

braze

2023 ESG Report



Letter from Bill Magnuson, Cofounder and CEO



Braze remains committed to advancing our environmental, social, and governance (ESG) initiatives. These efforts will continue to strengthen our business and communities, and we have made important progress since our first ESG report last fall:



- **Climate:** We are committed to providing regular updates about our climate-related efforts. We've completed our annual greenhouse gas emissions measurement for FY'23, which include relevant scope 3 emissions. We also purchased Energy Attribute Certificates for the first time, sourcing clean electricity for our estimated global office footprint in FY'23—a stepping stone toward building ever more impactful emissions reduction initiatives.
- **Diversity, Equity, and Inclusion:** Employee resource groups (ERGs) have been a part of Braze culture since 2019 and are created and run by individuals who make up the rich tapestry that defines Braze. We hosted the first summit for ERG leaders to support their efforts and our inclusion-first company culture. We are also standardizing employee training and development to ensure equity of opportunity across the organization. We are reshaping hiring practices to better foster inclusion, which strengthen our business in the short- and long-term.
- **Grantmaking:** We have made a multi-year commitment totalling \$500,000 to the App Inventor Foundation. Their mission is to educate and inspire future mobile app developers and entrepreneurs through a free and open-source visual programming environment that empowers non-technical audiences to create mobile applications. Early versions of App Inventor inspired

aspects of our [Canvas Flow](#) product, which continues to be an R&D priority and differentiator of Braze as it enables brands to design and execute customer engagement strategies in a low-code/no-code visual environment.

- **Tech for Black Founders:** We have expanded our product grant program. There are now 26 companies in the Tech for Black Founders program, and three companies have graduated from the program to become full-fledged Braze customers.

The progress outlined in this report requires ongoing interdisciplinary collaboration across multiple teams, regions, and disciplines. Working together, we will use our technology, ecosystem, and people to advance equitable growth, accelerate science-based climate solutions, and create opportunity for underserved groups within our communities.

We look forward to updating you on our continued progress in the months and years to come.

Cheers,

A handwritten signature in black ink that reads "Bill Magnuson". The signature is stylized and fluid.

Bill Magnuson
Cofounder and CEO, Braze

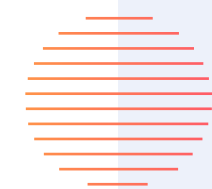
About Braze



Braze is a leading comprehensive customer engagement platform that powers customer-centric interactions between consumers and brands.

Customer engagement is an emerging category of business activity and software, which we define as the full set of activities that companies use to build and maintain direct, meaningful relationships with their customers. Our platform empowers brands to listen to their customers better, understand them more deeply, and act on that understanding in a way that is human and personal.

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



Braze by the Numbers*

1,500+
full-time employees

10+
offices

1,866
customers in
70+ countries

5.1B
monthly active
users engaged*

\$355.4M
FY'23 revenue**

2023 EcoVadis

Braze ranks among the top 50% of companies assessed for sustainability performance in the “data processing, hosting and related activities; web portals” industry

*As of April 30, 2023 **February 1, 2022–January 31, 2023

Board of Directors and Board Committees

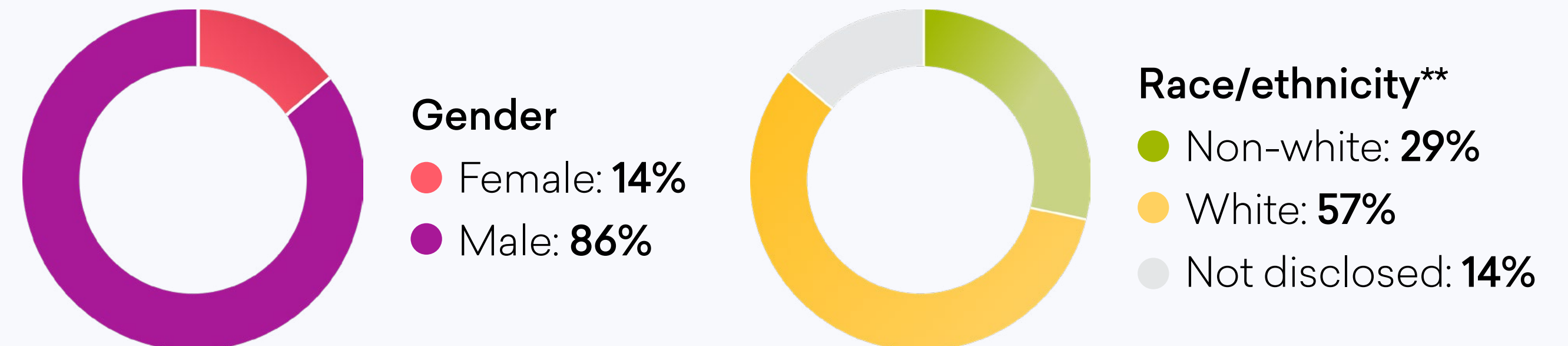
Corporate governance at Braze is based on upholding ethical business practices and adhering to relevant laws and regulations. The Braze Board of Directors includes three permanent committees: **Audit, Compensation;** and **Nominating and Corporate Governance**. These committees are responsible for overseeing risk management within their specific domains:

