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Confluent is pioneering a fundamentally new category of data infrastructure focused on data in motion. Our cloud-native offering is the foundational platform for data in motion – designed to be the intelligent connective tissue enabling real-time data, from multiple sources, to constantly stream across the organization. With Confluent, organizations can meet the new business imperative of delivering rich, digital front-end customer experiences and transitioning to sophisticated, real-time, software-driven backend operations.

At the same time, Confluent is committed to developing a strong environmental, social, and governance (ESG) program and strategy in order to conduct our business with integrity and build a sustainable future. We have a highly global presence and seek to meet the needs of our key stakeholders – which include our customers, employees, investors, partners, and the local communities in which we operate. We strive to maintain a workplace that operates equitably and fairly, and to mitigate the environmental impact of our products, processes and services. Thanks to our talented people working as #OneTeam, our business continues to help our customers succeed while growing responsibly.
Through our ESG program and initiatives described in this report, we are taking a more strategic approach to managing our ESG impact. Our mission to set data in motion is aligned with this approach in that it increases IT efficiency and optimizes expenditures for our customers, while helping them to meet their ESG objectives. For example, Confluent technology can help our customers to improve the energy efficiency of their infrastructure by placing workloads where the carbon footprint is the lowest. Our technology can also enable companies to provide real-time availability for elder care or childcare resources to support their employees. In addition, Confluent provides a data governance solution that facilitates our customers’ ability to expand their usage of data in motion without bypassing requirements for risk management and regulatory compliance.

Confluent is proud to describe some of the steps we have taken to address ESG issues through this inaugural 2022 ESG Report. The report covers the first measurement of our carbon footprint data, along with highlights on how we are supporting our global workforce and our governance practices. This is the first step in an ongoing journey to measure and improve our ESG impact. To further detail advancements in our ESG journey as well as future goals, we plan to publish a comprehensive ESG Report in 2023.
CONFLUENT BELIEVES THAT every company needs to take responsibility for curbing the effects of the global climate crisis and averting its most severe consequences by identifying and minimizing environmental impacts. We are proud to be working with like-minded partners who are advancing in their own journeys of environmental stewardship.
A crucial first step in learning how to improve our environmental performance was the completion of our first carbon footprint measurement. In order to accomplish this, in 2022 we partnered with Watershed, a climate platform that gives companies the tools and expertise they need to measure, reduce, remove, and report their carbon emissions. Our greenhouse gas emissions (GHG) were measured and categorized under Scope 1, 2, and 3 of the Greenhouse Gas Protocol, a global standard for GHG accounting and reporting.

With this data baseline, we are now able to determine mitigation strategies to address our GHG footprint. We have already adopted a remote first work policy, and our remaining office space is environmentally friendly. In addition, we are excited to announce that we have achieved carbon neutrality for 2021 across our scope 1 and 2 emissions, as described further below.

We are also carefully monitoring new rules and legislation on climate related disclosures to ensure regulatory compliance. Our intent is to continue to utilize only climate-related disclosure and accounting standards that are globally accepted.
Measurement of Greenhouse Gas Emissions

Confluent’s overall carbon footprint measured 15,966 tons of carbon dioxide equivalent (tCO2e) in total for 2021. This figure includes emissions across Scope 1, 2, and 3.

Scope 1 covers direct emissions from owned or controlled sources, Scope 2 covers indirect emissions from the generation of energy consumed, and Scope 3 includes all other indirect emissions that occur in a company’s value chain. Confluent believes that its direct emissions in Scope 1 and indirect emissions based on energy consumption are the areas that Confluent can focus on offsetting and mitigating in the near term, while Scope 3 emissions will require engagement with our supply chain and will improve as our partners reduce their own carbon emissions.

Scopes

The GHG Protocol splits emissions into scopes based on the party directly emitting. During January to December 2021, 98% of Confluent’s footprint came from Scope 3 emissions.

- **Scope 1**: 34 tCO2e (0.2%)
  - Direct release of greenhouse gases from sources you own or control (e.g., company-owned vehicles or furnaces).

