SEPTEMBER 2023

Environmental, Social and Governance Overview

DATADOG

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Letter from Our CEO

Alexis and I started Datadog in 2010 with the goal of bringing together siloed teams—at the time Dev and Ops—that didn't really see eye to eye. We also wanted to create a company that we would both be proud to be part of and that would leave a positive impact on the world around us, starting with each customer's experience and outcomes.

While we're still early in our journey, the team that once fit on a single desk in Brooklyn ended the year with 4,800 Datadogs worldwide serving 23,000 customers, ranging from small businesses to the largest enterprises and covering every single part of the economy. As we continue to grow at a rapid clip, we are very aware of the increasing number of lives we touch and the tremendous responsibility we have—not only to our customers, but also to all Datadogs and our communities around the world.

2022 was for us another year of innovation and growth on the business and customer side, but also of continued investment in our impact initiatives. We for example expanded on our diversity & inclusion resources and employee-led community guilds to support employee belonging. As a company and as Datadogs, we further invested in giving back to underserved communities globally. We also completed our first carbon footprint assessment, and are sharing our Scope 1 and Scope 2 emissions for 2022 in this report as a first step towards our commitment to transparency and positive change.

We have room for improvement in many of the areas outlined in this report. We are ready for this endeavor, and as our company history has shown, Datadogs strive to make continuous progress over time and deliver sustainable solutions to hard problems. At its core, our culture is grounded in humility and a desire to learn, and this drive to improve and enable change is what unites us as a team.

I want to thank our team and customers for our joint success. I'm inspired by what we've achieved together. More importantly, I remain incredibly excited for what we will accomplish in the future and the impact we can have as a company. We're only just getting started.

Olivier Pomel
CEO & Co-Founder, Datadog

Who We Are

Datadog is the observability and security platform for cloud applications. Our SaaS platform integrates and automates infrastructure monitoring, application performance monitoring, log management, real-user monitoring, and many other capabilities to provide unified, real-time observability and security for our customers' entire technology stack.

Datadog is used by organizations of all sizes and across a wide range of industries to enable digital transformation and cloud migration, drive collaboration among development, operations, security and business teams, accelerate time to market for applications, reduce time to problem resolution, secure applications and infrastructure, understand user behavior, and track key business metrics.

FINANCIAL

$1.68B
FY22 revenue

21%
FY22 free cash flow margin

+63%
FY22 Y/Y growth

130%+
Dollar-based net retention rate

19%
FY22 non-GAAP operating margin

$1.9B
Cash, cash equivalents, restricted cash, and marktable securities

CUSTOMERS

~23,200
Total

~2,780
$100k+ ARR

PLATFORM ADOPTION

81%
Customers using 2+ products

42%
Customers using 4+ products

18%
Customers using 6+ products

PEOPLE

~4,800 at 32 locations

17 PRODUCTS IN AN INTEGRATED DATA PLATFORM

- Infrastructure Monitoring
- APM & Continuous Profiler
- Log Management
- Synthetic Monitoring
- Real User Monitoring
- Network Monitoring
- Continuous Profiler
- Incident Management
- Database Monitoring
- Observability Pipelines
- CI Visibility
- Cloud Security Posture Management
- Cloud SIEM
- Application Security Management
- Sensitive Data Scanner
- Universal Service Monitoring
- Cloud Cost Management

All data as of Dec 31, 2022. Non-GAAP operating margin and free cash flow margin are non-GAAP measures. See Appendix for a reconciliation to financial results prepared in accordance with GAAP.

About This Report

Environmental, Social, and Governance Report

This 2022 Environmental, Social, and Governance Report builds on our inaugural ESG Report, which provided information about our ESG initiatives in fiscal 2021. With this ESG Report, we continue to address those ESG topics that we believe our investors, employees, customers, vendors, and other stakeholders consider the most important and that the Sustainability Accounting Standards Board (SASB) deems most relevant to our industry. We look forward to reporting our progress as we further integrate sustainability into our operations.

Unless otherwise specified, this report highlights activities and metrics related to Datadog's fiscal year ended December 31, 2022.

**UN SUSTAINABLE DEVELOPMENT GOALS**

Datadog supports the United Nations Sustainable Development Goals (SDGs). Based on our ESG priorities, we identified six goals where we believe we can most positively impact our employees, customers, and communities. We plan to continue to analyze which of the SDGs are most aligned with our priorities.
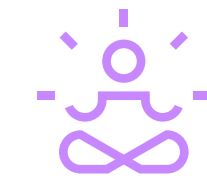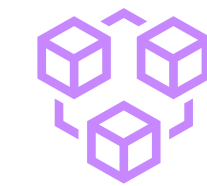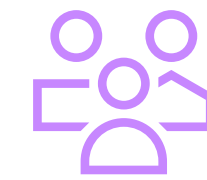
Good Health and Well-being
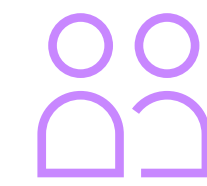
Gender Equality
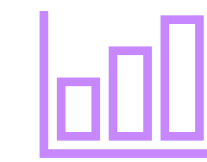
Decent Work and Economic Growth

Industry, Innovation and Infrastructure
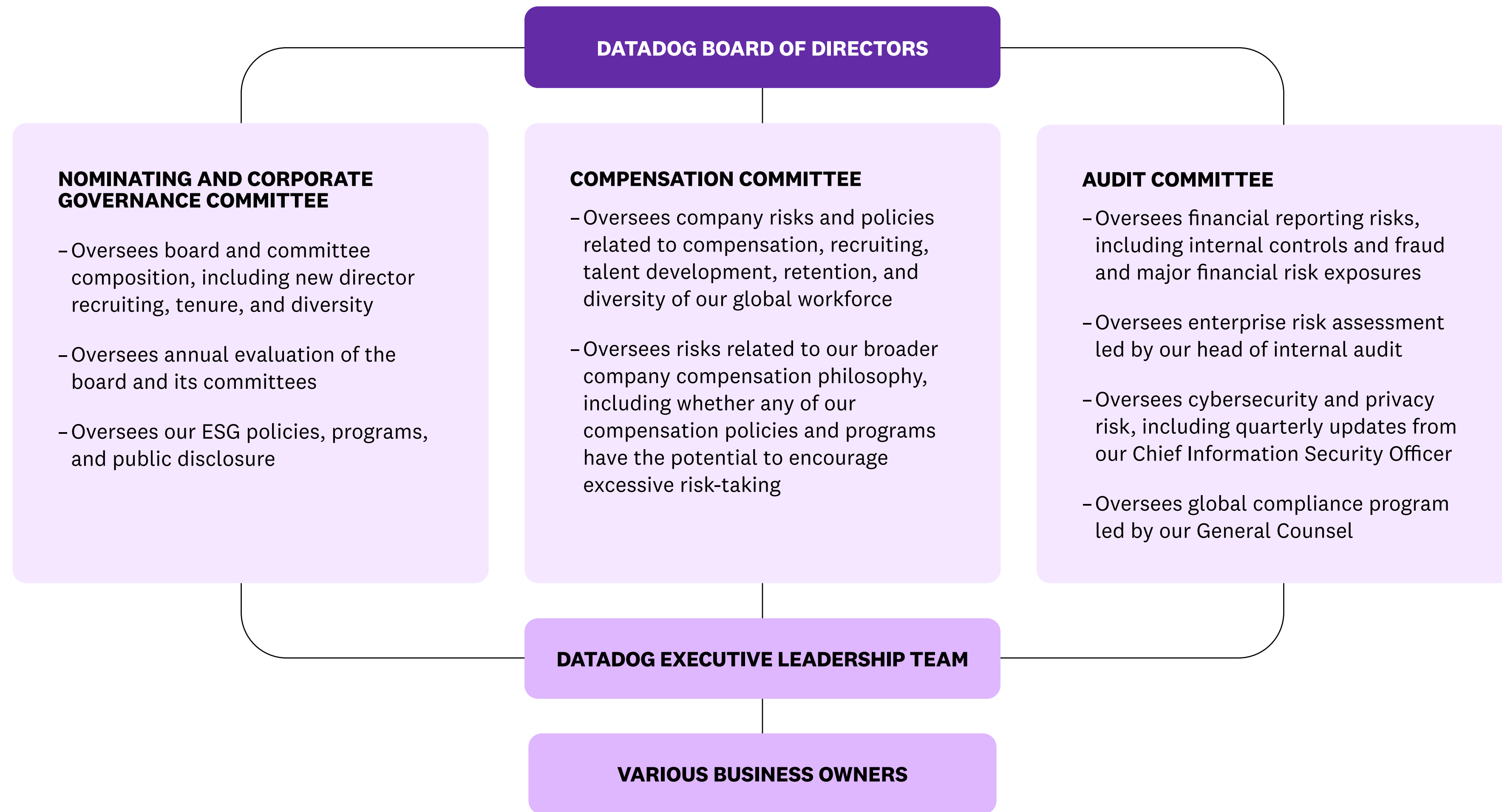
Reduced Inequalities

