

zendesk



Global impact report



2019





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SECTION ONE

Message from our CEO

Zendesk has always been about removing barriers between people. Our products remove friction between businesses and customers, and we try to make it as easy as possible for people to do business with us.

And this idea of service and removing barriers goes beyond our core business of customer experience software. We try to be as active as we can in the communities where we're located and in the world generally. Not only is it the right thing to do, but it also makes our company and our products better.

We're living at a time where being involved is more important than ever. As people and organizations recover from the social and economic impact of COVID-19, companies like ours have an even bigger responsibility to help rebuild our communities.

We're committed to doing that in the local communities across our offices in 10 countries. It starts with being out in our communities. Through volunteering, our more than 3,500 employees build more empathy for people living different experiences than our own. It gives us a broader perspective as a company and improves our work.

We also directly support organizations with grants through our Neighbor Foundation, and offer others direct access to Zendesk products and expertise through our Tech for Good program. Both help our local nonprofit partners make a bigger impact.

Our social responsibility initiatives also attract great people to Zendesk. We focus on diversity, equity, and inclusion in our hiring, workplace experience and

leadership. We want people from different backgrounds and perspectives to thrive and make us a stronger company.

There is even more that we want to do as a company. For example, we are making new environmental commitments to power our global office with all renewable energy by 2021 and reach a carbon footprint of net zero in our hosting operations by 2022.

Our first Global Impact Report gives you a glimpse into how we're trying to be helpful in our local communities and impact the world around us. I hope you will join us in the journey.



Mikkel Svane
CEO, Zendesk

SECTION TWO

About this report

About Zendesk

The best customer experiences are built with Zendesk. Our customer service and engagement products are powerful and flexible, and scale to meet the needs of any business. Zendesk serves businesses across a multitude of industries, with more than 160,000 paid customer accounts offering service and support in over 30 languages. Learn more at www.zendesk.com.

Social impact is core to Zendesk's culture and brand. We believe we have a responsibility to use our platform for good, approach complex social issues with empathy, and put human relationships at the forefront of engagement. We do this so we can maintain perspective, focus on issues bigger than ourselves, and create a work culture that prioritizes purpose over perks.

This 2019 Global Impact Report is Zendesk's first comprehensive Environmental, Social, and Governance (ESG) report. The data shared here will form the baseline data for comparing our progress in future reports. The data shared in this report is limited to the Company's operations for our fiscal year 2019 (January 1, 2019 through December 31st, 2019, unless

otherwise noted). Zendesk acquired Smooch Technologies Holdings ULC in May 2019 and the report includes these employees as part of our reporting. The data in this report may contain figures that are approximated or rounded based on the best measurements we have available to us.

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.

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 current and future filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2019 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.

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, including its Annual Report on Form 10-K for the year ended December 31, 2019 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 for details regarding the definition and calculation and 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.

Sustainable Development Goals alignment

At Zendesk, we feel it’s important to contribute to the larger global effort to tackle many of the world’s largest issues, by aligning our work to the [United Nations Sustainable Development Goals](#) initiative (SDGs).

In total, our products, services, and social impact strategies are aligned with eleven of the Sustainable Development Goals, at the target level.



SECTION THREE

Social impact

Social impact is a company-wide commitment to programs and practices that promote authentic, human-to-human connection. It is how we live our company values, and work toward our goal to be a good neighbor in our communities. Learn more on our [social impact page](#).



The Zendesk Neighbor Foundation

When we founded the Zendesk Neighbor Foundation in 2014 (the “Neighbor Foundation”), we were very clear about one thing: we wanted to bring a hands-on and hyperlocal approach to our grantmaking strategy. Five years later, this decision remains one of the defining aspects of the Neighbor Foundation, and a large part of what makes it unique among its peers. The Neighbor Foundation funding is tied to our revenues, which means when Zendesk does well, we can do even more for our communities around the world.



