



Fueling Social Impact

2022 Environmental, Social, and Governance Report



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Introduction

Message From Our CEO
Our Company and Mission
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About This Report

Message From Our CEO



Mike Gianoni

*President and
Chief Executive Officer*

One of Blackbaud's company values is "powered by purpose." When we say this, we mean that that we're motivated by more than creating great software: Our employees worldwide are energized by our opportunity to fuel social impact. And we walk our talk—taking action to amplify the difference we make in the world.

This report tells the story of how we've delivered on this value across our ESG (environmental, social, governance) priorities over the past year.

As the leading software provider wholly dedicated to powering social impact, we're expanding what is possible across the nonprofit and private sectors, whether at companies committed to social responsibility, schools and higher education institutions, nonprofit organizations, or through the efforts of individual people determined to make a difference.

We're committed to strengthening the impact we make through the way we operate our business, setting high standards, and reporting with transparency on the efforts we are making in priority areas including people and culture, fueling social impact through our products and services, driving climate solutions, and internal governance and data responsibility.

I'm proud of the progress this report details. I am even more proud of our exceptional team of employees around the world, and the unmatched community of customers we serve, who deliver this impact every day.

Thank you,

A handwritten signature in blue ink that reads "Mike".

Mike Gianoni

Our Company and Mission

Blackbaud unleashes the potential of the people and organizations who change the world.

As the world's leading software company wholly dedicated to powering social impact, our essential software expands what is possible across the nonprofit and education sectors, at companies committed to social responsibility, and for individual change makers.

We accelerate the impact of today's most vital organizations and institutions with software built specifically for fundraising, online giving, nonprofit financial management, grantmaking, corporate social responsibility and education management.

Today, Blackbaud is positioned at the forefront of a massive economic and cultural shift. The demand for social impact is expanding far beyond the nonprofit and education sectors, with companies embracing purpose in an unprecedented way.

With four decades of expertise and powerful data intelligence driving insight in our software, in addition to an ever-growing network of partners and developers accelerating flexibility, our solutions fuel social impact across the globe for organizations and institutions of every size.

Fast Facts

NASDAQ: BLKB

Website: blackbaud.com

2022 GAAP Total Revenue: \$1.1 billion

Employees: 3,200

Founded: 1981

President and CEO: Mike Gianoni

Media Contact: media@blackbaud.com

Locations: Remote-first company headquartered in Charleston, SC with operations in the United States, Australia, Canada, Costa Rica and the United Kingdom.

Global HQ:

Blackbaud, Inc.
65 Fairchild St, Charleston, SC
29492



We are
**Stronger
together.**



We are
**Powered
by purpose.**



We are
**Inspired
to innovate.**



We are
**Always
aiming higher.**



Fueling Social Impact



People everywhere use our trusted tools to make a difference.

A spark of generosity lights up with secure and intuitive **digital giving**.

Ideas become movements with a **crowdfunding platform** built for impact.

Passion is contagious with **peer-to-peer fundraising** tools.



Organizations of every size rely on our essential software to fuel social impact.

- ♥ **Nonprofits** grow revenue and work more efficiently with purpose-built fundraising, marketing, financial management, and grantmaking software designed for outcomes they care about most.
- 🎓 **Education institutions** build communities and grow learning through connected campus solutions.
- 🏢 **Companies** align profit and purpose with employee giving, volunteering, grant management software, and workplace training to build a healthy and positive work culture.



Together, we're unleashing potential and delivering unprecedented impact.

We deliver impact for our customers through critical skills education on today's most crucial topics.

With our essential software accelerating their efforts, our customers can achieve their bold ambitions and build better futures across every cause and community.

About This Report

This report provides qualitative and quantitative information on our approach to managing our Environmental, Social, and Governance opportunities and risks.

The goals of this report are to:

- Enhance stakeholder awareness of priority ESG topics
- Provide transparency into our governance, strategy, and management of the risks and opportunities related to environmental, social, and corporate governance issues
- Outline our 2022 ESG performance using the non-financial metrics contributing to long-term value creation

In this report, we provide metrics and data following the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB Standards), and our first Task Force on Climate-Related Financial Disclosures (TCFD) reporting. GRI, SASB, and TCFD indexes can be found in the Metrics section of the report.

We have also included key policies, processes, and procedures in the [Key Metrics](#) section of this report as well as in the Corporate Responsibility section of our [website](#).

We did not seek third-party assurance for this report; however, we will consider doing so for future reporting. The information and data on the various ESG topics contained in this report were thoroughly vetted internally.

For financial performance, please see the Annual Report on form 10-K and our Proxy Statement in our [IR website](#).

For any other general information please visit www.blackbaud.com.





Our Commitment to ESG

Our Approach to ESG

Materiality Assessment

Priority ESG Topics

2022 Highlights

Our Approach to ESG

Our Approach

We believe that we will drive long-term, sustainable value for all stakeholders by operating all facets of our business through a world-class ESG lens. We have a robust governance model that includes our board of directors and our ESG Steering Team.

We also ensure we routinely seek feedback from our stakeholders to inform our business decisions, mitigate risks, and prioritize the strategic initiatives we support. We obtain stakeholder input through a number of different channels, as shown in the table below.

Stakeholder Input

Stakeholders	Customers	Employees	Shareholders	Community
How we engage	<p>Meetings with customer advisory boards</p> <p>Regular surveys gauging satisfaction and loyalty</p> <p>Discussions in Blackbaud Community and at events such as bbcon®</p> <p>Engagement on social media</p> <p>Outreach via phone, email, and chat</p>	<p>Annual employee engagement & pulse survey, listening, learning, and acting</p> <p>Seeking ongoing feedback and sharing real time updates in all employee company meetings, weekly global management leadership meetings, various all department team meetings.</p>	<p>Conducting quarterly earnings calls and strategy-focused investor sessions</p> <p>Participating in third-party sponsored investor conferences</p> <p>Regular, direct 1:1 engagement</p> <p>Annual shareholder meeting</p>	<p>Engagement on social media</p> <p>Collaborations with nonprofit partners</p> <p>Employee-led philanthropic efforts and community conversations</p> <p>Interacting with state/local government leaders through our Government Relations Team</p>

ESG Governance

Board of Directors

Nominating and Corporate Governance Committee

[Committee Charter](#)

ESG Steering Team

Chief Executive Officer

Chief Financial Officer

Chief People & Culture Officer

General Counsel

President & GM, Corporate Impact

EVP, Corporate Strategy and Business Development

Sr. Director, Workforce Strategy

[ESG Charter](#)

Materiality Assessment

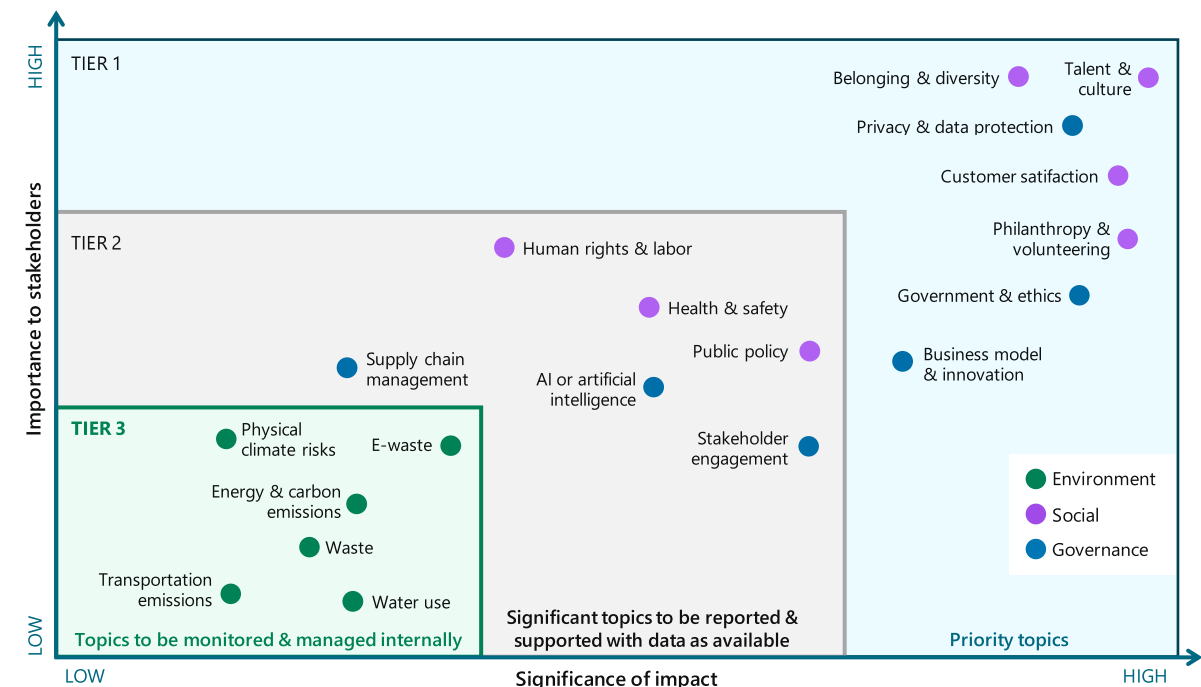
Materiality Survey

Through a formal materiality assessment completed in Q4 2021, we identified the ESG topics that are most important to our business and our stakeholders. The assessment included a survey of cross-functional, internal stakeholders across the company, delivered by an independent third party. During the survey, we asked participants to score the topics in two ways: the importance of each topic to our stakeholders and the ability and significance of Blackbaud making an impact on these topics.

We used the results of the internal materiality survey to guide our approach and process of collecting external stakeholder input to further prioritize key ESG topics for Blackbaud. Blackbaud plans to check our assessment in 2023 with another survey of cross-functional and internal stakeholders.

- We requested feedback from the investor community through a series of one-on-one conversations and Investor Relations sponsored events.
- We hired an external ESG consultant to assist in providing overall tech community priorities, particularly our peers' priorities.
- We connected with ESG rating agencies and other third-party organizations to understand current and future priorities.
- We hired an environmental consultant to better understand the global climate strategy, potential SEC and other regulatory priorities and requirements.
- We solicited feedback from customers in ongoing one-on-one conversations as well as in our annual bbcon summit.

The survey results were scored and segmented to help prioritize the topics.



ESG Priorities

The collective feedback from our internal and external stakeholders was reviewed by our ESG Steering Team where a prioritization process resulted in four key priorities for Blackbaud. Establishing these key ESG priorities allowed us to focus our attention and resources in areas that really speak to the mission of our company: powering social impact.

People and Culture is vital to our mission and includes our DE&I focus as well as our long history of philanthropy.

Fueling Social Impact isn't a traditional material topic; however, it is our mission. We enable individuals and organizations of all types to advance key ESG topics.

