

OCTOBER 2024

Environmental, Social, and Governance Overview



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Letter from Our CEO

When Alexis and I started Datadog in 2010, our goal was to bring together siloed teams that didn't always see eye to eye. We wanted to create a company that we would both be proud to be part of. And we wanted to build Datadog to leave a lasting, positive impact on the world around us.

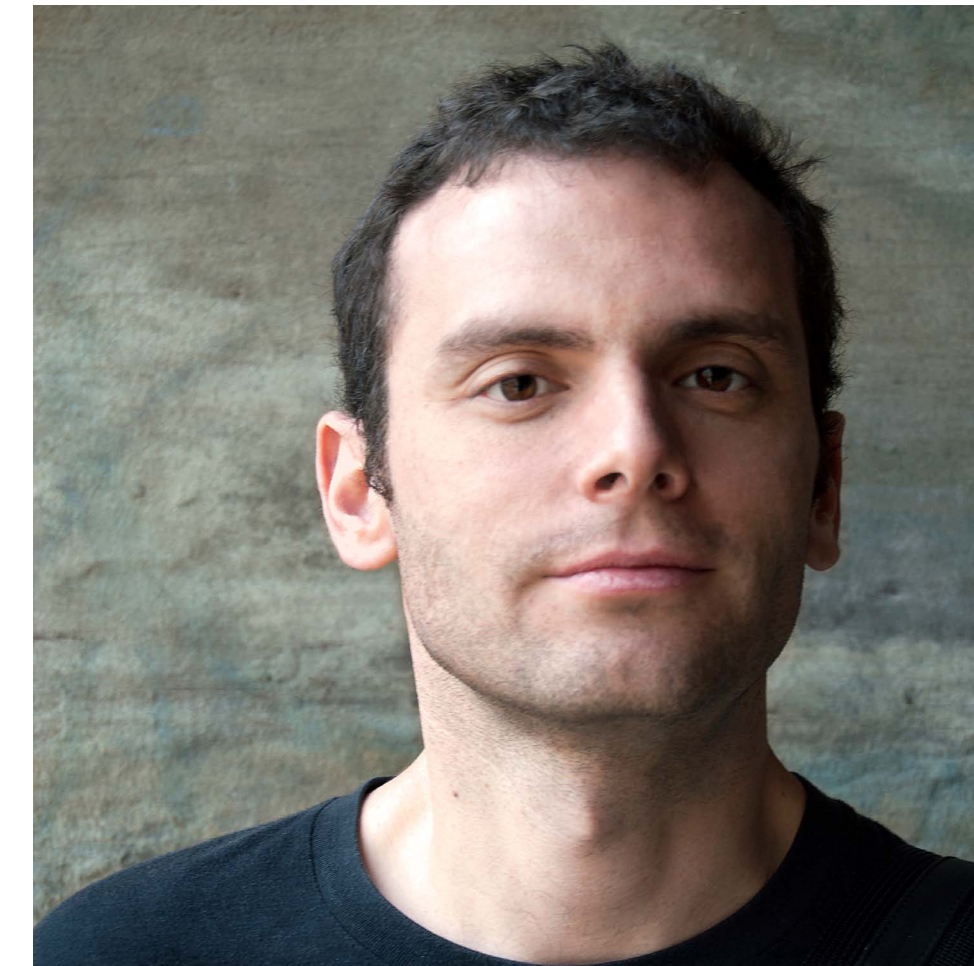
While we're still early in our journey, the team that once fit on a single desk in Brooklyn ended 2023 with 5,200 Datadogs worldwide serving 27,000 customers, ranging from small start-ups to the largest enterprises and covering every single part of the economy. As we continue to expand our business, we are aware of the increasing number of lives we touch and the impact we have—not only on our customers, but also all Datadogs and our communities around the world.

2023 was another year of innovation and business growth for us, and meanwhile, we invested more to build our social and environmental initiatives. We remain committed to our diversity and inclusion initiatives, with expanded programs and resources to drive belonging. As we have grown, we have advanced our efforts to hire and welcome diverse talent into our pack. With offices worldwide, we strove to be good global citizens, coming together

with our employees to give back and donate to communities in need. On the environmental front, we expanded our carbon footprint assessment to make continued progress towards greater transparency and positive change, and are sharing our Scope 1, Scope 2, and Scope 3 emissions for 2023. In addition, we are establishing a commitment to offset 100% of our residual Scope 1 and 2 emissions for 2023 and future years.

We have room for improvement in many of the areas outlined in this report, and we plan to make further progress in 2024 and beyond. We know it won't be easy, but as our company history has shown, Datadogs strive to deliver effective solutions to hard problems. At its core, our culture is grounded in humility and a desire to learn, and this drive to improve and enable change is what unites us as a team and builds a better business for all our stakeholders.

I want to thank our team and customers for our joint success. I'm inspired by what we've achieved together. More importantly, I remain incredibly excited for what we will accomplish in the future and the impact we can have as a company. We're only just getting started.



Olivier Pomel
CEO & Co-Founder, Datadog

Who We Are

Datadog is the observability and security platform for cloud applications. Our SaaS platform integrates and automates infrastructure monitoring, application performance monitoring, log management, user experience monitoring, cloud security and many other capabilities to provide unified, real-time observability and security for our customers' entire technology stack.

Datadog is used by organizations of all sizes and across a wide range of industries to enable digital transformation and cloud migration, drive collaboration among development, operations, security and business teams, accelerate time to market for applications, reduce time to problem resolution, secure applications and infrastructure, understand user behavior, and track key business metrics.



FINANCIAL

\$2.13B

FY23 revenue

+27%

FY23 Y/Y growth

23%

FY23 non-GAAP operating margin

28%

FY23 free cash flow margin

Mid-110%

Dollar-based TTM net retention rate

\$2.6B

Cash, cash equivalents,
and marketable securities

PLATFORM ADOPTION

83%

Customers using 2+ products

22%

Customers using 6+ products

47%

Customers using 4+ products

9%

Customers using 8+ products

CUSTOMERS

~27,300

Total




















~3,190

\$100k+ ARR

PEOPLE

~5,200 in 33 countries

19 PRODUCTS IN AN INTEGRATED DATA PLATFORM

-  Infrastructure Monitoring
-  APM
-  Log Management
-  Synthetic Monitoring
-  Real User Monitoring
-  Network Monitoring
-  Continuous Profiler
-  Incident Management
-  Database Monitoring
-  CI Visibility
-  Observability Pipelines
-  Workflow Automation
-  Cloud Security Management
-  Cloud SIEM
-  Application Security Management
-  Sensitive Data Scanner
-  Universal Service Monitoring
-  Cloud Cost Management
-  Data Streams Monitoring

Gartner[®]

We were named a leader in the 2023 Gartner Magic Quadrant for Application Performance Monitoring.

All data as of Dec 31, 2023. Non-GAAP operating margin and free cash flow margin are non-GAAP measures. See Appendix for a reconciliation to financial results prepared in accordance with GAAP.

About This Report

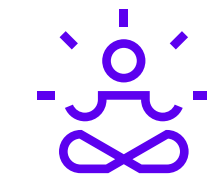
Environmental, Social, and Governance Report

This 2023 Environmental, Social, and Governance Report continues to address those ESG topics that we believe our investors, employees, customers, vendors, and other stakeholders consider the most important and that the Sustainability Accounting Standards Board (SASB) deems most relevant to our industry. We look forward to reporting our progress as we further integrate sustainability into our operations.

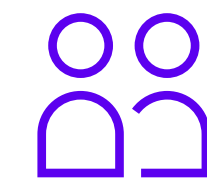
Unless otherwise specified, this report highlights activities and metrics related to Datadog's fiscal year ended December 31, 2023.

U.N. SUSTAINABLE DEVELOPMENT GOALS

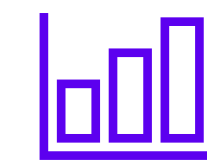
Datadog supports the United Nations Sustainable Development Goals (SDGs). Based on our ESG priorities, we identified six goals where we believe we can most positively impact our employees, customers, and communities. We plan to continue to analyze which of the SDGs are most aligned with our priorities.



