“At ChannelAdvisor, we believe human potential is maximized when people are free to be themselves without fear of judgment or retribution, and we are committed to a culture that acknowledges and supports the diversity and individuality of all our employees globally.”

David Spitz, CEO, ChannelAdvisor
**ChannelAdvisor: Our Story**

2021 marks a pivotal milestone in ChannelAdvisor’s journey: two decades of serving brands and retailers, ranging from small businesses to some of the most iconic brands in the world. We’ve grown from a startup serving a young industry to an industry leader at the forefront of a digital revolution turbocharged by a pandemic.

With thousands of clients and billions of dollars in gross merchandise volume (GMV) flowing through our platform every year, our multi channel commerce platform helps businesses connect with consumers worldwide, optimize operations, expand to new channels, and grow online sales. Today, we’re more than 800 team members from diverse backgrounds serving global e-commerce markets.

**DE&I at ChannelAdvisor: Our Commitment**

Our mission is to connect and optimize the world’s commerce. That means the whole world. So we’re determined to nurture our culture of meritocracy where everyone can thrive, no matter what we look like, where we’re from, how we grew up, whom we love, the nature of our faith, or how our bodies or minds work. We’re committed to achieving equity in treatment and opportunity for everyone, where people are judged on the merits and quality of their work, because each of us is part of the One Team that is ChannelAdvisor.

**2020: Our Time to Listen**

Without question, 2020 was a year that tested every organization. ChannelAdvisor’s entire global workforce moved quickly to adapt to the fast-changing COVID-19 pandemic and extraordinary industry disruption. From quickly moving to a virtual global company, to protecting employee health and well-being, adapting to rapidly shifting situations, dealing with unprecedented and unexpected e-commerce volumes, acquiring a company in another country over Zoom, and communicating frequently with customers, employees, and shareholders, our teams met the sudden increase in demand without skipping a beat, leading to our fastest growth in years and our most profitable year ever.

Amid this acceleration of e-commerce, many of ChannelAdvisor’s employees were deeply impacted by racial and political unrest in the U.S. and abroad. CEO David Spitz and members of the executive team hosted a series of listening sessions with employees following the murder of George Floyd, creating a space for employees to courageously share their personal stories. We learned that while our experiences and perspectives may vary, we could do more as a company -- that we had a corporate social responsibility to build upon ChannelAdvisor’s long-standing commitment to creating an equitable workplace. We established our fourth strategic pillar, Diversity, Equity and Inclusion (DE&I), which is supported by C-Suite executives and an employee-led DE&I Task Force committed to driving long-term, impactful change at ChannelAdvisor and beyond.

---

**ChannelAdvisor values established.**

**2017**

**ChannelAdvisor speaks out against the NC Bathroom Bill in support of LGBTQ+ employees.**

**2016**

**ChannelAdvisor founded.**

**2001**

**2005** Domestic partner benefits added to benefit package

**2017** US Maternity Leave policy replaced with US Primary Child Caregiver Leave policy

**2020** Listening sessions held following the murder of George Floyd.

**2021** ChannelAdvisor speaks out in support of the Equality Act.
ChannelAdvisor DE&I Task Force

The DE&I Task Force is an employee-centered leadership group tasked with establishing the foundation for DE&I, ChannelAdvisor’s newest strategic pillar, and fostering a workplace that embraces and encourages diversity, equity and inclusion. Nearly 40 ChannelAdvisor employees across the globe are members of the DE&I Task Force that is led by two employee co-leads. The Task Force is an organizing group, responsible for developing and tracking key projects, acting as a liaison between our executive team and other functional areas, and crafting internal and external messaging for a broad audience of stakeholders. The Task Force helps ChannelAdvisor establish objectives and key results to achieve its DE&I goals.

Our Values: The Foundation of ChannelAdvisor’s DE&I Journey

In 2017, we engaged our employees to capture the behaviors that we believe make someone successful at ChannelAdvisor, and foster our culture of meritocracy, inclusion and belonging. In 2021, our DE&I Task Force enhanced the description of our values to ensure our commitment to foster a culture of diversity, equity and inclusion was more explicit. We believe the foundation of accountability and creating a culture of inclusion and belonging begins with our own behaviors.
DE&I: What Our Employees Say About Our Commitment

We pulse our organization twice each year with an online, anonymous engagement survey. We respond to this employee feedback through corporate actions. Recent actions have included enhancing the transparency of communications about our strategy, product innovation and strategic pillar projects; creating our Leadership Academy as part of our leadership development for new and emerging leaders and focusing on internal career mobility and professional development for our employees. The scores for these items, as well as overall employee satisfaction, have steadily increased with scores consistently above industry benchmarks.

