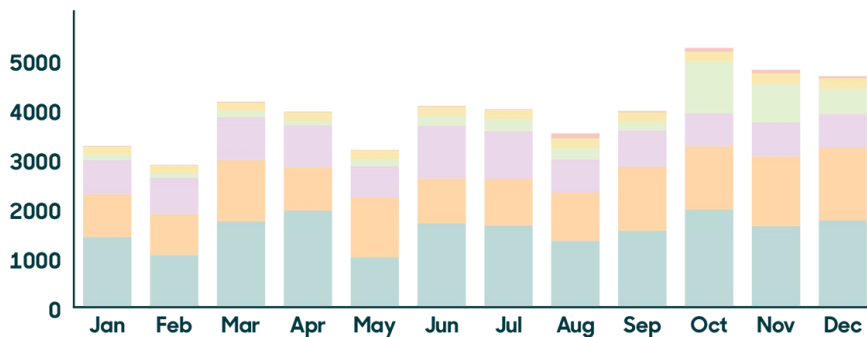
Energy & emissions

We partnered with [Watershed](#) to analyze our 2021 global greenhouse gas emissions. Thanks to the deeper level of insight that Watershed gives us in measuring our emissions, we have decided to re-set some of our baselines (see appendix for details) so that we can more accurately compare our progress year over year going forward.

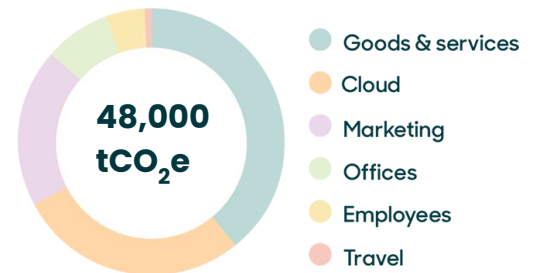
Emissions 2021¹

Gross emissions over time

tCO₂e per month



Gross emissions by category



Our plan for achieving our emissions goals:

Office emissions:

- In 2021, we had 13 leased offices globally. Four are powered by 100% renewable energy plans from local utilities. We also purchased high quality Renewable Energy Certificates (RECs) equivalent to the amount of electricity use of the remaining offices.

Supply chain emissions:

- We updated our [Supplier Code of Conduct](#) in 2021 to include new language around sustainability to help us focus on working with our largest suppliers on measuring and more accurately reporting our Scope 3 emissions. This was an important first step in our supply chain strategy.

Cloud emissions:

- We consulted with our largest cloud hosting providers to discuss how we could achieve more accurate measurements and improvements in carbon reduction. As a result, we are developing a strategy for how we can work to neutralize the estimated emissions from our use of hosting operations with high-quality, permanent carbon removal and storage. We recognized the complexity of this goal and are testing various strategies to help us accomplish it in a thoughtful way.

¹The numbers presented here are rounded.

Why tech companies should be early supporters of carbon removal technologies

At Zendesk, we are motivated by the use of technology to tackle global challenges like climate change. And we believe we have a key role to play in accelerating the development of carbon removal technologies.

Starting in 2021, we began investing in high quality carbon removal technologies, in the hopes that our support can help the technologies scale to a meaningful size. Here are four companies we partnered with:



CarbonCure permanently stores CO2 into concrete used for construction.

carbo culture

Carbo Culture converts CO2 from plants into stable carbon and locks it away for 1,000 years.



Charm Industrial takes agricultural waste and converts it into bio-oil to be re-injected permanently underground.



Climeworks uses direct air capture technology to suck CO2 from the atmosphere and store it underground.



On-site at carbo culture near Modesto, CA where they are testing a large pyrolyzer to permanently turn farm waste into biochar.

We know that our communities look to us to catalyze meaningful positive changes. And we think businesses can play a critical role in supporting carbon removal technologies early to help them scale to meet the needs of the Paris Agreement.

We are excited to share our journey with our employees and some of our largest enterprise technology customers who are also investing in these solutions. Together, we hope to make a real difference.

Sustainability in our operations

The global pandemic changed how we balance travel, technology, and climate change impacts. In 2021, we adopted a digital-first strategy for meetings and events, which transformed how we best connect with our customers and internal teams and reduced the greenhouse gas emissions associated with global office operations and employee travel.