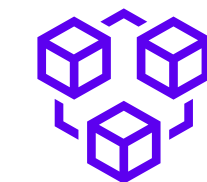
Good Health and Well-being



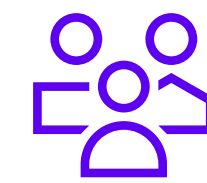
Gender Equality



Decent Work and Economic Growth



Industry, Innovation and Infrastructure



Reduced Inequalities

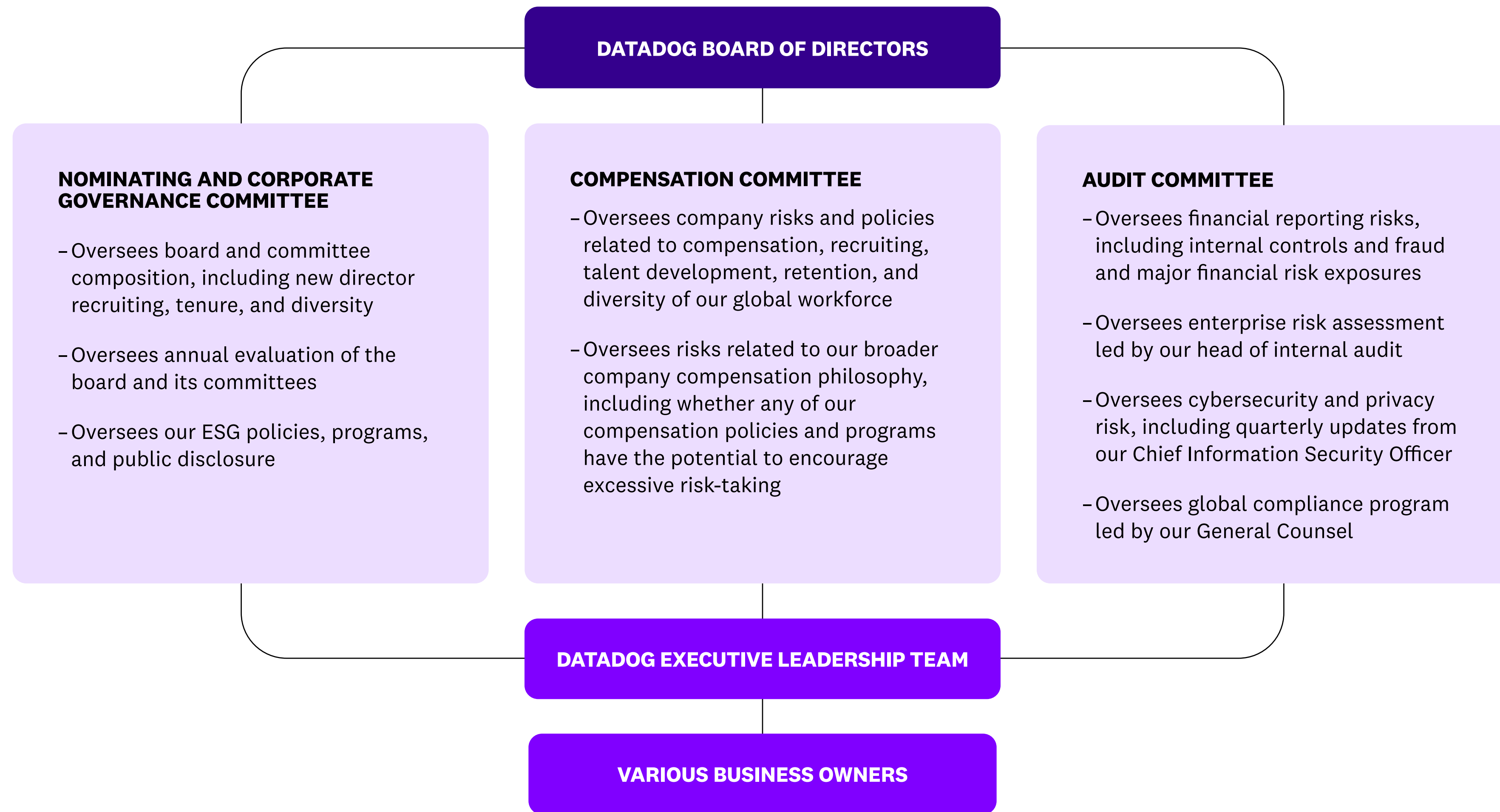


Climate Action

Governance

ESG is a key priority at Datadog, with direct oversight from the Board of Directors and management. Our board as a whole and through its committees oversees ESG governance, and is advised by the Nominating and Corporate Governance Committee (NCG Committee), which oversees the company's ESG programs. Our Audit Committee oversees financial reporting risks, including internal controls, enterprise risk assessment, cybersecurity and privacy, and our Compensation Committee oversees company risks and policies related to compensation, recruiting, talent development, retention and diversity of our global workforce.

The implementation and day-to-day management of Datadog's ESG initiatives has been delegated to various business owners. These business owners work with and report to executives on the Datadog Executive Leadership Team responsible for decision making on key areas of focus and meet periodically in cross-functional working groups to report progress on such initiatives to the NCG Committee. The working groups represent teams from a combination of key functions, including Finance, Investor Relations, Legal, Operations, Security, and People.



Business Ethics

We are committed to maintaining the highest standards of business conduct and ethics and foster an environment where employees are encouraged to come forward with potential violations of our policies or standards.

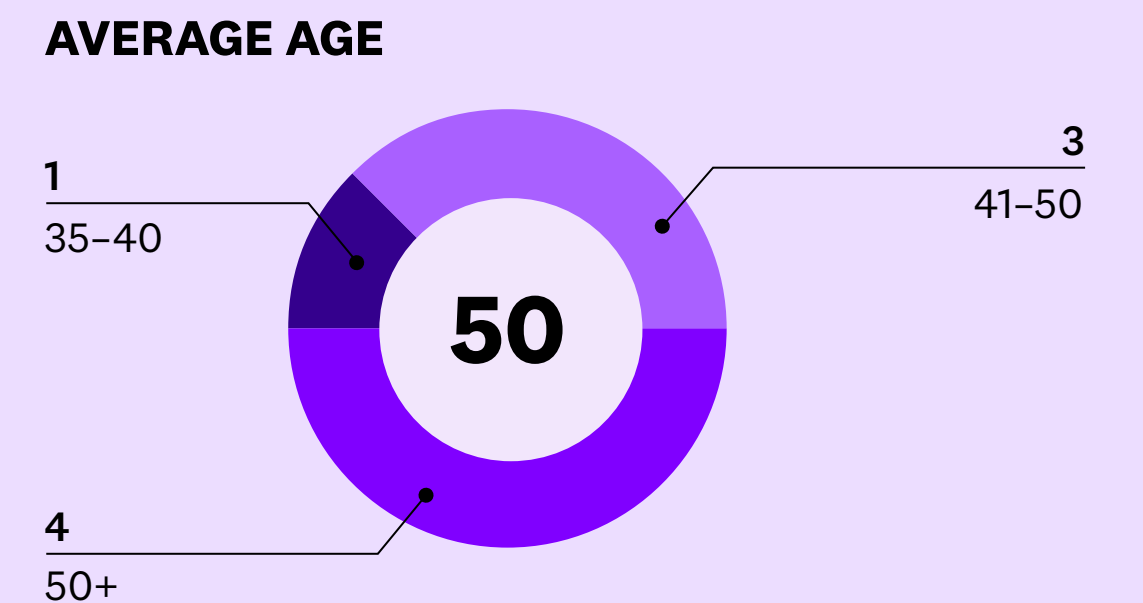
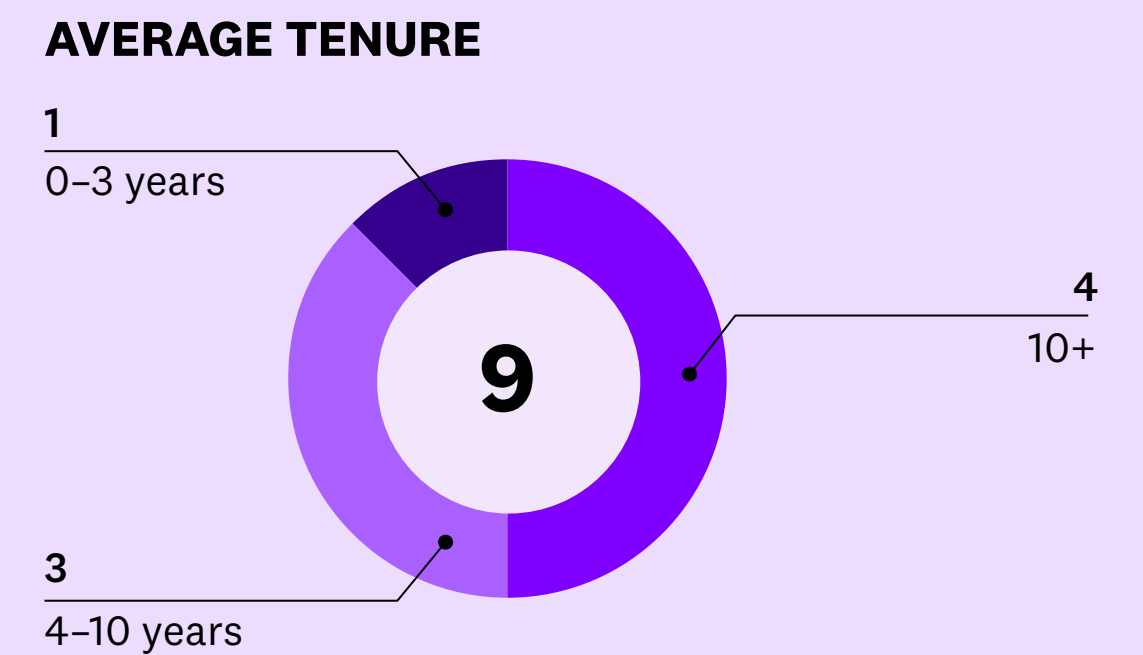
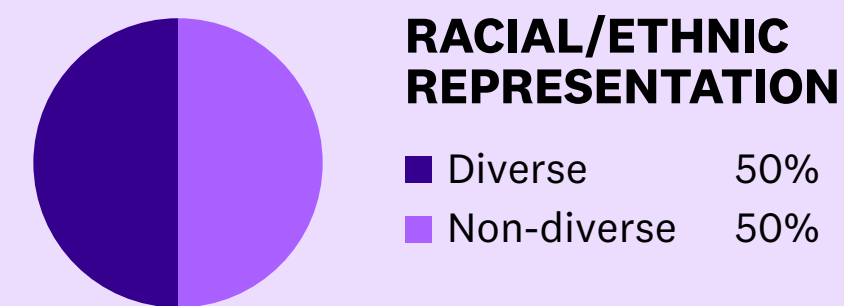
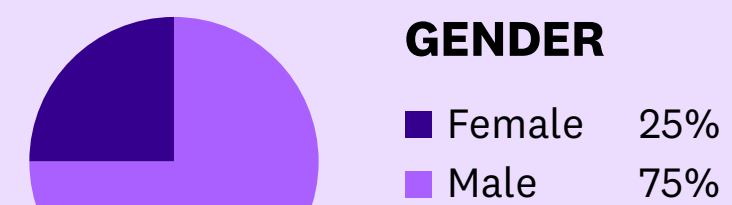
Our values and expectations around ethical conduct are communicated in our Employee Guide and [Code of Business Conduct and Ethics](#). More specifically, our Anti-Corruption Policy provides detailed guidance to facilitate compliance with anti-corruption laws and regulations applicable to Datadog’s business. These guides and policies advise our employees to use our anonymous, toll-free ethics hotline to encourage reporting any violations or concerns. Hotline activity is escalated directly to our General Counsel, Audit Committee Chair, and Chief People Officer. We encourage employees to be alert to possible violations and raise concerns without fear of retaliation.

