FY2021 Environmental, Social, and Governance Overview

Reporting Period:
Except where noted, data in this overview is as of Dec. 31, 2021, reflecting Toast’s 2021 fiscal year.
We empower the restaurant community to delight guests, do what they love, and thrive.
About ESG at Toast

At Toast, we are committed to building a culture of sustainable practices within our company, with our customers and business partners, and for their guests, to support people and our planet to be healthy for generations to come. It’s a core part of our business strategy, one we believe will create short- and long-term value. For us, this means prioritizing well-being and diversity, privacy and security protections, minimizing our environmental footprint, upholding ethical and transparent business practices, and applying our business as a force for good in the world. This overview is our first, and we look forward to working with you to develop the strategy, partnerships, and infrastructure that will support our journey.

“We work every day to be our customers’ trusted technology partner to help them thrive. We intend to work just as hard to ensure we help people and the earth thrive, and to use our platform for positive impact.”

Chris Comparato, Chairman & CEO
Supporting Small Business

Restaurants are our customers and motivation every day. We started Toast in 2011 to make restaurant work a little easier. We hoped to take our passion for small business and build a technology platform for an industry that wasn’t benefiting from the digital innovation other industries had experienced.

At the end of 2021, we had:

- **57,000** restaurant locations
- **$57B** gross payment volume
- **~2/3** Toast employees worked at restaurants

Better Together

Today Toast is the all-in-one platform built for restaurants of all sizes. Toast provides a single platform of software as a service (SaaS) products and financial technology solutions that give restaurants everything they need to run their business across point of sale, operations, digital ordering and delivery, marketing and loyalty, and team management. By serving as the restaurant operating system across dine-in, takeout, and delivery channels, Toast helps restaurants streamline operations, increase revenue, and deliver amazing guest experiences.
COVID-19 Support

The COVID-19 pandemic has had and continues to have dramatic impact on the restaurant industry and its guests. We are fully committed to investing in and supporting our customers, their employees, and the communities they serve. Toast has undertaken a variety of activities to help restaurants navigate and pivot through this crisis.

$35M Winter Restaurant Recovery Fund

In December 2020, Toast announced a $35M winter restaurant relief plan to support the food service industry:

- **One-Month Software Credit:** Toast provided a one-month software credit to all current customers.
- **Pass It On Campaign:** Any Toast customer could pass their credit to a restaurant facing more significant hardships.
- **Access to Toast Products:** Toast offered limited-time complimentary access to Online Ordering, Payroll, and Marketing.
- **Access to Best Practices:** Toast's Res Rec Series of tips helped customers navigate the COVID-19 health crisis.
- **Toast Capital:** Toast provided access to funding for winterization, working capital needs, and more.
- **Accelerated Product Launches:** Toast pivoted to offer table-based ordering and payment, and new takeout and delivery options.

2022 Business Partner of the Year

Toast was recognized as 2022 Business Partner of the Year by Massachusetts Restaurant Association for advocating for restaurants and providing immediate relief to assist in the recovery of the industry.

$28.6B Restaurant Revitalization Fund

Toast joined with the Independent Restaurant Coalition to advocate for the federal Restaurant Revitalization Fund, which provides direct grants to eligible entities in the food service community.
Attracting & Cultivating Toasters

Our employees, or “Toasters” as we call them, are the core ingredients to all we do. We embrace a one team, hospitality mindset. We focus on the well-being of our team through culture, professional support and development, and health, safety, and wellness. Toast wants to ensure our team thrives and grows with us for the long term.

**Employee Engagement**

As of August 2021, our annual, self-generated culture survey revealed:

93% say Toast is a great place to work.

98% say the people they work with treat each other with respect.

86% say they are proud of the contributions Toast makes to the communities in which it operates.

**Great Place to Work**

92% say Toast is a great place to work compared to 57% at a typical US-based company, according to independent surveys conducted by Great Place to Work™ as of May 2022.

**Recognition**

In addition to earning a 4.3 Glassdoor rating as of May 21, 2022, we’re honored to have received these acknowledgments:
Attracting & Cultivating Toasters (cont.)

