

VEEVA SYSTEMS

2023 Public Benefit Corporation Report

“As we have grown and as our customer relationships have deepened, we have become increasingly important to the life sciences industry’s ability to improve health and extend lives. Looking ahead, Veeva has the potential to become essential to the process of developing medicines and cures and bringing them to patients. Society’s interest in the success and sustainability of this process is clear.”

– Peter Gassner, Founder and CEO

PBC – A Significant Commitment

On February 1, 2021, after overwhelming approval by our voting shareholders, we became the first public company to convert from a traditional Delaware corporation to a Public Benefit Corporation (PBC). The conversion marked a fundamental change in our legal purpose and the scope of our duties that aligns with how we operate and reflects our Vision and Values.

As a PBC, we continue to operate as a for-profit company, but we have also adopted a public benefit purpose intended to provide societal benefits. While we think our public benefit purpose (discussed in detail below) is consistent with long-term shareholder interests, profit maximization and shareholder returns are not the only goals we pursue.

Equally important, as a PBC, our directors take into account an expanded set of concerns in the exercise of their fiduciary duties. Our directors have an obligation to balance the financial interests of shareholders, the best interests of other stakeholders materially affected by our conduct (including customers, employees, partners, and the communities in which we operate), and the pursuit of our PBC purpose. We believe this broader remit is helpful—even necessary—to build a successful and sustainable business.

We believe that pursuing our public benefit purpose and considering the interests of our key stakeholders enhances our relationships with customers, employees, job candidates, partners, and the communities where we operate in a way that makes our business more durable over the long term.

This Public Benefit Report

Our Board of Directors has adopted a set of PBC objectives and we report progress against those objectives annually in this report. The following sections explain how the PBC structure reflects our Vision and Values, how we are pursuing our public benefit purpose and objectives, and how we have incorporated the consideration of multi-stakeholder interests in our decision making and operations.

Our Vision and Values

Our Vision and Values guide our strategy, operations, and decision-making at all levels of the company. We review and reinforce our Vision and Values at every significant meeting or event. While our Vision and Values have remained constant for many years, we review them and consider adjustments annually and publish a detailed description to all our employees. Our current Vision and Values description, exactly as shared with our employees, is below:

Vision: Building the Industry Cloud for Life Sciences

We focus on cloud technology, data, technical services, business consulting, and a network of partners to help the global life sciences industry become more efficient and effective. We aspire to become essential to and appreciated by the life sciences industry.

Values

Do the Right Thing	Customer Success	Employee Success	Speed
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Our values are listed in priority order from one to four.

Do the Right Thing

We pride ourselves on being good humans that are honest, direct, and humble. We don't lie, cheat or steal. We treat others how we wish to be treated and respect each individual person. We trust common sense over excessive rules. We consider customers, employees, the industries we serve, and shareholders in making decisions. Veeva is not all about the money.

Customer Success

Customer success has three parts. First, it's about the people in the companies we serve. They should enjoy working with our products and people. They should be able to count on us and know we will go the extra mile when needed for customer success. Second, it's about the companies. Our products and services should deliver positive ROI over the short and long term. And third, for the industries we serve. Veeva products and services should have a positive effect on the industry, making it more efficient, innovative, and effective. We strive to be an outstanding and highly strategic partner to the industry over the long term.

Employee Success

Veeva should be a place where employees can do their best work and work around great people in an environment of teamwork. Employees should be treated with respect and given the appropriate supporting structures to effectively ‘captain their own ship’ for growth and excellence. We are careful in who we hire, and we take action when things are not working out. We prefer to promote internally based on potential. We compensate fairly based on contribution.

Speed

We should try our best to do things quickly and correctly the first time. We should get the important things done today rather than tomorrow. As we grow, we must push decision making down to operating levels to retain our speed, agility, and innovation. We know that as a company grows it will tend to slow down. We fight against that gravity. We celebrate mistakes and learn from them. A company that has no mistakes has no speed, takes no risks, and has little reward.

Our PBC Purpose

Our public benefit purpose is as follows:

To provide products and services that are intended to help make the industries we serve more productive and to create high-quality employment opportunities in the communities in which we operate.

We believe that pursuing our public benefit purpose, among other benefits, (i) helps us maintain alignment with the principal industry we serve—life sciences—and its broad goal to improve health and extend lives, and (ii) enhances our relationships with employees and job candidates. Shareholders also benefit when employees are engaged and happy, when partners can collaborate and add value, when customers are more productive, and when customers feel more comfortable partnering on long-term engagements.