Employees are required to undergo various ethics trainings, including with respect to the Code of Conduct, anti-harassment, privacy and cybersecurity, insider trading, and anti-bribery.

Furthermore, annually our internal audit team validates on a sample basis that employees acknowledge their receipt of the Employee Guide and agreement to comply with it and that matters submitted to the hotline are addressed and appropriately escalated.

Board Independence and Diversity

The members of our Board of Directors collectively possess the professional and industry knowledge, financial expertise, and high-level management experience that is necessary to oversee our business. For more information about our board, please see our [Proxy Statement](#).



All data as of April 21, 2024

Risk Management

Risk management is a key priority across Datadog. Our Board of Directors oversees an enterprise-wide approach to risk management that is designed to support the achievement of organizational objectives, improve long-term organizational performance, and enhance stockholder value. This involves regularly assessing whether the level of risk we are facing is appropriate, as well as evaluating the steps management is taking to mitigate that risk. While our full Board of Directors has overall responsibility for risk oversight, it has delegated oversight of certain risks to its committees.

Our internal audit function, which reports functionally into our Audit Committee, conducts an annual enterprise risk assessment to identify financial, operational, regulatory, reputational and strategic risks that could pose a threat to our business. The enterprise risk assessment helps inform the internal audit plan, and both the assessment and progress against the internal audit plan are periodically presented to the Audit Committee. The assessment process involves reviewing existing risk documentation, performing external research on top industry risks, holding discussions with senior management, and reporting the results to the Audit Committee to consider for further action. The enterprise risk assessment includes ESG risks such as human capital management, security and privacy, and regulation and information management priorities across Legal, IT, Operations, People, Finance, Security, Product, and Sales & Marketing. Other environmental or social factors that could pose a risk to our business are also considered through this process. ESG risks are also considered by various business owners and when necessary in cross-functional working groups. We maintain a Business Continuity Plan that covers the key personnel, resources, services, and actions required to maintain critical business processes and operations.

Intellectual Property Protection

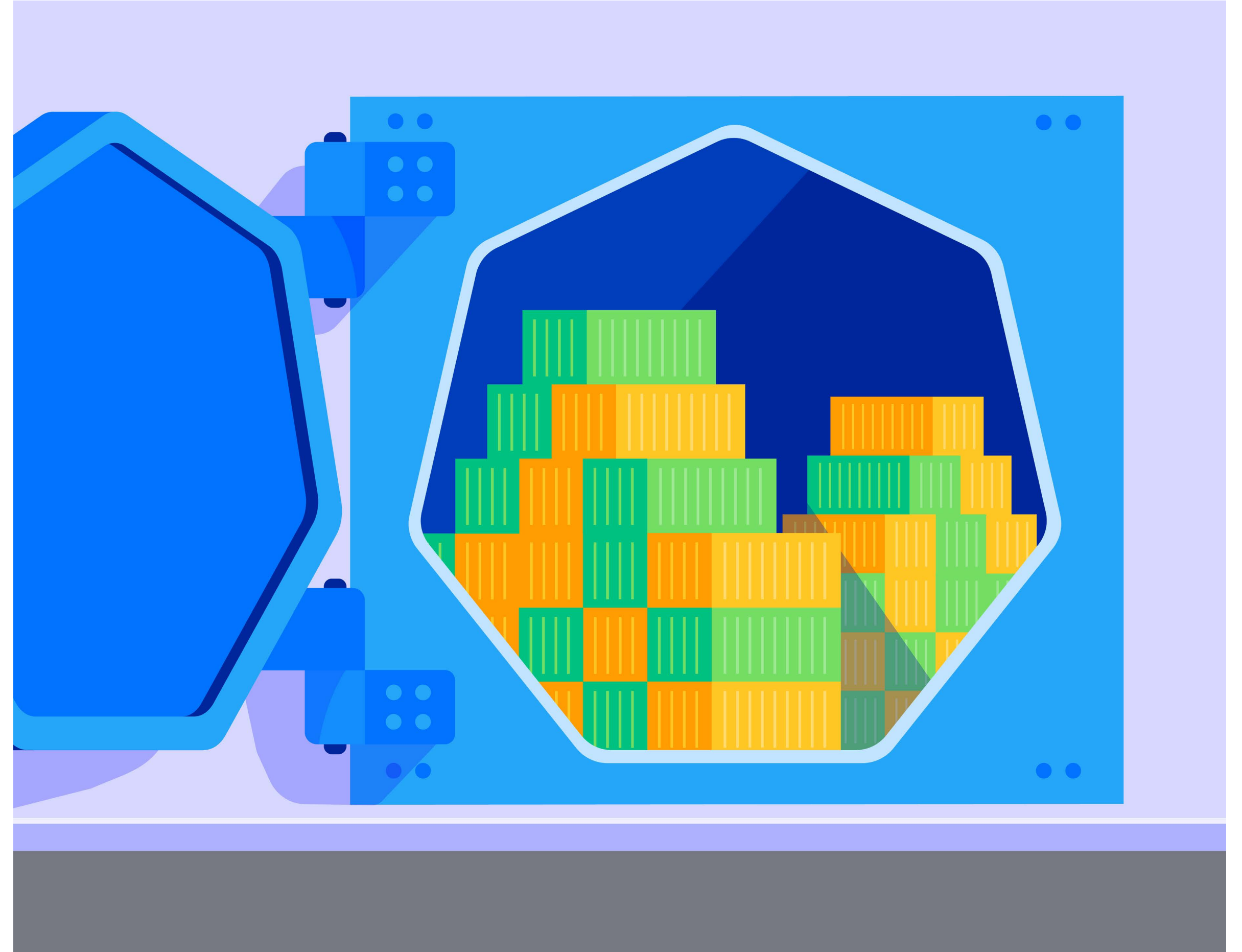
Protection of our intellectual property is critical to our innovation. An important business priority of ours is to obtain, maintain, enforce and protect our intellectual property, including our brand, proprietary technology and know-how.

We rely on a combination of trademarks, trade secrets, patents, copyrights, contractual restrictions and confidentiality procedures to establish and protect our intellectual proprietary rights. We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with other third parties, including suppliers and other partners. We control or monitor access to, and distribution of, our software documentation and other proprietary information through the use of internal and external controls. We pursue the registration of domain names and trademarks in the United States and in various jurisdictions outside the United States and actively seek patent protection covering our inventions.



Data Security and Privacy

We are committed to protecting the integrity and confidentiality of, and access to, our data and information. Data security and privacy are of paramount importance at Datadog and are built into our products and operations. All Datadog personnel are required to undergo annual security and privacy awareness training that weaves security and privacy into technical and non-technical roles. All employees are encouraged to participate in helping secure our customer data and company assets. Security training materials are developed for individual roles to equip employees to handle the specific security and privacy challenges of their roles.





DATA PRIVACY

Our global privacy program aligns with global and national data-privacy laws, including Europe's General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA), and includes an established set of administrative, technical, and people controls that protect the privacy of the personal data we receive as required by applicable law. Our approach to privacy is holistic: we safeguard personal data from the point of initial collection, through its processing, and until it is ultimately returned or deleted. We utilize privacy management tools that enable us to regularly conduct data protection impact assessments (DPIAs), manage incident response, handle data subject requests (DSRs), and perform other privacy-related processes. Our team of experienced privacy lawyers and practitioners, with Certified Information Privacy Professional (CIPP) status from the International Association of Privacy Professionals (IAPP), regularly engages with others in the industry to share best practices.

We aim to be fully transparent in how we process personal information. That's why we regularly review and update our comprehensive [Privacy Policy](#), our [Applicant and Candidate Privacy Notice](#), and our internal Employee Privacy Notice. To learn more about how we think about privacy, please visit our [Privacy at Datadog](#) page and our [Trust Center](#).





DATA SECURITY

We utilize various processes and tools to assess, identify, and manage risks from cybersecurity threats. In the development of our products and features, our security teams work with our engineering and product teams to identify, assess, and agree upon mitigation or remediation measures with respect to product development. On an ongoing basis, we encourage an environment of openness in which our engineering and product teams, led by our security teams, proactively identify, manage and discuss actual or perceived cybersecurity risks. These teams also use automated and manual processes to identify and track risks from cybersecurity threats. The identified risks are triaged, prioritized for remediation, and reported by the security teams to various levels of our senior management, as appropriate. We also deploy technical safeguards that are designed to protect our platform and systems from cybersecurity threats, including firewalls, intrusion prevention, and detection systems. We have established an incident response plan that addresses our response to cybersecurity

incidents, and we require periodic training for our employees on cybersecurity threats. In addition, we maintain cybersecurity insurance, however, the costs related to cybersecurity threats or disruptions may not be fully insured.

