

[Our Purpose](#)

[Our Team](#)

[Our Governance](#)

[Our World](#)

[About Blackbaud](#)



2019

# Social Responsibility Report



**blackbaud**<sup>®</sup>



# Quick Facts About Us

Stock symbol: BLKB

Founded in 1981

3,400 employees

Headquartered in Charleston, South Carolina, we also have operations throughout the United States, Australia, Canada, Costa Rica, and the United Kingdom.

We generated \$851 million in total revenue in 2018, up 7.6% from 2017.

We serve millions of users in more than 100 countries. Those organizations and individuals using Blackbaud technology raise, grant, and invest more than \$100 billion in their programming each year.

With over \$100 million invested in research and development, we are dedicated to driving innovation for our customers.

100% of our work has been and will be focused on building a better world.

## Awards and Accolades:



Recognized for 4th Consecutive Year



Recognized as a Leading Employer for Diversity



TrustRadius 2019 Top Rated – Raiser's Edge NXT



Named by IDC as one of the top 30 largest cloud software providers worldwide



Recognized for Student Information Systems



Financial Edge NXT among the Top 5



Fortune's 56 Companies Changing the World List



Recognized for the second consecutive year as a Top Company for Women Technologists



Recognized as a Best Employer for Women



Recognized for 2nd Consecutive Year



Frontrunner 2017 Top Rated Nonprofit CRM Solution: Blackbaud Raiser's Edge NXT



Frontrunner 2017 Top Rated Nonprofit CRM Solution: Blackbaud eTapestry



Best Use Of Technology & Social Media



Intelligence for Good®



2017 Top 50 SaaS CEOs, Blackbaud's Mike Gianoni



Blackbaud President and CEO Mike Gianoni Recognized Two Years in a Row



Voted #1 for 3rd Consecutive Year



Blackbaud's K-12 Solutions Ranked for 3rd Consecutive Year



2018 Top Tech Employer



npENGAGE.com Listed for 4th Consecutive Year



npENGAGE.com consecutively recognized as a "Top Nonprofit Blog"



Ranked for 20th Consecutive Year



Trust Radius 2018 Top Rated Financial Accounting Solution: Blackbaud Financial Edge NXT®



2017 Sally Award for Customer Success Excellence



Distinguished Winner for 6th Consecutive Year



Software that Serves the Greater Good



Trust Radius 2018 Top Rated Nonprofit CRM Solution: Blackbaud Raiser's Edge NXT®



Trust Radius 2017 Top Rated Nonprofit CRM Solution: Blackbaud eTapestry®



Contact Center of the Year-Technology Industries

## A Message from Mike

When we say we want to help good take over, we know that starts within our own team. We're proud to partner with people and organizations working to build a better world—and we want them to be proud of us, too.

Last year we produced our inaugural *Social Responsibility Report*. In doing so, we took the important step of committing to paper the ways that we bring our vision to life in our company's daily operations.

Creating that report gave us the chance to reflect on all the ways our team members contribute to their communities and the causes they believe in—both on and off the clock. It provided an opportunity to assess our own operations and to examine what we do well and where we can do better. It also offered us a chance to think creatively about our ever-evolving culture.

Corporate social responsibility has never been more important, and it will become more and more significant to standard business operations over time. It goes beyond checking boxes and earning accolades; it means thinking critically about our responsibilities as a technology provider, an employer, a public company, an environmental steward, and a member of the global community.

Consumers and jobseekers alike want to know not only what a company does, but how it does it. I'm proud of both the “what” and the “how” at Blackbaud.

Our 2019 *Social Responsibility Report* breaks down key pieces of our story: our purpose, our people, our governance, and our world. I hope reading this year's report gives you insight into who we are, just as crafting it gave us insight into where we're headed.



**MIKE GIANONI**

*President and CEO, Blackbaud*

“I help good take over by serving on boards and volunteering with organizations in my community—currently the International African American Museum, Charleston Animal Society, and Clemson University.”

# Our Purpose

**Blackbaud began nearly four decades ago with a simple idea:**

Organizations and people striving to make a tangible impact in their communities deserve the right tools to help them work faster, more efficiently, and at greater scale.

Because that's how good takes over.

We started with a single customer, the Nightingale-Bamford School in New York City, which has provided kindergarten through high school education to girls and young women for nearly 100 years—and which, we're proud to say, remains a Blackbaud customer today. The school needed a computerized billing system—a transformational innovation in 1981. From that single customer and its success, Blackbaud began.





Today, we serve the entire social good community, which includes:

- Nonprofits
- Higher education institutions
- K-12 schools
- Healthcare organizations
- Faith communities
- Arts and cultural organizations
- Foundations
- Companies
- Individual change agents

Millions of users in over 100 countries raise, grant, and invest more than \$100 billion each year. But despite Blackbaud’s growth and evolution, we remain singularly focused on our mission: to help good take over.

