

# 2018 Blackbaud Social Responsibility Report

Building a Better World



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## Building a Better World

We are honored and excited to share our first *Blackbaud Social Responsibility Report*, which provides an overview of our global social responsibility, governance, and ethical practices in 2018. This report outlines our dedication to diversity and inclusion, our vendor management and procurement processes, our ethical standards and data privacy practices, and our sustainability initiatives and efforts.

It is important to us to remain transparent and accountable, so we can all work together to improve our efforts and continue to drive social good each and every day. We will use this initial report as a baseline to track our progress and identify ways we can innovate and expand on our practices and standards in the future. We hope you find this report informative, and we're thrilled to take this major step in our journey to **build a better world**.

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Austin employees pose together at Entrepreneurs Foundation Spring Service Day, where they held a playground cleanup and build project to benefit the Austin Independent School District.





## A Letter from the CEO

At Blackbaud, our commitment to building a better world isn't an add-on or an afterthought. It's who we are.

As the world's leading cloud software company powering social good, Blackbaud is driving the digital transformation of the social good community. Through purpose-built cloud software, services, thought leadership, and data intelligence, we are amplifying impact for our more than 40,000 customers in over 60 countries in their own efforts to build a better world.

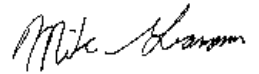
As a Shared Value company, we are committed to driving social good while addressing a market need and creating lasting value for our customers, shareholders, and the broader social economy. By keeping purpose at the center of everything we do, we've built an engine of innovation that helps advance social good of every kind.

But our commitment to social impact doesn't end with the ways we empower our customers. It extends to the way we operate every day.

With offices in 19 locations and a customer reach that extends to every corner of the world, we continually seek ways to maximize our impact in service to the social good community while minimizing our impact on the environment, complying with the highest ethical standards, valuing diversity and inclusion, equipping our employees as agents of good, and engaging in robust philanthropic efforts.

Our work has always been—and will always be—completely focused on transforming what is possible for the social good community. I, along with the entire Blackbaud team, am committed to not only powering an Ecosystem of Good™ through our cloud software solutions but contributing to it through the way we work. It's why we were recognized as one of *Fortune's* "56 Companies Changing the World," and it's what drives us each day.

I invite you to explore our first *Blackbaud Social Responsibility Report* and see the steps we're taking to live our values and operate in a way that contributes to building a better world.



Mike Gianoni  
President and CEO, Blackbaud



Charleston employees  
participate in Trident United  
Way's annual Day of Caring  
with a beach cleanup at  
Sullivan's Island.





## CORPORATE CITIZENSHIP

Through Blackbaud's corporate citizenship initiatives, we're not just powering the Ecosystem of Good™—we're participating in it.



In London, Blackbaud Europe and JustGiving™ employees come together for a gardening project outside the Acorn House, a recovery house for the homeless run by Spitalfields Crypt Trust.





We prioritize giving back to the social good community as a whole through numerous corporate social responsibility efforts.

### Empowering Our People as Agents of Good

Driving social good depends on engaged individual change agents, so we support our employees by amplifying their commitment to the causes they're passionate about.

### Helping the Cities We Live and Work in Thrive

We are proud to contribute to cities around the world where our more than 3,400 employees live and work. We give back to every city we work in through our Blackbaud Community Matters Grants, an employee-led program that distributes funds to local nonprofits. 2018 recipients of the grant included organizations from around the world, like Austin Bat Cave in Austin, Football Beyond Borders in London, Give a Dog A Bone in Glasgow, KYDS in Sydney, Girlventures in San Francisco, and Byte Back in Washington, DC. In addition, the largest gift in our company's history was a \$1 million gift to the International African American Museum in Charleston, South Carolina, the home of our headquarters, which helped the organization reach funding and start the building phase.

### Supporting UN Sustainable Development Goal 17

Blackbaud is proud to support the UN Sustainable Development Goals (SDGs). We support SDG 17—to revitalize the global partnership for sustainable development—with the work we do every day through technology innovations, sector research, and valuable partnerships in the social good community. We've mapped the SDGs into the outcomes capabilities of Blackbaud Grantmaking™; partnered with the Foundation Center, Council on Foundations, and Global Impact to create “Global Goals Mapping: A Resource for Social Good Organizations”; and published resources through the Blackbaud Institute for Philanthropic Impact and our award-winning blog, npENGAGE. Blackbaud is also a member of IMPACT 2030, a private sector-led initiative in collaboration with the United Nations.



