FY2024 Global Impact Report

ZUORA

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A letter from our CEO

Zuora's purpose is to help people subscribe to modern ways of doing business – ways that are better for customers, better for companies and ultimately better for the planet.

Because modern business is rooted in recurring relationships, subscribing to this philosophy can encourage new mindsets that put people first (instead of products) and focus on sustainable, recurring growth. This has inspired how we approach Environmental, Social and Governance (ESG) authentically at Zuora.

E - Environmental

Goodbye, Ownership. Hello, Usership.

When we started Zuora over 16 years ago, we predicted a universal shift from a product-centric mindset (ownership) to a customer-centric one (usership). That new world has become our new normal. Companies across industries have evolved from the traditional, product-centric approach to lean into outcome and experience based services – a transformation that in many cases is helping to future-proof our planet.

From optimizing usage to elongating product lifetimes through reuse, these innovative business models can foster a Circular Economy and create more sustainable businesses. We see this in our customer base with companies like Acer, one of the world's top Information and Communications Technology (ICT) companies. Acer's device-as-a-service (DaaS) program

enables users to subscribe to cutting-edge hardware, cloud storage, support and more. With options for device trade-ins and smart financing options, the program can extend the lifetime of hardware by three years or more, while promoting a second life for devices at the end of the contract.

Zuora is also taking action with our own commitments. In fiscal year 2024, we took the first step to achieve a net-zero target, committing to the Science Based Targets initiative (SBTi) with both near and long-term goals. We maintained carbon neutrality for the third consecutive year, and reached 100% renewable energy for our global offices for the second consecutive year.

S - Social

Building a People-First World

Modern business requires customer-centricity, and this means putting people at the center of everything we do. From our customers, to our employees (or ZEOs), to our shareholders and the community around us, we want to create a more inclusive, equitable and accessible world.

In fiscal year 2024:

- We saw year-over-year increases in Zuora Leadership[1] across both Women (31.7%) and Ethnic Minority leaders (22.3%).
- 39% of ZEOs self-identified as being from underrepresented[2] groups.
- 88% of ZEOs gave back to their communities through giving and/or volunteering.
- We maintained our pledge 1% commitment through over $764,000 in corporate grants and ZEO donations.

G - Governance

Recurring Relationships Require Accountability

Trust and accountability are at the foundation of any healthy recurring relationship. We want those that work for and with Zuora to trust that we will hold ourselves accountable to conducting business in a responsible manner and that we are designing policies with the future in mind.

The governance we have in place ensures we do business in an ethical, legal and socially responsible manner. For example, in fiscal year 2024, Zuora established a Governance, Risk and Compliance (GRC) Committee to address gaps in our policies on high-priority, fast-evolving issues such as AI governance and cybersecurity response readiness. The committee includes our Chief Financial Officer, General Counsel, Chief Information Officer, Chief Information Security Officer and Head of Internal Audit, among others.

With an approach that's both customer-centric and future-proof, we believe that subscribing to modern business can create a better world. And while we've made great strides, there's always more to be done.
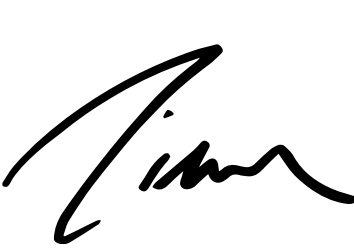
Tien Tzuo
Founder, CEO and Chairman
of the Board of Directors

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[1] Leadership: Director level and above

[2] Underrepresented: women globally and US-based employees who self-identify as Asian, Black or African American, Hispanic or Latinx, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races

Introduction

About Zuora

In this section

Zuora provides a leading monetization suite to build, run and grow a modern business through a dynamic mix of consumption models, subscription bundles and everything in between. From pricing and packaging to billing, payments and revenue accounting, Zuora's flexible, modular software platform is designed to help companies evolve monetization strategies with customer demand. More than 1,000 customers around the world — including BMC Software, Box, Caterpillar, General Motors, Penske Media Corporation, Schneider Electric and Zoom — use Zuora's leading combination of technology and expertise to turn recurring relationships and recurring revenue into recurring growth. Zuora is headquartered in Silicon Valley with offices in the Americas, EMEA and APAC. To learn more, please visit zuora.com.

About this report

Zuora's fiscal year 2024 (FY24) Global Impact Report highlights our work and goals in three areas:

1. **Environmental: Building a more sustainable future**
2. **Social: Investing in our people and communities**
3. **Governance: Building trust and operating responsibly**

This report has been prepared in accordance with the Sustainability Accounting Standards Board (SASB) and is informed by the Global Reporting Initiative Standards (GRI) and the United Nations Global Compact (UNGC).

This report focuses on Zuora's Global Impact goals and programs. We report data related to Zuora's fiscal year 2024 (February 1, 2023 - January 31, 2024). The data in this report may contain figures that are approximated based on the best measurements available to us. All references to currency are in U.S. dollars, unless otherwise noted. This is Zuora's third annual Global Impact Report. Zuora's previous report was published in May of 2023.

Please direct questions on this report or topics related to our environmental, social and governance disclosures to esg@zuora.com.

Our approach

As the leading monetization platform for modern business, we are committed to operating as a responsible, ethical, inclusive and sustainable company.
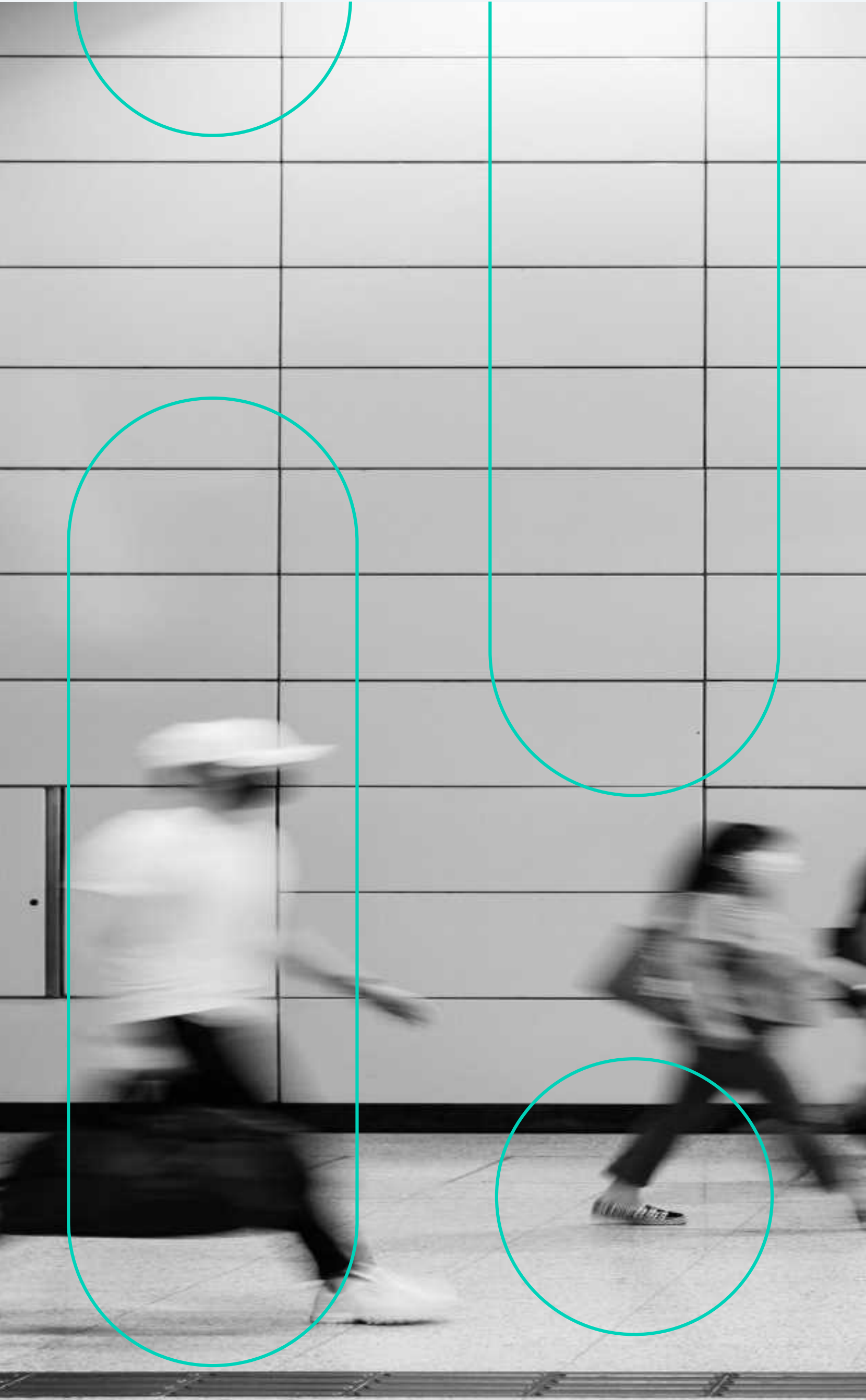
ESG oversight

We manage ESG initiatives at a functional level, with executive and board of directors oversight. Zuora's Vice President of Investor Relations & ESG and Senior Director of Social Impact & ESG are responsible for leading our ESG program. They oversee a cross-functional group of 10 leaders who contribute to developing our ESG strategy. At the board level, the Nominating and Corporate Governance Committee has formal responsibility to oversee and review our ESG strategy, policies, programs and reporting. They are updated on our progress at least twice a year.

Please refer to page 25 for more information on our ESG oversight and governance structure.

Materiality

To inform our ESG strategy, we conducted a materiality assessment in fiscal year 2022 in accordance with ESG best practices and guidelines. We identified seven priority topics, which have informed our strategy, how we assess risks and opportunities, and how we structure disclosures. The seven areas are as follows:

1. Environmental management & policy
2. Corporate governance
3. Data privacy & security
4. Business ethics
5. Board composition
6. Human capital development
7. Diversity, equity & inclusion

Zuora Materiality Matrix

Increasing Importance

External Stakeholder Perspective (Degree of stakeholder concern)

Legend:
- Environmental
- Social
- Governance

Environmental Management & Policy

Data Privacy & Cybersecurity

Products & Services

Human Capital Development

GHG Emissions

Corporate Governance

Business Ethics

Diversity, Equity & Inclusion

Board Oversight of ESG

Board Composition

Social Impact of Products & Services

Whistleblower Program

Supply Chain Management

Freedom of Association

Community Engagement

Increasing Importance

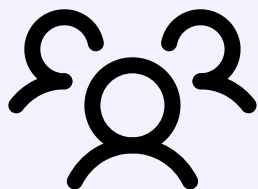**Importance to the Business & Internal Stakeholders**

FY 2024 highlights

Environment

- **Carbon neutral**
  for the third consecutive year

- **100% renewable energy**
  across our global offices for the second consecutive year

- **Submitted commitment letter to the Science Based Targets initiative**
  (SBTi) to develop both near- and long-term greenhouse gas (GHG) reduction targets

People & communities

- **39% of ZEOs self-identified as being from underrepresented groups[3]**

- **88% of ZEOs gave back**
  to their communities

- **26,000 training hours spent**
  by ZEOs using learning and development resources

Governance

- **100% of ZEOs completed information security training**

- **Established a Governance, Risk and Compliance (GRC) Committee**
  to review progress and address gaps in policy

[3] Underrepresented: women globally and US-based employees who self-identify as Asian, Black or African American, Hispanic or Latinx, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races

ESG goals and FY24 progress

SUSTAINABLE DEVELOPMENT GOALS

Pillar	Focus area	Zuora's goal	Progress	Comments	Contribution to the SDGs
Building a more sustainable future	Policy	Incorporate sustainability into our Global Purchasing Policy by the end of FY24.	Met		7 12 13
		Incorporate sustainability questions into 100% of applicable New Supplier Onboarding Surveys in North America by the end of FY24.	Met		7 12 13
		Incorporate sustainability questions into 100% of RFPs for new facilities, specifically focused on understanding energy efficiency, waste management, water efficiency and environmental certifications by the end of FY24.	Met		7 12 13
	Energy	Obtain primary energy usage data for 100% of our facilities by the end of FY24.	Not met	We obtained primary energy usage data for 96% of our facilities in FY24.	7 12 13
	Greenhouse gas emissions	Request GHG emissions data and reduction goals directly from our top suppliers, representing over 50% of our spend by the end of FY24.	Met		7 12 13
		Submit a near-term emissions reduction target to the Science Based Targets initiative (SBTi) by end of FY25.	New		7 12 13
		Submit a long-term science-based target to reach net-zero to the SBTi by end of FY25.	New		7 12 13
Investing in our people and communities	Leadership, learning and development	75% of leaders (Director and above) attend leadership training to increase inclusive, high-performance leadership skills and capabilities by the end of FY24.	Met		4 10
		Offer ZEOs at least five programs or offerings for continuous enablement, learning and growth by the end of FY24.	Met		4 10
		70% of ZEOs will receive/participate in high-quality non-technical learning offerings.	New		4 10
	ZEO wellness	Maintain 32% active engagement on mental health platforms by the end of FY24.	Not met	17% of ZEOs engaged with our mental health platforms in FY24.	3
	Representation of underrepresented communities across our workforce	Reach and maintain 50% of global workforce from underrepresented groups[4] by the end of FY25.	In progress	39% of global workforce self-identifies as underrepresented.	5 8 10
	Community engagement	ZEO participation rate of 40% in Zuora Resource Groups (ZRG) by the end of FY24.	Met		5 10
		85% of ZEOs participate in at least one volunteering or giving program on an ongoing basis.	Met		1 4 5 8 10 11 13 17
Building trust and operating responsibly	Culture of ethics and compliance	100% of ZEOs complete the annual assigned Code of Conduct course.	New		16
		100% of ZEOs complete the assigned Cybersecurity and Data Privacy courses.	New		16

