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We at Classy have never been more grateful to be serving the social sector. In 2020, nonprofit organizations rose to the occasion with the integrity and grit they’ve undoubtedly developed from years of tackling our world’s greatest humanitarian and environmental challenges.

At Classy, the pandemic tested our stakeholder model as it demanded our attention across various fronts. We asked ourselves: How can we best support our nonprofit customers through a pandemic? How do we empower healthy, happy, and connected employees in a remote setting? How do we maintain financial durability and protect jobs in a volatile world? How do we prioritize our community needs and environmental commitments?

We put our heads down and focused on our customers. We found clarity in our core philosophy that great giving experiences can build communities of supporters which can drive more revenue for the nonprofit. We focused on helping our nonprofits continue to create those giving experiences through increased investments in our fundraising tools.

Technology can enable impact. And that impact was vital for so many programs, such as food banks and social justice organizations, in a year of increased need.
With the rise of subscription giving, nonprofits had more predictable revenue during uncertain times. The pivot to virtual events allowed nonprofits to engage with supporters online, and collect direct donations in a time when giving in-person was nearly impossible.

These investments supported our nonprofits in driving more revenue, which unlocked more resources to tackle the complex challenges they were trying to solve. Our nonprofit customers collectively raised over $1 billion in one year on our platform—an incredible feat.

But, we won’t stop there. Through our Series D funding round, we invested directly into our product and engineering teams to make our fundraising product better, faster, more reliable, and more productive.

We also invested in our staff. We created systems of support and crafted more robust wellness programs and benefits packages. We expanded our diversity, equity, and inclusion efforts, made market adjustments to ensure fair pay, and set higher benchmarks for hiring and promotion practices.

The stakeholder model asks us to balance all stakeholder needs, but it is an art and science. This past year called on us to make adjustments and shift the equilibrium for a period of time. We believe that our firm focus on our customers and team is creating the opportunity to continue supporting our financial partners and community, and that the equilibrium will return.

I am inspired by the work being done in this sector, and have never been more optimistic about the capacity of nonprofits in pursuit of their missions. We will stay the course and lean into the needs of our stakeholders as we grow and evolve together.

Chris Himes
About the Report
Impact Report 2021

Impact Report Approach

by Tori Callahan, Chief of Staff; Head of Sustainability + Stakeholder Impact

As a Certified B Corp and recently incorporated Public Benefit Corporation, Classy’s business model prioritizes our four main stakeholders: our nonprofit customers, our team, our financial partners, and our community, including the environment.

While Classy has always been a values-driven company, obtaining our B Corp Certification and reincorporating as a Public Benefit Corporation this year solidified our north star and the goals and metrics that matter most. The B Corp assessment measured what we felt was important, and then validated that it was actually the right thing to do. As such, you will find that our Impact Report—from its structure to the content—references our B Corp assessment often, to give a necessary nod to the industry-leading certification for businesses committed to a better world.

This is our inaugural Impact Report. The data will dive into our measured impact of the last three quarters of 2020 and first quarter of 2021. This year also marks an important milestone, Classy’s 10-year anniversary as a software company. We recognize this milestone throughout the report by telling the stories and celebrating the work of our incredible nonprofit customers who have stood beside us throughout the years.

Thank you for participating in our first Impact Report and supporting our community. We believe in the power of transparency and partnership, and invite you to ask questions, challenge us, and converse with us in our collective drive to build a better world.

Tori Callahan
About the Data
The reporting period is May 1, 2020, to April 30, 2021.

Customer Data
The customer insights in this report are garnered from Classy’s platform data. This reflects 4,798 customers, including subscription and Pay-As-You-Go customers, that were transacting on the Classy platform during the reporting period. In some instances, the data is reflective of a smaller, more specific customer cohort. If this is the case, a note will be included next to the data.

Employee Data
The employee insights in this report are collected from internal systems, including Paylocity, Greenhouse, and Sequoia. This reflects the 240 Classy employees during the reporting period.

Financial Data
The financial insights in this report are collected from internal systems, including Salesforce. Beginning in fiscal year 2016, we engaged Ernst & Young LLP (EY), an independent third-party, to complete full financial statement audits.

Community and Environment Data
The community and environmental insights in this report are collected from internal systems, including marketing data collected through HubSpot and Salesforce, and volunteering data from Paylocity. Environment data is self-reported by Classy employees using the California Air Resources Board carbon footprint calculator, and corporate environmental data was collected using the Pachama free carbon calculator.