- **Audit Committee**: Responsible for oversight of the company's financial reporting process, internal control systems over financial reporting, **Sarbanes-Oxley Act** (SOX) compliance, and the integrity of public reporting of financial results.
- **Compensation Committee**: Responsible for oversight of compensation policies, employee benefits and programs, executive officer compensation and development, and compensation risk management.
- **Nominating and Corporate Governance Committee**: Responsible for oversight of corporate governance policies and procedures, board membership criteria, and the company's Social Impact plans and programs.



ESG remains a top priority at Braze, with the Nominating and Corporate Governance Committee of our Board of Directors providing necessary guidance. In coordination with essential Braze teams, such as Legal, Investor Relations, and People, the Social Impact department takes charge of overseeing targeted environmental and social programs. The Vice President of Social Impact reports directly to the CEO, driving these efforts forward.

Board of Directors Data*, as of April 30, 2023



1 Board member identifies as LGBTQ+

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

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

Braze Corporate Governance



Corporate Governance Guidelines

The Braze corporate governance guidelines play a crucial role in establishing the principles and standards for the operation of the company's Board of Directors and related governance matters. These comprehensive guidelines encompass various key areas, including board composition standards and membership criteria, board meeting procedures, board responsibilities, board self-assessments, CEO evaluation, committee procedures and criteria, stockholder communications, and succession planning. By adhering to these guidelines, Braze ensures effective governance practices and promotes transparency and accountability throughout its operations.

Code of Business Conduct and Ethics

The Braze code of business conduct and ethics serves as a guiding framework for all individuals representing the company, including directors, executive officers, and employees. This comprehensive code sets clear expectations, emphasizing the importance of acting with honesty and integrity, avoiding conflicts of interest, complying with applicable laws, safeguarding Braze assets and confidential information, and upholding principles of fair dealing. By adhering to this code, Braze aims to cultivate a culture of integrity, fostering transparent and fair business practices that prioritize the well-being of both internal and external stakeholders.

Ethics Policies

Braze has implemented a comprehensive set of ethics policies that reflect our dedication to maintaining strong corporate governance practices. These policies encompass various areas, such as anti-corruption measures, disclosure protocols, compliance with insider trading laws (including [10b5-1](#), trading plan guidelines), [Section 16](#) compliance programs, policies governing related-person transactions, and provisions for whistleblower protection. Through these policies, we prioritize ethical behavior, transparency, and accountability throughout our organization.

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

Commitment to Security and Data Privacy

At Braze, data privacy and security are prioritized at every stage of our product development and service delivery. We adopt a privacy-by-design approach, which embeds privacy principles into our products and services from the start. Our customer agreements contain comprehensive provisions that outline how we safeguard and manage customer data. To support our customers in meeting data protection requirements, our platform offers tools and features designed to facilitate compliance with relevant laws and regulations. We also prioritize employee awareness by mandating annual privacy and security training for all Braze employees.

We are committed to transparency and accountability regarding data practices. Our company privacy policy provides clear information on the data we collect, how it is shared, and the

purposes for which it is used. It also serves as a point of contact for any privacy-related inquiries. In addition, we publish a [transparency report](#) that details any government requests for disclosure of personal information and our response to such requests, if applicable. We uphold the highest standards of data privacy and security to earn the trust of our customers and stakeholders.

Security certifications

ISO 27001 certified: This certification validates our organization's thorough evaluation of potential security risks. It attests to the implementation of an information security management system that aligns with the global standards established by the [International Organization for Standardization](#) (ISO).

SOC 2 Type 2 compliant: Under the oversight of the [American Institute of Certified Public Accountants](#), (AICPA), we fulfill the SOC 2 standard, signifying the implementation of rigorous information security policies and procedures.