[4] Underrepresented: women globally and US-based employees who self-identify as Asian, Black or African American, Hispanic or Latinx, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races
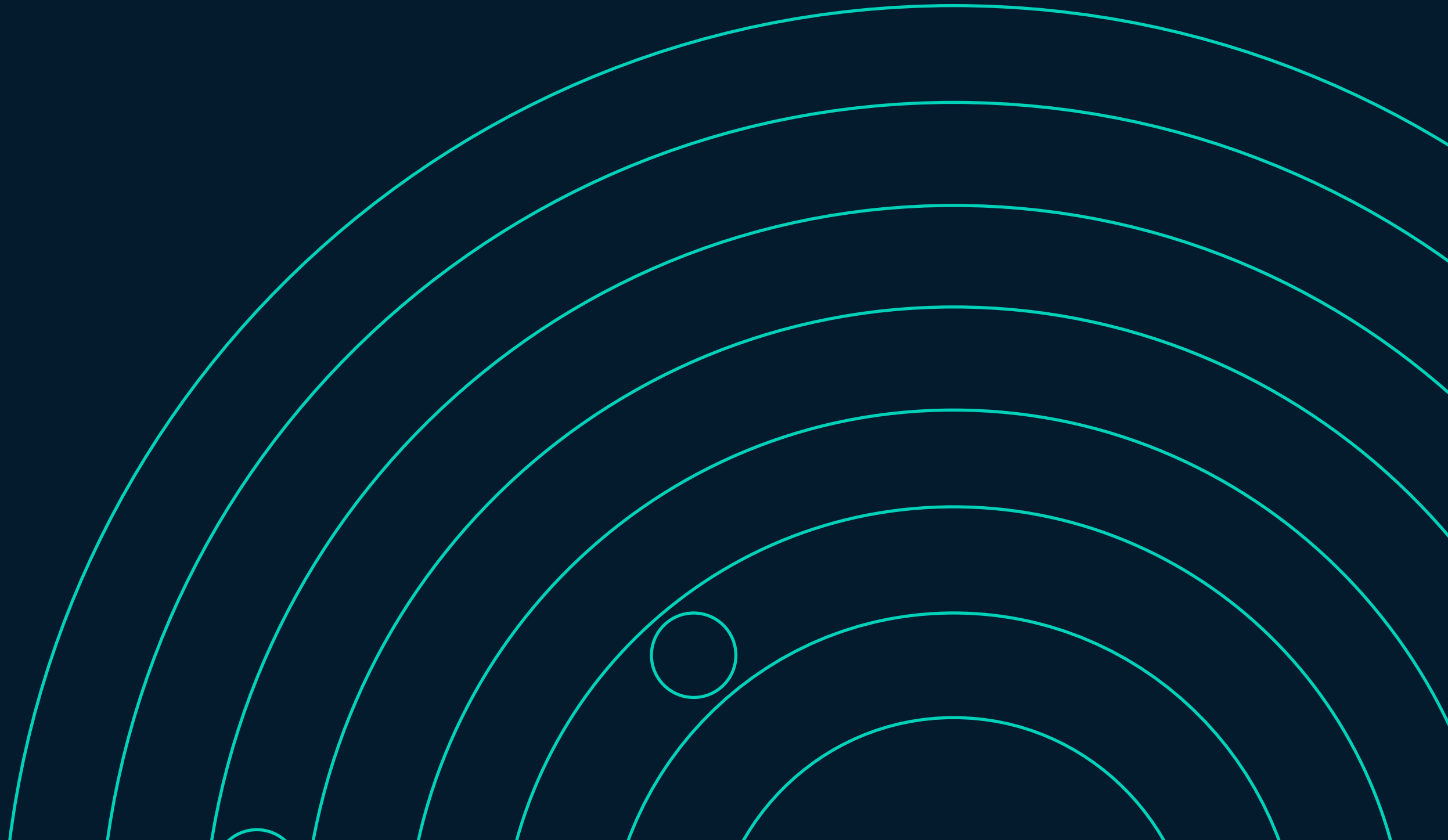
Environment

Building a more sustainable future

At Zuora, we believe that businesses should leave the world a better place than they found it. We're committed to doing our part to tackle climate change through reducing our carbon footprint and advancing sustainability through our people and resources. Sustainability, including climate, is led by our Vice President of Investor Relations & ESG and Senior Director of Social Impact & ESG, and overseen by the Nominating & Corporate Governance Committee (NCG) of our board of directors. The NCG reviews climate-related progress- including our emissions reduction and renewable energy progress- at least twice a year. For more information on our ESG Governance structure, see page 25.

Learn more about how Zuora is leveraging its funding and people to build a more sustainable world through partnerships with Village Capital and the Network for Teaching Entrepreneurship.

Sustainable operations

Reducing our internal emissions is a top priority. Our Environmental Statement outlines our commitment to improving internal business practices to minimize the company's overall environmental impact. We've made great progress over the past few years and will continue to take action at a speed and scale that aligns with the latest climate science. In FY24, we committed to the Science-Based Targets initiative (SBTi) Net-Zero Standard and are in the process of developing both near-term and long-term reduction targets, including reaching net-zero emissions by 2040.

> "
> **Our investments in sustainability represent how we intentionally pursue positive change and own our outcomes, and I think that's why it's an important piece of our ZEO experience. And, our customers envision a better future too, so Zuora's approach to sustainability is a community interest where we all benefit, as people, as businesses, and as a collective.**
>
> **Todd McElhatton** (he/his)
> Chief Financial Officer

Environmental management

While everyone at Zuora has a role to play, there are a few key teams who are responsible for our environmental management and performance and sit on our cross-functional ESG Committee. These teams include Social Impact, Finance, Procurement and Workplace Resources. We educate our ZEOs, suppliers and customers on our environmental management and sustainability programs through various internal and external reports, meetings, surveys and campaigns. We assess, manage and improve the sustainability of our workplaces through a partnership with Anthesis[5]. Using its Route Zero emissions management and climate platform, we compile data for emissions tracking and management following Greenhouse Gas Protocol guidelines.

As a global SaaS company, Zuora's products do not exist in the physical space, which we believe mitigates and limits our exposure to the impact of physical risk manifestations over the short, medium and long-term. ZEOs can work remotely and perform their job functions from any location, ensuring that the company is able to operate "around the clock" (24x7x365). We view the risk of physical impact to our locations to disrupt operations as minimal.

We currently host our solution, serve our customers, and support our operations using Amazon Web Services (AWS), a provider of cloud infrastructure services, and have begun enabling new features and capabilities for our solution using Microsoft's Azure cloud service. We also leverage AWS in various geographic regions for our disaster recovery plans. We do not have control over the operations of the facilities of AWS or Azure. These facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, and other events caused by climate change which could result in a decision to close the facilities without adequate notice, or other unanticipated problems could result in lengthy interruptions in our solution. In addition, breaks in the supply chain due to transportation issues or other factors could potentially disrupt the delivery of hardware needed to maintain these third-party systems or to run our business.

We have procedures in place to mitigate the impact of these types of disruptions, including processes for coordinating with ZEOs during an event, to ensure that the applications in use at Zuora will be available to our customers. These processes and procedures are outlined in our Disaster Recovery Plan and Business Continuity Plan. Our Disaster Recovery Plan outlines how we will restore critical business functions and IT systems in the event of a disaster, and our Business Continuity Plan is focused on how we will restore broader aspects of our business operations, including people, processes, facilities and communications. Our Business Continuity Plan was developed to meet or exceed the specified HIPAA performance criteria for recovering data from emergency or disastrous events. Our Disaster Recovery Policy was developed with compliance standards/regulations for HIPAA, SOC 1, SOC 2 and ISO 27001 performance criteria for recovering data from emergency or disastrous events in mind.

Workplaces and the transition to renewable power

Across our global workplaces, we conserve and manage energy and emissions, optimize water consumption, minimize waste and educate our ZEOs on how to be good stewards of the environment. We provide electric vehicle (EV) charging stations at our headquarters in Redwood City, California and all of our facilities use centralized printers and reusable dishware. All of our offices support recycling, and we provide bins in kitchen areas at locations where composting is available.

Our offices in Beijing, Boston, Milan, Sydney and Tokyo have green building certifications, such as LEED Gold. Our Boston, London and Stockholm offices purchased certified renewable energy credits ensuring that the building's electricity has been generated from renewable sources. Both our London and Sydney offices source 100% renewable energy. Page 35 in the Appendix provides details on our facilities.

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[5] Zuora previously used Watershed in FY22 and Greenplaces in FY23

While our landlords have taken steps towards a greener future, for the second year in a row, we also purchased Green e-certified Renewable Energy Credits (RECs) to offset the remainder of our electricity consumption and reach 100% renewable energy for our workplace footprint.

Responsible end-of-life management of hardware

In FY24, we continued to grow our partnership with Revivn to ensure responsible end-of-life management of our hardware. Revivn extends the life of electronic devices and helps address the issues of tech connectivity by donating devices to nonprofits and educational institutions around the world. If the hardware cannot be donated or re-purposed and is truly at the end of its life, Revivn recycles it using the most ethical practices.

Through our partnership with Revivn in FY24, Zuora:

- Repurposed 239 devices
- Diverted 594 pounds of electronic hardware from landfills
- Donated technology to mission-driven nonprofit organizations, such as Youth Uprising, The Game Academy, PEPY Empowering Youth, and others.

Cloud and data centers

We continuously optimize our compute, storage and network usage by utilizing technologies like containerization, virtualization, compression and network bandwidth reduction. By improving our efficiency, we work toward reducing our energy intensity and resulting carbon footprint.

We work closely with our data center and cloud computing partners to measure our carbon emissions. Our colocation and cloud computing partners, such as Amazon Web Services (AWS), have established 100% renewable energy goals and have shown that their infrastructure is significantly more energy efficient than the median of U.S. enterprise data centers. Together, these efforts help us provide a reliable experience for our customers, while reducing environmental impacts.

Scope 1

Market-based Emissions:	0.8%, 157 mtCO$_2$e
Market-based Emissions Intensity:	0.36 mtCO$_2$e/ $M
Location-based Emissions:	0.8%, 157 mtCO$_2$e
Location-based Emissions Intensity:	0.36 mtCO$_2$e/ $M

Scope 2

Market-based Emissions:	0.1%, 25 mtCO$_2$e
Market-based Emissions Intensity:	0.06 mtCO$_2$e/ $M
Location-based Emissions:	2.7%, 522 mtCO$_2$e
Location-based Emissions Intensity:	1.21 mtCO$_2$e/ $M

Scope 3

Market-based Emissions:	99.1%, 18,929 mtCO$_2$e
Market-based Emissions Intensity:	43.85 mtCO$_2$e/ $M
Location-based Emissions:	19,001 mtCO$_2$e
Location-based Emissions Intensity:	44.02 MT mtCO$_2$e /$M

Emissions by category
(market-based)

Total
19,110 mtCO$_2$e

- Purchased Goods and Services - **62.7%**
- Business Travel - **31.6%**
- Capital Goods - **1.9%**
- Employee Commuting - **1.4%**
- Fuel and Energy Related Activities - **0.5%**
- Upstream Leased Assets - **0.5%**
- Upstream Transportation and Distribution - **0.2%**
- Waste Generated in Operations - **0.2%**

Market-based vs Location-based methodologies

We quantify our greenhouse gas (GHG) emissions using two different methodologies: market-based and location-based. The market-based methodology allows companies to reduce the emissions they report from their electricity use by sourcing renewable energy certificates (RECs), which are an important component of decarbonizing the power sector. However, purchasing RECs does not meaningfully reduce the emissions from a company's electricity use. The location-based methodology is a more accurate measure of the actual emissions which result from our use of electricity. Both methodologies can be valuable indicators, which is why we measure and report our progress using both.

Responsible procurement

Our suppliers are a critical part of our business, and responsible procurement allows us to work with suppliers who share our values and commitment to creating a more sustainable world. We expect all of our suppliers to act with the highest ethical standards in accordance with our Supplier Code of Conduct and collaborate with us on our collective sustainability journeys.

Over 90% of Zuora's annual GHG emissions are from our upstream supplier activities, therefore we've embedded sustainability into our supplier relationships and procurement operations. In FY24, we incorporated sustainability into our Global Purchasing Policy, New Supplier Onboarding Surveys in North America and request for proposals (RFPs) for new facilities. We also issued our first supplier survey that collected GHG emissions data and reduction goals from our top 245 suppliers, representing 80% of our spend. We received 70 responses (29% response rate) and were pleased to learn that over 20% of respondents have official GHG reduction targets, including a net-zero target.

Carbon offsets and removals

In FY22, we achieved carbon neutrality for the first-time and committed to maintaining it moving forward. Carbon neutrality means reducing our GHG emissions and purchasing high-quality carbon offsets to balance all remaining emissions related to delivering our products. While we recognize that carbon offsets and carbon markets are not perfect, we believe that if they're made and used properly they can play a vital role in driving investment into critical climate solutions and regions that are more vulnerable to the impacts of climate change.

To meet our carbon-neutrality commitment for FY24, we have supported a high-quality carbon avoidance project and for the first-time, we invested in a carbon removal project.

Promoting Improved Cooking Practices in Nigeria, Africa

Project ID:	GS7312	Certified by:	Gold Standard
Vintage:	2020 or newer	Rating:	BeZero BBB
Project type:	Cookstoves, household energy efficiency		

For carbon avoidance, we supported the Promoting Improved Cooking Practices in Nigeria project, which will distribute thousands of improved cookstoves to families and small and medium commercial entities in Nigeria. These new cookstoves are significantly more efficient and reduce wood consumption compared to traditional charcoal stoves. By replacing less efficient technologies and practices, the project aims to conserve biomass and mitigate greenhouse gas emissions resulting from solid biomass burning.

In addition to helping prevent the release of carbon into the atmosphere, cookstoves also reduce exposures to smoke and decrease the prevalence of respiratory diseases. Over 71% of Nigeria's population cooks with solid fuel in inefficient traditional cookstoves and open fires, which results in significant indoor air pollution. Due to this, Nigeria records the highest number of indoor air pollution-related deaths, averaging 64,0000 annually.

The cookstoves are also locally manufactured using materials sourced from the area whenever possible, helping to generate income for the community.

CarbonCure, Georgia, USA

Project ID:	VCS3207	Certified by:	Verified Carbon Standard
Vintage:	2021 or newer	Rating:	BeZero A
Project type:	Construction		

For carbon removal, we supported CarbonCure, which creates technologies that focus on reducing the carbon footprint of concrete production. Concrete is a widely used construction material, and its production is traditionally a significant source of CO_2 emissions. CarbonCure's technology aims to mitigate this impact by turning CO_2 emissions into a beneficial ingredient in concrete.

CarbonCure's technology injects captured CO_2 emissions into fresh concrete. Once injected, the CO_2 undergoes a mineralization process and becomes permanently embedded in the concrete. This process not only reduces the carbon footprint of concrete production but also ensures that the CO_2 is never released back into the atmosphere, even if the concrete is later demolished. By incorporating captured CO_2 into the concrete mix, CarbonCure effectively turns an environmental liability into a tool for building a low-carbon future.

Service-based business models

Over a decade ago, Zuora heralded the shift to customer-centric mindsets and recurring relationships. Companies across industries have evolved from the traditional product-centric approach to lean into outcome- and experience-based services — a transformation that in many cases is helping to future-proof our planet.

The product-as-a-service (PaaS) business models, powered by Zuora, are helping to promote a circular and resource-efficient economy where products are reused or repurposed instead of fueling a world of landfills with obsolete products. We're seeing this in our customer base with Acer's device-as-a-service (DaaS) program and Decathlon's sport-as-a-service fitness equipment subscriptions.

Read more about how Zuora is helping our customers create a more sustainable world here.