Our Benefits

- Robust healthcare benefits
- Flexible time off to meet Toasters’ individual needs
- Retirement savings and company match
- Life and disability insurance
- Parental and family leave
- Well-being and mental health support
- Home office and commute provisions
- Sabbatical

Career Development & Training

We believe that the success of our business comes only with the success of all our employees. We bake inclusive principles into our design, build cultural competence and equity in our practices, and ensure opportunities for growth and rewards by investing in developing our managers and employees.

New Hire Onboarding

New Toasters participate in interactive and knowledge-based experiences such as founder and executive-level sessions, product demos, customer empathy training, and DEI training.

Career Development

All employees have access to workshops, an on-demand instructional video library covering current business, technology, and creative skills, and professional development stipend.

Manager & Leadership Development

People leaders receive resources and learning programs focused on Toast Leadership Competencies. Emerging leaders have access to job programs, providing a preview into roles and career pathways.
Fostering Diversity, Equity & Inclusion

The restaurant industry is one of the most diverse industries, and we embrace that diversity by encouraging it within our company. At our core we are driven to create and sustain a diverse, equitable, and inclusive (DEI) culture of belonging that enables our Toasters to thrive personally and professionally.

Toast Communities

Our Toast Council of Advocates For Equity (CAFE) and employee resource groups empower diverse voices to foster an inclusive and equitable workplace. Our voluntary, employee-led groups provide support, networking, and advocacy to foster a diverse, inclusive, and more equitable workplace.
Fostering Diversity, Equity & Inclusion (cont.)

Recruitment
We incorporate DEI and mitigate bias in our recruiting practices through:

- Structured, competency-based interviewing.
- Inclusivity best practices at every stage of our process.
- Expanding early-career and nontraditional hiring programs to increase opportunities for historically marginalized talent.

Our DEI philosophy and programs are available via our career site and recruitment materials. Our leadership reviews robust talent analytics, DEI assessments, quarterly health reports, and bi-yearly employee demographic reports to inform talent decisions and help to monitor our progress in representation and retention.

Belonging & Inclusion
We offer specialized DEI programs and initiatives to equip Toasters with the tools necessary to develop and promote inclusion, leading to better engagement, productivity, and innovation, such as:

- Peer coaching circles, cultural heritage events and DEI industry partnerships increase appreciation for intersectionality and interconnections.
- Toolkits in inclusive language, seasonal celebrations, and accessibility.
- Live workshops and e-learning DEI programs help participants understand identity, mitigate bias, design for diversity, and become allies.
- Sessions on how to manage inclusively, to equip leaders with skills and plans to activate DEI in their teams and their work.

Partnerships
We partner with and invest in diverse organizations committed to supporting marginalized businesses and communities, ensuring fair customer practices, and building trust to power their success.

TOAST DEMOGRAPHICS
Based on Toast internal data, as self reported by employees.

Company Overall

Gender Representation
Men: 56%
Women: 43.2%
Non-Binary: 0.5%
Not Disclosed: 0.3%

Race/Ethnicity

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>55.3%</td>
</tr>
<tr>
<td>HMT¹ Communities</td>
<td>19.5%</td>
</tr>
<tr>
<td>Asian</td>
<td>7.6%</td>
</tr>
<tr>
<td>American Native</td>
<td>0.2%</td>
</tr>
<tr>
<td>Black/African American</td>
<td>4.7%</td>
</tr>
<tr>
<td>Bi/Multiracial</td>
<td>2.2%</td>
</tr>
<tr>
<td>Hispanic/Latinx</td>
<td>4.9%</td>
</tr>
<tr>
<td>Native Hawaiian/Pacific Islander</td>
<td>0.1%</td>
</tr>
<tr>
<td>+Not Declared</td>
<td>25.2%</td>
</tr>
</tbody>
</table>

Leadership²

Gender Representation
Men: 59.7%
Women: 40.3%

Race/Ethnicity

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>58.2%</td>
</tr>
<tr>
<td>HMT¹ Communities</td>
<td>20.9%</td>
</tr>
<tr>
<td>Asian</td>
<td>13.4%</td>
</tr>
<tr>
<td>Black/African American</td>
<td>3%</td>
</tr>
<tr>
<td>Bi/Multiracial</td>
<td>1.5%</td>
</tr>
<tr>
<td>Hispanic/Latinx</td>
<td>3%</td>
</tr>
<tr>
<td>+Not Declared</td>
<td>20.9%</td>
</tr>
</tbody>
</table>

1. Historically Marginalized Talent
2. VP level and above
# Social Impact & Community Engagement

In 2019, we founded Toast.org, our philanthropic branch, dedicated to solving critical issues in the food system that impact communities and the planet. Toast.org is uniquely positioned to galvanize people to participate in community service, support other organizations and restaurants making a difference, and create products that improve the food landscape. Read more about Toast.org [here](#).