Climate Action

Governance

ESG is a key priority at Datadog, with direct oversight from the Board of Directors and management. Our board as a whole and through its committees oversees ESG governance, and is advised by the Nominating and Corporate Governance Committee (NCG Committee), which oversees the company's ESG programs. Our Audit Committee oversees financial reporting risks, including internal controls, enterprise risk assessment, cybersecurity and privacy, and our Compensation Committee oversees company risks and policies related to compensation, recruiting, talent development, retention and diversity of our global workforce.

The implementation and day-to-day management of Datadog's ESG initiatives has been delegated to various business owners. These business owners work with and report to executives on the Datadog Executive Leadership Team responsible for decision-making on key areas of focus and meet periodically in cross-functional working groups to report progress on such initiatives to the NCG Committee. The working groups represent teams from a combination of key functions, including Investor Relations, Legal, Operations, Security, and People.

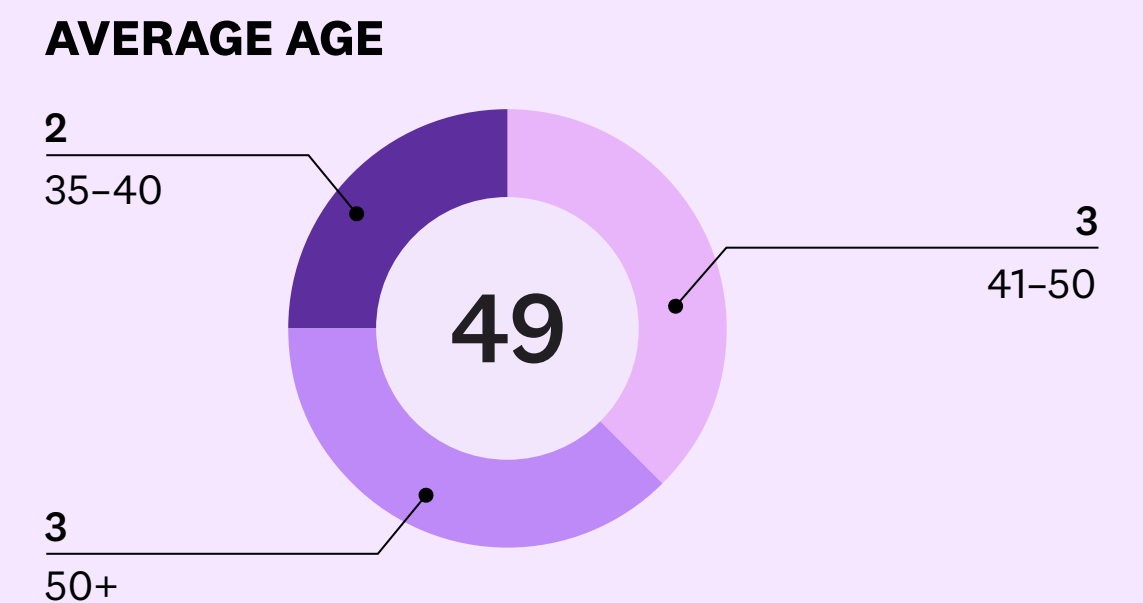**DATADOG BOARD OF DIRECTORS**

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

– Oversees board and committee composition, including new director recruiting, tenure, and diversity

– Oversees annual evaluation of the board and its committees

– Oversees our ESG policies, programs, and public disclosure

COMPENSATION COMMITTEE

– Oversees company risks and policies related to compensation, recruiting, talent development, retention, and diversity of our global workforce

– Oversees risks related to our broader company compensation philosophy, including whether any of our compensation policies and programs have the potential to encourage excessive risk-taking

AUDIT COMMITTEE

– Oversees financial reporting risks, including internal controls and fraud and major financial risk exposures

– Oversees enterprise risk assessment led by our head of internal audit

– Oversees cybersecurity and privacy risk, including quarterly updates from our Chief Information Security Officer

– Oversees global compliance program led by our General Counsel

DATADOG EXECUTIVE LEADERSHIP TEAM
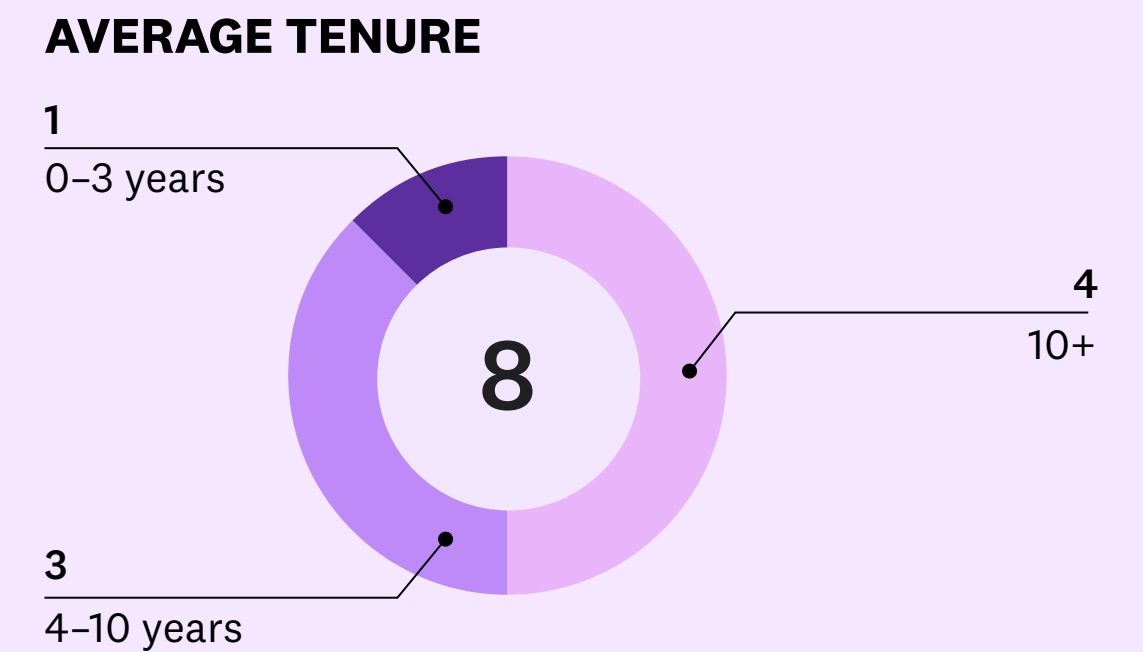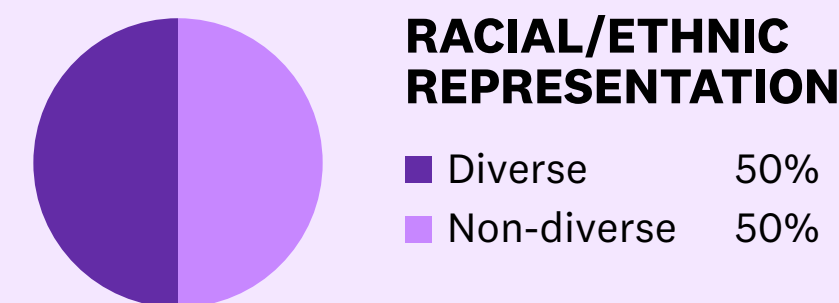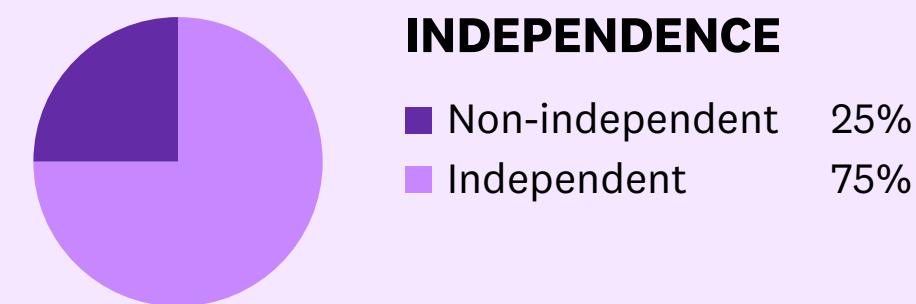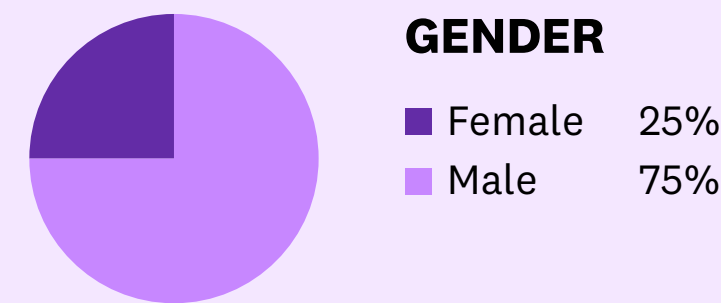
VARIOUS BUSINESS OWNERS