- **Scope 2**: 350 tCO2e (2.2%)
  - Emissions from the generation of electricity, steam, heat, or cooling that your purchase from companies (like your power utility).

- **Scope 3**: 15,582 tCO2e (96%)
  - Upstream emissions of products and services you purchase, and downstream emissions when customers use/dispose of your products.

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**Confluent’s Total GHG Emissions for FY 2021**

Bar chart showing the total GHG emissions for Confluent in FY 2021, categorized by Scopes.
Like many other companies in the software and SaaS industry, the majority of our GHG emissions are categorized as Scope 3 and are therefore based on the carbon emissions of other vendors in our supply chain. In our case, the emissions deriving from our cloud partners’ data centers and from the purchase of goods and services contribute to the largest proportion of our measured Scope 3 emissions. Confluent’s three main vendors, AWS, Microsoft Azure, and Google, all have publicly-demonstrated net zero and renewable energy commitments.

As with many companies worldwide, Confluent’s emissions were reduced in 2021, in particular in the first part of that year, due to the shift in working practices, global office closures, and a significant reduction of business travel as a result of the COVID-19 pandemic.

The graphs show our emissions for 2021 and have been taken directly from Watershed’s report.
Prior to the Covid-19 pandemic, the majority of our employees worked in shared office locations, including our Mountain View headquarters and other regional offices throughout the United States, Europe and the Asia Pacific region. Beginning in March 2020, our employees were required to work from home in order to ensure the health and safety of our workforce. Throughout 2020 and 2021, we continued to monitor national, state and local health requirements in determining whether and when employees could return to the office. However, we made a fundamental decision in late 2021 that our workforce would be "remote-first", and the vast majority of roles would not be required to return to the office on a regular basis.

By offering our global workforce a flexible remote-first working model, and funding home office equipment and technology for successful remote meetings, we contribute to lessening the environmental impact of our commute and travel activities. Of our more than 2,300 employees, fewer than 12% are in roles where they are required to be in the office.

During the Covid-19 pandemic, business travel decreased dramatically across many companies, including Confluent. As we emerge from the restrictions of the pandemic, we seek to do so in a way that is thoughtful about whether to return to pre-pandemic ways of doing business. We recognize for the benefit of our employees and business, it is valuable to engage in in-person activities that help us align on our priorities and build a sense of team. Therefore, we anticipate business travel will increase in 2022 compared with 2021. In addition, as our revenues and number of employees grow, there will be a corresponding growth in business travel. However, measuring the impact of our travel will allow us to mitigate these effects in the future, and ensure that we don’t return to pre-pandemic levels of emissions as a percentage of revenues created by business travel and in-person activities.
Environmentally-Friendly Offices

We strive to apply environmentally-friendly criteria when selecting new office premises where possible. Our Mountain View headquarters, representing our largest office, currently holds a Platinum LEED (Leadership in Energy and Environmental) certification, one of the best-in-class sustainability ratings for office buildings worldwide. Qualification for LEED certification requires the tracking of water efficiency, energy and atmosphere, materials and resources and indoor environmental quality.

For employees outside of our headquarters, we have a global agreement with WeWork, a flexible workplace provider, which enables our employees to locate themselves in offices with a sustainability focus. These offices typically offer implemented recycling systems of consumables and water filtration systems to eliminate the need for bottled water.

We also operate out of environmentally-certified buildings in Seoul (Gold Certified), Sydney (NABERS), and Singapore (BCA Greenmark).
As a first step in our sustainability journey, we are excited to announce that we have achieved carbon neutrality for 2021 across our scope 1 and 2 emissions. These are the emissions which relate directly to our own carbon footprint, as opposed to the Scope 3 carbon footprint of our suppliers.

To achieve this goal, we purchased biochar to cover our scope 1 emissions, i.e., the direct release of greenhouse gases from sources we own or control. Biochar technology offers a promising solution to mitigating climate change by securely storing carbon in a cleaner and more efficient form than traditional forms of coal. By turning biomass into biochar, carbon remains trapped in its solid form, thus creating a carbon-negative cycle. It also promotes soil health benefits & agricultural productivity.