## Pillars of Impact

<table>
<thead>
<tr>
<th>Food</th>
<th>Community</th>
<th>Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food insecurity, hunger, waste, inequality, and accessibility.</td>
<td>Labor equality, transportation, housing, and food access.</td>
<td>Food waste, farming, and local communities.</td>
</tr>
</tbody>
</table>

## Featured Partnerships

- **Lovin’ Spoonfuls**: is dedicated to facilitating the rescue and distribution of healthy, fresh food that would otherwise be discarded.
- **World Central Kitchen**: Founded by Chef and Humanitarian José Andrés, World Central Kitchen works on the front lines after natural and man-made disasters to provide fresh, healthy meals to those in need.
- **Restaurant Workers Community Foundation**: helps support workers in accessing public benefits and mental health services, paying rent, and feeding their families.

## Pledge 1%

In 2021, we joined Pledge 1%, and made our first contribution of stock, representing a then-fair market value of ~$19M to the Toast.org Impact Fund. Pledge 1% is the global movement of companies committed to donating 1% of product, equity, and/or employee time to improve their local communities.
Environment

We are committed to minimizing our use of natural resources and production of waste and to working toward net zero emissions in an effort to mitigate climate change.

FY21 Greenhouse Gas (GHG) Emissions

Our GHG baseline, conducted by a third party provider, follows the Greenhouse Gas Protocol. It includes emissions representing Scope 1, Scope 2, and the Scope 3 categories of purchased goods and services (cloud services only), fuel- and energy-related activities (FERA), business travel, employee commute/remote work, waste and water. Additionally, we calculated and reported SASB metrics for energy and water use, and waste generation.

Scope 1 & 2 Emissions

Scope 1:  Electricity: 51%
    District cooling: 10%
    District heating: 1%
Scope 2:  Natural gas: 31%
    Refrigerant: 7%

Scope 1, 2, & 3 Emissions

Scope 1: 7%
Scope 2: 12%
Business travel: 37%
Employee commute and remote work: 33%
Cloud services: 3%
Waste: 2%
Water: 0%

Emissions Scope/Category | FY21 Total (mtCO2e)
--- | ---
Scope 1 | 285
Scope 2 (Market-based) | 467
Scope 1 & 2 Total | 752
Scope 3 Total | 3,129
Cloud Services | 111
Fuel- and Energy-Related Activities (FERA) | 226
Business Travel | 1,454
Employee Commute & Remote Work | 1,275
Waste (Recycling, Compost, Landfill) | 57
Water | 6

Resources

13,034 GJ energy consumed
14 thousand m³ total water withdrawn
<0.1 thousand m³ total water consumed
334.2 metric tons total waste

Workplaces

We occupy LEED Gold Certified buildings in Boston and Chicago
WELL Health-Safety Rated: Boston, Omaha, Chicago, Dublin, Woburn, and Reno
Recycling, composting, and e-waste: Boston, Chicago, and Omaha

Cloud-Based Platform

Toast does not own or operate data centers. We use a third-party cloud service as our infrastructure platform and capacity utilization is variable. Our cloud provider has demonstrated progress toward its commitment to reach net-zero by 2040.
Ethics & Governance

We are committed to conducting our business ethically and with transparency. We know it fosters trust, innovation, and long-term value. We do this through adoption and compliance of our policies, and through clear accountability and oversight. Our executives are responsible for assessing and managing risk and our Board of Directors is responsible for risk oversight, with the Audit Committee overseeing and reviewing our overall risk management framework. Additional information is available at investors.toasttab.com and our 2022 Proxy Statement.

Corporate Governance

[Read more]

Toast’s corporate governance guidelines address items such as the qualifications and responsibilities of our directors and director candidates and corporate governance policies and standards applicable to us in general.

