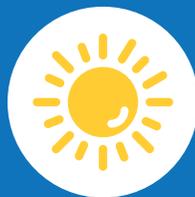




workday[®]

2012 Sustainability Report





About This Report



Sustainability in the Cloud



A Greener Workday



A Better Choice for Customers



A Better Place to Work



Community Outreach



GRI Index

A Letter from our CEOs

We founded Workday with the vision that it would be the most innovative enterprise software company in our industry. We believe in innovation so much that we made it one of our core values. But innovation is not limited to technology—it's really a way of doing business. Workday aims to innovate in all aspects of our business. Our commitment is to growing profitably and sustainably, reducing our environmental impact, and focusing on socially responsible business practices.

But it is not enough for us to just keep up with our competitors in adopting socially responsible practices. It is important for us to lead. We recognize that regulations and the market will begin to demand more sustainable operations for all companies. This is an outstanding business opportunity.

Our multi-tenant cloud delivery model centralizes computing resources, reducing the energy consumption that is needed to deliver our service. In fact, a 2011 Carbon Disclosure Project study featuring two Workday customers found that cloud computing solutions help companies avoid carbon dioxide emissions and reduce operating costs. We are proud to remain an EPA 100 percent Green Power Purchaser by offsetting 100 percent of the electricity used in our office buildings and data centers in 2011 and 2012.

At the same time, our internal Green Team is constantly looking to implement more sustainable solutions in our everyday operations.

Building a sustainable business takes more than energy efficiency and a reduction of our environmental impact. We also aim to be a responsible corporate citizen. Our focus on customer satisfaction, data privacy and protection, community outreach, and employee satisfaction show we are focused on our stakeholders' top concerns.

We sincerely believe this way of doing business is not only the right thing to do, it is essential to our success. We are building Workday for the long-term, which requires long-term thinking around how we operate. As we embark on our journey as a public company in 2013, our challenge will be continuing to execute our sustainable practices and identify areas for sensible improvement.

In our second Sustainability Report, we highlight our effort to build a successful company while positively impacting all of our stakeholders. We hope this report provides you with a sense of what we value as well as the progress we are making. We rely on our customers, partners, employees, and communities in which we operate to provide us with innovative ideas, so we welcome yours.

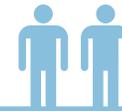
Please don't hesitate to contact us at sustainability@workday.com



Aneel Bhusri
Chairman, Co-Founder, and
Co-CEO



Dave Duffield
Co-Founder and
Co-CEO





Workday's Commitment to Sustainable Business

Workday was founded in 2005 with a set of [core values](#) that help define what's important to us. And from the beginning, Workday has consistently been committed to sustainable business practices. To Workday, sustainable business means more than just being "green," although we also take our green initiatives very seriously. Sustainability means being a responsible corporate citizen and doing our part to look after the best interests of the people and communities that interact with Workday. Success for Workday is not only measured in financial terms, but also in how the company operates in the context of the community and the environment.



"It's the right thing to do."

—Aneel Bhusri, co-founder and co-CEO, on the importance of sustainability reporting

We take our responsibility very seriously to our employees and customers, as well as the community where we operate. As a responsible corporate citizen, we strive to improve our services, support our community, and minimize our environmental impact every day. Our corporate responsibility and sustainability efforts [align with our company's core values](#), which help support our commitments to our stakeholders:

- Employees
- Customer service
- Innovation
- Integrity
- Fun
- Profitability

Report Profile

Our 2012 report shares Workday's vision and strategy for sustainable business, celebrates our successes, and identifies areas where we can improve. The following sections describe Workday's sustainable business practices in multiple areas:

- Sustainability in the Cloud
- A Greener Workday
- A Better Choice for Customers
- A Great Place to Work
- Community Outreach

This is Workday's second biennial Sustainability Report, and was developed using [GRI G3.1 guidelines](#) and is self-declared to GRI Application Level C. The reporting period is 2011-2012. This report's scope, unless otherwise indicated in specific sections, covers all Workday, Inc. operations and offices. We welcome your questions or comments about this report or our sustainability efforts. These can be directed to sustainability@workday.com.



Materiality and Stakeholder Analysis

The Workday Green Team conducted a materiality analysis in order to better understand key issues to our stakeholders and help define content for our second corporate sustainability report.

Stakeholders are individuals or entities that are affected by an organization's business activities or that affect an organization's business activities. These include customers, employees, partners, and the community. Workday's business model includes engaging with stakeholders to better understand their priorities and react more quickly to business trends that impact our customers.

After identifying our key stakeholders for the purposes of this report, we then identified the priorities of each stakeholder and plotted them on a **materiality matrix**. Issues that were identified as high-priority were those that had both significant interest to stakeholders and significant impact to Workday. For this reporting cycle we sought additional stakeholder feedback in a survey at our 2011 Workday Rising conference. More than 45 customers, partners, and employees provided input on the key issues that most affect them. The top issues that were identified for Workday to focus on were **Customer Satisfaction, Privacy and Data Protection, and Employee Satisfaction**.

These are shown in the upper right-hand quadrant of the Materiality Matrix below. As we are only in our second-ever reporting cycle, we anticipate refining this materiality analysis process to incorporate additional stakeholder feedback and performance indicators as our sustainability reporting processes mature.

The results of the materiality analysis helped to guide the content development for this report. High-priority issues received more coverage within this report, while lower-priority topics are included in the report as applicable. Additional topics will be considered for inclusion in future reports.





Materiality Glossary

Issues	Definition
Brand	Related to intellectual property rights and brand reputation. Used by stakeholders in order to understand how a company's corporate responsibility strategy fits into the company's overall business strategy.
Business Continuity	Business continuity plans and preparedness, particularly related to minimizing impacts to stakeholders and the interconnected processes guided by the company's corporate responsibility strategy.
Climate Change	Practices related to climate change mitigation, including greenhouse gas emissions reductions across the operations of the enterprise.
Community Engagement	Programs to engage the local community where the company operates within, including seeking and incorporating feedback into operating activities.
Customer Satisfaction	Programs relating to customer satisfaction, including customer service, product stewardship, and general customer relationship management.
Employee Satisfaction	Indicators of employee satisfaction, including employee recognition, quality of work environment, culture, and commitment to work-life balance.
Energy Efficiency	Various efforts to minimize energy usage, such as direct and indirect energy consumption, green building practices, reducing the impacts of Workday's own IT operations, and efforts to minimize the environmental impacts of transporting employees.
Health and Safety	Issues relating to standard occupational health and safety performance and policies, employee health and wellness programs, and emergency and disaster preparedness management.
Human Rights	Related to a range of human rights issues, including non-discrimination, child labor, forced labor, indigenous rights, freedom of association, and collective bargaining.
Innovation	Topics relating to innovation, not only through software development, but approaches to all aspects of business including employee and customer programs, community outreach, and sustainability initiatives.
Integrity	Practices related to corporate integrity, including sticking to our commitments, treating everyone equitably, and communicating openly and honestly.
Materials Use	Programs and initiatives relating to materials consumption and recycling, including efforts to reuse, refurbish, and recycle electronics equipment.
Privacy and Data Protection	Efforts to safeguard customers' sensitive business information and data as well as initiatives to maintain rigorous data security standards to prevent unauthorized data disclosures.
Public Policy	Participation in public policy development, including lobbying efforts and political contributions.
Regulatory Compliance	Practices, policies, and procedures to maintain compliance with all applicable laws, regulations, and commitments.
Stakeholder Engagement	Programs related to how the company engages with stakeholders (ranging from processes for identifying stakeholders, NGOs, and partnerships) to stakeholder involvement in environmental and human-rights policies.
Talent Retention	Initiatives relating to the retention of employees, including employee compensation, benefits, and performance-review practices.
Waste and eWaste	Efforts and initiatives to minimize solid waste (both hazardous, such as e-waste, and non-hazardous) and increase recycling and waste diversion.
Water Use	Efforts and initiatives to minimize water use.



The Top Priorities for This Report

Privacy and Data Protection

Workday is responsible for safeguarding our customers' most sensitive information and data. In addition, there are data privacy regulatory concerns that both customers and Workday must adhere to. A privacy or data security breach could severely impact both Workday and our customers' brands, and we maintain rigorous data security standards to ensure the absolute safety of our customers' business information. Learn more about how Workday ensures data security in the chapter "A Better Choice for Customers."

Customer Satisfaction

Workday is fiercely loyal to our customers and Workday co-founder Dave Duffield is also known as Chief Customer Advocate. Customer satisfaction is a key metric for Workday. It is measured throughout the year in our efforts to retain our existing customer base and attract new customers. Learn more about how Workday promotes customer satisfaction in the chapter "A Better Choice for Customers."

Innovation

The success of Workday applications relies on innovation, which is a core value for Workday. Workday is proud of our innovation and forward-thinking in all aspects of our business, not just with technology and software. We extend innovation to employee and customer programs, environmental impact, and community outreach. Workday's innovative products and sustainability programs are described throughout this report.



Employee Satisfaction

Workday believes that happy, productive employees lead to customer loyalty and a prosperous business. That's why at Workday, employees are our most valuable resource and we pride ourselves on being a great place to work. Learn more about Workday's employee programs in the chapter "A Great Place to Work."

Community Engagement

A healthy, supportive community is an important ingredient for business success, which is why Workday (the company) and our employees actively give back to the community around us. Learn more about Workday's community outreach programs in the chapter "Community Outreach."

Energy Efficiency

Every global citizen and corporation has a stake in energy efficiency. Our ability to harness efficient, sustainable energy for private and commercial use will not only impact our future quality of life but also the business climate in which corporations operate. Learn more about Workday's commitment to energy efficiency in the chapters "A Better Choice for Customers" and "Sustainability in the Cloud."





Workday's Stakeholder Engagement Philosophy

Stakeholders, as defined by Global Reporting Initiative (GRI), are individuals or entities who are affected by an organization's business activities or affect an organization's business activities. At Workday, we view our stakeholders as part of an interconnected network of partnerships that promote mutual cooperation and success. That's why building relationships with our stakeholders and engaging in collaborative, rather than competitive, strategies are a critical foundation to our business.

Here are some ways that Workday engages with our stakeholders:

- **Collaboration** - We collaborate with our customers and partners in [Workday Community](#), a web site where these important stakeholders can “brainstorm” around best practices and product features. They can also ask questions of Workday product experts, vote for new features, receive product update information, and share assets such as reports and integrations.
- **Leadership** - Workday's leadership team posts regularly on [Workday blogs](#), fostering a direct dialogue with customers, employees, and the broader community who are able to comment on the blog and provide feedback directly to our senior management.
- **Community** - Each year, we produce [Workday Rising](#), a user conference where each primary stakeholder group can interact in person. Senior management, employees, customers, prospective customers, and consulting partners can engage with each other. At Workday Rising 2011, we used a survey to solicit direct feedback on our sustainability activities.
- **Green Team** - The Workday Green Team is a cross-functional group of employees who volunteer time to help Workday assess and improve sustainable business practices. The team is involved in regular employee events—from brown-bag lunches to green activities at our Bring Your Kids to Workday—to inform Workday employees about Workday green initiatives.
- **Openness** - Workday's [first corporate sustainability report](#) was released in 2010, providing a foundation for honest and open dialogue with our stakeholders about sustainability topics most important to them and Workday. Any Workday stakeholder can provide direct feedback to us at sustainability@workday.com.

At Workday, stakeholder engagement is built into our business model.