In addition, we are buying Renewable Energy Certificates (RECs)/Energy Attribute Certificates (EACs) in the United States, United Arab Emirates, United Kingdom and India to cover our Scope 2 emissions, i.e., electricity, heat and cooling that we purchase from utilities. These purchases fund the development of renewable energy projects including solar and wind farms, which are critical to achieving climate goals.
Our employees are the heart of our organization, and we are committed to creating an equitable environment and a sense of belonging for all. We celebrate our differences and through our Diversity, Equity & Inclusion Team, we develop programs and policies to promote a highly inclusive culture where employees can bring their best, authentic selves to work. We are proud of our history of women in leadership positions, as well as our active and robust Employee Resource Groups to promote community among employees of underrepresented backgrounds and their allies.
We seek to provide our employees with compensation and benefits that are equitable, competitive, and meet the diverse needs of our global workforce. One key social priority for Confluent is employee wellbeing, and we offer a number of programs to support wellness and mental health in the workplace. We are also focused on supporting our employees in career growth and development through learning and development, recognition and reward and mentorship programs, and are proud of our record on internal mobility and advancement. We seek to learn from our employees and have a culture of continuous feedback, reinforced by quarterly employee engagement surveys.

We are committed to providing a workplace that promotes employee health and offers flexibility. Throughout the pandemic, we worked to mitigate the spread of COVID-19 through our office and travel policies, and we require all U.S. based employees to be vaccinated or demonstrate a valid exemption. In late 2021, we announced that the vast majority of our roles would be "remote first", and we strive to ensure continued engagement, teambuilding and opportunities for interaction for our remote-first employees.

Finally, we believe in helping others in our local communities and throughout the world through volunteer and donation opportunities for our employees.
Confluent prides itself on our diverse global workforce. Overviews of our employee demographics by region, gender, ethnicity and age (as of June 30, 2022) are presented below.

### Employees by Region
- **AMER**: 66%
- **EMEA**: 19%
- **APAC**: 15%

### Employees by Gender
- **Male**: 71%
- **Female**: 29%
Women in Leadership

Female leadership has been one of Confluent’s hallmarks since its inception, with Neha Narkhede as one of our Co-founders. Female representation on the Board of Directors stands at 33%: Neha Narkhede, Lara Caimi and Alyssa Henry. Four out of 11 Executive Staff leaders are women: our President of Field Operations, Erica Rulffson Schultz, our Chief Marketing Officer, Stephanie Buscemi, our Chief People Officer, Gunjan Aggarwal, and our Chief Legal Officer, Melanie Vinson, as well as our Chief Accounting Officer, Christina Liu.
We sponsor a growing number of global Employee Resource Groups (ERGs), connecting employees from underrepresented groups and their allies to learn, engage, and foster understanding. Each ERG enjoys at least one executive sponsor from our most senior levels, as well as a dedicated budget for activities and programmatic support.
In order to help our employees realize the value of their equity awards, we offer equity training sessions on a myriad of topics to all of our employees across the globe. In 2022, our stock administration team was recognized with a national GEO Award for best use of technology, presented by the non-profit Global Equity Organization "to celebrate excellence by honoring impressive companies from around the globe who truly demonstrate their leadership and dedication to their employee stock plans."

Employee Benefits and Compensation

We aim to provide compensation and benefits that are equitable, competitive, and meet the diverse needs of our global workforce. We believe it is important that our employees have a stake in our success, which is why our total compensation packages include both cash and equity components for most employee levels.

Confluent’s benefits programs vary from country to country. In the US, Confluent currently offers employees a comprehensive package of benefits, including a $10,000 per year Fertility and Adoption Reimbursement benefit and at least 10 weeks of parental leave (16 weeks for birthing parents). Employees traveling for work get access to Milk Stork, which helps streamline breast milk transportation logistics globally.
Employee Wellbeing

One key social priority for Confluent is employee wellbeing, and the continuing effects of the COVID-19 pandemic have placed a greater spotlight on our work in this area. Helping our people find a sense of balance and supporting the promotion of wellness and mental health in the workplace is crucial, and we have developed a number of programs to support our employees in their wellness journeys.

