

MAY 2022

Environmental, Social & Governance Fiscal Year 2022 Impact Report

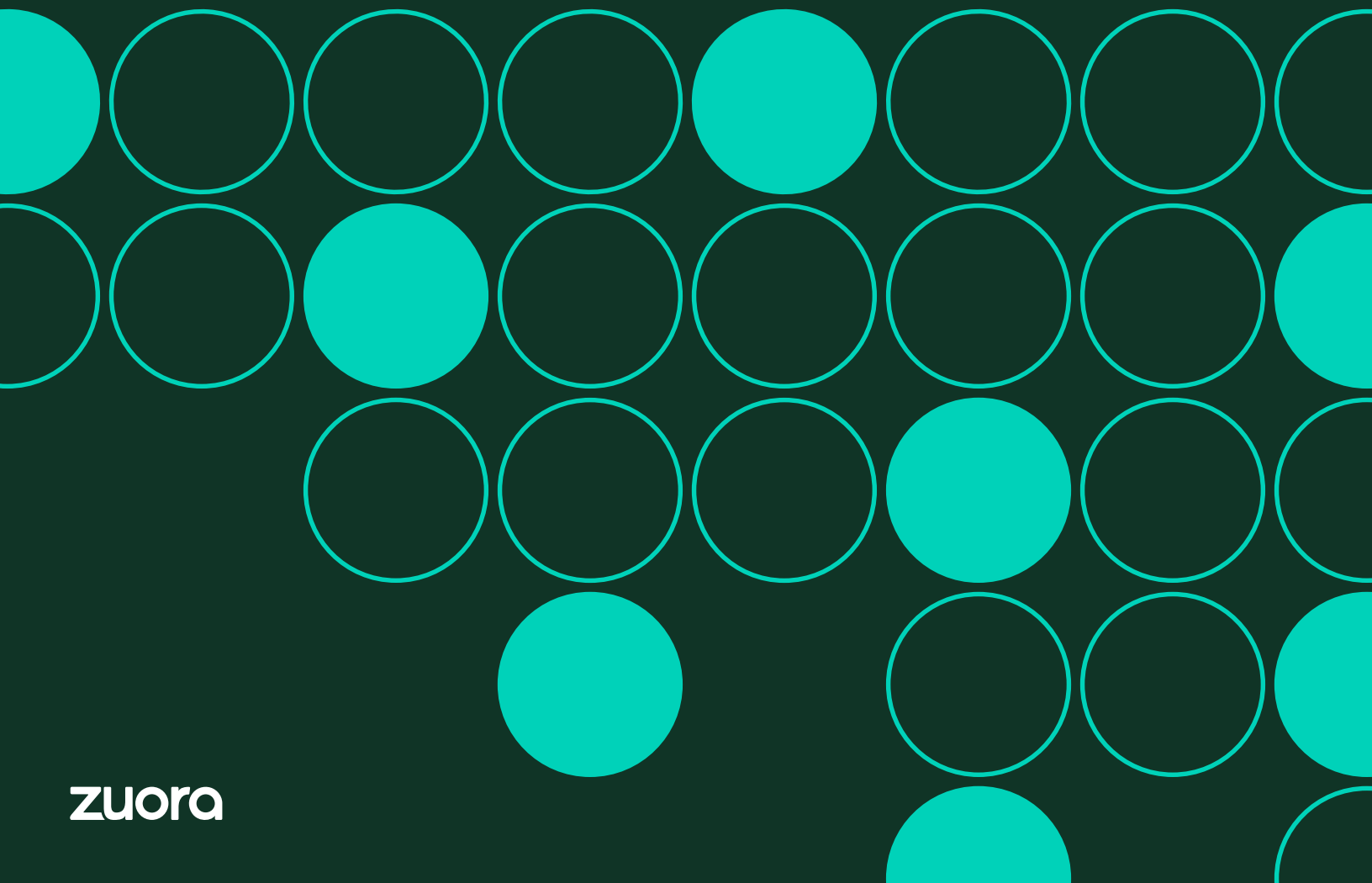


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A Letter from our CEO



From day one, Zuora has been committed to making a positive impact on the world by moving people and companies from ownership to usership.

Why? Because we believe usership creates happier customers, stronger businesses, and better innovations. But more than that, our vision of a World Subscribed is a place where subscriptions and recurring revenue models provide broader access to goods and services, increase inclusion and equity, and prioritize sustainability.

These principles are deeply ingrained in our values and today, serve as the foundation for our work around environmental, social and governance (ESG) programs. To formalize this commitment, last year we created an ESG cross-functional leadership team, completed our first-ever materiality assessment, and conducted an analysis of our carbon footprint for Scope 1, 2, and 3 emissions using the Greenhouse Gas Protocol. We then used this data to build our current ESG strategy with seven priority topics including climate change, diversity and inclusion, and corporate governance.

We recognize that every company must do their part to tackle climate change and are proud to be carbon neutral as of fiscal year 2022. We have both taken steps to reduce our footprint and have purchased high-quality carbon offsets to mitigate the environmental impact of our remaining emissions.

We also know that building The World Subscribed™ demands a diverse and inclusive workplace, which is why we launched a stand-alone DE&I function in 2020 with a goal of having 50% of our ZEOs self-identify as members of underrepresented groups. We're focused on building an inclusive community, culture, company, and experiences that everyone wants to subscribe to.

Additionally, this community cannot be fostered without ethical business practices, which are the backbone of our company. We adopted policies that ensure we conduct business in an ethical, legal, and socially responsible manner and we will continue to evolve these practices as our business grows.

This is our first report and it shares our unwavering commitment to environmental, social and governance issues. We've made significant progress, but our work is certainly not done. We are focused on getting there and look forward to providing an update in our fiscal year 2023 ESG report.

Tien Tzuo

Founder, CEO and Chairman
of the Board of Directors

Our Approach

At Zuora, we strive to make a positive impact on the world and to empower others to do the same. The programs described in this report cover our commitment to advancing initiatives across Environmental, Social, and Governance (ESG) topics.