B Corp Certification

Best in Classy
The Best In Classy is a celebration of 50 organizations within the Classy community that show excellence across five key fundraising categories. Organizations are featured throughout the report.
About Us
Classy is a giving experience platform that enables nonprofits to connect supporters with the causes they care about. We believe that giving to nonprofits should be effortless and satisfying for everyone. We enable nonprofits to create supporter-centric giving experiences through technology, and our platform provides the formats and flexibility to activate donors when and how they need to by creating more relevant connections to their causes. The platform allows nonprofits to reinforce those connections over time through powerful data and purposeful tools. When supporters are met with stories that matter to them and effortless paths to involvement, giving becomes significantly more expansive. With Classy, supporters are more than just the people who donate - they are engaged givers, enthusiastic fans, and even fundraisers themselves.

**Purpose**

To mobilize and empower the world for good.

**Promise**

**Mobilize** people to connect with the causes they care about through engaging and intuitive giving experiences.

**Empower** nonprofits to be more relevant to supporters over time by providing technology and insights.

**Vision**

Generosity unlocked.
The Classy Credo

A living, breathing statement that will continue to evolve as the needs of our customers do.

To mobilize and empower the world for good.

A world where anyone, anywhere, can support the causes they care about;

A world where nonprofits receive the long-term support they need to maximize their impact;

And a world where corporations use both profit and purpose to help solve our greatest challenges.

Classy exists to turn this vision into reality. To make giving easy and accessible. To drive sustainable support to the nonprofit community. And to break down barriers in the name of social and environmental progress.

But nothing worth fighting for ever comes easy; which is why we ask you to join us. Together, we can shape a world that future generations will be proud of.
Our Impact Model
On a Path to Good

Doing good is not just an outcome of our products, it’s what we aim to achieve across all stakeholders. We believe in accelerating change through nonprofits and contributing to a more inclusive and sustainable world for all.

Customers
Deliver unquestionable value to our customers and their supporters

Financial
Create lasting financial durability and top-tier returns for decades to come

Team
Ensure that our team feels like every second they invest into Classy is worth its weight in gold

Community + Environment
Practice what we preach by focusing on holistic value creation
Our Customers
Delivering Unquestionable Value  
To Our Customers and Their Supporters

Classy enables supporter-centric giving experiences. Our technology provides nonprofits with the formats and flexibility to activate donors when and how they need to by creating more relevant connections to their causes. And finally, it reinforces those connections over time through powerful data and purposeful tools.

Classy’s suite of fundraising tools offers frictionless and flexible ways to donate, transforming supporters’ intent into impact. Through recurring giving and engagement strategies, organizations can engender long-term loyalty and ongoing support.
Classy Theory of Change Summary

Classy’s Theory of Change

**If** nonprofits have access to modern, secure, supporter-centric fundraising tools, 
**then** they can focus on providing supporters with an exceptional giving experience.

**If** nonprofits can provide exceptional giving experiences to supporters, 
**then** they can attract, retain, and nurture their community into a sustainable revenue stream.

**If** nonprofits have access to sustainable revenue streams, 
**then** they are best-positioned to execute upon their mission.

What’s a Theory of Change?

A theory of change explains a company’s intended impact by first **identifying its objective or mission**, its planned inputs and/or activities, and the results it **expects from those activities**. Results should be organized by output (short term), outcomes (long-term), and impact (the ultimate result).
This Creates Outputs

Nonprofits leverage Classy to unlock the generosity of supporters, inspiring them to build ongoing loyalty and become connected partners in their cause. On Classy, nonprofits are able to manage and run their website donation pages, peer-to-peer campaigns, crowdfunding campaigns, and ticketed and registration with fundraising events.

4,789 Transacting Nonprofit Customers during reporting period
**Customer Demographics**

**Customers by Cause Category**

Classy is proud to support organizations of all causes and sizes.

- **Human Services**: 29%
- **Unknown, Unclassified**: 19%
- **Health**: 15%
- **Public, Societal Benefit**: 10%
- **Education**: 9%
- **International, Foreign Affairs**: 6%
- **Arts, Culture, and Humanities**: 5%
- **Animals**: 3%
- **Religion-Related**: 3%
- **Environment**: 2%

This data reflects Classy subscription customers, and is not inclusive of all nonprofits on the platform.
## Customers by Organizational Revenue

<table>
<thead>
<tr>
<th>Annual Revenue*</th>
<th>Customer Count (percent of total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $500K</td>
<td>19%</td>
</tr>
<tr>
<td>$500K to $5M</td>
<td>42%</td>
</tr>
<tr>
<td>$5M to $50M</td>
<td>17%</td>
</tr>
<tr>
<td>Greater than $50M</td>
<td>13%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total New Customers Onboarded*</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
</tr>
<tr>
<td>FY20</td>
</tr>
<tr>
<td>FY21</td>
</tr>
</tbody>
</table>

- *This data reflects Classy subscription customers, and is not inclusive of all nonprofits on the platform.

