

zendesk

Global impact report



2020

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On the cover: Zendesk partners with the [Curry Senior Center](#) in San Francisco to volunteer regularly. These photos were taken of both the Tenderloin neighborhood in San Francisco, and Curry Senior Center staff members. We are proud to be affiliated with each of them.

SECTION ONE

Message from our CEO

In 2020, we were humbled by the resilience of our customers, employees, partners, and communities.

More than ever, we're committed to building a diverse and creative company that stands for empathy, equity, and being a good neighbor to the communities we serve. Last year, as remote and digital interactions became one of the only ways for people to connect and get information, our team further mobilized our Tech for Good Program and tripled our donations of software and services to nonprofit organizations. The Zendesk Neighbor Foundation also increased its grants by 50%. And our employees logged thousands of hours of volunteering remotely, through activities like virtual mentoring and writing letters to isolated seniors.

2020 brought an overdue and emotional worldwide focus on diversity and social justice issues. At Zendesk we made specific commitments to make sure we are building teams that look more like the world we live in. We also made meaningful donations to organizations that take action against systemic issues of racism and inequity.

As part of our ongoing responsibility to be a good neighbor, we need to hold ourselves accountable to high sustainability standards.

Starting in 2021, we are aiming to have our workplaces around the world be carbon negative by removing more emissions from the atmosphere than we generate. We're also aiming to expand our sustainability efforts by reducing our indirect emissions.

We have big goals as a growing company. Achieving them means we will have made a positive impact on the world around us and improved the experiences of our customers, employees, and our communities. Let's get to work.



Mikkel Svane
CEO, Zendesk

SECTION TWO

About this report

About Zendesk

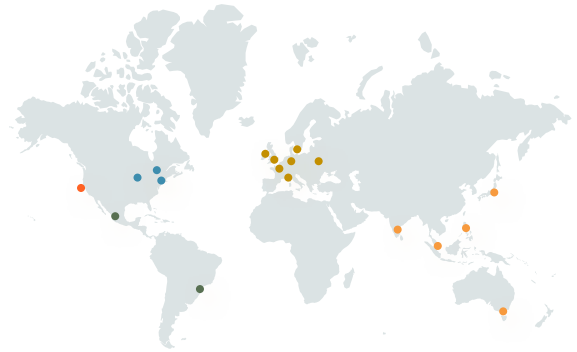
Zendesk started the customer experience revolution in 2007 by enabling any business around the world to take their customer service online.

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 their 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, taken public in New York City, and employs more than 4130 people across the world.

Learn more at www.zendesk.com

Zendesk around the globe



2020 Results

\$1.03B
2020 revenue

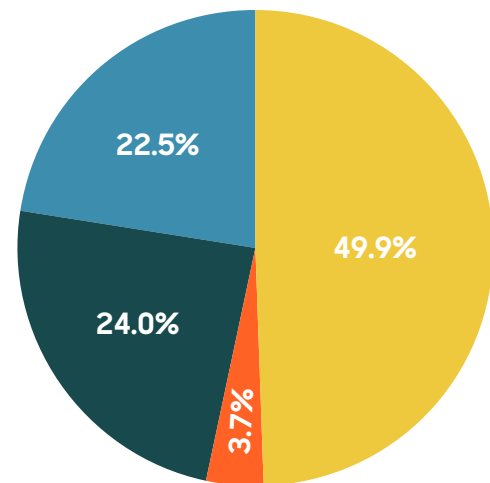
100,000
Brands on Zendesk

+26% Y/Y
Revenue growth

160
Customer countries
and territories

Global employees in 2020 - 4,130

● North America ● Latin America ● EMEA ● Asia/Australia





About this report

This 2020 Global Impact Report is our second annual report on our environmental, social, and governance (ESG) issues. We can now begin sharing year-over-year comparisons on our progress in meeting stakeholder expectations of how we operate a responsible company. We have focused this report on providing:

- Improved transparency and detail of ESG data compared with 2019
- Trend data to better understand our progress and setbacks in ESG matters
- Comments on how the pandemic affected our business in relation to ESG efforts

The data shared in this report is limited to the Company's operations for our fiscal year 2020 (January 1, 2020 through December 31, 2020, unless otherwise noted). The data in this report may contain figures that are approximated or rounded based on the best measurements available to us. In 2020, we formalized oversight of environmental, social, and governance matters by including regular review of company initiatives in our Nominating and Corporate Governance Committee's charter. We are energized by the additional focus that this work has received, which will allow us to accelerate the long-term oversight of our ESG performance.

All environmental data around our greenhouse gas (GHG) emissions was prepared by Anthesis Group and reviewed by internal Zendesk stakeholders. As Zendesk continues to improve our data collection and analysis processes, we will adjust our GHG accounting to ensure the information provided is as accurate as possible.

The contents of this report are informed by the Global Reporting (GRI) Standards, the Sustainable Accounting Standards Board (SASB) Software and Services Standard, and the UN Global Compact (UNGC).

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, including, among other things, statements regarding Zendesk's future financial performance, its continued investment to grow its business, and progress toward its long-term financial objectives. Words such as "may," "should," "will," "believe," "expect," "anticipate," "target," "project," and similar phrases that denote future expectation or intent regarding Zendesk's financial results, operations, and other matters are intended to identify forward-looking statements. You should not rely upon forward-looking statements as predictions of future events.

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 (SEC), including its Annual Report on Form 10-K for the year ended December 31, 2020 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.

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 presentation to reflect events or circumstances after the date of this presentation or to reflect new information or the occurrence of unanticipated events, except as required by law.

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 (SEC), including its Annual Report on Form 10-K for the year ended December 31, 2020 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 for details regarding the definition and calculation of its operating metrics.

This presentation utilizes certain trademarks and service marks for reference purposes. All such trademarks and service marks are and remain the property of their respective owners.



SECTION THREE

Governance at Zendesk

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 in our results for our stakeholders over the long-term.

Governance to us means fresh, diverse perspectives on our board, a thoughtful and informed executive compensation program, formal ESG oversight, promotion of ethical behavior and integrity through our global approach to compliance, and continued development of our robust data privacy program.

Our Board

We have a [Board](#) which has a comprehensive set of experiences, both with industry peers and with larger companies with broad impact. We have maintained a healthy and diverse 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 access to continuing education. We also maintain a strongly independent Board, with only one employee director and no non-employee director serving on more than two other public company boards.

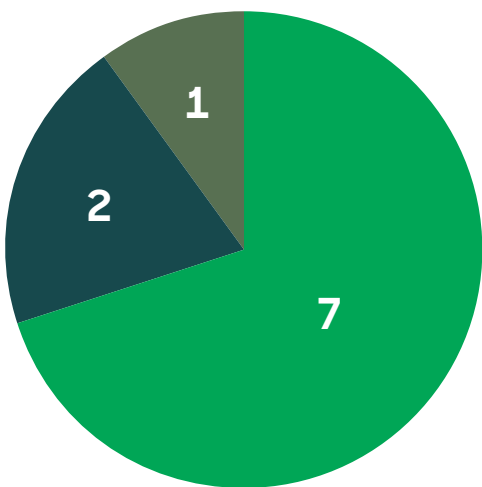
In committing to ensuring we have a diverse set of experiences on our Board, we believe diversity in race and ethnicity are fundamental to effective governance. As of today, we are compliant with all U.S. legislation regarding diversity and half of our directors have self-identified as racially or gender diverse.

Further description of our commitment to strong Board governance, including structure and composition, a Board skillset matrix, stockholder engagement, director biographies, and oversight of risk management are available in our proxy statement for our 2021 Annual Meeting of Stockholders filed with the SEC on April 2, 2021 (2021 Proxy Statement).