We do that by providing cloud software, services, data intelligence, and expertise that connect and empower people to drive impact for social good. We pride ourselves on our unique role in powering an Ecosystem of Good®—helping people and organizations who are working to build a better world thrive by connecting them with one another. But we don’t just power this Ecosystem with our software; we also enthusiastically participate in it.

As a giveback to the community we serve, the Blackbaud Institute brings together the best minds in philanthropy to deliver leading-edge research that accelerates the impact of social good. We uncover insight from the most comprehensive data set in the social good community and publish findings and best practices to empower readers to drive greater impact in their work.





We encourage employee choice in the way we give, and we donate 3% of our pretax profit to support causes that reflect our team’s passions. In alignment with the Sustainable Development Goals, nearly half of our charitable donations represent our commitment to education, peace and justice, and ending poverty. Those three focus areas also reflect our deep commitment to serving underrepresented minorities. Of our total philanthropy, we invest:

20%



15%



9%



### Education

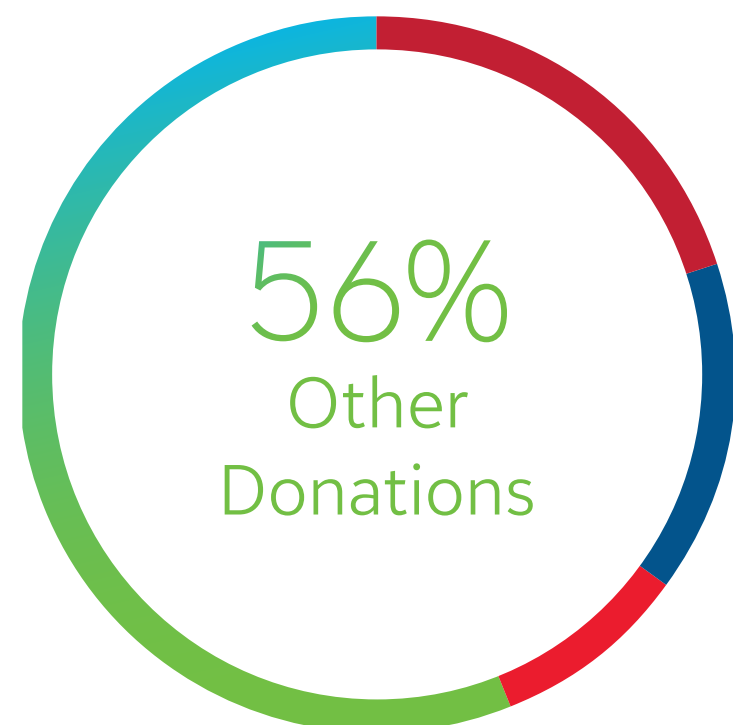
In Canada, we awarded a Blackbaud Community Matters grant to MusiCounts, which strives to provide access to music education for all Canadian children.

### Justice and Inclusive Institutions

At our 2018 user conference in London, we made a donation to the Sophie Hayes Foundation, which helps human trafficking survivors achieve independence through employment.

### Poverty Reduction

For the past 25 years, we have volunteered with and contributed to One80 Place in Charleston, a nonprofit organization that works to end homelessness and hunger one person at a time.



We love what we do. And it’s not simply because we enjoy the fast-paced, problem-solving environment of a tech company, but it’s also because we recognize that we’re quickly solving problems for customers who are making their communities—and our world—better. A singular question drives us forward every day:

How can we innovate to help our customers do even more good?



### Community Voice

“I help good take over by inspiring hope through history, community engagement, and the invaluable promise of cultural institutions.”

ELIJAH HEYWARD, *Chief Operating Officer, International African American Museum*

**Q: We're proud to have our CEO, Mike Gianoni, sit on your board of directors. What role does he play?**

A: Having someone like Mike at the table is invaluable, given his business expertise and connections across the globe. Our board is made up of members who bring together a variety of backgrounds that will allow us to live up to the ideal of being a world-class institution.

**Q: What's the significance of support from the business community as you move toward groundbreaking?**

A: It is important to have international brands and companies, such as Blackbaud, enthusiastically supporting our work. It signals to the business community and others that this is a project that they should stand behind. It also communicates that the International African American Museum is not a local institution, but an institution that has global influence and appeal. We would not be able to move forward without companies like Blackbaud supporting our capital campaign.

**Q: How will technology impact your operations?**

A: It's important that every element of our institution speaks to the future and how we can connect to people—particularly youth. We want to make people feel that they are part of the narrative in ways that are tangible. For example, we are creating the pre-eminent Center for Family History so that people who are moved by the museum experience can find their personal strand of history to connect to the larger narrative. Technology drives that search for information and connections.