As we started our DE&I journey in 2020, we engaged a third-party consultant to assist us with a DE&I assessment. As part of that assessment, we included a set of DE&I questions in our October 2020 engagement survey. The survey helped us to establish a baseline for DE&I. Since then, we have repeated six of the questions and made them standard survey questions as one way to measure our progress. Five of the six have industry benchmarks. These questions are aimed to provide employee insight about our equity and meritocracy culture, hiring diverse team members, fostering a culture of belonging and fairness in evaluating performance. We are proud that these scores have steadily increased, with the majority of them 10+ points above industry benchmarks.

“ChannelAdvisor has allowed me to be myself. It’s not about my identity. It’s not about who I love. It’s about my expertise and my abilities. That’s what ChannelAdvisor cares about.”

— BRAD HAYNES, CO-LEAD PRISM ERG

Regardless of background, everyone at ChannelAdvisor has equal opportunity to succeed.

<table>
<thead>
<tr>
<th>Date</th>
<th>Score</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2020</td>
<td>83</td>
<td></td>
</tr>
<tr>
<td>October 2021</td>
<td>86</td>
<td>+15 pts above benchmark</td>
</tr>
</tbody>
</table>

ChannelAdvisor hires people from a variety of backgrounds.

<table>
<thead>
<tr>
<th>Date</th>
<th>Score</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2020</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>October 2021</td>
<td>86</td>
<td>+10 pts above benchmark</td>
</tr>
</tbody>
</table>

I feel a sense of belonging.

<table>
<thead>
<tr>
<th>Date</th>
<th>Score</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2020</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>October 2021</td>
<td>80</td>
<td>+9 pts above benchmark</td>
</tr>
</tbody>
</table>

I have good career opportunities at ChannelAdvisor.

<table>
<thead>
<tr>
<th>Date</th>
<th>Score</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2020</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>October 2021</td>
<td>75</td>
<td>+10 pts above benchmark</td>
</tr>
</tbody>
</table>

My performance is evaluated fairly.

<table>
<thead>
<tr>
<th>Date</th>
<th>Score</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2020</td>
<td>82</td>
<td></td>
</tr>
<tr>
<td>October 2021</td>
<td>84</td>
<td>+11 pts above benchmark</td>
</tr>
</tbody>
</table>

I am able to influence decisions that affect my organization.

<table>
<thead>
<tr>
<th>Date</th>
<th>Score</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2020</td>
<td>68</td>
<td>No benchmark data available</td>
</tr>
<tr>
<td>October 2021</td>
<td>69</td>
<td></td>
</tr>
</tbody>
</table>
2021 DE&I Goals and Key Results

GOAL
Grow DE&I awareness at all levels of the organization through ongoing education.

RESULTS
100 percent of employees completed unconscious bias training.
Created an internal DE&I portal called One Team.
Employee resource groups sponsored events to grow awareness through ongoing education.

In 2021, we achieved our goal for 100% of employees hired by the end of October 2021 to complete unconscious bias training. This included our executive management team. New ChannelAdvisor employees joining the team after November 2021 will complete the training as part of new hire onboarding within their first six months. The instructor-led training is also integrated in our leadership development curriculum required for new ChannelAdvisor leaders and beginning in 2022 we will launch annual refresher training for all people leaders.

In addition, our DE&I Task Force created and launched in 2021 an internal portal called One Team, centralizing all DE&I information, including employee stories and information about our new employee resource groups (ERGs). Our ERGs have been instrumental in our efforts for ongoing education by hosting events throughout 2021 with guest speakers, panel discussions and powerful employee stories.

GOAL
Accelerate employee professional growth and development through ERGs.

RESULTS
Launched seven new ERGs, each with an executive sponsor.
More than 10 percent of employees globally are active members of ERGs.
ERG membership includes 31 percent of our senior leaders.

In 2020, the DE&I Task Force developed the framework for employee resource groups (ERGs) at ChannelAdvisor, voluntary employee-led groups whose aim is to support the goals and objectives of the ChannelAdvisor DE&I Task Force and enhance the professional and leadership development of ChannelAdvisor employees. In 2021, ChannelAdvisor employees led the formation of seven ERGs, pulling together employees with common experiences to enable networking and career development.