Board snapshot

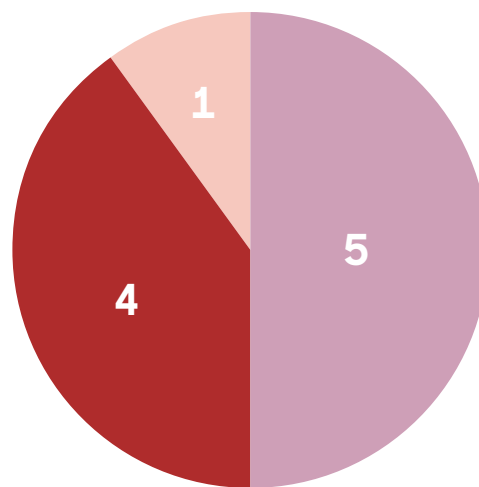
Tenure

0-3 years 4-10 years 10 years



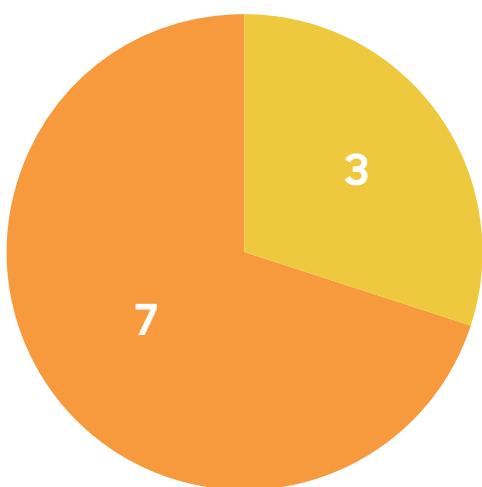
Age

40-55 years 55-60 years >60 years



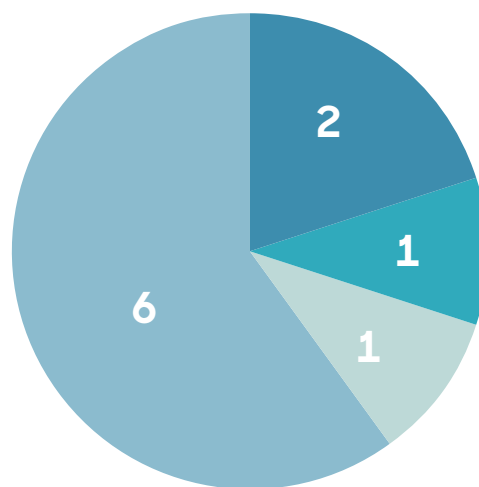
Gender Diversity

Female Male



Racial/Ethnic Diversity

Black Asian Declined to respond White





ESG oversight at Zendesk

We believe that in order to deliver consistent growth to our stakeholders over the long term, in addition to strong governance, it is key to commit to sustained improvement on our impact on 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) and in early 2021 established an ESG Committee, sponsored by 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 includes a review by the NCG Committee of 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 answer questions about where we are heading with our program over the long term.

Board

- On a consistent basis, our Board reviews risks facing our Company and measures for those risks.
- Our Board reviews an enterprise risk assessment annually, along with management updates on managing those identified risks through its respective committees.



Audit Committee

- Oversees our enterprise risk assessment process, facilitated by our head of internal audit.
- Oversees risks related to financial reporting, internal controls, legal matters, and fraud.
- Oversees cybersecurity risk, including quarterly updates from our Chief Information Security Officer.

Compensation Committee

- Oversees company risks and policies related to compensation, recruiting and retention of our executive officers.
- 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 environmental, social and governance policies, programs, and 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.



Ethics and compliance

You are a part of Zendesk

From onboarding onwards, we emphasize that each employee has an essential part to play in promoting an environment where ethical and compliant behavior thrives. In our [Code of Business Conduct and Ethics](#) (the Code of Conduct), we tell our directors, officers and employees that “you are a part of Zendesk.”

Our Board is charged with reviewing at least annually the code of business conduct and ethics, which covers ethical conduct, prohibitions on bribery and corruption globally, compliance with international laws and regulations, and provides access to a dedicated anonymous whistleblower hotline for reports of violations. Employees are required to undergo training on the Code of Conduct, anti-harassment, insider trading, and other corporate policies. Additionally, our Audit Committee receives updates each quarter of any major active investigations and we maintain a publicly available policy for anyone to submit a complaint anonymously.

We also have a comprehensive set of other corporate policies which promote an environment of legal compliance reviewed by our Nominating and Corporate Governance Committee at least annually, which include 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, 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. We have also partnered with and donated our product to the International Rescue Committee and the Child Rescue Coalition, two organizations promoting human rights and ending human trafficking.





Data privacy and trust

We make customer trust a priority because we know that customer data is important to our customers' values and operations.

Zendesk supports over 100,000 brands in over 160 countries and territories. Our customers entrust us with large amounts of sensitive information, stemming from a wide range of industries including healthcare, financial services, government, and technology.

Zendesk helps customers maintain control of their privacy and data security through:

Data security: We provide our customers compliance with high security standards, such as encryption of data in motion over public networks, auditing standards (SOC 2, ISO 27001, ISO 27018), Distributed Denial of Service ("DDoS") mitigations, and a Support team that is on-call 24/7.

Disclosure of Customer service data:

Zendesk only discloses customer data to third parties where disclosure is necessary to provide the services or as required to respond to lawful requests from public authorities.

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

Access management: Zendesk provides an advanced set of access and encryption features to help customers effectively protect their information. We do not access or use customer content for any purpose other than providing, maintaining and improving the Zendesk services and as otherwise required by law.

Privacy compliance program: We take pride in continuing to develop and maintain our comprehensive data privacy compliance program to protect personal information and to ensure compliance with relevant data protection requirements.

Highlights of this program include:

- We obtained regulatory approval for using our Binding Corporate Rules, supporting our customers in complying with data protection rules globally (including the General Data Protection Regulation and the California Consumer Privacy Act).
- We certified our compliance with the EU-U.S. and Swiss-U.S. Privacy Shield Frameworks to the U.S. Department of Commerce and have been added to the Department of Commerce's list of self-certified Privacy Shield participants.
- We empower an experienced Chief Privacy Officer, who leads a global privacy team, in overseeing our privacy strategy while fostering a culture of security across our company.
- All employees are required to take regular data privacy and information security training to ensure they understand our policies and their responsibilities to protect sensitive data.
- Zendesk provides a [Transparency Report](#), updated twice a year, on government requests received.

For more information, see our [privacy and data protection](#) site.

You can read more about our specific governance policies at our [investor relations](#) site and in our recent 2021 Proxy Statement.

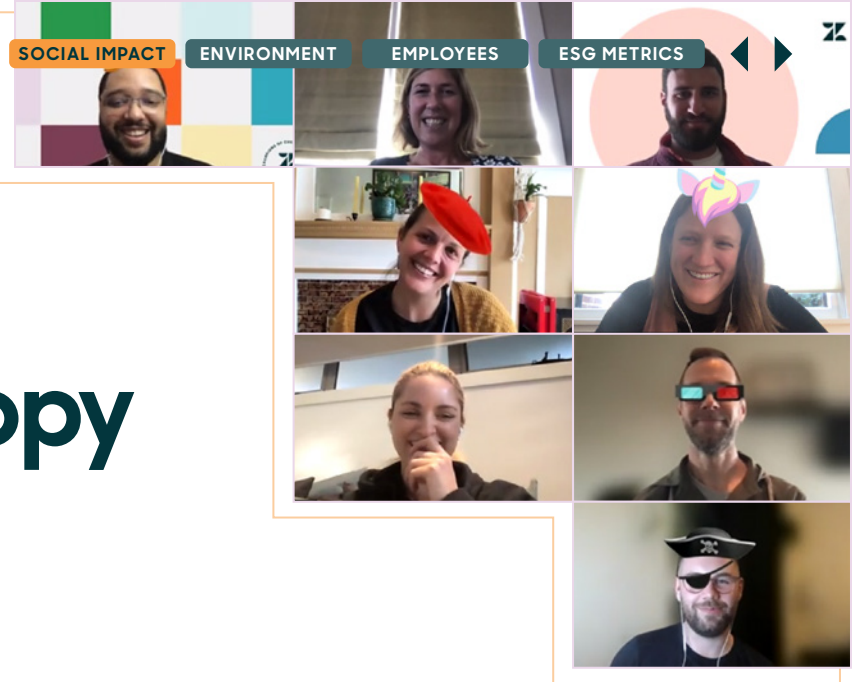


SECTION FOUR

Social Impact and philanthropy

Through our social impact programs, we encourage and empower our employees to become active global citizens. Via education, volunteering, and advocacy for the multifaceted challenges facing society, employees become more connected to each other and Zendesk. Fostering connection is an important part of how we will preserve a unique and valuable corporate culture for our employees as we grow.

[Research shows](#) that over the past three years, more than half of all employees are open to leaving their current company for new roles. This figure drops, however, to less than 12% if they believe their company is making a positive impact in the world. Positive global impact and positive employee impact are drivers in our social impact investments. Learn more on our [social impact page](#).



One of the main reasons I joined Zendesk was its culture and commitment to social impact initiatives. I have been super impressed by the energy and passion of my fellow Zendeskians, and how the company has pivoted to engaging in a virtual-first manner.



Peter Lorant
Chief Operating Officer, EMEA



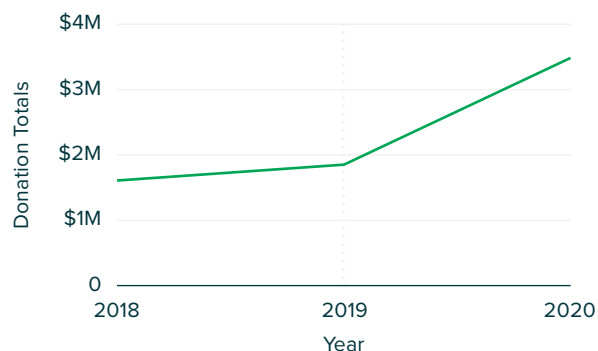
The Zendesk Neighbor Foundation



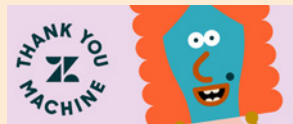
The wrenching events of 2020 focused our resolve to donate more money and technology to organizations addressing the world's most pressing issues. The Zendesk Neighbor Foundation increased its grants in 2020 by 50% compared to the previous year.

We were proud to donate to organizations like NAACP, National Urban League, and European Network Against Racism. Moving forward, we'll give grants and donate software to make an impact around climate change, food insecurity, mental health, and digital equity and inclusion. You can read more about The Zendesk Neighbor Foundation's work in our [2020 Annual Report](#).