Business Ethics

We are committed to maintaining the highest standards of business conduct and ethics and foster an environment where employees are encouraged to come forward with potential violations of our policies or standards.

Our values and expectations around ethical conduct are communicated in our Employee Guide, our Code of Business Conduct and Ethics, and our Anti-Corruption Policy, each of which mention our anonymous, toll-free ethics hotline to encourage reporting any violations or concerns. Hotline activity is escalated directly to our General Counsel, Audit Committee Chair, and Chief People Officer. We encourage employees to be alert to possible violations and raise concerns without fear of retaliation.

Employees are required to undergo various ethics trainings, including with respect to the Code of Conduct, anti-harassment, privacy and cybersecurity, insider trading, and anti-bribery.

Board Independence and Diversity

The members of our Board of Directors collectively possess the professional and industry knowledge, financial expertise, and high-level management experience that is necessary to oversee our business. For more information about our board, please see our Proxy Statement.

GENDER
- Female   25%
- Male   75%

INDEPENDENCE
- Non-independent   25%
- Independent   75%

RACIAL/ETHNIC REPRESENTATION
- Diverse   50%
- Non-diverse   50%

AVERAGE TENURE

1 0–3 years

4 10+

3 4–10 years

8

AVERAGE AGE

2 35–40

3 41–50

3 50+

49

All data as of April 21, 2023

Risk Management

Risk management is a key priority across Datadog. Our Board of Directors oversees an enterprise-wide approach to risk management that is designed to support the achievement of organizational objectives, improve long-term organizational performance, and enhance stockholder value. This involves regularly assessing whether the level of risk we are facing is appropriate, as well as evaluating the steps management is taking to mitigate that risk. While our full Board of Directors has overall responsibility for risk oversight, it has delegated oversight of certain risks to its committees.

Our internal audit function conducts an annual enterprise risk assessment—overseen by our Audit Committee—to identify financial, operational, regulatory, reputational and strategic risks that could pose a threat to our business and how those risks are managed. This process involves reviewing existing risk documentation, performing external research on top industry risks, holding discussions with senior management, and reporting the results to the Audit Committee to consider for further action. The enterprise risk assessment includes ESG risks such as human capital management, security and privacy, and regulation and

information management priorities across Legal, IT, Operations, People, Finance, Security, Product, and Revenue. Other environmental or social factors that could pose a risk to our business are also considered through this process. ESG risks are also considered by various business owners and when necessary in cross-functional working groups. We maintain a Business Continuity Plan that covers the key personnel, resources, services, and actions required to maintain critical business processes and operations.

Intellectual Property Protection

Protection of our intellectual property is critical to our innovation. An important business priority of ours is to obtain, maintain, enforce and protect our intellectual property, including our brand, proprietary technology and know-how.

We rely on a combination of trademarks, trade secrets, patents, copyrights, contractual restrictions and confidentiality procedures to establish and protect our intellectual proprietary rights. We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with other third parties, including suppliers and other partners. We control or monitor access to, and distribution of, our software documentation and other proprietary information through the use of internal and external controls. We pursue the registration of domain names and trademarks in the United States and in various jurisdictions outside the United States and actively seek patent protection covering our inventions.

Data Security and Privacy

We are committed to protecting the integrity and confidentiality of, and access to, our data and information. Data security and privacy are of paramount importance at Datadog and are built into our products and operations. All Datadog personnel are required to undergo annual security and privacy awareness training that weaves security and privacy into technical and non-technical roles. All employees are encouraged to participate in helping secure our customer data and company assets. Security training materials are developed for individual roles to equip employees to handle the specific security and privacy challenges of their roles.

DATA PRIVACY

Our global privacy program aligns with global and national data-privacy laws, including Europe's General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA), and includes an established set of administrative, technical, and people controls that protect the privacy of the personal data we receive as required by applicable law. Our approach to privacy is holistic: we safeguard personal data from the point of initial collection, through its processing, and until it is ultimately returned or deleted. We utilize privacy management tools that enable us to regularly conduct data privacy impact assessments, manage incident response, handle Data Subject Requests (DSRs), and perform other privacy-related processes. Our team of experienced privacy lawyers and

practitioners, with Certified Information Privacy Professional (CIPP) status from the International Association of Privacy Professionals (IAPP), regularly engages with others in the industry to share best practices.

We aim to be fully transparent in how we process personal information. That's why we regularly review and update our comprehensive Privacy Policy, our Applicant and Candidate Privacy Notice, and our internal Employee Privacy Notices. To learn more about how we think about privacy, please visit our Privacy at Datadog page.

DATA SECURITY

We have implemented controls to enhance platform security, including identity and access management, multi-factor authentication, robust logging, real-time security monitoring, encrypted operating system volumes, and more. Continuous integration of our product, a philosophy central to DevOps security and the development methodologies that have driven Datadog adoption, allows us to respond rapidly to security issues. Our dedicated global information security team of highly trained professionals is constantly working to protect our ecosystem. Our security ambassadors, who are engineers working on our products, integrate security considerations into the design and construction of products for our customers. We invest heavily in threat intelligence in order to enhance our proactive monitoring programs. In 2020, we added a board member with significant information security expertise to our Audit Committee, which has direct oversight of information security.

We maintain industry-standard certifications, including the International Organization for Standardization's (ISO) information security standard 27001, as well as standard 27701.

We also maintain active SOC 2 Type II and Payment Card Industry Data Security Standard (PCI-DSS) compliance and document security controls on the Cloud Security Alliance's (CSA) Security, Trust & Assurance Registry (STAR). We conduct independent, annual audits for both SOC 2 Type II and ISO compliance and employ an internal team for additional auditing purposes. Since 2021, our federal offering is FedRAMP Moderate Authorized. Our products are regularly tested for security vulnerabilities by security research professionals.

We keep our employees informed about recommended and required security updates, as well as best security practices in our industry. Additionally, our collaboration tools include built-in messaging that provides instructions for handling a suspected phishing attack.

For more information about our security compliance, please visit our Security page.

Vendor Management and Human Rights

We believe our commitment to the highest standards of business conduct extends to our network of vendors, contractors, consultants, and other providers. Our vendors are primarily in the IT industry and based in countries with low ESG risk. Our security team analyzes the confidentiality, integrity, and reliability of our SaaS vendors that have a direct impact on Datadog's infrastructure.