HIPAA compliant: Since 2016, we have engaged the expertise of third-party professionals to navigate the intricacies of the [US Health Insurance Portability and Accountability Act of 1996](#) (HIPAA). This partnership has allowed us to create and sustain a product offering that complies with HIPAA standards, catering effectively to our customers in the health and wellness sector.

Transfers of data: Demonstrating our dedication to data privacy, we adopt the 2021 EU Standard Contractual Clauses and undergo self-certification for compliance with the EU-US and Swiss-US Privacy Shield Frameworks to validate the transfer of personal data from the EU to the United States.



Climate Action

Braze partnered with a third-party expert to conduct a thorough greenhouse gas emissions footprint assessment for FY'23. This assessment adheres to the operational boundary approach recommended by the Greenhouse Gas Protocol for corporate accounting and reporting. It encompasses a comprehensive evaluation of scope 1, scope 2, and scope 3 emissions, including relevant upstream and downstream activities, using primary activity data and spend-based emission factors.

We purchased Energy Attribute Certificates (EACs) for the first time, sourcing clean electricity for our estimated global office footprint in FY'23—a stepping stone toward building ever more impactful emissions reduction initiatives.

In line with our ongoing dedication, we are actively working on developing a climate strategy at Braze that will pave the way for establishing future greenhouse gas emissions reduction targets.

Braze supports the United Nations's Sustainable Development Goals (SDGs). Specific SDGs will be tagged throughout this report where appropriate.



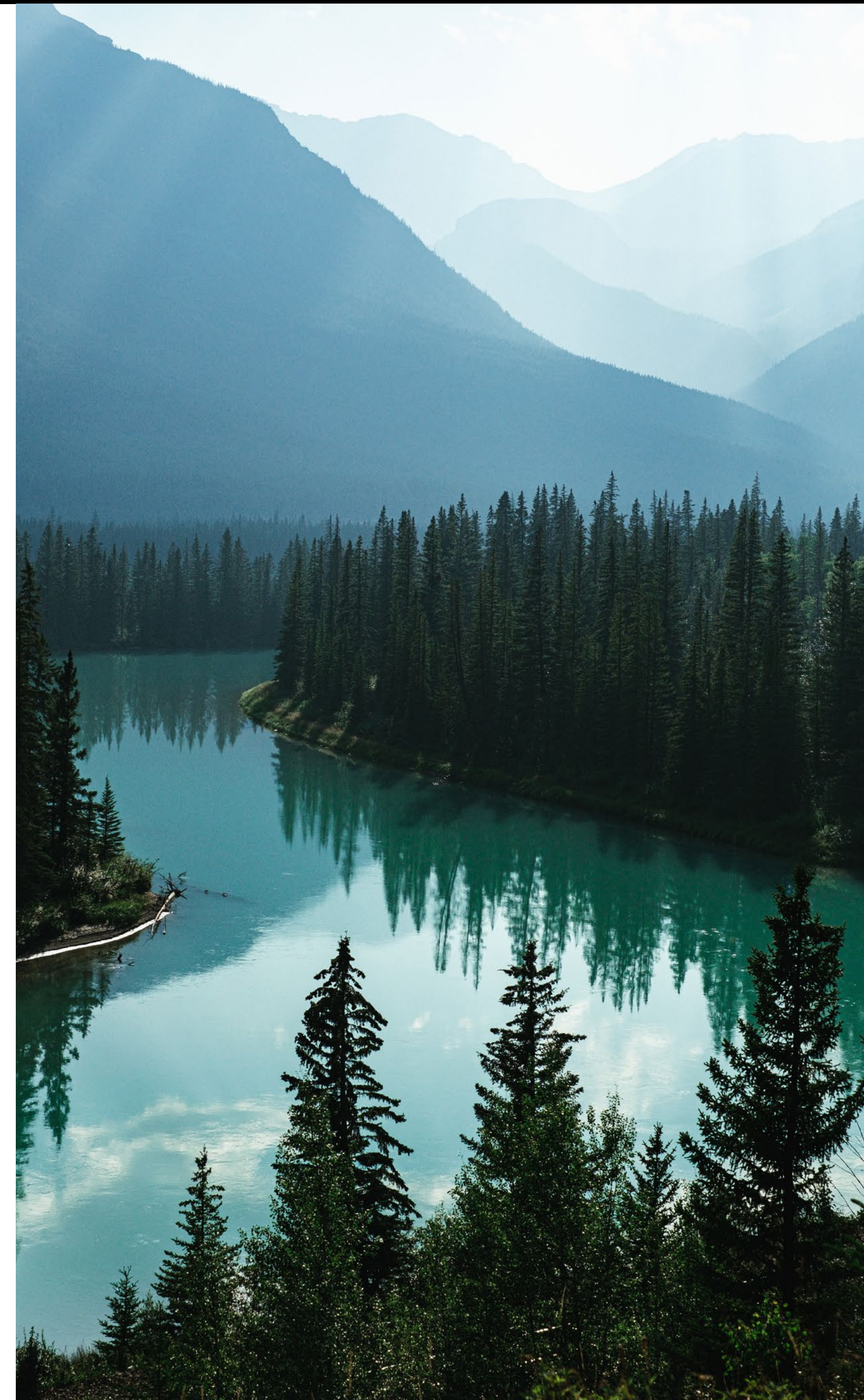
SDG 7: *Ensure access to affordable, reliable, sustainable, and modern energy for all*