<table>
<thead>
<tr>
<th>New Customers Onboarded</th>
<th>Less Than $500K**</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>272</td>
</tr>
<tr>
<td>FY20</td>
<td>617</td>
</tr>
<tr>
<td>FY21</td>
<td>357</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Customers Onboarded</th>
<th>$500K to $5M**</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>556</td>
</tr>
<tr>
<td>FY20</td>
<td>563</td>
</tr>
<tr>
<td>FY21</td>
<td>445</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Customers Onboarded</th>
<th>$5M to $50M**</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>195</td>
</tr>
<tr>
<td>FY20</td>
<td>181</td>
</tr>
<tr>
<td>FY21</td>
<td>177</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>New Customers Onboarded</th>
<th>Greater Than $50M**</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td>138</td>
</tr>
<tr>
<td>FY20</td>
<td>145</td>
</tr>
<tr>
<td>FY21</td>
<td>125</td>
</tr>
</tbody>
</table>

- **Includes active, churned, and transacting non-subscription customers.
New Customers This Year

**Fill the Virtual Barrel**
by Second Harvest of Silicon Valley

**Support a Kingdom Worker**
by TEAM
(The Evangelical Alliance Mission)

**Pablove Across America**
by The Pablove Foundation

Recognized as #4 for Best Donor Experience in the Best in Classy list
Impact Report 2021

Product Adoption

Customer Campaigns

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Campaign Count</th>
<th>YoY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020</td>
<td>4,057</td>
<td>104.8%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>6,016</td>
<td>120.8%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>5,481</td>
<td>104%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>4,198</td>
<td>-12.7%</td>
</tr>
</tbody>
</table>

Nonprofits run larger fall and winter campaigns to collect support before the tax year closes.

Displayed above are fundraising campaigns created during the quarter with over $500 raised. This represents all campaigns on Classy, including donation pages, peer-to-peer campaigns, registration with fundraising campaigns, crowdfunding campaigns, and ticketed events.

2.98
Average Number of Campaign Types Per Customer

We encourage our customers to diversify their fundraising campaigns in order to ensure a healthy stream of income that taps into their supporters’ vast array of giving preferences.

Customer spotlight

Taken from the top three organizations in Best in Classy’s Most Options to Give category.

1. Baptist Health
2. Colorectal Cancer Alliance
3. Dr. Susan Love Foundation for Breast Cancer Research
Campaign Types

Donation Pages

Classy enables nonprofits to create high-performing donation websites that help supporters feel more connected to the cause. An intuitive checkout experience and flexible payment options make giving easy and boosts conversions.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Count</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020</td>
<td>1,385</td>
<td>121.9%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>1,964</td>
<td>135.9%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>2,255</td>
<td>138.6%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>1,822</td>
<td>-28.9%</td>
</tr>
</tbody>
</table>

Crowdfunding Campaigns

Classy’s crowdfunding campaigns enable nonprofits to tell compelling stories about their impact and establish strong relationships with their supporters.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Count</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020</td>
<td>844</td>
<td>151.5%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>1,565</td>
<td>158.9%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>1,375</td>
<td>132.6%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>801</td>
<td>-36%</td>
</tr>
</tbody>
</table>
Impact Report 2021

Peer-to-Peer & Registration with Fundraising Pages

Peer-to-peer fundraising enables organizations to mobilize their supporters to fundraise on their behalf. In doing so, supporters spread awareness of their mission and build an expanded community for the nonprofit. Registration with fundraising events activate event participants to fundraise as well, which creates more opportunities for people to get involved.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Count</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020</td>
<td>961</td>
<td>-12.7</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>1,464</td>
<td>110.2%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>1,052</td>
<td>-24.6%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>968</td>
<td>-9.2%</td>
</tr>
</tbody>
</table>

As the pandemic halted all in-person events in the spring and summer, nonprofits quickly shifted to virtual experiences by the fall.

Ticketed Events

Nonprofits can create customized in-person, virtual, and hybrid event experiences to fund their missions and bring their communities together.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Count</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020</td>
<td>867</td>
<td>-12.7%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>1,023</td>
<td>110.2%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>799</td>
<td>-24.6%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>1,134</td>
<td>169.3%</td>
</tr>
</tbody>
</table>

Virtual and hybrid events picked up steam in 2021 as nonprofits responded to a variety of state and federal restrictions.
# Customer Virtual Events

These amazing nonprofits relied on in-person events, then made the switch to virtual during the pandemic.