Zendesk grants to nonprofit



In 2020 we added a new grant recipient to our portfolio, the [International Rescue Committee](#) (IRC). Our Zendesk Neighbor Foundation donation supported the IRC in developing its Signpost project, a technology solution that ensures accurate and up-to-date information for migrants and asylum seekers.



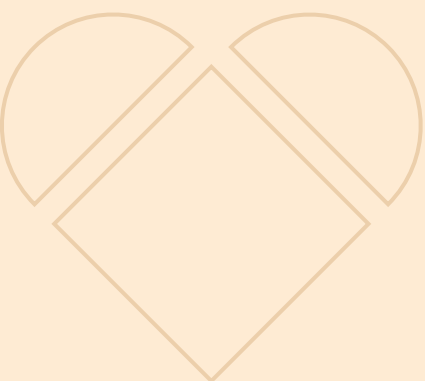
As part of our social media tool, the [Thank You Project](#), we sent messages of thanks to all our hardworking customer advocate employees around the world and donated \$100 per customer advocate to a charity of their choice. The aim of this initiative was to help boost the morale of these employees by recognizing their contributions.



Our employees raised over \$140,000 to assist with Australian wildfire relief efforts in January 2020. All funds went directly to the Australian Red Cross. Our foundation also donated another \$25,000 to [Bush Heritage Network](#) to help them rebuild the ecosystems that were destroyed by the fires.

WE CAN'T BE SILENT

In 2020 The Zendesk Neighbor Foundation distributed over \$1M to organizations combating structural racism and bias worldwide. These grantees included Southern Poverty Law Center, the NAACP, European Network Against Racism, and Asia Foundation.



2020
HIGHLIGHTS

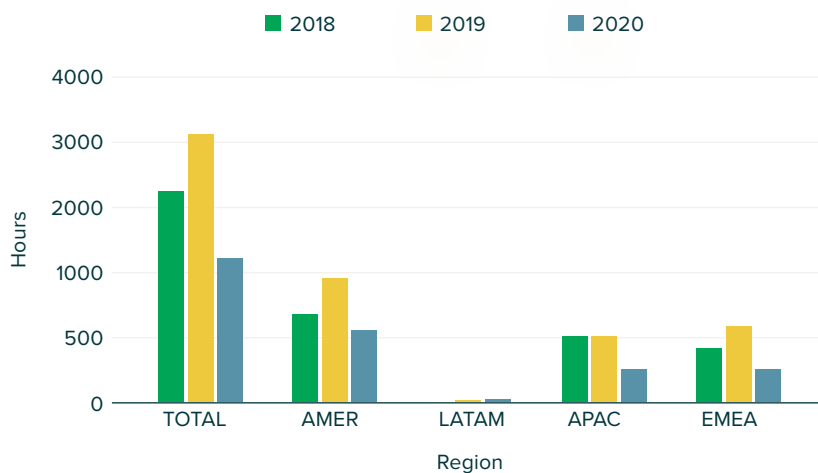


Employee volunteering: the Zendesk way

Volunteering remains a strong component of Zendesk culture, as giving back to our communities helps our employees understand local issues and develop pride in their community.

Before 2020, most of our social impact volunteer programs were in-person, group events. Our employees made a successful shift to engaging remotely, and our employees gave over 11,000 hours of their time doing volunteering, advocacy, and learning about social issues.

Employee engagement in social impact programs



We all get caught up in our day-to-day lives. Volunteering allows us to step back and take the time to focus on something that matters for someone else.



Alison Massie
Group Manager, Social Media

Volunteering broadens my horizons, which helps me become a more open-minded and empathetic person.

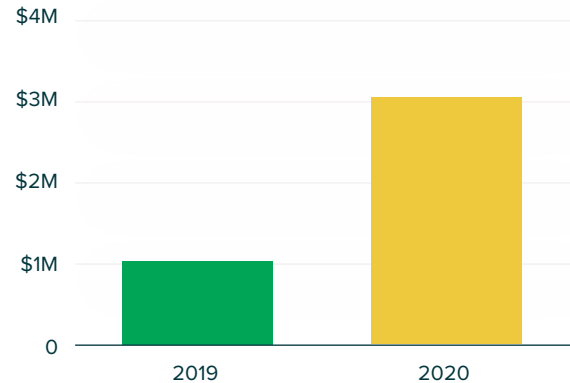


Bence A. Tóth
Senior Software Engineer

Donating technology and expertise

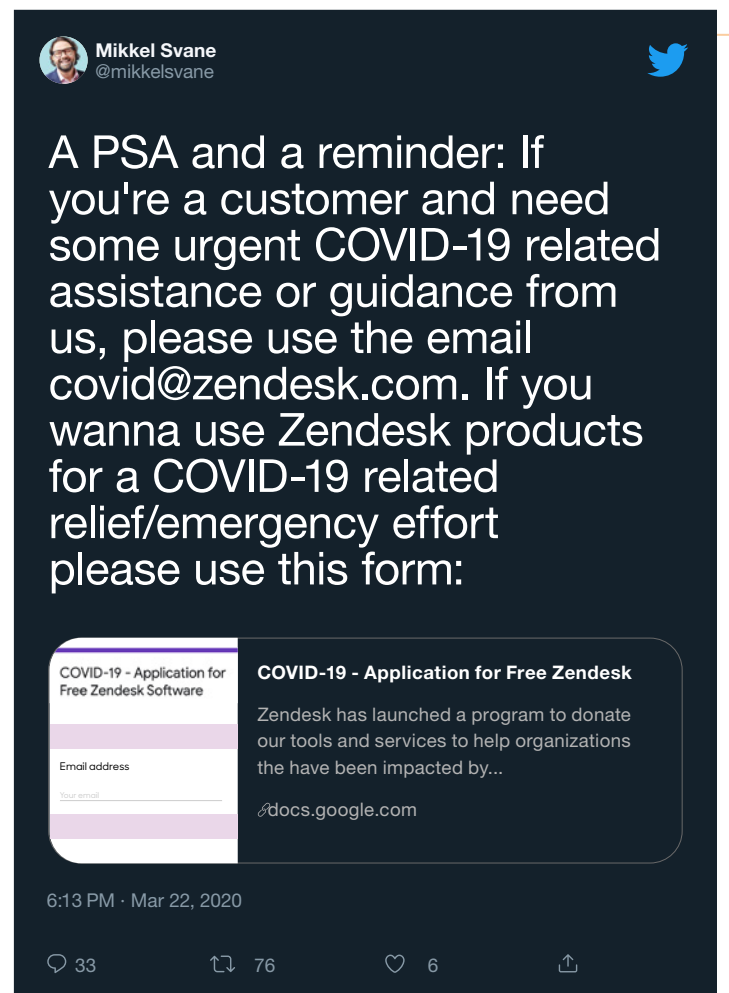
As a part of Zendesk's Social Impact initiatives, our [Tech for Good](#) program supports nonprofits through providing Zendesk software products and the skilled employees to help implement them. In 2020, Zendesk's Tech For Good program donated over \$3M in software and services to over 100 nonprofit organizations, more than three times the amount donated the year prior.

Total software donated



In March of 2020, our CEO Mikkel Svane [tweeted out an offer](#) to any organization doing community relief work related to the COVID-19 pandemic. Our Tech for Good team and our network of partners ultimately donated over \$1.4M in software value to 70 organizations around the world that were providing COVID-19 relief services to communities. We realized that the same value our customers get from our software—ease of use, quick response times, and human to human connection—was essential to those providing disaster relief services during the early days of the COVID-19 pandemic.

Donating our technology is an important way for Zendesk to arm nonprofits with the tools they need to empower their clients, and to meet the shifting needs that 21st century aid service requires. We've learned that the nonprofits we support need more than just free technology, they need our expertise. So we've focused a lot on donating implementation services and access to customer success professionals and other skilled volunteers, in addition to our technology. This allows our technical employees to meaningfully engage their skills and expertise. It also empowers nonprofits to develop the skills and expertise necessary to work with new technology.





The partnerships we forge with nonprofits, which are ready to bring a better customer experience to their work, help us build trust in communities around the globe. Again and again, we get to see our technology applied in ways we never dreamed of, such as:

Using Zendesk for Support to quickly funnel emergency requests from any channel in any location and get food to those that need it most.

WORLD CENTRAL KITCHEN

Using [Zendesk's Sunshine platform](#) to empower victims of police abuse, facilitate reporting of those abuses, and loop in necessary third parties.

RAHEEM

Using [Zendesk Sell](#) to intake asylum-seeking families and refugees coming across America's southern border and get them to their new homes in the United States.

IRC WELCOME CENTER

The **International Rescue Committee** (IRC) responds to the world's worst humanitarian crises and helps people whose lives and livelihoods are shattered by conflict and disaster to survive, recover, and gain control of their future.

The IRC believes that accurate, accessible, and timely information is essential for people in times of crisis. That's where the **Signpost project** comes in. Signpost's goal is to place the power of critical and accurate information in the hands of people who need it most: refugees looking to begin a new life in a new home. Through a partnership with our [Tech for Good](#) program, Signpost uses Zendesk as the platform to power Signpost websites. There, users can get information and support via the channels best suited to their needs.