SDG 12: *Ensure sustainable consumption and production patterns*



SDG 13: *Take urgent action to combat climate change and its impacts*



Braze Greenhouse Gas Emissions Footprint

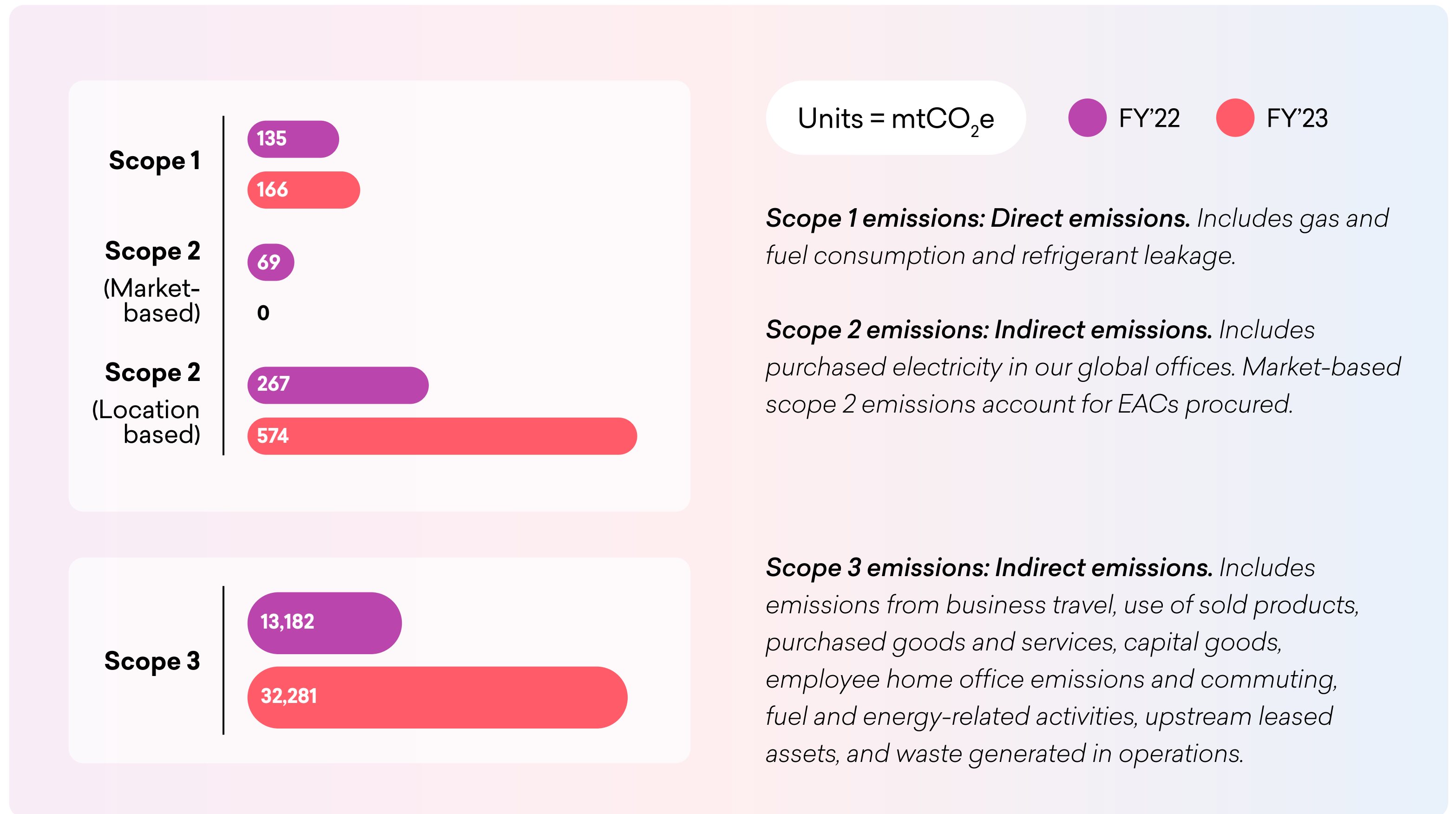
In FY'23, our greenhouse gas emissions footprint was estimated to be 32,447 metric tons of carbon dioxide equivalent (mtCO₂e).* To align with updated greenhouse gas emissions methodology, we also conducted a recount of our FY'22 emissions, which was estimated to be 13,386 mtCO₂e.*