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Virtual Events</td>
<td>35th Anniversary Gala by LA Opera</td>
<td>Fighting Hunger, Feeding Hope Virtual Event by Lakeview Pantry</td>
<td></td>
</tr>
</tbody>
</table>

- **Fighting Hunger, Feeding Hope Virtual Event**
  - by Lakeview Pantry

- **35th Anniversary Gala**
  - by LA Opera
Customer Output Performance

Giving should be effortless and fulfilling. We enable our customers to create exceptional giving experiences for their supporters so people can be more connected with the causes they care about and easily contribute to move them forward.

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impact</th>
</tr>
</thead>
</table>

Average Checkout Conversion Rate

Checkout conversion rate is the percentage of visitors who land on a donation page or initiate the checkout process and complete a donation or ticket purchase.

% 23%

Donor-Covered Fees

The percentage of donors who choose to cover their transaction fees at checkout. When a donor covers fees, it saves the nonprofit funds.

69%

The metrics that matter to our customers, matter to us.

Customer Care and Satisfaction

Customer Satisfaction (Average NPS)

NPS stands for Net Promoter Score. It measures the loyalty of customers and is the gold standard customer experience metric.

36

Customer Time to Value

The percentage of paying customers with annual contracts who reach 40 transactions within their first 90 days on the platform. The quicker we can support our customers to realize this marker, the more likely they are to be successful.

51.2%

Data is representative of Q1 2021 only.
Customer Campaigns Spotlight

The Heart of Nuba
by Operation Broken Silence
Recognized as #1 for Best Donor Experience in the Best in Classy list

Changemakers
by Legacy Youth Leadership
Recognized as #2 for Best Donor Experience in the Best in Classy list

2021 Livestrong Challenge
by Livestrong
Recognized as #3 for Best Donor Experience in the Best in Classy list
Which Turns Into Outcomes

Focusing on outputs should result in positive outcomes. This relates back to our theory of change: if nonprofits can provide exceptional giving experiences to supporters, then they can attract, retain, and nurture their community into a sustainable revenue stream.

Customer Outcome Performance

Gross Donation Volume (GDV) is the biggest indicator of success for our customers. If they are able to raise more money, more efficiently on Classy, our fundraising tools are doing their job.

<table>
<thead>
<tr>
<th>Quarter</th>
<th>GDV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2020</td>
<td>$205.7M</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>$188.8M</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>$424.9M</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>$193.4M</td>
</tr>
</tbody>
</table>

$1B TOTAL

Customer GDV on Giving Tuesday Now 2020

Giving Tuesday Now took place on May 5, 2020, as a global giving day created by the team at Giving Tuesday in response to the COVID-19 pandemic.

Customer GDV on Giving Tuesday 2020

Giving Tuesday was December 1, 2020. Classy processed $37,911,122 from 261,609 donors. This was largely due to donors giving more on average, with the average gift size growing from $112 to $130 year over year.
**Donation Volume by Campaign Type**

Launching a campaign is step one, but raising sufficient funds is the goal. Classy partners with our customers to ensure they’re raising what they need.

<table>
<thead>
<tr>
<th>Campaign Type</th>
<th>02.2020</th>
<th>03.2020</th>
<th>04.2020</th>
<th>01.2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donation Page</td>
<td>$11M</td>
<td>$14M</td>
<td>$9M</td>
<td>$13M</td>
</tr>
<tr>
<td>Crowdfunding Page</td>
<td>$24M</td>
<td>$22M</td>
<td>$51M</td>
<td>$30M</td>
</tr>
<tr>
<td>Peer to Peer</td>
<td>$35M</td>
<td>$28M</td>
<td>$266M</td>
<td>$17M</td>
</tr>
<tr>
<td>Registration with Fundraising</td>
<td>$129M</td>
<td>$93M</td>
<td>$28M</td>
<td>$104M</td>
</tr>
<tr>
<td>Ticketed Event</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Retention and Recurring**

Nonprofits leverage Classy to build strong supporter bases, which means both acquiring new donors and deploying strong supporter retention tactics. **Recurring donors are over five times more valuable than one-time donors**, as previously found in Classy’s *State of Modern Philanthropy* report. The steady income that recurring and repeat donors provide is the lifeblood of nonprofits.

**Average Donor Retention Rate**

A retained donor is a repeating one-time donor or a recurring donor.