**Q: What do you envision for the future of the International African American Museum?**

A: By telling the story of the journey of hundreds of thousands of enslaved West Africans who entered our young nation in Charleston, South Carolina, endured hardship and cruelty, and then contributed so significantly to the greatness of America, we seek to honor the site where so many arrived and thousands died. We also want to tell stories of important lives overlooked in most history books and promote compassion and empathy across all races and ethnicities.



Our largest single philanthropic contribution supports the International African American Museum, a project taking shape on the Charleston waterfront. Almost half of all enslaved West Africans entered in America through a single port: Charleston, South Carolina. The museum breaks ground in October on the site of the primary point of arrival.



**Community Voice**

“I help good take over by driving philanthropy for a university with a history of educating visionary leaders who help to improve lives through their tireless service to their respective communities and the world.”

REVEREND WHITTAKER V. MIDDLETON, *Vice President for Institutional Advancement, Clafin University*

**Q: What are your triumphs as a higher education institution in 2019?**

A: One of our many triumphs has been our ability to increase our major gifts. We now have the resources and critical data to help us conduct effective communications and determine ask amounts for a potential donor. Blackbaud’s technology has been a game-changer for our fundraising efforts.

**Q: How has your fundraising operation changed in the time you’ve worked at Clafin?**

A: When I started in 1982, our staff was comprised of an administrative assistant and me. There was no strategized fundraising to speak of, and our alumni annual giving had never surpassed \$15,000. My decision to purchase Blackbaud’s fundraising technology in 1996 will be part of my legacy at Clafin. Before then, everything was done manually, and we had dozens of filing cabinets around our office that we moved to an upstairs storage area. An

architect later instructed us to move the files, because they were affecting the building’s foundation. When we partnered with Blackbaud, it dramatically improved how we managed relationships with our donors and conducted our fundraising campaigns.

**Q: What are your future goals, and what role will technology play in reaching those goals?**

A: We are focusing on another historic fundraising campaign. We want to provide scholarships for high-achieving visionary scholars and build and maintain modern, attractive, and functional facilities that will enable us to attract and retain these outstanding students. We have to meet new enrollment goals each year and cultivate a cadre of alumni we can count on as donors. The data produced from years of research now determine our fundraising goals. Transformative—that’s the word we use when we talk about Blackbaud’s impact on fundraising at Clafin.



Clafin University’s fundraising was transformed by a data-driven strategy and careful relationship cultivation to exceed its \$96.4 million goal and raise \$108 million. This helped the University achieve the highest annual percentage for alumni giving (52%) among all historically black colleges and universities.



# Our Team

We partner with people and organizations across the social good community because we know that any individual can make an indelible impact—and that a unified team can affect groundbreaking change. After all, we've seen *it firsthand*:

**Through the capability of a solution** that empowered a 7-year-old British boy to raise £145,000 for earthquake relief in Haiti

**Through the spirit of community** that generated 2.4 million Ice Bucket Challenge videos to raise awareness of ALS and critical funding to research new therapies

**Through the power of philanthropy** that enabled Brown University to end student loans, replacing them with scholarships that students do not have to repay

Our humble role in these triumphs gives us a unique perspective and daily motivation. Our own efforts can make our customers' efforts not only more efficient but more impactful. It's more than a bottom line; it's helping to build a better world.



We take pride in how our team shows up to serve our customers—at work and in their personal lives.

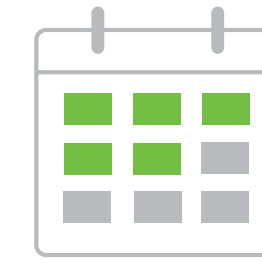
Nearly  
9 out of 10

of our employees say our work in the social good space played a role in their decision to join Blackbaud.



1 in 4

employees serves on a social good board or committee.



59%

of our team reports **volunteering more often** since joining Blackbaud.



89%

of our employees have **volunteered in the past year.**



Our team participates in our matching gift program at **2.2 times the national median.**



Because we attract people with world-class talent and a deep, personal connection to their jobs, we want to ensure that we provide a great work environment for them in return. That comes to life in a few key ways:

### A diverse team of people...

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We recognize that diverse backgrounds, viewpoints, and experiences make us a better team. We provide cloud software, services, data intelligence, and expertise to such a broad range of people and organizations that creating a culture of mutual respect and inclusion is not only paramount to our operations but essential to our success.