We are intentional about sourcing from companies that share our values. We use environment-friendly products in our offices, purchase from local vendors, and support minority-owned businesses, particularly as a part of our marketing and communication efforts. Our purchasing department favors sophisticated companies that have their own ESG policies and goals, and we require our vendors to adhere to our Vendor Code of Conduct, which reflects the basic business practices we require of our vendors.

We are committed to periodically reviewing and assessing the risk of slavery, human trafficking, child labor, or other human rights issues in our supply chain. Please see our Modern Slavery Statement.
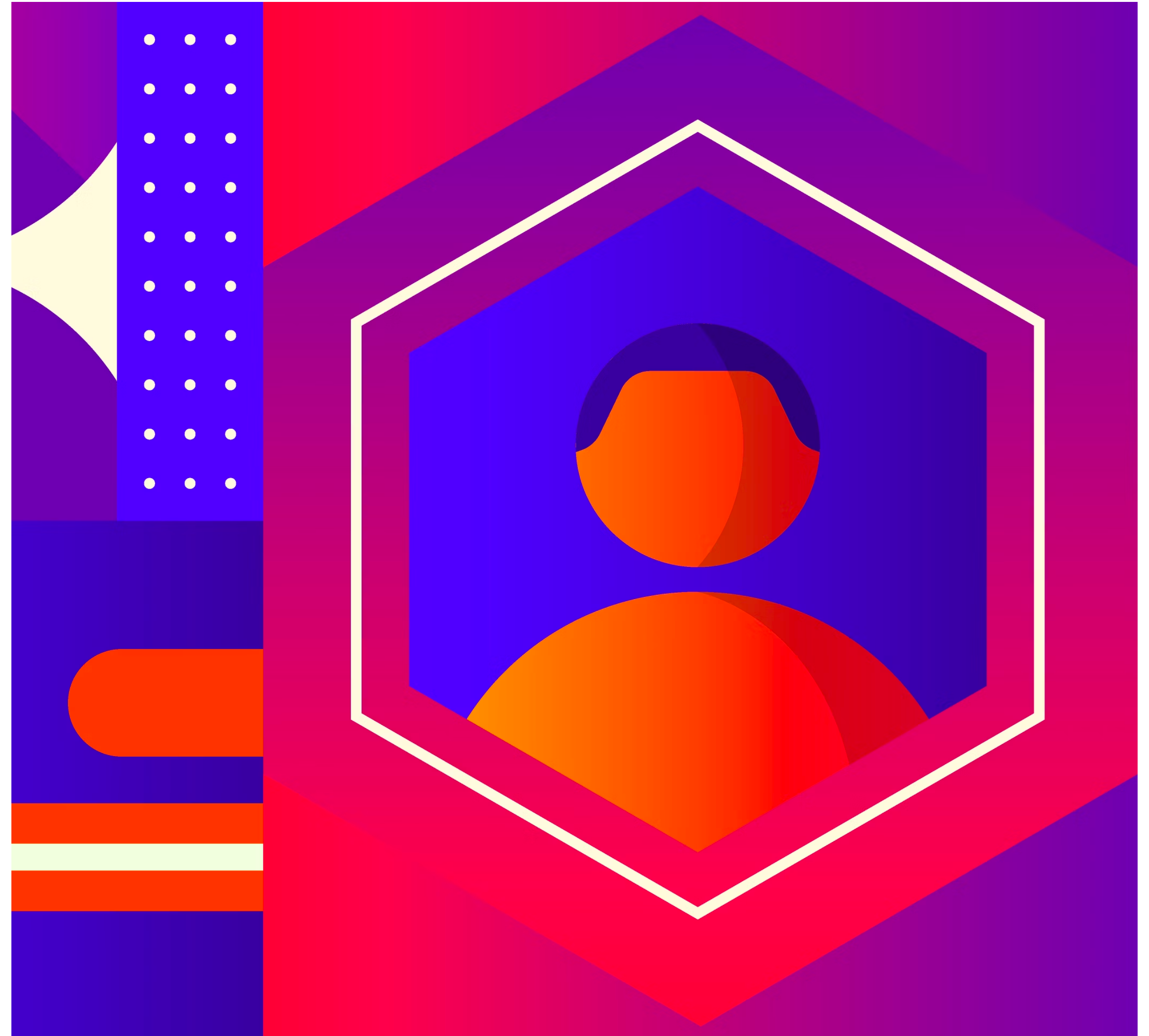
Social / Human Capital

For our teams around the world, Datadogs thrive on working together to bring the best ideas to life for our customers. We recognize that our unique company culture is the result of our team members' distinctive identities and experiences. That's why we offer an array of resources and programming that celebrates diversity and promotes opportunities for everyone to feel included, supported, and positioned for success throughout their careers.

Employee Health, Safety, and Well-Being

The health, safety, and well-being of our employees is a top priority at Datadog. We are committed to providing our teams with a safe and healthy working environment, along with comprehensive benefits that support their physical, mental, and financial wellness.

While the philosophy around our benefits is the same worldwide, specific benefits vary regionally due to local regulations and preferences. For more information, see our benefits.

BENEFITS

We believe our employees should have the support they need to maintain a strong work-life balance, grow personally and professionally, and save for their future.

We offer a range of industry-leading benefits aimed at strengthening the health and financial wellness of our employees and their dependents in most of our locations.

Healthy Body and Mind

– Health, dental, and vision plans, including a zero-cost option

– Mental health care and awareness programs, including 10 free appointments annually with a licensed mental health professional

– Unlimited paid time off

– Fitness subsidy for expenditures

– Fitness and wellness activities, including on-site classes, local sports leagues, and virtual lessons

Financial Wellness

– 401(k) and pension matching program

– Financial planning assistance

– Employee Stock Purchase Program

Inclusive Benefits

– Fully paid, gender-neutral parental leave benefits

– Comprehensive family-forming benefits (adoption, fertility, fertility preservation, surrogacy)

– Annual reimbursement for certain reproductive-related out of pocket costs (such as travel expenses, copays, deductibles and coinsurance) that are not otherwise covered

– Child care subsidy

– Pet adoption subsidy

Talent Development

We're focused on supporting Datadog employees in their pursuit of growth— whether that means deepening their expertise, expanding their skillset, or pursuing a new role—through a diverse range of learning solutions and performance-management strategies.

ONBOARDING
Setting up our new employees for success

We aim to provide an outstanding new hire experience to every team member who joins our pack. Our onboarding programs introduce new joiners to the people and tools they need to feel prepared, supported, and included at Datadog within their first 90 days. The process is designed to quickly help new hires feel welcome to their team and ready to contribute.

Events like new hire orientation help employees build connections with other Datadogs and get familiar with our policies, procedures, and culture. We resumed hosting in-person orientations in 2022 as health and safety guidelines allowed, enabling employees from around the world to meet face-to-face. We also redesigned the first day experience to include even more opportunities for new hires to learn about our business and each other through various live activities.
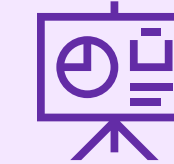
LEARNING AND DEVELOPMENT
Helping our teams unlock their highest potential

We curate, develop, and deliver quality learning moments and tools for our employees to support continuous learning and professional development. In 2022, we introduced new internal training courses and workshops to our catalog to equip our employees with timely, relevant, and accurate resources. Additionally, we brought several learning events back in-person (as health and safety guidelines allowed) to maximize knowledge sharing amongst peers.

One of the key learning programs we continued was our biannual Leaning Week, a global event that empowers employees to learn and teach others about various areas of professional interest. We added several new sessions to the catalog this year, including multiple that were led or sponsored by our Community Guilds to help advance our company's DEI goals. In addition to Learning Week and other live workshops, we also continued to provide access to thousands of external online learning courses throughout the year as well as English language coaches for select employees to strengthen their ability to communicate and collaborate in English.