Empathy helps us look at the complicated and nuanced issues surrounding homelessness and poverty and approach those issues humbly. It lends context and urgency to our goals for equality and equity.



Elena Gomez
Chief Financial Officer, Zendesk



**ZENDESK
NEIGHBOR
FOUNDATION**

In 2019, the Zendesk Neighbor Foundation distributed

90
grants

58
nonprofits

\$1,322,000
total

Grant-giving goal

100,000

Improve the lives of 100,000 people annually by supporting neighborhood nonprofits with grants and volunteers

Reach

The Neighbor Foundation supports close to:

58
nonprofits

10
countries worldwide

Board of Directors



Mikkel Svane
Chief Executive Officer,
Zendesk



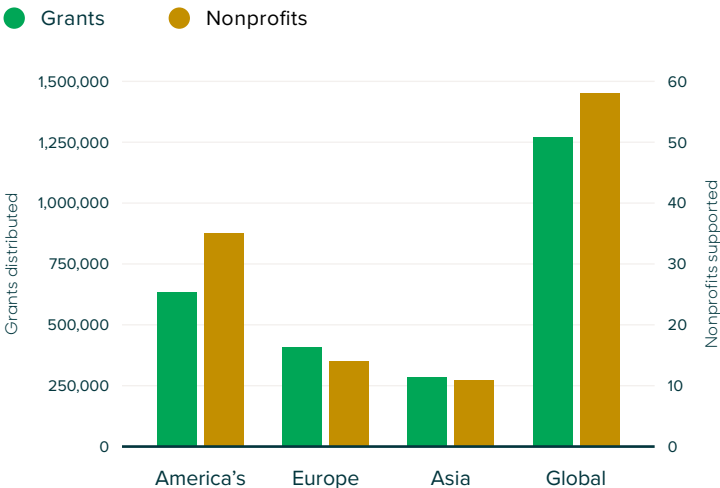
John Geschke
Chief Legal Officer and
Chief of Staff, Zendesk




Tiffany Apczynski
VP Public Policy and
Social Impact, Zendesk

We view grantmaking as much more than a box to check. For us, being helpful means we use grants to build long-lasting and meaningful relationships. Nearly every grant the Neighbor Foundation distributes globally results in at least one event where Zendesk volunteers come together to support the nonprofit and the population it serves with their time, attention, and skills.

2019 grants - Zendesk Neighbor Foundation





The Zendesk Neighbor Foundation grant recipients are indeed our neighbors. When giving money, we deliberately choose organizations who are working to strengthen neighborhoods in and around where Zendesk does business. This proximity to our nonprofit partners means that instead of being an anonymous entity, tucked away in an office, we can play a positive role in the larger ecosystem where our offices exist. We can be neighbors, friends, and authentic partners.

Tiffany Apczynski

VP Public Policy and Social Impact, Zendesk



The 6-Hour Pledge is our global company campaign to inspire everyone to volunteer at least 6 hours per year. Through strong partnerships with local nonprofits, we make many volunteer opportunities available to Zendesk staff. Employees are encouraged to use paid time to volunteer and make a difference in our communities.



Employee volunteering: the Zendesk way

We believe volunteering in our communities is one of the best ways to promote empathy and inclusion. Zendesk supports employees taking time out of their work day to volunteer, with many opportunities available to them throughout the year. We're grateful for the strong partnerships we've developed with nonprofits around the world and proud of our track record of annual volunteer hours, which outpaces most companies our size.

By volunteering with organizations that support at-risk populations, our employees integrate into the fabric of our neighborhoods, foster empathy and experience greater job satisfaction—contributing to our reputation as a responsible corporate citizen.

\$560,000

Zendesk employees helped out in our communities around the globe for over 22,000 hours. Those 22,000 hours translate into nearly \$560,000 in labor value.¹



In 2019, two-thirds of employees participated in our community engagement programs for at least one hour.



In 2019, one-third of our employees completed [6 hours](#) or more. This commitment has had a direct impact on our communities and our employee experience.