- ▶ Ongoing unconscious bias workshops
- ▶ Mandatory respect in the workplace training for all employees and enhanced training for managers
- ▶ Annual Executive Women's Summit
- ▶ Senior Women's Leadership Council
- ▶ Employee-led business networking groups, including veterans, LGBTQ+, women in technology, women in sales, African American employees, remote employees, and employees interested in sustainability

### Led by coaches, not bosses...

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Keeping our employees engaged begins with giving our managers tools to inspire and encourage.

- ▶ Formalized leadership development program
- ▶ Accelerated development program to empower rising leaders through mentorship and sponsorship



## With defined paths for professional growth...

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We subscribe to a total rewards philosophy built on the principles of equity and pay for performance.

We want every employee to know the steps to reaching professional goals.

- ▶ Career frameworks for managers and individual contributors
- ▶ Quarterly and annual check-ins to provide frequent reflection and discussion

## Space for fun along the way...

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We take time to celebrate our achievements and spend time together as a team.

- ▶ 123 service projects involving 1,596 volunteers in 2018 alone
- ▶ Presentations by customers at quarterly all-hands meetings to keep our purpose top of mind
- ▶ Employee breakfasts served by Executive Leadership Team
- ▶ Off the Grid® annual “hackathon” to collaborate with customers and drive innovation
- ▶ Volunteer projects built into team retreats



## And opportunities for engagement starting on day one...

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All team members begin their careers at Blackbaud with an orientation that we call the Blackbaud Experience, in which we provide a comprehensive look at the guiding principles behind our organizational structure and the values driving our every decision. We end each Blackbaud Experience session with a service project, which we envision as the first of many throughout a team member's career at Blackbaud.

- ▶ Current team members fill 40% of our open jobs through promotion and growth opportunities
- ▶ Quarterly all-hands meetings inform employees with reports and updates from across the company, plus customer speakers to reinforce our purpose
- ▶ Option to earn vacation hours through volunteer work
- ▶ Creative events hosted by employee-driven culture committees and service teams



“I help good take over by empowering our people to be agents of good.”

RACHEL HUTCHISSON

*Vice President of Corporate Citizenship and Philanthropy, Blackbaud (Charleston, SC)*

**Q: What do you do on a daily basis?**

A: I work every day to ensure that we are not only powering an Ecosystem of Good at Blackbaud, but also actively participating in that Ecosystem.

**Q: What's your professional background?**

A: I began my career in communications, building and leading a number of key functions, including market research, public relations, events, and strategic brand relationships. It was a privilege to shift from marketing to corporate philanthropy, formalizing how we invest and creating a connection between what we do as people and as a company.

**Q: When did Blackbaud formalize its corporate citizenship and philanthropy, and how has it evolved?**

When I joined Blackbaud, we were quite small, and companies in general weren't talking a lot about philanthropy or CSR. Of course, Blackbaud is a different kind of company, because our business focus has always been around driving the impact of social good organizations. I became Blackbaud's first corporate

philanthropy leader about 12 years ago and have evolved the function into a broader CSR approach that now includes sustainability.

**Q: How do you measure success in your role?**

A: I do admit that having 89% of our people volunteer and 22% leverage our matching gift program (more than 2.2 times the national median) makes me proud. But true success is more about employee engagement, so we make it a point to celebrate what our people choose to do as agents of good.

**Q: What excites you most about coming to work every day?**

A: When my colleagues walk in the door every morning, they've shown up to do good things in the world, as professionals and as people—and they challenge us to make sure we are doing our part. I love connecting with our people based on what they're passionate about versus “what they do for a living.” We're all human—and together, we can do great things.



Rachel bags oyster shells at a South Carolina Department of Natural Resources complex while volunteering with colleagues in 2018. The Department places mesh bags filled with oyster shells on the shore to create a footprint, which will become a living oyster reef.



“I help good take over by taking some of the crazy luck I’ve been dealt and sharing it with others who, for whatever reason, are in a less fortunate place.”

MEMA NACKASHA, *Account Executive, Blackbaud (London, U.K.)*

**Q: Where do you volunteer, and what do you do in your time there?**

A: The Sophie Hayes Foundation—as a lead facilitator, I work with a small team to run a program (designed by us) to help survivors of human trafficking find their independence again through employability. In the first couple of weeks we focus on confidence-building, and then we start talking about skills and our purpose. Next we focus on the future and careers they may be interested in, which leads to writing CVs and interview practice with our ladies.

On the back end, I organize fundraising strategies and events to keep powering the awesome work we’re doing.

**Q: How did you get started with The Sophie Hayes Foundation?**

A: One of my amazing Blackbaud colleagues was volunteering there already and told me about the charity. I went to my first induction and soon was running the inductions and then volunteering as closely with them as I do now!

**Q: What’s your day job?**

A: I’m an account executive, helping the smallest not-for-profits smarten up the way they use their data, so they can increase their fundraising revenue and power their amazing causes. It all ties in quite beautifully, as my experiences with The Sophie Hayes Foundation allow me to really understand the issues these small charities face day to day.

