

RingCentral Climate Related Financial Risk Disclosures

Framework

RingCentral, Inc. (“RingCentral”) has structured this disclosure around the four core pillars of the Task Force on Climate-Related Financial Disclosures (“TCFD”):

1. **Governance:** RingCentral's governance around climate-related risks and opportunities
2. **Strategy:** The actual and potential impacts of climate-related risks and opportunities on RingCentral’s business, strategy, and planning
3. **Risk Management:** Details on RingCentral’s risk assessment process
4. **Metrics and Targets:** Disclosure of RingCentral’s methodology used to assess and manage relevant climate-related risks and opportunities

Governance

The Nominating and Corporate Governance Committee of the RingCentral Board of Directors has oversight of the company’s ESG strategy and performance.

The Board receives updates on the company’s corporate responsibility and ESG strategies, priorities, and accomplishments.

Strategy

RingCentral has identified the below climate-related risks:

Tightening Environmental Regulations: Governments worldwide are implementing more stringent environmental regulations, including new carbon taxes, emissions reporting requirements, and mandates on resource efficiency. Compliance with these varied regulations will take resources away from other initiatives.

Infrastructure Damage and Disruption: RingCentral utilizes third-party data centers, which are vulnerable to extreme weather events like floods, wildfires, and hurricanes. The increasing frequency and intensity of these events could damage data centers, disrupting RingCentral's cloud services, potentially leading to service outages and financial stress. Furthermore, such weather events could negatively impact our offices, employees, and vendors, thereby exacerbating the adverse effects on our business.

In addition, RingCentral has identified the below climate-related opportunities:

Digital Communications: RingCentral provides Software as a Service (SaaS). Our solutions allow customers to reduce or eliminate travel, office space, physical infrastructure, and on-premises hardware, which increases the opportunities to significantly reduce environmental impact.

Risk Management

We have designed and implemented processes to manage risk in our operations. Management is responsible for the day-to-day management of risks RingCentral faces, while our board of directors, as a whole and assisted by its committees, has responsibility for the oversight of risk management. In its risk oversight role, our board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are appropriate and functioning as designed.

Our board of directors believes that open communication between management and the board of directors is essential for effective risk management and oversight. Our board of directors meets with members of the senior management team at regular board meetings, where, among other topics, they discuss strategy and risks facing RingCentral.

While our board of directors is ultimately responsible for risk oversight, our board committees assist the board of directors in fulfilling its oversight responsibilities in certain areas of risk. The audit committee assists our board of directors in fulfilling its oversight responsibilities with respect to risk management in the areas of significant accounting and other financial risk exposure and discusses with management and the independent auditor guidelines and policies with respect to risk assessment and risk management. The audit committee also reviews management's assessment of the key risks facing us, including the key controls it relies on to mitigate those risks. The audit committee also monitors certain key risks at each of its regularly scheduled meetings, including enterprise-level risk assessment and management. The full board of directors reviews strategic and operational risk in the context of reports from the management team, receives reports on all significant committee activities at each regular meeting, and evaluates the risks inherent in significant transactions.

Metrics and Targets

Our ESG team has partnered with McArthur Independent, a management consulting firm specializing in energy and sustainability solutions, to refine our strategy to reduce environmental risks.

We are creating a carbon reduction plan that articulates our approach to environmental stewardship for our global operations. Where RingCentral doesn't have operational control, such as with remote data centers or suppliers, we encourage our partners to adopt similar commitments.

RingCentral's sustainability practices include electric car charging stations, flexible work weeks, composting, recycling, and sustainable energy practices such as LED lights and motion sensors. We also have an environmentally focused employee committee that organizes employee initiatives that encourage sustainable practices at the office and at home.

Starting with our 2024 data, we have implemented a tracking system to quantify the renewable energy portion of this consumption. We are pleased to report that for the 2024 fiscal year, our global renewable energy usage stood at 38.7%. By embracing clean energy, RingCentral is contributing to the global effort to combat climate change and promote sustainable business practices in the heart of one of the world's major financial centers.