**Blackbaud employees  
participate in the company's  
matching gift program at**

**2.5x**

**the national median\***

\*according to the Committee Encouraging  
Corporate Philanthropy (CECP)



Camp Blackbaud participants in Austin teach young girls how to code by partnering with Latinitas, a nonprofit empowering girls to develop skills in technology.





## Building a Healthy Future in the Tech and Social Good Communities

Leading uniquely at the intersection of technology and social good, it is a responsibility and a privilege to serve both of these communities.

### Social Good Community

Through the Blackbaud Institute for Philanthropic Impact, we bring together innovative experts in philanthropy to conduct research and uncover insight from the most comprehensive data set in the social good community, helping us drive impact.

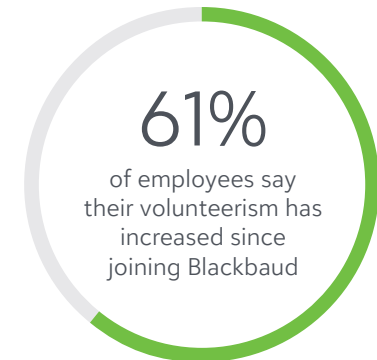
We also engage in social innovation initiatives and collaborate with organizations dedicated to social good that lift the philanthropic community, such as #GivingTuesday, the Shared Value Initiative, Association of Fundraising Professionals (AFP®), The Giving Institute (Giving USA®), Committee Encouraging Corporate Philanthropy (CECP), and the Points of Light Corporate Service Council.

In 2017, Blackbaud donated 2.6% of pre-tax profit through grants, cash, volunteering, and thought leadership.

### Tech Community

We are investing in the next generation of diverse tech leaders through Camp Blackbaud, our biannual software development camp for students in Charleston and Austin. In partnership with the school districts and local nonprofits Charleston Promise Neighborhood and Latinitas, Blackbaud hosts a program focused on science, technology, engineering, and mathematics (STEM) for fifth and sixth graders, allowing them to take their education beyond the classroom and into a real-world environment.

We also support women in tech through several programs and events and are proud to be named by *Forbes* as one of “America’s Best Employers for Women 2018,” with a special recognition in the IT/Internet software category. Our Executive Women’s Summit supports and celebrates female leaders at Blackbaud, and many of these leaders give back to other women in tech through programs like Charleston Women in Tech, Impact Austin, the Women’s Impact Initiative, and the Global Women’s Mentorship Partnership program.





Blackbaud employees and Charleston Riverdogs staff sort and pack food at the Lowcountry Food Bank in Charleston as part of a monthly volunteer project.



OUR PEOPLE

Blackbaud employees power  
the Ecosystem of Good.™



## We bring heart.

We believe great things happen when people come together.



## We work as one.

We're passionate about helping customers use technology to make a difference in the world.



## We invent possibilities.

We're constantly innovating to discover the next great things that will help our customers succeed.



## We expect the best.

We pursue quality and excellence in all we do.



## We give back.

We find creative ways to make a difference in the world.



Our team members are committed to driving social good through living our values, embracing diversity, and exhibiting mutual respect at all times.

### Living Our Values

Blackbaud associates are as bold and unique as our vision, and they possess all the values we rely on as the foundation for everything we do. They embody the values that make up the framework for daily decision making and the blueprint for our success.

### Embracing a Culture of Mutual Respect and Inclusion

We believe the world will be a better place when good takes over. And every day, we see that great things happen when diverse people with different experiences, perspectives, and backgrounds come together. Our teams across the world serve the entire social good community. When our staff members reflect the diversity of our customers and their communities, they enhance the way we connect with our customers and each other—helping us build a better world, faster.

We demonstrate our commitment to diversity and inclusion through a variety of programs and talent attraction strategies.

In 2018, Blackbaud was named one of *Forbes'* “Best Employers for Diversity” and “Best Employers for Women,” recognizing our longstanding commitment to diversity and inclusion.

