



brazee

2022 **ESG** Report

Letter from Bill Magnuson, Cofounder and CEO



At the end of 2021, we made the decision to advance and focus our company's efforts around Corporate Social Responsibility (CSR); Diversity, Equity, and Inclusion (DEI); and Environmental, Social, and Governance (ESG) programs. The benefits of these programs are multi-faceted and self-reinforcing as they drive positive impact for society, strengthen the sustainability of our business and create opportunities to enhance our employee community.

This ESG report is an early result of our important investment. Here, we outline key social impact initiatives we've introduced that we believe are already making a difference:

- **Pledge 1% commitment:** In 2021, we committed to disburse 1% of our outstanding equity in equal tranches over a 10-year period, commencing in the year following our IPO. The first such tranche was transferred into our donor-advised fund earlier this year, and we look forward to utilizing the financial value of this equity to amplify our Social Impact goals, with a specific focus around community, education, and sustainability.
- **DEI initiatives:** We are working to evolve our recruitment, hiring, and career development practices to continue fostering an inclusive workplace. We're also focused on an inclusion-first approach to improve our employee experience for all Braze team members globally.
- **Tech for Black Founders program:** In 2022, we provided access to the Braze platform and post-sales support to 22 Black-founded companies to accelerate their growth, thereby giving them an increased chance at securing funding and building successful businesses.

- **First materiality assessment:** We worked with a third-party ESG consultant to conduct our first materiality assessment.
- **First greenhouse gas emissions footprint assessment:** In alignment with the Greenhouse Gas Protocol, an independent, third-party expert produced an analysis detailing the company's total greenhouse gas emissions and breaking down the types of emissions that result from our business activities.

Looking to the future, we will continue to scale our Social Impact work and ESG initiatives by taking an iterative approach to action plans and adapting our efforts based on results and feedback.

We are excited to publish our inaugural ESG report. We look forward to sharing updates on our progress over the coming years.

Cheers,

A handwritten signature in black ink that reads "Bill Magnuson". The signature is fluid and cursive, with a long horizontal stroke at the end.

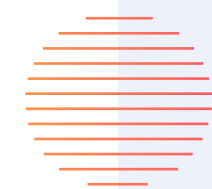
Bill Magnuson
Cofounder and CEO, Braze

About Braze



Braze is a comprehensive customer engagement platform that powers memorable and relevant interactions between consumers and the brands they love. We built our technology on the premise that fostering positive experiences and long-lasting customer relationships requires brands to find ways to create stronger connections with consumers. Our platform supports that effort by enabling brands to listen to their customers, understand them better, and act on those insights via real-time data ingestion, contextually relevant cross-channel marketing campaigns, and continuous customer engagement iteration.

For the most recent information on our financial performance, visit our [Investor Relations site](#).



Braze by the Numbers*

1,350+
full-time employees

8
offices

1,599
customers in over
60 countries

4.1B
monthly active
users engaged

\$163.6M
revenue for the six months
ended July 31, 2022

\$238M
FY'22 revenue**

2022 EcoVadis Bronze Medal Recipient

Braze ranks among the top 50% of companies assessed globally for business sustainability

*As of July 31, 2022

** Feb. 1, 2021 - Jan. 31, 2022

Braze Materiality Assessment

In 2022, Braze worked with a third-party consultant to conduct our first materiality assessment to determine priorities for the business and our stakeholders. Based on this assessment, we will develop a strategy that defines how we expand upon our existing programs and develop new ones.

About the materiality assessment methodology:

1. ESG landscape review

We conducted a broad landscape review to identify material areas of focus for Braze. This process involved evaluating the Sustainable Accounting Standards Board (SASB) framework for the category “Software and IT Services,” using select ESG rating methodologies, and conducting a peer sector analysis.

2. Collaborating with internal and external stakeholders

We sought out internal and external stakeholder views, including those of our executives, Board of Directors, employees, customers, partners, and certain investors.