In FY'23, our increase in emissions was driven primarily by increased business travel and new office openings.



*Market-based emissions

Greenhouse Gas Inventory FY'22 and FY'23



To ensure accurate and reliable emissions calculations, we collaborated with a third-party greenhouse gas emissions software provider for both FY'22 and FY'23 assessments. This partnership allowed us to identify areas for improvement in our emissions calculation methodologies. As a result, we made some adjustments, such as accounting for electricity use in home offices and incorporating spend-based emissions amortization, leading to slight revisions in our estimated FY'22 emissions footprint.

FY'23 Greenhouse Gas Emissions by Business Category



Breakdown

- Travel: **30%**
- Goods & Services: **28%**
- Cloud: **22%**
- Offices: **8.9%**
- Marketing: **8%**
- Employees: **2.2%**
- Product Use: **0.4%**



Braze Workplaces

While Braze does not own any of its facilities, our commitment to sustainability extends to the office spaces we lease. We prioritize spaces that meet or exceed the rigorous specifications of the LEED certification system's Gold Standard, which is administered by the globally-recognized US Green Building Council. The buildings that house Braze offices display the following certifications:



Braze offices with certifications

Asia

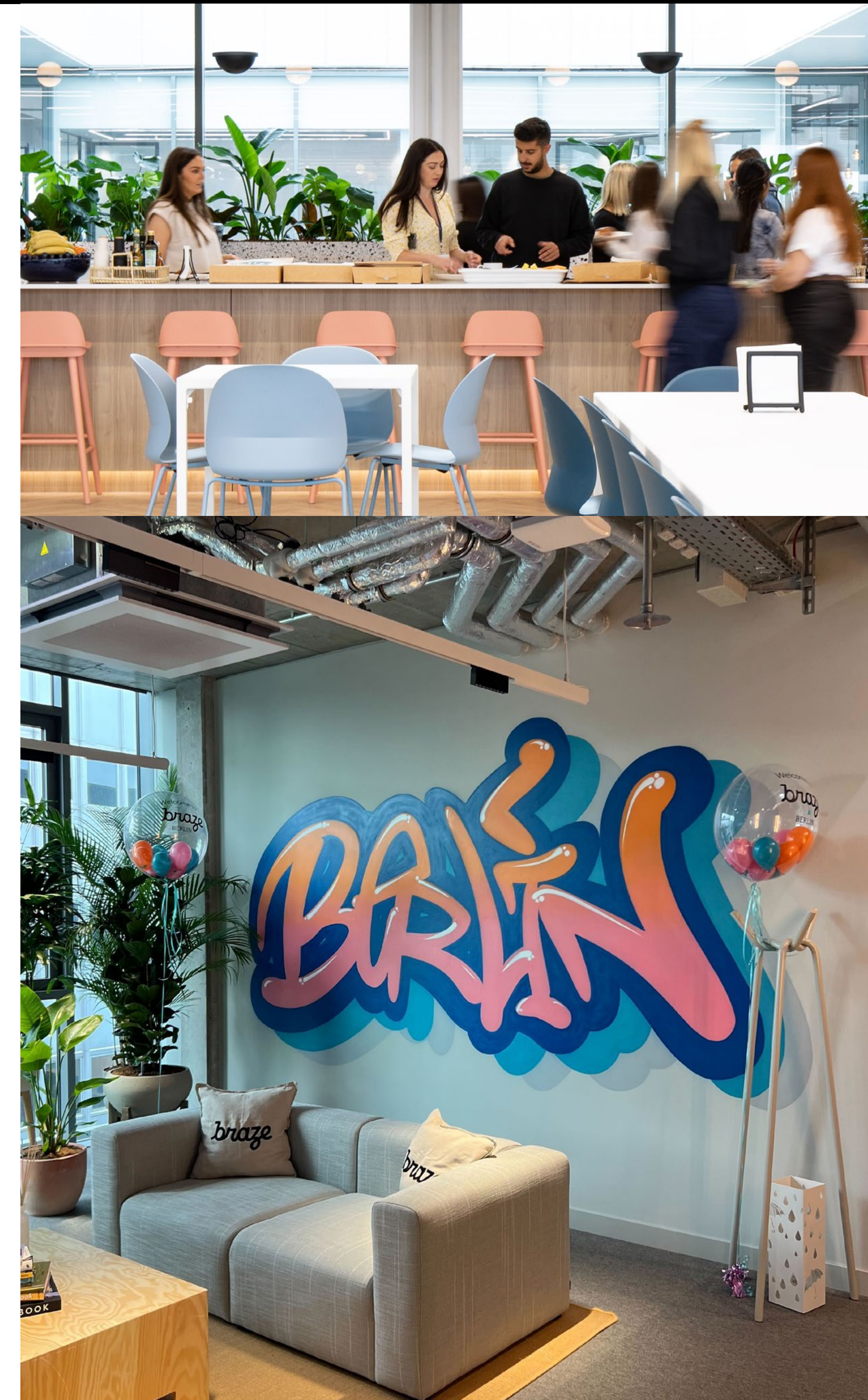
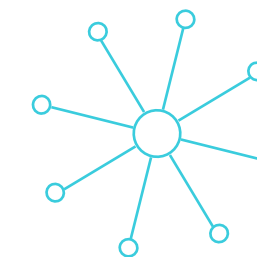
- Singapore: [BCA Green Certification](#), Platinum
- Tokyo: Certified as a [Top-Level Facility](#) by the Tokyo Metropolitan Government, Good Design Award