In addition, we maintain third-party vendor management standards that are used to evaluate cybersecurity risks associated with our third-party service providers, and we assess information technology and software vendors to determine their security posture and maturity. All vendors that process our data or access our systems go through a security and privacy review before they are engaged that is targeted to the services to be provided and the systems and data involved. Based on the information provided by the vendor and depending on the nature of the services provided, our vendor management process may involve security questionnaires and contractual obligations such as audit rights and breach reporting.

We also periodically perform various types of security audits and assessments, including penetration tests, via internal and external parties. In addition, certain Datadog products are subject to specific compliance requirements and standards, including, as applicable, ISO 27001, SOC 2, PCI, and FedRAMP (Low and Moderate), and are tested and evaluated by third-party auditors against those applicable compliance requirements and standards. The identified risks from such audits and assessments are triaged, prioritized, reported by our security teams to various levels of our senior management and tracked and remediated depending on the severity.

Our internal audit function conducts annual interviews across business groups to identify key areas of risk, including cybersecurity risk. This enterprise risk assessment helps inform the internal audit plan, and both the assessment and progress against the internal audit plan are periodically presented to the Audit Committee. Our Chief Information Security Officer also reports separately to our Audit Committee on cyber and information security risk on a quarterly basis.

We have previously and may in the future become the target of cyber-attacks by third parties seeking unauthorized access to our or our customers' data or to disrupt our ability to provide our services. As a result, we have expended and plan to continue to expend significant resources in an effort to protect against security incidents and to mitigate, detect, and remediate actual and potential vulnerabilities. Notwithstanding the measures and processes we take to manage cybersecurity risk, there is no guarantee that these measures and processes will be successful in preventing or mitigating a cybersecurity incident that could have a material adverse effect on us. For more information regarding our cybersecurity practices and cybersecurity risks, see Part 1. Item 1A Risk Factors and Item 1C. Cybersecurity in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

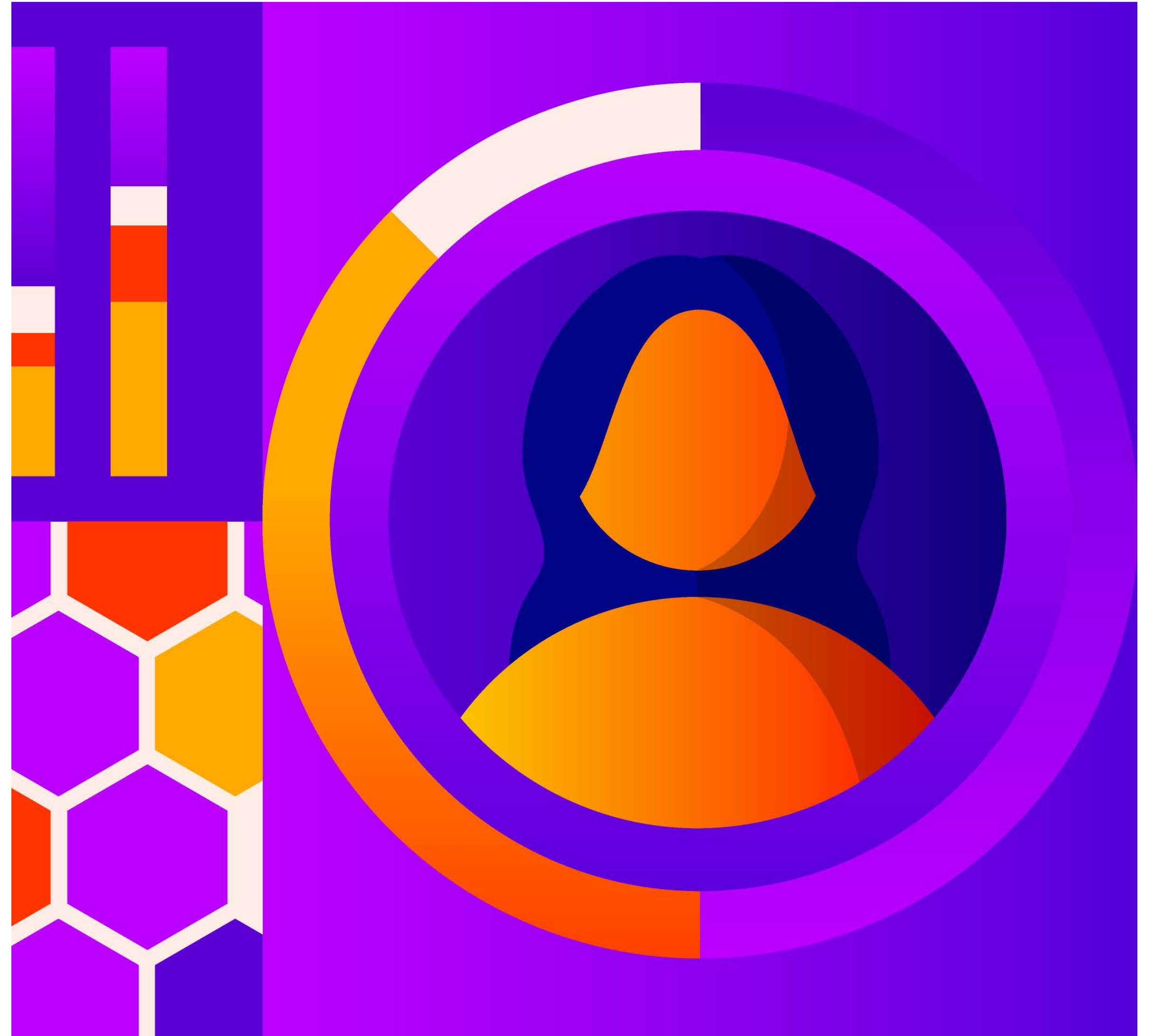
For more information about our security compliance, please visit our [Security page](#).

Vendor Management and Human Rights

We believe our commitment to the highest standards of business conduct extends to our network of vendors, contractors, consultants, and other providers. Our vendors are primarily in the IT industry and based in countries with low ESG risk.

We are intentional about sourcing from companies that share our values. We use environment-friendly products in our offices, purchase from local vendors, and support minority-owned businesses. Our procurement department favors sophisticated companies that have their own ESG policies and goals, and we require our vendors to adhere to our [Vendor Code of Conduct](#), which reflects the basic business practices we require of our vendors.

We are committed to periodically reviewing and assessing the risk of slavery, human trafficking, child labor, or other human rights issues in our supply chain. Please see our [Modern Slavery Statement](#).



Social / Human Capital

When our teammates are happy and healthy, they're unleashed to do their best work. That's why we invest in programs and initiatives that nurture our employees' growth and well-being. We aim to foster the natural innovation and curiosity that resides in every one of us through a culture of diversity, inclusion, and support that celebrates our differences and enables our highest potential.

Employee Health, Safety, and Well-Being

The health, safety, and well-being of our employees is a top priority at Datadog. We are committed to providing our teams with a safe and healthy working environment, along with comprehensive benefits that support their physical, mental, and financial wellness.

While the philosophy around our benefits is the same worldwide, specific benefits vary regionally due to local regulations and preferences. For more information, see our [benefits](#).

BENEFITS

We believe our employees should have the support they need to maintain a strong work-life balance, grow personally and professionally, and save for their future.

We offer a range of industry-leading benefits aimed at strengthening the health and financial wellness of our employees and their dependents in most of our locations.



HEALTHY BODY AND MIND

- Health, dental, and vision plans, including a zero-cost option
- Mental health care and awareness programs, including 10 free appointments annually with a licensed mental health professional
- Discretionary paid time off
- Fitness subsidy for expenditures
- Fitness and wellness activities, including on-site classes, local sports leagues, and virtual lessons



FINANCIAL WELLNESS

- 401(k) and pension matching program
- Financial planning assistance
- Employee Stock Purchase Program



INCLUSIVE BENEFITS

- Fully paid, gender-neutral parental leave benefits
- Comprehensive family-forming benefits (adoption, fertility, fertility preservation, surrogacy)
- Annual reimbursement for certain reproductive-related out of pocket costs (such as travel expenses, copays, deductibles and coinsurance) that are not otherwise covered
- Child care subsidy
- Differential pay for employees who are members of the uniformed services for up to 8 weeks when they are called to active duty or mandatory training
- Pet adoption subsidy
- Annual reimbursement for gender-affirming therapy and procedures not covered by insurance, including travel expenses

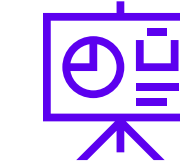
Learning and Development

We're focused on supporting Datadog employees to grow in their careers—whether that means deepening their expertise, expanding their skillset, or pursuing a new role—through a diverse range of learning solutions and performance-management strategies.



ONBOARDING

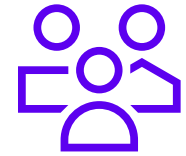
We aim to provide an outstanding new hire experience to every team member who joins our pack. We expanded to include even more role and region-specific content, bringing greater customization and depth to each person's experience.



LEARNING AND DEVELOPMENT

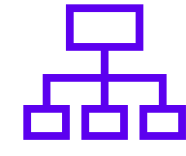
We deliver quality learning moments and tools for our employees to support their continuous growth and professional development. We continued to host year-round learning events, as well as Learning Week, a global event that empowers employees to learn and teach their peers about various areas of professional interest. For the first time, we hosted a region-specific Learning Week in multiple APAC offices, engaging our team members around the world.

We also expanded our language coaching program. We doubled the number of employees who participated compared to the prior year and began providing access to additional languages such as French, Spanish, and Portuguese that will help our team members better communicate with each other and our customers.