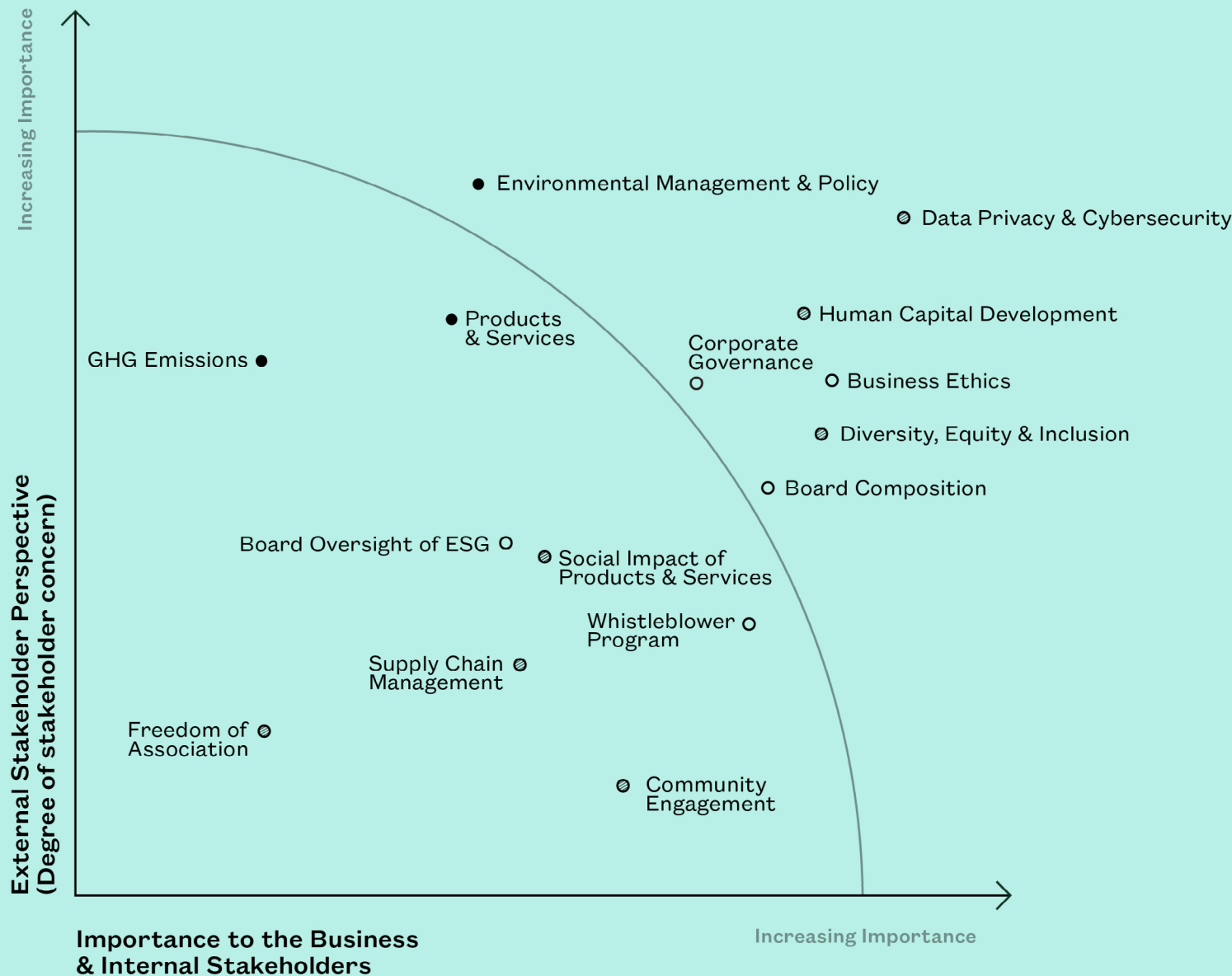
This report focuses on: our corporate governance practices; diversity, equity, and inclusion efforts; fostering growth at Zuora; how we're investing in our local communities; supporting a sustainable future; and our efforts in building trust with our customers.

This is our inaugural ESG report, which looks back over several years on the ESG efforts we have put in place. It serves as a starting point for our stakeholders. We fully expect this report to evolve over time as we progress on our ESG journey and we welcome all of our stakeholders' feedback.

As the first steps in our journey ahead, we have done the following:


- Established an ESG cross-functional team co-led by our Head of Investor Relations and our Director of Social Impact to build a long-term strategy in alignment with our Board of Directors.
- Partnered with Watershed, a climate technology platform, to measure our carbon footprint across Scope 1, 2, and 3 emissions, which sets a baseline to help us reduce our greenhouse gas (GHG) impact moving forward.
- Partnered with Nasdaq's ESG Advisory Services to conduct a materiality assessment identifying high priority topics critical for Zuora's long-term success and societal impact. Our 2022 materiality matrix highlights 15 key ESG topics, 7 of which were identified by internal and external stakeholders as priority for this year.
- Aligned our ESG strategy pillars to our high priority topics and made a plan to conduct a high-level review annually and an in-depth materiality assessment every few years to evolve with our business strategy.

Zuora Materiality Matrix



Legend

- Environmental
- Social
- Governance



**For the purpose of this report,
we have included our seven priority
topics under the following areas:**

- **Expanding diversity & inclusion**
- **Promoting growth and development**
- **Supporting our communities**
- **Supporting a sustainable future**
- **Building trust: privacy and security**
- **Corporate governance**

Zuora® By The Numbers

2007

Founded

ZUO

NYSE Ticker

2018

IPO

**Redwood
City, CA**

Global Headquarters

\$347M

FY22 Total
Revenue (USD)

\$75B

FY22 Transaction
Volume (USD)

\$1.3M

FY22 Pledge 1%
Contribution (USD)

40

Number of
Countries in which
we operate

2022

Fiscal year Zuora
reached carbon neutrality

1,000+

Customers

1,300+

Employees

2,400+

Hours volunteered
in FY22

32%

% of women in
leadership roles
(as of January 2022)

41%

% of employees from
underrepresented* groups
(as of January 2022)

*For purposes of this report, underrepresented groups are defined as 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.



Expanding Diversity & Inclusion

We seek out and embrace people of all backgrounds, perspectives, and experiences to enrich Zuora's culture.

Building The World Subscribed™ demands a diverse and inclusive workplace – it helps us better understand our customers and allows us to innovate across all areas of the business. This is why we encourage our employees, whom we call ZEOs, to bring their authentic selves to work each day. Our different lived experiences, perspectives, and contributions matter.

In September 2018, we set a bold goal of having 50% of our ZEOs identify as members of underrepresented groups*. As of the end of fiscal year 2022, we reached 41%. We are proud of the progress we have made with increasing not only our overall ZEO workforce diversity, but our focus on diversity in leadership.

43% of our leadership (Director and above), 60% of our executive team and 56% of our Board of Directors identified as underrepresented as of the end of fiscal year 2022. We will continue to work towards our 50% goal at all levels of the company.