**Average Recurring Capture Rate**

Recurring capture rate is the percentage of new recurring subscriptions initiated, excluding large migrations from new or upgrading customers.
Customer Spotlight

These organizations were recognized for their high donor retention rates in our Best in Classy list.

**Blood Origins Inc.**

Recognized as #1 for Most Loyal Supporters in the Best in Classy list

**Tunnel to Towers Foundation**

5k Run & Walk
by Tunnel to Towers Foundation

Recognized as #2 for Most Loyal Supporters in the Best in Classy list

**The Younique Foundation**

Join the Fight for Zero Child Sexual Abuse
by The Younique Foundation

Recognized as #3 for Most Loyal Supporters in the Best in Classy list
Ultimately Resulting In Impact

Classy customers gain incremental funds that enable them to deliver on their vision for growth and the strategic goals of their organization. Our suite of fundraising tools and community resources keep them top of mind with supporters and at the forefront of philanthropy.

Growth

Gross Donation Volume (GDV) is the biggest indicator of success for our customers. If they are able to raise more money, more efficiently on Classy, our fundraising tools are doing their job.

Reliable Revenue

Recurring Donations and Growth

A nonprofit can only truly grow when it generates a steady, reliable income. Classy encourages this behavior by offering our customers a way to allow supporters to give effortlessly over time.
Recurring Donations

183% YoY Growth in Recurring Donations, measured at the end of the reporting period*

New Recurring Subscriptions Initiated

314% YoY Growth in New Recurring Subscriptions Initiated, measured at the end of the reporting period*

Recurring Gross Donation Volume Growth by Quarter

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q2 YoY%</th>
<th>Q3 YoY%</th>
<th>Q4 YoY%</th>
<th>Q1 YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring GDV*</td>
<td>139.6%</td>
<td>150.6%</td>
<td>156.4%</td>
<td>174%</td>
</tr>
</tbody>
</table>

*The data includes recurring donations from migrations of new and upgraded customers, bringing their recurring donor programs over to Classy.
Customer Spotlight

Incredible recurring giving campaigns run by our customers.

The Journey
by Karam Foundation

The Podium
by Tap Cancer Out

Rooted in Community
by RAICES

Recognized as #2 for Most Streamlined Donation Process in the Best in Classy list
The Best In Classy is a celebration of 50 organizations within the Classy community who show excellence across five key fundraising categories. Below is a glimpse at the top organizations within each category.

1. University of Nebraska Foundation
   #1 for Most Streamlined Donation Process

2. Tunnel to Towers Foundation
   #1 for Most Loyal Supporters

3. Baptist Health Foundation Jacksonville
   #1 for Most Options to Give

4. Jacob’s Heart Children’s Cancer Support Services
   #1 for Highest Annual Growth

5. Operation Broken Silence
   #1 for Best Donor Experience

Meet the Best in Classy
10 Years of Fundraising

2021 marks 10 years of partnering with mission-driven nonprofits to build technology that powers social good.

$3,034,196,757
Gross Donation Volume All Time

12,512,266
Donors All Time

32,206,055
Donations All Time

THANK YOU!

We are grateful for the Classy customers who believed in us early on, and have stayed with us throughout the decade. We’re honored and inspired by all that you do, and will continue to build for you and your missions.
Sarah Barton (She/Her/Hers)
Commercial Account Executive II
#girlsinsales

“I thrive on working alongside nonprofits—helping them discover untapped fundraising opportunities and using the power of Classy to help them grow.”

Taylor Luebkeman (He/Him/His)
Product Manager II
#CustomerObsessed

“I love having the opportunity to solve important problems for nonprofits and working alongside talented, passionate people.”

Ayumi Gillespie (She/Her/Hers)
Senior Technical Program Manager
#workingmom #rescuedogmom

“I love being able to do work that contributes positively to this world.”
Ensuring That Our Team Feels Like Every Second They Invest Into Classy Is Worth Its Weight in Gold

2020 was filled with unprecedented workplace experiences including a shift to remote work, participation in and growth through a social justice movement, and the reality of many dealing with health and mental health challenges. We took the opportunity to listen to our employees, invest in building their capacity, and ensure their lives were as enriching as their work.
Engagement and Satisfaction

We use eNPS to measure employee sentiment, which stands for employee net promoter score. eNPS is calculated by subtracting the percentage of detractors (6s and below) from the percentage of promoters (9s and 10s). Generally, a score within the bracket of 10 to 49 is considered good and a score of 50 and above is excellent.
**Financial Security**

We want employees to feel enriched and invested in during their time at Classy, however long that may be. At the start of 2021, we gave ourselves a goal of getting 75% of employees to participate in our compensation and benefits offerings.