Social

Investing in our people and communities

Our people, whom we refer to as ZEOs, play a key role in how we create long-term value for our stakeholders, and we believe building a best-in-class employee experience is foundational to unlocking their full potential. At Zuora, this means creating an inclusive, high-performing culture where all ZEOs feel safe, supported and empowered to contribute meaningfully as we build what's next together.

In this section

> "

At the heart of any truly sustainable business lies the most precious renewable resource of all: human potential.

Valerie Jackson (she/her)
Chief People Officer, Zuora

Growth, learning and development

Our approach to empowering our people to build what's next includes enabling ZEOs and people leaders to drive their career and performance journey. We provide the framework, tools and opportunities for continuous learning and growth so our people can innovatively solve problems and build their skills into the future.

Empowering performance and growth

Through our Z-Grow Aspire program, all ZEOs and people leaders set both professional and personal development goals and participate in quarterly conversations focused on giving and receiving feedback, prioritization and continuous development. Goals are aligned to objectives and key results (OKRs), our company strategy execution framework, and link individual and team contributions. This year, 90% of ZEOs set goals tied to specific objectives and key results.

In FY24, the framework for our corporate bonus program was tied to a pay-for-performance program, further strengthening the connection between performance and rewards for all corporate bonus-eligible ZEOs (66% of our workforce). Upon launch, ZEOs and people leaders received specific training, resources and digital tools to support the enhanced program and the growth of our people.

Continuous learning and development resources

Career Cash: All ZEOs have access to a $1,000 learning stipend to spend on growth and development opportunities of their choosing. Examples include conference attendance, classes toward certifications, journal subscriptions, industry group memberships and more.

LinkedIn Learning: 38% of ZEOs are actively using LinkedIn Learning to gain knowledge and skills, both technical and non-technical.

Franklin Covey Learning: 90 ZEOs are piloting a leadership development program through Franklin Covey Learning with access to on-demand, non-technical skill development. A subset of newly promoted managers participated in a new manager milestone program, a 12-week course focused on laying the foundation for great management.

ZEO Learning Center: ZEOs can access assigned or on-demand Zuora-centered courses for specific roles and functions, including technical requirements, certification requirements and skill enablers.

Internal job board: ZEOs have access to an internal job board to help encourage internal job transfers.

96%
of ZEOs participated in Z-Grow Aspire, our performance and development program

26,000
hours of training completed

52,645
learning courses taken

35%
of ZEOs leveraged their Career Cash

These awards and certifications are based on the anonymous feedback from our ZEOs, as well as the programs and benefits we offer.

Functional learning

Technology learning: Our technology and functional learning portfolio includes access to over 200,000 courses that enable ZEOs to upskill and stay up-to-date with the latest cutting-edge technologies. This year, ZEOs completed 1,116 hours of learning that included top technology skills like AWS, Kubernetes, Terraform, Linux, Docker and Python.

Product training: Our technical ZEOs (including Global Services, Customer Success, Product Management, Support and Engineering) have access to implementation training developed by our Product Education team. This training comes in the form of instructor-led virtual live classes as well as online classes and assessments. ZEOs earn badges and certifications that are publicly accessible to inform customers of the proficiency of our employees.

Sales enablement: Our field teams have access to a portfolio of learning opportunities, from workshops and development days to office hours and a full curriculum of role-specific offerings. Additionally, there are enablement tools that include podcasts and quick videos for on-demand access. This is all enhanced with "on-the-spot" feedback and training.

People leadership

The Zuora Leadership Team (ZLT), consisting of VP+ leaders, comes together for an annual Summit to learn, grow and develop leadership skills, enhance business acumen and collaborate to co-design a future-focused organizational strategy. This is built upon with bi-monthly sessions to reinforce or introduce new leadership topics and skills, as well as quarterly global alignment meetings to share information and answer questions during key times of transition or change.

ZEO engagement

We believe open and honest communication among teams, managers and leaders helps create a collaborative work environment where everyone can contribute, grow and thrive. Our engagement approach centers on communication, feedback, and recognition as we continue to build a better workplace for all.

Listening to understand and improve

Twice a year, we measure engagement through global ZEO engagement surveys powered by **CultureAmp**. The surveys provide insights across 14 factors, including alignment, collaboration, culture, enablement, innovation, leadership, learning and development.

Through this survey, we heard that 91% of employees understand the link between their work and our company's strategic objectives. Additionally, 89% of employees believe Zuora values diversity and 87% believe their manager genuinely cares about their wellbeing.
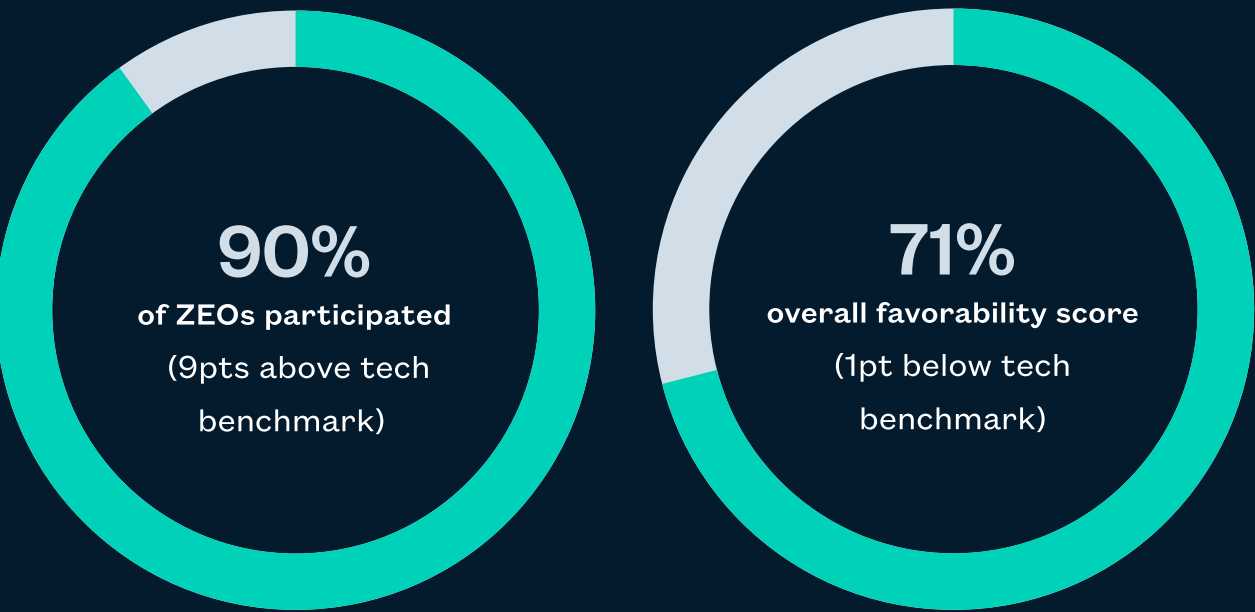
Employee recognition

Our recognition platform allows managers and peers to recognize employees who exemplify Zuora's values. Nearly two-thirds (65%) of ZEOs are active on the platform with over 25,000 recognitions received throughout FY24.
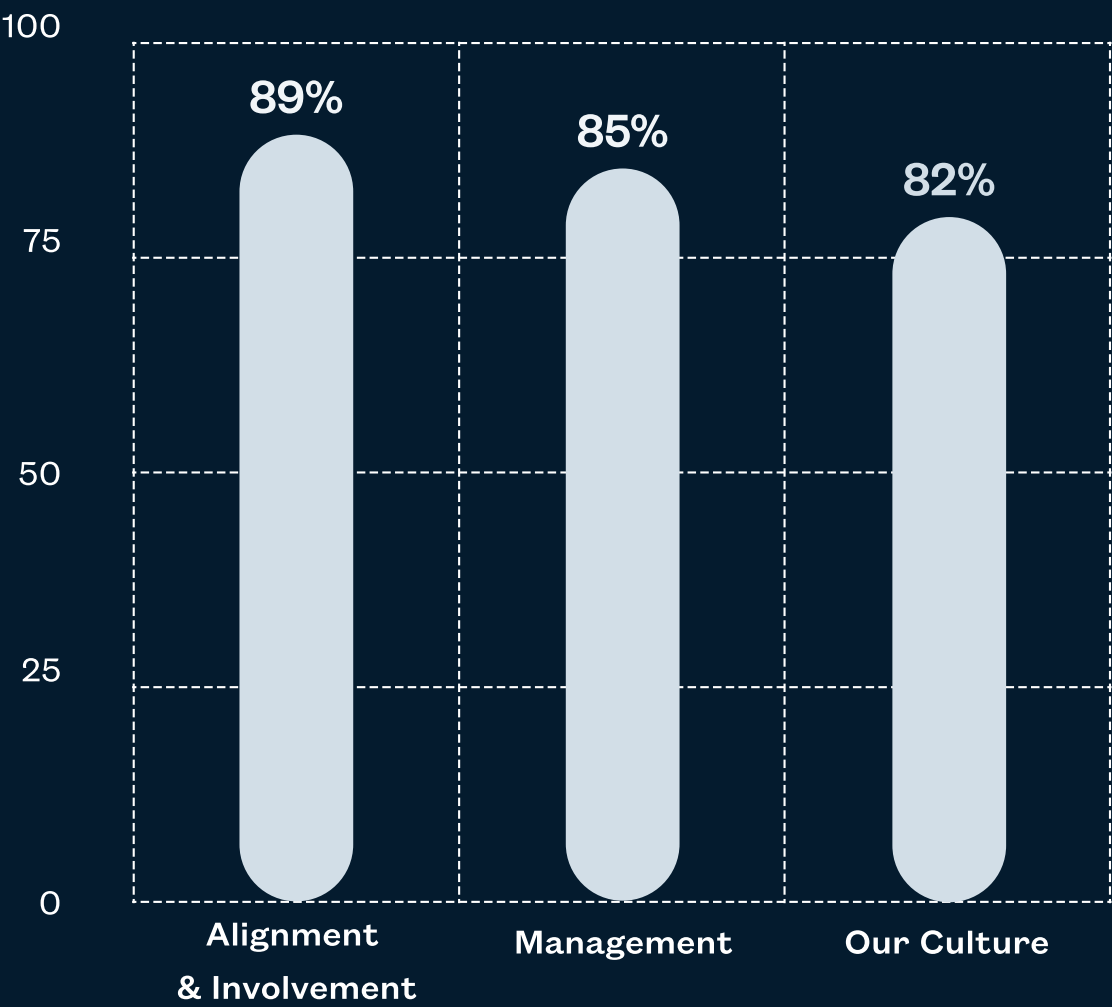
Employee communication

We leverage various forms of communication to keep ZEOs informed, answer their questions and listen to their feedback. In FY24 we launched a new "Ask Tien" audiocast series where our chief executive officer participates in ZEO-led conversations and provides insight into key aspects of our business. In addition to Q&A sessions and fireside chats, we conduct regular CEO Roundtables with small groups of ZEOs who are encouraged to share their perspective.

Global ZEO engagement survey highlights

90%
of ZEOs participated
(9pts above tech benchmark)

71%
overall favorability score
(1pt below tech benchmark)

Factors with the highest favorability scores

89% — Alignment & Involvement
85% — Management
82% — Our Culture

"

Modern Health provided my partner and me with new tools and new ways to communicate when we were struggling during the isolation of the pandemic. I continue to leverage it every year and I'm so grateful Zuora has extended this benefit to my family.

Steve Warren (he/him)
Principal Application Support
Engineer, Zuora

Benefits and rewards for work and life

Our people thrive when they have the emotional, physical and financial resources to meet their needs, along with the support to succeed in their professional and personal lives. By taking a holistic approach to our total rewards, we aim to help our ZEOs live healthier, more fulfilled and happier lives at work and beyond.

Flexible work environment

Organizations and teams at Zuora are empowered to develop efficient and flexible ways of working that provide balance in their lives while maintaining a responsibility to each other, our customers and our shareholders. For most roles, we offer the flexibility to work both remotely and at Zuora offices.

Emotional well-being

Zuora offers a global mental health program through **Modern Health** that provides support for all aspects of a ZEO's well-being, and in FY24 we extended the offering to dependents. The program includes annual access to ten free coaching sessions, eight free therapy sessions and several other resources, including: 1) a 24/7 critical incident counselor line; 2) unlimited group support sessions, called "Circles" (which are also available to the public); 3) guided meditations; and 4) self-paced digital courses.

Parental leave and support

Zuora supports new parents across the globe by encouraging them to take time away from work to bond with their new child. In conjunction with statutory entitlements, Zuora ensures 26 weeks (six months) of paid parental leave, paid at 100% base salary for all employees with at least six months tenure. ZEOs employed at Zuora for less than six months are eligible for 12 weeks of paid parental leave.

ZEOs are empowered to work with their leaders to determine a flexible leave schedule that works best for their families and for Zuora. In the U.S., all ZEOs also receive a free membership to UrbanSitter and an enrollment credit to help connect them with top-rated, background-checked caregivers.

Flexible time off

In the U.S., eligible ZEOs are encouraged to take time off through our flexible, Discretionary Time Off (DTO) program. All U.S. ZEOs also accrue additional sick time. Outside of the U.S., we follow local government requirements for our time-off programs. All ZEOs around the world receive paid government holidays (in accordance with local regulations).

Wellness days and annual shutdown

In addition to paid holidays, Zuora provides five global wellness days throughout the year, when all ZEOs are encouraged to fully unplug and recharge. A week-long shutdown is also provided company-wide to allow ZEOs time off to unwind at the end of each calendar year.

Healthcare

Globally, we offer market-competitive, locally applicable and comprehensive benefits to all ZEOs and their eligible dependents. In the U.S., we offer a Health Reimbursement Account (HRA) to ZEOs enrolled in any Anthem medical plan, providing up to $4,000 USD in reimbursement for eligible travel expenses for reproductive procedures and gender affirmation services.

Global ZEO Relief Fund

Our ZEO Relief Fund provides financial assistance of up to $20,000/year to ZEOs experiencing either a personal hardship or catastrophic disaster.

Employee Stock Purchase Program (ESPP)

Eligible[6] ZEOs are able to participate in Zuora's ESPP. The ESPP offers the chance to buy Zuora shares at a discounted price, an opportunity to further support ZEO financial well-being. Currently, approximately 45% of eligible ZEOs participate in Zuora's ESPP.

[6] Subject to local regulation, employees in the U.S., UK, France, Australia, India, Japan and China who are employed 20 or more hours per week and scheduled to work more than 5 months per year and have a start date prior to the first of the month of enrollment are eligible to participate/enroll in the ESPP offering

Equity grants

In addition to market-competitive cash compensation, Zuora grants equity ownership to ZEOs as part of a comprehensive total compensation package. Grants are issued upon hire and/or as part of our annual equity refresh process.