Office construction

Starting in 2021, the Zendesk real estate team partnered with a sustainability consultant to create a “Green Office Program” strategy and goals for future office construction and furnishing. The strategy focuses on improving employee health, reducing embodied carbon, and reducing waste from the construction and furniture that we use in offices. The results of this strategy will help us go beyond LEED and WELL certifications as we design office space that engages our employees, customers, and visitors while promoting their health and well-being.

Office management

Our workplace experience team partnered with our sustainability team in 2021 to build a sustainability scorecard for each of our offices. These scorecards will help us measure 15 different components of operating our offices more sustainably. In addition, our workplace experience team re-evaluated our food and beverage strategy in preparation for our office re-opening with new goals to offer more gluten-free, vegan, and dairy-free options with an aim to be more environmentally conscious and align with [WELL standards](#) for our offices.

E-waste

By responsibly recycling and selling equipment for reuse, we are reducing our environmental impact while recovering value from our obsolete IT equipment. We’ve partnered with a global electronics disposition partner that meets our requirements for operating under [ISO 14001](#) certification, as well as the strong e-Stewards certification (or a comparable local standard). Of course, data security remains paramount — all drives are wiped and destroyed while certificates of destruction are retained.

Engaging our employees



In the second quarter of 2021, Zendesk’s social impact team launched a climate change campaign in partnership with World Wildlife Fund (WWF) with a focus on three areas:

- Cities and the environment
- Ecosystem restoration
- Climate and communities

WWF received a \$500,000 grant from the Zendesk Foundation as part of our commitment to expand our sustainability efforts globally.

We also partnered with WWF, American Forests, Ecosystem Restoration Camp, and the International Rescue Committee to present a virtual speaker series. Employees attended information sessions on how climate change impacts people, from cities to remote communities, to learn how we can recover devastated ecosystems.

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Employee inclusion and culture

Our culture and values

We're intentional in how we are building a culture where all employees feel empowered to be their authentic selves at work. For us, that means living the values that define who we are and what we stand for, how we take care of and grow and develop our employees, and accelerate our commitments to diversity, equity, and inclusion (DEI) in our communities and company.

Our digital-first ways of working have helped us transition to a remote-first company and further evolve our culture. At the center of our design decisions are our employees and their experiences as they work from home, the office, or somewhere in between. No matter how or where they work, we're committed to equitability, inclusivity, and flexibility.

Here are some of the ways we empowered employees as we transitioned to a remote-first company in 2021:

- **FlexOffice:** Remote employees have equal access to a place to work when they need it.
- **Home office setup:** Financial support is provided for all employees to support connectivity and comfort while working from home.
- **Our Future Office:** Purpose-driven office use is focused on enhancing collaboration and connection among our colleagues.

These efforts supported our ability to grow and stay connected. At the close of 2021, we reported 41% year over year headcount growth across 15 countries. As we embrace more digital-first ways of working and flexible working practices, we now have the opportunity to hire the best, all over the world.



“Our Zendesk values are deeply woven into our company. They drive our global employee experience, enhance our culture, influence our products, and allow us to stay authentic to who we are as a company as we grow.”



Alex Constantinople
Chief Marketing Officer,
Zendesk



“We drive inclusion by embedding our commitment to belonging in everything we do and championing our belonging across our entire community: employees, customers, and external partners.”



Andee Nieto
Chief People Officer,
Zendesk

Building our culture with Employee Communities (ECs)

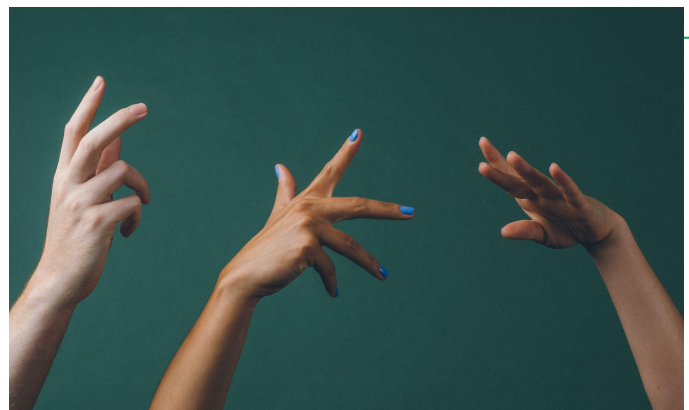
We aspire to be an employer of choice for diverse talent. Our DEI strategy is driven by a people-first and leader-led approach. It is focused on taking concrete, sustained action to build a belonging-rich environment where the mosaic of our employees can find success. Our ECs play a critical role in building our inclusive culture. They regularly teach us how we can embed inclusive practices within leadership, create communities that bring us together, and, most importantly, provide our employees with tools to thrive. Each of our ECs is sponsored by a member of the executive team and led by employees who have demonstrated their leadership capacity and passion to advance inclusion and belonging throughout the organization.