Europe

- Berlin: [LEED](#) Gold
- London: [WELL](#) V2: Gold Certification, [BREEAM](#): Excellent
- Paris: [BREEAM](#): Excellent, High-Quality Environmental (HQE) Standard certified

North America

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



Diversity, Equity, and Inclusion

At Braze, our [core values](#) of “shape the future” and “be a human” are integral to our approach towards Diversity, Equity, and Inclusion (DEI). We believe in shaping a future where inclusivity is at the forefront of everything we do, enabling employees of all backgrounds and experiences to contribute and excel. With a deep understanding that being a human means recognizing and celebrating the unique perspectives and voices that make us who we are, we have embraced an inclusion-first approach within our DEI function. As we enter the second year of our social impact efforts, we have built pillars that serve as guiding principles for our diverse range of programs. Through these initiatives, we strive to create an environment where every individual feels valued, empowered, and inspired to shape a future that is equitable and inclusive for all.



SDG 5: Achieve gender equality and empower all women and girls



SDG 10: Reduce inequality within and among countries





braze
FORGING
MENTORSHIP



Diversity

The Diversity pillar consists of our DEI data efforts and affinity events. As a data-driven company, Braze is actively developing robust methods to track and measure representation data across different intersectionalities, which helps us prioritize our DEI efforts. In FY'23, Braze also sponsored two affinity conferences. In the future, we intend to invest in diversifying our candidate pipeline by expanding our presence at affinity events, including conferences and meet-ups. Moving forward, we are dedicated to expanding our presence at affinity events, including conferences, meet-ups, and our own curated events.

Equity

The Equity pillar focuses on DEI leadership training and employee professional development, promoting a culture of continuous learning, and personal growth. This year, we are enhancing our manager training program to incorporate DEI-specific training within the curriculum. Additionally, DEI concepts will be integrated into existing training, including new hire onboarding. To foster allyship and knowledge sharing, we have launched our inaugural company-wide mentorship initiative, which aims to cultivate a richer employee experience and foster a sense of community throughout our workforce.

Inclusion

The Inclusion pillar showcases our commitment to shaping an inclusive future for individuals from diverse backgrounds and experiences. This year, we have prioritized enhancing recruiting efforts and manager training to embed inclusivity in our business processes. As of July 2023, we have 10 employee resource groups (ERGs) that represent diverse affinity groups and interests. In March 2023, we hosted our inaugural ERG Lead Summit, facilitating the exchange of experiences, insights, and best practices among ERG Leaders. Through these initiatives, we foster a more inclusive culture, empowering every individual in our Braze community.