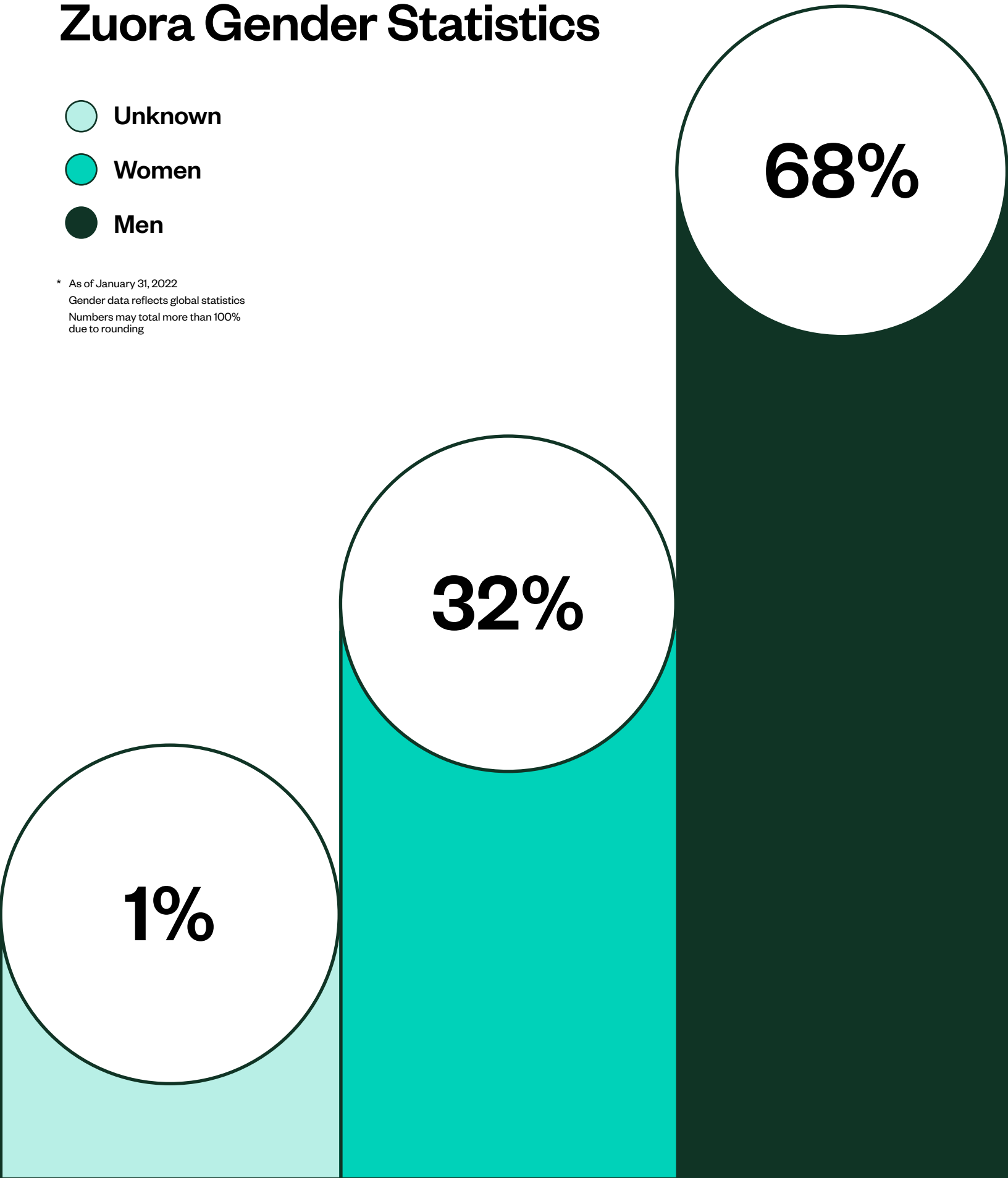
In November 2020, we also welcomed our first Chief Diversity Officer, Valerie Jackson. Reporting directly to our CEO, Valerie is responsible for Zuora's diversity and inclusion strategy and initiatives across our global workforce. She leads a team of professionals in the US and UK who are dedicated to this effort full-time.

*Underrepresented groups within Zuora are defined as 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.

Zuora Gender Statistics

- Unknown
- Women
- Men

* As of January 31, 2022
Gender data reflects global statistics
Numbers may total more than 100%
due to rounding



Zuora Ethnicity Statistics

34%

White

20%

Asian/
Asian American

4%

Black/
African American

4%

Hispanic/
Latinx

2%

Two+ Races

0.1%

American Indian/
Alaskan Native

0.1%

Native Hawaiian/
Pacific Islander

1%

Do Not Wish
To Answer

35%

Non-disclosed

* As of January 31, 2022

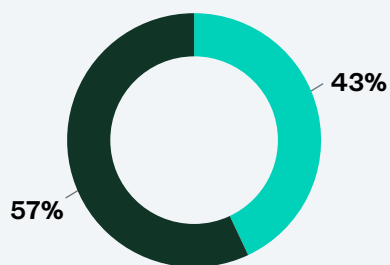
Ethnicity data is for the United States only

Numbers may total more than 100% due to rounding

Zuora Leadership Diversity

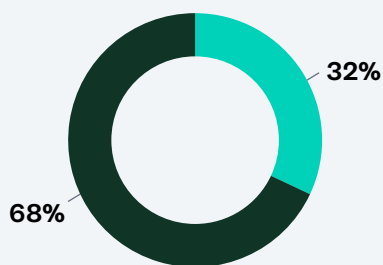
LEADERSHIP - DIRECTOR & ABOVE

Representation



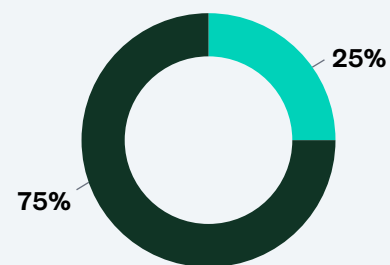
● Non-underrepresented
● Underrepresented

Gender



● Men
● Women

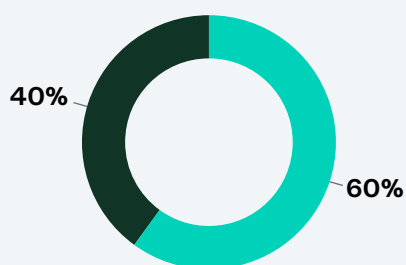
Ethnicity



● Non-ethnic minorities
● Ethnic minorities

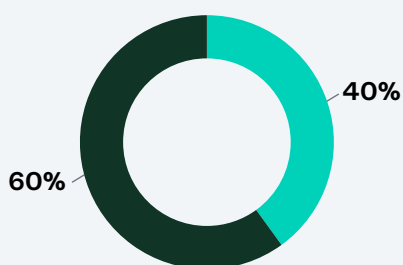
EXECUTIVE TEAM

Representation



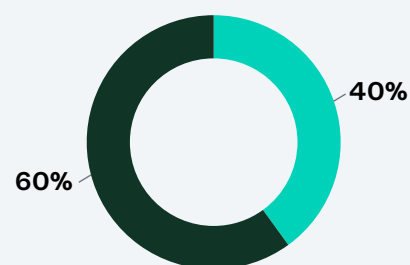
● Non-underrepresented
● Underrepresented

Gender



● Men
● Women

Ethnicity



● Non-ethnic minorities
● Ethnic minorities

* As of January 31, 2022

Representation & Gender are global statistics, Ethnicity data is for the United States only

For purposes of this report, underrepresented groups are defined as 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.

Zuora is committed to building an inclusive, high-performing culture that empowers every ZEO to think like a shareholder and drive toward excellence, owning their own outcomes. We know that in order to do this, we must be diligent in our efforts to create a workplace and culture where every ZEO at every level feels valued, included, and inspired to innovate and collaborate authentically. The centerpiece of our efforts to accomplish this is ONE ZUORA, our framework and strategic plan designed to inspire innovation through inclusion.

Launched in April 2021, the mission of ONE ZUORA is to build an inclusive culture, company, and experience that everyone wants to subscribe to. We enact this mission through our three strategic pillars: Be: The ZEO Experience, Build: Zuora's Infrastructure, and Share: Zuora in the World.

Diversity is about all of the amazing people and perspectives we bring into Zuora, across the globe and down the street. It also means equal opportunity for everyone who's sitting around the table, who's being recruited, and who's being promoted. Inclusion is the lens through which we strive to view and build our processes, culture, and experiences for our ZEOs, customers and partners. Our commitment to developing a diverse, thriving workforce and inclusive ZEO culture begins at the top with our most senior leadership. In order to attract and retain key talent, we provide market-competitive total compensation and benefit packages and routinely review gender pay equity practices. Lastly, in March 2021, Zuora joined [CEO Action for Diversity & Inclusion™](#), a CEO-driven coalition committed to advancing diversity, equity and inclusion.

One Zuora

Be: The ZEO Experience

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

Build: Zuora's Infrastructure

Building inclusive systems and processes

Share: Zuora in the World

Building an inclusive Subscription Economy®

Building an inclusive, high-performing ZEO Culture

Our customized programs are one way we bring our diversity and inclusion efforts to life, within Zuora and beyond. Below are some examples of how ZEOs come together to help drive positive change.