While **Driving Climate Solutions** ranked low in our materiality assessment, it remains a priority, especially given Blackbaud's role as a leader in the social impact space.

Governance and Data Responsibility is a critical part of our business and obligation to our customers and shareholders.



People & Culture

We believe success comes from prioritizing employees' personal and professional wellbeing and development, and it can only be realized when we embrace our diverse perspectives and experiences.

Strategic objectives

- Engagement and Wellbeing
- Talent Development
- Diversity, Equity, and Inclusion
- Philanthropy



Fueling Social Impact

Our commitment starts with how we serve customers and empower nonprofits, K-12 schools, universities, healthcare institutions, foundations, arts & cultural and faith organizations and individual change agents around the world.

Strategic objectives

- Fueling impact for:
- Individual Change Makers
 - Schools and Universities
 - Nonprofits and Charities
 - Companies



Driving Climate Solutions

We believe we have a responsibility to act in the fight against climate change. That's why Blackbaud is dedicated to proactively protecting the environment beyond our own internal sustainable business practices.

Strategic objectives

- Responsible Operations
- Decarbonization
- Strategic Partnerships
- Transparency



Governance & Data Responsibility

Our customers' trust is a top priority embedded in everything we do. We are committed to providing them the confidence that their technology and data are secure and continue to make significant investments in our security program.

Strategic objectives

- Expertise
- Process
- Talent
- Technology

2022 Highlights



People & Culture

We benefit from an engaged employee population motivated to join Blackbaud by our values and the work to support organizations and individuals driving social impact. Our culture embraces remote-first flexibility, which offers our employees opportunities to develop, grow and lead regardless of location.

We are committed to ensuring our company is a great place to work with a focus on employee engagement, development, well-being, diversity and inclusion and our long history of commitment to philanthropic work.

The awards highlighted here represent our focus on creating a thriving culture and our employees' dedication and commitment to social impact.

Philanthropy

1 in 4 participated in matching gift program

70% employees volunteered in 2022

Talent Development

100% workforce receiving performance review

13,000 courses available through LinkedIn Learning®

Diversity, Equity & Inclusion

1 in 3 employees belong to an Affinity Group

100% completed **Respect at Work** training

Selected Awards and Recognition



2022 Highlights



Fueling Social Impact

We are proud of our own accomplishments but even more proud of the accomplishments and impact made by our customers and end users in their own quest to fuel social impact.

Here are our 2022 highlights of real impact made by individual change makers, universities, schools, nonprofits, charities, and companies around the world, all through our multiple, scalable platforms.

Company-wide

\$100B+
raised, granted, or
managed through our
platforms every year

Millions
of users and
supporters in
100+ countries

Individual Change Makers

17M
donations for good
causes through
JustGiving

1M+
fundraising pages
created on
JustGiving

Schools, Universities, and Education Institutions

3.4M
students in critical
skills education
through **EVERFI**

9.5M
hours of learning
across the globe
through **EVERFI**

Nonprofits and Charities

44%
increase in total
dollars customers
raised using
BlackbaudRaiser's
Edge NXT¹

48%
growth in the number
of donations customers
received using
BlackbaudRaiser's
Edge NXT¹

Companies Committed to Social Impact

12.1M
employee volunteer
hours powered
through **YourCause**

2.4M
learners completed
EVERFI workplace
training

¹within 2-3 years of implementation

2022 Highlights



Driving Climate Solutions

We have significantly reduced our Scope 1 and 2 emissions year over year since 2019 with ongoing efficiency improvements in our HQ office.

We are excited to participate in CDP's public disclosure program and are proud of our first year B- score. Our goal is to continue to improve our score over time.

We are motivated to partner with organizations making real impact through both the purchase of offsets as well as direct investments in companies like Project Drawdown.

We are committed to further studying our Scope 3 emissions and developing an emission reduction strategy.

Responsible Operations

16%

energy reduction in
Global HQ since 2019

40%

water reduction in
Global HQ since 2019

Decarbonization

100%

carbon neutrality
for 2022 emissions

90%

reduction in global
GHG emissions
since 2019

Strategic Partnerships

Project Drawdown

Blackbaud is once again a proud, multi-year philanthropic sponsor of Project Drawdown, a nonprofit focused on solutions to climate change

Transparency

B-

Blackbaud is proud to disclose our 2022 climate data to CDP



2022 Highlights



Governance & Data Responsibility

Our customers' trust is a top priority and is embedded in everything we do.

We are committed to providing them with the confidence that their technology and data are secure and continue to make significant investments in our security program.

Expertise

- Added our **Chief Information Security Officer to the company's disclosure committee** to ensure we have the right level of visibility and expertise represented in the event of a security breach.
- Added **United Airlines Chief Information Security Officer Deneen DeFiore to our Board of Directors** to provide another level of cybersecurity oversight for the company.

Process

- **Extended our quarterly SOX 302 survey** to additional company leaders in order to more thoroughly capture attestation of controls, processes, and procedures.
- **Enhanced our incident response plan**; hardening standards and infrastructure; expanded penetration testing requirements; and enhanced our asset management and patching processes.

Talent

- We've **strengthened our internal cybersecurity team** by increasing headcount 154% since January 1, 2020, and we anticipate continued growth by nearly 40% by end of 2023.
- We have **increased the specialization** of our cybersecurity team in the areas of incident response, vulnerability management, enterprise architecture, data protection and more.

Technology

- We're ensuring our modern technology and platforms are **migrating to public cloud** environments across the board.
- We've enhanced our **cloud-based security posture** technology and on-premise encryption capabilities designed to protect against ransomware and malware.



Environmental

Climate Strategy

Decarbonization

Responsible Operations

Strategic Partnerships

Climate Strategy

We believe we have a responsibility to act in the fight against climate change—it's both the right thing to do and necessary to ensure the future stability of our business and customers. That's why Blackbaud takes proactive measures to protect the environment, both in our internal sustainable business practices and our external engagements.

Here's how we're doing our part:

LEARN MORE ABOUT OUR
[Sustainability Policy](#)



Decarbonization

- Maintain carbon neutrality by procuring carbon removal offsets for Scope 1 and select Scope 3 emissions categories, as well as Environmental Attribute Certificates (EACs) for global Scope 2 emissions
- Report to CDP Climate and align reporting with the TCFD recommendations
- Begin development of near-term and long-term Net Zero Science Based Targets (SBTs)
- Formalize measurement of material Scope 3 emissions



Responsible Operations

- Reduce energy consumption in HQ
- Reduce water consumption in HQ
- Limit business travel and employee commuting through digital-first approach
- Optimize real estate portfolio using "on-demand" solutions
- Reduce waste consumption while adhering to international e-waste guidelines
- Partner with cloud and data center providers to optimize third-party emissions



Strategic Partnerships

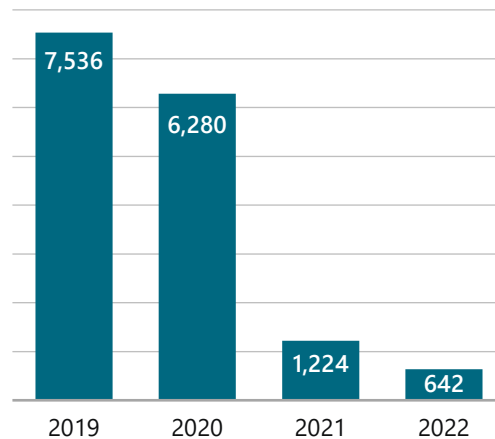
- Partner with and fund organizations making meaningful climate change impact
- Develop partnerships to facilitate employee learning and volunteering for climate solutions
- Engage and activate global employees around CSR/ESG (including volunteering)
- Continue to raise awareness of climate related challenges and issues

Decarbonization

Reducing Our Global Emissions

In 2020, we announced a new workforce strategy, allowing employees the option to work from home. As a result, we reduced our real estate footprint and adopted an “on-demand” office space program. In 2021, we formally adopted a remote-first workforce strategy allowing us to further reduce our real estate footprint. As a result of these actions, combined with the fact that we do not own our own data centers, **our Scope 1 and 2 emissions have reduced by 90% since 2019.**

Global Emissions:
Scope 1 and 2
(MTCO₂e)



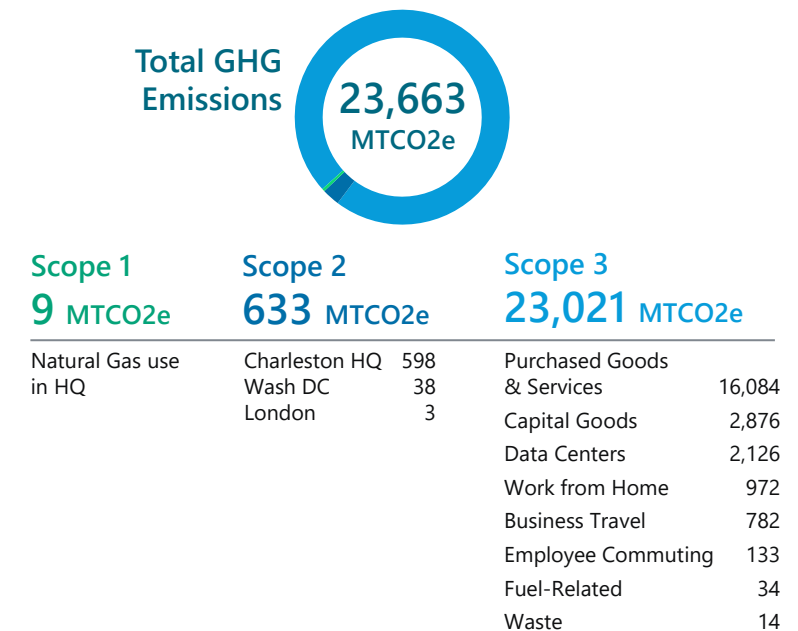
Measuring and Managing Scope 3

Our focus and attention now turns to our Scope 3 footprint and our ability to accurately measure and impact our Scope 3 emissions. This is our first attempt at quantifying our Scope 3 emissions.

With the support of an external consultant, we calculated our Scope 3 footprint in line with the Greenhouse Gas Protocol, focusing on the hybrid method for Categories 1 and 2 to incorporate as much supplier-specific emissions data as possible. Our Scope 3 inventory covers all material categories, and we will continue to refine our methodology in coming years in line with greater data availability and best practices. We are now actively working towards a strategy to reduce our Scope 3 emissions across categories.

Scope 1, 2, and 3 Emissions: 2022

The following is a breakdown of our Scope 1, 2 and 3 emissions for calendar year 2022. As shown, **Scope 3 emissions account for 97% of our total emissions footprint.**



Decarbonization

Carbon Neutrality

As in 2021, in 2022 we achieved carbon neutrality across our business operations through a combination of on-site solar, Environmental Attribute Certificates (EACs) and reforestation carbon offset projects.