Who We Are

Workday is a leader in cloud-based enterprise applications for managing global businesses. Our applications are designed to enable global enterprises to manage complex and dynamic operating environments. Our highly adaptable, accessible, and reliable applications enable our customers to manage critical business functions and optimize their financial and human capital resources.

- Human Capital Management
- Financial Management
- Payroll Solutions
- Time Tracking
- Expenses
- Procurement
- Integration Cloud

Since it was founded in 2005, Workday has released 18 updates to its product line as of year-end 2012. For a full description of our applications please see our [About Workday](#) datasheet.

Workday, Inc. is a public company with headquarters in Pleasanton, California. Workday's shares trade on the New York Stock Exchange under the symbol "WDAY." For more information on Workday's financial results, including net revenues, total assets, and percentage of ownership of largest shareholders, refer to [Workday's Investor Relations](#) page for relevant SEC filings, including Workday's FY13 10-K Report and S-1 Registration Statement.

Headquarters

6230 Stoneridge Mall Road
Pleasanton, CA 94588
United States
(925) 951-9000

Other Workday offices can be found in Ireland, Australia, Canada, England, France, Germany, Hong Kong, and the Netherlands. A full list of Workday offices can be found [here](#).





Where are Workday customers?

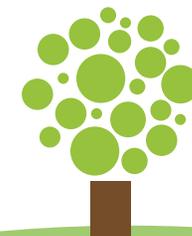
Workday has more than 400 customers with operations in 146 countries and several different industries, including Education and Government, Financial Services, Healthcare and Life Sciences, Manufacturing, Retail and Hospitality, Services, and Technology. A representative list of customers by industry can be found [here](#).

Where are Workday employees?

Workday employs more than 1,700 employees (up 120 percent from 2010), working in multiple worldwide locations, including San Francisco, Atlanta, Chicago, Dallas, Minneapolis, New York City, Philadelphia, Salt Lake City, Sydney, Montreal, Toronto, Vancouver, Munich, Hong Kong, Dublin, Hilversum, London, and Paris.

Awards and recognition include:

- Recognized by the EPA as a 100 percent Green Power Purchaser in 2011 and 2012
- #1 Best Place to Work in Bay Area for large companies by the *Bay Area News Group's* Top Workplaces Survey in 2012
- #1 Best Place to Work in Bay Area for large companies by the *San Francisco Business Times* and *Silicon Valley/San Jose Business Journal* in 2012
- #1 Top Workplace Midsize Companies in the *Bay Area News Group's* Top Workplaces Survey in 2011
- #1 Top Leadership Midsize Companies in the *Bay Area News Group's* Top Workplaces Survey in 2011
- #3 Best Place to Work in the Bay Area for mid-size companies by the *San Francisco Business Times* and *Silicon Valley/San Jose Business Journal* in 2011





The Workday Green Team

In 2008, the Workday Green Team was created by a small group of Workday employees who wanted to help make Workday a more environmentally friendly place to work. The team has grown over the years, but its mission remains the same: to find innovative and workable ways for employees and customers to meet the needs of the present without compromising the needs of future generations. The Green Team is also responsible for authoring the Workday Corporate Sustainability Reports.

Corporate Governance

Workday's Board of Directors is responsible for oversight of significant business issues, including strategy and long-term business plans, risk management, and legal and ethical compliance. Our Board consists of seven members, five of whom are considered independent (as defined by the rules of the New York Stock Exchange). One member of our Board is a woman. Aneel Bhusri, Workday's co-founder and co-CEO, serves as Chairman of the Board.

The Board meets quarterly to review strategic business decisions and operational plans. In addition to their financial and business acumen, each Board member provides strong industry expertise and knowledge of corporate governance issues. For additional information on Workday's Board of Directors, including committees, structure, and biographies of each of our directors, refer to [Workday's Board of Directors webpage](#).

Workday senior management communicates ethical business practices and expectations to all employees through regular written communications directly from the Chairman and through periodic company meetings. Workday has established a written [Code of Conduct](#) and formal [Corporate Governance Guidelines](#). Employees are also able to communicate to senior management through an integrity email box.

In addition, Workday has established a formal open door policy where employees are invited to address concerns and provide recommendations directly to senior management. Lastly, Workday has established a formal Whistleblower Policy, which describes how to report violations of Workday's Code of Conduct, any laws or regulations, or internal accounting controls. A whistleblower hotline and an ethics email box have been established for direct communication regarding these matters.

The process for minority shareholders to submit shareholder resolutions and feedback to the Board of Directors is discussed in Article I of the [company bylaws](#). For more information on Workday's Corporate Governance structure, including committee charters and corporate bylaws, refer to [Workday's Corporate Governance webpage](#).





Sustainability in the Cloud





Sustainability in the Cloud

One of the many benefits of Workday's SaaS business model is that it's easy for our customers to run their own businesses more sustainably. At the same time, we realize the importance of practicing what we preach in our daily lives by active sponsorship of renewable-energy programs and minimizing our environmental impact by:

- Reducing our carbon footprint
- Investing in renewable energy

Reducing Our Carbon Footprint

Workday supports a wide variety of programs and practices that are intended to minimize our carbon footprint. One of our business goals is to create a work environment that makes it easy for employees and customers to go green. We employ several technologies and processes in support of this goal:

- Online collaboration technologies
- Modern data centers
- Efficient computing

Online Collaboration Technologies

Workday employees live and work in more than 20 locations around the globe. Our customers are currently located around the world! To minimize travel for both customers and employees while sponsoring a high level of interaction and collaboration, Workday employs online conferencing tools, including:

Skype – Employees can find each other online and discuss business matters in a chat or a video call. This allows small teams to collaborate in a highly effective manner.

Chatter – Salesforce Chatter allows different teams to share knowledge and updates on business topics. Employees can follow what other thought leaders in the organization have to say about key projects and events.

WebEx – The standardization of WebEx as a virtual meeting place allows Workday customers and employees to stay in contact from any place in the world that has an Internet connection.

LifeSize Video Conferencing – A LifeSize meeting is the next best thing to being there. LifeSize allows global professionals to participate in virtual meetings with colleagues from all over the world without missing a nuance of facial expression or body language.

Workday Community – Workday Community is an internally developed tool that allows Workday customers all over the world to collaborate, ask questions, and share ideas with Workday product experts.

Webinars – Rather than requiring customers and prospects to visit our offices to talk to our product experts—or vice versa—Workday hosts regular webinars that feature product updates, tips and tricks, design reviews, and industry trends.

Our investment in technologies that support remote collaboration isn't pure philanthropy, since both Workday and our customers benefit from the savings realized from reduced travel expenses. But as a responsible global business, we're proud of our modern technology and processes that allow us to connect people all over the world.



Modern Data Centers

Over the past several years, there has been a dramatic shift from on-premise computing to cloud computing. Systems and applications are increasingly run by service providers in centralized data centers. This trend has also been noticeable in the total amount of power consumed by data centers worldwide. In the period from 2000 to 2005, the worldwide electricity used in data centers doubled. While data center electricity use slowed from 2005 to 2010, it still grew about 56 percent. In 2010, the [data center consumption](#) accounted for up to 1.5 percent of all worldwide electricity use.

The efficiency of data centers can be measured in terms of total power drawn from the power grid divided by the power actually consumed by IT equipment for data processing. This ratio is called PUE or [Power Usage Effectiveness](#). The closer this value is to "1," the less energy is wasted. On average, U.S. data centers are estimated to operate at a PUE of 2.0, but most modern data centers can operate at around 1.4.

Recently, a new metric has emerged that not only considers the electricity usage, but the overall carbon emissions associated with data center operations. The CUE or [Carbon Usage Effectiveness](#) includes the carbon dioxide emissions from all energy sources consumed in the data center.

Workday considers both the PUE as well as the energy mix consumed by the data center in its data center selection criteria and strives for optimal sustainability of any facility chosen. Workday's Green Team works closely with the infrastructure teams and external partners to ensure that we select the most efficient and environmentally responsible data center option available.

At Workday, we don't believe in paying too much for energy, using energy we don't need, or passing along unnecessary energy costs to our customers.



2010 Area for Improvement

Our energy providers don't currently provide an itemized bill for energy consumption, so we can't measure our cooling-to-computing energy-consumption ratio or effectively negotiate service contracts with our energy providers. To address this challenge, we are rolling out a pilot program in Dublin in January, 2011, with Enigin to measure our energy-per-square-meter usage throughout the day. If this pilot program is successful we hope to standardize this approach globally.

2012 Area for Improvement Update



After a series of pilot projects, we determined that the most reliable way of measuring power usage in a data center is directly in the power distribution unit (PDU) of the server racks inside the data center. Modern PDUs allow for the logging of data usage to each of its consumers. These log files can be collected and analyzed. Workday has standardized on GEIST PDUs as part of our latest hardware requirement and is working on gathering all power-consumption logs into our centralized statistics warehouse. In the future, this will allow us to measure actual power usage by our IT equipment, and also to associate power consumption to specific services provided by Workday. This visibility will allow for further optimization in the future.



Modern Architecture

Aside from efficient data centers, the core architecture of services running on the IT equipment can make a substantial difference to the overall power consumption. If many servers are running all the time to be able to handle peak loads, they will be idle most of the time and consume energy without providing value. A better model is to strive for elastic computing where the use of resources varies depended on workload. In case more resources are needed, they can be dynamically provisioned and, after usage, be shut down again. With this model, only what is truly needed is running actively.

Workday implements these concepts for services such as payroll processing in our compute grid, elastic integration processing, and other load-based scenarios.

Another way of optimizing computing resources is the well-known concept of virtualization. In this approach, hardware resources can be shared by multiple services as if they were different physical servers. This leads to a better utilization of resources and overall lower power consumption.

Workday uses virtualization in a variety of systems wherever it does not negatively affect system performance, security, or stability.

Efficient Computing



From the beginning, Workday was a member of the [Climate Savers Computing Initiative](#). Started by Google and Intel in 2007, the goal of the initiative was to promote the development, deployment, and adoption of smart technologies and efficient hardware in order to reduce total computing power. This initiative merged with [The Green Grid](#) organization in 2012 and is continuing its work there.

Workday has not chosen to be a member of the Green Grid organization at this point. We are evaluating future membership based on the sustainability benefits it will provide to our customers. However, Workday continues to use the most power-efficient computing products to support overall sustainability goals.



2010 Area for Improvement

As a relatively new company specializing in cloud-computing services, we were driven by business necessity to make efficient hardware choices. Our challenge will be improved tracking of hardware to make sure that we continue to meet our smart computing goals as our current hardware ages.



2012 Area for Improvement Update

In order to assess the energy-efficiency levels of computing equipment, it is important to track all active and obsolete hardware in centralized systems. Workday is building databases for all our data center and IT equipment. This will allow us to monitor hardware and upgrade to newer, more efficient models when it makes sense. This goes hand in hand with our new Electronics Disposition Policy.