3. Key opportunities

We uncovered ten ESG issues as areas of material importance for Braze. The bolded issues below are those that ranked highest in prioritization exercises for internal and external stakeholders: “Customer wellbeing and data privacy,” “data security and cybersecurity,” and “data systems resilience and reliability” were top priorities. “Employee engagement, inclusion, and diversity” was also a key issue across stakeholders.



Environment	Social	Governance
<ul style="list-style-type: none"> Greenhouse gas emissions and energy management 	<ul style="list-style-type: none"> Customer wellbeing and data privacy Data security and cybersecurity Employee engagement, inclusion, and diversity Human capital Product governance and business model resilience 	<ul style="list-style-type: none"> Business ethics and competitive behavior Business governance structure Data systems resilience and reliability Risk management

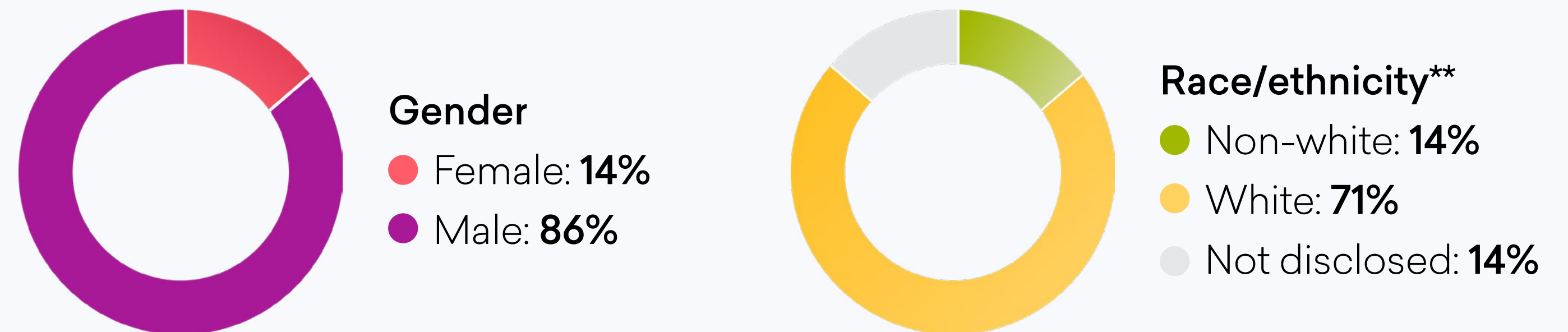
Braze Board Committees

Braze corporate governance is grounded in ethical business conduct and compliance with appropriate laws and regulations. The Braze Board of Directors has three standing committees: **Audit, Compensation, and Nominating and Corporate Governance**. Each committee is tasked with risk management in their respective area:

- **Audit Committee**: Oversees accounting and financial reporting processes; systems of internal control, financial statement audits, and the integrity of financial statements
- **Compensation Committee**: Oversees compensation policies, plans, and programs; sets CEO compensation; and supports management succession planning
- **Nominating and Corporate Governance Committee**: Oversees the company's corporate governance functions; reviews and recommends membership criteria for the board; and reviews the company's overall ESG efforts

ESG is a priority at Braze and is carried out with oversight from the Nominating and Corporate Governance Committee. The newly-founded Social Impact department oversees specific environmental and social programs in coordination with other key functions, such as the Legal, Investor Relations, and People teams. The Vice President of Social Impact reports directly to the CEO.

Board of Directors Data*, as of April 30, 2022



1 Board member identifies as LGBTQ+

**The Braze Board of Directors satisfies the requirements of Nasdaq Listing Rule 5605(f), which requires, among other things, that Nasdaq-listed companies have at least two diverse directors, including one who self-identifies as female and one who self-identifies as either an underrepresented race or as LGBTQ+.*

***One member of the board chose not to disclose demographic background.*

Braze Corporate Governance



Braze Corporate Governance Guidelines

These guidelines provide oversight of the company's Board of Directors and its corporate governance and set forth:

- Standards for board composition and selection
- Board meeting procedures
- Board committee matters
- Procedures for CEO evaluation by the Board of Directors
- Management succession planning
- Procedures for periodic board self-assessment
- The responsibilities of each director