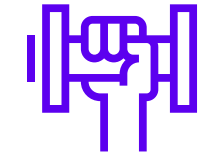
FOSTERING INCLUSIVE BEHAVIORS

We refreshed our DEI training content and built two custom workshops in-house to ensure the most important and relevant topics to Datadog are covered. This includes a greater focus on allyship and the behaviors each of us can take to foster a more inclusive environment for everyone. Over 1,000 Datadogs participated in these sessions and every new joiner is required to participate in both within their first 90 days.



MENTORSHIP

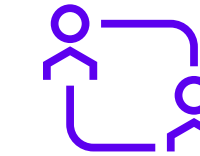
We expanded our mentorship program, connecting more than 330 individuals to give or receive mentorship in intimate 1:1 pairs. Our mentorship focus remains to serve employees with historically underrepresented identities in tech in an effort to provide them with greater access to role models, coaching, and dedicated career support. Feedback from participants remains strongly positive as the program continues to scale.



MANAGER TRAINING

Designed by Datadog for Datadogs, our manager programs share tools and frameworks to help people leaders build, manage, and develop strong teams.

We transitioned to delivering all of our manager workshops with in-house facilitation talent to drive conversations that are uniquely tailored to our internal culture. We also built new programming, including a 3-day intensive training for senior leaders. With direct access to our executive team and other senior staff, participants deepened their understanding of our business, participated in realistic simulations to sharpen their decision making skills, and strengthened their relationships with cross-functional peers.



EMPLOYEE CULTURE AND ENGAGEMENT

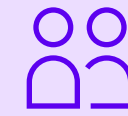
It is important for us to build a product and culture that our employees can be proud of. We know that investing in employees' personal and professional development is a big part of that. Twice a year we conduct a survey that measures satisfaction and engagement across our global employee workforce. The feedback we collect helps shape our programs, training offerings, and general roadmap. Our People and Leadership team create and execute action plans to elevate and sustain areas where we're rated favorably, as well as improve in areas where needed. For both surveys, our participation and favorability scores were above 80%, exceeding industry standard.

Employees also participate in a performance feedback cycle twice a year. This process provides an opportunity for employees to align with their managers on overall performance and get actionable feedback to maximize their career growth at Datadog.

We also maintain an anonymous, toll-free ethics hotline to encourage employees to report any violations or concerns. For more information, see [Business Ethics](#).

Diversity, Equity, and Inclusion (DEI)

At Datadog, diversity means making a conscious effort to reflect the many experiences and identities of the world outside while treating each other with fairness and without bias. Inclusion is the choice we make every day to foster an environment where people of all backgrounds not only belong, but excel, so that we can succeed together as a company.



RECRUITMENT

Our recruiting team is dedicated to inclusive hiring practices that build a workforce representative of the global communities Datadog serves, including partnerships, community events, and thoughtfully designed processes.

We provide resources and tools to help early in career Datadogs grow their confidence and take pride in making a lasting impact on our business. We strive to build a workplace culture all employees are proud of.

This is a collective effort and we are committed to improving our recruitment practices and fostering diverse teams.

In order to do this we've taken the following actions:

- Put practices in place to mitigate bias in hiring
- Established a Diversity, Equity, and Inclusion Recruitment program
- Trained our hiring leaders and recruiters on inclusive hiring practices
- Established a monthly committee where we review hiring and retention initiatives globally and measure their impact
- Launched our Culture Ambassadors program, which offers candidates the opportunity to informally meet with a Datadog employee with a shared identity

We are proud to partner with organizations who build intentional community and enablement for underrepresented groups that support and amplify our recruiting efforts.

BreakLine

We team up with [BreakLine](#) to close diversity gaps in the professional workforce and help women, people of color, and veterans accelerate into their next careers. As part of our partnership, we contribute to funding their education program and helping BreakLine participants get hired at tech companies.



ColorStak

As one of [ColorStack's](#) founding partners, we facilitate tech talks and participate in career fairs, and connect with prospective candidates. ColorStack delivers community building, academic support, and career development opportunities at scale to Black and Hispanic Computer Science students.



AfroTech

Datadog was a proud sponsor of the 2023 [AfroTech conference](#), which took place November 1–5 in Austin, Texas. AfroTech is the largest Black tech conference in the US, enabling a global network of Black innovators to connect and discuss emerging trends with leaders and recruiters across the tech industry. The 2023 conference featured 25,000 participants—all from many different backgrounds.



Fondation CentraleSupélec

Datadog is partnering with the [CentraleSupélec Foundation](#) to fund Sébastienne Guyot Scholarships for 2 students for the full duration of their master's program. We will sponsor one student from 2022-2025 and another from 2023-2026. Alongside financial support, each scholar will be paired with a mentor to receive guidance as they progress through their studies and begin to map out their professional careers. They will also be invited to attend Early Career programs and events hosted by the Campus Recruiting team.



Rewriting the Code

[Rewriting the Code](#) supports and empowers college, graduate and early career women in tech, through intersectional communities, mentorship, industry experience and educational resources, to become the next generation of engineers and tech leaders. By partnering together, we have an actionable impact on the lives of college women who are passionate about technology.



Belonging

Building community and a place of belonging is integral to our culture at Datadog. We create safe spaces through both our programming and our Community Guilds. Together, we create an environment where employees feel welcome, respected, and valued for who they are.

Heritage and History Month Events

Building community and a place of belonging is integral to our culture at Datadog. We create safe spaces through both our programming and our Community Guilds. As a company, we recognize moments of celebration and observance relevant to the diverse identities of our teams.

Here are some of the ways we implemented in 2023:

- During Black History Month, we hosted a leadership panel discussion with CEO of Citigroup Legacy Franchises and Datadog board member, Titi Cole and Datadog's Ambra Benjamin, VP, Tech Recruiting and Black in Tech executive sponsor.
- During Women's History Month, we were joined by Datadog board member, Julie Richardson, in conversation with Yuka Broderick, VP, Investor Relations & Strategic Finance and executive sponsor of AMPED. Julie and Yuka spoke on career advancement, leadership, and empowering women in male-dominated spaces, such as the tech space.
- For Asian American and Pacific Islander Heritage Month, our Community Guilds celebrated in conjunction with local office teams to produce Asian Night Markets in our offices, giving employees a taste of asian cuisine and culture in celebration of their heritage.
- In the U.S., we celebrated Pride Month and our many experiences of intersectionality by highlighting lesser known queer heroes of color, educating our community and allies of their contributions to our history.
- On Juneteenth, we held a virtual and interactive education event about the historical significance and lasting implications of this holiday.
- For Hispanic Heritage Month, employees across the globe celebrated hispanic culture in our offices and in virtual cultural trivia nights.
- For Veterans Day, we welcomed former Miss USA and Captain in the U.S. Army Reserve, Deshauna Barber, to speak about servicemen and women, and how to support veterans globally.

COMMUNITY GUILDS

Our Community Guilds bring together groups of individuals based on common backgrounds or demographic factors, and are open to the allies who support them. Community Guilds help us foster an inclusive environment, encouraging collaboration and an increased sense of belonging across departments and regions.



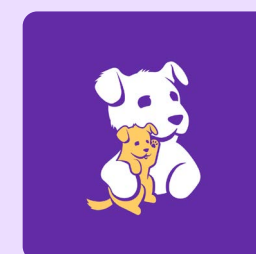
Asian Middle Eastern Pacific Islander Employees at Datadog (AMPED)

AMPED strives to celebrate and build awareness of diverse Asian cultures while creating a safe and inclusive space for Asian-identifying individuals and allies.



Black in Technology (BiT)

BiT is committed to creating a comfortable, safe, and inclusive space for Black individuals and allies to grow and thrive together.



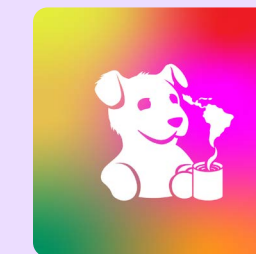
Parents

Parents provides working families with a supportive community to share experiences and resources that help members be their best while balancing work and home responsibilities.



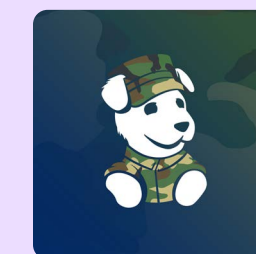
Rainbowdogs

Rainbowdogs provides a warm, supportive, and friendly support system for our LGBTQIA+ community and allies, helping us promote a safe and fun work environment.



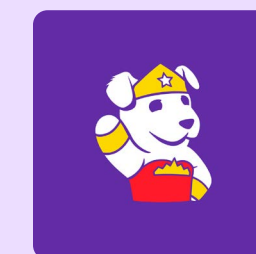
Somos

Somos's mission is to empower our Hispanic employees by providing opportunities for engagement that help foster a sense of belonging.



Veterans

Veterans are dedicated to building an inclusive international community of veterans, military family members, and allies at Datadog



Women of Datadog

Women of Datadog is dedicated to engaging, empowering, and elevating the women at Datadog, with a keen focus on fostering and maintaining an inclusive and supportive environment that enables us all to bring our whole selves to work.

In addition to these Community Guilds, we also have groups that meet regularly to drive DEI initiatives within their own departments, including our Engineering DEI Working Groups, and Women in Engineering.