Investing in Sustainable Energy

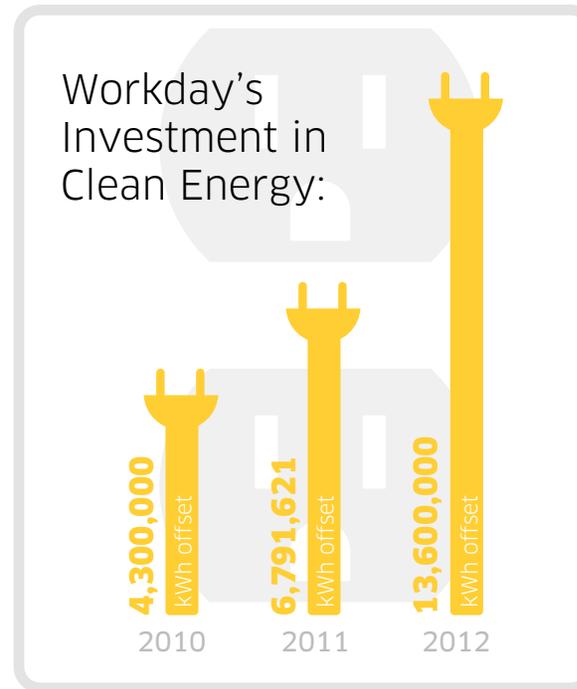
Despite our commitment to purchasing efficient, state-of-the-art hardware, our data centers and facilities consume a lot of electricity from local power grids. Unfortunately, most of it still comes from non-renewable sources. The [U.S. Department of Energy estimates](#) in 2011 only about 9 percent of all energy is from renewable sources.

The U.S. Energy Information Administration publishes annual and monthly information about energy generation, pricing, capacity, and environmental impact. See "[Total Energy](#)" for more information.

To support a higher renewable energy mix, Workday supports the development of renewable energy projects and offsets 100 percent of our electricity use in our office buildings and data centers every year.

To achieve this, we have partnered with Renewable Choice to purchase Renewable Energy Credits (RECs). Each year, we purchase a certain amount of RECs upfront as a baseline investment in clean energy. At the end of the year, we collect data to show the actual consumption to purchase a true-up REC to cover 100 percent of our consumption.

Workday's continued commitment to clean energy has been recognized by the EPA in the Green Power Partnership program and Workday has achieved "[100% Green Power Purchaser](#)" status.



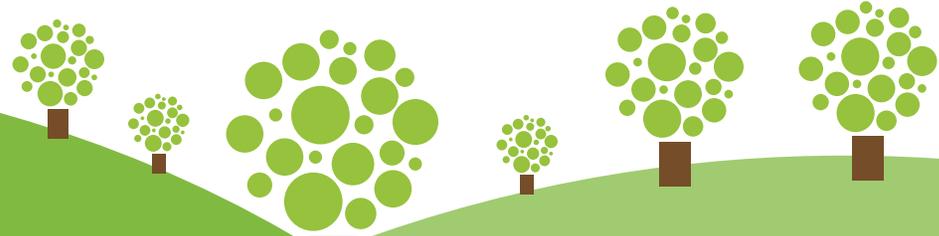
2010 Area for Improvement

Our challenge going forward will be to maintain our 100 percent Green Power Purchaser status as our business operations expand and our energy-consumption requirements increase.

2012 Area for Improvement Update

Workday continues its commitment to clean energy over the last few years despite our fantastic growth. Our executive management continues to support this important sustainability goal going forward.

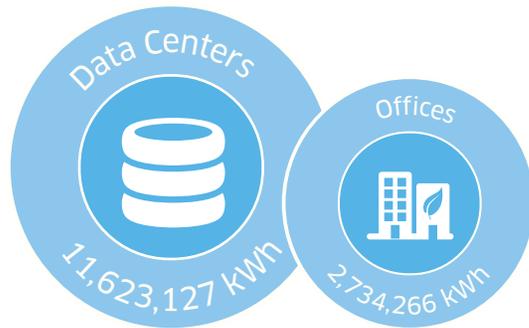
Workday's purchase of renewable energy credits in 2012 has an impact that is similar to planting 64,923 mature trees, not driving 19,877,356 miles in an average car, or taking 1,403 cars off the road for a year.





Workday's Electricity Consumption

The only form of energy Workday purchases is electricity, which is consumed in our data centers and our offices worldwide. Below is a summary of Workday's estimated indirect electricity consumption by primary source for 2012:



Total: 14,357,393 kWh

Methodology Used to Measure Electricity Consumption

Estimating data center and office electricity consumption across multiple offices and data centers is not a straightforward process, in particular since Workday doesn't own most of its offices or data center facilities. Therefore, we employed several different methods to estimate our total energy consumption.

Offices

Workday rents rather than owns office facilities, so electricity consumption for each office must be extracted from the monthly utility bills from each facility provider.

When facilities don't itemize electricity costs, we estimate a reasonable value-per-square-footage based on other Workday offices. This aligns with the GHG Protocol's "[Similar building/facility estimation method](#)."

Since several of our offices are small sales offices, their footprint is immaterial in comparison to our larger facilities and retrieving accurate consumption values is inefficient. We therefore applied a "materiality threshold" of a minimum employee count of 20 to include offices in our calculations, unless accurate data could be provided at low cost.

Data Centers

Our data centers are co-location facilities, which means we share them with others and don't receive a detailed breakdown of electricity cost or usage from our providers. Each storage rack is fed by a power circuit, for which we are charged a flat rate regardless of the amount of actual current flowing over the circuit.

Working closely with our data-center providers, we were able to leverage either a monthly detailed power-usage report or use a calculation based on the power drawn in our server racks at certain points in time.

We also established the PUE for each data center and multiplied the power used by our hardware with this factor to estimate the total power consumption in Workday's use of the data center. Finally, we factored in which energy mix is available to the data center as determined by the regional electricity provider. This leads to the following formula:

Total usage = (measured kWh/year) x PUE x percent of renewables

For example, our Dublin, Ireland, data center has an annual consumption of 718,309 kWh as reported by our provider in monthly statements. Their PUE is 1.4 and 50 percent of the energy used is guaranteed to come from offshore wind energy as delivered by the regional energy provider Airtricity. This leads to a total of 502,816 kWh for 2012 for Workday to offset with RECs.

For 2012, we also included our use of non-Workday data centers, such as Amazon, in our calculations. Workday uses Amazon's computing services to run internal development and test systems; the use of it has become material over the years. Therefore we decided to include it in the consumption reporting beginning in 2012. Since Amazon does not publish detailed power consumption, we developed a model based on the computing charges, an estimated percentage of those charges to be related to electricity, and the local price of electricity. This provides us with a value for energy consumption for Amazon compute services.





2010 Area for Improvement

A large portion of the electricity consumption goes into cooling, which is shared across the facility by all tenants. We therefore can only estimate electricity consumption for cooling at our data centers. The Workday Green Team is investigating methods to include a consumption factor for cooling in 2011.



2012 Area for Improvement Update

We have standardized on a formula that factors in the PUE as well as the energy mix consumed by a specific location. This gives us a good approximation of the actual energy consumption requiring renewable energy credits (RECs).

Implementing a Renewable Energy Credit (REC) Purchase Program

- Find a [list of agencies](#) that offer RECs published by the U.S. Department of Energy.
- Your selected agency should offer services in your area and work with you to define your carbon-offset impact for different levels of REC purchase.
- Calculate your current electricity consumption (in megawatt-hour) for all offices, locations, data centers, etc.
- Your REC provider will make you an offer and provide you with materials you can use to communicate your company's commitment to renewable energy.

What Are Renewable Energy Credits?

Producers of renewable energy receive RECs for every kilowatt-hour of clean energy they produce and feed into the energy grid. Since harnessing renewable energy is still a relatively new technology, this energy costs slightly more than heavily subsidized coal, oil, and nuclear energy. RECs provide a way for companies that care about sustainable energy to subsidize renewable energy providers and help them get a foothold in the energy market.

When a company purchases RECs to offset its own energy consumption, most of the money goes to renewable energy providers, allowing them to sell their energy into the grid more cheaply and invest in a more efficient renewable energy infrastructure. The EPA offers a [valuable guide](#) to purchasing green power either directly or by use of renewable energy credits.

Workday believes that over time, renewable energy will inevitably become much more cost-effective than non-renewable energy—but only if socially responsible companies support renewable energy providers today.



2012 Area for Improvement

Supporting renewable energy by purchasing RECs is a good first step, but there are other options to pursue as well. The purchase of 'bundled energy' where the REC is sold together with the underlying physical electricity is a stronger signal to the market. Also, longer term power purchase agreements with renewable energy providers should be considered. Lastly, there might even be direct investments in clean energy projects that can be pursued. We should evaluate these options going forward.

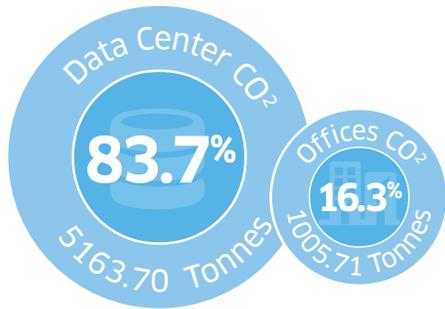




Workday's Carbon Footprint

For this 2012 report, Workday performed a baseline greenhouse gas (GHG) emissions inventory utilizing the methodologies described by the [Greenhouse Gas Protocol Initiative](#). Our data is based on our Scope 2 emissions, which is calculated using our indirect electricity-consumption measurements in our offices and data centers.

Workday's estimated GHG emissions for 2012 are:



TOTAL CO₂: 6169.41 Tonnes

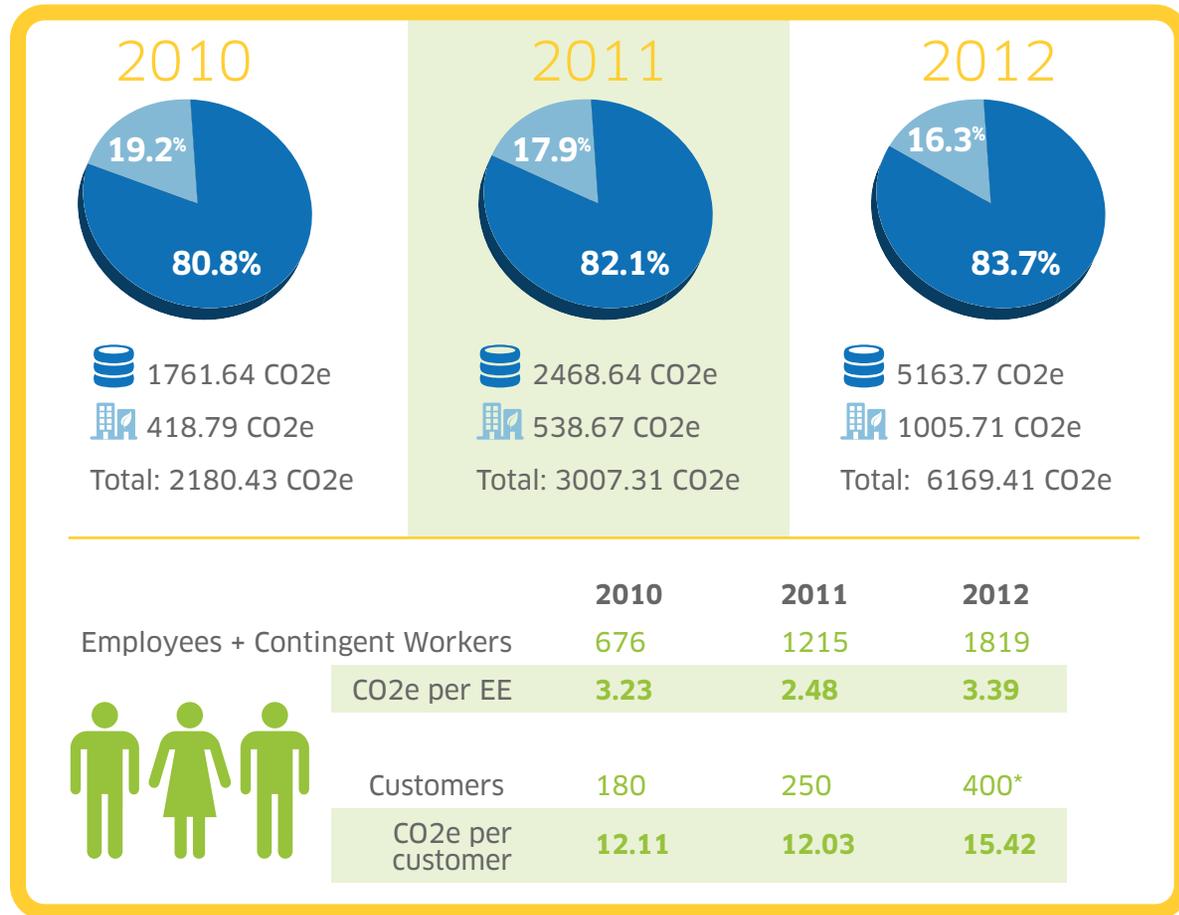
DATA CENTERS:

- Atlanta, GA
- Ashburn, VA
- Portland, OR
- Sacramento, CA
- Dublin, Ireland
- Amsterdam, Netherlands
- Amazon Web Services

OFFICES:

- Pleasanton, CA
- Chicago, IL
- San Francisco, CA
- Minneapolis, MN
- Atlanta, GA
- Salt Lake City, UT
- Berwyn, PA
- Hong Kong
- Dublin, Ireland
- London, UK
- Munich, Germany

As Workday grows its customer and employee base, our GHG emissions will also logically grow. To ensure that we always strive for minimal GHG emissions overall, we can calculate a ratio of total emissions per employee count and customer count. In the end, since Workday does purchase RECs for all its energy consumption the resulting footprint is balanced out.