Braze Code of Conduct

Every employee, executive, and director is expected to:

- Act with integrity and adhere to best practices at all levels of our business
- Be honest and ethical
- Comply with applicable laws, rules, and regulations
- Avoid conflicts of interest
- Protect Braze assets and confidentiality

Braze Ethics Policies

The Board of Directors has adopted the following ethical policies:

- An anti-corruption policy
- A whistleblower policy
- An insider trading policy
- A corporate disclosure policy
- A related-person transaction policy
- A Section 16 compliance program

For more about the Braze corporate governance guidelines, code of conduct, and other related policies, please visit investors.braze.com.

Commitment to Security and Data Privacy

Data Privacy and Security Principles

- We integrate privacy by design into our product development and throughout the delivery of Braze services.
- Our customer agreements include detailed provisions on how we protect and handle customer data.
- Our platform includes tools that enable our customers to comply with the requirements of data protection laws and regulations.
- All Braze employees are required to undergo privacy and security training on an annual basis.
- Our company [privacy policy](#) explains what data we collect, with whom we share it, and the use cases of that data. In addition, it provides a contact point for privacy queries.
- Our [transparency report](#) details any government-issued requests for disclosure of personal information by Braze and how Braze responded, if applicable.

We believe first-party data, collected with consumers' consent, is the key to effective and ethical customer engagement. With data privacy and security at the core of our business, Braze is dedicated to robust privacy and security standards to safeguard the data that our customers have entrusted with us.

Security certifications

ISO 27001 certified: This certification affirms that our organization has performed a comprehensive assessment of potential security risks and that we have created an information security management system that complies with the requirements set forth within the [International Organization for Standardization](#) (ISO)'s global standards.

SOC 2, Type 2 compliant: We meet the SOC 2 standard, overseen by the [American Institute of Certified Public Accountants](#), which ensures that we have established strict information security policies and procedures.

HIPAA-compliant: Since 2016, we have worked with third-party experts on the US Health Insurance Portability and Accountability Act of 1996 (HIPAA) to build out and maintain a HIPAA-compliant offering of our product to better serve our customers in the health and wellness space.

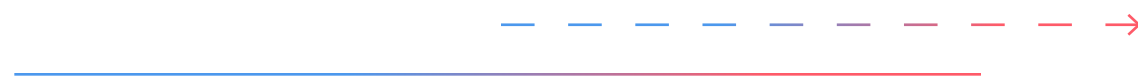
Additional data security measures: We enter into 2021 EU Standard Contractual Clauses and we self-certify to the EU-US and Swiss-US Privacy Shield Frameworks.



Diversity, Equity, and Inclusion

Our Diversity, Equity, and Inclusion (DEI) function has adopted an inclusion-first approach to DEI, so that employees of all backgrounds and experiences can be successful at Braze. We are also focusing on integrating DEI into our business processes. Some of the steps we are taking include:

- Auditing our job listings to confirm the descriptions use inclusive language and that role requirements are based on objective job competencies.
- Expanding our talent sourcing to reach more candidates of diverse backgrounds and experiences.
- Offering inclusion management training, which focuses on reducing operational inefficiencies that foster bias; this training is available to all employees.



Employee Representation*

SASB Disclosure: TC-SI-330a.3



Gender Representation of Global Employees (%)

	Female	Male	N/A***
Management**	39.5%	57.7%	2.8%
Technical Staff	24.1%	72.2%	3.7%
All Other Employees	50.8%	47.8%	1.4%

* Percentages calculated and categorizations made in accordance with the recommendations of the Sustainability Accounting Standards Board

**Management is defined as anyone who is a people manager

***N/A for gender includes people who have identified as genderfluid and nonbinary, in addition to not available or not disclosed

****Other includes classifications: Native American or Alaska Native, Native Hawaiian or Pacific Islander, and "Two or More Races"

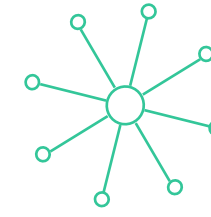
*****N/A for racial/ethnic group includes people who identified as "Other," in addition to not available or not disclosed