**Compensation Policies and Practices**

Classy is working towards a +/- 15% pay parity between gender and racial groups. We emphasize financial benefits for all staff:

- Cost of living adjustments that match inflation rates of the country
- Bonuses
- Employee ownership opportunities

Based on MIT’s Living Wage Calculator
Health, Wellness, and Safety

Supplemental Health Benefits Offered to All Employees

→ Dental insurance
→ Short-term and long-term disability
→ Structure account mechanism for qualified medical expenses
→ Domestic partner or civil union spousal benefits

→ Life insurance
→ EAP
→ Pet insurance
→ Supplemental insurance
→ Legal

84%
Employees Participating in Classy Healthcare Plans

2
Healthcare Plans With 100% of Expenses Covered by Classy

20
Paid Company Holidays
Including 16 full days and 8 half days. In addition to unlimited paid time off for all full-time employees
Impact Report 2021

Career Development

Professional Development Policies and Practices

Classy provides the following training opportunities for professional development:

→ A formal onboarding process for new employees
→ A policy to encourage internal promotions and hiring for advanced positions (e.g. posting job openings internally first)
→ Cross-skills training for career advancements or transitions
→ Non-career-specific life-skill training
→ An allocated budget for external professional development opportunities

- Employees Promoted: 31%
- Full-time and part-time employees who participated in skills-based training to advance core job responsibilities: 43%
- Full-time and part-time employees who participated in training on life skills for personal development: 22%
- Full-time employees who participated in external professional development or lifelong learning opportunities: 52%
Leave Support

We create programs and policies that look at leave more holistically, and we encourage employees to take time off to take care of themselves, their families, and other commitments.

1. **Compensation Policy**
   In addition to any state wage supplementation that is available to an employee based on their location, Classy also supplements an additional 40% to ensure that employees maintain an income.

2. **Leave Policy**
   Classy employees get 12 weeks of leave, in addition to the option to add on 3 additional PTO weeks, meaning they can take up to 15 paid leave weeks.

3. **Flexible Transition Month**
   As employees transition back to work, they are given an optional month of flexible hours in which they are only required to work 80% of work hours.

4. **Paid Sabbatical**
   Full-time Classy employees are offered a paid six-week sabbatical after four years of employment with the company. Employees are encouraged to unplug and spend a week volunteering with a nonprofit of their choice.
Mobilize and Empower Each Other: DEI at Classy

We strive to create a space where people can bring their authentic selves to work. In 2020, Classy assembled a DEI Committee and created a diversity dimension hiring checkpoint.

Classy Communities

- Classy Pride
- DEI
- 9 to Thrive
- Project Green
- AM-ASIAN
- Stay Toasty (Toast Masters)

DEI Committee

- Chance Patterson
- Lidia Martinez
- Pat Walsh
- Chelsea Bentley-Scott
- Paul Lee
Inclusive Hiring Practices

We are actively working on creating a more inclusive recruiting and hiring process

- We include a statement in all job postings with a commitment to diversity, equity, and inclusion
- We actively recruit and invest in organizations or services that serve individuals from underrepresented populations
- We conduct analyses of our job description language and requirements to ensure they are inclusive and equitable
- We clarify pronouns and pronunciation at time of application
- We conduct interview and unconscious-bias training
- We implement interventions and checkpoints in the hiring process (diversity dimension checkpoint, structured interviews, competency based interview questions, skills assessments)
Inclusive Promotion Practices

We must continue to invest in a more diverse workforce by promoting, investing, and retaining leadership. We created the Diversity Progress Score in Q1 2021 to help keep us accountable. The Diversity Progress Score is defined as career advancement relative to demographic makeup at Classy.

Diversity Progress Score

113%

For a more comprehensive look at our DEI initiatives, you can find our 2021 DEI Report here.
Our community is central to our efforts to make giving easier and help advance the social sector. As a purpose-driven company ourselves, we must practice what we preach. This is illustrated through the Classy Awards, the Collaborative, and ClassyGives, as well as our environmental commitments towards a more sustainable future.

Scot Chisholm
Executive Chairman & Co-founder, Classy
If we believe in holistic value creation, then we must practice what we preach.

Uniting Through Impact

The Collaborative is the premier conference for nonprofit professionals and the broader impact community alike. Over the years, thousands of people have come together to gain insights, strategies, and inspiration to accelerate their social impact. In 2020, we pivoted the conference to online, dubbed the Collaborative: Virtual Sessions.