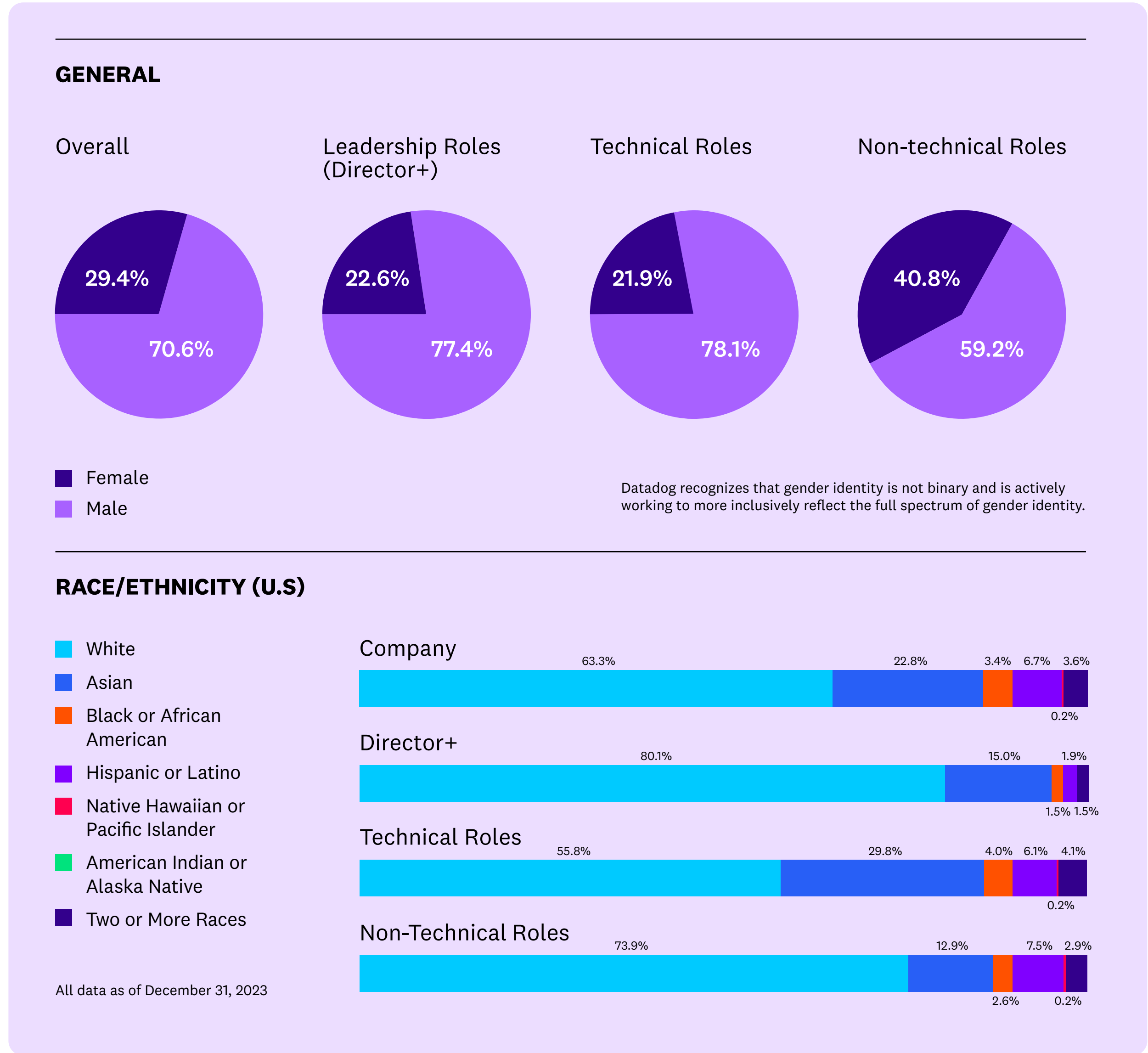
Our Workforce

We recognize that we still have room to improve in our workforce demographics, but increasing transparency is important to us.

Datadog workforce data as of December 31, 2023

- Data is based on self-identification information voluntarily provided.
- Gender data reflects our global employee base.
- Race and ethnicity information is reported based on EEO-1 categories.
- We classify “Technical roles” as those within our Engineering and Technical Solutions departments. We recognize there are positions with technical responsibilities and knowledge outside of these departments across the company.

We are an Affirmative Action and Equal Opportunity Employer and are proud to offer equal employment opportunity to everyone regardless of race, color, ancestry, religion, sex, national origin, sexual orientation, age, citizenship, marital status, disability, gender identity, veteran status, and more. We also consider qualified applicants regardless of criminal histories, consistent with legal requirements.



Giving Back

At Datadog we believe in using our resources to support our global communities. We accomplish this through our philanthropy program, *Datadog Cares*.

- **Scaling our Program**

In 2023 we scaled Datadog Cares by introducing Paws for a Cause, our global volunteer week. This event activated globally across 10 of our offices and incorporated 30+ different activities for employees to participate in.

- **Investing in Partnership**

Datadog Cares is not just focused on giving, but also on building relationships. To aid this, we identified a list of causes ranging in mission to support and invest in over time, keeping our employees top of mind. Each Community Guild selected causes that matter most to their members, and we included organizations with regional representation in the countries where Datadog offices and employees are located.

- **Moments of Action**

In the spirit of giving back, we held an end of year giving campaign called the All Pack Give Back where employees allocated funds given to them by Datadog to one or more of our outlined causes. Led by our employees, this campaign alone resulted in over \$500,000 given to over 75 organizations.

PAWS FOR A CAUSE VOLUNTEER WEEK

Activated globally across

10 of our offices

Employees participated in

30+ different activities

DATADOG CARES

Together with our employees, Datadog Cares donated over

\$1.1 million

Investing in the Future

TECH SCHOLARSHIPS

Promoting education in tech for underrepresented students

Since its inception in 2021, our Upward Scholarship program has aimed to help students in certain underrepresented communities nationwide with an emphasis on those who identify as women or non-binary, as well as members of the Black and Hispanic communities. In 2023 we awarded 7 recipients in the U.S. with \$15,000 grants toward furthering their education in tech, and provided 1:1 mentorship programming through their first year of college.

In 2022, we furthered our reach in our scholarship opportunities to the EMEA region, sponsoring one woman to attend CentraleSupélec in Paris, France and fully funding her three year Masters program in engineering. In 2023, we added two more students and provided 1:1 mentorship programming through their first year of college.

In 2023, we also introduced a new scholarship offering in APAC. In Tokyo, we participated in giving to the Satsuki-Kai Scholarship Fund. This scholarship supports women-identifying students entering the University of Tokyo and are in need of financial support. Datadog is donating funds to support two students for the duration of their 4-year program.



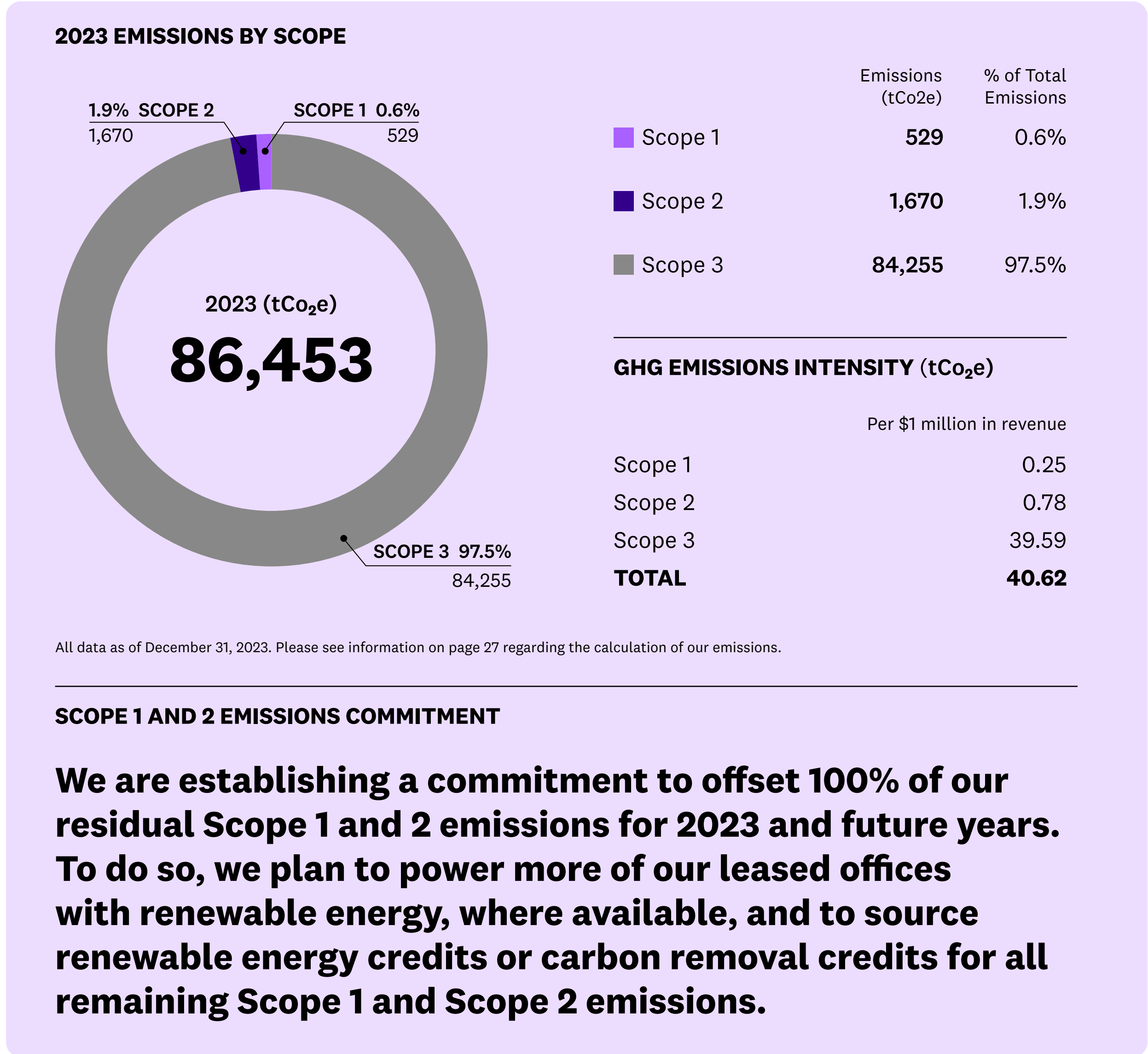
Environment

Datadog was born—and runs—in the cloud. Our platform enables our customers to undergo digital transformations and cloud migrations that take advantage of the flexibility and scale of cloud infrastructure and services. In supporting our customers' journeys, we use energy indirectly through cloud providers, which allows us to leverage economies of scale regarding carbon emissions and electricity usage. In 2023, we continued to build on the work from the prior fiscal year to develop a more comprehensive understanding of the environmental impact of our platform and business. As a result, we have expanded our greenhouse gas (GHG) emissions measurement and reporting to include Scope 3 emissions in addition to our Scope 1 and 2 emissions. We will continue to apply a data driven approach to understanding our environmental impact and identify opportunities for improvement.