FOSTERING INCLUSIVE BEHAVIORS
Strengthening our commitment to DEI

We view education as the first crucial step to fostering a shared understanding of the tools and frameworks that can help advance our DEI goals. Every employee is required to participate in two interactive workshops in which they learn the psychology of bias and then practice behaviors of inclusion that improve fairness, communication, and collaboration at work. People managers have additional training requirements to equip them to drive a culture of inclusion amongst their team.

In 2022, we welcomed over 5,000 participants into one or more of our inclusivity workshops.
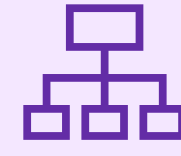
MENTORSHIP
Advancing career development through 1:1 support

We launched a pilot mentorship program in 2022 to help Datadogs navigate their careers and maximize their potential. 50 employees of diverse backgrounds and experiences were selected to participate. All mentees were members of one or more of our Community Guilds in an effort to provide dedicated support to team members with traditionally underrepresented identities in tech.

Selected mentees were paired 1:1 with a mentor within Datadog who matched certain criteria relevant to their needs. Each pair met regularly over the course of five months to work towards the mentee's career goal. Feedback from pilot participants was overwhelmingly positive, with participants indicating that the program had a positive impact on their progress towards their career goals.
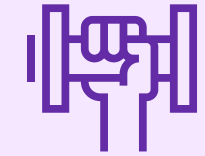
MANAGER TRAINING
Empowering current and future leaders

Designed by Datadog for Datadogs, our manager programs share effective tools and frameworks to help people leaders build, manage, and develop strong teams. We focus on core skills such as coaching team members, driving performance results, and fostering a positive work culture. Participants learn what is expected from people managers at Datadog while collaborating with peers to craft a management style that makes sense for their team.

In 2022, we increased the frequency of live training offerings to provide greater support to people managers sooner after they start in their new role. We also began to offer in-person opportunities (as health and safety restrictions allowed) to enable participants to build connections and share best practices with leaders from other teams and regions face-to-face. Additionally, we began to deliver some of our manager workshops with in-house facilitation talent to inspire conversations that are tailored to our internal culture.

EMPLOYEE CULTURE AND ENGAGEMENT
Staying connected with employee feedback

It is important for us to build a product and culture that our employees can be proud of. We know that investing in employees' personal and professional development is a big part of that. Twice a year we conduct a survey that measures satisfaction and engagement across our global employee workforce. The feedback we collect helps shape our programs, training offerings, and general roadmap for the following 6 months. Our People and Leadership team create and execute action plans to elevate and sustain areas where we're rated favorably, as well as improve in areas where needed. For both surveys in 2022, our participation and favorability scores were above 80%, which is higher than industry average.

Diversity, Equity, and Inclusion (DEI)

At Datadog, diversity means making a conscious effort to reflect the many experiences and identities of the world outside while treating each other with fairness and without bias. Inclusion is the choice we make every day to foster an environment where people of all backgrounds not only belong, but excel, so that we can succeed together as a company. Datadog strives for an inclusive community, both inside and out of the office.

RECRUITMENT

Our recruiting team is dedicated to inclusive hiring practices that build a workforce representative of the global communities Datadog serves, including partnerships, community events, and thoughtfully designed processes.

We provide resources and tools to help early in career Datadogs grow their confidence and take pride in making a lasting impact on our business. We strive to build a workplace culture all employees are proud of.

This is a collective effort and we are committed to improving our recruitment practices and fostering diverse teams.

In order to do this we've taken the following actions:

– Put practices in place to mitigate bias in hiring

– Established a Diversity, Equity, and Inclusion Recruitment program

– Trained our hiring leaders on inclusive hiring practices

– Established a monthly committee where we review hiring and retention initiatives globally and measure their impact

We are proud to partner with organizations who build intentional community and enablement for underrepresented groups that support and amplify our recruiting efforts.

BreakLine

We team up with BreakLine to close diversity gaps in the professional workforce and help women, people of color, and veterans accelerate into their next careers. As part of our partnership, we contribute to funding their education program and helping BreakLine participants get hired at tech companies.

ColorStak

As one of ColorStack's founding partners, we facilitate tech talks and participate in career fairs, and connect with prospective candidates. ColorStack delivers community building, academic support, and career development opportunities at scale to Black and Hispanic Computer Science students.

PowerToFly

PowerToFly is women-led, intersectional and focuses on empowering underrepresented talent across all races, ages, ethnicities, sexual orientations, abilities, veteran statuses and gender identities. Through our partnership with PowerToFly, we engage with and hire mid-career level women in tech across a variety of our teams.

Fondation CentraleSupélec

Datadog is partnering with the CentraleSupélec Foundation to fund Sébastienne Guyot Scholarships for 2 students for the full duration of their master's program. We will sponsor one student from 2022-2025 and another from 2023-2026. Alongside financial support, each scholar will be paired with a mentor to receive guidance as they progress through their studies and begin to map out their professional careers. They will also be invited to attend Early Career programs and events hosted by the Campus Recruiting team.

Rewriting the Code

Rewriting the Code supports and empowers college, graduate and early career women in tech, through intersectional communities, mentorship, industry experience and educational resources, to become the next generation of engineers and tech leaders. By partnering together, we have an actionable impact on the lives of college women who are passionate about technology.

Sponsored Conferences

Black Is Tech

The Diana Initiative

Belonging

We believe in the importance of safe spaces for community members with shared backgrounds and experiences, and we strive to create a culture where employees feel welcome, respected, and valued for who they are.

Heritage and History Month Events

As a company, we recognize moments of celebration and observance relevant to the diverse identities of our teams. To help our communities honor these moments and to facilitate difficult discussions around DEI, we host inclusion talks throughout the year. Here are some events from 2022:

– During Black History Month, we hosted an internal panel featuring Black leaders at Datadog. The panel explored and discussed the national theme of Black Health and Wellness, and practical ways to take care of mind, body, and soul.

– During Women's History Month, we invited Emily Chang, an Emmy Award winning journalist and author of Brotopia: Breaking Up the Boys' Club of Silicon Valley, to speak with our employees on how to bridge the gap of gender disparity and build a more diverse workforce.

– For Asian American and Pacific Islander Heritage Month, Qian Julie Wang, a civil rights litigator and the author of Beautiful Country, shared her story of healing and resilience to uplift the Asian American community.

– In the U.S., we celebrated Pride Month with facilitated conversations led by KK Naimool, co-founder and principal of Collective Justice Consulting, focused on education and active allyship.

– For Hispanic Heritage Month, we welcomed actor, podcast host, and author, Dylan Marron, to share his story and journey to explore radical empathy in moments of great divide.

Community Guilds

Our Community Guilds bring together groups of individuals based on common backgrounds or demographic factors, and are open to the allies who support them. Community Guilds help us foster an inclusive environment, encouraging collaboration and an increased sense of belonging across departments and regions. In 2022 we introduced two new community guilds at Datadog: Somos and Veterans!

Asian Middle Eastern Pacific Islander Employees at Datadog (AMPED)
AMPED strives to celebrate and build awareness of diverse Asian cultures while creating a safe and inclusive space for Asian-identifying individuals and allies.

Black in Technology (BiT)
BiT is committed to creating a comfortable, safe, and inclusive space for Black individuals and allies to grow and thrive together.
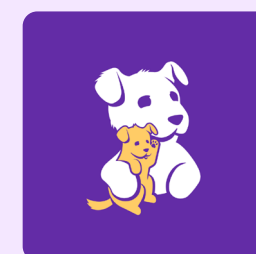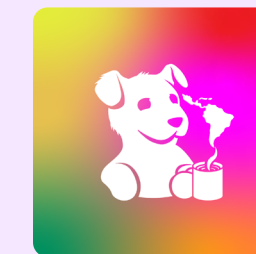
Parents
Parents provides working families with a supportive community to share experiences and resources that help members be their best while balancing work and home responsibilities.
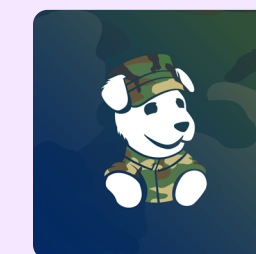
Rainbowdogs
Rainbowdogs provides a warm, supportive, and friendly support system for our LGBTQIA+ community and allies, helping us promote a safe and fun work environment.