Investing in credits and offsets is not the long-term solution. Ultimately, our goal is to shift from energy sources derived from hydrocarbons to 100% renewable sources. In the near term, however, we value investing in renewable and reforestation projects—not for the sole purpose of claiming “carbon neutral” but to help fuel projects, organizations, and initiatives that are making real impact.

We achieved carbon neutrality in 2022 through the purchase of 2,229 EAC's, covering our Scope 2 emissions, and 4,036 carbon offsets, covering our Scope 1 and the following Scope 3 categories: Data Center, Waste, Business Travel, Work from Home, and Employee Commuting. We will continue to reevaluate offset options each year to ensure we are making a real and significant impact.

2022 Carbon Offset Investments

We are proud to announce that in 2022 we invested in the following reforestation carbon offset projects:

[Bukaleba Forest Project - Jinja, Uganda](#)

[GreenTrees ACRE - Mississippi, USA](#)

2023 and a Path to Net Zero

Looking ahead, we plan to continue our climate progress and journey to Net Zero aligned with the Science Based Targets Initiative (SBTi). While we are not yet ready to finalize our timing for Net Zero, we will continue expanding our Scope 3 emissions reporting and developing a global decarbonization strategy.

Ongoing Commitments

- Refine our measurement of Scope 1, 2, and 3 emissions
- Continue to report to CDP Climate
- Continue our efforts to reduce Scope 1 & 2 emissions
- Develop near-term and long-term Net Zero Science Based Targets
- Advocate for environmentally friendly practices with landlords
- Work with Public Cloud and Data Center providers to collect and analyze data around energy, waste, and water
- Responsibly dispose of our own electronic waste
- Collaborate with our suppliers and vendors to enhance climate goals and initiatives.



Blackbaud is proud to disclose our 2022 climate data to CDP and receive **B- minus** score

Responsible Operations

Reducing Our Global Footprint

Here's how we're doing our part:

- Reducing energy and water in HQ
- Limiting business travel and employee commuting via digital-first approach
- Optimizing real estate portfolio using "on-demand" solutions
- Reducing waste consumption and adhere to international e-waste guidelines

Building Sustainability Into Our Global HQ



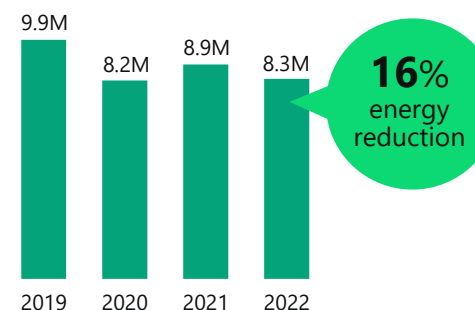
Solar panel farm at LEED Gold HQ in Charleston, SC

Our LEED Gold HQ in Charleston serves as our primary physical location and is equipped with on-site solar panels, LED lighting and optimized HVAC solutions. Well-designed with superior efficiency, our teams have achieved a 16% reduction in total energy consumption since 2019.

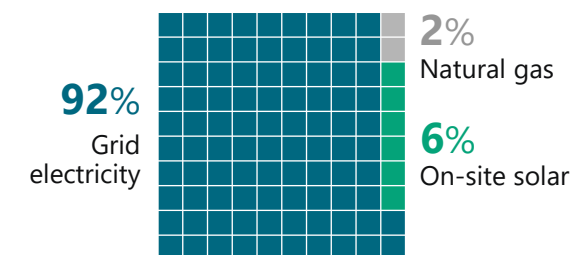
Our HQ building is the only location where we have direct control of water consumption. We have implemented low-flow fixtures, native landscaping and optimized cooling tower controls to achieve 40% water reductions since 2019.

Global HQ: Energy Reductions

HQ Energy Consumption (kBtu)

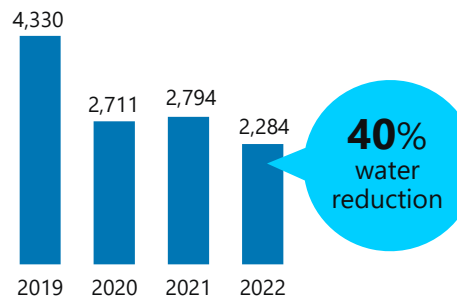


Energy Use by Source

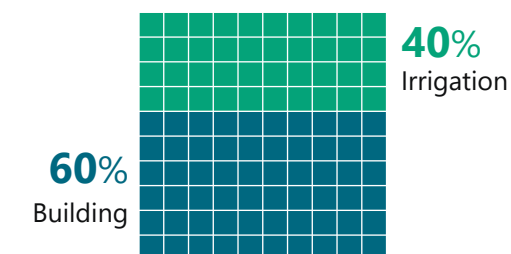


Global HQ: Water Reductions

HQ Water Consumption (kG US)



Water Use by Source



Strategic Partnerships

Project Drawdown

Blackbaud is a proud philanthropic sponsor of Project Drawdown, a nonprofit focused on solutions to climate change. In addition to supporting their efforts to identify research-based climate solutions, we support their Drawdown Stories initiative, showcasing various people in climate careers that are making an impact.

The guiding principle of Drawdown Stories is *Climate Solutions in Color*. Through *Climate Solutions in Color*, they work to “pass the mic” to the climate heroes who often go unheard. Often the most vulnerable to the impacts of climate change and the climate crisis are not represented in climate conversations.

Employee Engagement

Engaging our employees in this work is important to us. In 2022, we partnered with Project Drawdown and employees in the Sustainability Affinity Group to hold a series of movie screenings and educational sessions for employees to learn about climate change and how they can help achieve drawdown—the point in the future when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline.

Project Drawdown’s Impact:

Below are some highlights from Project Drawdown’s 2022 impact report summarizing the areas of impact supported by Blackbaud’s commitment.

- In November 2022, Project Drawdown announced **Project Drawdown’s new world-class science team**. This in-house team will deepen their climate science, develop new partnerships with academic institutions across the country, expand reach through writing and speaking opportunities, and allow better support to leaders taking climate action.
- This year Project Drawdown greatly advanced work to engage with leaders who can rapidly scale climate solutions, including business leaders, philanthropists, investors and the international development community. Drawdown Labs, Project Drawdown’s private-sector testing ground for scaling climate solutions, works with businesses to implement a **drawdown-aligned framework** and engage employees in climate action.
- On the employee engagement side, Project Drawdown launched an inaugural series with GreenBiz, telling stories of how employees are taking action in the workplace.
- In May 2022, Project Drawdown became the first editorial collaborator for the award-winning show “Overheard at National Geographic.” **The Greening of Pittsburgh** premiered on May 10, 2022, connecting the podcast’s audience with stories from Drawdown’s Neighborhood, reaching more than 27 million on social media with promotion of the episode.



Social

People and Culture at Blackbaud

Employee Engagement

Talent Development

Employee Wellbeing

Philanthropy

Diversity, Equity, and Inclusion

Fueling Social Impact

Individual Changemakers

Schools and Universities

Nonprofits and Charities

Companies Committed to
Social Responsibility

People and Culture

Overview

We benefit from an engaged employee population motivated to join Blackbaud by our values and the work to support organizations and individuals driving social impact. Our culture is one that embraces remote-first flexibility, which offers our employees opportunities to develop, grow and lead regardless of location.

We are committed to ensuring our company is a great place to work with a focus on **employee engagement, talent development, employee well-being, our long history of commitment to philanthropic work, and diversity, equity and inclusion.**



Employee Engagement

- Global on-boarding program
- Annual engagement survey
- Pulse surveys
- Quarterly all-hands meetings



Talent Development

- Regular performance reviews
- Evaluations based on company goals and objectives.
- Workforce career or skills-related training



Employee Wellbeing

- Continuous training
- Quarterly and virtual education offerings
- Volunteer for vacation policy



Philanthropy

- Giving
- Board service
- Volunteerism
- Grantmaking



Diversity, Equity, & Inclusion

- Training and Awareness
- Affinity Groups
- Community Investment and Partnerships
- Recruiting a Diverse Team
- Supplier Diversity

Employee Engagement

Listening to Our People

Our vision is to create a culture that thrives and delivers an engaged, inclusive employee experiences to all. To do this, we feel it is critical to request feedback and hear from our employees. We do this by:

- Conducting an annual employee engagement survey and integrating that feedback into company goals and initiatives.
- Conducting pulse surveys that allow us to focus on key issues or relevant topics.
- Assess engagement on the team and company level through "Ask Anything" sessions with senior leaders and dedicated Q&A sessions in our company-wide All Hands meetings.

Our purpose attracts and retains talented, diverse, and competitive applicants. Approximately 90% of employees say the fact that Blackbaud operates in a socially responsible manner is important to them.

This differentiator not only builds stronger employee engagement, but also helps us provide a higher level of service to our customers. **Almost 70% of employees reported that they continued to volunteer during the pandemic**, despite its unique challenges, and one in seven serve on a nonprofit board or committee—direct experience that enables them to better serve our customer base.

Survey Data

90%

participation
in annual Employee
Engagement Survey
April 2022

91%

of employees
feel the work they
do at Blackbaud is
important



Talent Development

Our Approach

Our talent development approach at Blackbaud spans the full lifecycle of employees, beginning from the moment an employee accepts a position to and spanning to employee alumni. We ensure that all employees have opportunities to support their career development through a variety of programs, and we prioritize internal mobility. Blackbaud's continued growth has provided new opportunities for employees' career paths, with teams led by managers who care and empower their people to innovate and take on new projects.

Investing in Training and Development

We value the skills, depth of knowledge, and individuality that each employee brings to help our customers build a better world. We strive for continual learning and development, pathways for internal mobility and training.

Every manager at Blackbaud is required to complete a multi-course "Engagement Labs" program designed to equip them with the practical coaching skills and tools to ensure their teams are highly engaged and energized. We also enable employees to have opportunities for career development through on-demand and company-led trainings in our internal DevelopU learning platform as well as access to 13,000 training courses through LinkedIn Learning®.

Performance Development

Our Performance Development approach is built to provide all employees the opportunity to further develop their career. We provide career frameworks for managers and individual contributors, so they have transparency into the skills needed for each role level.

We assess and measure progress on engagement and growth opportunities at the individual level through quarterly check-ins, which focus on impact and learnings, and a global career framework that guides employee progression on both management and individual contributor career paths.