Employee Representation* SASB Disclosure: TC-SI-330a.3



Gender Representation of Global Employees (%)

	Female	Male	N/A***
Management**	42.0%	55.9%	2.1%
Technical Staff	24.9%	70.7%	4.4%
Non-Technical Staff	50.5%	47.0%	2.5%

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

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

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

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

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

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

	Asian	Black or African American	Hispanic or Latina/o	Other^	N/A^^	White
Management	18.5%	4.0%	2.4%	5.2%	6.0%	63.9%
Technical Staff	32.7%	1.8%	4.0%	5.8%	9.5%	46.2%
Non-Technical Staff	15.4%	8.2%	4.9%	7.7%	2.4%	61.4%

Unless otherwise noted, data and descriptions are (i) based on employee self-identification, and (ii) current as of January 31, 2023.

Grantmaking

In 2021, Braze joined the [Pledge 1%](#) movement and committed to disburse 1% of our then outstanding equity over a 10-year period, beginning in 2022. Last year, the first funds became available for grantmaking in late fall, and we have since disbursed over \$500,000 to a variety of global nonprofits and charities. We are excited to showcase our first multi-year grant and our first grant program as notable achievements in our ongoing efforts to make a difference.

App Inventor

Braze awarded [its first multi-year grant to App Inventor](#), a free open-source platform empowering students to create mobile applications. Over four years, we will donate an aggregate of \$500,000 to the App Inventor Foundation. Currently, App Inventor serves over 9 million active users across 200 countries, facilitating the development of 68 million apps.

App Inventor's focus on ease-of-use and its work to encourage future developers and founders had a strong influence on the Braze vision and product—most notably [Canvas Flow](#), our visual development environment which enables brands to design and execute sophisticated customer engagement strategies.

ERG Grants

Braze supports DEI through the active engagement of its ERGs—voluntary groups formed by employees who share interests, protected class affiliations, or similar experiences. In recognition of the vital

contributions made by its ERGs, Braze launched the [ERG Grant program](#). In its first year, this initiative witnessed enthusiastic involvement from nine ERGs, collectively awarding \$250,000 in grants to 25 organizations that resonated with their core missions. Recipients of the grant included:

- [Brave Space Alliance](#)
(Selected by Pride@Braze).
- [Campaign Against Living Miserably](#)
(Selected by Healthy Minds, our mental health ERG)
- [Coding Black Females](#)
(Selected by Black@Braze)



SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Natalie Lao
Executive Director



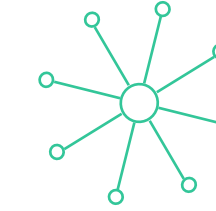
“ Braze provided judges for our App of the Season competition, where 73 teams built mobile apps to address important community issues, from water usage to social isolation. We're grateful to Braze for their support in empowering the next generation of global tech leaders.

Tech for Black Founders

The Braze Tech for Black Founders program, [launched in June 2020](#), aims to address the disparity in venture capital funding for Black-founded businesses, which historically received only [1% of such funding](#). The program seeks to level the playing field by offering qualified companies a one-year product grant, providing them with free access to the Braze platform. This support accelerates their growth trajectory, increasing their chances of securing funding and building successful, sustainable businesses.

In spring 2023, Braze reaffirmed its commitment to the Tech for Black Founders program by initiating an effort to select its third cohort of companies.

This year's program focuses on fostering a strong community and enhancing customer success and education initiatives. As part of these efforts, each participating company will have a dedicated Customer Success Manager, ensuring personalized support. Furthermore, free Braze Certifications are provided to all users, equipping them with valuable skills and expertise. To encourage networking and collaboration, Braze is hosting a virtual founder meetup series, dedicated to exploring the utilization of the Braze product. Additionally, participants have the opportunity to connect with fellow founders in the program through a private channel within [Braze Bonfire](#), the Braze online community platform.



James Chapman
Founder and CEO

plain sight

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Through Tech for Black Founders, we have furthered our mission of fostering customer community and connections. Braze has been a great partner, and it has been encouraging to see the company improve this program year-over-year and continue their investment in helping level the playing field for Black founders.