Zendesk technology has allowed the Signpost team to create information centers for refugees packed with accurate and relevant information in their local language. It also helps Signpost to empower regional partners in-country to respond quickly to refugee requests for support across a variety of channels, including Facebook, email, phone, and WhatsApp.

In late 2020, the IRC was able to build its first Signpost instance on Zendesk—[InfoPa'lante](#) in Colombia. Quickly thereafter, due to the ease of using Zendesk, they were then able to create additional sites in Mexico and Pakistan. Through our deepening partnership with Signpost, and continued donation of software, grants, and expertise, Zendesk will be able to provide the IRC with the tools to create and expand Signpost brands to 12 countries by the end of 2021.


signpost



[InfoPa'lante](#)



EMPOWERING
REFUGEES



Signpost's mission is to decolonize humanitarian information and shift the power back to people impacted by crises. We flip the paradigm in information services—rather than it being driven by responders and authorities, it's the community who decides what information they need to find safety from violence, protect loved ones from infectious disease, exercise their human rights, claim asylum, or find economic opportunities.

Signpost is a high-tech, democratized approach to empower people through social and online media. In the coming years, Signpost will embed itself within the international humanitarian architecture and become a long-overdue upgrade to the essential infrastructure of crisis response. We're very pleased to take this journey together with Zendesk.

Andre Heller
Signpost Global Director



SECTION FIVE

Environmental impact

Our strategy and focus

At Zendesk, we recognize the risk that climate change brings to our society as well as to our customers, communities, and employees. We are deepening our understanding of this complex and global challenge and how we can play a part in the solution.

Zendesk's success comes from taking something complex and alienating, and making it simpler and more human. We will look to use this same approach to analyze the known climate change strategies that are needed and determine how we can contribute to them in a meaningful way.



Zendesk aims to:



Measure and reduce our annual emissions across Scope 1, 2, and 3 - and to share those results in a transparent manner with our stakeholders. We aim to not only purchase enough renewable energy globally to power 100% of our leased office energy needs, but we will also invest in enough carbon removal solutions to ensure that our offices are carbon-negative starting in 2021 by removing more carbon from the atmosphere than we generate from operating them.



Leverage our technology and financial resources to further environmental and sustainability efforts both inside and outside our company, and build a longer term strategy for how we approach climate change in a thoughtful way.



In 2020, our offices were shuttered, customer events canceled, and all employee travel was halted for much of the year. It was a time to reassess and reprioritize how we as a company think about our contribution to fighting climate change. As expectations from key stakeholders increase around how companies take action on these issues, we are more closely scrutinizing what this means for our business.

Input from our stakeholders in 2020

Our employees

In 2020, we launched a global employee survey. More than 3,100 Zendesk employees let us know that Sustainability was their top choice of social impact program for further investment. Additionally, it was the top choice for our product and engineering employees and our most tenured employees (4+ years). Doing right by the environment is part of our broader human capital strategy.

Our customers

We saw a noticeable increase in inquiries from some of our larger customers and prospects. As part of their supply chain sustainability goals, they are expecting Zendesk to report and share our goals and commitments to carbon reduction and sustainability standards.

Our investors

As we pass \$1B in revenue, we are seeing more of our investors requesting details on our commitments and progress in addressing the risks to our business from climate change. We are using this year's report to align more of our efforts to Sustainability Accounting Standards Board (SASB) reporting standards.

Energy and emissions:

We partnered with [Anthesis Group](#) to analyze our 2020 global greenhouse gas emissions (see ESG metrics).

We are happy to report that we achieved our goal of powering our offices with 100% renewable energy one year earlier than we planned, and a 42% reduction in emissions for our Scope 3 emissions.

Much of our Scope 3 reductions were due to the global pandemic's effects on our ability to travel and work from the office, but we also more than doubled our investments in carbon offsets in 2020.

We recognize that our Scope 1 and 2 emissions are minimal, and the impact we can make will come from influencing our supply chain and investing in carbon sequestration projects. We are currently developing our strategy for that.

2020 was an important year for us to focus on:



Improving the accuracy of our greenhouse gas measurements



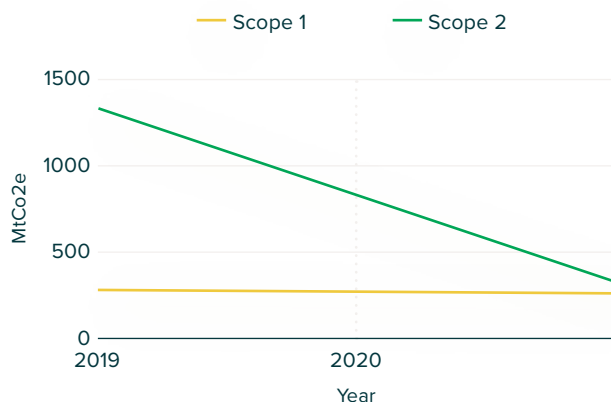
Achieving 100% renewable energy in our offices ahead of our 2021 goal



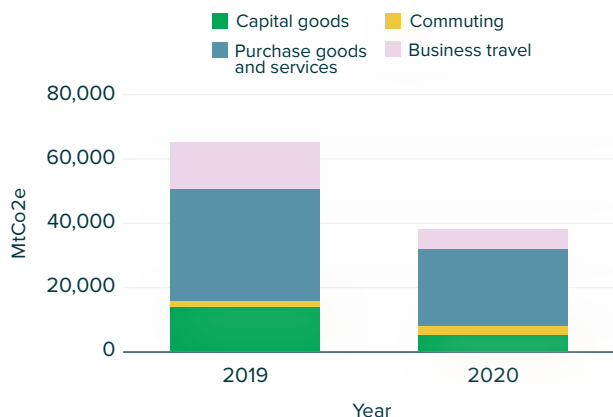
Developing a long-term strategy to reduce our Scope 3 emissions

Reducing our emissions

Scope 1 and 2 market-based emissions

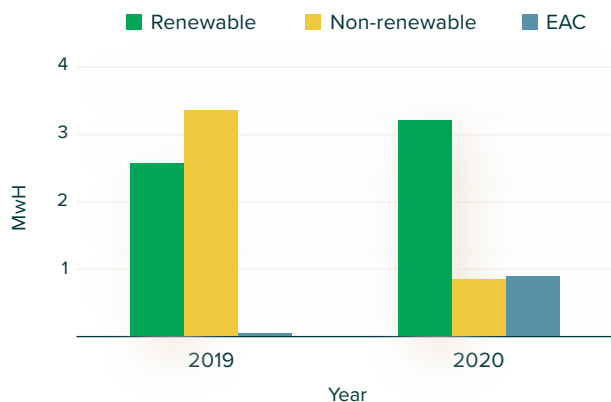


Scope 3 emissions by category

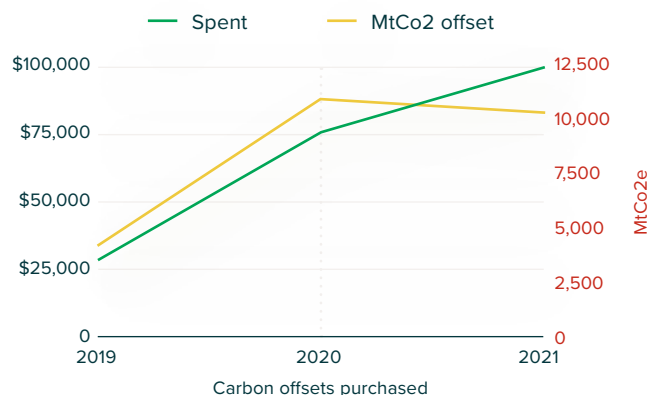


Increasing our investments in renewable energy and carbon offsets

Office energy purchase - 2020



Carbon offset investment



Our plan for achieving our emissions goals:

Scope 1 and 2:	<ul style="list-style-type: none"> We will continue to move all our global leased offices to local renewable energy plans via our local utilities and purchase high-quality, locally sourced renewable energy (via Energy Attribute Certificates) when necessary. We will continue to reduce emissions in our offices through energy-efficient lighting and heating/cooling systems. We will continue to partner with companies who are removing carbon from the atmosphere, in addition to Carbon offsets, to help us remove more carbon from the atmosphere than our unabated Scope 1 & 2 emissions create.
Scope 3:	<ul style="list-style-type: none"> We will work with our largest suppliers, including our cloud hosting services vendors to inspect and evaluate their commitments to emissions reductions in alignment with our goals. For all our construction and furniture vendors, we will partner with them on a new set of standards around circularity and embodied carbon for future Zendesk real estate projects. Our Reimagine How We Work initiative will reduce the carbon footprint of employee commuting by encouraging a significant increase in work-from-home options, and we will continue to incentivize zero-emissions commuting options for our employees and locate our offices in proximity to public transportation.