Helping employees truly unplug from work to focus their full attention on personal pursuits such as health and family is crucial to wellbeing. Beginning in 2021, we have offered three recharge days each quarter to enable better work/life balance. These recharge days are often aligned by department, in order to ensure that employees feel truly empowered to utilize their recharge days to pursue personal objectives or simply unwind. In addition, employees have flexible personal time off (PTO) which they can use for vacation, health and wellbeing, caregiving or other personal needs.

Our employees also have the opportunity to participate in wellbeing activities online such as yoga, mindfulness, workout classes and superfood workshops. In 2022, we began rolling out an on-demand coaching app to allow employees wellness support on the topics of their choosing on a private and convenient platform.

Confluent also sponsors an ergonomic program which includes equipment recommendations to support our employees’ physical wellness wherever they work.
Career Enablement and Recognition

We want our employees to feel empowered and supported in their professional and personal development. Our career growth program fosters employee advancement opportunities to encourage a culture of curiosity and learning where employees can try new things and continually grow and develop. These include quarterly manager check-ins to facilitate development conversations, an on-demand e-learning platform and ongoing learning programs delivered by our Learning and Development Team.

Internal mobility is highly encouraged, and as of 2022 Q2, our internal fill rate for open positions was 13%. We also have a company-wide Quarterly Key Contributor program to recognize and reward top contributors who exemplify Confluent’s values and deliver outstanding work. In 2022, we piloted a formal mentorship program for senior managers to guide, develop and serve as a resource to key contributors from different organizations.

Employee Surveys

Managing our social impacts and programs at Confluent is an ongoing endeavor, and we must adapt to new situations and working practices as they emerge. We embrace the culture of candid feedback and we tune into the needs of our employees through employee engagement surveys, using the feedback to continuously develop our working culture, policies and practices.

We conduct employee surveys four times per year to ensure that we have a continuous understanding of employee sentiment. An annual engagement survey is conducted in the second quarter of the year, and smaller pulse check surveys take place in the three remaining quarters. This enables us to be more agile and responsive to employee needs, adjusting our approach where required. Additionally, we monitor progress on a quarterly and annual basis to track trends.
In 2021, we determined that most roles would remain “remote first”, and we have worked to maintain a positive working experience for our employees. Of our more than 2,300 employees, fewer than 12% are in roles where they are required to be in the office. As a company, we have invested time and effort into ensuring continued engagement, teambuilding and opportunities for interaction for our remote-first employees. According to our 2022 Annual Engagement Survey, 91% of Confluent’s staff rated their work at Confluent as a remote-based employee as being a good experience (with an 87% participation rate from all of our employees worldwide).
Employee and client health and safety has remained our priority throughout the pandemic and we have taken all precautions necessary to help mitigate the spread of COVID-19 and to adapt as best as possible to ever-changing circumstances. In 2021, we adopted a policy that all U.S. based employees were required to be vaccinated or to obtain a valid medical or religious exemption.

Most of our worldwide offices were temporarily closed during the pandemic, and we supported our employees working remotely. We set up online resources with frequently asked questions and links to further assistance to help our employees navigate through the ever-changing local, national and global landscape.

As restrictions eased, we implemented a phased strategy for our employees returning to the office, together with a “no questions asked” policy which allowed all office and hub-based employees to continue to work remotely in the event they felt uncomfortable returning to the office because of the pandemic.

Our Crisis Management team has monitored COVID-19 since it emerged in early 2020. Confluent’s Business Continuity Plan, designed specifically to help us continue delivering on our committed service levels in an extended absenteeism event, has been utilized during the pandemic. The plan is tested annually and the results of these tests are provided to our external audit team each year for future adjustments and improvements as necessary.

Confluent's COVID-19 Response
Giving Back Through Donations and Volunteer Work

Supporting charitable causes that matter to our employees is important to us. We also recognize that participating in volunteer opportunities together with colleagues is a crucial part of culture building and can help strengthen teamwork and foster deeper relationships.