Meet our employee communities¹



Peer circles

A highlight of 2021 was the kick off of our peer circles, a series of fireside chats with senior staff and an intimate group of EC members to discuss professional development topics selected by our employees. Topics ranged from work/life balance, power and influence, negotiation, and authentic leadership. These conversations provided invaluable insights for both our leaders and our employees.



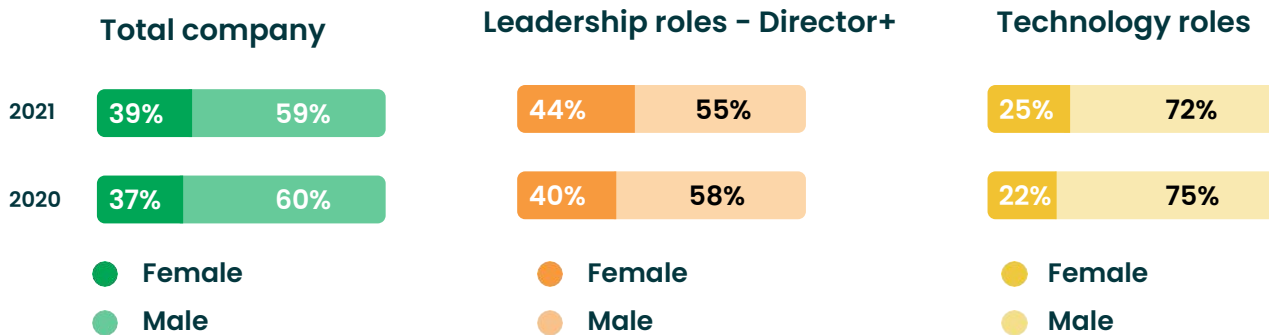
¹As of July 11, 2022

Accelerating our DEI commitments

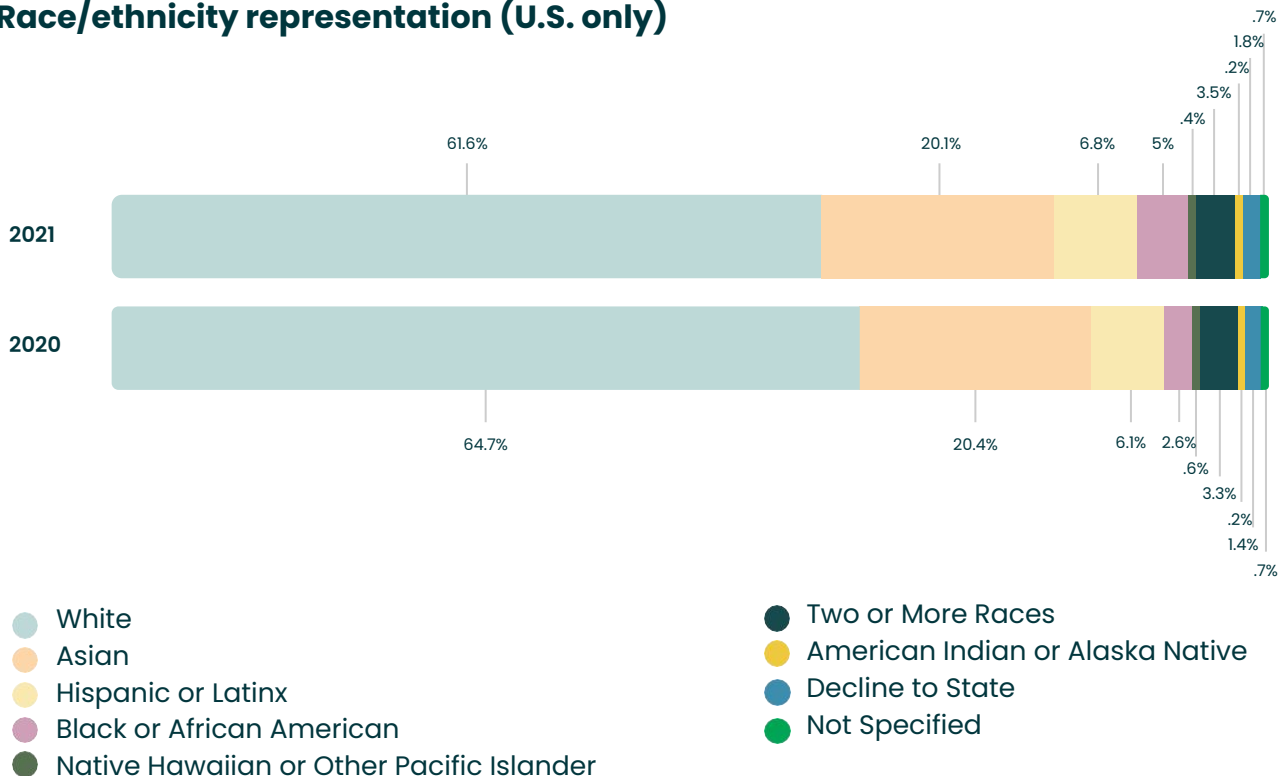
Accountability is at the core of driving meaningful change. In 2021, we established the Zendesk Diversity Council, made up of our most senior leaders, to ensure governance and accountability to our DEI commitments. This council establishes policies and practices that are conducive to the recruitment, retention, and development of a diverse, inclusive, and high-performing organization. One of the council's first priorities was to establish aspirational representation goals. These goals will help to ensure that our progress is measured, actioned in every function, and engage leadership teams to drive change aligned to functional and geographic opportunity areas.