Additional financial support

Zuora sponsors a 401(k) plan in the U.S. to help ZEOs meet their financial goals. We also provide free access to a dedicated financial advisor in the U.S., who is equipped to provide a range of financial planning support, such as making investment choices within Zuora's 401(k) plan, buying a home or saving for a child's college education.

Pay equity and living wage

We are committed to internally reviewing our compensation packages to ensure equitable pay and resolving gaps if they are identified. We regularly assess our pay practices and analyze compensation to ensure ZEOs are paid equitably and fairly, including disparities related to gender globally and efforts to ensure 100% ZEOs are paid at or above their local living wage.

Global discount marketplace

ZEOs have access to over 300,000 discounts from global, national and local brands with deals on everything from travel to tickets to electronics through our new partnership with BenefitHub.

Workplace health and safety

Zuora complies with applicable local regulations regarding workplace health and safety. Given we are a software-as-a-service (SaaS) company and do not manufacture a physical product, our ZEOs are not exposed to loud noises and do not work with dangerous equipment or hazardous substances. Health and safety issues that have come up in the past have been primarily ergonomic so ZEOs have access to resources that help them manage their workplace set-up, including various LinkedIn Learning courses, articles and videos.

Our larger office locations have height-adjustable, sit-stand desks and ZEOs are able to order ergonomic office equipment directly from Zuora or on their own via a one-time allowance to purchase items for their home. In FY24, we did not have any reported health and safety issues from our global facilities. Our target is to continue to have no health and safety issues arise from our facilities each year.

Our UK Health and Safety Policy and our Global Health and Safety Policy cover the following topics:

- Hazard assessment
- Emergency planning
- Fire prevention planning
- Medical services
- First aid
- Accident investigations
- Hazard correction
- Employee training
- Recordkeeping

Each location has a Program Administrator who is responsible for conducting inspections and ensuring compliance with the Policy. The Program Administrator also organizes an annual training for our ZEO Safety Ambassadors, who have volunteered to support our ZEOs in case of emergency. The training covers a broad range of topics including first aid, CPR and fire safety.

We are committed to ensuring that all ZEOs have a clear understanding of how to report a work injury if one occurs, and we diligently monitor workers' compensation claims to ensure ZEOs receive the support they need. This year, we did not receive any workers' compensation claims.

Inspiring innovation through inclusion

Creating an environment that allows people of all backgrounds, perspectives and experiences to thrive truly empowers all of Zuora to catalyze what's next. Our ONE ZUORA approach guides our internal and external diversity, equity and inclusion efforts, focusing on the ZEO experience, our internal infrastructure and external engagement. Our Chief People Officer provides executive-level oversight of ONE ZUORA, reporting directly to our Founder and CEO. Further, the Nominating & Corporate Governance Committee (NCG) of Zuora's board of directors provides oversight to our diversity, equity and inclusion program and is provided with quarterly briefings.

ONE ZUORA

Be: The ZEO Experience

Building teams and experiences where all ZEOs can be authentic, innovative, grow and thrive

Building inclusive systems and processes

Build: Zuora's Infrastructure

Share: Zuora in the World

Building an inclusive ecosystem

Accelerating our commitments[7]

We continue to be intentional in our creation of a psychologically safe environment where every ZEO feels included and invested in at Zuora. We know that when ZEOs are authentically seen and engaged, they are more likely to be innovative, agile and successful in executing on our business objectives and goals. In FY19, we committed to further diversifying our workforce, specifically having 50% of our ZEOs identify as members of underrepresented groups[8] by the end of FY25. This commitment drives our intention to attract, recruit, engage and retain an inclusive, high-performing workforce.

We continue to accelerate our DEI commitments through thoughtful analysis of data around ZEO representation and their experiences. These insights have encouraged us to reimagine our talent pipeline strategies, targeting programs and initiatives geared towards fair, equitable and inclusive workforce attraction and recruitment. At the end of FY24, there was a 3% decrease in ZEOs who self-identified as underrepresented, and our non-disclosure population grew to 37% (in the U.S.). However, we saw year-over-year increases in our leadership metrics for women and ethnic minority leaders (Director and above).

We continue to see opportunities to drive inclusion-focused learning in all spaces so that ZEOs feel a strong sense of belonging and are excited to share their ideas and their voices. Additionally, we are focused on helping all ZEOs collaborate more effectively across our global workforce that now spans nearly 30 countries.
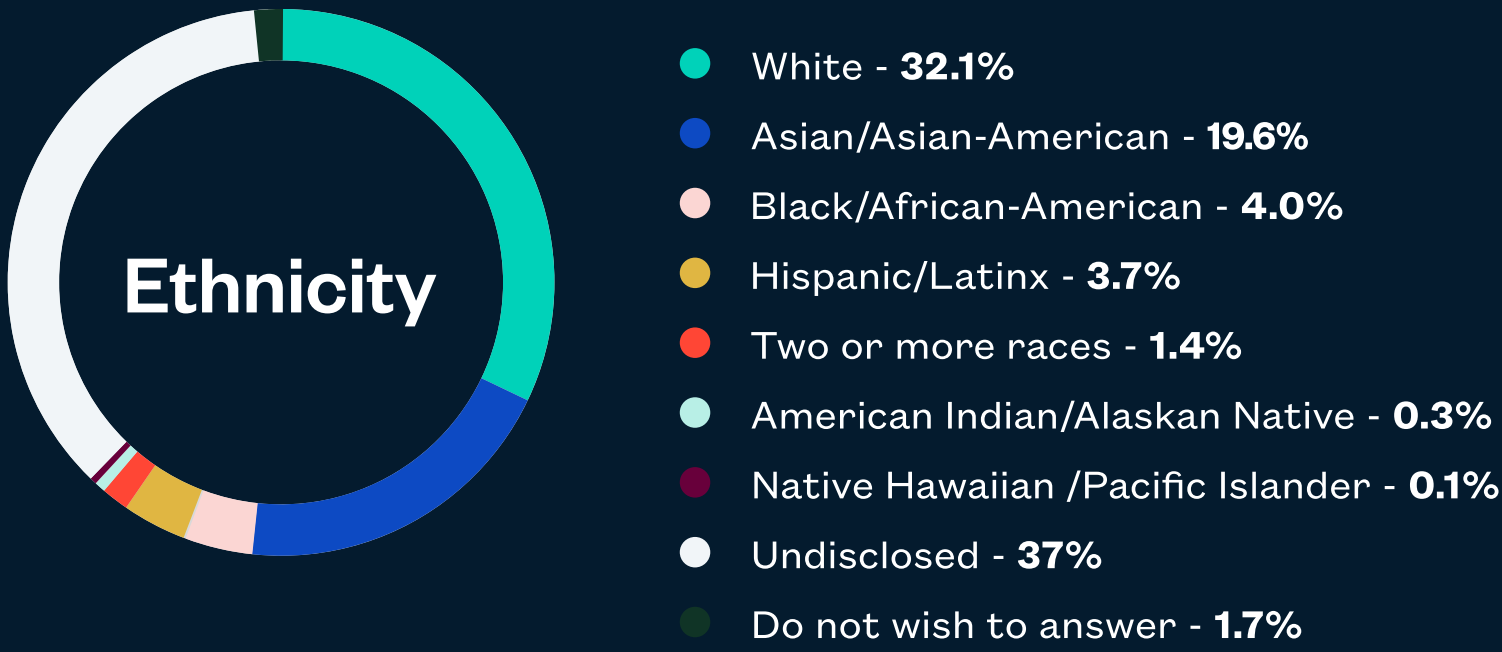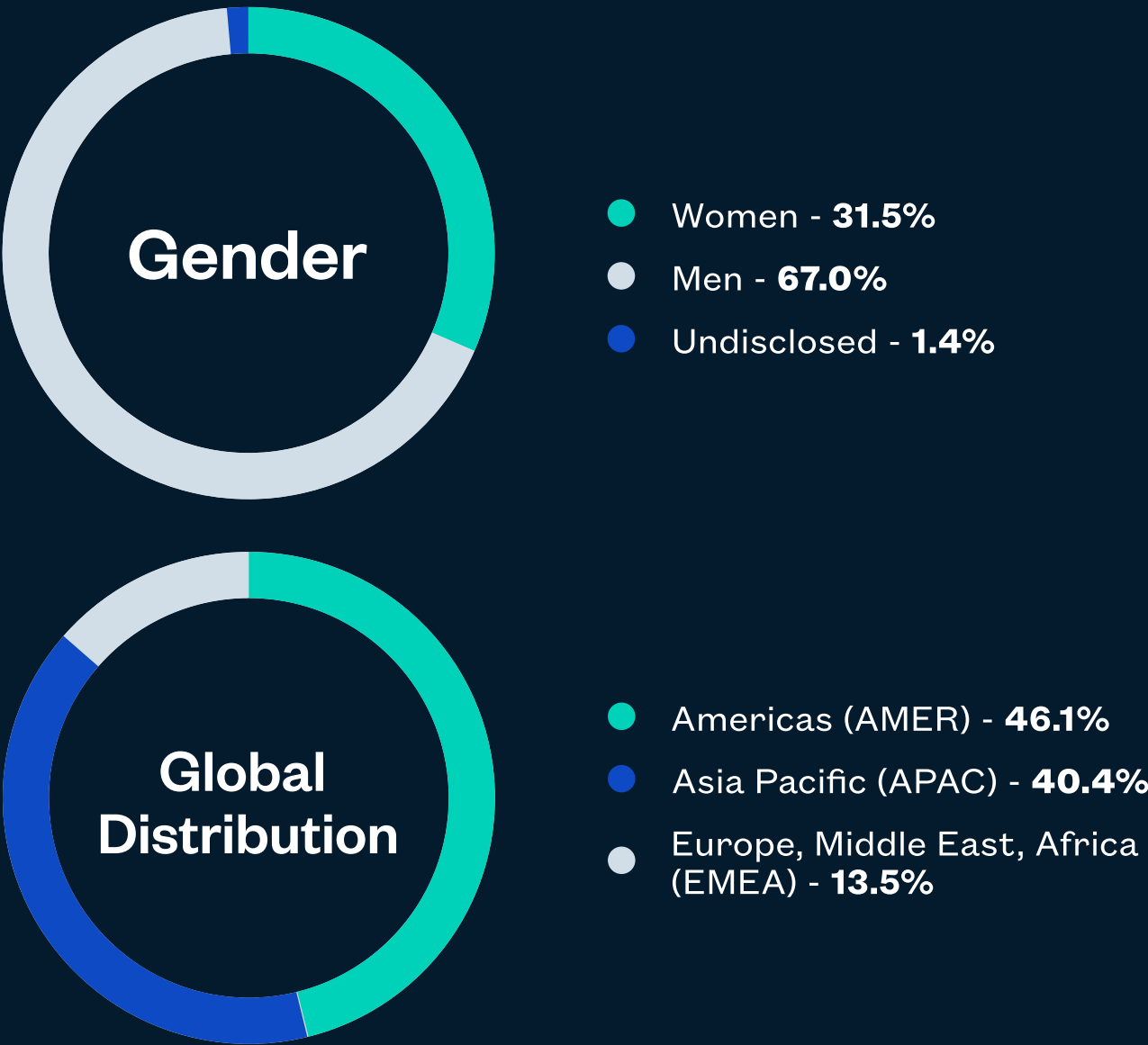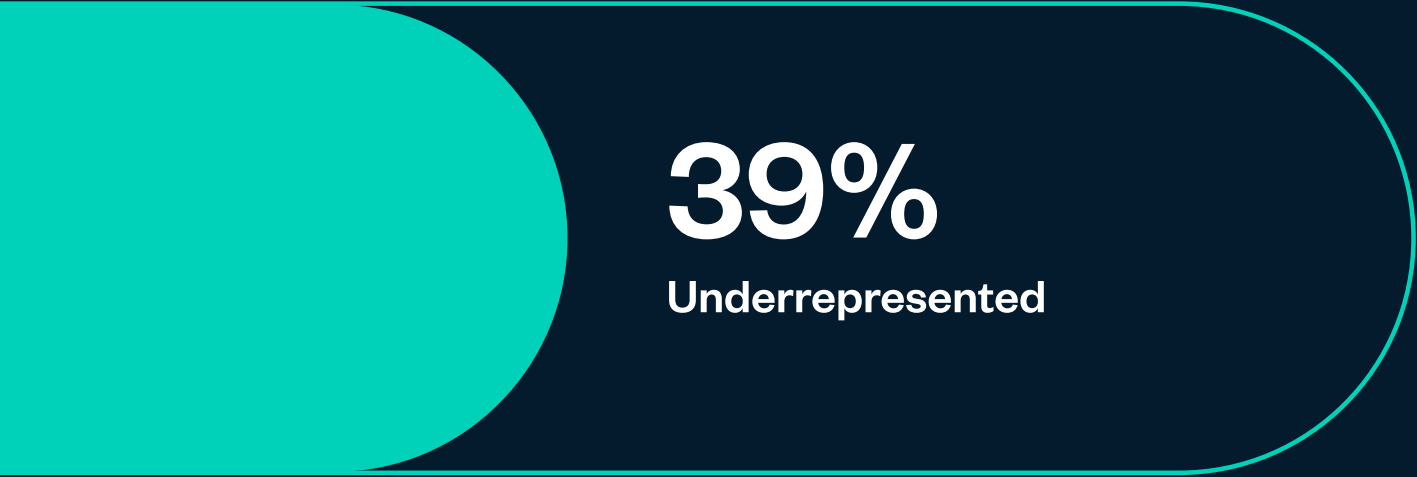
Inclusive recruiting

Our standardized global recruitment process is designed to identify and evaluate candidates on their potential to achieve business outcomes. Hiring teams receive training on this process and leverage an outcomes-and-skills-based candidate scorecard and have access to interview resources that help them mitigate bias and enhance equity during the hiring process.

In addition to customized unconscious bias training designed to encourage inclusive recruiting practices, the team completed follow-up microlearning courses on inclusive recruiting practices and recognizing bias at work. Our university and college recruitment efforts in the U.S. attracted many underrepresented applicants through virtual university and professional career events. Our formal partnerships include Santa Clara University, Georgia Institute of Technology and Purdue University.