* As of 1/31/2013



Direct and Indirect: What do Scope 1, Scope 2, and Scope 3 mean?

The GHG Protocol categorizes direct and indirect emissions into three categories:

- **Scope 1:** All direct GHG emissions from sources that are owned or controlled by the reporting entity.
- **Scope 2:** Indirect GHG emissions from consumption of purchased electricity, heat, or steam.
- **Scope 3:** Other indirect emissions not included in Scope 2, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity (e.g., air travel and public transportation), outsourced activities (e.g., subcontractors and supply chain), and waste disposal.

Source: [GHG Protocol](#)



2010 Area for Improvement

We estimate that our business-related travel, including air travel, produces a significant amount of carbon emissions. At this time, we do not accurately measure our business-related travel. We will continue to evaluate potential ways to capture and report on all of our Scope 3 emissions, including business-related travel.



2012 Area for Improvement Update

In Workday's expense system, we are now tracking the start and end location of each air-travel expense. Based on this, we can in the future calculate the distance travelled and the associated carbon emissions. We are working on a program to create an opportunity for employees to purchase carbon offsets for their business-related air travel.



A Greener Workday





A Greener Workday

Our 2012 green goals included:

- Reducing waste
- Maximize recycling
- Track and minimize corporate e-waste
- Expand On-Demand Learning to reduce training-related travel
- Increase education and outreach



Reducing Waste

To avoid unnecessary production and waste of plastic cups, dishes and utensils—and keep these items out of landfills—the Workday Green Team has implemented a number of proactive measures that make it easier for employees to reduce personal waste.

Our waste-reducing programs in 2012 included:

- Workday mugs
- Composting at Pleasanton headquarters
- Compostable dishes and cutlery
- Reverse-osmosis-driven water coolers instead of bottled water
- Post-consumer recycled content paper

Workday Mugs

Every new Workday employee receives a Workday mug with his or her employee number on it. During New Hire Orientation, employees learn about Workday's various green programs and are asked to use their mugs instead of disposable cups.

Composting

Partnering with Pleasanton Corporate Commons, composting bins were installed throughout the Pleasanton campus. This has allowed us to reduce waste at the same time creating valuable natural resources to give back to agricultural pursuits in the surrounding area. In 2011, Pleasanton Corporate Commons piloted a compost program to prove that offices can compost. Of the 33 tenants and/or floors surveyed, Workday's 5th floor was the most effective at diverting, on average, 75 percent of their compost from the landfill trash bins. Workday's 5th floor won the campus-wide composting contest!

Dishes and Cutlery

Biodegradable dishes and cutlery were introduced in 2010. With the introduction of composting in 2012, the switch was made to dishes and cutlery that can be composted.



Bottled Water Not-So-Fun Facts



- Every 27 hours, Americans consume enough bottled water to circle the entire equator with plastic bottles stacked end to end.
- Bottled water sales have more than quadrupled in the last 20 years.
- It takes an estimated 2,000 times more energy to produce bottled water than to produce the same amount of tap water.
- Bottled water production and transportation for the U.S. market consumes more than 30 million barrels of oil each year and produces as much carbon dioxide as 2 million cars.
- It is estimated that only 20 percent of all plastic water bottles are recycled.

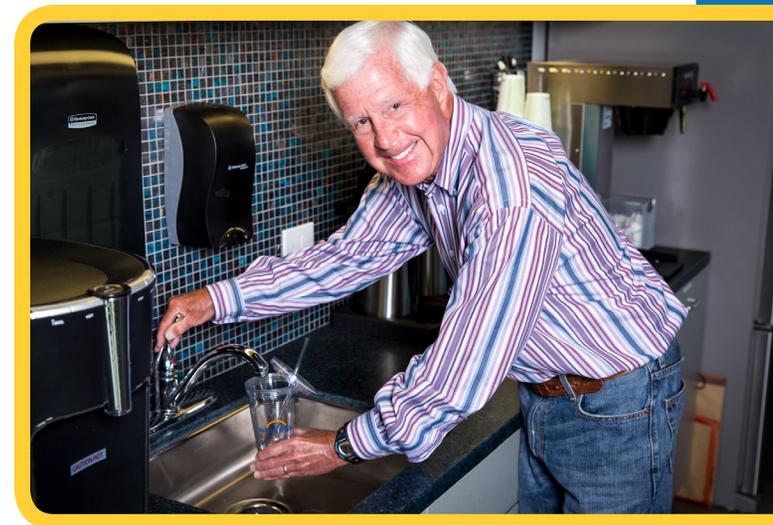
Source: <http://static.ewg.org/reports/2010/bottledwater2010/pdf/2011-bottledwater-scorecard-report.pdf>

Reverse Osmosis Instead of Bottled Water

The production and transportation of plastic water bottles for corporate use has significant negative environmental impact. It's easy to do without them in areas where clean, fresh water is readily available.

To combat the negative environmental impact of plastic water bottles, Workday offices are equipped with reverse-osmosis water coolers offering both cold and hot water.

As you can see, our co-CEO Dave Duffield agrees that tap water is the green way to quench your thirst!





Paper

Workday has been commended by [Staples](#) for achieving 36 percent in 2011 and 31 percent in 2012 of average post-consumer recycled content by weight (these numbers are available for U.S. operations only). In 2011, this was about 20 percent higher than the national average, according to Staples.



2012 Area for Improvement

- No formal goals have been defined for measuring our environmental impact for the changes described above.
- Further education is necessary to ensure we are maximizing the amount of waste that is being composted rather than thrown away as trash.

Recycling and Central Collection

Workday takes recycling seriously. Not only do we have easily accessible recycling bins on every floor for regular office waste, we also provide a central collection area for discarded batteries and electronics. In addition, we work with our property management team to dispose of our electronic waste (e-waste) responsibly.

Our 2012 recycling programs included:

- Recycling containers for paper, cans, and bottles
- Central collection for batteries and electronics

Recycling Containers for Paper, Cans, and Bottles

Every cubicle at Workday is provided with at least one paper recycling container and a larger container is available in the main employee kitchen of each floor. Additionally, we provide recycle bins near each copier and printer and stations on each floor for cardboard recycling.

Workday kitchens and recreation rooms are equipped with recycling containers for bottles and cans. Empty bottles and cans at our Pleasanton headquarters are collected and transported to the recycling center by Hines property management.

Central Collection for Batteries and Electronics

Our main employee kitchens in Pleasanton headquarters have central collection boxes for discarded batteries and electronics, which are regularly transported to the appropriate local recycling facility.



“The Green Team brings environmental awareness to Workday employees and enhances our environmental performance.”

- Lesley Mesarchik, Knowledge Management





Disposition of Corporate e-Waste: a “No Landfill” Policy

Workday uses computer equipment to provide business services to our customers. This computer equipment is used in two primary ways:

- A. As servers and infrastructure in our data centers to provide the services to our customers.
- B. As computers and peripherals provided to our employees to conduct their daily work.

As part of our sustainability goals, we not only strive to use the most efficient hardware, but also to handle the entire lifecycle of all IT equipment responsibly. Workday is progressing toward a strict “no landfill” rule for all its equipment.



Disposition of Laptops

To minimize our e-waste, all out-of-service laptops from our Pleasanton headquarters are donated to the [Computer Recycling Center™](#) (CRC), which donates computers to charities and community programs and recycles unusable items to keep them out of landfills. Out-of-service laptops from our Dublin location are donated to [Camara](#), which utilizes them for low-income schools in Africa.

To protect proprietary information and data, all hard drives are wiped and removed before the laptops leave the building in Pleasanton and are removed and destroyed by a third party in Dublin.

In our Pleasanton headquarters, all other e-waste (e.g., keyboards and monitors) are disposed of during quarterly e-waste recycling events sponsored by Pleasanton Corporate Commons. Our Dublin office utilizes Dublin City recycling center on an as needed basis to dispose of like items.





A Comprehensive Electronics Disposition Policy

At the beginning of 2013, Workday created an Electronics Disposition Policy. The policy covers all retired, excess, and obsolete electronics generated by Workday's global operations and programs, including retired corporate equipment used by the employees, as well as equipment operated in our data centers. It applies to all Workday employees, employees of Workday subsidiaries, and non-employees working for/at Workday (e.g., consultants, independent contractors, etc).

The objectives of the policy are:

Securely Dispose of Media (Data Safety First)

- Workday guarantees that any data of any form on any media will be destroyed in an irrecoverable way.

Maximize Reuse Opportunities (Prevent Pollution)

- Wherever possible and environmentally sensible, equipment should be reused internally to extend the life cycle that provides value to Workday.
- Wherever internal reuse is not possible, opportunities for resale or donation should be pursued.

Properly Manage End-of-Life Electronics (Minimize Waste)

- Where reuse is not a viable option, every reasonable effort will be made to control all electronic wastes and to avoid electronic wastes from entering landfills, incinerators, or other environmentally irresponsible processes.
- Environmental partners shall contractually commit to employing environmentally responsible processes and practices in the recycling and disposal of materials.
- All exports and imports of electronic waste handled by Workday and its authorized environmental partners will comply with existing international waste trade agreements and legal requirements.

Electronic Waste Not Exported to Developing Countries (Be a Responsible Neighbor)

- Workday does not permit electronic waste to be exported from developed (OECD/EU) to developing (non-OECD/EU) countries either directly or through intermediaries.

In order to assess the disposition standards of environmental partners, Workday requires compliance with [ISO 14000](#) as well as the [E-Stewards Certification](#) (or a comparable local standard, if not available for a geographic region).

To ensure data security, Workday requires 7-pass wipe of hard drives, proof of data wipe, and drive destruction. Workday's separate secure media disposal and reuse policy also govern this. Workday has completed the Electronics Disposition Policy in 2012 and is implementing it in 2013 by selecting qualified disposition partners worldwide.