Here is how we moved the needle on representation in 2021:

Gender representation (total company)



Race/ethnicity representation (U.S. only)



For more information, please visit our [Diversity and Inclusion](#) web page..

To support our goal of creating a workplace culture where everyone belongs, we have expanded self-identification options for our employees. In early 2022, we included sexual orientation and non-binary gender identification categories in the United States.

Strengthening our impact through partnership

Zendesk strongly believes in being a catalyst for change in the SaaS space, broader tech sector, and the global community. But we can't create a more equitable world alone. We've partnered with organizations that are doing truly innovative and inspiring work in the DEI space. In 2021, we sponsored the [National Urban League's 2021 State of Black America Report](#); joined as an active member of the [European Network Against Racism's Equal@Work initiative](#); and supported [The Asia Foundation](#) on their [research examining women-in-STEM networks](#) and the barriers that women with careers in science, technology, engineering, and mathematics (STEM) face.

We are committed to expanding the diversity of our candidate pools and finding qualified candidates to meet our hiring goals. To ensure our processes are inclusive, our Diversity Council has established practices around how Zendesk hires, including committing to diverse candidate slates at every level of the organization and ongoing engagement with diverse communities across the globe. To maintain our momentum, we have invested in incredible external organizations that are making an impact, like: [The Mom Project](#), [BYP \(Black Young Professionals\) Network](#), and [Lesbians Who Tech](#).



"We believe it is critical to take intentional actions to build a workforce that reflects our customers, to build a culture of belonging for all, and to play our part with key partners to address inequality in the communities where we live and work."



Dave Kim
Vice President, DEI,
Zendesk



We're proud of our culture and it makes us happy that our employees and others recognize how special it is.

78%

say they are happy working at Zendesk

83%

would recommend Zendesk as a great place to work

86%

say we foster an inclusive and equitable work environment *



HRC Best Places to Work score of 100



UC Berkeley's Prestigious 2021 Leader in Lifelong Learning Award



Glassdoor Best Places to Work for 2022

*As reported through our Inclusion Index, which is a composite of seven key questions on our overall commitment to DEI, fair treatment, integrating differences, decision-making, psychological safety, belonging, and diversity representation.

Taking care of our employees

Taking care of our employees was more important than ever during 2021. We continued to innovate and evolve our rewards programs to support our employees and their wellness at every stage of their personal and professional paths. We believe in treating employees with empathy and that seeing them as a whole person is imperative.