¹ This value is based on an estimation from Independent Sector: <https://independentsector.org/value-of-volunteer-time-2018/>

Global Volunteering Impact

150

seniors taken out
on city tours

1,000

mentoring sessions

46,484

meals served

Partner profiles



Cycling Without Age

[Cycling Without Age](#), a long-time Zendesk nonprofit partner, addresses a growing crisis: senior isolation. Studies show that isolation and loneliness are as deadly as smoking. Many seniors who live in isolation struggle with mental illness and develop hoarding tendencies, among other issues.

Through programs in six of our global offices, Zendesk volunteers train to become pilots so they can take seniors to parks, along bike paths and out and about in their city. Part of the therapy is simply getting outside; just as important is the exchange of stories and conversation with caring volunteers.



Forces for London

Zendesk's London office has partnered with Forces for London to support ex-military who are looking for work. Volunteers started by hosting a LinkedIn workshop for veterans, created and executed by the Recruitment team as part of a skilled volunteering program. The session walked participants through some crucial first steps in the employment process: creating a strong LinkedIn profile and marketing themselves online.



Glide Memorial

In 2019, Zendesk volunteers gave over 1,000 hours to GLIDE's free meals and harm reduction programs. Volunteers prepared and served over 2,000 meals for needy residents within one of San Francisco's poorest neighborhoods, the Tenderloin. Twice a month, our volunteers worked closely with GLIDE's Harm Reduction Team to build harm reduction kits for people struggling with opioid addiction. Through this volunteer experience, employees made a meaningful impact by putting together over 200 kits per session, learned about San Francisco's opioid epidemic, and experienced true empathy for an extremely marginalized group within the community.

Volunteering impacts Zendesk's employee experience

8 points

Zendesk employees who volunteer score 8 points higher than the average employee in terms of engagement



Experiences and programs that connect us to one another help everyone be better neighbors. We grow more as a community when we understand, listen, and show up for each other.



Mikkel Svane
CEO, Zendesk

Donating technology and expertise

In addition to giving grants and volunteering time, we empower community nonprofits by donating Zendesk software and implementation expertise through our Tech for Good program.

At a glance stats:

\$322,000

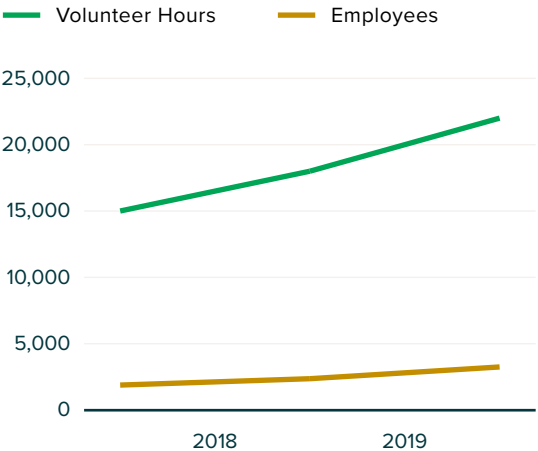
Software donated in 2019

90 Hrs

of professional services donated

These nonprofits have used Zendesk to help manage donor and fundraising questions (Madison Children's Museum), improve internal operations (St. Kilda Mums) and build technical literacy in children who might not otherwise have access to software (Insituto Da Oportunidade Social). Our approach to donating our product is consistent with our hyperlocal strategy of volunteering: namely, we take the time to get to know an organization, understand its needs, and, guided by empathy, find ways to help.

Growing volunteering and employees





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. In November 2019, Zendesk and IRC launched a formal partnership as part of Zendesk's Tech for Good programming. Zendesk software - donated to IRC free of cost - is helping IRC to assist asylum-seeking families who have been released from ICE (U.S. Immigration and Customs Enforcement) detention centers after a harrowing experience. Often victims of gang violence and extortion in their home countries, these individuals and families make a brutal trip to the US border seeking asylum. For many, their time spent at IRC's Welcome Center in Phoenix will be the first positive experience they have had in months.