**Q: What does it mean to have your company support your volunteer efforts, and how does that support shape the way you bring your “whole self” to work?**

A: Blackbaud is half the reason I got into volunteering in the first place! Along with giving us grants, letting us use the office space every week, and doubling our fundraising efforts through match giving, Blackbaud provides the best colleagues in the world, who are always asking about the charity and supporting me in little ways that I’m eternally grateful for. It’s not even that I’m just allowed to bring my whole self to work; I genuinely feel I’m encouraged to do so!



Mema Nackasha participates in an icebreaker exercise as a facilitator with The Sophie Hayes Foundation. Small teams work together to construct the tallest tower and then share the strengths they see in each other to help build trust and friendship.



“I help good take over by embodying the good I wish to see in the world.”

TIM NEWBORN, *Marketing Programs Manager, Customer Advocacy, Blackbaud (Charleston, SC)*  
*Member of employee-led affinity groups for LGBTQ+ community and veterans*

**Q: What's your role at Blackbaud?**

A: My role at Blackbaud is a bit of a unicorn. Each day I have the privilege of encouraging and highlighting the magic of our customers through unique engagement and advocacy efforts. Our customers wholeheartedly want to do good, and I get to cheer them on along the way.

**Q: What previous experiences do you bring to that role?**

A: I come from an impoverished and medically and academically underserved rural area in Mississippi, where opportunities for personal and professional development are scarce. I joined the U.S. Navy at the age of 17 as a photojournalist. My service was an invaluable learning experience that taught me about the tenacity of the human spirit and power of togetherness.

When I departed the Navy a decorated veteran, I attended Savannah College of Art and Design, where I could explore my appreciation for everyday beauty in the world. I think what makes me an excellent fit for my role is that I genuinely care about our customers and my colleagues as the individuals they are.

**Q: Can you share a specific experience that highlights the importance of affinity groups to the work environment at Blackbaud?**

A: I met with a young Marine while at a recent recruiting event at the College of Charleston. He was transitioning out of service. As he walked up, it became apparent he had a sense of trepidation and uncertainty. I remembered that feeling when I went to ask about open positions in a similar scenario. The small connection we had put him in a place where he could articulate what he was good at without worrying about saying something clumsily. We even covered a few tips on how to beef up his resume and translate what he does into a corporate setting.

Affinity groups are a positive movement in the dynamic of our company culture. They're important. They're necessary. They're human.



Tim serves meals at the Affordable Veterans Housing Projects with other members of the Blackbaud Veterans affinity group.





“I help good take over by delivering unwavering support, consultation, and a standard of excellence to our customers.”

ODESSA JENKINS, *Vice President, Customer Support Services, YourCause (Dallas, Texas)*

**Q: What do you do day in and day out to serve our customers?**

A: My core responsibilities are to inspire, manage, lead, and optimize our people. Ensuring that the team is efficient, happy, and inspired leads to open communication and endless effort to drive customer satisfaction and retention. Every day I work to develop strategies to improve operational efficiencies and overall customer relationships.

**Q: How did your career/background lead you to this role?**

A: I have been in customer support and managing high-performance teams my entire career. I started in customer support in 2004. I have never turned away an opportunity to learn and grow in my specialty. Over the past 15 years, I have taken on multiple roles and responsibilities to expand my knowledge and challenge myself.

**Q: How do you measure customer happiness?**

A: I measure happiness in four ways: communication, satisfaction, retention, and reference-ability.

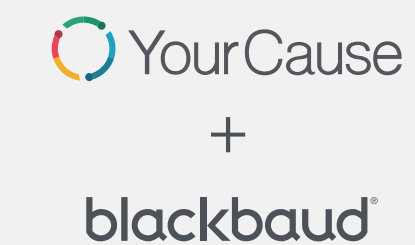
Customers who actively communicate give us opportunities to keep them satisfied; satisfied customers continue to be retained; and the longer we retain a customer, the higher the odds are that the customer will refer others. Happy customers talk.

**Q: Do you have any mantras or words of wisdom that you impart to your team in driving customer satisfaction?**

A: Be an owner, and treat others as owners. I believe in teaching and training people at every level to have high integrity and respect and to take ownership of whatever is in front of them. If we behave as owners and treat others as owners, those attributes are continuously perpetuated.

**Q: You're an American Championship football player and coach. How does that show up in your work life?**

A: I bring my passion for people, competition, teaching, winning, and high integrity everywhere I go. Staying true to those principles, practices, and beliefs keeps me consistent. People respect consistency.



Better Together.