Blackbaud was also named one of AnitaB.org’s “Top Companies for Women Technologists.”



Austin employees show their pride at the Austin PRIDE Festival and Parade.





In addition to ongoing educational programs such as unconscious bias awareness, interviewing skills, management development programs, and an accelerated development program for motivated employees, we offer many programs that develop and engage a diverse workforce and community.

### Engagement with External Organizations

- Sponsor and participant in the AnitaB.org's Grace Hopper Celebration, the world's largest gathering of female technologists, helping us attract and recruit promising female leaders
- Partnership with UNCF (United Negro College Fund) for its STEM Innovation Summit
- Corporate donor and board member of the International African American Museum
- Executive board member for the South Carolina Lowcountry Business Leadership Network that focuses on hiring and retaining disabled employees

### Investing in Internal Groups

- Affinity groups for employees with disabilities, women in tech, women in sales, black employees, and LGBTQ employees, such as BLEND and Pride@Blackbaud
- Annual Executive Women's Summit in support of Blackbaud's female leaders
- Senior Women's Leadership Council

“Empowering groups who have felt marginalized in the past brings new, brilliant voices into the conversation. Everyone benefits from engaging these employees: individual teams, Blackbaud as a whole, and most importantly our customers.”

—Josh Duke, Senior Trainer for Customer Operations, Leader for Pride@Blackbaud

“As we grow in diversity, we learn more about each other and the world. Taking this knowledge to our customers ensures that we are respectful and sincere in understanding each of them and their organizational goals.”

—Jill Galloway, Principal Program Manager, Leader for BLEND (Black employees Encouraging Diversity)





## Developing and Rewarding Associates

Our commitment to expanding the Ecosystem of Good™ is driven directly by the people who help us do more good every day: our employees. We support our employees with benefits and programs, so they are empowered to continue their own efforts to support the social good community. We give our employees the tools they need to develop their skills, helping us do more good together.

We strive to achieve quality and process improvement across teams, so we can ensure that we're working together as efficiently as possible. Our growth and market leadership support an environment where people can learn and develop, and we continually focus our culture, leaders, and processes on career development, giving our associates opportunities to grow. We also offer several training programs focused on leadership and management, and we provide educational programs and certification in quality improvement.

We subscribe to a total rewards philosophy built on principles of equity and pay for performance, because we believe that rewarding associates for furthering our vision helps drive engagement and increase work ethic. We establish salaries, bonuses, and other performance-based and market-competitive incentives and hold management accountable for regular reviews with staff to ensure alignment on priorities, projects, and performance. The rewards we offer our team members are supplemented with mechanisms designed to bring employees together by recognizing each other's achievements, because each and every one of our employees contributes to furthering social good in some way.

### EMPLOYEE BENEFITS

- **Retirement savings plans**
- **Paid time off (PTO)**  
*Generous PTO policies, including "Volunteer for Vacation," a program in which employees can earn additional vacation time for volunteering in their communities*  
*Parental leave for newborns or adoption*
- **Health, dental, and life insurance plans**
- **Wellness incentives**  
Focused on physical, emotional, and financial fitness
- **Income-protection insurance**  
covering risks from injury or illness
- **Flexible working arrangements**  
and a modern workspace





## ETHICAL STANDARDS

At Blackbaud, we uphold the highest possible governance and ethical standards.





One of our corporate values is “We expect the best,” which includes adhering to the highest standards of ethical behavior and business conduct.

Our expectations and policies for such conduct can be found in our “Code of Business Conduct and Ethics” (also known as our Code of Conduct), where we pledge to:

- Maintain a fair and healthy work environment
- Maintain integrity in the workplace and the marketplace
- Protect Blackbaud’s assets and reputation
- Make it easy to report incidents of noncompliance

We have implemented ethics training that requires each employee to read, understand, and affirm compliance with the Code of Conduct. By pausing to review and affirm our commitment to maintaining the highest ethical standards, we foster a culture of excellence in the way we relate to the world and build relationships within our organization.



**We expect the best.**

We pursue quality and excellence in all we do.

OUR MISSION IS TO PROVIDE CLOUD SOFTWARE  
EXPERTISE, AND DATA INTELLIGENCE TO  
CONNECT PEOPLE TO DRIVE IMPACT FOR SOCIETY



## DATA PROTECTION, AVAILABILITY, AND PRIVACY

We are dedicated to ensuring the safety and availability of customer and consumer data while we carry out our mission to empower social good.