Awaiting trial for asylum in the United States, families are required to follow a multi-step process. Our partnership has strengthened the systems that allow IRC to provide services to these families throughout the milestones in their asylum process, helping to ensure no man, woman or child asylum seeker falls through the cracks. Using Zendesk, IRC is better able to facilitate continued case management to families from the time they enter the US, making the process smoother and less stressful for families.



The International Rescue Committee (IRC) is tremendously grateful for the partnership with Zendesk. Zendesk's support – including the company's donation of product, professional services, and employee engagement — is having a direct, positive impact on IRC's efforts in the United States to efficiently and effectively help asylum seekers fleeing conflict and displacement. By collaborating around respective expertise in the tech and humanitarian sectors, we've been able to form a truly innovative partnership.



Lauren Gray
Senior Director of Global Corporate Partnerships

SECTION FOUR

Environmental impact

Our strategy and focus

As a global company with offices in more than 10 countries, we're dedicated to supporting country-level climate goals. To that end, we are committed to powering our global offices with 100% renewable energy by 2021 and reach a carbon footprint of net-zero in our hosting operations by 2022. We will also focus on reducing the waste generated in our offices and at our events, by educating our employees on recycling and composting, and making more sustainable choices for all large internal and external events.

To limit global warming to 1.5°C, global carbon emissions need to fall by a staggering 45 percent by [2030](#) from 2010 levels.

United Nations

Zendesk recently joined We Are Still In, a group of over 3,750 leaders mobilized in support of the Paris Agreement.

Learn more at:
www.wearestillin.com

**WE ARE
STILL IN**



Energy & emissions

We partnered with [Anthesis Group](#) to analyze our 2019 global greenhouse emissions. Accurately tracking our energy and emissions from business operations in 2019 is our first step and this data will form our baseline for future years. Next, we're working to understand where we can reduce our Scope 1, 2, and the following Scope 3 emissions.

Emissions source	MTCO2e	Percent of total
Scope 1 emissions		
Leased offices	736	2%
Scope 2 emissions		
Leased offices (location based)	2,151 ²	
Leased offices (market based)	825	2%
Scope 3 emissions³		
Purchased goods & services	35,185	74%
Air travel	13,936	29%
Employee commute	1,166	2%
Carbon offsets purchased	-4,340	9%
Total emissions	47,508	

We believe that our ability to become a net-zero emitter for our Scope 1 and 2 emissions will be achievable by 2021 and for our hosting operations by 2022. We will also be analyzing strategies for bringing down our material Scope 3 emissions by 2030 despite our forecasted growth as a company during that time.

² This figure reflects general location-based emissions and does not relate to Zendesk-specific emissions.

Accordingly, this figure is excluded from our calculation of "total emissions" and "percentage of total" disclosures.

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

2019 highlights:

4

Four of our leased office buildings were successfully converted to 100 percent renewable energy power in 2019. In 2020, we intend to convert seven additional offices.

60%

Approximately 60 percent of the customer activity/transactions that we processed was run from [AWS carbon neutral data centers](#) in Portland, Frankfurt, and Dublin.

4,340 tons

We partnered with Natural Capital Partners in 2019 to purchase carbon offsets equivalent to 4,340 tons of Co2e through two certified projects: one in the [Brazilian Rainforest](#), and one in [Guatemala](#).



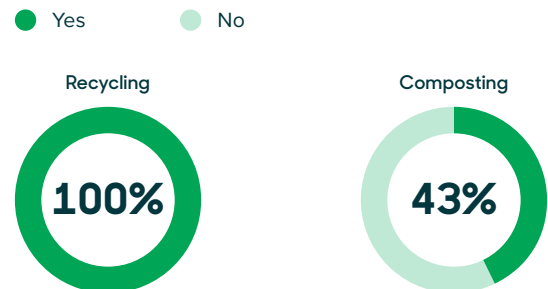
Reducing waste and usage

We estimate that approximately 400 pounds of waste is created per U.S. employee per year while working in our offices.⁴

Reducing waste at our offices

In an effort to divert as much waste as we can from our leased offices, we have implemented composting at 43% and recycling at 100% of our offices in which we exercise control over the waste program.