Odessa Jenkins is an advocate, influencer, and leader in empowering women through sports. Her sport of choice is tackle football, and she's the founder of the Women's National Football Conference (WNFC).

# Our Governance

We want the best for our customers, so we expect the best from our team. We train and plan for worst-case scenarios. We monitor and minimize risk. And we foster a culture where every employee is respected.





## Cybersecurity

Our customers need and deserve to have the utmost confidence in cybersecurity and data privacy, so they can focus on what matters most: their missions.

### In Our Solutions

We build security patterns as an integral part of our engineering process and conduct regular third-party assessments across our products to monitor security and compliance.

### In Our Team

Blackbaud employees collectively undergo thousands of hours of annual training, plus routine phishing attack simulations to ensure that we continually keep security in mind. Our “red team” of ethical hackers systematically tests our technology, probing to ensure that there are no weaknesses or vulnerabilities.

### In Our Cloud Environment

We provide leading-edge cloud security, partnering with leaders such as Microsoft® and Amazon®.

### In Our Operations

We monitor internal infrastructure and customer environments 24 hours a day, 7 days a week. We are proud early adopters of the National Institute of Standards and Technology (NIST) Cybersecurity Framework and Factor Analysis of Information Risk quantification method.

We meet the unique security needs of our customers, including:

- Payment Card Industry Data Security Standard (PCI DSS)
- Payment Application Data Security Standard (PA DSS)
- System and Organization Controls Report 1 (SOC 1)
- System and Organization Controls Report 2 (SOC 2)
- Health Insurance Portability and Accountability Act (HIPAA)
- Family Educational Rights and Privacy Act (FERPA)
- General Data Protection Regulation (GDPR)
- Personal Information Protection and Electronic Documents Act (PIPEDA)
- EU-US Privacy Shield

Our cybersecurity team reflects 400 years of combined experience, including service in key government offices and Fortune 500 companies. The team aims to advance the broader field of cybersecurity across our industry and beyond, with initiatives including:

- Robust intern and apprenticeship program
- Undergraduate and graduate instruction
- K-12 school visits
- Cybersecurity events at Blackbaud
- Participation in industry groups, such as Center for Internet Security, Cloud Security Alliance, Financial Services Information Sharing and Analysis Center, and Non-Governmental Organizations Information Sharing and Analysis Center
- Contributions to leading conferences, such as SANS Security Awareness





## Data Privacy

As data privacy standards and legislation evolve, we work hard to stay ahead of trends. We track and interpret new and pending legislation to ensure that Blackbaud enables our customers to protect their constituents' privacy and handle data in a responsible, ethical, and compliant way.

As a custodian of that data, we believe that people have the right to know how their information is being used. Our transparent privacy notices provide an opportunity for people to make informed choices about their data.

In Europe, our data protection officer monitors our compliance with the General Data Protection Regulation and responds to individuals' questions, complaints, and requests regarding their data.

This year we launched the Consumer Privacy Centre of Excellence, a collective of subject matter experts from different areas of the company, all trained in privacy and how to assess data uses within their respective responsibilities.





## Business Continuity and Product Availability

Our relationship with our customers is never more important or more personal than in times of tragedy and disaster. We know that being the best partner also means planning ahead for potential impacts to our own operations and ensuring uninterrupted excellent service.

We maintain formalized policies and procedures through the Blackbaud Business Continuity and Disaster Response Program—modeled after the NIST 800-34 contingency plan for federal information systems. Even in the event of crisis or disaster, we can ensure unwavering partnership for our customers.

## Supply Chain Security and Availability

We launched a program in 2018 to monitor and remediate risk to our supply chain. Modeled after the NIST Cybersecurity Framework, our program assigns a risk score to all vendors relative to their impact on Blackbaud's business continuity, security, and product availability. We reconcile these vendors against reports of vendors associated with public data breaches and decide if we need to conduct additional due diligence before contracting with anyone. We also subject all vendors to a credit check, an imperative step for those vendors critical to our daily operations.

## Ethical Standards

We want to help good take over, and that means we uphold the highest governance and ethical standards and pledge to:

- ▶ Maintain a fair and healthy work environment
- ▶ Uphold integrity in the workplace and marketplace
- ▶ Protect Blackbaud's assets and reputation

Our ethics training requires each employee to read, understand, and affirm compliance with our Code of Conduct. We also make it easy to anonymously report suspected incidents of noncompliance, including an independent ethics reporting hotline available to our employees 24 hours a day, 7 days a week.

Our general counsel's office and board of directors ensure an efficient and effective ethics complaint, investigation, and reporting process. We want every team member to feel comfortable reporting concerns, and we do not allow retaliation of any kind against an employee who reports ethical violations.