Steps to create an Electronics Disposition Policy

- Read existing disposition policies as documented by major hardware vendors like Dell or HP.
- Create a draft policy stating objectives, scope, and policy requirements.
- Review draft with key stakeholders such as Infrastructure, IT, Procurement, Security, Legal, and Finance.
- Include all feedback in the policy to ensure broad organizational support.
- Issue and publish final policy version.
- Implement policy by selecting disposition partners worldwide.
- Monitor compliance with policy on a regular basis.





E-Waste: A Globally Expanding Problem

E-waste is comprised of the electronics that have reached their end of life and need to be disposed of. Many of these electronics qualify for e-cycling because of the valuable materials contained within but end up in a landfill or the ocean instead. In 2011, the EPA published an executive summary, "[Electronics Waste Management In the United States through 2009](#)," that further explains this growing segment of our waste stream.

The amount of e-waste being exported from developed to developing countries is a major focus within this issue and has led to the creation of the [e-Stewards Certification](#) program that requires e-cycling companies to follow strict guidelines in their e-cycling practice allowing companies such as Workday to select the right partner to help them manage their e-waste.

This photo was taken by German photographer Kai Loeffelbein and was selected as Picture of the Year by UNICEF in 2012 depicting what life is like when our old computers end up somewhere half way around the world.





On-Demand Learning

In order to reduce training related travel, we try to leverage on-demand learning as much as possible. Where in-person training or events like our user conference are the best way to achieve training and collaboration, we strive to minimize the impact of these.

Special Events

For our 2012 Workday Rising user conference, Workday partnered with a LEED-certified hotel and conference center to provide our attendees with an environmentally friendly time. We used the following features that were both convenient and green for our users:

- Water coolers and reusable water bottles instead of disposable plastic water bottles
- Recycle bins throughout the conference
- Instructional monitors in place of expensive and wasteful single-use signs
- Event program printed on recycled paper
- Mobile app was provided to users as an onsite guide rather than using paper handouts
- Presentations posted on the Workday Community (no paper handouts)
- Donated extra food to local food banks

Workday Training

In addition to traditional classroom training, Workday offers non-travel training options, including virtual classrooms, on-demand online training, and a self-service training kit called the Workday Adoption Toolkit.

Workday's Virtual Classroom training offers the advantages of live instructor-led training without the expense and time associated with travel. Virtual classes are a combination of lecture, demonstration, and hands-on activities to reinforce learning. Attendees participate remotely through WebEx and connect to the Workday training environment via the Internet to complete required activities.

Workday On-Demand Education (ODE) is a cost-effective alternative to traditional education delivery, providing access to training 24/7 from any computer. Created in short, targeted segments, on-demand training is designed to accommodate mobile or remote trainees.

ODEs provide simulations of the more significant features in Workday, and are intended to help users already familiar with Workday applications stay current on new Workday features included with every update.

The Workday Adoption Toolkit (WAT) is a collection of tools and resources designed to accelerate your Workday roll-out and quickly train your end users on Workday. It includes instructional materials, FAQs, visual demonstrations, and presentations.

Some 2012 ODE statistics:

- 51,747 ODE completions
- 3,655 students utilized ODEs
- 14 ODEs per student completed in 2012 (average)
- 71 new on-demand education courses added in 2012
- 54 new on-demand education courses added in 2011

“Taking sustainability from a lofty goal to measurable improvements is hard work and a lot of attention to detail, but the impact on a corporate scale is truly meaningful.”

- Ralf Schroeder, Technology Architecture Group





Education and Outreach

Despite meeting most of our green facilities goals in 2012, the Workday Green Team recognizes that sustainability requires participation. To this end, Workday's new-hire orientation includes an overview of our green processes and facilities. We also host regular events to inform and educate employees.

Our 2012 education and outreach programs included:

- New-Hire Orientation
- BYKTWD 2012 Green Team Garbage Game
- "Greentina"
- Workgreen Blog
- 2010 Workday Sustainability Report

New-Hire Orientation

New Workday employees learn about Workday sustainable programs during new-hire orientation. For example, they receive their employee mug, review the Green Team homepage, learn where the recycling bins are, and are shown how to print double-sided.

Most importantly, Workday employees learn that sustainability is a Workday core value and are encouraged to "think green" both on the job and off.

BYKTWD 2012 Green Team Garbage Game

During the Bring Your Kids to Workday event on August 17, 2012, the Green Team's Erik Hansen and Lesley Mesarchik used a fun game to teach the kids how to sort their own trash at home into recycling, trash, and compost.



"Greentina"

The Green Team hosted a Friday afternoon Cantina to share an update of the progress of the Green Team in a social setting. Locally brewed beer from Anchor Brewing Company was served along with green margaritas!

Workgreen Blog

The Green Team's Ralf Schroeder authored a blog at workgreen.blogspot.com throughout 2011 and 2012 covering a wide range of topics related both to Workday directly and indirectly. In 2013, more Green Team members will post their thoughts on a broad array of environmental topics.

2010 Workday Sustainability Report

The 2010 Workday Sustainability Report was used to educate and inform both employees and customers on the sustainable business practices of Workday. It was distributed via social media channels and displayed both during our 2011 Workday Rising and also the Greentina.





A Better Choice for Customers





A Better Choice for Customers

An essential component of sustainable business is customer satisfaction, which is achieved by product quality, customer service, and responsible business practices. Workday values every customer because we know that they drive our success.

Our dedication to our customers in terms of business value, sustainability, and customer satisfaction can be found in the following areas:

- Lower TCO Through SaaS
- SaaS Is the Greener Choice
- Continuous Innovation
- Exceptional Customer Service
- You're In Safe Hands with Workday

Lower TCO Through SaaS

[A McKinsey report](#) on efficient data centers estimated that 25 percent of the average IT budget is spent on computing resources, including facilities, storage devices, servers, and staffing. That's a fairly high percentage, especially considering that the average corporate data center is only about 5 percent efficient.

Seen in that light, 25 percent isn't just expensive, it's money thrown away. Where does all this waste come from?

- ✓ **Calculating Data Center Efficiency**
- ✓ **A Closer Look at the Problem**
- ✓ **The Workday Difference**

Calculating Data Center Efficiency

Data center efficiency can be calculated using the following formula:

$$\text{Data Center Efficiency} = \text{Energy Efficiency} \times \text{Utilization} \times \text{IT Asset Efficiency where}$$

- energy efficiency = energy consumed / energy supplied by grid
- utilization = energy consumed / facility capacity
- IT asset efficiency = average CPU utilization

A Closer Look at the Problem

Much of the energy waste in data or shared computing centers results from inefficient data centers or outdated architecture, which is discussed in more detail in the chapter, "Sustainability in the Cloud." However, a significant amount of energy waste results from a failure to understand and accurately estimate the cost of data in terms of computing resources.

Several forces have a negative impact on data-center efficiency.

Rising demand for data

Companies want real-time access to complex analytics and historical data to support business decisions.

Decentralized decision-making

Individual business users make data-usage decisions without considering the impact on total capacity or cost. Here are some examples:

- A sales manager who wants real-time access to sales-pipeline analysis
- An HR executive who wants to track complete employee history
- A software designer who saves multiple versions of a design document
- An employee who never purges emails

Excess capacity

Companies typically purchase excess capacity to accommodate extreme usage scenarios or future expansion, rather than implementing more efficient computing techniques such as virtualization or fine-tuning software to minimize server use.

Lack of financial accountability

Total computing costs are tracked as an expense but not as energy utilization or waste. Moreover, few companies attempt to estimate lifetime running costs of computing resources beyond initial hardware and licensing fees.



The Workday Difference

Workday is a leading provider of [Software-as-a-Service](#) (SaaS) business solutions. SaaS is a software delivery model that allows companies to share computing resources rather than building and maintaining their own. In contrast to on-premise software installations, Workday's SaaS model delivers superior computing TCO in three ways.

- SaaS vendors spread the costs for hardware, software, updates, and data center operations across many customers, which enables SaaS customers to leverage top-of-the-line resources, security, and availability without the high individual cost.
- New features are rolled into existing subscriptions automatically, freeing up IT resources to work on other projects.
- The SaaS business model depends on efficient computing, which means that computing decisions are centralized and optimized as part of the business model.

With Workday, customers pay for great software, not wasted energy.

SaaS Is the Greener Choice

The demand for computing resources is rising worldwide. In 2008 the world's 44 million servers consumed .5 percent of all electricity, with data-center emissions approaching those of small countries and [projected to quadruple by 2020](#).

Demand for real-time access to unlimited data is unlikely to decrease over the next decade, which means that it is imperative to dramatically increase computing efficiency. Decentralized hosted computing services such as SaaS business solutions allow companies to maximize computing efficiency without bearing the costs of enterprise-wide computing infrastructure.

If we examine the long-term impact of SaaS, each customer that moves to a centralized computing model is able to decommission their own servers and data centers. Not only do individual companies gain from the lower energy costs of shared computing, total global carbon dioxide emissions also decrease significantly as more companies elect to share computing resources.

The [Carbon Disclosure Project](#) released a study, which provides [some interesting numbers](#) on the sustainability of utilizing cloud computing solutions (both economically and environmentally). The study was conducted using 11 global firms as case studies, including Workday customer [Aviva](#).

Key findings

- Cloud-computing solutions can avoid millions of metric tons of carbon dioxide.
- Potential financial benefits from cloud computing run into billions of dollars.
- Cloud computing delivers a positive net present value (NPV).
- Cloud computing brings business efficiency savings.

The overall results show that by 2020, "large U.S. companies that use cloud computing can achieve [annual energy savings](#) of \$12.3 billion and annual carbon reductions equivalent to 200 million barrels of oil—enough to power 5.7 million cars for one year."

Workday SaaS solutions are helping customers reduce data-storage costs and carbon footprint at the same time, creating a win for the environment, corporate stakeholders, and the bottom line.

With Workday, it's easy being green.





Continuous Innovation

Delivering continuous product innovation to improve customer business drives everything we do at Workday. Because we understand that people drive business value, Workday delivers solutions that help companies manage people, business, and work. Our [Software-as-a-Service](#) (SaaS) delivery model allows us to deliver continuous innovation to our customers without burdening them with high upgrade costs, enabling them to respond more rapidly and strategically as business requirements change.

Workday's product innovation has two primary areas of focus:

- A modern, adaptable technology platform that allows Workday to rapidly develop and deliver highly flexible business applications.
- Providing an intuitive natural workspace for business users, allowing people to work how, when, and where they feel most comfortable with the information and collaboration tools to work effectively.

Natural Workspace	The Workday Difference
 Social	Workday harnesses the power of social networking and collaboration concepts in order to optimize the time and energy of the workforce.
 Mobile	Workday continues to extend the boundaries of the Workday experience everywhere that work is done today—at work, at home, on the go, in the airport, anywhere!
 Insight	Workday embedded analytics, graphical visualizations of data, and contextual filters vastly reduce the data deluge of today's workforce so it can make better, faster decisions.
 Action	Workday's unique user experience allows authorized users to easily take action on data from anywhere in the system without navigating complex system menus to find the right task.

Superior Customer Service

Workday co-founder and CEO Dave Duffield is well-known in the software industry as a business leader who puts customers first. At Workday, Dave also serves as the chief customer advocate and he is tireless in his pursuit of creative, cost-effective, collaborative solutions for our customers' business challenges.