Mental health/emotional wellbeing

The past few years have accelerated the need for a stronger focus on mental health and wellbeing in the workplace. We strive to provide access to mental health benefits that strengthen and support the emotional wellness and resilience of our workforce. Mental health resources include:

- Online therapy programs, relationship counseling, and critical incident support
- Access to an app that promotes mindfulness through guided meditation
- Access to certified coaches who specialize in various areas of focus to support employees in being their best selves
- Empathy circles led by therapists to foster employee connection

Time off programs to recharge

We believe it's important to offer employees options to step away from work when they need to focus on themselves and/or their families. We do that by offering:

- Monthly Recharge Fridays to promote self-care and give employees time off to breathe, think, and refocus
- Emergency, caregiver, and vaccination leave programs
- Global parental leave that provides an equal length of time away for all parents
- Pregnancy loss leave to support employees experiencing loss.

Family resources

We promote work/life harmony and strengthen social connectedness through programming, policies, and workplace practices inclusive of all employees at every life stage. Resources include:

- An online platform that locates general care services to support employees who are balancing work and life
- Family-forming benefits with access to employer-sponsored funds to pay for fertility treatments
- Family-forming services, including adoption and surrogacy

Zendesk stands by [Paid Leave for the United States \(PL+US\)](#) in support of a national paid family and medical leave program.

Financial wellbeing

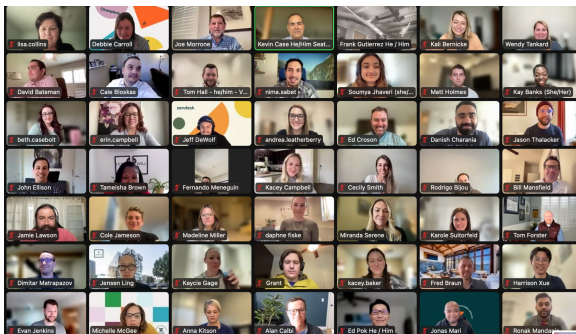
We support employees in the pursuit of their financial goals with programs that promote financial wellness. Resources include:

- Access to financial counselors and financial tax consultants, as well as online tools and assessments
- Retirement plans and flexible spending accounts to help employees meet their financial goals and optimize savings

Enabling career journeys

We know real growth for our employees happens when there are equitable opportunities to experiences, leadership, and education. That's why we support employee growth from the moment they decide to work at Zendesk and throughout their development and career journey. We do this through learning programs, on-demand learning resources, and learning stipends that allow employees to chart their own path based on their personal career interests and ambitions.

Join the champions of customer service...



[This is Zendesk](#) - a video that shows who we are and what we do.

2,666: Employees began their careers at Zendesk in 2021 through a completely re-imagined 100% virtual New Hire Onboarding program.

Giving Back: During New Hire Onboarding, participants created “thinking of you” cards for homebound seniors or other partners of the Zendesk Foundation. Additionally, employees were offered a \$25 donation gift card to the charity of their choice via Global Giving. In 2021, thousands of greeting cards were made supporting several global nonprofits.

Be an ally: To support global diversity, equity, and inclusion, we provide all employees with an Allyship Toolkit to help everyone become allies in their communities and workplace.

... and build a career here

In 2021, we helped our employees continue their growth through promotions and other forms of internal mobility, like changing jobs and getting those ‘new’ feels all over again.

23.3%

employees were promoted in 2021

15.2%

employees moved into a new role



Leadership expectations

We recognize that leaders help enable career journeys by bringing our employees' growth and development aspirations to life. Our inclusive leadership behaviors drive equity throughout our talent practices and contribute to our diverse community. The pillars of these inclusive leadership expectations are: **leading yourself, leading the business, and leading the team.**

When our leaders live and breathe leadership in this way, they drive connection and collaboration across our business to create a more effective and courageous Zendesk.



“Building inclusive leadership is critical as we scale our diverse, global, remote-led community. Leaders impact the candidate and employee experience every single day through how they behave and showcase our values.”



Fidelma Butler
VP, Talent & Org
Development Zendesk

Lead yourself

Role model

- **Be accountable** for what you deliver
- **Communicate** with purpose and clarity
- **Be agile**

Lead the business

Look up and out

- **Collaborate** cross-functionally
- **Know our business,** customers, and product
- **Focus on results and impact**

Lead your team

Connect

- **Foster belonging** and inclusive leadership
- Embody **digital first** ways of working
- **Enable development** of yourself and others



1,000+

Employees attended a formal learning program



251,746

Employees completed courses on our learning platform



\$1.6 M

Learning stipend dollars were spent on personal development needs



"I feel like I'm a very different person professionally than when I started this program. I'm more confident that I will achieve great things in my career and continue to grow at a fast, positive pace. It's much easier for me to talk about my career and my strengths, passions, and interests with professional connections, and make those valuable connections that will lead to great opportunities to grow and succeed."