## Global Data Privacy

Driving social good on a global scale—spanning the public, private, and social sectors—requires a detailed understanding of privacy standards. We are committed to keeping our customers' data safe and secure, so the only thing they have to worry about is powering their missions. We ensure that (when applicable) our products and internal processes comply with and enable customers to comply with:

**General Data Protection Regulation (GDPR)**—A European Union regulation that establishes commercial standards for data protection and privacy for all individuals within the European Union (EU) and the European Economic Area (EEA)

**Health Insurance Portability and Accountability Act (HIPAA)**—A U.S. law that provides data privacy and security provisions for safeguarding medical information

**Personal Information Protection and Electronic Documents Act (PIPEDA)**—A Canadian data privacy law that governs how private sector organizations collect, use, and disclose personal information in the course of commercial business

We were also an early adopter of the EU–US Privacy Shield, which is intended to provide companies on both sides of the Atlantic with a mechanism to comply with data protection requirements when transferring data between the EU and Switzerland and the United States.

## DATA SECURITY

As an early adopter of the National Institute of Standards and Technology (NIST) Cybersecurity Framework, we maintain a full-time risk management, security engineering, and security operations department. We also conduct regular third-party assessments across our products to ensure compliance with these important security measures, when applicable:

- PCI-DSS
- PCI PA-DSS
- SOC 1
- SOC 2





## Business Continuity and Product Availability

In addition to helping organizations and individuals after events like natural disasters, pandemics, and public safety incidents, Blackbaud maintains its own policies and procedures to protect against any potential impact that could negatively affect our ability to provide excellent customer service and drive social good. With the Blackbaud Business Continuity and Disaster Response Program—modeled after the NIST 800-34 model—we can assure our customers that we have the most efficient and effective plan in place to keep serving their needs, even in the event of a crisis.



The Blackbaud Culture  
Committee Food Truck  
Rodeo benefiting our Toys  
for Tots campaign draws a  
large crowd at the Blackbaud  
World Headquarters.





## VENDOR MANAGEMENT AND PROCUREMENT

We use local and sustainable vendors whenever possible to help expand the Ecosystem of Good.™

A student from Turning Leaf Project prints t-shirts for the in-house screen printing business.



Photo Credit: Sean Rayford



In our vendor selection and management social responsibility efforts, we use sanctions lists to vet new vendors against terrorism, human and/or narcotics trafficking, and money laundering.

We continue to broaden our vetting and hiring efforts through ongoing screening and additional vetting measures of current and new vendors. By analyzing our current use of local vendors and small/women/ minority/veteran owned businesses, we aim to increase the number of these organizations we work with, and our partnership with Turning Leaf Project is just one example of how we're putting this promise into action.

### Turning Leaf Partnership

Blackbaud's work with Turning Leaf Project, a Charleston nonprofit organization serving men recently released from prison, is an excellent example of how local partnerships can benefit the whole community.

Turning Leaf offers a classroom bootcamp and job placement for these men to help them complete probation and return to society. Men who need additional support after completing the classroom bootcamp are given in-house employment in the screen printing business, and 100% of the proceeds fund job training.

Blackbaud decided to partner with Turning Leaf in 2018 to print t-shirts for all Blackbaud staff to wear at our volunteer initiatives, because we feel strongly about ethically sourcing our shirts and giving back to members of the community. Each shirt comes with a tag describing Turning Leaf Project and the name of the individual who produced it. Our partnership with Turning Leaf aligns with our company values and demonstrates how we are actively contributing to growing the Ecosystem of Good.™







SOCIAL RESPONSIBILITY IN ACTION

Blackbaud World Headquarters





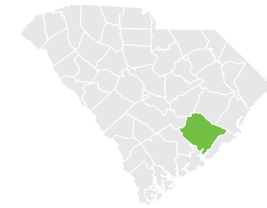
Although we have offices around the world, we're particularly proud of our new Blackbaud World Headquarters that opened in Charleston, South Carolina, in June 2018.