Workday customer satisfaction programs in 2011-2012 included:

- Workday customer satisfaction survey
- Workday Community
- Customer enablement
- Workgroups and webinars
- Workday Rising
- Workday blogs



Workday Customer Satisfaction Survey

We engage each of our customers annually through an online survey to understand their needs and expectations. The survey is sent directly to the executive sponsors at each of our customers, and the results help us identify opportunities to improve our products and services. We are proud to say that the results of our most recent survey from 2012 indicated a 97 percent customer satisfaction rating, up from 96 percent in 2011. The feedback is shared among our executive management team and used to recalibrate and set improvement goals throughout the company.

In addition to our executive sponsor surveys, we conduct an online survey with key contacts at each of our customers to learn more about their day-to-day needs for support from Workday. Feedback from the surveys is used to develop additional tools and programs to assist customers.

Workday Community

[Workday Community](#) is a private online forum that's available to Workday customers and implementation partners where they can communicate and connect with Workday employees and other Workday users. Workday Community provides a social platform for Workday customers, partners, and product experts to brainstorm and collaborate on best practices, vote on potential product features, and stay informed about Workday products and announcements. This interaction promotes direct customer involvement in product planning and design.

One of the many ways customers influence Workday solutions is through brainstorming in Workday Community. Any customer can contribute an idea and customers can vote on their highest-priority features, as well as add additional detail or requirements. Over the past two years, Workday has successfully delivered 489 Brainstorm ideas.

Customer Enablement

The Customer Enablement Team is committed to ensuring that Workday customers make the most of their Workday investment. The focus of the team is to provide services to existing customers that maximize their use of Workday functionality through a variety of programs and services.

Examples of customer enablement services include:

	Next-Level presentations	1-hour live feature presentations and recorded demos
	Enablement Workshops	2-day multi-customer workshops that includes feature presentations, demonstrations, and activities, as well as configuration coaching
	Jumpstarts	1:1 customer workshops
	Deployments	Full feature deployment, including configuration and business-requirement reviews with a detailed follow-up consultation to identify opportunities for optimization



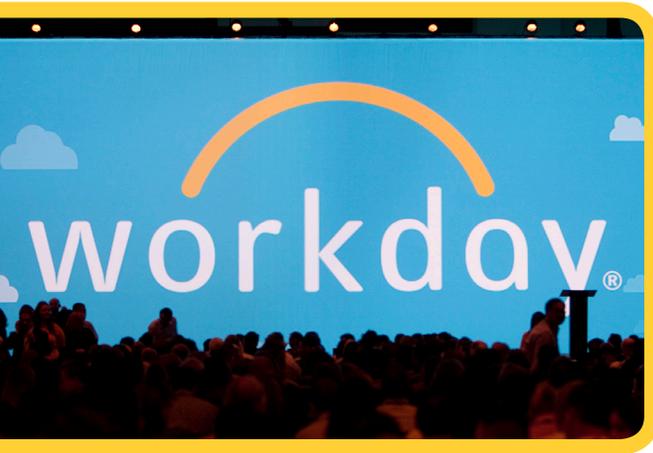


Workgroups, Webinars, and Workshops

Workday offers regular product updates and workshops to inform customers about Workday solutions and collaborate on product-planning topics. In addition to regular hosted product updates with the Workday Product Strategy team, 2012 webinar and workshop topics included:

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">January</p>	<p>Live Webinars:</p> <ul style="list-style-type: none"> • Global at the Core • HCM 101 • Workday Payroll • Strategic Spend Management • Technology Matters • Higher Ed and Public Sector Solutions 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">February</p> <p>Live Webinars:</p> <ul style="list-style-type: none"> • Workday Human Capital Management • Payroll 101 • Higher Education & Public Sector • Workday Expenses • Workday Financials Management • Technology Matters 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">March</p> <p>Live Webinars:</p> <ul style="list-style-type: none"> • Workday Human Capital Management • Workday Expenses • Government & Education Solutions • Workday Financials Management • Technology Matters <p>Customer Enablement:</p> <ul style="list-style-type: none"> • Succession Planning and Talent Review <p>Workgroups:</p> <ul style="list-style-type: none"> • Product Planning for Workday 16 & 17 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">April</p> <p>Live Webinars:</p> <ul style="list-style-type: none"> • Workday Human Capital Management • Workday Expenses • Payroll 101 • Technology Matters • Workday Education & Government • HCM 101 • Financial Impacts
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">May</p>	<p>Live Webinars:</p> <ul style="list-style-type: none"> • Workday Human Capital Management • Payroll 101 • Workday Expenses • Technology Matters • Workday Government & Education • Workday Financial Management 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">June</p> <p>Live Webinars:</p> <ul style="list-style-type: none"> • Workday Human Capital Management • Payroll 101 • Workday Expenses • Workday Education & Government • Technology Matters • Workday Financial Management <p>Customer Enablement:</p> <ul style="list-style-type: none"> • Enablement • Onboarding in Workday 16 • Reporting and Analytics <p>Workgroups:</p> <ul style="list-style-type: none"> • Planning for Your Workday 17 Update 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">July</p> <p>Live Webinars:</p> <ul style="list-style-type: none"> • Workday Human Capital Management • Payroll 101 • Workday Financial Management • Canadian Payroll • Technology Matters • Workday Education & Government • Workday Expenses 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">August</p> <p>Customer Enablement:</p> <ul style="list-style-type: none"> • Reporting and Analytics
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">September</p>	<p>Customer Enablement:</p> <ul style="list-style-type: none"> • Job Change • Onboarding • Preparing for Life in Production 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">October</p> <p>Live Webinars:</p> <ul style="list-style-type: none"> • Introduction to Expenses • Introduction to Workday Financial Management • Introduction to Education & Government • Introduction to Human Capital Management <p>Virtual User Groups:</p> <ul style="list-style-type: none"> • Compensation • Talent Management • Asia Pac • Payroll 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">November</p> <p>Live Webinars:</p> <ul style="list-style-type: none"> • Introduction to Payroll • Introduction to Technology Matters • Payroll Q&A Call • Workday Payroll <p>Virtual User Groups:</p> <ul style="list-style-type: none"> • Compensation 	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">December</p> <p>Webinars:</p> <ul style="list-style-type: none"> • Preparing for Life in Production • Technology Matters • Education and Government • Customer Readiness - Framework for Success Series • Workday Updates - Framework for Success Series • Workday Payroll • Expenses Introductory Demo • Financial Management Introductory Demo <p>Virtual User Groups:</p> <ul style="list-style-type: none"> • Talent Management User Group <p>Workgroups:</p> <ul style="list-style-type: none"> • Reporting & Analytics • Calculated Fields





You're in Safe Hands with Workday

No organization would store their valuable customer, business, and employee data in an insecure environment. That's why Workday places the highest priority on securing our customers' business and employee data.

Workday's security and privacy practices include the following:

- Securing customer data
- Workday privacy policies
- Responsible marketing programs

Protecting Customer Data

Workday has established a comprehensive set of processes and controls to protect our customer data. From technical safeguards to understanding data-privacy laws, Workday takes a holistic approach to protecting customer data. We ensure that compliance, privacy, and security considerations are core to Workday's overall design. From the physical security of our data center operations to network and application level-security, Workday's infrastructure, policies, and procedures help make sure that our customers' data is always kept secure. Various Workday guardians ensure that security and privacy measures are adhered to.

The Chief Security Officer and Security team:

Responsible for oversight of the security practices in place surrounding all aspects of Workday's technology and operations.

The Chief Privacy Officer and Privacy, Compliance, and Ethics team:

Responsible for promoting a culture of integrity and ethical behavior, while helping Workday adhere to applicable privacy laws, regulations, and compliance requirements.

The Security Council:

Cross-functional management representatives meet regularly to discuss organizational activities and assess their potential impact on internal security controls.

Security and Privacy training: Every new employee or contractor sees a presentation by the Workday Privacy and Compliance team and receives documentation summarizing critical security policies and procedures.

Physical security: Fully secured data centers restrict physical access to servers and networks that store customer data.

Backup and disaster recovery: Regular testing of procedures is designed to maintain the integrity of customer data.

Workday Rising

Once a year Workday hosts [Workday Rising](#), an annual gathering of customers and partners to learn, collaborate and celebrate our shared accomplishments across our community. With more than 2,500 attendees, 320-plus hours of educational content, and countless hours of productive networking, Workday Rising 2012 proved yet again to be the best opportunity of the year for learning, collaborating, and celebrating the mutual accomplishments of the growing Workday community.

Workday Blogs

Another innovative way that Workday engages with customers and other stakeholders is through [blog postings](#) by our leadership team. This platform fosters a direct dialogue with customers, employees, and the broader community who are able to comment on the blog and provide feedback directly to our senior management.





Vulnerability and penetration testing: Regular testing is performed by third parties on Workday's network and web applications.

Network level security: Secure Socket Layer version 3 (SSL 3) or Transport Layer Security (TLS) are used for all communication with Workday cloud-based applications.

Multiple simultaneous customer tenants (multi-tenancy): Security walls between each tenant using our Workday Object Management System (OMS)

Valid user ID and password: Workday requires valid user IDs and passwords to log on to our services.

Password storage: Uses a secure hashing algorithm.

Non-destructive updates: We maintain a complete audit trail of changes, which helps customers support governance and compliance requirements.

Encryption: Every data attribute value in the Workday database and backups is secured using AES 256-bit encryption.

SOC-1 and SOC-2 Type II; ISO 27001: Workday maintains current SOC-1 and SOC-2 Type II reports and ISO 27001 certification.



More about SOC-1, SOC-2 and ISO 27001

The SOC 1, which is the successor to the SAS 70, is issued in accordance with Statement on Standards of Attestation Engagements (SSAE) No. 16 (Reporting on Controls at a Service Organization) and the International Standard on Assurance Engagements (ISAE) 3402 (Assurance Reports on Controls at a Service Organization). The SOC-1 Type II report describes the controls a service provider has in place when hosting or processing data belonging to another organization. These controls are defined by the vendor and audited by a third party for compliance.

The SOC 2, which is based on the Trust Services Criteria, is issued in accordance with the AICPA's AT Section 101 (Attest Engagements). The SOC 2 reports are intended to meet the needs of a broad range of users that need to understand internal control at a service organization as it relates to security, availability, processing integrity, confidentiality, and privacy. The Workday SOC 2 report addresses the Security, Confidentiality, and Availability principles of the Trust Services Principles and Criteria.

ISO stands for the International Organization for Standardization. ISO 27001 is the only internationally accepted security standard, focused on best practices for security. ISO 27001 security controls are strictly defined and audited by a third party for compliance.



Workday Privacy Policies

Workday takes the data privacy of our customers, prospects, partners, and web site visitors extremely seriously. We never disclose customer or web site visitor contact information to third parties for promotional purposes and have had zero unauthorized disclosures of customer data. Workday has been awarded TRUSTE's privacy seal. The seal signifies that our website [privacy policy and practices](#) and the privacy policy and practices we employ when Workday customers use our [cloud-based enterprise applications](#) have been reviewed for compliance with TRUSTE's privacy-program requirements. These include transparency, accountability, and choice regarding the collection and use of personal information. We have also set up a dedicated email inbox (privacy@workday.com) to collect and respond to inquiries regarding our privacy policies and practices.

In addition, Workday complies with the applicable provisions of the U.S.-E.U. "Safe Harbor" framework and the U.S.-Swiss "Safe Harbor" framework. The Safe Harbor Framework was developed by the U.S. Department of Commerce in consultation with the European Commission and Switzerland as a response to concerns about the adequacy of data-privacy laws the U.S. Information regarding both the E.U. and Swiss Safe Harbor Frameworks can be found at: export.gov/safeharbor.