10,133
Collaborative Registrants in 2020

In addition to the Collaborative, we further invested in intimate nonprofit events where we share best practices, data, and thought leadership with those who are working to change the world every day.

6
Virtual Events Hosted for Nonprofits

22
Webinars Hosted for Nonprofits
Beyond Traditional CSR

ClassyGives is an employee-customer connection program that enables our team members to find nonprofits they’re passionate about and add meaningful value through volunteering, innovation workshops, fundraising, and more.

<table>
<thead>
<tr>
<th>20</th>
<th>418</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid Impact Hours Eligible Per Employee, Annually</td>
<td>Employee Impact Hours Logged*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>45%</th>
<th>0.12%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of Employees Who Logged Impact Hours*</td>
<td>Per Capita Worker Time Spent on Impact Hours in the Last Year*</td>
</tr>
</tbody>
</table>

What’s an Impact Hour?

Impact Hours constitute time that Classy employees spend serving or engaging with a customer, nonprofit, or their community, outside of their typical work responsibilities.

*Logged officially in Paylocity.
Idea Jam 2020

In 2020, our team dedicated one work day (eight hours) to volunteering with our customers to support mission-critical projects.

Most volunteer days I’ve participated in were usually a photo op; this actually delivered value. You knocked it out of the park and way over-delivered.

75
Employee Volunteers in Idea Jam

600
Impact Hours Logged in 1 Day for Idea Jam*

*Numbers recorded unofficially based on the number of employees who participated.
Giving Tuesday Now

Giving Tuesday Now was a global giving day launched by the Giving Tuesday team on May 5, 2020 as an emergency response to the COVID-19 pandemic. To participate, Classy worked with PayPal Giving Fund to launch two funds, the National Relief Fund and the San Diego Relief Fund. Classy waived its platform fees for all money donated in an effort to increase the total amount received by each nonprofit beneficiary.

$60,664.89 Raised for the San Diego Relief Fund

The San Diego Relief Fund was in the form of a peer-to-peer fundraising campaign that benefited six local nonprofits. We committed to helping those nonprofits raise $60,000 in support of some of the most vulnerable populations in our local community. The beneficiaries were:
The National Relief Fund consisted of select national nonprofits tackling the relief and recovery efforts from different, but complementary, angles across the United States. The list included:
Partners

We’re proud to work with other leading platforms supporting nonprofit fundraising efficiency and effectiveness, and know our customers thrive from the collaborative efforts.

The partnership between Classy and Facebook has enabled us to deliver powerful tools to nonprofits who, more than anything, deserve best-in-class technology in order to achieve their important missions.
Community Guidelines

As part of our commitment to inclusivity, we empower a wide array of organizations and causes through the Classy platform. We believe in presenting a diverse set of perspectives and potential solutions to the world’s social and environmental problems. We believe that with an inclusive approach, the best solutions will ultimately rise to the top. In 2020, we launched our formal Community Guidelines.

Creating a More Sustainable Future

Classy is taking swift, calculated action to ensure our operations and impact are sustainable, responsible, and environmentally conscious. In partnership with Project Green, our community of Classy employees who are passionate about integrating sustainability into Classy’s stakeholder groups, we have formalized company-wide environmental commitments because we understand that when we protect our planet, we protect the longevity of our social enterprise, our nonprofit customers, our community, and each other.

→ Achieve carbon neutrality
→ Achieve supply chain sustainability
→ Enable a culture of environmentally conscious stakeholders

Rebuilding Communities

Recognized as #10 for Best Donor Experience in the Best in Classy list
Total Annual Emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>Carbon Emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY20</td>
<td>803 tonnes of CO2e</td>
</tr>
<tr>
<td>FY21</td>
<td>698 tonnes of CO2e</td>
</tr>
</tbody>
</table>

1. Corporate Carbon Emissions

<table>
<thead>
<tr>
<th>Source</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Workspace</td>
<td>104</td>
<td>70.2</td>
</tr>
<tr>
<td>Travel</td>
<td>509.5</td>
<td>5.8</td>
</tr>
<tr>
<td>Employee Energy</td>
<td>10.5</td>
<td>443</td>
</tr>
<tr>
<td>Servers</td>
<td>178.8</td>
<td>178.8</td>
</tr>
</tbody>
</table>

Employee energy is based on the average household energy for the state in which employees reside. **Classy increased our employees in the reporting period, which drove this number up.**

Classy used the free Pachama corporate carbon calculator. Emissions estimates are based on the GHG protocol, EPA data, and self-reported data.
2. **Inspire a Culture of Environmentally-Conscious Staff**

Classy community Project Green, which has representation from every department at Classy, focuses on employee engagement and education and has identified areas to greenify the office space. Project Green has grown to deliver value in many ways.