Going solar in Wisconsin

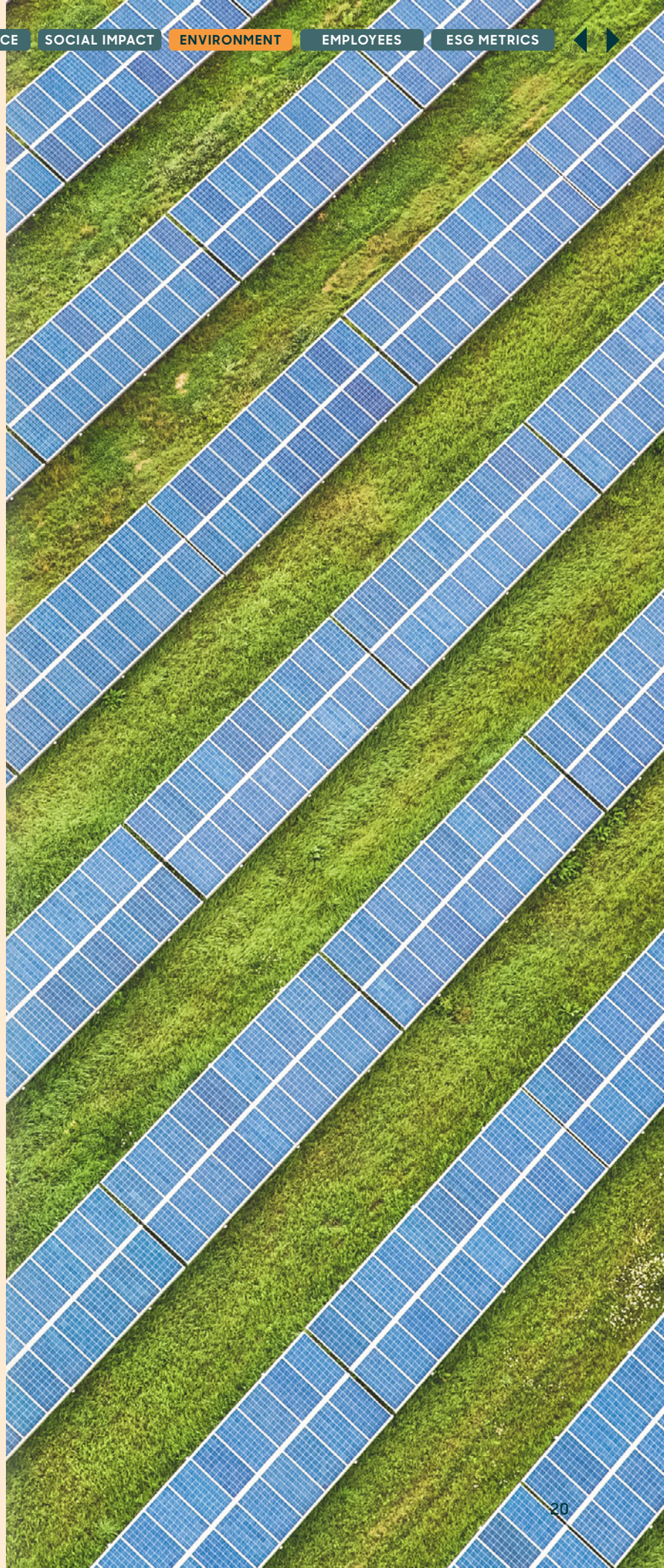
In 2020, we invested in our first [Shared-Solar program](#) a community solar program through our local energy provider, Madison Gas and Electric (MGE). We felt it was important for Zendesk to show leadership in a region where the electric grid currently has a low mix of high-quality renewable energy.

We were able to buy enough solar-powered energy through this program to power 50% of our office energy needs and supplement the rest through MGE's existing Green Power Tomorrow program.

Madison-area businesses can learn more about the Morey Field Solar project [here](#).

50%

of the energy used in the office energy comes from solar.





Operationalizing sustainability

With the closing of our offices in 2020, the sustainability of running our offices day-to-day was less of a focus. We used the time to design some key programs that strengthen our commitment to holding Zendesk to higher standards of sustainability.

Product Development

As an SaaS company, we know that optimizing the cloud infrastructure that powers our products can be one of the biggest opportunities for reducing our impact on the environment. Our product development leaders are actively working with our cloud vendors to understand how we can align our sustainability goals with their decisions around renewable energy. At the same time, we have invested in a team dedicated to optimizing our existing usage and driving efficiencies.

Workplace experience

Our workplace experience teams who manage our global office spaces have continued to increase their work to both measure and improve the sustainability of our office spaces. As we look forward to reoccupying our offices, we will implement office-by-office rating systems to ensure the removal of plastics and unnecessary single-use items, and implement energy-saving techniques, e-waste standards, and recycling and composting in as many offices as we can.

Supply chain

Zendesk's procurement team initiated the beginnings of a program to measure and improve our top suppliers' commitments to sustainability. We integrated into all large RFPs and vendor business review processes questions on key social and environmental commitments and standards that we can use to rank our suppliers who align with our values.

Real estate

After successfully achieving LEED Gold certification for our Singapore office launch in 2019, Zendesk's Real Estate team hired an outside expert to help us set standards and best practices for building all future offices to higher standards of sustainability. We will examine how we design, build, and furnish all future offices with greater care to embodied carbon, circularity, and health standards. We expect to launch this program in 2021.

Zendesk Green Teams focus on sustainability at home

The Zendesk Green Teams launched a video series in 2020 called “Cribs” to show how Zendesk employees around the world are incorporating sustainability into their home lives and having fun with it.

With over 340 employees joining our #zendesk-sustainable Slack community and posting hundreds of messages and articles that inspired them in 2020, our employees remain highly engaged in current and future sustainability efforts.

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). Data security is always paramount—all drives are wiped and destroyed while certificates of destruction are retained.

Volunteering for the Zendesk Green Teams means the world to me, because in the end it’s all about what I mean to the world.

With the support of the concerned folk of Zendesk, I can now bring a more sustainable approach to everything on not just an individual level, but at a corporate scale. And that can truly affect the outcome of global issues such as the climate crisis and animal extinction.



Nova Marcic

Senior Technical Writer, Zendesk



SECTION SIX

Employee inclusion and culture

Caring about the people we create products for, our employees, and the communities in which we operate has been at Zendesk's core from the beginning. Being purpose driven in these experiences is part of how we live our values out loud and show our commitment to diversity, equity, and inclusion. To us, being purpose driven means acting with empathy and taking action in support of impactful issues. In 2020, that support was more important than ever. Below are highlights we are proud to share: how we hire great and diverse talent, build an inclusive culture and employee experience, and help employees grow at Zendesk.

Hiring great and diverse talent

Zendesk's unique culture of embodying helpfulness and empathy continues to be a key part of how we attract, grow, and keep amazing employees around the world. We will need to hire thousands of people in the coming years, and we see this as an opportunity to continue bringing rich and diverse perspectives into our organization. Attracting and keeping great and diverse talent used to be confined to our office locations. 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.

In support of our diversity hiring strategy we are debiasing our job descriptions, improving representation of underrepresented groups in our recruiting and hiring processes and have formed new recruiting partnerships that include:

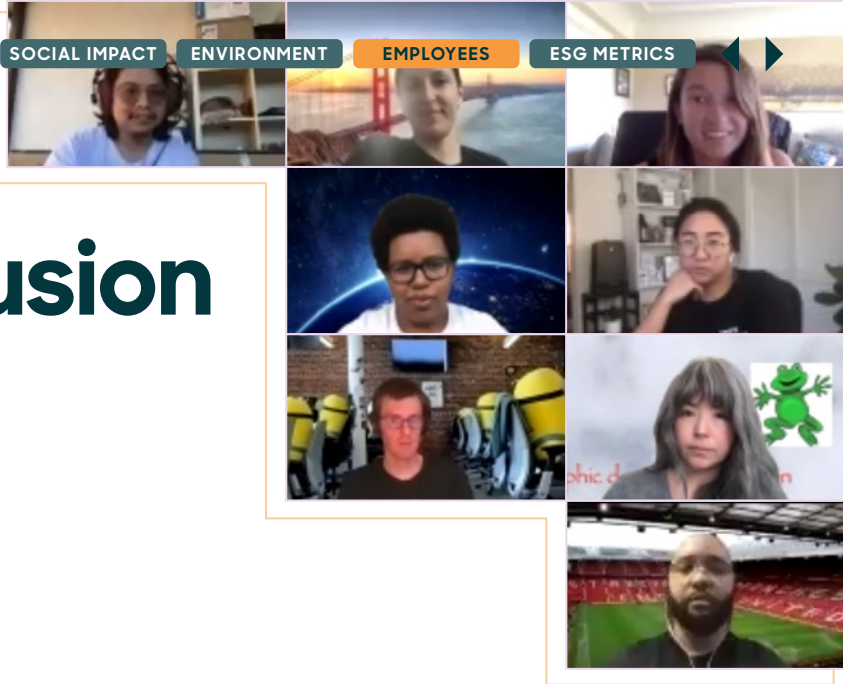
[The Mom Project](#), [Breakline](#), [National Sales Network](#), [BYP \(Black Young Professionals Network\)](#), and [Women Who Code](#).



Now, more than ever, we must support our employees by enabling their ability to work in new ways for a digital first world, supporting their well-being and by building a diverse, equitable, and inclusive work culture.



InaMarie Johnson
Chief People & Diversity
Officer, Zendesk



Building an inclusive culture

Building and maintaining a diverse set of talent and perspectives is more than just an imperative—it's simply the right way to do things. Here's a glimpse of how we did things differently in 2020.

WE CAN'T BE SILENT



Values with action: how we committed to doing better

Zendesk's [5 company commitments](#) set us up to improve our diversity representation and equitable and inclusive employee experience globally.