Responsible Marketing Programs

Workday provides customers, prospects, and visitors to our website who have voluntarily provided contact details with a regular newsletter and information regarding upcoming events, product information, or press releases. Recipients of this information may update their contact details or opt out at any time and Workday has not had any breaches of compliance with regulations and voluntary codes concerning marketing communications.

For more information about how personal information is used in Workday marketing programs, please review [Workday's privacy policy](#).





A Great Place to Work





A Great Place to Work

A day at Workday is no ordinary work day. We make our decisions and work with others according to our [core values](#), special beliefs that are at the heart of everything we do.

- **Employees:** People are at the core of our business. Without them, we would have no business.
- **Customer Service:** Every investment and decision we make has our customers in mind, and we pull out all stops to put the needs and issues of our customers first.
- **Innovation:** We aim for innovation not only in our Development organization, but also in the way we approach all aspects of our business.
- **Integrity:** We say what we mean, and mean what we say. We stick to our commitments, treat everyone equitably, and communicate openly and honestly.
- **Fun:** We work hard and play hard, investing in community and company events that help our employees and their families feel a connection to Workday beyond business as usual.
- **Profitability:** Profitability is what enables us to give our employees and customers the best productivity tools, solutions, and services, so it's hugely important to us.

We place a very high value on our employees, customers, and work environment. We live for happy employees. It's so important to us that we have a dedicated Employee Programs team that supports employee engagement. This team helps cultivate [Workday's culture](#) through events, recognition, and unique employee programs.

We think Workday is a great place to work, our employees agree. During the reporting period, Workday participated in the *San Francisco Business Times* "Best Places to Work in the Bay Area" and *Bay Area News Group* "Top Workplaces" surveys. These surveys were voted anonymously by our own employees and rate both work environment and corporate culture. The results speak for themselves.

- 2012: Voted #1 in the *San Francisco Business Times* survey "[Best Places to Work in the Bay Area](#)" and *Bay Area News Group's* "[Top Workplaces](#)" surveys (for large companies).
- 2011: Voted #1 in the *Bay Area News Group's* "[Top Workplaces](#)" survey and #3 in the *San Francisco Business Times* survey "[Best Places to Work in the Bay Area](#)" survey (for midsize companies).

As a comparison, Workday was voted #1 in the *San Francisco Business Times* survey "[Best Places to Work in the Bay Area](#)" in 2009 (for companies with 101-500 employees) and #5 Best Place to work in 2010. Workday's employee focus during the reporting period included:

- Employee-recognition programs
- Global, diverse teams
- Sponsored programs and events
- Commitment to family values
- Employee benefits





Employee-Recognition Programs

Workday has several recognition programs in place to recognize and reward both employees and teams who demonstrate stellar performance. Formal recognition programs include peer-to-peer, employee, team, and management. Most often, employees are publically recognized and celebrated at company meetings.

Employee-recognition programs include:

- One-Finger Zinger Award (recognizing fearlessness)
- Workday Hero Award
- Outstanding Contributor awards
- Patent awards
- Innovator awards
- Team awards

In addition to recognition for stellar performance, Workday also recognizes employees who reach their five-year service milestone with a crystal anniversary star. In Pleasanton, Dave and Aneel personally deliver anniversary stars to show their appreciation and thank employees for their contributions.

“I love working for Workday because the leadership team makes me feel valued. There is an amazing culture here that promotes integrity, high-quality products and services for our customers, and just plain having fun.”

Workday Employee
2012 Best Places to Work in the Bay Area Survey

Award	Number Awarded	
	2011	2012
One-Finger Zinger	3	3
Workday Hero	N/A	10
Outstanding Contributor Award	51	65
Patent Award	2	7
Innovator Award	5	4
Team Award	5	4





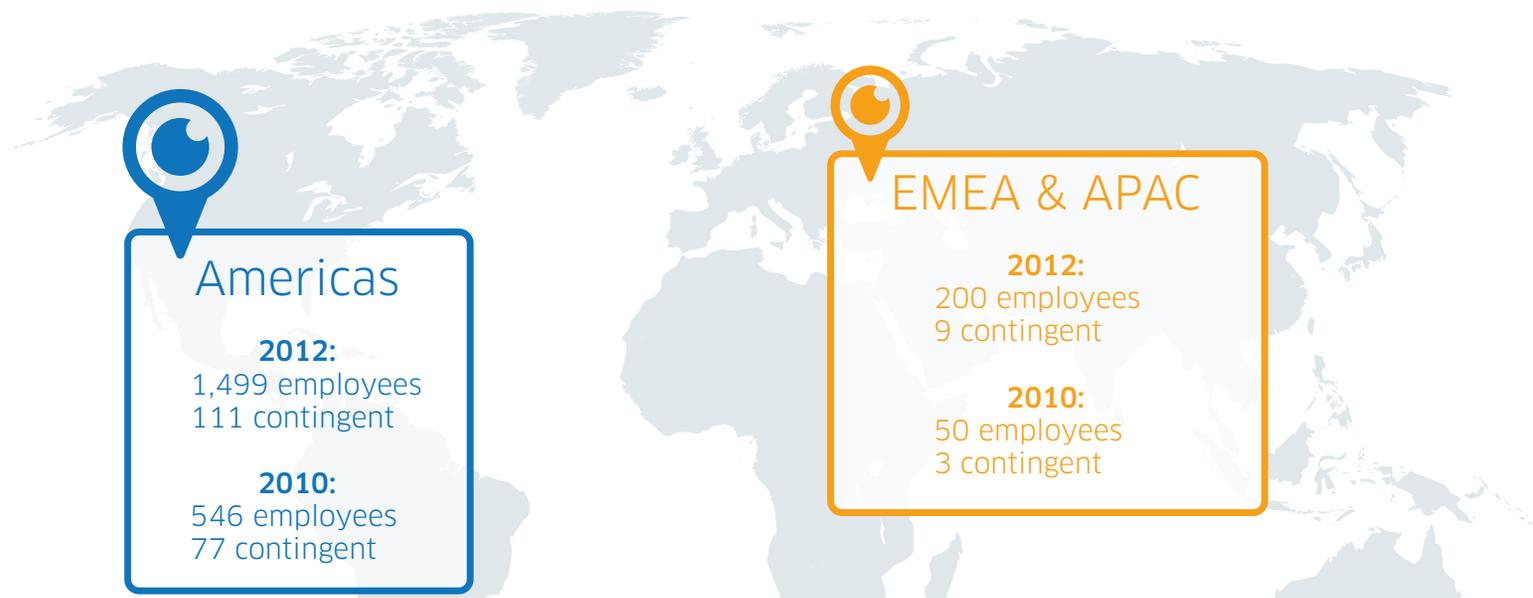
Building a Global, Diverse Team

Workday's talent comes from all over the world. Our global, diverse team is a melting pot of cultures, generations, and experiences. Our collaborative work environment knows no borders. Through video conferencing, email, instant messaging and the telephone, team members work across geographic boundaries to build a better Workday.

Workday has offices around the world, including the U.S., Canada, the United Kingdom, Ireland, Germany, Australia, Hong Kong, France, London, and the Netherlands. Workday employees work remotely in additional locations worldwide.

Employee Workforce

In 2012, we had 1,819 employees in these areas, and in 2010 we had 676.





Sponsored Programs and Events

Workday employees work hard and play hard. There are plenty of sponsored programs and events throughout the year that bring fun to the workplace. Whether it's our spirited company meetings or coffee-break pool tournaments, a day at Workday is never ordinary.

Employees enjoyed some of these sponsored activities and events during the reporting period.

- Coffee-break pool tournaments
- Cocktail Fridays
- Bike to Workday
- Cengineering Challenge
- Workday Films
- Wrokdlay - Workday's in-house band
- Flip-Flop Friday
- Holiday food, toy, coat, and bike drives
- Seasonal boutiques
- Workday clubs

We encourage our employees to find other employees with similar interests. Our employees led many

Workday clubs:

- Soccer
- Tennis
- Softball
- Basketball
- Golf
- Cycling
- Toastmasters

Workday's list of clubs continues to grow. Any employee with a passion is encouraged to form a club.

“I am inspired by the passion of the Green Team to make a difference in the environment and at Workday.”

- Sonia Rose, Employee Programs and Communications

Coffee-Break Pool Tournaments

Workday celebrates the end of every Workday release with a coffee-break pool tournament. Participants can compete as individuals or with a partner. The tournament finale crowns the winners, who receive huge bragging rights and have their names engraved on a perpetual plaque displayed proudly in our game room.

Dave and Aneel also join in on the fun and compete to win the title of “True CEO.”





Community Outreach





Community Outreach

At Workday, we believe sustainability is about community. And a healthy, supportive community is an important ingredient for business success. Workday and our employees take pride in giving back to our communities in a variety of ways, both locally and around the globe.

Community Events

During 2011 and 2012, Workday aimed to create stronger community partnerships in the San Francisco Bay Area, home to Workday headquarters. Specifically, Workday sponsored several community events in which employees participated.

- Run for Education
- Livermore Relay for Life
- Devil Mountain Run
- Bike to Workday



Run for Education

In 2012, Workday was the course sponsor for the Run for Education, which benefited the [San Ramon Valley Education Foundation](#). In 2012, the Run had close to 10,000 participants and raised more than \$300,000.

Livermore Relay for Life

In 2012, employees voted to determine a cause that Workday would support, and the [American Cancer Society](#) came out on top. Workday was a major sponsor of the American Cancer Society's Livermore Relay for Life in June 2012. The Workday for Life team raised nearly \$30,000 through personal fundraising, Workday matching, and several fun auctions and bake sales.

Devil Mountain Run

The 5K/10K [Devil Mountain Run](#) raises funds for the Children's Hospital Oakland. Approximately 3,000 participants—competitive runners, walking enthusiasts, families, and local businesses—run, walk, and strut their stuff to support Children's Hospital.

Background: In 2006, the title sponsor of the Devil Mountain Run pulled out, and Workday co-founder Dave Duffield stepped in and agreed to sponsor the run for six years to continue support for Children's Hospital. He provided funding for Workday to become the new title sponsor.

The Devil Mountain run raised \$100,000 in 2011. Team Workday consisted of more than 125 employees and family members who participated and raised more than \$7,500 for Children's Hospital. Workday was the No. 1 fundraising team!

Bike to Work Day



Workday cycling enthusiasts participated in The [San Francisco Bay Area's Bike to Work Day](#) in May 2011 and May 2012. Both years, our cycling team sponsored an energizer station and encouraged co-workers to leave their cars in their garages and pedal to work instead. In 2012, 43 riders averaged about 24 miles round trip.

After the ride, Workday co-founders and CEOs Dave Duffield and Aneel Bhusri, and President and COO Mike Stankey, served breakfast to the hungry cyclists.



Workday Giving Program

The underlying philosophy behind the Workday Giving Program is to support humanitarian and environmental activities and causes that have special meaning for our company, employees, and customers.

Workday supports a number of local and national organizations, and encourages employees to volunteer and give back to their communities. We are proud to report a year-over-year increase in giving of 100 percent since the program began in 2009. Since its inception, program enhancements include broadening our employee-matching criteria to include environmental causes in 2011, expanding our employee-engagement activities, and dedicating developer time for social-development opportunities.