100% of the recruiting team completed a customized unconscious bias training.
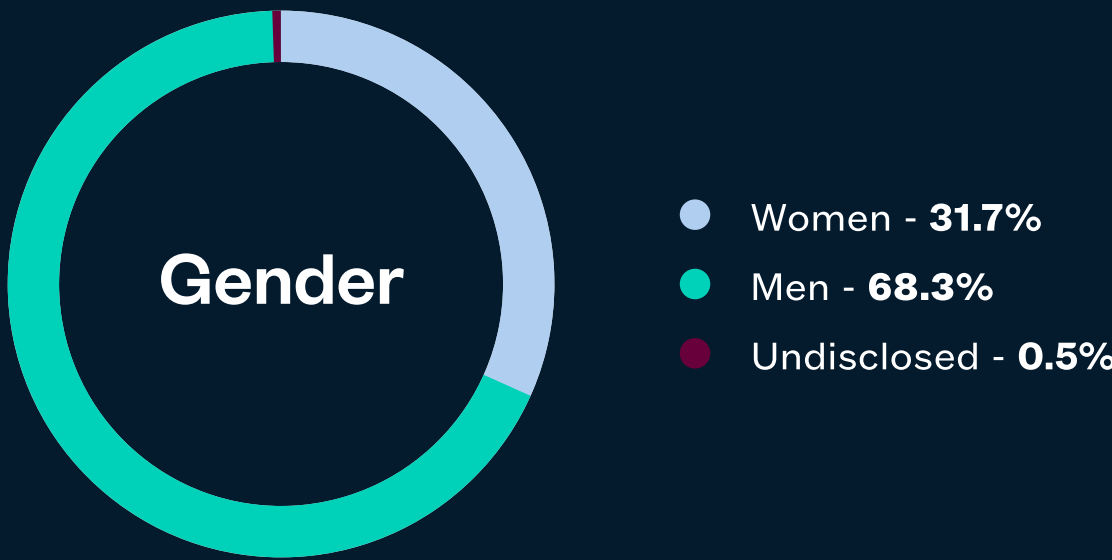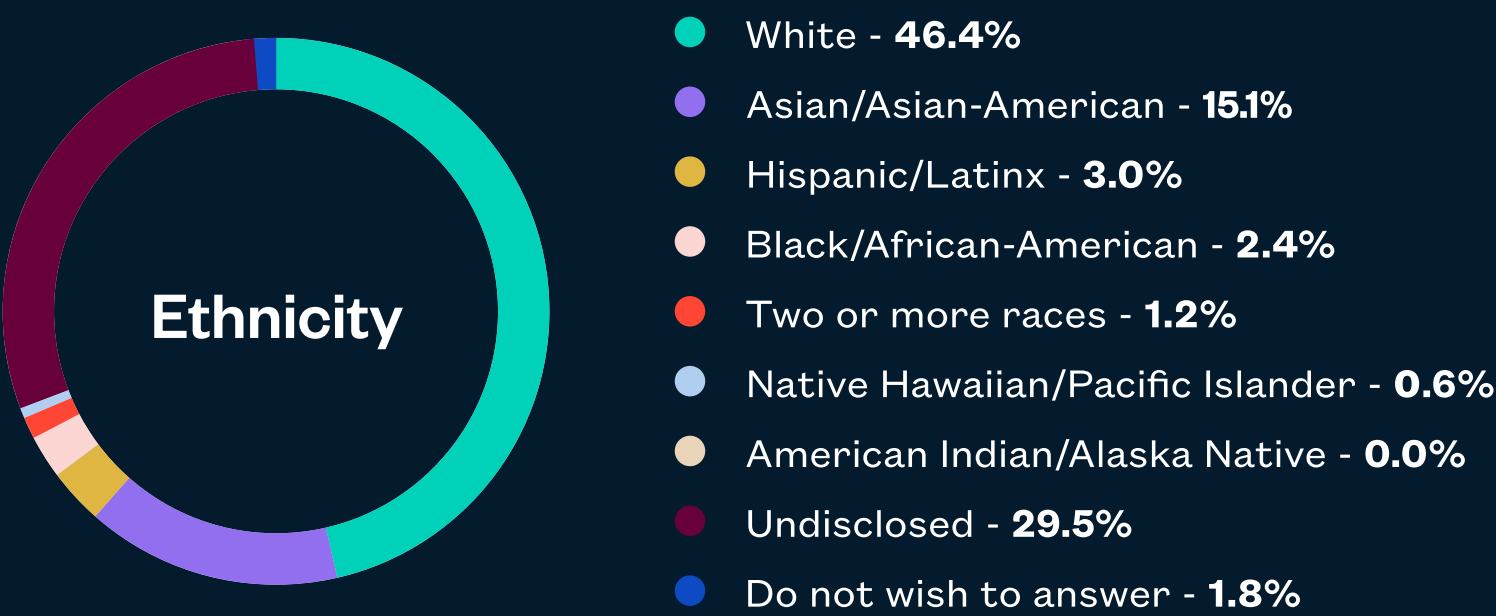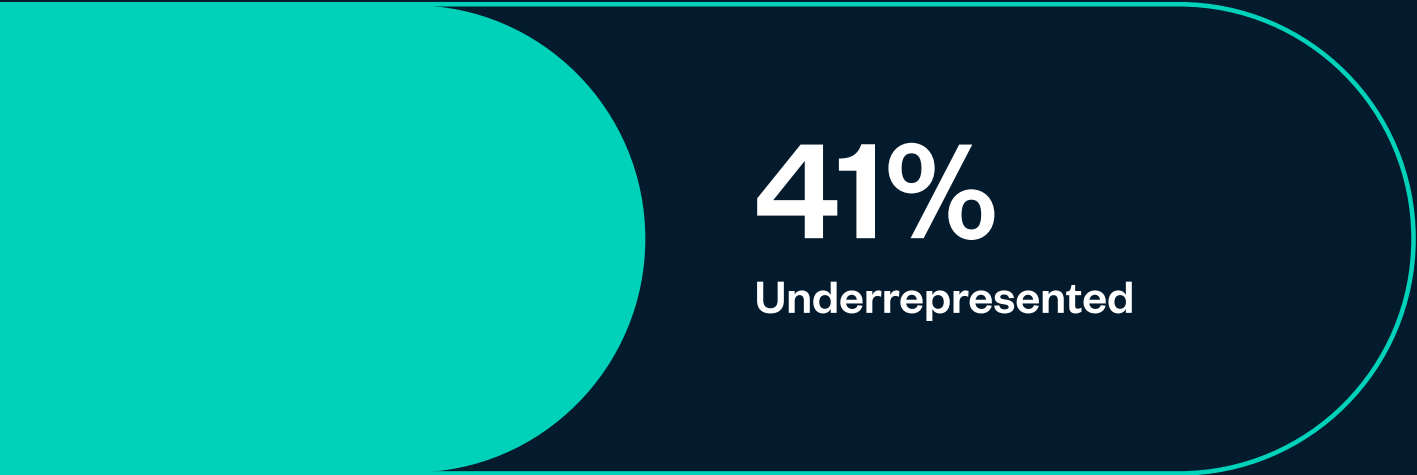
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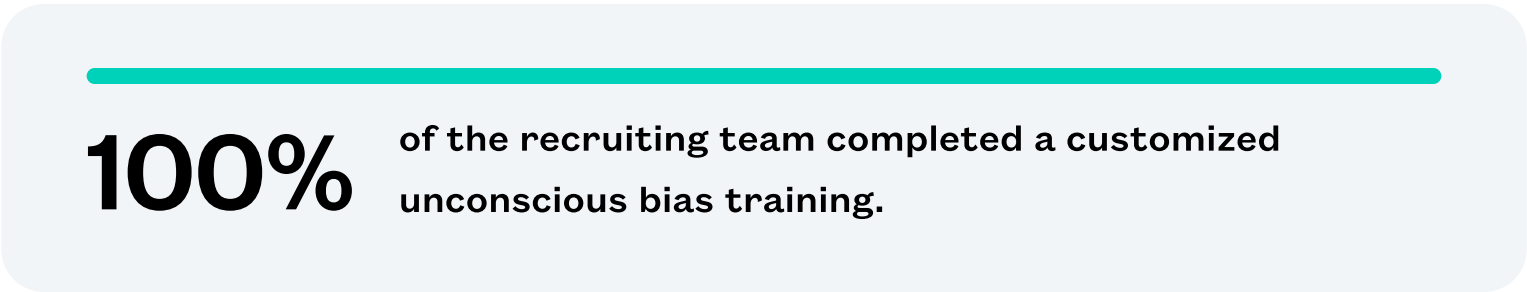
[7]Data as of January 31, 2024. Numbers may total more or less than 100% due to rounding. Disclosure is completely voluntary
[8]Underrepresented: women globally and US-based employees who self-identify as Asian, Black or African American, Hispanic or Latinx, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races

Workforce representation

39%
Underrepresented

Gender
- Women - **31.5%**
- Men - **67.0%**
- Undisclosed - **1.4%**

Ethnicity
- White - **32.1%**
- Asian/Asian-American - **19.6%**
- Black/African-American - **4.0%**
- Hispanic/Latinx - **3.7%**
- Two or more races - **1.4%**
- American Indian/Alaskan Native - **0.3%**
- Native Hawaiian /Pacific Islander - **0.1%**
- Undisclosed - **37%**
- Do not wish to answer - **1.7%**

Global Distribution
- Americas (AMER) - **46.1%**
- Asia Pacific (APAC) - **40.4%**
- Europe, Middle East, Africa (EMEA) - **13.5%**

Leadership representation

41%
Underrepresented

Ethnicity
- White - **46.4%**
- Asian/Asian-American - **15.1%**
- Hispanic/Latinx - **3.0%**
- Black/African-American - **2.4%**
- Two or more races - **1.2%**
- Native Hawaiian/Pacific Islander - **0.6%**
- American Indian/Alaska Native - **0.0%**
- Undisclosed - **29.5%**
- Do not wish to answer - **1.8%**

Gender
- Women - **31.7%**
- Men - **68.3%**
- Undisclosed - **0.5%**

- Underrepresented: women globally and US-based employees who self-identify as Asian, Black or African American, Hispanic or Latinx, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races
- Gender data is global
- Ethnicity data is for the United States only
- Leadership: Director level and above
- Numbers may not total 100% due to rounding

Internal learning opportunities

Microlearning is our multi-modal employee development and training program designed to deliver relevant, bite-sized knowledge in the flow of work, paired with one-on-one discussion sessions among ZEOs globally. As ZEOs learn new skills, they are able to practice them in real time and make meaningful connections with colleagues from across the business. This year, we launched the program globally to help ZEOs understand our inherent biases and recognize their impact. The below list showcases our FY24 microlearning topics and completion rates among participating ZEOs.

- 47% unconscious bias
- 36% inclusive hybrid working
- 42% mental health and wellness
- 44% using accurate pronouns
- 43% understanding neurodiversity
- 38% thriving in a multi-generational workforce
- 40% cross-cultural communication

Diversity & Inclusion office hours

This year, we hosted nearly 140 office hours for ZEOs to share their experiences in an open format. These sessions include support and informal coaching around change management, inclusive behaviors, team building, psychological safety, understanding and mitigating bias, and inclusive hybrid working strategies for leaders.

Zuora Resource Groups

Zuora Resource Groups (ZRGs) are ZEO-led and ZEO-driven groups who build connection, provide support and create a safe space where ZEOs can be their authentic selves. As we look ahead, our expanded ZRGs will be important partners in our pipeline and recruiting efforts.

47% of ZEOs participated in our affinity-based ZRGs

Zuora Women (Z-Women)

Strengthening and amplifying women's voices as we support one another to achieve our career goals and build pathways to leadership.

Zuora Veterans (Z-Vets)

Making Zuora a great place to work for military veterans, reservists and military family members by providing support, resources and recognition to all members.

Zuora Black Network (ZBN)

Educating ZEOs on the Black perspective while engaging our communities and focusing on career development.

Out at Zuora (OZ)

Raising awareness about LGBTQIA+ causes, celebrating identities and creating a thriving culture at Zuora for all people.

Zuora Familia (Z-Familia)

Creating a safe space to promote cultural diversity and empower our Latinx communities in and outside of Zuora.

Zuora Preserving Asian Traditions and Heritage (Z-PATH)

Providing opportunities for networking, career development, cultural awareness and support for our Asian ZEOs, community and allies.

Zuora Wellness (Z-Wellness)

Offering each ZEO the space and initial resources to explore how they can be their best, most authentic selves at Zuora and beyond.

Zuora Village (Z-Village)

Creating a safe, judgment-free space to ask and learn, to share and teach and to feel less alone navigating the challenges of parenting/family life/caregiving.

"

As a co-lead for the Wellness ZRG, I'm so proud of the work we've done to build a community where we can show up as our whole selves, provide support and learn from each other as we explore different aspects of mental and physical health.

Kristin Behm (she/her)
Principal Talent Operations
Project Manager, Zuora

Beijing Culture Club

Giving encouragement to each other and strengthening one another — as we do already.

India Diversity & Inclusion Committee

Leading the way in creating a compassionate environment that contains diversified members from different backgrounds in alignment with our corporate goals.
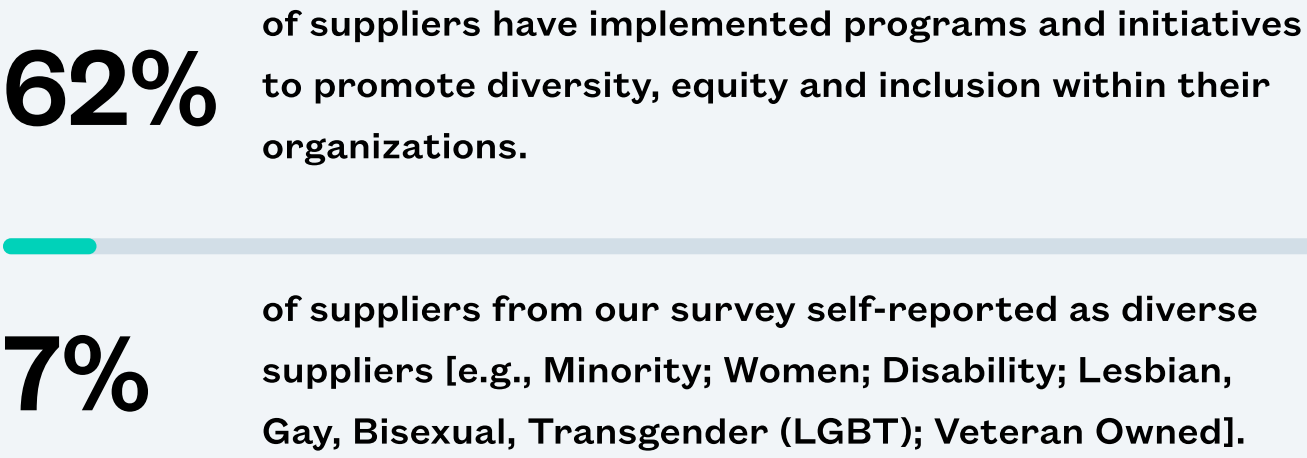

ZRG community highlights

- In September 2023, we launched the Zuora Jewish Community, a space for all ZEOs to recognize and celebrate Jewish faith, culture, identity and community.

- Z-Familia hosted a special Cafecito conversation with Daisy Hernandez, Zuora's Chief Strategy and Operations Officer, discussing the Latinx identity and the importance of allyship in celebration of Latinx Heritage Month.