Empathy circle: from a moment to a movement

Multiple crises were affecting our employees and we felt an urgent need to support them in new and meaningful ways. [Empathy Circles](#) were born: safe spaces where our people could talk and feel safe. We believe this is so important, we created a playbook and shared it widely, believing everyone can benefit.

Feel free to download the playbook [here](#).

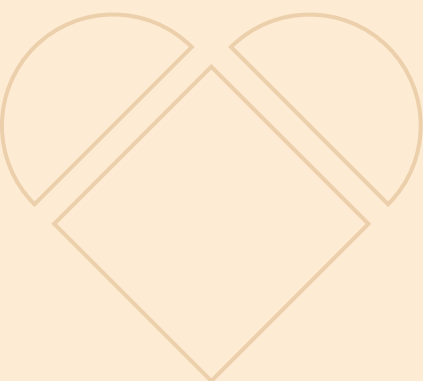


Be an ally

Our global allyship toolkit enables people managers to be allies in their communities and workplace. It covers the basics of allyship and privilege, in addition to how to have difficult allyship conversations and how we can build a culture of allyship together.



We introduced the **Zendesk Inclusion Index (ZII)** with a goal to measure the impact of our global, company wide DEI efforts. The ZII includes key questions on our overall commitment to DEI, fair treatment, integrating differences, decision-making, psychological safety, belonging, diversity representation.

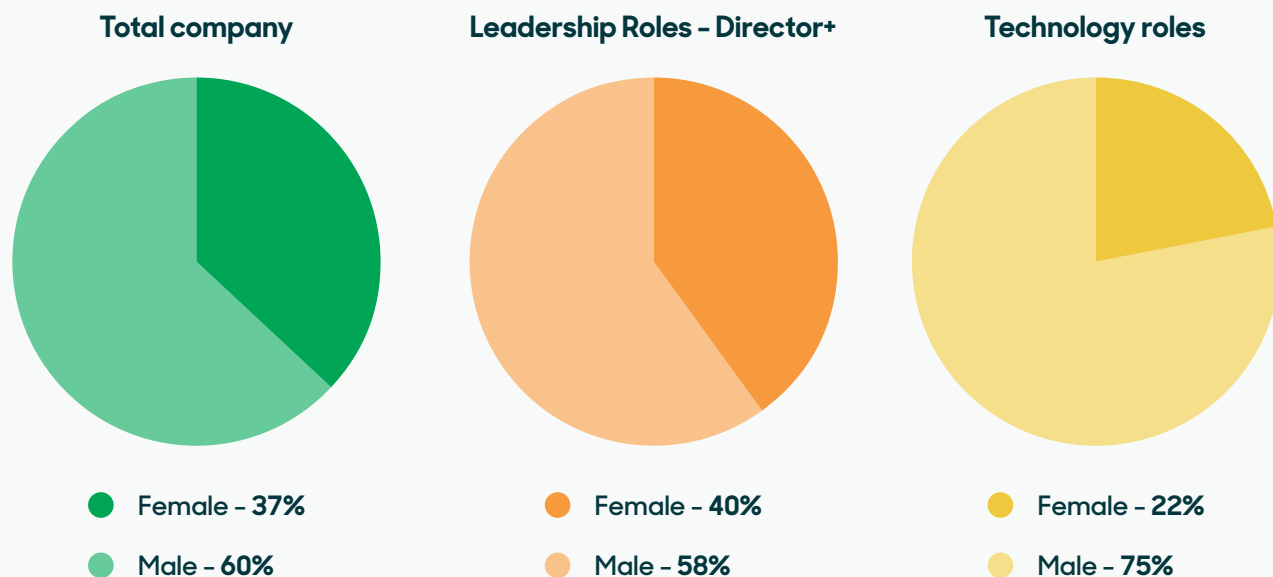


INCLUSIVE CULTURE

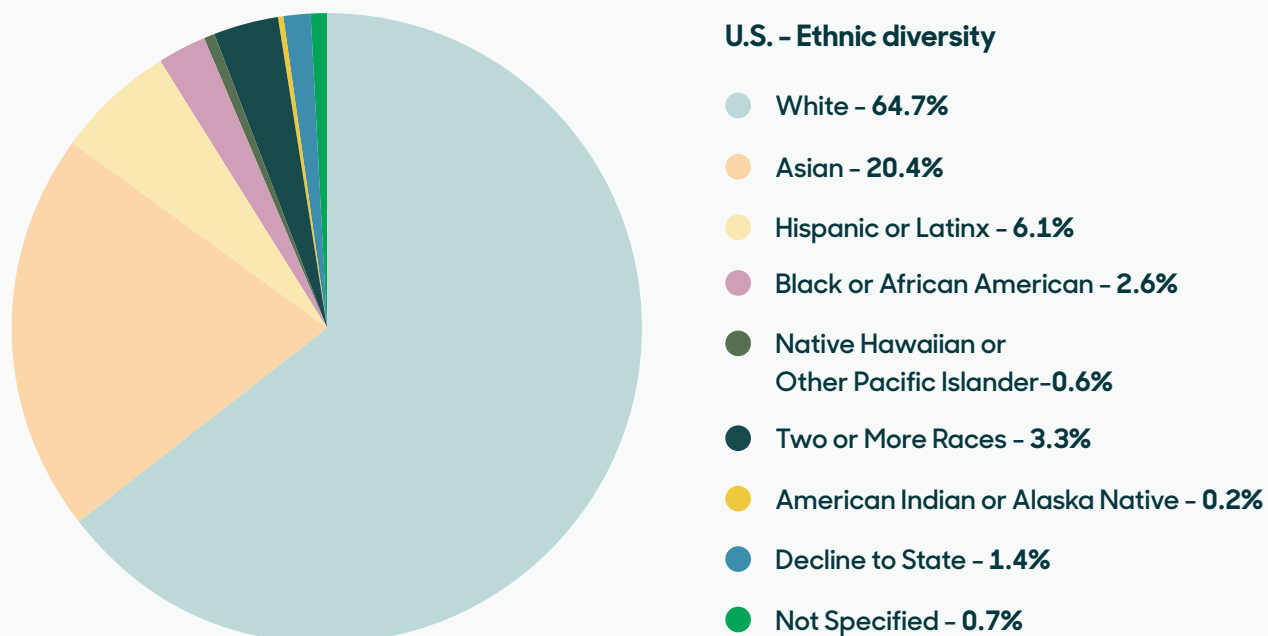


Our commitment to diversity, equity, and inclusion is about taking concrete and sustained action in building environments where all of our employees can find success. Our diversity data helps us understand how to focus our efforts in the right areas in support of this commitment. Here is a look at our diversity representation.

Female representation by function (total company)



Race/Ethnicity representation (U.S. only)





Taking care of our employees

In response to the COVID-19 pandemic, a top priority has been to ensure our employees have the resources they need to care for themselves and their families.



Your family is our family

We recognized that 2020 added many unexpected challenges and obstacles for our parents and caregivers. So we introduced immediate solutions to support them:

- Global COVID-19 caregiver leave: introduced in Q3 '20 for up to two weeks paid, with an additional option of up to four weeks unpaid.
- Care.com membership: paid membership to care.com's network of caregivers.
- Parent and caregiver toolkit: to educate on empathy, existing resources and benefits, including practical webinars focused on working remotely with children, parenting teenagers during COVID, etc.
- Fertility benefits with Carrot: We aim to provide benefits that are inclusive of all employees at every life stage and on every path to parenthood. In Q4, we announced that we have partnered with Carrot Fertility to offer inclusive fertility and family-forming global benefits effective January 1, 2021.



Flexi-Friday

In response to employee engagement feedback during our COVID-19 response, we introduced Flexi-Friday in Q3 '20, a quarter-long self-care program with the purpose of giving employees time off to breathe, think, and refocus.



Our resources include online therapy programs from licensed clinicians through Modern Health, relationship counseling and critical incident support through LifeWorks, and Calm, an online application that promotes mindfulness and guided meditation. We also provided financial support and reimbursements to encourage healthy living and establishing remote workspaces.

High employee engagement

We continue to value and measure our employee sentiment through yearly employee engagement surveys. In 2020, we took pulse on employee sentiment more frequently and incorporated much of the feedback to support our employees. Even during a challenging year, we are proud of our high employee engagement.

Our overall engagement outcomes from our capstone survey are seven points higher than the industry benchmark; we achieved our company-wide engagement score goal and our participation rate goal.



Employee Communities

Driven by the employees themselves, these groups are about ensuring everyone feels valued at work. Our Employee Communities (ECs) play a vital role in building culture and creating communities that bring us together and encourage a network of support.

In 2020, Zendesk added two new ECs—the Bridge and Whole Self.



LGBTQIA+ employees

Established
Q2 2017

APAC
AMER
EMEA
LATAM



Employees of color

Established
Q3 2017

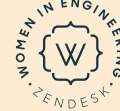
AMER
EMEA
LATAM



Women at Zendesk

Established
Q4 2017

APAC
AMER
EMEA
LATAM



Women in Engineering

Established
Q2 2018

APAC
AMER
EMEA



Global veterans

Established
Q1 2019

AMER
EMEA



Parents and caregivers

Established
Q2 2019

APAC
AMER
EMEA
LATAM



40+ years employees

Established
Q2 2020

AMER
LATAM



Employee wellbeing

Established
Q2 2020

APAC
AMER
EMEA
LATAM

"I just found out about this EC and just wanted to say that I really appreciate its existence. I fall into a lot of the categories that it entails. Feeling seen in such a way at work is really valuable to me."