We set a goal to have a minimum of four ERGs formed in our first year and at least 10 percent of our employees members and 25 percent of senior management engaged. In our first year, we exceeded the goal with seven ERGs formed, each with an executive sponsor that includes the CEO, and 10 percent of our employees are members and 31 percent of senior management are engaged.
ChannelAdvisor Employee Resource Groups

The Alliance of Black Leaders for Excellence (ABLE) is a global group of employees who identify as African, African American, Black or of African descent. Through social engagement programs, career networking, professional development, mentoring, and leadership training opportunities, ABLE strives to support ChannelAdvisor’s efforts to improve diversity in the technology industry.

ChannelAdvisor Collaborative Hispanic ERG (CACHE) aims to foster a culture of curiosity and professional development where all ChannelAdvisor employees can broaden their knowledge and understanding of Hispanic culture, heritage and traditions, and join together to grow the diversity of our ChannelAdvisor team.

The mission of the Working Parents ERG, Eat. Work. Parent. Repeat., is to build a network of parents and allies to share experiences, ideas, and support each other through regular meetings and activities, in addition to invoking lasting change to enhance the work-life balance for working parents at ChannelAdvisor.

#WomenLead strives to inspire and build confidence in women employees and their allies by providing personal and professional growth opportunities. The group seeks to empower women at ChannelAdvisor by encouraging them to chart their own course for success and development through mentorship, networking and training opportunities, meaningful discussions, relevant programming, and more.

The mission of Mélange is to connect, share and celebrate the diverse, inclusive culture at ChannelAdvisor, and create awareness, acceptance and understanding from an ethnic and cultural viewpoint.

NeuroDiversityWorks aims to create a more inclusive workplace at ChannelAdvisor by raising awareness of neurodiversity, creating a supportive network for employees and their allies, and advocating for company-wide best practices that empower our neurodiverse workforce.

Prism is a global community of ChannelAdvisor employees united by a common goal: to foster a culture of equity and inclusion for LGBTQ+ identified individuals and their allies, and to embrace our differences as strengths so that each of us has equal opportunity to contribute to our fullest potential and grow professionally.
2021 DE&I and ERG Sponsored Events

MARCH
ABLE, our ERG for employees who identify as African, African American, Black or of African descent, held a listening session with CEO and ABLE executive sponsor, David Spitz. In addition, ABLE has actively engaged in career fairs for Historical Black Colleges and Universities sharing information about careers at ChannelAdvisor and ABLE.

APRIL
Diversity Awareness Month Celebration. Our first annual celebration included the official launch of One Team, the company’s new internal DE&I portal, and hosted a virtual global food tour, and virtual happy hours promoting our new ERGs.

JUNE
Pride Month. Prism, our ERG for LGBTQ+ employees and their allies, sponsored an event providing the history of the Stonewall Riots that led to the creation of what we know as Pride today and the beginning of the Gay Rights Movement. The presentation was followed by a panel discussion of LGBTQ+ employees who shared their personal stories and experiences of “coming out” at work and to their friends and families.

SEPTEMBER - OCTOBER
Hispanic Heritage Month. CACHE, our ERG for Hispanics and their allies, announced informal Spanish speaking sessions beginning in September. In November, CACHE continued the celebration highlighting Hispanic culture and the achievements of Hispanic Americans in the U.S. with guest speaker and leadership coach.

NOVEMBER
CACHE, our ERG for Hispanics and their allies, continued their celebration highlighting Hispanic culture and the achievements of Hispanic Americans in the U.S. with an external guest speaker and leadership coach.

MARCH
International Women’s Day. #WomenLead, our ERG for employees who identify as women and their allies, hosted their first annual Women Lead conference that brought together a dynamic panel of women leaders at ChannelAdvisor who shared their personal and professional experiences, and discussed issues facing women and their allies in the corporate tech space.

MAY
International Day of Families. EAT.WORK.PARENT.REPEAT., our ERG for working parents and their allies, hosted an event featuring a session on mindfulness followed by a dynamic panel of working parents who shared their personal and professional experiences, and discussed issues facing working parents.

SEPTEMBER
EAT.WORK.PARENT.REPEAT. hosted their second event of the year, a seminar with a guest speaker and parenting expert who provided tips to help working parents to parent smarter not harder by understanding what children really need from us and prioritizing what’s most important in parenting.

OCTOBER
World Mental Health Day. NeuroDiversityWorks, our ERG for neurodiverse individuals and their allies, hosted an event to raise awareness and break down the stigma often associated with neurodiversity. The event featured a panel of our executives who shared stories about how their lives have been personally touched by neurodiversity, and their perspective on how ChannelAdvisor can best support neurodiverse individuals and this community.
Access

We value the diversity of our global workforce, and improving diversity at all levels of the organization is an opportunity for us, particularly in the US. In 2020, we established a baseline with an aspirational goal to improve representation over the next three years. In 2021, we added two new members to our board of directors, growing the gender and racial/ethnic diversity of the board.