- Preferred vendor spreadsheet
- Green policy
- Composting Support Group
- Classy Roots Newsletter
- *All We Can Save* Book Club

### Employee Events During April 2021

*(Earth Month)*

- 2 beach clean-ups
- 2 carbon footprint workshops
- 1 ToastMasters, environment edition
- 1 virtual fair at Earth Day initiative
- 1 film screening of *Seeding Change*
- 1 blog post about Project Green and our corporate commitments
Classy Employee Household Carbon Footprint

We kicked off annual carbon footprint workshops with employees to engage them in education and awareness of their own activities.

3. Achieve Supply Chain Sustainability

Classy strives to partner with value-driven vendors who promote inclusivity and sustainability and align with our mission to mobilize and empower the world for good. We prioritize vendors who fit any of the following criteria:

→ The vendor is a Certified B Corporation, a Public Benefit Corporation, or a nonprofit organization

→ The vendor is a womxn-, minority- (AHN* or LGBTQ+), or veteran-owned business

→ The vendor has a program to support nonprofits (via grants, fundraising, volunteering, or their core business model)

→ The vendor has positive environmental practices that go above and beyond the legal requirements of the jurisdiction that they operate

→ The vendor is local to San Diego county

*AHN is an anti-racist abbreviation that refers to African American/Black, Hispanic/Latinx, and Native Americans/Alaskan Natives

All new vendor and vendor renewal requests must complete Classy’s Vendor Impact and Security Survey before signing a contract. The survey adheres to Certified B Corp standards for sustainable supply chains.

All vendors are screened against our Community Guidelines, ensuring no present or apparent violations of any “Not Good” provisions.
During COVID-19, it has been even more important to understand the mission and culture of a company before we make an investment. In 2020, Classy became both B Corp Certified and was a recipient of the Deloitte Technology Fast 500. This was another demonstration that those who practice sustainable and ethical business practices can also be fast-growing companies that experience high ROI. Through Norwest’s vast experience and expertise with growth equity investments and Classy’s innovative fundraising platform, we’re thrilled at the opportunity to scale the environmental and social impact work of Classy’s nonprofit community and clients.
**Norwest Venture Partners**

Norwest is a venture and growth equity investment firm that has backed several social enterprises focused on the double-bottom lines of both financial return and social impact. Norwest’s Growth Equity team takes a long-term and flexible approach to our partnership, and we are grateful for their years of experience supporting successful organizations to not only grow, but provide sustainable value to society. In addition to Classy, Norwest has invested in other B Corps, including Grove Collaborative, a company that delivers eco-friendly home essentials, and Imperfect Foods, a company that delivers sustainable and affordable groceries, and has even supported portfolio companies that seek to become B Corp Certified.
Creating Lasting Financial Durability and Top-Tier Returns for Decades To Come

Our work wouldn’t be possible without the generous support and partnership of our investors.

In 2021, we created a new partnership with Norwest Ventures Partners as we embarked in a Series D round of funding. Existing investors Hinge Capital, Morgan Stanley, and Salesforce Ventures, as well as new investor 3L Capital, also participated in the Series D round of venture capital funding, totaling $142 million.

We intend to use the fresh capital to accelerate customer-forward product development and double the size of Classy’s product and engineering organization over the next few years to meet rising demand.

Additionally, we plan to enter new segments, such as corporate donors, as part of our much broader strategy to match more high-profile donors with nonprofit organizations to drive a greater impact. Lastly, we will prioritize innovation and creativity to continue to deliver results-driven ideas to the nonprofit sector and help our customers maximize their return on investment and advance their missions year-round.

Thanks to our previous investors who have supported us thus far—
## General Information

<table>
<thead>
<tr>
<th>Organization name</th>
<th>Classy, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization location</td>
<td>San Diego, CA</td>
</tr>
</tbody>
</table>
| Legal form | Public Benefit Corporation (PBC)  
Classy is registered in the State of Delaware  
Entity founded as marketing company: May 3, 2006  
Bylaws amended and pivot to software company: October 25, 2011  
Converted to PBC: May 21, 2021 |
| Contact details | Phone: (619) 961-1892  
Website: www.classy.org |
| Purpose of PBC according to the Charter | The Corporation will provide technology and related products and services to organizations and individuals in order to facilitate and promote the support of nonprofits, charitable causes, and other social impact initiatives. |
| Total number of staff as of May 1, 2021 | Full-time: 240  
Part-time: 3  
Contract: 7 |
Report Contributors

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