Reducing waste at our offices



We're working to do the following:

- Educate employees annually on the impact that recycling and composting has on their communities, their health, and the environment via our employee Green Teams
- Reduce the snacks we provide employees that come in single-use packaging
- Eliminate beverages that come in plastic bottles from many of our offices
- Source third-party composting services in our offices that do not have a government provided option
- Implement reusable containers for employee lunches via partnerships with local restaurants

⁴ This estimate is based on an analysis of our San Francisco offices with our waste management provider and combined with EPA weight estimations.

Reducing waste at our events

We're working to implement new policies so future events move closer to being [zero-waste](#).⁵ Part of this includes partnering with tech industry peers to develop standards for how we engage with the event and hospitality industries.

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.


Employee Green Teams

Now operating in nine Zendesk offices around the world, with a Slack community of 300+ employees, our Green Teams harness a shared passion for sustainability and turn it into action at the local office level. They inspire employees who want Zendesk to be a strong environmental steward, and work with the Social Impact team to champion new ideas and effect change.



⁵ Our definition of zero waste is aligned to the Zero Waste International alliance <http://zwia.org/zero-waste-definition/>





Growing up I was always told it was our responsibility as humans to look after planet Earth. To ensure we leave this place as good as we found it.

Working as part of Zendesk's Green Teams, I feel a great sense of hope and direction. That together we can, and are, doing great things to create positive change. And this unfolding change and positive momentum gives me a great sense of meaning and purpose in my job. And in my life.

Ashling O'Connor

Green Team member, Dublin Ireland



SECTION FIVE

Employee inclusion and culture

As a company, we are investing in the future of our employee experience. We value simplicity, agility, and sincerity, as well as a sense of humor and humility often absent from large organizations. Just as we build our products first and foremost for the people that use them every day, we also build an organization and culture that trusts, values, and empowers our employees. Below are highlights we are proud to share: how we bring in great and diverse talent, craft the employee experience, and invest in our leaders.

Hiring great and diverse talent

Zendesk's values and abundant opportunities for meaningful work are important contributors to our ability to attract talent in the competitive job market. Our strong commitment to [global diversity, equity, and inclusion](#) (GDEI) allows a broad variety of people—in every sense of the word—to thrive.



We are a global, inclusive team who actively embraces diverse sets of perspectives. We are firm believers that each employee can make an impact, and that together we can solve big challenges through innovation and teamwork.



InaMarie Johnson
Chief People & Diversity Officer, Zendesk



In 2019, a few highlights included:



Increasing representation at the C-level with two new female leaders: Shawna Wolverton and Colleen Berube



Creating an inclusive hiring experience for our candidates via training on reducing bias in interviews and posting inclusive job descriptions (using [Textio](#))