Employee Resource Groups

Employee Resource Groups (ERGs) are part of the vibrant expressions of our inclusive ZEO culture. We currently have six ERGs:

Z-Women (Founded in 2015): Strengthening and amplifying women’s voices as we support one another to achieve our career goals and build pathways to leadership.

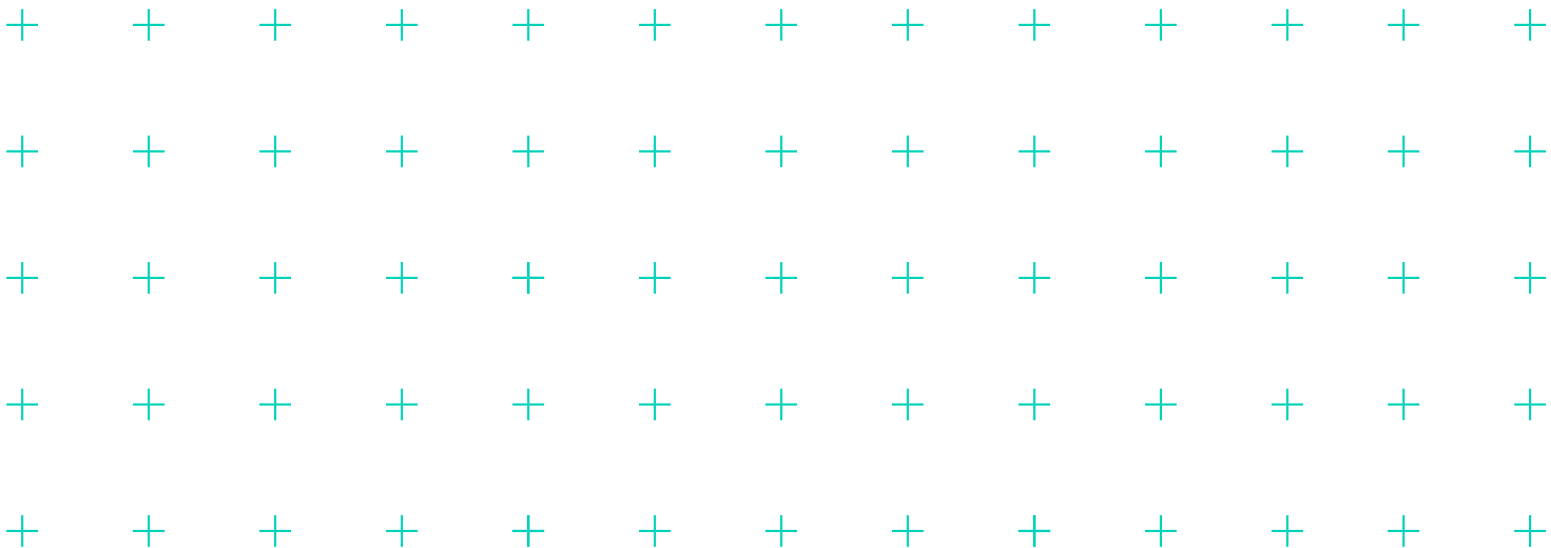
Z-Veterans (Founded in 2018): Making Zuora a great place to work for military veterans, reservists, and military family members by providing support, resources, and recognition to all members.

Zuora Black Network (Founded in 2019): Educating ZEOs on Black perspectives and experiences, while engaging our communities and focusing on career development.

OZ - Out at Zuora (Founded in 2019): Raising awareness about LGBTQIA+ causes, celebrating identities, and creating a thriving culture at Zuora for all people.

Zuora Familia (Founded in 2019): Creating a safe space to promote cultural diversity and empower our Latinx communities in and outside of Zuora.

ZAAPI - Zuora Asian Americans and Pacific Islanders (Founded in 2021): Providing opportunities for networking, career development, cultural awareness, and support for our AAPI ZEOs, community, and allies.



Our ERGs have thoughtfully planned and executed ZEO events across the globe. Highlights in 2021 (FY 2022) include:

- Our Z-Women book club, with moderated conversations for professional growth and development.
- A conversation and volunteer event with INTech Camp for Girls, sponsored by Zuora Black Network, exploring how we support and increase representation for girls and women in technology.
- An exploration of the intersection of anti-trans legislation and sports during Pride month with Out at Zuora ahead of the 2021 Olympic games.
- Heritage month celebrations led by Zuora Familia and Zuora Asian Americans and Pacific Islanders.
- A collaboration between Out at Zuora and Z-Veterans to recognize National Coming Out Day by hosting an openly gay servicemember for conversation on the 10th anniversary of the repeal of “Don’t Ask, Don’t Tell.”

In 2021, Zuora was also a corporate sponsor of the “Lesbians Who Tech (Not IRL) Pride Summit 2021” and “Women Transforming Technology (WT2).” We believe in being influential and active at the intersection of the tireless efforts of our ERGs and industry. Zuora will continue to explore new partnerships and opportunities that strengthen the work of our ERGs.

HeForShe Program

HeForShe is a sponsorship and mentorship campaign started by United Nations Women that promotes the engagement of men and boys as active allies toward ending gender inequality. The Global Services organization at Zuora initiated the HeForShe program internally in 2018, with male-identifying people leaders being paired as sponsors with female-identifying individual contributors.

Together, they determine their meeting cadence and identify career goals and plans to achieve them. Participants report that this program helped them to build key relationships, increased their internal visibility and access to new projects in other business units in areas of interest, and improved their overall experience at Zuora. HeForShe has since expanded from Zuora’s Global Services organization to the Product and Engineering organization, with the inaugural cohort launched in September 2021.

Parental Leave

We want our ZEOs to have the flexibility and support to balance the needs of their growing families without worrying about work or finances. New parents, regardless of gender or location, are able to take up to 6 months of fully paid parental leave within the first year of the arrival of their new family member. Our ZEOs are empowered to determine the leave schedule that works best for them and their family (i.e. return part-time, full-time, or return and go back out as needed). We have also enhanced our parental support program to include resources such as birth preparation, newborn care, infant sleep, breastfeeding, and how to successfully transition back to work.

Employee Relief Fund

Supporting our ZEOs in times of need is a top priority at Zuora. We have recently partnered with [E4E Relief](#) to create an Employee Relief Fund to help ZEOs cope with unexpected hardships that place undue financial stress on them and their families. Our ZEO Relief Fund provides ZEOs with grants of up to US\$10,000 for both catastrophic disasters and personal hardships.

Promoting Growth and Development

Opportunities to engage with Management and Share Feedback

Zuora fosters multiple events, including All-Hands, Town Halls, ZEO Community Conversations, and Z-Brief Conversations, for our employees to have open, ongoing conversations across teams and with senior leaders. These are opportunities to discuss continuous periodic feedback to help improve our workplace and culture, learn new topics, develop empathy and active listening, and demonstrate allyship and community with colleagues and peers. We also utilize feedback from listening sessions, ad hoc surveys and bi-annual employee engagement surveys using a third party tool to continuously understand how ZEOs are feeling. The ultimate goal is to strengthen and improve our ZEO experience and the organization.

ZEO Learning & Development Programs

Zuora supports our ZEOs growth both formally as well as in day-to-day acknowledgment of learning and development that occurs on a continuous basis.

Programs and initiatives that help foster this include:

Z-Grow: ZEOs and their people leaders engage in conversations on a quarterly basis centered around three habits: feedback, accountability, and development. These on-going conversations provide a regular opportunity to check-in, share learning and support needs, and exchange meaningful feedback.