- Ignite participant

**Nurturing Differences
(Fostering psychological safety)**

Live, structured learning for managers

500+ attendees

Ignite

A mentorship and coaching program designed to develop and accelerate our top-performing, underrepresented talent

95 attendees

Accelerate

Mid- to senior-level leadership program focused on leading in hyper growth and hyper change

40+ attendees

Better Up

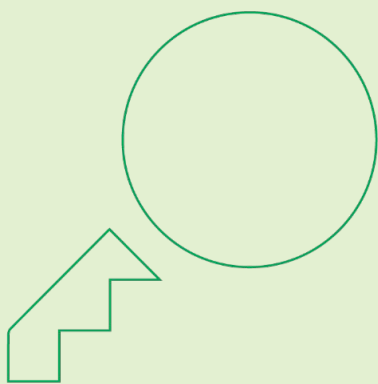
A 1:1 coaching program targeting top performers to help them thrive as a person and inspire them as a leader

Over 3,200 coaching sessions delivered

Illuminate

Zendesk's Leadership Fundamentals Program for newly hired and newly promoted people leaders focused on soft, practical applicable management skills.

156 attendees



**EMPLOYEE
DEVELOPMENT
IN 2021**

SECTION SEVEN

ESG metrics

Company	FY 2019	FY 2020	FY 2021	GRI	SASB
Organization name	Zendesk, Inc.			102-1	
Products & services	<u>Products & Services</u>			102-2	
Location of headquarters	San Francisco	San Francisco	San Francisco	102-3	
Total # of countries we operate in	16	16	15	102-4	
Ownership and legal form	<u>Zendesk 10-K</u>			102-5	
FY revenue (millions)	<u>\$816.4M</u>	<u>\$1.030B</u>	<u>\$1.339B</u>	102-7	
Employees ³	3,570	4,130	5,750	102-7	
Statement from CEO	Page 2			102-14	
Reporting period	January 1, 2021 - December 31, 2021			102-50	
Reporting cycle	Annual			102-52	
Social				GRI	SASB
Charitable donations (Zendesk Foundation)	\$1,322,000	\$3,331,951	\$3,782,110		
Programs for upgrading employee skills	Page 26			404-2	
Employee engagement ¹	83% ²	85% ²	81%		TC-SI-330a.2

¹ Two questions that make up the employee engagement outcome: (1) How happy are you working at Zendesk? (2) I would recommend Zendesk as a great place to work.

² 2019 and 2020 employee engagement metrics have been updated to correct a transcription error.

³ The numbers here reflect regular employees only and excludes fixed term employees and interns.

Happy working at Zendesk ⁴	80% ³	82%	78%		
Recommend Zendesk as a great place to work ⁵	85%	87%	83%		
Human Rights Policy	<u>Zendesk Human Rights Policy</u>			412-1	
Supplier Code of Conduct	<u>Supplier Code of Conduct</u>			414-1	
Supplier Diversity	<u>Supplier Code of Conduct</u>				
Acceptable Use Policy	<u>User Content and Conduct Policy</u>			102-16	
Diversity	2019	2020	2021	GRI	SASB
Equal pay assessment	Yes	Yes	Yes	405-2	
Gender representation⁶					
Global tech ⁷					TC-SI-330a.3
Female	20%	21.8%	24.6%		
Male	78%	75.1%	72.4%		
Global leadership (Director+)					
Female	35.4%	40.3%	43.8%		
Male	63.6%	58.3%	55.2%		
Total company					
Female	37.1%	37.3%	39.0%		
Male	61.6%	60.4%	58.9%		

³ 2019 and 2020 employee engagement, happy working at Zendesk and recommend Zendesk as a great place to work metrics have been updated to correct a transcription error.

⁴ Calculation represents the number of employees who responded 4 or 5 on a 5-point scale where 1 = Not at all and 5 = Completely happy.

⁵ Calculation represents the number of employees who responded 4 or 5 on a 5-point scale where 1 = Strongly Disagree and 5 = Strongly Agree.