Zendesk Whole Self member

EMPLOYEE
COMMUNITIES

Making remote working work

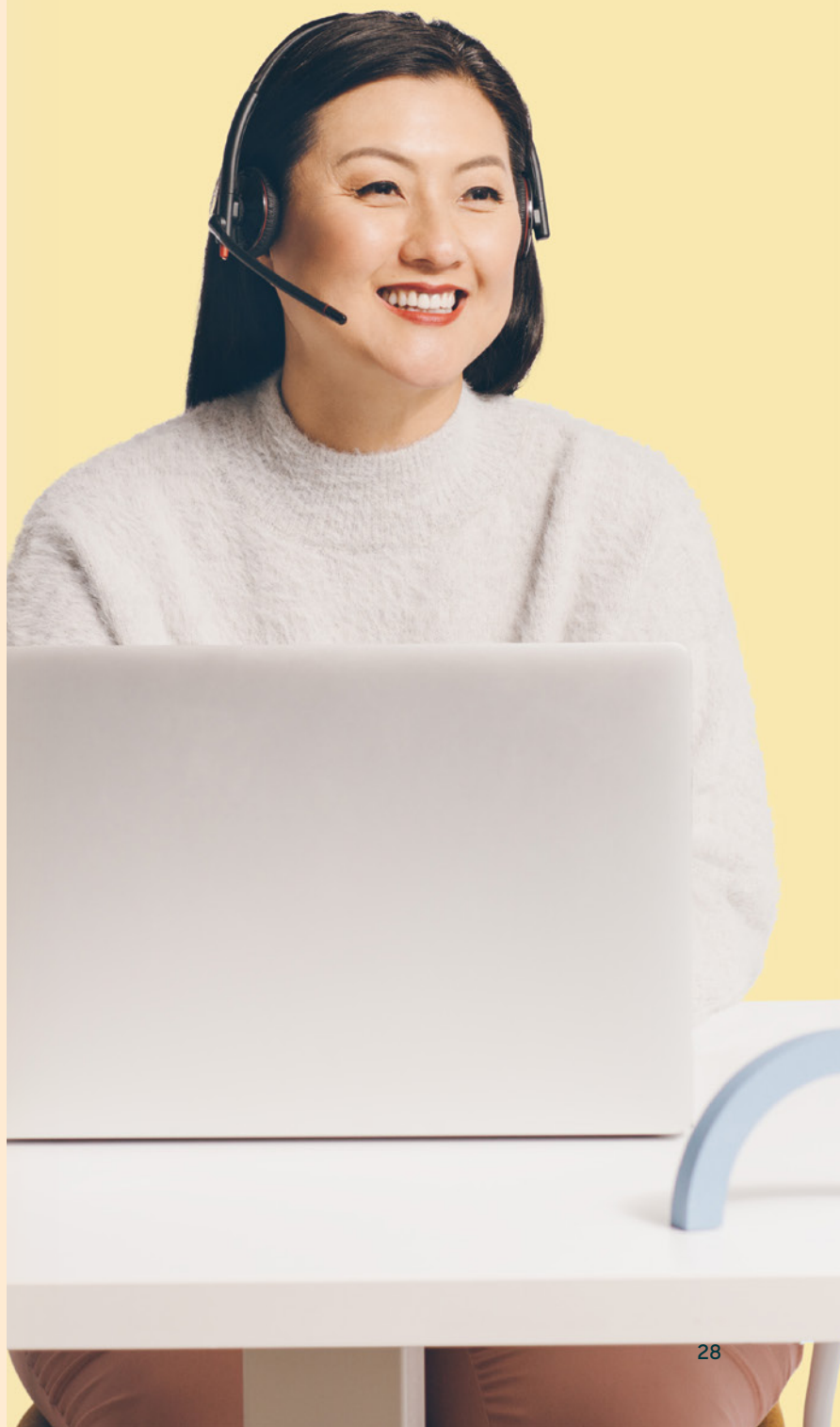
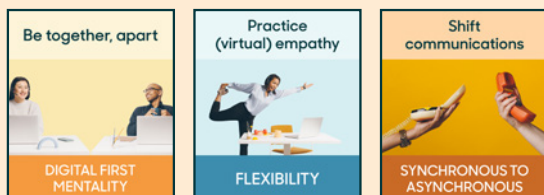
Enabling our employees to effectively work from home was key to our success in 2020. We kept it simple and built a WFH Survival kit: a one-stop shop of WFH resources, along with fun and creative ideas for staying connected with your team and colleagues.

Ultimately, what started out of necessity has revealed new possibilities. This shifted into one of our biggest priorities in 2020 and one that continues into 2021. Customers expect us to always be available and online, and ready to support them, putting focus on changing how we work with employees and customers. From a position of strength, we are reimagining everything for the digital first world, even the things that worked.

Our How We Work playbook—one of the ways we are enabling digital first

Our goal: foster a culture of collaboration for a distributed workforce that is grounded in our core capabilities. This helps our employees step into a new way of working. We've focused on implementing three essential tasks and backing them up with practical guidance for people managers and employees.

Our three must-do's





Growing and developing your career at Zendesk

We believe that building a high-performing and agile workforce requires enabling our employees to learn, adapt, and model strong leadership capabilities as we grow. GROW @ Zendesk is the process of navigating a career, improving skills, and advancing one's career. It's a long-term process of development that brings people closer to their ideal job, skillset, and lifestyle. We do this through a multifaceted approach, including talent assessment, curated, self-directed learning, and structured development programs, including coaching.

Developing and enabling our always-on feedback culture

We want to make feedback less formal and more frequent, familiar, and candid. Our employees need regular and real-time feedback, even more so when we're working remotely. As we think digital first, we've enabled and integrated tools to help support our feedback culture by making it easier for employees to give and receive feedback.



fdbk

Employee development by the numbers in 2020

1100

Over 1100 employees actively participated in development programs.

400

400 people managers engaged in a University of California, Berkeley, leadership series focused on leading in a virtual and volatile, uncertain, complex, and ambiguous world. The purpose of this program was to continue to develop our leaders and build critical leadership capabilities as we adjusted to leading virtually.

700

Over 700 people managers participated in sessions on racism, equity, and privilege to support us in leading inclusively and with empathy.

64%



We continued to curate self-directed, bite-size learning on our employee learning portal, the Lab, focusing on working remotely and leading distributed teams. These new pathways enabled employees and leaders to develop new skills in the moment. An average of 64% of Zendeskians signed into the Lab monthly in 2020.



Investing in developing leaders

2020 required Zendesk to prepare employees and leaders to lead in an evolving and digital-first environment. We designed some new development programs as well as converted existing programs from synchronous to asynchronous.

Accelerate	<p>A leadership development program for mid-senior-level leaders designed in partnership with University of California, Berkeley Executive Education. This program focuses on building leadership capabilities around leading through hyperchange and hypergrowth. In 2020 we converted this program to be 100% virtual.</p> <p>"I am really grateful for the opportunity to be a part of the Accelerate program. One of the most valuable parts of this for me was getting to know and learn from my peers across the globe. The UC Berkeley team was super organized and knew our business well. I especially appreciate the audience we had with so many C-Staff members as part of the course. I came away with helpful tools, resources, and most of all a growth mindset."</p> <p>-Accelerate 2020 participant</p>
Illuminate	<p>A leadership development program for early-career leaders that builds foundational leadership capabilities around feedback, coaching, and inclusion. In 2020 we converted this program to be 100% virtual.</p> <p>"Thank you for facilitating these sessions, I got a huge amount out of each, and now have a framework for improving my leadership skills."</p> <p>-Illuminate 2020 participant</p>
Everwise	<p>A mentorship program for women designed in partnership with Torch. This program is already fully virtual and supports women's career and broader development goals, while establishing an important peer network.</p> <p>"I've really enjoyed and learned a lot from this program and mentorship. It's been instrumental in my professional development this year."</p> <p>-Everwise 2020 participant</p>
Leadership coaching	<p>A personalized 1:1 coaching program for leaders, offered through BetterUp. This investment provided leaders with the time and space to focus on their development goals, and get support from an external coach.</p> <p>"I am able to look at challenges and goals more strategically. Working with [Coach] has helped me to look at challenges from different perspectives. I feel more empowered to solve day to day issues as well as to come up with plans to address larger and more complex organizational challenges. I feel like my "toolkit" has doubled in size. I have more to work with to achieve the goals that I have for myself and my team."</p> <p>-BetterUp 2020 Participant</p>



Sustainable Development Goals Comparison

We believe we have a role to play in tackling many of the world's largest challenges.

Below you will find a list of efforts we wanted to highlight from 2020, and the associated United Nations Sustainable Development Goal (SDG) they align to. We plan to continue to analyze which of the SDG's we can most effectively impact as a company.



SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY



In 2020, [The Zendesk Neighbor Foundation](#) donated over \$1M to organizations combating poverty worldwide.