Climate Impact

We are pleased to publish the results of our first full carbon footprint assessment, which reflects for fiscal 2023 our Scope 1 and 2 greenhouse gas (GHG) emissions associated with our operational energy consumption and Scope 3 emissions associated with our value chain. The collective insights we gained in 2023 are a foundation on which we will build as we continue to learn, iterate and improve.

Consistent with the Greenhouse Gas Protocol, we measured our emissions by scope. Scope 1 includes direct emissions that occur from sources that are controlled or owned by us, and Scope 2 includes emissions generated from electricity, steam, heat, or cooling that we purchased from third parties. Our Scope 1 and 2 emissions relate to our leased offices and reflect direct emissions such as energy, natural gas, and refrigerants used on-site and purchased electricity. Our Scope 3 emissions relate to indirect emissions from our value chain. Like many other cloud-based platforms, the vast majority of our GHG emissions are categorized as Scope 3 and are therefore based on the carbon emissions of vendors in our supply chain. Our Scope 3 emissions accounted for over 97% of our total GHG emissions in 2023, with cloud infrastructure representing the biggest portion of our total GHG emissions at 36% of our Scope 3 emissions. When sourcing cloud infrastructure, we only work with reputable vendors such as AWS, GCP, and Azure. These companies source renewable energy to cover portions of their electricity usage, and are all moving to deliver on further sustainability goals like reaching net zero carbon emissions over time.

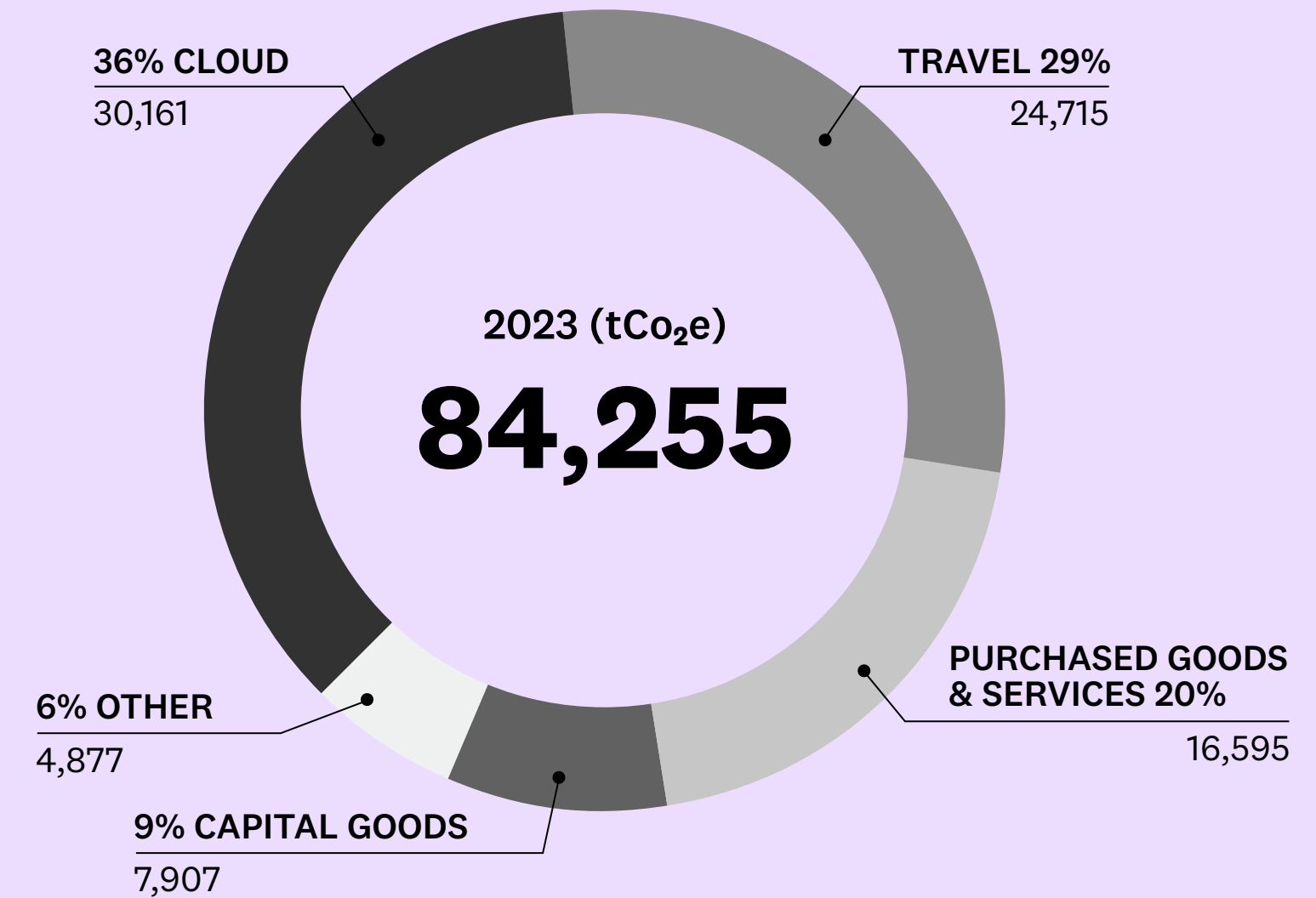


As a growing company, we expect our total value chain emissions will continue to grow. However, we are taking steps to better understand and manage our climate impact, and are proud of the initial steps we have taken. For example, as of December 31, 2023, six of our leased offices have fully transitioned to renewable energy.

In addition, we are establishing a commitment to offset 100% of our residual Scope 1 and 2 emissions for 2023 and future years. To do so, we plan to power more of our leased offices with renewable energy, where available, and to source renewable energy credits or carbon removal credits for all remaining Scope 1 and Scope 2 emissions.

Our commitment to reduce or offset our Scope 1 and 2 emissions is a “forward-looking” statement. See the Appendix for important information regarding this commitment.

2023 SCOPE 3 EMISSIONS BY TYPE



All data as of December 31, 2023

Calculations were informed by the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. Scope 1 and Scope 2 emissions include all facilities over which we have operational control such as leased facilities but excludes coworking spaces. Generally, Scope 2 emissions were estimated using the market-based method and square footage. A majority of our Scope 3 emissions are estimated using a spend-based methodology whereby our spend is multiplied by an industry emissions factor. We may use a supplier-specific emissions factor, where supplier-specific emissions and data is provided by the supplier and available through our emissions calculation platform. As a result, our emissions may change as a result of changes in methodology, emissions factors, or the data sets used in the underlying calculation, and our emissions may not be directly comparable year-over-year or with the emissions of other companies. Scope 1, 2, and 3 information are estimates based on these and other estimates and assumptions and have not been validated by an independent third party.

Emissions are presented in CO₂e, or carbon dioxide equivalents, which includes all greenhouse gases, such as carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O) emissions from electricity, natural gas, and fuel consumption, and HFC emissions from refrigerant use in buildings. To convert energy consumption and fuel combustion into GHG emissions, we used factors from various regulatory agencies.

Our Offices

Our principal executive office is located in New York City, and we lease other offices around the world for our employees. We strive to incorporate renewable energy into our criteria for leased spaces. In 2023, we expanded our global presence, leasing two new offices in Sydney, Australia and Tokyo, Japan.

Our Sydney, Australia office opened in September 2023 at the International Towers in the Barangaroo Area. The building is WELL Core & Shell Platinum certified and has achieved 6/6 stars across NABERS Energy, Water, Waste, and Indoor Environment. It has 6,000 square meters of solar panels on site, as well as a blackwater recycling system capable of supplying one million liters of Grade A recycled water a day to the precinct and surrounding suburbs. The Datadog Sydney office is powered entirely by renewable electricity as of December 31, 2023.

Our focus on renewable energy extends beyond our Sydney office to several other offices spanning multiple geographies. This includes our Boston, San Francisco, Amsterdam, Dublin, and Paris offices, which are all powered with 100% renewable electricity as of December 31, 2023. We continue to search for ways to expand our use of renewable energy to power our leased offices.

We are proud of our progress in sourcing renewable energy in our office spaces, and will continue to explore additional sustainable practices as we expand our global office footprint.