Conduct & Ethics

[Read more]

Our Code of Business Conduct & Ethics applies to and sets out the minimum requirements for all Toast directors, officers, and employees, including commitments to anti-harassment and anti-discrimination and procedures for reporting concerns or violations. This is supplemented by our Foreign Corrupt Practices Act and Anti-Corruption Policy, Stock Trading Policy, Corporate Communications Policy, Related Person Transaction Policy, our employee handbook and trainings on various other policies.

Oversight: Our General Counsel is our designated Compliance Officer under our Code of Business Conduct and Ethics, overseen by our board.

Whistleblowing: We offer an anonymous phone line and online platform, and expressly prohibit retaliation against any whistleblower.

Oversight of ESG

| Board/ Committee oversight: Nominating and Corporate Governance Committee |
| Co-executive sponsors: Chief Financial Officer and Chief People Officer |
| Cross-functional ESG Committee & Disclosure Committee to steer our priorities and roadmap, and oversee reporting, respectively |
| Leadership & Management: VP Social Impact, VP Investor Relations & Treasury, Senior Director, Sustainability and ESG |
| Functional Leads representing People, DEI, Legal, Workplace Experience & Real Estate, Finance, and others |
Data Privacy & Security

We are committed to responsibly handling the information of our customers, their guests and employees, and other stakeholders and in accordance with all applicable data privacy laws and security best practices. As part of this commitment, we maintain a dedicated team of privacy and security professionals along with comprehensive privacy and security programs.

Data Privacy

At Toast, privacy begins with trust. Whether someone is a customer, a guest, an employee, or any other stakeholder, we want them to have confidence that their personal information will be appropriately managed and protected in line with their expectations and the applicable law when they provide that data to us.

In order to help operationalize user trust as well as compliance within our business, Toast’s Privacy Office developed a core set of privacy principles that guide our collection and management of personal information, supplemented by privacy-specific policies, standards, and employee training.

**Oversight:** Toast’s Privacy Office is responsible for the development of Toast’s privacy program and for establishing, communicating, and enforcing privacy policies and requirements within the organization. Toast’s Privacy Office is overseen by Toast’s Assistant General Counsel, Privacy, who reports to the General Counsel.

Security

Our information security program consists of technical, physical, and administrative policies and controls to manage and protect the information we oversee. Our security approach extends beyond helping our merchants operate securely and helps them be successful at meeting their regulatory and compliance obligations.

**Toast security program:** Toast security program consists of the following elements:

- Security policies
- Risk management program
- Security education and awareness program — security training for all Toast employees
- Regular security testing — of employees and controls, including phish testing, penetration testing, and network security scanning
- Vulnerability management program
- Infrastructure security program
- Business system security program
- Secure software development program that scans open source, internally developed code, and solutions to identify and correct security vulnerabilities prior to release
- Identity and access management programs for merchants, guests, restaurant employees, and Toast employees
- Security operations center that monitors and alerts personnel to anomalous events in our environment
- Security incident and event management team

**Oversight:** Our information security program is overseen by our Chief Information Security Officer who reports to the Chief Technology Officer as well as our Audit Committee.

**Security certifications:**

- Payment Card Industry PCI Data Security Standard certification
- Systems and Organizations Controls 2 (SOC2) Type 1 attestation report
**Sustainability Accounting Standards Board (SASB)**

Toast is committed to sharing ESG information with investors and other stakeholders. The table below references SASB's Software and IT Services Standard, Version 2018–10. Unless otherwise specified, the data and descriptions are current as of year-end 2021. We will continue to evolve our disclosure in future reports.

<table>
<thead>
<tr>
<th>Metric Code</th>
<th>Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental Footprint of Hardware Infrastructure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC-SI-130a.1</td>
<td>(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable</td>
<td>Resources</td>
</tr>
<tr>
<td>TC-SI-130a.2</td>
<td>(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress</td>
<td>Resources</td>
</tr>
<tr>
<td>TC-SI-130a.3</td>
<td>Discussion of the integration of environmental considerations into strategic planning for data center needs</td>
<td>Cloud-Based Platform</td>
</tr>
</tbody>
</table>

Toast reports total water withdrawn and consumed. We intend to review regional water stress in the future.

| **Data Privacy and Freedom of Expression** | | |
| TC-SI-220a.1 | Description of policies and practices relating to behavioral advertising and user privacy | Data Privacy |
| TC-SI-220a.2 | Number of users whose information is used for secondary purposes | Data Privacy |
| TC-SI-220a.3 | Total amount of monetary losses as a result of legal proceedings associated with user privacy | |
| TC-SI-220a.5 | List of countries where core products or services are subject to government-required monitoring, blocking, content filtering, or censoring | |

Toast does not own or operate data centers. We use a third-party cloud provider as our infrastructure platform and capacity utilization is variable. Our cloud provider has demonstrated progress towards commitment to achieve net-zero carbon by 2040.