New Hire Onboarding: Cross-functional teams work together to ensure a warm welcome for our new ZEOs and ensure they get off on the right foot with maximum support and celebration from their people leader, peers, and through frictionless experiences that help us prepare for and equip new ZEOs with what they need to be successful.

Learning Resources: Zuora provides a variety of resources, such as LinkedIn Learning, to help ZEOs expand their knowledge base and learn about new areas of interest. We also allocate a certain amount of “Career Cash” annually (today this equates to approximately \$1,000 USD) that ZEOs can use to support specific learning and development offerings that align with their growth at Zuora.

Leader Enablement: Through training programs, resources, communications, and other enablement efforts, people leaders are supported in their critical role to help ZEOs thrive and grow at Zuora. As an example, our new-to-role and new-to-company Z-Leader Essentials program covers multiple topics designed to provide clarity and expectations around the critical and multi-faceted role of a people leader at Zuora. Approximately 28% of people leaders have completed the program since its launch in 2021.

Z-Leadership: A framework of competencies and behaviors that serve as a foundational force to grow and guide leaders at all levels.

Career Discussions & Internal Mobility: ZEOs are encouraged to speak with their leaders about their career goals, co-develop learning and development plans to support their goals, and to proactively look for internal opportunities that will aid in their career objectives using support tools and resources, including our career paths tool.

Supporting Our Communities

We believe businesses can and should be a force for good. Zuora's success is directly linked to our communities.

Our business thrives when our communities are also thriving. Social impact is a key part of our culture, business, and long-term success. That's why we took the 1% Pledge in 2017 and committed our time and equity to giving back. This commitment has grown into a strategic program supported by our philanthropic fund, The Zuora For Good Impact Fund.

In 2019, we launched [Zuora.org](https://zuora.org), which is part of our company and not a separate entity, to help individuals, as well as businesses, benefit from the Subscription Economy®. We want not only our customers, but also those in the communities where we're located to be able to access, participate in, and benefit from this new economy. To date, we have contributed US\$3 million worth of our Class A common stock to [Zuora.org](https://zuora.org), which is a donor advised fund through the Tides Foundation. This funding allows us to make grants to causes in our communities around the world and support our ZEO giving and volunteering programs.

In both 2020 and 2021, Zuora was named a [Top Corporate Philanthropist by the San Francisco Business Times](#). We are honored to make this list, which features companies from around the Bay Area that give substantial amounts to local nonprofits.

Grantmaking

Grantmaking in FY21

In fiscal year 2021, we directed over US\$270,000 to causes working to cultivate the next generation of tech talent from communities that have been historically overlooked. We supported [Climb Hire](#), [Dev/Mission](#), and [Upwardly Global](#), which are focused on training untapped talent for careers in technology and other industries with the goal of eliminating barriers to entry and building wealth and prosperity in local, diverse communities.

We also launched a one-time [Community Impact Grant Program](#), granting US\$254,500 to 10 causes that: provided immediate and emergency relief to those most negatively impacted by COVID-19; and/or needed to shift their delivery models to continue serving their clients in the new virtual world sparked by the pandemic. Emergency relief included food distribution, rent relief, affordable housing placement, and direct cash assistance. And for organizations needing to shift their business models, these pivots allowed them to more effectively and safely reach their constituents virtually or through socially distanced delivery models. The grants were evaluated and selected by a group of 10 ZEOs from around the world.

2020 and 2021 challenged us all in new ways: with a global pandemic, social and racial tensions, and various natural disasters. Old traditions were challenged and new systems were born. In response, we issued over US\$208,000 in emergency response grants to organizations on the front lines of these issues.

Grantmaking in FY22

In fiscal year 2022, we formalized our philanthropic focus and directed over US\$1 million to support organizations in our focus areas. Zuora.org is committed to building inclusive economies and increasing access to critical products and services for underserved communities around the world. We invest in programs that support impact-driven entrepreneurs, build a more sustainable future, create economic opportunities for youth, and strengthen our local communities. We empower ZEOs to become changemakers and utilize their passion and expertise to help drive our social impact agenda forward.

Sustainability Subscribed

Fighting climate change and preserving the planet through the Subscription Economy®

In fiscal year 2022, we formed a partnership with Village Capital, which is the most active supporter of impact-driven, seed-stage entrepreneurs in the world. For more than a decade, Village Capital has been reinventing the system to back the entrepreneurs of the future and address the gaps that currently exist in the innovation economy:

- Less than 30% of global VC funding goes outside three US major tech hubs (CA, NY, MA)
- Less than 14% of VC funding goes to startups led by mixed-gender teams
- Less than 3% of VC funding goes to startups led by Black or Latinx teams
- Impact investing only makes up 2% of global assets under management

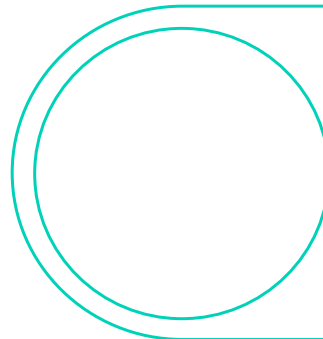
Village Capital's focus on supporting founders from underrepresented backgrounds with lived experiences coupled with their unique peer-selected investment process is bringing more people and perspectives into the global engine of entrepreneurship. Simultaneously, entrepreneurship has become a critical tool for solving the climate crisis.

In recent years, startups from across the country have been finding new and innovative ways to tackle climate change and preserve our planet. Many of these startups are part of the Subscription Economy® and are leveraging customer-focused recurring revenue business models that help democratize access to climate-related solutions.

In fiscal year 2022, we granted Village Capital US \$409,000 to launch Sustainability Subscribed, a program that will support startups from across the country who are focused on four interconnected sectors that contribute substantially to climate change: Agriculture & Food Systems, Energy, Transportation, or Housing and Buildings, and are working on solutions focused on:

- Reducing greenhouse gas emissions
- Expanding access to clean energy
- Enhancing the resilience and sustainability of food and water systems
- Bolstering a circular economy through the reduction of waste and regeneration of materials
- Providing analytical insights used to accelerate sustainability and mitigate climate change

The selected startups will go through an intensive 4-month accelerator program that is laser-focused on investment-readiness. At the end of the program, the entrepreneurs will assess each other's companies in an open and transparent process and the two startups ranked highest by their peers will receive grant funding from Zuora. Our ZEOs are involved as Advisory Board members, mentors, and workshop leaders.



Youth Economic Opportunity

At Zuora, we believe that all young people deserve equal access to education and economic opportunity - no matter their background, income, or zip code. Employers around the world are facing a growing need for talent, while millions of youth are disconnected from the economic mainstream. In 2021, we launched a partnership with the [Network for Teaching Entrepreneurship \(NFTE\)](#) and continued our partnerships with [Dev/Mission](#) and [Climb Hire](#) to help equip young people from underserved communities with the skills and experiences they need to succeed in today's economy, while ensuring that companies have access to the workforce they need to compete across the globe.

- **Network for Teaching Entrepreneurship (NFTE)**

NFTE's mission is to activate the entrepreneurial mindset and build start-up skills in youth from under-resourced communities across the globe. Over the course of the school year, students come up with an original business idea, build a business plan, and participate in various 'pitch' challenges where they compete for seed funding to launch their business or support their future education.