Racial/Ethnic Group Representation of U.S. Employees (%)

	Asian	Black or African American	Hispanic or Latina/o	Other****	N/A*****	White
Management	17.6%	2.7%	4.8%	5.3%	7.5%	62.2%
Technical Staff	28.2%	5.1%	3.4%	4.0%	8.5%	50.8%
All Other Employees	14.3%	4.8%	5.4%	8.8%	2.8%	63.9%

Unless otherwise noted, data and descriptions are current as of the end of our fiscal year 2022, which covers the time period February 1, 2021–January 31, 2022

Supporting Our Communities



Tech for Black Founders

In June 2020, Braze, alongside four Braze Alloys technology partners—Amplitude, Branch, mParticle, and Radar—launched ‘Tech for Black Founders’ to make impactful software more accessible (even for companies with limited venture capital financing) for early-stage startups led by Black founders.

Technologies like Braze are intended to help grow business faster, ultimately changing a company’s business trajectory. Today, only **1.2%** of venture capital goes towards supporting startups with Black founders; with this program, we aim to help level that playing field.

Employees from a range of Braze departments—including Alliances, Finance, Global Support and Services, Legal, Marketing, People, Product, Sales, and Social Impact—all contribute significantly to the success of this program.

New this year, we set specific goals to target Black female founders and Black founders based in EMEA. As a result, 50% of the companies included in our 2022 cohort for Tech for Black Founders have a female founder, and five of the participating companies are based in EMEA.



Winston Vakunta
Head of Marketing
ESUSU

“

Tech for Black Founders was an opportunity for us to service our customers with Braze, the premium product in the market. It’s been amazing.

Tech for Black Founders by the Numbers

22 companies currently in the program

11 companies have female founders

5 companies are based in EMEA

\$450,000

in annualized Braze product value donated in FY’22

Braze Greenhouse Gas Emissions Footprint

Braze hired an independent, third-party expert to conduct our first greenhouse gas emissions footprint assessment, in alignment with the Greenhouse Gas Protocol. This assessment calculated the volume of greenhouse gas emissions related to emissions produced by our facilities and business operations (Scope 1 & 2 emissions), as well as all relevant upstream and downstream activities as part of our value chain (Scope 3 emissions) for fiscal year 2022 (February 1, 2021–January 31, 2022).