- The Z-Women Book Club, open to all ZEOs, included the reading of "Power Up: How Smart Women Win in the New Economy" and a live facilitated conversation featuring author Magdalena Yeşil, a former Zuora Board member.

- Zuora Black Network hosted an event exploring the intersections of technology, race and sport, and how video games can reproduce racial stereotypes, featuring Paul Campbell, associate professor at the University of Leicester.

Supplier diversity

Zuora expects our suppliers to operate with honesty, integrity and to fully comply with our **Supplier Code of Conduct**. In addition, our suppliers are expected to comply with all applicable laws, rules and regulations, including the anti-bribery and corruption laws of the countries in which they operate, and in turn apply a similar Code of Conduct to their own suppliers. Suppliers found in violation of our Supplier Code of Conduct can result in any of the following: corrective action plans; training; disqualification from future opportunities; and/or the termination of Zuora's business relationship with the supplier.

In FY24, we sent our first-ever Supplier Sustainability and Workplace Diversity Questionnaire to 245 suppliers, representing approximately 80% of our total spend. We received responses from 29% of these suppliers and learned that:

62% of suppliers have implemented programs and initiatives to promote diversity, equity and inclusion within their organizations.

7% of suppliers from our survey self-reported as diverse suppliers [e.g., Minority; Women; Disability; Lesbian, Gay, Bisexual, Transgender (LGBT); Veteran Owned].

Our questionnaire is an important step in creating a supplier diversity program that will enable us to recruit disadvantaged business entities and track tier 2 vendors and spend. In addition to collecting and tracking this data, we also plan to connect our ZRGs, emerging leaders and other key stakeholders with counterparts at our customers/partners to mature our efforts.

88%
of ZEOs gave back to their communities

$224,219
raised for nonprofit organizations through employee giving

3,621
employee volunteer hours

$540,000
in corporate donations

312
nonprofits impacted

Community impact

Supporting and impacting our communities has been a part of Zuora's DNA since the beginning. In 2017, before we became a public company, Zuora took the 1% Pledge. Since then, we've built a robust social impact program that's focused on using our time, talent and resources to strengthen our communities around the world. We engage in our communities through employee giving and volunteering and philanthropic grants.

Employee giving and volunteering

ZEOs are empowered to give back through donations of both time and money. ZEOs participate in our social impact programs through donating, volunteering, directing loans to entrepreneurs through Kiva and more.

Matching gifts

Zuora's Matching Gifts and Dollars for Doers programs match up to $1,000 per ZEO per year for charitable donations, volunteer time or a combination of the two. Volunteer time is matched at a rate of $25 per hour. Zuora matches donations and volunteer time year-round, but in times of great need, we often increased the match to 2:1.

Giving Tuesday

Zuora's Giving Tuesday campaign featured 37 fundraisers created by ZEOs from around the world for causes that they're passionate about and are close to their hearts. Every ZEO received a $25 credit to donate to one of the fundraisers or any organization of their choice. We also offered 2:1 matching on all donations ZEOs made with their own funds. The campaign started when the sun rose in Australia on November 28 and lasted for 48 hours. Read more about our Giving Tuesday Campaign.

67% of ZEOs participated in our Giving Tuesday campaign, raising over $108,000 for 129 charitable organizations around the world.

"With the support from Zuora and my fellow ZEOs, we raised over $4,200 on Giving Tuesday for the Kyle Pease Foundation to help people with disabilities through sports. The foundation focuses on helping disabled athletes enter endurance races, gain employment, and sponsors grants to improve their lifestyle. Having my employer and teammates support and promote an organization I care about means the world to me."

Matt McClain (he/him)
Director, Global Services, Zuora

Kiva lending program

Through grant funding from Zuora, ZEOs and Zuora customers have the opportunity to direct loan funding to entrepreneurs on Kiva, a crowdfunding microfinance organization. In FY24, 65% of ZEOs participated.

> **Three-year impact with Kiva**
> - ZEOs collectively directed nearly $200,000 in loans to over 11,500 borrowers in over 65 countries. 88% of borrowers were women-led.
> - Our customers collectively directed nearly $60,000 in loans to over 2,500 borrowers in 39 countries. 90% of borrowers were women-led.

Z-Philanthropy

Our Z-Philanthropy program is powered by passionate ZEOs from around the world who help foster strong relationships between Zuora and our local communities. Z-Philanthropy teams partner with local nonprofits to make a positive social and environmental impact through organizing volunteering and fundraising initiatives. We currently have 16 Z-Philanthropy Leaders and 11 chapters around the world.

Corporate grants

Zuora seeks to generate measurable impact by building deep, multifaceted relationships with non-profit organizations that are aligned with our business and provide opportunities for our ZEOs to engage. In FY24, we partnered with Village Capital and the Network for Teaching Entrepreneurship (NFTE) to support sustainability, entrepreneurship and economic opportunity.

Village Capital

For the second year in a row, Zuora partnered with Village Capital to launch Sustainability Subscribed. In FY24, the program supported 10 early-stage startups that are creating solutions to fight climate change through recurring revenue business models. Startups received training, professional mentorship and funding to help them scale.

ZEOs participated in the program through the advisory board and as mentors and workshop leaders. Zuora hosted the final day of the program at our headquarters in Redwood City, where the founders engaged with our Chief Executive Officer, Chief Financial Officer, Chief Strategy and Operations Officer and other members of Zuora's Leadership Team. Zuora also gave a $50,000 unrestricted grant to ElectricFish and Genvision, which were selected by their peers as "most investment ready."

> **Of the 10 startups:**
> - 40% were headquartered outside the U.S. tech hubs of NY, CA and MA
> - 80% had a BIPOC member of the founding team or C-suite
> - 50% had a female member of the founding team or C-suite

> **ElectricFish**
>
> ElectricFish builds and deploys resilient and flexible EV infrastructure to accelerate decarbonization and support community adaptation to climate risks.
>
> **Genvision**
>
> Genvision measures CO_2 removal in nature using satellites.

Network for Teaching Entrepreneurship (NFTE)

For the second year in a row, Zuora partnered with the NFTE to provide entrepreneurship training and education programs to build a more equitable future for the youth of underserved communities from around the world.

Through our World Series of Innovation challenge, in-person and virtual field trips and mentoring sessions, 250 ZEOs volunteered over 750 hours with NFTE and impacted over 690 students in FY24.

Read more about our partnership with NFTE.

Governance

Building trust and operating responsibly

As the guardians of information that is valuable to Zuora, our customers, suppliers and partners, we understand the critical importance of building and maintaining trust. Our corporate governance structure is designed to promote principled actions, informed and effective decision-making and provide the appropriate monitoring of compliance, performance and risk across our products, services and processes.

In this section

"
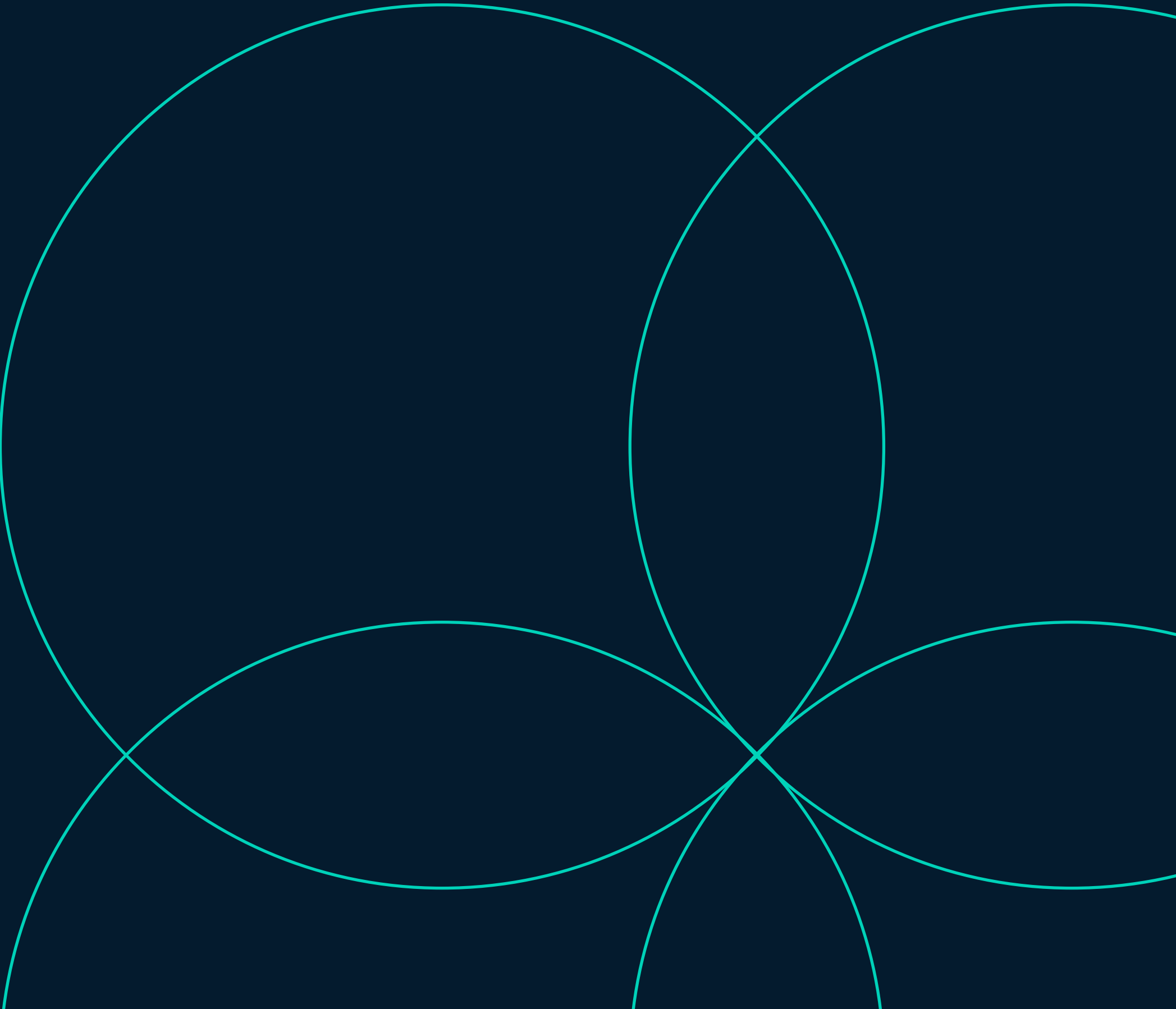
We are committed to operating our business ethically and securely, holding ourselves accountable to our company values and acting with integrity and transparency to build trust with our customers and partners.

Andrew Cohen (he/him)
Chief Legal Officer, Zuora

Board of directors

Zuora's board of directors oversees our corporate governance policies, emerging corporate governance issues and our overall risk profile, and it sets expectations regarding our corporate governance practices.
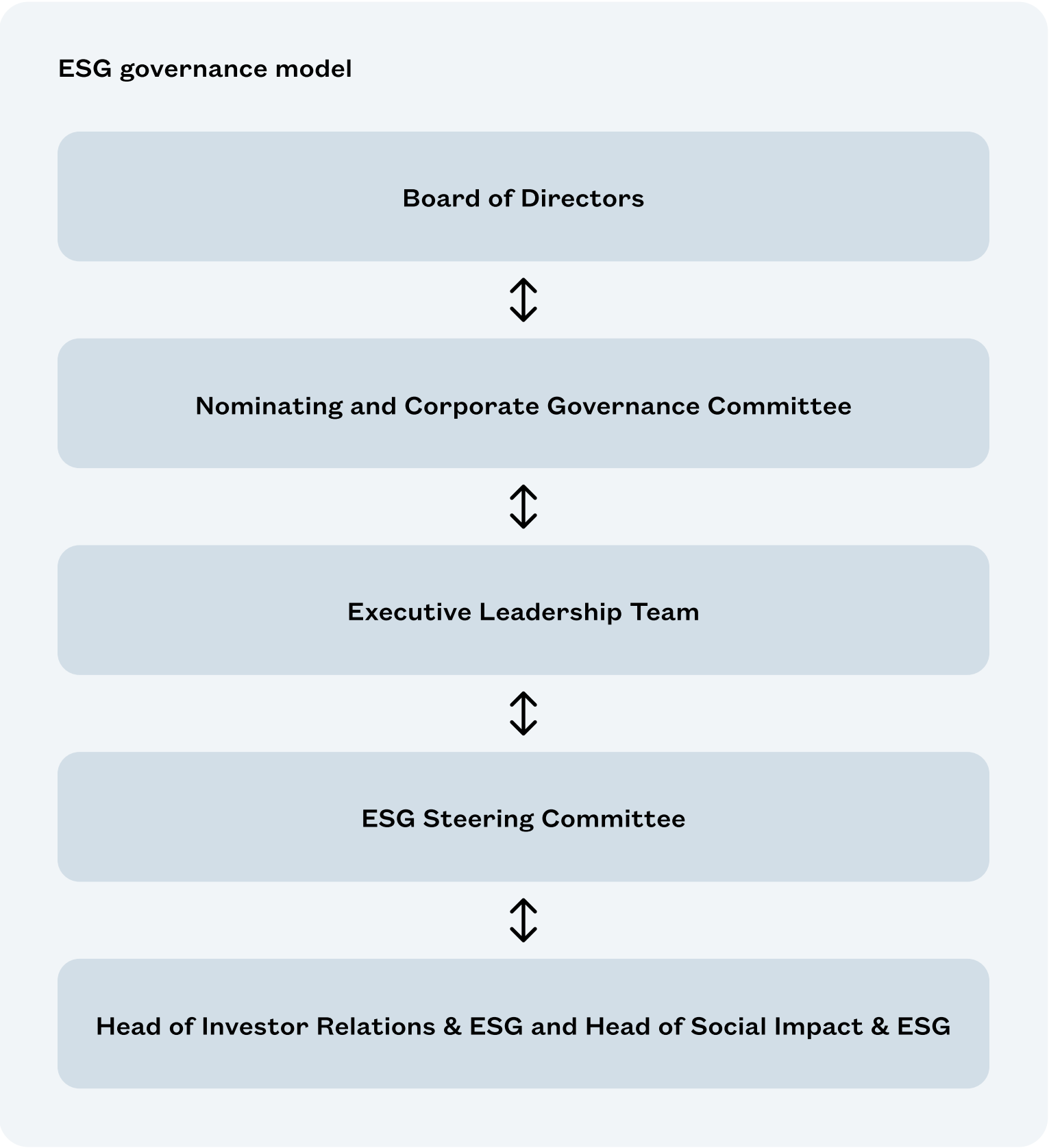
ESG oversight

The importance of ESG at Zuora starts at the top. Our board of directors, specifically the Nominating and Corporate Governance Committee, has responsibility in its charter to oversee Zuora's ESG efforts, including climate and diversity and inclusion.