We have modified our approach to recruiting to increase access by more broadly advertising available roles and expanding our relationships with a wider set at colleges and universities and professional organizations, and we added DE&I to our external company website, sharing our commitment to DE&I and our strategy. In 2021, we expanded our internship program to include recruitment from Historically Black Colleges and Universities (HBCUs), and have plans to continue the program in 2022. In 2021, 33% of our interns were non-white and 58% were female. We believe that, over time, these efforts will improve the diversity of our hiring pipeline and ultimately lead to broader diversity amongst our employees.

In Q2 of 2021 we adopted a flexible work policy giving employees the freedom to choose to work remotely, in the office, or mix, based on their needs. By allowing employees to decide what works best for them individually, ChannelAdvisor has empowered each individual to be their best while also expanding our access and talent pool globally.

We’ve also assessed our vendor spend with minority-owned businesses. In 2020, we established a baseline, and 3.2% of our total spend with vendors was with diversity vendors. At the end of Q3 2021, we increased diversity spend by 35.1% to 4.3% and added 7 new diversity vendors over a 12-month period. We have added 10 new vendors in total since efforts began.

In 2021, we made a $3 million deposit at M&F Bank, a historic Durham-based community bank committed to personal and community development in North Carolina. Both companies have teamed up to help promote sustainable growth among local minority-owned businesses.

With this deposit, ChannelAdvisor recognized M&F Bank’s long-standing mission to provide financial solutions, including commercial loan opportunities, for individuals and business owners in underserved communities. As the second-oldest Black-owned bank in the U.S., M&F Bank was the ideal financial institution for ChannelAdvisor’s deposit, which aims to bolster the inclusive recoveries of companies impacted by the ongoing pandemic.
## Representation

The following demographic data are as of December 31, 2020, except for our Board of Directors which is as of December 1, 2021. Gender data are global and ethnic data are U.S. only and based on the EE0-1 Report for U.S. race/ethnicity.

### Gender (Global Data)

<table>
<thead>
<tr>
<th>Total</th>
<th>Employee</th>
<th>Management</th>
<th>Executive</th>
<th>Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Percentage</td>
<td>Gender</td>
<td>Percentage</td>
<td>Gender</td>
</tr>
<tr>
<td>Male</td>
<td>65.8%</td>
<td>Male</td>
<td>64.6%</td>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
<td>34.2%</td>
<td>Female</td>
<td>35.4%</td>
<td>Female</td>
</tr>
</tbody>
</table>

### Race/Ethnicity (US Data)

<table>
<thead>
<tr>
<th>Total</th>
<th>Employee</th>
<th>Management</th>
<th>Executive</th>
<th>Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race/Ethnicity</td>
<td>Percentage</td>
<td>Race/Ethnicity</td>
<td>Percentage</td>
<td>Race/Ethnicity</td>
</tr>
<tr>
<td>Hispanic or Latino</td>
<td>1.7%</td>
<td>Hispanic or Latino</td>
<td>0%</td>
<td>Hispanic or Latino</td>
</tr>
<tr>
<td>White</td>
<td>84.3%</td>
<td>White</td>
<td>89.6%</td>
<td>White</td>
</tr>
<tr>
<td>Black or African American</td>
<td>5.5%</td>
<td>Black or African American</td>
<td>5.2%</td>
<td>Black or African American</td>
</tr>
<tr>
<td>Native Hawaiian or Pacific Islander</td>
<td>0%</td>
<td>Native Hawaiian or Pacific Islander</td>
<td>0%</td>
<td>Native Hawaiian or Pacific Islander</td>
</tr>
<tr>
<td>Asian</td>
<td>6.3%</td>
<td>Asian</td>
<td>2.6%</td>
<td>Asian</td>
</tr>
<tr>
<td>American Indian or Alaska Native</td>
<td>0%</td>
<td>American Indian or Alaska Native</td>
<td>0%</td>
<td>American Indian or Alaska Native</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>2.2%</td>
<td>Two or More Races</td>
<td>2.6%</td>
<td>Two or More Races</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Percentage</td>
<td>65.8%</td>
</tr>
<tr>
<td>Total</td>
<td>64.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Percentage</td>
<td>71.7%</td>
</tr>
<tr>
<td>Total</td>
<td>75%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Percentage</td>
<td>64.6%</td>
</tr>
<tr>
<td>Total</td>
<td>64.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Percentage</td>
<td>78%</td>
</tr>
<tr>
<td>Total</td>
<td>78%</td>
</tr>
</tbody>
</table>
Advocacy

GOAL
Support causes and policies that align with our DE&I initiative and affect our employees.