Powered by a software donation from Zendesk's [Tech for Good program](#), GiveDirectly implemented a Zendesk Support desk to help over 156,000 US COVID-19 grant recipients with questions regarding the delivery of their funds. GiveDirectly was able to solve over 19k tickets in 2020 to help families through the process and make sure critical questions got answered.

3 GOOD HEALTH AND WELL-BEING



Through our global [Thank You Machine](#) project, we enabled employees, customers, friends, and family to share messages of encouragement and thanks around the world.

During 2020, we gave our employees up to two weeks paid leave, with an additional option of up to four weeks unpaid leave, to help take care of family during the pandemic. Additionally, we offered [Care.com](#) memberships and a toolkit to help them with additional resources and benefits.

7 AFFORDABLE AND CLEAN ENERGY



We are purchasing only renewable energy to power 100% of our global offices through either green tariff programs or renewable energy credits (RECs) in the countries we operate.

10 REDUCED INEQUALITIES



[The Zendesk Neighbor Foundation](#) distributed over \$1M to organizations combating structural racism and bias worldwide. These grantees include the National Urban League, Southern Poverty Law Center, the NAACP, European Network Against Racism, and Asia Foundation.

In 2020, we created and shared publicly our [Empathy Circle Playbook](#) to help facilitate a deeper understanding of how to build equity in the workplace, and to share guidance with other organizations as well.

15 LIFE ON LAND



[The Zendesk Neighbor Foundation](#) donated to Bush Heritage Network in the wake of the Australian fires, and to American Forests after the California fires in 2020. Both grants were to help restore ecosystems affected by the fires and aid in their prevention efforts as part of our ongoing efforts to respond to natural disasters in our communities.



SECTION SEVEN

ESG Metrics

This table is intended to help key stakeholders more quickly find the ESG metrics that are most important to them. This material references the Global Reporting Index (GRI) 2016 standards, as well as the Sustainable Accounting Standards Board (SASB) recommendations for the technology and communications sector, software and IT services industry.

Company	FY 2019	FY 2020	GRI	SASB
Organization name	Zendesk, Inc.		102-1	
Products and services	Products and services		102-2	
Location of headquarters	San Francisco	San Francisco	102-3	
Total # of countries we operate in	16	16	102-4	
Ownership and legal form	Zendesk 10-K		102-5	
FY revenue (millions)	\$816.4M	\$1.030B	102-7	
Brands on Zendesk	106,300	112,300	102-7	
Employee's	3570	4130	102-7	
Statement from CEO	Page 2		102-14	
Reporting period	January 1, 2020 – December 31, 2020		102-50	
Reporting cycle	Annual		102-52	



Social	FY 2019	FY 2020	GRI	SASB
Community volunteering hours	20,706	11,084		
Charitable donations (Zendesk Neighbor Foundation)	\$1.3M	\$3.3M		
Programs for upgrading employee skills		Page 30-31	404-2	
Employee engagement ¹	85%	83%		TC-SI-330a.2
Happy working at Zendesk ²	87%	80%		
Recommend Zendesk as a great place to work ³	82%	85%		
Human Rights Policy	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 business conduct and ethics prohibits any unlawful or unethical activity by any of our directors, officers, employees, or consultants.			
Supplier Code of Conduct	Supplier Code of Conduct		414-1	
Acceptable Use Policy	User content and conduct policy		102-16	

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 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.

³ Calculation represents the number of employees who responded 4 or 5 on a 5-point scale where 1 = Strongly Disagree and 5 = Strongly Agree.



Diversity	2019	2020	GRI	SASB
Equal pay assessment conducted	Yes	Yes	405-2	
Gender representation ¹				
Female	37.1% ⁴	37.3%	405-2	TC-SI-330a.3
Male	61.6%	60.4%		
Global Leadership (Director+)				
Female	35.4% ⁴	40.3%		
Male	63.6%	58.3%		
Global Tech ³				
Female	20.0%	21.8%		
Male	78.0%	75.1%		
Representation by Ethnicity	2019	2020	405-2	TC-SI-330a.3
White	65.3%	64.7%		
Asian	21.5%	20.4%		
Hispanic or Latinx	5.9%	6.1%		
Black or African American	2.4%	2.6%		
Native Hawaiian or Other Pacific Islander	0.8%	0.6%		
Two or more races	2.9%	3.3%		
American Indian or Alaska Native	0.1%	0.2%		
Decline to state	0.5%	1.4%		
Not Specified	0.7	0.7%		

¹ Headcount numbers include regular employees only. It is also based on visual identification as well as self disclosure.

² Note that missing and decline 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.

³ 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. Examples include roles in data science, software engineering, and product management.

⁴ To more accurately compare our women in technical roles as measured by footnote 3, we are restating our 2019 data to reflect the new method of calculating this.



Governance	2019	2020	GRI	SASB
Governance structure	Board of Directors with an Audit Committee, Compensation Committee, and a Nominating and Corporate Governance Committee.	Board of Directors with an Audit Committee, Compensation Committee, and a Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee oversees our environmental, social and governance policies, programs and public disclosure.	102-18	
Board nominating process	Our Board has delegated to the Nominating and Corporate Governance committee the responsibility of identifying suitable candidates for nomination to the Board (including candidates to fill any vacancies that may occur) and assessing their qualifications in light of the policies and principles in our corporate governance guidelines and the Nominating and Corporate Governance Committee's charter. For additional information, please see the proxy statement for our 2020 Annual Meeting of Stockholders filed with the SEC on April 6, 2020.	Our Board has delegated to the Nominating and Corporate Governance committee the responsibility of identifying suitable candidates for nomination to the Board (including candidates to fill any vacancies that may occur) and assessing their qualifications in light of the policies and principles in our corporate governance guidelines and the Nominating and Corporate Governance Committee's charter. For additional information, please see the 2021 Proxy Statement .	102-24	
Executive vs non-executive board members	Mikkel Svane, our founder and Chief Executive Officer, serves as Chair of our Board and is the only executive member of the Board.	Mikkel Svane, our founder and Chief Executive Officer, serves as Chair of our Board and is the only executive member of the Board.	102-22	
Average board tenure	3.6 years	4.46 years.	102-22	



Governance	2019	2020	GRI	SASB
Independent Board Members	Our Board has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment, and affiliations, our Board has determined that Mmes. Koplow-McAdams, Marooney, Nelson, and Wilson and Messrs. Bass, Frandsen, Stalder, and Szkutak do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is “independent” as that term is defined under the applicable rules and regulations of the SEC and the listing standards of the NYSE.	Our Board has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment, and affiliations, our Board has determined that Mmes. Koplow-McAdams, Agrawal, and Wilson and Messrs. Bass, Frandsen, Curtis, Szkutak, Gayle and Johnson do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is “independent” as that term is defined under the applicable rules and regulations of the SEC and the listing standards of the NYSE.	102-22	
Board Diversity (gender + ethnic)		Please see the 2021 Proxy Statement .	102-22	

*as of Dec 31st of each calendar year

Emissions Source	2019 Mt Co2e	2020 Mt Co2e	GRI	SASB
Scope 1 emissions ⁶			305-1	
Leased offices	264	239		
Scope 2 emissions ⁶			305-2	
Leased offices (location based)	2623	1662		
Leased offices (market based)	1297	328		
Scope 3 emissions ⁷			305-3	
Purchased goods & services	35,185	24,664		
Capital goods ⁸	14,638	5,501		
Air travel	13,936	4,886		
Employee commute ⁹	1,166	2,685		
Total emissions (market based)	66,486	38,303		

⁶ Zendesk re-calculating our Scope 1 and 2 numbers for 2019 based on new 2020 standards for attributing gas heating of our leased office space into Scope 2.

⁷ Zendesk chose to publicly share these material scope 3 emissions sources after a review with internal stakeholders.

⁸ In 2019 we did not publish our Capital Goods category of spend, so we are re-stating our 2019 calculated estimates in this report.

⁹ We applied [this approach](#) to estimating the additional emissions from our workforce working from home in 2020 and added it to the Employee commute category - based on guidance.

Energy	FY 2019	FY 2020	GRI	SASB
Office energy goals	Page 18			
Office energy (Mwh)	5.8	3.8		
% grid electricity - leased offices	100%	100%		
% renewable - leased offices ¹⁰	43%	100%		
Carbon offsets (MTCO2e)	4340	10510		
% of hosting operations Co2 emissions offset	57%	100%		
Recycling In Zendesk Leased Offices ¹¹	100%	100%		

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

¹¹ Zendesk leased offices include only our offices where Zendesk maintains a direct lease with a landlord. It does not include co-location offices where we do not have direct operational control of office maintenance.



Appendix/ additional resources

General disclosures and information

[Investor Relations](#)

[2020 10-K and Proxy Statements](#)

[Zendesk Q4 2020 Shareholder Letter](#)

Social impact

[Social Impact website](#)

[Zendesk Neighbor Foundation Annual Report](#)

Employees and culture

[Diversity and Inclusion at Zendesk](#)

[Zendesk global offices and information](#)

Responsible business practices

[Privacy and Data Protection](#)

[Code of business conduct & ethics](#)

[Supplier code of conduct](#)

[User conduct policy](#)