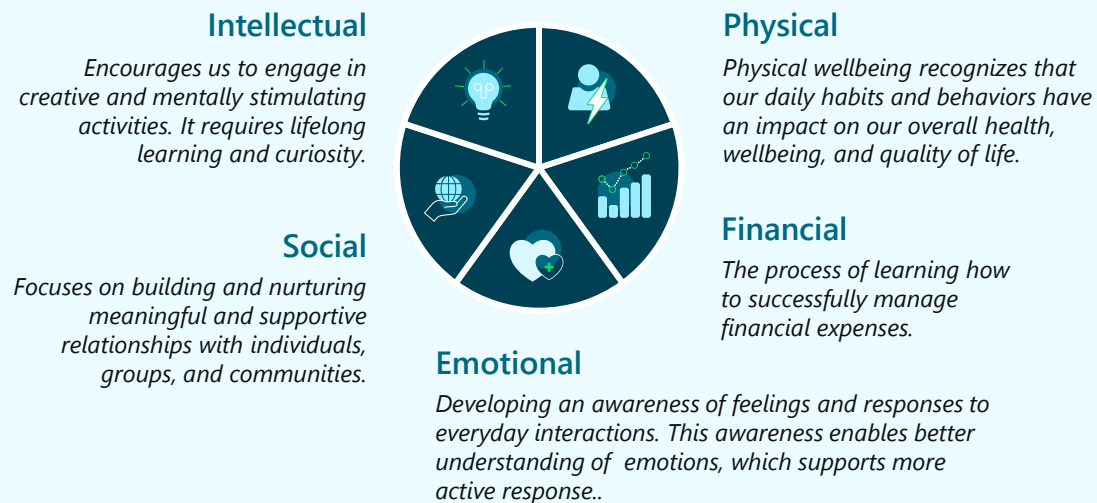
100%

total workforce receiving
regular performance review

Employee Wellbeing

Our Total Wellness Approach

We care about our people as individuals. We subscribe to a total rewards philosophy with a focus on overall well-being and pay-for-performance. We place significant importance on providing well-being benefits that support the **emotional, social, intellectual, physical and financial well-being** of employees and their families to enable them to thrive as they help our customers drive impact.



Training and Awareness

Employees can attend live webinars or use the self-paced learning resources through our Global Wellbeing Support Center for all pillars of wellbeing. As an example, we offer Financial Wellbeing Offerings through quarterly financial fitness weeks and live sessions.

Employee Feedback and Communication

Employee feedback is received through various avenues including, but not limited to our Engagement Survey, direct feedback, and Employee Affinity Groups. This feedback helps inform our overall program.

Here are additions and adjustments made based on employee feedback:

More inclusive benefits added:

- Addition of Wellbeing Days
- Gender affirmation and infertility care included to our medical benefits

More inclusive policies:

- Addition of 'loss of child during pregnancy' to our bereavement policy
- Adjusting policies to ensure that we are not being gender-specific

Our goal is to ensure employees have a voice and know that we value their input.

Philanthropy

Social Responsibility is in Our DNA

For over 40 years, we've fully dedicated ourselves to expanding what's possible for purpose-driven organizations, so giving back to the social impact sector and our communities is just part of our DNA. This focus is why the world's largest network of causes, organizations, and donors depend on us; in fact, nearly 150,000 organizations across the globe receive funds thanks to a Blackbaud solution.

Through our **giving, serving, grantmaking and community outreach**, we support causes that are meaningful to our employees and to Blackbaud. Approximately 90% of employees say the fact that Blackbaud operates in a socially responsible manner is important to them.

We offer an array of philanthropy programs aimed at engaging our employees, including matching gifts; competitive grants that honor noteworthy examples of volunteerism; employee-led grant committees; skills-based volunteerism initiatives; as well as science, technology, engineering, and mathematics focused community programs.

Our Focus



Giving

1 in 4

employees participated
in matching gift
program

5,297

toys donated over
the holidays



Serving

1 in 7

employees served on
nonprofit boards

70%

employees
volunteered in 2022



Grantmaking

145

grants given
to charities

80

cities impacted
worldwide



Community

540

devices donated to
nonprofits

100

team community
volunteer events

Philanthropy

UN Global Impact

In 2021, we took the next step in our ESG journey by joining the United Nations Global Compact and signing on to its 10 principles that outline the fundamental responsibilities of business for human rights, labor, environment, and anti-corruption.

We also track our impact on the U.N. Sustainable Development Goals. Although we see all the goals as important and interconnected, we align our philanthropic giving to the needs of our communities and employee priorities. We have an ongoing focus on SDG 17, Partnerships for the Goals, through our commitment to share research and resources, participation in cross-sector collaboration, and fueling unprecedented social impact through our purpose-built technology.



SDGs: Our Philanthropic Alignment



Partnership for the Goals

We are committed to cross collaboration and sharing resources



Peace, Justice, and Strong Institutions

Promoting peaceful and inclusive societies



Reduced Inequalities

Reducing inequality within and among countries



Good Health and Wellbeing

Promoting wellbeing for all at all ages

Philanthropy

Grounded in Community

Our commitment to fueling impact doesn't stop with our customers. We provide free resources and engage in cross-sector initiatives that help strengthen the entire social impact community, including:

- Providing cutting-edge philanthropic research from the Blackbaud Institute
- Sharing high-impact best practices and insights on the ENGAGE blog and podcast
- Supporting The Giving Institute and Giving USA in the longest running and most comprehensive report of philanthropic performance
- Recruiting early-stage startups focused on solving problems that matter to the social impact community into our Social Good Startup Program twice a year, with an emphasis on working with founders from historically underrepresented groups



Diversity, Equity, and Inclusion

Our Commitment

We are committed to integrating diversity, equity, and inclusion (DE&I) strategies throughout the company. We do this by empowering our employees to be their authentic selves, thereby fostering a sense of belonging and community across our employees, customers, partners, and others in the social impact community.

We've implemented practices to attract, develop, and retain a diverse, high-performing employee base, supported by our digital-first workforce strategy. We know that creating an environment of belonging for our employees to do their best work is essential. That's why we work to create an inclusive workplace with a focus on helping employees feel valued and empowered to succeed.

DE&I Council

In 2021, we created an employee led DE&I Council designed to oversee initiatives consistent with our mission, values and DE&I strategic plans. The council is co-chaired by our CEO Mike Gianoni.

This new leadership focus has amplified and accelerated the significant initiatives already in place at Blackbaud, including ongoing workshops on creating an inclusive culture; respect in the workplace training for all employees, with enhanced training for managers; and affinity groups.

Our DE&I Initiatives

- Training and Awareness
- Affinity Groups
- Community Investment and Partnerships
- Recruiting a Diverse Team
- Supplier Diversity

Diversity, Equity, and Inclusion

Training and Awareness

We are fostering diversity, equity, and inclusion by looking introspectively and ensuring our teams and leaders are trained and aware of the many facets involved in creating an inclusive workplace. Our training is designed to ensure employees learn new habits and behaviors to reduce bias and consciously practice inclusion.

We have taken actions to integrate our inclusion expectations into our policies, performance management systems, leadership expectations, and employee surveys. Our Code of Conduct and Human Rights Policy outline our commitment to nondiscrimination and to provide a workplace free of harassment. We require all employees to complete Respect at Work training.

Key Initiatives

- Offer global onboarding program for all new employees
- Conduct pulse checks on employee sentiment on key DE&I focus areas
- Provide on-demand diversity & inclusion training

100%

employees completed
Respect at Work
training



Diversity, Equity, and Inclusion

Affinity Groups

We believe that Affinity Groups (AGs) provide enriching personal and professional networks for Blackbaud employees with common affinities and engage leadership in dialogue aimed at enhancing the customer and employee experiences.

We develop and support groups that enhance the company's value proposition to customers, as well as current and future employees.

1 in 3

employees belong to
an Affinity Group

Employee Led Affinity Groups:

Women in Sales & Tech

Aims to foster the personal and professional development of women.

PRIDE

Provides an inclusive space for personal and professional networking for LGBTQ employees.

BLEND

Focusses on mentoring, social wellbeing, and community service. Led by a team of African-American employees and allies.

HOLA

Advocates for awareness and inclusion of Hispanic culture.

Limitless

Empowers employees impacted personally by conditions such as hearing loss, visual impairments, mobility challenges, and chronic illness.

AANHPI

Focuses on furthering the inclusion of Asian American, Native Hawaiian, and Pacific Islander employees.

VETS

Helps military veterans feel supported and connected at work.

Working Families

Fosters an environment that is welcoming, accepting, and supportive of parents.

Early in Careers

Connects employees within first 6 years of employment looking to network with young professionals.

MENASA

Advocates for the specific needs for those that identify as Middle Eastern, North African, and South Asian

Social Impact Champions

Unites and empowers individuals who are interested in nonprofit board service, diversity and inclusion, and other social good initiatives.

Sustainability

Focuses on increasing employee awareness about how to lead a more sustainable life.

Diversity, Equity, and Inclusion

Community Investments and Partnerships

We are committed to strategic partnerships and philanthropic investments that strengthen and diversify the global workforce in terms of representation, ascension, and who the decision makers are.

We are very proud to provide a multi-year gift to five amazing organizations focused on workforce diversity and economic empowerment for underrepresented groups in the countries where we have operations. Our employees will engage with these organizations throughout the partnership via learning and service opportunities.

See press release [here](#) for further information.

This annual gift follows Blackbaud's donations in previous years to [Big Brothers Big Sisters](#), supporting college and career readiness for high-potential youth, as well as [Project Drawdown](#), supporting climate solutions, advocacy and climate justice.

About the Organizations

Action for Race Equality

Action for Race Equality (ARE) is a national charity in the U.K. whose mission is to end racial inequality.

Braven

Braven is a U.S. nonprofit organization that is helping college students on a path to economic mobility.

Indspire

Indspire is an Indigenous national charity in Canada that invests in the education of First Nations, Inuit and Metis people for the long-term benefit of these individuals, their families and communities, and the country.

Omar Dengo Foundation

The Omar Dengo Foundation contributes to improving the quality and equity of learning opportunities, and its programs and projects have benefited hundreds of thousands of Costa Ricans and Latin Americans.

The Ladder Project Foundation

Ladder is a leader in youth mentoring and development, delivering specialist programs and vital opportunities to young people in need in communities across Australia.

Diversity, Equity, and Inclusion

Recruiting a Diverse Team

Hiring Initiatives

Our approach to hiring focuses on enhancing diversity and inclusion throughout the talent pipeline. We have taken a number of steps to broaden our pipeline and engage in inclusive recruiting and hiring strategies that include:

- Diverse candidate slates
- Structured hiring
- Gender decoder tools to remove bias in job postings

Key Partnerships

Hiring people from all backgrounds is critically important as diverse skillset and perspectives help enhance and grow our business. We have developed key partnerships to help us identify diverse talent including:

- Historically Black Colleges and Universities
- Hispanic-serving institutions
- Prospanica, Pride at Work, National Black MBA Association
- Women in Tech

Equitable Pay

We believe in enhanced transparency regarding pay equity. In 2022, we conducted a global median analysis against market. As a result of this assessment, we identified employees who needed to be further reviewed for potential pay adjustment. These adjustments were made to bring these employees to internal parity and external market.