In connection with our initial public offering in 2021, we donated 250,000 shares to the Confluent Foundation to support future charitable donations that are meaningful to our employees.

In 2022, the Foundation made its first matching gifts in support of the people of Ukraine. We exceeded our initial goal of matching up to $100,000 in employee gifts in support of the following organizations:
- The International Committee of the Red Cross
- USA for UNHCR
- World Central Kitchen

In addition, our Employee Resource Groups (ERGs) are each given $500 a quarter to donate to a charity of their choice. In 2021, our ERGs sponsored a company-wide Holiday Wish Drive, in which over $10,000 was raised for the Family Giving Tree, a non-profit supporting families living at or below the poverty line in Northern California.

Various teams within the company have devoted time to volunteer together to help support their communities. In the past year, our employees have volunteered to help the following nonprofit organizations:
- Food banks, including Second Harvest of Silicon Valley and the Alameda County Food Bank
- The Surfrider Foundation, which organizes beach cleanups in California
- Toys for Tots, which provides toys and resources to children in need
- Together We Rise, which helps children in foster care
- Project Sunshine, which supports pediatric patients in New York

In the future, we anticipate that our volunteer activities will be more systematic as part of our employee programs, and that employees will have regular opportunities to be able to volunteer with their teams.
At Confluent, excellent corporate governance underpins the culture of trust we have developed with our stakeholders. We are devoted to maintaining a workplace where employees are expected to act respectfully, ethically, legally, and with integrity. Our corporate governance is overseen by our Board of Directors, and is guided by various governance, human resources and compliance policies and practices.
In addition, responsible data management is a top priority for Confluent. Our customers put their trust in us to handle and protect their data, and we align with industry and international security standards and undertake regular verification through third-party audits to ensure the highest levels of data security. We are also committed to upholding transparent communications with our customers on what type of data we handle and how.
Strong corporate governance begins with our Board of Directors and our Board Committees. Our Board of Directors is composed of a majority of directors who are independent in accordance with the rules of the Securities and Exchange Commission (SEC) and The Nasdaq Global Select Market (Nasdaq). Our Audit, Compensation, Nominating and Governance and Mergers and Acquisitions Committees are composed entirely of independent directors.

To support our progress with ESG-related commitments, our Nominating and Governance Committee oversees our ESG program and performance, and works closely with our Audit Committee to assess related risks and SEC disclosures.

For further information on our Board of Directors, Charter and Bylaws, Committee charters and Corporate Governance Guidelines, please see our Investor Relations page.
Confluent’s Code of Conduct describes our core values and establishes global standards for how we work with each other, our customers, and our partners. It defines our purpose, values, and principles, and sets a standard that all Confluent team members act respectfully, ethically, legally, and with integrity – both in words and in behavior.

Our Code of Conduct covers each of the following key areas:

- Fostering a culture of ethics and trust
- Providing a safe and inclusive workplace
- Playing by the rules
- Avoiding conflicts of interest
- Being honest and accountable
- Being loyal, and
- Speaking up

Everyone who works at Confluent is expected to be familiar with, and adhere to, our Code of Conduct. All employees participate in Code of Conduct training, which includes our CEO discussing the importance of ethics, honesty, integrity and compliance in all of our business decisions.
Human Resources Policies

At Confluent, we are committed to maintaining a workplace that celebrates and fosters diversity and inclusion and prohibits discrimination, harassment and other illegal or inappropriate behavior. In support of these objectives, we have adopted a Diversity, Equity and Inclusion Policy, as well as a Global Harassment and Discrimination Policy.

Confluent is committed to creating a diverse workplace, actively pursuing equity, and fostering an inclusive environment where employees are treated with respect and differences are embraced and viewed as assets, so that employees thrive. After all, our collective differences, knowledge, skills, and perspectives contribute to our company’s culture and success.