Zuora's ESG Steering Committee is composed of and engages with critical teams across our company that include:

- Brand
- Communications
- Customer Services
- Diversity and Inclusion
- Finance
- Legal and Compliance
- Marketing
- Procurement
- Sales
- Social Impact

ESG governance model

Board of Directors

⇕

Nominating and Corporate Governance Committee

⇕

Executive Leadership Team

⇕

ESG Steering Committee

⇕

Head of Investor Relations & ESG and Head of Social Impact & ESG

Audit Committee

Oversees our financial accounting, reporting, compliance and internal controls, as well as cybersecurity and information technology risks, controls, procedures and mitigation plans. The Audit Committee Charter more fully outlines the Committee's responsibilities.

Compensation Committee

Oversees our compensation policies that pertain to our board members and senior executives, including evaluating the performance of our chief executive officer, administering our stock and equity incentive plans and overseeing the annual risk assessment of our compensation programs as generally applicable to employees to identify any potential material risks that may be created by such programs. The Compensation Committee Charter more fully outlines the Committee's responsibilities.

Nominating and Corporate Governance Committee

Oversees certain corporate governance matters, including assisting the board with identifying, considering and recommending candidates for board membership, recommending board members to serve on board committees, overseeing the evaluation process for our board and its committees and providing recommendations to the board regarding succession plans for our chief executive officer, as well as reviewing stockholder proposals that relate to governance matters and overseeing our programs relating to our environmental, social and governance practices. The Nominating and Corporate Governance Committee Charter more fully outlines the Committee's responsibilities.

Independence

Our board of directors conducts an annual review of the independence of our directors. Currently, all of our board members are independent, except for Tien Tzuo, our chief executive officer and chairman of the board. We also have a separate Lead Independent Director who presides over executive sessions of our board and serves as a liaison between our independent directors and chairman.
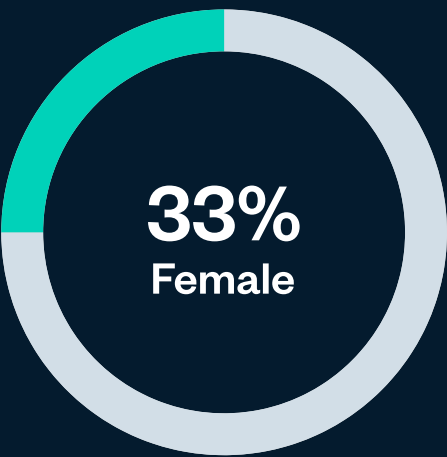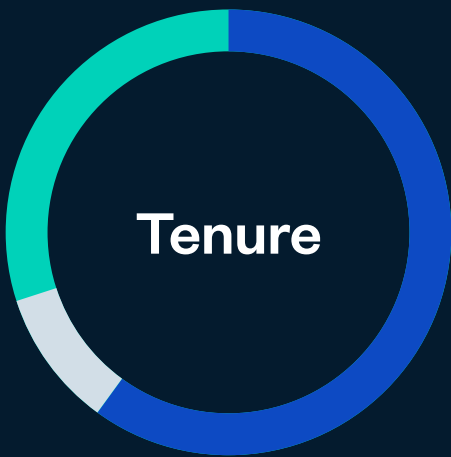
Board of directors snapshot[9]

89%
Independent
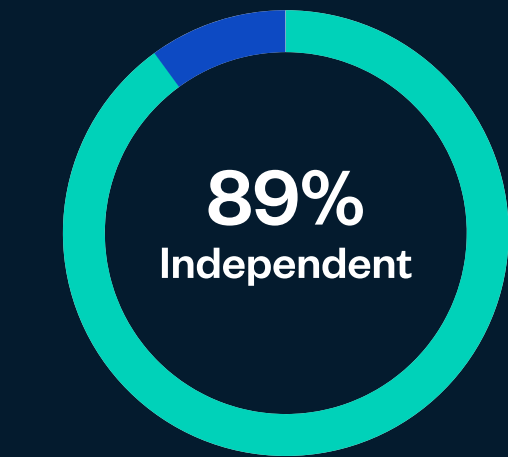
- ● Independent Directors - **8**
- ● Non-Independent CEO - **1**

33%
Ethnic minority
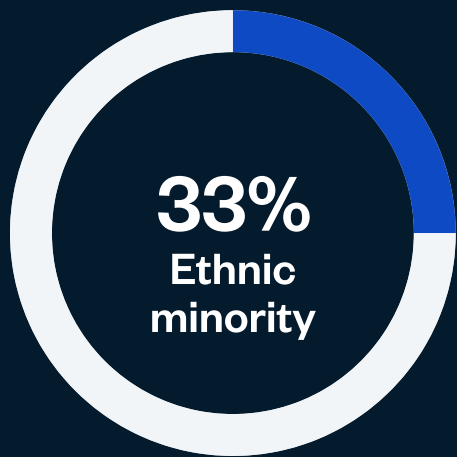
- ● Ethnic minority - **3**
- ○ Non-Ethnic Minority - **6**

33%
Female

- ● Male - **6**
- ● Female - **3**

Tenure

- ● 0-4 years - **5**
- ○ 5-9 years - **1**
- ● >10 years - **3**

Experience

Software and technology

Executive leadership

Public company board

Finance and accounting

Strategy and operations

Sales and business development

Global business

Human capital management

Committees

Audit

Compensation

Nominating and Corporate Governance

[9] As of January 31, 2024

Risk management

Each year, we undertake an enterprise risk assessment to identify our key risks and how best to manage them. Our process includes partnering with an internationally recognized auditing firm to implement and conduct annual fraud and risk assessments across a variety of subject matter areas. Risks are assessed enterprise-wide and are aimed at ensuring ethical compliance across strategic, operational, financial, legal and regulatory functions. Our enterprise risk team reports the results of our annual assessment and provides quarterly updates to our Audit Committee, which then provides a report to the full board.

Ethics and compliance

Ethics and compliance serve as the cornerstone of our business and are the foundation of how we form trust with our stakeholders, mitigate risk, and continue to build a sustainable business that is aligned with our values.

Code of Conduct

Our **Global Code of Business Conduct and Ethics** (Code of Conduct) applies to all of our board members, executives, employees, consultants and contractors. We have a separate Code of Conduct that applies to our suppliers (see below). Our Nominating & Corporate Governance Committee periodically reviews our Code of Conduct and recommends changes for approval by our board of directors. Our chief compliance officer (currently our chief legal officer) oversees the investigation of ethics complaints and provides regular updates on any such investigations to the Audit Committee. The Audit Committee reviews all whistleblower complaints and has authority to determine the appropriate response and remedy.

Ethics training

All employees are required to certify that they have read and understand our key compliance policies (including our Code of Conduct, Anti-Corruption Policy, Ethics Reporting and Compliance Policy, our Policy Against Discrimination, Harassment and Retaliation, among others) shortly after they join us, as well as complete annual training on ethics topics covered in our Code of Conduct, which is in addition to the security training mentioned above. Our ethics training emphasizes that ZEOs should always do the right thing for Zuora and reminds them of the important ethics topics covered in our Code of Conduct and related policies, such as avoiding conflicts of interests and being aware of anti-corruption and bribery issues.

Ethics Reporting and Compliance Policy

This policy, also referred to as a whistleblower policy, provides guidance on reporting all suspected and actual improper activities, including violations of law and Zuora's policies. ZEOs are required to report violations of the Code of Conduct and may do so in multiple ways, including to their manager, our chief legal officer or through our anonymous confidential hotline. To allow ZEOs to raise their concerns anonymously 24 hours a day, seven days a week, we have a confidential hotline hosted by an independent third party where ZEOs may submit reports in several different local languages either via telephone or online. It is against Zuora's policy to intimidate or retaliate against a ZEO who makes a good-faith report of an actual or suspected violation of the law or our policies. In the last fiscal year, Zuora's Audit Committee also approved an update to the policy clarifying that there are no restrictions on a ZEO's ability to contact, report or file a complaint with any government agency or otherwise participate in an investigation with such agencies.

100% of ZEOs have completed Zuora's training program on ethical business practices and our Code of Conduct.

Human rights

As outlined in our Voluntary Statement for Prevention of Modern Slavery, Supplier Code of Conduct, Statement on Human Rights, and Code of Business Ethics and Conduct, respect for and protection of human rights is at the core of Zuora's relationship with our ZEOs, contractors, suppliers, customers and business partners.

None of our U.S. employees are represented by a labor union with respect to their employment. Employees in certain non-U.S. subsidiaries have the benefits of collective bargaining arrangements at the national level. We consider our relations with our ZEOs to be good and have not experienced interruptions of operations or work stoppages due to labor disagreements. At Zuora, social and workplace dialogue is seen not just through the lens of complying with local regulations but is also part of how we conduct business for all ZEOs.

- ZEOs in France (2.2% of our workforce) are represented in a formal joint works council (Comité social et économique), a forum for the sharing of information and consultation over proposed changes.
- We participate in applicable collective bargaining agreements such as SYNTEC in France and CCNL in Italy. This covers 3.4% of our ZEO population.
- All ZEOs in India are covered by our Prevention of Sexual Harassment (POSH) Policy.
- All ZEOs are covered by our Modern Slavery Policy.
- 100% of ZEOs complete our Code of Conduct training each year, which includes training on discrimination.
- Each year, we hold voluntary forums, such as focus groups and roundtable sessions, to take forward any actionable insights following our bi-annual employee engagement surveys.

Privacy

Protecting the privacy of our customers is paramount to the success of our business and the trust our customers place in us.

Compliance

We have established a comprehensive privacy program that complies with international privacy laws, including the General Data Protection Regulation (GDPR), and U.S. privacy laws, such as the California Consumer Privacy Act (CCPA) and the Health Insurance Portability and Accountability Act (HIPAA).

Zuora also complies with the EU-U.S. Data Privacy Framework (EU-U.S. DPF), the U.K. Extension to the EU-U.S. DPF and the Swiss-U.S. Data Privacy Framework. Zuora has certified to the U.S. Department of Commerce that it adheres to the EU-U.S. Data Privacy Framework Principles with regard to the processing of personal data received from the European Union in reliance on the EU-U.S. DPF and from the United Kingdom (and Gibraltar) under the U.K. Extension to the EU-U.S. DPF.

Zuora has certified to the U.S. Department of Commerce that it adheres to the Swiss-U.S. Data Privacy Framework Principles with regard to the processing of personal data received from Switzerland.

Commitment to privacy

Data governance: We define and implement data access and usage policies. Additionally, we map our systems and data flows to ensure our data protections extend to all personal information Zuora processes.

Consent: We obtain explicit consent from our customers before collecting and processing their end-customers' personal information. Additionally, customers have the ability to define the authorized Zuora Engineering and Support team regions from where their environment can be accessed. This allows for tighter control over who can view and interact with sensitive data, providing increased security for our customers. This means Zuora customers can now define authorized data access regions, which limits access to their data only to the staff based in those regions, thereby reducing the risk of data access compliance violations.

Transparency: We are transparent about our data collection and processing practices through our privacy statement and related communication, including an FAQ document for our customers and prospective customers.

Security

Prioritizing security and protecting sensitive data is essential to our long-term sustainability. This year, we hired a new chief information security officer (CISO) with over 25 years of experience building security programs and leading global teams at large enterprises and fast-growing tech companies.

Products and technology

Security and privacy by design: We integrate security and privacy into the design of our systems, applications and processes to ensure that they are secure by default. For example, by default our software services include self-help tools that enable each customer to manage data stored in their tenant on their own, without the need for Zuora personnel to access their data.

Security design reviews: All major product releases undergo a formal review process that identifies and remediates threats and vulnerabilities prior to final release. After a release, continuous monitoring mechanisms are implemented to ensure that the product's security posture remains robust over time, with regular assessments, updates and proactive measures taken to address emerging threats and vulnerabilities.

Zuora protect: Powered by Zuora's OneID, we introduced an advanced security suite that includes geo-fencing to limit Zuora employee access from specific regions, bring your own key (BYOK) encryption and enhanced audit trail and event monitoring with longer retention periods and real-time alerting of suspicious activity within a customer's Zuora system.

Vulnerability Management: Third-party testing partners ranked Zuora above the industry-standard benchmark for fixing externally reported issues and vulnerabilities.

Suppliers

We assess third-party suppliers to confirm that each one applies adequate technical and organizational measures to protect the personal data it processes on behalf of Zuora. Our legal team partners with our security experts to ensure vendor contracts contain the appropriate protections.

Additionally, we maintain a Supplier Code of Conduct that sets forth the expectations we have for our vendors.

ZEOs

Zuora's employee security training program includes regular threat simulation tabletop exercises, training sessions, simulated phishing attacks and open communication about common attack vectors, security incidents and best practices. These training programs are mandatory. General security awareness and policy training, including secure code training for our engineers, has been completed by 100% of ZEOs in order to reduce the risk of data breaches and create a more secure working environment for all employees.

100% of ZEOs completed general security awareness and policy training.

Commitment to security

Executive sponsorship: In FY24, Zuora established a Governance, Risk and Compliance (GRC) Committee, which includes but is not limited to the Chief Financial Officer, General Counsel, Chief Information Officer, Chief Information Security Officer and Head of Internal Audit. The committee meets bi-monthly to review progress and address gaps in policy, including AI governance and cybersecurity response readiness, as well as data from various security and privacy audits, reviews and exercises.

Board representation & oversight: A key member of our board of directors and audit committee acts as the primary representative overseeing security at the board level. This board member has undergone formal security training across a broad range of topics relevant to Zuora's business. Additionally, our CISO is a member of our audit committee and reports quarterly to them and annually to our board on the state of Zuora's cybersecurity posture and the top risks facing our company.

Policies: We maintain a comprehensive set of policies, standards and procedures and monitor each for compliance. Several of these are publically available on Zuora's website so our customers, partners and prospects have transparency into our commitment to security.

Risk assessments: We use external risk assessment firms to conduct quarterly penetration testing and incident response tabletop exercises. Internally, we also conduct monthly phishing tests, and an annual risk assessment to identify potential security threats and vulnerabilities to our systems and information assets.

Access control: We control access to our information assets through user authentication, access permissions and monitoring of user activity.

Incident response: We have a well-defined incident response plan that outlines the procedures to follow in case of a security breach. This plan identifies the individuals and roles that comprise the security incident response team and their respective responsibilities, details the investigation and response process, and includes the steps to take post-resolution to assess the effectiveness of the processes and identify areas of improvement to mitigate or prevent future incidents.

Data protection: We protect personal information through data encryption in transit and at rest, secure data storage and data anonymization where possible.

Threat intelligence and incident response

- Zuora maintains a sophisticated Detection & Response program aligned with NIST's Cybersecurity Framework DETECT and RESPOND capabilities to enable near real-time threat detection and rapid response.

- In 2023, Zuora procured FS-ISAC membership for threat intelligence and proactive security prevention.