Diversity, Equity, and Inclusion

Supplier Diversity

Building innovative software to help power some of the world's largest social impact organizations is dependent upon the experiences, perspectives, and skills of people from all different backgrounds. With that in mind, we are pleased to share that in 2022, we rolled out our Supplier Diversity Program giving us the ability to categorize suppliers for data collection with focus on the following classifications:

Women
Owned

Minority
Owned

Disabled
Owned

Veteran
Owned

LGBTQ+
Owned

To achieve our supplier diversity goals, our Global Procurement Office is refreshing our policy, processes, and systems, and establishing new metrics. These actions will allow us to accelerate and increase our spend with qualified diverse vendors and small business-owned enterprises.

Our plan is to mature this program and being a position to produce metrics in future reports.





Fueling Social Impact



People everywhere use our trusted tools to make a difference.

A spark of generosity lights up with secure and intuitive **digital giving**.

Ideas become movements with a **crowdfunding platform** built for impact.

Passion is contagious with **peer-to-peer fundraising** tools.



Organizations of every size rely on our essential software to fuel social impact.

- ♥ **Nonprofits** grow revenue and work more efficiently with purpose-built fundraising, marketing, financial management, and grantmaking software designed for outcomes they care about most.
- 🎓 **Education institutions** build communities and grow learning through connected campus solutions.
- 🏢 **Companies** align profit and purpose with employee giving, volunteering, grant management software, and workplace training to build a healthy and positive work culture.



Together, we're unleashing potential and delivering unprecedented impact.

We deliver impact for our customers through critical skills education on today's most crucial topics.

With our essential software accelerating their efforts, our customers can achieve their bold ambitions and build better futures across every cause and community.

Fueling Social Impact

Individual Change-Makers

Bringing Ideas to Life

Blackbaud software is the global infrastructure that transforms individual generosity and passion into scaled impact. We empower individual change makers with the trusted tools they need to create the world they want to see.

Easy-to-use **digital giving** tools make generosity simple

Trusted **peer-to-peer fundraising** tools help anyone transform their own passion into a powerful campaign

Our **crowdfunding** platforms help rally communities to care

2022 Product Spotlight

JustGiving® from Blackbaud

JustGiving is the world's most trusted platform for online giving. We give hope, inspire action, and help people raise money for what matters. We are the leader in igniting individual changemakers and charitable organizations to make a difference.

In 2000, justgiving.com began with one simple goal: to enable charities to receive donations online from anywhere in the world. Fast forward 22 years, and nearly \$6 billion has been raised for good causes in almost every single country in the world through JustGiving.

17M

donations for good causes through JustGiving

20,500

NPOs maximizing their impact through donations

1M+

fundraising pages created on JustGiving

Fueling Social Impact

Nonprofits and Charities

Social Impact is Serious Business

There's a reason today's most vital organizations trust Blackbaud. With powerful data intelligence and expertise inside, and an ever-growing network of partners and developers outside, our software is essential for impact.

The market's most trusted **fundraising software and data intelligence** helps organizations raise more revenue to support their missions.

Purpose-built **nonprofit financial management** software drives efficiency and builds stakeholder trust.

Grantmaking software fuels impact, connecting grantees and grantors with unmatched effectiveness.

Product Spotlight

Blackbaud Raiser's Edge NXT®

Blackbaud Raiser's Edge NXT was built specifically for fundraisers, and it is proven to increase the number of donors, number of gifts, and total dollars raised for organizations who adopt it.

Because we understand the unique challenges and expectations of purpose-driven work, we build our solutions specifically to deliver on outcomes that matter most to our customers. With the right tools and expertise built in, insights become actionable, decisions speed up, and ambitions become real.

44%

increase in total
dollars raised

15%

increase in
average gift size

35%

growth in number
of donors

10%

increase in
retained donors

48%

growth in the number
of donations

14%

increase in gifts
more than \$10K

Fueling Social Impact

Education Institutions

Empowering Through Education

Education is a powerful vehicle for social impact. Schools and universities are accelerating their impact with Blackbaud's essential solutions.

Secure and grow revenue to provide education with **fundraising, tuition, and scholarship management** software

Provide an exceptional student and parent experience with K-12 and higher ed **education management** software

Meet social impact goals by providing K-12 schools with access to transformative education through **EVERFI® from Blackbaud**. These digital courses deliver impact to millions of K-12 students on topics including financial education, mental wellness, sustainability, prescription drug safety, college and career readiness, and early literacy.

Product Spotlight

EVERFI® from Blackbaud

Forward-leaning organizations depend on EVERFI to develop and deliver education solutions for today's key issues; bringing real-world learning into the classroom and equipping students with the skills they need for success.

We are committed to helping organizations drive impact in their communities, empowering individuals with the education necessary for lifelong success. During the 2021-22 school year, 60,000+ teachers used EVERFI's award-winning interactive, game-based lessons.

Learn more about our platform and programs [here](#).

3.4M

students participated in critical skills education

23,000

K-12 schools active

9.5M

hours of learning across the globe

97%

of teachers rate EVERFI's course content as "good" or "very good"

98%

of teachers plan on using an EVERFI course again next year

97%

of teachers are "satisfied" or "very satisfied" with their EVERFI experience

Fueling Social Impact

Companies Committed to Social Responsibility

Employee Engagement with Purpose

Top socially responsible companies partner with Blackbaud to manage their employee giving, volunteering, and grants programs.

We help motivate and **enable employees to volunteer** in their community and maximize their impact potential

We give **employees the tools they need to give back** including disaster relief, seasonal campaigns, year-round giving, matching gifts, and peer-to-peer fundraising.

Our **grants management software** makes it easy to get started and support multiple complex programs.

Product Spotlight



YourCause is a software platform that powers connections between companies, employees, and causes. Our platform flexibility meets the needs of companies of all sizes—from Fortune 500 to small businesses—driving engagement and facilitating impact.

Companies can manage one-off volunteer events, global volunteer campaigns or custom skills-based volunteer projects all with one platform. Customers save time and leverage our charity vetting and global payment distribution services with access to the largest database of nonprofits.

Learn more about our platform and programs [here](#).

8.5M

employees in
the system

12.1M

total volunteer
hours recorded

\$1.2B

from donations
and grants

“

We love working with YourCause! From the initial information gathering phone call to today, we could not be happier with our YourCause experience. We receive top-notch customer service, appreciate the constant communication with our account manager, and are so thankful for the value-add provided by the platform. I also admire YourCause for its constant innovation, visionary thinking and overarching desire to make this world a better place.”

PIMCO

Fueling Social Impact

Companies Committed to Social Responsibility

Workplace Training

We help customers pursue their own ESG initiatives by providing critical education to empower employees to build a better workplace culture.

Build a **sense of belonging** in your workplace through skill building training

Teach your workforce how to **prevent harassment and discrimination**

Give your workforce skills to work effectively by improving **inclusion, data security, and culture.**

Promote your values and teach employees to make the right choices when ethical issues arise.

Product Spotlight

EVERFI® from Blackbaud

We offer a wide selection of compliance and prevention courses to help organizations meet their training objectives, but more importantly to create engaged, educated and empowered employees.

Our training packages include:

- Diversity, Equity, and Inclusion
- Harassment and Inclusion
- HR and People
- Global Ethics and Compliance

Learn more about our platform and programs [here](#).

98%

learners are motivated to promote a positive workplace culture

89%

learners feel better equipped to report harassment and discrimination

95%

learners are confident in their ability to intervene if they witness harassment

1,200

companies using the courses to further workplace culture and compliance

2.4M

learners completed critical workplace training across all courses

1.7M

total hours of learning completed across the globe



Governance

Corporate Governance

ESG Oversight

Ethics and Transparency

Human Rights

Responsible Sourcing

Health and Safety

Data Privacy and Security

Risk Management

Corporate Governance

Corporate Governance Guidelines

Blackbaud's Board of Directors has adopted formal [Corporate Governance Guidelines](#) to enhance our effectiveness, uphold the Board's independence and authority, and to align the interests of directors and management with those of our stockholders and other stakeholders.

Our Board of Directors oversees the company's governance programs, processes, and commitment, while our executive leadership team is charged with implementation, management, and daily oversight.

We demonstrate our ongoing commitment to operating our business with integrity through corporate governance guidelines, Board committee charters, codes of conduct for employees and partners, and a safe, efficient ethics complaint process.

Supporting Policies

[2023 Proxy Statement](#)

[2022 Annual Report on Form 10-K](#)

[Corporate Governance Guidelines](#)

[Code of Business Conduct and Ethics](#)

[Code of Ethics for CEO and Senior Financial Officers](#)

[Code of Business Conduct and Ethics for Suppliers and Business Partners](#)

[Charter of Nominating and Corporate Governance Committee](#)

[Charter of the Audit Committee](#)

[Charter of the Risk Oversight Committee](#)

[Charter of the Compensation Committee](#)

[Sustainability Policy](#)

[ESG Steering Team Charter](#)

Corporate Governance

Board of Directors

In addition to implementing a tenure limit for independent directors, we added United Airlines Chief Information Security Officer Deneen DeFiore to our board to provide another level of cybersecurity oversight for the company. We also welcomed two additional new board members – Yogesh Gupta and Rupal Hollenbeck.

See our 2022 Proxy for more information on our board members and our committees.



Andrew Leitch
Chairman of the Board



Mike Gianoni
Director



George Ellis
Director



Sarah Nash
Director



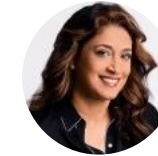
D. Roger Nanney
Director



Deneen DeFiore
Director



Yogesh Gupta
Director



Rupal Hollenbeck
Director

Leadership

Chairman: Andrew M. Leitch

Compensation Chair: Sarah Nash

Audit Chair: George H. Ellis

Risk Oversight Chair: Andrew M. Leitch

Nominating & Governance Chair:
Andrew M. Leitch

Committees

Audit Committee

Compensation Committee

Nominating and Governance Committee

Risk Oversight Committee

8

Total members

7

Independent
members

50%

Female or
Minority

9-year

Tenure limit for
independent directors

Tenure

<3 years	50%
3-7 years	--
7-10 years	13%
10+ years	38%

Age

<56	25%
56-65	38%
66-80	38%

ESG Oversight

Our Model

We have developed a robust governance model and team structure to guide and provide oversight of our ESG initiatives.

Board of Director Oversight

The Nominating & Corporate Governance Committee for Blackbaud's board of directors assists the Board and management in overseeing the company's corporate responsibility and ESG matters, including evaluating the integration of ESG principles into business strategy and decision-making, as well as reviewing reports published by the company on ESG matters.