Our PBC Objectives

Our Board of Directors has established objectives in pursuit of our PBC purpose. Our objectives may change over time as our business and our relationship with the industries we serve evolves. We discuss each of our current objectives below.

Veeva PBC Purpose (Part 1): *To provide products and services that are intended to help make the industries we serve more productive.*

Objective 1: Enable faster and less expensive clinical trials that are less burdensome and more accessible to patients

Details & progress: By connecting clinical trial stakeholders through Veeva’s integrated clinical technology solutions, we intend to make clinical trials more efficient with connected processes and automated data flow that benefits clinical trial participants, sites, and sponsors. Where practical, we are taking the long-term view by attempting to fundamentally improve burdensome clinical trial processes rather than selling products for short-term gain that enable more burdensome processes to continue.

For representative progress, in fiscal 2023:

- *Veeva Vault EDC* has now been used in over 500 clinical trials globally, bringing much-needed innovation and true cloud software capabilities to the industry. These trials have shown improvements in several areas including faster initial study builds and more efficient ongoing maintenance of the study design. As one example, customer proof points have shown a reduction in clinical trial database build time of 50% or more (from 12 weeks to 6 or less) by leveraging Vault EDC to enable an agile study build process with far less custom programming.
- We continue to invest in *Veeva SiteVault*. *SiteVault* is a free technology that over 5,000 clinical trial sites have signed-up for to manage their regulatory information and share information with clinical trial sponsors. Over 400 clinical research sites log in to this free technology daily.
- Our first early adopters of *Veeva ePRO* went live. *ePRO* is designed to simplify the experience for clinical trial participants through a simple user interface and by allowing each participant to use the mobile device or web browser that they are most familiar with. The industry standard process today is to provision a single-purpose mobile device, with *ePRO* functionality installed, to each participant in each clinical trial. This puts a large and unnecessary technology and education burden on clinical trial participants and research sites and adds unnecessary costs for sponsors.

Objective 2: Support customer choice and remove competitive barriers from the industry

Details & progress: Life sciences companies should have the freedom to choose the software, data products, and services that meet their business needs without undue restrictions.

Choice benefits the life sciences industry and is crucial for the industry to fulfill its mission of improving the lives of patients. Today we maintain over 750 agreements that allow third parties (often competitors) to access our proprietary data and cloud software products for that purpose. We do not block or disable integrations to third-party software products, instead, we enable them through open APIs where possible. When called for, we have also taken legal action to stop anti-competitive practices that we believe harm the life sciences industry and violate antitrust laws, including our ongoing antitrust lawsuit against IQVIA.

In July 2022, we also secured a significant win for the life sciences industry when the United States District Court for the Southern District of New York ruled in Veeva's favor over trade secret claims by industry competitor, Medidata. The court rejected the suit, which had the potential to limit competition, innovation, and the free flow of talent. The ruling was an important win that protects employee and customer rights.

Veeva PBC Purpose (Part 2): *To create high-quality employment opportunities in the communities in which we operate.*

Objective 3: High-Quality Job Creation—10,000 employees by 2025

Details & progress: We provide job opportunities with high potential for development and advancement, fair and competitive compensation and benefits, location flexibility, and without abusive restrictions. In our fiscal year that ended January 31, 2023, we added over 1,250 employees for a total of over 6,700 employees. Also, as a result of our measured and thoughtful hiring process, we are navigating the recent economic downturn without layoffs.

Objective 4: Advocate for the elimination of the use of non-competes as a condition of employment in the U.S. by 2030

Details & progress: We have long held the belief that individuals and society benefit when employees have the freedom to pursue the opportunities they choose. In our fiscal 2023, we provided legal defense for two employees involved in active non-compete litigations and counseled and helped many other new employees respond to threats by their former employers to assert non-compete agreements. We were also publicly supportive of both the Federal Trade Commission’s proposed rule to ban employment non-compete agreements and bipartisan legislation (the Workforce Mobility Act) to do the same. We are actively working to make non-compete reform a reality, and we plan to continue and expand those efforts.

Key Stakeholder Decisions

We consider the interests of our shareholders, customers, employees, partners, and the communities in which we operate when making decisions. We believe that balancing the interests of these stakeholder groups is necessary to achieve meaningful success and maintain market leadership over long periods of time.