Workday Giving Program: Workday in Action

Workday supports organizations that have a wide reach and a connection back to Workday. It focuses on programs that support education and community health and well-being. It is also important to us to have relationships with the communities where our employees live and work. So, we've increased our San Francisco Bay Area community presence by sponsoring events and encouraging employee involvement in signature events and programs. In 2011 and 2012, we were proud to rally the company behind the following causes:

Alameda County Food Bank

Alameda County Science & Engineering Fair

American Cancer Society

American Heart Association

Be the Match

Children's Hospital Oakland

PulsePoint Foundation

San Ramon Valley Education Foundation

Run for Education and TEDx Mt. Diablo

Teach for America

Time to Read (a reading-enrichment program in Dublin, Ireland)





Some of the inspiring ways Workday and our colleagues have made an impact in our communities:



Workday employees serve as volunteer teachers at a [Teach for America](#) classroom.



The first annual Pleasanton Engineering Challenge and [virtual food drive](#) benefited the [Alameda County Community Food Bank](#). In 2012, Workday teams donated over 5,100 pounds of food and raised close to \$7,000 in cash donations. The winning team was Canizens of the Cloud.



Our Dublin, Ireland, team participates in a literacy program for 7-year-olds who are falling behind. Our folks read 1:1 with the kids, and the Workday Giving Program provided books for the program.



Teams in Pleasanton, California, and Dublin, Ireland, raise awareness and funds for men's health issues by growing mustaches during the month of "[Movember](#)" each year.



During our annual Sales Club event, Workday volunteers pitched in to brush cats, paint, and weed at the [Lanai Animal Rescue Center](#).



Led by our Generation Workday team (recent college grads), Workday provided a month of "fun"draising to support disaster-relief efforts in Japan. Our April for Japan initiatives raised \$5,000 for the [American Red Cross](#).





Our offices also collected shoes for [Soles4Souls](#), coats for the Tri-Valley Church Benevolence Mission, food for the [Alameda County Community Food Bank](#), bikes for [Adopt-A-Family-Bikes](#), and toys for [Children's Hospital Oakland](#) and [Toys for Tots](#). The company also donates recycled laptops and other devices (monitors, keyboards, etc.) to the [Computer Recycling Center](#), which provides refurbished equipment for schools and community programs.

To recognize the achievement of Workday's 2011 Education and Government business unit goal, Dave Duffield personally contributed \$88,500 to support education charities. He provided each employee with \$100 to donate to a school project of their choice through [DonorsChoose.org](#) and [Global Giving](#). Through this generous program, Workday employees supported close to 400 school projects reaching over 30,000 students worldwide.

Workday Giving Program: Individuals in Action

We encourage our employees to volunteer and give back to their communities by offering fundraising matches and charitable gifts to organizations in which our employees donate dollars or time. Every employee can request up to \$500 for needs-based humanitarian and environmental organizations throughout the world. We're very proud of the range of causes this initiative supports, including health and wellness, youth, environment, animals, safety net, and disaster response.

Through the Workday Giving Program, Workday employees have been able to increase their positive impact on lives and communities all over the world. In 2011, we supported 83 different organizations. In 2012, we expanded our support to 104 organizations.



2010 Area for Improvement

Our Workday Giving Program has traditionally been aligned to support humanitarian activities and causes, but environmental causes have not been eligible for the program. We are planning to formally incorporate environmental causes into the Workday Giving Program in the future.

2012 Area for Improvement Update



In 2011, we expanded our Workday Giving Program, broadening our employee-matching criteria to include environmental causes.





Workday Giving Program: Social Development and PulsePoint

The [PulsePoint](#) mobile application notifies people who are certified in CPR when someone nearby is having a cardiac emergency so they can offer assistance. Workday developers have volunteered their time and technical expertise to design and develop the mobile applications and infrastructure so that it can be downloaded to popular platforms such as iPhone and Android. The Workday Giving Program has also provided monetary donations to support the operational costs of the PulsePoint Foundation. Plus, we offer periodic CPR classes to Workday employees so that we can have more CPR-certified experts in our communities. Workday co-CEO Dave Duffield is a member of the PulsePoint Advisory Board, and Development Services Senior VP Petros Dermetzis sits on the PulsePoint Foundation Board of Directors.

In 2012, the PulsePoint app was downloaded to more than 40,000 devices. The service is now available to more than 100 cities and communities, and dozens more are in the process of going live, including some of the largest municipalities in the United States.

Some additional adoption and implementation highlights:

- By the end of 2012, PulsePoint had issued 568 CPR alerts.
- On average, PulsePoint sent alerts to 3.6 devices per CPR incident.
- According to post-incident survey respondents, 24 percent of those receiving the alert proceeded to the scene.
- Combining the 24 percent response rate with the average 3.6 devices per incident yielded a fairly amazing 86 percent probability that a PulsePoint responder would proceed to an incident location. This means that people in cardiac arrest can get CPR help quicker, thereby increasing their odds of survival.

Rise Up for Health

To celebrate health, sustainable business practices, and encourage giving back, we introduced Rise Up for Health at Workday Rising 2011, our annual user conference. Conference attendees offered options for healthy meals and physical fitness, wellness-educational programs, sustainability practices, and a chance to give back. For each healthy choice they made during the conference, they were awarded tokens. Throughout the conference, attendees earned enough tokens to provide a \$10,000 donation to the [American Heart Association](#).



Local Community Development Programs

Due to the nature of our operations and our relatively small size, our approach to community development focuses on local community-outreach events and philanthropy. Our operations are currently limited to renting space in office facilities and data centers rather than manufacturing goods, for example. Therefore we don't believe we are in position to maintain the formal social-impact assessment and community-development programs described by GRI. However, we believe that our community-outreach events, philanthropic donations, and environmental-mitigation efforts help us to engage with our community in a meaningful way.

Our employees are at the heart of our stakeholder engagement. Whether we are helping them to organize volunteer events in their own communities or supporting their charitable efforts through our Workday Giving Program, we aim to positively impact the communities where we live and operate.





2012 Area for Improvement

1. In 2012, we established the Workday Foundation as a non-profit organization and issued 500,000 shares of our common stock to fund its future operations. The Workday Foundation will use its resources to fund new ideas, practices, and organizations that solve social challenges in the education and health and well-being of our communities. We look forward to launching the Workday Foundation in 2013 and greatly enhancing our investment in innovative solutions, our involvement in local communities, and the engagement of our Workday employee base.
2. We encourage employee volunteerism and provide limited organized volunteer opportunities and Dollars for Doers grants for employees that volunteer consistently with non-profit organizations throughout the year. In 2013, we plan to develop more comprehensive programs to provide greater volunteer opportunities for our employees and systems that will help us track the impact we are having in our communities.
3. The current giving program focuses in large part on the region where Workday's corporate headquarters are located: the San Francisco Bay area. We plan to expand our giving to all regions where Workday does business and increase the participation of employees in their local communities through organized Community Action Teams.



“I believe that you can never have an impact on your community if you don't change yourself. The Green Team is my inspiration and opportunity to have an impact on the community and to contribute.”

- Ketan Juthani, Enterprise Applications





GRI Index





Report Application Level	C	C+	B	B+	A	A+	
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators and Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Environmental, Human rights, Labor, Society, Product Responsibility		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the indicator or b) explaining the reason for the omission	



Strategy & Analysis

Item	GRI Disclosure	Location in Report	Level of Reporting
1.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organization and its strategy	Letter from Our CEOs	Fully

Organizational Profile

Item	GRI Disclosure	Location in Report	Level of Reporting
2.1	Name of organization	About This Report, page 9	Fully
2.2	Primary brands, products, and/or services	About This Report, page 9 10-K, page 3	Fully
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	About This Report, page 9	Fully
2.4	Location of organization's headquarters	About This Report, page 9	Fully
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	About This Report, page 10	Fully
2.6	Nature of ownership and legal form	About This Report, page 9 10-K, page 10	Fully
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	About This Report, page 10 10-K, page 6	Fully
2.8	Scale of the reporting organization	About This Report, page 10 10-K, pages 1, 6, 10, 32, 54	Fully
2.9	Significant changes during the reporting period regarding size, structure, or ownership	About This Report, page 9-10	Fully
2.10	Awards received in the reporting period	About This Report, page 10	Fully





Report Parameters			
Item	GRI Disclosure	Location in Report	Level of Reporting
Report Profile			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided	About This Report, page 4	Fully
3.2	Date of most recent previous report (if any)	2010 – Released in May 2011	Fully
3.3	Reporting cycle (annual, biennial, etc.)	Biennial	Fully
3.4	Contact point for questions regarding the report or its contents	sustainability@workday.com	Fully
Report Scope and Boundary			
3.5	Process for defining report content	Materiality and Stakeholder Analysis, page 5	Fully
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	About This Report, page 4	Fully
3.7	State any specific limitations on the scope or boundary of the report	Materiality and Stakeholder Analysis, page 5 The boundary of the 2012 report includes Workday's global operations. There may be specific limitations on certain aspects of data, but those occurrences are clearly indicated within the report.	Fully
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	About This Report, page 4	Fully
3.9	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	Not Applicable	Fully
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	The most significant change from previous reporting periods was the inclusion of an estimation of Amazon AWS energy usage and carbon emissions. Refer to Sustainability in the Cloud, page 17.	Fully
GRI Content Index			
3.12	Table identifying the location of the standard disclosures in the report	GRI Index, page 51	Fully



Governance, Commitments, and Engagement

Item	GRI Disclosure	Location in Report	
Governance			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	Corporate Governance, page 11	Fully
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	Corporate Governance, page 11	Fully
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	Corporate Governance, page 11	Fully
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Corporate Governance, page 11	Fully

Stakeholder Engagement

4.14	List of stakeholder groups engaged by the organization	Materiality and Stakeholder Analysis, page 5	Fully
4.15	Basis for identification and selection of stakeholders with whom to engage	Materiality and Stakeholder Analysis, page 5	Fully

Economic

Item	GRI Disclosure	Type	Location in Report	Level of Reporting
Economic Performance				
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Core	A Better Choice for Customers, page 31-32 Letter from Our CEOs, page 3	Fully



Environmental

Item	GRI Disclosure	Type	Location in Report	Level of Reporting
Energy				
EN4	Indirect energy consumption by primary source	Core	Sustainability in the Cloud, page 17	Fully
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Additional	A Better Choice for Customers, page 31-32	Fully
Emissions, Effluents, and Waste				
EN16	Total direct and indirect greenhouse gas emissions by weight	Core	Sustainability in the Cloud, page 19	Fully
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Additional	Sustainability in the Cloud, page 13	Fully
Products and Services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Core	Sustainability in the Cloud, page 16 A Greener Workday, page 25-26	Fully

Labor Practices and Decent Work

Item	GRI Disclosure	Type	Location in Report	Level of Reporting
Employment				
LA1	Total workforce by employment type, employment contract, and region	Core	A Great Place to Work, page 42	Partially
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees by major operations	Additional	A Great Place to Work, page 42 Workday employees working 30 hours or more per week are eligible to participate in Workday's benefit programs. Employees working less than 30 hours are eligible to participate in our 401(k) plan. They are also eligible for paid time off and holiday plans at a pro-rated basis.	Fully



Society				
Item	GRI Disclosure	Type	Location in Report	Level of Reporting
Local Community				
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Core	Community Outreach, page 49	Fully
Anti-Competitive Behavior				
S07	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	Additional	None	Fully
Compliance				
S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	Core	None	Fully
Product Responsibility				
Item	GRI Disclosure	Type	Location in Report	Level of Reporting
Product and Service Labeling				
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Additional	A Better Choice for Customers, page 34	Fully
Marketing Communications				
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	Additional	A Better Choice for Customers, page 38	Fully
Customer Privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Additional	A Better Choice for Customers, page 38	Fully



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