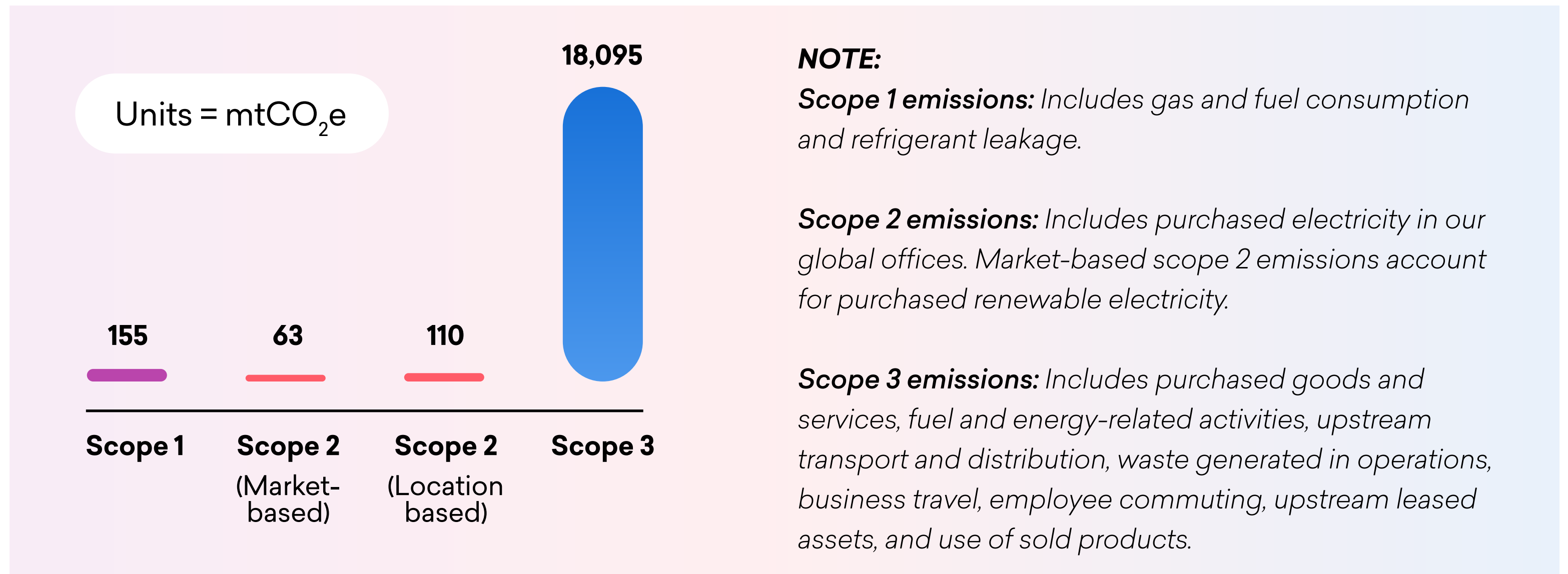
The Findings

In FY'22, our first greenhouse gas emissions footprint was estimated to be 18,313 metric tons of carbon dioxide equivalent (mtCO₂e)*, and was comprised of:

Types of Emissions

SCOPE 1	SCOPE 2	SCOPE 3
Direct emissions	Indirect emissions from purchased electricity	Indirect emissions from purchased goods and services, emissions associated with customer use of our products, employee commuting, business travel, and more

Greenhouse Gas Inventory FY'22



Braze Workplaces



While Braze does not own any of its facilities, we strive to only lease office spaces that meet or are equivalent to the Gold Standard established by the LEED certification system, organized under the US Green Building Council, which is used in more than 165 countries around the globe. The buildings in which Braze has offices have received the following certifications.



Braze offices with certifications

London

- [WELL](#) V2: Gold Certification, [BREEAM](#): Outstanding

Singapore

- [BCA Green Certification](#), Platinum

Tokyo

- Certified as a [Top-Level Facility](#) by the Tokyo Metropolitan Government

United States

- **New York City:** [LEED](#) Platinum
- **San Francisco:** [LEED](#) Gold
- **Chicago:** [LEED](#) Gold, [WELL](#) Certified
- **Austin:** [Austin Energy Green Building](#): Three stars



Sustainability Accounting Standards Board (SASB) Disclosure

In developing this report, we have been informed by selective application of the Sustainability Accounting Standards Board (SASB) sustainability accounting standards for the “Software & IT Services” category (Version 2018-10). The SASB refers to sustainability as “ESG,” covering environmental, social, and governance topics. Braze is a cloud-based, software-as-a-service company. Therefore, we believe that our SASB disclosure is best represented through the “Software & IT Services” standard.

Unless otherwise noted, data and descriptions are current as of the end of our fiscal year 2022, which covers the time period February 1, 2021–January 31, 2022. We will continue to evolve our disclosure in future reports.