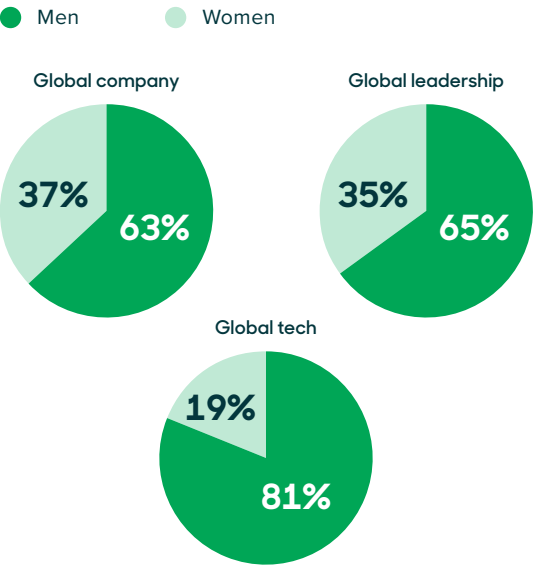


Expanding our strategic partnerships and presence through universities, conferences, and other organizations to expand our talent pipeline. A few examples include engaging the [Wisconsin LGBT Chamber of Commerce](#) to host the LGBTQ+ and Allies Career Fair, [SuccessWorks](#) from the University of Wisconsin to host career treks, and Breakline for a dedicated career development day for female veterans ([Mavens program](#)).

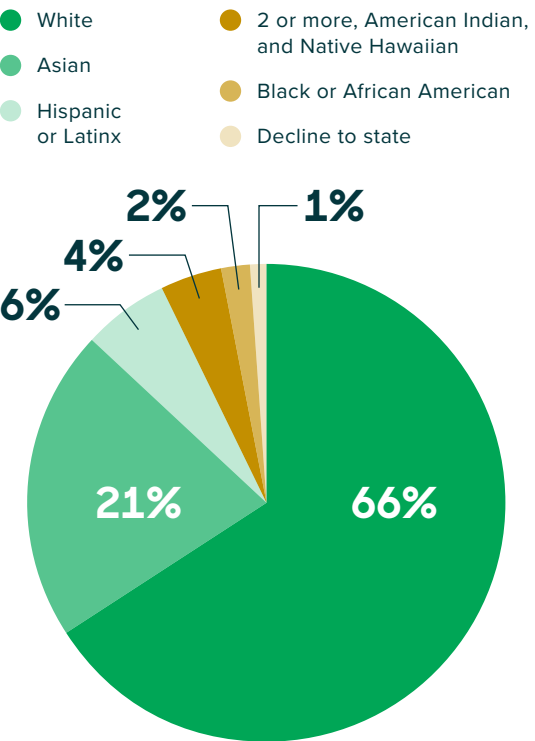


In fall 2019, we expanded the Chief People Officer role to include the role of Chief Diversity Officer. Additionally, we are excited to welcome a new Vice President of Diversity, Equity & Inclusion. These two roles are key to meaningful (and often tough) conversations around GDEI, fostering a strong culture of equity and inclusion, and increasing representation across Zendesk.

Gender representation by function



Race/ethnicity representation (US only)



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

Enhancing the employee experience

We're focused on creating an amazing employee experience as the business continues to scale.



High employee engagement







We are proud of our high employee engagement, which we attribute to our culture and values. Our overall engagement outcomes from our capstone survey are 11 points higher than the industry benchmark; and we significantly improved manager efficacy outcomes, achieved our company-wide engagement score goal, and exceeded our participation rate goal.



Growing employee resource groups

Our Employee Resource Groups (ERGs) are employee-led and volunteer-driven groups centered around shared identities or experiences, and their allies. The mission is to create communities that bring employees together and ensure they feel supported and empowered to stand up for equality both inside Zendesk and the communities in which we live and work. In 2019, the company added two new ERGs (Global Veterans and Parents & Caregivers ERGs), and have grown from 8 to 20+ chapter locations, with plans in progress to launch two additional ERGs and more regional chapters of existing ERGs in 2020.

Meet our Zendesk employee resource groups

					
Global Veterans	LGBTQIA Employees	Employees of Color	Parents & Caregivers	Women at Zendesk	Women in Engineering
San Francisco	San Francisco	San Francisco	San Francisco	San Francisco	San Francisco
Madison	Madison	Madison	Madison	Madison	Dublin
Global	Dublin		Dublin	Dublin	Melbourne
	Copenhagen			Manila	Singapore
	APAC			Melbourne	



Building a culture of learning

Our vision for learning at Zendesk is that it's a business imperative, and that learning is self-directed and accessible anytime, anywhere. We want learning to be an expected part of employee growth, where it is supported as part of everyone's "day" job. In addition to our existing professional development fund for each employee, we introduced The Lab, a platform to enable always-on learning.