- Zuora has invested heavily in tooling integration and automation, resulting in a significant (25%) decrease in our mean time to respond (MTTR). This means our team receives more timely and accurate security alerts, resulting in faster times to begin remediation efforts on security issues.

Certifications

For over 5 years, Zuora has maintained various security certifications, currently including ISO 27001, ISO 27002, ISO 27018, ISO 27701, PCI, and SOC 1, 2 Type II, and 3. In FY24, we expanded these certifications to include Zephr, Zuora's wholly owned subsidiary, acquired in FY23. Zuora also maintains an HHS HIPAA audit program as a Business Associate and is compliant with HIPAA's Security, Privacy and Breach Notification requirements.

Appendix

In this section

External ESG and governance policies[10]

- **Prevention of Sexual Harassment (POSH) Policy**
- **Audit Committee Charter**
- **Compensation Committee Charter**
- **Corporate Governance Guidelines**
- **Environmental Management Policy**
- **Global Code of Business Conduct and Ethics**

- **Nominating and Corporate Governance Committee Charter**
- **Privacy and Security Frequently Asked Questions**
- **Privacy Statement**
- **SEC Filings**
- **Statement on Human Rights**
- **Supplier Code of Conduct**

- **Voluntary Carbon Market Disclosures Business Regulation Act (VCMDA) Disclosure Statement**
- **Voluntary Statement for Prevention of Modern Slavery**
- **Other key governance policies can be found on our Legal and Security Resources website**

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[10] List does not include the many internally facing ESG and Governance policies we have in place

SASB index

Table 1. Sustainability disclosure topics & accounting metrics

Environmental footprint of hardware infrastructure		
Code	**Accounting metric**	**Response**
TC-SI-130a.1	(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	(1) 7,376 GJ (2) 0% (3) 57.5%
TC-SI-130a.2	(1) Total water withdrawn, (2) total water consumed, % of each in regions with High or Extremely High Baseline Water Stress	As a SaaS company, Zuora relies on third-party data centers. Zuora does not currently report data on water withdrawn or water consumption.
TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	As stated in our Environmental Statement, we partner with public cloud infrastructure providers that will minimize the environmental impact of running our compute and data center needs. As of January 2022, we no longer have our own data centers and have reduced our carbon footprint through using public cloud providers. Please refer to p.11 of this report for further details.

Data privacy & freedom of expression		
Code	**Accounting metric**	**Response**
TC-SI-220a.1	Description of policies and practices relating to behavioral advertising and user privacy	Information on our privacy policies can be found at: https://www.zuora.com/privacy-statement/
TC-SI-220a.2	Number of users whose information is used for secondary purposes	Zuora does not use customer information for secondary purposes. In particular: • We do not use customers end user data collected by Zuora to provide services to the customer. • We do not sell ads or transfer data without explicit consent.
TC-SI-220a.3	Total amount of monetary losses as a result of legal proceedings associated with user privacy	If applicable, these are disclosed in SEC filings.
TC-SI-220a.4	(1) Number of law enforcement requests for user information, (2) number of users whose information was requested, (3) percentage resulting in disclosure	(1) 0 (2) 0 (3) 0
TC-SI-220a.5	List of countries where core products or services are subject to government-required monitoring, blocking, content filtering or censoring	The following countries are blocked from Zuora URLs: Cuba, Iran, North Korea, Sudan, Somalia, Syrian Arab Republic and Yemen. In addition, we have added Crimea, Donetsk, and Luhansk regions.

Table 1. Sustainability disclosure topics & accounting metrics (cont.)

Data security		
Code	**Accounting metric**	**Response**
TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	(1) Not reported, and none to date (2) Not reported, and none to date (3) Not reported, and none to date
TC-SI-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	This risk assessment addresses the overall security posture of Zuora, Inc. The matrix is designed to meet the following compliance requirements: ISO 27001, ISO 27018, ISO 27701, PCI-DSS, SOC 1, SOC 2, HIPAA Security Rule, General Data Protection Regulation (GDPR) (EU 2016/679), and California Consumer Privacy Act (CCPA). Risk is the occurrence of an unwanted event, or the non-occurrence of a wanted event, which affects Zuora in an adverse way. Risk is realized when: • The objectives of the business are not achieved • The assets of the business are not safeguarded from loss • There is non-compliance with organization policies and procedures or external legislation and regulation • The resources of the business are not utilized in an efficient and effective manner • The confidentiality, integrity and availability of information is not reliable • Fraudulent activity or transactions are performed Note: Zuora's contracts and terms and conditions of the service detail ownership of intellectual property. Zuora does not own any customer data. Customer, not Zuora, shall have sole responsibility for the accuracy, quality, integrity, legality and intellectual property ownership or right to use all customer data. There are a number of circumstances in which an information security risk assessment should be carried out and these will vary in scope. In general these are as follows: • If there is uncertainty regarding whether a risk assessment is appropriate, the organization should err on the side of caution and carry one out • On major external change affecting the organization, which may invalidate the conclusions from previous risk assessments (e.g., changes to relevant legislation) • As part of projects that involve significant change to the organization, the ISMS or its information assets • Updates to the general risk assessment as part of the management review process — this should identify changes to assets, threats and vulnerabilities and therefore risk levels • A comprehensive risk assessment covering all information assets as part of the initial implementation of the information security management system (ISMS)

Table 1. Sustainability disclosure topics & accounting metrics (cont.)

Recruiting & managing a global, diverse, & skilled workforce		
Code	**Accounting metric**	**Response**
TC-SI-230a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	Americas: 46.1% Asia Pacific: 40.4% Europe, Middle East, Africa: 13.5%
TC-SI-330a.2	Employee Engagement as a percentage	90% of employees participated in our FY24 survey
TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	**Management** **Gender representation** Women: 31.7% Men: 68.3 % Undisclosed: 0.0% **Racial/Ethnic representation** White: 46.4% Asian/Asian-American: 15.1% Black/African-American: 2.4% Hispanic/Latinx: 3.0% Two or More Races: 1.2% American Indian/Alaskan Native: 0% Native Hawaiian/Pacific Islander: 0.6% Do not wish to answer: 1.8% Undisclosed: 29.5% **Total company** **Gender representation** Women: 31.5% Men: 67.0% Undisclosed: 1.4% **Racial/Ethnic representation** White: 32.1% Asian/Asian-American: 19.6% Black/African-American: 4.0% Hispanic/Latinx: 3.7% Two or More Races: 1.4% American Indian/Alaskan Native: 0.3% Native Hawaiian/Pacific Islander: 0.1% Do not wish to answer: 1.7% Undisclosed: 37.0% **Notes:** (1) Management means director and above (2) Representation & Gender are global statistics; Ethnicity data is for the United States only (3) Numbers may not total 100% due to rounding

Table 2. Activity metrics

Code	Activity metric	
TC-SI-520a.1	(1) Number of licenses or subscriptions, (2) percentage cloud based	We have over 1,000 customers. All are cloud based.
TC-SI-000.B	(1) Data processing capacity, (2) percentage outsourced	All processing is done in the cloud. At this time, we choose not to disclose the data processing capacity as this information is sensitive and proprietary in nature.
TC-SI-000.C	(1) Amount of data storage, (2) percentage outsourced	All data storage is hosted in the cloud. At this time, we choose not to disclose the data storage capacity as this information is sensitive and proprietary in nature.

FY24 facility energy & certifications

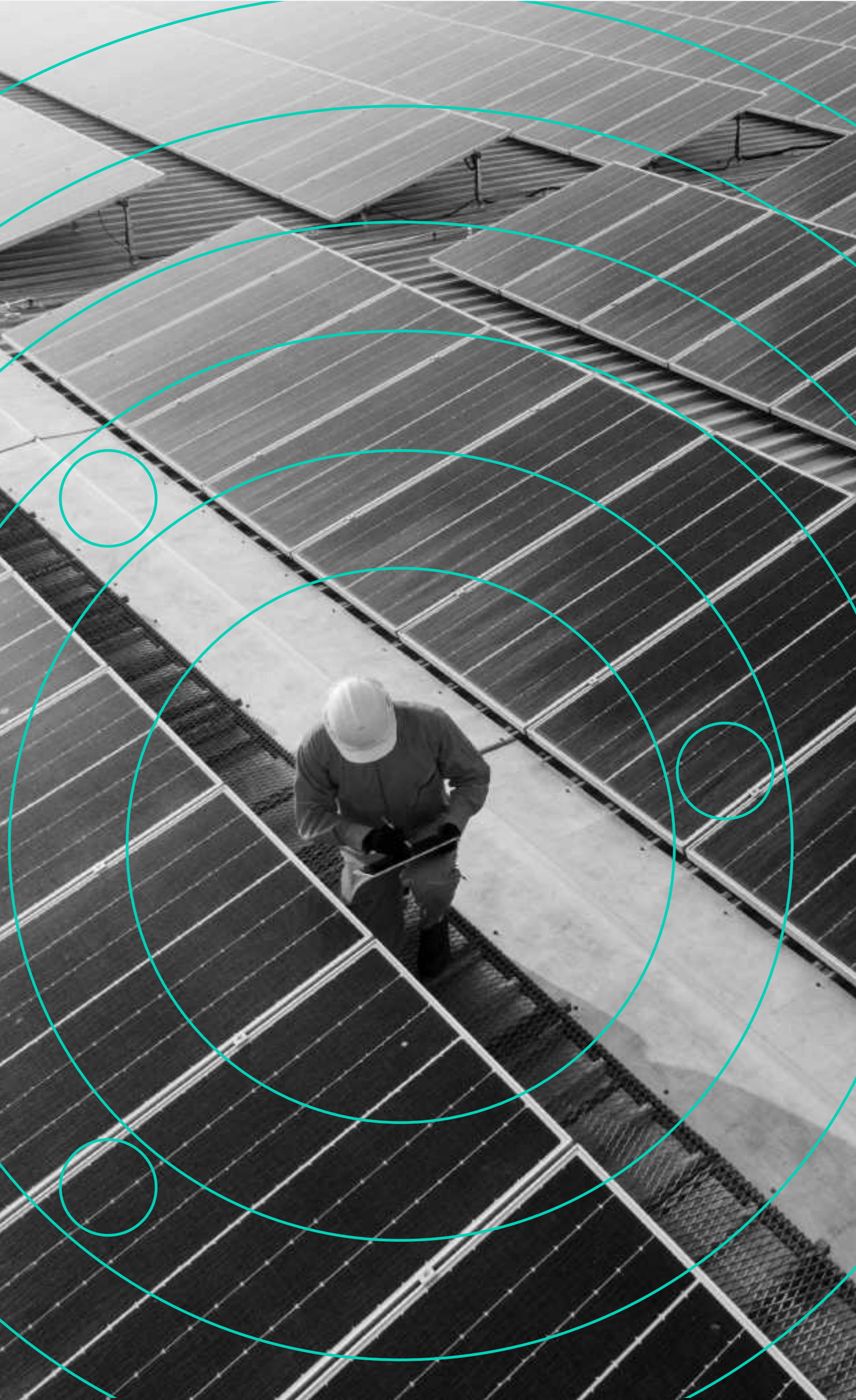| Facility name	Lease duration	Renewable energy?	Renewable energy certificate?	Green certification?
Atlanta - new	2/1/23 - 1/31/24			
Beijing	2/1/23 - 1/31/24			LEED Gold certified
Boston - new	10/1/23 - 1/31/24			LEED Gold certified, Energy Star certified, WELL certified, BOMA 360 Designation
Boston - old	2/1/23 - 9/30/23		Yes	LEED Gold certified, EnergyStar Certified, WELL Certified, BOMA 360 Certified
Chennai	2/1/23 - 1/31/24			
Costa Rica	2/1/23 - 1/31/24			
Frisco	2/1/23 - 1/31/24			

FY24 facility energy & certifications (cont.)

Facility name	Lease duration	Renewable energy?	Renewable energy certificate?	Green certification?
London	2/1/23 - 1/31/24	100%	Yes	BREEAM Rating: Excellent
Milan	2/1/23 - 1/31/24			LEED Gold
Munich	2/1/23 - 1/31/24			
New York	2/1/23 - 9/30/23			LEED Gold certified, EnergyStar Certified
Paris	2/1/23 - 1/31/24			
Redwood City (HQ)	2/1/23 - 1/31/24			
Stockholm	2/1/23 - 1/31/24		Yes	
Sydney - new	6/1/23 - 1/31/24			
Sydney - old	2/1/23 - 5/31/23	100%		5-star Green Star (V3 Design and As Built) and a 5 star NABERS Energy Rating
Tokyo	2/1/23 - 1/31/24			Will be a 4 star certified building under DBJ Green Building Certification

Forward-looking statements

The report does not cover all information about our business. References in the report to information should not be construed as a characterization regarding the materiality of such information to our financial results or for purposes of the U.S. federal securities laws or any other laws or requirements. Although certain matters discussed in the report may be significant, any significance should not be read as necessarily rising to the level of materiality used for the purposes of complying with U.S. federal securities laws and regulations or any other laws and regulations. The information covered by the report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our ESG goals, commitments, and strategies and related business impacts. Words such as "aims," "believes," "commitments," "expects," "future," "goals," "may," "maintain," "plans," "potential," "predicts," "progress," "reach," "seeks," "should," "strategies," "strives," "targets," "will," and variations of such words and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements involve risks and uncertainties and assumptions based on information available to management as of the date of the report, and actual results may differ materially from any future results expressed or implied by the forward-looking statements due to a variety of factors, some which relate to matters beyond our control, including, among others, assumptions not being realized; failure to meet stated ESG goals or commitments and execute our strategies in the time frame expected or at all; socio-demographic, political and economic trends; evolving sustainability strategies; unexpected delays, difficulties and expenses in executing our ESG goals or commitments; the pace, cost and effectiveness of technological innovations; our ability to gather and verify data regarding impacts; the compliance of various third parties with our policies and procedures, or their commitments to us; our expansion into new products, services, technologies, and geographic regions; our ability to purchase renewable energy credits to offset our electricity consumption; climate-related conditions and weather events; evolving state, federal or international legislative and regulatory changes or legal standards; and other unforeseen events or conditions.

More information on risks, uncertainties, and other potential factors that could affect our business and performance is included in our filings with the SEC, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the company's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. We assume no obligation to update any forward-looking statements or information, which speak as of their respective dates. Numbers and percentages used in the report are estimates or approximations and have not been assured or verified by an independent third party unless otherwise noted. Moreover, many of the assumptions, standards, metrics and measurements used in preparing the report continue to evolve and are based on assumptions believed to be reasonable at the time of preparation but should not be considered guarantees. Given the inherent uncertainty of the estimates, assumptions and timelines contained in this report, we may not be able to anticipate whether or the degree to which we will be able to meet our plans, targets or goals in advance.

Get in touch

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