Somos
Somos's mission is to empower our Hispanic employees by providing opportunities for engagement that help foster a sense of belonging

Veterans
Veterans are dedicated to building an inclusive international community of veterans, military family members, and allies at Datadog.
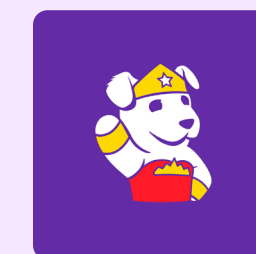
Women of Datadog
Women of Datadog is dedicated to engaging, empowering, and elevating the women at Datadog, with a keen focus on fostering and maintaining an inclusive and supportive environment that enables us all to bring our whole selves to work.

In addition to these Community Guilds, we also have groups that meet regularly to drive DEI initiatives within their own departments, including our Tech Solutions Affinity Group and Women in Engineering.

Our Workforce

We recognize that we still have room to improve in our workforce demographics, but increasing transparency is important to us.

Datadog workforce data as of December 31, 2022

– Data is based on self-identification information voluntarily provided.

– Gender data reflects our global employee base.

– Race and ethnicity information is reported based on EEO-1 categories.

– We classify "Technical roles" as those within our Engineering and Technical Solutions departments. We recognize there are positions with technical responsibilities and knowledge outside of these departments across the company.
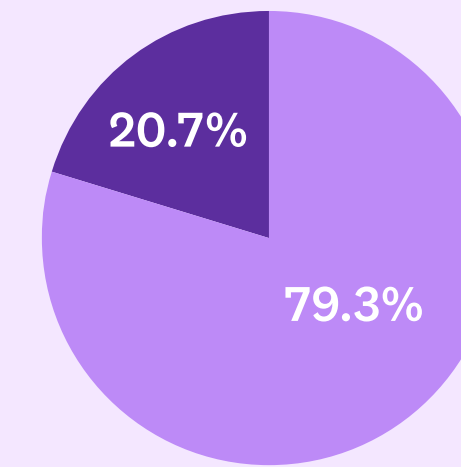
We are an Affirmative Action and Equal Opportunity Employer and are proud to offer equal employment opportunity to everyone regardless of race, color, ancestry, religion, sex, national origin, sexual orientation, age, citizenship, marital status, disability, gender identity, veteran status, and more. We also consider qualified applicants regardless of criminal histories, consistent with legal requirements.

GENERAL
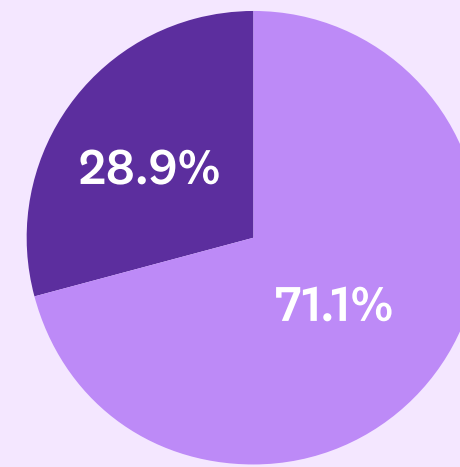
Overall	Leadership Roles (Director+)	Technical Roles	Non-technical Roles
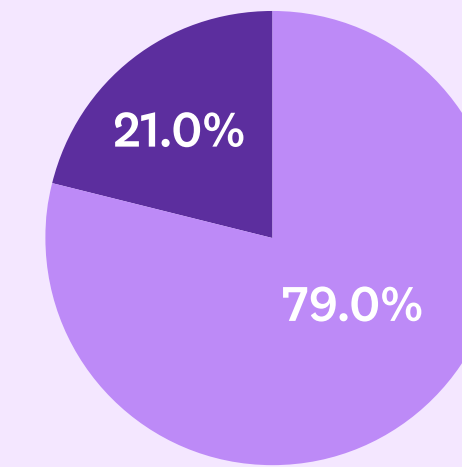
Overall: Female 28.9%, Male 71.1%
Leadership Roles (Director+): Female 20.7%, Male 79.3%
Technical Roles: Female 21.0%, Male 79.0%
Non-technical Roles: Female 39.7%, Male 60.3%

■ Female
■ Male

Datadog recognizes that gender identity is not binary and is actively working to more inclusively reflect the full spectrum of gender identity.

RACE/ETHNICITY (U.S)

■ White
■ Asian
■ Black or African American
■ Hispanic or Latino
■ Native Hawaiian or Pacific Islander
■ American Indian or Alaska Native
■ Two or More Races

All data as of December 31, 2022

Company: 66.5%, 18.7%, 4%, 6.5%, 4%, 0.1%
Director+: 80.3%, 14.6%, 2.2%, 1.1%, 1.7%
Technical Roles: 59.2%, 24.9%, 4.9%, 6.5%, 4.2%
Non-Technical Roles: 75.9%, 10.8%, 6.4%, 3.7%, 2.9%, 0.3%

Giving Back

At Datadog we believe in using our resources to support our global communities. We accomplish this through our philanthropy program, *Datadog Cares*.

- **Scaling our Program**
  In 2022 we invested in the sustainment of Datadog Cares by implementing a corporate giving platform to allow us to scale global giving and volunteering campaigns and enable employees to manage their own social responsibility practices.

- **Investing in Partnership**
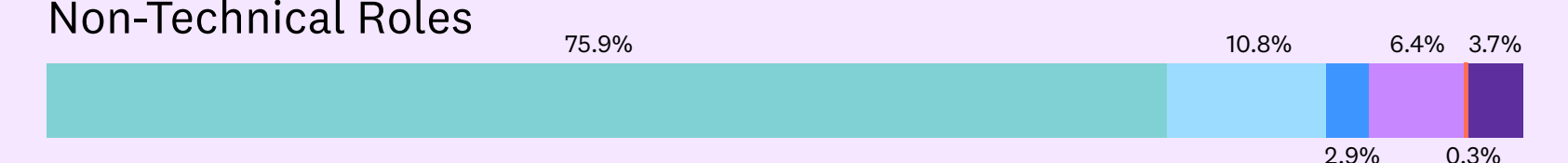 Datadog Cares is not just focused on giving, but also on building relationships. To aid this, we identified a list of causes ranging in mission to support and invest in over time, keeping our employees top of mind. Each Community Guild selected causes that matter most to their members, and we included organizations with regional representation in the countries where Datadog offices and employees are located.

- **Moments of Action**
  In the spirit of giving back, we held an end of year giving campaign where employees allocated funds given to them by Datadog to one or more of our outlined causes. Led by our employees, this campaign alone resulted in over $500,000 given to over 60 organizations in 2022.

While Datadog Cares helps us to celebrate meaningful moments, it also allows us to react to world events. In light of the unrest and war in Ukraine, we held a donation match campaign for employees to give directly to causes providing humanitarian aid and relief. Together, we raised over $135,000.

Investing in the Future

TECH SCHOLARSHIPS
Promoting education in tech for underrepresented students

Since its inception in 2021, our Upward Scholarship program has aimed to help students in certain underrepresented communities nationwide with an emphasis on those who identify as women or non-binary, as well as members of the Black and Hispanic communities. In 2022 we awarded 5 recipients in the U.S. with $15,000 grants toward furthering their education in tech, and provided 1:1 mentorship programming through their first year of college.

We expanded our scholarship opportunities to the EMEA region, sponsoring one woman to attend CentraleSupélec in Paris, France and fully funding her three year Masters program in engineering.

Jeff Storey
Director, Engineering

"Being a mentor gives me an opportunity to both learn from, and provide my support and guidance to, my mentee on their journey. I have been fortunate to have great mentors that have had a profound impact on my life, and I hope to be able to do the same for someone else."

Daniella Schneider
Manager II, Technical Program Management

"Having a mentor in the tech space is invaluable. They provide guidance, industry insights, and help navigate challenges. Mentors accelerate learning, expand networks, and inspire confidence, propelling aspiring tech professionals towards goals."