RESULTS
- Advocated for policy change relevant to our employees and our business.
- Launched the DE&I page of our external website.

Advocates for Voting
Civic-minded and laser-focused, ChannelAdvisor’s executive leadership team strongly believes employees shouldn’t have to choose between their workplace responsibilities and their duty as actively engaged citizens. Beginning in November 2020, ChannelAdvisor joined several major corporations in the U.S. and designated Election Day as a paid company holiday, making it easier for employees to exercise their right to vote. Similarly, ChannelAdvisor employees have the freedom to recognize holidays and/or commemorative events that are personally meaningful to them by taking advantage of the company’s Day of Giving, a paid time off program that allows employees to volunteer their time in celebration of significant events or causes.

A Public Stance
In March 2021, ChannelAdvisor CEO David Spitz publicly announced the company’s support of the Equality Act, pending federal legislation that would amend the Civil Rights Act of 1964 to prohibit discrimination on the basis of sexual orientation and gender identity. On social media, Spitz wrote, “We believe advocating for our employees is not only the right thing to do, but that it is also good for our business because it helps us attract and retain incredibly talented individuals, each of whom brings unique experiences and perspectives that we value deeply.” Our CEO’s public sentiments were further amplified by WRAL TechWire, an online publication for a leading television news station in the Raleigh-Durham market, which invited Spitz to pen an op-ed.

Caring for Our Communities
The pandemic highlighted what education officials call the ‘digital divide’, a term to describe inequalities in access related to modern technology. As society embraces new technologies, underserved communities are often left behind. As a leader in the tech sector, ChannelAdvisor felt compelled to take action. On three occasions, the company donated to the Kramden Institute, a Durham-based nonprofit committed to closing the digital divide in North Carolina by refurbishing gently used hardware. ChannelAdvisor’s technology team loaded up pallets of equipment at our Research Triangle Park headquarters, including laptops, desktops, and monitors.
2022 and Beyond

Diversity, equity and inclusion is deeply rooted in ChannelAdvisor’s history. We are proud of that, and equally proud of the achievements made since formally naming DE&I as one of our strategic pillars. The passion of our employee-led task force that has led to these results is a testament to commitment to one another and to the communities we serve. As we look to 2022 and beyond, we will continue our commitment to diversity, equity and inclusion by living our values and building on our longtime commitment to a culture of meritocracy.

**Goal**
Grow DE&I awareness at all levels of the organization through ongoing education.

**Key Results**
- Unconscious bias training for new hires within their first six months.
- Annual refresher training for all people leaders, including executives.
- Second annual Diversity Awareness Celebration event in April.
- Employee resource groups sponsor ongoing education events.

**Goal**
Accelerate employee professional growth and development through ERGs.

**Key Results**
- Nurture our existing seven employee resource groups.
- Support the addition of new ERGs, including executive sponsorship.
- 10 percent or more of employees globally as active members of ERGs.
- 25 percent or more of our senior leaders engaged.

**Goal**
Improve diversity at all levels of the organization and vendors.

**Key Results**
- Continue to foster our relationships with a wider variety of colleges and universities with students of diverse backgrounds, including HBCUs.
- Improve diversity of our employees.
- Expand our diversity vendors and grow diversity spend.

**Goal**
Support causes and policies that align with our DE&I initiative and affect our employees.

**Key Results**
- Advocate for policy change relevant to our employees and our business.
- Identify like-minded partner organizations to build collaborative relationships to further the advancement of diversity initiatives.

**Goal**
Measure the effectiveness of ChannelAdvisor’s DE&I initiatives and review those results annually.

**Key Result**
- Publish our second annual DE&I report.
Important Note

This report contains “forward-looking” statements that are based on our management’s beliefs and assumptions and on information currently available to management. Forward-looking statements include estimates and predictions about the e-commerce industry environment as well as information about ChannelAdvisor’s business strategies, operating model and competitive position. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause ChannelAdvisor’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our management’s beliefs and assumptions only as of the date of this report. You should read ChannelAdvisor’s SEC filings, including the Risk Factors set forth therein, completely and with the understanding that our actual future results may be materially different from what we expect. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.