### Features

Our new features help us engage existing staff and attract top talent with innovative and collaborative spaces, game rooms, ergonomic work stations, coffee and tea bars, and a state-of-the-art cafeteria sourcing local food. We are dedicated to promoting employee wellness throughout the property, and we offer a wide selection of outdoor activities, including an athletic field, basketball court, available bikes, and putting green. In addition, our on-site garden, Sprouts, is maintained by our eco-friendly employees, and all crops are donated to the Lowcountry Food Bank throughout the growing season.

The building is also home to the new Blackbaud Innovation Center, a high-tech meeting place designed to help the world's change agents—from Blackbaud customers and partners to community leaders and influencers across the social economy—come together to cultivate ideas and transform them into positive impact at the intersection of technology and social good.

Our Innovation Center also includes spaces to host our ongoing community development and corporate citizenship activities, like our Camp Blackbaud program for children; our employee-led twice monthly service projects by our new hire classes for organizations across our communities; and our annual “hackathon” called Off the Grid, in which more than 200 of our team members from around the world hunker down for 48 hours to address customer challenges.



We designed and built the 172,000-square-foot, eco-friendly world headquarters to demonstrate our passion for technology and for powering social good.

Our new headquarters represents a generational investment in the Lowcountry, Berkeley County, and the workforce of South Carolina. The new facility provides a foundation for our expansion and growth as a company and offers a modern workplace for employees.





## Sustainability Initiatives

We aim to help build a better world, not only through providing software, services, data intelligence, and thought leadership, but by reducing our impact on the environment.

These efforts are in effect in our new world headquarters with the following sustainability and social good initiatives:



LEED Silver certified headquarters; seeking LEED Gold certification



Focus on energy reduction with energy-efficient LED lighting, occupancy sensors, and solar panels



Electric vehicle charging stations in the parking lot



Locally sourced food in the cafeteria



Lumber from the build site used to craft our outdoor pavilion and interior furniture, courtesy of local Charleston Heart Pine Company



Landscaping from local experts to incorporate native plants that benefit the ecosystem



Water reduction with low flow water fixtures and low maintenance



Improved air quality through low VOC materials



Use of recycled construction materials







## Sustainability Stories

In our efforts to reduce our environmental impact in our community and the world, we enlisted local and national vendors that helped us become more sustainable and incorporate our social good values into our new space.

### CHARLESTON HEART PINE COMPANY (CHPC)

The Charleston Heart Pine Company repurposed trees from Daniel Island to make beautifully crafted benches for the Blackbaud World Headquarters. The company shares our belief in sustainability and understands that trees are a renewable resource when planted at a rate more than they're harvested. Instead of simply clearing out the land, we partnered with CHPC to reuse the trees we removed and replant more trees, so the system can continue.

### CURRENT, POWERED BY GE

Through collaboration with JLL commercial real estate management, Current by GE engineered a portfolio of LED fixtures to present a sophisticated look for Blackbaud's eco-friendly campus. The company also installed a Daintree wireless control system that provides daylight harvesting capabilities by using natural light to offset electricity use. Blackbaud World Headquarters will deliver 80 percent lighting energy savings (compared to fluorescent) and will use add-sensor technology to improve office productivity by making the space responsive to human and environmental factors. By prioritizing sustainability, we built not only a collaborative workspace but an efficient one.

We worked with local and national companies to ensure that the new Blackbaud World Headquarters is as sustainable as possible.



## Recognition

We emphasize making an impact—not only through our technology but also through our actions as a corporate citizen. We are proud to have received awards for excellence in diversity, pay equity, professional development, disruptive innovation, and contributions to societal impact, and to have received noteworthy honors including:

- *Forbes'* America's Best Employers for Women 2018
- *Forbes'* America's Best Employers for Diversity 2018
- AnitaB.org's Top Companies for Women Technologists 2018
- *Fortune's* 2017 Companies Changing the World, which recognizes 56 leading companies driving positive social impact through business innovation
- *Forbes'* America's Best Mid-Size Employers 2018
- *Forbes'* World's Most Innovative Growth Companies in 2017 (second year in a row)
- CogX's Best AI Innovation in Charity for our Intelligence for Good™ approach
- *Forbes'* 2016 Fast Tech: 25 Fastest Growing Public Tech Companies



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## 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).