Topic	SASB code	Disclosure and references
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	Total energy consumed: 876,750.6 (kWh) Percentage grid electricity: 37.4% Percentage renewable: 20.4% See the climate section in our report on page 10 for more information on our FY'22 greenhouse gas emissions footprint.
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.3	Braze relies on third-party cloud infrastructure to run our operations and does not own or operate any data centers. As the company sets its climate goals and strategies moving forward, Braze will review and evaluate options for its strategic and sustainable use of data center services.
Data Privacy & Freedom of Expression	TC-SI-220a.1	Braze Privacy Policy
Data Privacy & Freedom of Expression	TC-SI-220a.2	Braze operates in a business-to-business (B2B) environment and is not focused on secondary utilization. More details about how the company processes data is outlined in our Data Processing Addendum .
Data Privacy & Freedom of Expression	TC-SI-220a.3	In FY'22, Braze did not have any material fines or penalties as a result of legal proceedings associated with user privacy matters.
Data Privacy & Freedom of Expression	TC-SI-220a.4	Braze Transparency Report
Data Privacy & Freedom of Expression	TC-SI-220a.5	Braze complies with the Foreign Corrupt Practices Act and Export Control Regulations. Braze is legally prohibited from working with customers located in certain countries or regions of countries on the Office of Foreign Assets Control (OFAC) Sanctions List .
Data Security	TC-SI-230a.2	Braze Security Qualifications Braze Data Processing Addendum Acceptable Use Policy Form 10-K Filings
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	Braze headquarters are in New York, NY, and the company has offices in the United States and several other countries. As of January 31, 2022, Braze had 1,130 employees, of which 71.3% were in the United States and 28.7% were in non-US locations.
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.3	For Employee Representation data and for policies and programs that foster equitable employee representation across our global operations, please refer to the DEI section of this report on page 8.
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	In FY'22, Braze did not have any material fines or penalties as a result of legal proceedings associated with anti-competitive behavior.
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.2	Please refer to our Form 10-K Filings and our other periodic and current reports filed with the SEC.

Forward-Looking Statements

This report contains “forward-looking statements” as that term is defined under US federal securities laws. These include, but are not limited to, statements regarding our anticipated ESG and DEI efforts, our ability to improve environmental stability, attracting and retaining a diverse and growing workforce, our ability to achieve and the anticipated impact of our social impact goals and our ability to maintain an effective corporate governance system, including with respect to cybersecurity and privacy matters. These forward-looking statements are based on current expectations, estimates, forecasts and projections. Words such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “goal,” “hope,” “intend,” “may,” “might,” “potential,” “predict,” “project,” “shall,” “should,” “target,” “will,” and variations of these terms and similar expressions are intended to identify these forward-looking statements, although not all forward-looking statements contain these identifying words. Forward-looking statements are based on our current assumptions, expectations, and beliefs and are subject to substantial risks, uncertainties, assumptions, and changes in circumstances that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements.

These risks include, but are not limited to, risks and uncertainties related to: (1) unstable market and economic conditions may have serious adverse consequences on our business, financial condition, and share price; (2) our recent rapid revenue growth may not be indicative of our future revenue growth; (3) our history of operating losses; (4) our limited operating history

at our current scale; (5) our ability to successfully manage our growth; (6) the accuracy of estimates of market opportunity and forecasts of market growth and the impact that global macroeconomic uncertainty, including from the ongoing COVID-19 pandemic, the ongoing conflict between Russia and Ukraine, and general market, political, economic, and business conditions could have on our or our customers’ businesses, financial condition, and results of operations; (7) our ability and the ability of our platform to adapt and respond to changing customer or consumer needs, requirements, or preferences; (8) our ability to attract new customers and renew existing customers; (9) the competitive markets in which we participate and the intense competition that we face; (10) our ability to adapt and respond effectively to rapidly changing technology, evolving cybersecurity and data privacy risks, evolving industry standards, or changing regulations; and (11) our reliance on third-party providers of cloud-based infrastructure; as well as other risks and uncertainties discussed in the “Risk Factors” section of our Quarterly Report on Form 10-Q for the three- and six-months ended July 31, 2022, filed with the Securities and Exchange Commission (SEC) on September 13, 2022, and the subsequent filings Braze makes with the SEC from time to time, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Copies of our reports filed with the SEC are available on our investor relations website. The forward-looking statements included in this report represent our views only as of the date of this report and we assume no obligation, and do not intend to update these forward-looking statements, except as required by law.

Trademarks

All third-party trademarks, including names, logos and brands, referenced by Braze in this report are property of their respective owners. All references to third-party trademarks are for identification purposes only. Such use should not be construed as an endorsement of the products or services by us.

To learn more visit our [Investor Relations site.](#)

The Braze logo is written in a white, lowercase, cursive font on a black background.