

GHG Data and Calculation Limited Assurance Verification

Summary Report



Created by:

Shift Advantage, Inc. and Point B, LLC

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About Point B

Point B has over 16 years of experience advising our clients on strategic sustainability practices to inspire and empower them to drive positive impact. We develop customized approaches to drive unique, value-driven solutions to solve your challenges, drive innovation, and create opportunities. The Point B team has years of diverse experience in GHG accounting as an auditor and technical expert, providing GHG services in a wide variety of sectors that include information technology, commercial operations, industrial, chemical, manufacturing, and others. Point B is a CDP Accredited Provider.

About Shift Advantage

Shift Advantage, a verification partner to Point B, utilizes corporate responsibility, climate, and sustainability expertise to empower organizations to meet new market demands, reduce costs, create competitive advantage, and foster long-term growth. Our team combines technical expertise with strategic sustainability experience. We support companies ranging from small start-ups to Fortune 100 organizations with a focus on integrating sustainability to drive business value. We have proven success with over 16 years of experience in designing and implementing a wide range of sustainability, climate, and ESG strategies and initiatives for corporations and industry groups. Our services include providing GHG inventories (carbon footprints) and reduction plans, as well as GHG and ESG verification and assurance in a wide variety of sectors.

Daniel Tremblay: Verification Lead with Shift Advantage

Daniel Tremblay has an environmental science, social equity, and sustainable business background. Daniel supports clients on GHG and ESG verifications and certifications, brand benchmarking, packaging and product footprints, supplier environmental assessments, eco-indexes, environmental scorecards, waste reduction and management, product chemistry restricted substance programs, and regulatory compliance.

Disclaimer

This report is designed for the intended use of Zscaler, Inc. and may not be suitable for any other purpose. Shift Advantage and Point B (Verifiers) are independent of Zscaler, Inc. Verifiers have no conflicts of interest and are impartial reviewers of Zscaler's GHG data. Zscaler, Inc. has agreed to the content and the procedures used for this assessment. The sufficiency of this report to meet any outside requirement is the sole responsibility of Zscaler, Inc.

Limited Assurance GHG Statement Verification – Description and Objective

Verifiers have conducted this verification in accordance with ISO 14064 part 3 2nd Edition, 2019-04 Annex A, against the requirements set forth in The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The objective of this limited assurance GHG statement verification is to provide an independent, impartial, third-party review of Zscaler's calendar year 2023 (CY23) GHG emissions statement by identifying and assessing any risk of material misstatement relating to occurrence, completeness, accuracy, cut-off, or classification of emissions and removals. ¹

¹ The ISO 14064-3 standard can be purchased on the ANSI webstore:
<https://webstore.ansi.org/standards/csa/csaiso140642020-2442637>

Verifiers held discussions with Zscaler personnel to examine any issues found during the review process. Verification activities use specified procedures to determine if Zscaler’s GHG input data and calculations accurately reflects the emissions activities of Zscaler, Inc. in CY23. Verifiers evaluated information from physical and monetary data, raw and aggregated data, interviews with Zscaler, emissions factors, usage factors, input and output spreadsheets, methodology, bills, contracts, financials, and renewable energy substantiation.

Based on the needs of the intended user(s) of the GHG assertion a materiality threshold of 5% has been applied to any uncertainty in findings that may potentially impact the value of the GHG statement. Certain activities that made up less than 5% of total emissions were screened and excluded from the inventory.

Scope

Zscaler, Inc. reports emissions in three reporting areas; Scope 1 direct emissions, Scope 2 indirect emissions, and a subset of Scope 3 emissions that are relevant for the company. Scope 3 source emissions are not directly controlled by Zscaler, Inc. but are sources of upstream and downstream impacts relevant to Zscaler, Inc.’s operations.

Reporting Period: Calendar year 2023 (CY23): January 1, 2023 through December 31, 2023

Organizational boundary: Operational control approach

Scope of Reporting:

Scope 1: Natural Gas – direct emissions associated with natural gas used to heat global offices

Scope 2: Purchased electricity – indirect emissions associated with purchased electricity in global offices and co-located data centers

Scope 3: Selected categories

- The following Scope 3 categories were included in Zscaler’s CY23 GHG inventory:
 - Purchased goods and services
 - Business travel
 - Use of product
 - Employee Commuting
- The following Scope 3 categories did not reach the material threshold set and were excluded from Zscaler’s CY23 GHG inventory:
 - Fuel- and energy-related activities
 - Upstream transportation and distribution
 - Downstream transportation and distribution
 - Waste generated in operations
 - Processing of sold products
 - End-of-life treatment of sold products

Geographic Scope: All of Zscaler, Inc.’s world-wide operations including offices, data centers, and use of product

GHGs included: CO₂, N₂O, CH₄

Zscaler's Reported Emissions, Energy Use Balance, and Carbon Credit Purchases

Verified reported emissions by scope are as follows:

- Scope 1: 340 MT CO₂e
- Scope 2: 22,439 MT CO₂e (location based)
- Scope 2: 0 MT CO₂e (market based, after applying purchased EAC/RECs)
- Scope 3: 46,304 MT CO₂e
 - Purchased goods and services: 26,434 MT CO₂e
 - Business travel: 13,132 MT CO₂e
 - Employee commuting: 1,459 MT CO₂e
 - Customer usage: 5,278 MT CO₂e

Energy use balance:

- Total Energy usage for CY23: 62,462 MWh
- Total Allocated Renewable energy CY23: 62,462 MWh

Carbon credits were purchased to cover the remaining CY23 emissions which includes both Scopes 1 and Scope 3 as confirmed by supporting documentation shared with Verifiers.

Final Verification Statement

Based on the limited assurance verification work described above Verifiers have found no evidence that Zscaler's CY23 reported emissions and energy use balance are not materially correct. Furthermore, Verifiers have found no evidence that Zscaler's reported emissions have not been prepared in accordance with the GHG Protocol standards or that Zscaler's reported emissions are not a fair representation of Zscaler's CY23 GHG data and information.



Daniel Tremblay

Verification Lead

Shift Advantage and Point B