We granted NFTE US \$125,000 to support their work across the globe. ZEOs will mentor NFTE students and help them refine their business plans, serve as judges during various local, regional, national, and global challenges, and we will work with NFTE to develop curriculum around the Subscription Economy®.

- **Dev/Mission & Climb Hire**

In 2021, we continued our partnerships with Climb Hire and Dev/Mission to connect the most overlooked populations to careers in technology. In addition to providing each organization with a US\$75,000 grant, our employees are engaged as mentors, workshop leaders, and coaches. We were also able to hire ⅓ of our engineering interns from the two organizations.

ZEO Giving & Volunteering

Strengthening our Local Communities &
Empowering ZEOs to Become Changemakers

ZEOs are empowered to give their time, money, and skills to organizations they care about. They also help us identify local organizations in our communities around the world that are solving some of today's most pressing issues.

Kiva Lending Program

In June of 2021, we launched our first-ever Kiva campaign and made history as Kiva's second most successful campaign of all-time and their most successful campaign of the year. Kiva is a global nonprofit that crowdfunds loans from people around the world to support thousands of microbusinesses and individuals. During the campaign, all full-time ZEOs were given a US\$50 credit to lend to a borrower on Kiva's platform. Over 85% of ZEOs across the world used these funds to support all types of businesses, from farmers and tailors to barbers and engineers. Some of our loans even went to support families in need of extra funds for school or medical care. In November of 2021, we extended the Kiva Campaign to our customers to recognize the work that they are doing to create the World Subscribed™. We provided them with a US\$250 credit to lend to borrowers of their choice and over 200 customers participated. The below graphic represents the combined impact from our ZEO and customer campaigns.

kiva + zuora

Powering a more inclusive economy

1,070

**ZEOs and customers
participated**

\$101,000

Dollars loaned

6,192

Borrowers supported

87%

**Female entrepreneurs
supported**

34

**Countries around
the world**

Matching Gifts & Dollars for Doers

In June 2021, Zuora launched a global Matching Gifts program to further empower our ZEOs to give their time, money, and skills to the charitable causes they care about most. Zuora matches up to US\$1,000 per employee per year for charitable donations, volunteer time, or a combination of the two. We are happy to report that in fiscal year 2022, our ZEOs donated over US\$95,000 and Zuora matched over US\$91,000, directing a total of over US\$186,000 to nonprofits across the globe. In addition, our ZEOs volunteered over 2,400 hours of their time with mission-aligned nonprofits.

Employee Grant Program

In addition to supporting our ZEOs' passions around donating and volunteering, they also have the opportunity to nominate organizations for grants of up to US\$10,000 each year and in 2021, we granted US\$200,000 to 23 organizations from around the world. We supported a wide array of programs, ranging from workforce development to hunger relief to health equity, and so much more.

Z-Philanthropy Program

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 leading volunteering and fundraising initiatives for their particular location. We currently have 25 Z-Philanthropy Leaders and 13 chapters across the world.

Global Week/Month of Giving

In 2020, we launched our first annual Global Week of Service which featured 15 different volunteering and fundraising events across the globe. ZEOs raised over US\$18,000 for charities and participated in everything from sorting food to assembling hygiene kits to decorating baby onesies.

In 2021, we transitioned our Global Week of Service to a Global Month of Service, where nearly 500 ZEOs participated in over 20 volunteering events. The events included everything from park clean-ups to conducting mock interviews to calling isolated seniors, and so much more.

For more information on Zuora.org, please visit our [website](#).

Supporting a Sustainable Future

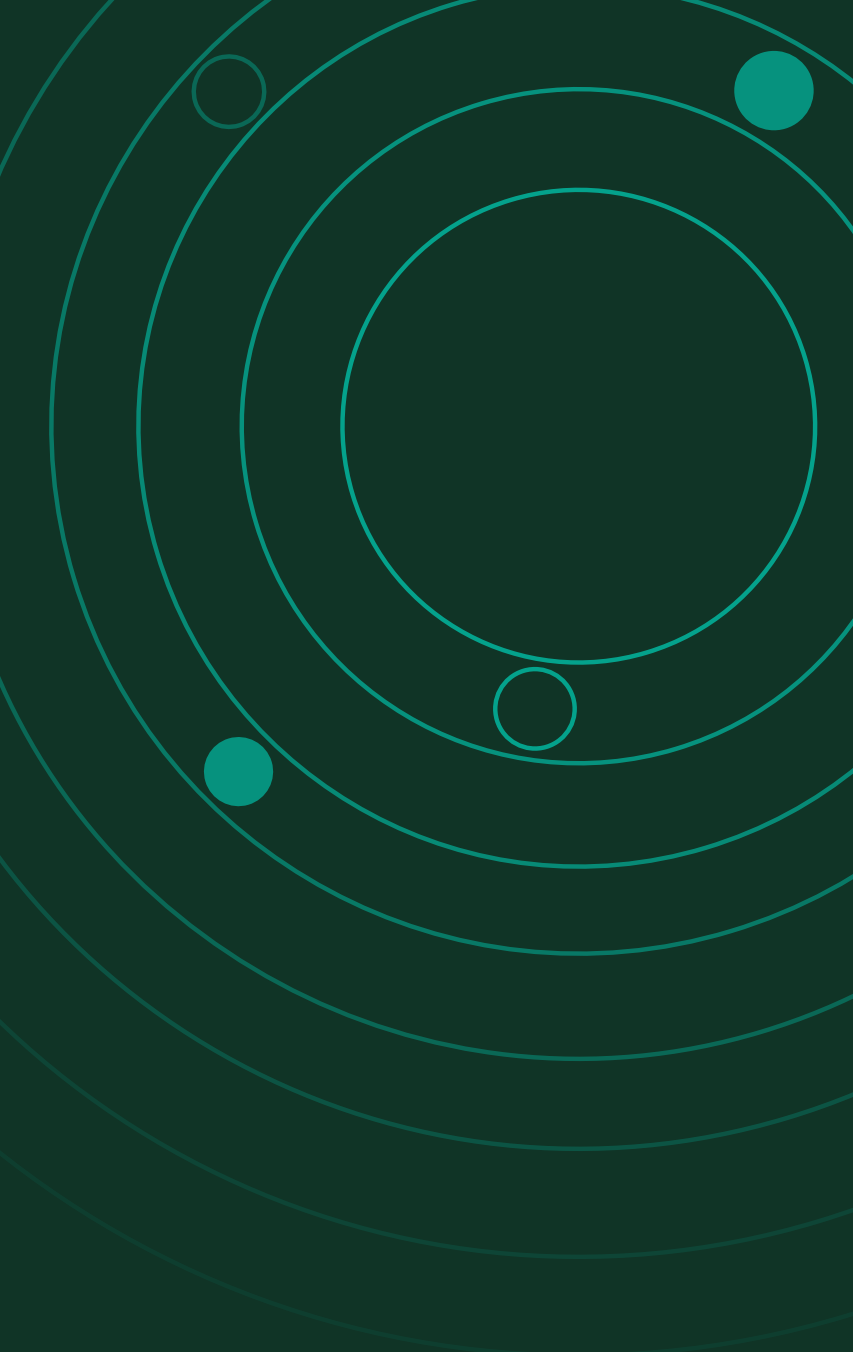
The past decade was the hottest on record; Arctic sea ice in October was the lowest ever, fires, floods, droughts, and storms are increasingly the new normal. Science tells us that unless we cut fossil fuel production by 6% every year between now and 2030, things will get worse. Instead, the world is on track for a 2% annual rise.