Beyond our Code of Conduct, our CEO and certain other executive leaders adhere to a Code of Ethics for CEO and senior financial officers, which includes full and fair public disclosures, internal controls, conflicts of interest, and legal and ethical compliance.



“I help good take over by ensuring that customers trust that Blackbaud is the partner of choice to keep their data secure.”

RICH FRIEDBERG, *Vice President, Cybersecurity, Blackbaud (Charleston, SC)*

**Q: Please give us an overview of the work your team conducts every day at Blackbaud—for employees and customers.**

A: The cybersecurity team is responsible for setting strategic direction and managing the programs to protect both Blackbaud and our customers. We have built a world-class team that handles all aspects of a modern cybersecurity program, including 24-7 monitoring of all of our systems, incident response, proactive threat intelligence, secure software development practices, data protection, cloud security, and ongoing ethical hacking against our environment.

**Q: How did your career/background lead you to this role?**

A: I have had a passion for security from an early age—before much of an industry existed. I was fortunate to get an early professional start and then attend Carnegie Mellon University, arguably the birthplace of cybersecurity. From there, I’ve had opportunities to work for some of the largest financial institutions in the world, as well as on classified national security programs.

Our diverse team here at Blackbaud includes veterans from all branches of the military, software engineers, network engineers, a couple of economic majors—even a music major and someone who studied broadcast journalism!

**Q: What do you consider a triumph in information security?**

A: If you look back across the industry, even just five years ago, security teams had to press executive leadership on the importance of cybersecurity. That dynamic has drastically changed—and rapidly. Today, executives are following data breach headlines and asking, “How could this impact us?” and “Are we doing enough to protect our organization?”

**Q: What innovation has been the most exciting for you since joining Blackbaud?**

A: I am incredibly excited about our overall technology journey, focused on our use of the cloud and our Blackbaud SKY® platform. Security is included by design, and security scans and reviews that used to take weeks are now automated as part of software development and release deployment.



Blackbaud’s cybersecurity team volunteers at the Lowcountry Food Bank.

# Our World

Within the communities where we operate, most neighbors will know us not for our work as a partner to the social good community but as a physical building and a group of people coming and going from that space. We aspire for our brick-and-mortar operations to communicate our brand and mission and to reflect the work happening inside.

We do right by the cities where we operate by building and maintaining welcoming offices and, more importantly, by keeping our business operations environmentally conscious, community centered, and future focused. Soon after opening our new world headquarters in June of 2018, we achieved Leadership in Energy and Environmental Design (LEED) Gold status from the U.S. Green Building Council, recognizing our sustainable building design. We are currently pursuing WELL Certification from the International WELL Building Institute™ to reflect our commitment to health and human experience.

Every year, we strive to do more. Here's where we are in 2019.







## Air



We want the best air quality with the least energy consumption.

We bring in as much outside air as possible to ensure that we maintain low carbon dioxide levels. We monitor both carbon dioxide and particulate matter, as well as temperature and humidity to track HVAC efficiency from several locations on every floor.

We compare our data to the output of our mechanical system to ensure the most efficient operations on each floor. Our remote monitoring also sounds alarms the moment any measure falls outside of normal design limits.

Our commitment to air quality extends to our janitorial and pest control practices. Our janitorial team uses efficient cleaning equipment that consumes less energy while providing a clean, safe workplace. We select our cleaning products with our employees' and cleaning staff's health in mind and maximize sustainable certifications and effective green cleaning. Our integrated pest management system also uses eco-certified products by trained technicians to remediate pests in a safe way while promoting conservation of water and natural resources.

## Light



We designed our building to deliver a precise amount of light.

We use only energy-efficient, dimmable LED fixtures and reduced the number of fixtures in the building by 30%, when compared with conventional design standards, by simply committing to not over-light. Our world headquarters has no conventional light switches. We instead control our lighting with occupancy sensors that deliver light only when a zone needs it.

We also measure the amount of light at each desktop and adjust to provide what each group needs. That way, we can capitalize on natural light in certain areas of the building, even as that light shifts throughout the day.

## Water



We reduce water usage inside and outside our building.

We use about 20% less water than a typical highest-class office building. At our world headquarters we use low-flow water fixtures on all sinks and toilets, plus we have native landscaping that requires less water and benefits birds, animals, and pollinators. We soon will improve our irrigation and drainage systems at our world headquarters and customer operations center to better conserve water and reduce runoff.



## Energy



We operate with 30% more energy efficiency than a typical building of our class, primarily thanks to our lighting and HVAC practices.

We use a centralized cooling tower system and advanced mechanical controls that allow us to monitor our HVAC system performance and fine-tune as needed. Every quarter, we analyze trends and operations to ensure peak efficiency.

Our bank of solar panels receives full southern sun exposure to offset power usage. Because of solar power, we reduce our reliance on the power grid by 12,475 kilowatt hours every month.