Tech for Black Founders by the Numbers*

26 Companies currently in the program

11 Women-founded startups

3 Companies graduated to full-paying customers

\$780,000

Annualized Braze product value

**As of July 11, 2023.*



SDG 10: Reduce inequality within and among countries

Sustainability Accounting Standards Board (SASB) Disclosure

In developing this report, we have been informed by selective application of the Sustainability Accounting Standards Board (SASB) Sustainability Accounting Standards for the “Software & IT Services” category (Version 2018-10). The SASB refers to sustainability as “ESG,” covering environmental, social, and governance topics.

Braze is a cloud-based, software-as-a-service company. Therefore, we believe that our SASB disclosure is best represented through the “Software & IT Services” standard. Unless otherwise noted, data and descriptions are current as of the end of our fiscal year 2023, which covers the time period February 1, 2022 to January 31, 2023. We will continue to evolve our disclosure in future reports.

Topic	SASB code	Disclosure and references
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.1	Total energy consumed: 8,322 GJ The footprint includes some emissions with units that could not be converted to energy consumption in GJ: • 26 kg of Refrigerant equipment leaks (r-410a) • 0.2 kg of Refrigerant equipment leaks (r-134a) Percentage grid electricity: 0% Percentage renewable: 72% See pages 6-8 for more information on our FY'23 greenhouse gas emissions footprint.
Environmental Footprint of Hardware Infrastructure	TC-SI-130a.3	Braze relies on third-party cloud infrastructure to run our operations and does not own or operate any data centers. As the company sets its climate strategies and goals moving forward, Braze will review and evaluate options for its strategic and sustainable use of data center services.
Data Privacy & Freedom of Expression	TC-SI-220a.1	Braze Privacy Policy
Data Privacy & Freedom of Expression	TC-SI-220a.2	Braze operates in a business-to-business (B2B) environment and is not focused on secondary utilization. More details about how the company processes data is outlined in our Data Processing Addendum .
Data Privacy & Freedom of Expression	TC-SI-220a.3	In FY'23, Braze did not have any material fines or penalties as a result of legal proceedings associated with user privacy matters.
Data Privacy & Freedom of Expression	TC-SI-220a.4	Braze Transparency Report
Data Privacy & Freedom of Expression	TC-SI-220a.5	Braze complies with the Foreign Corrupt Practices Act (FCPA) and Export Control Regulations. Braze is legally prohibited from working with customers located in certain countries or regions of countries on the Office of Foreign Assets Control (OFAC) Sanctions List . In addition, the company has adopted an anti-corruption policy designed to support FCPA compliance.
Data Security	TC-SI-230a.2	Braze Security Qualifications Braze Data Processing Addendum Acceptable Use Policy Form 10-K Filings
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.1	Braze headquarters are in New York, NY, and the company has offices in the United States and several other countries. As of January 31, 2023, Braze had 1,501 employees, of which 67.9% were in the United States and 32.1% were in non-US locations.
Recruiting & Managing a Global, Diverse & Skilled Workforce	TC-SI-330a.3	For Employee Representation data and for policies and programs that foster equitable employee representation across our global operations, please refer to the DEI section of this report on pages 10-12.
Intellectual Property Protection & Competitive Behavior	TC-SI-520a.1	In FY'23, Braze did not have any material fines or penalties as a result of legal proceedings associated with anti-competitive behavior.
Managing Systemic Risks from Technology Disruptions	TC-SI-550a.2	Please refer to our Form 10-K Filings and our other periodic and current reports filed with the SEC.

Forward-Looking Statements

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

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

(5) Braze’s ability to successfully manage its growth; (6) the accuracy of estimates of market opportunity and forecasts of market growth and the impact of global macroeconomic uncertainty that could affect Braze’s or its customers’ businesses, financial condition, and results of operations; (7) Braze’s ability and the ability of its platform to adapt and respond to changing customer or consumer needs, requirements or preferences; (8) Braze’s ability to attract new customers and renew existing customers; (9) the competitive markets in which Braze participates and the intense competition that it faces; (10) Braze’s ability to adapt and respond effectively to rapidly changing technology, evolving cybersecurity and data privacy risks, and evolving industry standards or changing regulations; and (11) Braze’s reliance on third-party providers of cloud-based infrastructure, as well as other risks and uncertainties discussed in the “Risk Factors” section of the Braze Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (SEC) on June 9, 2023 and other subsequent filings Braze makes with the SEC from time to time, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Copies of our reports filed with the SEC are available on our [investor relations website](#). The forward-looking statements included in this report represent our views only as of the date of this report and we assume no obligation, and do not intend to update these forward-looking statements, except as required by law.

Trademarks

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

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