Izzy Vixsama
Staff Information Security Analyst

"When I was first coming into my career, there weren't many women that looked like me or had a background in Security. I was able to find a few later in my career which helped me to realize that I needed to reach back and be a mentor for those that want to have a similar path to me. I find it rewarding helping someone who is interested in Security and has a similar identity as me. You get to be part of someone's story as they are writing it, being a positive influence for them."

Environment

At Datadog we seek to be conscious about our environmental impact. Starting with the Datadog Agent, we continually look for ways to process more data, quicker, with as low CPU usage as possible. In 2022 we took a deeper dive into our environmental impact by measuring our Scope 1 and 2 emissions. We will continue to take a data driven approach to understanding our environmental impact and identify opportunities for improvement.

Climate Impact

We are pleased to publish the results of our first carbon footprint assessment, which reflects the greenhouse gas (GHG) emissions associated with our operational energy consumption (our Scope 1 and Scope 2 emissions) for fiscal 2022. The collective insights we gained in 2022 are a foundation on which we will build as we continue to learn, iterate and improve.

Throughout 2022, various internal teams responsible for parts of our business that impacted our emissions worked closely with a third-party climate platform to collect and assess our data, and to build processes and integrations necessary in order to measure our Scope 1 and 2 emissions.

We are still in the early days of our emissions reporting but are proud of our first step towards a climate-conscious future. We look forward to sharing our progress with you along the way.

Aligned with the Greenhouse Gas Protocol, we measured our emissions by scope. Scope 1 includes direct emissions that occur from sources that are controlled or owned by us, and Scope 2 includes emissions generated from electricity, steam, heat, or cooling that we purchased from third parties. Our Scope 1 and 2 emissions relate to our leased offices and reflect direct emissions such as energy, natural gas, and refrigerants used on-site and purchased electricity.

NET EMISSIONS BY GHG SCOPE

1,814 tCo_2e

■ Scope 1   **335 tCo_2e** 18.46%

■ Scope 2   **1,479 tCo_2e** 81.54%
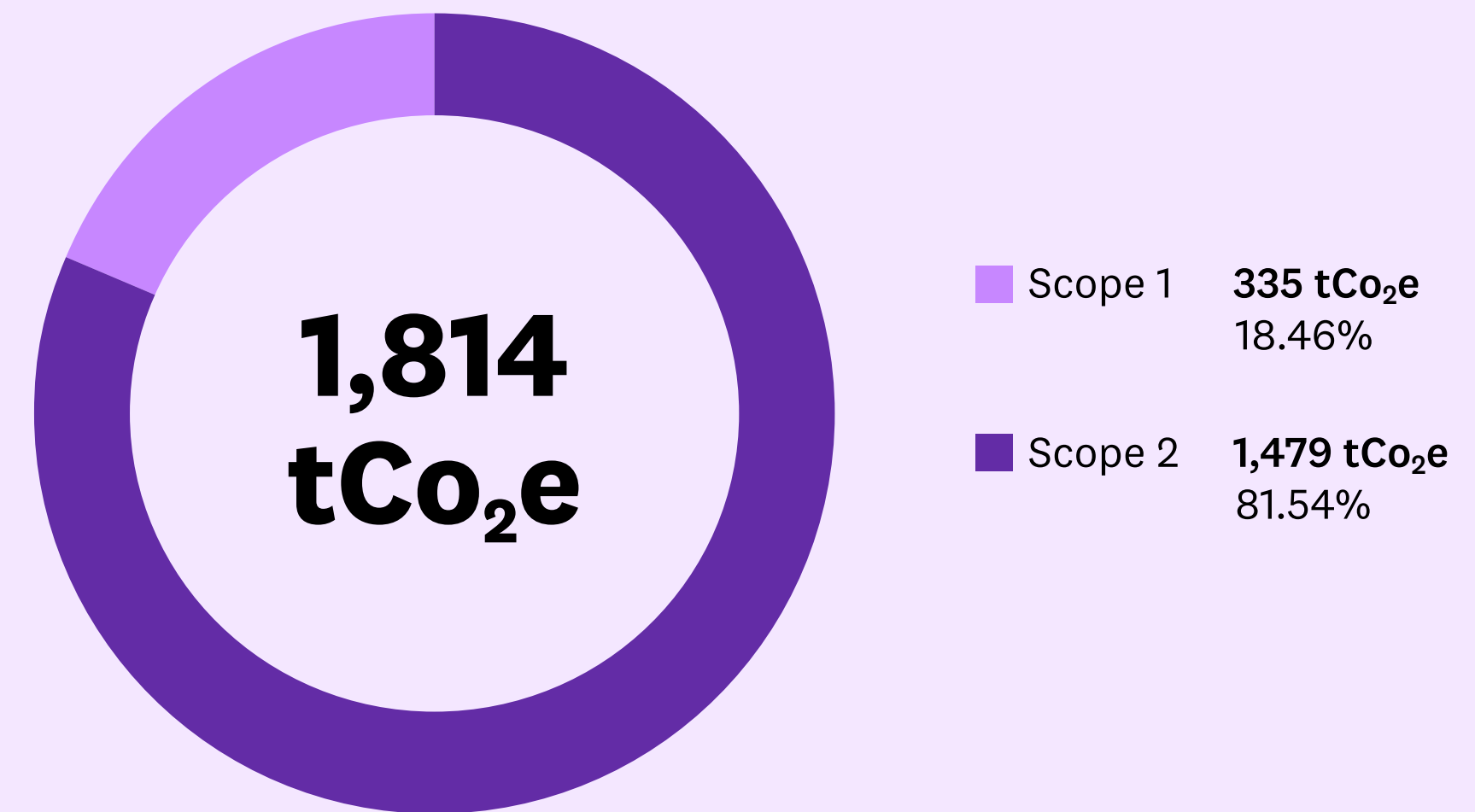
All data as of December 31, 2022

Calculations are intended to align with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. Scope 1 and Scope 2 emissions include all facilities over which we have operational control such as leased facilities but excludes coworking spaces. Such emissions were estimated based on the average consumption per square foot. Emissions are presented in CO_2e, or carbon dioxide equivalents, which includes all greenhouse gasses, such as carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) emissions from electricity, natural gas, and fuel consumption, and HFC emissions from refrigerant use in buildings. To convert energy consumption and fuel combustion into GHG emissions, we used factors from various regulatory agencies. Scope 1 and 2 data are estimates based on these and other estimates and assumptions and have not been validated by an independent third party.

Energy Management

Datadog was born in—and runs in—the cloud. This eliminates server infrastructure in our offices, gives our employees more space to work, and makes it easy for them to store and share information. Our platform also enables our customers to undergo digital transformations and cloud migrations, which saves energy and reduces their own carbon footprint.

We use energy indirectly through cloud providers, which allows us to leverage economies of scale regarding carbon emissions and electricity usage. We only work with reputable vendors such as AWS, GCP, and Azure, as these companies often source renewable energy or purchase carbon offsets to cover their electricity usage.

Reducing resource consumption is a central part of our product development strategy, and we have made dramatic improvements in the CPU usage of our basic Agent.

Waste Management

We are continually developing and implementing strategies to reduce the amount of waste we produce. Our offices have established recycling and composting practices, and we have removed most single-use plastic products. Compostable utensils and kitchenware are stocked in each location, including compostable champagne flutes for office celebrations.

Other environmental initiatives within our offices include:

- Repurposing leftover food in our office cafeterias through multi-year partnerships with food rescue vendors

- Selecting office products and employee gifts that are organic, recycled, or sustainably made

- Stocking office bathrooms with sanitary products that are safe and sustainable

- Making rechargeable batteries available across our offices

- Choosing office buildings with accredited green building certifications, including Leadership in Energy and Environmental Design (LEED)

- Collecting and recycling e-waste through a third-party vendor

- Returning printer cartridges and toners to the manufacturer for recycling

Frameworks & Standards

The below voluntary disclosures are categorized according to the Sustainable Accounting Standards Board (SASB) framework for Software and IT Services.