Climate experts agree that the world must take urgent action to bring down emissions. As a global society, we must reach “net zero” emissions no later than 2050 by drastically reducing emissions and ultimately removing as much carbon from the atmosphere as we emit each year. While this is an ambitious goal that will require new technology, cutting-edge public policy, and stakeholders to take bold action, it’s a goal of utmost importance to not just us, but every generation to follow.

Climate change adversely affects all of us, with disproportionate impacts on low-income communities, and every company has a role to play in limiting its catastrophic effects. At Zuora, we are committed to ensuring our internal business practices minimize both our overall environmental impact and our greenhouse gas emissions as we grow.

We have implemented several initiatives related to the sustainable use of our resources, including implementing technological tools and centralized printers to reduce our paper consumption; encouraging our ZEOs to recycle and compost and providing them with the resources to do so; offering reusable dishware and utensils; providing filtered water dispensers to discourage consumption of bottled water in the majority of our break-rooms; providing EV charging stations for employee use at our corporate headquarters; and disposing of old computers and other electronic equipment with an electronic waste vendor so that such equipment is responsibly recycled, repurposed, or donated.

Our employee-led resource group, ZEOs4Sustainability, helps drive ZEO sustainability efforts and we are continuously looking into ways to expand this program.



**Zuora is proud to
be carbon neutral
for fiscal year 2022
and is committed
to go-forward
carbon neutrality.**

Scope 1

127tCO₂e 0.9%

Direct release of greenhouse gases from sources you own or control (e.g. company-owned vehicles or furnaces).

Scope 2

836tCO₂e 6.2%

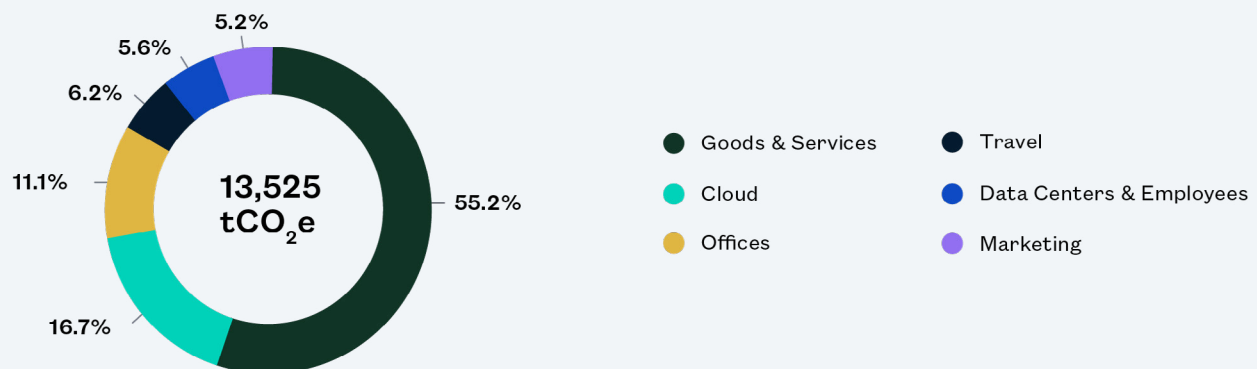
Emissions from the generation of electricity, steam, heat, or cooling that you purchase from companies (like your power utility).

Scope 3

12,562tCO₂e 93%

Upstream emissions of products and services you purchase, and downstream emissions when customers use/dispose of your products.

Gross emissions by category



Carbon Neutral for Fiscal Year 2022

We know that reducing our carbon footprint will be critical to support the goal of limiting global warming to 1.5 degrees Celsius by 2050 as outlined in the Paris Agreement. As a starting point, we migrated our on-premise data center to Amazon Web Services (AWS). AWS has committed to powering its operations with 100% renewable energy by 2025 and has shown that its infrastructure is 3.6 times more energy efficient than the median of U.S. enterprise data centers. Given that the cloud is critical to our business, we are pleased to work with a vendor that will help us reduce our Scope 3 emissions. Additionally, when we closed our San Francisco office in January, we reduced our real estate footprint in the Bay Area by over 60%. In fiscal year 2023, we will continue to explore ways to reduce our carbon footprint, including emissions from our supply chain.

As a result of doing our part to tackle climate change, we are proud to be carbon neutral as of fiscal year 2022. We partnered with Watershed, an all-in-one climate platform, to complete our first company-wide baseline carbon footprint for our Scope 1, 2, and 3 emissions for fiscal year 2022. Scope 3 represents ~93% of our total carbon footprint and tracks activities in our upstream value chain, such as business travel, cloud usage, and marketing services we purchase.

After efforts to reduce our internal footprint, we have identified high quality carbon offsets and have purchased credits against our Scope 1, 2, and 3 emissions for fiscal year 2022. We plan to refresh our carbon footprint annually and will continue to purchase high-quality offsets to mitigate the environmental impact of any remaining emissions. We look forward to providing an update on our progress in our fiscal year 2023 ESG Impact Report.

Fiscal Year 2022 Offset Projects

- **Nitrous oxide destruction:**

Zuora is purchasing N₂O destruction credits from an adipic acid plant in Cantonment, FL operated by Ascend Performance Materials, a high-performance materials company based in Houston, TX. Adipic acid is a key component of nylon 66, which is processed into fibers to make carpeting, car tires, clothing and more. Under existing operations, adipic acid production results in an exhaust that contains nitrous oxides, which are 298x as potent as CO₂. This project involves installing an additional absorption column within the plant that converts a greater percentage of nitrous oxides in the exhaust to nitric acid via high pressure water absorption, meaning a higher quantity of N₂O from the exhaust is instead destroyed.

- **Refrigerant destruction:**

Chlorofluorocarbons (CFCs) are greenhouse gasses 10,900x as potent as Carbon Dioxide (CO₂). The 1987 Montreal Protocol banned new CFC production because of their ozone depleting effects. However, the treaty allows old CFCs to continue to be used (and leaked into the atmosphere). The offsets we purchased via [Tradewater](#) fund the collection and safe destruction of these gasses through collection networks in the US. CFCs are collected from dumps & recycling facilities, and destroyed in an incinerator.

To close off, our vision is simple. We call it “The World Subscribed™.” It’s the idea that one day every company will be a part of the Subscription Economy®. The “World Subscribed” is a more sustainable world- a world where products are turned into services and designed to be reused and repurposed. We are seeing the same general dynamics behind the shift to the cloud- access over ownership and pay-as-you-go consumption happening in every industry from furniture to electronics to clothes. The Subscription Economy® is helping us move away from living in a landfill economy to a circular economy- one subscription at a time.

Building Trust: Privacy and Security

Building and maintaining trust with our customers and partners is a top priority at Zuora. In this current environment, where cyber security attacks are on the rise, we recognize the importance of protecting confidential and sensitive information. We have many data privacy efforts in place and are committed to evolving these over time as needed.

Here are some highlights of these programs:

Employee Awareness

- Zuora requires ZEOs to complete data privacy compliance training at least once a year to help raise their awareness of the importance of privacy matters and understand measures that can be taken to protect personal data.
- Our ZEOs are required to take a comprehensive security training program annually to become aware of common security threats such as phishing, malware, and weak passwords.