We believe a powerful way to illustrate how we operate as a PBC is to discuss a select set of key decisions from our last fiscal year that we believe were particularly meaningful. Decisions are the leading indicators of operations and results. A decision may not impact results for multiple years, or a decision may be preventative in nature. The decisions we list below are intended to be non-exhaustive and illustrative examples of our stakeholder-balanced decision-making that were impactful or representative decisions in fiscal 2023.

1. We appropriately balanced the interests of key stakeholders, including customers and shareholders, in the design and implementation of an annual inflation price adjustment that we announced in 2022 and that became effective in 2023. The 4% inflation price adjustment on our subscription products—a first in the history of Veeva—will help to ensure our ability to operate successfully and sustainably over the long term but was also well below the US inflation rate in 2022 and was announced far in advance of the effective date of any price changes. Customers have appreciated the transparency, advanced notice, and fairness of our approach.
2. We made the decision to move Veeva CRM to the Veeva Vault Platform and, taking the path of openness, we communicated clearly and early to all stakeholders within roughly 45 days of our internal decision, allowing customers a long period for planning and migration. We prioritized openness with our customers and with our existing platform partner, Salesforce, Inc.
3. We exercised thoughtfulness and moderation and did not over-hire over the last several years. As a result, we made the decision not to do layoffs despite the recent downturn in the economic environment. We also gave clarity to our employees and their families by announcing that we do not foresee layoffs at Veeva for at least the next three years.

4. We maintained our commitment to our Work Anywhere approach while at the same time investing in new practices and events to facilitate getting together in person to maintain connection and build bonds between and among our employees and our customers. For example, we expanded the duration of our customer summit events from 1.5 days to 2 full days, experimented with in-person co-working weeks, and formalized our process and budget for summer and holiday parties, even in places where Veeva does not have an office. The world needs to get together. The consistency of our Work Anywhere policy has been positive for our employees, their families, and the environment.
5. We decided to invest substantially in non-compete reform and have funded key research and advocacy on the topic via an initial grant of \$250,000 to the Economic Innovation Group (EIG), the leading non-profit public policy organization pursuing non-complete reform.

Key Operations Practices

There are also numerous ongoing practices that are designed to keep us aligned to our Vision and Values, stakeholder interests, and public benefit purpose as we scale. Here we list seven of the most important and representative operational practices that were significant in the past year.

1. We provide consistent and frequent communication of our Vision and Values. We begin every important meeting, including each meeting of our Board of Directors and all large employee meetings by reviewing our vision and values. Our Vision and Values act as our North Star for decision making, are emphasized and engrained into our thinking, and are intrinsically tied to our PBC status and success.
2. We audit within our corporate leadership team for integrity and energy with a greater focus on dialog and judgment. We take this non-traditional approach to internal audit as a preventative measure and based on the view that any number of enterprise risks can arise from a failure in one of these areas. We have again discovered and prevented issues using this approach in fiscal 2023.
3. We are committed to a compensation program that is fair and fosters a team-first culture. This viewpoint is reflected in our executive compensation structure, which is largely equity driven, does not include exclusive perks, subjective bonuses, or accelerated vesting for executives upon termination. We have broad equity participation which, in fiscal 2023, included 93% of our employees receiving company equity.
4. We maintain our commitment to reasonable employment agreements without non-competes, we don't make 'keep silent' payments, and we have implemented fair and predictable termination and severance practices.
5. We support our Veeva Giving program in which each employee receives an amount equivalent to 1% of their base salary annually to direct to the non-profit(s) of their choice, without a requirement for an employee match. The program encourages employees to give back to their communities in a way that is entirely employee-directed, and not regressive (i.e., not a match that only the highest-paid can afford). We never dictate favored corporate causes or ask employees to donate to specific non-profits. In calendar 2022, our employees donated \$4.5 million dollars to over 5,200 different charitable organizations through the Veeva Giving program.

6. We are committed to our “Work Anywhere” policy, which we think helps employees, their families, and the environment. Work Anywhere broadens our talent pool and allows for employee mobility as life events change. Our employees spend more time with families, and less time commuting. We ensure that remote employees are not treated as second-class citizens and have all the same opportunities for impact, contribution, and career advancement as employees who work in an office.
7. In fiscal 2023, we implemented an ISO-certified environmental management system to monitor and manage our environmental impact. As a Work Anywhere, cloud-based software company, our environmental impact is likely to be less significant than companies with business models that inherently pose greater environmental risks, but we recognize the need to operate in an environmentally responsible way and we are implementing systems and practices to ensure that we do.