TOPIC	ACCOUNTING METRIC	SASB CODE	DATADOG DISCLOSURE
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-SI-130a.1	See Climate Impact section on page 25 of this report.
	Discussion of the integration of environmental considerations into strategic planning for data center needs	TC-SI-130a.3	With 4,800 employees worldwide as of December 31, 2022, Datadog's operational footprint is small. See Environment section on pages 24–26 of this report.
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	TC-SI-220a.1	See Data Privacy section on page 12 of this report and our Privacy Policy disclosed on our website.
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3	No material monetary losses as a result of legal proceedings associated with user privacy in 2022.
Data Security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-SI-230a.2	See Data Security section on page 12 of this report and our Security Website.

Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	TC-SI-330a.1	As of December 31, 2022, we had 4,800 employees operating across 21 countries. Approximately 40% of our full-time employees as of that date were located outside of the United States, 33% of whom were located in France. For more information on our diversity metrics, see page 21 of this report.
	Employee engagement as a percentage	TC-SI-330a.2	See Talent Development section on page 17 of this report.
	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-SI-330a.3	See Diversity, Equity, and Inclusion (DEI) section on page 21 of this report.
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	TC-SI-520a.1	No material monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations in 2022.
Managing Systemic Risks from Technology Disruptions	Description of business continuity risks related to disruptions of operations	TC-SI-550a.2	See Risk Management on page 10 of this report. See Strategic and Operational Risks on pages 15–22 in Datadog's Annual Report: Form 10-K for risks related to disruptions of operations.

Appendix

Forward-Looking Statements

This report contains "forward-looking" statements, as that term is defined under the federal securities laws. These forward-looking statements are based on Datadog's current assumptions, expectations and beliefs and are subject to substantial risks, uncertainties, assumptions and changes in circumstances that may cause Datadog's actual results, performance or achievements to differ materially from those expressed or implied in any forward-looking statement.

The risks and uncertainties referred to above include, but are not limited to (1) our recent rapid growth may not be indicative of our future growth; (2) our history of operating losses; (3) our limited operating history; (4) our business depends on our existing customers purchasing additional subscriptions and products from us and renewing their subscriptions; (5) our ability to attract new customers; (6) our ability to effectively develop and expand our sales and marketing capabilities; (7) risk of a security breach; (8) risk of interruptions or performance problems associated with our products and platform capabilities; (9) our ability to adapt and respond to rapidly changing technology or customer needs; (10) the competitive markets in which we participate; (11) risks associated with successfully managing our growth and (12) general market, political, economic, and business conditions including concerns about reduced economic growth and associated decreases in information technology spending as well as the impact of the COVID-19 pandemic. These risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission (SEC), including in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022 and other filings and reports that we may file from time to time with the SEC.

Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Forward-looking statements represent our beliefs and assumptions only as of the date of the dates indicated. We disclaim any obligation to update forward-looking statements.

About Non-GAAP Financial Measures

Datadog discloses non-GAAP operating margin and free cash flow margin in this report. Datadog uses each of these non-GAAP financial measures internally to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, for short- and long-term operating plans, and to evaluate Datadog's financial performance. Datadog believes they are useful as a supplement to GAAP measures, in evaluating its operational performance, as further discussed below. Datadog's non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in its industry, as other companies in its industry may calculate non-GAAP financial results differently, particularly related to non-recurring and unusual items. In addition, there are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared

in accordance with GAAP and may be different from non-GAAP financial measures used by other companies and exclude expenses that may have a material impact on Datadog's reported financial results.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. A reconciliation of the historical non-GAAP financial measures to their most directly comparable GAAP measures has been provided in the financial statement tables included below in this press release.

Datadog defines non-GAAP operating margin as the respective GAAP operating margin, adjusted for, as applicable: (1) stock-based compensation expense; (2) the amortization of acquired intangibles; (3) non-cash benefit related to tax adjustment; (4) employer payroll taxes on employee stock transactions; and (5) amortization of issuance costs. Datadog defines free cash flow as net cash provided by operating activities, minus capital expenditures and minus capitalized software development costs. You are encouraged to review the reconciliation of these historical non-GAAP financial measures to their most directly comparable GAAP financial measures.

Management believes these non-GAAP financial measures are useful in assessing Datadog's operating performance due to the following factors:

Stock-based compensation. Datadog utilizes stock-based compensation to attract and retain employees. It is principally aimed at aligning their interests with those of its stockholders and at long-term retention, rather than to address operational performance for any particular period. As a result, stock-based compensation expenses vary

for reasons that are generally unrelated to financial and operational performance in any particular period.

Amortization of acquired intangibles. Datadog views amortization of acquired intangible assets as items arising from pre-acquisition activities determined at the time of an acquisition. While these intangible assets are evaluated for impairment regularly, amortization of the cost of acquired intangibles is an expense that is not typically affected by operations during any particular period.

Employer payroll taxes on employee stock transactions. Datadog excludes employer payroll tax expense on equity incentive plans as these expenses are tied to the exercise or vesting of underlying equity awards and the price of Datadog's common stock at the time of vesting or exercise. As a result, these taxes may vary in any particular period independent of the financial and operating performance of Datadog's business.

Additionally, Datadog's management believes that the non-GAAP financial measure free cash flow is meaningful to investors because it is a measure of liquidity that provides useful information in understanding and evaluating the strength of our liquidity and future ability to generate cash that can be used for strategic opportunities or investing in our business. Free cash flow represents net cash provided by operating activities, reduced by capital expenditures and capitalized software development costs, if any. The reduction of capital expenditures and amounts capitalized for software development facilitates comparisons of Datadog's liquidity on a period-to-period basis and excludes items that management does not consider to be indicative of our liquidity.

Operating expenses ($000s)

	FY22
Revenue	$1,675,100
RESEARCH & DEVELOPMENT	
GAAP R&D expense	$752,351
GAAP R&D expense as a % of revenue	**45%**
Less: Share-based compensation expense	$237,120
Less: Employer payroll taxes on employee stock transactions	$10,384
Add: Other Non-GAAP adj.[1]	—
Non-GAAP R&D expense	$504,847
Non-GAAP R&D expense as a % of revenue	**30%**
SALES & MARKETING	
GAAP S&M expense	$495,288
GAAP S&M expense as a % of revenue	**30%**
Less: Share-based compensation expense	$76,735
Less: Amortization of acuired intangibles	$825
Less: Employer payroll taxes on employee stock transactions	$2,766
Add: Other Non-GAAP adj.[1]	—
Non-GAAP S&M expense	$414,962
Non-GAAP S&M expense as a % of revenue	**25%**
GENERAL & ADMINISTRATIVE	
GAAP G&A expense	$139,413
GAAP G&A expense as a % of revenue	**8%**
Less: Share-based compensation expense	$38,472
Less: Employer payroll taxes on employee stock transactions	$830
Add: Other Non-GAAP adj.[1]	—
Non-GAAP G&A expense	$100,111
Non-GAAP G&A expense as a % of revenue	**6%**
Reconciliation of operation loss and operating margin	
GAAP Operating Loss	**$(58,695)**

Add: Share-based compensation expense	$363,154
Add: Amortization of acquired intangibles	$7,575
Add: Employer payroll taxes on employee stock transactions	$14,246
Less: Other Non-GAAP adj.[1]	—
Non-GAAP operating (loss income)	**$326,280**
GAAP Operating margin	**(4)%**
Non-GAAP gross profit margin	**19%**

(1) Non-cash benefit related to the release of a non-income tax liability

Gross profits margin

	FY22
Revenue	$1,675,100
GAAP Gross profit	**$1,328,357**
GAAP gross profit margin	79 %
Add: Share-based compensation expense included in cost revenue	$10,827
Amortization of acquired intangibles	**$6,750**
Employer payroll taxes on employee stock	$266
Non-GAAP gross profit	$1,346,200
Non-GAAP gross profit margin	**80%**

Free cash flow ($000s)

	FY22
Revenue	$1,675,100
Cash flow from operations	**$418,407**
Capex	$(35,261)
Capitalized software developmental costs	$(29,628)
Free cash flow	**$353,518**
Free cash flow margin	21%

DATADOG