Privacy and Security

- Zuora and its affiliates have implemented a privacy program in accordance with the principals of global privacy laws, including GDPR, CCPA, and HIPAA.
- Zuora and its affiliates have adopted certain agreements to enable the transfer of personal data from the European Union and United Kingdom to other countries and will enter into Data Protection Agreements (including the Standard Contractual Clauses or Model Clauses) with customers upon request.

- Zuora publishes global privacy policies that are aligned with local requirements, including European and California privacy policies.
- Zuora has industry-leading compliance certifications including: PCI, HIPAA, ISO 27001, ISO 27002, ISO 27018, and SOC2 Type II.
- We follow cybersecurity industry best practices, such as CIS / NIST / PCI / ISO frameworks, which include undertaking continuous security monitoring and proactively implementing security measures to protect our systems.
- Our availability and incident notes can be found at trust.zuora.com. For more information on Zuora's approach to security and privacy please visit Zuora's Privacy Statement found at zuora.com/privacy-statement.

Continued Innovation

- Cyber-attacks are always evolving. We have a dedicated team of cybersecurity professionals who work with the goal to stay ahead of these attackers, strengthening our foundation and focusing on protecting our information systems that are used by ZEOs and our customers.
- In certain locations, we are developing capabilities to provide our customers with choices on where their data is hosted while ensuring we are addressing local and country laws.

Corporate Governance

Ethical Business Practices

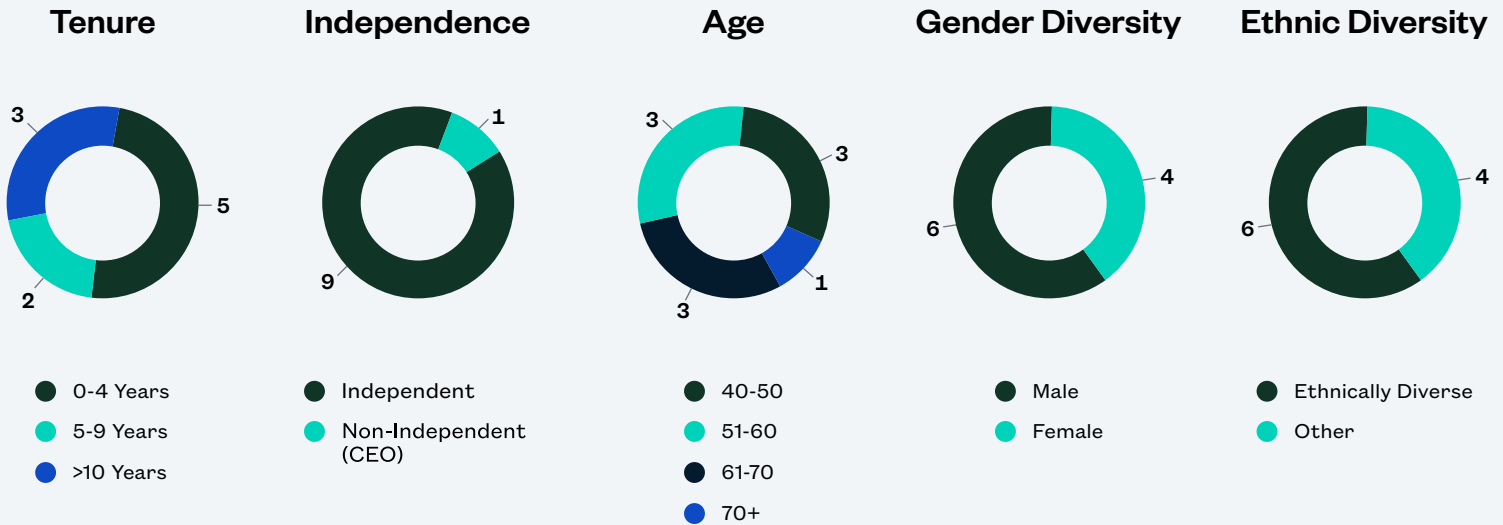
Zuora is committed to conducting its business in an ethical, legal, and socially responsible manner, which is necessary to build the trust, relationships and reputation that our business depends upon. To this end, we have adopted certain policies, including our [Global Code of Business Conduct and Ethics](#), Anti-Corruption Policy, and Whistleblower and Complaint Policy, and require ZEOs to acknowledge that they have read and understood them. ZEOs also complete periodic training courses on these topics. In addition, our [Supplier Code of Conduct](#) and [Voluntary Statement for the Prevention of Modern Slavery](#) are guideposts for our relationships with our suppliers to help promote our commitment to ethical business practices.

Board Governance

Our [Board of Directors](#) is composed of accomplished leaders who help guide us in accomplishing our goals in a responsible, ethical and accountable manner. To ensure proper oversight of management, the majority of the members of our Board consists of independent non-employee directors and each of our [Board committees](#) includes only independent non-employee directors. Our Board has adopted [Corporate Governance Guidelines](#) to assist with the effective functioning of the Board. Each of our Board committees has a charter that highlights the areas of focus for each committee:

- Our [Audit Committee](#) has oversight responsibility for 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 Audit Committee's responsibilities.

- Our [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 Compensation Committee's responsibilities.
- Our [Nominating and Corporate Governance Committee](#) has primary responsibility for overseeing 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, reviewing with our Chief Executive Officer and Lead Independent Director and providing recommendations to the Board regarding succession plans for our chief executive officer, reviewing stockholder proposals that relate to governance matters, and overseeing our programs relating to our corporate social responsibility and sustainability practices. Zuora's ESG cross-functional team works closely with Executive Management and has presented the fiscal 2023 ESG plan to the Committee to gather their feedback. [The Nominating and Governance Committee Charter](#) outlines the Committee's responsibilities.



Board Independence, Tenure & Diversity

As a matter of good governance, 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 Tzu, 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.

Our Board's balanced approach to refreshment results in an appropriate mix of newer directors and directors with experience. Half of our directors have been on our Board for less than 10 years, including three directors who have joined the Board since March 2022, and the other half of our directors have over 10 years of tenure on our Board.

In addition, the diversity of our Board is just as critical as the diversity of our workforce. Our Board members are a group of diverse and highly skilled individuals from the technology and business sectors. As of January 2022, women represent 40% of our Board of Directors, and 40% of our Board identifies as members of an underrepresented* community.

*For purpose of Board diversity under California law, an individual is deemed underrepresented if they self-identify as Black, African American, Hispanic, Latino, Asian, Pacific Islander, Native American, Native Hawaiian, Alaska Native, gay, lesbian, bisexual, and/or transgender.

Memberships & Affiliations



**CEO ACTION FOR
DIVERSITY & INCLUSION**



**PLEDGE
1%**

Forward-looking statements

The report does not cover all information about our business. References in this 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. securities laws. 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. These statements involve risks and uncertainties, and actual results may differ materially from any future results expressed or implied by the forward-looking statements. 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.

Imagery

All photographs in the report showing people without masks were taken prior to the COVID-19 pandemic or in accordance with Zuora policies and local COVID-19 protocols.

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Zuora provides the leading cloud-based subscription management platform that functions as a system of record for subscription businesses across all industries. Powering the Subscription Economy®, the Zuora platform was architected specifically for dynamic, recurring subscription business models and acts as an intelligent subscription management hub that automates and orchestrates the entire subscription order-to-revenue process across billing, collections and revenue recognition. Zuora serves more than 1,000 companies around the world, including Box, Ford, Penske Media Corporation, Schneider Electric, Siemens, Xplornet and Zoom. Headquartered in Silicon Valley, Zuora also operates offices around the world in the U.S., EMEA and APAC.

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