Any material losses occurring as a result of legal proceedings, including those related to user privacy, would be reported in our public filings with the SEC. As of May 2022, Toast has not reported any material monetary losses of this nature.

Toast does not operate in any markets where we believe the core products or services are subject to government-required monitoring, blocking, content filtering, and censoring. As part of our information security program, Toast takes additional measures to protect the accuracy and quality of information transferred within our ecosystem from third-party interference.

*The Sustainability Accounting Standards Board (SASB) is an independent, private sector standards-setting organization whose mission is to help businesses around the world identify, manage, and report on the sustainability topics that SASB believes matter most to investors. For more information on SASB, visit sasb.org.*
### Sustainability Accounting Standards Board (cont.)

<table>
<thead>
<tr>
<th>Metric Code</th>
<th>Metric</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Data Security</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC-SI-230a.1</td>
<td>(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of users affected</td>
<td>Any material data incidents would be disclosed as part of our public filings with the SEC. As of May 2022, Toast has not reported any data incidents.</td>
</tr>
<tr>
<td>TC-SI-230a.2</td>
<td>Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards</td>
<td>Security In addition, Toast maintains a technical inventory, an active vulnerability management program, and subscribes to threat intelligence services to identify and risk assess vulnerabilities that may exist in the environment. We align practices with NIST and ISO 27001 frameworks, and maintain PCI and SOC-2 Type 1 certifications.</td>
</tr>
<tr>
<td><strong>Recruiting &amp; Managing a Global, Diverse &amp; Skilled Workforce</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC-SI-330a.1</td>
<td>Percentage of employees that are (1) foreign nationals and (2) located offshore</td>
<td>As of December 31, 2021, we had 3,172 employees. (1) 4.1% foreign nationals (2) 7.9% offshore associated with Toast’s Ireland and India offices.</td>
</tr>
<tr>
<td>TC-SI-330a.2</td>
<td>Employee engagement as a percentage</td>
<td>Employee Engagement Toast designs and conducts an annual online anonymous survey of all employees. Data is reported from our August 2021 survey, as well as Great Place to Work™, which conducts an independent survey.</td>
</tr>
<tr>
<td>TC-SI-330a.3</td>
<td>Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees</td>
<td>Diversity, Equity, and Inclusion</td>
</tr>
<tr>
<td><strong>Managing Systemic Risks from Technology Disruptions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC-SI-550a.2</td>
<td>Description of business continuity risks related to disruptions of operations</td>
<td>FY 2021 Annual Report (Risk Factors)</td>
</tr>
<tr>
<td><strong>Activity Metrics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC-SI-000.A</td>
<td>(1) Number of licenses or subscriptions, (2) percentage cloud-based</td>
<td>(1) 57,000 restaurant locations use Toast (2) 100% cloud-based</td>
</tr>
<tr>
<td>TC-SI-000.B</td>
<td>(1) Data processing capacity, (2) percentage outsourced</td>
<td>(1) Toast uses a third party cloud provider for all infrastructure. Data processing is elastic and scales based on customer traffic patterns usage. (2) 100% third-party cloud provider</td>
</tr>
<tr>
<td>TC-SI-000.C</td>
<td>(1) Amount of data storage, (2) percentage outsourced</td>
<td>(1) Data stored in third party cloud provider infrastructure with variable size and retention policies (2) 100% third-party cloud provider</td>
</tr>
</tbody>
</table>

### Forward-looking Statements

This document contains “forward-looking” statements within the meaning of the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, statements about Toast’s ESG commitments and strategy. Forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause Toast’s actual results, performance, or achievements to differ materially from results expressed or implied in this document. Risks that contribute to the uncertain nature of the forward-looking statements include, among others, risks listed or described from time to time in Toast’s filings with the Securities and Exchange Commission. Any forward-looking statements contained in this document are based on assumptions that Toast believes to be reasonable as of this date. Except as required by law, Toast assumes no obligation to update any statement included in this document.