⁶ Note that missing and declined to state data is not reported here. Zendesk recognizes that gender identity is not binary and is actively working to more inclusively reflect the full spectrum of gender identity.

⁷ Zendesk classifies “tech” employees by job role. Technical roles are those that rely heavily on knowledge and skills in areas such as engineering and mathematics to support the business. In 2020, we updated our list of tech roles that meet this criteria and our 2019 baseline data has been updated to reflect this new set of job roles.

Representation by Ethnicity ⁸				405-2	TC-SI-330a.3
White	65.3%	64.7%	61.6%		
Asian	21.5%	20.4%	20.1%		
Hispanic or Latinx	5.9%	6.1%	6.8%		
Black or African American	2.4%	2.6%	5.0%		
Native Hawaiian or other Pacific Islander	0.8%	0.6%	0.4%		
Two or more races	2.9%	3.3%	3.5%		
American Indian or Alaska Native	0.1%	0.2%	0.2%		
Decline to state	0.5%	1.4%	1.8%		
Not Specified	0.7%	0.7%	0.7%		
Governance	2019	2020	2021	GRI	SASB
Governance structure	See 2020 Proxy Statement	See 2021 Proxy Statement	See 2022 Proxy Statement	102-18	
Board nominating process	See 2020 Proxy Statement	See 2021 Proxy Statement	See 2022 Proxy Statement	102-24	
Executive vs non-executive Board members	See 2020 Proxy Statement	See 2021 Proxy Statement	See 2022 Proxy Statement	102-22	
Average Board tenure	See 2019 Report	See 2020 Report	See page 8	102-22	
Independent Board members	See 2020 Proxy Statement	See 2021 Proxy Statement	See 2022 Proxy Statement	102-22	
Board diversity (gender + ethnic)	See 2019 Report	See 2020 Report	See page 8	102-22	
Highest governing body managing ESG issues	None	Nominating and Corporate Governance Committee	Nominating and Corporate Governance Committee	102-29	
Zendesk cookie policy	<u>Zendesk in-product cookie policy</u>				TC-SI-220a.1
Data privacy policy	<u>Zendesk Privacy and Data Protection</u>				TC-SI-220a.1
Code of Conduct	<u>Code of Business Conduct and Ethics</u>			102-16	

⁸ Ethnicity data is captured from only U.S. based employees.

Emissions Source ⁹	2019 tCO ₂ e	2020 tCO ₂ e	2021 tCO ₂ e	GRI	SASB
Scope 1 Emissions				305-1	
Offices			270		
Scope 2 Emissions (Market-based)				305-2	
Offices			0		
Scope 3 Emissions				305-3	
Goods & Services			19,000		
Cloud			13,000		
Marketing			9,000		
Offices			4,000		
Employees			2,000		
Travel			353		
Total Emissions (Market-based)			48,000		

⁹ We align with the Greenhouse Gas Protocol Corporate Standard when calculating our carbon emissions. We refine our carbon accounting processes on an ongoing basis. When new or better-quality data becomes available, we aim to update our footprint methodology accordingly. For 2019 and 2020 emissions, refer to the [2019 Global Impact Report](#) and [2020 Global Impact Report](#). The 2021 emissions higher than 1,000 tCO₂e are rounded to the nearest thousands.

	FY 2019	FY 2020	FY 2021	GRI	SASB
Environmental Goals & Actions					
Office energy goals	Page 18				
Environmental policy	Zendesk Environmental Policy				
Office electricity consumption (GWh)	5.7	4.0	3.2	GRI 302-1	TC-SI-130 a.1
% renewable – leased offices ¹⁰	43%	100%	100%	GRI 302-4	TC-SI-130 a.1
Carbon removal and avoidance credits (tCo2e)	4,340	10,510	11,965		

¹⁰ Includes energy attribute certificates (EAC's) purchased for countries where we could not source 100% renewable energy from local utility providers.

Additional resources

General disclosures and information

- [Investor Relations](#)
- [2020 10-K and Proxy Statements](#)
- [Zendesk Q4 2020 Shareholder Letter](#)

Social impact

- [Social Impact website](#)

Employees and culture

- [Diversity, Equity and Inclusion website](#)
- [Zendesk global offices and information](#)

Responsible business practices:

- [Privacy and Data Protection](#)
- [Code of Business Conduct & Ethics](#)
- [Supplier Code of Conduct](#)
- [User Content and Conduct Policy](#)