ESG Steering Team

Blackbaud's ESG Steering Team is chaired by the Sr. Director Workplace Strategy and comprised of designated members from the Executive Leadership Team, as well as other senior leaders. The Team engages with stakeholders, including employee Affinity Groups, to determine ESG priorities and is responsible for ensuring that they are adopted throughout the company. The Team is accountable to the **ESG Executive Sponsor, Blackbaud's CEO.**

ESG governance

Board of Directors

Nominating and Corporate Governance Committee

[Committee Charter](#)

ESG Steering Team

Chief Executive Officer

Chief Financial Officer

Chief People & Culture Officer

General Counsel

President & GM, Corporate Impact

EVP, Corporate Strategy and Business Development

Sr. Director, Workforce Strategy

[ESG Charter](#)

Ethics and Transparency

Codes of Conduct

We require employees to comply with our Code of Business Conduct and Ethics. Our CEO and certain other executive leaders additionally adhere to our Code of Ethics for CEO and Senior Financial Officers, and we expect those we do business with to act ethically and abide by our Code of Business Conduct and Ethics for Suppliers and Business Partners.

Code of Conduct - Employees

Blackbaud's Code of Business Conduct and Ethics sets out basic principles to guide all directors, officers, and employees, as well as its subsidiaries. Every Blackbaud employee must complete annual training on the Code of Business Conduct and Ethics, including the company's human rights and anti-corruption/bribery policies, which consists of reading, understanding, and affirming compliance.

Code of Conduct – CEO and Senior Financial Officers

Blackbaud operates under an additional Code of Ethics, adopted by the Board of Directors, for Blackbaud's CEO and senior financial officers, including our Chief Financial Officer (CFO), who is our principal accounting officer, our Chief Accounting Officer, or persons performing similar functions.

Code of Conduct – Suppliers and Business Partners

We also expect those we do business with to act ethically and abide by our Code of Business Conduct and Ethics for Suppliers and Business Partners.



Key Components of the Code of Conduct

Whistleblower Claims Process: Provides remedies and mechanisms for all employees to report violations or unethical behavior, including a toll-free ethics hotline.

Associations and Collective Bargaining: Ensures employees can associate freely, form and join organizations, and collectively bargain.

Human Rights Commitment: Formally states Blackbaud's support for the human rights principles contained in the United Nations Universal Declaration of Human Rights, Global Compact and Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Anti-Corruption and Bribery Compliance: Ensures that, under no circumstances, will the Company allow our Board members, officers, employees, or any third party acting on our behalf, to give or receive bribes or kickbacks in order to influence a business outcome or obtain favorable treatment.

POLICY LINKS

[Code of Business Conduct and Ethics](#)

[Code of Ethics for CEO and Senior Financial Officers](#)

[Code of Business Conduct and Ethics for Suppliers and Business Partners](#)

Human Rights

Our Commitment

Blackbaud is committed to human rights and taking opportunities to promote and uphold our responsibilities to respect human rights across our business. We seek to uphold the highest ethical standards and to engage in practices that enhance the welfare, safety, and wellbeing of our workforce, business partners, and wider communities.

We do not tolerate human rights violations, and our Code of Business Conduct and Ethics sets forth several channels for the reporting of suspected violations without fear of retaliation.

We are committed to maintaining a work environment free of violence, threats of violence, abuse, or hostility while keeping our workplaces and facilities sanitary and free from hazards by following safety, environmental, and health rules and practices. We respect the legal rights of our workforce to associate freely, form and join workers organizations, and collectively bargain where permitted by law.

Key Practices

Support the human rights principles contained in the [United Nations Universal Declaration of Human Rights](#), [UN Global Compact](#), [Guiding Principles on Business and Human Rights](#), and the [International Labor Organization's Declaration on Fundamental Principles and Rights at Work](#), and continually develop and review our business practices to uphold our commitment to human rights.

Abide by the U.K. Modern Slavery Act of 2015 and the California Transparency in Supply Chains Act of 2010.

Expect all suppliers and business partners to abide by all laws and regulations of the cities, states, countries, and other jurisdictions in which we operate.

[LEARN MORE](#)

[Human Rights policy](#)

Responsible Sourcing

Our Commitment

Blackbaud is strongly committed to business ethics and integrity, responsible sourcing, and the safety and wellbeing of workers across all of its supplier relationships, including our vendors and service providers and their respective employees and agents.

We are an equal opportunity employer, and our suppliers and business partners also may not discriminate in employment opportunities or practices on the basis of age, sex, race, color, national origin, religion or belief, disability, genetic information, marital or civil partnership status, sexual orientation, gender identity, gender reassignment, gender expression, citizenship, pregnancy or maternity, veteran status, or any other status protected by national, federal, state or local law.

All suppliers and business partners must respect and obey the laws and regulations of the cities, states, countries, and other jurisdictions in which we operate, and shall not support or engage in slavery,

indentured labor, child labor, or human trafficking in any part of their supply chains. Should we develop knowledge of any unethical or illegal behavior by one of our suppliers or business partners, we will take steps to ensure that the situation is corrected. If the supplier or business partner is unable or unwilling to make the appropriate corrections, we will use our discretion to take disciplinary action, including terminating the business relationship with the supplier or business partner.

We also recognize that there is an opportunity to increase our commitment to sustainability through collaboration with our external stakeholders, and we welcome the opportunity to share ideas on how to achieve common sustainability goals. Additionally, Blackbaud expects all suppliers, business partners, and other external stakeholders to conduct their operations in compliance with all applicable environmental laws and regulations.

Key Practices

All suppliers must abide by the UK Modern Slavery Act of 2015 and the California Transparency in Supply Chains Act of 2010.

Blackbaud requires our suppliers, vendors, and business partners to comply with all applicable laws and regulations for all the work they perform for Blackbaud and include compliance language in our contracts and purchase orders.

[LEARN MORE](#)

[Code of Conduct for Suppliers and Partners](#)

Health and Safety

Our Commitment

Blackbaud is committed to providing a work environment that is safe, clean, and adheres to city, state, national, and international safety standards and regulations.

This commitment to safety and good health extends to all Blackbaud sites of operation. Information regarding health and safety protocols is accessible for all employees to review through the Blackbaud internal company web site. While Blackbaud begins fostering employee wellbeing through offerings such as our comprehensive health and wellness benefits, some further protocols and company policies which demonstrate Blackbaud's commitment to health and safety are as follows:

- Employees are encouraged to actively participate in identifying ways to maintain a safe and healthy workplace.
- Employees are required to comply with all applicable health and safety laws, regulations, company policies and any site-specific safety plans.
- Employees must report workplace injuries, illnesses or unsafe conditions that are likely to result in injury or illness to a supervisor, manager or to the Blackbaud Ethics Hotline (800.891.4945).
- Each Blackbaud location possesses up-to-date Occupant Emergency Action Plans ("OEAP"), which provide instructions for all personnel to follow in the event of an emergency, including emergency evacuations. This OEAP is reviewed annually by each location.
- Blackbaud will not tolerate retaliation against an employee for raising good faith safety and health concerns

Key Practices

Follow a core safety policy that encourages and lays the foundation for a safe and healthy work environment, ensuring our employees do not violate safety rules or put their health or safety at risk while completing a task.

Maintain Operational Emergency Action Plans (OEAP) as part of our overall emergency response system and provide operational preparedness details and emergency response plans and procedures for natural and environmental disasters, as well as other crisis situations that may occur on a Blackbaud site.

Provide training for managers on how to ensure employee safety during emergent situations.

[LEARN MORE](#)

[Health and Safety Policy](#)

Data Privacy and Security

Our Commitment

Our customers' trust is a top priority and is embedded in everything we do. We are committed to providing them the confidence that their technology and data are secure and continue to make significant investments in our security program.

Education and Training

Because security is a shared responsibility, we incorporate data and privacy protection education into the customer onboarding and implementation process, supplemented by ongoing resources such as webinars and best practices content, one-on-one consultations with customer success managers, and bbcon® sessions.

In addition, **all Blackbaud employees are required to complete annual Cybersecurity Training.**

[Learn more](#) about our robust cybersecurity and data privacy practices, or to access our security assessments and audits.

Foundations of Our Security Program

Operational Security

We leverage the industry standard CIA Triad Model in conjunction with comprehensive industry control frameworks, compliance regulations, privacy requirements, and best practices.

Product Security

Our development teams take part in regular training and use industry-best practices and frameworks such as OWASP to build security into our solutions.

Incident Response

We monitor the threat landscape 24/7 in coordination with a third-party firm, routinely test our incident response capabilities and preparedness, and maintain proactive relationships with law enforcement.

Ongoing Landscape Analysis

Our dedicated legal counsel continually evaluates upcoming and changing data privacy regulations and provides thought leadership for our customers on the operational impacts of these regulations and compliance requirements.



Data Security

Our Investment

We have made a significant investment in building a robust cybersecurity program. The program is built on key foundations that include a focus on people, with a strong team who bring extensive experience across both the private sector and US government. Headcount increased 154% since January 1, 2020, and we anticipate continued growth by nearly 40% by end of 2023. This is on top of and measured against industry frameworks such as the NIST Cybersecurity Framework (NIST CSF). The program supports compliance activities that produce annual PCI DSS, SOC 1, and SOC 2 Type 2 reports that we make available to all customers.

More tactically, the Trust and Security team manages an extensive set of controls across enterprise and product security. We leverage industry-leading tools to implement anti-virus, intrusion prevention, data protection, vulnerability management, cloud security, and event management capabilities, among many others.

Our security teams leverage a variety of capabilities, from adversarial emulation and source code analysis to third-party penetration testing, and we routinely test our incident response activities and maintain proactive relationships with law enforcement.

POLICY LINKS

[Blackbaud North America Privacy Policy](#)

[Blackbaud Cyber Security Overview](#)

[Blackbaud Business Continuity Management](#)

[Blackbaud Cyber Security Incident Management and Response Overview](#)

[Blackbaud Cyber Security Program and Policy Framework](#)

[Blackbaud and the Public Cloud Whitepaper](#)

Key Initiatives

Provide audit reports by request to our subscription customers, their auditors, and our prospective customers, including SOC 2 type 2, SOC 1 type 1, and bridge letters for both SOC 1 and 2 reports, where applicable.

Provide PA-DSS and PCI-DSS attestations of compliance to Blackbaud Internet Services and Blackbaud Payment Solutions.

Maintain Trusted Cloud Provider status with the Cloud Security Alliance, the world's leading organization dedicated to defining and raising awareness of best practices to help ensure a secure cloud computing environment.