In our first six months of using this platform, 93 percent of our employees used The Lab.

The goal is to weave learning into the fabric of our end-to-end employee experience to ensure we're attracting, engaging, developing, and rewarding our talent in a way that's consistent with our learning culture.



Providing great spaces to work

Having engaging workspaces is another important aspect of the employee experience because our workplaces represent our culture. We have intentionally designed areas to concentrate, contemplate, communicate, and collaborate. In 2019, we opened our new Singapore office and expanded our space in other cities, such as San Francisco, Madison, London, and Copenhagen.



Making it easier to work

Another critical piece of the employee experience is enabling our employees with the right tools and technology. When done right, employees have a frictionless digital experience with easy access to the information they need, through their preferred channel (e.g., mobile, email, Slack, AnswerBot). This empowers our employees to focus on the things that matter, such as building innovative products and problem solving with our customers.



Investing in leadership

We are actively developing our next generation of agile leaders to effectively scale Zendesk. We invested significantly (approximately a 60 percent increase from 2018) in leadership development, which reflects our priorities and the critical role leaders have to play in our continued growth.

To that end, we made significant progress in leadership development this year:



Began refreshing our leadership programs to incorporate our new leadership capabilities. For example, we hosted a global cohort at University of California, Berkeley, where leaders engaged in an intense development program focused on leading in a VUCA-Volatile, Uncertain, Challenging, Ambiguous world.



Formally introduced our leadership capabilities, which define what it means to be a leader at Zendesk. By the end of the year, we had 93 percent of people managers adopt the capabilities, as shown through their self-evaluations.



Launched new leader onboarding to provide a formal introduction to leadership at Zendesk. This provides a jumpstart to new leaders’ understanding of our leadership capabilities and access to the knowledge and tools needed on their journey.

We are eager to continue investing in our leadership, and will introduce exciting enhancements in 2020, such as leadership coaching and ongoing refreshment of leadership programs. We believe that this continued engagement and development will enable our leaders to grow and thrive in their current and future roles.

University of California, Berkeley event



6.7/7

Participants felt “this program was a worthwhile investment in my personal career development.”



6.5/7

Participants felt “confident that [they] can effectively apply the content learned from this program to [their] job.”

SECTION SIX

Responsible business practices

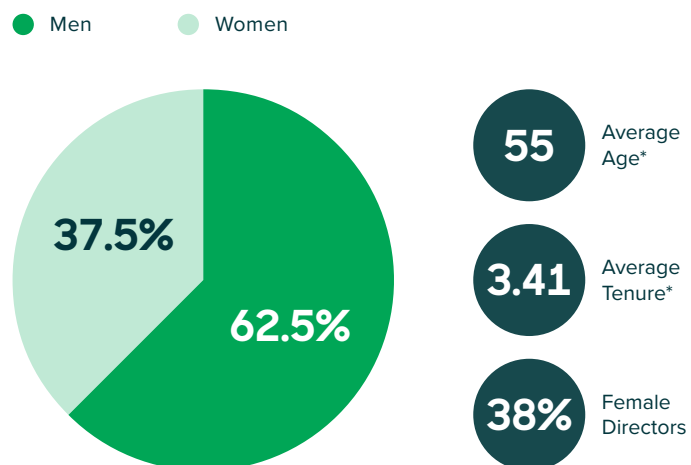


We are committed to running our global business thoughtfully and ethically, with governance policies and practices that support our corporate values. People are central to this mission, from our employees, to how we compensate our executives, to the members of the Board of Directors (the "Board") who guide us. We strive to develop a global workforce and Board that maintains our high standards of conduct.

Governance

Our Board is industry-leading in experience and vision. We focus on not only obtaining functional expertise, but also ensuring we get perspectives from across the industry. Our directors have deep leadership experiences in product development, go-to-market strategy, financial statement competency, communications, and executive decision-making from leading technology companies, providing valuable insight and guidance as we grow to be a multibillion dollar company.