## Waste



We aim to divert as much waste as possible from the landfill.

Last year, we diverted 16 tons of waste, 156 tons of recycling, and 26 tons of compost. We use a single-stream recycling system, meaning sorting happens at facilities. Single-stream simplifies recycling, which not only encourages more people to recycle but reduces the number of trucks on the road. We also compost from our kitchen, cafeteria, and employee breakrooms. A vendor collects our compost, tracks the amount we divert from the landfill, and delivers the material to the county compost facility, which then returns the compost to the environment for soil remediation. We use compostable containers and remain committed to overall plastic reduction. We intend to eliminate plastic straws from our world headquarters by the end of the third quarter of 2019.

We minimize food waste in our cafeteria using a tool that tracks and measures daily data to help us ensure that we prepare just the right amount every time. In addition to food waste, we aim to reduce office waste as well. We only offer on-demand printing, meaning an employee swipes his or her badge to log into our printer and then can accept or cancel a print job. The system purges jobs after eight hours to prevent unclaimed printouts.

## Wellness



We provide healthy food and ample exercise opportunities within and around our building.

Our cafeteria sources 11% of its produce from local farms; selects dairy products free of artificial growth hormones; and pledges to serve tuna sourced without fish-aggregating devices. In addition to our most popular cafeteria option—the salad bar—we provide complimentary healthy snacks and beverages, such as fruit, sparkling water, and kombucha in our breakrooms.

We make exercise easy throughout the work day. We offer a gym with yoga and barre classes, plus a basketball court, bocce court, and putting green. Employees and guests can use our bicycles to travel to walking trails or restaurants around town at lunch or on breaks.

Each employee's workspace includes an ergonomic, adjustable standing desk. While our open-floor plan encourages collaboration, our office also includes private rooms, some available to formally reserve and others open for someone who needs a quiet space at a moment's notice. Beyond our breakrooms and family-style tables on each floor, we bring our teams together with regular social gatherings, such as coffee happy hours with treats provided.



“I help good take over by creating a safe and healthy work environment that enables, inspires, and motivates our employees to do their best work for our customers.”

OTTO ORR, *Senior Director, Global Real Estate, Blackbaud (Charleston, SC)*

**Q: What does your job entail?**

A: My day might begin with a strategic meeting on our global portfolio and then transition to a passionate meeting about where to host visitors. It could end with an emergency meeting about an alligator that wandered from the pond to our front door (which has happened). I get to touch every aspect of the company.

**Q: What is your view on sustainable design?**

A: Costs can be greatly mitigated, if not eliminated, if the focus and effort are there from the onset. It is our obligation to incorporate sustainable, responsible design practices, even if we aren't awarded a plaque for those efforts.

**Q: What's your professional background before joining Blackbaud?**

A: My background was predominately as a service provider in construction project management—specifically in helping companies build out their own headquarters. Sometimes companies struggled, because they hadn't formalized their view on their own culture or their willingness to build a sustainable workplace. I knew

I wanted to help lead a company down this path. That ultimately brought me to Blackbaud.

**Q: You led the construction of our new world headquarters in Charleston, which opened in 2018. What was the most interesting (or surprising) takeaway from that initiative?**

A: One of the greatest surprises and biggest enjoyments for me was just how involved our CEO, Mike Gianoni, was in shaping this project. I had the pleasure of meeting with Mike every two weeks to walk the site, rain or shine—and there was a bunch of rain. The design process was surprisingly easy, because our leadership was aligned on our mission, values, and stance on sustainability. I feel deeply connected to this physical building and proud of how it represents company culture.

**Q: What is your view on the future of work?**

A: Candidates are choosing a job not just for the role but for the company and that company's mission, purpose, and culture. In the future, the workplace will be less about the physical design and will be more about the experience.



Blackbaud's new world headquarters opened in summer of 2018. The building achieved LEED Gold status with ambitions to earn WELL certification.



## About Blackbaud

Blackbaud (NASDAQ: BLKB) is the world's leading cloud software company powering social good. Serving the entire social good community—nonprofits, foundations, companies, education institutions, healthcare organizations, and individual change agents—Blackbaud connects and empowers organizations to increase their impact through cloud software, services, expertise, and data intelligence. The Blackbaud portfolio is tailored to the unique needs of vertical markets, with solutions for fundraising and relationship management, marketing and engagement, financial management, grant and award management, organizational and program management, social responsibility, payment services, and analytics. Serving the industry for more than three decades, Blackbaud is headquartered in Charleston, South Carolina, and has operations in the United States, Australia, Canada, and the United Kingdom. For more information, visit [www.blackbaud.com](http://www.blackbaud.com).

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