Leverage the Cloud Security Alliance's CAIQ assessment questionnaires to provide transparency regarding the adherence of our products to the CSA Cloud Controls Matrix. These assessments are made available via the Cloud Security Alliance.

Data Privacy

Our Commitment

Blackbaud has dedicated legal counsel who continually evaluate upcoming and changing regulations as they relate to data privacy to ensure we are aligned to these regulations, as well as provide thought leadership for our customers on the operational impacts of these regulations and compliance requirements.

We are committed to providing products and services that enable customers to comply with the privacy laws applicable to them. We tirelessly track and interpret pending legislation and evolve our products to allow customers to protect the privacy of constituents and manage data in a compliant way.

We believe that all organizations should be responsible custodians of personal data and handle it in an ethical and compliant way. We respect individuals' sensitivity to the privacy of their information and offer them ways to control it, including providing transparent privacy notices and allowing them to request a copy of the data we collect or request it be erased.

Key Initiatives

Leverage the industry standard CIA Triad Model in conjunction with comprehensive industry control frameworks, compliance regulations, privacy requirements, and best practices, including: NIST CSF, PCI DSS, SOC 1, SOC 2, GDPR, and Cloud Security Alliance.

Continually evaluate upcoming and changing data privacy regulations and provide thought leadership for our customers on the operational impact of these regulations and compliance requirements.

Ensure that our products and internal processes comply with and enable customers to comply with applicable privacy laws, including the General Data Protection Regulation and new comprehensive US state privacy laws like the California Consumer Privacy Act, as amended by the California Privacy Rights Act.

Risk Management

Our Approach

We maintain formalized policies and procedures through the Blackbaud Business Continuity Management Program—modeled after the NIST 800-34 contingency plan for federal information systems. The program strategically equips internal teams to protect, sustain, and recover operations for best assuring the resiliency of the business.

Even in the event of a crisis or disaster, we can ensure unwavering partnership for our customers. Additionally, we recognize our responsibility to assist in lessening the effects of climate change on the environment.

Organizational Risk Alignment

Each of the Board committees oversees risks associated with its respective areas of responsibility:

The Audit Committee oversees risk related to our accounting, tax, financial, and public disclosure processes and assesses risks associated with our financial assets.

The Compensation Committee oversees risks related to our compensation and benefit plans, programs, and policies to ensure sound pay practices that do not enable risks that are reasonably likely to have a material adverse effect on our company.

The Nominating and Corporate Governance Committee seeks to minimize risks related to governance structure by implementing sound corporate governance principles and practices.

The Risk Oversight Committee assists in the oversight of:

- Blackbaud's risk management, compliance, and control activities as they relate to information technology security
- Cybersecurity risks, including cyber risk management practices, adequacy of cyber-insurance, adequacy of an incident response plan, and our ability to respond to a cyber breach
- Our systems of operational controls regarding certain legal and regulatory compliance
- Compliance with certain legal and regulatory requirements



Metrics

Key Policies

Human Capital Metrics

Environmental Metrics

GRI

SASB

TCFD

Key Policies

Annual Reporting

[2023 Proxy Statement](#)

[2022 Annual Report on Form 10-K](#)

Environmental

[Sustainability Policy](#)

Governance

[Code of Business Conduct and Ethics of Blackbaud](#)

[Code of Ethics for CEO and Senior Financial Officers](#)

[Code of Business Conduct and Ethics for Suppliers and Business Partners](#)

[Blackbaud's Human Rights Policy](#)

[Blackbaud's Occupational Health and Safety Policy](#)

[ESG Steering Team Charter](#)

[Corporate Governance Guidelines](#)

[Charter of Nominating and Governance Committee](#)

[Charter of the Audit Committee](#)

[Charter of the Compensation Committee](#)

[Charter of the Risk Oversight Committee](#)

Data Privacy and Security

[Blackbaud North America Privacy Policy](#)

[Blackbaud Cyber Security Overview](#)

[Blackbaud Business Continuity Management](#)

[Blackbaud Cyber Security Incident Management and Response Overview](#)

[Blackbaud Cyber Security Program and Policy Framework](#)

[Blackbaud and the Public Cloud Whitepaper](#)

Human Capital Metrics

Employee Data

Employee Data	2022	2021	2020
Global Employees	3,283	3,127	3,130
% Employees in U.S.	85%	84%	88%
% Employees Outside U.S.	15%	16%	12%
% Female Employees	49%	46%	46%
% Male Employees	51%	54%	54%
% Female People Managers	49%	46%	44%
% Male People Managers	51%	54%	56%
% Females in Tech Roles	34%	34%	32%
% Males in Tech Roles	66%	66%	68%

Employee data	2022	2021	2020
% White	78%	80%	82%
% Underrepresented Minority	22%	20%	18%
% White People Managers	83%	88%	89%
% Underrepresented Minority Managers	17%	12%	11%
% White in Tech Roles	74%	76%	78%
% Underrepresented Minority in Tech Roles	26%	24%	22%

Environmental Metrics

Electricity Consumption

The following data represents Scope 2 Electricity Consumption in CY 2022.

Scope 2 - Electricity Consumption (kWh)	2022
Global HQ Office	2,231,144
London Office	11,835
Washington DC Office	132,002
Total	2,374,981
Americas	2,363,146
EMEA	11,835
Total	2,374,981

Renewable Energy

We achieved carbon neutrality in 2022 through the purchase of 2,229 EAC's covering Scope 2 emissions and 4,036 carbon offsets covering Scope 1 and 3 categories: Data Center, Waste, Business Travel, Work from Home and Employee Commuting.

Renewable Energy (MTCO ₂ e)	2022
Carbon Offsets	4,036
Mississippi – GreenTrees ACRE	2,825
Uganda – Bukaleba Forest	1,211
Environmental Attribute Certificates (EAC's)	2,229
US Green-e Wind RECs	2,217
U.K. REGOs	12

Environmental Metrics

Greenhouse Gas (GHG) Emissions

The following data represents out Scope 1, 2, and 3 emissions for CY 2022.

Total Scope 1 & 2 (MTCO ₂ e)	2022
Scope 1	9
Scope 2 (location-based)	633
Total	642

Total Scope 1 & 2 by Region (MTCO ₂ e)	2022
Americas	639
EMEA	3
Total	642

Scope 3 (MTCO ₂ e)	2022
1. Purchased Goods & Services	18,210
2. Capital Goods	2,876
3. Fuel Related	34
4. Upstream Transportation	Blackbaud has no physical products
5. Waste	14
6. Business Travel	782
7. Employee Commuting / Work From Home	133 / 972
8. Upstream Leased Assets	All offices included in Scope 1 & 2
9. Downstream Distribution	Blackbaud has no physical products
10. Processing of Sold Products	Blackbaud has no physical products
11. Use of Sold Product	Not yet calculated since not commonly reported for software companies
12. End of Life Treatment of Sold Products	Blackbaud has no physical products
13. Downstream Leased Assets	Blackbaud does not lease assets
14. Franchises	Blackbaud does not have franchises
15. Investments	Blackbaud has no major relevant investments
Total	23,021

GRI Metrics

Reference		CY2022
02 General Disclosures	2-1: Name of the organization	Blackbaud 2022 Annual Report on Form 10-K
	2-2: Entities included in the organization's sustainability reporting	Blackbaud 2022 Annual Report on Form 10-K
	2-3: Reporting period, frequency and contact point	Blackbaud's ESG report is published on an annual basis generally after the release of our Annual Report on Form 10K and our Proxy Statement as so much information is housed in these documents. IR@blackbaud.com
	2-4: Restatements of information	n/a
	2-5: External assurance	Blackbaud's ESG report was not external assured, however, the report did go through our standard internal audit and disclosure controls and procedure.
	2-6: Activities, value chain, and other business relationships	Blackbaud 2022 Annual Report on Form 10-K , 2023 Proxy Statement
	2-7: Employees	Our Human Capital data can be found in our ESG Report

GRI Metrics

Reference		CY2022
02 General Disclosures	2-8: Workers who are not employees	Our Human Capital data can be found in our ESG Report
	2-9: Governance structure and composition	<p>Our Board of Directors oversees the company's governance programs, processes and commitment, while our executive leadership team is charged with implementation, management, and daily oversight. Our guiding governance principles can be found in our Code of Business Conduct and Ethics of Blackbaud, Code of Ethics for CEO and Senior Financial Officers, Code of Business Conduct and Ethics for Suppliers and Business Partners, Corporate Governance Guidelines, and the charters of the various committees of our Board of Directors. These principles provide the building blocks for the many specific policies and procedures by which we operate daily. We are proud of our strong governance and compliance culture and are committed to best practices throughout our organization.</p> <p>2022 Annual Report on Form 10-K Code of Business Conduct and Ethics of Blackbaud Code of Ethics for CEO and Senior Financial Officers Corporate Governance Guidelines</p>
	2-10: Nomination and selection of the highest governance body	Corporate Governance Guidelines ; 2023 Proxy Statement ; Charter of Nominating and Governance Committee
	2-11: Chair of the highest governance body	Charter of Nominating and Governance Committee
	2-12: Role of the highest governance body in overseeing the management of impacts	2023 Proxy Statement ; Corporate Governance Guidelines
	2-13: Delegation of responsibility for managing impacts	Corporate Governance Guidelines ; 2023 Proxy Statement ; Charter of Nominating and Governance Committee

GRI Metrics

Reference		CY2022
02 General Disclosures	2-14: Role of the highest governance body in sustainability reporting	Charter of Nominating and Governance Committee; ESG Steering Team Charter
	2-15: Conflicts of interest	Code of Ethics for CEO and Senior Financial Officers; Code of Business Conduct and Ethics of Blackbaud
	2-16: Communication of critical concerns	Code of Business Conduct and Ethics of Blackbaud
	2-17: Collective knowledge of the highest governance body	2023 Proxy Statement
	2-18: Evaluation of the performance of the highest governance body	2023 Proxy Statement
	2-19: Remuneration policies	2023 Proxy Statement
	2-20: Process to determine remuneration	2023 Proxy Statement
	2-21: Annual total compensation ratio	2023 Proxy Statement
	2-22: Statement on sustainable development strategy	Sustainability Policy
	2-23: Policy commitments	2022 ESG Report

GRI Metrics

Reference		CY2022
02 General Disclosures	2-25: Conflicts of interest	Code of Business Conduct and Ethics of Blackbaud
	2-26: Mechanisms for seeking advice and raising concerns	Code of Business Conduct and Ethics of Blackbaud
	2-27: Compliance with laws and regulations	Code of Business Conduct and Ethics of Blackbaud
	2-29: Approach to stakeholder engagement	2022 ESG Report
	3-1 Process to determine material topics	2022 ESG Report
	3-2 List of material topics	2022 ESG Report
	3-3 Management of material topics	2022 ESG Report