Gender representation of the Board of Directors**



*Includes non-employee independent directors only.

**As of April 6, 2020.

We recruit directors who can partner closely with functional organizations across Zendesk, as well as provide thoughtful guidance informed by a diverse set of top companies as a governing body.

We are committed to having fresh and diverse perspectives on our Board. In director recruitment, we consider a broad range of backgrounds and experiences. In making determinations regarding nominations of directors, we seek to promote board membership that reflects diversity, factoring in gender, race, ethnicity, differences in professional background, education, skill, experience, and other individual qualities and attributes that contribute to the total mix of viewpoints and experience. The average age of our non-employee independent directors is 55, our average non-employee independent director tenure is 3.41 years, and we have 38 percent representation by female directors.⁶

We also take independence and Board/committee independence seriously. We have never had more than one non-independent director in our tenure as a public company, and that is our CEO and founder. Our lead independent director additionally holds regular executive sessions with the non-employee directors throughout the year. Further, our Board and its committees conduct an annual self-evaluation process, after which the Board and its committees discuss specific action items among themselves and with management.

You can read more about our specific governance policies at our [investor relations site](#) and in our Proxy Statement filed on April 6, 2020.

Ethical business policies

Our ethical standards are high at Zendesk, and we expect our company to be full of interesting, diverse, and passionate people who do great work and know how to have fun. Sometimes situations get complex, and that's why we've adopted this [Code of Business Conduct and Ethics](#) and conduct annual Ethics and Compliance training for our global employees.

We also have a [Supplier Code of Conduct](#) that governs our policies for suppliers doing business with Zendesk. We will continue to evaluate and expand this code of conduct as we grow and expand our supplier network.

Executive compensation governance

We value crafting and maintaining an executive compensation program which is considered, benchmarked with peers, and integrated with company metrics which are of high importance to our investors. Our management by objectives plan for our executives is primarily based on non-GAAP operating margin and revenue results, and has a high minimum threshold for any bonus payout. The fixed salary portion of our executives is below 12 percent and our CEO pay ratio is 36:1, below the average in technology companies. Additionally, a significant portion of executive compensation is comprised of stock options, which are granted at fair market value of the stock price at the time of grant - resulting in equity value being directly tied both to stock price and to the broader market's evaluation of the performance of our business. We hold annual say-on-pay proposals and have always received a high approval threshold since we began holding the vote.

⁶ As of April 6, 2020.

Data privacy and trust

We make customer trust a priority because we know that customer data is important to our customers' values and operations. That's why we keep customer information private and safe.

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.



Security Community

Zendesk is an active participant and member of information security communities such as the Forum of Incident Response and Security Teams (FIRST), the Information Technology Information Sharing and Analysis Center (IT-ISAC), and the Cloud Security Alliance. We contribute to these networks as we recognize the value of cooperation in ensuring the protection of customer data.

160,000

Zendesk supports over 160,000 paid customer accounts in over 160 countries and territories.



Disclosure of customer service data

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



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.



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.



Privacy Compliance Program

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

- We obtained regulatory approval for our Binding Corporate Rules. We support our customers in their compliance with global data protection laws, such as 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 are included on the Department of Commerce list of Privacy Shield participants.
- We empower a global privacy team to oversee our privacy strategy while fostering a culture of trust across the company, our customers, and partners.
- All employees are required to take regular data privacy and information security training to ensure they understand our policies and their responsibilities to protect data.



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

Appendix/ additional resources

General disclosures and information

[Investor relations](#)

[2019 10-K and proxy statements](#)

Social impact

[Social impact website](#)

[Zendesk Neighbor Foundation annual report](#)

Employees and culture

[Diversity and Inclusion at Zendesk](#)

[Careers at Zendesk](#)

[Zendesk global offices and information](#)

Responsible business practices

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