Waste Management

Datadog is continually developing and implementing practices to reduce the amount of waste we produce in our offices. This includes:

- Establishing recycling and composting practices
- Removing most single-use plastic products
- Stocking compostable utensils and kitchenware
- Repurposing leftover food in our office cafeterias through multi-year partnerships with food rescue vendors
- Selecting office products and employee gifts that are organic, recycled, or sustainably made
- Making rechargeable batteries available across our offices
- Collecting and recycling e-waste through a third-party vendor
- Recycling printer cartridges and toners



Frameworks & Standards

The below voluntary disclosures are categorized according to the Sustainable Accounting Standards Board (SASB) framework for Software and IT Services.

TOPIC	ACCOUNTING METRIC	SASB CODE	DATADOG DISCLOSURE
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-SI-130a.1	See Climate Impact section on page 26 of this report.
	Discussion of the integration of environmental considerations into strategic planning for data center needs	TC-SI-130a.3	With ~5,200 employees worldwide as of December 31, 2023, Datadog's operational footprint is small. See Environment section on pages 25–29 of this report.
Data Privacy & Freedom of Expression	Description of policies and practices relating to behavioral advertising and user privacy	TC-SI-220a.1	See Data Privacy section on page 13 of this report and our Privacy Policy disclosed on our website.
	Total amount of monetary losses as a result of legal proceedings associated with user privacy	TC-SI-220a.3	No material monetary losses as a result of legal proceedings associated with user privacy in 2023.
Data Security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-SI-230a.2	See Data Security section on page 11 of this report and our Security Website .

Recruiting & Managing a Global, Diverse & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	TC-SI-330a.1	As of December 31, 2023, we had approximately 5,200 employees operating across 33 countries. Approximately 39% of our full-time employees as of that date were located outside of the United States, 36% of whom were located in France. For more information on our diversity metrics, see page 22 of this report.
	Employee engagement as a percentage	TC-SI-330a.2	See Learning and Development section on page 17-18 of this report.
	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-SI-330a.3	See Our Workforce section on page 22 of this report.
Intellectual Property Protection & Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	TC-SI-520a.1	No material monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations in 2023.
Managing Systemic Risks from Technology Disruptions	Description of business continuity risks related to disruptions of operations	TC-SI-550a.2	See Risk Management on page 10 of this report. See Strategic and Operational Risks on pages 15–22 in Datadog’s Annual Report: Form 10-K for risks related to disruptions of operations.

Appendix

Forward-Looking Statements

This report contains “forward-looking” statements, as that term is defined under the federal securities laws. Statements regarding our plans, commitments and goals with respect to Social and Human Capital and Environment, including our commitment to offset 100% of our residual Scope 1 and 2 emissions in future years, are forward-looking statements. These forward-looking statements are based on Datadog’s current assumptions, expectations and beliefs and are subject to substantial risks, uncertainties, assumptions and changes in circumstances that may cause Datadog’s actual results, performance or achievements to differ materially from those expressed or implied in any forward-looking statement.

The risks and uncertainties referred to above include, but are not limited to (1) our recent rapid growth may not be indicative of our future growth; (2) our history of operating losses; (3) our limited operating history; (4) our dependence on existing customers purchasing additional subscriptions and products from us and renewing their subscriptions; (5) our ability to attract new customers; (6) our ability to effectively develop and expand our sales and marketing capabilities; (7) risk of a security breach; (8) risk of interruptions or performance problems associated with our products and platform capabilities; (9) our ability to adapt and respond to rapidly changing technology or customer needs; (10) the competitive markets in which we participate; (11) risks associated with successfully managing our growth and (12) general market, political, economic, and business conditions including concerns about reduced economic growth and associated decreases in information technology spending. These risks and uncertainties are more fully described in our filings with the Securities and Exchange

Commission (SEC), including in the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023 and other filings and reports that we may file from time to time with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Forward-looking statements represent our beliefs and assumptions only as of the date of the dates indicated. We disclaim any obligation to update forward-looking statements.

About Non-GAAP Financial Measures

Datadog discloses non-GAAP operating margin and free cash flow margin in this report. Datadog uses each of these non-GAAP financial measures internally to understand and compare operating results across accounting periods, for internal budgeting and forecasting purposes, for short- and long-term operating plans, and to evaluate Datadog’s financial performance. Datadog believes they are useful to investors as a supplement to GAAP measures, in evaluating its operational performance, as further discussed below. Datadog’s non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in its industry, as other companies in its industry may calculate non-GAAP financial results differently, particularly related to non-recurring and unusual items. In addition, there are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with GAAP and may be different from non-GAAP financial measures used by other companies and exclude expenses that may have a material impact on Datadog’s reported financial results.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. A reconciliation of the historical non-GAAP financial measures to their most directly comparable GAAP measures has been provided in the financial statement tables included below in this report.

Datadog defines non-GAAP operating margin as the respective GAAP operating margin, adjusted for, as applicable: (1) stock-based compensation expense; (2) the amortization of acquired intangibles; (3) employer payroll taxes on employee stock transactions; (4) amortization of issuance costs; and (5) an assumed provision for income taxes based on our long-term projected tax rate. Our estimated long-term projected tax rate is subject to change for a variety of reasons, including the rapidly evolving global tax environment, significant changes in Datadog’s geographic earnings mix, or other changes to our strategy or business operations. We will re-evaluate our long-term projected tax rate as appropriate. Datadog defines free cash flow as net cash provided by operating activities, minus capital expenditures and minus capitalized software development costs. You are encouraged to review the reconciliation of these historical non-GAAP financial measures to their most directly comparable GAAP financial measures.

Management believes these non-GAAP financial measures are useful to investors and others in assessing Datadog’s operating performance due to the following factors:

Stock-based compensation. Datadog utilizes stock-based compensation to attract and retain employees. It is principally aimed at aligning their interests with those of its stockholders and at long-term retention, rather than to address operational performance for any particular period. As a result, stock-based compensation expenses vary for reasons that are generally unrelated to financial and operational performance in any particular period.

Amortization of acquired intangibles. Datadog views amortization of acquired intangible assets as items arising from pre-acquisition activities determined at the time of an

acquisition. While these intangible assets are evaluated for impairment regularly, amortization of the cost of acquired intangibles is an expense that is not typically affected by operations during any particular period.

Employer payroll taxes on employee stock transactions. Datadog excludes employer payroll tax expense on equity incentive plans as these expenses are tied to the exercise or vesting of underlying equity awards and the price of Datadog’s common stock at the time of vesting or exercise. As a result, these taxes may vary in any particular period independent of the financial and operating performance of Datadog’s business.

Amortization of issuance costs. In June 2020, Datadog issued \$747.5 million of convertible senior notes due 2025, which bear interest at an annual fixed rate of 0.125%. Debt issuance costs, which reduce the carrying value of the convertible debt instrument, are amortized as interest expense over the term. The expense for the amortization of debt issuance costs is a non-cash item, and we believe the exclusion of this interest expense will provide for a more useful comparison of our operational performance in different periods.

Additionally, Datadog’s management believes that the non-GAAP financial measure free cash flow is meaningful to investors because it is a measure of liquidity that provides useful information in understanding and evaluating the strength of our liquidity and future ability to generate cash that can be used for strategic opportunities or investing in our business. Free cash flow represents net cash provided by operating activities, reduced by capital expenditures and capitalized software development costs, if any. The reduction of capital expenditures and amounts capitalized for software development facilitates comparisons of Datadog’s liquidity on a period-to-period basis and excludes items that management does not consider to be indicative of our liquidity.

Operating expenses (\$000s)	FY23
Revenue	\$2,128,359
RESEARCH & DEVELOPMENT	
GAAP R&D expense	\$962,447
GAAP R&D expense as a % of revenue	45%
Less: Share-based compensation expense	\$313,096
Less: Employer payroll taxes on employee stock transactions	\$21,449
Add: Other Non-GAAP adj. ⁽¹⁾	—
Non-GAAP R&D expense	\$627,902
Non-GAAP R&D expense as a % of revenue	30%
SALES & MARKETING	
GAAP S&M expense	\$609,276
GAAP S&M expense as a % of revenue	29%
Less: Share-based compensation expense	\$101,937
Less: Amortization of acquired intangibles	\$825
Less: Employer payroll taxes on employee stock transactions	\$5,917
Add: Other Non-GAAP adj. ⁽¹⁾	—
Non-GAAP S&M expense	\$500,597
Non-GAAP S&M expense as a % of revenue	24%
GENERAL & ADMINISTRATIVE	
GAAP G&A expense	\$180,192
GAAP G&A expense as a % of revenue	8%
Less: Share-based compensation expense	\$49,689
Less: Employer payroll taxes on employee stock transactions	\$4,811
Add: Other Non-GAAP adj. ⁽¹⁾	—
Non-GAAP G&A expense	\$125,692
Non-GAAP G&A expense as a % of revenue	6%
Reconciliation of operating (loss) income and operating margin	
GAAP operating (loss) income	\$(33,464)

Add: Share-based compensation expense	\$482,300
Add: Amortization of acquired intangibles	\$8,866
Add: Employer payroll taxes on employee stock transactions	\$32,541
Less: Other Non-GAAP adj. ⁽¹⁾	—
Non-GAAP operating (loss) income	\$490,243
GAAP operating margin	(2)%
Non-GAAP operating margin	23%

(1) Non-cash benefit related to the release of a non-income tax liability

Free cash flow (\$000s)	FY23
Revenue	\$2,128,359
Cash flow from operations	\$659,954
Capex	\$(27,586)
Capitalized software developmental costs	\$(34,820)
Free cash flow	\$597,548
Free cash flow margin	28%