Confluent does not tolerate discrimination, harassment, sexual harassment, or bullying, including on the basis of race or ethnicity, color, national origin, ancestry, sex, gender, gender identity or expression, sexual orientation, familial or parental status, pregnancy, childbirth or related medical conditions, religion, age, physical or mental disability or condition, veteran and military status and any other characteristic protected by applicable federal, state, or local laws. As discussed below, we encourage employees to report any issues, concerns or suspected violations of our policies through our hotline or directly to any member of management, HR, Legal or Compliance. All concerns are thoroughly investigated in a timely manner and, if the complaint or concern is substantiated, appropriate remedial actions are implemented. We have a zero tolerance policy on retaliation. All employees who report concerns in good faith, as well as anyone who participates in an investigation, is protected from retaliation.

Anti-Slavery and Human Trafficking

We are committed to ensuring that our business operates in a responsible way that prevents slavery and human trafficking. We are also dedicated to playing our part in helping combat slavery and human trafficking outside of our operations. Our zero tolerance for slavery and human trafficking is described further in our Modern Slavery Statement.
Compliance

Across the company, we promote a culture rooted in fairness and responsibility, and our business conduct is based upon uncompromised adherence to our core values, legality and compliance. We require our disclosures to be full, fair, accurate, timely, and understandable for regulators, our shareholders as well as the general public.

Equally, all of Confluent’s corporate records must be true, accurate, and complete. In addition to our Code of Conduct we have implemented policies that establish our expectations to behave fairly, ethically and in accordance with the law. Among the policies we have adopted to guide our directors, employees, contractors, suppliers, and third party contractors, are a Global Anti-Bribery and Anti-Corruption Policy, an Insider Trading Policy and an Acceptable Use Policy.

Whistleblower Policies and EthicsPoint Hotline

We encourage employees to report illegal or unethical behavior, including anonymously, without fear of retaliation. In support of these objectives, we have adopted an Anti-Retaliation Policy as well as a Whistleblower Policy.

Our Whistleblower Hotline, accessible by all employees through our internal website and online by all third parties offers anonymous reporting of any suspected violation of laws, rules, regulations, or the Code of Conduct, without fear of reprisal or retaliation.
Data Privacy and Security

Data privacy and security is of utmost importance at Confluent. Many of our stakeholders operate in highly regulated industries across the globe, and we take our data management responsibilities very seriously. Confluent’s Privacy team works to achieve compliance with the European Union’s General Data Protection Regulation (GDPR), the California Consumer Privacy Act (CCPA) and other applicable privacy laws. We also support our customers in their own compliance efforts regarding Confluent Cloud. Our Privacy Policy details how we collect, use, and share personal information, and how persons can exercise their privacy rights. We do not share with third parties any information that identifies, or could reasonably identify, a customer, except in line with our Privacy Statements, or if we are required or permitted by law to do so.

In 2021, Confluent implemented the new set of Standard Contractual Clauses (SCCs) adopted by the European Commission in June 2021 to regulate any transborder flow of personal data from the European Union and the United Kingdom.

Regarding data security, we implement layered security controls designed to protect Confluent Cloud customer data and employee data and minimize the likelihood and impact of unauthorized access to our network and systems. We incorporate multiple logical and physical security controls including access management, least privilege, strong authentication, logging and monitoring, vulnerability management, bug bounty programs, and many others. We continuously invest in our security capabilities, including maintaining and enhancing our existing technologies to continue to stay ahead of new security threats. For additional information on how Confluent approaches privacy and security, please visit our Trust & Security page. To learn more about our Confluent Cloud security controls, please see our Security Whitepaper.

Certifications

We are proud to have earned certifications in, and to comply with, some of the most globally recognized frameworks and standards, including SOC 1/2/3, PCI DSS, and ISO 27001.

A complete list of our certifications and available attestations of compliance can be found here.
On behalf of Confluent’s ESG Council, we thank you for your interest in our 2022 ESG Update. We are committed to continuing to assess and improve our ESG efforts, and look forward to working with all of our stakeholders to build a better future. If you have any questions on our ESG policies and practices that have not been addressed, please feel free to contact us at ESG@confluent.io.