GRI Metrics

Reference		CY2022
301 Materials	301-1: Materials used by weight or volume	2022 ESG Report
	301-2: Recycled input materials used	2022 ESG Report
	301-3: Reclaimed products and their packaging materials	2022 ESG Report
302 Energy	302-1: Energy consumption within the organization	2022 ESG Report
	302-2: Energy consumption outside of the organization	2022 ESG Report
	302-3: Energy intensity	2022 ESG Report
	302-4: Reduction of energy consumption	2022 ESG Report
	302-5: Reductions in energy requirements of products and services	2022 ESG Report

GRI Metrics

Reference		CY2022
303 Water and Effluents	303-1: Interactions with water as a shared resource	n/a
	303-2: Management of water discharge-related impacts	n/a
	303-3: Water withdrawal	n/a
	303-4: Water discharge	n/a
	303-5: Water consumption	2022 ESG Report
304 Biodiversity	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	n/a
	304-2: Significant impacts of activities, products, and services on biodiversity	n/a
	304-3: Habitats protected or restored	n/a
	304-4: IUCN Red List species and national conservation list species with habitats in areas affected by operations	n/a
	304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	n/a

GRI Metrics

Reference		CY2022
305 Emissions	305-1: Direct (Scope 1) GHG emissions	2022 ESG Report
	305-2: Energy indirect (Scope 2) GHG emissions	2022 ESG Report
	305-3: Other indirect (Scope 3) GHG emissions	2022 ESG Report
	305-4: GHG emissions intensity	2022 ESG Report
	305-5: Reduction of GHG emissions	2022 ESG Report
	305-6: Emissions of ozone-depleting substances (ODS)	n/a
	305-7: Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	n/a

GRI Metrics

Reference		CY2022
306 Effluents and Waste	306-1: Water discharge by quality and destination	n/a
	306-2: Waste by type and disposal method	n/a
	306-3: Significant spills	n/a
	306-4: Transport of hazardous waste	n/a
	306-5: Water bodies affected by water discharges and/or runoff	n/a
307 Environmental Compliance	307-1: Non-compliance with environmental laws and regulations	n/a

SASB Metrics

Reference		CY2022	Reference		CY2022
SASB TC-SI-130a.1	(1) Total Energy Consumed, (2) Percentage Grid Electricity, (3) Percentage Renewable	<p>Scope 1: 2,369 therms of gas = 9 metric tons of CO₂e; 9 carbon removal offsets procured to neutralize Scope 1 emissions</p> <p>Scope 2: 2,375 MWh (146 MWh from on-site solar) = 633 metric tons of CO₂e location-based emissions; 2,229 RECs procured to neutralize Scope 2 emissions (for 0 metric tons of CO₂e market-based emissions & 100% renewable electricity)</p> <p>Scope 3: Co-Lo & Cloud Data Centers = 2,126 metric tons of CO₂e; 2,126 carbon removal offsets procured Waste-related emissions = 14 metric tons of CO₂e; 14 carbon removal offsets procured Business travel = 782 metric tons of CO₂e; 782 carbon removal offsets procured Employee commuting = 133 metric tons of CO₂e; 133 carbon removal offsets procured Estimated electricity emissions of employees working from home = 972 metric tons of CO₂e; 972 carbon removal offsets procured</p>	SASB TC-SI-130a.2	(1) Total Water Withdrawn (2) Total Water Consumed, Percentage of each in Regions with High or Extremely High Baseline Water Stress	5,227 M3 used at Charleston HQ office for water & sewer; 3,417 M3 used for Charleston HQ irrigation
SASB TC-SI-130a.3			SASB TC-SI-130a.3	Discussion of the integration of environmental considerations into strategic planning for data center needs	Blackbaud does not currently own and operate data centers. Our operations are strategically dispersed in collocated data centers (COLOs) as well as with cloud service providers. We work closely with our providers on ways to measure and improve our energy footprint.
SASB TC-SI-220a.1			SASB TC-SI-220a.1	Policies and Procedures Relating to Behavioral Advertising and User Privacy	Blackbaud Privacy Policy
SASB TC-SI-220a.2			SASB TC-SI-220a.2	Number of Users Whose Information is Used for Secondary Purposes	Blackbaud Privacy Policy

SASB Metrics

Reference		CY2022
SASB TC-SI-220a.3	Monetary Losses as a Result of Legal Proceedings Associated with User Privacy.	Personal data for which Blackbaud is the data controller is used in accordance with our privacy policy. Blackbaud does not use customers' constituent data consisting of personal data for purposes other than as stated in the BSA.
SASB 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	0
SASB TC-SI-220a.5	Countries Where Core Products Are Subject to Government Monitoring or Censoring	0
SASB TC-SI-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected	<u>Blackbaud 2022 Annual Report on Form 10-K</u>

Reference		CY2022
SASB TC-SI-330a.3	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	
	% Female Employees	49%
	% Male Employees	51%
	% Female People Managers	49%
	% Male People Managers	51%
	% Females in Tech Roles	34%
	% Males in Tech Roles	66%
	% White	78%
	% Underrepresented Minority	22%
	% White People Managers	83%
	% Underrepresented Minority People Managers	17%
	% White in Tech Roles	74%
	% Underrepresented Minority in Tech Roles	26%

SASB Metrics

Reference		CY2022
SASB TC-SI 330a.1	% Employees in U.S.	85%
	% Employees Outside U.S.	15%
SASB TC SI 300a.2	Employee Engagement	<p>Our annual survey was distributed in March 2022. The survey results were shared with employees via series of workshops and meetings followed by a pulse survey.</p> <p>We achieved 90% employee participation in the annual survey and 78% participation in the follow-up pulse survey.</p>

Reference		CY2022
SASB TC-SI- 520a.1,	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	\$0
SASB TC-SI- 550a.2	Commitment to Business Continuity and Risks Related to Operations Disruptions	Blackbaud 2022 Annual Report on Form 10-K ; 2023 Proxy Statement

TCFD

Blackbaud is providing the following table that indicates where readers can find disclosures that address the recommendations of the Task Forces on Climate-Related Financial Disclosures (TCFD). Blackbaud intends to further align its disclosures with the recommendations of the TCFD by completing scenario analysis. That work is underway and will be documented in our 2023 report.

Recommended Disclosures

Response/Comment

Governance

a) Describe the board's oversight of climate-related risks and opportunities.

Blackbaud's CEO and the Board of Directors Nominating and Corporate Governance Committee oversee ESG and climate-related risks. In addition, we have an ESG Steering Committee chaired by the vice president of Global Social Responsibility and comprised of designated members from the Executive Leadership Team, as well as other senior leaders. The Committee engages with stakeholders, including employee affinity groups, to determine ESG priorities and is responsible for ensuring that they are adopted throughout the company. The Committee is accountable to the ESG executive sponsor, Blackbaud's CEO.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

Blackbaud's CEO, the Board of Directors Nominating and Corporate Governance Committee and the ESG Steering Committee oversee the implications of sustainability issues and climate change. These committees consider the implications of climate change for the business and oversee the company's strategic planning of resources and investments in response to the risk and opportunities that might arise.

TCFD

Recommended Disclosures

Response/Comment

Strategy

- a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
- b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.

We are in the process of evaluating both the risks and opportunities of climate change. We have completed a cursory analysis of our risks but plan to do a more extensive review of these risks in future reports.

We have not yet completed a scenario analysis to identify opportunities. We hope to conduct a scenario analysis soon.

For our initial risk review, we have identified climate-related risks and opportunities that may affect us over the short-, medium-, and long-term. These include:

Physical Risks: The long-term effects of climate change on the global economy and our industry may impact our business operations and those of our suppliers, customers and partners. Climate change increases the severity and frequency of extreme weather events such as hurricanes, wildfires, floods, heat waves, or power shortages, all of which could lead to business disruptions. The locations of our principal executive offices and our data centers are vulnerable to the effects of climate events and other natural disasters, including hurricanes, heat waves and earthquakes, which we have experienced in the past. In addition, the effects of climate change are harder to mitigate for our remote-first workforce, which exposes the Company to business disruption. Even though we carry business interruption insurance policies and typically have provisions in our commercial contracts that protect us in certain events, we might suffer losses as a result of business interruptions that exceed the coverage available under our insurance policies or for which we do not have coverage. Any natural disaster or catastrophic event affecting us could have a significant negative impact on our operations.

Regulatory Risks: Expected new regulations and standards relating to public disclosure, including those related to climate change, could adversely impose significant costs on us to comply with such regulations.

Reputation Risks: A failure to meet our climate-related goals, such as our commitment and progress towards reduction of greenhouse gas emissions, could damage our reputation, affect our financial performance and ability to attract and retain talent.

TCFD

Recommended Disclosures

Response/Comment

Strategy

- c) Describe the resilience of the organization's strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario.

Blackbaud has not yet performed a detailed scenario analysis. We intend to do more work in this area in 2023/2024.

We plan to evaluate if and where our strategies may be affected by climate-related risks and opportunities as well as how our strategies might change to address such potential risks and opportunities.

TCFD

Recommended Disclosures

Response/Comment

Risk Management

a) Describe the organization's processes for identifying and assessing climate related risks.

Blackbaud is in the early stages of formally identifying and assessing climate related risks. Our goal is to leverage our Executive Leadership Team, ESG Steering Team along with our Workforce Strategy, Real Estate and Enterprise Risk teams to identify and assess climate-related risks. We plan to conduct more thorough qualitative and quantitative climate-related physical and transition risk and opportunity assessments.

b) Describe the organization's processes for managing climate related risks.

As with other key enterprise risks, climate-related risks will be managed as part of our cross-functional enterprise risk management process that includes our Executive Leadership Team and our Board of Directors through its Risk Committee and Nominating and Governance Committee.

Additionally, the ESG Steering Team will work closely with our Enterprise Risk Team to consider climate-related risks in connection with developing climate-related goals and operational strategies to achieve our objectives.

c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organization's overall risk management.

The ESG Steering Team and our Executive Leadership Team will determine how climate risks are integrated in our organizations overall risk management process. The ESG Steering Team meets quarterly to discuss ESG topics including climate-related risks, opportunities, and strategies to advance our ESG goals.

Our Workforce Strategy, Real Estate and Enterprise Risk teams traditionally manage physical climate-related risks as part of our Business Continuity and Disaster Recovery functions. This includes extreme weather events and natural disasters.

Our Disaster Recovery and Business Continuity Plans are reviewed on a regular basis to ensure steps are in place to identify and respond before, during, and after a service continuity event.



Thank you for learning about the steps Blackbaud has taken in 2022 across our ESG priorities.

We are proud of what our employees, partners, and community of customers have accomplished to make a global impact and look forward to making even more progress in the year to come.

Feedback?

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